



Annual Report 2017

**COPY
RIGHT**
LICENSING
NEW ZEALAND



Let's do the right thing



Our Vision

**To grow New Zealand's
creative economy by
enabling access
to a world of content.**



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About Copyright Licensing New Zealand

Copyright Licensing New Zealand (CLNZ) is jointly owned by the Publishers Association of New Zealand (PANZ) and the New Zealand Society of Authors (NZSA). As a member of the International Federation of Reproduction Rights Organisations (IFRRO), CLNZ is part of a global network that represents the interests of publishers and authors from all around the world.

Our tailored licensing solutions allow education facilities, businesses and government departments to copy, scan and share from copyright protected material including books, magazines, journals and periodicals; beyond what is permitted under the Copyright Act 1994. CLNZ is a non-profit business and all net proceeds from licensing are distributed to copyright owners.

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P9 Bullhorn by Gregor Cresnar / Share by Gregor Cresnar / Funds by Gregor Cresnar / Fist by Till Teenck / Book by Sandra / Handshake by David / Bow by Brandon Shields P10 Graduation cap by Rockicon P13 Gavel by Ralf Schmitzer / User Group by Peter van Driel / Smartphone by unlimicon / Structure by Xinh Studio / Clipboard by David / Tick by Kidiladon P19 Map of New Zealand by Marvdrock / Funds by Gregor Cresnar

Chairperson's Report



Creativity counts. It is the heart and voice of our culture, and is a cornerstone to our society and our economy. Creativity is part of a great cycle of producers of creative content - reaching, inspiring and enriching users of creative content, for all our benefit and pleasure.

But in order for this cycle to be sustainable our creators must be fairly compensated for their work. Our purpose is to ensure the mechanisms are in place for this to happen. Copyright Licensing New Zealand exists to help the owners of published content earn a living from their work.

In the time I have been on the board of CLNZ there has been an immense amount of change in the copyright environment due to our ever-increasing digital world. This has presented opportunities and challenges. Writers have the right to benefit from their work, but this right is constantly being eroded by the prevailing expectation of users for free digital content, and the self-interest of multinational giants lobbying governments to relax copyright law. This is of particular importance as we come into a review of the Copyright Act in New Zealand. One of our great concerns has been the increase in countries expanding 'fair use' in order for users to avoid paying writers for the exploitation of their works. This has also been playing out in the courts, and not always favourably for the writers.

One of the continuing elements of good governance is the process of self-evaluation. It is vital for an organisation to pass a critical eye over itself and ask some tough questions. This is not always a comfortable process. Over the last few years we have measured ourselves against WIPO's TAG (Transparency, Accountability, Governance) best practice recommendations for Collective Management Organisations (CMOs), and the changes undertaken from this process have resulted in CLNZ being a stronger organisation.

Further to that we have been undertaking a 'Fit for Purpose' review of the legal structure of our organisation. This has been in response to recent taxation changes within New Zealand, and to the legal challenges being taken against other CMOs internationally, for example in Canada. The objective was to ensure that we have the right structure in place to best represent our stakeholders and to stand any scrutiny we may come under in the copyright arena. Our conclusion after the review is that

the current structure of CLNZ as a not-for-profit limited liability company is the best one to take us into the future for our stakeholders, and to ensure creativity remains sustainable and a cornerstone of our society.

2017 was my final year as a director and as Chair of CLNZ. It has been a privilege working with Paula Browning and her team, and with the board of CLNZ.

My thanks to you all for what has been a hugely rewarding experience. I leave confident the organisation has the best people to protect the rights of writers and publishers of creative works, and the best governance structure in place to face the challenges of the future.

A handwritten signature in black ink, which reads "Vanda Symon". The signature is fluid and cursive.

Vanda Symon
Chairperson

CEO's Report



And we're off...!

In June 2017, the then Minister of Commerce and Consumer Affairs, Hon. Jacqui Dean, announced a review of New Zealand's Copyright Act.

It was possible that the new government could have decided not to continue with the review, however the new Minister, Hon. Kris Faafoi, not only decided to carry on the work, but was out meeting with stakeholders within a couple of weeks of taking office. Given the new government's heavy work plan for their first 100 days, the workload of the team at the Ministry of Business, Innovation and Employment (MBIE) who are managing the review was significant and the timing of the publication of an Issues Paper has been rescheduled for mid-2018. CLNZ is working closely with our shareholders, NZ Society of Authors and Publishers Association of NZ, on a joint approach to the review and the provision of evidence that is firmly based on New Zealand industry facts into how copyright in writing and publishing in Aotearoa works. You can find a copy of our written submission to MBIE (and other submissions we make) on our new website under *Supporting the Creative Industry*.

During 2017, MBIE also continued to work on implementing the WIPO Marrakesh Treaty into New Zealand's Copyright Act. In September, CLNZ and the Blind Foundation brought together a group of stakeholders to discuss what needed to be done outside of the legislation that will deliver value to authors, publishers and the print-disabled community. The three projects that have been identified are:

- *Development and implementation of born-accessible standards*
- *Online metadata repository of works available in accessible formats*
- *Training and support for using accessibility features in digital devices*

The CLNZ team's year was marked by significant achievements and a huge loss. Further progress was made with our new WISE software to embed the use of it for managing tertiary institutions' e-reporting to us and we'll soon be ready to share WISE with the Copyright Owners we represent via an online portal – more to come on this later in 2018.

Engagement with our tertiary customers has identified the need for more and better information on copyright and licensing and you'll find the result of our first project to deliver this on the new website in the form of a Knowledge Base.

Many of our licensees, authors and publishers would have, at some time in the past 20 years, spoken to or had communication with Ann Sprosen, CLNZ's Licensing and Administration Manager. Ann's voice was the one most frequently answering the office phone. She managed all of our licensing and our Cultural Fund activities and events. Ann died suddenly in October and we miss her terribly on both a professional and personal level. Our thoughts are with her husband Mark, and her children Tessa and Callum, as they adjust to life without her.

I would like to acknowledge the work of the CLNZ Board during 2017. Their oversight and guidance as we work to deliver on our strategy is invaluable. The Director's cohesion and drive for success provides the organisation with the governance that it needs in times of significant technological development and change in our business practice. I shall miss the support that the past two years of Vanda Symon's chairmanship have provided and look forward to working with CLNZ's first independent Chair, Emeritus Professor Pat Walsh.

Finally, I encourage you all to participate in the government's review of copyright and the Marrakesh Treaty. CLNZ, NZ Society of Authors and Publishers Association of NZ work hard on your behalf, but it is vital that your voices are also heard by Ministers, MP's, Government Officials and others in the copyright debate. My sincere hope is that we can have a respectful copyright conversation about what matters for Aotearoa's creative future and our creator's voices need to be at the forefront of that conversation.



Paula Browning
Chief Executive

Meet Our Board

Copyright Licensing New Zealand (CLNZ) was established in 1988 by the Book Publishers Association of New Zealand Inc. Now jointly owned by Publishers Association of New Zealand (formally BPANZ) and the New Zealand Society of Authors (NZSA) our CLNZ Board directors are elected by its owners.



Vanda Symon
Chairperson

Vanda is a successful crime fiction writer having published five novels to date. She is the former Chair of the Otago Southland branch of NZSA and is still involved at an organisational level. Currently, Vanda is a Ph.D candidate at the University of Otago, in Science Communication.



Sam Elworthy
Director

Sam grew up in South Canterbury and studied in Dunedin where he edited the student newspaper and wrote a book on student life, *Ritual Song of Defiance: A Social History of Students* at the University of Otago. After completing his Ph.D. in the US, Sam became the Editor-in-Chief at Princeton University Press. Back in NZ, Sam is Director of Auckland University Press. He has been President of the Publishers Association of New Zealand and has chaired the Michael King Writers' Centre Trust and the Book Awards Governance Group.



Dr Dana Wensley
Director

Dr Dana Wensley is a professional member of the NZ Society of Authors, a Committee Member of the Top of the South Branch of the NZ Society of Authors, and the PEN (NZ) representative for freedom of speech. Dana writes on issues touching on the intersection of law, society, politics, and morality. She has a Ph.D. from King's College, London, an LLB (Hons) from The University of Auckland, and a postgraduate diploma in writing from the School for Writers, Humber College, Toronto. Previously she has been a Research Fellow at the University of Otago, an assistant editor of the *Bulletin of Medical Ethics* in London, and a member of the Guelph Mercury Community Editorial Board in Canada.



Andrew McKenzie
Director

Andrew is one of two directors appointed to CLNZ's board in 2014 bringing significant commercial experience to our organisation. Currently Andrew is Chief Executive Officer at Housing New Zealand and prior to that was General Manager Finance, in the Construction Group at Fletcher Building and Chief Financial Officer at Auckland Council. Andrew is passionate about the next generation being able to make a living from their creativity and is a director on a number of boards.



Prof. Pat Walsh
Director

Pat was appointed to the CLNZ board in 2014 and brings his breadth of experience in the tertiary sector to CLNZ. He is the former Vice Chancellor of Victoria University and former Chair of the Universities New Zealand Vice Chancellors Committee. He is Chair of Agri One, a joint venture between Lincoln and Massey Universities, Chair of the New Zealand and Indonesia Council and Chair of the Academic Quality Agency.



Graeme Cosslett
Director

Graeme is a newly appointed CLNZ board Director, starting in 2017. He brings a range of experience working in the education sector, as a teacher, a former Board of Trustees Chairperson, and currently as Chief Executive of the New Zealand Council for Educational Research (NZCER). He is a professional member of the New Zealand Institute of Directors.

Meet our People



Paula Browning
Chief Executive

Tom Hill
Business Relationship Manager

Jason Kay
Business Information Manager

Summer Jenkins
Marketing & Communication Manager

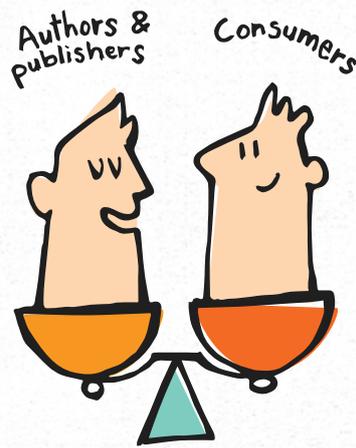
Monika McCracken
Surveys Manager

Miriam Wiley
Manager Information Management

Donna Osborne
Research and Data Entry

Anita Ballantyne
Research and Data Entry

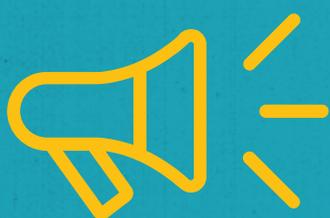
Emma Yagmich
Research and Data Entry



Our Purpose

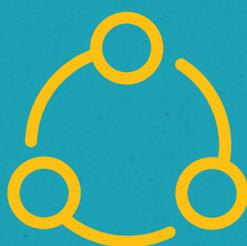
**To provide access
to content: to
represent authors
and publishers; and
to ensure they are
paid when
their work is used.**

Who we are



ADVOCATORS

As a non-profit organisation, Copyright Licensing New Zealand (CLNZ) represents the interests of authors and publishers from New Zealand and around the world, paying them when their works are used. Established on the principles of collective rights management, we encourage respect for copyright and for those who create the work we love to read.



FACILITATORS

CLNZ is perfectly positioned between publisher/author and reader to issue a Copyright Licence that makes copying, scanning and sharing printed material (eg. books and journals) simple and legal for education providers, businesses and government departments, for the benefit of everyone.



CONTRIBUTORS

CLNZ actively contributes to the production and growth of new works in New Zealand by investing in publishers and authors new projects and supporting industry initiatives. Through the CLNZ Cultural Fund, established in 2001, funding investments are made into people and projects that benefit cultural or social purposes that are directly in the interest of the rightsholders that we represent.

Our Values



Empowering



Knowledgeable



Teamwork



Respect

Achievements

IN 2017

Effective © Framework

• **Marrakesh Treaty Implementation**

- In conjunction with the Blind Foundation, establish a stakeholder forum that has identified an initial three projects to improve access to works for the print disabled, while supporting copyright owners to publish accessible-born content

• **Advocacy Plan delivered including:**

- Communicating the value of Copyright and licensing to MP's, Ministers and Policy Advisors
- Closer engagement with Internet NZ, LIANZA and content user groups
- With WeCreate, the Creative Economy Conversation (a government/creative industries forum that explored what needs to be done to grow the creative economy)

Stronger Customer Relationships

- **NEW RELATIONSHIPS** established with key staff in tertiary institutions leading to development of copyright eLearning modules and a new copyright knowledge base
- **LAUNCHED NEW CUSTOMER-FOCUSED WEBSITE** (including CLNZ brand refinement) to provide the engagement and information that our customers need from us

Operational Excellence

- **FIRST DISTRIBUTION OF OVERSEAS REVENUE USING WISE** and first university revenue distribution using e-reporting data
- **WISE ENHANCEMENTS** to increase efficiency in records management
- **COMPLETED IT SYSTEMS** resilience review
- **UNDERTOOK FIT FOR PURPOSE REVIEW** of CLNZ's structure to ensure this is optimal for a 21st century collective management organisation

Looking Ahead

2018 AND BEYOND

Future *business model*

What does CLNZ's future business look like, enabled by WISE and other technology.

Improved *customer service*

Online access for copyright owners and licensees to do business with CLNZ.

Best-practice *operations*

Transparency, accountability and good governance practice is built in to everything we do.

New *licence offerings*

Diversify revenue streams and enhance existing licence offerings to meet customer's needs.



Revenue

AT A GLANCE



Previous Years

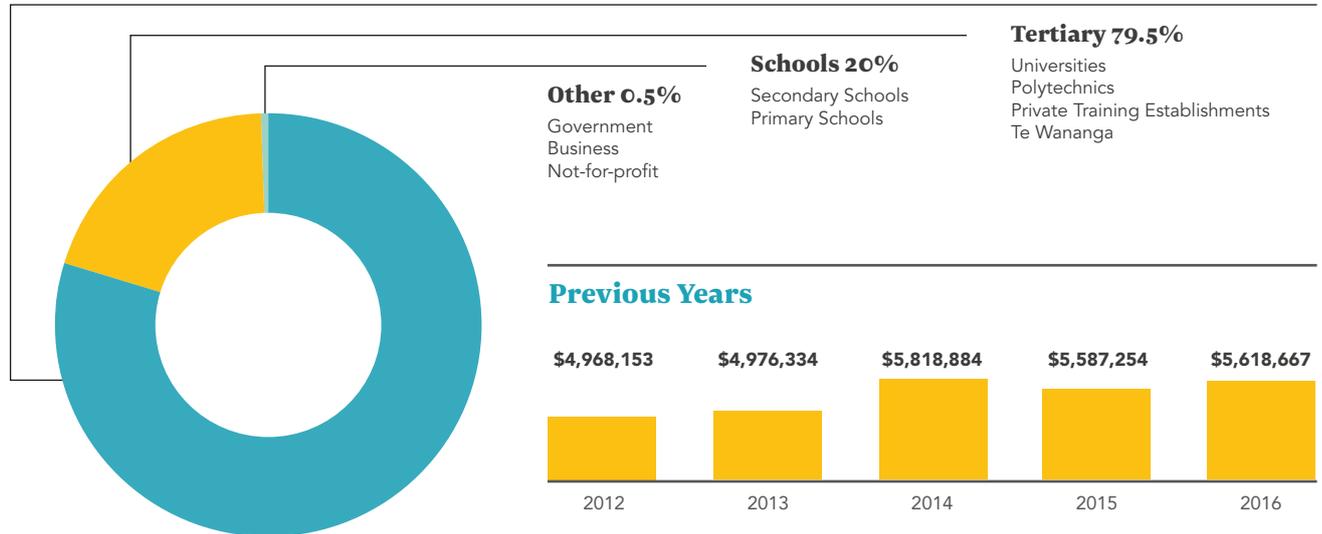


*Includes 2013 licence settlement.

Domestic Licensing Revenue 2017

\$5,617,500

Domestic Licensing Revenue Sources 2017



Overseas Revenue 2017

\$740,953

Overseas Revenue Sources 2017

1. **Australia**
54.5% (\$412,147)

2. **United Kingdom**
17.2% (\$130,159)

3. **Japan**
19.2% (\$144,752)

4. **Switzerland**
5.7% (\$43,291)

5. **Other**
3.4% (\$10,604)



Previous Years



School Licensing

AT A GLANCE



Did you know that licensing is voluntary in New Zealand?

An exception in the New Zealand Copyright Act provides for some use of content in teaching for free. Schools that wish to provide their staff and students with access to material beyond what is permitted by law, can take out a CLNZ Education Licence. The licence fee paid is based on the number of students enrolled in each school.

Number of schools licensed in 2017

1,812

Representative of approximately **71.6%** of all schools in New Zealand.

Number of school students licensed in 2017

565,964

Primary students: 344,198
Secondary students: 221,766

Previous Years

2016	547,002 STUDENTS	PRIMARY STUDENTS: 326,635	SECONDARY STUDENTS: 220,367
2015	537,922 STUDENTS	PRIMARY STUDENTS: 317,974	SECONDARY STUDENTS: 219,978
2014	509,405 STUDENTS	PRIMARY STUDENTS: 293,678	SECONDARY STUDENTS: 215,727
2013	499,163 STUDENTS	PRIMARY STUDENTS: 282,919	SECONDARY STUDENTS: 216,244
2012	492,798 STUDENTS	PRIMARY STUDENTS: 283,080	SECONDARY STUDENTS: 209,718

Facts & Figures

Distribution to Copyright Owners

In 1995 (year one), \$165,000 was distributed to copyright owners. Now the annual figure is around \$4.6 million.



Since 1995, CLNZ has allocated a little over \$65M for copying under our licences.



Access to a world of content

Just as we receive income from overseas Reproduction Rights Organisations (RROs) for local content being used internationally, we also distribute funds back to those same organisations for international works used within New Zealand. We see this as a positive, allowing New Zealanders access to a world of content. Here is a percentage breakdown of the countries we have distributed funds to over the past few years.

Country	2012	2013	2014	2015	2016	2017
Australia	16.09%	12.04%	11.87%	15.65%	15.8%	14%
Canada	1.7%	0.76%	0.91%	1.32%	2.3%	1.4%
United Kingdom	37.66%	36.41%	41.31%	37.25%	37.93%	37.5%
USA	41.92%	48.47%	43.28%	43.55%	41.54%	44.6%
Other	2.63%	2.32%	2.63%	2.23%	2.43%	2.5%



Independent Auditor's Report

To the Shareholders of Copyright Licensing Limited

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

T +64 (9) 367 1656
www.rsmnz.co.nz

Opinion

We have audited the financial statements of Copyright Licensing Limited, which comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive revenue and expense for the year then ended;
- the statement of movements in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the accompanying financial statements on pages 19 to 34 present fairly, in all material respects, the financial position of Copyright Licensing Limited as at 31 December 2017, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of Copyright Licensing Limited in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, Copyright Licensing Limited.

Other information

The directors are responsible for the other information. The other information comprises the annual report pages 2 to 18 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Hayes Audit is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible, on behalf of Copyright Licensing Limited, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards Reduced Disclosure Regime, and for such internal control as those charged with governance determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible, on behalf of Copyright Licensing Limited, for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements. A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx

Who we report to

This report is made solely to the shareholders, as a body. Our audit has been undertaken so that we might state to the shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the directors as a body, for our work, for this report, or for the opinions we have formed.



RSM Hayes Audit
Auckland

22 May 2018

Directors' Report

The Directors of Copyright Licensing Ltd are pleased to present the company's report for the financial year ended 31 December 2017.

DIRECTORS

The names of the Directors in office at the end of the year are:

- Vanda Symon (Chair) NZSA
- Sam Elworthy PANZ
- Emeritus Professor Pat Walsh Independent
- Dr. Dana Wensley NZSA
- Andrew McKenzie Independent
- Graeme Cosslett PANZ

PRINCIPAL ACTIVITIES

Copyright Licensing Ltd (CLNZ) is part of a global network of copyright collectives that provide centralised licensing services for the reproduction of extracts from published works. CLNZ makes it easier for users of books, journals and periodicals to gain clearance to copy from a worldwide repertoire of literary works.

Copyright Licensing Ltd is a non-profit company. All licensing revenue is returned to rightsholders after deduction of operating costs, a contribution of 2% of domestic licensing revenue to the CLNZ Cultural Fund and a contribution of 1% of domestic licensing revenue to the CLNZ Legal Fund. The Cultural Fund is used to invest in cultural and social purposes that help to grow the sector. The Legal Fund is provisioned for claims against the indemnity provided in CLNZ licences and other legal matters to which the company may need to respond.

OPERATING RESULTS

Gross revenue for the year was \$6,627,479 (2016 : \$6,628,571) of which \$740,953 (2016 : \$742,422) was received from overseas Reproduction Rights Organisations for distribution to New Zealand rightsholders. Domestic licensing revenue was \$5,617,500 (2016 : \$5,618,667). Additional revenue was generated from interest on investments and administrative services.

After the deduction of operating costs and a contribution of \$112,350 (2016 : \$112,373) to the Cultural Fund and a contribution of \$56,175 (2016 : \$56,187) to the Legal Fund,

\$4,471,193 (2016 : \$4,599,924) was allocated for distribution from domestic licensing revenue.

Total expenditure represented 19.7% of gross revenue (2016 : 17.5%).

SIGNIFICANT CHANGES

There has been no change in the nature of the business of the company during the financial year.

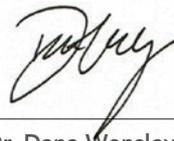
DIRECTORS' AND OFFICERS' INSURANCE

The company has paid a premium of \$5,850 (2016 : \$5,850) to insure directors and the Chief Executive Officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the company other than conduct involving a wilful breach of duty in relation to the company.

DIRECTORS' DECLARATION

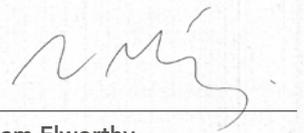
The Directors of the company declare that the following financial statements give a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the year ended on that date.

The Directors confirm that the company is in a sound financial position.



Dr. Dana Wensley
Director

11/4/18
Date



Sam Elworthy
Director

11/4/18
Date

Financial Statements

COPYRIGHT LICENSING LIMITED
STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE
 FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
REVENUE FROM EXCHANGE TRANSACTIONS			
Domestic Licensing		5,617,500	5,618,667
Overseas Reproduction Rights Organisations		740,953	742,422
Interest Received		258,777	253,997
Other Income		10,249	13,485
Total Revenue		6,627,479	6,628,571
EXPENSES			
Audit Fee		12,000	10,250
Depreciation	6	12,792	10,025
Amortisation	7	38,990	2,923
Directors' Costs		104,446	109,487
Legal Expenses		21,223	77,223
Operations		369,024	363,555
Office Lease Costs		84,822	74,228
Salaries & Wages		659,732	508,593
Total Expenses		1,303,029	1,156,284
Less Tax Expense		1,289	1,901
NET LICENSING REVENUE AFTER TAX		5,323,161	5,470,386
Less Allocation to Legal Reserve Fund	9	56,175	56,187
Less Transfers to Cultural Fund			
- Domestic Revenue	8	112,350	112,373
- Unattributable Overseas Revenue	8	58,983	26,678
Comprehensive revenue and expense for distribution to rightsholders		5,095,653	5,275,148

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED STATEMENT OF MOVEMENTS IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

Note	Share Equity	Accumulated Funds	Cultural Reserve	Legal Reserve	Development in South Pacific Reserve	Total
2017						
EQUITY AT 1 JANUARY 2017	100	-	399,207	268,215	12,864	680,386
Net licensing revenue after tax	-	5,323,161	-	-	-	5,323,161
Transfer to/from reserves	-	(227,508)	185,444	56,175	-	14,112
Use of reserve funds	-	-	(161,350)	-	-	(161,350)
Funds transferred for distribution	-	(5,095,653)	-	-	-	(5,095,653)
EQUITY AT 31 DECEMBER 2017	100	-	423,301	324,390	12,864	760,656
2016						
EQUITY AT 1 JANUARY 2016	100	-	432,381	212,028	12,864	657,373
Net licensing revenue after tax	-	5,470,386	-	-	-	5,470,386
Transfer to/(from) reserves	-	(195,238)	139,051	56,187	-	-
Use of reserve funds	-	-	(172,225)	-	-	(172,225)
Funds transferred for distribution	-	(5,275,148)	-	-	-	(5,275,148)
EQUITY AT 31 DECEMBER 2016	100	-	399,207	268,215	12,864	680,386

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and bank balance	5	6,130,025	3,333,852
Investments	5	2,511,778	6,348,684
Receivables		419,775	10
Other Receivables		21,741	55,553
Taxation Refund		81,925	63,266
GST Refund		85,139	82,671
Prepayments		13,287	11,914
Total Current Assets		9,263,670	9,895,951
NON CURRENT ASSETS			
Property, plant and equipment	6	28,982	24,095
Intangible assets	7	110,753	90,257
TOTAL ASSETS		9,403,405	10,010,299
CURRENT LIABILITIES			
Distributable Funds	3.15	8,338,134	9,067,950
Holiday pay accrual		41,596	33,622
Accruals		16,448	19,345
Accounts Payable		25,550	5,512
PAYE Due		18,832	19,861
NRWT Payable		194,326	183,623
Fuji Xerox Finance Lease		7,863	-
Total Current Liabilities		8,642,750	9,329,913
TOTAL LIABILITIES		8,642,750	9,329,913
NET ASSETS		760,656	680,386
EQUITY			
Share Capital		100	100
Cultural Fund	8	423,302	399,207
Legal Reserve Fund	9	324,390	268,215
Provision for Development in South Pacific	3.14	12,864	12,864
TOTAL EQUITY		760,656	680,386

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Licensing revenue		5,938,688	6,361,079
Interest received		292,588	253,997
GST received/(paid)		(2,468)	28,647
Other operating activities		10,249	13,485
Tax refund/(paid)		(9,245)	214,947
Payments to suppliers and employees		(1,228,532)	(1,144,512)
Distributions to rightsholders		(5,825,469)	(4,041,020)
Payments from Cultural Fund		(147,239)	(172,224)
Net cash inflow/(outflow) from operating activities		(971,428)	1,514,399
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(63,663)	(46,572)
Net cash inflow/(outflow) from investing activities		(63,663)	(46,572)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from investments		3,836,906	(1,311,057)
Finance lease repayments		(5,641)	-
Net cash inflow/(outflow) from financing activities		3,831,265	(1,311,057)
Net increase/(decrease) in cash and cash equivalents		2,796,173	156,770
Cash and cash equivalents at 1 January		3,333,852	3,177,082
Cash and cash equivalents at 31 December	5	6,130,025	3,333,852

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED **NOTES TO THE FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31 DECEMBER 2017

1. REPORTING ENTITY

Copyright Licensing Limited is a private company registered under the Companies Act 1993. The Directors consider Copyright Licensing Limited to be a non-profit company as the full amount of the net surplus each year is required to be distributed to rightsholders in accordance with the company's constitution and Distribution Policy.

The company is a Reproduction Rights Organisation and operates licensing schemes on behalf of copyright owners of published materials. The net returns from licensing are paid out to the copyright owners whose materials have been copied under licence.

These financial statements have been approved and were authorised for issue by the Board of Directors on 11 April 2018.

2. STATEMENT OF COMPLIANCE

The entity's financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") that have been authorised for use by the External Reporting Board for Not-For-Profit entities. Copyright Licensing Limited is a public benefit entity and is eligible to apply Tier 2 Not-For-Profit PBE Standards RDR on the basis that it does not have public accountability and it is not defined as large.

The Board has elected to report in accordance with Tier 2 Not-For-Profit PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime ("RDR") disclosure concessions.

3. SUMMARY OF ACCOUNTING POLICIES

3.1 FUNCTIONAL AND PRESENTATION CURRENCIES

The company's presentation currency is New Zealand Dollars (NZD). The financial statements are prepared in New Zealand dollars, rounded to the nearest dollar.

Transactions in a foreign currency are converted at the exchange rate at the date the transaction is settled. Foreign currency receivables and payables at balance date are translated at exchange rates current at balance date. Any resulting exchange gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

3.2 BASIS OF MEASUREMENT

These financial statements have been prepared on the basis of historical cost.

COPYRIGHT LICENSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The company considers that all revenue received is as a result of exchange transactions. The following specific recognition criteria must be met before revenue is recognised.

Revenue from exchange transactions

Domestic Licensing

Domestic licensing revenue is received from licence holders in accordance with the terms of licensing schemes that help to make copying, scanning and sharing printed works easy and legal. Licences are issued annually for the calendar year with invoicing for licences happening in the year the licence is issued. Domestic licensing revenue is recognised on receipt.

Overseas Reproduction Rights Organisations

Periodically, funds are received from Reproduction Rights Organisations in other countries as a result of New Zealand works being copied overseas. Copyright Licensing Limited has no control over the amount or timing of receipt of those funds. As such, these funds are recognised as revenue when received in accordance with the Company's Distribution Policy.

Interest

Interest is recognised as it accrues, using the effective interest method.

3.4 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is charged on a straight line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- | | |
|------------------------|-----|
| • Furniture & Fittings | 15% |
| • Office equipment | 39% |
| • Computer hardware | 40% |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset. Gains and losses on disposal of fixed assets are taken into account in arriving at the net surplus for the year.

The accompanying notes form part of these financial statements.

COPYRIGHT LICENSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3.5 INTANGIBLE ASSETS

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The Company's registered trademarks and software development are its only intangible assets. Trademarks are currently not being amortised.

The amortisation periods for the Company's assets are as follows:

- Trademarks 0%
- Computer software 40%

3.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.7 LEASED ASSETS

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

3.8 LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the lease item to the entity. Assets held under finance lease are capitalised at the commencement of the lease at fair value of the leased asset or, if lower, at the present value of the future minimum lease payments. The company also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset.

3.9 RECEIVABLES

Receivables are valued at anticipated realisable value. A provision is made for doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

COPYRIGHT LICENSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3.10 INCOME TAX

The entity qualifies as a non-profit company under the Income Tax Act 2007, section DV 8. The entity does not have the purpose of making a profit for a proprietor, member or shareholder. Under the constitution, the entity prohibits the distribution of property in any form, other than as a rightsholder, to a member, proprietor or shareholder. After expensing operating costs and transfers to reserves, the net surplus is transferred to the distributable funds account so the only funds held in equity are to achieve specific purposes. Due to timing differences, the entity is subject to non-deductible expenditure which may result in an income tax liability.

3.11 GOODS AND SERVICES TAX (GST)

All amounts in the financial statements are stated exclusive of GST, except for receivables that are inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Inland Revenue Department is classified as part of operating cash flows.

3.12 CONTRIBUTION TO CULTURAL FUND

A contribution of 2% of annual domestic licensing revenue is transferred to the Cultural Fund each year (refer also Note 8). This amount is deducted before arriving at the net surplus. In addition, an amount of \$73,093 was transferred into the fund from unattributable overseas revenue received.

3.13 LEGAL RESERVE FUND

The Legal Reserve Fund was established in 2016 to help to manage a significant risk to the company from unplanned legal expenditure. 1% of domestic licensing revenue is contributed to this fund each year. This amount is deducted before arriving at the net surplus. The Company has adopted a formal policy on the management of the fund including its purpose, setting a cap on the maximum value of funds to be held, and how the repatriation of unused funds will be handled in future years.

3.14 SOUTH PACIFIC DEVELOPMENT FUND

Unspent money budgeted for the development of copyright licensing in the South Pacific has been set aside for future use.

3.15 DISTRIBUTABLE FUNDS

New Zealand licensing revenue is received from a number of different sectors each year and is accounted for by sector by year. After pro rata deductions are made for operating costs, contributions to the Cultural Fund and contributions to the Legal Reserve Fund, the net surplus is allocated for distribution pending the identification of publishers and authors whose works are copied under licence through the provision of electronic usage data from the New Zealand universities and via annual sampling surveys carried out in all other licence sectors.

The accompanying notes form part of these financial statements.

COPYRIGHT LICENSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3.16 DISTRIBUTION

Revenue from overseas Reproduction Rights Organisations and copyright clearance licensing services is distributed to identified publishers and authors after deduction of an appropriate administrative charge (7.5% for distributions to mandated rightsholders, 15% for distribution to non-mandated rightsholders).

3.17 EMPLOYEE BENEFITS

Wages, salaries, annual leave and sick leave

Liabilities for wages, salaries and annual leave are recognised in surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

3.18 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

The Company derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Company has transferred substantially all the risks and rewards of the asset; or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial Assets

Financial assets within the scope of *PBE IPSAS 29 Financial Instruments: Recognition and Measurement* are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The categorisation determines subsequent measurement and whether any resulting income and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Company's financial assets are classified as either financial assets at fair value through surplus or deficit, or loans and receivables. The Company's financial assets include: cash and cash equivalents, short-term investments and receivables from exchange transactions and investments.

All financial assets except for those at fair value through surplus or deficit are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Financial Assets - Continued

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include items that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less any allowance for impairment. The Company's cash and cash equivalents, short-term investments, receivables from non-exchange transactions, receivables from exchange transactions and non-equity investments fall into this category of financial instruments.

Impairment of Financial Assets

The Company assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Financial Liabilities

The Company's financial liabilities include trade and other creditors (excluding GST and PAYE) and employee entitlements.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit.

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED **NOTES TO THE FINANCIAL STATEMENTS** FOR THE YEAR ENDED 31 DECEMBER 2017

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made certain judgements in the preparation of these financial statements. The Directors consider that none of these judgements are material to the financial statements.

Estimates and assumptions

The determination of some balances within the financial statements use key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The main estimate used relates to the useful lives of property, plant and equipment and intangible assets and the resulting depreciation and amortisation rates. The estimated remaining useful lives of these assets is reviewed annually and are reported in notes 3.4 and 3.5.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

5. CASH AND INVESTMENTS

	2017	2016
	\$	\$
Cash and cash equivalents	6,130,025	3,333,852
Investments	2,511,778	6,348,684
	8,641,803	9,682,536

Investments are comprised of term deposits at registered banks with original maturities of over 90 days. Term deposits of less than 90 days are included in cash and cash equivalents.

FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017

6. FIXED ASSETS

	2017	2016
	\$	\$
Furniture and Fittings		
At cost	25,846	23,246
Loss on disposal	0	0
Accumulated depreciation	(14,858)	(11,732)
	10,989	11,514
<i>Depreciation expense for year</i>	3,125	2,770
Office Equipment		
At cost	11,562	11,562
Loss on disposal	0	0
Accumulated depreciation	(10,894)	(10,750)
	669	812
<i>Depreciation expense for year</i>	144	185
Computer Hardware/Software		
At cost	58,487	56,909
Loss on disposal	0	0
Accumulated depreciation	(50,163)	(45,140)
	8,323	11,768
<i>Depreciation expense for year</i>	5,023	7,070
Leased Asset (Photocopier)		
At cost	13,501	-
Loss on disposal	0	-
Accumulated depreciation	(4,500)	-
	9,001	-
<i>Depreciation expense for year</i>	4,500	-
	2017	2016
	\$	\$
Opening Book Value	24,095	32,851
Plus additions	17,679	1,269
Plus Work in Progress	0	0
Less disposals	0	0
Less depreciation	12,792	10,025
Closing Book Value	28,982	24,095

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

7. INTANGIBLE ASSETS

	2017	2016
	\$	\$
<i>System Development</i>		
At cost	496,258	436,770
Work in Progress	0	0
Accumulated amortisation	(390,998)	(352,006)
	105,260	84,765
<i>Depreciation expense for year</i>	38,990	2,923
<i>Trademarks</i>		
At cost	5,490	5,490
Accumulated depreciation	(0)	(0)
	5,490	5,490
	2017	2016
	\$	\$
Opening Book Value	90,257	47,877
Plus additions	59,485	45,303
Plus Work in Progress	0	0
Less disposals	0	0
Less depreciation	38,990	2,923
Closing Book Value	110,752	90,257

8. CULTURAL FUND

Annual contributions of up to 2% of domestic licensing revenue are made to this fund which is then invested in cultural and social purposes to benefit the rightsholders the Company represents. The sum of \$112,350 (2016 : \$112,373) has been transferred from 2017 domestic licensing revenue. The fund has also benefitted \$73,094 from non-title-specific revenue received from overseas RROs. This was made up of \$58,983 received in 2017 along with \$14,111 unattributable revenue from prior years.

	2017	2016
	\$	\$
Opening balance	399,208	432,381
Less Awards and Grants payments	161,350	172,225
Unattributable overseas revenue	73,094	26,678
Contribution from licensing revenue	112,350	112,373
Closing balance	423,302	399,208

FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

9. LEGAL RESERVE FUND

Annual contributions of 1% of domestic licensing revenue are made to this fund. The funds are set aside for any claim against the indemnity provided by the licences the Company sells and for any unplanned legal expenditure on matters that impact the rightsholders the Company represents. The sum of \$56,175 (2016 : \$56,187) has been transferred from 2017 domestic licensing revenue. Unspent funds may be reallocated to revenue at a later date in accordance with the provisions of the Company's Distribution Policy.

	2017	2016
	\$	\$
Opening balance	268,215	212,028
Less payments made	0	0
Contribution from licensing revenue	56,175	56,187
Closing balance	324,390	268,215

10. CAPITAL AND LEASING COMMITMENTS

Obligations payable after balance date on operating leases are as follows:

	2017	2016
	\$	\$
Premises (Operating lease) Expires November 2019		
Payable		
- not later than one year	69,250	69,250
- later than one year but not later than five years	57,708	138,500
Motor Vehicle (Operating leases) Expires May 2019 & January 2020		
Payable		
- not later than one year	14,424	8,076
- later than one year but not later than five years	10,242	16,152

11. COMPANY VISA CARD

A company Visa card used by senior staff has a limit of \$20,000.

12. SHARE CAPITAL

Authorised, issued and fully paid up capital

100 Ordinary shares of \$1	100	100
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13. RELATED PARTY TRANSACTIONS

Shareholders

The shareholders in Copyright Licensing Limited are the Publishers Association of New Zealand (PANZ - 50 shares) and New Zealand Society of Authors (NZSA - 50 shares).

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

13. RELATED PARTY TRANSACTIONS - CONTINUED

NZ Society of Authors

	2017	2016
	\$	\$
Research Grant Funds (paid to grant winners)	20,000	20,000
Administration of Research Grants	1,000	1,000
National Writers Forum	-	15,000
Total	21,000	36,000

Publishers Association of New Zealand

	2017	2016
	\$	\$
Professional Development Training	20,000	20,000
Total	20,000	20,000

None of the above payments have been made as dividends, bonuses or payments of profits to these organisations and therefore do not contravene clause 2.6 of the Company's Constitution. There are no amounts owed to or by related parties at year end.

Directors

Sam Elworthy was employed by the University of Auckland during the year and did not take part in any discussions regarding transactions with or matters related to the University of Auckland.

Dr. Dana Wensley was an elected councillor with Tasman District Council and Deputy Chair of Committee with responsibility for Tasman District Council libraries.

Key Management Personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the Directors of the Board, Chief Executive, Licensing and Administration Manager (part year), Business Relationship Manager and Business Information Manager. The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration is as follows:

Senior Management

	2017	2016
	\$	\$
Total remuneration	395,560	299,780
Total FTE's (Full Time Equivalent)	4	3

Directors

	2017	2016
	\$	\$
Total remuneration	85,936	85,472
Total FTE's (Full Time Equivalent)	0.1	0.1

The accompanying notes form part of these financial statements.

FINANCIAL STATEMENTS

COPYRIGHT LICENSING LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

14. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories of assets and liabilities:

Financial Assets	2017	2016
	\$	\$
<i>Financial Assets at Fair Value through Surplus or Deficit</i>		
Cash and cash equivalents	8,641,803	9,682,536
Receivables from Exchange Transactions	419,775	10
	9,061,578	9,682,546

Financial Liabilities	2017	2016
	\$	\$
<i>At amortised cost</i>		
Trade and other creditors	25,550	5,512
Fuji Xerox Finance Lease		-
Accrued Expenditure	16,448	19,345
Employee Entitlements	41,596	33,622

15. FINANCE LEASE

The company has a Finance Lease with Fuji Xerox which expires in March 2019.

Total liability of \$7,863 remains after balance date as follows:

Photocopier - Expires March 2019	2017	2016
	\$	\$
Payable		
- not later than one year	6,219	-
- later than one year but not later than five years	1,644	-

16. GOING CONCERN

The financial statements have been prepared using the going concern assumption. The Directors have adopted the going concern assumption based on the future cash flows expected to be received in the year after balance date and the cash reserves that are able to be utilised to fund operating activities.

17. EVENTS SUBSEQUENT TO BALANCE DATE

There have been no events occurring after balance date that would materially affect these financial statements (2016 : NIL).

The accompanying notes form part of these financial statements.



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