PRS for Music

Annual Report & Financial Statements

For the year ended 31 December 2024
PRS for Music Limited

Company Registration Number
No. 03444246 (England and Wales)

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PRS FOR MUSIC LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

PRS For Music Limited

COMPANY INFORMATION

Directors	***Writers*** T Gray P Pope J Simmonds P Woodroffe ***Publishers*** J Alway A Bebawi A Kassner J Minch ***Independent directors*** E Ingham G Mansfield S Spring T Toumazis ***Executive director*** A Czapary Martin
Company Secretary	J Aitken
Company number	03444246
Registered office	Goldings House 2 Hays Lane London United Kingdom SE1 2HB
Independent auditor	Deloitte LLP 1 New Street Square London United Kingdom EC4A 3HQ

PRS FOR MUSIC LIMITED

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PRS FOR MUSIC LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the Strategic report on the Company for the year ended 31 December 2024. The definitions of subsidiaries, joint ventures and other partners are set out within the Accounting policies on page 20.

Review of the business
PRS for Music Limited (the “Company”) has continued to provide operational services to its parent company, Performing Right Society Limited (“PRS”) (together the "Group"), and has continued to be a service provider to Mechanical-Copyright Protection Society Limited (“MCPS”). The service to MCPS is provided under a service level agreement with the company which has operated since 1 July 2013. The current 5-year contract came into effect from 1 July 2021.

The performance of the business in 2024 has been in line with expectations, with the revenue increase compared to prior year resulting from higher costs being recharged to the Group. The impacts on year-on-year performance are driven by movements on the defined pension schemes, which impacts taxation and finance costs in the income statement and results in a deficit in the balance sheet. Further to this, interest on cash deposits and interest on joint venture loans result in the increased investment income compared to the prior year.

The net value of the defined benefit pension schemes decreased from a deficit of £10,087,000 to a deficit of £12,651,000 during the year, attributable to a decline in asset values between 31 December 2023 and 31 December 2024 resulting in a finance cost to the income statement.

Due to the principal activities of the Company being to provide operational services, the key financial and other performance indicators are analysed at a Group level, as opposed to Company level. These are shown in the financial statements of PRS, which can be obtained by request in writing to Performing Right Society Limited, Goldings House, 2 Hays Lane, London, SE1 2HB.

Principal risks and uncertainties
The Company exists to operate substantially all of the business activities of its parent company, PRS, and act as a service provider to MCPS. As a result, the extent to which it is exposed to competitive, legislative, technology and price risk is limited.

Liquidity risk
The Company is exposed to liquidity risk, as it is heavily reliant on the continued financial support of its parent company, PRS, but PRS, in turn, is reliant on the Company for the operation of its business. Liquidity risk is the risk that the Company may fail to meet its financial obligations in a timely manner or at exceptional cost, which could inhibit the services provided to Group. These risks are monitored through the review of the Group's performance and cashflow forecasts. The Company also has in place a framework to ensure that it has sufficient financial resources to meet its objectives and manage financial risk.

Foreign exchange risk
Foreign exchange risk refers to losses that the Company may incur resulting from fluctuations on currency markets and are minimised through the timely exchange of foreign currency receipts for sterling. Forward foreign exchange contracts are used to manage the exposure of non-sterling loans. The Company uses multiple currency trading services to secure the most favourable currency exchange rates.

Interest rate risk
Interest rate risk refers to the loss of interest income or increase in interest expense resulting from cash management and is mitigated by the tracking of interest rates and avoidance of investing cash for periods of greater than 12 months. The use of financial derivatives is governed by policies approved by the Company's board, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages this risk with well-established credit control procedures and ensuring that any amounts due from related parties or joint ventures are proactively monitored against agreed repayment terms.

Counterparty risk

Counterparty risk is that the other party involved in a financial transaction might default on their obligation leading to financial loss, disruption and contractual breaches. The Company operates a robust treasury policy which applies limits and thresholds on funds placed with counterparties to reduce risk exposure.

There is a periodical review of risks as part of the internal audit process conducted by an external business assurance partner and internal review by our risk management team. No significant developments or findings have occurred on PfM risks during 2024.

The principal risks to which the Group is exposed are described in full in the PRS Consolidated financial statements.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

This statement sets out below how the board of directors of the company have had regard to the matters set out in s172(1)(a-f) of the Act when performing their duty under section 172 of the Companies Act. This requires directors to act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole having regard (amongst other matters) to certain factors including likely long-term consequences, stakeholder interests and the desirability to maintain high standards of business conduct.

The Company is a subsidiary of PRS and its responsibilities include overseeing the operational and commercial functions in the Group. Other than the Chief Executive Officer ("CEO"), all directors of the Company are non-executive directors, comprising writer members, publisher members and independent non-executive directors and all sit on the PRS Members' Council (its Board of Directors). The Members' Council, which leads engagement with members and oversees performance also approves the appointment of directors to the Company's Board.

The Company has three established committees which support the Board in carrying out its duties: Conflicts, Licensing and Distribution Committees. PRS also has three established committees: Audit, Nominations and Remuneration and while they are, in the first instance, committees of the PRS Members' Council, they also carry out certain duties at the request of the Company's Board.

The Company's Board and all committees are chaired by independent non-executive directors. As is usual with large companies, day-to-day management of the Company is carried out by an Executive Leadership Team ("ELT") led by the CEO. The Company's board oversees ELT's stewardship of the Company.

PRS promotes high standards of corporate governance throughout the organisation and the Company upholds these standards. It holds six regular scheduled meetings to consider matters within its terms of reference and relevant to the Group with a further meeting to consider the annual report and accounts. Briefings and clarification meetings are arranged to support directors to understand complex issues and to enable informed decisions. The Company's Board may also establish sub-groups to consider individual matters and topics relevant to the industry. Given that all Board members are Council Members, training, including compliance and cyber security training and equity, diversity and inclusion training, is usually given at PRS Members' Council level.

In late 2024, an effectiveness review of the Members' Council, the Company's Board and committees was undertaken. At the time of writing, the output was assessed by the Members' Council and the Company's Board.

At the 2024 PRS AGM in June, the membership confirmed the appointment of Stevie Spring as successor to Stephen Davidson when he retired as Company Board chair. Stevie brings with her extensive Board chairing experience across public, private, charity, government and membership organisations. Following the retirement of Simon Platz at the AGM in June 2024, Alex Kassner was appointed as Company director in July 2024. Crispin Hunt stepped down from the Company's Board as of 31 December 2024 to take on the role of President of the Members' Council. Tom Gray was appointed to the Company's Board as of 1 January 2025.

Attendance at the Company's Board meetings in 2024 was as follows:

Name	Board meeting attendance 2024						
	07-Feb-24	21-Mar-24	24-Apr-24	25-Jun-24	23-Jul-24	25-Sep-24	20-Nov-24
Jackie Alway (P)	✓	✓	✓	✓	✓	✓	✓
Antony Bebawi (P)	✓	Apol	✓	✓	Apol	Apol	✓
Stephen Davidson	✓	✓	✓	n/a	n/a	n/a	n/a
Crispin Hunt (W)	✓	✓	✓	✓	✓	✓	✓
Erica Ingham (INED)	✓	✓	✓	✓	✓	✓	✓
Alex Kassner (P)	n/a	n/a	n/a	✓	✓	✓	✓
Andrea C Martin (CEO)	✓	✓	✓	✓	✓	✓	✓
Gill Mansfield (INED)	✓	✓	✓	✓	✓	Apol	✓
John Minch (P)	✓	✓	✓	✓	✓	✓	✓
Simon Platz (P)	✓	Apol	✓	n/a	n/a	n/a	n/a
Philip Pope (W)	✓	✓	✓	✓	✓	✓	✓
Stevie Spring (INED)	Invitee	Invitee	Invitee	✓	✓	✓	✓
Tom Toumazis (INED)	✓	Apol	✓	✓	✓	✓	✓
John Truelove (W)	✓	✓	✓	✓	✓	✓	✓
Pete Woodroffe (W)	✓	✓	✓	✓	Apol	✓	✓

S172(1)(a) The likely consequences of any decision in the long term

The Company's Board focuses on the delivery of the Group strategy with operational matters central to its decision making. PRS's mission is to grow and protect the value of music rights entrusted to it and has as its code the fair and accurate distribution of royalties with market leading transparency.

The Company's Board receives executive reports on operational matters including transformation projects and other items of interest to it and considers requests for funding.

PRS FOR MUSIC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

S172(1)(b) The interests of PRS for Music employees

The Company's Board recognises the importance of attracting, retaining and motivating employees to deliver PRS's purpose, vision and long term success and health, safety and support for mental health and wellbeing is a priority.
A key strategic imperative reviewed is to build a high performing and engaged team and the CEO updates the Members' Council on employee engagement at its meetings. PRS's annual employee engagement score declined slightly to 84%, although remained two percent above the target of 82%.

The Members' Council and PRS for Music Board supported the move to a new office hub in late 2021 creating a vibrant and collaborative space and supporting flexible ways of working. A further 18,000 square feet opened in November 2022 divided into various behavioural zones to take account of the differing ways in which people work. Great consideration is given to encouraging and improving physical attendance in the HUB office with initiatives including post-Headliners socials. There was also a successful implementation (99% against a target of >95%) of a mandated 2 days a week in the office for all employees. A corporate engagement group established for 2024 (to look at hybrid working and balance) delivered a series of comprehensive recommendations and measures to further enhance the 'at-work' employee experience.

PRS holds monthly all-staff briefings led by the CEO, has an active employee forum and provides a strong and varied programme of engagement and well-being activities and is particularly mindful of cost of living pressures. A PRS Team Conference was held in April 2024 which focused on reinforcing PRS' vision for its Five Year Plan with key themes of change and innovation. PRS also engages with employee representatives as appropriate and is supported by its own branch of Unite (the largest union in the UK). These meetings are held to provide a forum to share information on matters of concern to them.

Equity, diversity and inclusion is a key agenda item for the Board which receives updates on progress against PRS objectives, the UK Music 10 Point Plan and alignment with the Five Ps (People, Policy, Partnerships, Progress and Purchase) and gives feedback on the various employee initiatives. Priorities for 2024 included improving gender and ethnicity representation (middle to senior management), enhancing our disability and socio-economic data disclosure and leadership training across all levels. This included the deployment of our disability and neurodiversity jobs platform, and working with MOBILISE, to attract and engage with senior talent from ethnic communities.

In January 2024, PRS published its Gender and Ethnicity Pay Gap report on its website, which is the seventh time it has reported on the gender pay gap and the third time it has reported its ethnicity pay gap. Although not legally required to publish ethnicity pay gap data, PRS believes it is important that it is open and transparent about where it is and what it is doing both internally and externally with regards to diversity.

Through its committees and the PRS for Music Board senior management succession planning and development is reviewed. Significant consideration is given to senior management remuneration by PRS to ensure it is appropriate and consistent with the long-term objectives of the Group.

S172(1)(c) The need to foster PRS business relationships with suppliers, customers and others

The Company's Board recognises the importance of effective engagement with their stakeholders to deliver the Five-Year Plan and has regard to these relationships in their decision making.

Service Excellence is one of PRS's five values and is focused on delivering the best service we can by looking at things from customers' point of view whether it is licensees or the wider collecting society network. Following work carried out by the Customer corporate engagement group this will be renamed Service Excellence.

The Licensing Committee directs overall licensing strategy and policy, approves Broadcast, Online and Recorded Media licences and schemes within its delegated limits and reports on its decisions or refers matters for further approval to the Members' Council and PfM Board.

The Company Board also monitors progress of its joint ventures such as ICE and PPL-PRS Limited which carry out activities and services on behalf of PRS and receive regular presentations from their management. Responsible procurement is important to the Company and each year the Members' Council and the Company's Board review actions taken by the Group to support anti-slavery and human trafficking and approve a modern slavery statement which is published on the website.

S172(1)(d) The impact of PRS' operations on the community and the environment

In 2024, PRS strengthened its relationship with its partner charities, appointing additional representatives of the Group to their repsective Boards. The Members' Council is aware of the impact PRS has on the communities and the environment in which it operates in its decision making. During the year, the Members' Council approved bespoke donations and/or funding for its relationship charities the PRS Members Fund, which provides support to PRS members and their families who may be struggling financially or in need of other help, and the PRS Foundation, a funder of new music and talent development. The Group also recognises that climate change and sustainability are increasingly important to PRS stakeholders.

A group-wide sustainability strategy and policy is being developed through the Corporate Sustainability Group. For 2024, a corporate engagement group established to look at Environmental, Social and Governance (ESG) delivered a series of recommendations for internal and external engagement. Being an ESG responsible organisation is highly aligned to the PfM core values; the Group will seek further opportunities in 2025 to enhance these commitments.

S172(1)(e) The desirability of the company maintaining a reputation for high standards of business conduct

The Company's Board is committed to maintaining the reputation of the Company for high standards of conduct in all its business dealings. Integrity is one of the five values to which compliance activities are anchored. Other values are pioneering, inclusive, customer first (service excellence) and collaboration. PRS has a Code of Conduct applicable to its members and to licensees which it upholds. The Audit Committee reviews and approves control measures and frameworks to maintain high standards of business conduct. Under privilege, the Board receives updates on, and where required advises or makes decisions on, material legal matters. The Company has in place a number of compliance policies including anti-bribery and corruption, whistleblowing and data privacy and requires relevant employees to undertake mandatory training and assessments. As well as an annual business orientation refresher, Board and Council Members also undertake compliance training and cyber training demonstrating their commitment to the PRS values.

S172(1)(f) The need to act fairly as between members of PRS

As a collection society, members are at the heart of PRS's business and are the reason that PRS and the Company exist. Effective engagement with the membership is led by the Members' Council on behalf of the Group. Results from our annual members survey are reviewed and considered and PRS continues to make efforts to improve member experience. There is regular communication and interaction with its members through several channels including writer representatives and publisher briefings, genre specific member meetings and focus groups, outreach activities for new and upcoming members, our own member events and supporting other industry events.

Non-financial and sustainability information statement ("NFSIS")

Streamlined energy and carbon report

The Company remains committed to sustainability through understanding its impact on the environment, implementation of appropriate monitoring, and introducing activities targeted at reducing its carbon footprint and the subsequent impact on climate change.

This is the second year the Group has included the Climate-related financial disclosure ("CRFD") report in its accounts. Progress achieved in the year is covered in the Streamlined energy and carbon ("SECR") report. After establishing a baseline in the 2023 report, the remit of the group has progressed its approach to climate action in 2024 by continuing to deliver existing and new climate-related initiatives. This included signing up to the London Bridge Decarbonisation Charter, energy usage and waste reduction initiatives, and enhanced travel policy guidance. The Group has also progressed in integrating environmental standards into procurement processes for new products and services. This has led to a 25 tCO2e and 12,000 kwh reduction in energy consumption.

In 2024 the Group continued to work with Plan A (a company that supports businesses to capture and monitor carbon emissions, and supports development of effective carbon reduction strategies) to track emissions changes from a 2023 baseline, and enhance reporting within Scope 3 emissions (Capital goods, purchased goods and services including IT).

This will inform the development of a broader sustainability strategy and policy in 2025 for the Group with iterative enhancements to iterative enhancements to emissions reduction initiatives. These will build on several principal areas for focus for which the Group already undertakes significant action:

Emissions focused
• Property – Our offices were consolidated into a single central hub in 2022 with electricity supplied by renewable energy removing the emissions from our footprint. The Streatham office lease was sold in December 2024, the benefits of which will be felt in the 2025 emissions footprint. To further reduce emissions, actions were taken to close office sections and shutdown of heating and cooling systems during the summer hours and on low hub attendance days, preserving energy consumption. The Group has also signed the London Bridge Decarbonisation Charter, enhancing collaboration opportunities on climate action with surrounding businesses.

• Travel - The Group operates a hybrid working policy enabling employees to work remotely. It also continued a cycle to work scheme and season ticket loan for promoting greener transport methods for employees to attend the London Bridge Hub. Business travel is monitored monthly and challenged where needed to reduce impact on the climate.

Technology and suppliers
• IT - The Group has moved to cloud-based solutions and adapted a digital-first approach to document and other information sharing in the first instance. In 2024, the Group requested carbon emission data from cloud services suppliers to better understand opportunities to reduce emissions as well as the review of data retention to reduce data storage. This has further improved transparency on supplier impact, and on carbon reports from all data centres and IT suppliers.

• Procurement – integrating environmental standards into procurement processes for new products and services from all suppliers, not just technology.

Resources
• Waste initiatives – implementation of a number of waste initiatives including: new recycling bins and signage around the Hub to promote recycling and reduce landfill refuse; no disposable cups policy; paperwork – 100% recyclable + reduced printing policy; partnership with London Bridge estate to reduce waste, and; promoting the circular economy, unwanted furniture being donated to local charities. This is saved 175k disposable cups, and Paper waste accounting for only 0.03% of overall tCO_2e.

GHG emissions and energy use for 2024 financial year
We have reported on all of the emission sources required under Streamlined energy and carbon report ("SECR") and the financial control approach has been used to determine which entities should be included in the data collection process.

The GHG emissions have been calculated using a carbon accounting platform (Plan A) supported by a sustainability specialist, where relevant data was provided in kilowatt per hour (kwh) energy consumed for property and kilometer ("km") distance travelled for business travel. The carbon emissions were calculated through the application of appropriate market conversion rates for kwh and km provided by the carbon reporting specialist, which have been applied to both years for consistency. The following table summarises our annual carbon emissions. The intensity ratios used are Tonnes of CO_2e per employee and Tonnes of CO_2e per £m of revenue, which are considered appropriate for the nature of the Group's operations.

In line with PfM commitment to improving our transparency, the 2024 SECR has been enhanced to include additional scope 3 reporting, namely emissions from: purchased goods and services, and capital goods. Due to lack of data availability and reliability, these were not included within the 2023 report. The Group is now able to provide this data due to directed effort and commitment in 2024 to enhance our reporting data. This is expected to further progress into 2025. For the purposes of year-on-year comparison and assessments on progress, the SECR reports against the baseline set in 2023, as well as the enhanced 2024 report, with backdated 2023 data.

PRS FOR MUSIC LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

GHG emissions data for period 1 January 2024 to 31 December 2024

	2024 (baseline)		2023 (baseline)		2024 (enhanced)		2023 (enhanced)	
	Consumption used to calculate emissions	tCO2e	Consumption used to calculate emissions	tCO2e	Consumption used to calculate emissions	tCO2e	Consumption used to calculate emissions	tCO2e
Combustion of gas (Scope 2)	0 Kwh	0	0 Kwh	0	0 Kwh	0	0 Kwh	0
Purchased electricity, heat, steam, and cooling (Scope 2)	349,161 kwh	74	361,283 kwh	91	349,161 kwh	74	361,283 kwh	91
Business travel (Scope 3)	891,879 km	353	801,727 km	361	891,879 km	353	801,727 km	361
Purchased goods and services					c.£32.3m	2,301	c.£23.5m	1,656
Capital goods					£1,084,233	244	£672,360	264
Total gross tCO2e based on above fields		427		452		2,972		2,372
Intensity ratio: tCO2e per £ million of revenue based on the above fields		0.37		0.42		2.58		2.19
Intensity ratio (gross emissions): tCO2e per employee based on the above fields		0.75		0.84		5.20		4.40
Employees (FTE)		*572*		*539*		*572*		*539*
Revenue £000		*1152*		*1084.1*		*1152*		*1084.1*

Baseline 2023-2024

Overall, CO2 emissions have reduced compared to 2023, driven by reductions in Scope 2 emissions following the closure of the Streatham office and tactical activities to reduce energy consumption in the London Bridge Hub. This has been partially offset by higher emissions from increased business travel resulting from an increased number of overseas events in 2024 and travel activities generally shifting back to pre-Covid-19 levels. Increased staff commuting likely also added to this following the implementation of a two-days a week minimum attendance to the HUB.

However, despite the higher consumption (per km of fuel for purposes of transport), in 2024 this was apportioned to more UK-based travel (using lower emissions transport – i.e. rail and electric fleet suppliers) than in 2023. Thus resulting in a lower tCO2e compared to 2023.

Tonnes of CO2e per £m of revenue and per employee have declined due to overall reduction in emissions and an increase in both revenue and employees during the year.

Enhanced 2023-2024

Purchased goods and services had a significant increase in emissions compared to 2023, mainly driven by additional requirements for Legal Services. This caused a jump from 4% of total emissions from purchased goods and services in 2023, to 25% in 2024. Data processing, hosting and related services also contributed to this owing to the increasing data processing pressures across operations and CIO activity supporting transformation work across the Group.

Our environmental strategy will be developed in 2025 underpinned by carbon accounting data and concentrating on the application of more green practices designed to address climate change and sustainability. By investing in more environmental sustainability, there is an opportunity to reduce business risk, improve reputation as well as provide prospective cost savings.

This Report was approved by the Board and signed on its behalf by

Andrea Czapary Martin
Director
28 March 2025

The directors present their Annual Report and financial statements for the year ended 31 December 2024.

Principal activities

The principal activity of PRS for Music Limited continued to be that of providing operational services to PRS and acting as a service provider to MCPS.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Writers

T Gray (appointed 1 January 2025)
C Hunt (resigned 1 January 2025)
P Pope
J Simmonds
P Woodroffe

Publishers

J Alway
A Bebawi
A Kassner (appointed 4 June 2024)
J Minch
S Platz (resigned 4 June 2024)

Independent directors

S Davidson (resigned 4 June 2024)
E Ingham
G Mansfield
S Spring (appointed 4 June 2024)
T Toumazis

Executive director

A Czapary Martin

Results and dividends

The results for the year are set out on page 14. No interim dividends were paid. The directors do not recommend payment of a final dividend (2023 - £nil).

Qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 S234. Such qualifying third party indemnity provision was in force during the financial year and at the date of approving the Directors’ report.

Items covered in the Strategic report

The following items required by law to be included in the Directors' report have been covered in the Strategic report: Section 172(1) Statement, Streamlined Energy and Carbon Report, Principal risks and uncertainties.

Political donations

There were no political donations made during the year (2023 - £nil).

Disabled persons
The Company complies with the requirements of the Equality Act of 2010 and is keeping its employment policies and procedures under review to ensure that disabled persons are not treated any less favourably than able-bodied persons in regards to applications, employment, training and career development. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development wherever appropriate.

Equal opportunity
The Company actively pursues a policy of providing equal opportunity to all its employees for internal training, development and promotion, and to applicants for employment. It does so without regard to colour, creed, ethnic origins, gender or any other grounds.

Employee involvement
The Company recognises the importance of keeping employees informed of all developments regarding the Company’s work and progress and to this end, copies of all the publications produced by the Company are freely available to all employees. To achieve a common understanding and awareness amongst all employees of the Company’s plans, an extensive briefing and consultation process operates.

Future developments
The directors are confident that the Company’s principal customer, PRS, will continue to require the Company to deliver services on its behalf for the foreseeable future, this includes continuing to be a service provider to MCPS. The current 5-year agreement between PRS and MCPS commenced on 1 July 2021. The directors are aware that its customers will require the Company to continue to improve the efficiency of the services that it delivers and to that end are actively pursuing a series of initiatives to deliver greater efficiency.

Statement of directors' responsibilities in respect of the financial statements
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 “The Financial Reporting Standard applicate in the UK and Republic of Ireland”. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Auditor

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte as auditor will be proposed at the forthcoming Annual General Meeting.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report and the Directors' report. The Statement of financial position reflects the impact of assuming £25,197,000 of historic liabilities when the MCPS-PRS Alliance dissolved in 2013. As a result, PfM has a net deficit of £48,437,000 at 31 December 2024 (2023 – £45,780,000). The deficit has increased from 2023 mainly as a result of the accounting valuation of the defined benefit schemes declining further from a net deficit of £10,087,000 to a net deficit position of £12,651,000. The Group is continuing to make annual payments into the schemes through to June 2030, with the intention of the schemes reaching self-sufficiency by this date.

The balances due to PRS are as a result of the operational nature of the relationship and the Company has received written confirmation of the financial support from PRS for a period of at least twelve months from the approval of the financial statements. The directors, having made sufficient enquiries, are satisfied that PRS would be in a position and is willing to provide the level of support required to enable the Company to meet its ongoing liabilities and obligations as they fall due. As a result, the directors continue to adopt the going concern basis in preparing the financial statements.

Events after the the reporting end

In February 2024, an application seeking an opt-out collective proceedings order was filed in the UK Competition Appeal Tribunal (“CAT”) against Performing Right Society Limited and PRS For Music Limited (Note 25). The hearing took place on the 12th and 13th of February 2025, at which point the case was adjourned so that additional information could be submitted. A date for the next hearing has not yet been set.

There are no events which require adjustments to the financial statements.

Research and development

During 2024, the Company continued projects to develop its intangible assets focused on delivering service excellence to members and customers through the execution of technology and data orientated projects.

Financial risk management

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The management of principal risks and uncertainties is disclosed within the Strategic report, as permitted under s414C(11) of the Companies Act 2006.

Streamlined Energy and Carbon Reporting ("SECR")
We have reported in the Strategic report on all sources of GHG emissions and energy usage in the Non-financial and sustainability information statement ("NFSIS") as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

Corporate Governance
The Company has a corporate governance framework in place, including matters reserved for Board approval and a scheme of delegated authority. As the Company is a wholly-owned subsidiary of PRS, its Board of Directors comprises writer and publisher members elected from PRS' Board. In addition, the Company's Board includes four independent directors and the Executive Director from the Members' Council as well as the Chair of the Members' Council as an observer. It is responsible for oversight of the Company's business activities in accordance with mandated authority from PRS, including the provision of operational services to PRS such as licensing and distribution administration.

There are six scheduled Board meetings during each year, along with a number of other meetings with senior management, during which matters of strategic, commercial, operational and financial importance are discussed. Board meetings are supported by a robust level of reporting from the Company’s executive management team, in the form of written papers and presentations at each meeting. The Board is supported by the Conflicts Committee, the Distribution Committee and the Licensing Committee and these comprise directors from PRS as well as directors of the Company. The Audit Committee and the Nomination and Remuneration Committees report directly into the Members' Council.

This report was approved by the Board and signed on its behalf by:

Andrea Czapary Martin
Director
28 March 2025

PRS FOR MUSIC LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRS FOR MUSIC LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of PRS For Music Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income statement;
- the Statement of comprehensive income;
- the Statement of financial position;
- the Statement of changes in equity and
- the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 (UK) 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 our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Streamlined Energy & Carbon Reporting regulations, Competition Law and Copyright Law.

We discussed among the audit engagement team including relevant internal specialists such as tax, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and both in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

PRS FOR MUSIC LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PRS FOR MUSIC LIMITED

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kate Darlison

Kate Darlison (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
28 March 2025
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PRS FOR MUSIC LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Revenue	**3**	137,886	123,312
Administrative expenses		(136,839)	(122,188)
Operating profit	**4**	1,047	1,124
Investment income	**7**	1,851	1,550
Finance costs	**8**	(889)	(635)
Profit before taxation		2,009	2,039
Taxation on profit	**9**	-	-
Profit for the financial year		2,009	2,039

The Income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 20 to 46 form an integral part of these financial statements

PRS FOR MUSIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £000	2023 £000
Profit for the financial year		2,009	2,039
Other comprehensive expense			
Actuarial loss on defined benefit pension schemes	**21**	(4,666)	(7,561)
Total comprehensive expense for the year		(2,657)	(5,522)

The notes on pages 20 to 46 form an integral part of these financial statements

PRS FOR MUSIC LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		2024		2023	
	Note	**£000**	**£000**	**£000**	**£000**
Fixed assets					
Intangible assets	**10**		20,723		17,430
Tangible assets	**11**		6,147		5,950
Investments	**12**		1,131		1,120
Trade and other receivables: amounts falling due after more than one year	**16**		11,409		13,350
			39,410		37,850
Current assets					
Trade and other receivables: amounts falling due within one year	**16**	75,810		93,175	
Investments - short term deposits		5,704		5,429	
Cash at bank and in hand		11,567		11,889	
		93,081		110,493	
Creditors: amounts falling due within one year	**18**	(160,162)		(179,037)	
Net current liabilities			(67,081)		(68,544)
Total assets less current liabilities			(27,671)		(30,694)
Creditors: amounts falling due after more than one year	**19**		(1,478)		(2,628)
Provisions for liabilities	**20**		(6,637)		(2,371)
Defined benefit pension liability	**21**		(12,651)		(10,087)
Net liabilities			(48,437)		(45,780)
Equity					
Called up share capital	**22**		1		1
Other reserves	**23**		17,002		17,002
Accumulated losses			(65,440)		(62,783)
Total equity			(48,437)		(45,780)

The financial statements on pages 16 to 46 were approved by the Board of Directors and authorised for issue on 28 March 2025 and are signed on its behalf by:

Andrea Czapary Martin
Director

Company Registration No. 03444246
The notes on pages 20 to 46 form an integral part of these financial statements

PRS FOR MUSIC LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Called up share capital £000	Other reserves £000	Accumulated losses £000	Total Equity £000
Balance at 1 January 2023		1	17,002	(57,261)	(40,258)
Year ended 31 December 2023:					
Profit for the financial year		-	-	2,039	2,039
Other comprehensive expense:					
Actuarial losses on defined benefit plans	**21**	-	-	(7,561)	(7,561)
Total comprehensive expense for the year		-	-	(5,522)	(5,522)
Balance at 31 December 2023		1	17,002	(62,783)	(45,780)
Year ended 31 December 2024:					
Profit for the financial year		-	-	2,009	2,009
Other comprehensive expense:					
Actuarial losses on defined benefit plans	**21**	-	-	(4,666)	(4,666)
Total comprehensive expense for the year		-	-	(2,657)	(2,657)
Balance at 31 December 2024		1	17,002	(65,440)	(48,437)

The notes on pages 20 to 46 form an integral part of these financial statements

PRS FOR MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

PRS for Music Limited (“the Company”) is a private company limited by shares, domiciled and incorporated and registered in the United Kingdom (England and Wales) under the Companies Act 2006. The registered office is Goldings House, 2 Hays Lane, London, SE1 2HB, United Kingdom. The Company is a wholly-owned subsidiary of Performing Right Society Limited, which prepares consolidated group financial statements. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The principal activities of the Company is set out in the strategic report on pages 1 to 6.

Statement of compliance

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The Company has taken advantage of the exemption from preparing a statement of cash flows available under section 7 of FRS 102, on the basis that it is a qualifying entity and the consolidated statement of cash flows included in the financial statements of the parent undertaking includes the Company’s cash flows. Group financial statements can be obtained by request in writing to Performing Right Society Limited, 2 Hays Lane, London, SE1 2HB, United Kingdom.

Basis of preparation

The financial statements are prepared in pound sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted, which have been consistently applied to all the years presented, are set out below.

Format of Income statement

The format of the Income statement and Statement of financial position has been adapted from that prescribed by the Companies Act 2006 in order to better reflect the nature of the business.

Definitions

'PRS' means Performing Right Society Limited
'PfM' means PRS for Music Limited, formerly, the MCPS-PRS Alliance Limited ('the Alliance')
'MCPS' means Mechanical-Copyright Protection Society Limited
'Group' means the group of companies of which Performing Right Society Limited is the controlling party
'ICE Operations' means ICE Operations AB
'ICE Services' means International Copyright Enterprise Services Limited
'SOLAR' means SOLAR-Music Rights Management Limited
'PPL - PRS' means PPL PRS Limited
‘GEMA’ means Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte, a German collecting society
'STIM' means Svenska Tonsättares Internationella Musikbyrå, a Swedish collecting society

1 Accounting policies **(Continued)**

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report and the Directors' report. The Statement of financial position reflects the impact of assuming £25,197,000 of historic liabilities when the MCPS-PRS Alliance dissolved in 2013. As a result, PfM has a net deficit of £48,437,000 at 31 December 2024 (2023 – £45,780,000). The deficit has increased from 2023 mainly as a result of the accounting valuation of the defined benefit schemes declining further from a net deficit of £10,087,000 to a net deficit position of £12,647,000. The Group is continuing to make annual payments into the schemes through to June 2030, with the intention of the schemes reaching self-sufficiency by this date.

The balances due to PRS are as a result of the operational nature of the relationship and the Company has received written confirmation of the financial support from PRS for a period of at least twelve months from the approval of the financial statements. The Directors, having made sufficient enquiries, are satisfied that PRS would be in a position and is willing to provide the level of support required to enable the Company to meet its ongoing liabilities and obligations as they fall due. As a result, the Directors continue to adopt the going concern basis in preparing the financial statements.

Revenue

Operating fees receivable

Revenue, which is represented by operating fees receivable from PRS, is accounted for on an accruals basis so that income is recognised in the period to which it relates.

Intangible fixed assets

Computer software and internally generated software costs are stated at cost less accumulated amortisation and accumulated impairment losses. Internally generated software costs, which are predominantly the staff costs of individuals contributing to the development of the asset, are capitalised as intangible assets when technical feasibility, control of the asset and future economic benefits have been established.

Where factors, such as technological advancement or changes in market price, indicate that the residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be changed. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following straight-line basis:

Software	3 - 7 years

Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible assets acquired at a cost of more than £1,000, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings and building improvements	shorter of lease term and 40 years
Systems and equipment	3 - 7 years

1 Accounting policies **(Continued)**

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Subsequent costs, including major inspections, are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit and loss and included in "Other operating (losses)/gains".

Non-current investments

Investments are valued at cost less provisions where, in the opinion of the directors, there has been impairment in value. The carrying values of investments are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate the carrying value may not be recoverable.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Company holds a long-term interest and where the Company has significant influence. The Company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the Company has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Impairment of non-current assets

At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1 Accounting policies **(Continued)**

Financial instruments

The Company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

PRS FOR MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derivatives
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Foreign exchange
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Income statement for the period.

Investment income
Interest income is recognised on an accruals basis when the Company's right to receive payment have been established, provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Hedge accounting
Any hedge arrangements are limited to foreign currency loans and do not meet the criteria for hedge accounting.

Provisions
Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, a determination is made on whether the obligation is remote, possible or probable and whether a reliable estimate can be made for the obligation amount.

The amount recognised as a provision is the best estimate in consideration for the costs related to the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected related to the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The Group has recognised a constructive obligation relating to litigation at the Statement of financial position date. The obligation has been calculated by estimating the most likely course of action pertaining to two litigation cases. It is expected that most of these costs will have been incurred within one year of the Statement of financial position date.

The Group has also recognised a provision for the estimated cost of returning its leasehold property in London Bridge to the original condition at the end of the lease.

1 Accounting policies **(Continued)**

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Defined benefit pension plan

The Company operates two defined benefit pension schemes, both of which require contributions to be made to separately administered funds. The MCPS-PRS Alliance Pension Scheme (MCPS) was closed to new entrants from 1 January 1999 and The MCPS-PRS Alliance Pension Scheme was closed to new entrants from 1 January 2003. The schemes closed to future accrual on 31 December 2010 with all remaining active members at that point becoming deferred members and losing the link to final salary.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in the Income statement on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss that is recognised in the Income statement. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest costs is recognised in the Income statement as other finance income or expense.

Actuarial gains and losses are recognised in full in the Statement of comprehensive income in the period in which they occur.

The defined benefit pension liability in the Statement of financial position comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair-value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

1 Accounting policies (Continued)

Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Company, are capitalised in the Statement of financial position and are depreciated over their useful lives.

Leases that do not transfer all of the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the Income statement on a straight-line basis over the lease term. Lease incentives are credited to the Income statement, to reduce the lease expense, on a straight-line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements (other than those involving estimations), that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements and estimates

Management believe that there have been no critical judgements made and the following estimates have had the most significant effect on amounts recognised in the financial statements.

Retirement benefit schemes

The Company has an obligation to pay pension benefits to members of the defined benefit pension schemes. The cost of these benefits and the present value of the obligation depend on a number of factors including inflation assumptions and the discount on corporate bonds. Management estimates these factors in determining the net pension obligation on the Statement of financial position and these estimates are based on recommendations from the Company's actuary, Aon. See note 21 for the disclosures relating to the defined benefit pension schemes.

3 Revenue

An analysis of the Company's revenue is as follows:

	2024	2023
	£000	£000
Revenue		
Operating fees receivable from PRS	137,886	123,312

Revenue analysed by geographical market

	2024	2023
	£000	£000
United Kingdom	137,886	123,312

4 Operating profit

	2024 £000	2023 £000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	2,864	2,427
Fees payable to the Company's auditor for the audit of the Company's financial statements	211	145
Depreciation of fixed assets	819	870
Loss/(profit) on disposal of tangible assets	16	(1)
Amortisation of intangible assets	5,526	5,949
Loss on disposal of intangible assets	36	197
Loss on repayment of joint venture investment	-	383
Operating lease charges	291	1,498

In accordance with SI 2008/489, the Company has not incurred the fees payable to the Company's auditor for 'other services' as this information is included in the consolidated financial statements of Performing Right Society Limited.

5 Employees

The average monthly number of persons (excluding Board Directors) employed by the Company during the year was:

	2024 Number	2023 Number
Licensing	66	57
Distribution and membership	154	151
Support services	333	310
	553	518

All employee costs are incurred by the Company and are presented below. Employee costs, which includes the CEO as the highest paid Director, have increased in 2024 due to the uplift in headcount and the higher cost of the company-wide incentive scheme compared to 2023.

Their aggregate remuneration comprised:

	2024 £000	2023 £000
Wages and salaries	40,292	35,720
Social security costs	4,638	4,107
Other pension costs	2,279	1,996
	47,209	41,823

6 Directors' remuneration

	2024	2023	2022	2021	2020
	£000	£000	£000	£000	£000
Remuneration for qualifying services:					
Chair	185	118	113	109	107
Other non-executive directors	272	252	232	184	212
CEO	1,131	1,047	949	702	398
Pension contributions	43	45	33	33	33
	1,631	1,462	1,327	1,028	750
Number of:					
Non-executive directors	12	12	12	13	13
CEO's	1	1	1	1	2

The number of directors for whom retirement benefits were accruing under defined contribution schemes during the year amounted to 1 (2023 - 1). No directors (2023 - none) were members of the defined benefit schemes.

The directors are considered the key management personnel of the company. Remuneration disclosed above includes amounts paid to non-executive directors and the CEO, who was the highest paid director in the year.

The annual fees paid and minimum expected time commitments for the different categories of non-executive directors included within the table above are:

- Board Chair, annual fee of £131,089 for an expected time commitment of 5-6 days per month (for services to both PRS Members' Council and PfM Board)
- Independent non-executive directors excluding Board Chair, annual fee of £57,101 for an expected time commitment varying from 16-20 days per year (for services to both PRS Members' Council and PfM Board)
- Writer & Publisher non-executive directors – Board only, annual fee of £12,580 for an expected time commitment of 6-10 days per year

During 2024, the actual time incurred by many of the directors listed above exceeded the minimum time expectations.

6 Directors' remuneration (Continued)

Remuneration paid to the highest paid director for qualifying services:

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Salary	535	506	471	404	398
Bonus and other benefits	596	541	478	298	-
Pension contributions	43	45	33	33	33
	1,174	1,092	982	735	431

The CEO’s bonus is a combination of corporate and personal performance and is based upon a range of stretching targets measured across the year. The objectives are both set, and the results reviewed and approved, by the Remuneration Committee on an annual basis.

7 Investment income

	2024 £000	2023 £000
Interest income		
Interest on bank deposits	838	764
Other interest income - JV Loans	1,013	786
	1,851	1,550

8 Finance Costs

	Note	2024 £000	2023 £000
Interest on other loans due to associated undertakings		491	461
Interest related to the net defined benefit liability	**21**	398	174
		889	635

9 Taxation

The tax charge assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 23.52%). The differences are explained below:

	2024 £000	2023 £000
Profit before taxation	2,009	2,039
Expected tax charge based on a corporation tax rate of 25.00% (2023 - 23.52%)	502	480
Tax effect of expenses that are not deductible in determining taxable profit	204	213
Group relief	377	705
Depreciation on assets not qualifying for tax allowances	73	73
Adjustments for transfer pricing	(482)	(805)
Deferred tax not provided on current year movement	(674)	(666)
Tax expense for the year	-	-

Changes to the UK corporation tax rates were enacted from 1 April 2023, increasing the main rate from 19% to 25%. Accordingly, current tax has been calculated at the rate for the year of 25% and, as the changes had been substantively enacted at the balance sheet date, the unrecognised deferred tax asset has been calculated using a rate of 25%.

The Company has an unrecognised deferred tax asset of £13,971,568 (2023 - £13,691,000) made up of trading and capital losses of £9,362,066 (2023 - £8,537,000), pension contribution spreading of £nil (2023 - £177,250), and fixed asset and other timing differences of £4,826,331 (2023 - £4,977,000). This is inclusive of an unrecognised deferred tax asset arising on pension deficit of £3,402,919 (2023 - £2,761,000).

The Company has unused Tax Losses of £37,108,265 (2023 - £34,147,698), which have no effective expiry date.

PRS FOR MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

10 Intangible fixed assets

	Software
	£000
Cost	
At 1 January 2024	98,717
Additions	8,856
Disposals	(36)
At 31 December 2024	107,537
Accumulated amortisation	
At 1 January 2024	81,288
Amortisation charged for the year	5,526
At 31 December 2024	86,814
Carrying amount	
At 31 December 2024	20,723
At 31 December 2023	17,430

Intangible assets are long-term investments made in order to build or create IT systems or applications used by the organisation. This includes directly attributable costs of staff, contractors and consultants. Development costs have been capitalised in accordance with FRS 102 Section 18 Intangible Assets other than Goodwill and are therefore not treated, for dividend purposes, as a realised loss. The carrying amount includes work in progress (WIP) of £6.6m.

Amortisation of intangible assets is included within Administrative expenses in the Income Statement.

11 Tangible fixed assets

	Leasehold land and buildings and building improvements	Systems and equipment	Total
	£000	£000	£000
Cost			
At 1 January 2024	5,636	8,136	13,772
Additions	-	1,036	1,036
Disposals	(1,273)	(524)	(1,797)
At 31 December 2024	4,363	8,648	13,011
Accumulated depreciation			
At 1 January 2024	1,795	6,026	7,821
Depreciation charged in the year	293	526	819
Eliminated in respect of disposals	(1,255)	(521)	(1,776)
At 31 December 2024	833	6,031	6,864
Carrying amount			
At 31 December 2024	3,530	2,617	6,147
At 31 December 2023	3,841	2,109	5,950

All leasehold agreements are for a period of less than 40 years.

12 Investments

	Note	2024	2023
		£000	£000
Investments in joint ventures	**14**	1,131	1,120

12 Investments (Continued)

Movements in investments

	Joint ventures £000
Cost or valuation	
At 1 January 2024	1,120
Revaluation changes	11
At 31 December 2024	1,131
Carrying amount	
At 31 December 2024	1,131
At 31 December 2023	1,120

13 Subsidiaries

These financial statements are separate company financial statements for 31 December 2024.

Details of the Company's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registration Number	Nature of business	Class of shares held	% Held
GRD Prep Co Limited	08121496	Dormant	Ordinary shares	100.00
Imprimatur Services Limited	03882134	Dormant	Ordinary shares	100.00
PRS for Music (USA) Limited	06805434	Dormant	Ordinary shares	100.00
Rightswatch Limited	04178447	Dormant	Membership	100.00
The MCPS-PRS Alliance Limited	06825354	Dormant	Ordinary shares	100.00

The country of incorporation for all subsidiaries is England and Wales and the registered office address is Goldings House, 2 Hays Lane, London, SE1 2HB.

14 Joint ventures

Details of the Company's joint ventures at 31 December 2024 are as follows:

Name of undertaking and country of incorporation or residency		**Nature of business and registered office**	**Class of shareholding**	**% Held**
Network of Music Partners A/S	Denmark	Service Centre, Rued Langgaards Vej 8, 2300, Copenhagen S, Denmark	Ordinary shares	50.00
SOLAR-Music Rights Management Limited	England & Wales	Pan-European licensing, Russell Square House, 10-12 Russell Square, London, UK, WC1B 5EH	Ordinary shares	50.00
Global Repertoire Database Limited	England & Wales	Global repertoire database, Goldings House, 2 Hays Lane, London, UK, SE1 2HB	Membership	50.00
International Copyright Enterprise Services Limited	England & Wales	Multi-territorial licensing, Russell Square House, 10-12 Russell Square, London, UK, WC1B 5EH	Ordinary shares	33.33
PPL PRS Limited	England & Wales	UK public performance licensing, Mercury Place, St. George Street, Leicester, UK, LE1 1QG	Ordinary shares	50.00
ICE Operations A.B	Sweden	Service Centre Gustavslundsvagen 135, Stockholm, 167 51 Bromma, Sweden	Ordinary shares	33.33

The Company has assessed its investments in joint ventures and has concluded that it did not exercise control over them at 31 December 2024 or during the year then ended; they are accounted for as investments in accordance with the accounting policy set out in note 1 rather than being equity accounted. If the equity accounting method was used, the value of the investments in joint ventures would be £14,511,000 (2023 - £13,392,000).

15 Significant undertakings

Details of the Company's other significant undertakings at 31 December 2024 are as follows:

Name of undertaking and country of incorporation or residency		**Nature of business and registered office**	**Class of shareholding**	**% Held**
UK Music 2009 Limited	England & Wales	Lobbying organisation, 4th floor, 49 Whitehall, London, UK, SW1A 2BX	Membership	10.00
				-

16 Trade and other receivables

Amounts falling due within one year:	2024 £000	2023 £000
Trade receivables	20,651	20,195
Amounts owed by related parties	46,626	65,867
Loans to joint ventures	3,511	3,264
Other receivables	1,976	1,441
Prepayments	3,046	2,408
	75,810	93,175

Amounts falling due after more than one year:	2024 £000	2023 £000
Loans to joint ventures	10,777	12,889
Other receivables	632	461
	11,409	13,350

The directors have considered the Trade and other receivables balance to approximate its fair value. Trade receivables arise as a result of the Company raising invoices for joint licences on behalf of MCPS and PRS.

Amounts owed by related parties arise as a result of invoicing through special purpose vehicles for multiterritory online licensing on behalf of MCPS and PRS. Aside from the loans to joint ventures, which are detailed below, amounts due from related parties are interest free and payable when funds have been received from the licensee.

The associated royalty revenue is recognised by MCPS and PRS and not by the Company. Trade receivables and Amounts owed by related parties are both stated after provisions for impairment of £nil (2023 - £nil).

16 Trade and other receivables (Continued)

Loans receivable - ICE Operations

The Company had total loans of £11.1m receivable from ICE Operations and its subsidiaries at 31 December 2024 (2023 - £12.2m), with the details of each loan disclosed below. The interest rate for all loans is set per annum and is equal to the six-month Stockholm Interbank offered rate, referred to as STIBOR 6M, +1 or +2%. Other related party balances with ICE Operations are disclosed in Note 25.

	Local Currency				£000					
Loan	B/fwd	Drawn	Repaid	C/Fwd	B/fwd	Drawn	Repaid	C/Fwd	Hedge Rate	Terms
Loan 2	SEK 0.4m	-	SEK 0.4m	-	42	-	42	-	SEK 12.2952/£1	Fully repaid
Loan 5	-	-	-	-	-	-	-	-	SEK 12.2952/£1	Fully repaid
					42	-	42	-		
Loan 7	-	-	-	-	-	-	-	-	EUR 1.3146/£1	Fully repaid
Loan 8	EUR 1.6m	-	EUR 0.1m	EUR 1.6m	1,404	-	65	1,339	EUR 1.1615/£1	Repayment in equal instalments until 2031, starting from 2024
Loan 9	EUR 10.1m	-	-	EUR 10.1m	8,723	-	-	8,723	EUR 1.1535/£1	
Loan 10	EUR 0.2m	-	EUR 0.1m	EUR 0.1m	200	-	109	91	Loan not hedged	Repayment in equal instalments until 2025
Loan 11	EUR 2m	-	EUR 1m	EUR 1m	1,832	-	831	1,001	Loan not hedged	Repayment in equal instalments until 2025
					12,159	-	1,005	11,154		
					12,201	-	1,047	11,154		

Loans receivable – SOLAR Music Rights Management Limited

The Company had total loans of £0.4m receivable from SOLAR Music Rights Management Limited, a wholly owned subsidiary of SOLAR-Music Rights Management GmbH, at 31 December 2024 (2023 - £0.4m). The interest rate for this loan is set at the Bank of England Base rate +2%. Other related party balances with SOLAR are disclosed in Note 25.

	Local Currency				£000					
Loan	B/fwd	Drawn	Repaid	C/Fwd	B/fwd	Drawn	Repaid	C/Fwd	Hedge Rate	Terms
Loan 1	EUR 0.5m	-	-	EUR 0.5m	429	-	-	429	EUR 1.1645/£1	Full repayment due 2025

Loans receivable – PPL – PRS

The Company had total loans of £2.8m receivable from PPL - PRS at 31 December 2024 (2023 - £3.5m). The interest rate for this loan is set at the Bank of England Base rate +2%. Other related party balances with PPL-PRS are disclosed in Note 25.

	Local Currency				£000					
Loan	B/fwd	Drawn	Repaid	C/Fwd	B/fwd	Drawn	Repaid	C/Fwd		Terms
Loan 1	GBP 3.5m	-	GBP 0.7m	GBP 2.8m	3,522	-	704	2,818		Repayment in instalments until 2028

17 Financial Instruments

As of June 2016 the Company has entered into forward foreign currency contracts on all currency loans made to ICE Operations and SOLAR. A fixed rate is agreed for the term of each loan and forward contracts are booked for a year at a time until the maturity date, currently set at various dates until 2030. All forward contracts are recognised on the Statement of financial position and are measured at fair value through the Income statement, using the fixed market value exchange rates agreed at the start of each forward contract. The value of hedged loans recognised in the Statement of financial position as at 31 December 2024 was £11,471,000 (2023 - £12,630,000). The value of the instrument within Other Receivables over one year was £632,000 (2023: £461,000).

18 Creditors: amounts falling due within one year

	2024	2023
	£000	£000
Trade payables	1,380	1,039
Amounts owed to parent undertaking	103,964	132,528
Amounts owed to MCPS	16,687	17,315
Taxation and social security	5,249	3,887
Accruals	32,882	24,268
	160,162	179,037

The directors have considered the Trade and other payables balance to approximate its fair value.

An amount of £768,000 (2023 - £798,000) within the Amounts owed to the parent undertaking relates to the current element of the interest-free loan from PRS and details of the terms of this loan can be found in note 19. The remainder of the balance is interest free and payable in accordance with the operational agreement between the parties.

The amount of £16,687,000 (2023 - £17,315,000) due to MCPS has no obligation to pay interest now or in the future, has no formal repayment terms and is in accordance with the service level agreement between the parties.

19 Creditors: amounts falling due after more than one year

	2024	2023
	£000	£000
Amounts owed to parent undertaking	-	954
Accruals	1,478	1,674
	1,478	2,628

Amounts owed to parent undertaking represent the balances of contributions into the defined benefit pension schemes made by the Company in 2005 and funded by PRS. The balances are repayable over 20 years and are not interest bearing. The loan is measured at the present value of the future payments discounted at a market rate of interest for similar financial instruments. Over the period of the loan, interest payable is calculated and added to the loan using the effective interest method. At the transition date the loan was discounted at 6.5% (Bank of England rate at the inception date, 2005, plus 2%) and the shortfall credited to profit and loss reserve. The effect of discounting will unwind over the period of the loan as interest charged to the Income statement.

20 Provisions for liabilities

	2024	2023
	£000	£000
Legal provisions	5,722	1,456
Dilapidations provisions	915	915
	6,637	2,371

20 Provisions for liabilities (Continued)

Movement on provisions:

	Legal provisions	Dilapidations provisions	Total
	£000	£000	£000
At 1 January 2024	1,456	915	2,371
Additional provisions in the year	5,721	-	5,721
Reversal of provision	(137)	-	(137)
Utilisation of provision	(1,318)	-	(1,318)
At 31 December 2024	5,722	915	6,637

The Company has recognised a provision for the estimated cost of returning its leasehold property in London Bridge to the original condition at the end of the lease.

The Company has recognised a constructive obligation relating to litigation at the Statement of financial position date. The obligation has been calculated by estimating the most likely course of action pertaining to legal matters. It is expected that most of the costs will have been incurred within one year of the Statement of financial position date. See further detail in note 25.

Discounting has not been applied to the provisions for liabilities as the impact of this is not considered to be material.

21 Retirement benefit schemes

Defined contribution schemes	2024	2023
	£000	£000
Charge to Income statement in respect of defined contribution schemes	2,279	1,996

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. £345,000 (2023 - £297,000) relating to defined contribution payments has been accrued for at year-end.

Defined benefit schemes

The Company operates two separately administered defined benefit pension schemes. The MCPS-PRS Alliance Pension Scheme (MCPS) (formerly the MCPS scheme) was closed to new entrants from 1 January 1999 and The MCPS-PRS Alliance Pension Scheme (formerly the PRS scheme) was closed to new entrants from 1 January 2003. On 31 December 2010 the schemes were closed to future accrual with active members losing the link to final salary.

21 Retirement benefit schemes **(Continued)**

Valuation

In March 2022, the latest triennial valuations of the pension schemes were completed. The deficit funding plan was reassessed between the Group and the trustees of the schemes, following a significant improvement in the valuation of the schemes. The approved plan involved the Group continuing to make annual payments into both schemes through to June 2030, with the intention of both schemes reaching self-sufficiency by December 2032. Preparations for the latest triennial valuations, based on 31 December 2024, commenced in early 2025.

Key assumptions

	2024 %	2023 %
Discount rate	5.5	4.5
Pension increase (RPI max 5%)	2.9	2.8
Expected rate of salary increases	n/a	n/a
Price inflation (CPI)	2.5	2.4
Expected rate of decrease of pensions in payment	n/a	n/a
Price Inflation (RPI)	3	2.9

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2024 Years	2023 Years
Retiring today		
- Males	21.5	21.6
- Females	23.9	24.0
Retiring in 20 years		
- Males	22.5	22.8
- Females	25.1	25.4

21 Retirement benefit schemes (Continued)

The increase in the discount rate is linked to the increase in the yield on corporate bonds between 31 December 2023 and 31 December 2024.

The post-retirement mortality assumptions allow for expected decrease in longevity. The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with "future" being that relating to an employee retiring in 2030. The CMI mortality projections adopted in the assumptions continue to reflect the latest market data, with a smoothing factor which makes broadly the same allowance for expected higher life expectancy for pension scheme populations compared with the national population.

Sensitivity analysis has been conducted based on a 0.5% p.a increase and decrease in the discount rate, a 0.5% p.a. increase and decrease in inflation and a one-year increase and decrease in life expectancy assumptions as follows:

	Decrease/(increase) in liability	
	2024	**2023**
	£000	**£000**
Following a 0.5% p.a. decrease in the discount rate	(10,964)	(15,157)
Following a 0.5% p.a. increase in the discount rate	10,304	14,051
Following a 0.5% p.a. increase in the inflation assumptions	(3,600)	(5,920)
Following a 0.5% p.a. decrease in the inflation assumptions	4,016	5,458
Following a one-year increase in life expectancy	(6,851)	(8,135)
Following a one-year decrease in life expectancy	6,973	5,865

The amounts included in the Statement of financial position arising from the Company's obligations in respect of defined benefit plans are as follows:

	2024	**2023**
	£000	**£000**
Net present value of defined benefit liabilities	12,651	10,087
Deficit in scheme	12,651	10,087

The defined benefit obligation comprises of £176,668,000 (2023 – £198,007,000) from plans that are wholly or partly funded.

The MCPS-PRS Alliance Pension Scheme closed to future accrual on 31 December 2010. A fixed annual contribution of £1,250,000 has been made during 2024 to reduce the deficit in the scheme.

The MCPS-PRS Alliance Pension Scheme (MCPS) closed to future accrual on 31 December 2010. A fixed annual contribution of £1,250,000 has been made during 2024 to reduce the deficit in the scheme.

21 Retirement benefit schemes **(Continued)**

Changes in the present value of the defined benefit obligations are analysed as follows:

	MCPS-PRS Alliance Pension Scheme		MCPS-PRS Alliance Pension Scheme (MCPS)		Total	Total
	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000
At 1 January	(163,818)	(162,964)	(34,189)	(33,548)	(198,007)	(196,512)
Benefits paid	7,833	7,486	965	1,161	8,798	8,647
Interest cost	(7,196)	(7,643)	(1,517)	(1,583)	(8,713)	(9,226)
Actuarial gains/(losses)	16,825	(697)	4,429	(219)	21,254	(916)
At 31 December	(146,356)	(163,818)	(30,312)	(34,189)	(176,668)	(198,007)

The pension plans have not invested in any of the Company's equity, or any of its own properties or other assets used in its operations.

The amounts recognised in the Income statement for the year are:

	MCPS-PRS Alliance Pension Scheme		MCPS-PRS Alliance Pension Scheme (MCPS)		Total	Total
	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000
Interest on net defined benefit pension liabilities	175	(82)	223	256	398	174
	175	(82)	223	256	398	174

21 Retirement benefit schemes **(Continued)**

The fair value of the assets and liabilities at the reporting period end were as follows:

	MCPS-PRS Alliance Pension Scheme	
	2024	**2023**
	£000	**£000**
Equity instruments	7,000	-
Debt instruments	68,100	104,900
Property	10,500	
Cash and other	47,785	54,413
Hedge funds	3,700	-
Fair value of scheme assets	137,085	159,313
Present value of scheme liabilities	(146,356)	(163,818)
	(9,271)	(4,505)
Related deferred tax asset	-	-
Net deficit	(9,271)	(4,505)

	MCPS-PRS Alliance Pension Scheme (MCPS)	
	2024	**2023**
	£000	**£000**
Equity instruments	5,400	6,500
Debt instruments	12,800	15,500
Cash and other	5,036	2,911
Hedge funds	3,700	3,700
Fair value of scheme assets	26,936	28,611
Present value of scheme liabilities	(30,312)	(34,193)
	(3,376)	(5,582)
Related deferred tax asset	-	-
Net deficit	(3,376)	(5,582)
Total net pension deficit	(12,647)	(10,087)

Changes in the fair value of plan assets are analysed as follows:

PRS FOR MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

21 Retirement benefit schemes (Continued)

	MCPS-PRS Alliance Pension Scheme	MCPS-PRS Alliance Pension Scheme (MCPS)	Total
	£000	£000	£000
As at 31 December 2022 and 1 January 2023	164,065	27,599	191,664
Expected return on plan assets	7,725	1,327	9,052
Employer contributions	1,250	1,250	2,500
Benefits paid	(7,486)	(1,161)	(8,647)
Actuarial losses	(6,241)	(404)	(6,645)
As at 31 December 2023	159,313	28,611	187,924
As at 31 December 2023 and 1 January 2024	159,313	28,611	187,924
Expected return on plan assets	7,021	1,294	8,315
Employer contributions	1,250	1,250	2,500
Benefits paid	(7,833)	(965)	(8,798)
Actuarial losses	(22,666)	(3,254)	(25,920)
As at 31 December 2024	137,085	26,936	164,021

Actuarial losses

	MCPS-PRS Alliance Pension Scheme		MCPS-PRS Alliance Pension Scheme (MCPS)		Total	Total
	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000
Loss on plan assets	(22,666)	(6,241)	(3,254)	(404)	(25,920)	(6,645)
(Loss)/gain on plan liabilities	16,825	(697)	4,429	(219)	21,254	(916)
	(5,841)	(6,938)	1,175	(623)	(4,666)	(7,561)

22 Share capital

	2024	2023	2024	2023
Ordinary share capital	**Number**	**Number**	**£000**	**£000**
Issued and fully paid				
Ordinary of £1 each	1,000	1,000	1	1

The Company has one class of ordinary shares which carry no right to fixed income.

23 Other reserves

Other reserves of £17,002,000 (2023 - £17,002,000) arose as a result of the transactions which took place on 1 January 1998, through which MCPS and PRS transferred their respective fixed assets, employees and back-office operations to the Company and each took a 50% interest in the Company. Subsequently, in 2013, PRS took full ownership of the Company.

24 Operating lease commitments

Operating lease payments represent rentals payable by the Company for certain of its properties. Leases are negotiated for an average of 15 years.

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£000	£000
Within one year	2,314	2,269
Later than one year and not later than five years	9,230	9,061
In over five years	14,819	16,796
	26,363	28,126

25 Financial commitments, guarantees and contingent liabilities

In February 2024, an application seeking an opt-out collective proceedings order was filed in the UK Competition Appeal Tribunal ("CAT") against Performing Right Society Limited and PRS For Music Limited (Note 25). The hearing took place on the 12th and 13th of February 2025, at which point the case was adjourned so that additional information could be submitted. A date for the next hearing has not yet been set.

In the year we also took steps to enforce and defend our tariffs and operations in the cinema and live sectors. The expectation on the cost of these has increased the provision compared to the previous year.

26 Related party transactions

The remuneration of key management personnel, who are also directors, is disclosed in note 6.

The Company's revenue consists of operating fees recharged to PRS as analysed in note 3. Amounts due to and from MCPS and PRS at the balance sheet date are disclosed in notes 16 and 18.

The Company received services from ICE Operations and its subsidiaries to the value of £5,200,000 (2023 – £4,840,000). There were no outstanding balances due at the year end (2023 – £nil).

During the year the Company charged ICE Services an amount for services provided of £485,000 (2023 - £642,000) and paid commissions of £10,414,000 (2023 - £10,951,000) and the paid service charges of £nil on PRS legacy deals (2023 - £nil). The Company was owed a balance of £nil (2023 - £121,000) and had costs to recharge of £72,000 (2023 - £60,000) at the year end. Full details on loans made to ICE Services can be found in note 17.

The Company received services from NMP to the value of £1,592,000 (2023 – £1,469,000). The Company also charged NMP an amount of £125,000 (2023 – £115,000) for services provided and was owed a balance of £10,000 (2023 – £9,000) at the year end.

During the year the Company charged SOLAR an amount of £90,000 (2023 - £84,000) for services provided and paid commissions of £10,145,000 (2023 - £11,651,000). The Company was owed a balance of £8,000 (2023 - £8,000) at the year end. Full details on loans made to SOLAR can be found in note 16.

During the year the Company made a contribution to UK Music 2009 Limited of £624,000 (2023 – £688,000).

During the year, the Company provided operational services to MCPS, a company with common directors, under the terms of a service level agreement. The value of the service was £15,472,000 (2023 - £15,779,000). At the year end the Company was owed a balance of £1,337,000 (2023 - £1,319,000) and had fees to charge of £3,213,000 (2023 - £3,679,000).

PfM charged The PRS Members' Benevolent Fund an amount of £349,000 (2023 - £242,000) for services provided. PfM was not owed a balance (2023 - £21,000) and had costs to recharge of £7,000 (2023 - £18,000) at the year end.

PfM provided subsidised services including accommodation to The Performing Right Society Foundation Limited. PfM did not charge an amount (2023 - £nil) for other services provided.

During the year, the Company made a contribution to the British Academy of Songwriters, Composers and Authors, (trading as The Ivors Academy), an organisation with common directors. The value of the contribution for 2024 was £190,000 (2023 - £62,000). During the year the Company was also charged an amount of £165,000 (2023 - £155,000) for sponsorship.

During the year the Company recharged PPL - PRS an amount for costs incurred of £618,000 (2023 - £264,000) and had costs to recharge of £150,000 at 31 December 2024 (2023 - £252,000). Additionally, the Company incurred service charges of £15,294,000 (2023 - £14,692,000) during the year. Full details on loans made to PPL - PRS can be found in note 16.

27 Ultimate controlling party

The Company is a wholly-owned subsidiary of Performing Right Society Limited, a company limited by guarantee and incorporated in the UK. PRS has no share capital. The directors regard PRS as the Company's ultimate parent and the ultimate controlling party. Group financial statements can be obtained by request in writing to the Group's registered address: Performing Right Society Limited, Goldings House, 2 Hays Lane, London, SE1 2HB.

PRS is the parent of the largest and smallest group of which the Company is a member and for which consolidated financial statements are prepared.

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