

screenrights



ANNUAL REPORT
FOR YEAR ENDED
30 JUNE 2023



CONTENTS

Governance Statement.....	1
Company Profile.....	2
Directors' Report.....	3
Directors' Declaration	5
Independent Auditor's Report	6
Lead Auditor's Independence Declaration	9
Annotated Statement of Financial Performance for the Year Ended 30 June 2023.....	10
Consolidated Statement of Profit and Loss and Other Comprehensive Income	11
Consolidated Balance Sheet.....	12
Consolidated Statement of Cash Flows	13
Consolidated Statement of Changes in Equity	14
Notes to the Consolidated Financial Statements	15
Appendix.....	40

GOVERNANCE STATEMENT

Extract from Screenrights' Corporate Governance Statement which was last reviewed by Screenrights' Board of Directors and published on 28 July 2021.

Full Statement available at: <https://www.screenrights.org/wp-content/uploads/2019/08/July-2021-Corporate-Governance-Statement.pdf>

1. GENERAL STATEMENT

- 1.1 Screenrights is dedicated to maximising the incentive provided by the copyright system for the production of audiovisual works. Specifically Screenrights aims to:
 - maximise returns to audiovisual rightsholders through collective management of rights; and
 - encourage access to our members' content in return for fair fees.
- 1.2 In furtherance of these goals, Screenrights seeks to maintain and foster principles of corporate governance that accord with best practice and are appropriate for a declared collecting society, requiring the highest standards of behaviour and accountability.
- 1.3 It is recognised that it is neither possible nor desirable to lay down prescriptive rules to dictate actions in the varied circumstances that may confront an organisation in its future. Nonetheless the Board of Directors of Screenrights acknowledges the general statements concerning governance, ethics and the obligations of Directors in this paper and adopts this policy, and will review it as necessary.
- 1.4 The aim of the Screenrights Board of Directors is stewardship that is effective, accountable and fair.

2. GOVERNANCE FOR WHOM?

- 2.1 The Board comprises individuals elected by the members of Screenrights. It has collective legal responsibility for directing the affairs of Screenrights for the benefit of the members [present and future], recognising the interests of other stakeholders, notably the public [directly and through the office of the Minister for Communications, Urban Infrastructure, Cities and the Arts], the statutory and voluntary licensees, employees and other parties with whom Screenrights interacts.
- 2.2 In a more general sense, Directors of all companies have a role in economic and social development through effective management of resources in the national and global interest. Screenrights Directors recognise a direct responsibility to rightsholders but also a partnership with copyright users and with the Federal Government.
- 2.3 The Board [and Screenrights] stand in a fiduciary relationship to relevant rightsholders who are members. Although the interests of members are paramount, the interests of groups other than the membership are important and the Board seek solutions that benefit all parties, where possible.
- 2.4 There are no nominees or Directors representing a constituency within the membership. Some Directors are associated with member organisations and/or have knowledge of the views of member groups. It is desirable and proper for Directors to present the views of individual members or member groups to the Board. It is neither desirable nor proper for Directors to act in the interests of individual members, member groups or groups that may have supported their election to the Board. Directors acknowledge their legal duty to act in the best interests of Screenrights.

COMPANY PROFILE

As at 30 June 2023

Screenrights is the trading name of Audio-Visual Copyright Society Limited ACN 003 912 310
ADDRESS: Level 1, 140 Myrtle Street, Chippendale NSW 2008, Australia | WEBSITE: www.screenrights.org
POSTAL: PO Box 853, Broadway NSW 2007 Australia | TELEPHONE: +61 2 8038 1300
NEW ZEALAND: FreePhone: 0800 44 2348

DIRECTORS & OFFICERS

Kim Dalton OAM Chair
Georgina Waite Deputy Chair

DIRECTORS

Tom Alegounarias
Rachel Antony
Jonathan Carter
Anne Chesher
Jub Clerc
Sandra Davey
Karina Holden
Kelly Lefever
Anthony Travers
Paul Wiegard

AUDITORS

KPMG

BANKERS

Airwallex
Bank of New Zealand
Commonwealth Bank of Australia
National Australia Bank
The Australia and New Zealand Banking Group
Westpac

SOLICITORS

Banki Haddock Fiora
Breakwall Legal
Bridges Lawyers
Esplins Lawyers
FCB Workplace Law
Gilbert + Tobin
Harmers Workplace Lawyers
Holding Redlich
Simpsons Solicitors
Thomson Geer

OFFICE OF THE CHIEF EXECUTIVE

Chief Executive: **James Dickinson**

INFORMATION TECHNOLOGY

Chief Technology Officer: **Alper Aydin**
Lead Application Developer: **Brian Chambers**
Engineering Team Lead: **Daniel McCosker***
Senior Data Engineer:
Badruddin (Raad) Kamal
Senior Analyst Programmer:
Sandhya [Sandra] Bhalla
Cloud Engineer: **Maria Nguyen**
Data Engineer: **Jia Yi (Ryan) Kang**
Junior Data Engineer - Film & TV
Registration: **Yogesh Babu Krishnakumar**
Data Manager: **Nicholas Grodzicki**
Licensing & Registrations: **Mary Luque***
IT Operations Support: **Daniel Read**

MEMBER SERVICES

Head of Member Services: **Maha Ismail**
Manager, Customer Success & Support:
Kaaran Watene
Royalty Distribution Manager: **Sean Price**
Resolutions Manager: **Dominique Nesbitt**
Key Account Associate: **John Alexander**
Operations Analyst: **Tova Borwein**
Customer Success Associate:
Genesis Mercado
Customer Success Associate **Julie Seldon***

COMMERCIAL & INDUSTRY SERVICES

Head of Commercial & Industry Services:
Emma Madison
Manager, Royalties World: **Gaëlle Chambers**
Manager, Disbursements:
Madeleine Donovan*
Product Manager: **Swarnima (Simi) Singh**
Associate Product Manager: **Hayley Colley**
Industry Services Officer: **Mariana Corbellini**
Industry Services Virtual Assistant:
Abigail Tabone*

MARKETING

Head of Marketing & Industry Support:
Sarah Steel*

BUSINESS OPERATIONS

Chief Financial Officer: **Renee Bryant**
Financial Accountant: **Nishi Patel**
Bookkeeper: **Jinglei [David] Sun***
Administration/Customer Success
Coordinator: **Isaac Heath**

LICENSING

Head of Licensing: **Scott James**

LEGAL

General Counsel & Head of Policy:
Natalie Buck*
Associate Counsel: **Alexandra Nastovski**
Executive Business Partner: **Kylie Cooke***

* Indicates part-time employee/consultant
Full time equivalent = 34.3

DIRECTORS' REPORT



TOM ALEGOUNARIAS – Over 40 years' experience in school education with an emphasis of equity and quality teaching. Tom is former chair and CEO of the NSW Educational Standards Authority and General Manager of Strategic Policy for NSW education. He is now adjunct professor of education at the University of Sydney and director of the Teaching and Educational Standards Alliance. Director since 2022.



RACHEL ANTONY – NZ Board Director CEO of Greenstone TV, Rachel has produced hundreds of hours of content in both NZ and Australia. She was recently one of the group facilitating the creation of NZ's 2030 Screen Sector Strategy government; is an active member of WIFT and SPADA; a member of the NZ Institute of Directors; and on the Board of theatre company Nightsong Director since 2020.



JONATHAN CARTER – *Authorial (Music) Board Director*. Chief Operating Officer, APRA AMCOS. Director, Australian Copyright Council; Director, Support Act Ltd. Global Legal & Policy Committee, International Confederation of Societies of Authors and Composers. Director since 2017.



ANNE CHESHER – Education consultant with PhD thesis "*Television Content in the 21st Century Classroom*". Over 20 years' experience producing online education creative media for the television industry [clients include ABC, SBS, Foxtel, National Geographic Channel]. Humanities teacher, Creative Media lecturer, and Education Resources Producer. Director since 2014.



JUB CLERC – *Authorial (Screen Director) Board Director*. A Nyul Nyul/Yawuru woman of the Kimberley regions of W.A., Jub's first feature film *Sweet As* premiered at MIFF 2022. She has directed two episodes of *The Heights* and *Turn up the Volume*, and is on the Board of CinefestOZ. Director since 2020.



KIM DALTON OAM – Producer, distributor and broadcaster with over 40 years' experience as a senior executive in the screen industry. Former CEO, Australian Film Commission; former Director, ABC Television; former Chair, Freeview Australia; Chair, Asian Animation Summit and recipient of Order of Australia medal for service to the Australian film and television industry. Director since 2015. Elected Chair 2019.



SANDRA DAVEY – Product consultant and coach, and digital product leader with Organa with career experience across climate-tech, telco/broadband, IoT, Internet names and numbers, cross-platform content and interactive TV, sport, libraries and consumer advocacy. Former Board member and Chair of CHOICE, and current Board member of .au Domain Administration along with Chair of their Public Benefit Committee. Director since 2020.



KARINA HOLDEN – Executive Producer, Writer and Director with 25 years' experience in documentary and factual film making for global networks. Member of the International Academy of Television Arts & Sciences [Emmy]. Recognised by the Australian Financial Review's 100 Women of Influence for her work in film making, and recipient of the 2021 Sydney UNESCO City of Film Award. Director since 2021.



KELLY LEFFEVER – *Authorial (Screenwriter) Board Director*. *Authorial (Screenwriter) Board Director*. Kelly is co-creator of the critically acclaimed series *The Circuit* and her credits include *The Doctor Blake Mysteries*, *The Code*, *Miss Fisher's Murder Mysteries*, *The Black Balloon* and *The Merger*. Director since 2018.



ANTHONY TRAVERS – Anthony is a Chartered Accountant and a Registered Company Auditor in Australia & New Zealand. As a Senior Audit Partner with WilliamBuck, Anthony has over 30 years of experience across audit, financial reporting, governance and risk. Previous roles include Lead & Audit Partner with KPMG Australia. Director since 2023.



GEORGINA WAITE – Former Head of Content Business at the ABC, with over 24 years at the national broadcaster in her current role and within the ABC Legal department. Starting out as an Intellectual Property lawyer with Corrs Chambers Westgarth, Georgina is a former lecturer in Media Law at UTS, lawyer at the Arts Law Centre of Australia, and board member of Metro TV. Director since 2018. Elected Deputy Chair 2019.



PAUL WIEGARD – Founder CEO, Madman Entertainment. Executive Produced 20+ feature films & documentaries. Established streaming platform DocPlay. Distributed more than 25 Oscar nominated/winning films in ANZ. Current President of Australian Independent Distributors Association (AIDA), Co-Chair Australian Documentary Conference (AIDC), Board Member of Australian Centre for the Moving Image (ACMI). Director since 2022.

GEOFFREY ATHERDEN – Director from 2016 to November 2022

CHRISTOPHER GARDOLL – Director from 2020 to March 2023

BEN GRANT – Director from 2013 to November 2022

TOM ALEGOUNARIAS – Director from October 2022

PAUL WIEGARD – Director from October 2022

ANTHONY TRAVERS – Director from April 2023

NATALIE BUCK – Company Secretary from June 2022

DIRECTORS' REPORT [CONTINUED]

LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Lead Auditor's Independence Declaration, as required under Section 307C of the Corporations Act 2001, is included at page 9 of the Annual Report.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the financial year was utilisation of its right as a declared collecting society under Part IVA, Div 4, s183 and Part VC of the Copyright Act, to collect monies from educational institutions, government departments and agencies and retransmitters for distribution to relevant copyright owners and to provide related services to members and others.

REVIEW AND RESULTS OF OPERATIONS

The amount of \$48.7 million [2022: \$48.5million] was determined to form the Distributable Amount available for distribution to relevant rightsholders from monies collected for the accounting year ended 30 June 2023.

The net operating profit/[loss] after income tax for the year was \$Nil [2022: \$Nil].

STATE OF AFFAIRS

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

ENVIRONMENTAL REGULATION

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

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature that is likely, in the opinion of the Directors, 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.

LIKELY DEVELOPMENTS

The Company will continue its current activities. Potential new revenue streams in development include additional services to members and expansion of licences to new users.


INDEMNIFICATION AND INSURANCE OF OFFICERS

During the year, the Company paid a premium of \$38,753 in respect of a contract of insurance indemnifying those persons who are or have been officers of the Company against liabilities that may arise from their position as officers, except where the liability arises out of conduct involving a lack of good faith. That insurance policy does not contain details of the premiums paid in respect of individual officers of the Company.

MEMBERS' LIABILITY

The Company is a company limited by guarantee. The guarantee in the event of the winding up of the Company is \$10 for each member. At 30 June 2023, membership of the Company comprised 5,150 full members [2022: 4,996], resulting in a total liability of \$51,500 [2022: \$49,960].

Dated at Sydney this 27 September 2023 and signed in accordance with a resolution of the Directors.



Kim Dalton OAM
Chair

DIRECTORS' REPORT [CONTINUED]

DIRECTORS' MEETINGS

The number of Directors' meetings [including meetings of Committees of Directors] and number of meetings attended by each of the Directors of the Company during the financial year are:

DIRECTOR	DIRECTORS' MEETINGS		AUDIT & RISK COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS		NOMINATIONS COMMITTEE MEETINGS		TECHNOLOGY & DATA COMMITTEE MEETINGS	
	A	B	A	B	A	B	A	B	A	B
T Alegounarias	5	5	4	4	N/A	N/A	N/A	N/A	N/A	N/A
R Antony	7	7	2	2	N/A	N/A	N/A	N/A	N/A	N/A
G Atherden	2	2	N/A	N/A	N/A	N/A	2	2	N/A	N/A
J Carter	5	7	6	6	1	1	N/A	N/A	5	6
A Chesher	6	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
J Clerc	2	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
K Dalton	7	7	6	6	1	1	5	5	N/A	N/A
S Davey	5	7	N/A	N/A	N/A	N/A	N/A	N/A	6	6
C Gardoll	3	4	2	2	1	1	N/A	N/A	N/A	N/A
B Grant	2	2	N/A	N/A	N/A	N/A	N/A	N/A	1	2
K Holden	6	7	N/A	N/A	N/A	N/A	3	3	N/A	N/A
K Lefever	5	7	N/A	N/A	N/A	N/A	4*	5	N/A	N/A
A Travers	2	2	3	3	N/A	N/A	N/A	N/A	N/A	N/A
G Waite	5	7	N/A	N/A	0	1	4	5	4	6
P Wiegard	4	5	N/A	N/A	N/A	N/A	N/A	N/A	1	3

A Number of meetings attended

B Possible number of meetings

N/A Not applicable

* Not in attendance due to conflict of interest

DIRECTORS' DECLARATION

In the opinion of the Directors of Audio-Visual Copyright Society Limited:

[a] The consolidated financial statements and notes, set out on pages 11 to 39, are in accordance with the *Corporations Act 2001*, including:

[i] giving a true and fair view of the financial position of the consolidated entity as at 30 June 2023 and of its performance for the financial 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.

[c] There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 27 September 2023 and signed in accordance with a resolution of the Directors.



Kim Dalton OAM

Chair



Independent Auditor's Report

To the members of Audio-Visual Copyright Society Limited

Opinion

We have audited the **Financial Report** of Audio-Visual Copyright Society Limited (the Group).

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 Group's financial position as at 30 June 2023 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 balance sheet as at 30 June 2023,
- 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 **Group** consists of Audio-Visual Copyright Society Limited (the Company) and the entity 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 Group 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 (including Independence Standards) (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



Other Information

Other Information is financial and non-financial information in Audio-Visual Copyright Society 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.

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 Group 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 Group 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: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Cameron Slapp

Partner

Sydney

27 September 2023



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Audio-Visual Copyright Society Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Audio-Visual Copyright Society Limited for the financial year ended 30 June 2023 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

A handwritten signature in black ink, appearing to read 'C Slapp'.

Cameron Slapp

Partner

Sydney

27 September 2023

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ANNOTATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

We know that not everyone wants to analyse financial statements, so below is our annual summary of the most important information in these accounts. The notes show the calculations which determine how much money is available to distribute to rightsholders from the royalties collected and interest received, and after the deduction of tax and expenses.

NON-IFRS FINANCIAL MEASURES

The annotated statement of financial position includes certain non-IFRS financial measures. The directors believe the presentation of non-IFRS financial measures is useful for the users of this document as they reflect the amounts available for distribution to rightsholders after the addition of expired trust funds and the transfer of surplus reserves. The below non-IFRS financial measures have not been subject to review or audit.

		Consolidated	
		2023	2022
		\$000s	\$000s
Royalty collections for the year from Australian & New Zealand educational institutions, retransmission broadcasters, government agencies, as well as Collection Account Management, International and Residual services. Includes interest. The cost of running Screenrights, including employee expenses, depreciation and other ordinary expenses. Screenrights can hold allocations in trust for a maximum of four years while trying to locate relevant rightsholders. Expired funds were by amount and percentage of Distributable Amount, AES \$852,000 [1.68%], ARS \$332,000 [0.65%], AGS \$34,000 [0.07%], NZES \$141,000 [0.28%]. Collection Account Management Service includes Disbursements by Screenrights [DASA]	Revenue from Ordinary Activities		
	Gross Revenue	55,331	55,883
	Other Revenues	2,021	234
	Expenses	[8,696]	[7,654]
		48,656	48,463
	Transfer [to]/from retained earnings and reserves	—	—
	Amount available for Distribution	48,656	48,463
	Add Allocation from Fund for the Benefit of Members	285	—
	Add Allocation from IBNR Fund	251	—
	Add Expired Trust Funds [2017 & prior]	—	155
	Add Expired Trust Funds [2018]	4	1,305
	Add Expired Trust Funds [2019]	1,354	—
	Add Expired Trust Funds [CCF]	115	—
	Total amount available for Distribution	50,665	49,923
	Amount transferred to Statutory Distributable Pools:		
	Australian Education Service [AES]	[32,802]	[30,782]
	Australian Retransmission Service [ARS]	[5,419]	[7,357]
	Australian Government Copying Service [AGS]	[1,081]	[1,100]
	Amount transferred to Non-Statutory Distributable Pools:		
	NZ Education Service [NZES]	[2,538]	[2,343]
	Collection Account Management Service [CAM]	[6,529]	[6,485]
	International Service [INT]	[1,662]	[1,441]
	Residual Service [RSD]	[232]	[265]
	Allocation to IBNR Fund	—	[150]
	Allocation to Cultural Fund	[402]	—
	Total amount transferred to distribution pools	[50,665]	[49,923]

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	2023 \$000s	2022 \$000s
Revenue from rendering of services	2	55,331	55,883
Other income	3	2,021	234
<i>Total revenue and other income</i>		57,352	56,117
Employee expenses	4	[5,364]	[4,743]
Depreciation and amortisation expense		[407]	[936]
Operating expense		[896]	[750]
Licensing expense		[535]	[462]
Travel expense		[61]	[18]
Marketing expense		[145]	[127]
Legal expense		[497]	[139]
Information Technology		[663]	[227]
Other expenses	5	[123]	[236]
<i>Total operating expenses</i>		[8,691]	[7,638]
Interest expense	14	[5]	[16]
<i>Total operating and other expenses</i>		[8,696]	[7,654]
<i>Royalties paid and payable to members and affiliated societies</i>		[48,656]	[48,463]
Net profit before income tax		—	—
Income tax expense	7	—	—
Net operating profit after income tax		—	—
Other comprehensive income		—	—
<i>Total comprehensive profit</i>		—	—

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the Notes to the Consolidated Financial Statements set out on pages 15 to 39.

CONSOLIDATED BALANCE SHEET

For the year ended 30 June 2023

	Note	2023 \$000s	2022 \$000s
<i>Current assets</i>			
Cash and cash equivalents	8	9,624	6,998
Cash on deposit	8	54,449	65,421
Trade and other receivables	9	1,761	2,408
<i>Total current assets</i>		65,834	74,827
<i>Non-current assets</i>			
Property, plant and equipment	10	10,586	135
Intangibles	11	154	317
Right-of-use assets	14	7	240
<i>Total non-current assets</i>		10,747	692
<i>Total assets</i>		76,581	75,519
<i>Current liabilities</i>			
Trade and other payables	12	733	592
Royalties in advance		17,689	16,000
Employee benefits	13	607	533
Loans and borrowings	14	2	266
Other	15	54,961	55,403
Provisions	16	238	–
<i>Total current liabilities</i>		74,230	72,794
<i>Non-current liabilities</i>			
Employee benefits	13	181	157
Loans and borrowings	14	5	–
Other	15	628	913
Provisions	16	–	118
<i>Total non-current liabilities</i>		814	1,188
<i>Total liabilities</i>		75,044	73,982
<i>Total net assets</i>		1,537	1,537
<i>Equity</i>			
Retained earnings	17	1,337	1,337
Reserves	17	200	200
<i>Total equity</i>		1,537	1,537

The Balance Sheet is to be read in conjunction with the
Notes to the Consolidated Financial Statements set out on pages 15 to 39.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note	2023 \$000s	2022 \$000s
<i>Cash flows from operating activities</i>			
Cash receipts in the course of operations		58,294	56,034
Cash payments in the course of operations		[57,330]	[54,534]
Net cash from operating activities	19[b]	964	1,500
<i>Cash flows from investing activities</i>			
Interest received/receivable		1,396	166
Proceeds from sale of fixed assets		–	5
Payments for property, plant and equipment		[10,432]	[31]
Payments for intangibles		[3]	[62]
Decrease in cash on deposit		10,972	251
Net cash from investing activities		1,933	329
<i>Cash flows from financing activities</i>			
Payments for lease liabilities		[271]	[386]
Net cash used in financing activities		[271]	[386]
Net increase in cash held		2,626	1,443
Cash at the beginning of the financial year		6,998	5,555
Cash at the end of the financial year	19[a]	9,624	6,998

The Statement of Cash Flows is to be read in conjunction with the Notes to the Consolidated Financial Statements set out on pages 15 to 39.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

Reconciliation of movements in capital and reserves attributable to members

	Society Reserve Fund \$000s	Retained Earnings \$000s	Total Equity \$000s
Balance at 1 July 2021	200	1,337	1,537
Total comprehensive profit	—	—	—
Transfer between retained earnings and reserves	—	—	—
Balance at 30 June 2022	200	1,337	1,537
Balance at 1 July 2022	200	1,337	1,537
Total comprehensive profit	—	—	—
Transfer between retained earnings and reserves	—	—	—
Balance at 30 June 2023	200	1,337	1,537

The Statement of Changes in Equity is to be read in conjunction with the
Notes to the Consolidated Financial Statements set out on pages 15 to 39.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SIGNIFICANT ACCOUNTING POLICIES

Audio-Visual Copyright Society Ltd trading as Screenrights [the 'Company'] is a non profit company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2023 comprises the Company and its subsidiary [together referred to as the 'consolidated entity']. The financial report was authorised for issue by the Directors on 27 September 2023.

[a] Principal activities

The principal activities of the Company during the course of the financial year were utilisation of its right as a declared collecting society under Part IVA, Div 4, s183 and Part VC of the Copyright Act, to collect money from educational institutions, government departments and agencies and retransmitters for distribution to relevant copyright owners and to provide related services to members and others.

[b] Statement of compliance and basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ['AASBs'] adopted by the Australian Accounting Standards Board ['AASB'] and the Corporations Act 2001. The financial report of the consolidated entity also complies with International Financial Reporting Standards [IFRSs] adopted by the International Accounting Standards Board.

The financial report is prepared 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.

The financial report is prepared on the historical cost basis. The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

Going Concern

As at 30 June 2023, consolidated current liabilities exceed consolidated current assets by \$8,396k (2022: Nil).

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 within the next twelve months.

[c] Basis of consolidation

[i] Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has 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 that control commences until the date that control ceases.

[ii] Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from transactions within the consolidated entity are eliminated in preparing the consolidated financial statements.

[d] 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 date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in 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.

[e] Derivatives

The consolidated entity is exposed to changes in interest rates and foreign exchange balances. The consolidated entity does not use derivative financial instruments to hedge these risks.

[f] Property, plant and equipment

[i] Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation [see f[ii]] and impairment losses [see accounting policy j].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

[f] Property, plant and equipment continued

[ii] Depreciation

With the exception of freehold land, depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant or equipment.

There is no depreciation expense in the current year for leasehold buildings [purchase date 29 June 2023] which includes plant, equipment and capital improvements. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

- Plant and equipment – 3–20 years;
- Computer hardware/Laptops – 2–3 years.
- Leasehold capital improvements – 29–36 years;
- Leasehold buildings – 87 years;

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

[iii] Leased assets

AASB 16 introduces a single, on-balance sheet accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard - i.e lessors continue to classify leases as finance or operating leases.

Policy applicable from 1 July 2019

At inception of a contract, the consolidated entity assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the consolidated entity assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the consolidated entity has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the consolidated entity has the right to direct the use of the asset. The consolidated entity has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the consolidated entity has the right to direct the use of the asset if either:

- the consolidated entity has the right to operate the asset; or
- the consolidated entity designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee

At inception or on reassessment of a contract that contains a lease component, the consolidated entity allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the consolidated entity has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The consolidated entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Generally, the consolidated entity uses its incremental borrowing rate as the discount rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

[iii] Leased assets continued

As a lessee continued

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the consolidated entity is reasonably certain to exercise, lease payments in an optional renewal period if the consolidated entity is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the consolidated entity is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the consolidated entity's estimate of the amount expected to be payable under a residual value guarantee, or if the consolidated entity changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The consolidated entity presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The consolidated entity has elected not to recognise right-of-use assets and lease liabilities for short-term leases of plant and equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The consolidated entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

[g] Intangible assets

[i] Intangible assets

Intangible assets that are acquired by the consolidated entity are stated at cost less accumulated amortisation [see g [ii)] and impairment losses [see accounting policy j].

Software-as-a-Service [SaaS] arrangements

SaaS arrangements are service contracts providing the Consolidated entity with the right to access the cloud provider's application software over the contract period. As such, the Consolidated entity does not receive a software intangible asset at the contract commencement date.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Recognise as an operating expense over the term of the service contract	<ul style="list-style-type: none">• Fee for use of application software• Customisation costs
Recognise as an operating expense as the service is received	<ul style="list-style-type: none">• Configuration costs• Data conversion and migration costs• Testing costs• Training costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

In applying the entity's accounting policy, the directors made the following key judgements that may have the most significant effect on the amounts recognised in the financial statements.

Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised [i.e. upfront]. Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

[g] Intangible assets continued

[i] Intangible assets continued

Determination whether configuration and customisation services are distinct from the SaaS access continued

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, the Consolidated entity has developed software code that either enhances, modifies or creates additional capability to the existing owned software.

This software is used to connect with the SaaS arrangement cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

[ii] Amortisation

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

- Capitalised software costs – 3-5 years

[h] Trade and other receivables

Trade and other receivables are stated initially at fair value and then amortised cost less impairment losses [see accounting policy j].

[i] Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short-term and at-call deposits.

[j] Impairment

The carrying amounts of the consolidated entity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated [see accounting policy j[i)].

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

The Company recognises loss allowance for expected credit losses [ECL] on financial assets measured at amortised cost. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

[i] Calculation of recoverable amount

The recoverable amount of the consolidated entity's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate [i.e. the effective interest rate computed at initial recognition of these financial assets]. Receivables with a short duration are not discounted. Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred.

Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment.

Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance sheet date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

[j] Impairment continued

[ii] Reversals of impairment

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in the recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

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.

[k] Employee benefits

[i] Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss as incurred.

[ii] Long-term service benefits

The consolidated entity's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates, including related on-costs and expected settlement dates, 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.

[iii] Wages, salaries and annual leave

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

[l] Provisions

A provision is recognised in the balance sheet when the consolidated entity has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

[m] Trade and other payables

Trade and other payables are stated initially at fair value and then amortised cost. Trade payables are non-interest-bearing and are normally settled on 60-day terms.

[n] Distributions

The consolidated entity holds the net distributable amount for each year in trust for rightsholders of the copyright in film and television programs.

These rightsholders are eligible to receive the royalties held on their behalf upon completing necessary documentation, including a membership agreement and warranty. With respect to the Statutory Services, the distributable pool is allocated to all used programs, and actual distributions are made as and when the required documentation is completed.

Until this stage is reached for a given title, all funds are held in trust for the rightsholders of the copied program up to a period of four years. The Board of Directors may decide that special circumstances exist and continue to hold the pool in trust for a maximum of two further years. The Board has exercised this discretion for all relevant distribution periods to date.

After that period, the remaining allocations that have not been distributed are forfeited and placed into general revenue for inclusion in the current distribution period in accordance with Guidelines issued by the Attorney-General. In administering the Statutory Service, the consolidated entity collects and distributes remuneration payable by licensees.

The Distributable Amount is the total amount received from licensees for the distribution period [financial year] together with bank interest after deducting operating expenses, providing for taxation if applicable and allocating the relevant portion to the Reserve Fund. Records of usage are collated so that the total number of minutes for each program title and episode is ascertained.

Allocations are made to each program according to the number of minutes used and other factors. Once an allocation per program by title has been established, a further allocation is made to the various forms of copyright subsisting in the programs [e.g. cinematograph films, literary/dramatic works, artistic works, sound recordings].

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

[n] Distributions continued

Claimants warrant that they own or control the relevant copyright in one or more of these components and at the close of the distribution period are paid accordingly. This same process has been instituted for the allocation and distribution of royalties for the copying of programs by educational institutions in New Zealand. This is so even though the mechanism of conducting the service is different, with the Company licensing this recording right in New Zealand on behalf of the rightsholders.

With respect to the international registration and collection process, the Company simply distributes the royalties it receives from other audiovisual societies for titles it has registered on behalf of the rightsholders. The Company follows the allocations set by the relevant society and only makes an adjustment for interest and the expenses incurred in providing the service for its members.

[o] Revenue and other income

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax [GST] payable to the taxation authority.

[i] Revenue from rendering services

Royalty receipts are based partly on information provided by copyright users. Receipts are generally determined either based on agreed rates per user, or agreed rates overall. Revenue is recognised over the period for which the copying licence has been granted.

[ii] Interest income

Interest is generally recognised as it accrues, taking into account the effective yield on the financial asset.

[iii] Net gain/loss on disposal of property, plant and equipment

The net gains of non-current asset sales are included as other income at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

[iii] Net gain/loss on disposal of property, plant and equipment continued

The net losses on non-current asset sales are included in other expenses. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the gross proceeds on disposal.

[p] Income tax

The Income Tax Assessment Act 1997, as amended by the Tax Laws Amendment [2004 Measures No 6] Act 2005, provides the following for collecting societies:

- Collecting societies will not be taxed on any copyright income that they collect and hold on behalf of members, pending allocation to them;
- Non-copyright income derived by collecting societies will not be taxed [provided that the amount of non-copyright income derived is within certain limits]; and
- Any copyright and non-copyright income collected or derived by the collecting society that is exempt from income tax is included in the assessable income of the members upon distribution.

The amending Act contains definitions of:

- [a] Declared collecting society;
- [b] Collecting society;
- [c] Copyright income, which includes licence fees and interest received or derived from the copyright income.

Non-copyright income is subject to a de minimis rule.

Non-copyright income of collecting societies will be exempt from income tax to the extent that this non-copyright income does not exceed the lesser of:

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

The Society will not be taxed on any copyright income [defined as ordinary or statutory royalties/licence fees and interest received or derived by the Society] it collects and holds on behalf of members, pending allocation to them. Additionally, the Society will not be taxed on non-copyright income to the extent that this non-copyright income does not exceed the above specified limitations.

[q] Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax [GST], except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

[q] Goods and services tax continued

The net amount of GST recoverable from, or payable to, the Australian Tax Office [ATO] is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

[r] New accounting standards adopted during the period

There were no new standards and amendments to standards which were effective for the period ended 30 June 2023.

[s] New accounting standards and interpretations not yet adopted

There are currently no new standards and amendments to standards which are effective for annual periods beginning after 30 June 2023 that the consolidated entity believes will have a material effect on these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. RECONCILIATION OF INCOME STATEMENT

	Note	2023 \$000s	2022 \$000s
Revenue from rendering of services:			
- Australian Education Service		36,815	34,933
- Australian Retransmission Service		5,725	8,329
- International Service		1,845	1,586
- Australian Government Copying Service		1,241	1,249
- NZ Education Service		2,693	2,640
- Collection Account Management Service		6,767	6,662
- Residual Service		245	281
- EnhanceTV Resource Centre		—	203
Total revenue		55,331	55,883
Other income	3	2,021	234
Total revenue and other income		57,352	56,117
Operating expenses:			
Employee expenses	4	[5,364]	[4,743]
Depreciation and amortisation expense		[407]	[936]
Operating expense		[896]	[750]
Licensing expense		[535]	[462]
Travel expense		[61]	[18]
Marketing expense		[145]	[127]
Legal expense		[497]	[139]
Information technology		[663]	[227]
Other expenses	5	[123]	[236]
Total operating expenses		[8,691]	[7,638]
Interest expense	14	[5]	[16]
Total interest expense		[5]	[16]
Net royalties collected and interest received thereon before income tax		48,656	48,463
Income tax benefit		—	—
Net royalties collected and interest received thereon after income tax		48,656	48,463

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. RECONCILIATION OF INCOME STATEMENT CONTINUED

	Note	2023 \$000s	2022 \$000s
<i>Royalties paid and payable:</i>			
Add allocation from the Fund for the Benefit of Members		285	–
Add expired statutory trust funds		1,358	1,460
Add expired competing claims funds		115	–
Less amount transferred to AES distributable pool 2023	15	[32,802]	–
Less amount transferred to AES distributable pool 2022	15	–	[30,782]
Less amount transferred to ARS distributable pool 2023	15	[5,419]	–
Less amount transferred to ARS distributable pool 2022	15	–	[7,357]
Less amount transferred to AGS distributable pool 2023	15	[1,081]	–
Less amount transferred to AGS distributable pool 2022	15	–	[1,100]
Less amount transferred to NZES distributable pool 2023	15	[2,538]	–
Less amount transferred to NZES distributable pool 2022	15	–	[2,343]
Collection Account Management Service [excludes interest income & set-up fee income]*		[6,529]	[6,485]
International Collection Service [excludes set-up fee income]		[1,662]	[1,441]
Residual Service [excludes set-up fee income]		[232]	[265]
Allocation from/[to] IBNR Fund		251	[150]
Allocation to Cultural Fund		[402]	–
<i>Net royalties paid and payable</i>		[48,656]	[48,463]
<i>Net operating profit</i>		–	–

* Collection Account Management Service includes Disbursements by Screenrights - DASA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. OTHER INCOME

	2023 \$000s	2022 \$000s
<i>Interest and other income</i>		
- AES interest income	1,524	208
- ARS interest income	237	14
- INT interest income	17	1
- AGS interest income	51	2
- NZES interest income	111	4
- DASA interest income	46	—
- RSD interest income	3	—
- Other income	32	5
<i>Total other income</i>	2,021	234

4. EMPLOYEE EXPENSES

Wages and salaries [including director fees]	4,545	4,060
Contributions to defined contribution superannuation funds	466	414
Increase in liabilities for annual and long service leave	98	68
Other employee expenses	255	201
<i>Total employee expenses</i>	5,364	4,743

5. OTHER EXPENSES

Loss on disposal of property, plant and equipment and ROU assets.	—	23
Loss on disposal of intangible assets	100	204
ISAN	1	3
Other	22	6
<i>Total other expenses</i>	123	236

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

6. AUDITOR'S REMUNERATION

	2023 \$000s	2022 \$000s
Audit services	75	69
Other Assurance services	5	33
Total Auditor's remuneration	80	102

7. TAXATION

Audio-Visual Copyright Society Limited trading as Screenrights and its subsidiary entity, Enhance TV Pty Ltd, form part of a tax consolidated group. Legislation which states copyright collection societies are not taxed on income, they collect on behalf of copyright owners came into effect from 1 July 2002.

Audio-Visual Copyright Society Limited needs to assess each year whether non-copyright income exceeds the relevant threshold [5% or \$5m] which then determines whether a full income tax exemption will apply.

Income derived by Enhance TV Pty Ltd is not subject to the tax exemption for copyright collecting societies. In the current financial year, Enhance TV Pty Ltd did not trade and as a consequence there is no tax expense for the consolidated entity [2022: \$Nil].

8. CASH ASSETS

	2023 \$000s	2022 \$000s
Cash at bank	9,624	6,998
Cash on deposit	54,449	65,421
Total cash assets	64,073	72,419

The interest rate at 30 June 2023 on cash accounts is 3.60% [2022: 1.35%] which is the prevailing interest rate on cash at bank. The cash on deposit with banks mature within 204 days. The weighted average interest rate at 30 June 2023 on cash on deposit is 4.56% [2022: 1.79%].

9. TRADE AND OTHER RECEIVABLES

	2023 \$000s	2022 \$000s
Trade receivables	950	1,724
Provision for doubtful debts	[205]	[88]
Sundry receivables	1,016	772
Total trade and other receivables	1,761	2,408

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

10. PROPERTY, PLANT & EQUIPMENT

	Property \$000s	Plant & equipment \$000s	Total \$000s
Cost			
Balance at 1 July 2021	—	1,022	1,022
Acquisitions	—	31	31
Disposals	—	[19]	[19]
Balance at 30 June 2022	—	1,034	1,034
Balance at 1 July 2022	—	1,034	1,034
Acquisitions	10,213*	339	10,552
Disposals	—	—	—
Balance at 30 June 2023	10,213	1,373	11,586
Accumulated depreciation			
Balance at 1 July 2021	—	800	800
Depreciation charge for the year	—	117	117
Disposals	—	[18]	[18]
Balance at 30 June 2022	—	899	899
Balance at 1 July 2022	—	899	899
Depreciation charge for the year	—	101	101
Disposals	—	—	—
Balance at 30 June 2023	—	1,000	1,000
Carrying amounts			
At 30 June 2022	—	135	135
At 30 June 2023	10,213	373	10,586

* On 29 June 2023, the Company completed settlement for purchase of leasehold property at Level 1, 185 Gloucester Street, The Rocks in Sydney NSW with a total cost of \$10.2m. The purpose for acquisition is to secure permanent commercial office space for operations of the Company, including activities of its staff and members. The current office lease at Level 1, 140 Myrtle Street, Chippendale is due to expire on 26 March 2024. The purchase was funded from available cash reserves and did not involve any funding from debt finance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

11. INTANGIBLES

	Computer software \$000s	WIP \$000s	Total \$000s
Cost			
Balance at 1 July 2021	2,527	80	2,607
Acquisitions	–	62	62
Disposals	[2,143]	–	[2,143]
Transfer from/[to]	80	[80]	–
Balance at 30 June 2022	464	62	526
Balance at 1 July 2022	464	62	526
Acquisitions	3	–	3
Disposals	[54]	[62]	[116]
Transfer from/[to]	–	–	–
Balance at 30 June 2023	413	–	413
Accumulated amortisation			
Balance at 1 July 2021	1,662	–	1,662
Amortisation charge for the year	486	–	486
Disposals	[1,939]	–	[1,939]
Balance at 30 June 2022	209	–	209
Balance at 1 July 2022	209	–	209
Amortisation charge for the year	65	–	65
Disposals	[15]	–	[15]
Balance at 30 June 2023	259	–	259
Carrying amounts			
At 30 June 2022	255	62	317
At 30 June 2023	154	–	154

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

12. TRADE AND OTHER PAYABLES

	2023 \$000s	2022 \$000s
Trade and other creditors	500	409
Accrued expenses	233	183
Total trade and other payables	733	592

13. EMPLOYEE BENEFITS

	2023 \$000s	2022 \$000s
Current		
Liability for annual leave	281	266
Liability for long service leave	326	267
Total current employee benefits	607	533
Non-current		
Liability for long service leave	181	157
Total non-current employee benefits	181	157

14. LEASES

	Office \$000s	Car Park \$000s	Printer \$000s	Total \$000s
[i] Right-of-use assets				
Cost				
Balance at 1 July 2021	1,185	15	61	1,261
Acquisitions	–	–	–	–
Disposals	–	–	[61]	[61]
Balance at 30 June 2022	1,185	15	–	1,200
Balance at 1 July 2022	1,185	15	–	1,200
Acquisitions	–	–	8	8
Disposals	[1,185]	[15]	–	[1,200]
Balance at 30 June 2023	–	–	8	8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

14. LEASES CONTINUED

[i] Right-of-use assets continued

	Office \$000s	Car Park \$000s	Printer \$000s	Total \$000s
<i>Accumulated depreciation</i>				
Balance at 1 July 2021	632	8	26	666
Depreciation charge for the year	316	4	13	333
Disposals	—	—	[39]	[39]
<i>Balance at 30 June 2022</i>	948	12	—	960
Balance at 1 July 2022	948	12	—	960
Depreciation charge for the year	237	3	1	241
Disposals	[1,185]	[15]	—	[1,200]
<i>Balance at 30 June 2023</i>	—	—	1	1
<i>Carrying amounts</i>				
At 30 June 2022	237	3	—	240
At 1 July 2023	—	—	7	7
<i>[ii] Loans and borrowings</i>				
<i>Lease liabilities in Balance Sheet as at 30 June 2023</i>				
Current	—	—	2	2
Non-current	—	—	5	5
<i>Total lease liabilities</i>	—	—	7	7
<i>Maturity analysis as at 30 June 2023</i>				
Less than one year	—	—	—	—
One to five years	—	—	7	7
More than five years	—	—	—	—
<i>Total undiscounted lease liabilities as at 30 June 2023</i>	—	—	7	7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

14. LEASES CONTINUED

	Office \$000s	Car Park \$000s	Printer \$000s	Total \$000s
<i>[iii] Amounts recognised in Profit/[Loss]</i>				
Interest on lease liability	5	—	—	5
Depreciation expenses	237	3	1	241
Loss on disposal of leased assets	—	—	—	—
	242	3	1	246
<i>[iv] Amounts recognised in Profit/[Loss]</i>				
Total cash outflow for leases	266	3	2	271
	266	3	2	271

15. OTHER LIABILITIES

	2023 \$000s	2022 \$000s
<i>Current</i>		
Cultural Fund	803	415
Trust – IBNR Fund	968	1,329
Trust – Artistic Works	554	614
Unearned revenue	17	17
	2,342	2,375

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

15. OTHER CURRENT LIABILITIES CONTINUED

	2023 \$000s	2022 \$000s
<i>Trust – Statutory</i>		
<i>Australian Education Service</i>		
2018 Distributable amount payable to copyright owners	–	118
2019 Distributable amount payable to copyright owners	–	1,317
2020 Distributable amount payable to copyright owners	1,159	1,662
2021 Distributable amount payable to copyright owners	1,584	2,638
2022 Distributable amount payable to copyright owners	2,424	30,782
2023 Distributable amount payable to copyright owners	32,802	–
<i>Australian Retransmission Service</i>		
2018 Distributable amount payable to copyright owners	–	39
2019 Distributable amount payable to copyright owners	–	516
2020 Distributable amount payable to copyright owners	500	681
2021 Distributable amount payable to copyright owners	645	972
2022 Distributable amount payable to copyright owners	1,147	7,357
2023 Distributable amount payable to copyright owners	5,419	–
<i>Australian Government Copying Service</i>		
2019 Distributable amount payable to copyright owners	–	7
2020 Distributable amount payable to copyright owners	23	24
2021 Distributable amount payable to copyright owners	99	107
2022 Distributable amount payable to copyright owners	132	1,100
2023 Distributable amount payable to copyright owners	1,081	–
Sound Recordings Distributable amount	27	27
<i>Total Trust – Statutory</i>	47,042	47,347

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

15. OTHER CURRENT LIABILITIES CONTINUED

Trust – Non-statutory

	2023 \$000s	2022 \$000s
<i>NZ Education Service</i>		
2018 Distributable amount payable to copyright owners	–	18
2019 Distributable amount payable to copyright owners	–	207
2020 Distributable amount payable to copyright owners	207	288
2021 Distributable amount payable to copyright owners	330	464
2022 Distributable amount payable to copyright owners	489	2,343
2023 Distributable amount payable to copyright owners	2,538	–
Collection Account Management Service*	1,579	1,883
International Collection Service	326	468
Residual Service	108	10
<i>Total Trust – Non-statutory</i>	5,577	5,681
<i>Total other liabilities – Current</i>	54,961	55,403
<i>Non-current</i>		
Fund for the benefit of members	628	913
<i>Total other liabilities – Non-current</i>	628	913

* Collection Account Management Service includes Disbursements by Screenrights - DASA

16. PROVISIONS

	2023 \$000s	2022 \$000s
<i>Current</i>		
Lease make good	118	–
Capital Works Provision	120	–
<i>Total provisions</i>	238	–
<i>Non-current</i>		
Lease make good	–	118
<i>Total other liabilities – Non-current</i>	–	118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

17. EQUITY

Retained earnings

Funds held as part of the Company's retained earnings will be used for the benefit of all members at the discretion of the Board.

Reserve fund

In accordance with 15.4[c] of the Articles of Association, the Company is required to establish a reserve fund. From time to time, the Board will authorise funds to be released from the reserve fund to meet the costs of abnormal or exceptional expenditure.

18. FINANCIAL RISK MANAGEMENT

[a] Overview

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

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the consolidated entity's exposure to each of the above risks, their objectives, and the 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 has established the Audit & Risk Committee, which is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board 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 & Risk 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 and investments in short-term deposits.

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 of credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. FINANCIAL RISK MANAGEMENT CONTINUED

[a] Overview continued

Trade receivables continued

Approximately 80% of the consolidated entity's revenue base is attributable to general licensing in Australia, where licensee fees are paid at the beginning of the licence period, normally 12 months. The Audit & Risk Committee has established a credit policy under which defaulting licensees are pursued rigorously.

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

Investments in short-term deposits

The consolidated entity minimises credit risks in relation to its investments in short-term deposits by only dealing with Australian banks maintaining an acceptable credit rating.

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 the expected member distributions and operational expenses for a period of 60 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 90 to 365 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, whilst optimising the return.

Interest rate risk

The consolidated entity is exposed to interest rate risk in relation to its cash and cash on deposit balances.

The weighted average interest rate on cash and cash on deposit of \$64.1m. at 30 June 2023 is 4.41% [2022: \$72.4m. - 1.68%]. 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. It is group policy not to hedge this exposure to foreign exchange risk.

Fair values

The carrying value of financial assets and liabilities in the balance sheet approximates their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. FINANCIAL RISK MANAGEMENT CONTINUED

[b] 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:

	2023 \$000s	2022 \$000s
Cash and cash equivalents	9,624	6,998
Cash on deposit	54,449	65,421
Trade and other receivables	1,761	2,408
	65,834	74,827

Impairment losses

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

	2023 \$000s	2022 \$000s
Not past due	676	1,256
Past due 0-30 days	158	369
Past due 31-90 days	17	—
Past due 91 days	99	99
Total Trade Receivables	950	1,724

As at 30 June 2023, the Consolidated Entity recognised a provision for impairment of \$205k due to the Directors being of the opinion that this amount is unlikely to be recovered [2022: \$88k].

Liquidity risk

The contractual maturities of financial liabilities, as represented by trade and other payables [Note 12] and other current liabilities [Note 15], are all within one year. The carrying amount of these liabilities also represents the contractual cash flows.

Currency risk

Exposure to currency risk

The exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	2023 \$000s	2022 \$000s
AUD equivalent of NZD exposure		
Trade receivables	83	461
Total balance sheet exposure	83	461

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

18. FINANCIAL RISK MANAGEMENT CONTINUED

[b] Financial transactions continued

Currency risk continued

Exposure to currency risk continued

The following significant exchange rates applied during the year:

	Average rate 2023	Average rate 2022	Spot rate 2023	Spot rate 2022
New Zealand Dollar	1.0928	1.0666	1.0883	1.1088

Sensitivity

A 10% strengthening/weakening of the Australian Dollar against the New Zealand Dollar at 30 June would have increased/[decreased] the consolidated entity's net revenue by \$738 at 30 June 2023 [2022: \$10,798].

This analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risk

Profile

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

	Carrying Amount 2023 \$000s	2022 \$000s
Fixed rate instruments		
Cash on deposits	54,449	65,421
Variable rate instruments		
Cash at bank	9,624	6,998

Sensitivity analysis

If interest rates had changed by plus/[minus] 100 basis points per annum from the year end interest rate, with all other variables held constant, the consolidated entity profit for the year would have been \$96,240 [2022: \$69,980] higher/lower.

19. NOTES TO THE STATEMENT OF CASH FLOWS

[a] Reconciliation of cash

For the purposes 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 Flows is reconciled to the related items in the balance sheet as follows:

	2023 \$000s	2022 \$000s
Cash	9,624	6,998
	9,624	6,998

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. NOTES TO THE STATEMENT OF CASH FLOWS CONTINUED

[b] Reconciliation of cash flows from operating activities

	2023 \$000s	2022 \$000s
Operating profit/[loss]	–	–
<i>Add/[less] items classified as investing activities:</i>		
Interest received	[1,990]	[229]
<i>Add/[less] non-cash items:</i>		
Depreciation, amortisation and loss on disposals	508	1,140
Finance costs	4	18
Net cash provided by operating activities before change in assets and liabilities	[1,478]	929
<i>Change in assets and liabilities:</i>		
Increase in trade and other receivables	1,242	24
Increase/[decrease] in trade creditors and accruals	139	[43]
Increase in royalties in advance	1,690	123
Increase in provision for employee entitlements	97	67
Increase in other liabilities	–	29
[Decrease]/increase in distributable amounts	[726]	371
Net cash provided by operating activities	964	1,500

20. RELATED PARTY DISCLOSURES

Key management personnel compensation

The key management personnel compensation included in 'employee expenses' [see Note 4] is as follows:

	2023 \$000s	2022 \$000s
Short-term employee benefits	2,184	2,142
Other long-term benefits	47	65
	2,231	2,207

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

20. RELATED PARTY DISCLOSURES CONTINUED

Statement of management remuneration

Salary range*	Screenrights Executives in range 2022/23	Screenrights Executives in range 2021/22
\$0-99k	1**	3**
\$100-149k	0	2**
\$150-199k	1*	1
\$200-249k	4*	2**
\$250-299k	0	1
\$300-400k	2**	0
\$400-449k	0	1

* Includes superannuation, leave provisions and incentive payments

** Includes executives who held a key management position for part of the year

Statement of management remuneration

A number of key management persons of the Company, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. A number of these entities transacted with the Group in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities or on an arm's length basis. Related entities of Rachel Antony, Jonathan Carter and Paul Wiegard, or entities in which they hold a management position, are entitled to distributions calculated in accordance with Note 1 [n].

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with the Company or consolidated entity since the end of the previous financial year and there were no material contracts involving key management personnel interests subsisting at year end.

Loans to key management personnel

There were no loans to key personnel at any time during the year ended 30 June 2023.

Controlled entity

On 15 May 2006, Audio-Visual Copyright Society Limited [the Company] established a wholly owned subsidiary company called EnhanceTV Pty Ltd. The objectives of the Company are to operate as an educational resource centre and to operate as a distribution outlet for the Australian educational market. For the year ended 30 June 2023, the subsidiary did not trade and reported a net loss of \$0 [2022: \$145k].

21. MEMBERS' LIABILITY

The Company is a company limited by guarantee. The guarantee of members in the event of the winding up of the Company is \$10 for each member. At 30 June 2023, membership of the Company comprised 5,150 full members [2022: 4,996], resulting in a total guarantee of \$51,500 [2022: \$49,960].

22. COMMITMENTS FOR EXPENDITURE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

Following the purchase on 29 June 2023 of leasehold property at Level 1, 185 Gloucester Street, the Company has committed to spending a further \$120,000 in planned capital works costs to meet occupancy compliance and equipment repairs.

23. CONTINGENT LIABILITY

The parent entity does not have any contingent liabilities at 30 June 2023 [2022: \$ NIL].

24. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2023, the parent entity of the consolidated entity was Audio-Visual Copyright Society Limited.

	2023 \$000s	2022 \$000s
<i>Result of parent entity</i>		
Profit/[loss] for the period	—	—
Other comprehensive income	—	—
<i>Total comprehensive profit/[loss]</i>	—	—
<i>Financial position of parent entity at year end</i>		
Current assets	65,867	75,006
Total assets	76,614	75,698
Current liabilities	73,946	72,939
Total liabilities	75,045	74,129
<i>Total net assets</i>	1,569	1,569
<i>Total equity of the parent entity comprising of:</i>		
Retained earnings	1,369	1,369
Reserves	200	200
<i>Total equity</i>	1,569	1,569

25. SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature that is likely, in the opinion of the Directors, 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.

APPENDIX

For the year ended 30 June 2023

SUPPLEMENTARY REPORTING FOR EACH AUSTRALIAN STATUTORY LICENSEE CLASS

	Commonwealth Government \$	State and Territory Governments \$	Schools \$	Universities \$	TAFE \$	Other Australian Educational Institutions \$	TOTAL \$
Total licence fees received	58,383	1,182,784	25,504,525	6,368,940	502,289	4,439,428	38,056,349
Income on investments of licence fees	2,418	48,976	1,056,079	263,722	20,799	183,826	1,575,819
Total amount allocated to members	50,543	1,023,952	22,079,598	5,513,674	434,838	3,843,270	32,945,875
Total amount paid to members	46,541	942,863	21,740,101	5,428,895	428,152	3,784,176	32,370,626
Total amount of licence fees held in trust	65,561	1,328,189	26,539,315	6,627,346	522,668	4,619,548	39,702,626
Total licence fees for which the trust period expired*	1,587	32,143	590,224	147,390	11,624	102,737	885,704

* Licence fees for which the trust period expired during the year are recorded in separate distribution pools for Government and Education. Any further breakdown by statutory licensee class is calculated pro rata, based on licence fees received.

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