

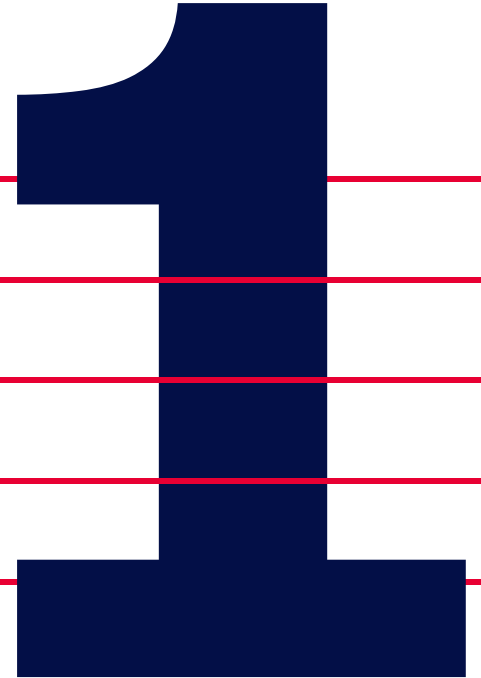
WIPO- BCC ADVANCED TRAINING COURSE PRS FOR MUSIC

SEPTEMBER 2021



OVERVIEW OF PRS FOR MUSIC

JOHN MOTTRAM, DIRECTOR

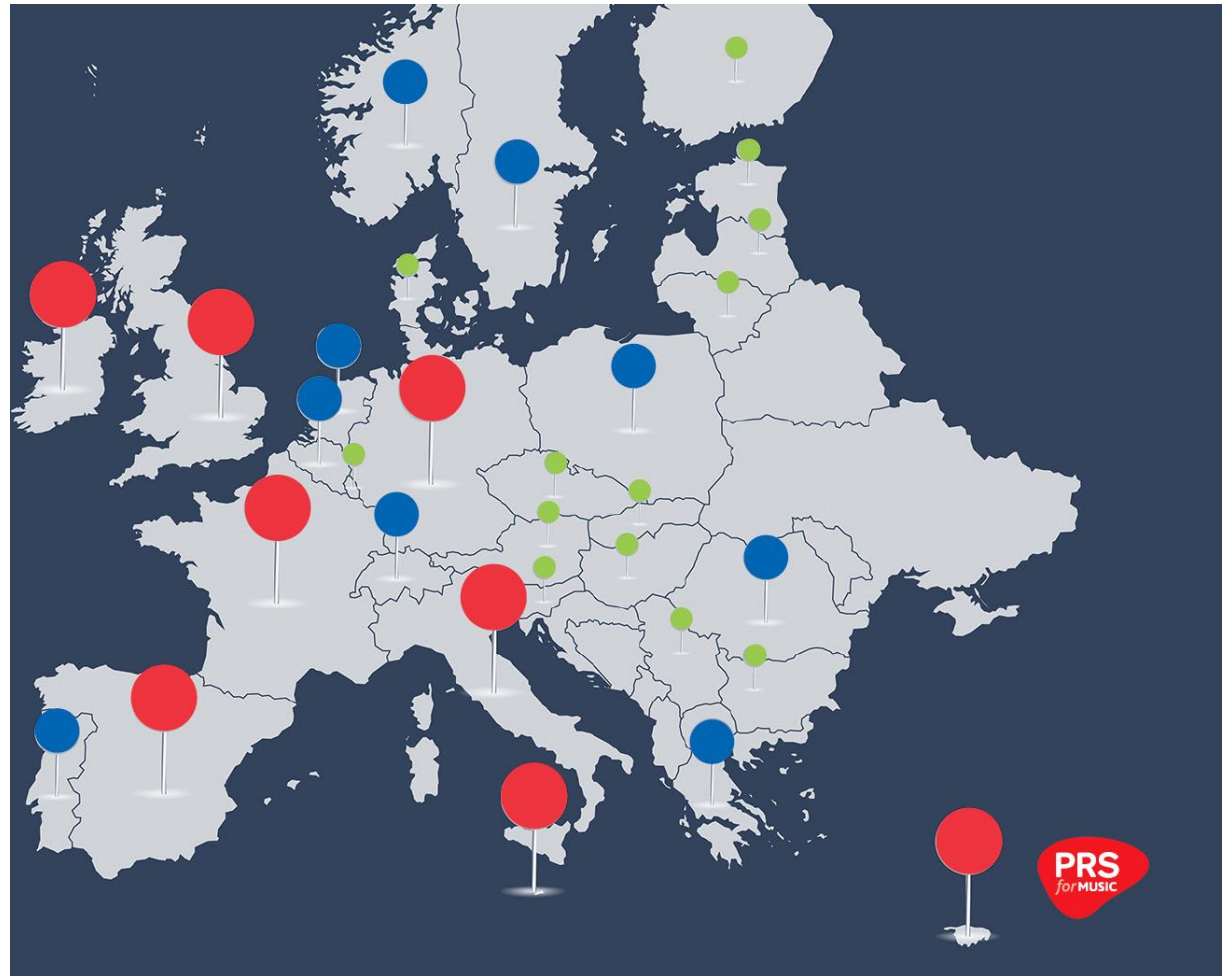


Who are we?

A music collecting society representing over **155,000** songwriters, composers and music publishers in the UK, Europe and around the world.

There are people who write and publish the song, and people who perform and produce.

PRS for Music deals with songwriting and publishing.



Performing vs mechanical

Performing Right Royalties

- Live performances
- Playback of recorded music (e.g. restaurants, bars)
- Online / streaming
- TV & radio broadcast

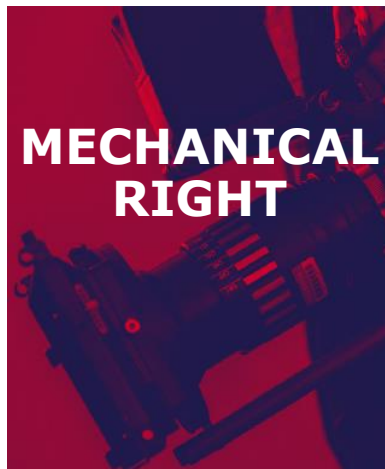
Mechanical Right Royalties

- CDs, vinyl records, tapes
- DVDs
- Reproduced for a soundtrack of a film or TV-
this reproduction is called "synchronisation"



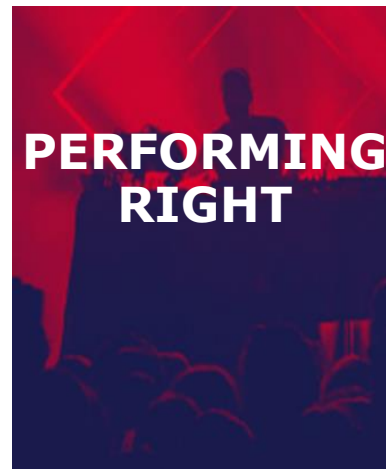
The rights we represent

Two key rights for music creators



Publisher

MCPS



PRS

Our subsidiaries

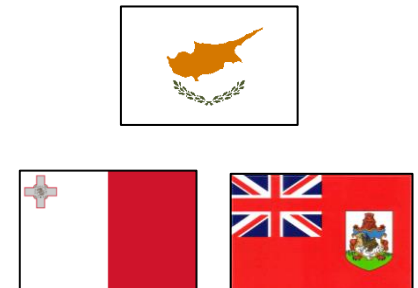
PRS have an everchanging scope and over the last few years there has been a necessity to consolidate various parts of the business

PUBLIC PERFORMANCE
LICENSING

ONLINE LICENSING &
PROCESSING

SERVICE PROVIDER:
MECHANICAL LICENSING

INTERNATIONAL
LICENSING

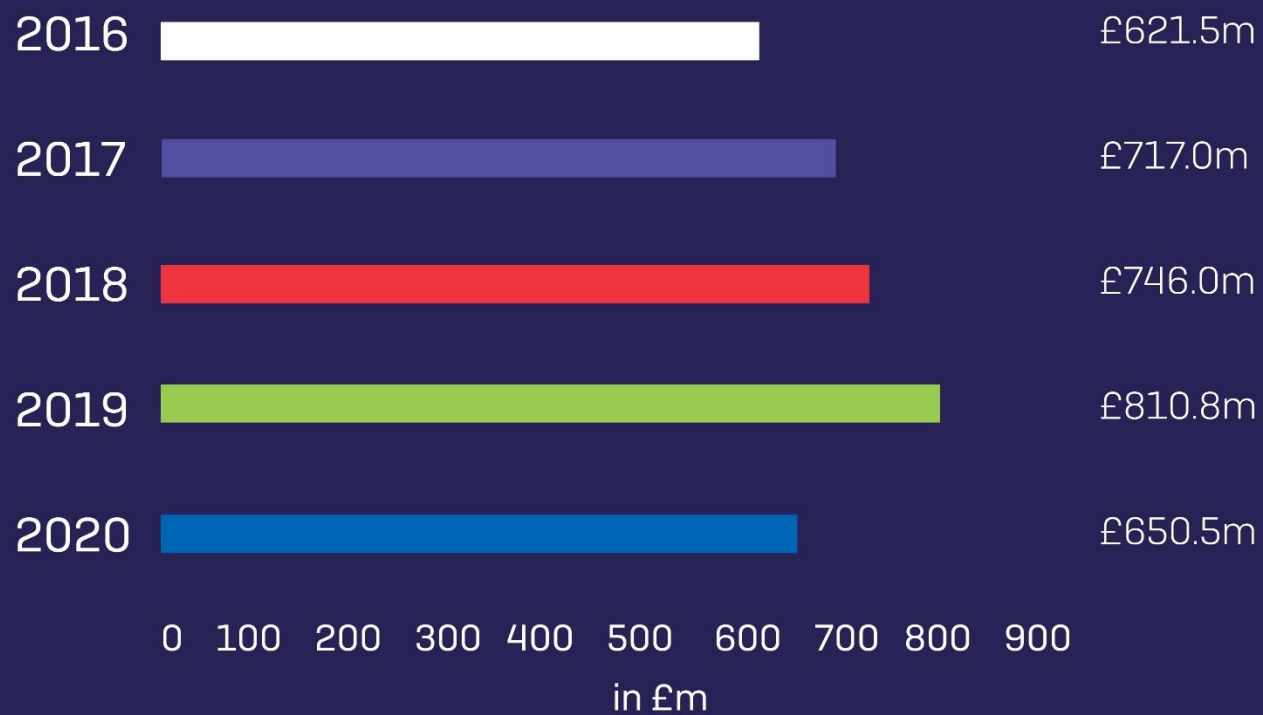


2020

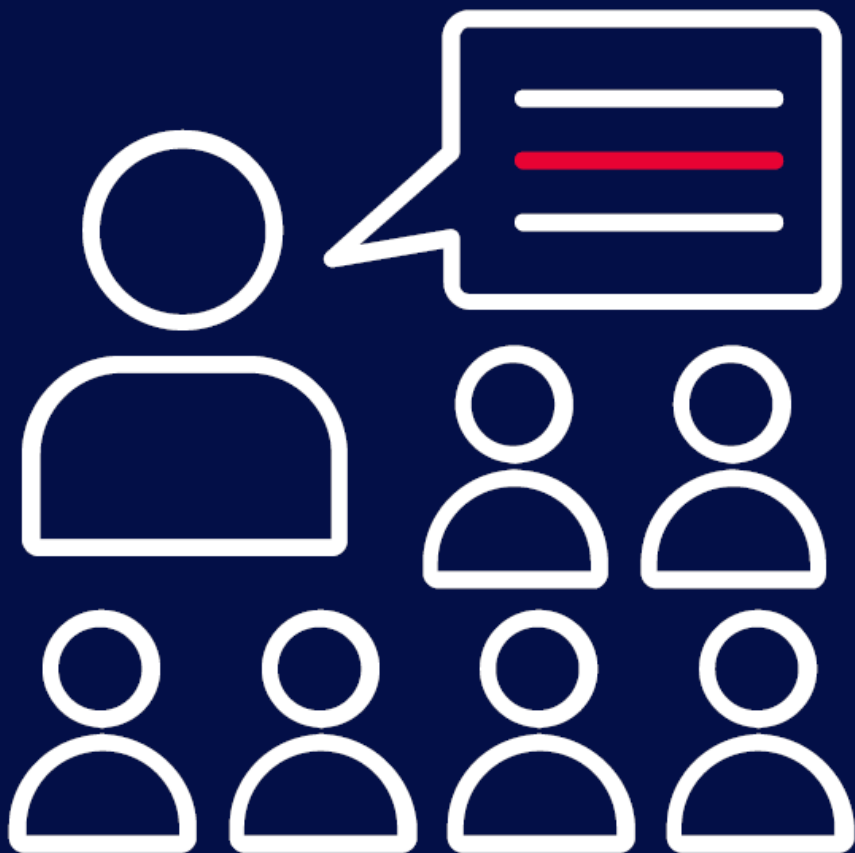
our year in numbers



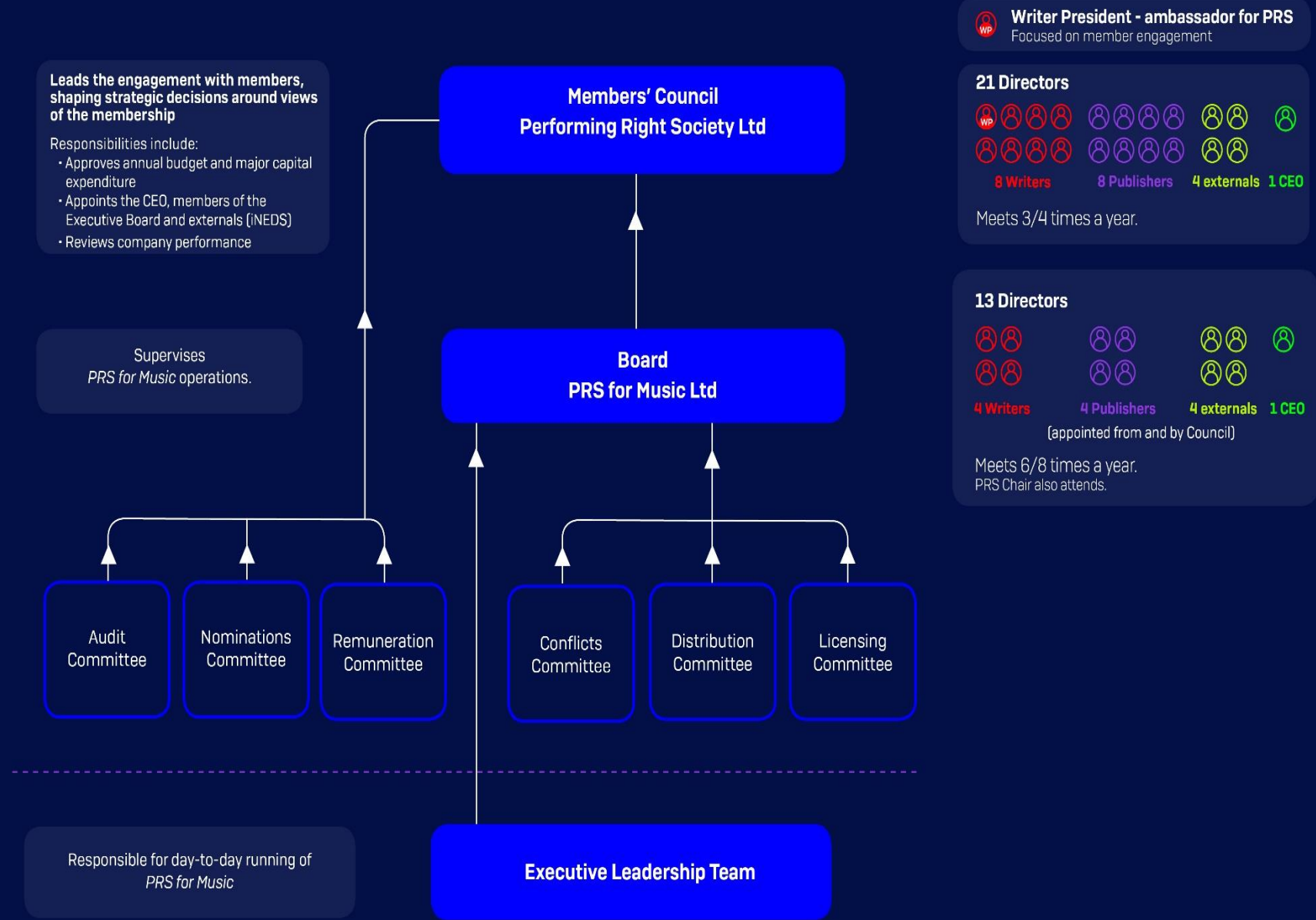
PRS for Music BIG NUMBERS 2020



GOVERNANCE Our Council and Board



- PRS for Music owned and governed by its members.
- PRS Council members are elected by the members at the AGM.
- The board consists of a 50/50 split of representatives (50% writer, 50% publisher).



Licensing



Main licensing areas

Public Performance

40+ licensing tariffs across a wide range of sectors and activities (e.g. offices, shops and concerts)

- *Permits performing music in public*

Broadcast and Online (UK)

A mixture of published schemes and bespoke licensing agreements. Broadcast, e.g. negotiated blanket licenses or % sales revenue. Online, typically % revenue supported by minimum rates

- *Permits the communication to the public of music*

Recorded Media

A number of published schemes, licensing making physical copies for a range of purposes

- *Permits reproducing copies of music*

Broad approach to licensing

- The size and scale of licensees varies widely, e.g. Broadcasting is dominated by a few large companies; Public Performance licenses a very “long tail”.
- So, the customer approach is tailored to the requirements of the user and the complexities of the licence. Large accounts are account managed; small Public Performance uses have a simplified renewal process.
- We have a business-wide Code of Conduct setting out our commitment to good service and transparency.



Assessing the license value

Considerations

- *Amount of music/ repertoire likely to be used*
- *Value/ importance of use to our members*
- *Value of use to the consumer, business/ licensee*
- *Business model*
- *Revenue generated by the service (à la carter, subscription, advertising)*
- *Functionality*
- *Audience size & reach*

Charging Methods

- *Published fixed tariff- e.g. fixed on consumption/ floor space*
- *Published variable tariff- e.g. % revenue or minima*
- *Negotiated lump sum*
- *Rate per track*

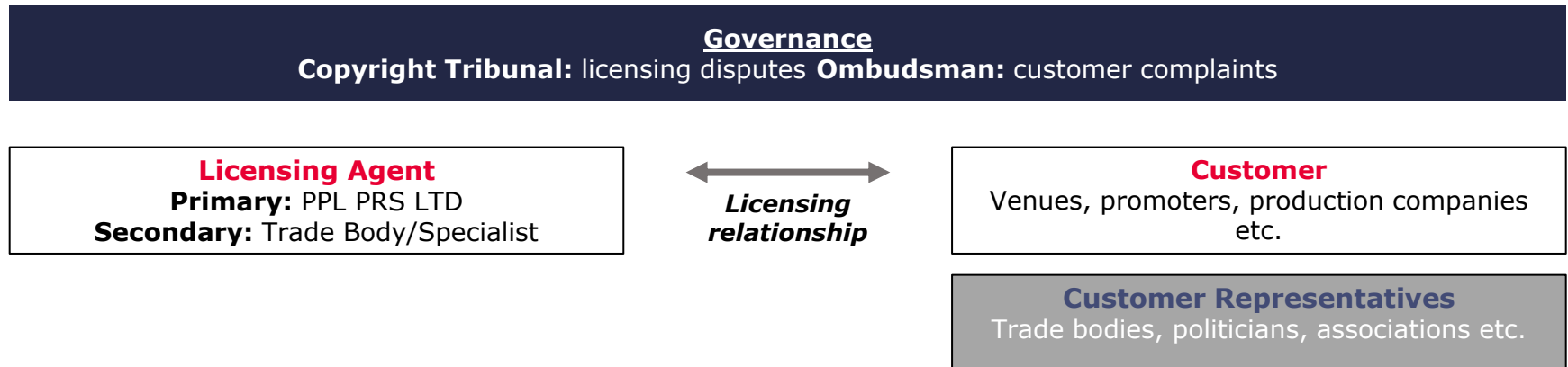
LICENSING AREAS



Public Performance

Public Performance licensing approach

Current licensing relationship structure



General licensing approach

- We license over 200k customers across 42 different tariffs with Hotels & Restaurants, Hair & Beauty and Retail the three largest
- Relationships with high volume, low value customers are predominantly telephone-based whereas interactions with high-value customers tend to be face to face
- The majority of licences are granted on a rolling, annual basis with the exception of 'live' events which tend to be on an event by event basis
- Charges vary from tariff to tariff but tend to be determined by music usage (e.g. background vs. featured) and most appropriate charge for business type e.g. charge based on floor space or capacity or admissions

PPL PRS JOINT VENTURE

- In February 2018, PPL and *PRS for Music* launched a joint venture, **PPL PRS Ltd**, jointly and equally owned, to focus on serving all of our UK public performance licensing customers.
- The launch of the joint venture will simplify public performance licensing for our customers, by covering the permissions needed from both PPL and *PRS for Music* in one transaction and a single combined licence, known as **TheMusicLicence**.
- PPL and *PRS for Music* develop, consult and set their UK public performance tariffs independently of each other and there are no immediate plans to consolidate tariffs.



TheMusicLicence



BROADCAST

PRS for Music BIG NUMBERS 2020

Broadcast
£127.4m
-2.6% on 2019



TV

- Bespoke licenses negotiated with broadcasters for BARB-rated and ex-UK channels
- License fees negotiated on basis of:
 - Audience size (BARB data for UK channels)
 - Music hours broadcast
 - Number of channels/ services
 - Extent to which music is copied
- Fees typically adjusted annually by change in audience size and inflation
- Licensing schemes for non-BARB TV channels, Music TV, and local TV

Radio



Commercial Radio

- Royalty rate of 3%, 4% or 5.25% of Net Broadcast Revenue, depending on size of station, subject to annual minimum fee
- Global and Bauer radio groups- c.75% of market

Community Radio

- Royalty rate of 3%, 4% or 5.25% of Net Broadcast Revenue, depending on size of station, subject to annual minimum fee
- Joint PPL-PRS licence, administered by PPL

Other Radio Stations

- Radio Advertising Production Music licence: use of production music in adverts made by commercial radio stations, fees based on station reach
- Short term licences (e.g. festival radio): fee per day of broadcast (up to 28 days)
- Student radio, hospital radio etc: annual flat fee

RECORDED MEDIA



Recorded Media

MCPS Recorded Media...

...brings in circa £60m royalties per annum through licensing several thousand businesses and individuals.

Who we licence...

...record labels, DVD producers, background music providers, karaoke companies, DJs, schools, small businesses, private individuals and more...

We cover...

..music licensing on all physical formats / products including CDs, DVDs, as well as the use of MCPS production music...

How we license...

..MCPS Recorded Media operates a range of published schemes for varying types of music usage including retail, non-retail and production music. Royalties are either accounted on quarterly basis in arrears or at point of manufacture/ production. A number of our licences are also available through our company website.

ONLINE



Online

£188.3m

+5.1% on 2019

PRS vs ICE who does what?



General Entertainment Services

NOW TV
Powered by sky



BBC iPlayer
BBC iPlayer



amazon
Prime instant video



New Digital Opportunities



Android Market



Solutions for small to large music users

1

LOML

- Accessible online, decision in minutes
- 5 options, from £133 to £1,318
- Blanket repertoire and minimal administration



2

LOML+

- Simplified application form, decision in days
- 15 options, from £2.2k to £16.8k
- Blanket repertoire and low administration

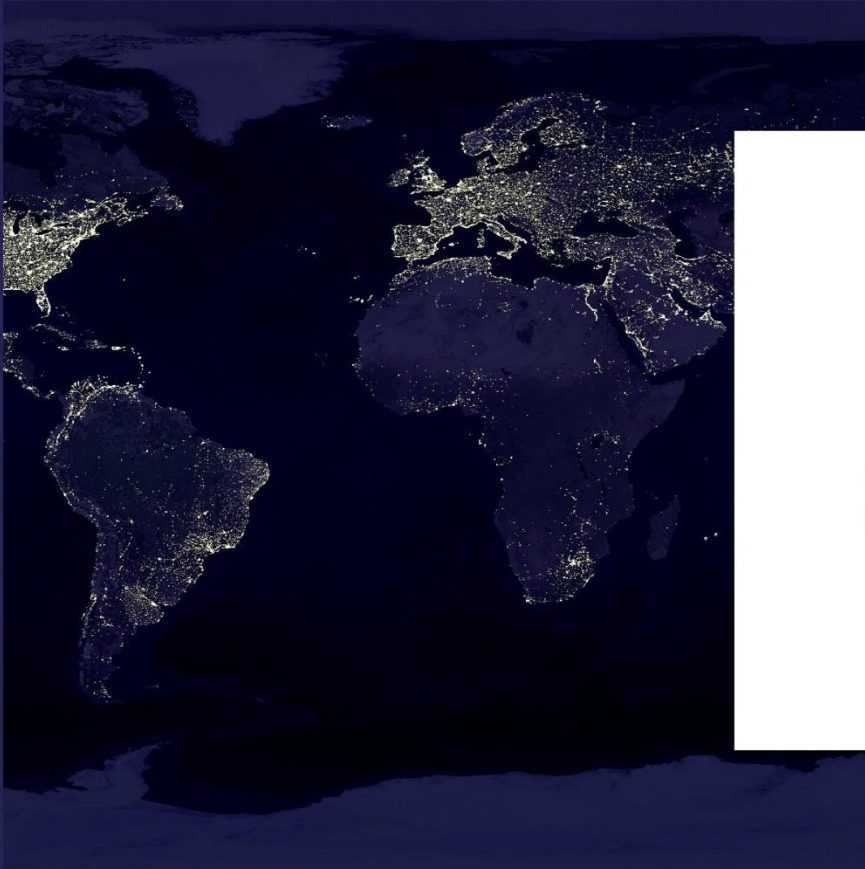


3

Bespoke UK or Pan-European Licensing

- UK Blanket (subject to re-aggregation), high administration
- Repertoire specific multi-territory licensing- full fragmentation

INTERNATIONAL



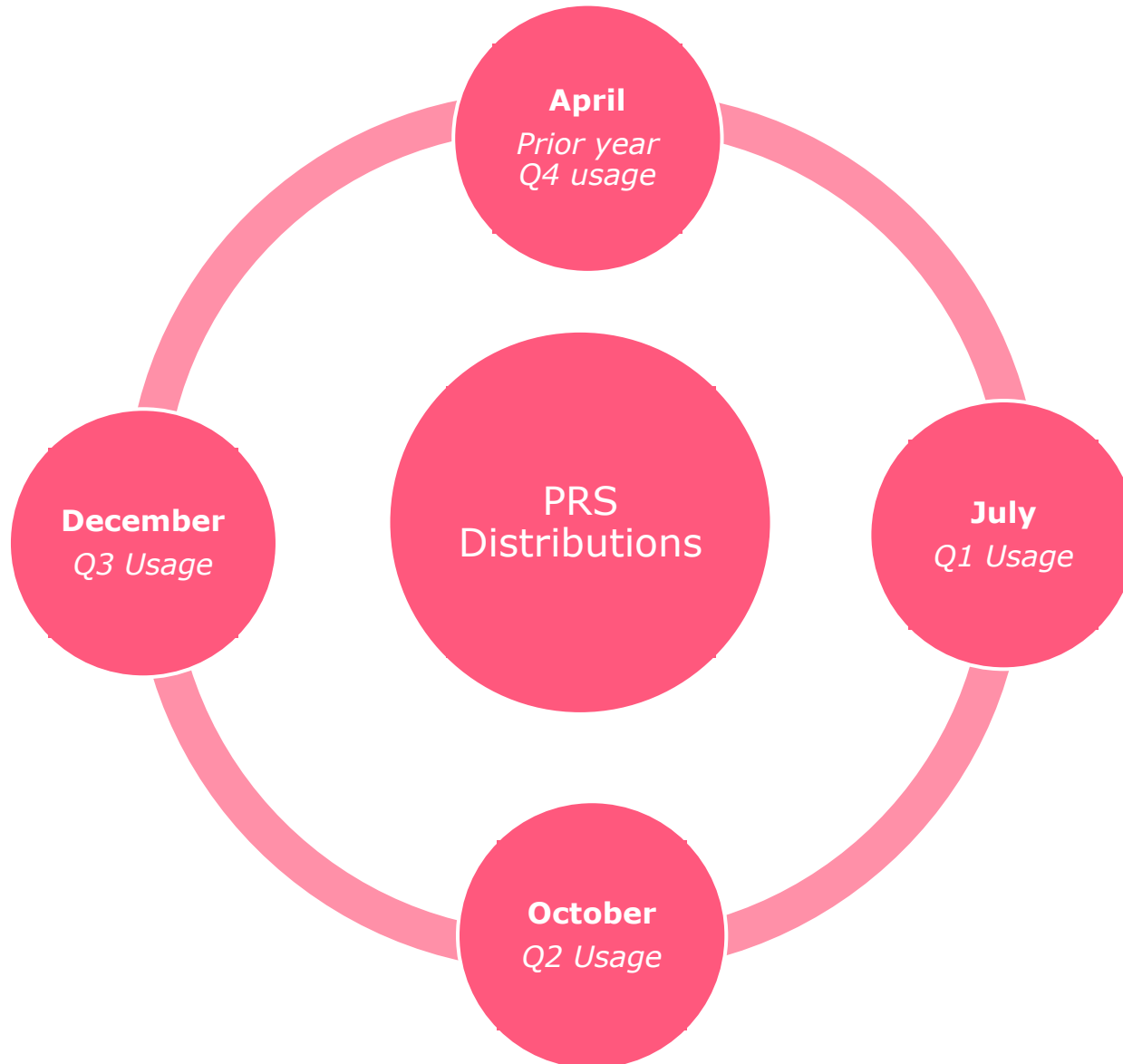
International
£248.6m

-10.7%on 2019

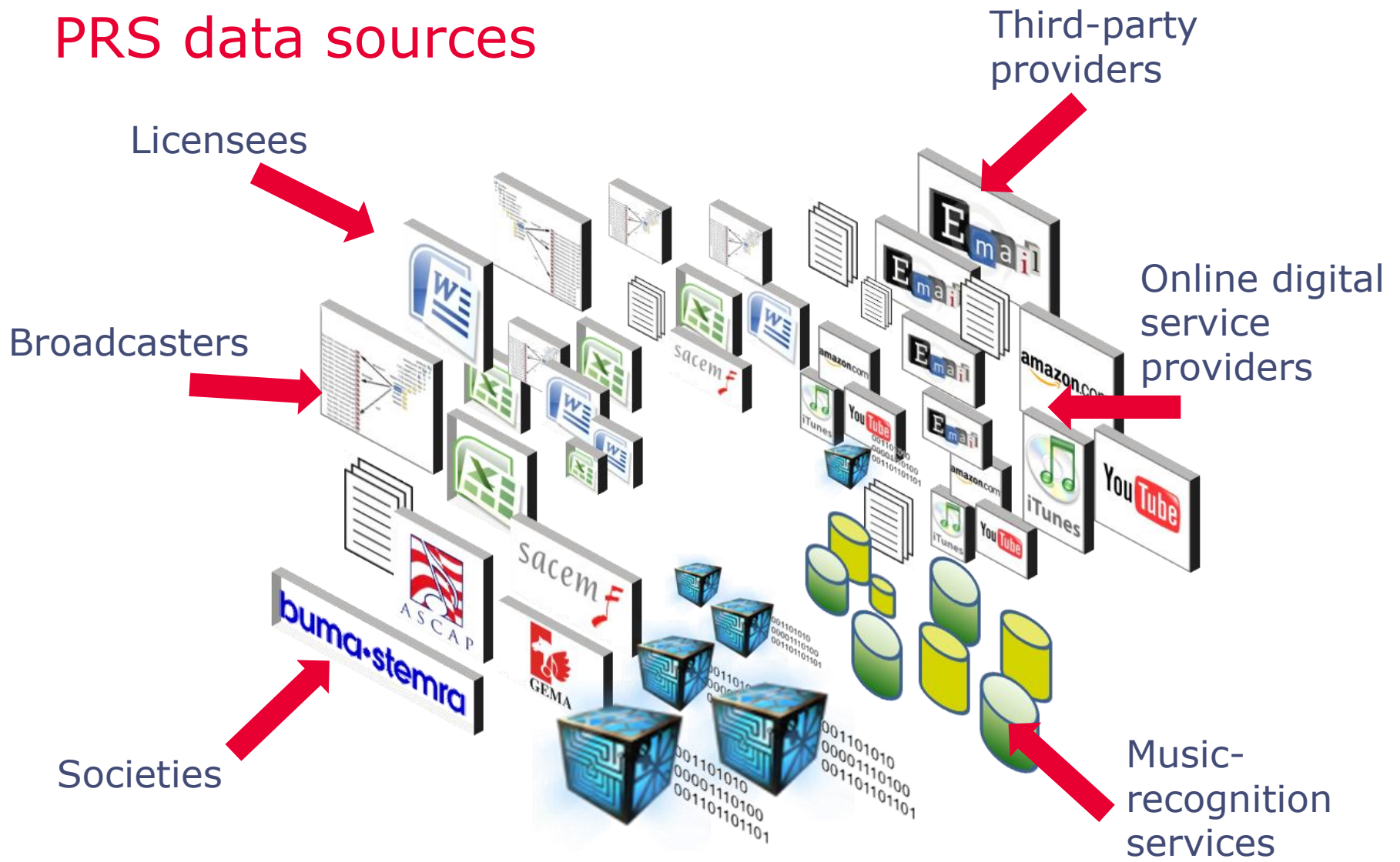
Operations & Service Delivery



PRS distribution cycles



PRS data sources



Public performance and live – setlist sources



Licensees:

Premises where music is performed. Under their licence terms, they are obliged to send the setlist to PPL PRS.

Online sources:

- Band websites
- Setlist FM
- YouTube

Festival Setlist Collecting:

- Download
- Glastonbury
- Reading & Leeds
- Isle of Wight



PRS Members:

Members or representatives self-report via online Live Reporting Tool

Radio data sources

Independent Local radio Broadcasters (Non-BBC) 397 stations

Reporting Contains:

- Main music played
- Commercials
- Station Identifier (Idents)



MEDIA GROUP

CLASSIC *f*M

BBC Radio Stations 104 stations

Reporting Contains:

- Main music played
- Commercials
- Station Identifier (Idents)

BBC
RADIO



BBC
RADIO



BBC
RADIO



soundmouse

Soundmouse

Specialist music recognition company, working with PRS (and other CMOs) and broadcasters to improve the accuracy of usage data through audio recognition

Audio visual data sources



Broadcasters (circa 500 channels)

We receive:

- Inhouse and Commissioned Cue Sheets
- Usage logs provided in AV 5.2 format (transmission info i.e. programme times, commercial start and end times 24/7)



Foreign Societies (circa 200)

We receive:

- Cue Sheets



Production Companies

We receive:

- Cue Sheets



Writers/ Publishers

We receive:

- Cue Sheets

GEOD/ GEOL data sources

NETFLIX

BBC

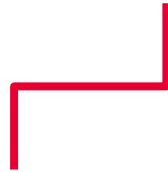
iPlayer

amazon
prime video

itv
HUB



1. Provided cue sheets in various formats
2. OnMusic converts these files and loads.



Broadcasters/DSPs

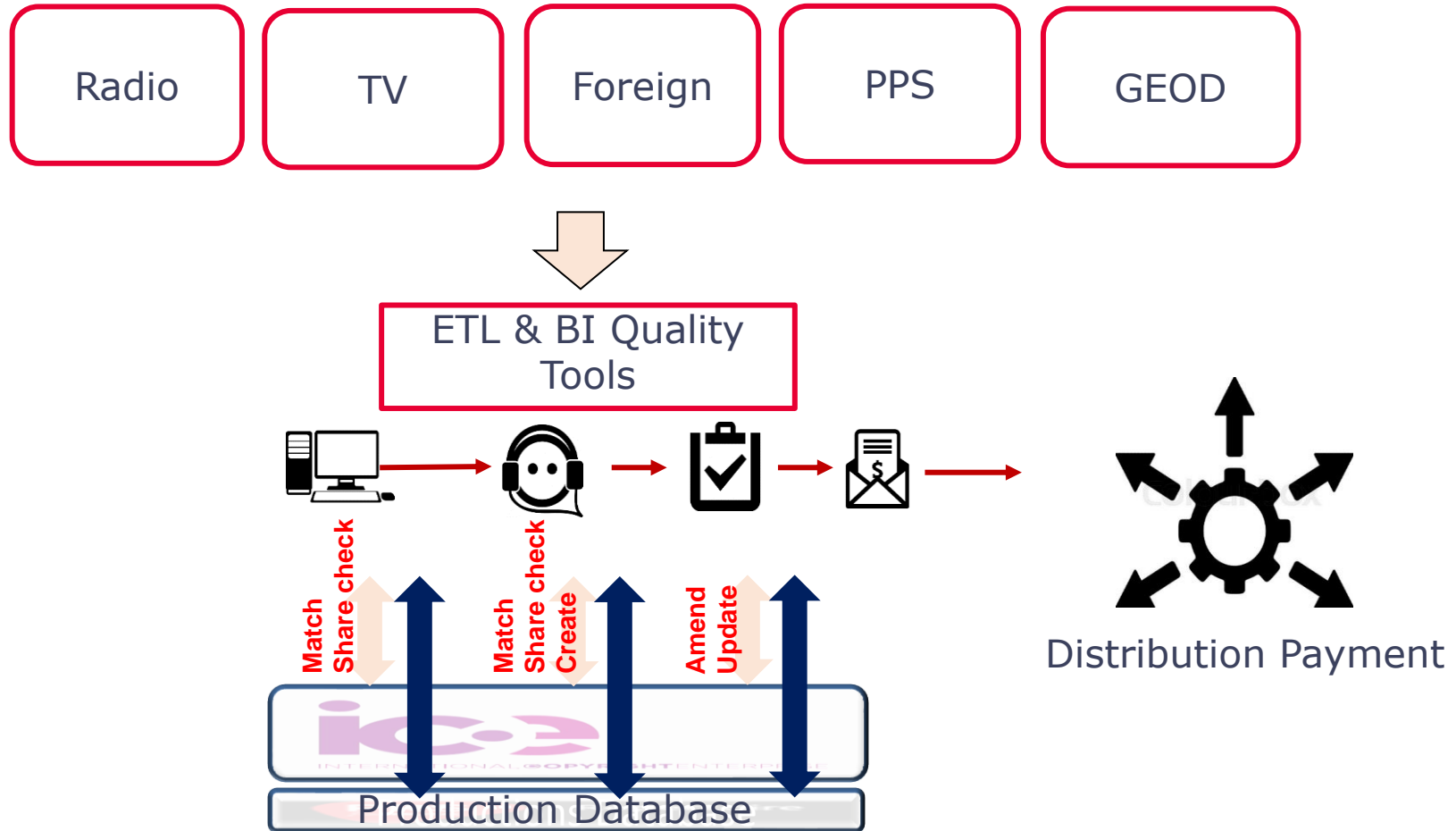
We receive:

- Production and sales information
- Inhouse/ commissioned cue sheets



1. Production Companies: Cue sheets
2. Foreign Societies: Cue sheets (CISNET)
3. Publishers Writers: Cue sheets

Operations data flow



Manual matching and processing

Total number of cases processed **358,008**



81,644

Radio



112,309

AV Cue & Work Level
usage



73,725

AV & GEOD
Production Usage



31,790

Foreign Usage



500

Cinema Usages



15,577

Live Setlist Usages



29,547

Public Performance
Usages



11,916

Agencies Usages



1,054

Total number of days
needed to complete
D192



339

Average number of
cases processed per
staff member per
day



16K

Average number of
cases processed per
staff member for the
whole distribution

ANY QUESTIONS

Policy@prsformusic.com



THANK YOU!

