



**ANNUAL REPORT 2023**

# RECORDED MUSIC NEW ZEALAND LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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## FROM THE CHAIR

### Tēnā koutou

I would like to start by saying how warmly I have been welcomed into the Recorded Music organisation by both staff and the Board. Commencing my Chairperson role in January 2024, my first impressions have been one of a very well-run organisation that is dedicated to achieving the best outcomes for recording artists and right holders.

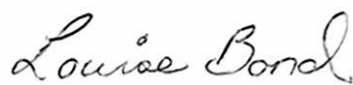
My background is in advertising and I understand very well the pressures faced in 2023 by Recorded Music's major licensees in the radio and television industry. Although I am new to the music industry, my experience in governance across a range of categories (including media) and a strong commercial background has allowed me to quickly get up to speed on the opportunities and challenges the sector faces.

I have spent my first few months learning about the organisation and Recorded Music's role within the broader music ecosystem. That said, I still have many people to meet and appreciate everyone's generosity with their time and knowledge.

Considerable change has been undertaken in 2023 as part of a 3-year strategic plan focused on ensuring the organisation is in good shape for the future. Recorded Music CEO Jo Oliver has worked hard to ensure the organisation has the right expertise to deliver the ambitious 3-year plan and I look forward to supporting the organisation through the next two years of the plan.

2024 will be a year where significant projects come to fruition – in particular, changes and improvements to the systems and processes for licensing and distribution and the relaunch of a refreshed Aotearoa Music Awards after feedback from the wider music community.

I'm excited and honoured to be leading the Board through the next phase for Recorded Music. With the strength of the management team and dedication of the Board, I am confident that we will continue to serve the best interests of recording artists and right holders across Aotearoa.



Louise Bond



## FROM THE CEO



### Tēnā koutou

2023 was a year of change for Recorded Music and the team as we set to work to focus on the feedback we received from many of you in 2022/23, and to get our organisation in shape for the future.

I understand that economic conditions are affecting artists and others across the music community and that 2023 was a tough year for many, with the economy also facing challenges into 2024. I am pleased to report that despite the tough economic conditions experienced in 2023, we have delivered an excellent financial result of \$16.2 million in total licensing income. Our revenues from OneMusic performed well and offset the decline in income received from radio and television.

Highlights of our work in 2023 include changes to the Official NZ Music Charts to introduce the [new Catalogue Charts](#), and [publish on a Friday](#) instead of Saturday; an overhaul of the nomination, eligibility and judging process for [Aotearoa Music Awards](#); our Music Month events for members and friends in Tāmaki Makaurau, Te-Whanganui-a-Tara and online; and creating a [Music Industry Manifesto](#) to engage with political parties through the election process.

We welcomed three new team members in 2023 and announced promotions for two senior staff (meet the full team [here](#)). We also farewelled longstanding staff members Liz Diamond, Mark Roach and Sarah Owen, and I want to extend my gratitude and thanks for the incredible contribution they each made to the team and organisation over the years.

I also want to pay tribute to [Chris Caddick](#), who retired in 2023 after 10 years as Chair and two years as Managing Director. I am grateful for the opportunity to have worked with Chris and thank him for his many years of service to Recorded Music NZ and the wider industry.

Heading into 2024, we are excited to continue the work programme and I am personally looking forward to working with our [newly appointed Chairperson](#), Louise Bond. 2024 will see a number of initiatives roll out, including the return of the Aotearoa Music Awards, refresh of our three websites, and engaging with the new government on the issues that matter most to recording artists and right holders. We will also be undertaking significant work to streamline the process of licensing and distribution. That work will include reviewing the systems we have and investing in changes and updates, continuing to update [Master Rights Agreements](#) and review our data and distribution processes.

I wanted to let you know that we are expecting a reduction in our income in 2024 as compared to 2023, partly due to the well-publicised reductions in advertising revenue from radio and television. We are also expecting increased costs as we invest in systems and other work needed to futureproof our organisation. Rest assured that we will continue to do our best to maximise the returns we can make to recording artists and right holders and the costs we are incurring in 2024 will help to make us more efficient in future years.

My sincere thanks to the Board for their support of our work, and thank you to the Recorded Music staff for their dedication and hard work throughout the year.

Ngā manaakitanga o te tau

A stylized, handwritten signature in black ink, appearing to be 'Jo Oliver'.

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 and 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.

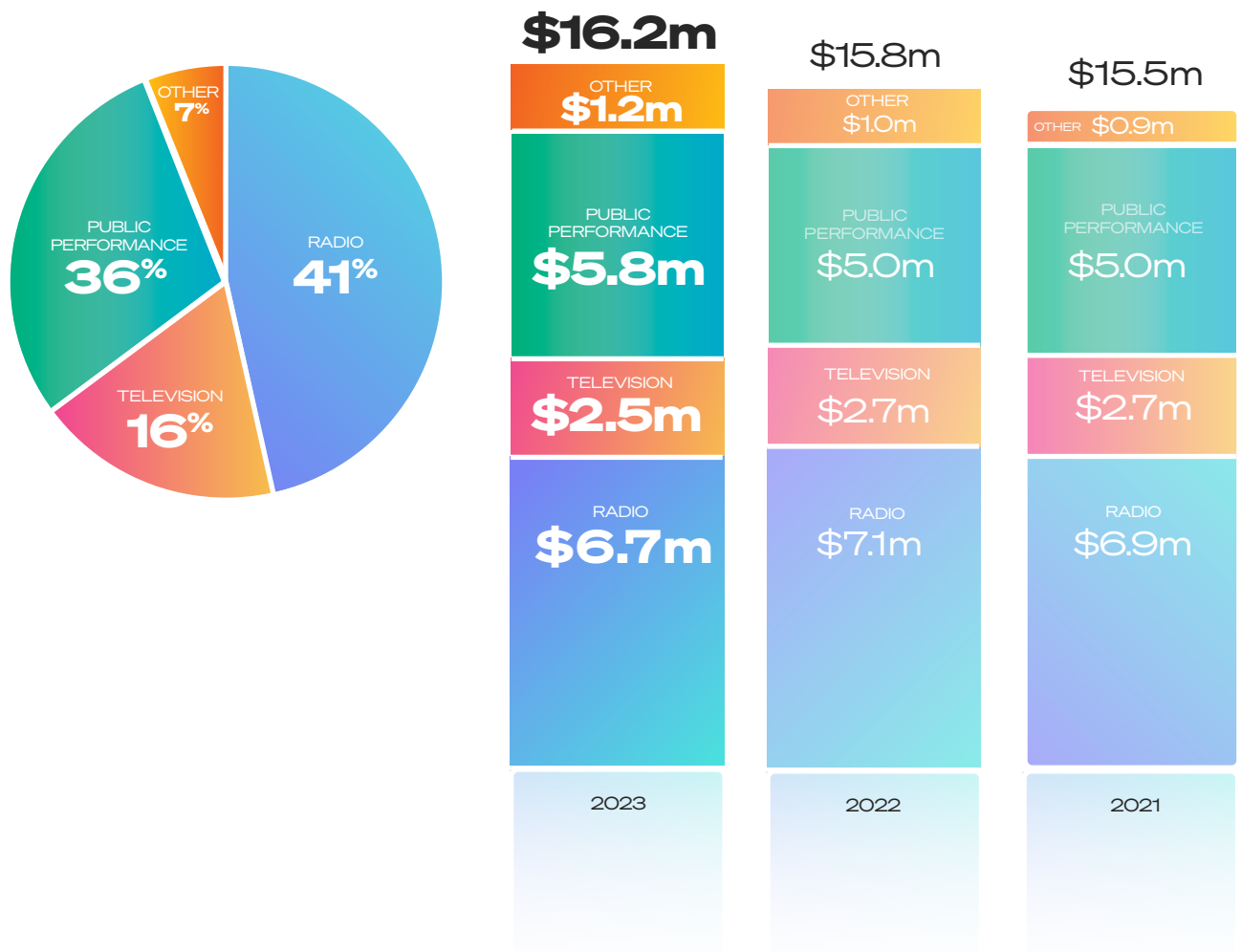
**ADVOCATE FOR THE COLLECTIVE INTERESTS OF RECORDING ARTISTS AND RIGHT HOLDERS** to a range of audiences including government, other industry organisations and the wider music and creative community. We strive to improve copyright law and the legal and regulatory environment for recording artists and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

## RECORDED MUSIC NZ REVENUES



## LICENSING INCOME

Despite the challenging economic conditions in 2023, we are very pleased to have delivered an increase in total licensing income from \$15.8 million in 2022 to **\$16.2 million** in 2023.

Radio and television revenues struggled in 2023 with tough economic conditions and a downturn in advertising revenue. Licensing income from radio was down 5% from 2022, and income from television down 8%, delivering **\$6.7 million** and **\$2.5 million** respectively.

Public Performance licensing performed well in 2023, resulting in **\$5.8 million** in revenue to Recorded Music NZ in 2023. 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 2023 we distributed our 2022 licensing income less costs. We paid out \$12.7m in royalties, including \$2.5m to 2970 Aotearoa recording artists and related right holders.

- **Our membership continued to grow** – by the end of 2023 we represented 3,384 individual master right holders (copyright owners or exclusive licensees of sound recordings) and had 4,364 artists registered in our Direct-to-Recording Artist scheme
- **Our data got deeper** – in 2023 we ingested more usage data from more music users than ever before, and paid out royalties against more than 200,000 recordings
- **Locally** – we paid out more money against more Aotearoa recordings than ever before
- **Internationally** – we connected more local and global right holders with their royalties than ever before via our reciprocal arrangements with PPCA, PPL and SoundExchange

**\$12.7m**  
TOTAL DISTRIBUTABLE INCOME



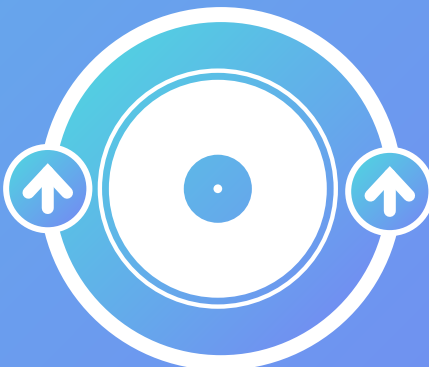
**\$2.5m**  
DISTRIBUTABLE TO AOTEAROA RECORDINGS

**4%**  
**2970**  
AOTEAROA RECORDING ARTISTS  
RECEIVED DISTRIBUTIONS



**3%**  
**25,200**  
AOTEAROA RECORDINGS QUALIFIED  
FOR DISTRIBUTIONS

**6%**  
**4364**  
REGISTERED RECORDING ARTISTS



**7%**  
**3384**  
REGISTERED RIGHT HOLDERS

# SUPPORTING THE MUSIC COMMUNITY

## MUSIC COMMUNITY

Recorded Music NZ supports the development of a sustainable recorded music market via sponsorship, collaboration and the Music Grants programme.

Projects and organisations we supported through sponsorship and collaboration in 2023 include:



## RECORDED MUSIC NZ MUSIC GRANTS

In 2023 we supported 25 projects from across the music community with a Music Grant. These were:

- Aotearoa Sync-Posium 2023
- APRA SongHubs Tāmaki 2023
- Backline Charitable Trust – Mentoring Sessions on Producing
- Beat Fairy Productions Ltd – Whitianga Songwriting Workshop
- COMMOTION – Nelson Youth Music Colab 2023
- Crescendo Entertainment Group
- Dunedin Fringe Arts Trust – The Amped Music Project
- EDYONTHEBEAT Limited – Schools To Studios
- Record Enable Studio Skills Workshop & Mentorship Programme
- Girls Rock! Aotearoa – To The Front Te Papaioea, Pōneke, Tāmaki Makaurau
- IMNZ – Going Local 2023
- MMF Aotearoa – Music Month Summit & Back To Basics Seminars 2023
- MPG NZ Aotearoa – Boom Sessions
- Onemic Records – Passion To Profession Programme
- Bring The Noise Music Recording & Artist Development Programme
- Quirky Music – Release Level Up Mentoring Programme
- Music Production Workshops Rotorua
- SOLE – Discovery Collab
- YAMI SouNZ Summit 2023

## AOTEAROA MUSIC INDUSTRY MANIFESTO

Recorded Music NZ led work together with APRA AMCOS and the New Zealand Music Commission to create an Aotearoa Music Industry Manifesto | Te Pae Ahumahi Puoro O Aotearoa ahead of the 2023 General Election.

The Manifesto was supported by a cohort of industry partners, including Independent Music NZ, MusicHelps, Music Managers Forum Aotearoa, Music Producers Guild NZ and Save Our Venues.

The Manifesto highlighted the significant contribution the local music industry makes to New Zealand's economy as well as its culture, and asked the next government to invest in the sustainability of Aotearoa music by supporting local artists and industry to thrive both in the current economic context and in the longer term. We called on the next government to partner with us in a multi-year, appropriately resourced strategy to grow the industry and strengthen pathways for export and international success for our artists, and with an ongoing commitment to safe and equitable workplaces.

Recorded Music is working with industry partners to engage with the new government on the issues that matter to recording artists and right holders, including robust copyright laws and managing the impact of generative AI.

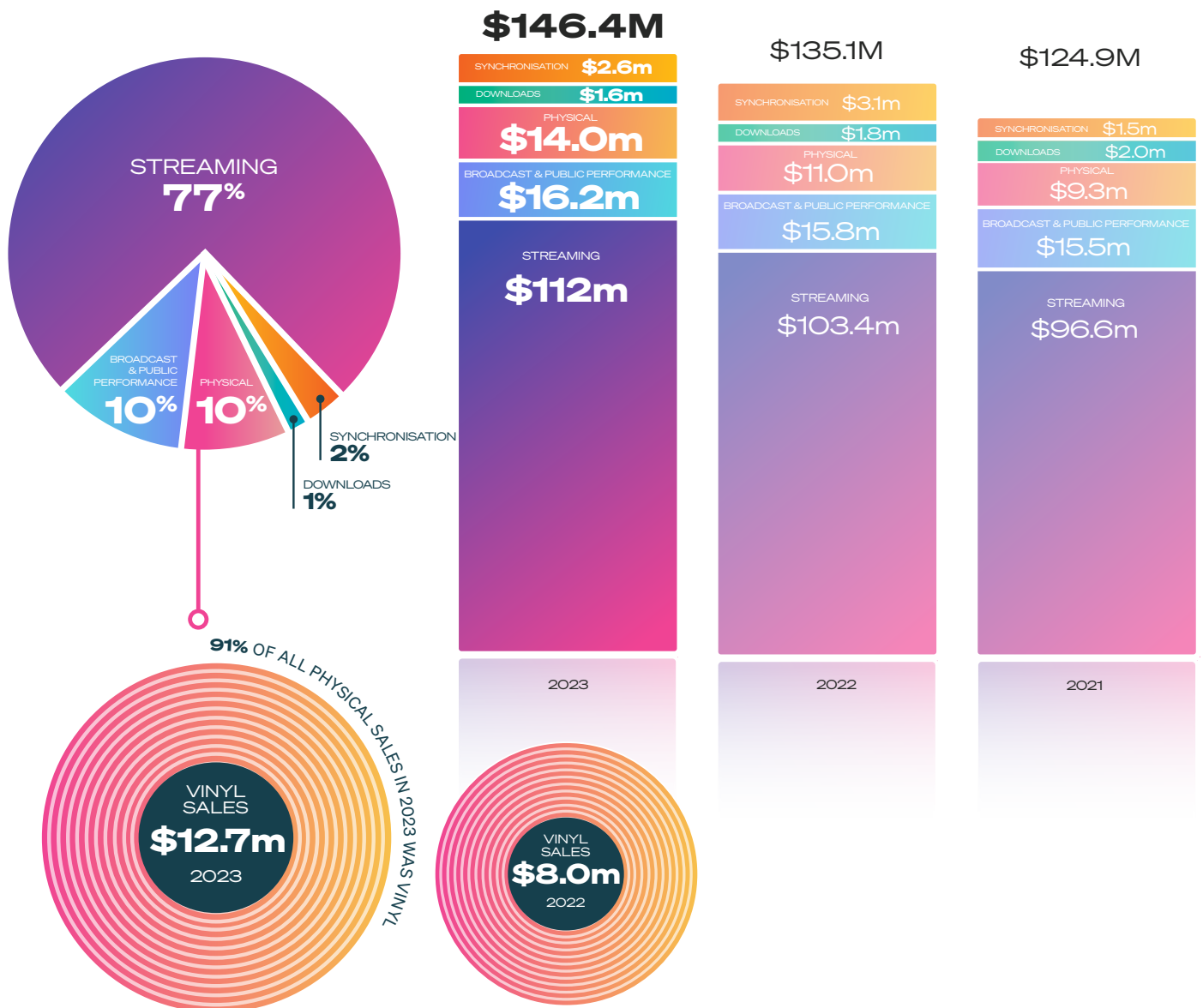
# AOTEAROA MUSIC INDUSTRY TE PAE AHUMAH PUORO O AOTEAROA

## MANIFESTO 2023



# MARKET COMMENTARY

## 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.

2023 saw the recorded music market grow by 8% overall compared to 2022, with streaming and vinyl continuing to show rapid growth.

- Streaming had another strong year with revenues increasing to **\$112.0 million** in 2023 from \$103.4 million in 2022. 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 slow decline, with revenues decreasing to **\$1.6 million** in 2023 down from \$1.8 million in 2022.
- Physical sales increased by \$3 million to **\$14 million** in 2023, driven by a notable increase in vinyl sales which came in at **\$12.7 million** in 2023. This is an incredible 59% increase on 2022. Vinyl sales were offset slightly by a small decline in compact disc sales.
- Synchronisation revenue declined to **\$2.6 million** in 2023, off an unusually high year in 2022.

## FOCUS ON NZ MUSIC IN 2023

Recorded Music NZ provides data reporting services and insights to a number of government bodies and industry organisations, including NZ On Air, APRA AMCOS NZ, Te Māngai Pāho, NZ Music Commission, Radio Broadcasters Association and Independent Music NZ.

Recorded Music's data analysis is used by the RBA for its voluntary Local Content Code which encourages radio stations to play at least 20% New Zealand music.

In 2023, 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

# THE OFFICIAL NZ MUSIC CHARTS

Compiled by Recorded Music NZ, the annual End-of-Year Official Charts are the only charts to combine all major sources Aotearoa music fans use throughout the year to buy and stream their favourite music. Data from sources including Spotify, Apple Music, iTunes, YouTube, Bandcamp, gig sales and a myriad of brick-and-mortar physical retailers provide the authoritative 'big picture' of what we were all buying and listening to over the course of 2023.

Of the international superstars, one artist dominated 2023 with their mix of brand new music, catalogue repertoire and the latest in a series of re-released albums. With seven albums in the 2023 Top 20 albums and two tracks in the Top 20 singles, no prizes for guessing that the highest-selling artist of the year was Taylor Swift.

But even Taylor couldn't top the annual Singles and Albums Charts, beaten by two other powerhouses.

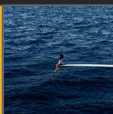
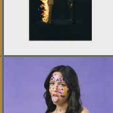
SZA's SOS was released at the very end of 2022 and didn't leave the Top 10 throughout 2023. The album has become a global R&B blockbuster, breaking records and topping charts worldwide, including spending eight weeks at #1 in Aotearoa. It took out the top spot on the 2023 End-of-Year Album Chart.

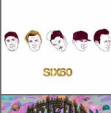
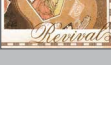
Over on the Singles list, Miley Cyrus claimed the top spot with 'Flowers'. Lifted from her eighth studio album Endless Summer Vacation, the hit track debuted at #1 in January, spending four consecutive weeks there before a subsequent two-week return to the top spot in April. It spent 46 weeks in the Top 40 in 2023.

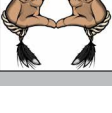
Of the locals, L.A.B notched up another annual #1 single title with 'In The Air' – the third time the tune has topped the End-of-Year NZ Top 20 Chart, having done the same in 2020 and 2022, while coming in at #2 in 2021. As in past years, L.A.B controlled the top end of the 2023 End-of-Year Singles Chart overall, holding the top four positions.

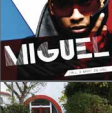
It was a similar story for the NZ Top 20 albums, with Six60's self-titled 2011 album once again proving the top performer. 2023 was the fourth year since its release that the album has been the most popular Kiwi long player, topping the 2022 End-of-Year Chart, as well as in 2011 and 2012.

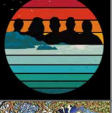
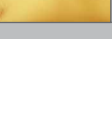
Throughout 2023, several songs held strong at the top of the Te Reo Māori Singles Chart, swapping the lead several times. But Te Matatini and Te Pikikōtuku o Ngāti Rongomai feat. Whenua Patuwai ultimately edged out the competition, claiming #1 with 'Te Ata Māhina'.

| ALBUMS |                                                                                     |                                                                                |
|--------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| 1      |  | <b>SZA</b><br>SOS<br>TOP DAWG / SONY                                           |
| 2      |  | <b>THE WEEKND</b><br>THE HIGHLIGHTS<br>REPUBLIC / UNIVERSAL                    |
| 3      |  | <b>TAYLOR SWIFT</b><br>MIDNIGHTS<br>TAYLOR SWIFT / UNIVERSAL                   |
| 4      |  | <b>HARRY STYLES</b><br>HARRY'S HOUSE<br>COLUMBIA / UNIVERSAL                   |
| 5      |  | <b>FLEETWOOD MAC</b><br>RUMOURS<br>WEA / WARNER                                |
| 6      |  | <b>TAYLOR SWIFT</b><br>1989 (TAYLOR'S VERSION)<br>TAYLOR SWIFT / UNIVERSAL     |
| 7      |  | <b>TAYLOR SWIFT</b><br>1989<br>BIG MACHINE / UNIVERSAL                         |
| 8      |  | <b>MORGAN WALLEN</b><br>ONE THING AT A TIME<br>BIG LOUD / REPUBLIC / UNIVERSAL |
| 9      |  | <b>METRO BOOMIN</b><br>HEROES AND VILLAINS<br>REPUBLIC / UNIVERSAL             |
| 10     |  | <b>OLIVIA RODRIGO</b><br>SOUR<br>Geffen / UNIVERSAL                            |

| AOTEAROA ALBUMS |                                                                                      |                                                                   |
|-----------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| 1               |  | <b>SIX60</b><br>SIX60 (1) 10TH ANNIVERSARY<br>MASSIVE / UNIVERSAL |
| 2               |  | <b>SIX60</b><br>SIX60 (3)<br>MASSIVE / UNIVERSAL                  |
| 3               |  | <b>SONS OF ZION</b><br>FIRST XV<br>MASSIVE / UNIVERSAL            |
| 4               |  | <b>SIX60</b><br>SIX60 EP<br>LOOP / BORDER                         |
| 5               |  | <b>COTERIE</b><br>COTERIE<br>MASSIVE / SONY                       |
| 6               |  | <b>SIX60</b><br>SIX60 (2)<br>MASSIVE / UNIVERSAL                  |
| 7               |  | <b>VARIOUS</b><br>MOANA OST<br>DISNEY / UNIVERSAL                 |
| 8               |  | <b>L.A.B</b><br>L.A.B IV<br>LOOP / BORDER                         |
| 9               |  | <b>L.A.B</b><br>L.A.B III<br>LOOP / BORDER                        |
| 10              |  | <b>KATCHAFIRE</b><br>REVIVAL<br>KATCHAFIRE                        |

| TE REO SINGLES |                                                                                    |                                                                                                                  |
|----------------|------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| 1              |   | <b>TE MATATINI AND TE PIKIKŌTUKU O NGĀTI RONGOMAI FEAT. WHENUA PATUWAI</b><br>TE ATA MĀHINA<br>TE MATATINI / DRM |
| 2              |   | <b>CORRELLA</b><br>RAUMATI<br>LOOP / BORDER                                                                      |
| 3              |   | <b>COTERIE</b><br>PUREA (COOL IT DOWN)<br>MASSIVE / SONY                                                         |
| 4              |   | <b>ILLUMINĀGTI</b><br>PROUD TO BE MĀORI<br>ILLUMINĀGTI                                                           |
| 5              |   | <b>TAWAZ</b><br>HE AHO<br>FIVE AM                                                                                |
| 6              |  | <b>PAPA'S PACK</b><br>MURIWHENUA WAIATA<br>PAPA'S PACK                                                           |
| 7              |  | <b>TE MATATINI &amp; NGĀ TŪMANAKO</b><br>WAEREA<br>TE MATATINI / DRM                                             |
| 8              |  | <b>TURARI BROTHERS</b><br>WHAKATAU WAIRUA<br>PIKSIES MELODY / TUNECORE                                           |
| 9              |  | <b>KORA</b><br>KIA AROHATIA TATOOU<br>TE MATATINI / DRM                                                          |
| 10             |  | <b>ORIGINA ROOTS AOTEAROA</b><br>KO TĀUA<br>ORIGIN ROOTS AOTEAROA / DRM                                          |

| SINGLES |                                                                                     |                                                                                        |
|---------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| 1       |  | <b>MILEY CYRUS</b><br>FLOWERS<br>COLUMBIA / SONY 4                                     |
| 2       |  | <b>SZA FEAT. DOJA CA</b><br>KILL BILL<br>TOP DAWG / SONY 4                             |
| 3       |  | <b>LIBIANCA</b><br>PEOPLE<br>5K / SONY 3                                               |
| 4       |  | <b>MIGUEL</b><br>SURE THING<br>SONY 6                                                  |
| 5       |  | <b>PINK PANTHERESS</b><br>BOY'S A LIAR<br>PARLOPHONE / WARNER 2                        |
| 6       |  | <b>MORGAN WALLEN</b><br>LAST NIGHT<br>BIG LOUD / REPUBLIC / UNIVERSAL 3                |
| 7       |  | <b>THE WEEKND &amp; ARIANA GRANDE</b><br>DIE FOR YOU (REMIX)<br>REPUBLIC / UNIVERSAL 4 |
| 8       |  | <b>ZACH BRYAN</b><br>SOMETHING IN THE ORANGE<br>BELTING BRONCO / WARNER 3              |
| 9       |  | <b>REMA AND SELENA GOMEZ</b><br>CALM DOWN<br>MAVIN / UNIVERSAL 3                       |
| 10      |  | <b>FLEETWOOD MAC</b><br>DREAMS<br>WEA / WARNER 12                                      |

| AOTEAROA SINGLES |                                                                                      |                                                                   |
|------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| 1                |  | <b>L.A.B</b><br>IN THE AIR<br>LOOP / BORDER 12                    |
| 2                |  | <b>L.A.B</b><br>TAKE IT AWAY<br>LOOP / BORDER 2                   |
| 3                |  | <b>L.A.B</b><br>MR REGGAE<br>LOOP / BORDER 3                      |
| 4                |  | <b>L.A.B</b><br>CONTROLLER<br>LOOP / BORDER 8                     |
| 5                |  | <b>SIX60</b><br>DON'T FORGET YOUR ROOTS<br>MASSIVE / UNIVERSAL 10 |
| 6                |  | <b>SIX60</b><br>BEFORE YOU LEAVE<br>MASSIVE / UNIVERSAL 2         |
| 7                |  | <b>FAT FREDDY'S DROP</b><br>WANDERING EYE<br>THE DROP / DRM 7     |
| 8                |  | <b>CORRELLA</b><br>BLUE EYED MĀORI<br>LOOP / BORDER 1             |
| 9                |  | <b>L.A.B</b><br>WHY OH WHY<br>LOOP / BORDER 6                     |
| 10               |  | <b>SIX60</b><br>SOMEONE TO BE AROUND<br>MASSIVE / UNIVERSAL 2     |

## **CHANGES TO THE OFFICIAL NZ MUSIC CHARTS**

2023 was a big year for the Official Charts as we made significant changes to address feedback and make the Charts more diverse and interesting. We also moved our main publication day back to Fridays – meaning the Official NZ Music Charts are once again the first national charts in the world to be revealed each week.

In April 2023, we launched a suite of four new Catalogue Charts which moved music that had charted for longer than 18 consecutive months into their own dedicated charts. Albums and singles now appear in one of two locations each week – a Top 40 or Top 20 Chart devoted to new and current releases OR a brand-new Catalogue Chart featuring the most popular older releases.

A strict 18-month limit is now imposed on recordings that appear in the traditional Top 40 and Top 20 Charts. The clock starts ticking from the first week a recording enters the Charts and if it is still performing after 18 months it automatically moves to the Catalogue Charts – carrying its full chart history with it to continue on its journey toward historical chart longevity records.

This significant change was designed to address the growing domination of the Charts by ‘catalogue’ music in the modern streaming-driven market – and prompted by feedback received from artists, right holders and the wider music community during our 2022 review. We heard that while artists and industry value the Charts as a historical record, and a promotional tool and metric, they needed a refresh to remain relevant in a world where most people are enjoying music via streaming services.

It had increasingly been felt that the maturing of the streaming model, perpetual availability of music, nostalgia and the influence of algorithms designed to deliver the music which listeners have revealed a prior preference for had all helped to bolster the ascendancy of older music at the expense of new music and artists.

As anticipated, the change has had the effect of refreshing the traditional Top 40 and Top 20 Charts, allowing for a more diverse range of genres and artists to be represented. Simultaneously, the introduction of the Catalogue Charts has for the first time revealed the true picture of all the perennial Kiwi hits that continue to excite fans years and even decades on from release, by giving that music its own place to shine.

We also refined the way the weekly Hot Singles charts are compiled. Our equivalent to similar ‘viral’ or ‘trending’ charts elsewhere, these charts incorporate growth in audio and video streaming, sales and airplay to reveal which songs are rising the quickest each week.

In December 2023, we also took advantage of reduced data delivery delays and more efficient data processing methods, to return publication of all weekly Charts to Friday afternoons. This means the Official NZ Music Charts are once again the first national charts in the world to be revealed each week.

The return to a traditional Friday unveiling means the weekend can get off to the right start for the artists, labels and music fans waiting to hear where their latest releases have landed before heading home or setting up for Friday night shows.

# A TRIBUTE TO CHRIS CADDICK



## **2023 was the year Chris Caddick retired as Chairperson of Recorded Music's Board after 10 years in the position.**

Chris became Chair of the Recorded Music NZ Board in 2013, when the previous associations RIANZ and PPNZ merged to form a new entity. Prior to that he was Managing Director of RIANZ, between 2011 and 2013.

Chris is a highly respected figure in the Aotearoa music industry, having served in various roles since he started out in 1978. He has worked in music retail and tour management, and held several positions at EMI NZ, culminating in his 8-year tenure as Managing Director. After leaving EMI, Chris completed influential reports on music funding for NZ On Air, and the preservation of recordings for the Alexander Turnbull Library. Chris is a strong believer in the value of recorded music, in particular music made by New Zealanders. He has been part of the AudioCulture team since its inception.

Notably, during his time as Recorded Music Chair Chris developed and led the Tied to the Tracks project that was instrumental in digitising an enormous amount of NZ music and making it publicly available. Much of this music had never been made available digitally and was in danger of being lost to time. Chris made it his mission to meet with the artists involved in the project, listening to their stories and reminding them of their contribution to the rich musical history of Aotearoa. Chris is personally responsible for protecting thousands of NZ songs from disappearing forever.

Speaking on behalf of the Recorded Music NZ Board, Threshold Director and Chairman of Universal Music NZ Adam Holt says:

"Chris's remarkable 45-year career in the New Zealand music industry will be remembered by the incredible difference he has made to so many people. In his roles at Recorded Music, especially as Chair, he has always been resolutely focused on building a better future without ever forgetting to honour the rich history of artists whose talent built the music industry we are so proud of today.

"Chris's passion for music and his care for our artists has been a constant inspiration to all of us who have been privileged to work alongside him. We're going to miss Chris dearly, but he leaves behind a legacy that will truly endure. Thank you for everything, Chris."

Asked to reflect on his time at Recorded Music, Chris has shared the following:

"It has been a great honour to chair Recorded Music NZ over the last 10 years. I am very proud of the progress made by the organisation during that time in protecting, promoting and preserving the recorded music that gives all New Zealanders such pleasure. Additionally, Recorded Music has delivered ever increasing payouts to our artists and right holders, those who create and invest in recorded music. It has been my great fortune that my tenure coincided with that of talented management and dedicated staff, and committed and focused Board members. I thank all of them for making my job such a pleasure. I am confident the organisation is now well placed to meet the challenges of the future and I wish everyone the very best going forward."



Bespoke 'White Album' Tūi  
presented to Chris Caddick

## **AOTEAROA MUSIC AWARDS 2024 - RESPONSE TO THE REVIEW**

The Aotearoa Music Awards was paused in 2023, as we considered the outcomes of the review we undertook in 2022. It was important to us to engage with artists and the wider music community about the format, purpose and meaning of AMA. We interviewed and surveyed 350+ people who are actively working in music in Aotearoa, the majority of whom are artists and artist managers.

The message from the community was clear: the Aotearoa Music Awards is seen as essential, and aspirational for emerging artists. We heard strong support for our continuing commitment to embed te ao Māori and te reo and to reflect the unique cultural identity of Aotearoa.

There were, however, some calls to refresh our judging processes, and to communicate them more clearly and transparently. We took the time to do that work, and have taken steps to more actively promote diversity and inclusion across the judging process. In response to feedback received through the 2022-23 review, we:

- Issued updated judging criteria, which guides judges to consider commercial success, cultural impact and audience reach as well as excellence when casting their votes. The updated guidelines also emphasise the importance of objectivity and diversity when considering nominees in each category. Judges are required to commit to this as part of their responsibilities to help ensure a rigorous and fair judging process
- Removed the 'sales weighting' mechanic that was previously applied to votes after Academy judging – for AMA 2024 we are relying on the expertise of the Academy to select winners
- Introduced a new panel process for deciding Breakthrough and other new discretionary awards
- Implemented a new, more user-friendly voting portal and have collected feedback from judges as to what further improvements can be made to the process in future
- Reviewed and refreshed the Judging Academy and specialist Schools with a commitment to representation for Māori, diversity and inclusion, and appropriate representation across music industry roles and sectors. We collected anonymised demographic data from judges on registration and have published these breakdowns (see next page)

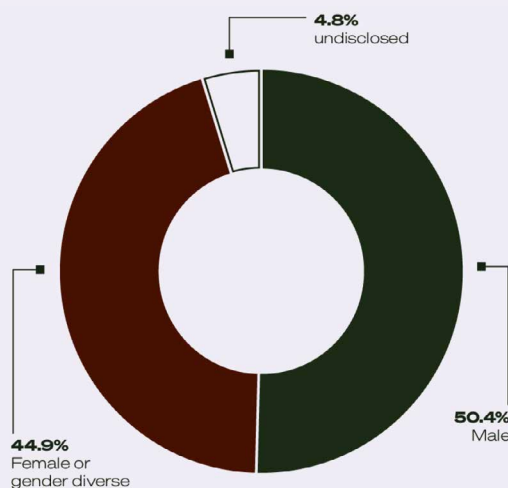
The next Aotearoa Music Awards event will take place on **Thursday 30 May 2024**, at the Viaduct Events Centre in Tāmaki Makaurau – at a new venue, new time of year and with a fresh format – closing out Te Marama Puoro o Aotearoa | New Zealand Music Month in style. We can't wait to get together with the music community to celebrate a wide range of artists and music from Aotearoa.

## AOTEAROA MUSIC AWARDS 2024 - JUDGING DEMOGRAPHIC BREAKDOWN

2024 is the first time demographic statistics have been collected from Aotearoa Music Awards judges. Here's what the 2024 judging group looked like:

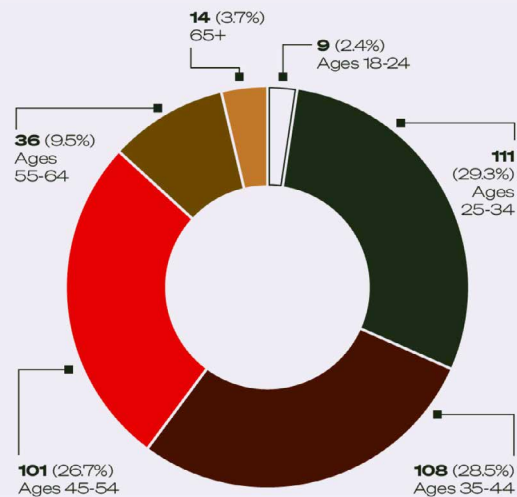
### A bigger Judging Academy than ever before

523 artists and industry practitioners were invited to judge AMA 2024, across all categories. Of those that were invited, **379** individuals participated in judging. Comparatively, **205** judges participated in judging for AMA 2022 (there was no AMA in 2023).



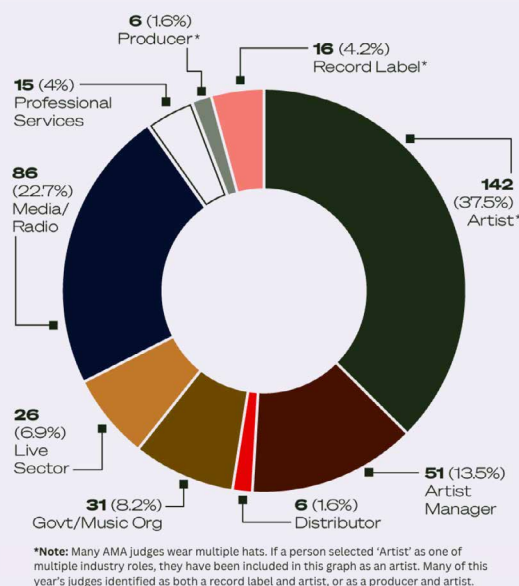
### JUDGES BY GENDER

In 2024, 44.85% of judges identified as female or gender diverse. While there is more work to do to improve the gender balance, this is an encouraging result.



### JUDGES BY AGE

A wide range of ages are represented – including judges from younger age groups in both the overall judging Academy and specialist Schools was a key priority in 2024. We were pleased to engage 120 (31.66%) judges under the age of 35 and 228 (60.16%) under the age of 45.



### JUDGES BY INDUSTRY ROLE

Nearly 40% of judges are artists. A total of 142 (37.47%) judges in this year's group included 'Artist' as one of their roles. This means that people with lived experience of being an artist are playing a significant role in deciding AMA winners.

|                                                     |        |                                                      |        |
|-----------------------------------------------------|--------|------------------------------------------------------|--------|
| African                                             | 1.58%  | Other ethnicity                                      | 4.49%  |
| Asian                                               | 2.90%  | Pacific Peoples                                      | 3.17%  |
| Latin American                                      | 0.26%  | Pākehā/NZ European                                   | 59.10% |
| Māori                                               | 9.23%  | Pākehā/NZ European, African, Other ethnicity         | 0.27%  |
| Māori, Middle Eastern, Other ethnicity              | 0.27%  | Pākehā/NZ European, Asian                            | 1.06%  |
| Māori, Other ethnicity                              | 0.26%  | Pākehā/NZ European, Middle Eastern                   | 0.26%  |
| Māori, Pacific Peoples                              | 0.53%  | Pākehā/NZ European, Other ethnicity                  | 1.06%  |
| Māori, Pākehā/NZ European                           | 11.35% | Pākehā/NZ European, Pacific Peoples                  | 1.56%  |
| Māori, Pākehā/NZ European, Middle Eastern           | 0.26%  | Pākehā/NZ European, Pacific Peoples, Asian           | 0.26%  |
| Māori, Pākehā/NZ European, Other ethnicity          | 0.53%  | Pākehā/NZ European, Pacific Peoples, Other ethnicity | 0.26%  |
| Māori, Pākehā/NZ European, Pacific Peoples          | 1.06%  |                                                      |        |
| Māori, Pākehā/NZ European, Pacific Peoples, African | 0.26%  |                                                      | 100%   |

### JUDGES BY ETHNICITY

Judges were able to report multiple ethnicities when registering with us. The full breakdown of judges by ethnicity is set out below, using ethnic groupings as recognised by Stats NZ.

In 2024, 90 judges (23.75%) whakapapa Māori. This includes the Mana Reo and Best Māori Artist categories, for which all judges are Māori.

# IN MEMORIAM

11 NOVEMBER 2022 - 27 MAY 2024

The music community farewelled a number of greats this past year. Recorded Music NZ acknowledges those who passed, many of whom 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.**



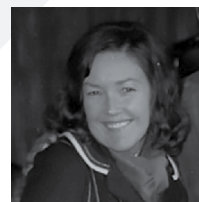
WAYNE  
BAIRD



PHIL  
BOWERING



CLINTON  
BROWN



BARBARA  
DOYLE



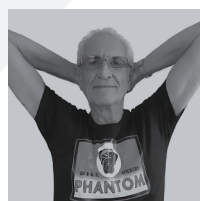
CLARE  
ELLIOT



MICHAEL  
FLYNN



RODGER  
FOX



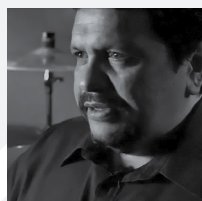
DAVID  
GAPES



KIRK  
GEE



KEVIN  
GREAVES



LEYTON  
GREENING



BERNIE  
GRIFFEN



WILLIE  
HONA



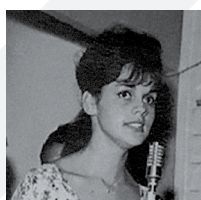
PAUL  
HUGGINS



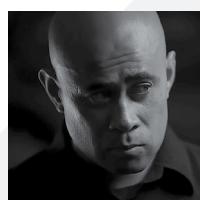
BARRY  
JENKIN



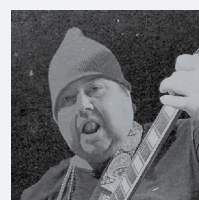
HAMISH  
KILGOUR



KIM  
KRÜEGER



HERMAN  
LEALAIALOTO



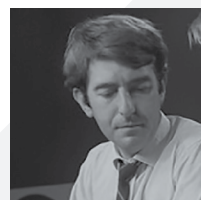
STEVE  
MCCABE



ALI  
MORGAN



LARRY  
MORRIS



KEVAN  
MOORE



DAVID  
PINKER



IAN  
SAXON



PAUL  
WALDEN



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RECORDED MUSIC NEW ZEALAND LIMITED

# FINANCIAL STATEMENTS 2023

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# APPROVAL OF ANNUAL REPORT

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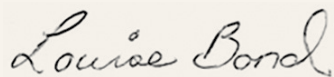
In the opinion of the Directors of Recorded Music New Zealand Limited ("the Company") the financial statements and notes, on pages 23 to 35:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Company as at 31 December 2023 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 2023.



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**Louise Bond, Chair**  
Dated 24.05.24



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**Adam Holt, Director**  
Dated 24.05.24

# DIRECTORY

FOR THE YEAR ENDED 31 DECEMBER 2023

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|                              |                                                                             |
|------------------------------|-----------------------------------------------------------------------------|
| <b>Year of Incorporation</b> | 1957                                                                        |
| <b>Company number</b>        | 10515                                                                       |
| <b>Registered Office</b>     | Level 1, 2A Hakanoa Street<br>Grey Lynn<br>Auckland                         |
| <b>Directors</b>             | L Bond (Chair)<br>N Atkinson<br>K Boshier<br>S Cockle<br>N Harrop<br>A Holt |
| <b>Shareholder</b>           | Extensive shareholding                                                      |
| <b>Auditor</b>               | RSM Hayes Audit<br>Auckland                                                 |

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

in New Zealand dollars

|                                                         | Note | 2023               | 2022               |
|---------------------------------------------------------|------|--------------------|--------------------|
|                                                         |      | \$                 | \$                 |
| <b>REVENUE</b>                                          |      |                    |                    |
| Licence Fees                                            | 3    | 16,199,815         | 15,813,696         |
| Other Income                                            | 3    | 175,807            | 138,818            |
| <b>TOTAL INCOME</b>                                     |      | <b>16,375,622</b>  | <b>15,952,514</b>  |
| <b>EXPENSES</b>                                         |      |                    |                    |
| Employee benefit expense                                |      | 2,102,144          | 1,951,089          |
| Legal and Consultancy                                   |      | 218,186            | 304,948            |
| Rent and Occupancy                                      |      | 98,427             | 74,283             |
| Computer and Office expenses                            |      | 323,514            | 155,198            |
| Music Grants and sponsorship                            | 4    | 234,275            | 216,016            |
| Depreciation                                            |      | 126,411            | 149,161            |
| Other expenses                                          |      | 667,711            | 624,399            |
| <b>TOTAL EXPENSES</b>                                   |      | <b>(3,770,668)</b> | <b>(3,475,093)</b> |
| <b>FINANCE</b>                                          |      |                    |                    |
| Finance income                                          | 5    | 599,614            | 124,734            |
| Finance costs                                           | 5    | (24,269)           | (19,283)           |
|                                                         |      | <b>575,345</b>     | <b>105,451</b>     |
| <b>Less tax expense</b>                                 |      | <b>73,994</b>      | <b>(70,805)</b>    |
| <b>PROFIT FOR YEAR</b>                                  |      | <b>13,254,292</b>  | <b>12,512,067</b>  |
| <b>TRANSFER TO NET FUNDS AVAILABLE FOR DISTRIBUTION</b> | 2(C) | <b>13,254,292</b>  | <b>12,512,067</b>  |
| Other comprehensive income                              |      | -                  | -                  |
| <b>COMPREHENSIVE INCOME FOR THE YEAR</b>                |      | <b>-</b>           | <b>-</b>           |

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

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

in New Zealand dollars

|                                             | Note | 2023              | 2022              |
|---------------------------------------------|------|-------------------|-------------------|
|                                             |      | \$                | \$                |
| <b>ASSETS</b>                               |      |                   |                   |
| Cash and cash equivalents                   |      | 4,528,970         | 1,497,339         |
| Trade and other receivables                 | 9    | 2,903,921         | 2,497,623         |
| Short term deposits                         | 8    | 7,547,006         | 10,360,548        |
| Deferred Tax asset                          |      | 25,581            |                   |
| Right of use asset                          | 10   | 251,476           | 95,631            |
| Property, plant and equipment               | 11   | 79,971            | 79,606            |
| <b>TOTAL ASSETS</b>                         |      | <b>15,336,925</b> | <b>14,530,747</b> |
| <b>LIABILITIES</b>                          |      |                   |                   |
| Trade payables and accruals                 | 12   | 934,319           | 835,384           |
| Lease liability                             | 10   | 250,691           | 97,461            |
| Funds held available for distribution       | 6    | 13,751,915        | 12,997,902        |
| <b>EQUITY</b>                               |      |                   |                   |
| Contingency reserve retained for provisions |      | 400,000           | 600,000           |
| <b>TOTAL LIABILITIES AND EQUITY</b>         |      | <b>15,336,925</b> | <b>14,530,747</b> |

# STATEMENT OF MOVEMENTS IN EQUITY

AS AT 31 DECEMBER 2023

in New Zealand dollars

|                                              | Note        | Retained earnings | Contingency reserve | Total equity   |
|----------------------------------------------|-------------|-------------------|---------------------|----------------|
|                                              |             |                   | \$                  | \$             |
| <b>Balance at 31 December 2022</b>           |             | -                 | <b>600,000</b>      | <b>600,000</b> |
| Other comprehensive income for the year      |             | -                 | -                   | -              |
| Release of reserve to funds for distribution |             | -                 | 200,000             | 200,000        |
| <b>Balance at 31 December 2023</b>           | <b>2(K)</b> | -                 | <b>400,000</b>      | <b>400,000</b> |

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 2023

|                                                      | 2023             | 2022             |
|------------------------------------------------------|------------------|------------------|
|                                                      | \$               | \$               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>          |                  |                  |
| Receipts of licence fees                             | 15,858,881       | 16,673,290       |
| Other receipts                                       | 198,637          | 138,818          |
| Distributions to right holders and recording artists | (12,771,085)     | (12,638,016)     |
| Paid to suppliers and employees                      | (3,495,742)      | (3,671,531)      |
| Interest paid on leases                              | (24,269)         | (19,221)         |
| Income tax paid                                      | 48,411           | -                |
| <b>Net cash used in operating activities</b>         | <b>(185,166)</b> | <b>483,340</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>          |                  |                  |
| Interest received                                    | 532,640          | 124,734          |
| Acquisition of property, plant and equipment         | (39,834)         | (16,281)         |
| Proceeds from purchase of short term deposits        | 2,813,548        | (24,619)         |
| <b>Net cash used in investing activities</b>         | <b>3,306,354</b> | <b>83,835</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>          |                  |                  |
| Principal elements of lease payments                 | (89,557)         | (102,447)        |
| <b>Net cash from financing activities</b>            | <b>(89,557)</b>  | <b>(102,447)</b> |
| <b>NET (DECREASE)/INCREASE</b>                       | <b>3,031,631</b> | <b>464,727</b>   |
| Opening cash and cash equivalents 1 January          | 1,497,339        | 1,032,611        |
| <b>Closing cash and cash equivalents</b>             | <b>4,528,970</b> | <b>1,497,339</b> |
| <b>Made up of:</b>                                   |                  |                  |
| Bank balances                                        | 4,528,970        | 1,497,339        |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b>               | <b>4,528,970</b> | <b>1,497,339</b> |

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

# NOTES TO THE FINANCIAL STATEMENTS

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## 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 2023 and were authorised for issue by the directors on the date specified on page 22.

### 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 2023, there has been no impairment of investments. (2022 nil.)

### F. Going concern

The financial statements have been prepared under the going concern assumption.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 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**

The Company acts as a nationwide 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.

**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.

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:

|                                                | 2023              | 2022              |
|------------------------------------------------|-------------------|-------------------|
|                                                | \$                | \$                |
| Licence fees from:                             |                   |                   |
| Radio                                          | 6,722,090         | 7,066,360         |
| Television                                     | 2,336,555         | 2,516,016         |
| Subscription Video on Demand (SVOD)            | 181,569           | 231,119           |
| Public Performance                             | 5,811,678         | 4,996,310         |
| Reproduction                                   | 932,015           | 842,574           |
| Overseas and Reciprocals                       | 215,909           | 161,317           |
|                                                | <u>16,199,816</u> | <u>15,813,696</u> |
| Other revenue from:                            |                   |                   |
| Data income                                    | 71,809            | 47,500            |
| AMA event income                               | -                 | 91,318            |
| Release of prior period distribution provision | 89,881            | -                 |
| Occupancy/Mgt recoveries                       | 14,117            | -                 |
|                                                | <u>175,807</u>    | <u>138,818</u>    |
| Total Revenue                                  | <u>16,375,623</u> | <u>15,952,514</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

|                                              | 2023           | 2022           |
|----------------------------------------------|----------------|----------------|
|                                              | \$             | \$             |
| Finance income                               |                |                |
| Interest income on cash and cash equivalents | 136,283        | 51,503         |
| Interest income on short term investments    | 463,331        | 73,231         |
| Total finance income                         | <u>599,614</u> | <u>124,734</u> |
| Finance expenses                             |                |                |
| Interest expense on lease liabilities        | 24,269         | 19,283         |
| Total finance expenses                       | <u>24,269</u>  | <u>19,283</u>  |
| Net finance costs                            | <u>575,345</u> | <u>105,451</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.

|                                                                          | 2023              | 2022              |
|--------------------------------------------------------------------------|-------------------|-------------------|
|                                                                          | \$                | \$                |
| Funds at the beginning of the year                                       | 12,997,902        | 12,923,855        |
| Funds distributed to right holders and recording artists during the year | (12,700,278)      | (12,638,020)      |
| Transfer from contingency reserve                                        | 200,000           | 200,000           |
| Funds receipted (net of expenses) available for distribution next year   | 13,254,292        | 12,512,067        |
| Funds at the end of the year                                             | <u>13,751,915</u> | <u>12,997,902</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 directly involved in the calculation or payment of distributions. Funds distributed to related parties in 2023 are \$9,291,451 (\$9,383,060 in 2022). 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 2024.

For the year ended 31 December 2023, total compensation for key management personnel amounted to \$1,103,692 (2022: \$847,278). The key management personnel are all the 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

|                                       | 2023<br>\$        | 2022<br>\$        |
|---------------------------------------|-------------------|-------------------|
| <b>Financial assets</b>               |                   |                   |
| <i>Measured at amortised cost</i>     |                   |                   |
| Cash and cash equivalents             | 4,528,970         | 1,497,339         |
| Trade and other receivables           | 2,775,524         | 2,434,590         |
| Short term deposits                   | 7,547,006         | 10,360,548        |
|                                       | <u>14,851,500</u> | <u>14,292,476</u> |
| <b>Financial liabilities</b>          |                   |                   |
| <i>Measured at amortised cost</i>     |                   |                   |
| Trade and other payables              | 934,319           | 243,478           |
| Lease liability                       | 250,691           | 97,461            |
| Funds held available for distribution | 13,751,915        | 13,071,949        |
|                                       | <u>14,936,925</u> | <u>13,412,887</u> |

## 9. TRADE AND OTHER RECEIVABLES

|                                                                        | 2023<br>\$       | 2022<br>\$       |
|------------------------------------------------------------------------|------------------|------------------|
| Trade receivables                                                      | 2,803,538        | 2,455,720        |
| Loss allowance                                                         | (28,014)         | (21,130)         |
|                                                                        | <u>2,775,524</u> | <u>2,434,590</u> |
| Accrued revenue                                                        | 118,207          | -                |
| Prepayments                                                            | 61,428           | 57,407           |
| Other tax receivables                                                  | -                | 5,626            |
|                                                                        | <u>2,903,921</u> | <u>2,497,623</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 | (6,884)          | -                |
| At 31 December                                                         | <u>(28,014)</u>  | <u>(21,130)</u>  |

## 10. LEASES

2023  
\$

2022  
\$

### (i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

#### Right of use assets

|           |         |        |
|-----------|---------|--------|
| Buildings | 251,476 | 95,631 |
|-----------|---------|--------|

#### Lease Liabilities

|             |         |        |
|-------------|---------|--------|
| Current     | 121,718 | 72,638 |
| Non-Current | 128,972 | 24,823 |

There were no additions to the right of use assets during the 2023 financial year. (2022: 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 | 86,940 | 104,277 |
|-----------|--------|---------|

#### Interest expense (included in finance cost)

|        |        |
|--------|--------|
| 24,269 | 19,283 |
|--------|--------|

The total cash outflow for leases in 2023 was \$113,826 (2022 \$121,668)

## 11. PROPERTY, PLANT AND EQUIPMENT

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

|                                    | BUILDINGS | FURNITURE<br>& FITTINGS | OFFICE<br>EQUIPMENT | PLANT &<br>EQUIPMENT | TOTAL   |
|------------------------------------|-----------|-------------------------|---------------------|----------------------|---------|
| 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               | 334,226 |
| Net book value                     | 12,829    | 23,283                  | 42,629              | 867                  | 79,607  |
| <b>Year ended 31 December 2023</b> |           |                         |                     |                      |         |
| Opening net book value             | 12,829    | 23,283                  | 42,629              | 867                  | 79,607  |
| Additions                          | -         | 1,558                   | 38,246              | -                    | 39,834  |
| Disposals                          | -         | -                       | -                   | -                    | -       |
| Depreciation                       | 6,414     | 3,854                   | 28,858              | 344                  | 39,470  |
| Closing net book value             | 6,414     | 21,017                  | 52,018              | 522                  | 79,971  |
| <b>At 31 December 2023</b>         |           |                         |                     |                      |         |
| Cost                               | 26,108    | 115,496                 | 182,224             | 12,424               | 336,252 |
| Accumulated depreciation           | 19,694    | 94,479                  | 130,206             | 11,902               | 256,281 |
| Net book value                     | 6,414     | 21,017                  | 52,018              | 522                  | 79,971  |

**12. TRADE AND OTHER PAYABLES**

|                       | 2023           | 2022           |
|-----------------------|----------------|----------------|
|                       | \$             | \$             |
| Trade payables        | 73,245         | 57,084         |
| Unearned revenues     | 22,830         | -              |
| Employee entitlements | 247,314        | 275,000        |
| GST payable           | 377,606        | 316,907        |
| Other liabilities     | 184,977        | 98,867         |
| Accrued expenses      | 28,348         | 87,516         |
|                       | <u>934,319</u> | <u>835,384</u> |

**13. COMMITMENTS AND CONTINGENCIES**

There are no capital commitments at balance date (2022: nil).

There are no contingent liabilities (2022: nil).

**14. SUBSEQUENT EVENTS**

There have been no subsequent events which impact on the financial statements (2022: nil).

**RSM Hayes Audit**

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## Independent Auditor's Report

### To the Shareholders of Recorded Music New Zealand Limited

#### Opinion

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

- the statement of financial position as at 31 December 2023;
- 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 22 to 31 present fairly, in all material respects, the financial position of Recorded Music New Zealand Limited as at 31 December 2023, 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 21 (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.

## 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

28 May 2024



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