

PRS

Annual Report & Financial Statements

For the year ended 31 December 2025
Performing Right Society Limited

Company Registration Number
No. 00134396 (England and Wales)



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Performing Right Society Limited
Annual Report and Financial Statements
For the Year Ended 31 December 2025

PERFORMING RIGHT SOCIETY LIMITED

COMPANY INFORMATION

Directors

Writers

V Brown
C Dennis
T Gray
C Hunt
L Mvula
J Nott
P Pope
J Simmonds
M Stobbie
P Woodroffe

Publishers

J Alway
J Andersen
A Bebawi
N Gilroy
M Hall
A Kassner
D Lang
R Paine
P Rose
L Young

Executive Director

A Czapary Martin

Independent Directors

E Ingham
G Mansfield
S Spring
T Toumazis

Company Secretary

J Aitken

Company number

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Registered office

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Independent auditor

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PERFORMING RIGHT SOCIETY LIMITED

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PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present the Strategic report for Performing Right Society Limited ("the Company") and its subsidiary PRS for Music Limited ("PfM"), together ("the Group", "PRS For Music") for the year ended 31 December 2025. The definitions of subsidiaries, joint ventures and other partners are set out within the Accounting policies on page 33.

Review of the business

Financial results and key performance indicators

2025 was another successful year for the Group, with more than £1 billion being paid out to rightsholders and net revenues exceeding £1.24 billion. Increased revenues and distributions were balanced with diligent cost management, resulting in the Group achieving a historically low cost-to-income ratio of 8% (excluding donations and subsidies).

Under the leadership of Andrea Czapary Martin, the Board and Members' Council, the Group has achieved unprecedented growth in recent years, with net revenues up 52.9% and distributions increased by 56.1%, compared to 2019 (pre-covid). In 2025, PfM again expanded its licensing activities into new and emerging markets, alongside continued investment in its distribution ecosystem to accelerate the frequency and accuracy of payments. The Company's joint ventures and partnership, producing shared efficiencies and commercial opportunities through combined rights and repertoire, remained central to revenue growth. The Group further invested to in the delivery of service excellence to members and customers, with major digital, data and technological programmes designed to enhance products and services, including exploring the opportunity of Artificial Intelligence ("AI") to elevate operational assurance.

Total net revenues in 2025 increased 7.7% year-on-year. Online royalties, including both multi-territory and UK digital, increased from £401.2m to £447.2m, growth of 11.5% year-on-year. UK Video on Demand ("VOD") royalties represented the greatest online growth, increasing by £12.9m (20.1%) year-on-year, driven by subscription revenue growth and increased viewing on traditional broadcast VOD platforms such as BBC iPlayer, ITVX and 4OD. This helped to offset the 0.2% flatline of revenues collected from traditional linear broadcast services.

Royalties from Public Performance were up 9.1% to £313.4m, with growth resulting from the continued proliferation of large stadium and arena tours, which saw Live revenues of £101.4m; up 13.2% from £89.5m year on year. To ensure live royalties could be paid more quickly and accurately PfM launched the Livelihood campaign in 2025. Rolled out across its communication and outreach channels the campaign encouraged performers and customers to report setlists. Across the December distributions 14,000 music creators were paid from works performed live at concerts and gigs.

For the second-year running, the Company paid out more royalties than ever. Royalties of more than £1,070m were distributed in 2025, a £50m (4.9%) increase on the prior year (£1,020m). In December, the Group paid out a record amount of royalties in a single month, £274.9m to more than 51,500 members, of which more than 400 members were paid for the first time.

For the fourth year in a row, the Group met its target of maintaining a cost:income ratio below 10%, delivering increased revenues and distributions, as well as investments in new services and products, at just an 8.1% cost:income.

In 2025, the Group realised the initial benefits of its investments to renew the online service offering and website. The Digital Experience Programme delivered new and enhanced functionality across account administration, giving members greater control over their accounts. In early 2026, the programme will conclude following website re-platforming and major update to critical apps and tools, including set-list submissions and claiming unmatched royalties.

Alongside exceeding financial targets, the Group has maintained its commitment to champion songwriters and composers, protecting their rights and securing fair payment for their work, whenever and wherever it is used.

The industry policy and discourse were again dominated by Artificial Intelligence. For the Group this meant quantifying and seeking to mitigate the risks, while realising the operational benefits to members and customers.

In September, PfM repeated its survey of members' attitudes and understanding of Artificial Intelligence, receiving more than 2,600 responses. The results showed while understanding and awareness of AI capabilities had increased, 70% of members stating they knew how AI music creation worked, more were concerned about its negative impacts. 76% stated it has potential to impact negatively impact their livelihoods.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

The Group was at the forefront of championing human creativity in 2025, taking a leading role in the Creative Rights in AI Alliance and campaigning against the introduction of a new copyright exception and calling for greater transparency from AI companies. PfM and its members have met with ministers, politicians and policymakers in the UK and across Europe to promote licensing solutions and new practices designed to protect and nurture human creativity.

While defending against the impacts of generative AI on the rightsholders, the Group has begun to explore the opportunity to streamline operations and deliver efficiencies through assistive AI. For example, the introduction of the new Natterbox telephony tool has greatly improved the customer, member and user experience and realised significant administration savings. Proof of concepts have also been developed to improve data analysis and insight, track works performed live and streamline the auditing of overseas royalties.

The Group uses the below key financial performance indicators, which best represent the collection and distribution of royalties and the effectiveness of cost management in maximising value to members. The results during the year were as follows:

	2025 £000	2024 £000	Change %
Revenue (i)	1,249,968	1,160,600	7.70
Net Revenue (ii)	1,239,763	1,151,504	7.66
Net Distributable Income (iii)	1,133,991	1,034,580	9.61
Cost:Income ratio (iv)	8.1%	9.6%	(15.63)
Distributions (v)	1,070,046	1,020,088	4.90

(i) Revenue is inclusive of Withholding taxes ("WHT") deducted at source from affiliated Societies and passed to the respective Tax authorities and cash flows that PfM does not receive, as required by FRS 102.

(ii) Net Revenue is calculated by deducting the reported WHT deducted at source from Revenue and representative of the Revenue key performance metric ("KPI") used by PfM as it forms the basis for calculating net distributable income available to be distributed to members.

(iii) Net Distributable Income is calculated as Profit before tax and funds attributable to members and affiliated societies, excluding the share of profit/(loss) of joint ventures, including the deduction of tax. It is directly impacted by the movements in revenue and costs.

(iv) The Cost to Income ratio is calculated as total costs (Licensing and Administrative expenses excluding FX gain/losses, Finance costs, Donations, Tax), less: Other Operating Income, Investment Income and FX gain/losses, as a % of Net Revenue. (C:I ratio excluding donations and subsidies is 7.9%).

(v) Distributions are measured as the gross amounts payable to members, before the application of Tax and VAT, aligned to the amounts disclosed in the Annual Transparency Report. This differs to the 'Amounts paid to members and affiliates' number included in the Consolidated Statement of Cash Flows, which is net of Tax, VAT and other deductions.

Cost:Income ratio, Net Revenue, Net Distributable Income and Distributions are non-GAAP measures. Given the nature of the business, the Group's Directors are of the opinion that disclosure of KPIs other than those stated above is not necessary for an understanding of the performance of the business.

Commercial achievements

The Group's focus on greater exploitation of core markets, opening up new markets, optimising existing tariffs and launching new licence products resulted in a 52.9.% growth in net revenues from 2019 to 2025, inclusive.

The Group agreed 60 major new and improved bespoke broadcast and digital licensing agreements in 2025. This includes video on demand services Discovery+, Hayu, Netflix and free ad-supported streaming television platforms such as Samsung TV+. In the year, supported by the newly automated sales journeys, the Group further evolved its product offering with new tailored digital licences covering E-learning, Fitness & Dance, Internet Radio and Music Services.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

The Group further enhanced its positive relationships with video game customers in support of increased licensing of music in video game platforms. The Group has established PFM as an industry leader in the design of licensing solutions for the sector, evidenced by the two new deals agreed in 2025, one with the world's largest developer of video games.

The Group increased its market penetration in the key emerging and growing markets of the Middle East and Africa. International net revenues increased by 4.5% to £ 367.3m in 2025, with growth across Southern Europe, Middle East and Africa up 26.7% (£16.7m) primarily due to an industry-first collaborative multi-repertoire agreement with a major video-on-demand platform across the Gulf Corporation Council ("GCC") member countries. Royalty collections from North, Eastern and Central Europe increased by 7% (£9m) compared to the previous year and continued to remain the largest market segment for International Royalties.

Distributions

The total royalties paid out to rightsholders in 2025 was the highest in the Group's history, exceeding £1 billion for only the second time. The £1,070m paid was an increase of 4.9% on the previous year.

The year also saw the introduction of monthly payments for online streaming royalties. Commencing in February the new distributions, which complement the usual quarterly payments, ensure members receive their royalties more often. Accelerating the time between collection and payment has been possible due to the Group's long-term investments in the systems and processes capable of managing the tens of trillions of lines of usage data with the millions of individual works and rightsholders.

In 2025, online usage accounted for 37% of the total royalties paid out by PRS for Music. The switch to monthly payments follows the introduction in 2024 of a 20% reduction in the administration rate applied to multi territory online collections, meaning the admin rate applied to members' streaming royalties in the year was just 8%.

Distributions to rightsholders from public performance income increased by 12.8% year-on-year to £229.4 million, reflecting exceptional year on year growth. Central to which was another strong year of Live music, including tours using PFM's flagship MLCS® program. Major tours by members in 2025 included Coldplay, Dua Lipa, Oasis, Sam Fender and Stereophonics.

Throughout 2025, the Group advanced its end-to-end distribution programme which is redesigning the core systems, processes and policies with the objective of accelerating the frequency and speed of payments to rightsholders. Following investment in new technologies and data processing, monthly payments for online streaming royalties (multi territory online licensing) were introduced.

Joint ventures and partnerships

Delivering operational and cost efficiencies through partnership and joint ventures has long been central to reducing the Group's cost-to-serve and ensuring more royalties are paid to members.

The joint venture with PPL ("PPL PRS Ltd") combines public performance rights for sound recording and musical works into a combined licence for hundred of thousands of businesses including shops, restaurants and offices. PPL PRS Ltd exceeded its revenue targets in 2025, with growth across many key areas and live.

International Copyright Enterprise ("ICE"), the joint venture with STIM and GEMA was the world's first integrated processing hub, and now offers market leading licensing, processing and copyright services for its customers. In 2025, ICE launched its new copyright database 'Cube'. The database is a significant step towards securing a single shared global copyright view of works and shares for all ICE's customers, underpinned by automation to consolidate registrations and speed up the creation of a complete share picture. The database experienced some issues in the early part of 2025, disrupting some payments in Q2, but mitigations were put in place to ensure any disruptions were minimised.

The Group's long-term partnership with Mechanical Copyright Protection Society ("MCPS") delivered another year of strong performance across both revenues and distributions, which are not reported in the Group's results. The combination of mechanical and performing rights in a unified licence, simplifies the process of obtaining rights for a wide variety of customers, while providing operational cost savings for both societies' members.

In 2025, the Group reached agreement to extend the current partnership agreement, which will now run until the end of 2026.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Members and governance

Crispin Hunt was elected the new President of the PRS Members' Council, taking on this role from 1 January 2025 with a focus on ensuring that the Group continues to provide world-class support and services for its members, while keeping their needs and concerns at the forefront of the organisation's priorities. As President, Crispin Hunt serves as a leading advocate and voice for songwriters, composers, and music publishers continuing to foster strong connections between music creators, the Members' Council, and the wider PFM team.

At the 2025 Annual General Meeting ("AGM"), the membership approved the appointment of writer Cathy Dennis and publisher Megan Hall to the Members' Council. Writers Tom Gray and Philip Pope and publishers Nigel Gilroy, Daniel Lang and Richard Paine were re-appointed. Gill Mansfield was also reappointed as an independent non-executive ("iNED") and Council Member.

The Members' Council is responsible for setting budgets, strategic oversight and reviewing company performance, serving as a conduit between the PRS team and songwriter, composer and music publishers who entrust their rights to the organisation.

At the AGM, Julian Nott, Chair of the PRS Members' Council announced the Group's new AI registration policy, developed following extensive review of case law and market analysis. The policy states that PRS will only represent musical works and associated literary works which meet the legal requirements to qualify for copyright protection. To qualify for copyright protection, music and/or lyrics must be the original work of a human author or authors.

As part of the successful PRS Community initiative, Members' Days events were held in London (June) and in Sheffield (October). These popular events provide tailored programmes of industry expert panels, educational sessions, as well as 1-2-1s with the Membership Team.

PRS Composers' Day, an event tailored for the classical community, took place in Manchester. This year's edition was supported by the Ivors Academy and Musicians Union and featured guest speakers from Halle Orchestra, Riot Ensemble and Manchester Camerata.

PRS Foundation ('the Foundation'), the UK's leading charitable funder of new music and talent development celebrated its 25th anniversary in 2025. A special PRS Presents honoured the anniversary, hosted by PRS for Music and the Foundation. The event showcased exceptional musical talent, and provided a networking space for writers, publishers and other industry professionals.

Since its inception the Foundation has provided more than £53 million of funding to over 9,500 new music initiatives. The impacts of these investments are reflected in the success of the recipients, for example 7 out of the last 8 Mercury Prize winners had previously received support from the PRS Foundation including 2025 winner, Sam Fender.

Music creators who previously received PRS Foundation funding represented many of the winners at the UK's music awards. Ezra Collective, Sam Fender, A.G. Cook all received BRIT Awards in 2025, The NI Music Prize went to RÓIS, and MOBO Award winners included ALT BLK ERA and JULS, Ivors Classical Awards were collected by Anibal Vidal, Anoushka Shankar, Nneka Cummings, Debbie Wiseman, and IVORS awarded to Sans Soucis, Self Esteem, Orla Gartland.

The Group is the primary funder of the Foundation, donating in excess of £2.7 million in 2025, with funds provided from income generated separately from royalties collected for distribution.

The Group's other partner charity, PRS Members' Fund, now in its 91st year continued to provide an invaluable service to PRS members with hardship funding and advice covering health, wellbeing, housing and finance. In 2025 the Group's donation to the Members' Fund increased, in line with the number of members it represents.

The Group continued its support of emerging talent and key music industry awards and events throughout the year, including Glastonbury Emerging Talent Competition, The Ivors, The Ivors Composer Awards, Music Week Awards, Women in Music Awards, Gramophone Awards, Royal Philharmonic Society Awards, ARIAS, MG Alba Scots Trad Awards, Welsh Music Prize, Production Music Awards, Young Songwriter Competition, NI Music Prize, British Music Embassy (SXSW London Music Festival), Radio Academy Festival, Brighton Music Conference and Focus Wales.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Equality, Diversity, Inclusion and Belonging ("EDIB")

The Group remains committed to UK Music's Five Ps, which built on the foundations of the Ten-Point Plan. PRS for Music's certification as a Top Employer 2025 by the Top Employer Institute marks the third consecutive year receiving this recognition. The certification recognises a company's dedication to a better world of work which it exhibits through its HR practices. PRS for Music is one of just 2,500 employers across 131 countries to have been recognised.

Throughout the year, PRS for Music repeated its support and promotion of organisations such as Youth Music Awards which recognise and amplify diverse talent, and the South Asian Soundcheck, a study into the South Asian experience in UK music.

PfM delivered a five-day songwriting camp in partnership with PRS member Jinsing and BBC Music Introducing for up-and-coming music creators to develop skills and collaborate with industry professionals, and presented Bronski Beat and Big Chill (formerly The Bell) with a PRS for Music Heritage Award. The King's Cross pub was a landmark of countercultural London in the early 1980s.

PRS for Music is preparing to publish its combined 2025 Gender and Ethnicity Pay Gap Report. This year marks the ninth-year publishing gender pay gap data and the fifth year we have reported on the ethnicity pay gap, which highlights the journey to change and the organisation's commitment to achieving sustainable diversity and inclusion for the future.

The latest analysis of PfM's gender pay gap reveals a slightly reduced gap from 10.2% to 9.5% when compared to last year's results. This is driven by a greater proportion of females than males in the Upper and Upper Middle quartiles, where the average pay is greater due to both salary and bonus target links.

The ethnicity pay gap has increased slightly from 14% to 18%, this has been caused by a decrease in Other Ethnic Communities' representation. The organisation continues to focus on internal mobility and progression opportunities.

Statement by the directors in accordance with s172(1) Companies Act 2006

The PRS Board of Directors, referred to as the Members' Council, is responsible for leading engagement with PRS' members. It makes decisions in respect of membership strategy and policy, ensures PRS for Music decisions reflect the diversity of its members, oversees performance and approves the annual budget and Group strategy. Other than the Chief Executive Officer ("CEO"), all directors on the Members' Council are non-executive, comprising writer members, publisher members and independent non-executive directors. PRS has three established committees which support the Members' Council in carrying out its duties: the Audit and Risk Committee, the Nominations Committee and the Remuneration Committee. In addition, PRS through the Members' Council mandates certain responsibilities to its wholly owned subsidiary, PfM and its Board, which is a subset of Council Members and appointed by the Members' Council and are responsible for operational matters. The PfM Board has committees focused on licensing and distribution decisions and strategy as well as a committee to provide guidance on directors' duties including conflicts of interest. The PfM Board reports regularly to the full Members' Council at its meetings in areas within its delegated mandate. Non-confidential PfM Board meeting documents and minutes are also made available to all Council Members. The PfM Board and all of the Group's committees are chaired by independent non-executive directors. The Members' Council is currently chaired by a writer Council Member with a publisher Council Member as Deputy Chair. As is usual with large companies, day-to-day management of PRS is carried out by an Executive Leadership Team ("ELT") led by the CEO.

The Company promotes high standards of corporate governance throughout the organisation and holds three 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. In 2026, in response to Council Member feedback, this schedule is changing to four meetings a year. In addition, training sessions, briefings and clarification meetings are arranged to support Council Members to understand complex issues and to enable informed decisions. The Members' Council and PfM Board have also established sub-groups to consider individual matters and topics relevant to the industry such as Artificial Intelligence and strategic initiatives.

The Members' Council has a Charter, first introduced in 2022 and updated at the end of 2024 to focus on culture and compliance with directors' duties under the Companies Act 2006.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Attendance of Council Members at the Members' Council meetings in 2025 was as follows:

Director	05-Mar-25	27-Mar-25 (accounts)	16-Jul-25	03-Dec-25
Jackie Alway OBE (P)	✓	Apologies	✓	✓
Janet Andersen (P)	✓	✓	✓	✓
Antony Bebawi (P)	Apologies	✓	✓	✓
V V Brown (W)	✓	Apologies	✓	✓
Cathy Dennis (W) (from 3 June 2025)	n/a	n/a	✓	✓
Michelle Escoffery (W) (until 3 June 2025)	✓	✓	n/a	n/a
Nigel Gilroy (P)	✓	✓	✓	✓
Tom Gray (W)	✓	✓	Apologies	✓
Megan Hall (P) (from 3 June 2025)	n/a	n/a	✓	✓
Crispin Hunt (W)	✓	✓	✓	✓
Erica Ingham (INED)	✓	✓	✓	✓
Alex Kassner (P)	✓	✓	Apologies	✓
Daniel Lang (P)	Partial	✓	✓	✓
Andrea C Martin (CEO)	✓	✓	✓	✓
Gill Mansfield (INED)	✓	✓	✓	✓
John Minch (P) (until 3 June 2025)	✓	✓	n/a	n/a
Laura Mvula (W)	✓	Partial	Apologies	✓
Julian Nott (W)	✓	✓	✓	✓
Richard Paine (P)	✓	✓	✓	✓
Philip Pope (W)	✓	✓	✓	Apologies
Phil Rose (P)	✓	✓	✓	✓
Stevie Spring CBE (INED)	✓	✓	✓	✓
Mike Stobbie (W)	✓	✓	✓	✓
Tom Toumazis MBE (INED)	✓	✓	✓	✓
John Truelove (W)	✓	✓	✓	✓
Pete Woodroffe (W)	✓	✓	✓	✓
Laura Young (P)	✓	✓	✓	✓

In 2025, all Council Members were also invited to attend three additional Board meeting sessions on particular topics of interest to the entire Council.

To better serve the membership, the provisions around paying royalty advances were changed to increase the amounts available from £1.5m to £3m and giving the Members' Council discretion in exceptional cases to increase this amount still further.

In the last quarter of 2024, an evaluation of the Members' Council, the PFM Board and Committees was undertaken, focusing on areas for improvement that had been identified in 2023. As a result, the schedule of Members' Council meetings was increased to four rather than three main meetings a year. An external Board Effectiveness Review covering the Members' Council and PFM Board is planned for 2026.

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

The Members' Council focuses on keeping in touch with the needs of its members and this is central to its decision making. The Company's mission is to protect and grow the value of music rights entrusted to it and ensure the fair and accurate distribution of royalties with market leading transparency.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

The vision set out in 2022 was to achieve a £1 billion royalties paid out, while ensuring a cost to income below 10%. To achieve the vision, in late 2021, the Members' Council approved a Five-Year Plan which set out six strategic imperatives underpinned by actions and initiatives to 2026. The financial and capability requirements to enable delivery of the Five-Year Plan were approved by the Members' Council in 2022. As noted above, PRS has satisfied both distribution and cost to income targets almost two years early. PRS for Music is preparing a new plan to run from 2027, which it will be seeking Members' Council approval in mid 2026.

S172(1)(b) The interests of PRS' employees

The Members' Council recognises the importance of attracting, retaining and motivating the PFM team in order to effectively deliver its purpose, vision and long-term success. Health, safety and support for mental health and wellbeing are all prioritised, alongside targeted initiatives to recognise and celebrate good performance.

PFM measures employee engagement on an annual basis and reports results to the PFM Board and Members' Council. This includes tracking employee attitudes towards senior leadership, learning and development opportunities and the overall culture of the organisation.

The PFM Hub provides a thriving and vibrant collaborative space that supports flexible ways of working. PFM holds a monthly all-employee interactive briefing led by the CEO followed by a social activity usually centered around relevant diversity themes, examples in 2025 included activities in support of LGBTQ month and South Asian week. As part of its longstanding 'PRS in the community' initiative, PFM hosted its first 'summer fayre' to raise money for the charity partners. The year also saw the launch of new Employee Awards, designed to celebrate success and recognise individuals and teams who have delivered new innovative ideas and whose actions reflect PFM's values.

PFM engages with employee representatives as appropriate and is supported by its own branch of Unite (the largest union in the UK). Regular meetings are held with Unite to share information on matters of concern or interest.

Equity, diversity and inclusion remain an important focus and PFM activities align with the standards of the UK Music 10 Point Plan and the associated Five Ps (People, Policy, Partnerships, Progress and Purchase). Priorities for 2025 included encouraging colleagues to speak up, especially in relation to reporting any inappropriate behaviours. PFM is also a founding member of Creative Industries Independent Standards Authority ("CIISA") whose purpose is to uphold and improve standards of behaviour across the creative industries.

PFM retained its certification as a Top Employer as recognised by the Top Employer Institute for the third successive year. The certification recognises a company's dedication to a better world of work which it exhibits through its HR practices.

Through its Nomination Committee, senior management succession planning and development is reviewed. Significant consideration is given to senior management remuneration by PRS to ensure it is proportionate 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 Members' Council and PFM Board recognise the importance of maintaining positive and impactful engagement with the key stakeholders and customers and have regard to these relationships in their decision making.

Service Excellence is central to PRS for Music's service delivery approach and is enshrined in one of PFM's five values, ensuring the expectations of customers are considered to the development of its licensing and partnership agreement.

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 to the Members' Council and PFM Board.

The Members' Council and PFM Board also monitor progress of their joint ventures which carry out activities and services on behalf of the Group. Responsible procurement is important to PRS and each year the Members' Council and PFM 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.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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

In 2025, the Group further strengthened its relationship with its partner charities, appointing new representatives from the Members' Council to their respective Boards, as well as supporting their independent governance reviews. During the year, the Members' Council approved increased financial support for the PRS Members' Fund, which provides support to 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.

In the year, the Company extended its long-running partnership with the Ivors Academy of Music Creators, the independent trade body for songwriters and composers in the UK. Among employees, 'PRS for the Community' facilitates volunteering activities for employees, fundraises for partner charities and celebrates all charitable work.

The Group recognises that climate change and sustainability are increasingly important to PRS stakeholders, including the members it represents. A group-wide sustainability strategy and policy was developed by the Corporate Sustainability Group which sets out the Group's objectives and ambitions, including 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 2026 to enhance these commitments.

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

The Members' Council is committed to maintaining the reputation of the Group and high standards of conduct in all its business dealings. Integrity is one of PFM's five values to which compliance activities are anchored, the other values are pioneering, inclusivity, service excellence and collaboration. PRS has a Code of Conduct applicable to its members and to customers which it upholds. The Audit and Risk Committee reviews and approves control measures and frameworks to maintain high standards of corporate conduct. The Group maintains comprehensive 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, Council Members also undertake compliance training and cyber training demonstrating their commitment to the PFM values.

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

As a collection society, members are at the heart of the Group's business, and a crucial objective of the Members' Council is to ensure regular and effective engagement with the membership. Results from the annual members' survey are reviewed and considered by the Members' Council and PFM continues to make efforts to improve member's experience. There are 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, member-focused events and support for other industry events.

To ensure fairness in decision making, there are an equal number of writer and publisher Council Members on the Members' Council, Board and each of their established Committees. Council Members also represent a variety of different music genres. In addition, four independent non-executive directors ("iNED") sit on both the Members' Council and the PFM Board, of which at least three sit on each Committee with one of that number also chairing the Committee.

The Members' Council Chair position rotates between publisher and writer Council Members, with the current incumbent, a writer Council Member, taking the role from 1 January 2023, following the retirement of a publisher Council Member after a maximum six years (two terms) service. The Deputy Chair position also rotates alongside the Chair role, with a publisher Council Member, taking over the role from a writer Council Member in January 2023. In 2025, the Members' Council re-appointed both the Chair and Deputy Chair for second three-year terms starting from 1 January 2026.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

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

Environmental, Social and Governance ("ESG")

The Group is fully committed to operating responsibly and sustainably. As the regulatory landscape continues to evolve and change, there is an increased focus on Environmental, Social and Governance ("ESG") matters in the Group. As such, the Group's core values are fully aligned to prioritising sustainable and ethical practices and creating social impact. Doing so, it will generate long-term value for the Group, including staff, members and the wider music industry. Through various initiatives over the last five years, the Group has already delivered positive impact across ESG areas. In 2025, PfM continued its focus on the recommendations agreed the previous year, working to enhance the following:

- Raise the prominence of the Group's existing ESG activities and impact (within the business and to the wider industry) through an active communications plan.
- Delivery of an annual ESG report.
- Enhancing current impact through greater integration and coherence across individual 'E', 'S' and 'G' lines.
- Embed ESG as a core principle into future iterations of the Group's five year plan.
- In the interim, continue to expand current initiatives by targeting quick-wins across E', 'S' and 'G' lines

Climate-related financial disclosures ("CRFD")

This is the third year the Performing Right Society Limited ("the Company") and its subsidiary PRS for Music Limited ("PfM"), together ("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 below.

The UK Government has mandated climate-related financial disclosures (Climate-related Financial Disclosure) Regulations 2022. These regulations are effective for accounting periods beginning on or after April 6 2022 and they mandate in-scope companies to report on material climate-related matters and their corresponding impact on business operations. In accordance with these regulations, the following represent the Company's disclosures for the year ending 31 December 2025, describing the governance, risk management, strategy, metrics and targets associated with climate-related risks and opportunities impacting the business.

Climate governance and risk management

The Members' Council is ultimately responsible for the oversight of climate-related risks and opportunities impacting the Group. The Members' Council, through the PfM Board delegates strategic and operational management of the business to the ELT, which consists of the below positions:

- Chief Executive Officer
- Chief Financial Officer
- General Counsel
- Chief Information Officer
- Chief Operating Officer
- Chief Commercial Officer
- Chief International Business Officer
- Chief People & Transformation Officer
- Chief Strategy, Communications and Public Affairs Officer

Climate related risk and opportunities however have not been considered in detail by the PRS Board due to the current (assessed) limited risk to the business. A Corporate Sustainability Group is charged with risk mitigation and implementing and expanding climate related initiatives, as part of the ESG recommendations outlined in this report. Consisting of representatives from Strategy, Legal, Governance, IT and Finance, this sub-group is responsible for ensuring Environmental is embedded within The Group's operational activities and business-as-usual ("BAU").

PRS does not currently have CRO in the Group's Corporate Risk Register ("CRR"), the risks and opportunities are therefore considered in the preparation and sign-off of this annual report.

PRS is in progress of implementing a new Risk Management Framework ("RMF") that is based around Enterprise Risk Management ("ERM") rather than the siloed approach previously taken, this more mature methodology for managing risk will ensure ESG risk and opportunities are considered in line with all other risks.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Strategy

The climate risks and opportunities are assessed using Short (0-5), Medium (6-10) and Long-term (10+ Year) horizons, aligned with the usual strategic planning cycles. These periods are defined by the typical business planning cycles and informed by the materiality assessment and climate scenario analysis. Outside of acute extreme weather events impacting customer venues and attendance (thus impacting revenues and distribution), there is limited short-term climate risk exposure. The most significant risks would be in the mid or longer term arising from reputational loss due to lack of action on sustainability and increased costs resulting from compliance requirements, technology changes or commitment to carbon offsetting activities.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Climate risks

Risks	Timeframe	Opportunities	Our Response
Transition Risks			
Inability to respond to changes in reporting requirements and updates to policies (e.g. enhanced emissions reporting obligations)	Medium and Long-term	<i>Transparency and Reputation:</i> - Increased public reporting may enhance reputation (ethical and sustainable Society)	1. Retention of an external partner to support carbon accounting.
Perceived inaction considering shifts in consumer preferences, increased stakeholder concern or negative stakeholder feedback.	Medium and Long-term	<i>Membership:</i> - enhances/augments retention and acquisition strategies (to be associated with a socially conscious PRO)	2. Enhanced, iterated and expanded existing and new initiatives to reduce carbon emissions
Supplier refusal to do business with PRS unless evidence of carbon reducing activity or certification	Medium and Long-term		3. Internal Comms plan developed to increase staff awareness and incentivise behaviours
Customer and Member demand for sustainable practices and transparency in reporting	Medium and Long-term		
Energy market changes may result in additional costs	Medium and Long-term	<i>Resource consumption and reduced costs:</i> - Management of energy efficiency in buildings - Exploit renewable energy - Sustainable use of resources reduces costs <i>Partnership opportunities:</i> (local community and businesses)	1. Signed the London Bridge Decarbonisation Charter 2. Part of the Hays Galleria Buildings Management Group (joint climate initiatives) 3. Expanded climate initiatives
Business Travel developments may impact Business meetings and Events	Medium and Long-term		1. Hybrid working environment 2. Business Travel monitoring 3. Streamlined and prioritised external events attended
Emergence of new lower carbon technologies may drive additional cost to lower emissions technology	Medium and Long-term	Lower carbon tech, when accounted for true, through-life cost and value of investment may lead to lower long-term costs (energy usage)	1. Plan to augment procurement for new products and services to include climate criteria for suppliers 2. Sustainable options judged against other options 3. Supplier usage and emissions monitoring and reporting 3. Expansion and iteration of IT related carbon initiatives
Physical			
Extreme weather impacts staff travel to the HUB	Medium and Long-term	- Augmented working practices - Enhanced staff retention measures and satisfaction	1. HUB working policy and hybrid model
Extreme weather damages assets or infrastructure	Medium and Long-term		1. Part of the Hays Galleria Management Group (collaboration to deliver risk mitigations)
Extreme weather occurrences impacts LIVE music venue attendance, increased costs to travel, insurance costs and so reduces Group revenue and distribution potential	Short (acute) Medium and Long-term (chronic)	Collaboration and partnership: opportunity to work with venues to deliver solutions and new avenues of delivery	1. Outreach and Partnership policies includes working with grass roots venues and other LIVE venues

Unless specifically referenced within the above table, The risk and opportunities identified do not have a material impact on the business model of the Group.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Climate scenario analysis

Given the current low risk impact assessment, the Group continues to use publicly available climate-related scenarios to understand the transition and physical risks relevant to compliance, technology, operational performance, and business assets. The review of the scenario impacts considers the Group's resiliency and sensitivity to climate change at different transition rates and incremental temperature increases to 2C and 4C, which have been indicated as appropriate ranges in the scenario analysis studies considered. The Group has considered business impacts based on the required pace of transition to achieve targets established in published International Energy Agency (IEA) scenarios limiting warming to 2C and 4C.

Transition to lower carbon emissions	Business Impacts
<i>Rapid Transition</i>	Aggressive policy and technology changes resulting in new investment to update technology and engage in carbon offsetting activities
<i>Gradual Transition</i>	Uncertainty around strategy and in-decision regarding technology investment could impact competitive market positioning due to perceived lack of action
<i>Delayed Transition</i>	Substantial effort over a shorter period of time, increasing transition costs and reduced planning to shift to new lower carbon emitting technologies, leading to greater risk of non-compliance

Overall, the Group is not exposed to any material climate change risks in the short to medium term in the defined climate scenarios. On a longer-term view, there is a degree of uncertainty over how the scenarios might develop, to mitigate this the Group has focused on proactively managing climate-risks.

The physical impact scenarios has been considered using the UK Climate Projection (UKCP) tool that have been published through the BBC website and is supported by research studies. It predicts the estimated temperatures and climate impacts resulting from 2C increases from the current levels. The analysis was simulated based on the location of the central London Bridge Hub to consider the risk of employees not being able to attend the office and damage to office based equipment or infrastructure (e.g Servers). Other physical impacts could be to IT support Infrastructure (e.g. data centres), where increased temperatures could inhibit performance or increase costs (use of cooling / AC).

UK climate projection*

	Category	Current	2C	4C
London	Hottest Day - Summer (C)	37C	38.5C	42.6C
	Hottest Day - Winter (C)	19.7C	20.1C	21.7C
	No. of Days Above 25C	6	11	21
	Rainy Days - Summer	8	7	5
	Rainy Days - Winter	10	10	10
	Wettest Day - Summer (mm)	43	49	52
	Wettest Day - Winter (mm)	38	34	51

* Source: <https://www.bbc.co.uk/news/resources/idt-d6338d9f-8789-4bc2-b6d7-3691c0e7d138>

Metrics and targets

The Group is proactively managing climate-related risks and is committed to contributing to the wider effort of addressing climate change, taking responsibility to understand and manage its carbon footprint. The greenhouse gas (GHG) emissions and intensity ratios are reported by relevant scope in the SECR report. The Group are still developing their approach to the use of targets and KPIs to manage their climate related risks and opportunities.

Streamlined energy and carbon report ("SECR")

The Group remains committed to operating sustainably and recognises the impact its activities have on the environment and climate change. Through its annual Streamlined energy and carbon report ("SECR") the Group quantify the most significant sources of greenhouse gas ("GHG") emissions, enabling the identification of targeted opportunities for reduction and drive continuous improvement in environmental performance.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

This reporting year marks the Group's third inclusion of the Climate-related Financial Disclosure ("CRFD") within its Annual Report, reflecting the ongoing commitment to transparency and climate-related risk management.

In 2026, the Group engaged the sustainability consultancy Teamwork IMS to support the preparation of its SECR submission and annual carbon footprint assessment. This work has helped strengthen overall sustainability reporting practices, identify opportunities to enhance energy and resource efficiency, and further mitigate the Group's environmental impacts.

The SECR disclosure summarises the Group's emissions for the 2025 reporting year and provides a comparison with the previous period. The Group continue to benchmark progress against the established 2023 baseline year, supporting long-term performance monitoring both within and beyond this financial report.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Greenhouse Gas (GHG) Emissions Statement

	Reporting Period	
	Current 1 Jan 2025 to 31 Dec 2025	Comparison 1 Jan 2024 to 31 Dec 2024
Annual Energy Consumption (kWh)		
Combustion of gas	0	0
Combustion of fuel for transport purposes (company cars on business use)	6,012	5,323
Purchased electricity (including for transport)	284,377	350,917
Combustion of fuel for transport purposes (personal/hire cars on business use)	0	0
Total	290,389	356,241
SECR Mandatory Annual GHG Emissions (tCO₂e)		
Scope 1		
1.1 - Combustion of gas (Stationary combustion)	0	0
1.2 - Company cars on business use (Mobile combustion)	1.5	1.3
Scope 2		
2.1 - Purchased electricity (including for transport) - Location based	50	68
Scope 3		
3.6 - Business travel: Personal/hire cars on business use	0	0
Total for mandatory annual gross emissions - Location-Based	52	69
Intensity ratio for Mandatory GHG Emissions - Location-Based		
Emissions per (FTE) Employees	0.10	0.12
Emission per £000 (million) revenue	0.04	0.06
SECR Voluntary Annual GHG Emissions (tCO₂e)		
Scope 3		
3.1 - Purchased Goods and Services	2737	2301
3.2 - Capital Goods	60	244
3.3 - Fuel- and energy-related activities	20	0.5
3.5 - Waste generated in operations	8.0	0.0
3.6 - Business travel: Hotels, Trains & Flights	122	213
3.7 - Employee commuting & Homeworking	132	140
Total for all annual gross emissions - Location-Based	3131	2968
Intensity ratio for all GHG Emissions - Location-Based		
Emissions per (FTE) Employees	5.80	5.19
Emission per £000 (million) revenue	2.52	2.58
Business Metric for Intensity ratio		
Full Time Equivalent (FTE) Employees	540	572
Revenue £000 (million)	£1,240	£1,152

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Methodology and Emission Factors

This assessment of GHG emissions is compliant with the Greenhouse Gas Protocol, a globally recognised standard jointly developed by the World Resources Institute and the World Business Council for Sustainable Development. The Greenhouse Gas Protocol provides comprehensive, standardised frameworks for quantifying and managing GHG emissions across private and public sector operations, value chains, and mitigation efforts.

Following the guidelines of the Greenhouse Gas Protocol, the emissions inventory encompasses seven primary (groups of) GHGs: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆), nitrogen trifluoride (NF₃), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs).

A full list of emission factor publications used for the reporting year can be found in the table below:

Publisher	Publication Version	Publication Date	Usage
UK.gov GHG Reporting Factors	v2021 1.0		59.3%
	v2025 1.0	10/06/2025	
Exiobase	3.8.2	21/10/2021	40.7%

Mandatory emissions reporting comparison

For the purposes of year-on-year comparison and progress, this SECR reports against the reporting year 2025 and the comparison year of 2024.

Overall, PRS mandatory emissions have decreased slightly to 51.80 tCO₂e in the reporting year, a 25% reduction on the comparison year, with the intensity ratio for PRS mandatory emissions decreasing by 20% (FTE) and 30% (£ million revenue). As anticipated with the increased scope of reporting voluntary emission, PRS overall figure has increased compared to the comparison year of 2024 by 6% and the baseline year by 43%. As PRS develop reporting to produce consistent and repeatable results, the Group would expect the overall emissions to reduce as a result of the energy efficiency actions, which should be reflected in future reporting years.

Voluntary emission reporting further comparison

The Group has continued to expand its Scope 3 emissions reporting beyond the mandatory SECR requirements, voluntarily disclosing several additional upstream emission categories that are material to its operations. These include purchased goods and services, capital goods, waste, business travel (including flights and rail), employee commuting, and homeworking. By broadening the scope of the reporting, the Group reinforces its commitment to transparency and to developing a comprehensive understanding of the Group's environmental impact. This enhanced visibility supports more informed and targeted carbon and energy reduction strategies across the business.

During the reporting year, the Group recorded an 19% increase in emissions from purchased goods and services, which PRS report voluntarily as part of its Scope 3 upstream inventory. This increase is primarily attributable to improvements in data quality, with the Group transitioning from spend-based estimates to primary activity data for key IT hosting services. Reporting emissions based on actual operational data enables more accurate tracking and strengthens the Group's ability to manage emissions associated with the core technology-driven activities an area of growing importance as digital operations increases energy and data demands.

The shift toward higher-quality primary data also supports greater control over associated environmental impacts, including the ability to procure green and energy-efficient hosting solutions. This approach is further reinforced by the integration of environmental standards into the Group's procurement processes, ensuring sustainability considerations are embedded into procurement processes.

Continual improvement

The Group remains committed to the continual improvement of its GHG emissions reporting. As part of the Group's annual review, PRS identified a minor omission in the prior year's disclosures, where fuel use for two company vehicles was not captured. This has now been corrected to ensure completeness and accuracy.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

We have also restructured the Group's historical reporting to present mandatory Streamlined Energy and Carbon Reporting ("SECR") emissions separately from the voluntarily reported Scope 3 categories. This refinement enhances the clarity of the Group's disclosures and enables more accurate benchmarking of performance over time. In previous years, our baseline figures included voluntary Scope 3 emissions, such as business travel by air and rail, which are now reported distinctly to better reflect the Group's mandatory reporting boundary.

These adjustments have been incorporated into the comparative year's figures. While the corrections represent only a minor percentage of the Group's total carbon footprint, they support the Group's commitment to transparent, consistent, and robust reporting practices.

Energy Efficiency Actions

The Company has undertaken the following energy efficiency actions during this reporting period:

- **Integrating environmental standards into procurement** for all new products and services, ensuring sustainability considerations are embedded into supplier selection and purchasing decisions.
- **Enhancing the quality of activity data** to improve the accuracy of the Group's emissions reporting and enable more targeted reduction initiatives.
- **Expanding voluntary Scope 3 emissions reporting** beyond mandatory SECR requirements to include additional categories, supporting more comprehensive analysis and focused carbon-reduction strategies.
- **Consolidating operations into a single central hub at London Bridge**, following the closure of the Streatham office in 2024.
- **Promoting flexible and hybrid working arrangements**, reducing employee commuting and lowering in-office energy consumption on days with reduced attendance.
- **Introducing operational controls to reduce building energy use**, including closing sections of the office and switching off heating and cooling systems during summer months and on low-attendance days.
- **Signing the London Bridge Decarbonisation Charter**, reinforcing the Group's commitment to making London Bridge one of the most sustainable business districts and contributing to collective carbon-reduction ambitions.
- **Supporting sustainable travel choices**, including offering a cycle-to-work scheme, season ticket loans, and ongoing monitoring of monthly business-travel emissions. Insights from this monitoring will inform the development of a sustainable business-travel policy, including a hierarchical decision-making framework for travel modes.
- **Using carbon-emission data from cloud-service providers** to better understand the impact of the Group's digital operations, identify opportunities for data-storage optimisation, and encourage the use of cleaner energy sources in line with technological advancements.
- **Maintaining waste-reduction initiatives** at the London Bridge hub, including increased recycling facilities, partnership working with the London Bridge Estate, and actions to support circular-economy principles.
- **Reducing waste through reuse initiatives**, including donating 308 chairs to local charities, supporting both environmental and social objectives.

Summary

The continued improvements in the Company's carbon and energy data are strengthening the development of the Group's environmental strategy for 2026. PRS remain focused on embedding sustainable business practices to support emissions reduction and contribute meaningfully to addressing climate change.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Principal risks and uncertainties

The Audit and Risk Committee evaluates the risks and uncertainties that may affect the Group's performance and reports regularly back to the PFM Board and Members' Council. The Audit and Risk Committee met four times in 2025. The principal risks and uncertainties are detailed below.

Legislative risk

The nature of the Group's activities in particular markets leads it into a number of areas of compliance risk. There is a sustained focus on ensuring compliance with UK and EU competition rules and with the General Data Protection Regulation ("GDPR"). Failure to comply with competition and data protection legislation can lead to significant fines. An internal compliance group meets regularly to oversee compliance across the Group and ongoing compliance measures.

The Group is also subject to potential copyright law changes and given the changing nature of the industry this could have a significant impact on the Group's revenue and operating procedures in the future.

Competitive risk

Changing working practices are opening up the market to more competition from societies and other organisations and the Group is at the forefront of these changes, actively seeking solutions to respond effectively to increased competition. This could result in the withdrawal of rights and repertoire as well as the emergence of direct licensing models. The Group drives market-focused licensing activity and demonstrates the relevance and benefits of the licensing approach, educates members on its service excellence and maintain relations with government bodies to ensure continued legitimacy.

Changing technology

With the increasing move towards digital usage of music, there is uncertainty over the future market for music and the implications on the costs of administering licenses. These changing technologies will offer new market opportunities and active review of existing and potential new streams is a key area of focus for the Group. The Board and the Audit and Risk Committee are fully aware of the pressures and opportunities this changing market imposes on the future of the business and are acting accordingly to optimise beneficial effects where possible.

Financial instrument risks

The Group has in place a framework to ensure that it has sufficient financial resources to meet its liabilities and to manage financial risk. Foreign exchange risk is minimised through the timely exchange of foreign currency receipts for sterling and forward foreign exchange contracts are used to manage the exposure of non-sterling loans. Interest rate risk is managed by avoiding investing cash for periods of greater than 12 months. The use of financial derivatives is governed by the Group's policies approved by the PFM Board and Members' Council, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Fraud risk

Criminal activities such as internal and external attempts such as trust-based license schemes, organisations operating subscription publisher models or administrative services aimed at defrauding companies can lead to the misappropriation of funds and loss of member income. The Group has developed a Distribution Fraud tool and manages robust pre-distribution checks as well as reviewing trust-based licensing schemes. Furthermore, Controls and awareness programmes are in place and a fraud response plan created for dealing with incidents of fraud or suspected fraud.

Exposure to price, credit and liquidity risk

Price risk for the Group arises where new licence schemes are challenged. 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. Group policies are aimed at minimising such losses, with well-established credit control processes and a requirement that deferred terms are only granted to licensees who demonstrate an appropriate payment history and satisfy credit checking procedures, or with which the Group is actively in negotiations. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation. In addition, royalties are only distributed once collected and the Group holds substantial cash balances.

PERFORMING RIGHT SOCIETY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Cyber security

Cybercrime is a risk that malicious hacking could lead to data being illegally leaked, accessed or used and the prevention of customers from accessing required systems. This could lead to funds being misappropriated and loss to member income damaging the Group's reputation. Protecting the data held on behalf of members, customers, partners, suppliers, societies and employees and ensuring the continued operation of the business is critical to maintaining the reputation of the Group. A multi-year cyber security transformation programme was launched in 2022 to further enhance the Group's defences against, and ability to respond to, a cyber-attack, this programme concluded in 2025 bolstering our cyber control framework. The cyber control framework is maintained with advanced threat protection measures, supported by additional resources alongside the delivery of mandatory compliance training for all employees to promote awareness of cyber related risks.

Artificial intelligence ("AI")

The rapid development of AI products and services presents both risks and opportunities to the Group. Market saturation could arise from the mass registration of works not attracting copyright protection, AI presenting itself as an alternative to copyright works and the development of new business models at a faster rate than legislation. The Group monitors the AI market closely and engages with external experts to impacts as updating technology to recognise AI generated works and corporate documents to provide clarity on what can be registered.

Royalty distribution – accuracy and timeliness

The exponential year-on-year growth in the volume of data handled by the Group presents an ongoing risk to the accuracy and timeliness of royalty distributions to the Membership. To mitigate the risk, a multi-year IT programme to enhance the data processing capabilities of the systems that underpin royalty distributions assurance enhancements have already been successfully embedded into the business process.

Future Developments

The Directors expect the activities in the forthcoming year to be focused on completing the current 5-year plan, including maximising the investments in systems and operations to increase the frequency and accuracy of payments. The Group is monitoring closely possible changes to copyright law in the UK, specifically the consultation in a possible exception to copyright for the training of Artificial Intelligence.

Net Distributable Revenue ("NDR") risk

The Group's ability to achieve its NDR targets is dependent on the effective performance of key third parties and joint ventures, as well as its ability to attract, retain and develop suitably skilled employees. Underperformance, service disruption, or failure of critical third parties, alongside potential challenges in workforce capacity and capability could adversely impact the delivery of strategic objectives and result in loss of opportunity or operational disruption. The Group continues to manage these risks through, active supplier management, talent development and acquisition and its business continuity frameworks.

Environment, Societal and Governance ("ESG") risk

The Group's ability to maintain a positive culture, strong reputation and brand is dependent on the effectiveness of its diversity, equity and inclusion ("DE&I") practices. Failure to foster an inclusive working environment, demonstrate equitable practices or respond appropriately to society expectations could negatively impact employee engagement, culture, brand trust, and external reputation. This may also impact the group's ability to attract and retain diverse talent and could expose the group to regulatory scrutiny. The group seeks to manage this risk through established people policies, ongoing monitoring of culture and engagement, leadership accountability, and continued investment in its DE&I strategy.

Approved and authorised for issue by the Board of Directors



Julian Nott
Director
26 March 2026

PERFORMING RIGHT SOCIETY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their annual report on the affairs of the Group and the Company, together with the financial statements and auditor's report, for the year ended year ended 31 December 2025.

Principal activities

The principal activity of the Group is the aggregation and licensing of the performing rights vested in it by its members and affiliated societies, and the collection and distribution of the resulting royalties. The Group represents over 180,000 members collecting royalties from various sources, including from live performance, television and radio broadcasts, and streaming.

The principal activity of the Group's principal subsidiary is to provide operational services to the Group and to act as a service provider to Mechanical-Copyright Protection Society Limited ("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

V Brown		J Nott
C Dennis	(appointed 3 June 2025)	P Pope
M Escoffery-Ojo	(resigned 3 June 2025)	J Simmonds
T Gray		M Stobbie
C Hunt		P Woodroffe
L Mvula		

Publishers

J Alway		D Lang	
J Andersen		J Minch	(resigned 3 June 2025)
A Bebawi		R Paine	
N Gilroy		P Rose	
M Hall	(appointed 3 June 2025)	L Young	
A Kassner			

Independent Directors

E Ingham
G Mansfield
S Spring
T Toumazis

Executive Director

A Czapary Martin

Julian Nott (Writer) is Chair and Alex Kassner (Publisher) is Deputy Chair of the Members' Council. Crispin Hunt is the President of the Members' Council.

PERFORMING RIGHT SOCIETY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Results and dividends

The results for the year are set out on page 24.

No interim dividends were paid. The directors do not recommend payment of a final dividend (2024: £nil).

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: Climate related financial disclosure, Streamlined energy and carbon report, Principal risks and uncertainties and Future Developments.

Qualifying third party indemnity provisions

The Group has granted an indemnity to all of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006 s.234. Such qualifying third-party indemnity provision was in force during the financial year and at the date of approving the Directors' report.

Political donations

There were no political donations made during the year (2024 - £nil).

Disabled persons

The Group 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 Group'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 Group 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 Group recognises the importance of keeping employees informed of all developments regarding the Group's work and progress and to this end, copies of all the publications produced by the Group are freely available to all employees. To achieve a common understanding and awareness amongst all employees of the Group's plans, an extensive briefing and consultation process operates. Further details can be found in the Strategic Report.

Future developments

In February 2024, an application seeking an opt-out collective proceedings order was filed in the UK Competition Appeal Tribunal ("CAT") by a Proposed Class Representative against Performing Right Society Limited and PRS For Music Limited (Note 25). The certification hearing took place on the 12th and 13th of February 2025 and 16th June 2025 and judgment was handed down on 27 August 2025 in favour of Performing Right Society Limited and PRS For Music Limited. The Proposed Class Representative has been granted permission to appeal, and the appeal is due to be heard on 10th or 11th June 2026.

PERFORMING RIGHT SOCIETY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Statement of directors' responsibilities

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 applicable 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 judgments 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 Group and Company's auditor are 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 Group and Company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s. 418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as auditor will be proposed at the forthcoming AGM on 11 May 2026.

PERFORMING RIGHT SOCIETY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report. There is an agreed plan to reduce the Group deficit over time, while maintaining the maximum distributions to members. This is actioned through the setting of administration rates, over which the PRS board exercises ultimate control and through control of the amounts charged by PfM to PRS. While the Group has a net deficit on its reserves, the Articles of PRS permit the retention from out of revenues of such amounts as are necessary for the expenses of the Company. The directors believe that the Group is well-placed to manage its business risks, given it has considerable financial resources including cash balances and short-term deposits of £340,513,000 (2024 - £284,437,000) at the year end and only makes distributions when monies have been received, and hence believe the Group and Company are a going concern.

The Group Statement of financial position reflects the impact of assuming £25,197,000 of historic liabilities when the MCPS-PRS Alliance dissolved in 2013 alongside the cumulative net impact of actuarial valuations on the defined benefit pension scheme. As a result, the Group has a net deficit of £37,502,000 at 31 December 2025 (2024 – £38,611,000). This deficit has decreased from 2024 due to profit in the Group offset by the accounting valuation of the defined benefit scheme declining further to a net deficit position of £12,988,000 from a net deficit of £12,651,000. PfM and the trustees of the pension schemes have agreed a recovery plan which includes an annual Group contribution of £3.1m through to 2030, with the intention of both schemes achieving self-sufficiency by June 2030. There is also an investment strategy in place to reduce future volatility.

The directors have also considered the status of its joint ventures and associate undertakings:

ICE Operations is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2025, after offsetting any final adjustments from the previous year, was a loss of £2,449,000 (2024 – loss of £2,575,000). ICE Operations is forecasting to cover its costs in future years and repay its loan finance over 10 years. At the year end, the value of the loans to be repaid by ICE Operations was £8,688,635 (2024 - £11,154,000) and the value of the equity investment was £nil (2024 - £nil).

ICE Services is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2025, after offsetting any final adjustments from the previous year, was £3,225,000 (2024 – profit of £3,627,000). ICE Services is forecasting to continue to be profitable in future years. At the year end, the value of loans to be repaid by ICE Services was £nil (2024 - £nil) and the value of the equity investment was £100,000 (2024 - £100,000).

SOLAR is fully and equally supported by its shareholders. The Group's share of the profit for the year to 31 December 2025 was £505,000 (2024 – £566,000). At the year end, the value of loans to be repaid by SOLAR was £214,684 (2024 - £429,000) and there was no equity investment (2024 - £nil).

NMP is fully and equally supported by its shareholders. The Group's share of the result to be recognised in the year to 31 December 2025, before any cost reduction adjustments for 2025 and after including any final cost adjustments from the prior year, was a profit of £360,000 (2024 – loss of £104,000). The value of the equity investment at the year-end was £976,000 (2024 - £976,000). At the year end, the value of the loans to be repaid by NMP was £nil (2024 - £nil).

PPL - PRS is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year 31 December 2025 was £399,000 (2024 - £368,000). PPL - PRS is forecasting to make profits in future years and repay its loan finance over 10 years from the date of commencement of licensing activities in the joint venture. At the year end, the value of loans to be repaid by PPL - PRS was £2,113,250 (2024 - £2,818,000) and the value of the equity investment was £50,000 (2024 - £50,000).

The directors do not believe it is appropriate to prepare downside scenarios, given the nature of the business and its cashflows and distribution policies. Therefore, after making enquiries and considering any subsequent events, the directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

PERFORMING RIGHT SOCIETY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

Events after the balance sheet date

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

Research and development

During 2025, the Group continued to develop its intangible assets focused on delivering service excellence to members and customers through the execution of technology and data orientated projects.

Corporate governance

The Company's Board of Directors (known as the Members' Council) is ultimately responsible for the governance of the Company. The Company has a corporate governance framework in place, including matters reserved for Board and Members' Council approval and a scheme of delegated authority. There are at least three scheduled Members' Council 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. Members' Council 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 Members' Council delegates much of the business decision-making to the PFM Board in accordance with agreed mandates. PFM is an operational services company which has been a wholly-owned subsidiary of the Company since 1 July 2013.

Financial risk management

The Group'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.

Approved and authorised for issue by the Board of Directors



Julian Nott

Director

26 March 2026

PERFORMING RIGHT SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERFORMING RIGHT SOCIETY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Performing Right Society Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's 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 Consolidated income statement;
- the Consolidated statement of comprehensive income;
- the Consolidated and parent company statements of financial position;
- the Consolidated and parent company statements of changes in equity;
- the Consolidated statement of cash flows; and
- the related notes 1 to 29.

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 group and the parent 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 group's and parent 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.

PERFORMING RIGHT SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PERFORMING RIGHT SOCIETY LIMITED

Other information (continued)

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 group's and parent 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 group or the parent 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 group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, the directors and others (Head of Legal and Chief People and Transformation Officer) about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group 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
- did not have a direct effect on the financial statements but compliance with which may be fundamental to the group'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 data analytics, 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.

PERFORMING RIGHT SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PERFORMING RIGHT SOCIETY LIMITED

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

As a result of performing the above, we identified the greatest potential for fraud to be in relation to invalid payment of distributions to non-members. Our procedures performed to address it are described below:

- We have used bespoke analytics to complete a match of cash paid in the year to the general ledger and test a sample of the unmatched items;
- We have performed duplicate testing on bank details and contact information for suppliers, members and employees; and
- We have performed analytical procedures on actual distributions paid to identify any anomalies.

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.

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 group and of the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

PERFORMING RIGHT SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PERFORMING RIGHT SOCIETY LIMITED

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 (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

26 March 2026

PERFORMING RIGHT SOCIETY LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £000	2024 £000
Revenue	3	1,249,968	1,160,600
Licensing and administrative expenses		(135,858)	(145,021)
Other operating income		16,953	15,310
Operating profit	4	1,131,063	1,030,889
Other investment income	8	16,851	16,205
Finance costs	9	(612)	(398)
Amounts appropriated - donations		(3,057)	(3,020)
Share of profit from joint ventures	13	589	1,773
Profit before taxation and funds attributable to members and affiliated societies		1,144,834	1,045,449
Funds attributable to members and affiliated societies		(1,133,013)	(1,032,571)
Profit before taxation		11,821	12,878
Taxation	10	(10,591)	(9,096)
Group profit after taxation and funds attributable to members and affiliated societies		1,230	3,782

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

The notes on pages 35 to 67 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £000	2024 £000
Group profit after taxation and funds attributable to members and affiliated societies		1,230	3,782
Actuarial (loss) on defined benefit pension schemes	24	(1,275)	(4,666)
Foreign exchange gain/(loss) on joint venture investments		919	(655)
Deferred tax on actuarial variances		235	-
		<hr/>	<hr/>
Total comprehensive Income/(expense) relating to the year		1,109	(1,539)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 35 to 67 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025		2024	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	11		27,376		20,723
Tangible assets	12		5,231		6,147
Investments	13		16,012		14,516
Trade and other receivables: amounts falling due after more than one year	18		9,913		13,227
			<u>58,532</u>		<u>54,613</u>
Current assets					
Trade and other receivables	18	254,245		243,832	
Investments - short-term deposits	22	207,393		141,413	
Cash at bank and in hand		133,120		143,024	
			<u>594,758</u>		<u>528,269</u>
Creditors: amounts falling due within one year	20	(670,546)		(600,727)	
Net current liabilities			<u>(75,788)</u>		<u>(72,458)</u>
Total assets less current liabilities			<u>(17,256)</u>		<u>(17,845)</u>
Creditors: amounts falling due after more than one year	21		(1,309)		(1,478)
Provisions for liabilities	23		(5,949)		(6,637)
Net liabilities excluding pension liability			<u>(24,514)</u>		<u>(25,960)</u>
Defined benefit pension liability	24		(12,988)		(12,651)
Net liabilities			<u>(37,502)</u>		<u>(38,611)</u>
Total reserves - deficit			<u>(37,502)</u>		<u>(38,611)</u>

The financial statements on pages 28 to 67 were approved by the Board of Directors and authorised for issue on 26 March 2026 and are signed on its behalf by:

Julian Nott

Julian Nott

Director

Company Registration No. 00134396

The notes on pages 35 to 67 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 £000	£000	2024 £000	£000
Trade and other receivables: amounts falling due after more than one year	18		-		-
Current assets					
Trade and other receivables: amounts falling due within one year	18	296,051		273,804	
Investments - short-term deposits	22	201,451		135,709	
Cash at bank and in hand		116,944		131,457	
		<u>614,446</u>		<u>540,970</u>	
Creditors: amounts falling due within one year	20	(618,474)		(544,529)	
Net current liabilities			(4,028)		(3,559)
Total assets less current liabilities			<u>(4,028)</u>		<u>(3,559)</u>
Net liabilities			<u>(4,028)</u>		<u>(3,559)</u>
Total reserves - deficit			<u>(4,028)</u>		<u>(3,559)</u>

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company income statement. The profit for the Company for the year was £1,143,565,000 (2024: £1,041,667,000).

The financial statements on pages 28 to 67 were approved by the Board of Directors and authorised for issue on 26 March 2026 and are signed on its behalf by:



Julian Nott

Director

Company Registration No. 00134396

The notes on pages 35 to 67 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Total reserves £000
Opening reserves at 1 January 2024		(37,072)
Year ended 31 December 2024:		
Group profit after taxation and funds attributable to members and affiliated societies		3,782
Other comprehensive income:		
Actuarial loss on defined benefit plans	24	(4,666)
Foreign exchange gain on investments		(655)
		<hr/>
Total comprehensive expense for the year		(1,539)
		<hr/>
Closing reserves at 31 December 2024		(38,611)
		<hr/>
Year ended 31 December 2025:		
Group profit after taxation and funds attributable to members and affiliated societies		1,230
Other comprehensive income:		
Actuarial loss on defined benefit plans	24	(1,275)
Foreign exchange loss on investments	13	919
Deferred tax on actuarial differences		235
		<hr/>
Total comprehensive income for the year		1,109
		<hr/>
Closing reserves at 31 December 2025		(37,502)
		<hr/> <hr/>

The notes on pages 35 to 67 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Total reserves £000
Opening reserves at 1 January 2024	(3,559)
Year ended 31 December 2024:	
Total comprehensive income for the year	-
	<hr/>
Closing reserves at 31 December 2024	(3,559)
	<hr/>
Year ended 31 December 2025:	
Total comprehensive income for the year	-
	<hr/>
Closing reserves at 31 December 2025	(4,028)
	<hr/> <hr/>

The notes on pages 35 to 67 form an integral part of these financial statements.

PERFORMING RIGHT SOCIETY LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	£000	2025 £000	£000	2024 £000
Cash flows generated from operating activities					
Cash generated from operations	29		1,069,363		1,010,370
Amounts paid to members and affiliates	29		(1,023,662)		(988,973)
Net cash inflow from operating activities			45,701		21,397
Cash flows from investing activities					
Purchase of intangible assets		(12,310)		(8,855)	
Purchase of tangible assets		(155)		(1,036)	
Interest received		16,851		16,205	
Repayments from joint venture loans		3,173		1,750	
Net cash flows generated from investing activities			7,559		8,064
Net increase in cash and cash equivalents			53,260		29,461
Cash and cash equivalents at beginning of year			284,437		260,192
Effect of foreign exchange rates			2,816		(5,216)
Cash and cash equivalents at end of year			340,513		284,437
Represented by:					
Investments held < 3 months			207,393		141,413
Cash at bank and in hand			133,120		143,024
			340,513		284,437

Deposits held for three months or less are shown as cash and cash equivalents. In addition to cash and cash equivalents held above, the Group holds £nil (2024: £nil) in deposit accounts greater than three months.

The notes on pages 35 to 67 form an integral part of these financial statements. The Company has elected to take the exemption under FRS102, paragraph 1 - 12 (b) not to present the Company Statement of Cash Flows.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

Company information

Performing Right Society Limited (“the Company”) is a company limited by guarantee, domiciled and incorporated in England and Wales, United Kingdom. The registered office is Goldings House, 2 Hays Lane, London, SE1 2HB, United Kingdom.

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.

On 27 March 2024, the FRC issued Amendments to FRS 102. The effective date for most amendments is accounting periods beginning on or after 1 January 2026. The most significant amendments are the replacement of Section 23, now renamed Revenue from Contracts with Customers, and Section 20 Leases. The new revenue and leasing requirements seek to provide greater consistency and alignment to the international accounting standards, i.e., IFRS 15 and IFRS 16.

The Group is planning for the implementation of these change and is at an early stage in evaluating their financial impact. At 31 December 2025 the Group had commitments under operating leases of approximately £25m (gross) (see note 26). Under the new lease accounting requirements management expects that these amounts would be recognised on-balance sheet, with a lease liability based on the discounted value of the future commitments, plus payments related to optional extension periods if considered reasonably certain, and a related ‘right-of-use’ asset. Management is reviewing existing revenue contracts to determine the overall recognition, measurement, presentation and disclosure impact.

Basis of preparation

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

The financial statements have been prepared on the historical cost convention and modified to include 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 formats of the Income statement 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.

‘PfiM’ means PRS for Music Limited.

‘MCPS’ means Mechanical-Copyright Protection Society Limited.

‘ICE Operations’ means ICE Operations AB.

‘ICE Services’ means International Copyright Enterprise Services Limited.

‘NMP’ means Network of Music Partners A/S.

‘SOLAR’ means SOLAR-Music Rights Management Limited.

‘PPL - PRS’ means PPL PRS Limited.

‘PPL’ means Phonographic Performance Limited.

‘GEMA’ means Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte, a German collecting society.

‘STIM’ means Svenska Tonsättares Internationella Musikbyrå, a Swedish collecting society.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Accounting convention

The Group financial statements consolidate the financial statements of Performing Right Society Limited and all its subsidiary undertakings drawn up to 31 December each year. As permitted by s408 Companies Act 2006, the Company has not presented its own Income statement and Statement of cash flows.

Entities in which the Group holds an interest on a long-term basis and are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. Entities, other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the Group exercises a significant influence are treated as associates.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the result of its joint ventures made up to 31 December 2025. Associates which have been assessed as being immaterial to the Group, are accounted for at cost. In the Company financial statements investments in subsidiaries, joint ventures and associates are accounted for at the lowest level of cost and net realisable value.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report. There is an agreed plan to reduce the Group deficit over time, while maintaining the maximum distributions to members. This is actioned through the setting of administration rates, over which the PRS board exercises ultimate control and through control of the amounts charged by PfM to PRS. While the Group has a net deficit on its reserves, the Articles of PRS permit the retention from out of revenues of such amounts as are necessary for the expenses of the Company. The directors believe that the Group is well-placed to manage its business risks, given it has considerable financial resources including cash balances and short-term deposits of £340,513,000 (2024 - £284,437,000) at the year end and only makes distributions when monies have been received, and hence believe the Group and Company are a going concern.

The Group Statement of financial position reflects the impact of assuming £25,197,000 of historic liabilities when the MCPS-PRS Alliance dissolved in 2013 alongside the cumulative net impact of actuarial valuations on the defined benefit pension schemes. As a result, the Group has a net deficit of £37,502,000 at 31 December 2025 (2024 - £38,611,000). This deficit has decreased from 2024 mainly due to the profit in the Group offset by the accounting valuation of the defined benefit scheme declining further to a net deficit position of £12,988,000 from a net deficit of £12,651,000. PfM and the trustees of the pension schemes have agreed a recovery plan which includes an annual Group contribution of £3.1m through to 2030, with the intention of both schemes achieving self-sufficiency by June 2030. There is also an investment strategy in place to reduce future volatility.

The directors have also considered the status of its joint ventures and associate undertakings:

ICE Operations is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2025, after offsetting any final adjustments from the previous year, was a loss of £2,449,000 (2024 - loss of £2,575,000). ICE Operations is forecasting to cover its costs in future years and repay its loan finance over 10 years. At the year end, the value of the loans to be repaid by ICE Operations was £8,688,635 (2024 - £11,154,000) and the value of the equity investment was £nil (2024 - £nil).

ICE Services is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2025, after offsetting any final adjustments from the previous year, was £3,225,000 (2024 - profit of £3,627,000). ICE Services is forecasting to continue to be profitable in future years. At the year end, the value of loans to be repaid by ICE Services was £nil (2024 - £nil) and the value of the equity investment was £100,000 (2024 - £100,000).

SOLAR is fully and equally supported by its shareholders. The Group's share of the profit for the year to 31 December 2025 was £505,000 (2024 - £566,000). At the year end, the value of loans to be repaid by SOLAR was £214,684 (2024 - £429,000) and there was no equity investment (2024 - £nil).

NMP is fully and equally supported by its shareholders. The Group's share of the result to be recognised in the year to 31 December 2025, before any cost reduction adjustments for 2025 and after including any final cost adjustments from the prior year, was a profit of £360,000 (2024 - loss of £104,000). The value of the equity investment at the year-end was £976,000 (2024 - £976,000). At the year end, the value of the loans to be repaid by NMP was £nil (2024 - £nil).

PPL - PRS is fully and equally supported by its shareholders. The Group's share of the profit recognised for the year to 31 December 2025 was £399,000 (2024 - £368,000). PPL - PRS is forecasting to make profits in future years and repay its loan finance over 10 years from the date of commencement of licensing activities in the joint venture. At the year end, the value of loans to be repaid by PPL - PRS was £2,113,250 (2024 - £2,818,000) and the value of the equity investment was £50,000 (2024 - £50,000).

The directors do not believe it is appropriate to prepare downside scenarios, given the nature of the business and its cashflows and distribution policies. Therefore, after making enquiries and considering any subsequent events, the directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Revenue

Operating fees receivable

Revenue relates to the provision of operating services to third parties and is accounted for on an accruals basis, so that income is recognised in the period to which it relates.

Licence revenue

Licence revenue is recognised gross, in line with the Group's judgement that it is the principal in its arrangements with its members.

Broadcasting and Public Performance revenue is accounted for on an accruals basis over the period of the contract, so that income is recognised in the period to which it relates.

Online revenue is recognised over the period to which the licence or usage relates. Where online revenue is invoiced on a minimum guarantee basis, the recognition will ultimately be based on usage.

Income from overseas collecting societies is recognised in the period in which it is received or it becomes virtually certain of being received and is recognised gross of non-refundable withholding tax deductions.

Where income is received as a result of audit activities it is recognised net of associated costs.

Interest income

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

Foreign exchange

Company

Transactions in currencies other than pounds sterling are translated at an average rate for the period, which approximates the foreign currency exchanges rates ruling at the date 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.

Group

The financial statements are translated at the rate of exchange ruling at the Statement of financial position date. The exchange differences arising on the retranslation of opening net assets are taken directly to reserves. All other differences are taken to the Income statement for the period.

Funds attributable to members and affiliated societies

Funds attributable to members and affiliated societies represent the royalty income earned and recognised in the period, for rights licensed by the Company and net of operating costs, available to be distributed to members and affiliates of the society. These amounts are not allocated to individual members until payment of the royalties takes place. The deduction for the amounts attributable to the members and affiliates, some of which will not be allocated and distributed until a future period, is taken through the Consolidated Income statement.

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 Group, 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 in 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.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Intangible fixed assets other than goodwill

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 economic life ("UEL") 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. 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.

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
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Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed 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 on a straight line basis as follows:

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

Tangible fixed 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 or loss and included in 'Operating profit/(loss)'.

Subsequent costs, including major inspections, are included in the assets 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 Group and the cost can be measured reliably.

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 the investments are reviewed for impairment in 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 Group holds a long-term interest and where the Group has significant influence. The Group 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 Group has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Impairment of non-current assets

At each reporting end date, the Group 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 Group 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 the Income statement, 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 the Income statement, 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 and deposits held at call with banks. Other deposits, held for greater than three months, are classed as current assets but are excluded from cash as cash equivalents as disclosed in the Consolidated statement of cash flows.

Financial instruments

The Group 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 Group's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

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 the Income statement.

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, amounts due to members and affiliated societies 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.

Amounts due to members and affiliated societies represent net obligations to pay out royalties collected for rights licensed by the Company.

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

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.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

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

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the reporting end date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the reporting end date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the reporting end date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting end date.

Withholding tax is a complex issue that requires analysis of domestic legislation, double tax treaties and the submission of forms and documents to relevant payers and tax authorities. Due to the inherent complexities, there is a risk that not all withholding tax has been accounted for correctly. The Group therefore continues to consult with tax specialists on a regular basis to consult and review the tax structuring arrangements. The Group recognises non-refundable and refundable withholding taxes as tax expenses in the Income Statement and therefore revenue is reported gross of withholding taxes.

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.

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 a non-current assets. The cost of any unused holiday entitlement is recognised in the period in which the employees' services are received. Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting policies

(Continued)

Retirement benefits

Defined benefit pension plan

The Group 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 over 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 deficit 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.

Defined contribution pension plan

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

2 Judgements and key sources of estimation uncertainty

Critical judgements and estimates

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Judgements

Principal versus agent

PRS has determined that, by virtue of it being the legal owner of the rights that are being exploited, it is the principal party in its agreements with its members and as such the financial statements have been prepared on this basis with the full gross royalty revenues accounted for as revenue in the Income Statement. When making this assessment, PRS has considered that it is a condition of membership that members assign the ownership of the performing rights in their musical works to PRS throughout their term of membership, subject to the provisions of PRS' Constitution, and that PRS is entitled to exercise independent decision-making and discretion in relation to the royalty sums it receives, including decisions relating to their distribution, investment, and application for the purposes of PRS business activities.

Funds attributable to members and affiliated societies

Funds attributable to members and affiliated societies is the recognised royalty income for the period that could be considered as distributable, after deduction of certain costs. It is management's judgement that the amounts that are distributed to individual members and affiliated societies, after the application by the society of its various distribution policies, are intrinsically linked to and conditional upon their respective roles as authors and/or publishers or (in the case of an affiliated society) other person interested in the various copyright works of the intellectual property rights in which they have each assigned or mandated to PRS. These are not payments made to such person by virtue only of their being members (i.e. owners) of the Society in company law, therefore the deduction for funds attributable to members and affiliated societies is presented in the Income Statement.

Key sources of estimation uncertainty

Retirement benefit schemes

The Group 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 Group's actuary, Aon. See note 24 for the disclosures relating to the defined benefit pension schemes.

Impairment of receivables

The Group makes an estimate of the recoverable amount of trade and other receivables. When assessing the carrying value of trade and other receivables management considers the existence or likelihood of any conditions relating to invoices which may be required to be deducted from revenue as the group would not end up being entitled to receive license revenue for the period invoiced for. When assessing impairment of trade and other receivables, management considers factors including the current credit rating of the receivable, the ageing profile of the receivable, historical experience and any other evidence or knowledge of current issues that the Group is experiencing. A provision of £17.4m is held in respect of the impairment of receivables. No supplementary disclosures provided, such as information about the sensitivity of estimates to changes in assumptions. See note 18 for the net of the carrying amount of receivables and associated impairment provision.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

3 Revenue

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

	2025	2024
	£000	£000
Revenue		
Public Performance	313,415	287,346
Broadcast	111,800	111,600
Online	448,953	402,457
International	375,800	359,197
	<u>1,249,968</u>	<u>1,160,600</u>

Revenue for 2025 includes £10,204,000 of non-refundable withholding tax deducted at source (2024: £9,096,000), with £8,494,000 included in international revenue (2024: £7,832,000) and £1,710,000 in online revenue (2024: £1,264,000).

In line with the reporting structure of the group, Broadcast On-Demand services previously disclosed as Broadcast revenue are now reported within Online revenue. The prior year analysis of revenue has been re-presented, with £12,728,000 of Broadcast On-Demand revenue now show within Online revenue

Revenue analysed by geographical market

	2025	2024
	£000	£000
United Kingdom, Channel Islands and Isle of Man	525,851	488,947
Europe	544,504	494,579
North America	120,207	114,496
Asia	18,841	19,441
Central and South America	16,891	18,032
Australasia	17,254	18,072
Africa and Middle East	6,420	7,033
	<u>1,249,968</u>	<u>1,160,600</u>

4 Operating profit

	2025	2024
	£000	£000
Operating profit for the year is stated after charging/(crediting):		
Exchange (Gain)/loss	(1,897)	4,561
Depreciation/amortisation of fixed assets	6,674	6,345
Loss on disposal of tangible assets	51	16
Loss on disposal of intangible assets	-	36
Operating lease charges	1,535	291
	<u>1,535</u>	<u>291</u>

Operating lease charges are higher in 2025 compared with 2024 due to income from the sale of the Streatham property lease in December 2024 offsetting the lease expense.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

5 Auditor's remuneration

	2025	2024
	£000	£000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the Group and parent company	106	106
Audit of the Company's subsidiaries	193	211
	<u>299</u>	<u>317</u>
For other services		
Other audit related services	<u>66</u>	<u>66</u>

6 Employees

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

	2025	2024
	Number	Number
Licensing	65	66
Distribution and membership	161	154
Support services	320	333
	<u>546</u>	<u>553</u>

All employee costs are incurred by the Group and are presented below. There are no Company employees. Employee costs, including the CEO as the highest paid Director, have increased in 2025 due to higher social security costs and the higher cost of the company-wide incentive scheme compared to 2024.

Their aggregate remuneration earned comprised:

	2025	2024
	£000	£000
Wages and salaries	42,824	40,292
Social security costs	5,217	4,638
Pension costs	2,404	2,279
	<u>50,445</u>	<u>47,209</u>

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

7 Directors' remuneration

	2025	2024	2023	2022	2021
	£000	£000	£000	£000	£000
Remuneration for qualifying services:					
Chair	74	72	68	65	63
Other non-executive Directors	850	857	737	728	687
CEO	831	1,131	1,047	949	702
Pension contributions	45	43	45	33	33
	<u>1,800</u>	<u>2,103</u>	<u>1,897</u>	<u>1,775</u>	<u>1,485</u>
Number of:					
Non-executive Directors	24	24	23	23	25
CEO's	1	1	1	1	1

The number of directors for whom retirement benefits were accruing under defined contribution schemes during the year amounted to one (2024 - one). No directors (2024 - 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 fees of the independent non-executive directors are included in the PRS disclosure, to reflect the governance changes made in late 2020.

The nature of the role makes it impossible to be specific about the maximum time commitment as unexpected matters may arise from time to time. The annual fees paid and approximate expected time commitments for the different categories of non-executive directors are set out below:

- Writer President, annual fee of £52,758 for an expected time commitment of an average of 4 days per month
- Members' Council Chair, annual fee of £74,121 for an expected time commitment of an average of 4 days per month
- Members Council Deputy Chair, annual fee of £39,143 for an expected time commitment of an average of 4 days per month
- PFM Board Chair, annual fee of £138,038 for an expected time commitment of 5-6 days per month (for both Members' Council and Board responsibilities)
- Independent non-executive directors (excluding PFM Board Chair), annual fee of £59,090 for expected time commitments varying from 16-20 days per year, including Committee Chair and PFM Board responsibilities
- Writer & Publisher non-executive directors – Members Council only, annual fee of £19,920 for an expected time commitment of 8-10 days per year
- Writer & Publisher non-executive directors – Members Council and PFM Board, annual fee of £32,939 for an expected time commitment of 14-20 days per year

During 2025, the actual time incurred by many of the directors listed above exceeded the approximate expected time commitment.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

7 Directors' remuneration

(Continued)

The highest paid director's emoluments earned in the year were as follows:

	2025 £000	2024 £000	2023 £000	2022 £000	2021 £000
Remuneration for qualifying services:					
Salary	553	535	506	471	404
Bonus and other benefits	278	596	541	478	298
Pension contributions	45	43	45	33	33
	<u>876</u>	<u>1,174</u>	<u>1,092</u>	<u>982</u>	<u>735</u>

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.

8 Other investment income

	2025 £000	2024 £000
Interest income		
Interest on bank deposits	15,610	15,192
Other interest income - Joint Venture loans	787	1,013
	<u>16,397</u>	<u>16,205</u>
Other income from investments		
Dividend income received from Joint Ventures	454	-
	<u>16,851</u>	<u>16,205</u>

9 Finance costs

	2025 £000	2024 £000
Interest related to the net defined benefit liability	612	398
	<u>612</u>	<u>398</u>

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10 Taxation

	2025	2024
	£000	£000
Current tax		
Tax deducted at source	10,204	9,096
Origination and reversal of timing differences	387	-
	<u>387</u>	<u>-</u>
Total deferred tax	387	-
	<u>387</u>	<u>-</u>
Total tax charge	<u>10,591</u>	<u>9,096</u>

The tax charge assessed for the year is higher than (2024 - higher than) the standard rate of corporation tax in the UK of 25.00% (2024 - 25.00%). The differences are explained below:

	2025	2024
	£000	£000
Profit before taxation	11,231	12,878
	<u>11,231</u>	<u>12,878</u>
Expected tax charge based on a corporation tax rate of 25% (2024 - 25.00%)	2,808	946
Tax effect of expenses that are not deductible in determining taxable profit	6	(363)
Adjustments in respect of prior years	1	-
Depreciation on assets not qualifying for tax allowances	78	73
Deferred tax not provided on current year movement	45	(656)
Tax deducted at source	7,653	9,096
	<u>7,653</u>	<u>9,096</u>
Tax expense for the year	<u>10,591</u>	<u>9,096</u>

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2025	2024
	£000	£000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(235)	-
	<u>(235)</u>	<u>-</u>

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

10 Taxation

(Continued)

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 Group has an unrecognised deferred tax asset of £16,120,940 (2024 - £16,013,507) made up of trading and capital losses £11,582,827 (2024 - £11,404,005), and fixed asset and other timing differences of £4,538,113 (2024 - £4,609,502). This is inclusive of an unrecognised deferred tax asset arising on pension deficit of £3,246,000 (2024 - £3,402,919). Of the total unrecognised deferred tax asset, £2,199,037 is in the Company (2024 - £2,369,016) and £13,546,903 is in PfM (2024 - £13,644,491).

The Group has unused Tax Losses of £45,854,849 (2024 - £45,276,021), which have no effective expiry date. This consists of £8,796,146 (2024 - £9,476,064) in PRS and £37,058,703 (2024 - £35,799,957) in PFM.

11 Intangible fixed assets

Group	Software
	£000
Cost	
At 1 January 2025	107,537
Additions	12,310
Disposals	(26,736)
	<hr/>
At 31 December 2025	93,111
	<hr/>
Accumulated amortisation	
At 1 January 2025	86,814
Amortisation charged for the year	5,658
Disposals	(26,737)
	<hr/>
At 31 December 2025	65,735
	<hr/>
Carrying amount	
At 31 December 2025	27,376
	<hr/> <hr/>
At 31 December 2024	20,723
	<hr/> <hr/>

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 £11.8m (2024: £6.6m).

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

The Company had no intangible assets at 31 December 2025 or 31 December 2024.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

12 Tangible fixed assets

Group	Leasehold land and buildings and building improvements £000	Systems and equipment £000	Total £000
Cost			
At 1 January 2025	4,362	8,648	13,010
Additions	-	155	155
Disposals	-	(367)	(367)
	<u>4,362</u>	<u>8,436</u>	<u>12,798</u>
At 31 December 2025	4,362	8,436	12,798
	<u>4,362</u>	<u>8,436</u>	<u>12,798</u>
Accumulated depreciation			
At 1 January 2025	832	6,032	6,864
Depreciation	311	705	1,016
Eliminated in respect of disposals	-	(311)	(311)
	<u>1,142</u>	<u>6,426</u>	<u>7,568</u>
At 31 December 2025	1,142	6,426	7,568
	<u>1,142</u>	<u>6,426</u>	<u>7,568</u>
Carrying amount			
At 31 December 2025	3,220	2,011	5,231
	<u>3,220</u>	<u>2,011</u>	<u>5,231</u>
At 31 December 2024	3,530	2,617	6,147
	<u>3,530</u>	<u>2,617</u>	<u>6,147</u>

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

The Company had no tangible fixed assets at 31 December 2025 or 31 December 2024.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

13 Investments

	Note	2025 £000	Group 2024 £000	2025 £000	Company 2024 £000
Investments in joint ventures	15	16,012	14,516	-	-

Movements in non-current investments

Group	Joint ventures £000
Cost or valuation	
At 1 January 2025	14,516
Revaluation changes	(12)
Share of profit from joint ventures	589
Foreign exchange gain on joint venture net assets	919
At 31 December 2025	16,012
Impairment	
At 1 January 2025	-
At 31 December 2025	-
Carrying amount	
At 31 December 2025	16,012
At 31 December 2024	14,516

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

14 Subsidiaries

Details of the Group's subsidiaries at 31 December 2025 are as follows:

Name of undertaking	Company registration	Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Music Copyright (Overseas) Limited	01342133	Dormant	Membership	100.00	
Music Copyright Operational Services Limited	03824955	Dormant	Ordinary Shares	100.00	
Musiclicensing.com Limited	03936115	Dormant	Ordinary Shares	100.00	
Musiclicensing.org Limited	04042187	Dormant	Ordinary Shares	100.00	
PRS for Music Limited	03444246	Service Company	Ordinary Shares	100.00	
The Music Alliance Limited	03537311	Dormant	Ordinary Shares	100.00	
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 registered office address of all subsidiaries is Goldings House, Hays Lane, London, SE1 2HB and the country of incorporation is England and Wales.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

15 Joint ventures

Details of joint ventures at 31 December 2025 are as follows:

Name of undertaking and country of incorporation or residency	Country of incorporation or residency	Nature of business and registered office address	Class of shareholding	% Held	
				Direct	Indirect
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 and Wales	Pan-European Licencing, Russell Square House, 10-12 Russell Square, London, UK, WC1B 5EH	Ordinary Shares		50.00
Global Repertoire Database Limited	England and Wales	Global repertoire database, Goldings House, 2 Hays Lane, London, UK, SE1 2HB	Membership		50.00
International Copyright Enterprise Services Limited	England and Wales	Multi-territorial Licencing, Russell Square House, 10-12 Russell Square, London, UK, WC1B 5EH	Ordinary Shares		33.33
PPL PRS Limited	England and Wales	UK public performance licencing, 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

16 Associates

Details of associates at 31 December 2025 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shareholding	% Held	
				Direct	Indirect
British Music Rights Limited	England and Wales	Dormant	Ordinary Shares	25.00	

The registered office address of British Music Rights Limited is Goldings House, 2 Hays Lane, London, UK, SE1 2HB

17 Significant undertakings

The Group also has significant holdings in undertakings which are not subsidiaries and are not classified as joint ventures or associated undertakings:

Name of undertaking and country of incorporation or residency	Country of incorporation or residency	Nature of business and registered office address	Class of shareholding	% Held	
				Direct	Indirect
UK Music 2009 Limited	England and Wales	Lobbying organisation, 4th Floor, 49 Whitehall, London, UK, SW1A 2BX	Membership		10.00

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

18 Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
Amounts falling due within one year:	£000	£000	£000	£000
Trade receivables	63,117	64,215	38,746	43,564
Amounts owed by related parties	95,875	88,331	48,733	41,705
Amounts owed by group undertakings	-	-	120,451	103,964
Amounts owed by joint ventures	2,394	3,511	-	-
Other receivables	28,363	26,714	28,246	26,556
Accrued revenue	59,875	58,015	59,875	58,015
Prepayments	4,621	3,046	-	-
	<u>254,245</u>	<u>243,832</u>	<u>296,051</u>	<u>273,804</u>
Amounts falling due after more than one year:				
Amounts owed by joint ventures	8,622	10,777	-	-
Other receivables	1,291	2,450	-	-
	<u>9,913</u>	<u>13,227</u>	<u>-</u>	<u>-</u>

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

Trade receivables arise as a result of the Group raising invoices for Broadcast and UK online licensing. Trade receivables and Amounts owed by related parties are stated after provisions for impairment of £17,370,000 (2024 - £20,063,000).

Amounts owed by related parties arise as a result of invoicing via special purpose vehicles and joint ventures for multi-territory online and public performance licensing on behalf of the Group. 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.

Other receivables represents reclaimable VAT, accrued interest receivable and other sundry receivables.

Accrued revenue of £59,875,000 relates to 2025 usage, which has been invoiced in 2026 (2024 - £58,015,000).

Within amounts falling due within one year in the Company, an amount of £nil (2024 - £768,000) relates to the current element of the interest free loan to PFM. The loan relates to exceptional contributions into the defined benefit pension schemes made by PFM in 2005 and funded by the Company. The balances are repayable over 20 years and are contractually not interest-bearing. The loan is measured at the present value of the future payments discounted at a market rate of interest for a similar financial instrument. 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. Other amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

18 Trade and other receivables

(Continued)

Loans receivable - ICE Operations

PfM had total loans of £8.7m receivable from ICE Operations and its subsidiaries at 31 December 2025 (2024 - £11.1m), 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 27.

Loan	Local Currency				€000				Hedge Rate	Terms
	B/fwd	Drawn	Repaid	C/fwd	B/fwd	Drawn	Repaid	C/fwd		
Loan 8	EUR 1.6m	-	EUR 0.2m	EUR 1.4m	1,339	-	130	1,209	EUR 1.1615/€1	Repayment in equal instalments until 2031, starting from 2024
Loan 9	EUR 10.1m	-	EUR 1.5m	EUR 8.6m	8,723	-	1,243	7,480	EUR 1.1535/€1	
Loan 10	EUR 0.1m	-	EUR 0.1m	-	91	-	91	-	Loan not hedged	Fully repaid in 2025
Loan 11	EUR 1m	-	EUR 1m	-	1,001	-	1,001	-	Loan not hedged	Fully repaid in 2025
					11,154	-	2,465	8,689		
					11,154	-	2,465	8,689		

Loans receivable – SOLAR Music Rights Management Limited

PfM had total loans of £0.2m receivable from SOLAR Music Rights Management Limited at 31 December 2025 (2024 - £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 27.

Loan	Local Currency				€000				Hedge Rate	Terms
	B/fwd	Drawn	Repaid	C/fwd	B/fwd	Drawn	Repaid	C/fwd		
Loan 1	EUR 0.5m	-	EUR 0.25m	EUR 0.25m	429	-	215	214	EUR 1.1645/€1	Full repayment due 2026

Loans receivable – PPL – PRS

PfM had total loans of £2.1m receivable from PPL - PRS at 31 December 2025 (2024 - £2.8m). 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 27.

Loan	Local Currency				€000				Hedge Rate	Terms
	B/fwd	Drawn	Repaid	C/fwd	B/fwd	Drawn	Repaid	C/fwd		
Loan 1	GBP 2.8m	-	GBP 0.7m	GBP 2.1m	2,818	-	704	2,114		Repayment in instalments until 2028

19 Financial instruments

Since June 2016 PfM 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 entered into a year at a time until the maturity date, currently set at various dates until 2030. All forward contracts are recognised in 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 2025 was £8,903,000 (2024: £11,471,000) included within Trade and other receivables and detailed in Note 18. The value of the instrument within Other Receivables over one year was £439,000 (2024: £632,000).

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

20 Creditors: amounts falling due within one year

	Note	Group		Company	
		2025 £000	2024 £000	2025 £000	2024 £000
Amounts owed to members and affiliated societies		500,206	433,066	500,206	433,066
Trade payables		1,501	1,380	-	-
Amounts owed to MCPS	27	16,384	16,687	-	-
Corporation tax payable		152	-	-	-
Other taxation and social security		4,617	5,249	-	-
Deferred income		114,793	108,473	114,793	108,473
Other payables		3,475	2,990	3,475	2,990
Accruals		29,418	32,882	-	-
		<u>670,546</u>	<u>600,727</u>	<u>618,474</u>	<u>544,529</u>

The directors have considered the Trade payables balance to approximate its fair value. An amount of £16,384,000 (2024 - £16,687,000) is included within amounts owed to MCPS, upon which the Group 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.

21 Creditors: amounts falling due after more than one year

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Accruals	1,309	1,478	-	-
	<u>1,309</u>	<u>1,478</u>	<u>-</u>	<u>-</u>

22 Investments - short-term deposits

Investments are short-term bank deposits consisting of £207,393,000 (2024 - £141,413,000) held in same day or overnight notice deposit accounts. £201,451,000 of these deposits are held in the Company (2024 - £135,709,000) and £5,942,000 of these deposits are held in PFM (2024 - £5,704,000). The amounts held for 3 months or less are shown as cash and cash equivalents in the Consolidated Statement of Cash Flows. The interest rates ranged between 0.5% - 4.78% (2024 - 0.5% to 5.38%).

23 Provisions for liabilities

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Legal provisions	5,034	5,722	-	-
Dilapidations provisions	915	915	-	-
	<u>5,949</u>	<u>6,637</u>	<u>-</u>	<u>-</u>

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

23 Provisions for liabilities

(Continued)

Movements on provisions:

Group	Legal provisions £000	Dilapidations provisions £000	Total £000
At 1 January 2025	5,722	915	6,637
Additional provisions in the year	2,761	-	2,761
Utilisation of provision	(3,449)	-	(3,449)
At 31 December 2025	<u>5,034</u>	<u>915</u>	<u>5,949</u>

The Group 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 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 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.

24 Retirement benefit schemes

Defined contribution schemes	2025 £000	2024 £000
Charge to Income statement in respect of defined contribution schemes	<u>2,404</u>	<u>2,279</u>

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. £348,000 (2024: £345,000) relating to defined contribution payments has been accrued for at the year-end.

Defined benefit schemes

The Group 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.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

24 Retirement benefit schemes

(Continued)

Valuation

UK legislation requires that pension schemes are funded prudently. The last funding valuations of the schemes as at 31 December 2023 showed a deficit of £12.7m in the Alliance Scheme and a deficit of £5.1m in the MCPS Scheme. The company is paying deficit contributions of £2.25m pa to the Alliance Scheme and £0.85m pa to MCPS Scheme, which, along with investment returns from return-seeking assets, are expected to make good the shortfall in the Alliance Scheme by 30 September 2029 and the shortfall in the MCPS Scheme by 30 June 2030. The next funding valuations will be carried out as at 31 December 2026, at which progress towards full-funding will be reviewed.

The results of the latest funding valuations at 31 December 2023 have been adjusted to the new balance sheet date, taking account of experience over the period since 31 December 2023, changes in market conditions, and differences in the financial and demographic assumptions. The present values of the Defined Benefit Obligation were measured using the projected unit credit method.

Key assumptions

	2025	2024
	%	%
Discount rate	5.6	5.5
Pension increases (RPI max 5%)	2.6	2.9
Expected rate of salary increases	n/a	n/a
Price inflation (CPI)	2.2	2.5
Expected rate of decrease of pensions in payment	n/a	n/a
Price inflation (RPI)	2.7	3

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2025	2024
	Years	Years
Retiring today		
- Males	21.9	21.5
- Females	24.1	23.9
Retiring in 20 years		
- Males	22.8	22.5
- Females	25.2	25.1

The post-retirement mortality assumptions allow for expected increases in longevity. The CMI mortality projections adopted in the assumptions continue to reflect the latest market data and make allowance for expected higher life expectancy for pension scheme populations compared with the national population.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

24 Retirement benefit schemes

(Continued)

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 as follows:

	Decrease/(increase) in liability	
	2025	2024
	£000	£000
Following a 0.5% p.a. decrease in the discount rate	(10,881)	(10,964)
Following a 0.5% p.a. increase in the discount rate	10,051	10,304
Following a 0.5% p.a. increase in the inflation assumptions	(4,118)	(3,600)
Following a 0.5% p.a. decrease in the inflation assumptions	3,278	4,016
Following a one-year increase in life expectancy	(6,486)	(6,851)
Following a one-year decrease in life expectancy	6,609	6,973

Amounts recognised in the income statement:

	2025	2024
	£000	£000
Past service cost	1,500	-

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

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Net present value of defined benefit liabilities	12,988	12,651	-	-
Deficit in Scheme	12,988	12,651	-	-

The defined benefit obligation comprises of £176,636,000 (2024 – £176,668,000) 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 £2,167,000 (2024 – £1,250,000) has been made during 2025 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 £883,000 (2024 – £1,250,000) has been made during 2025 to reduce the deficit in the scheme.

Contributions of £2.25m to the Alliance Scheme and £0.85m to the MCPS Scheme are expected to be paid by the company during the year ending on 31 December 2026.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

24 Retirement benefit schemes

(Continued)

Movements in the present value of defined benefit obligations

	MCPS-PRS Alliance Pension Scheme		MCPS-PRS Alliance Pension Scheme (MCPS)		Total	Total
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
At 1 January	(146,356)	(163,818)	(30,312)	(34,189)	(176,668)	(198,007)
Benefits paid	8,285	7,833	1,022	965	9,307	8,798
Interest cost	(7,822)	(7,196)	(1,639)	(1,517)	(9,461)	(8,713)
Past service cost	(500)	-	(1,000)	-	(1,500)	-
Actuarial gains	1,009	16,825	677	4,429	1,686	21,254
At 31 December	<u>(145,384)</u>	<u>(146,356)</u>	<u>(31,252)</u>	<u>(30,312)</u>	<u>(176,636)</u>	<u>(176,668)</u>

The pension plans have not invested in any of the Group's reserves, 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
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Interest on net defined benefit pension liabilities	451	175	161	223	612	398
Past service cost	500	-	1,000	-	1,500	-
	<u>951</u>	<u>175</u>	<u>1,161</u>	<u>223</u>	<u>2,112</u>	<u>398</u>

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

24 Retirement benefit schemes

(Continued)

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

	MCPS-PRS Alliance Pension Scheme	
	2025	2024
	£000	£000
Equity instruments	-	7,000
Debt instruments	78,782	68,100
Property	9,249	10,500
Cash and other	48,020	47,785
Hedge funds	-	3,700
	<hr/>	<hr/>
Fair value of scheme assets	136,051	137,085
Present value of scheme liabilities	(145,384)	(146,356)
	<hr/>	<hr/>
	(9,333)	(9,271)
Related deferred tax asset	-	-
	<hr/>	<hr/>
Net deficit	(9,333)	(9,271)
	<hr/> <hr/>	<hr/> <hr/>
	MCPS-PRS Alliance Pension Scheme (MCPS)	
	2025	2024
	£000	£000
Equity instruments	-	5,400
Debt instruments	10,871	12,800
Cash and other	16,730	5,036
Hedge funds	-	3,700
	<hr/>	<hr/>
Fair value of scheme assets	27,601	26,936
Present value of scheme liabilities	(31,252)	(30,312)
	<hr/>	<hr/>
	(3,651)	(3,376)
	<hr/>	<hr/>
Net deficit	(3,651)	(3,376)
	<hr/> <hr/>	<hr/> <hr/>
Total net pension (deficit)	(12,984)	(12,647)
	<hr/> <hr/>	<hr/> <hr/>

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

24 Retirement benefit schemes

(Continued)

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

	MCPS-PRS Alliance Pension Scheme		MCPS-PRS Alliance Pension Scheme (MCPS)		Total	
	£000		£000		£000	
As at 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 1 January 2025	137,085		26,936		164,021	
Expected return on plan assets	7,371		1,478		8,849	
Employer contributions	2,167		883		3,050	
Benefits paid	(8,285)		(1,022)		(9,307)	
Actuarial losses	(2,287)		(674)		(2,961)	
	136,051		27,601		163,652	
Actuarial (losses)/gains						
	MCPS-PRS Alliance Pension Scheme		MCPS-PRS Alliance Pension Scheme (MCPS)		Total	Total
	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000
(Losses) on plan assets	(2,287)	(22,666)	(674)	(3,254)	(2,961)	(25,920)
Gains/(losses) on plan liabilities	1,009	16,825	677	4,429	1,686	21,254
	(1,278)	(5,841)	3	1,175	(1,275)	(4,666)

The Company had no post-employment benefits at 31 December 2025 (2024: £nil).

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

25 Financial commitments, guarantees and contingent liabilities

Group and Company

Capital expenditure authorised and contracted for at 31 December 2025 was £358,000 (2024 – £3,103,000).

The annual donation to the PRS for Music Foundation in 2025 was £2,750,280 (2024 - £2,665,000) and the Company has committed to an annual donation of £2,854,791 in 2026.

In February 2024, a claim alleging breaches of UK and/or EU competition law with an application seeking an opt-out collective proceedings order was filed in the Competition Appeal Tribunal by a Proposed Class Representative against Performing Right Society Limited and PRS For Music Limited. The certification hearing took place on the 12th and 13th of February 2025 and 16th June 2025 and judgment was handed down on 27 August 2025 in favour of Performing Right Society Limited and PRS For Music Limited. The Proposed Class Representative has been granted permission to appeal, and the appeal is due to be heard on 10th or 11th June 2026. The group is continuing to robustly defend itself against these allegations

A provision is recognised in respect of the estimated legal costs to cover the known procedural steps to respond to this type of action (included within legal provisions at note 23). At present, due to the significant ongoing uncertainty regarding future impact, if any, it is not practicable to assess the timing or quantum of any possible future outflows. No further provision is recorded, because any further economic outflow is not considered probable.

As well as making provision for prospective future costs relating to the opt-out collective proceedings application, we have also made provision for costs relating to steps being taken to enforce and defend tariffs and operations in the live and cinema sectors. This is an increase on the prior year but we consider this to be vital in protecting the rights and respective income of members.

26 Operating lease commitments

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

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

	Group		Company	
	2025 £000	2024 £000	2025 £000	2024 £000
Within one year	2,368	2,314	-	-
Later than one year and not later than five years	9,456	9,230	-	-
In over five years	12,826	14,819	-	-
	<u>24,650</u>	<u>26,363</u>	<u>-</u>	<u>-</u>

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

27 Related party transactions

Group

The remuneration of key management personnel, who are also directors, is disclosed in note 7.

All members of the Group, the directors and parties related to them are entitled to royalties from the Group in respect of the performance of any copyright works owned by them. Parties related to directors include family members and companies controlled by these directors including, where appropriate, publishing companies and their subsidiaries.

During 2025, total royalties paid by PRS to the directors who held office during the year, and to parties related to the directors, amounted to £147,934,000 (2024 - £127,927,000). £145,375,000 (2024 - £126,324,000) of this was paid to publisher directors and parties related to the publisher directors, and £2,559,000 (2024 - £1,603,000) was paid to the writer directors and parties related to the writer directors. These royalties were calculated on the same basis as royalties paid to all members and are paid in accordance with the society's normal procedures, however this information is commercially sensitive and therefore related party transactions by directors have not been disclosed.

PfM received services from ICE Operations and its subsidiaries to the value of £5,120,000 (2024 - £5,200,000). PfM also charged ICE Operations an amount of £nil (2024 - £nil) for services provided and was owed a balance of £nil (2024 - £nil) and had costs to recharge of £nil at the year end (2024 - £nil). ICE Operations made a capital repayment of £nil during 2025 (2024 - £nil). Full details on loans made to ICE Operations can be found in note 18.

During the year, PfM charged ICE Services an amount for services provided of £520,000 (2024 - £485,000), paid commissions of £9,918,000 (2024 - £10,414,000) and paid service charges of £140,000 on PRS legacy deals (2024 - £nil). PfM was owed a balance of £140,000 (2024 - £nil) and had costs to recharge of £92,000 (2024 - £72,000) at the year end.

PfM received services from NMP to the value of £1,977,000 (2024 - £1,592,000). PfM also charged NMP an amount of £121,000 (2024 - £125,000) for services provided and was owed a balance of £12,000 (2024 - £10,000) at the year end.

During the year, PfM charged SOLAR an amount of £108,000 (2024 - £90,000) for services provided and paid commissions of £11,019,000 (2024 - £10,145,000). PfM was owed a balance of £nil (2024 - £8,000) at the year end. Full details on loans made to SOLAR can be found in note 18.

During the year, PfM made a contribution to UK Music 2009 Limited of £745,000 (2024 - £624,000).

During the year, PfM provided operational services to MCPS, a company with common directors, under the terms of a service level agreement. The value of the service was £17,075,000 (2024 - £15,472,000). At the year end PfM was owed a balance of £nil (2024 - £1,337,000) from MCPS and had fees to charge of £3,689,000 (2024 - £3,213,000).

During the year, PfM did not provide subsidised contributions to Music Publishers Association Limited (MPA). MPA is the parent undertaking of MCPS.

During the year, the Company made donations of £175,000 (2024 - £165,000) and PfM did not provide subsidised services including accommodation to The PRS Members' Benevolent Fund (2024 - £nil). PfM charged an amount of £510,000 (2024 - £349,000) for other services provided. PfM was owed a balance of £nil (2024 - £nil) and had costs to recharge of £nil (2024 - £7,000) at the year end.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

27 Related party transactions

(Continued)

During the year, the Company made donations of £2,750,280 (2024 - £2,665,000) and PFM provided subsidised services including accommodation to The Performing Right Society Foundation Limited. PFM did not charge an amount (2024 - £nil) for other services provided.

During the year, PFM 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 2025 was £132,000 (2024 - £190,000). During the year, PFM was charged by The Ivors Academy an amount of £137,000 (2024 - £165,000) for sponsorship.

During the year, PFM recharged PPL - PRS an amount for costs incurred of £622,000 (2024 - £618,000) and had costs to recharge of £137,000 (2024 - £150,000) at the year end. Additionally, the Group incurred service charges of £16,043,000 (2024 - £15,294,000) during the year. The Company was owed a balance of £19,554,000 (2024 - £8,600,000) at the year end for public performance collections made by PPL-PRS. Full details on loans made to PPL - PRS can be found in note 18.

Due to the highly integrated nature of the industry, many directors will also be related to customers of the Group, either through the provision of music related services to them, or as employees of the same group of companies. All transactions with any such related customers are carried out on an arm's length basis.

28 Controlling party

Performing Right Society Limited (PRS) is a company limited by guarantee and has no share capital. The directors regard PRS as the ultimate controlling party of the Group and it is the highest and lowest level of consolidation.

PERFORMING RIGHT SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

29 Cash flows generated from operations

	2025	2024
	£000	£000
Profit before taxation and funds attributable to members and affiliated societies	1,144,834	1,045,449
Adjustments for:		
WHT deducted at source from Revenue	(10,591)	(9,096)
Finance costs	612	398
Investment income	(16,851)	(16,205)
Loss on disposal of tangible assets	56	16
Loss on disposal of intangible assets	-	36
Amortisation of intangible assets	5,658	5,526
Depreciation of tangible assets	1,016	819
Foreign exchange (gains)/losses on JV investments	(919)	655
Foreign exchange (gains)/losses on cash equivalents	(1,897)	4,561
Losses/(gains) on revaluation of investment	12	(12)
Share of profit in joint ventures	(589)	(1,773)
Pension scheme movements	(1,315)	(2,500)
(Decrease)/increase in provisions	(688)	4,266
Other non-cash movements	(2)	4
Movements in working capital:		
Increase in trade and other receivables	(10,272)	(19,950)
Decrease in trade and other payables	(39,701)	(1,824)
Cash flows generated from operations	1,069,363	1,010,370

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