Australasian Performing Right Association Limited
(a company limited by guarantee) and its controlled entity
ABN 42 000 016 099

Annual Financial Report
30 June 2016

Directors' report
For the year ended 30 June 2016

The directors present their report together with the financial statements of the Australasian Performing Right Association Limited (the "Company") and of the consolidated entity, being the Company and its controlled entity, for the financial year ended 30 June 2016 and the independent auditor's report thereon.

Directors

The directors of the Company at any time during or since the financial year are:

Jenny Morris OAM – Chair of the Board

Non-executive Writer Director since 1995 and Chair of the Board

A writer member of APRA since 1983, Jenny has been a music writer, performer and recording artist since 1980 with three top 5 and four top 20 singles in Australia and similar success in New Zealand. Jenny has recorded nine albums gaining gold, platinum and multi-platinum status in the process and won back to back ARIA awards for best female vocalist.

Jenny is also a Director and passionate supporter of Nordoff Robbins Music Therapy Australia. Jenny presents their biennial 'Art of Music' gala event, which raises significant and much needed funds for the charity.

Robert Aird

Non-executive Publisher Director since 1989

Robert is Managing Director of Universal Music Publishing Pty Limited, Universal Music Publishing Group Pty Ltd, Universal/MCA Publishing Pty Limited, Essex Music of Australia Pty Limited and Cromwell Music of Australia Pty Limited.

He is also a Director of the Australasian Music Publishers Association Limited and a Director and past chairman of the Australasian Mechanical Copyright Owners Society Limited.

He previously held management positions at Polygram Records and was Managing Director of Rondor Music (Australia) Pty Ltd when it was an independent company.

David Albert

Non-executive Publisher Director since 2010

David is the CEO of the Albert Group and the Managing Director of J. Albert & Son, the music and entertainment business founded in 1885 by Jacques Albert. David is the fifth generation Albert to work in the family business. David holds an MBA from the Macquarie Graduate School of Management, is the co-chair of Nordoff Robbins Music Therapy Australia and is a Director of the Australasian Music Publishers Association Limited and the Australasian Mechanical Copyright Owners Society Limited.

Amanda Brown

Non-executive Director since 2015

Amanda is a screen composer, songwriter and APRA writer member of 25 years. Amanda has composed music for film and television since 2000 and before that enjoyed a career as a multi-instrumentalist in several bands, most notably The Go-Betweens. She has worked with artists including R.E.M, silverchair, The Vines, Youth Group, The Church, The Reels, David Bridie, Halfway, The Apartments and Wendy Matthews. Amanda has a passionate interest in the encouragement and promotion of women in music and the rights of screen composers.

Matthew Capper

Non-executive Publisher Director since 2007

Matthew is the Managing Director of Warner/Chappell Music Australia Pty Ltd. He is also a Director of Chappell & Co (Australia) Pty Ltd, Wallaby Music Pty Ltd, Warner/Chappell Pty Ltd, Australasian Mechanical Copyright Owners Society Limited and is a Director and Chair of the Australasian Music Publishers Association Limited.

Brendan Gallagher

Non-executive Director since November 2014

ARIA award winner Brendan Gallagher has maintained a comprehensive career as an independent artist in the Australian music industry for over thirty years and regularly works overseas. He is a music all-rounder – singer, multi-instrumentalist, songwriter, performer, producer, composer and author.

Brendan has been an APRA Ambassador since 2010, is a member of the APRA Conflict Resolution advisory sub-committee and Chair of the internal APRA Membership and Distribution Board Sub-Committee. Brendan graduated from UTS with a BA Communication in 1988.

Don McGlashan

Non-executive Writer Director since 2010

Don has been a full-time songwriter, performer, and composer for over 30 years. He has won the Silver Scroll twice: in 1994 for *Anchor Me* and in 2006 for *Bathe In The River*. With his various bands, Blam Blam Blam, The Front Lawn, The Mutton Birds and recent solo work, he has had five top 10 albums, six top 5 singles (including one No. 1, *The Heater*) and received seven Tui awards (including, in 1993, Best Band, Best Single and Best Album with the Mutton Birds). There are five of Don’s songs in APRA’s 100 best songs of all time.

He also has had an enduring involvement in music for film and TV throughout his career: scoring 14 feature films, including Jane Campion’s *An Angel At My Table*, and Toa Fraser’s *No. 2* (which won best film score at the NZ Film & TV Awards 2006) , and five TV series, including the long-running drama Street Legal, (which won the TV score award at the same event in 2003), *This Is Not My Life*, TV1’s top drama show in 2010, which also won the "Best Original Music" award in its year of release, and Toa Fraser's ground-breaking 2015 Maori language action feature: *The Deadlands*.

Don has served on Creative NZ committees across the fields of music, theatre and education, and he was one of the founders of Auckland’s artist-run Watershed Theatre, being heavily engaged in the set-up and operation of that venue through the early nineties.

Ian James

Non-executive Publisher Director since 1991 and Deputy Chair of the Board

Ian has been the Managing Director of Mushroom Music Pty Limited since 1986. He is also a Director of the Australasian Mechanical Copyright Owners Society Limited and the Australasian Music Publishers Association Limited.

Ian has a Bachelor of Commerce (Applied Psychology) from the University of New South Wales and was employed by the Australasian Performing Right Association Limited from 1976 to 1986 in several management positions. In 2014 he was appointed as the Adjunct Professor at the Victoria University College of Business and in 2016 he was elected to the Board of the International Confederation of Music Publishers (ICMP).

Chris Neal

Non-executive Writer Director since 2000

A Writer member of APRA since 1972, Chris is a songwriter and screen composer with feature film and TV drama credits spanning 40 years and including such titles as *Turtle Beach, Bodyline, Farscape, Emerald City* and *The Shiralee*.

Chris was a founding member and past president of the Australian Guild of Screen Composers and a representative for the interests of composer colleagues since 1987. Chris was a member of the film industry lobby group informing the Broadcasting Tribunal drafting of Standard TPS 14 which guaranteed the place of Australian music in local content regulation for commercial television.

Damian Trotter

Non-executive Publisher Director since 2000

Damian is the Managing Director of Sony/ATV Music Publishing and a Director and former Chairman of the Australasian Mechanical Copyright Owners Society Limited and the Australasian Music Publishers Association Limited.

After joining CBS Records in 1981, he held various positions including Local Artist A&R/Marketing Manager and National Promotions Manager. After a brief stint at Warner Music in 1990 as General Manager of East West Records, he returned to Sony to head up the re started publishing company in 1992 .

Following the merger of Sony/ATV Music Publishing with EMI Music Publishing in 2012, Damian was appointed Managing Director of both companies.

Philip Walker

Non-executive Director since 2012

Philip is Chairman of Origin Music Group and Chairman of the Sago Group. He has a Bachelor of Business degree from the University of Technology. Philip is a Fellow of Chartered Accountants Australia and New Zealand, a Member of the Financial Services Institute of Australasia, the Australian Institute of Company Directors and a Member of the Australian Institute of Management. He has previously served as a Director and Honorary Treasurer of the Craft Council of New South Wales. He was in practice as a Chartered Accountant, Auditor and Tax Agent from 1980 – 1998 and is also a Director of the Australasian Music Publishers Association Limited and the Australasian Mechanical Copyright Owners Society Limited. His not for profit work includes Chairman of the Antony Kidman Foundation, a charity doing research and treatment in the area of youth mental health; Founder and chair of the Smoky Dawson Foundation and a director of the Bouddi Foundation for the Arts supporting young people in the arts.

Nigel Westlake

Non-executive Writer Director since 2008

Nigel's career, spanning almost 4 decades, began as a clarinettist touring Australia and the world with many ensembles. He began composing from 1980, receiving offers to write for radio, theatre, circus, TV and film. His film credits include *Paper Planes*, *Miss Potter*, *Babe*, *Children of the Revolution* and the IMAX films *Antarctica* and *Imagine*. He writes extensively for the concert hall, receiving commissions to write for orchestras, ensembles and soloists. Nigel has received many awards including 15 AGSC / APRA awards, across both classical and screen categories & the Gold Medal for "Best Original Music" at the New York International Radio Festival. His "Missa Solis – Requiem for Eli" won the Paul Lowin Orchestral Prize in 2013 and "Compassion" a song cycle for voice & orchestra won the ARIA award for Best Classical Album in 2014. He has conducted all the major symphony orchestras in Australia & holds an honorary doctorate awarded in 2013 by the University of NSW.

Company secretary

Jonathan Carter

Company Secretary since 2010

Jonathan Carter is General Counsel and Company Secretary of the Australasian Performing Right Association Limited and the Australasian Mechanical Copyright Owners Society Limited, managing the legal affairs of both organisations. After being admitted to practise in 2001, Jonathan was appointed associate to the Honourable Justice Heerey of the Federal Court of Australia, who at that time was Chair of the Court's intellectual property law panel. Jonathan worked in the intellectual property group of national law firm Allens Arthur Robinson, before taking in-house legal and management roles at Sony Music Entertainment Australia and then EMI Music Australia. Jonathan has degrees in arts and law with double first class honours from the University of Sydney.

Directors’ meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year 2015/2016 are:

Directors	Board Meetings		Audit & Governance Committee		Joint Audit & Governance Committee		Membership & Distribution Committee		Awards & Grants Committee	
	A	B	A	B	A	A	B	B	A	B
Robert Aird	7	7	3^	2	7	7			5	6
David Albert	7	7	5	5	11	12				
Amanda Brown	4	4							3	3
Matthew Capper	5	7			10ν	12	6ν	6		
Brendan Gallagher	7	7					5	6		
Ian James	6	7			3	12	6ν	6		
Don McGlashan	7	7							6ν	6
Jenny Morris (Chair)=	6	7	3	5	9	12	4	6	4	6
Chris Neal	7	7			12	12	6	6		
Mike Perjanik*	2	2	3	3	4	5				
Damian Trotter	6	7	1^	-	8	11			6	6
Nigel Westlake	7	7							6	6
Philip Walker	7	7	4	5	10	12				

A Number of meetings attended
B Number of meetings held during the time the director held office during the year
V The director attended some meetings via video or teleconference link
= Jenny Morris attends all Committee meetings where possible, as an observer
^ Attended as Back up committee member
* Mike Perjanik retired 17/11/15

Lead auditors independent declaration

The Lead Auditor’s Independence Declaration is set out on page 11 and forms part of the Directors’ Report for the financial year ended 30 June 2016.

Principal activities

The principal activities of the consolidated entity were the licensing of the public performance and communication of music under its control and the collection of fees in consequence.
There were no significant changes in the nature of activities of the consolidated entity during the year.

State of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review.

Review and results of operations

The net operating income for the year attributable to the members of the Australasian Performing Right Association Limited was:

	Consolidated 2016 $'000	Consolidated 2015 $'000
Television, Radio, Public Performance and Digital revenue	218,876	195,091
Management services	7,870	7,372
Interest from other parties	1,075	1,302
Profit from the sale of non-current assets	-	31
Other income	95	96
Domestic revenue	227,916	204,144
Distributions received from affiliated societies	38,285	34,008
Operating income	266,201	238,152
Operating expenses for the year	(30,889)	(30,181)
System development related expenses	(6,400)	-
Expenses of administering AMCOS mandate	(9,752)	(7,561)
Income tax expense attributable to net operating revenue	-	-
Net operating income after income tax	219,160	200,410
Less: Royalties paid and payable to members and affiliated societies	(219,160)	(200,410)
Retained profits at the end of the financial year	-	-

System development related expenses are comprised of internal project team costs expensed to profit or loss in the reported year. As disclosed in note 3.2 page 26, this value represents 75% of such expenses with the remaining 25% included in 'Expenses of administering AMCOS mandate'. Note 5.2 on page 37 provides details of personnel expenses within total system development related expenses.

Objectives

APRA is focused on building a strong, financially viable business - a business continuing to deliver benefits to both consumers and creators of music and one that is connected with the community and industry that sustains us.

APRA actively contributes to public policy development and debate on issues that affect our members and licensees and in the coming year we will continue our work with politicians on both sides of government with a focus on the creator's rights of innovation, economic and cultural wealth. We will participate heavily in the review of copyright law as it applies to the 'Digital Economy'.

Our strategic priorities for 2016 remain the same: service, transparency and equitable return for our members - simplifying and streamlining our services will continue to be high on the agenda.
Our core objectives continue to include:

- Delivering increased royalty distributions to members by way of growing our revenue base on the one hand and continuing to seek operational efficiencies to reduce administration costs charged to members on the other;
- Ensuring compliance with the collecting societies Code of Conduct in all facets of our business; and
- Remaining connected to our members through our planned program of events in conjunction with AMCOS, across the 2016 year.

Likely developments

The consolidated entity will continue licensing the public performance and communication of music under its control and the collection of fees in consequence.
Further information about likely developments in the operations of the consolidated entity and the expected results of these operations in future financial years has not been included in the report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Events subsequent to balance date

There were no other items, transactions or events of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

Environmental regulation

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However the Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements which apply to the consolidated entity.

Indemnification and insurance of officers

Insurance premiums
Since the end of the previous financial year the Company has paid insurance premiums of $19,000 in respect of directors' and officers' liability and legal expenses insurance contracts, for current and former officers, including executive officers of the Company. The insurance premiums relate to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual officers of the Company.

Indemnification
Since the end of the previous financial year the Company has not indemnified or made a relevant agreement for indemnifying against a liability, any person who is or has been, an officer or auditor of the Company.

Members' guarantee

The Company is limited by guarantee. Every member of the Company has a liability to contribute towards any deficiencies in the event of the winding up of the Company, to the extent of twenty dollars per member. At 30 June 2016 the Company had 89,421 (2015: 85,987) members, resulting in a total guarantee of $1,788,420 (2015: $1,719,740).

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument amounts in the financial report and Directors' report have been rounded off to the nearest one thousand dollars, unless otherwise stated.

Dated at Sydney, on 15 September 2016.

Signed in accordance with a resolution of the directors:

J Morris

I J James

Directors' declaration

1. In the opinion of the directors of the Australasian Performing Right Association Limited ("the Company"):
   (a) the financial statements and accompanying information are in accordance with the Corporations Act, 2001, including:
      (i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2016 and of their performance, for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors draw attention to section 1 following the financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Sydney on 15 September 2016.

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J Morris

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I J James

Corporate governance statement

Australasian Performing Right Association Limited's ('APRA', 'the Company') corporate governance framework, policies and practices can be read at http://apraamcos.com.au/about-us/governance-and-policy/apra-amcos-corporate-docs/.

These corporate governance principles also apply to APRA's subsidiary company APRA New Zealand Limited.

Lead Auditor’s Independence Declaration under Section 307C of the Corporation Act 2001

To: the directors of the Australasian Performing Right Association Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Anthony Travers
Partner
Sydney
15 September 2016

Independent auditor’s report to the members of the Australasian Performing Right Association Limited

We have audited the accompanying financial report of Australasian Performing Right Association Limited (the Company), which comprises the statements of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the year ended on that date, notes 1.1 to 6.4 comprising a summary of significant accounting policies and other explanatory information and the directors’ declaration of the Company and the consolidated entity comprising the Company and the entity it controlled at the year’s end or from time to time during the financial year.

Directors’ responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1.2, the Directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements of the company and consolidated entity comply with International Financial Reporting Standards.

Auditor’s responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company’s and the consolidated entity’s financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditor's report to the members of the Australasian Performing Right Association Limited

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Australasian Performing Right Association Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2016 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.2

KPMG

KPMG

Anthony Travers
Partner
Sydney
15 September 2016

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Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Section	2016 $'000	2015 $'000
Revenue from rendering of services	2.4	265,031	236,723
Other income		1,170	1,429
Mechanical rights expenses		(9,753)	(7,561)
Licensing expenses		(8,135)	(7,886)
Administration and finance expenses		(8,707)	(8,114)
Information services expenses		(10,141)	(4,942)
Distribution expenses		(3,315)	(3,114)
Member services expenses		(4,312)	(3,723)
International expenses		(1,461)	(1,322)
Corporate services & communications		(1,218)	(1,080)
Royalties paid and payable to members and affiliated societies		(219,160)	(200,410)
Profit before income tax		-	-
Income tax expense	2.3	-	-
Profit for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

Consolidated statement of financial position
As at 30 June 2016

	Section	2016 $'000	2015 $'000
Current assets			
Cash and cash equivalents	3.7	17,905	12,405
Cash on deposit	3.7	23,771	32,446
Trade and other receivables	3.5	46,590	40,593
Total current assets		88,266	85,444
Non-current assets			
Property, plant and equipment	3.1	22,038	22,334
Intangible assets	3.4	12,434	10,791
Total non-current assets		34,472	33,125
Total assets		122,738	118,569
Current liabilities			
Trade and other payables	3.6	9,971	8,506
Royalties payable	2.2	108,012	106,013
Employee benefits	5.1	4,047	3,464
Total current liabilities		122,030	117,983
Non-current liabilities			
Employee benefits	5.1	708	586
Total non-current liabilities		708	586
Total liabilities		122,738	118,569
Net assets		-	-
Members' equity			
Retained earnings		-	-

Consolidated statement of changes in equity
For the year ended 30 June 2016

	2016 $'000	2015 $'000
Retained earnings and total equity		
Balance at 1 July	-	-
Total comprehensive income for the year	-	-
Balance at 30 June	-	-

APRA's purpose is to license the use of music and to return to its members all of those fees less the administration costs associated with its operations. APRA does not retain members' funds and as such equity balances are not held.

Consolidated statement of cash flows
For the year ended 30 June 2016

	Section	2016 $'000	2015 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		283,742	256,218
Royalties paid		(227,823)	(194,188)
Cash paid to suppliers and employees		(56,237)	(48,109)
Interest received		1,075	1,302
Income taxes (paid)/ refunded		(3)	(2)
Net cash provided by operating activities	2.4	754	15,221
Cash flows from investing activities			
Payments for property, plant and equipment		(340)	(754)
Payments for intangible assets		(3,974)	(9,795)
Net proceeds from sale of non-current assets		-	730
Decrease/(increase) in cash on deposit		8,927	(10,687)
Net cash provided by/(used in) investing activities		4,613	(20,506)
Net Increase /(decrease) in cash held		5,367	(5,285)
Cash at the beginning of the financial year		12,405	17,750
Effect of exchange rate fluctuations on cash held		133	(60)
Cash at the end of the financial year	3.7	17,905	12,405

1. About this report

1.1 Reporting entity

Australasian Performing Right Association Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is 16 Mountain Street, Ultimo, New South Wales, 2007. The consolidated financial statements of the Company as at and for the year ended 30 June 2016 comprise the Company and its subsidiary APRA New Zealand Limited (together referred to as the 'consolidated entity').

The Company's controlled entity is the wholly owned subsidiary APRA New Zealand Limited, a company incorporated in New Zealand.

The Company is limited by guarantee. Every member of the Company has a liability to contribute towards any deficiencies in the event of the winding up of the Company, to the extent of twenty dollars per member. At 30 June 2016 the Company had 89,421 (2015: 85,987) members, resulting in a total guarantee of $1,788,420 (2015: $1,719,740).

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

1.2 Basis of preparation

Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASB's) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 15 September 2016.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis as the consolidated entity has no derivatives or financial instruments measured at fair value.

Principal activities

The principal activities of the consolidated entity were the licensing of the public performance and communication of music under its control and the collection of fees in consequence. APRA is a non-profit making entity.

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument amounts in the financial report and Directors' report have been rounded off to the nearest one thousand dollars, unless otherwise stated.

Operating leases

The consolidated entity leases offices under non-cancellable operating leases expiring from 1 to 5 years. Leases of offices generally provide the Company with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on the Consumer Price Index.

2. Results for the year

2.1 Revenue and other income

Revenue from rendering of services

Licence fee revenue is recognised in the statement of profit or loss and other comprehensive income on an accruals basis in the period over which the licence is issued. For licences where the consolidated entity does not have a requirement to refund monies if the licence is cancelled, revenue is recognised immediately. An accrual is only recognised when the revenue can be estimated reliably.

Interest income

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method.

	Consolidated	
	2016	2015
	$'000	$'000
Licence fee revenue from:		
Television, Radio and Digital	146,290	126,205
Public Performance	72,586	69,138
Distributions received from affiliated societies	38,285	34,008
	257,161	229,351
Management services	7,870	7,372
Revenue from rendering of services	265,031	236,723

2.2 Royalty distributions and royalties payable

Distributable revenue of the Company and the consolidated entity comprises gross licence fees collected plus investment income earned on such fees, less administrative expenses. During the year distributable revenue was distributed on a quarterly basis with members receiving payment following the quarters ended 30 September, 31 December, 31 March and 30 June. Payments to affiliated societies are made one month after payments to members.

Distributions to members are made from separate pools based upon the source of revenue (for example, broadly from television, radio, concerts, other). A points system is used whereby credit points are attached to performances based on various criteria including duration and the use and time of broadcasting of the music.

Distributable revenue received which cannot be allocated to a specific pool, is apportioned to those pools, which in the Board's view most accurately reflect the music performed.

Royalty allocations are made to writer and publisher members and affiliated societies in accordance with the Company's and the consolidated entity's rules. In the absence of specific notification of contractual agreement to the contrary, the shares of a musical work are allocated in accordance with the guidelines of the Distribution Rules.

Royalties payable are recognised on the statement of financial position for amounts to be distributed to members in future periods.

	Consolidated	
	2016	2015
	$'000	$'000
Royalties owing to members and affiliated societies	108,012	106,013

2.3 Taxation

Under the "Tax Laws Amendment (2004 Measures No 6) Act 2005 Schedule 2 – Collecting Societies", the Company is tax exempt with respect to copyright income, and non-copyright income up to certain limits. The Australian Company is no longer taxed on any copyright income it collects and holds on behalf of members, pending distribution to them. Amounts of non-copyright income above the prescribed limits are taxed at the top marginal tax rate for individuals (currently 46.5%). The Company is not taxed on non-copyright income to the extent that non-copyright income does not exceed the lesser of:

- 5% of the total amount of copyright income of the Company for the income year; and
- $5 million or such other amount as is prescribed by the regulations.

Non-copyright income did not exceed the prescribed limits in 2016 or 2015. The New Zealand subsidiary is taxed in accordance with the company tax law in New Zealand and at 30 June 2016 has a tax liability (NZD) of $nil (2015: $nil).

2.4 Segment reporting

A segment is a distinguishable component of the Company or the consolidated entity that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The consolidated entity derives the majority of its revenue from its principal activity of licensing the public performance and communication of music under the consolidated entity's control and operates in the following major geographical segments:

	Australasia		Outside Australasia		Total	
	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue	226,746	202,715	38,285	34,008	265,031	236,723

Distributable revenue of the consolidated entity comprises gross licence fees collected plus investment income earned on such fees, less administrative expenses. As a result of this distribution policy, the operating profit in each geographical segment is nil. Assets are held within Australasia.
The consolidated entity operates in one business segment, being the licensing of public performance and communication of music under its control.

Reconciliation of cash

For the purpose of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the financial year as shown in the statement of cash flow is reconciled to the related items in the statement of financial position as follows:

Reconciliation of profit after income tax to net cash provided by operating activities

	Consolidated	
	2016	2015
	$'000	$'000
Profit after income tax	-	-
Adjustments for:		
Loss/(Profit)on sale of non-current assets	74	(31)
Depreciation	703	1,466
Amortisation of intangibles	268	253
Net cash provided by operating activities before change in assets and liabilities	1,045	1,688
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(3,207)	704
Increase in trade and other payables	1,367	714
Increase in royalties payable	853	11,769
Increase in employee benefits	696	346
Net cash provided by operating activities	754	15,221

3. Members' assets

3.1 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" in profit or loss.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company and the consolidated entity. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit or loss over the estimated useful lives of each component. Land is not depreciated. Items of property, plant and equipment are depreciated from the date they are ready for use.

The estimated useful lives for the current and comparative periods are as follows:

- buildings — 100 years
- office furniture, fixtures, fittings and equipment — 2-40 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

	Consolidated			
	Land	Buildings	Plant & Equipment	Total
	$'000	$'000	$'000	$'000
Cost				
Balance as at 1 July 2014	7,319	14,499	11,364	33,182
Acquisitions	-	-	755	755
Disposals	-	-	(1,504)	(1,504)
Effect of movements in foreign exchange	(30)	(52)	(33)	(115)
Balance as at 30 June 2015	7,289	14,447	10,582	32,318
Balance as at 1 July 2015	7,289	14,447	10,582	32,318
Acquisitions	-	-	363	363
Disposals	-	-	(462)	(462)
Effect of movements in foreign exchange	48	83	43	174
Balance as at 30 June 2016	7,337	14,530	10,526	32,393
Depreciation				
Balance as at 1 July 2014		853	8,493	9,346
Depreciation charge for the year	-	145	1,321	1,466
Disposals	-	-	(806)	(806)
Effect of movements in foreign exchange	-	(3)	(19)	(22)
Balance as at 30 June 2015	-	995	8,989	9,984
Balance as at 1 July 2015	-	995	8,989	9,984
Depreciation charge for the year	-	145	558	703
Disposals	-	-	(367)	(367)
Effect of movements in foreign exchange	-	6	29	35
Balance as at 30 June 2016	-	1,146	9,209	10,355
Carrying amounts				
At 1 July 2014	7,319	13,646	2,871	23,836
At 30 June 2015	7,289	13,452	1,593	22,334
At 1 July 2015	7,289	13,452	1,593	22,334
At 30 June 2016	7,337	13,384	1,317	22,038

3.2 Capital expenditure commitments

The consolidated entity has the following commitments for capital expenditure as at 30 June 2016:

Following its meeting of the Board of Directors held on 24 July 2014, The Company entered into an agreement for the purchase and development of information technology infrastructure. The value of the commitment under this contract is $17.4m AUD (2015: $15.8m), with total project costs approved by the Board of Directors post 30 June 2016 of $38.7m AUD (2015: $25.8m). The board considers the delivery of this technology essential to the future operations of the company and its ability to deliver 'best in class' services to members.

This project carries with it significant risks. Primarily, those risks are associated with the possible over-run, or change of scope of the project, both of which could result in costs which exceed those approved by the Board. This risk is mitigated as much as possible with the secondment of a specific team from the business comprised of subject matter experts, joining the contracted party on-site to manage both scope and delivery. Further, the contract entered into is on a fixed price basis for the delivery of a specific set of objectives, with that set of objectives forming part of the contract.

To govern this project a stand-alone governance structure has been created involving all members of the highest ranks of management together with the CEO (the Steering Committee) and the project frequently reported to and overseen by the Audit and Governance Committees of both APRA and AMCOS.

This project and the resulting technology asset is shared with Australasian Mechanical Copyright Owners Society Limited on an ownership basis of 75% interest held by The Company, and 25% held by Australasian Mechanical Copyright Owners Society Limited.

3.3 Impairment of assets

Financial assets

A financial asset (including receivables) not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. With financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversals are recognised in profit or loss.
With available-for-sale financial assets that are equity securities, the reversals are recognised directly in equity.

An impairment loss in respect of assets recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The aging of the consolidated entity and the Company's trade and other receivables at the reporting date was:

	Consolidated	
	2016	2015
	$'000	$'000
Not past due	10,310	9,600
Past due 0-30 days	5,346	9,594
Past due 31-120 days	7,023	3,543
Past due 121 days and greater	23,091	16,747
	45,770	39,484
Impairment provision	(1,393)	(473)
	44,377	39,011

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Consolidated	
	2016	2015
	$'000	$'000
Balance at 1 July	(473)	(2,285)
Impairment loss recognised	(1,393)	(473)
Provision reversed in the year	473	2,285
Balance as at 30 June	(1,393)	(473)

3.4 Intangible assets

Intangible assets relates to computer software acquired by the Company and the consolidated entity, which have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- capitalised computer software costs 5 years

	Consolidated	
	2016	2015
	$'000	$'000
Computer software		
Cost		
Balance at 1 July	11,364	1,569
Acquisitions	3,973	9,795
Disposals	-	-
Transfer to Profit and Loss	(2,071)	-
Balance at 30 June	13,266	11,364

Transfer to Profit and Loss
The 2016 opening balance of computer software contains aggregated expenses relating to internal staff dedicated, on a full time basis, to the delivery of a new technology platform. As these incidental operations are not necessary to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management, their associated costs have been expensed in the profit and loss during the year ended 30 June 2016 and disclosed in this note as 'Transfer to Profit and Loss'.

	Consolidated	
	2016	2015
	$'000	$'000
Amortisation and Impairment Losses		
Balance at 1 July	573	313
Amortisation charge for the year	268	253
Disposals	-	-
Effect of movements in foreign exchange	(9)	7
Balance at 30 June	832	573

Carrying amounts	
At 1 July 2014	1,256
At 30 June 2015	10,791
At 1 July 2015	10,791
At 30 June 2016	12,434

3.5 Trade and other receivables

Trade and other receivables are stated at amortised cost less impairment losses which are discussed in section 3.3. Trade debtors are normally settled within 60 days.

	Consolidated	
	2016	2015
	$'000	$'000
Current		
Net Trade and other receivables	41,993	37,383
Amounts receivable from AMCOS	2,384	1,628
Prepayments	2,213	1,582
	46,590	40,593

3.6 Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received whether or not billed to the Company or the consolidated entity. They are initially recognised at fair value, then at amortised cost. Trade accounts payable are normally settled within 60 days.

	Consolidated	
	2016	2015
	$'000	$'000
Trade creditors	7,343	5,508
Other creditors and accruals	1,588	1,887
Deferred income	1,040	1,111
	9,971	8,506

3.7 Cash, cash equivalents and cash on deposit

	Consolidated	
	2016	2015
	$'000	$'000
Cash at bank	17,905	12,405
Short term deposits	-	-
	17,905	12,405
Cash on deposit	23,771	32,446
	41,676	44,851

Short term deposits are term deposits with a term up to 90 days. Cash on deposit are term deposits with a term of greater than 90 days. Interest rates for the financial year ended 30 June 2016 were between 1.95% and 2.25% (2015: 2.96% and 3.44%), which were the prevailing interest rates on cash at bank, short term deposits and cash on deposit.

4. Risk management

4.1 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are described in section 4.3.

4.2 Going concern

As at 30 June 2016, consolidated current liabilities exceed consolidated current assets by $33,764,000 (2015: $32,539,000). The Directors believe it is appropriate to prepare the consolidated financial statements on a going concern basis as distributable amounts payable are disclosed as current liabilities as they are payable at call, however in practise a portion of this balance, which the Directors expect will exceed the deficiency above, will not be paid in the next twelve months.

4.3 Financial instruments

Recognition of non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, trade and other payables and royalties payable.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company or consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company or consolidated entity's contractual rights to the cash flows from the financial assets expire or if the Company or consolidated entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company or consolidated entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company or consolidated entity's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income is discussed in section 2.1.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Financial risk management

Overview

The consolidated entity has exposure to the following risks from the use of financial instruments:

- credit risk;
- liquidity risk;
- market risk; and
- operational risk.

This note presents information about the consolidated entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included in this note.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Audit and Governance Committee which is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board of Directors on its activities.

Risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated activities. The Company and its subsidiary through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Governance Committee oversees how management monitors compliance with the consolidated entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the consolidated entity.

Credit risk

Credit risk represents the loss that would be recognised if a customer or counterparty failed to perform their contractual obligations and arises principally from the consolidated entity's receivables from licensees.

Trade receivables

The consolidated entity's exposure to credit risk is influenced mainly by the individual characteristics of each licensee. Concentrations of credit risk are minimised by undertaking transactions with a large number of licensees and counterparties with no geographical concentration. Approximately 33% of the consolidated entity's revenue base is attributable to general licensing where licensee fees are paid at the beginning of the license period, normally twelve months. The Audit and Governance Committee has established a credit policy under which defaulting licensees are pursued rigorously with the assistance of a collection agency.

The consolidated entity has established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is that trade debtor balances are assessed on an individual account basis and provided for when recovery is considered doubtful.

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

Typically the consolidated entity ensures that it has sufficient cash on demand to meet expected member distributions and operational expenses for a period of 30 days, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The consolidated entity has additional deposits invested for short terms varying from 30-90 days.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the consolidated entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The currencies the consolidated entity is primarily exposed to, other than the respective functional currencies of the consolidated entity, are Euro, GBP and USD.

Interest rate risk

The consolidated entity is exposed to interest rate risk in relation to its cash and short-term deposit balances. The weighted average interest rate on cash and short-term deposits of $23,277,348 at 30 June 2016 was 2.97% (2015: $27,800,000 at 2.93%). It is the Company's policy not to hedge this exposure to interest rate risk.

Currency risk

The consolidated entity receives royalties from overseas affiliates in foreign currencies and operates a subsidiary in New Zealand. It is the consolidated entity's policy not to hedge this exposure to foreign exchange risk. The New Zealand entity is translated in accordance with the policy at section 1.2.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the consolidated entity's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The consolidated entity's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the consolidated entity's reputation with the overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each operative unit. This responsibility is supported by the development of overall consolidated entity standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

Compliance with the consolidated entity standards is supported by periodic reviews undertaken by a governance committee of senior executives. The results of reviews as discussed with the management of the operational unit to which they relate.

Financial transactions

Credit risk

Exposure to credit risk

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2016	2015
	$'000	$'000
Net trade and other receivables	44,377	39,011
Cash, cash equivalents and cash on deposit	41,676	44,851
	86,053	83,862

Liquidity risk

The contractual maturities of financial liabilities, as represented by trade and other payables (section 3.5) and royalties payable (section 2.2), are all within one year. The carrying amount of these liabilities also represents the contractual cash flows.

Currency risk

Profile

The Company and consolidated entity do not have any exposure to foreign currency receivables or payables at 30 June 2016: $nil (30 June 2015: $nil). The consolidated entity has exposure to the New Zealand dollar due to its control of the New Zealand subsidiary.

Sensitivity

A 10 percent strengthening or weakening of the Australian dollar against the New Zealand dollar at 30 June would not have increased/(decreased) the consolidated entity's equity at 30 June 2016 or 30 June 2015.

Interest rate risk

Profile

At the reporting date the interest rate profile of the consolidated entity's interest-bearing financial instruments was:

	Consolidated	
	2016	2015
Fixed rate instruments		
Short term deposits	-	-
Cash on deposit	23,771	32,446
	23,771	32,446

	Consolidated	
	2016	2015
Variable rate instruments		
Cash at bank	17,905	12,405

Financial transactions

Sensitivity analysis

If interest rates had changed by plus (or minus) 1% per annum from the interest rate at the year end, with all other variables held constant, the consolidated entity profit before income tax and royalty payments for the year would have been $179,060 higher/(lower) (2015: $124,061). In the Company the profit before income tax expense for the year would have been $151,938 higher/ (lower) (2015: $106,787).

5. Employee remuneration

5.1 Employee benefits

Wages, salaries and annual leave

Liabilities for short-term employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. These are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company and the consolidated entity expects to pay as at reporting date including related on-costs.

Long service leave

The provision for employee benefits to long service leave represents the amount of future benefit that employees have earned for their service in the current and prior periods.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on staff turnover history and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the consolidated entity's obligations.

Superannuation plan

The Company and its controlled entity contribute to various employee defined contribution superannuation funds. Contributions are charged to profit or loss as incurred.

	Consolidated	
	2016	2015
	$'000	$'000
Current		
Liability for annual leave	1,720	1,366
Liability for long service leave	2,327	2,098
	4,047	3,464
Non-current		
Liability for long service leave	708	586

5.2 Personnel expenses

	Consolidated 2016 $'000	Consolidated 2015 $'000
Profit before income tax expense has been arrived at after charging the following items:		
Personnel expenses for the year	30,106	28,229
Personnel expenses related to system development	7,132	
Total personnel expenses	37,238	28,229

Included in personnel expenses are amounts that the Company and the consolidated entity contributes to a defined contribution superannuation fund. The amount recognised as an expense for the financial year ended 30 June 2016 was $2,875,900 (2015: $2,205,723).

5.3 Related parties

Transactions with key management personnel

The consolidated entity provides remuneration to key management personnel. In addition contributions are made for key management personnel to defined contribution superannuation funds. Other than loans as noted below, the consolidated entity does not provide any other non-cash benefits to key management personnel.

Key management personnel compensation

The key management personnel compensation included in personnel expenses (see section 5.2) are as follows:

	Consolidated 2016 $'000	Consolidated 2015 $'000
Short term employee benefits	3,638	3,747
Post employment benefits	263	254
Other long term benefits	60	30
	3,961	4,031

Loans to key management personnel

Details regarding the outstanding amounts of loans made, guaranteed or secured by any entity in the consolidated entity to key management personnel and their related parties are as follows:

	Consolidated 2016 $	Consolidated 2015 $
Loans to key management personnel - unsecured	201,567	201,539

These are short term, variable rate loans. The loans are repayable at call. The average interest rate charged during 2016 was 5.95% (2015: 5.95%) in Australia and 6.70% (2015: 6.70%) in New Zealand. Interest is payable monthly.

Interest received on the loans to key management personnel totalled $11,751 (2015: $11,769) for the consolidated entity and $9,479 (2015: $9,374) for the Company.

No amounts have been written down or recorded as allowances as the balances are considered fully recoverable.

Other key management personnel transactions

All directors who held office during the year, or their director related entities, are entitled to distributions calculated in accordance with the Distribution Rules, on the same terms and conditions as other members.

There were no other transactions between the Company or consolidated entity and directors or key management personnel.

Non key management personnel disclosures

APRA provides management services to the Australasian Mechanical Copyright Owners Society Limited and is reimbursed for these services. For details of revenue earned refer to section 2.1.

6. Other information

6.1 Parent entity disclosures

	2016 $'000	2015 $'000
Financial performance of the parent entity		
Result of parent entity	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Financial position of the parent entity at year end		
Current assets	74,924	73,827
Total assets	107,200	104,756
Current liabilities	106,492	104,170
Total liabilities	107,200	104,756
Total equity of the parent entity comprising of:		
Retained earnings	-	-
Reserves	-	-
Total equity	-	-

Parent entity capital commitments

The parent entity is the responsible entity for those commitments disclosed under section 3.2.

6.2 Foreign currency treatment

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations are translated to Australian dollars at exchange rates ruling at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions. Foreign exchange differences are recognised directly in equity.

6.3 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Company or the consolidated entity, except for AASB 9 *Financial Instruments*, which becomes mandatory for the consolidated entity's 2019 consolidated financial statements and could change the classification and measurement of financial assets. The Company and consolidated entity do not plan to adopt this standard early and the extent of the impact has not been determined.

6.4 Auditor's remuneration

	Consolidated	
	2016	2015
	$	$
Audit services:		
Auditors of the Company - KPMG		
Audit of financial reports	159,713	136,000
Other services:		
Auditors of the Company - KPMG		
Taxation services	51,404	50,487
Other services	13,023	12,000
	224,140	198,487