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

Annual Financial Report
30 June 2019

Directors' report
For the year ended 30 June 2019

The Directors present their report together with the financial statements of the Australasian Performing Right Association Limited (Company) and of the consolidated entity, being the Company and its controlled entity, for the financial year ended 30 June 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, MNZM

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 was inducted into the NZ Music Hall of Fame in 2018.

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.

Bob Aird

Non-executive Publisher Director since 1989

Bob recently retired from his position as 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 which he held for 16 years and remains on the Board as Universal's elected representative.

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.

Marianna Annas

Non-executive Director since 2016

An experienced music lawyer and formerly at Simpsons Solicitors, Marianna has held senior legal and business affairs roles at major record labels and music publishers including BMG Australia, BMG New York and EMI Music Australia. She is currently Head of ABC Music Publishing, Deputy Chair of the Australasian Mechanical Copyright Owners Society (AMCOS), a Director of the Australian Music Publishers' Association (AMPAL), and an industry peer of the Australia Council for the Arts.

Marianna has presented at many music industry forums including Music Australia, Fuse Festival, Big Sound, WAMi, AWME, musicNSW, Bondi Wave and at the Australian Institute of Music.

She holds degrees in Arts and Law from the University of New South Wales.

Malcolm Black

Non-executive Director from 2016 to 2019

Since writing and performing with the Netherworld Dancing Toys in the 1980's (Their song "For Today" won the silver scroll in 1984) Malcolm's career was focused on the business of music.

Malcolm initially worked as a music lawyer representing many well-known artists. He then moved to Sony Music NZ where as Director of A&R, he was fortunate to work with some great NZ artists including Bic Runga, Dave Dobbyn, Stellar, Che Fu, Dimmer and Brooke Fraser.
Malcolm then moved to artist management and co-managed Neil Finn and Crowded House.

Malcolm was part of the senior leadership team of global fitness company Les Mill International, where he established and ran Les Mills Music which licenses and creates music for its parent company, and Les Mills Media which delivers its parents company's programming directly to the consumer.

Malcolm sadly passed away in May 2019.

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 long maintained a comprehensive career as an independent artist in the Australian music industry - singer, songwriter, composer, author & performer.

Producer of over thirty albums in as many years, more than half as an artist. The long time front man and founding member of Karma County, since 2006 he's produced and released six solo albums and maintains an active live performance schedule in Australia and Europe.

Brendan has scored feature films, documentaries and for TV. He is the author of international best seller The Open Tuning Chord Book For Guitar, first published in 1994. He has played guitar on recordings for artists like David Bowie, Jimmy Little and Kylie Minogue.

Brendan is an Executive Councillor on the International Council of Music Creators, Vice Chair of the Asia Pacific Music Creators Alliance, Chair of APRA Membership and Distribution Board Sub-Committee, and a member of APRA Awards & Music Grants Sub-Committee. Brendan graduated from UTS with a BA Communication in 1988 and teaches part time in their music department.

Ian James

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

Ian was Managing Director of Mushroom Music Pty Limited from 1986 to 2018 and now acts as Senior Consultant. He is also a Director of the Australasian Mechanical Copyright Owners Society Limited (AMCOS) and the Australasian Music Publishers' Association Limited (AMPAL).

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 (APRA) from 1976 to 1986 in several management positions. He was appointed as the Adjunct Professor at the Victoria University College of Business in 2014, the Board of the International Confederation of Music Publishers (ICMP) in 2016 and the Board of the Independent Music Publishers Forum (IMPF) in 2018.

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 (AMPAL) and the Australasian Mechanical Copyright Owners Society Limited (AMCOS). His not for profit work includes Chair 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 Vice Chair 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 four 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 movie credits include ALI'S WEDDING, PAPER PLANES, MISS POTTER, BABE, BABE II, CHILDREN OF THE REVOLUTION, THE NUGGET and the IMAX films ANTARCTICA, IMAGINE, SOLARMAX and THE EDGE. His television credits include documentaries, telemovies, news themes and station idents.

He writes extensively for the concert hall, receiving commissions to write for orchestras, ensembles and soloists. Nigel has received many awards including 2 Arias, 15 AGSC / APRA awards, across both classical and screen categories, the Paul Lown Orchestral Prize, The Limelight Award & the Gold Medal for "Best Original Music" at the New York International Radio Festival.

In 2004 he was awarded the HC Coombs Creative Arts Fellowship at the Australian National University & holds an honorary Doctorate in Music, awarded by the University of New South Wales in 2012. He has conducted all the major symphony orchestras in Australia & made his US conducting debut in 2016 at the Lincoln Centre with the New York Philharmonic.

Company secretary

Jonathan Carter

Company Secretary since 18 November 2010

Jonathan Carter is Head of the Legal, Corporate & Policy Division and Company Secretary of the Australasian Performing Right Association Limited and the Australasian Mechanical Copyright Owners Society Limited.

After being admitted to legal practise in 2001, Jonathan was Associate to a Judge of the Federal Court of Australia. He then worked in the intellectual property group of national law firm Allens, before taking in-house legal and management roles at Sony Music Australia and EMI Music Australia. Jonathan sits on the Screenrights Board, the Legal Committee of CISAC, the Steering Committee of Music Rights Australia and Ethics Committee of Genea Ltd.

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 2018/2019 are:

Directors	Board Meetings		Audit & Governance Committee		Joint Audit & Governance Committee		Membership & Distribution Committee		Awards & Grants Committee	
	A	B	A	B	A	B	A	B	A	B
Bob Aird	6	8	4	6	4	6			4	6
Marianna Annas	8	8					2	3	3	3
Malcolm Black	5*	6	2*	5	2*	5				
Amanda Brown	8	8					1	2	5	6
Matthew Capper	6	8			3	6	3	5		
Brendan Gallagher	7	8					5	5	5	6
Ian James	6	8			4*	6	3*	5		
Jenny Morris (Chair)+	8	8	5	6	5	6	3	5	5	6
Chris Neal	8	8	6	6	6	6				
Damian Trotter	5	8			5	6			4	6
Nigel Westlake	7	8							6	6
Philip Walker	7	8	6	6	5	6				

A Number of meetings attended
B Number of meetings held during the time the director held office during the year
* The director attended some meetings via video or teleconference link
+ Jenny Morris attends all Committee meetings where possible, as an observer

Notes

Amanda Brown joined APRA Membership & Distribution Committee in November 2018.
Marianna Annas joined APRA Awards & Grants Committee and stood down from APRA Membership & Distribution Committee in November 2018.
Malcolm Black sadly passed away in May 2019.

Lead Auditors Independence 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 2019.

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	
	2019	2018
	$'000	$'000
Television, Radio, Public Performance and Digital revenue	303,070	278,595
Management services	11,881	9,514
Interest from other parties	1,685	877
Profit from the sale of non-current assets	2,141	-
Other income	363	128
Domestic revenue	319,140	289,114
Distributions received from affiliated societies	45,785	43,747
Operating income	364,925	332,861
Operating expenses for the year	(43,732)	(39,987)
System development related expenses	(4,260)	(4,773)
Expenses of administering AMCOS mandate	(12,289)	(11,489)
Income tax expense attributable to net operating revenue	-	-
Net operating income after income tax	304,644	276,612
Less: Royalties paid and payable to members and affiliated societies	(304,644)	(276,612)
Retained profits at the end of the financial year	-	-

System development related expenses are comprised of payments to the contracted integrator not increasing the benefit of the system to be delivered, expensed to profit or loss in the reported year. As disclosed in note 3.2 page 27, this value represents 75% of such expenses with the remaining 25% included in 'Expenses of administering AMCOS mandate'. Note 5.2 on page 38 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 2020 remain the same: service, transparency and equitable returns 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 2020 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 $26,396 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 2019 the Company had 103,637 (2018: 99,453) members, resulting in a total guarantee of $2,072,740 (2018: $1,989,060).

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 19 September 2019.

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 (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 2019 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 1.2 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 19 September 2019.

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J Morris

____
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 Corporations Act 2001

To the Directors of Australasian Performing Right Association Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Australasian Performing Right Association Limited for the financial year ended 30 June 2019 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
	19 September 2019

Independent Auditor's Report

To the members of Australasian Performing Right Association Limited

Opinion

We have audited the ***Financial Report*** of Australasian Performing Right Association Limited (the Consolidated Entity).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Consolidated Entity***'s financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2019
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Consolidated Entity*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Consolidated Entity in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Australasian Performing Right Association Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Consolidated Entity and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Consolidated Entity and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Anthony Travers

KPMG

Anthony Travers

Partner

Sydney

19 September 2019

Contents

Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Section	2019 $'000	2018 $'000
Revenue from rendering of services	2.1	360,736	331,856
Other income		4,189	1,005
Royalties paid and payable to members and affiliated societies		(304,644)	(276,612)
Information services expenses		(12,568)	(12,535)
Mechanical rights expenses		(12,289)	(11,489)
Administration and finance expenses		(10,828)	(9,815)
Licensing expenses		(9,619)	(8,674)
Member services expenses		(5,856)	(6,219)
Distribution expenses		(5,120)	(4,017)
International expenses		(1,870)	(1,702)
Corporate services & communications		(2,131)	(1,798)
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 2019

	Section	2019 $'000	2018 $'000
Current assets			
Cash and cash equivalents		26,506	49,741
Cash on deposit		46,088	8,065
Trade and other receivables	3.5	84,423	78,204
Total current assets		157,017	136,010
Non-current assets			
Property, plant and equipment	3.1	22,163	22,614
Intangible assets	3.4	15,845	12,702
Total non-current assets		38,008	35,316
Total assets		195,025	171,326
Current liabilities			
Trade and other payables	3.6	13,996	15,787
Royalties payable	2.2	174,947	150,337
Employee benefits	5.1	5,308	4,407
Total current liabilities		194,251	170,531
Non-current liabilities			
Employee benefits	5.1	774	795
Total non-current liabilities		774	795
Total liabilities		195,025	171,326
Net assets		-	-
Members' equity			
Retained earnings		-	-

Consolidated statement of changes in equity
For the year ended 30 June 2019

	2019 $'000	2018 $'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 2019

	Section	2019 $'000	2018 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		382,255	335,420
Royalties paid		(291,425)	(260,484)
Cash paid to suppliers and employees		(76,036)	(66,060)
Interest received		1,685	877
Net cash provided by operating activities	2.5	16,479	9,753
Cash flows from investing activities			
Payments for property, plant and equipment		(962)	(1,900)
Payments for intangible assets		(3,441)	(1,888)
Net proceeds from sale of non-current assets		2,504	71
(Increase)/decrease in cash on deposit		(38,023)	22,797
Net cash (used in)/provided by investing activities		(39,922)	19,080
Net (decrease)/increase in cash held		(23,443)	28,833
Cash at the beginning of the financial year		49,741	21,062
Effect of exchange rate fluctuations on cash held		208	(154)
Cash at the end of the financial year		26,506	49,741

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 2019 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 2019 the Company had 103,637 (2018: 99,453) members, resulting in a total guarantee of $2,072,740 (2018: $1,989,060).

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 19 September 2019.

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.

Non-cancellable operating lease rentals are payable as follows:

	Consolidated	
	2019	2018
	$'000	$'000
Within one year	256	148
One year or later and no later than five years	256	360

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	
	2019	2018
	$'000	$'000
Licence fee revenue from:		
Television, Radio and Digital	209,425	192,818
Public Performance	93,645	85,777
Distributions received from affiliated societies	45,785	43,747
	348,855	322,342
Management services	11,881	9,514
Revenue from rendering of services	360,736	331,856

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	
	2019	2018
	$'000	$'000
Royalties owing to members and affiliated societies	174,947	150,337

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 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 47%). 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 2019 or 2018. The New Zealand subsidiary is taxed in accordance with the company tax law in New Zealand and at 30 June 2019 has a tax liability (NZD) of $nil (2018: $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	
	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue	314,951	288,109	45,785	43,747	360,736	331,856

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 net 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.

2.5 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	
	2019	2018
	$'000	$'000
Profit after income tax	-	-
Adjustments for:		
(Profit)/loss on sale of non-current assets	(2,141)	1
Transfer to profit and loss of CLEF asset components	-	357
Depreciation	1,139	1,475
Amortisation of intangibles	298	287
Other non-cash items	-	-
Net cash provided by operating activities before change in assets and liabilities	(704)	2,120
Change in assets and liabilities:		
Increase in trade and other receivables	(5,908)	(24,508)
(Decrease)/increase in trade and other payables	(1,673)	5,876
Increase in royalties payable	23,889	26,002
Increase in employee benefits	875	263
Net cash provided by operating activities	16,479	9,753

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
- Plant and equipment 2-8 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 2017	7,335	14,526	11,416	33,277
Acquisitions	-	-	1,900	1,900
Disposals	-	-	(286)	(286)
Effect of movements in foreign exchange	(29)	(49)	(23)	(101)
Balance as at 30 June 2018	7,306	14,477	13,007	34,790
Balance as at 1 July 2018	7,306	14,477	13,007	34,790
Acquisitions	-	-	962	962
Disposals	(124)	(330)	(576)	(1,030)
Effect of movements in foreign exchange	32	55	27	114
Balance as at 30 June 2019	7,214	14,202	13,420	34,836
Depreciation				
Balance as at 1 July 2017	-	(1,291)	(9,646)	(10,937)
Depreciation charge for the year	-	(145)	(1,330)	(1,475)
Disposals	-	-	214	214
Effect of movements in foreign exchange	-	4	18	22
Balance as at 30 June 2018	-	(1,432)	(10,744)	(12,176)
Balance as at 1 July 2018	-	(1,432)	(10,744)	(12,176)
Depreciation charge for the year	-	(144)	(975)	(1,119)
Disposals	-	72	576	648
Effect of movements in foreign exchange	-	(5)	(21)	(26)
Balance as at 30 June 2019	-	(1,509)	(11,164)	(12,673)
Carrying amounts				
At 1 July 2017	7,335	13,235	1,770	22,340
At 30 June 2018	7,306	13,045	2,263	22,614
At 1 July 2018	7,306	13,045	2,263	22,614
At 30 June 2019	7,214	12,693	2,256	22,163

3.2 Capital expenditure commitments

The consolidated entity has the following commitments for capital expenditure as at 30 June 2019:

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 $22.1m (2018: $22.1m) with remaining payments due under this contract of $3.5m. 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. Project related costs incurred which are not capital in nature are expensed through profit or loss as they are arise. Only those expenses identified as contributing to the future economic benefit of this development are realised as capital in nature.

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.

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 Joint Audit and Governance Committee 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.

Trade receivables are measured at amortised cost and are subject to impairment. Impairment losses are recognised in profit or loss and reflected in an allowance account against trade receivables. An impairment loss in respect of trade receivables 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.

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.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. 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	
	2019	2018
	$'000	$'000
Not past due	58,982	64,023
Past due 0-30 days	15,169	3,856
Past due 31-120 days	4,232	3,229
Past due 121 days and greater	4,069	4,514
	82,452	75,622
Impairment provision	(588)	(566)
	81,864	75,056

The not past due amount for 2019 includes $48,339,000 (2018: $34,928,000) in accrued licence fees from clients that have not yet been invoiced. In the notes to the 2018 annual financial report this amount was classified incorrectly as past due 121 days and greater ($34,793,000) and past due 0-30 days ($135,000). The 2018 comparative has been restated to correctly reflect the age of the receivable as not past due.

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

	Consolidated	
	2019	2018
	$'000	$'000
Balance at 1 July	(566)	(3,565)
Impairment loss recognised	(588)	(566)
Provision reversed in the year	566	3,565
Balance as at 30 June	(588)	(566)

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	
	2019	2018
	$'000	$'000
Computer software		
Cost		
Balance at 1 July	14,293	12,761
Acquisitions	3,441	1,888
Transfer to profit or loss	-	(356)
Balance at 30 June	17,734	14,293

Transfer to Profit and Loss
The 2018 opening balance of computer software contains aggregated expenses relating to the very early stage analysis which has now been replaced in latter stages of delivery of the 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 to profit or loss during the year ended 30 June 2018 and disclosed in this note as 'Transfer to Profit and Loss'.

	Consolidated 2019 $'000	Consolidated 2018 $'000
Amortisation and Impairment Losses		
Balance at 1 July	(1,591)	(1,304)
Amortisation charge for the year	(298)	(287)
Disposals	-	-
Effect of movements in foreign exchange	-	-
Balance at 30 June	(1,889)	(1,591)

Carrying amounts	
At 1 July 2017	11,457
At 30 June 2018	12,702
At 1 July 2018	12,702
At 30 June 2019	15,845

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 2019 $'000	Consolidated 2018 $'000
Current		
Net Trade and other receivables	76,231	72,146
Management fee receivable from AMCOS	5,633	2,910
Prepayments	2,559	3,148
	84,423	78,204

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	
	2019	2018
	$'000	$'000
Trade creditors	6,132	9,419
Other creditors and accruals	4,138	1,956
Deferred income	3,726	4,412
	13,996	15,787

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 2019, consolidated current liabilities exceed consolidated current assets by $37,234,000 (2018: $34,521,000). 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 26% of the consolidated entity's revenue base is attributable to general licensing where licensee fees are paid at the beginning of the licence 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 equivalents and cash on deposit balances. The weighted average interest rate on cash equivalents and cash on deposits of $46,087,552 at 30 June 2019 was 2.18% (2018: $8,065,000 at 2.61%). 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	
	2019	2018
	$'000	$'000
Net trade and other receivables	81,864	75,056
Cash, cash equivalents and cash on deposit	72,594	57,806
	154,458	132,862

Liquidity risk

The contractual maturities of financial liabilities, as represented by trade and other payables (section 3.6) 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 2019: $nil (30 June 2018: $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 2019 or 30 June 2018.

Interest rate risk

Profile

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

	Consolidated	
	2019	2018
Fixed rate instruments		
Cash on deposit	46,088	8,065
Cash equivalents	-	-
	46,088	8,065

	Consolidated	
	2019	2018
	$'000	$'000
Variable rate instruments		
Cash at bank	26,506	49,741

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 expense and royalty payments for the year would have been $265,060 higher/(lower) (2018: $497,413). In the Company the profit before income tax expense and royalty payments for the year would have been $213,864 higher/ (lower) (2018: $453,061).

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.

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	
	2019	2018
	$'000	$'000
Current		
Liability for annual leave	2,460	1,927
Liability for long service leave	2,848	2,480
	5,308	4,407
Non-current		
Liability for long service leave	774	795

5.2 Personnel expenses

	Consolidated	
	2019	2018
	$'000	$'000
Profit before income tax expense has been arrived at after charging the following items:		
Personnel expenses for the year	41,069	38,967
Total personnel expenses	41,069	38,967

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 2019 was $2,947,593 (2018: $2,934,711).

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	
	2019	2018
	$'000	$'000
Short term employee benefits	4,340	4,542
Post-employment benefits	283	278
Other long term benefits	39	58
	4,662	4,878

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	
	2019	2018
	$	$
Loans to key management personnel - unsecured	38,289	38,622

These are short term, variable rate loans. The loans are repayable at call. The average interest rate charged during 2019 was 5.20% (2018: 5.25%) in Australia and 5.77% (2018: 5.77%) in New Zealand. Interest is payable monthly.

Interest received on the loans to key management personnel totalled $2,189 (2018: $6,809) for the consolidated entity and $22 (2018: $4,684) 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

	2019 $'000	2018 $'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	139,916	121,148
Total assets	175,901	154,485
Current liabilities	175,127	153,690
Total liabilities	175,901	154,485
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 accounting standards and interpretations

(a) New accounting standards adopted in the current year

AASB 9 Financial instruments has been adopted for the first time for the year ended 30 June 2019. It has replaced the previous financial instruments guidance including AASB 139 Financial instruments: Recognition and Measurement. The company has performed a review of its classification and measurement of financial assets and liabilities for compliance with AASB 9 and has determined an immaterial impact. Under AASB 9 impairment losses on financial assets, including trade receivables, are now required to be measured using an expected credit loss model rather than the incurred credit loss model. Under the new model, the Company is required to recognised the expected credit loss from possible future default events rather than only the credit losses arising from counterparties with indicators of impairment. The Company has determined that the application of AASB 9's impairment requirements at 30 June 2019 has had an immaterial impact.

(b) New accounting 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 2018, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

(i) AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue. In accordance with the AASBs definition, the Company is a not-for-profit entity and therefore AASB 15 is effective for the Company from 1 July 2019. The Company has determined that the expected impact of AASB 15 is not material.

(ii) AASB 16 Leases

AASB 16 Leases removes the lease classification test and required all leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet for leases. AASB 16 is effective for annual reporting beginning on or after 1 January 2019. Early adoption will be permitted for entities that also adopt AASB 15 Revenue from contracts with customers. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 16.

6.4 Auditor's remuneration

	Consolidated	
	2019	2018
	$	$
Audit services:		
Auditors of the Company - KPMG		
Audit of financial reports	154,488	148,050
Other services:		
Auditors of the Company - KPMG		
Taxation services	125,750	20,987
Other services	4,600	36,809
	284,838	205,846