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PERFORMING RIGHT  
SOCIETY LIMITED  
**DISTRIBUTION  
RULES**

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**Public performance  
revenue**



## PUBLIC PERFORMANCE REVENUE

### Key concepts

- PRS collects revenue for public performances under a variety of more than 40 different tariffs, largely based on the types of venue. The full list of public performance tariffs is given in the appendix.
- Royalties collected under these tariffs are usually distributed in accordance with the type of music use. For example, all royalties collected for jukebox use, irrespective of tariff, are distributed under the jukebox distribution section.
- For some tariffs, for example those that cover holiday camps, educational establishments and churches, the distribution splits do not directly relate to different uses of music at these venues. PRS takes an average from tariffs covering pubs, clubs and hotels that do charge for individual types of music use.
- PRS seeks to find the optimal balance between distribution accuracy and cost in distributing public performance revenue.
- For live concert tariffs, PRS aims to pay revenues based on the duration of the work performed, if relevant data can be obtained. Otherwise, the duration of the work registered on the PRS copyright database is used. Where no durations are known each work in the concert is apportioned the same value. Where there is a mixture of known and unknown durations those unknown will be given a default duration of three minutes one second.

### Distribution basis

A summary of the basis of public performance distributions is shown in the table below:

Basis	Revenue
Census	<b>29%</b>
Sample	<b>18%</b>
Analogy	<b>53%</b>

### Unmatchables and carry forwards for live events

Usages treated as unmatchable because they have been identified as a public domain work will have their notional share of the royalty spread across the rest of the payable works on the set list or lists, and will not be added to the unidentified performance list.

Usage with interested parties identified as non-members and those with insufficient information to enable identification will be added to the unidentified performance list.

Usages matched to works that do not have 100% distributable shares, and those not yet matched but not yet added to the unidentified performances list, are carried forward in the same way as broadcast items.

# Pop concerts

## Introduction

Revenue collected under several licensing tariffs is distributed under various pop concert distribution sections. Most revenue comes from tariff LP, the main pop concerts tariff, where revenue is collected on an event-by-event basis. The fee is calculated as a proportion of gross box office, 3% from 1988 to June 2018, and now 4% minimum from July 2018 onwards. These events included in this section range from a sell-out gig at Wembley Stadium to a ticketed event in a church hall.

## Royalty source

The venue hosting the event will be charged on an event-by-event basis, with the fee calculated as a percentage of box office.<sup>1</sup> In some cases, for example where there is no box office charge, other tariffs that contain alternative methods are used to calculate the licence fee, such as flat rate charges and percentages of expenditure on musicians.

## Distribution policy

### Revenue apportionment/performance value calculation

Pop concerts are paid on an event-by-event basis. The licence fee relating to the event is paid directly over the relevant event set lists after administration is deducted. No distinction is made between headline and support acts, with all works being treated in the same way.

Revenue is apportioned to all individual works performed within a licensed event, based on duration.

Residual revenue from events where no set list has been sourced is reconciled over known performances within the section. This occurs one year after the end of the annual licence period.<sup>2</sup>

### Distribution basis

Pop concert revenue is distributed on a full census basis. Every set list that PRS obtains is processed for distribution.

### Distribution cycle

PRS aims to include payments covering pop concerts by the second quarterly distribution after the event has taken place. For example, revenue from a May concert should be included in the October distribution, if set lists are returned rapidly.

PRS also offers a live concert service for larger events. These are usually paid outside of the quarterly PRS distributions as PRS aims to distribute these revenues within 60 days of the event taking place.

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<sup>1</sup> For more detail on tariff LP and other pop concert tariffs, please refer to [www.prsformusic.com](http://www.prsformusic.com)

<sup>2</sup> This does not preclude payment for these events should set lists be received after this reconciliation payment. Such set lists will be paid using current revenue which is not directly attributable to specific performance data, for example general live revenue.

## **Processing policy**

### **Data provider and format**

The data provider will usually be the venue, the promoter or the artist's management.

Set lists are often received in paper format.

### **Processing thresholds and rules**

There are no processing thresholds for pop concerts.

Only works that are actually performed live at concerts or are officially listed as part of a performer's set list are deemed distributable. Performances by recorded means are not considered distributable except in those instances where a DJ is listed as a performer on the promotional material and tickets for the event.

## **Other notes**

Revenue for pop festivals is distributed on a full census basis. Every set list that PRS obtains is processed for distribution. Often there is a single fee covering the entire festival so the revenue is apportioned at a stage level in proportion to the estimated size of audience attending those stages over the duration of the festival. Main stages therefore receive a higher revenue apportionment than satellite stages. PRS employees attend the major UK festivals where first-hand knowledge of the layout and size of the stages can be used to more accurately determine apportionment ratios.

Festival royalties are distributed at each quarterly distribution. These are not in respect of any particular period, but depend on which festivals have been invoiced and which set lists have been received.

Much of the data for live events is received in paper form and requires significant manual work to be entered onto the system for distribution. PRS continues to investigate more accurate and efficient methods of obtaining live performance information, including working with third parties, monitoring the effectiveness of music recognition technology and improving internal systems.

## Classical concerts

### Introduction

Revenue distributed under this distribution section is collected under various tariffs but predominantly under tariff LC, the PRS classical concerts tariff.

### Royalty source

It is collected on an event-by-event basis and calculated as a proportion of gross box office. This proportion, in many instances, depends upon the amount of controlled repertoire being performed.<sup>3</sup>

### Distribution policy

#### Revenue apportionment/performance value calculation

The licence fee payment is spread across the relevant event set lists, after administration is deducted.

Revenue is apportioned to all individual controlled works performed within a licensed event, based on duration.

Residual revenue from events where no set list has been sourced is reconciled over known performances within the section. This occurs one year after the end of the annual licence period.<sup>4</sup>

#### Distribution basis

Classical concert event revenue is distributed on a full census basis. Every set list that PRS obtains is processed for distribution.

#### Distribution cycle

PRS aims to include payments covering classical concert events by the second quarterly distribution after the event has taken place. For example, revenue from a May concert should be included in the October distribution, if set lists are returned rapidly.

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<sup>3</sup> For more detail on tariff LC and other classical concert tariffs please refer to [www.prsformusic.com](http://www.prsformusic.com).

<sup>4</sup> This does not preclude payment for these events should set lists be received after this reconciliation payment. Such set lists will be paid using revenue relating to events with no specific performance details from more recent periods, for example general live.

## **Processing policy**

### **Data provider and format**

The data provider will usually be the venue, the promoter or the artist's management.

Set lists are often received in paper format.

### **Processing thresholds and rules**

There are no processing thresholds for classical concert events.

## **Other notes**

Due to the nature of the repertoire used at classical concerts, each programme is assessed to determine the amount of copyright material has been used prior to invoicing for the event.

Unlike pop festivals, classical music festivals are usually licensed and distributed on a per concert basis

## DJ events

### Introduction

DJ events are licensed under a number of different tariffs, depending on the venue. Much of the DJ revenue comes from pubs and clubs under tariffs P, J and JMC.<sup>5</sup>

### Royalty source

Revenue distributed under the DJ events section is often collected as a separate part of a pub or club's licence fee. Revenue for DJ events is not restricted to pubs and clubs but can be found across a broad range of tariffs and types of venue.

### Distribution policy

#### Revenue apportionment/performance value calculation

Revenue comes from direct licence revenues for DJ or disco events and from the calculated apportionment of revenue sources, for example, holiday camps, educational establishments and churches, which do not have charging mechanisms related to music use.

Revenue is apportioned to individual works within the performance data in proportion to each work's share of the performance data within the distributable period, a calendar year.

#### Distribution basis

PRS uses data from music recognition technology (MRT) devices installed in a number of venues where DJ events take place. The data is used in the following ways:

- As census data to directly distribute the revenues from the venues where MRT devices are installed.
- As a representative analogy for branded chains where MRT devices are installed in a selection of a chain's venues.
- As a representative analogy for specialist dance music clubs, the value of which has been determined to be 3% of DJ Events revenue. This percentage is reviewed annually. MRT devices are installed in a selection of specialist clubs which we have determined to be representative of the sector as a whole.

For revenues not distributed using MRT data, a sample survey is conducted on behalf of PRS by market researchers. They visit licensed DJ events and record each work performed and the number of performances. This survey data is used in the following ways:

- The proportion of works that have been played three or more times is calculated against the total number of performances. This proportion of the total revenue is

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<sup>5</sup> Please refer to [www.prsformusic.com](http://www.prsformusic.com) for more details on the charging mechanisms within these tariffs.

split between these works, based on the exact number of performances appearing in the survey.

- All the survey data is compared to broadcast sources, such as relevant music radio stations, to find a range of broadcast data that most accurately represents the repertoire used in DJ events. The revenue that remains after the split described in the point above is paid out based on an analogy to the broadcast data, once the works that have already been paid in the previous point are removed from this data set.

### **Distribution cycle**

Revenues are distributed quarterly. For MRT-based distributions this will be two quarters after the period to which the performance data relates; for survey-based distributions this will be one quarter after the period to which the performance data relates.

Any residual revenues remaining at the end of the distributable period are reconciled at the final distribution. This is across all performances featuring in the relevant period, in proportion to their original earnings.

## **Processing policy**

### **Data provider and format**

DJ Monitor (DJM), an established music identification and rights monitoring organisation, provide audio recognition technology in venues where DJs perform across the UK. The DJM devices record audio files which are then transmitted to DJM and audio recognition technology is used to identify the tracks recorded. The files are then passed to PRS to be matched.

MaritzCX, an established market research organisation, collects sample data on behalf of PRS and delivers it electronically.

Additional data comes from a statistically determined mix of data used for radio and TV broadcasting distributions.

### **Processing thresholds and rules**

None – all submitted performances are processed.

## **Other notes**

This distribution policy was agreed by the Distribution Committee in July 2018 and applied to distributions from October 2018 onwards.

## General live

### Introduction

This distribution section is designed for payments of non-concert, generally non-ticketed live performances of cover works, that is, works composed by someone other than the performer/artist.

### Royalty source

This revenue is collected from licensed venues for non-ticketed live events or sessions, typically in pubs, clubs and hotels.

### Distribution policy

#### Revenue apportionment/performance value calculation

Revenue comes directly from licence revenues for relevant events, minus revenue used in funding gigs and clubs claims.

Revenue is apportioned to individual works within the performance data based on the number of performances within the distributable period, a calendar year.

#### Distribution basis

A sample survey approach, stratified on a revenue basis, is used to gather performance data. A market research company makes around 1,000 visits per annum, targeting events featuring covers repertoire. The researcher notes all tracks played within the event and submits these to PRS for processing and payment.

#### Distribution cycle

Revenue is distributed quarterly, one quarter after the performance period. Any residual revenues remaining at the end of the distributable period are reconciled at the final distribution. This is across all performances featuring in the relevant period in proportion to their original earnings.

### Processing policy

#### Data provider and format

MaritzCX, an established market research organisation, collects sample data on behalf of PRS and delivers it electronically.

#### Processing thresholds and rules

None – all submitted performances are processed.

### Other notes

Until the July 2011 distribution, the general live section was used to target performances of both original and covers material at non-ticketed live events.

Following a comprehensive review, the PRS Board decided in September 2010 that the gigs and clubs scheme provided the most accurate means of capturing performances of original material. General live data collection is now targeted towards events likely to be featuring covers repertoire.

Although the survey is targeted towards covers, any original material captured in the sample is included in the distribution.

# Gigs and clubs scheme

## Introduction

The gigs and clubs scheme exists to allow PRS members and affiliate societies, on behalf of their members, to self-report set lists from qualifying licensed events that have not been captured under the general live survey. All live sets can be submitted but those distributed under the general live survey or covered by concert licensing will not receive payment under the gigs and clubs scheme. Similarly any gigs reported at unlicensable venues will not receive payment under the scheme.

## Royalty source

This revenue is collected from licensed venues in respect of non-ticketed live events or DJ sessions.

## Distribution policy

### Revenue apportionment/performance value calculation

PRS allocates a flat rate for payment to each event or session claimed under the gigs and clubs scheme. This amount is divided between the set lists submitted for the event or sessions by claimants. As from 2016, the flat rate amount available for distribution for such an event in the UK, after PRS administration deduction, is c. £8. The total event amount is apportioned to all tracks featuring in set lists submitted in relation to the event on the basis of reported duration.

### Distribution basis

All valid claims are paid in full on a census basis.

### Distribution cycle

Valid claims will be paid in the quarterly distribution following set list submission.

## Processing policy

### Data provider and format

Data is provided directly by rights-holders.

Data is only accepted electronically via claims made through our website.

### Processing thresholds and rules

None - all submitted set lists on valid claims are processed. All claims are checked to ensure that public performance licences are in place to cover the claimed gig, and spot checks are made to ensure that the claimed gigs actually took place. PRS reserves the right to consider any claim as invalid, and therefore not distributable, if it has any reason to think that the reported gig or set list is incorrect.

## **Other notes**

The gigs and clubs scheme was introduced in 2004 and has proved extremely popular. It allows rights-holders to make sure they are paid when their music is used in non-ticketed live and DJ events.

Claims under the Gigs & Clubs scheme must be made within a year of the performance happening.

Please refer to [www.prsformusic.com](http://www.prsformusic.com) for further details of the gigs and clubs scheme.

# Cinema

## Introduction

PRS collects revenue from cinemas to cover five categories of music usage in their premises: films, trailers, adverts, idents and other such as foyer music.

## Royalty source

Cinema revenue is collected by PRS from cinema exhibitors under tariff C, which is a specific cinemas tariff. Charges are based on cinemas' annual gross box office takings and/or admission numbers.

## Distribution policy

### Revenue apportionment/performance value calculation

The table below shows how the annual cinema revenue is divided and distributed between the five distinct categories:

Category	%	Distribution treatment
Films	85%	Paid as cinema films
Trailers	3%	Added to cinema films
Idents	2%	Paid as cinema idents
Adverts	5%	Paid as cinema adverts
Other, inc. foyer music	5%	Added to general recorded – other

Film revenue is apportioned to all films that have box office takings tracked by Rentrak EDI, the cinema industry's box office measuring company. This is based on box office takings in the relevant period in proportion to share of total period box office takings. Films without Rentrak EDI box office data are deemed non-distributable. This often includes films with small numbers of screenings and showings at film or arts festivals.

The revenue allocated to each film is apportioned to works based on duration reported in the film's cue sheet. No distinction is made in respect of how music is used in a film, so there are no weightings for featured, background or title music.

PRS receives few details regarding the use of idents in cinemas. Those received are apportioned their share (based on the number of reported screenings and music content) of the 2% from the particular cinema/cinema chain's revenue. This is distributed under the Individually Recorded Use section. Ident revenue for which no performance and or music details are received is added to the 85% apportionment to Films.

Cinema advert revenue is apportioned to each advert reported by Digital Cinema Media, the UK's largest distributor of cinema advertising, in proportion to its aggregate points. A point represents an advert being shown on a single screen for a single week. The revenue allocated to each advert is apportioned to works on the basis of duration.

As of October 2013, Digital Cinema Media has over 80% of the cinema advertising market in the UK.

### Distribution basis

All cue sheets from cinema films in Rentrak EDI's box office reports are sought and paid in proportion to their relative box office takings.

All cinema ident information is sought and where received is paid on a full census basis.

All data concerning the music content of cinema adverts is sought and paid in proportion to their screenings, as reported by Digital Cinema Media.

Any residual cinema revenues are reconciled across the year's usage in the final distribution of the licence year.

### **Distribution cycle**

Cinema performances are paid quarterly, one quarter after the end of the relevant performance period.

## **Processing policy**

### **Data provider and format**

Box office data is provided by Rentrak EDI.

Cinema film cue sheets are usually provided from affiliate societies via Fastrack, the CISAC document sharing system, or from production companies. Other sources, such as composers, publishers and film distribution companies, are used occasionally.

Cinema ident data is provided by the cinema exhibitors in paper format.  
Cinema advert data is provided by Digital Cinema Media in electronic format.

### **Processing thresholds and rules**

A film must have its box office takings measured by Rentrak EDI to be eligible for inclusion in a distribution.

### **Unmatchables and carry forwards**

Money allocated to films for which cue sheets have not been received is available for three years. After this time the money is returned to the latest cinema films pool if no cue sheet is received.

## **Other notes**

Cinema has benefited from a steady reduction in administration rates following changes in distribution policy and data collection methods.

### **Simulcasts**

Cinemas often screen simulcasts<sup>6</sup> as well as film content. Some of these screenings are charged separately to the normal cinema tariff under a cinema-simulcast tariff, at 3% of the gross box office receipts (net of VAT). The exceptions are based on 'Cinematic presentations of live music events' – whether the live music event is being screened live or the live event is recorded and screened at a later date (unless extensively edited).

The following examples are covered in this tariff:

- Live opera
- Live ballet
- Live musicals
- Live concerts

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<sup>6</sup> Cinema Simulcast - the public screening in a cinema of a live event taking place at a remote location and relayed to the cinema for simultaneous exhibition

The following screenings/simulcasts are **not** covered by the new tariff, but are declared and charged with normal cinema (film) performances:

- Sporting events
- Plays with music
- Exhibition tours

## General recorded – pubs

### Introduction

This revenue is collected by PRS from pubs for background recorded music usage only, which includes simple music systems, such as a CD player and speakers.

Revenue relating to TVs and radios at the premises is distributed as public reception revenue.

### Royalty source

Revenue is collected directly from pubs ranging from major chains through to independent premises which utilise background recorded music, radios or TVs.

### Distribution policy

#### Revenue apportionment/performance value calculation

Revenue is allocated to the 'general recorded – pubs' distribution section directly from the licence fees pubs pay to cover playing recorded content on their audio equipment.

Revenue is apportioned to individual works within the analogous data set on the basis of the number of performances in the analogous data.

Initial quarterly distributions are based on an estimate of total 'general recorded - pubs' revenue that will be available for the year.

After the four quarterly, estimate payments have been made, any residual revenue remaining is paid via reconciliation. This is pro-rated across all works featuring in previous distributions from the relevant licence period.

#### Distribution basis

Revenue is distributed on an analogy basis.

A market research company carries out visits to licensed premises on behalf of PRS to collect performance information for the works being used. This data is recorded electronically and reported to PRS.

PRS runs a statistical comparison between this small subset of actual usage data and all broadcast logs. This produces the most representative mix of broadcast stations upon which to base an analogous distribution, and the proportions in which each station should feature.

Performance data from the relevant period taken from the calculated mix of analogous broadcast sources is then used as the basis for the 'general recorded – pubs' revenue distribution.

#### Distribution cycle

'General recorded – pubs' revenue is distributed quarterly, one quarter after the end of the relevant performance period.

## **Processing policy**

### **Data provider and format**

Survey data is collected by MaritzCX, a market research company. Broadcast data is provided by either a third party music recognition service or the broadcasting licensee itself. Analogy calculations are performed by PRS.

### **Processing thresholds and rules**

None – all submitted analogous performances are processed.

The data collected in the sample survey is not included in the final distribution and is used only to inform the calculation of the analogy.

### **Unmatchables and carry forwards**

Not applicable

## General recorded – shops

### Royalty source

PRS collects revenue directly from major chains to individual stores using background recorded music, radios or TVs under tariff RS.

### Distribution policy

Most revenue collected from shops follows all the aspects of the distribution policy for 'general recorded – pubs' except that a 'general recorded – shops' analogy is used. The revenue and sample usage data used for the construction of the shops analogy is collected from shops rather than pubs. However, revenue from some premises is distributed using the data supplied by the background music supplier for those specific premises.

### Other notes

Repertoire used in shops around Christmas time is subject to its own analogy distribution section due to the specialist nature of the repertoire used in shops at Christmas.

## General recorded – restaurants

### Royalty source

PRS collects revenue directly from individual restaurants and restaurant chains using background recorded music, radios or TVs.

### Distribution policy

Most revenue collected from shops follows all the aspects of the distribution policy for 'general recorded – pubs' except that a 'general recorded – restaurants' analogy is used. The revenue and sample usage data used for the construction of the restaurants analogy is collected from restaurants rather than pubs. However, revenue from some premises is distributed using the data supplied by the background music supplier for those specific premises.

Music used in South Asian restaurants is paid through a separate distribution section – see General recorded – South Asian restaurants below

A percentage of money collected from Chinese restaurants is paid directly to CASH (Hong Kong), MCSC (China) and MUST (Taiwan) for distribution to their members for Chinese repertoire usage that PRS is not able to identify at work level.

## General recorded – jukebox

### Introduction

This revenue is collected by PRS from licensed premises offering a jukebox facility under a variety of tariffs.

### Royalty source

PRS collects revenue from a variety of premises with jukeboxes, ranging from pubs to social clubs. All identifiable charges for jukeboxes are included in this distribution section.

### Distribution policy

#### Revenue apportionment/performance value calculation

Revenue is allocated to the 'general recorded – jukebox' distribution section directly from the licence fees premises pay to cover playing recorded content on their jukeboxes.

Revenue is apportioned to individual works within the sample data reported to us by one of the UK's leading Jukebox suppliers (details below).

Initial quarterly distributions are based on an estimate of total 'general recorded - jukeboxes' revenue that will be available for the year.

After the four quarterly, estimate payments have been made, any residual revenue remaining is paid via reconciliation. This is pro-rated across all works featuring in previous distributions from the relevant licence period.

#### Distribution basis

As mentioned above, revenue is distributed based on reporting delivered by one of the UK's leading jukebox suppliers.

Many jukeboxes have their music delivered online – that is they do not need to store physical copies of music, but get them transferred digitally. PRS receives usage data of music actually performed at premises from Soundnet, one of the UK's largest suppliers of repertoire to UK jukeboxes. This means our distributions use actual airplay data on UK jukeboxes.

As of July 2016, Soundnet covered almost 80% of the jukebox market. This was last reviewed in September 2015 by the Distribution Committee.

#### Distribution cycle

'General recorded – pubs' revenue is distributed quarterly, one quarter after the end of the relevant performance period.

## General recorded – karaoke

### Introduction

This revenue is collected by PRS from licensed premises hosting karaoke sessions under a variety of tariffs.

### Royalty source

PRS collects revenue from a variety of premises using karaoke, including pubs, clubs and restaurants. All identifiable charges for karaoke sessions are included in this distribution section.

### Distribution policy

All aspects of the distribution are the same as 'general recorded – pubs' except that a 'general recorded – karaoke' analogy is used. The revenue and sample usage data used for the construction of the karaoke analogy is collected from the range of premises that use karaoke rather than just pubs.

### Other notes

This policy was confirmed by the distribution committee in April 2014.

## General recorded – South Asian restaurants

### Royalty source

PRS collects revenue directly from individual restaurants and restaurant chains using background recorded music, radios or TVs.

All such charges that relate to South Asian restaurants are included in this distribution section.

### Distribution policy

#### Revenue apportionment/performance value calculation

Revenue is apportioned to individual works within the performance data in proportion to each work's share of the performance data within the distributable period, a calendar year.

#### Distribution basis

A sample survey is conducted on behalf of PRS by market researchers. They survey licensed South Asian restaurants and record each work performed and the number of performances. The total revenue is split between these works, based on the exact number of performances appearing in the survey.

#### Distribution cycle

Revenues are distributed quarterly, one quarter after the period to which the performance data relates.

Any residual revenues remaining at the end of the distributable period are reconciled at the final distribution. This is across all performances featuring in the relevant period, in proportion to their original earnings.

### Processing policy

#### Data provider and format

MaritzCX, an established market research organisation, collects sample data on behalf of PRS and delivers it electronically.

#### Processing thresholds and rules

None – all submitted performances are processed.

### Other notes

This policy relates to restaurants that are predominantly South Asian according to available data.

## General recorded – East Asian restaurants

### Royalty source

PRS collects revenue directly from individual restaurants and restaurant chains using background recorded music, radios or TVs.

All such charges that relate to East Asian restaurants are included in this distribution section, with the exception of Thai restaurants which follows the same but separate process for restaurants predominantly Thai-language according to available data.

### Distribution policy

#### Revenue apportionment/performance value calculation

Revenue is apportioned to individual works within the performance data in proportion to each work's share of the performance data within the distributable period, a calendar year.

#### Distribution basis

A sample survey is conducted on behalf of PRS by market researchers. They survey licensed East Asian restaurants and study the proportion of works performed of East Asian origin. The total revenue is split between East Asian repertoire and all other repertoire.

Royalties for East Asian repertoire is allocated to the societies that control such music according to market share – CASH (Hong Kong), MCSC (People's Republic of China), MUST (Taiwan) and MACP (Malaysia). In accordance with CISAC guidelines, a deduction of 15% is made before distribution to account for PRS sub-publishers. Royalties for all other repertoire is distributed in the same manner as General Recorded – Restaurants.

#### Distribution cycle

Revenues are distributed quarterly, one quarter after the period to which the performance data relates.

Any residual revenues remaining at the end of the distributable period are reconciled at the final distribution. This is across all performances featuring in the relevant period, in proportion to their original earnings.

### Processing policy

#### Data provider and format

MaritzCX, an established market research organisation, collects sample data on behalf of PRS and delivers it electronically.

#### Processing thresholds and rules

None – all submitted performances are processed.

### Other notes

This policy relates to East Asian restaurants that are predominantly Chinese-language.

## General recorded – other

### Introduction

This revenue is collected by PRS from a variety of venues for background recorded music usage only. This section covers all recorded background music usage not otherwise identified in the other distribution sections.

Revenue relating to TVs and radios at the premises is distributed as public reception revenue.

### Royalty source

PRS collects revenue directly from a wide range of licensees across a number of different tariffs.

### Distribution policy

All aspects of the distribution are the same as 'general recorded – pubs' except that a 'general recorded – other' analogy is used. The revenue and sample usage data used for the construction of the 'general recorded – other' analogy is collected from the range of premises contributing to the revenue pool rather than just pubs.

## General recorded – aerobics

### Introduction

This revenue is collected by PRS for recorded music usage for fitness clubs and sessions in a wide variety of premises.

Revenue relating to TVs and radios at the premises is distributed as public reception revenue.

### Royalty source

PRS collects revenue directly from the premises hosting the fitness session.

### Distribution policy

Revenue is allocated to the 'general recorded – aerobics' distribution section directly from the licence fees collected from the range of premises that have aerobics and keep fit classes.

Revenue is distributed on an analogy basis, using data returns provided by the main fitness music services providers, accounting for around 90% of all fitness sessions in the UK

### Distribution basis

The fitness music service companies make their data returns under the terms of their MCPS licence agreement. These can be in respect of physical product or music provided via download. This provides an accurate means of distributing aerobics revenue because these providers are known to add music to the key fitness programmes in each of the main health club chains in the UK.

Revenue is apportioned to individual works within the analogous data set on the basis of the number of dubbings in the analogous data.

### Distribution cycle

Initial quarterly distributions are based on an estimate of total 'general recorded - pubs' revenue that will be available for the year.

After the four quarterly, estimate payments have been made, any residual revenue remaining is paid via reconciliation. This is pro-rated across all works featuring in previous distributions from the relevant licence period.

### Other notes

This distribution policy was adopted in April 2011 after being agreed by the distribution committee in October 2010.

The committee felt that this approach provided an increase in distribution accuracy compared with the previous analogy. The repertoire used in fitness sessions is unique and cannot be accurately replicated by the usual analogy to general radio logs.

Statistical analogies for distributing public performance revenues provide an accurate means of payment. PRS continues to review data sources for all analogy based sections to increase the accuracy of distribution should more suitable data sets become available.

## General recorded – shops at Christmas

### Introduction

This distribution section reflects the season-specific music used widely in shops and stores in the run up to Christmas.

### Royalty source

PRS collects revenue directly from shops using recorded music in store.

### Distribution policy

#### Revenue apportionment/performance value calculation

Revenue is allocated to the 'general recorded – shops' distribution section directly from the licence fees covering shops use of recorded music. To reflect the works played over the Christmas season, revenue is apportioned to 'general recorded – shops at Christmas' from this overall amount, pro-rated on the proportion of the year considered as Christmas season.

The analogy for shops at Christmas is built using a subset of the survey sample data collected for the 'general recorded – shops' analogy. This subset contains sample data collected during the six week period running up to Christmas only. Because of this, the analogy captures the Christmas song bias found in stores at this time of year.

All other aspects of the distribution are the same as 'general recorded – shops', except that this distribution section is only distributed once each year, at the April distribution. No reconciliation payment is required.

## General recorded – Welsh language analogy

### Introduction

This stream of revenue represents Welsh language recorded repertoire used in any public performance analogy sections. It covers the use of Welsh language recorded repertoire in jukeboxes, karaoke sessions, restaurants, shops, pubs and other locations to reflect the use of this repertoire within Wales.

### Royalty source

PRS collects revenue directly from premises playing Welsh language repertoire across a broad section of premises types.

### Distribution policy

#### Revenue apportionment/performance value calculation

Revenue is apportioned to the Welsh language analogy section using a calculation based on PRS-commissioned surveys and the latest government figures showing the proportion of Welsh premises that use Welsh language music.

The calculation aggregates all relevant revenue collected from premises in Wales, then breaks this into revenue attributable to Welsh language repertoire. The proportion of premises in Wales using Welsh language repertoire is identified, then the proportion of Welsh language repertoire used in these premises.

Revenue collected from Welsh premises for relevant usage	X	Percentage of premises using Welsh language repertoire, as established by a government survey	X	Percentage of repertoire used within these premises accounted for by Welsh language, established by PRS survey
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Revenue is apportioned to individual works within the analogous data set based on the number of performances.

Initial quarterly distributions are based upon an estimate of total 'general recorded – Welsh language' revenue that will be available for the year. Any residual revenue remaining after the four equal quarterly, estimate-based distributions have been made is paid via reconciliation, which is pro-rated across all works featuring in previous distributions from the relevant licence period.

#### Distribution basis

This revenue is distributed by analogy to all Welsh language broadcast performance data that can be identified.

#### Distribution cycle

Royalties are paid quarterly, one quarter after the end of the relevant performance period.

## **Processing policy**

### **Data provider and format**

Survey data is collected on behalf of PRS by MaritzCX, a market research company.

Broadcast data is provided by either a third party music recognition service or the broadcast licensee itself.

The UK government's Department of Culture, Media and Sport conducts a survey of language use and provides PRS with the data.

Analogy calculations are performed by PRS.

### **Processing thresholds and rules**

None - all submitted performances are processed.

# Background music system suppliers

## Introduction

Many public performance licensees use third party suppliers to provide background music systems on their premises. The background music supplier provides licensees with music that is appropriate to each specific venue. In these cases, the end user licensee will require a public performance licence from PRS to play music.

Some background music suppliers help PRS by providing music details that enable an accurate distribution of the revenue it collects from its licensees.

## Royalty source

The revenue is collected by PRS from different premises, including large chains of shops.

## Distribution policy

### Revenue apportionment/performance value calculation

Revenue is apportioned based upon licensee information. Each licensee is asked to provide information regarding its use of music when applying for a licence. If a licensee uses a background music supplier that provides performance information for PRS, then the revenue from this licence is apportioned according to usage data from that supplier.

### Distribution basis

Where data is received from a supplier company 50% of the revenue apportioned for that supplier is distributed using the supplied data obtained from each supplier and is allocated to individual works based upon the number of reported plays.

All the remaining revenue is added to the General Recorded (Other) revenue pool and is distributed as part of that distribution group.

### Distribution cycle

Background music supplier performances are paid quarterly, one quarter after the end of the relevant performance period.

## Processing policy

### Data provider and format

Data is provided by the background music supplier in electronic format.

### Processing thresholds and rules

None - all submitted performances are processed.

## Other notes

Background music suppliers do not require a licence for public performance purposes because this is held by their customer. However, in almost all instances, background

music suppliers require an MCPS licence to copy the music they provide to the customers. They may also need a PRS licence, depending on how that music is delivered to customers. Where this supply is delivered online there is now a joint MCPS/PRS licence scheme. See the 'Business to business Music Suppliers' section below.

# Sports stadiums

## Introduction

Following the introduction of PRS tariff SE in 2009, revenue collected for music used in sports stadia has been separately identifiable and has its own distribution section. Tariff SE covers the stadium for music used for sporting events, from ground music to entry and exit music to featured music integral to the sporting event itself.

This does not cover music used in certain areas of the stadium such as cafés, social clubs, shops, restaurants, hotels or bars, or live performances taking place at the stadium.

## Royalty source

The revenue is collected by PRS from sports stadium owners or management.

## Distribution policy

### Revenue apportionment/performance value calculation

Each stadium's fee is divided between the works on its play lists, detailing repertoire it uses most frequently for the sporting events taking place.

Weightings are applied at an individual work level based upon the reported frequency of usage.

### Distribution basis

Usage data is a census of the data provided by the licensees.

If PRS is unable to obtain usage reporting from a stadium a year after the end of the licence period, the stadium's revenue is distributed in a reconciliation payment. This payment is pro-rated across all received data within the distribution section for the relevant period.

### Distribution cycle

Licensed venues are only required to report once per annum, at the end of the licence period. Most stadia will be licensed to correspond with their sports season. In the UK, football stadia provide the most revenue. The football season runs from August, so the licence period ends in July and distribution is scheduled for December. Actual distribution timing at an individual stadium level depends upon the timeliness of reporting.

## Processing policy

### Data provider and format

Data is provided by the licensee in a spreadsheet using a PRS template.

### Processing thresholds and rules

None - all submitted performances are processed.

# UK Airlines

## Introduction

PRS collects revenue for performances of its repertoire in aircraft registered in the United Kingdom by any means other than by live performance.

## Royalty source

The revenue is collected by PRS from different airlines and contains separate charges for:

- Boarding and/or disembarkation music performed by loudspeakers
- In-flight entertainment music which is all other music, whether audio or audio-visual and whether or not it is made available via headsets

## Distribution policy

### Revenue apportionment/performance value calculation

There is no apportionment as such for boarding and disembarkation music as each airlines money for this usage is distributed across the usage items reported by the airlines.

Money for in-flight entertainment is divided into three equal pots to represent audio only, usage via showings of television programmes and usage via showings cinema films.

### Distribution basis

Money for boarding and disembarkation usage is distributed across usage reported by the airlines

The three sections of in-flight entertainment are divided across the data reported by the individual airlines as follows:

- Audio is distributed across the usage items reported by the airlines.
- Film is distributed across the usage items reported by the airlines but where no such returns are received, the money for films is added into the UK Cinema Films section. As with Cinema Films, if no cue sheet is received the allocated money is returned to the current year's cinema films pool.
- TV: The money for TV programmes is split equally between BBC 1, BBC2, ITV, Channel 4 and Sky One Digital and added to the relevant distribution pools. It is therefore paid within and whenever those channels are paid.

### Distribution cycle

UK aircraft royalties are distributed twice a year.

## **Processing policy**

### **Data provider and format**

Data is provided by the airlines in electronic format.

### **Processing thresholds and rules**

None - all submitted performances are processed.

## **Other notes**

Not all airlines use boarding and disembarkation music.

Where no returns are made, the money is added into the General Recorded pool.

# UK Churches

## Introduction

PRS does not seek to licence the use of music as part of divine worship so revenue collected under the PRS Church Music Licence is for the use of music in churches outside of acts of worship.

## Royalty source

Licences are issued and revenue is collected on behalf of PRS by Christian Copyright Licensing Europe (CCLE). Charges are based on the size of the congregation.

## Distribution policy

### Revenue apportionment/performance value calculation

Every 3 years PRS conducts a survey of music used in churches outside of worship. The revenue collected under the PRS Church Music Licence is apportioned in the proportions established by the survey. The survey identifies background use of devotional music, Background use of other music, Disco use, Concert use, Other Live use, Music used in Keep fit classes and Miscellaneous Recorded use. With one exception these revenues are simply added into the distribution pools for General Live, Jukebox, Karaoke, Aerobics & Keep Fit Events and General Recorded (Other). The money apportioned to devotional music is distributed as a separate pot UK Churches.

### Distribution basis

The UK Churches allocation is distributed by analogy across data supplied by CCLE in a 6 monthly workbook, and radio broadcast data from Premier Christian Radio and Premier Gospel Radio.

### Distribution cycle

UK Churches royalties are distributed twice a year.

## Processing policy

### Data provider and format

Data is provided in spreadsheet format by CCLE and electronically by the two radio services.

### Processing thresholds and rules

None - all submitted performances are processed.

# UK Schools

## Introduction

The Copyright, Designs and Patents Act 1988, specifically excludes the curricular use of music in schools as licensable public performances. However, PRS is able to license other music use in schools including the use of music in school assemblies to which parents and guardians are invited.

## Royalty source

Licences are issued and revenue is collected on behalf of PRS by the Centre for Education and Finance Management (CEFM). Charges are based on the number of pupils.

## Distribution policy

### Revenue apportionment/performance value calculation

PRS has joined with PPL to conduct an annual survey of how music is used in schools. The survey identifies music being used in assemblies, dance and exercise classes, Disco/DJ events, Background use of other music, Other Live use and radio use. The survey also allows PRS to calculate appropriate proportions for each type of use.

### Distribution basis

With one exception the apportioned revenues are simply added into appropriate distribution pools for General Live, DJ Events, Aerobics & Keep Fit Events and General Recorded (Other).

The money apportioned to assemblies is distributed as a separate pot, UK School assemblies, across data provided by Christian Copyright Licensing International (CCLI) who are able to collect usage data from schools about the music used in class and school assemblies.

### Distribution cycle

UK School Assemblies royalties are distributed twice a year.

## Processing policy

### Data provider and format

Data is provided in spreadsheet format by CCLI.

### Processing thresholds and rules

None - all submitted performances are processed.

# TFL Busking

## Introduction

Transport for London (TFL) pay a licence fee for live music performed at designated busking pitches in London Underground stations. PRS has formulated a specific policy to enable buskers to receive royalties for these licensed performances.

## Royalty source

PRS collects royalties from the TFL via an annual licence. This covers all music performed at the designated pitches, including any original material as well as any covers performed.

## Distribution policy

### Revenue apportionment/performance value calculation

A specific per session rate is calculated from the licence fee collected from the TFL divided by the total number of licensed performances at London Underground (LU) busking pitches.

### Distribution basis

Members can make claims through the Set List Hub online tool for performances at LU busking pitches and expect each claimed session to be paid at the current per session rate calculated for that year's licence fee and licensed performances. PRS perform distributions based on the submission date of performances, not the performance dates in the claims.

### Distribution cycle

Claims submitted for busking performances will be distributed on a quarterly basis.

## Processing policy

### Data provider and format

Via Set List Hub member claims.

### Processing thresholds and rules

None - all submitted performances are processed.

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