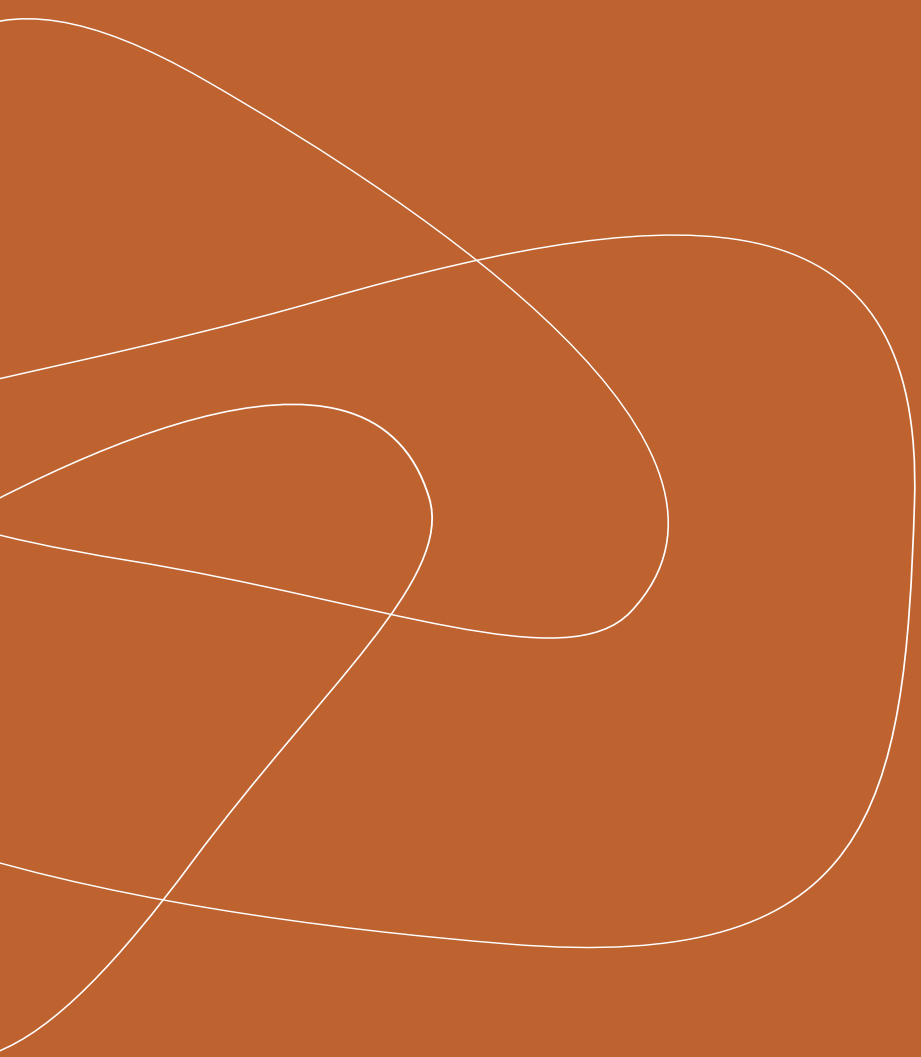


Annual Report **PPCA** **03**





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Highlights

PPCA revenue, distribution, licences, registered artists and licensors continued to increase in 2002-2003, maintaining our unbroken succession of improvements since 1990.

Income up
13%

Licences up
3%

Distribution
surplus up
12.6%

18
PPCA Trust fund
applications approved

- Income up 13% to \$11,183,329
- Distribution surplus up 12.6% to \$8,127,028
- Licence numbers up 3% to 35,496

The PPCA Performers' Trust approved
18 funding applications:

- 12 related to further education and research
- 6 for festivals, live music and local artists

Chairman's Report

It is my very great pleasure to report on another successful year for the organisation.

The income for the year (period ending June 2003) stood at the record level of \$A11.1 million, representing an increase of 13% on 2002. The surplus, at \$A8.1 million, represents another record and an increase of 12.6% on the previous year. We look forward to distributing this sum to our registered artists and licensor labels during December 2003. This year's excellent result was assisted by back payments obtained from the ABC, having reached a milestone in renegotiation of their blanket licensing arrangements.

Negotiations have also progressed with those Pay TV operators currently operating under interim arrangements. Financial terms have been resolved, and it is anticipated that these arrangements will be finalised and documented within the coming month.

Public performance licence numbers stood at 35,496 at the end of June, representing an increase of approximately 3% over the previous year. During the period the organisation has successfully engaged with government at all levels, re-invigorating effective working relationships with key ministers and departments. This dialogue is particularly relevant in relation to progression of the broadcast fee cap issue.

Last year we reported on the implementation of the Collecting Societies Code of Conduct, which was developed in association with a number of Australian Copyright Collecting Societies. During the period James Burchett QC (former Justice of the Federal Court of Australia and former President of the Copyright Tribunal) was appointed Code Reviewer, and undertook the first comprehensive review of compliance with the Code. I am happy to advise that PPCA were reported as meeting all relevant obligations.

In April 2003, PPCA relocated to new offices in Pyrmont, and secured lease arrangements covering the next five years, with an option for a further three. The relocation has been extremely successful, providing improved working conditions for employees and facilities for growth during the lease term. Substantial effort has been expended in reviewing the existing IT systems, including investigation of potential systems from similar overseas organisations. As a result, the planning/investigation stage of the system redevelopment project has been approved, and will commence early in 2004.

The standard PPCA Input Agreement (i.e. the document by which Licensors authorise PPCA to issue blanket licences) has been updated and distributed to all existing Licensors for completion and return. At this point a significant number have been signed and returned, and the Distribution team continues to monitor progress in this important area. Much progress has been made in relation to the development of the enforcement program, and a number of "test targets" have been identified. It is expected that the new procedures will be tested over coming weeks.

PPCA has continued its ongoing role in raising awareness of copyright issues in relation to sound recordings, and attendance at a number of workshops and industry based seminars by PPCA representatives has assisted to increase knowledge in this area.

I would like to take this opportunity to acknowledge the contribution of my fellow Board members during the year, and thank them for their support. In addition, my thanks go to the PPCA secretariat, for their efforts across a diverse range of activities. In particular, I would like to acknowledge the contribution of PPCA's former Chairman, Peter Bond, for his leadership over recent years.

Shaun James

PPCA Chairman November 2003



The Company

DIRECTORS

George William Ash

Appointed 29 July 2003

Elizabeth Ann Blakey

Peter Bond

Resigned 29 July 2003

Louis Calleja

Resigned 3 November 2003

Bill Cullen

Appointed 16 February 2004

Karen Ann Don

(Alternate for Peter Bond)

Desmond Arthur Dubery

(Alternate for Edward
Erskine St John)

Adrian Fitz-Alan

(Alternate for Denis Anthony Handlin)
Resigned 31 August 2002

Michael William Golden

(Alternate for Elizabeth Ann Blakey)

Denis Anthony Handlin

Graham David Harris

(Alternate for Louis Calleja /
John O'Donnell)

Shaun James

Chairman

Gregory John Macainsh

Michael McMartin

Resigned 16 February 2004

Belinda Morrison

Mark Narborough

(Alternate for Shaun James)

John Anthony O'Donnell

Appointed 3 November 2003

Damian Peter Rinaldi

(Alternate for Denis Anthony Handlin)
Appointed 19 August 2002

Edward Erskine St John

EXECUTIVE SECRETARIAT



Stephen Peach

Chief Executive Officer



Maxine Chisholm

Licensing Manager



James Grierson

IT Manager



Lynne Small

Manager - Finance,
Operations and
Administration



Linda Courtney

Distribution Manager



Jason McLennan

Corporate Counsel

AUDITORS

Deloitte Touche Tohmatsu

BANKERS

Commonwealth Bank of Australia

SOLICITORS

Gilbert & Tobin

REGISTERED OFFICE

Level 4, 19 Harris Street,

Pyrmont NSW 2009

A.C.N 000 680 704 A.B.N 43 000 680 704

PPCA Board Members



Shaun James
PPCA Chairman

Shaun James became a member of the PPCA Board in May 1999. Shaun is also the Chairman and CEO of Warner Music Australasia, a division of the Warner Music Group. Prior to Shaun's current position with Warner Music Australasia, he held positions in the promotions, sales and marketing divisions after joining the company in 1991. Shaun's close association with the Australian music industry began in Melbourne with Festival Records. Shaun holds a Bachelor of Business (Marketing) from Monash University.



George Ash
PPCA Board Member

George Ash became a member of the PPCA Board in August 2003. George is the Managing Director of Universal Music Australia (UMA), a division of the Universal Music Group. Prior to George's current position with Universal Music Australia, he held positions as Managing Director at Universal Music NZ, Managing Director at MCA Geffen NZ and held key management roles at BMG NZ. George has also held roles in Polygram Manufacturing and in the retail sector. George's passion for the music industry began as a musician and has spanned 25 years including holding a variety of roles in key industry bodies within the New Zealand Industry before relocating to Australia in his current role in 2001.



Libby Blakey
PPCA Board Member

Libby Blakey is currently Director of Business Affairs for Festival Mushroom Records and has also held a legal position at Polygram Music. Libby has been a member of the PPCA Board since September 2001.



Bill Cullen
PPCA Board Member -
Manager Representative

Bill became a member of board of the PPCA in 2004 as the Music Managers Forum (MMF) representative. He was elected to the MMF board in 2002. Bill is a partner in One Louder Entertainment, the management home to Alex Lloyd, Amiel, End Of Fashion and Shane Nicholson. He has been involved in the music business since leaving school, working at Grant Thomas Management with acts such as Crowded House and The Rockmelons. After that Bill spent 5 years in London where he worked with the legendary Pete Jenner (manager of Pink Floyd, The Clash, Billy Bragg, etc), before going on to co-manage New Zealand act OMC (How Bizarre) who went on to a number one single and gold album in the US. He returned to Australia in 1999 and established One Louder.



Denis Handlin
PPCA Board Member

Denis is the Chairman and Chief Executive Officer of Sony Music Entertainment Australia Limited, having held various senior positions within the company since 1971. Denis is also a former chairman of the PPCA. Denis' deep involvement in the music industry is also reflected in his current position as Chairman of the Australian Record Industry Association (ARIA), and his previous experience as Chairman of the ARIA Chart Committee. Denis has also served on the committees of several industry associations.



Gregory John Macainsh
PPCA Board Member -
Artist Representative

Greg Macainsh has been a recording artist, songwriter and musician for over 25 years, forming the seminal Australian group Skyhooks in 1973. Skyhooks disbanded in 1980 and Greg moved into production, management and songwriting tuition. A keen bass player, he has toured with a number of artists, notably John Farnham and Dave Warner. Greg is a strong advocate for the contemporary music industry, holding positions as a Director and Chairperson of the Victorian Rock Foundation from 1989 to 1993 and a Writer Director of APRA from 1997 to 2000. He was elected to the PPCA board as an Artist Representative in 2001



Lindy Morrison
PPCA Board Member -
Artist Representative

Lindy Morrison has been a member of the PPCA Board, as a representative of registered Australian recording artists, since 1993. Lindy toured the world as a drummer, with Zero, The Go-Betweens and Cleopatra Wong, from 1978 until 1992. Since then, Lindy has worked around Australia as the musical director or performer in shows, parades and festivals, and has led drum and music workshops with many diverse and varied community groups. Lindy is also a Director on the Music Council of Australia Board, and she is the National Coordinator for Support Act Ltd – the benevolent society for musicians and workers in the music industry.



John O'Donnell
PPCA Board Member

John O'Donnell has worked in the Australian music industry for over 15 years. After a period as a freelance writer, he joined Rolling Stone Magazine as Music Editor in 1988. In the early 90's he co-founded and was the original Editor of Juice Magazine. In 1994 he joined Sony Music to begin the Murmur label and went on to sign a range of acts including Silverchair, Jebediah and Something For Kate. In 1999, he was appointed head of A&R at Sony Music Australia. In 2002 he joined EMI Australia and was appointed Managing Director in July of that year. In addition to his duties as a Board Member of ARIA, John is also the Chairman of the ARIA Chart and Marketing Committee. His favorite album remains The Beach Boys "Pet Sounds".



Ed St John
PPCA Board Member

Ed St John became a member of the PPCA Board in July 2001. Ed is the Managing Director of BMG Australia, having previously held a number of senior positions within the company since joining in 1998. Prior to joining BMG, Ed held the position of Director of Marketing at Columbia Records – a division of Sony Music Australia. Ed's long association with the music industry includes work as a television writer and producer specialising in music and entertainment-focused programming, and as a freelance music writer and contributor to several key books on Australian music.

Management Report

Financial Performance

Once again we are pleased to announce another successful year for PPCA with record achievements in the areas of revenue, distributable surplus and licence coverage.

In the year ending 2003, revenue increased to \$11.1 million, which was 13% higher than 2002 and 6% better than budget. This growth can be largely attributed to increases in both general public performance fees (up \$587k) and ABC TV broadcast fees (up \$773k). It should be noted that the main factors contributing to the ABC increase were; licensing for the use of music video clips for the RAGE program; licensing for the ASIA Pacific service; and a backpayment relating to the previous financial year.

Operating surplus hit a record high in 2003 of \$8.1 million, which is \$900 thousand more than the previous year and represents 12.6% growth.

The number of public performance licences continues to grow, and at June 2003 stood at 35,496. This growth (3%) highlights the high volume of activity undertaken by PPCA licensing staff and the continued contribution of the communications programme.

During the year, after extensive consultation, PPCA concluded arrangements for a new licensing scheme for cinema exhibitors. The new arrangements commenced on 1 July 2003 and will contribute towards revenue increases in 2004.

The trends outlined above are illustrated in the simple graphs overleaf.

Distribution

PPCA completed its distribution to registered artists and controlling labels in December 2003, issuing over 840 cheques.

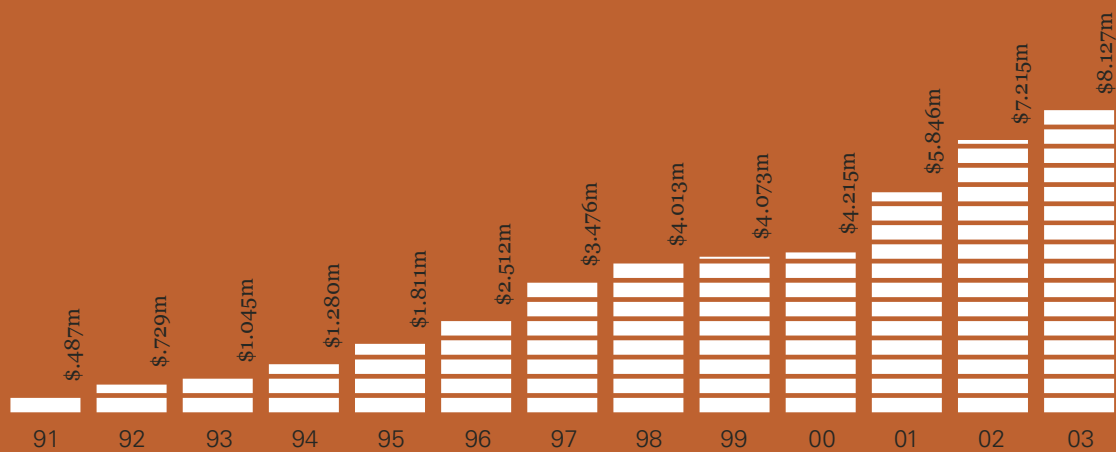
PPCA continues to liaise with the artist community, encouraging emerging labels and copyright owners to join PPCA, and eligible artists to register for the Artist Direct Distribution Scheme. We encourage all artists to ensure that their details are kept up to date, including registering new releases.

We also continue to seek information on potential overseas income streams for performers. During the year PPCA alerted all registered artists to the existence of the "Royalties Reunited" website (www.royaltiesreunited.co.uk), where artists can investigate additional overseas income streams.

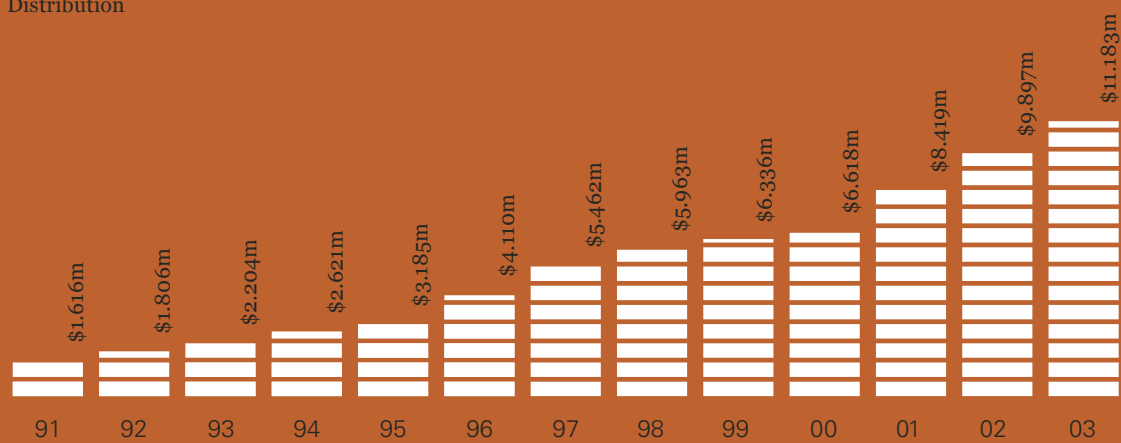
The distribution process is one of PPCA's key functions. It is significantly aided by access granted to PPCA by the Australian Record Industry Association (ARIA) of its extensive repertoire database. This resource provides invaluable information for the process of matching titles in the distribution logs to artist registrations.

Communications

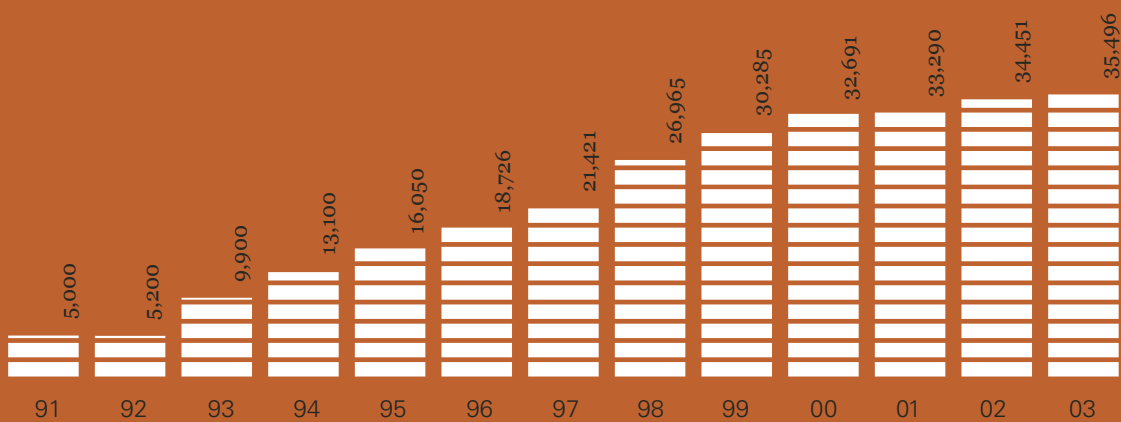
During 2003 PPCA maintained its proactive programme of communication, education and advertising. Our two pronged communication strategy is directed at those who use sound recordings and need to obtain appropriate licenses, as well as to the creators of sound recordings including both artists and labels, to ensure they are aware of the activities of PPCA and their potential eligibility to register for income distribution.



Distribution



Revenue



Licences

Throughout the year, PPCA participated in a number of activities to communicate and provide information to the artist community. We participated in a number of workshops as part of the Tamworth Music Festival, Fuse (formerly Music Business Adelaide), Q Music's Big Sound Music Industry Conference, Newcastle Music Week, Australian Music Week and the Bondi Youth Wave. PPCA was also a sponsor of the Australian Songwriters Association Awards.

We continue to liaise with trade industry groups in relation to business licensing, and in addition to providing sponsorship assistance at a number of events, have been represented at conferences run by the Community Broadcasting Association of Australia, Services Clubs Association and the Australian Hotels Association.

The PPCA website continues to act as a key element of the communication strategy. The website provides a wealth of user friendly information for the benefit of both artist and business communities alike.

Support Act Limited

In 2003, PPCA continued its support of the industry's national benevolent fund, Support Act Limited (SAL). SAL exists to provide assistance to Australian musicians, composers and associated workers who have fallen upon hard times.

PPCA remains represented on the board of SAL, as well as on the Events and Fundraising Committee. PPCA provides practical ongoing administrative, secretarial and accounting support to SAL, including sponsorship of their principle fund raising event, the SAL Melbourne Cup Lunch.

PPCA continues to advise artists of SAL and urges all artists who wish to contribute and assist in ongoing fundraising events to make contact. We also take this opportunity to remind artists to contact SAL if they find themselves in circumstances where they require assistance.

Code of Conduct

As advised in previous reports, PPCA is a participant in the voluntary Code of Conduct for Copyright Collecting Societies (the "Code"). The Code was developed to ensure that both members and licensees had clear expectations of practices and activities when dealing with collecting societies.

In November 2002, former Justice of the Federal Court of Australia and former President of the Copyright Tribunal, Mr J C S (James) Burchett QC was appointed the independent reviewer of the Code.

June 2003 saw the end of the first year of the Code's operation, and Mr Burchett has subsequently reviewed the level of compliance by the various societies for the initial twelve month period. As part of the review process all trade associations and members were advised of the opportunity to make submissions directly to Mr Burchett.

The Code of Conduct Review was issued in September 2003 and we are pleased to report that the Review confirmed PPCA's compliance with the Code. A copy of his report is available on the PPCA website.

The Year Ahead

The year ahead will continue to present diverse challenges for the organisation and staff.

We plan to continue our well established education program in the business licensing sector. We are in the process of supplementing this program with an educational video for use by industry associations and educational organisations. We believe this resource will enhance our compliance with the educational component in the Code of Conduct, and also assist in increasing public performance licence coverage and associated revenue.

We are currently involved in a comprehensive review of the organisations information technology systems and plan to commence redevelopment of the Distribution and Catalogue modules during 2004.

In relation to the Free Trade Agreement, PPCA will continue to closely monitor developments and work with the government to promote the best interests of copyright owners and recording artists.

In regard to broadcast income, PPCA will continue to pursue the removal of the artificial limit on radio broadcast fees contained in the Copyright Act. The price cap continues to impact recording artists and sound recording copyright owners as their works subsidise the commercial radio broadcast industry. In contrast, no such cap limits the ability of the owners of musical works to obtain equitable recompense for use of their work. The limits for PPCA artists and licensors are significantly lower than comparable international rates.

As a matter of policy, PPCA remains committed to ensuring artists and copyright owners obtain equitable remuneration for the use of their valuable material.

Finally, PPCA would like to acknowledge the departure of Peter Bond from the PPCA Chair. His valuable contribution to the organisation, brought about by his extensive industry experience is greatly appreciated. PPCA welcomes Shaun James to the Chairman position and wishes him all the best for the coming year.



Stephen Peach
Chief Executive Officer



Lynne Small
Manager - Finance, Operations & Administration



PPCA Most Broadcast Australian Recording Artist for 2002 awarded to Alex Lloyd – pictured with Greg Macainsh and Lindy Morrison

are you *keeping fit* to the music?



Kylie Minogue/FSIR
PPCA Most Broadcast
Australian Recording
Artist (2002)

PPCA represents Australian recording artists and their labels for the public performance of their music and videos.

PPCA provides nonexclusive licences to businesses and venues playing protected CDs, tapes or music videos such as cafés, gyms, leisure centres and nightclubs. Background recorded music, combined with excellent service, ambience and facilities, are important marketing tools for all types of gyms and leisure based facilities.

PPCA licence fees are cost effective, simple to administer and tax deductible and commence at under \$60.00 per annum to play background music in a reception or free weights area.

Contact PPCA for details on music licensing requirements for the use of CDs and music videos in your business. Users may alternatively obtain licences directly from all copyright owners.

Licensing your business to play music

PPCA

Phonographic Performance Company of Australia
ABN 43 000 680 704

www.pcca.com.au
Contact 02 8569 1111
Email licensing@pcca.com.au
Post PO Box Q20 QVB PO Sydney NSW 2009
© 2003 PPCA



PPCA Most Broadcast Australian Country Music Artist for 2002 awarded to Kasey Chambers - pictured with Shaun James (Warner Music & PPCA Chairman) and Chris O'Hearn (EMI)

PPCA Performers' Trust Foundation

Since its inception, PPCA has funded and co-administered with the Musicians' Union and the Media Entertainment and Arts Alliance (formerly Actor's Equity) the "PPCA Performers' Trust". The Trustees during the period 1 July 2002 – 30 June 2003 were Peter Bond, Stephen Peach, Patricia Amphlett and Denis Shelverton.

In exercising their powers pursuant to the provisions of the Trust, the Trustees have the power to pay or to apply the Trust Fund to or for the benefit of such beneficiaries as the Trustees in their absolute discretion from time to time determined in respect of one or more of the following purposes:

1. performance at concerts at or for charitable institutions such as hospitals or homes for the aged; or
2. scholarships for the promotion and encouragement of musical and theatrical education; or
3. the promotion and encouragement of the performing arts to the general public; or in particular,
4. the aid or assistance of any beneficiary who in the opinion of the Trustees is unable to adequately maintain herself/himself by her/his own exertions and other income.

Total funds provided since creating the Trust have been \$1,499,836 (up to 30 June 2003).

In the 2002-2003 year, three Trust meetings were held and 24 applications were put to the Trustees. Of these, 18 were approved totalling \$39,030. Of the successful applications 12 related to further education and research; and 6 to festivals, live music and local artists.

Trust Fund Recipients

Musicians' Union of Australia // Craig Russell // Sebastian Lipman
Garry McNaney // Kaye Paye // Robert Petchell // Q Music
Miranda Nation // Tanya Burne // Emily Warhurst // Audrey Auld
Music Industry Development Inc (MIDI) // Yothu Yindi Foundation

The Trust Balance Sheet can be found on page 35 of this report. Feedback from many of the grants recipients has been welcome and useful. Here are some examples.

Audrey Auld
Reckless Records
Woy Woy, NSW

I'm writing to thank the PPCA very much for the funds to help put on the Christmas show at the Norah Head Nursing Home. It was a great success and I'm told it's a great achievement to receive an encore from a room full of people with dementia! It was a wonderful day and we promised to return next year. I really appreciate the support of PPCA.

Mandawuy Yunupingu
Deputy Chairman
Yothu Yindi Foundation
Darwin, NT

The very successful 2003 Garma Festival concluded on Tuesday, 12 August, confirming Garma's reputation – in only its fifth year – as the most significant Indigenous cultural, and cultural exchange event in Australia, and one of the Northern Territory's biggest events. None of this would have been possible without the generosity of spirit demonstrated by our sponsor and supporters. The organisers of the festival, the Yothu Yindi Foundation, value the support that you and the organisation you represent provided. Once again – thank you. Nhama yalala.

2003 Most Broadcast Recordings & Artists

As with previous years, PPCA continues to acknowledge the most broadcast recordings and artists in Australia. The extensive play lists used as the basis for PPCA's distribution surplus payments determine these results.

The *Most Broadcast Recordings* list shows the one hundred (100) most broadcast recordings for the year as played by radio and TV stations across Australia. The *Most Broadcast Artist* list is measured by collating all titles performed by each of the artists listed in the PPCA radio and TV broadcast logs during the relevant period (i.e. July 2002 to June 2003).

Most Broadcast Recordings

In 2003, *Creepin' Up Slowly*, by Australian band Taxiride, was the most Broadcast Recording on Australian radio and TV. This was followed by Avril Lavigne at #2 with *Complicated*, Vanessa Carlton at #3 with *A Thousand Miles* and *No Such Thing* by John Mayer at #4. Taxiride appeared again in the top 100 Most Broadcast titles in 2003 with *How I Got This Way*. Both positions indicate the enormous appeal that Taxiride has to Australian audiences.

Australian music continued to have a strong presence in the PPCA list with many artists achieving multiple entries including Kylie Minogue and Silverchair with three appearances each and Delta Goodrem, Disco Montego, Holly Valance and Dannii Minogue each appearing twice. Credit must also be given to the record companies for their dedicated marketing and investment efforts towards these artists and their recordings throughout the year.

Overall, twenty four (24) positions in the Top 100 Most Broadcast Recordings for 2003 were by Australian artists.

Most Broadcast Artist

2003 proved to be another outstanding year for Australian artists in PPCA's Most Broadcast Artist list, with international pop sensation *Kylie Minogue* taking the #1 position for the second consecutive year. With three songs appearing in 2003's Most Broadcast Recording list, this outstanding achievement illustrates the wide appeal that Kylie has to her Australian audience after an already long and successful career.

Following *Kylie*, the second Most Broadcast Artist in 2003 was *Avril Lavigne*, followed by the *Red Hot Chili Peppers* at #3 and *Eminem* at #4.

This is the fourth consecutive year that an Australian artist has achieved the #1 position in this PPCA list, indicating the continued popularity of Australian music across a wide range of broadcasting station formats.

PPCA has once again compiled a Most Broadcast Recordings and Artists series list for 2000, 2001, 2002 and 2003 on the following pages. Being hard factual data, these results are always keenly observed by artists, record companies, radio stations and music enthusiasts.

100

Most Broadcast Recordings

1	Creepin' Up Slowly	Taxiride	53	I'm Just A Girl	Bachelor Girl
2	Complicated	Avril Lavigne	54	Kiss Kiss	Holly Valance
3	A Thousand Miles	Vanessa Carlton	55	Jenny From The Block	Jennifer Lopez
4	No Such Thing	John Mayer		(Everbots Showtime Mix)	
5	Feel (Album Version)	Robbie Williams	56	Round Round	Sugababes
6	Just a Little	Liberty X	57	A Little Less Conversation	Elvis Presley VS JXL
7	Objection (Tango)	Shakira	58	Caught In The Middle	A1
8	Born To Try	Delta Goodrem	59	You Promised Me (Radio Edit)	In-Grid
9	I'm With You	Avril Lavigne	60	When I Lost You	Sarah Whatmore
10	Big Yellow Taxi (Video)	Counting Crows	61	The Game Of Love (Main/Radio Mix)	Santana
11	Lost Without You	Delta Goodrem	62	Luv Your Life	Silverchair
12	Life Goes On	Leann Rimes	63	Without Me	Eminem
13	Lose Yourself	Eminem	64	Stuck	Stacie Orrico
14	It Just Won't Do (Radio Edit)	Tim Deluxe	65	James Dean (I Wanna Know)	Daniel Bedingfield
15	Dove (I'll Be Loving You) (T&F VS Moltosugo Radio Mix)	Moony	66	Just Like A Pill (Main)	Pink
16	Fever	Kylie Minogue	67	Escape	Enrique Iglesias
17	Sk8er Boi	Avril Lavigne	68	Just The Way You Are (Almighty Mix)	Milky
18	Wherever You Will Go	The Calling	69	Underneath Your Clothes	Shakira
19	Beautiful (Radio Mix)	Disco Montego	70	Can't Stop (Album Version)	Red Hot Chili Peppers
20	Come Into My World	Kylie Minogue	71	Drops of Jupiter	Train
21	Beautiful	Christina Aguilera	72	Wasting My Time	Default
22	Get Over You	Sophie Ellis Bextor	73	All I Have	Jennifer Lopez
23	Naughty Girl	Holly Valance	74	I Begin To Wonder (Radio Version)	Dannii Minogue
24	Why Don't You and I	Santana	75	Family Portrait	Pink
25	Disease (Album Version)	Matchbox 20	76	Murder On The Dancefloor	Sophie Ellis Bextor
26	Do It With Madonna	The Androids	77	One Last Breath (Album Version)	Creed
27	Barenaked	Jennifer Love Hewitt	78	Hella Good	No Doubt
28	Times Like These	Foo Fighters	79	Bump, Bump, Bump (Radio Edit)	B2K
29	Can I Go Now (Radio Mix)	Jennifer Love Hewitt	80	Whenever, Wherever	Shakira
30	U Talkin' To Me	Disco Montego	81	I Can't Wait	Brooke McClymont
31	The Zephyr Song (Album Version)	Red Hot Chili Peppers	82	Your Body Is A Wonderland	John Mayer
32	Die Another Day	Madonna	83	Cry Me A River	Justin Timberlake
33	By The Way	Red Hot Chili Peppers	84	Everyday	Bon Jovi
34	Keeping Secrets	Motor Ace	85	Hey Sexy Lady (Album Version)	Shaggy
35	Love At First Sight	Kylie Minogue	86	The Middle	Jimmy Eat World
36	If You're Not The One (Album Version)	Daniel Bedingfield	87	Superman (It's Not Easy)	Five For Fighting
37	Heaven	DJ Sammy	88	Tribute	Tenacious D
38	How I Got This Way	Taxiride	89	2 Beautiful (76 BPM)	Emmanuel Carella
39	Dirrty	Christina Aguilera	90	After All These Years	Silverchair
40	The Tide Is High (Get The Feeling) (Radio Mix)	Atomic Kitten	91	Shiny Disco Balls (Radio Edit)	Who Da Funk
41	Dilemma (featuring Kelly Brooke Rowland)	Nelly	92	Amazing	Alex Lloyd
42	Lovesong	Amiel	93	Clocks	Coldplay
43	All The Things She Said	T.A.T.U.	94	Without You	Silverchair
44	Stole	Kelly Rowland	95	In Da Club – Album Version	50 Cent
45	Boys of Summer	DJ Sammy	96	Rock Your Body	Justin Timberlake
46	Lifestyles Of The Rich And The Famous	Good Charlotte	97	She Hates Me	Puddle of Mudd
47	Don't Turn Off The Lights	Enrique Iglesias	98	All You Wanted	Michelle Branch
48	Nu Flow	Big Brovaz	99	How You Remind Me	Nickelback
49	Put The Needle On It (Radio Version)	Dannii Minogue	100	Outside Of Me	Killing Heidi
50	If Tomorrow Never Comes	Ronan Keating			
51	I Love It When We Do	Ronan Keating			
52	Hero (Motion Picture Version)	Chad Kroeger			

This chart is measured by collating all titles that appear in the PPCA radio/TV broadcast logs during the period July to June each year.

>> **Orange** denotes Australian artists

50

Most Broadcast Artists

15

- | | | |
|-------------------------|-------------------------|--------------------------|
| 1 Kylie Minogue | 19 Matchbox 20 | 37 No Doubt |
| 2 Avril Lavigne | 20 Enrique Iglesias | 38 Garbage |
| 3 Red Hot Chili Peppers | 21 Santana | 39 Pearl Jam |
| 4 Eminem | 22 Holly Valance | 40 John Farnham |
| 5 Madonna | 23 The Beatles | 41 INXS |
| 6 Jennifer Lopez | 24 John Mayer | 42 Bachelor Girl |
| 7 Silverchair | 25 Elton John | 43 Dannii Minogue |
| 8 Robbie Williams | 26 Foo Fighters | 44 Good Charlotte |
| 9 U2 | 27 Daniel Bedingfield | 45 Savage Garden |
| 10 Taxiride | 28 Nelly | 46 Vanessa Carlton |
| 11 Shakira | 29 Jennifer Love Hewitt | 47 Rolling Stones |
| 12 Delta Goodrem | 30 Craig David | 48 Grinspoon |
| 13 Christina Aguilera | 31 Justin Timberlake | 49 Fleetwood Mac |
| 14 Ronan Keating | 32 Creed | 50 Counting Crows |
| 15 Pink | 33 Bon Jovi | |
| 16 Jamiroquai | 34 DJ Sammy | |
| 17 Atomic Kitten | 35 Motor Ace | |
| 18 Disco Montego | 36 Sophie Ellis Bextor | |

This chart is measured by collating all titles that appear in the PPCA radio/TV broadcast logs during the period July to June each year.

>> **Orange** denotes Australian artists



Artists L to R >> Kylie Minogue (FMR), Bachelor Girl (BMG), Grinspoon (UMA)

2000-03

Most Broadcast Artists

2000

- 1 Savage Garden
- 2 The Beatles
- 3 Madonna
- 4 Elton John
- 5 Taxiride
- 6 Vanessa Amorosi
- 7 Bryan Adams
- 8 Shania Twain
- 9 Killing Heidi
- 10 U2
- 11 Backstreet Boys
- 12 Smash Mouth
- 13 Bachelor Girl
- 14 Santana
- 15 Crowded House
- 16 The Beach Boys
- 17 Fleetwood Mac
- 18 Red Hot Chili Peppers
- 19 INXS
- 20 Billy Joel
- 21 Human Nature
- 22 The Eagles
- 23 Rolling Stones
- 24 John Mellencamp
- 25 Jennifer Lopez

2001

- 1 Savage Garden
- 2 Matchbox 20
- 3 U2
- 4 The Corrs
- 5 Vanessa Amorosi
- 6 Ronan Keating
- 7 Kylie Minogue
- 8 Backstreet Boys
- 9 Madonna
- 10 The Beatles
- 11 John Farnham
- 12 Elton John
- 13 Powderfinger
- 14 Human Nature
- 15 Bryan Adams
- 16 Shania Twain
- 17 Cold Chisel
- 18 Killing Heidi
- 19 Bon Jovi
- 20 Jennifer Lopez
- 21 INXS
- 22 Anastacia
- 23 Bachelor Girl
- 24 Madison Avenue
- 25 Billy Joel

2002

- 1 Kylie Minogue
- 2 U2
- 3 Savage Garden
- 4 Madonna
- 5 Garbage
- 6 Elton John
- 7 Jennifer Lopez
- 8 Creed
- 9 The Beatles
- 10 Paul Mac
- 11 Ronan Keating
- 12 Lifehouse
- 13 Powderfinger
- 14 Matchbox 20
- 15 No Doubt
- 16 Alex Lloyd
- 17 Nelly Furtado
- 18 Train
- 19 John Farnham
- 20 Robbie Williams
- 21 Smash Mouth
- 22 Shaggy
- 23 Gabrielle
- 24 Jamiroquai
- 25 Green Day

2003

- 1 Kylie Minogue
- 2 Avril Lavigne
- 3 Red Hot Chili Peppers
- 4 Eminem
- 5 Madonna
- 6 Jennifer Lopez
- 7 Silverchair
- 8 Robbie Williams
- 9 U2
- 10 Taxiride
- 11 Shakira
- 12 Delta Goodrem
- 13 Christina Aguilera
- 14 Ronan Keating
- 15 Pink
- 16 Jamiroquai
- 17 Atomic Kitten
- 18 Disco Montego
- 19 Matchbox 20
- 20 Enrique Iglesias
- 21 Santana
- 22 Holly Valance
- 23 The Beatles
- 24 John Mayer
- 25 Elton John

>> Orange denotes Australian artists



Artists L to R >> Holly Valance (UMA),
Taxiride (WARNER MUSIC), Silverchair (EMI)

Most Broadcast Recordings 2000-03

17

2000

- 1 Smooth
Santana
- 2 **Everywhere You Go**
Taxiride
- 3 She's So High
Tal Bachman
- 4 I Try
Macy Gray
- 5 All Star
Smash Mouth
- 6 **I Knew I Loved You**
Savage Garden
- 7 **Affirmation**
Savage Garden
- 8 When You Say Nothing At All
Ronan Keating
- 9 Hey Leonardo (She Likes Me
For Me)
Blessid Union of Souls
- 10 **Weir**
Killing Heidi
- 11 Steal My Sunshine
Len
- 12 **Have A Look**
Vanessa Amorosi
- 13 **Absolutely Everybody**
Vanessa Amorosi
- 14 **Mascara**
Killing Heidi
- 15 Last Kiss
Pearl Jam
- 16 Scar Tissue
Red Hot Chili Peppers
- 17 **Get Set**
Taxiride
- 18 Baby Did A Bad Bad Thing
Chris Isaak
- 19 Beautiful Stranger
Madonna
- 20 Kiss Me
Sixpence None The Richer
- 21 Burning Down the House
Tom Jones
- 22 Pure Shores
All Saints
- 23 If You Had My Love
Jennifer Lopez
- 24 **Permission to Shine**
Bachelor Girl
- 25 Larger Than Life
Backstreet Boys

2001

- 1 Breathless
The Corrs
- 2 Life is a Rollercoaster
Ronan Keating
- 3 **Shine**
Vanessa Amorosi
- 4 **Sunshine on a Rainy Day**
Christine Anu
- 5 I'm Outta Love
Anastacia
- 6 If You're Gone
Matchbox 20
- 7 **Crash & Burn**
Savage Garden
- 8 **My Happiness**
Powderfinger
- 9 Bent
Matchbox 20
- 10 Shackles (Praise You)
Mary Mary
- 11 Rome Wasn't Built in A Day
Morcheeba
- 12 **Spinning Around**
Kylie Minogue
- 13 It's My Life
Bon Jovi
- 14 Beautiful Day
U2
- 15 **On A Night Like This**
Kylie Minogue
- 16 Teenage Dirtbag
Wheatus
- 17 Cruisin'
Gwyneth Paltrow
- 18 Let's Get Loud
Jennifer Lopez
- 19 **Permission To Shine**
Bachelor Girl
- 20 **Chained To You**
Savage Garden
- 21 Groove Jet
Spiller
- 22 Don't You Worry
Madasun
- 23 Gotta Tell You
Samantha Mumba
- 24 Yellow
Coldplay
- 25 Can't Fight The Moonlight
(Theme From "Coyote Ugly")
Leann Rimes

2002

- 1 Drops of Jupiter
Train
- 2 Hanging by a Moment
Lifehouse
- 3 Out of Reach
Gabrielle
- 4 Follow Me
Uncle Cracker
- 5 **Amazing**
Alex Lloyd
- 6 **Pleased to Meet You**
Aneiki
- 7 **Can't Get You Out of My Head**
Kylie Minogue
- 8 How you remind me
Nickelback
- 9 Don't Stop Movin'
S Club 7
- 10 Starlight (original version)
The Superman Lovers
- 11 Lovin' Each Day
Ronan Keating
- 12 **In Your Eyes**
Kylie Minogue
- 13 Cherry Lips (Go Baby, Go!)
Garbage
- 14 **Just The Thing**
Paul Mac
- 15 Dancing in the Moonlight
Toploader
- 16 With Arms Wide Open
Creed
- 17 Turn off the Light
Nelly Furtado
- 18 What Took You So Long?
Emma Bunton
- 19 I'm a Believer
Smash Mouth
- 20 Better Man
Robbie Williams
- 21 Sing
Travis
- 22 When it's Over (album version)
Sugar Ray
- 23 Rapture
lio
- 24 Can't Fight the Moonlight
Leann Rimes
- 25 **Not Pretty Enough**
Kasey Chambers

2003

- 1 **Creepin' Up Slowly**
Taxiride
- 2 Complicated
Avril Lavigne
- 3 A Thousand Miles
Vanessa Carlton
- 4 No Such Thing
John Mayer
- 5 Feel (Album Version)
Robbie Williams
- 6 Just a Little
Liberty X
- 7 Objection (Tango)
Shakira
- 8 **Born To Try**
Delta Goodrem
- 9 I'm With You
Avril Lavigne
- 10 Big Yellow Taxi (Video)
Counting Crows
- 11 **Lost Without You**
Delta Goodrem
- 12 Life Goes On
Leann Rimes
- 13 Lose Yourself
Eminem
- 14 It Just Won't Do (Radio Edit)
Tim Deluxe
- 15 Dove (I'll Be Loving You) (T&F
VS Moltosugo Radio Mix)
Moony
- 16 **Fever**
Kylie Minogue
- 17 Sk8er Boi
Avril Lavigne
- 18 Wherever You Will Go
The Calling
- 19 **Beautiful (Radio Mix)**
Disco Montego
- 20 **Come Into My World**
Kylie Minogue
- 21 Beautiful
Christina Aguilera
- 22 Get Over You
Sophie Ellis Bextor
- 23 **Naughty Girl**
Holly Valance
- 24 Why Don't You and I
Santana
- 25 Disease (Album Version)
Matchbox 20

Appendix

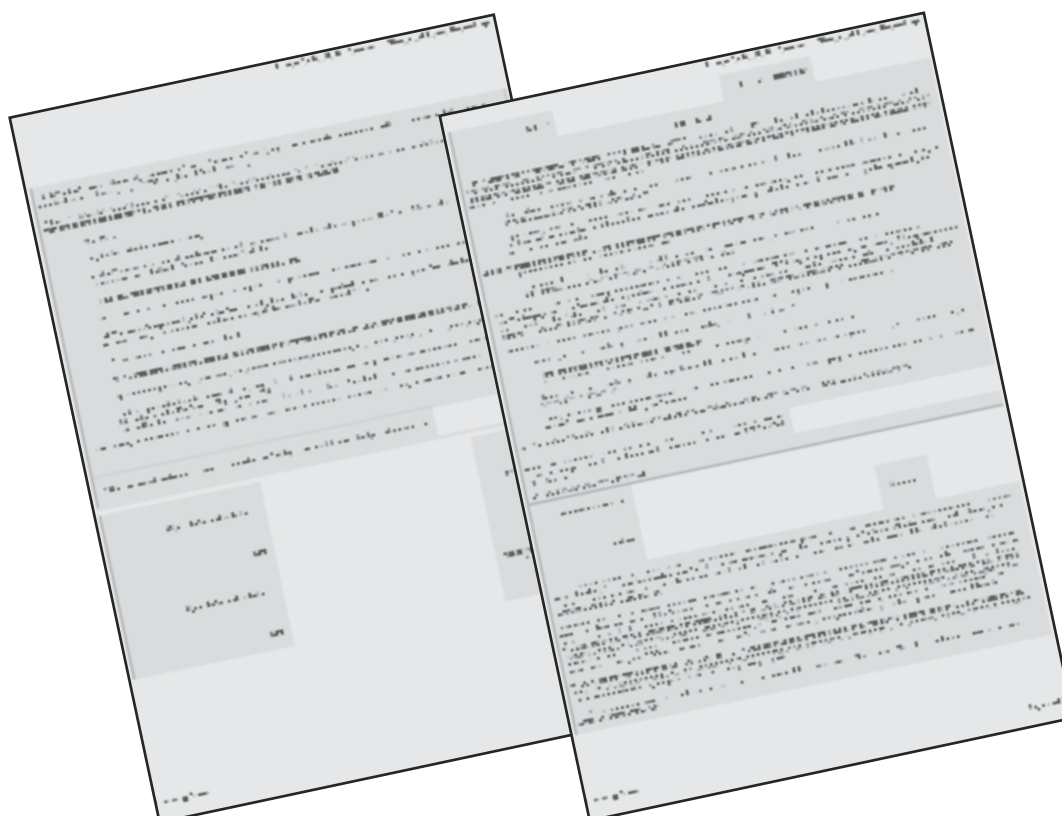
Appendix A. Code of Practice - Australian Music

The purpose of the Code is to implement the object, set forth in the Broadcasting Services Act 1992, of promoting the role of broadcasting services in developing and reflecting a sense of Australian identity, character and cultural diversity, by prescribing minimum content levels of Australian Music.

Metropolitan and Regional Stations

CATEGORY	FORMAT	PROPORTIONS
A	CHR/Mainstream Rock/ Album oriented Alternative	Not less than 25%
B	Mainstream adult contemporary, country, Classic rock	Not less than 20%
C	Soft adult contemporary, Hits & Memories, Gold, news talk	Not less than 15%
D	Easy listening - oldies, gold	Not less than 10%
E	Niche formats - jazz, big band	Not less than 5%
All formats - other than niche not less than 10%		

Appendix B. Sample PPCA Licence



Financials

Phonographic Performance Company of Australia Limited // Special Purpose Financial Report
Financial Year Ended 30 June 2003

20	Directors' Report
23	Independent Audit Report
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26	Statement of Financial Position
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Directors' Report

The directors of Phonographic Performance Company of Australia Limited, submit herewith the annual financial report for the financial year ended 30 June 2003. In accordance with the provisions of the Corporations Act 2001 the directors report as follows:

The names and particulars of the directors of the company in office during or since the end of the financial year are:

George William Ash	Managing Director, Record Company
Elizabeth Ann Blakey	Director of Business Affairs, Record Company
Peter Bond	Chairman/Regional President, Australia/New Zealand/Africa, Record Company
Louis Calleja	Business Affairs Director, Record Company
Karen Ann Don	(Alternate for Peter Bond); Director, Legal & Business Affairs, Record Company
Desmond Arthur Dubery	(Alternate for Edward Erskine St John); Director, Business Affairs, Record Company
Adrian Fitz-Alan	(Alternate for Denis Anthony Handlin); General Manager, New Technology & Business Affairs, Record Company
Michael William Golden	(Alternate for Elizabeth Ann Blakey); Chief Operating Officer, Record Company
Denis Anthony Handlin	Chairman and CEO; Australia and New Zealand, Record Company
Graham David Harris	(Alternate for Louis Calleja / John O'Donnell); Executive Vice President, Record Company
Shaun James	CEO and Chairman, Record Company
Gregory John Macainsh	Independent Artist
Michael McMartin	Director, Management Company
Belinda Morrison	Independent Artist
Mark Narborough	(Alternate for Shaun James); Director of Finance, Record Company
John Anthony O'Donnell	Managing Director, Record Company
Damian Peter Rinaldi	(Alternate for Denis Anthony Handlin) Director, Business Affairs, Record Company
Edward Erskine St John	Managing Director, Record Company

The above named directors held office during and since the end of the financial year except for:

Damian Peter Rinaldi	Appointed 19 August 2002
Adrian Fitz-Alan	Resigned 31 August 2002
George Ash	Appointed 29 July 2003
Peter Bond	Resigned 29 July 2003
Louis Calleja	Resigned 3 November 2003
John Anthony O'Donnell	Appointed 3 November 2003

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were directors). During the financial year, 4 board meetings were held.

Directors	Board of Directors	
	Held	Attended
Elizabeth Ann Blakey	4	2
Peter Bond	4	4
Louis Calleja	4	1
Karen Ann Don (Alternate)	-	-
Desmond Arthur Dubery (Alternate)	3	3
Michael William Golden (Alternate)	2	-
Denis Anthony Handlin	4	-
Graham David Harris (Alternate)	3	1
Shaun James	4	2
Gregory John Macainsh	4	4
Michael McMartin	4	2
Belinda Morrison	4	3
Mark Narborough (Alternate)	2	1
Damian Peter Rinaldi	4	3
Edward Erskine St John	4	1

PRINCIPAL ACTIVITY

The principal activity of the company in the course of the financial year was acting for the copyright owners in the licensing throughout Australia of the broadcast and public performance of sound recordings and music video clips. During the year there was no significant change in the nature of this activity.

CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the company other than that referred to in the financial statements or notes thereto.

REVIEW OF OPERATIONS

The company distributes the licence fees it collects to the copyright owners and artists after deducting operating expenses. As a result of this, no profit or loss is reported and the Directors do not recommend that a dividend will be payable in the current year or was payable in the prior year.

The company's results have again shown a substantial increase in the amount to be distributed to copyright owners as compared with the previous year. The results of the operations of the company during the year were not, in the opinion of the directors substantially affected by any item, transaction or event of a material and unusual nature.

SUBSEQUENT EVENTS

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in financial years.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During or since the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.

Signed in accordance with a resolution of the directors made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the Directors
(Sydney 2003)



S. James
Director



E. St John
Director

Independent Audit Report

SCOPE

We have audited the attached financial report, being a special purpose financial report, of Phonographic Performance Company of Australia Limited for the financial year ended 30 June 2003 as set out on pages 25 to 34. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of Phonographic Performance Company of Australia Limited. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report of Phonographic Performance Company of Australia Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2003 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
 - (ii) complying with Accounting Standards in Australia to the extent described in Note 1 and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia to the extent described in Note 1.

Deloitte Touche Tohmatsu
(Sydney 2003)



Julia Bickerstaff
Partner - Chartered Accountants

Directors' Declaration

As detailed in Note 1 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

The directors declare that:

- (a) the attached financial statements and notes thereto comply with Accounting Standards;
- (b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
- (d) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors
(Sydney 2003)



S. James
Director



E. St John
Director

Statement of Financial Performance

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For the Financial Year Ended 30 June 2003	Note	2003 \$	2002 \$
Revenue from ordinary activities	2	11,183,329	9,897,215
Employee benefits expense		(1,368,786)	(1,330,097)
Subscription fees paid or payable to the International Federation of Phonographic Industry		(398,077)	(450,779)
Occupancy expenses		(181,383)	(135,514)
Depreciation and amortisation expense		(62,387)	(58,545)
Borrowing costs		-	(11,067)
Other expenses from ordinary activities		(945,668)	(695,838)
Distribution to licensors		(8,127,028)	(7,215,375)
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		100,000	-
Income tax expense relating to ordinary activities		-	-
NET PROFIT		100,000	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH MEMBERS AS MEMBERS	14	100,000	-

Statement Of Financial Position

As at 30 June 2003	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets		1,093,824	898,818
Receivables	6	1,890,710	1,648,764
Other financial assets	7	9,221,320	8,255,000
TOTAL CURRENT ASSETS		12,205,854	10,802,582
NON-CURRENT ASSETS			
Plant and equipment	8	294,019	96,717
TOTAL NON-CURRENT ASSETS		294,019	96,717
TOTAL ASSETS		12,499,873	10,899,299
CURRENT LIABILITIES			
Payables	9	12,288,953	10,796,062
Provisions	10	81,681	85,398
TOTAL CURRENT LIABILITIES		12,370,634	10,881,460
NON-CURRENT LIABILITIES			
Provisions	11	29,221	17,821
TOTAL NON-CURRENT LIABILITIES		29,221	17,821
TOTAL LIABILITIES		12,399,855	10,899,281
NET ASSETS		100,018	18
EQUITY			
Contributed equity	12	18	18
Reserves	13	100,000	-
Retained profits	14	-	-
TOTAL EQUITY		100,018	18

Statement of Cash Flows

For the Financial Year Ended 30 June 2003	Note	2003 \$	2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operating activities		12,287,099	10,942,921
Payments for operating activities		(4,039,009)	(2,878,241)
Interest received		401,479	324,935
Interest paid		(2,347)	(11,067)
Distribution to licensors		(7,215,375)	(5,846,218)
Net cash provided by operating activities	17(b)	1,431,847	2,532,330
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(273,131)	(90,647)
Proceeds from sale of plant and equipment		2,610	58,678
Net cash used in investing activities		(270,521)	(31,969)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(66,975)
Net cash used in financing activities		-	(66,975)
NET INCREASE IN CASH HELD		1,161,326	2,433,386
Cash at beginning of financial year		9,153,818	6,720,432
CASH AT THE END OF THE FINANCIAL YEAR	17(a)	10,315,144	9,153,818

Notes to the Financial Statements

For the Financial Year Ended 30 June 2003.

1. SUMMARY OF ACCOUNTING POLICIES

FINANCIAL REPORTING FRAMEWORK

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this "special purpose financial report" has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report has been prepared in accordance with the Corporations Act 2001, the basis of accounting specified by all applicable Accounting Standards and UIG Consensus Views and the disclosure requirements of Accounting Standards AASB 1001 "Accounting Policies", AASB 1018 "Statement of Financial Performance", AASB 1034 "Financial Report Presentation and Disclosures" and AASB 1040 "Statement of Financial Position" and UIG Abstract 35 "Disclosure of Contingent Liabilities".

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

a) Depreciation

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight line method.

The following estimated useful lives are used in the calculation of depreciation.

Office Furniture	10-11 years
Office Equipment	9 years
Computer Equipment	3 years
Leasehold improvements	5 years

b) Income Tax

The company prepares its income tax returns on the basis that it acts as agent for the copyright holders that it represents. As such, it does not derive income on its own account. Rather it is entitled under its constituent document to be reimbursed for expenditure incurred in the course of its activities. The basis of assessment has been agreed with the Australian Taxation Office.

The net effect of timing and permanent differences arising from expenditure incurred by the company is passed on to the recipients of the royalties collected.

c) Revenue Recognition

Unearned revenue is brought to account over the terms of the licences issued on the following basis:

- i. Public performance fees are normally issued for a period of one year, although shorter periods are accommodated. In all cases licence fees are payable in advance. Income is brought to account on a monthly basis over the life of the contract.
- ii. Broadcast licences are issued for various terms - income is brought to account on a monthly basis over the life of the contract.

d) Leased Assets

Operating lease payments are recognised as an expense on a basis which reflects the pattern in which economic benefits from the leased asset are consumed.

e) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

f) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and are capable of being measured reliably.

Provisions made in respect of wages and salaries and annual leave expected to be settled within 12 months, are measured at their nominal values, using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of long service leave which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

g) Receivables

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

h) Accounts Payable

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

i) Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 June 2003.

j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

	Note	2003 \$	2002 \$
2. AGENCY REVENUE AND EXPENDITURE			
AGENCY REVENUES			
Licence fees		10,779,240	9,498,589
OTHER AGENCY REVENUES			
Interest – other persons		401,479	339,948
Proceeds on disposal of plant and equipment		2,610	58,678
TOTAL AGENCY REVENUE		11,183,329	9,897,215
Less:			
AGENCY EXPENSES			
Allowance for doubtful debts	4	62,060	-
Depreciation of plant and equipment		62,387	44,517
TRANSFER TO PROVISIONS			
Long service leave		14,353	12,684
Annual leave		17,477	30,296
FINANCE LEASES			
Amortisation of leased assets		-	14,028
Finance lease charges		-	11,067
AUDITORS' REMUNERATION			
Auditing the financial report		15,000	14,000
Other services		33,700	27,579
OTHER			
Operating lease payments		256,028	213,936
Other agency expenses		2,595,296	2,313,733
TOTAL AGENCY EXPENSE		3,056,301	2,681,840
DISTRIBUTION TO LICENSORS		8,127,028	7,215,375

	Note	2003 \$	2002 \$		
3. SALES OF ASSETS					
Sales of assets in the ordinary course of business have given rise to the following (losses)/profits:					
Plant and equipment		(10,831)	12,769		
4. BAD AND DOUBTFUL DEBTS					
a) Bad debts written off against allowance for doubtful debts – trade receivables		12,095	28,480		
b) Amount set aside to allowance for doubtful debts – trade receivables		62,060	-		
5. DIRECTORS' REMUNERATION					
(Member company representatives are ineligible for fees)					
Payments to artist representative directors		3,173	3,832		
6. CURRENT RECEIVABLES					
Trade receivables		1,543,991	1,508,409		
Allowance for doubtful debts		(86,292)	(36,327)		
		1,457,699	1,472,082		
Prepaid expenses		26,819	1,205		
Other licence receivables		136,991	76,604		
Other receivables		269,201	98,873		
		1,890,710	1,648,764		
7. OTHER CURRENT FINANCIAL ASSETS					
Cash on deposit		9,221,320	8,255,000		
8. PLANT AND EQUIPMENT					
	Office Furniture - at cost	Office Equipment - at cost	Computer Equipment - at cost	Leasehold Improvements - at cost	Total
GROSS CARRYING AMOUNT					
Balance at 30 June 2002	123,393	72,941	195,016	-	391,350
Additions	47,208	24,098	23,579	178,245	273,130
Disposals	(113,490)	(38,084)	(5,400)	-	(156,974)
Balance at 30 June 2003	57,111	58,955	213,195	178,245	507,506
ACCUMULATED DEPRECIATION					
Balance at 30 June 2002	(103,367)	(70,120)	(121,146)	-	(294,633)
Disposals	100,104	38,029	5,400	-	143,533
Depreciation expense	(5,450)	(6,478)	(44,517)	(5,942)	(62,387)
Balance at 30 June 2003	(8,713)	(38,569)	(160,263)	(5,942)	(213,487)
NET BOOK VALUE					
As at 30 June 2002	20,026	2,821	73,870	-	96,717
As at 30 June 2003	48,398	20,386	52,932	172,303	294,019

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 June 2003.

	Note	2003 \$	2002 \$
8. PLANT AND EQUIPMENT (continued)			
Aggregate depreciation recognised as an expense during the year.			
Office furniture		5,450	8,780
Office equipment		6,478	4,821
Computer equipment		44,517	30,916
Leasehold improvements		5,942	-
Motor vehicles		-	14,028
		62,387	58,545
9. CURRENT PAYABLES			
Trade payables		488,289	500,349
Goods and Services Tax (GST) payable		335,982	268,308
Deferred rent		70,560	-
Licence fees received in advance		3,267,094	2,812,030
Amounts payable to licensors		8,127,028	7,215,375
		12,288,953	10,796,062
10. CURRENT PROVISIONS			
Employee benefits	18	81,681	85,398
11. NON-CURRENT PROVISIONS			
Employee benefits	18	29,221	17,821
12. CONTRIBUTED EQUITY			
Fully paid ordinary shares carry one vote per share.			
18 fully paid ordinary shares (2002: 18)		18	18
13. RESERVES			
GENERAL RESERVE			
Balance at beginning of financial year		-	-
Transfer from profit		100,000	-
Balance at the end of financial year		100,000	-

The general reserve is used from time to time to transfer profits from retained profits. There is no policy of regular transfer. It is anticipated that the general reserve will be utilised in connection with data cleansing, when the Company's new information technology system is implemented.

	Note	2003 \$	2002 \$
14. RETAINED PROFITS			
Balance at beginning of financial year		-	-
Net profit		100,000	-
Transfer to general reserve		(100,000)	-
Balance at end of financial year		-	-
15. LEASES			
NON-CANCELLABLE OPERATING LEASES			
Phonographic Performance Company of Australia Limited has an operating lease for its office premises. The lease expires 31 March 2008 with an option to renew. Lease commitments are as follows:			
No longer than 1 year		294,521	185,468
Longer than 1 year and not longer than 5 years		1,336,082	-
		1,630,603	185,468
16. SEGMENT REPORTING			
The company operates in one industry being the derivation of revenue from licensing the broadcast and public performance of sound recordings and music video clips wholly within Australia.			
17. NOTES TO THE STATEMENT OF CASH FLOWS			
A) RECONCILIATION OF CASH			
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:			
Cash assets		1,093,824	898,818
Cash on term deposit		9,221,320	8,255,000
		10,315,144	9,153,818

Notes to the Financial Statements (continued)

For the Financial Year Ended 30 June 2003.

	Note	2003 \$	2002 \$
17. NOTES TO THE STATEMENT OF CASH FLOWS (continued)			
B) RECONCILIATION OF RESULT FROM ORDINARY ACTIVITIES TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from ordinary activities		-	-
Loss/(Profit) on sale of non-current assets		10,831	(12,769)
Depreciation and amortisation of non-current assets		62,387	58,545
Changes in net assets and liabilities:			
(Increase)/decrease in assets:			
Current receivables		(241,946)	592,788
Increase/(decrease) in liabilities:			
Current payables		1,592,892	1,916,017
Current provisions		(3,717)	(32,361)
Non-current provisions		11,400	10,110
Net cash provided by operating activities		1,431,847	2,532,330
18. EMPLOYEE BENEFITS			
The aggregate employee benefits liability recognised and included in the financial statements is as follows:			
Provision for employee benefits			
Current	10	81,681	85,398
Non-current	11	29,221	17,821
		110,902	103,219
		Nº	Nº
Number of employees at end of financial year		28	26
19. ADDITIONAL COMPANY INFORMATION			
Phonographic Performance Company of Australia Limited is a limited company, incorporated and operating in Australia.			
PRINCIPLE REGISTERED OFFICE AND PLACE OF BUSINESS			
Level 4, 19 Harris St Pymont NSW 2009			

PPCA Performers' Trust Foundation

Balance Sheet as at 30 June 2003.

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	Note	2003 \$	2002 \$
FUNDS RETAINED IN THE TRUST		331,882	328,142
Represented by:			
CURRENT ASSETS			
Cash assets		99,264	61,467
Accrued income		9,389	4,813
Deposits – at call		78,989	77,607
Term deposits		400,000	400,000
TOTAL CURRENT ASSETS		587,642	543,887
TOTAL ASSETS		587,642	543,887
Less:			
CURRENT LIABILITIES			
Payables and accrued charges		3,000	2,350
Grants allocated and unexpended at year end held by trustees for beneficiaries of:			
Professional Musicians' Union of Australia		191,937	171,973
Media Entertainment & Arts Alliance		60,823	41,422
TOTAL CURRENT LIABILITIES		255,760	215,745
TOTAL LIABILITIES		255,760	215,745
NET ASSETS		331,882	328,142

Appendix (continued)

Appendix C. Tariff Categories

PPCA licences are available to cover the use by public performance of protected sound recordings and/or public exhibition of music video clips in:

A	General Licences –open air events; school, dance academy or church concerts; motivational speakers. (Single event licences are available).
B	Arts, film, music events and similar festivals
C	Cinemas and theatres
D	Dance studios, dance instructors, line dance instructors
DD	Live performance groups, dance companies, performance promoters
E	Nightclubs, discotheques, discotheque promoters, foreground music in bars
F	Mobile discotheque operators/DJs
FW	Mobile video discotheque operators
H	Halls
HM	Music on hold
I	Factories, industrial premises and offices.
J	Jukeboxes
JO	Jukebox operators
JW	Video jukebox operators
K	Amusement centres, pool rooms, squash courts, swimming pools, ten pin bowling centres
M	Commercial or professional premises – including art galleries, bars, clubs, elevators, foyers, function rooms, funeral parlours, hairdressers, health/medical offices (eg doctors, dentists, chiropractors, massage therapists, osteopaths, physiotherapists), hotels, libraries, lounges, massage parlours, motels, museums, reception areas, retail stores, taverns, zoos, and/or similar establishments.
MW	Electrical and hi-fi stores
N	Shopping centres, plazas, concourses
P	Public vehicles (eg aircraft, buses, charter boats, coaches, ferries, hire cars, light rail, monorail, ships, taxis, trains, trams)
R	Restaurants, cafes, coffee lounges, road houses
S	Sports arenas, race tracks, showgrounds, outdoor amusement parks
SS	Community service recreational areas (eg beaches, parks)
U	Skating rinks
V	Fitness centres, gymnasiums, health clubs
W	Music video clips
W-E	Music video clips in nightclubs, fixed discotheques and discotheque operators
X	Concert venues
Y	Conference rooms

Licence fees are calculated differently in each category (eg, fees may be flat fees per annum, fees per person or per machine, or fees determined by size of venue depending on category) – contact PPCA for full details.

It is quite possible, depending on your needs, that you may have a licence with any number of Tariffs eg a hotel may have a number of bar areas (Tariff M), restaurants (Tariff R), nightclubs (Tariff E), gymnasium (Tariff V), and video jukebox (Tariff W).

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Company of Australia

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