

# BROADCAST REVENUE

## Key concepts

Please note the following concepts which help ensure the way we distribute revenue to members is fair, accurate and transparent.

- Commercial licensee blanket revenues that cover more than one radio or TV station are divided between the stations using a two step process. Each station is allocated a fixed minimum amount per station. Any remaining money is divided between the stations in proportion to their relative music consumption.
- Works performed on broadcast sections are paid based on their total duration on that service multiplied by the calculated FPV for that service for that period.
- No distinctions are made between music used in programmes, commercials, station/channel idents, jingles or trailers.
- All audiovisual broadcasts are subject to time of day weightings and feature in separate distribution sections.
- PRS makes no distinction in licensing or distribution terms between traditional terrestrial broadcasters and cable or satellite broadcasters that it licenses directly. (Retransmissions of such services in other countries are licensed by local societies and are subject to different administration recovery rates)
- In a few instances, where PRS has licensed foreign language services broadcast from the UK but targeted at non-English speaking countries, e.g. Phoenix TV and Japan TV, PRS simply passes the licence revenue to the relevant sister society to distribute as they are better placed to identify the repertoire used.

## Broadcast sampling

PRS aims for a census or pay-per-play based distribution. PRS only uses sample data where it is not cost effective or feasible to obtain and process full census information. In these instances, PRS sets sample rates for each station on the basis of the distributable revenue collected and cost incurred collecting and processing usage for that revenue. So a high value station with reasonable quality data will be asked for a larger sample set than a low value station, where the data is more costly to process.

The sample rate is set with a minimum sample of four days per annum. It is not cost effective to process any data for services with extremely low revenue, such as very small local radio services or student radio services.

Once a sample rate has been established, days are pro-rated across the four distributions, which take place annually, and selected at random from within each period. All logs from performances on a sample day will be collected and processed.

For many sampled stations the sample is augmented by using Soundmouse sound recognition to create a virtual census. This does not happen in respect of advertising which remains sampled.

For radio stations where the revenue is less than £5,000 per annum no data is processed and an analogy is used.

## **Time of day weighting**

Following a PRS and MCPS Board decision in 2006, all TV broadcast performances from 2007 onwards have been subject to time of day weightings to reflect the likely size of the audience for each usage. These weightings dictate that one minute of music broadcast during primetime hours is worth twice as much as one minute broadcast outside primetime. Since 2008, primetime hours have been 6pm to 11pm.

Productions which straddle the border between primetime and non-primetime are classified on the basis of the time slot into which their mid-point falls.

For example, all music used in a one hour long production whose broadcast commenced at 5.45pm would be paid at the primetime rate as the production's mid-point, 6.15pm, falls within the defined primetime slot.

## **'Off Air' Performances**

As the result of a Distribution Committee decision in February 2018, TV broadcast performances during 'Off Air' time periods on a channel will be subject to a specific weighting that reflects the low audience levels for the particular type of content made available at those hours. The definition of 'Off Air' is:

"Music broadcast while the channel displays a continuous holding screen"

The weighting for 'Off Air' music minutes is 4% of the associated channel's lowest rate for time of day weightings.

## **BBC blanket licence – platform revenue splits**

The BBC is the UK's only significant publicly-funded public service broadcaster.

It is also the only major UK broadcaster licensed for a single fee that covers music used on a number of national, local and regional radio and TV stations.

The most recent BBC licence agreement provides a single annual fee covering all music used in its public service output from April 2011 onwards, for both PRS and MCPS. This revenue is split between audiovisual and radio output.

Services are classed as audiovisual or radio depending on how they are branded, irrespective of their method of delivery. For example, BBC2 is considered the same audiovisual channel whether it is received on terrestrial TV, satellite TV or online. Similarly, Radio 3 is considered a radio station whether received by traditional radio broadcast, DAB digital radio or directly streamed from the BBC's website.

### **Calculating the splits**

Firstly, 50% of the overall blanket fee is split between TV and radio based on the amount of music each platform uses, regardless of audience. The remaining 50% is apportioned in relation to each platform's music consumption, which assesses both audience share and music use.

The BBC's audiovisual channels have significantly more audience hours than its radio stations, but its radio services use significantly more music than TV does. As a result, the split varies year on year as audiences and music use fluctuate.

Having split the single fee between audiovisual and radio, the allocation for each has to be sub-divided between PRS and MCPS. Details of these splits are given later in this document under headings BBC radio and BBC TV.

This methodology was agreed by the distribution committee in May 2011 and subsequently ratified by the PRS and MCPS Board in June 2011.

### **BBC Worldwide**

This is the commercial arm of the BBC and its activities are not covered by the main BBC blanket licence. There is a separate licence for which the fee has to be split between MCPS and PRS. This licence includes the provision of BBC channels to the Republic of Ireland on the BSKYB platform. This particular element is a performing element only. The remainder of the fee is divided equally between the two societies in accordance with the standard practice for broadcast licences. This was agreed by the Distribution Committee in May 2012

## **Distribution basis summary**

A summary of the basis of broadcast distributions as of October 2011 is shown below:

Basis	Revenue
Census	<b>90%</b>
Sample	<b>9%</b>
Analogy	<b>1%</b>

## **Unmatchables and carry forwards**

PRS uses its best efforts to identify all works appearing in its distribution analysis. The term 'unmatchable usage' is used to indicate where a licensee has reported use of music but PRS or MCPS has been unable to match it to a work, whether registered or unregistered, or to identify the interested parties as members of a collecting society. The usage is therefore found to be unmatchable and is marked with a CUP code, which stands for Combined Undistributable Performances.

Certain categories of CUP coded usages, which might be identified by members or other rights-holders, are listed in the unidentified performance list on the *PRS for Music* website:

### **Included on the unidentified performance list:**

- Usage with interested parties identified as non-members
- Unpayable arrangements of public domain works
- Insufficient information or unidentifiable usage

### **Not included (as no rights are payable):**

- Sound effects or speech
- Grand rights - performance not to be paid
- Public domain works or traditional works

Usages usually appear on the unidentified performances list one calendar month after each distribution. During this month, PRS reviews the unmatchable usages to find items that should have been matched, and ensures they are processed for the next distribution.

Members and affiliated societies are able to claim these unmatched usages using the online facilities on the *PRS for Music* website.

Similarly, productions for which PRS has been unable to obtain a cue sheet are listed in the Films Lacking In Cue Sheets (FLICS) File so that members have the opportunity to provide these.

No money is reserved for any unmatchable usages. Any subsequent claims for unmatched usages are funded from the next year's revenue for the same revenue pool. Payment is at the £ per minute rate attributable at the rate in effect at the time the payment is made not at rate of the original performance period. No interest accrues or is paid to the interested parties in respect of such payments

In all cases PRS reserves the right to calculate a revised £ per minute rate for previously missed performances especially where revenue for a particular source has been or will be exhausted. On those rare occasions when this is done it will usually be done by recalculating the rate as if the missed performances had been included in the original rate calculation.

#### **Audiovisual and General Entertainment Online (GEOL) carry forwards**

Some usages are carried forward to be processed in a subsequent distribution, rather than added to the undistributed performances list. This will usually happen so that complete distributions are not delayed, and for the following reasons:

- **More research time is needed:**  
When research to confirm the correct match could not be finished in time for the distribution deadline, the usages will be carried forward to the next available distribution marked with a new target distribution (TDD).
- **Work is subject to an incomplete share picture:**  
A usage can be carried forward after being successfully matched to a work if that work has an incomplete share picture. But to make this payment, the work must have shares that are equal to 100%. This will require action to update the work.
- **Usage data received too late to process:**  
Usages can also be carried forward because they were received and loaded too late for processing.

#### **Limits to usages carried forward:**

Usages will continue to be carried forward until they are matched or cup coded. They can, in theory, be carried forward for three years from the initial target distribution, after which time they will be removed from the system.

# Public reception

## Introduction

This revenue relates to TVs and radios used in licensed premises, such as pubs, restaurants or cafés. This revenue is collected for public performance usage but is added into broadcast revenue pools for distribution because TVs and radios receive these broadcasts.

Public reception is therefore bound to the processing of broadcasting usage and is detailed here, rather than under the public performance part of this document.

## Royalty source

PRS collects revenue under a variety of tariffs relating to public performance venues such as pubs, clubs, shops and restaurants for their use of radios and TVs.

## Distribution policy

### Revenue apportionment/performance value calculation

Public reception revenue is collected for TV and radio usage, so it is paid based on reported TV and radio logs and forms a constituent of the FPV calculation of each channel or station.

Public reception revenue is initially broken into separate TV and radio pools, based upon the separate fees charged for each within the PRS public performance licensing structure.

Each pool is apportioned to stations or channels on the basis of a survey of a statistically representative sample of licensed premises. This is performed by a third party research company, which collects the viewing preferences of a range of licensees to split revenue fairly. A large proportion of the TV public reception revenue is raised from pubs, much of which is apportioned to sports channels because many pubs show live sports coverage.

The radio revenue pool is further divided between BBC and commercial radio on the basis of licensee survey data. Most radio stations are local although some are regional and some are national. The survey is not structured to be geographically representative, so revenue is further sub-divided between individual stations on the basis of broadcast revenue.

### Distribution basis

Public reception revenues are added into the revenue pools for individual stations, increasing the FPVs of those individual stations. The usages reported by the broadcasters on their broadcast logs are therefore the usages that receive public reception revenues.

### Distribution cycle

Four times a year, usually one quarter after the end of the performance period.

## Processing policy

### **Data provider and format**

Information about the radio stations and TV channels being used in public performance premises is collected on behalf of PRS by a third party research company. Data from a statistically representative sample of licensed venues is used to apportion public reception revenues to individual services.

Broadcast logs showing usage of individual works are supplied by a variety of licensees and third parties.

### **Processing thresholds and rules**

None – this revenue is distributed over broadcast data by inclusion with the broadcast revenue.

<b>Other notes</b>
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Public reception is not subject to any time of day adjustments.

This long-standing policy was confirmed by the distribution committee in May 2013 when it agreed to an increase in the size of the licensee survey.

# BBC radio

## Introduction

As the UK's major public service broadcaster the BBC has a number of radio stations serving different audience constituencies throughout the UK. There are currently 10 stations targeted across the whole of the UK, as well as regional stations that are specific to Scotland, Wales and Northern Ireland, and 40 English local stations. BBC radio is an important income source for many membership segments because of the diversity of the playlist offered across the BBC's radio network.

## Royalty source

The split of the annual BBC blanket licence fee between TV and radio is recalculated annually. Additionally, BBC radio revenue is split 96.4% PRS and 3.6% MCPS, reflecting the longstanding proportions established when the societies had separate licence contracts with the BBC.

## Distribution policy

### Revenue apportionment/performance value calculation

The total net annual PRS BBC radio revenue amount is apportioned to individual BBC radio stations on the basis of each station's individual music consumption and broadcast reach in equal measure. Broadcast reach is based on the population living within the intended broadcast signal range of each station as measured in RAJAR's target survey area.

Talk stations, where music is less than 15% of the broadcast, are down weighted by a factor of five. This downweighting was reconfirmed by the Distribution Committee in June 2014.

Each station's total annual allocation from the BBC blanket is added to its share of public reception revenue, to give a total distributable annual revenue per station.

The total distributable annual revenue per station is divided by the forecast total annual music minutes for the station to arrive at an FPV for each station.

### Distribution basis

All BBC radio stations are paid on a full census basis.

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data is provided by the licensee in electronic format.

### Processing thresholds and rules

All radio usage, including but not limited to BBC radio services, is subject to a £5 manual match threshold. Any reported work that cannot be matched automatically and that does not provide a royalty of more than £5 across all radio services, within a single distribution, will be deemed non-distributable. These usages will not be processed or paid and will not be added to the unidentified performances list.<sup>1</sup>

## **Other notes**

The BBC licence year covers usage from April to March. Distributions in respect of those usages are made from October to July.

The method for apportioning PRS BBC radio revenue to individual stations was agreed by the PRS Board in 2008 and phased in over a three year period, reaching full implementation in December 2010.

As well as its domestic radio output, the BBC blanket licence also covers the BBC World Service, which broadcasts BBC-produced programming across the globe and contains a separate sum of money to specifically cover these services.

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<sup>1</sup> Automatch rates for radio usage average around 90%. Works requiring manual match falling under this threshold therefore account for only very low levels of revenue.



# Commercial radio

## Introduction

The vast majority of commercial radio services are free-to-air services funded largely by advertising revenue. There are currently just three national commercial radio stations; Absolute Radio, Classic FM and TalkSport. Other stations broadcast locally but many are local variations of a national group and brand, such as Heart, Capital and Smooth. There are significant crossovers in the playlists of different commercial radio stations and they use fewer unique tracks overall than BBC radio.

## Royalty source

The joint licence MCPS and PRS hold with commercial radio stations charges a fixed percentage of each station's net broadcasting revenue. This is an annual blanket licence fee covering all the station's performing and mechanical usage. This single fee is split 96% PRS and 4% MCPS because the mechanical licensing requirement from MCPS is significantly smaller than the performing requirement.

## Distribution policy

### Revenue apportionment/performance value calculation

Each station is invoiced individually based upon its net broadcast revenue. The licence revenue generated is apportioned directly to its individual distribution section. Administration is deducted from each station's licence revenue to give an annual net licence revenue per station.

Each station's annual net licence revenue is added to its net share of public reception revenue to give a total distributable annual revenue per station.

The total distributable annual revenue per station is then divided by the forecast total annual music minutes for the station to arrive at an FPV for each station.

### Distribution basis

The following table summarises the basis of commercial radio distributions as of October 2013.

Basis	No. Stations	% Revenue
Census	<b>252</b>	<b>93%</b>
Sample	<b>33</b>	<b>5%</b>
Analogy	<b>55</b>	<b>2%</b>

The appendix lists radio stations paid by census with the relevant data source.

For many census stations only the main track plays and idents are actually subject to census analysis – advertising commercials are often still only sampled.

## Distribution cycle

Quarterly, one quarter after the end of the performance period.

## **Processing policy**

### **Data provider and format**

A third party, Soundmouse, uses music recognition technology to provide PRS with data about plays of commercially available musical works for 150 commercial radio stations.

Broadcasters provide performance data for music used in adverts and idents on these stations. PRS is investigating the use of music recognition technology for these usages too.

All performance data for stations not tracked by Soundmouse is provided by licensees, in both electronic and paper formats.

### **Processing thresholds and rules**

All radio usage is subject to a £5 manual match threshold. Any reported work that cannot be matched automatically and that does not generate an aggregate royalty of more than £5 across all radio services within a single distribution will be deemed non-distributable. Such low value items will not be processed or paid upon and will not be added to our unidentified performances list.<sup>2</sup>

## **Other notes**

The commercial radio licence year runs from October to September, and is distributed from April to December, with end-of-year reconciliation paid in April.

Revenue relating to plays of commercially available works for some low value stations is paid by analogy using data from similar stations. This approach is used where a strong similarity can be established between the playlists of the licensee station and a station for which census performance information is available and either the station is unable to provide census reporting or the revenue for the station is too small to make it cost effective to process even a sample of data.

No usage data is analysed for some small radio services, such as hospital and student radio services, where the revenue is very small. Revenue from these services is effectively distributed pro-rata across other radio services in the same way as public reception revenue.

The distribution committee agreed the society split in November 2012 when the new joint licence was introduced having agreed other aspects of the policy in previous years.

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<sup>2</sup> Automatch rates for radio usage average around 90%. Works requiring manual match falling under this threshold therefore account for only very low levels of revenue.

# UCB Radio

## Introduction

United Christian Broadcasters (UCB) are a charity that operates two radio stations in the UK – UCB1 and UCB2. The licensing and distribution approach for these two stations are largely similar to the commercial radio services, however there are differences that take into account the charity status of the licensee.

## Royalty source

MCPS and PRS hold a joint licence with UCB charging a fixed percentage from the station for the licence period. This is an annual blanket licence fee covering all the station's performing and mechanical usage. This single fee is split 96% PRS and 4% MCPS because the mechanical licensing requirement from MCPS is significantly smaller than the performing requirement.

## Distribution policy

### Revenue apportionment/performance value calculation

UCB stations are not invoiced individually. The licence revenue generated is instead apportioned based on the relative operating costs of the two stations, UCB1 and UCB2. Administration is deducted from each station's licence revenue to give an annual net licence revenue per station.

The rest of the process is exactly the same as commercial radio, including the addition of public reception revenue for a total distributable amount for each station.

### Distribution basis

UCB stations are distributed on a census basis.

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

As with commercial radio, reporting is partially based on Soundmouse music recognition technology and station self-reporting.

### Processing thresholds and rules

Please see Commercial Radio

## Other notes

UCB operates a slightly different licence and distribution year to the rest of radio, running from January to December, distributed in the quarterly distributions from July to April, with end of year reconciliation occurring in May each year.

## Introduction

As the UK's major public service broadcaster the BBC supplies eight TV channels domestically including general entertainment channels such as BBC1, specialist channels such as CBBC and Cbeebies for children, a news channel and BBC Parliament.

## Royalty source

The split of the annual BBC blanket licence fee between TV and radio is recalculated annually. BBC TV revenue is split 66.66667% to PRS and 33.33333% to MCPS. This was agreed by the distribution committee in May 2011 and confirmed by the PRS Board at its June 2011 meeting.

## Distribution policy

### Revenue apportionment/performance value calculation

The total annual PRS BBC TV net distributable revenue amount is apportioned to individual BBC TV stations using two measures. One third of the total revenue is apportioned to stations based upon their total music usage, effectively securing a minimum fee for a minute of music used on any of the nine BBC TV stations. The remaining two thirds of the revenue is apportioned using music consumption, which will lift the value of a minute's usage on stations with higher audience figures and music percentages. Channels where less than 15% of broadcast time uses music are down weighted by a factor of five to match the talk station down weighting used on BBC radio.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

To calculate the final FPV used for distribution purposes, each station's annual public reception allocation is divided by its unweighted points forecast to arrive at a flat FPV. This flat amount is added to both the primetime and non-primetime FPVs calculated previously in order to arrive at a final FPV for distribution.

### Worked example

Station 1 is apportioned £10,000 after administration.

Station 1 is forecast to use 750 minutes of music in non-primetime hours and 250 minutes during primetime. The non-primetime FPV is calculated as:

$$£10,000 \div (750 + (250 \times 2)) = £8 \text{ and therefore primetime FPV is } £16$$

Station 1 is also allocated £5,000 in net public reception revenue which provides additional per minute value as follows:

$$£5,000 \div (750 + 250) = £5 \text{ for both primetime and non-primetime}$$

This figure is then added to both the primetime and non-primetime FPVs calculated previously resulting in the following point values being used in the distribution:

$$\text{Non-primetime} = £8 + £5 = £13$$

Primetime = £16 + £5 = £21

### **Distribution basis**

All BBC TV stations are paid on a full census basis.

### **Distribution cycle**

Quarterly, one quarter after the end of the performance period.

## **Processing policy**

### **Data provider and format**

Data is provided by the licensee in electronic format.

### **Processing thresholds and rules**

All BBC TV usage goes through an automatch and, where necessary, manual match process.

## **Other notes**

The BBC licence year covers usage from April to March. Distributions in respect of those usages are made from October to July.

The method for apportioning PRS BBC TV revenue to stations was agreed by the PRS Board in 2008 and phased in over a three year period, reaching full implementation in July 2011.

In September 2012 the distribution committee confirmed that BBC 'Red Button' usage should be apportioned revenue as if it were a separate BBC TV channel using its rolled up audience hours and usage. Previously unpaid Red Button usage from 2009-2011 would be paid with revenue to be recouped from the PRS and MCPS BBC TV revenue pots over two years.

# ITV

## Introduction

As of September 2011:

- ITV was the UK's largest commercial TV broadcaster, accounting for around 22% of viewing across its four channels, including the +1 and HD services
- ITV1 was the biggest commercial channel in the UK.

## Royalty source

ITV pays an annual blanket licence fee covering all of its performing and mechanical usage. This single fee is split 66.66667% to PRS and 33.33333% to MCPS.

## Distribution policy

### Revenue apportionment/performance value calculation

The PRS ITV fee is apportioned to the individual channels covered under the blanket agreement by a two-step calculation:

**Step 1:** Each channel is allocated a minimum amount based on the minimum channel charge. This is the minimum fee due for any additional channel or service, regardless of audience or music usage, and is set within the licence agreement.

**Step 2:** The remaining revenue, approximately 90%, is apportioned to individual stations on the basis of music consumption.

The net amount is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

To calculate the final FPV used for distribution purposes, each station's annual public reception allocation is divided by its unweighted points forecast to arrive at a flat FPV. This flat amount is added to both primetime and non-primetime FPVs calculated previously in order to arrive at a final FPV for distribution.

### Distribution basis

The following table summarises the basis of BSkyB distributions as of March 2016:

Basis	No. stations	Revenue
Census	<b>39</b>	<b>99.7%</b>
Sample	<b>1</b>	<b>0.3%</b>

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## **Processing policy**

### **Data provider and format**

Data provided by the licensee in electronic format.

### **Processing thresholds and rules**

All ITV usage goes through an automatch and, where necessary, manual match process.

## **Other notes**

The ITV licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# BSkyB

## Introduction

As of October 2011:

- BSkyB was the largest of the UK's subscription-based cable and satellite broadcasters, accounting for more than 7% of viewing across its 80 or so channels, including HD and time-shifted variants.
- Sky Sports 1 was the most watched of the Sky channels, closely followed by Sky 1 and Sky News.

## Royalty source

BSkyB pays an annual blanket licence fee covering all of its performing and mechanical usage. Small proportions of this are for specific mechanical only or performing only uses. The remainder is for UK broadcasting and split 66.66667% to PRS and 33.33333% to MCPS.

## Distribution policy

### Revenue apportionment/performance value calculation

The PRS BSkyB fee is apportioned using the same two-step method as the ITV fee. The method to calculate final FPV is also the same.

Channels such as Sky Sports and Sky News will receive significant public reception allocations due to their common use in commercial premises like pubs and cafés.

### Distribution basis

The following table summarises the basis of BSkyB distributions as of March 2016:

Basis	No. stations	Revenue
Census	<b>41</b>	<b>90%</b>
Sample	<b>21</b>	<b>10%</b>

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

All BSkyB usage goes through an automatch and, where necessary, manual match process.



## **Other notes**

The BSKYB licence covers channels only those channels owned or run directly by BSKYB in the UK. It does not cover the services of other UK broadcasters that as a satellite operator it carries. For example, as a satellite carrier it broadcasts BBC and ITV services but these are covered by their own direct licences and not by the BSKYB licence with PRS.

As of 2013 the BSKYB licence year covers usage from July to June. Distributions in respect of those usages are made from December to October.

This policy was confirmed by the distribution committee in September 2012.

# Channel 4

## Introduction

As of October 2016:

- Channel 4 was the third largest UK free-to-air broadcaster, accounting for approximately 10% of total viewing across its four channels, and its HD and time-shifted equivalents.
- Channel 4 offered general entertainment channels as well as a free-to-air film channel, and an on-demand service

## Royalty source

Channel 4 pays an annual blanket licence fee covering all of its performing usage and any mechanical rights needed for music copied into promos, plus limited production music rights. Small proportions of this revenue is for specific mechanical only usage. The remaining revenue is split 90.31946% PRS, 9.68054% MCPS. This ratio is unique because Channel 4's mechanical licensing requirement from MCPS is significantly different from that of other broadcasters.

## Distribution policy

### Revenue apportionment/performance value calculation

The PRS Channel 4 fee is apportioned using the same two-step method as the ITV fee. The method to calculate final FPV is also the same.

### Distribution basis

All Channel 4 stations are distributed on a full census basis.

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

All Channel 4 usage goes through an automatch and, where necessary, manual match process.

## Other notes

The Channel 4 licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

This policy was reconfirmed by the distribution committee in July 2016

# Channel 5

## Introduction

As of October 2011:

- Channel 5 was the fourth largest UK free-to-air broadcaster and the smallest of the four available through traditional terrestrial broadcast means.
- Channel 5 accounted for around 5.5% of total UK viewing across its three stations.

## Royalty source

Channel 5 pays an annual blanket licence fee. This covers all of its performing usage and the mechanical rights needed for any music copied into promos for mechanicals, plus limited production music rights. Small proportions of this revenue is for specific mechanical only usage. The remaining revenue is split 89.47368% to PRS, 10.52632% to MCPS. This ratio is unique because Channel 5's mechanical licensing requirement from MCPS is significantly different from that of other broadcasters.

## Distribution policy

### Revenue apportionment/performance value calculation

The PRS Channel 5 fee is apportioned using the same two-step method as the ITV fee. The method to calculate final FPV is also the same.

### Distribution basis

All Channel 5 stations are distributed on a full census basis.

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

All Channel 5 usage goes through an automatch and, where necessary, manual match process.

## Other notes

The Channel 5 licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

This policy was reconfirmed by the distribution committee in July 2016

# Discovery

## Introduction

As well as the Discovery channels broadcast in the UK, Discovery's licence covers its performing and mechanical right exploitation for its feeds broadcast across Europe, the Middle East and Africa. PRS collects and processes actual performance data from each of these individual feeds to ensure accurate distributions. The PRS licence fee for overseas feeds covers Discovery for its direct-to-home broadcasts. PRS also receives revenues from affiliate societies, for locally licensed retransmission of Discovery feeds in these territories. Because PRS receives usage data for each feed it can make a distribution based on accurate performance logs. Retransmission is explained in more detail in the international section.

## Royalty source

Discovery pays an annual blanket licence fee covering all of its performing and mechanical usage. This single fee is split 55.55556% to PRS and 44.44444% MCPS to reflect the unique proportions of performance and mechanical licensing required.

## Distribution policy

### Revenue apportionment/performance value calculation

The PRS Discovery fee is apportioned using the same two-step method as the ITV fee.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

### Distribution basis

The following table summarises the basis of Discovery distributions as of March 2016:

Basis	No. stations	Revenue
Census	9	45%
Sample	43	55%

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

All Discovery usage goes through an automatch and, where necessary, manual match process.

**Other notes**

The Discovery licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# Turner

## Introduction

As well as the Turner channels broadcast in the UK, Turner's licence covers its performing and mechanical right exploitation for its feeds broadcast across Europe, the Middle East and Africa. PRS collects and processes actual performance data from each of these individual feeds to ensure accurate distributions. The PRS licence fee for overseas feeds covers Turner for its direct-to-home broadcasts. PRS also receives revenues from affiliate societies, for locally licensed retransmission of Turner feeds in these territories. Because PRS receives performance data for each feed it can make a distribution based on accurate performance logs. Retransmission is explained in more detail in the international section.

## Royalty source

Turner pays an annual blanket licence fee covering all of its performing usage and any mechanical exploitation associated with the copying of MCPS repertoire into promos. This single fee is split 72.73% PRS and 27.27% MCPS to reflect the unique ratio of mechanical and performance licensing.

## Distribution policy

### Revenue apportionment/performance value calculation

The PRS Turner fee is apportioned using the same two-step method as the ITV fee.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

### Distribution basis

All Turner stations are distributed on a sample basis.

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

All Turner usage goes through an automatch and, where necessary, manual match process.

## Other notes

The Turner licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# MTV

## Introduction

As well as the popular MTV channels broadcast in the UK, MTV's licence covers its performing and mechanical right exploitation for its general entertainment, music and children's channels broadcast across Europe, the Middle East and Africa. PRS collects and processes actual performance data from each of these individual feeds to ensure accurate distributions. The PRS licence fee for overseas feeds covers MTV for its direct-to-home broadcasts. PRS also receives revenues from affiliate societies, for locally licensed retransmission of Discovery feeds in these territories. Because PRS receives usage data for each feed it can make a distribution based on accurate performance logs. Retransmission is explained in more detail in the international section.

## Royalty source

MTV pays an annual blanket licence fee covering all of its performing and mechanical usage. This single fee is split 66.66667% to PRS and 33.33333% to MCPS.

## Distribution policy

### Revenue apportionment/performance value calculation

The PRS MTV fee is apportioned using the same two-step method as the ITV fee.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

### Distribution basis

The following table summarises the basis of MTV distributions as of March 2016:

Basis	No. stations	Revenue
Census	<b>10</b>	<b>75%</b>
Sample	<b>35</b>	<b>25%</b>

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

All MTV usage goes through an automatch and, where necessary, manual match process.

## Other notes

The MTV licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.



# PBS America

## Introduction

PBS America is broadcast in the UK much like BBC Worldwide is broadcast in other countries, and provides PBS content to UK viewers.

## Royalty source

PBS pay an annual licence fee that covers all performing usage and only production music mechanical usage broadcast on PBS America in the UK. The licence fee is split 92.59259% to PRS and 7.40741% to MCPS, and is unique in recognising the limited amount of mechanical usage covered by this licence.

## Distribution policy

### Revenue apportionment/performance value calculation

The PRS PBS America fee is apportioned using the same two-step method as the ITV fee.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

### Distribution basis

PBS America is distributed on a sample basis.

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

PBS America usage goes through an automatch and, where necessary, manual match process.

## Other notes

The PBS America licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# B4U

## Introduction

B4U (Bollywood For You) are a broadcaster that concentrates on Asian music and movies – specifically Bollywood. They uplink and broadcast programmes in the UK from their parent broadcaster in India on two channels – B4U Music and B4U Movies.

## Royalty source

An annual licence fee covers all performing and mechanical usage broadcast by B4U in the UK, however all of the programme content is acquired from India. As such, only the non-programme content is mechanically payable. The society split is 90% PRS and 10% MCPS to recognise the limited amount of mechanical usage payable under this licence.

## Distribution policy

### Revenue apportionment/performance value calculation

The B4U fee is apportioned using the specific fee agreed per station in the licence.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

### Distribution basis

Both B4U Music and B4U Movies are distributed on a sample basis.

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

B4U usage goes through an automatch and, where necessary, manual match process.

## Other notes

The B4U licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# BT Sport

## Introduction

BT Sports launched in 2013 and broadcasts a range of live sports across the UK although it focuses on football, mainly the Premier League.

## Royalty source

BT Sports pays an annual blanket licence fee covering all of its performing and mechanical usage, plus limited production music rights. Small proportions of this revenue is for specific mechanical only usage. The remaining revenue is split 66.66667% to PRS and 33.33333% MCPS.

## Distribution policy

### Revenue apportionment/performance value calculation

The BT Sports fee is apportioned using the same two-step method as the ITV fee.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

### Distribution basis

BT Sports channels are all distributed on a sample basis.

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

BT Sport usage goes through an automatch and, where necessary, manual match process.

## Other notes

The BT Sport licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# Fox Television

## Introduction

As of 2016, Fox broadcast a range of American programming such as *Family Guy* and *Empire* directly to the UK through its channel available on Sky and Virgin.

## Royalty source

Fox pay an annual licence fee that covers all performing usage plus a specific allocation for a limited amount of production music mechanical usage broadcast on Fox in the UK. Allowing for the specific allocation within the licence to the mechanical usage, the remaining royalty is 100% PRS. The society split for 2016, which is not a binding split and merely representative of the allocation made to this specific usage, is split 89.69072% to PRS and 10.30928% MCPS.

## Distribution policy

### Revenue apportionment/performance value calculation

The Fox fee is apportioned using the same two-step method as the ITV fee.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

### Distribution basis

Fox is distributed on a census basis as of December 2015.

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

Fox usage goes through an automatch and, where necessary, manual match process.

## Other notes

The Fox licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# The Box Plus Network

## Introduction

As of 2016, The Box Plus Network control music channels such as 4Music, Kerrang, and Magic. Through these channels, they broadcast a substantial and broad range of music across the UK and parts of Africa.

## Royalty source

The Box Plus Network pays an annual blanket licence fee covering all of its performing and mechanical usage. Small proportions of this revenue is for specific mechanical only usage. The remaining revenue is split 66.66667% to PRS and 33.33333% to MCPS.

## Distribution policy

### Revenue apportionment/performance value calculation

The Box Plus Network fee is apportioned using the same two-step method as the ITV fee.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

### Distribution basis

The following table summarises the basis of Box Plus distributions as of March 2016:

Basis	No. stations	Revenue
Census	1	39%
Sample	6	61%

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

Box TV usage goes through an automatch and, where necessary, manual match process.

## Other notes

The Box Plus Network licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# UKTV

## Introduction

UKTV is jointly owned by the BBC and Scripps Network Interactive. The licence covers its performing and mechanical right exploitation for its 10 general entertainment channels. *PRS for Music* collects and processes actual performance data from each of these individual feeds to ensure accurate distributions.

## Royalty source

UKTV pays an annual blanket licence fee covering all of its performing and mechanical usage. This single fee includes a flat fee for MCPS secondary sales. The remaining money is split 57.14286% to PRS and 42.85714% to MCPS in recognition of the unique licensing history of this broadcaster.

## Distribution policy

### Revenue apportionment/performance value calculation

The PRS UKTV fee is apportioned using the same two step method as the ITV fee.

### Distribution basis

Each UKTV channel is distributed separately on a line by line basis.

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

All UKTV usage goes through an automatch and, where necessary, manual match process.

## Other notes

The UKTV licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# CBS/AMC Network

## Introduction

Formerly known as Chellozone, CBS/AMC Network is an American TV specialist that controls channels such as CBS Action and the Horror Channel.

## Royalty source

CBS/AMC pays an annual blanket licence fee covering all of its performing and mechanical usage. Small proportions of this revenue is for specific mechanical only usage. The remaining revenue is split 61.58455% to PRS and 38.41545% MCPS in recognition of the unique licensing history of this broadcaster.

## Distribution policy

### Revenue apportionment/performance value calculation

The CBS/AMC Network fee is apportioned using the same two-step method as the ITV fee.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

### Distribution basis

All CBS/AMC channels are distributed on a sample basis

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

CBS/AMC usage goes through an automatch and, where necessary, manual match process.

## Other notes

The CBS/AMC licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# NBC Universal

## Introduction

NBC Universal is an American TV specialist that broadcasts channels such as E! Entertainment and SyFy in the UK.

## Royalty source

NBC Universal pays an annual blanket licence fee covering all of its performing and mechanical usage. Revenue is split between PRS and MCPS according to the specific licence fee split within the licence. The society split for 2016, which is not a binding split and merely representative of the allocation made in this year's licence, is 88.06001% to PRS, and 11.93999% MCPS.

## Distribution policy

### Revenue apportionment/performance value calculation

The NBC Universal fee is apportioned using the same two-step method as the ITV fee.

The net result is divided by the forecast total of weighted annual music minutes to give non-primetime and primetime FPVs. A primetime minute is weighted at two points and a non-primetime minute at one point.

### Distribution basis

All NBC Universal channels are distributed on a sample basis

### Distribution cycle

Quarterly, one quarter after the end of the performance period.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

NBC Universal usage goes through an automatch and, where necessary, manual match process.

## Other notes

The NBC Universal licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.



# Walt Disney Co

## Introduction

Walt Disney Co's licence covers its performing and mechanical rights on channels broadcasting from the UK across Europe, the Middle East and Africa. *PRS for Music* collects and processes actual performance data from each of these individual feeds to ensure accurate distributions.

## Royalty source

Walt Disney Co pays an annual blanket licence fee covering all of its performing and mechanical usage. This single fee is split 65% to PRS and 35% to MCPS in recognition of the unique licensing history of this broadcaster.

## Distribution policy

### Revenue apportionment/performance value calculation

The PRS Walt Disney Co fee is apportioned using the same two step method as the ITV fee.

### Distribution basis

Each Walt Disney channel is distributed separately on a line by line basis.

### Distribution cycle

Quarterly, one quarter after the end of the performance period. This distribution cycle is detailed under 'Standard distribution cycles and frequency' in the DISTRIBUTION CYCLES AND CONCEPTS section earlier in this document.

## Processing policy

### Data provider and format

Data provided by the licensee in electronic format.

### Processing thresholds and rules

All usage for the Walt Disney Co channels goes through an automatch and, where necessary, manual match process.

## Other notes

The Walt Disney Co licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

## Other TV stations/channels

### Introduction

Many other TV companies/stations are licensed by PRS. They are all treated and processed as outlined below.

### Royalty source

The licensee pays an annual blanket licence fee covering all of its performing usage and any mechanical exploitation associated with the copying of MCPS repertoire into programme or non-programme use. This single fee is split between PRS and MCPS in a ratio to reflect the ratio of mechanical and performing rights licensing required by the station(s).

### Distribution policy

#### Revenue apportionment/performance value calculation

Where the licence fee covers more than one station, the fee is apportioned using the same two step method as the ITV fee. In some cases the minimum per channel fee is specified in the licence and in others it is calculated by reference to the GETV Matrix.

#### Distribution basis

Each licensed channel is distributed separately on a line by line basis unless only sample data is received in which case all sample data is distributed.

#### Distribution cycle

Quarterly, one quarter after the end of the performance period. This distribution cycle is detailed under 'Standard distribution cycles and frequency' in the DISTRIBUTION CYCLES AND CONCEPTS section earlier in this document.

### Processing policy

#### Data provider and format

Data provided by the licensee in electronic format.

#### Processing thresholds and rules

All usage goes through an automatch and, where necessary, manual match process.

### Other notes

The licence year covers usage from January to December. Distributions in respect of those usages are made from July to April.

# Educational Recording Agency

## Introduction

The Educational Recording Agency (ERA) licences schools and teachers to make recordings of broadcast programmes containing copyright music for the purposes of the educational establishment. The ERA licence also allows the educational establishments to communicate those recordings and works to teachers and students connected with the establishment.

## Royalty source

ERA pays an annual blanket licence fee to *PRS for Music* to cover the mechanical and performing rights in the music of the programmes it has licensed.

## Distribution policy

### Revenue apportionment/performance value calculation

This money is split 86.5% to MCPS and 13.5% to PRS to reflect the difference in physical media usage and streaming. This is the aggregate split from a previous ERA licensing system which charged separately for physical media and streaming.

### Distribution basis

The money is allocated to those programmes which are likely to be educational from all the programming broadcast on BBC2, Channel 4, More4, Channel 5 and S4C

### Distribution cycle

Quarterly, one quarter after the end of the broadcast period.

## Processing policy

### Data provider

ERA does not collect information from the schools it licenses about the material recorded under this licence so cannot report any usage. PRS attempts to manually identify those programmes which are likely to be educational from all the programming broadcast on BBC2, Channel 4, More4, Channel 5 and S4C.

### Processing thresholds and rules

None

## Other notes

This policy was agreed by the distribution committee in November 2014.