



RECORDED MUSIC NEW ZEALAND

Annual Report for the year ended 31 December 2021

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The Artists' Tūī © Wētā Workshop.
Inside front cover image:
TEEKS performing at AMA 2021. © Topic Photography.

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CHAIRPERSON'S REPORT

2021 proved another challenging year as the uncertainties created by the ongoing Covid pandemic affected all areas of our activities. Many of the effects of the pandemic felt in 2020 carried over into 2021.

The Recorded Music New Zealand team rose to the myriad challenges, and to their immense credit delivered a record payout to members. Special mention for this impressive achievement must go to OneMusic, our joint venture with APRA AMCOS New Zealand.

In a year that saw many events and shows cancelled across the country, the Aotearoa Music Awards went ahead as a televised event with a reduced audience. Our thanks to **Sarah Owen** and her team for managing to honour and celebrate Tūī winners and produce a great show in difficult conditions.

During the year the Board adopted a new Vision and Mission and a set of Guiding Principles to guide activities over the coming years, as well as setting a strategic focus for 2022. The new Guiding Principles include a commitment to our journey to honour and respect Te Ao Māori and to foster diversity, inclusion and a positive culture. Recorded Music and its Board is embracing these challenges though we know there is work ahead to create a truly inclusive organisation.

I would firstly like to thank our CEO, **Damian Vaughan** and his team for their dedication and hard work in navigating a tricky year with such success. Secondly sincere thanks to the Recorded Music New Zealand Board for their commitment in guiding the organisation during the year. 2022 will see elections take place for the Independent Rights Holder and Artist Representative Directors. I would like to thank **Nicky Harrop** and **Nick Atkinson** for their effective and meaningful contributions to those roles over the past three years.

Towards the end of the year Damian Vaughan handed in his notice to pursue a new family business opportunity. Damian has done an absolutely brilliant job during his nine-year tenure as CEO of Recorded Music New Zealand. Under his calm leadership all aspects of the organisation's activities have shown demonstrable improvement over this time. The Board extends its sincere thanks to Damian and wishes him all the very best for his future endeavours.

The Board was delighted to appoint **Jo Oliver** as CEO effective 28th March 2022. During her four years with Recorded Music New Zealand as General Counsel and Govt Affairs, Jo has demonstrated outstanding leadership skills and capabilities both within the organisation, and in the greater music business, leading industry initiatives such as the response to the Government review of the Copyright Act and the establishment of SoundCheck Aotearoa. We are confident Jo will rise to the challenge of leading Recorded Music New Zealand to new levels of success in 2022 and beyond.

Chris Goddick

Chris Caddick

Chairperson, Recorded Music NZ





WAHINE TOA

It was a privilege to honour five trailblazing artists into the **New Zealand Music Hall of Fame | Te Whare Taonga Puoro o Aotearoa** in 2021. All five artists were acknowledged at the Aotearoa Music Awards. Read more about this year's inductions on page 13.



CHIEF EXECUTIVE'S REPORT

Tēnā koutou

2021 was certainly another challenging year for the industry, however our music community rallied once again and adapted to the disruption we all faced due to the ongoing pandemic. There were periods of calm throughout the year, and for many of us in the industry that meant live music events and gigs could proceed, but change was constant and many of us found ourselves in long periods of lockdown where performance and gathering were impossible.

I am extremely proud of our team and our wider music industry whānau weathering the uncertainty, adapting, innovating, and doing their absolute best. Our artists and members persevered and confronted the challenges head on and created opportunities.

Like 2020 last year's impacts on the recorded music sector were not as significant as they were on the wider music industry and revenues from the consumption of recorded music in NZ held up well providing welcome income relief. Total wholesale revenues returned to the local industry were **\$125.5M** in 2021.

INDUSTRY INCOME 2021 (refer to page 11 for Revenue Summary 2021 graphs)

- Streaming revenue derived from digital services such as Spotify, Apple Music and YouTube, and social media services such as Facebook totalled \$97M and represent 77% of all income.
- Digital downloads predominantly derived from iTunes and Bandcamp remained relatively stable in 2021 at \$2.1M and represent 2% of overall income
- Physical income derived from CD and Vinyl sales were \$9.3M representing 8% of all industry revenue. Vinyl continues to grow and two thirds of all physical music now sold in NZ is Vinyl.
- Synch remained the smallest revenue channel representing 1% of all income at \$1.5M.
- The income derived from the collective licensing of Recorded Music NZ activities via Public Performance and Broadcast increased to \$15.6M in 2021, representing 12% of all revenue.

LICENSING

Recorded Music's collective licensing income greatly improved over the course of 2021 after the difficulties we faced the previous year. We are proud to say that we exceeded our budget expectations for the 2021 year across many of our income areas.

Lockdowns did not have the same effect on advertising revenue that we saw in 2020 for our commercial radio licensees and whilst their overall revenue hadn't quite returned to pre-Covid levels they performed better than expectations and are not far off where they were at their peak in 2019. The commercial television operators in the most part have also fared reasonably well throughout 2021 and in some instances performing better than they were prior to the beginning of the pandemic.

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The OneMusic team pulled off a massive effort throughout 2021 as they navigated the many and varied challenges our customers faced in this area. The hospitality, retail and exercise sectors all faced significant challenges. Our sincere thanks to the team for not only managing very difficult relationship management issues but also maximising the return to our artists, labels, songwriters and publishers. We are pleased to report that OneMusic excelled in 2021 and achieved well over our budget expectations for the year. We look forward to building on that momentum in 2022 as we learn to live with Covid in the community.

MEMBERSHIP, DISTRIBUTION AND INDUSTRY

Once again, adopting our 'Get Played, Get Paid' promotion online the number of NZ recording artists increased and we now have **3,912** registered artists (an 11% increase since 2020). The current number of NZ Rights Holders registered is **2,983** (including self-released artists) and those who have also elected to become shareholders is **1,527** (a 38% increase since 2020).

Our distribution in 2021 was \$11.2M which was down on previous years as our income was greatly impacted by Covid in 2020. Despite that, we were able to manage our costs well and whilst our income dropped by 14% from the previous year our distribution only dropped by 8%. One other key point that we are delighted to report was that \$2.2M was attributed to NZ recording artists & respective rights holders which equalled the previous record amount we distributed in 2020. This comprised 2,650 recording artists and 21,683 recordings.

As our income has increased markedly over 2021 to **\$15.6M**, and we again managed to keep our costs tight, we are incredibly pleased to say that the 2022 distribution will be the largest distribution we have ever made as Recorded Music NZ back to the local industry.

We were also pleased last year to reinstate the Music Grants programme in 2021 as we diverted that support to the work of MusicHelps throughout 2020. It has been extremely rewarding to be able to support not only the operations of MusicHelps through our grants programme but also many meaningful important recorded music projects and initiatives throughout the year that had an educational, archival or charitable focus.

Throughout the lockdown periods in 2021 we again collaborated closely with other industry bodies to support our members and the wider music community. Key priorities once again were to get information out about assistance available from government and

industry sources. We also worked closely with the live sector and the work of our colleagues at the NZ Music Commission and NZ On Air.

CREATING A POSITIVE CULTURE

We need to acknowledge the problems and challenges with the culture of the music industry. Media and social media stories in 2021 along with published research have shown us that there is a serious problem with sexual harassment in our music community. In July 2021 we welcomed the independent report from SoundCheck Aotearoa 'Creating culture change around sexual harm in the music community in Aotearoa' which contains a number of recommendations for what we can all do better to prevent and respond to sexual harassment. We recognise that culture change is a long-term project and we made a start in 2021 with a Code of Conduct for the organisation and a Statement of Expectations for the Aotearoa Music Awards. Our staff attended SoundCheck Aotearoa professional respect training days and we adopted new policies on sexual harassment and bullying. Recipients of music grants are expected to comply with our Code of Conduct and their health and safety obligations.

We recognise that there is much more to do both to improve safety and to drive better representation and inclusion. Our focus in 2022 includes diversity, inclusion and a positive culture as well as our journey to respect and honour Te Ao Māori.

CHARTS

At the end of the year, **L.A.B.** took out the NZ single spot with their huge tune 'Why oh Why' and for the second year running **Six60** took the NZ album spot with their third full length album 'Six60'. Six60 were also number one on the Ngā wiata kairangi I te reo Māori o te rārangi 10 o runga with their song 'Pepeha'.

The proportion of NZ music across radio grew once again throughout the year and will impact meaningfully on our 2022 Distribution. The final figure for New Zealand music airplay on commercial radio in 2021 was 23.84% which is a record, surpassing last year's record of 20.95%. That means almost one in every four songs played in 2021 on the main contemporary commercial music networks was from a New Zealand act.

Additionally, we're hearing more waiata in te reo Māori due to the efforts of our artists and many in the industry working to create more music. In 2019 there were 4,582 radio plays of waiata reo Māori and this grew to 25,070 radio plays on major commercial networks in 2021.

continued overleaf

AOTEAROA MUSIC AWARDS

2021 also saw us deliver a unique Aotearoa Music Awards which was subject to even more disruption than we experienced in 2020. The team endured shifting sands and moving targets and I lost count of how many times we changed the ideas and plans for the event itself. Thankfully with a very talented and experienced team, and with the support of many of our usual partners we were able to stage a live TV event at Kiri Te Kanawa theatre in Auckland in mid-December. Our sincere thanks to our partners NZ On Air, Te Mangai Paho, Mediaworks Events and Radio, Massey University and our new partner in 2021 TVNZ.

Our congratulations to **L.A.B.** for winning Album of the Year for 'IV' and also single of the year for 'Why oh Why' as well as Tūī for Best Group and Best Roots Artist. We were also honoured to welcome five iconic artists into the NZ Music Hall of Fame - **Annie Crummer**, **Debbie Harwood**, **Dianne Swann**, **Margaret Urlich** and **Kim Willoughby** and recognise each of them for their individual contributions to Aotearoa, the inspiration they provided to local artists and audiences, and their importance in shaping New Zealand's popular culture.

2022

And finally, after nine amazing and rewarding years as CEO of Recorded Music NZ, I have decided to move on and find my next challenge.

I wanted to take the opportunity to thank our members, for the enormous privilege, opportunity, belief and trust you have given me to lead the company and industry over the last decade. It has been an honour to have led the sector through such a transformational period alongside a wonderful, passionate and highly skilled team. It has been a privilege to serve as your representative, protecting and promoting your rights and championing your achievements. Reflecting on my time, I am immensely proud of everything that we have achieved with the organisation, I couldn't have asked for a better experience.

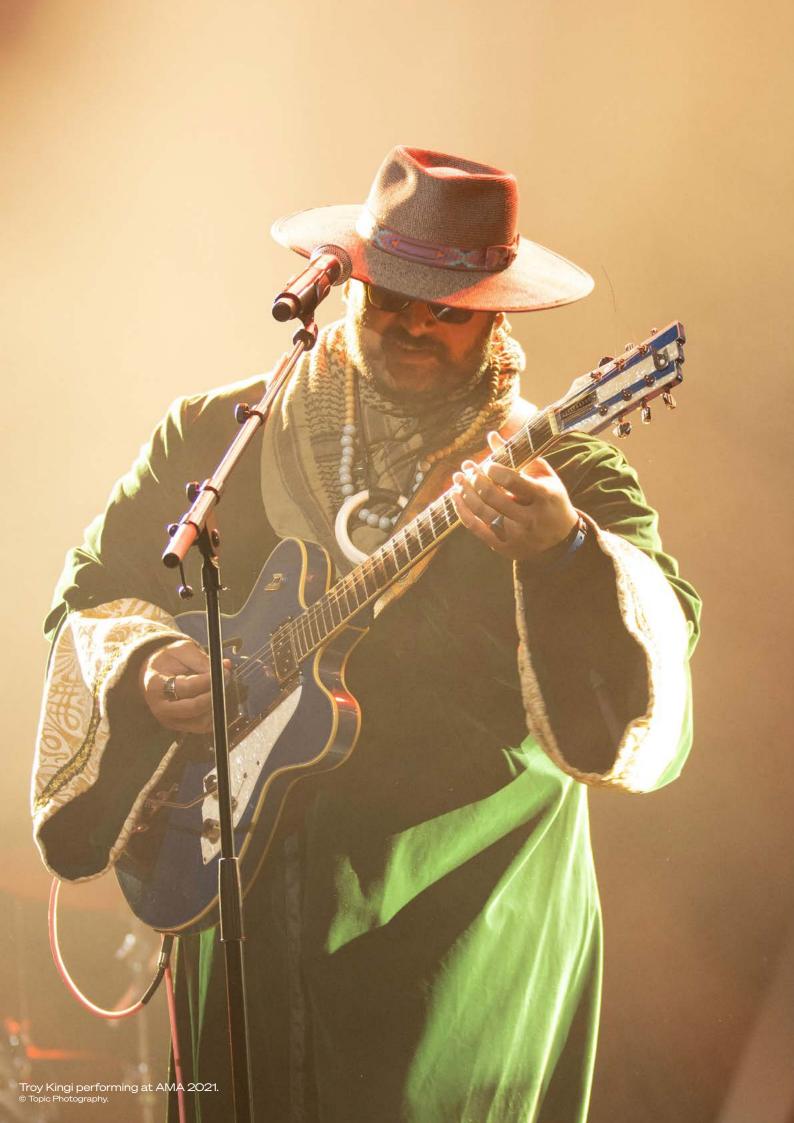
I want to thank our team for their dedication for working so enthusiastically to ensure that there is a positive future for recorded music in NZ and our role within the industry. I also want to thank our Board for their support, faith and backing of our work over many years and being there as guides to me and our senior team, having our backs and believing in us. I'm excited to pass the baton on and can't wait to see how the organisation evolves with new people at the controls.

Ngā mihi maioha

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

Damian Vaughan

Kaiwhakahaere Matua | CEO





WHAT WE DO

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

OUR VISION

is a thriving music industry in Aotearoa.

OUR MISSION

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

OUR GUIDING PRINCIPLES

We exist to serve the collective interests of recording artists and right holders

We are leaders in fostering a safe, respectful and inclusive culture We acknowledge Māori as tangata whenua of Aotearoa & we are committed to our journey to respect and honour Te Ao Māori

We act with integrity and are honest, conscientious, and fair

OUR PRIORITIES

MAXIMISE RETURNS FOR RIGHT HOLDERS AND RECORDING ARTISTS.

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

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

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.

OUR FOCUS IN 2022

Providing excellent and relevant services

that meet the changing needs of right holders and recording artists Effectively communicating

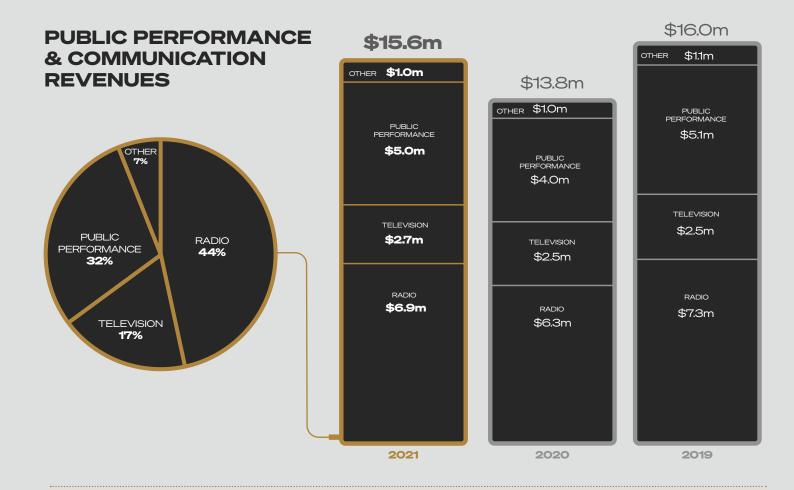
our services to artists, rights holders and the wider music community Reviewing and updating our **technology**, to better meet artist and rights holders requirements

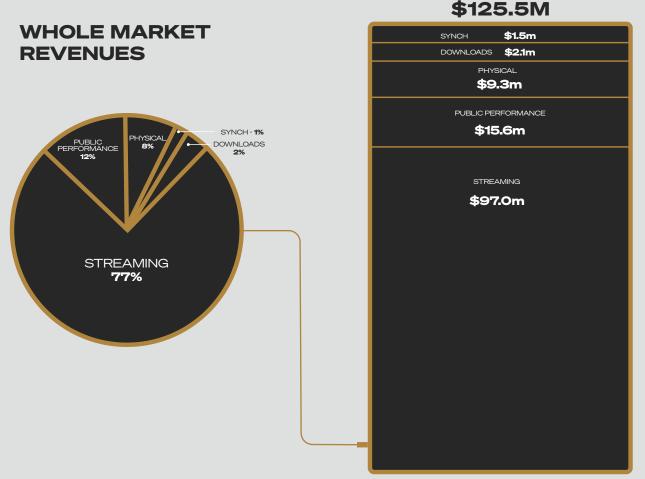
Our journey to respect and honour Te Ao Māori

Diversity, inclusion, and a positive culture

Collaboration & partnerships to strengthen our organisation









		SINGLES		Antonioni
	ARTIST	TITLE	LABEL	GROUP / DIST.
1	GLASS ANIMALS	HEAT WAVES	POLYDOR	UNIVERSAL
2	DUA LIPA FT. DA BABY	LEVITATING	DUA LIPA	WARNER
3	OLIVIA RODRIGO	DRIVERS LICENCE	GEFFEN	UNIVERSAL
4	L.A.B	WHY OH WHY	LOOP	BORDER
5	DOJA CAT FT. SZA	KISS ME MORE	KEMOSABE	SONY
6	L.A.B	IN THE AIR	LOOP	BORDER
7	OLIVIA RODRIGO	GOOD 4 U	GEFFEN	UNIVERSAL
8	THE KID LAROI & JUSTIN BIEBER	STAY	COLUMBIA/UNIVERSAL	SONY
9	L.A.B	CONTROLLER	LOOP	BORDER
10	JUSTIN BIEBER FT. DANIEL CAESAR	PEACHES	DEFJAM	UNIVERSAL
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	ARTIST	TITLE	LABEL	GROUP / DIST.
1	L.A.B	WHY OH WHY	LOOP	BORDER
2	L.A.B	IN THE AIR	LOOP	BORDER
3	L.A.B	CONTROLLER	LOOP	BORDER
4	NIKO WALTERS FT. KIANA LEDÉ	NOT MY NEIGHBOUR	RICOCHET	UNIVERSAL
5	SIX60	ALL SHE WROTE	MASSIVE	UNIVERSAL
6	SIX60	SUNDOWN	MASSIVE	UNIVERSAL
7	DRAX PROJECT FT. SIX60	CATCHING FEELINGS	DRAX PROJECT	UNIVERSAL
8	SIX60	FADE AWAY	MASSIVE	UNIVERSAL
9	KINGS FT. SONS OF ZION	HELP ME OUT	ARCHANGEL	DRM
10	SIX60	DON'T FORGET YOUR ROOTS	MASSIVE	UNIVERSAL

TE REO SINGLES

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	SIX60	PEPEHA	MASSIVE	UNIVERSAL
2	KA HAP FT. ROB RUHA	35	INDIGINATION	DRM
3	STAN WALKER FT. IBANEZ MAEVA	TUA	SONY	SONY
4	SONS OF ZION FT. JACKSON OWENS	HE AROHA HINEMOA	SONY	SONY
5	STAN WALKER	MATEMATEĀONE	SONY	SONY
6	MUROKI	REHUREHU	OLIVE	UNIVERSAL
7	ROB RUHA	TAERA	INDIGINATION	UNIVERSAL
8	KATCHAFIRE	KARAWHIUA/100	KATCHAFIRE	KATCHAFIRE
9	STAN WALKER W. LEVITES	HE KAKANO AHAU	SONY	SONY
10	LORDE	TE AO MĀRAMA	UNIVERSAL	UNIVERSAL

ALBUMS

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	OLIVIA RODRIGO	SOUR	GEFFEN	UNIVERSAL
2	ADELE	30	COLUMBIA	SONY
3	SIX60	SIX60 (3)	MASSIVE	UNIVERSAL
4	POP SMOKE	SHOOT FOR THE STARS	VICTORVICTOR	UNIVERSAL
5	DOJA CAT	PLANET HER	KEMOSABE	SONY
6	LAB	L.A.B IV	LOOP	BORDER
7	DUA LIPA	FUTURE NOSTALGIA	DUA LIPA	WARNER
8	JUSTIN BIEBER	JUSTICE	DEFJAM	UNIVERSAL
9	SIX60	SIX60 (1)	MASSIVE	UNIVERSAL
10	THE WEEKND	THE HIGHLIGHTS	REPUBLIC	UNIVERSAL

AOTEAROA ALBUMS

	ARTIST	TITLE	LABEL	GROUP / DIST.
1	SIX60	SIX60 (3)	MASSIVE	UNIVERSAL
2	LAB	LABIV	LOOP	BORDER
3	SIX60	SIX60 (1)	MASSIVE	UNIVERSAL
4	SIX60	SIX60 (EP)	MASSIVE	UNIVERSAL
5	SIX60	SIX60 (2)	MASSIVE	UNIVERSAL
6	LAB	LABIII	LOOP	BORDER
7	STAN WALKER	IMPOSSIBLE	SONY	SONY
8	LAB	LAB	LOOP	BORDER
9	DRAX PROJECT	DRAX PROJECT	DRAX PROJECT	UNIVERSAL
10	TEEKS	SOMETHING TO FEEL	SONY	SONY



The latest inductees' hard-fought journeys have left a lasting legacy and forged a path for others on-stage as well as behind the scenes.

Annie Crummer, Debbie Harwood, Dianne Swann, Margaret Urlich and Kim Willoughby were being recognised for their individual contributions to Aotearoa's music scene, the inspiration they provided to local artists and audiences, and their importance in shaping New Zealand's popular culture.

All five women got their start in the early 80's. Annie and Kim, each having already released music under either solo or group names, found themselves atop the charts as guest vocalists on **Netherworld Dancing Toys** 'For Today'. Dianne's band **Everything That Flies** was on the rise and earning plaudits everywhere. Debbie's talent was picked up early with a signing to CBS Records and award nominations following soon after. And Margaret was unmissable as the frontwoman of **Peking Man**.

"All of us had toured for years in original bands. As the touring circuit dissolved and radio shut its doors to local music, surviving as an original band became almost impossible. It was a tough time. The only way to get to the people at this time was to tour the length and breadth of New Zealand, relentlessly building up a live fan base," said Debbie.

Debbie, Dianne, Annie and Margaret had a chance meeting at the **1985 Aotearoa Music Awards** where all of them were finalists. Not long after that, the idea was floated of getting together with the addition of Kim as **When The Cat's Away.** "The idea formed to get together, have some fun and sing a bunch of songs that we like, learn some harmonies. I don't think anybody pictured it as being as popular as it became," said Dianne in 2004.

"The Cats toured for two and a half years before 'Melting Pot' was released," said Debbie. "As the single shot to No.1 in 1988, the industry was incredulous. Considering the lack of support at the time, our success was like a flower cracking through concrete! The sharemarket crash had just happened, and the public loved the band because we were optimistic and energetic. Sometimes I felt like Vera Lynn cheering up the troops. The preference would have been that our original bands had been supported by radio and the public, so we reluctantly accepted the huge success of the band, never fully standing in the glare of it. There was a little bit of bitterness at the necessity of forming such a band: a band that was born out of exhaustion from trying to get airplay and support for our original music, a band that was supposed to be merely a short break from the slog."

However, from this unexpected success came a multitude of positives and an enduring public and peer adoration and respect for these five supremely talented musicians. It is with great pride that we recognised and inducted **Annie, Debbie, Dianne, Margaret** and **Kim** into the **New Zealand Music Hall of Fame | Te Taonga Puoro o Aotearoa**.



ANNIE CRUMMER



DEBBIE HARWOOD



DIANNE SWANN



MARGARET URLICH



KIM WILLOUGHBY



TE PUKAEMI O TE TAU ALBUM OF THE YEAR

L.A.B - L.A.B IV

BENEE - Hey You x,

Crowded House - Dreamers Are Waiting The Phoenix Foundation - Friend Ship

TEEKS - Something To Feel

Troy Kingi - The Ghost of Freddie Cesar

THREE TE WAIATA TŌTAHI O TE TAU SINGLE OF THE YEAR

L.A.B - Why O Why

Lorde - Solar Power

Harper Finn - Dance Away These Days

Six60 - All She Wrote TEEKS - Remember Me Troy Kingi - Sleep (Slumber)

TE ROOPU TOA

BEST GROUP

L.A.B - L.A.B IV

Crowded House - Dreamers Are Waiting The Phoenix Foundation - Friend Ship Shapeshifter - Rituals

TE KAIPUORO TAKITAHI TOA BEST SOLO ARTIST

TEEKS - Something To Feel

Anna Coddington - Beams

BENEE - Hey You x,

Troy Kingi - The Ghost of Freddie Cesar

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

Harper Finn - Dance Away These Days

Foley - Vacation

Muroki - Wavy

Niko Walters - Not My Neighbour

TE MĀNGAI PĀHO TE KAIPUORO MĀORI TOA BEST MĀORI ARTIST

TEEKS

Mara TK

Troy Kingi

THE EDGE TE KAIPUORO AROTINI TOA BEST POP ARTIST

BENEE

Foley

LA Women

TE KAIPUORO MANOHI TOA BEST ALTERNATIVE ARTIST

Na Noise

Anthonie Tonon Wax Chattels

TE KAIPUORO AWE TOA BEST SOUL/RNB ARTIST

TEEKS

Mara TK

Troy Kingi

TE KAIPUORO HIPIHOPE TOA BEST HIP HOP ARTIST

Team Dynamite

Diggy Dupe

SWIDT

TE KAIPUORO TAKETAKE TOA BEST ROOTS ARTIST

L.A.B

Grove Roots

Tomorrow People

TE MĀNGAI PĀHO MANA REO AWARD

Te Nütube - Peke

Rei Hoki Mai - Come Back,

The Nudge & Troy Kingi - He Orite

TE KAIPUORO TĀHIKO TOA BEST ELECTRONIC ARTIST

Paige Julia

Shapeshifter

Sola Rosa

TE KAIPUORO RAKAPIOI TOA BEST ROCK ARTIST

Dead Favours

Ekko Park

Mako Road

TE KAIPUORO INAMATA TOA BEST CLASSICAL ARTIST

Claire Cowan

Justin DeHart

Tony Yan Tong Chen

THE EDGE TV TE KÖWHIRI O TE NUINGA PEOPLE'S CHOICE AWARD

Te Nūtube

TE TOA HOKO TEITEI HIGHEST SELLING ARTIST

Six60

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

Six60







ARTISAN AWARDS







MUSIC MARAGERS FORUM

· AOTHAROA ·

For the sixth year running, Recorded Music NZ and Massey University celebrated the unsung heroes of Aotearoa's music industry at the AMA Artisan Awards.

The 2021 Artisan Award finalists and winners were celebrated in a pre-recorded showcase produced at Massey University and made available on TVNZ OnDemand.

The show featured performances from Jaedyn Randell and Dream Chambers, The Nudge v Troy Kingi, and Ka Hao.

Massey University Te Kaiwhakaputa Toa



Delaney Davidson & Jol Mulholland Troy Kingi 'Black Sea Golden Ladder'

Harry Huavi Team Dynamite 'Respect The Process'

Joel Little

Te Kaipukaha Toa Best Engineer



Ara Adams Tamatea & Lee Prebble



Jol Mulholland Troy Kingi 'Black Sea Golden Ladder'



Simon Gooding L.A.B - 'L.A.B IV'

*

Te Toi Ataata Pukaemi Toa Best Album Artwork



Frances Carter
TEEKS
'Something To Fee



Amanda Cheng Wax Chattels 'Clot'



Matthias Heiderich, Jaime Robertson & Andrew Spraggon

X N

NZ On Air Te Puoro Ataata Toa Best Music Video Content



Alexander Gander Georgia Lines 'No One Knows'



Anahera Parata Louis Baker

Recorded Music NZ Kaiwhakahaere Puoro o te Tau

Manager of the Year presented by Music Managers Forum Aotearoa



Cushla Aston

Lorraine Barry

Nicole Thomas & Paula Yeoman



A YEAR OF TŪĪ

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



Te Kaipuoro Taketake Toa Best Folk Artist

Tennessee-based New Zealand duo
Tattletale Saints, made up of Cy
Winstanley and Vanessa McGowan,
won the 2021 Tūī for Te Kaipuoro
Taketake Toa | Best Folk Artist for their
third studio album 'Dancing Under The
Dogwoods' at the Auckland Folk Festival
in January.



Te Kaipuoro Tuawhenua Toa Best Country Music Artist

Country music superstar Tami Neilson was presented with the Te Kaipuoro Tuawhenua Toa | Best Country Music Artist at the NZ Country Music Awards for her sensational 2020 album CHICKABOOM!. It is Tami's 5th win, having previously won this award in 2009, 2010, 2012 and 2015.



Te Kaipuoro Tautito Toa Best Jazz Artist

Wellington jazz octet The Jac received the Tūī for Te Kaipuoro Tautito Toa | Best Jazz Artist for their album 'A Gathering' on home ground at the Wellington Jazz Festival in June. 'A Gathering' marks a decade of making music together – showcasing their intricate and immersive compositions, tight ensemble playing and assertive, individual improvising voices.



Te Kaipuoro Waiata Tamariki Toa Best Children's Music Artist

Blast your trumpets and blow your horns! fleaBITE took home the Tūī for Te Kaipuoro Waiata Tamariki Toa | Best Children's Music Artist for the third time at an invite only Children's Music Awards celebration in May. Aimed at older children, fleaBITE's style is cheeky, bold, innovative and entertaining, and there are always special guests to spice up the mix.



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

After the release of her self-produced debut album 'Mrs Tree' soul sensation Tree led the nominations at this year's Pacific Music Awards, taking home 2 awards including the Recorded Music NZ Te Pukaemi Toa o Te Moana Nui a Kiwa Tūī.





Kaiārahi Puoro o te Tau Music Tosak Music Teacher of the Year

We again recognised the enormous impact music teachers have on the beginning of our homegrown talents' musical careers and the foundation of their understanding.

The nominees for Music Teacher of the Year were Papakura High School's Andrea Rabin, Hobsonville Point Secondary School's Jeni Little, with Gisborne Girls High School's Jane Egan winning the award on her third successive nomination.



Jane Egan



Jeni Little



Andrea Rabin

ANTISTS' TÜĪ

The winners at this year's Aotearoa Music Awards were presented with a unique Tūī designed and created by **Wētā Workshop** CEO and creative director **Richard Taylor** and the team at Wētā Workshop.

A long-time contributor to the creative industries in New Zealand, Richard and his team have provided creative service work for local and international films, TV series and location based experiences. Best known for their work on The Lord of the Rings and The Hobbit trilogies, Avatar, Gallipoli – the Scale of our War and most recently their Unleashed experience in Sky City in Auckland.

"It's an absolute thrill to be creating the 2021 Tūī for this year's Aotearoa Music Awards. Music has always played a major role in my life." says Taylor.

DESIGN INSPIRED BY NATURE

Taylor's take on the iconic award is inspired by the beauty of the Tūī bird as well as Aotearoa's native flora and fauna.

"The twisting forms of the piece are suggestive of the way Tūī perch on a branch while turning their bodies to feed on kowhai flower," says Taylor. "The interweaving helix in the body forms are representative of the weaving together of musical inspiration to make a song or composition, and at the foot of this spiral is a G-Clef - acknowledging one of the foundations of the music celebrated by the award." The whole piece is underlit by a soft pale green light illuminating the sculpture and capturing the iridescence of the Tūī feathers in the light.







Supporting the development of a sustainable recorded music market is a key priority for us. We do this in a wide variety of ways, and across a range of projects each year. Organisations and projects we supported in 2021 include:













MUSIC MANAGERS FORUM
• AOTEAROA •





RECORDED MUSIC NZ MUSIC GRANTS

Music Grants are our way of extending our contribution to the sustainability and vibrancy of the recorded music community. In 2021 the Music Grants Programme proudly supported the following organisations and projects:

Dunedin Fringe Arts Trust - Amped Music Project
NZ Music Commission - The Art of the Record
Parachute Arts Trust - Producer Development Programme
Play It Strange Trust - The Peace Song Competition
Raise Up - New Found Sound Workshops
YAMI - SOUNZ Summit
Girls Rock Aotearoa - To The Front Holiday Programmes
Parachute Music - PA System/Communal Area Development
Matthew Hoyes - Research project



<u>SoundCheck Aotearoa</u> is an action group formed in 2020 with the mission to foster a safe and inclusive culture for the music community. Recorded Music NZ was one of the organisations that founded SoundCheck Aotearoa, and has continued to support it via an annual financial contribution.

The focus for SoundCheck Aotearoa in 2021 was the prevention of and response to sexual harassment in the music community. The message is that everyone is entitled to a safe workplace where they are respected and free from harm whether that workplace is a music venue, an office, a meeting in a bar or a recording studio. Key initiatives from SoundCheck Aotearoa in 2021 are summarised below.



Creating culture change around sexual harm in the music community

From February to April 2021, SoundCheck Aotearoa engaged independent experts to guide a process of reaching out to the music community to ask for their views and feedback: what are the problems/challenges in the culture of the music community and what might be done to address them? Over 200 people gave feedback via in person and online group sessions, one on one sessions and anonymous online feedback. Independent experts Rachel Harrison and Debbie Teale took the feedback and drew on research and experience to produce a report published in July 2021: Creating culture change around sexual harm in the music community. The report contains a set of ten recommendations for action to create culture change in the music community. SoundCheck Aotearoa called on everyone in the music community to step up and play a part in creating change.



Professional Respect training

Building skills and knowledge is one of the key recommendations for change. Professional Respect training is a full day of training on preventing and responding to sexual harm. Participants learn about definitions, guidance for receiving disclosures of harm, strategies for preventing harm and practical tips for bystander intervention. In 2021 130 people completed the training across Auckland, Wellington and Christchurch. Face to face training will resume in June 2022 alongside online modules.



Tailored resources

Feedback indicated that many people in the music community, from sole traders to larger businesses, want to adopt a code of conduct, use posters and policies for their event or display information about sexual harassment. SoundCheck Aotearoa created a range of tailored resources that are free for anyone to use and adapt. The resources include:

- template Code of Conduct and harassment policy for workplaces
- posters and other visual resources for venues and office spaces
- guidance and checklists for live music events
- flow charts and guidance for managing sexual harm when it happens



New website - pathways to support services

Feedback indicated that people don't know where to go for help. In December 2021, SoundCheck Aotearoa launched a new website listing recommended support options:

- practical help and counselling for people who have experienced harm
- harmful sexual behaviour services for people who have been accused of harm
- guidance, training and support for businesses responsible for managing risks of harm
- a variety of external resolution options including restorative practitioners

SoundCheck Aotearoa acknowledges the support of its funders: NZ Music Commission, Recorded Music NZ, APRA AMCOS and NZ On Air. For more information see **www.soundcheckaotearoa.co.nz** or **info@soundcheckaotearoa.co.nz**



Auckland City of Music (ACOM) continues to be a valuable asset for Recorded Music to lead and shape local Government policy discussion, as well as provide a platform to enable numerous projects which align with the company's vision and values.

ACOM published a 4-year summary of its activities as well as the wider activity in the Auckland music ecosytem. The report is available for viewing and download at https://bit.ly/3CQo7cl

2021 HIGHLIGHTS









GLOBAL AWARD

ACOM celebrated being named Best Global Music Office at the Music Cities Awards on 9 November 2021. The aim of the awards was to promote best practice and demonstrate the value of music to the world. 250 global music cities professionals attended the virtual award ceremony, which had recieved 120 applications from twenty-one countries and five continents. The ceremony comprised ten talks, one for each award category, with the award winner announced at the end of each discussion. ACOM Director, and Recorded Music NZ Special Projects manager Mark Roach, was also nominated for in the category for Public Service Awards for a Leading Music Cities Professional. More information: https://www.musiccitiesevents.com/awards

SONGLINES

Songlines was a celebration of our musical whakapapa. Working in partnership with Auckland Council's urban regeneration agency, Eke Panuku Development, ACOM developed a pilot programme in Takapuna which included decal song lyrics placed on pavements in the area. Each decal carried a QR code that takes audiences to the audio track on Spotify. The lyrics were also referenced in displays in the town centre which provided the public with further information regarding the artist and song. This activation provides ACOM with a means to test the idea, gather feedback, and make plans for permanent Songlines both in the Takapuna area and other neighbourhood communities around Auckland and further celebrate our local music stories.

EQUALISER (EQ)

The EQ project is a mixed format project that provides grants, professional development and an ongoing network support to female music and screen sector professionals. Applications were opened for three, \$10,000 music video grants in September 2021 with the workshop and networking component of EQ scheduled to take place in May 2022. Funding support was provided by ACOM, NZ On Alr and the NZ Music Commission. The grants attracted applications from over 60 musicians and 60 directors, highlighting the depth of talent available. From this talent pool, 3 musicians were chosen by a specialist judging panel. ACOM then proactively worked with these musicians to pair them with filmmakers from the director shortlist, with ongoing support offered by ACOM and our partners to enable delivery of the projects in 2022.

SYNC-POSIUM

The inaugural Aotearoa Sync-Posium was staged in June 2021 at Auckland's Roundhead Studios. Organised by music supervisor Karyn Rachtman and music producer Greg Haver the event covered all areas of music placement in film, TV, games and associated media. ACOM and Recorded Music NZ were able to support this initiative financially, as well as provide marketing support through the development of the brand design and all associated marketing collateral. Thanks to to the involvement of music supervisors and music heads of major media platforms such as Nickleodeon and EA Games, Sync-Posium has so far generated over \$1.2 million of income to NZ artists from syncs, compositions and scores for local and international projects.

APPROVAL OF ANNUAL REPORT

In the opinion of the Directors of Recorded Music New Zealand Limited ('the Company') the financial statements and notes, on pages 25 to 31:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Company as at 31 December 2021 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 2021.

Chris Caddick, Chairperson

Junis Goddick

Dated 10.05.22

Adam Holt, Director

Dated 10.05.22

DIRECTORY

FOR THE YEAR ENDED 31 DECEMBER 2021

Year of Incorporation 1957

Company number 10515

Registered Office Level 1, 2A Hakanoa Street

Grey Lynn Auckland

Business Address Level 1, 2A Hakanoa Street

Grey Lynn Auckland

Directors C Caddick (Chair)

N Atkinson K Boshier S Cockle N Harrop A Holt

Shareholder Extensive shareholding

Auditor RSM Hayes Audit

Auckland

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		\$	\$
REVENUE			
Licence Fees		15,584,584	13,636,162
Interest Income		73,703	221,945
TOTAL INCOME		15,658,287	13,858,107
EXPENSES			
Operating expenses	6	(3,049,538)	(2,675,768)
Administrative expenses		-	-
Impairment of asset	8	-	(147,577)
TOTAL EXPENSES		(3,049,538)	(2,823,613)
Less tax expense		(42,639)	(268)
TRANSFER TO NET FUNDS AVAILABLE FOR DISTRIBUTION	3	(12,566,110)	(11,034,494)
PROFIT FOR YEAR			
This statement is to be read in conjunction with the notes to the financial statements.			

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021	2020
		\$	\$
ASSETS			
Cash and cash equivalents		1,032,611	772,320
Trade and other receivables		3,337,104	2,246,989
Short term deposits		10,335,929	10,041,226
Right of use asset	5	199,908	307,596
Property, plant and equipment	7	108,209	77,055
TOTAL ASSETS		15,013,761	13,445,186
LIABILITIES			
Trade payables and accruals		1,090,000	734,836
Lease liability	5	199,908	307,596
Funds held available for distribution	3	12,923,853	11,402,754
EQUITY			
Contingency reserve retained for provisions		800,000	1,000,000
TOTAL LIABILITIES		15,013,761	13,445,186

STATEMENT OF MOVEMENTS IN EQUITY

AS AT 31 DECEMBER 2021

	Retained earnings	Contingency reserve	Total equity
BALANCE AT 1 JANUARY 2020			
Restatement of contingency fund	-	1,150000	1,150,000
Restated balance at January 2020	-	1,150,000	1,150,000
PROFIT FOR THE YEAR			
Release of reserve to funds for distribution	-	(150,000)	(150,000)
Balance at 31 December 2020 (restated)	-	1,000,000	1,000,000
PROFIT FOR THE YEAR			
Release of reserve to funds for distribution	-	(200,000)	(200,000)
Balance at 31 December 2021 Note 2(e)	-	800,000	800,000

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts of licence fees	14,388,781	13,403,680
Distributions to rightsholders and recordings artists	(11,045,012)	(12,180,316)
Paid to suppliers and employees	(2,695,379)	(2,729,567)
Net cash from operating activities	648,390	(1,506,203)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	73,703	221,945
Acquisition of property, plant and equipment	(59,410)	(28,421)
Movement in short term deposits	(294,703)	940,830
Net cash from investing activities	(280,410)	1,134,354
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance Lease Payments	(107,689)	(100,199)
Net cash from financing activities	(107,689)	(100,199)
NET (DECREASE)/INCREASE	260,291	(472,048)
Opening cash and cash equivalents 1 January	772,320	1,244,368
Closing cash and cash equivalents	1,032,611	772,320
Made up of:		
Bank balances	1,032,611	772,320
TOTAL CASH AND CASH EQUIVALENTS	1,032,611	772,320

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL OVERVIEW

a) Reporting Entity

Recorded Music New Zealand Limited (the "Company") is a limited liability company incorporated and domiciled in New Zealand.

The Company acts as an authorised representative of the master right owners in New Zealand to license, control and promote the public performance and broadcasting of their copyright in sound recordings and music videos and to collect fees in respect thereof. Distributions are then made to the appropriate copyright holder.

The Company is registered under the Companies Act 1993 and the financial statements comply with the Financial Reporting Act 2013. The Company is considered to be a profit-oriented entity for the purposes of financial reporting as it seeks to maximise distributions to its shareholders.

The financial statements presented are for the Company as at and for the year ended 31 December 2021 and were authorised for issue by the directors on the date specified on page 24.

b) Basis of preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR') as appropriate for Tier 2 for-profit entities applying reduced disclosure reporting concessions. The Company has elected to report under Tier 2 For-Profit Accounting Standards on the basis that it does not have public accountability.

These financial statements have been prepared on the basis of historical cost.

The financial statements are presented in New Zealand dollars (\$) which is the Company's functional currency, rounded to the nearest dollar.

The Company has not reported any profit or other comprehensive income. This is because all income, net of expenses, is distributed to the appropriate rightsholders and recording artists.

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

c) Use of estimates and judgements

The preparation of the financial statements in conformity with NZ IFRS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Please refer to note 5 for information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

2. ACCOUNTING POLICIES

a) Revenue

Revenue is recognised in the statement of profit and loss when the performance obligation associated with the respective contract is satisfied and can be reliably measured. The main types of revenue are licence fees from radio and TV, public performance and music service providers. Net income from sponsorship and other income received in relation to the Music Awards is included in operating expenses with the net result a loss of \$6,114 for the year.

b) Trade and other receivables

Trade and other receivables are initially recognised at fair value, being their cost, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

c) Distributions to licensees

The annual income from broadcasting and public performance licence fees and miscellaneous income received, less the amount retained (to meet liabilities contingent and otherwise), are apportioned to the New Zealand rightsholders 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 rightsholders and recording artists to distribute these funds. This obligation is shown on the statement of financial position as funds available for distribution.

d) Funds available for distribution

The funds for distribution are retained in Trust pending the receipt and analysis of airtime data received from broadcasters. The pro-rata distribution of surplus funds is determined on Radio and Television airtime. In the interim, these funds are placed on short term investment to attract interest income.

e) Contingency Reserve

An amount has been retained from the funds available for distribution to rightsholders and recording artists to meet liabilities, contingent and otherwise. In previous years this was disclosed as funds retained for liabilities. As there is no present obligation, this amount has been transferred into a contingency reserve in the current year.

f) Investments in short term deposits

Investments are measured at cost less accumulated amortisation and accumulated impairment losses. Interest income is earned on funds invested and term deposits. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

g) Trade payables and accruals

Trade and other payables are measured at amortised cost, being their fair value.

h) Taxes

The Company acts as a nationwide non-profit representative for New Zealand rightsholders and recording artists. Surpluses are fully distributed and consequently the Company is only liable to pay taxes on timing differences arising from accruals made. The withholding tax on interest income has been deducted; however, due to an IRD ruling no terminal tax is payable by the Company but will be payable by the members. The financial statements have been prepared on a GST exclusive basis except for receivables and payables that are stated inclusive of GST. As a result of an impairment (refer to note 8) there was a \$42,639 tax liability which was paid in the current year.

i) Financial instruments

Financial assets and liabilities are classified into the following categories:

- Loans and other receivables include cash and cash equivalents, trade and other receivables, and short term deposits.
- Other amortised cost include trade payables and accruals, and funds retained and distributable.

j) Leases

For contracts entered into after 1 January 2019, at inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- · the contract involves the use of an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- · the Company has the right to direct the use of the asset.

Recognition and measurement

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the property at the end of the lease.

The right-of-use asset is subsequently depreciated using the straightline method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the market rate in accordance with the contract.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use has been reduced to zero.

3. MOVEMENTS IN FUNDS FOR DISTRIBUTION

The Company pays a distribution to its rightsholders and recording artists each year, consisting of the prior year earnings, less any deductions for expenses and reserves for future anticipated expenditure.

Funds at the beginning of the year

Funds distributed to rightsholders and recording artists during the year Transfer to funds retained for provisions

Funds receipted (net of expenses) available for distribution next year

Funds at the end of the year

2021
11,402,754
(11,245,011)
200,000
12,566,110
12,923,853

2020
12,548,576
(12,330,316)
150,000
11,034,494
11,402,754

4. RELATED PARTIES

Funds distributed to shareholders that are represented on the Board are related party transactions. Distributions to those shareholders and related entities are calculated and paid on the same terms as for all other rightsholders. Board members are not directly involved in the calculation or payment of distributions. There are no allocated distributions to related parties that are unpaid at balance date. 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 2022

The following remuneration was received by directors during the year:

Chris Caddick Nicky Harrop

Nick Atkinson

Total

	2021
	54,000
	7,000
	7,500
-	68,500
=	

2020
54,000
7,000
8,000
69,000

5. LEASES

Statement of financial position

Right-of-use asset Lease liability

Statement of profit and loss

Depreciation on right-of-use asset

307,596
307,596
107,828

During the year ended 31 December 2021 lease payments were \$121,730 (2020: \$107,828).

Within this payment, \$14,041 is repayment of interest for lease liabilities, \$107,689 is repayment of principle of lease liabilities.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate as at 1 January 2021.

Rate for buildings: 5%

6. OPERATING EXPENSES

The required specific disclosures included in Operating Expenses are as follows:

Employee Benefits
Legal and consulting costs
Depreciation

2021
2020
1,972,124
1,647,840
180,994
123,382
49,257
28,256

Employee benefits in 2020 reflect the receipt of the Covid 19 wage subsidy, which has been netted off against the above expenditure, and the decision to constrain expenditure that year due to decreased revenue.

7. PROPERTY, PLANT AND EQUIPMENT	2021 \$	2020 \$
The breakdown for Property, Plant and Equipment is made up of the following assets:	108,209	77,055
Buildings		
Opening Balance	15,838	18,000
Additions	-	-
Disposals	-	-
Current Depreciation	(1,584)	(2,162)
Current Book value of Buildings	14,254	15,838
Furniture and Fittings		
Opening Balance	27,659	29,196
Addition	-	-
Disposals	-	-
Current Depreciation	(1,332)	(1,537)
Current Book Value of Furniture and Fittings	26,327	27,659
Office equipment		
Opening Balance	31,553	29,008
Additions	80,411	29,310
Disposals	-	(2,800)
Current Depreciation	(45,574)	(23,965)
Current Book value of Office Equipment	<u>66,390</u>	31,553
Plant and_Equipment		
Opening Balance	2,005	685
Additions	-	1,912
Disposals	-	-
Current Depreciation	(767)	(592)
Current book value of Plant and Equipment	1,238	2,005

8. INVESTMENTS

The Directors determined in 2020 that the Investment in Media Sauce was no longer supportable and therefore the investment was impaired in full in that year.

9. COMMITMENTS AND CONTINGENCIES

There are no capital commitments at balance date (2020: nil). There are no contingent liabilities (2020: nil).

10. SUBSEQUENT EVENTS

There have been no subsequent events which impact on the financial statements (2020: 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 2021;
- the statement of profit or loss 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 25 to 31 present fairly, in all material respects, the financial position of Recorded Music New Zealand Limited as at 31 December 2021, 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 24 (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.

THE POWER OF BEING UNDERSTOOD AUDIT TAX CONSULTING



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.

170 and 170 may 2

RSM Hayes Audit Auckland 16 May 2022







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