COPY RIGHT LICENSING NEW ZEALAND

2025 Annual Report

copyright.co.nz

Contents

About Copyright Licensing New Zealand

Copyright Licensing New Zealand (CLNZ) plays a key role in making creative rights valuable assets for all New Zealanders, be they rightsholders (like authors, publishers and artists), or users such as educators and students.

We enable New Zealand's creative people to have their copyright packaged in such a way that users can access the work through a simple licence. We see ourselves as an empowering organisation, making sure everyone enjoys their rights and gets full value from them. We issue the licences, and collect the revenues to distribute back to the rightsholders.

We are jointly owned by the Publishers Association of New Zealand (PANZ) and the New Zealand Society of Authors (NZSA). To support understanding of copyright we provide online learning and information resources, and we advocate for legislation that will support the endeavours of New Zealand's talented creative people.

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Independent Auditor's Report
To the shareholders of Copyright Licensing Limited

Opinion

We have audited the general purpose consolidated financial report (hereinafter referred to as 'consolidated financial report') of Copyright Licensing Limited and its subsidiary, Resale Royalties Aotearoa Limited (together, 'the Group'), which comprises the consolidated financial statements on pages 22 to 42 and the consolidated service performance information on pages 10 to 21.

The complete set of financial statements comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of comprehensive revenue and expense, consolidated statement of changes in net assets/equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information.

In our opinion the accompanying consolidated financial report presents fairly, in all material respects:

- the consolidated financial position of the Group as at 31 December 2025, and its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 31 December 2025 in that the service performance information is appropriate and meaningful and prepared in accordance with Group's measurement bases or evaluation methods.

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 of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard, NZ AS 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants *(including International Independence Standards) (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, the Group.

Other information

The directors are responsible for the other information. The other information provided is contained on pages 5 to 9 (but does not include the consolidated financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated financial report 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 theconsolidated financial report, our responsibility is to read the other information identified above and, in doing so, considerwhether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit,orotherwise appears to be materially misstated.

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 report

The directors are responsible, on behalf of the Group, for:

(a) the preparation and fair presentation of the consolidated financial statements and service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;

(b) the selection of elements/aspects of service performance, performance measures and / or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with the Benefit Entity Standards Reduced Disclosure Regime; and

(c) the preparation and fair presentation of service performance information in accordance with the Group's measurement bases or evaluation methods, in accordance with Public Benefit Entity Standards Reduced Disclosure Regime

(d) the overall presentation, structure and content of the service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime

(e) for such internal control as the Board determine is necessary to enable the preparation of consolidated financial statements and service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the service performance information, 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) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this financial report.

A further description of the auditor's responsibilities for the audit of the financial report is located at the XRB's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-13/

Who we report to

This report is made solely to the shareholders, as a body. Our audit work 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 Copyright Licensing Limited and the shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RSM

RSM Hayes Audit
Auckland

29 May 2026

The Directors of Copyright Licensing Ltd are pleased to present the Annual Report and audited financial statements of the Company for the financial year ended 31 December 2025.

Governance and Stewardship

The Board continued to focus during 2025 on ensuring that Copyright Licensing New Zealand ("CLNZ") remains a trusted, sustainable and effective collective management organisation in a rapidly evolving copyright, publishing and art sale environment.

The Board's priorities during the year included:
- oversight of licensing revenue performance and rightsholder distributions;
- governance of the Artist Resale Royalty Scheme through Resale Royalties Aotearoa Limited;
- maintaining prudent financial reserves and strong internal controls;
- monitoring legal, technology and cybersecurity risks;
- supporting organisational capability and succession planning; and
- considering the long-term implications of artificial intelligence and digital copying technologies for collective copyright management.

The Directors continued to monitor developments in international copyright licensing markets and collective management practices through engagement with global reproduction rights organisations and sector stakeholders.

Directors
The names of the Directors holding office at the date of this report are:

• Karun Shenoy	Independent / Chair
• Victoria Spackman	Independent / Chair of Audit and Risk Committee
• Mel Winder	PANZ (Member of Audit and Risk Committee)
• Rose Carlyle	NZSA
• Craig Gamble	PANZ
• Mandy Hager	NZSA (to May 2025)
• Gina Butson	NZSA (from July 2025)

The Board acknowledges the contribution of all Directors, management and staff during the year.

Principal Activities

CLNZ is New Zealand's reproduction rights organisation for text and image-based copyright material and forms part of an international network of collective management organisations that facilitate lawful access to copyrighted content through collective licensing arrangements.

CLNZ provides licensing solutions that enable educational institutions, government agencies, businesses and other organisations to reproduce extracts from books, journals, periodicals and other published works from both domestic and international repertoires.

The Company also administers licensing arrangements for auction houses relating to the reproduction of artistic works in catalogues and promotional materials.
CLNZ licensing revenue is returned to rightsholders after deduction of operating costs and approved allocations to strategic reserves and sector investment initiatives.

In accordance with the Company's policies:

- Unattributed licensing revenue, from overseas and after 5 years local licensing, plus 2% of qualifying domestic licensing revenue is allocated to the CLNZ Cultural Fund, which supports initiatives that contribute to the development and sustainability of New Zealand's literary, publishing and creative sectors; and
- where required, up to 1% of qualifying domestic licensing revenue may be allocated to the CLNZ Legal Reserve Fund to support legal and indemnity-related obligations arising from licensing activities.

Resale Royalties Aotearoa

A significant milestone during the year was the first full year of operation of Resale Royalties Aotearoa Limited (RRA), following CLNZ's successful appointment to administer the Artist Resale Royalty Scheme under the Resale Right for Visual Artists Act 2023.

The scheme commenced operation on 1 December 2024 and represents an important expansion of collective rights management in New Zealand, providing eligible visual artists with an ongoing economic interest in the secondary sale of their works. In 2025 year we collected $1M for artists in New Zealand, including both living artists and their estates.

The Board recognises the substantial work undertaken by management and stakeholders to establish the operational, legal and technology frameworks required to support implementation of the scheme.

Operating Results

Gross revenue for the year was $8,704,827 (2024: $8,371,608), including $822,173 (2024: $839,319) received from overseas reproduction rights organisations for distribution to New Zealand rightsholders.

Domestic licensing revenue for CLNZ was $6,821,788 (2024: $6,359,807), an increase of $462,000. Additional revenue was generated through interest income and administrative service activities.

Revenue, from Resale Royalties activity, increased from $6,409 to $207,726.

Following deduction of operating costs, allocations to approved reserve and cultural initiatives, and other operating commitments, a total of $6,345,260 (2024: $5,901,717) was allocated for distribution to rightsholders from domestic licensing revenue.

During the year, $254,378 (2024: $165,213) was allocated to the CLNZ Cultural Fund. No allocation was made to the Legal Reserve Fund during the year (2024: nil).

Our expenses as a proportion of revenue were 18.3 % for 2025 vs. 18.7 % in 2024.

The Directors remain focused on maintaining an appropriate balance between operational efficiency, investment in organisational capability, and maximising returns to rightsholders.

Risk Management and Internal Controls

The Board, through its governance and assurance processes, continued to oversee financial management, operational controls, cybersecurity, legal compliance and organisational risk during the year.

The Directors recognise the increasing importance of information security, technology resilience and data governance in the operation of modern collective licensing organisations and continue to monitor these areas closely.

The Board is satisfied that appropriate financial management and internal control frameworks are in place for an organisation of CLNZ's size and complexity.

Directors' and Officers' Insurance

The Company has paid insurance premiums of $18,948 (2024: $17,564) to insure Directors, the company and the Chief Executive against certain liabilities and costs incurred in their capacity as Directors or officers of the Company, other than liabilities arising from wilful breach of duty or dishonest conduct.

Directors' Declaration

The Directors are responsible for ensuring that the financial statements present fairly the financial position of the Company as at 31 December 2025 and its financial performance and cash flows for the year ended on that date.

The Directors consider that the financial statements have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The Directors are satisfied that the Company is in a sound financial position and that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Signed for and on behalf of the Board.

M. Winder

Mel Winder
Director
29 May 2026

Karun Shenoy
Director / Chair
29 May 2026

Chair's Report 2025

The creative economy depends on a simple principle: creators should be fairly rewarded for the use of their work. Copyright is essential in helping to realise this economic value. In a rapidly changing environment shaped by AI, digital consumption, and evolving global licensing models, the role of collective management organisations like ours has become increasingly important, not only in protecting creators' rights, but in ensuring that creative ecosystems remain sustainable in the coming years.

Against that backdrop, 2025 was a year in which Copyright Licensing New Zealand (CLNZ) continued to strengthen its position as Aotearoa New Zealand's trusted copyright licensing and rights management organisation. During the year CLNZ distributed $6.345 million to authors, publishers, and visual artists, reflecting both the resilience of our licensing programmes and the continuing importance of fair remuneration for creative work.

A major focus during the year was operationalisation of the Artists Resale Royalties scheme and embedding of Resale Royalties Aotearoa. We had a successful first full year of operation of the artist resale royalty scheme - $1m of royalties collected. This work represents an important extension of CLNZ's contribution to New Zealand's creative economy and visual arts sector. We are encouraged by the level of engagement from artists, auction houses, galleries, and sector participants as the scheme becomes operationally embedded.

The Board also remained closely engaged in ensuring that CLNZ continues to evolve in response to technological, legal (e.g. Copyright Act review), and market developments while maintaining strong operational discipline and service delivery.

One of the most significant developments for the wider copyright sector continues to be the emergence of generative AI technologies and the increasing use of copyrighted content in the training and operation of AI systems. These developments present both opportunities and challenges for creators, publishers, governments, and collective management organisations globally. Throughout 2025, CLNZ actively engaged with stakeholders in New Zealand and internationally on these issues, advocating for balanced frameworks that recognise innovation while upholding the fundamental principle that creators should be acknowledged and fairly compensated for the use of their work.

Financial stewardship and organisational resilience remained a key priority for the Board throughout the year. In a challenging economic environment, we maintained a strong focus on prudent management, operational effectiveness, cybersecurity and digital resilience, and ensuring that rightsholders continue to receive efficient and transparent services. The Board also continued to oversee investments in systems, capability, and governance frameworks intended to support CLNZ's long-term sustainability.

The Board devoted considerable attention during the year to strategic planning and the future positioning of CLNZ. Collective management organisations internationally are increasingly being called upon to operate not simply as licensing intermediaries, but as sophisticated rights, data, and technology organisations. Ensuring that CLNZ remains well-positioned to meet these expectations will continue to be an important strategic priority in the years ahead as we explore options such as Digital Licensing (i.e. the ability to copy from select digital originals). 2026 will see more work on AI licencing and the launch of digital original reuse licenses. We will continue to focus on delivering value for both rightsholders and licensees. There will be an increased focus on business licensing. We also await the next stage of the Copyright Act review and also the new legislation on parody and satire.

The Board also experienced a couple of changes during the year. Craig Gamble joined our Board as a Publisher Director at the start of the year. Craig is a Wellington-based writer who edited Middle: Distance, Long Stories of Aotearoa New Zealand. He worked as Publishing Manager at Te Herenga Waka University Press for over 20 years and in the book trade for more than 25 years. He is co-owner of Archetype Book Agents an independent publisher's agency representing local and overseas publishers. Mandy Hager stepped down as Author Director during the year. Mandy brought a unique author and social justice perspective to our deliberations and on behalf of the Board, I would like to thank her for her contribution and service to the organisation. We also welcomed Gina Butson, who joined the Board as an Author Director during the year. Gina’s debut novel, The Stars Are a Million Glittering Worlds, was published in 2025. She practised as a lawyer for many years in both the private and public sectors, and more recently, she has spent some years in a senior advisory role in a Crown entity.

Finally, I would like to acknowledge my fellow Directors for their commitment, judgement, and stewardship throughout the year. I also extend my sincere thanks to Chief Executive Sam Irvine and the CLNZ team for their professionalism, energy, and dedication in delivering for New Zealand creators and rightsholders.

As we look ahead, the copyright environment will continue to evolve rapidly. The Board remains confident that CLNZ is well positioned to continue supporting creators, strengthening copyright systems, and contributing positively to New Zealand’s cultural and creative future.

Karun Shenoy
Chair

Statement of Service Performance Reporting - CLNZ

Vision and mission
Adopted in 2020, Copyright Licensing New Zealand's (CLNZ) purpose is: *Making creative rights work for all New Zealanders*.

Strategy
The four high-level areas of work through which we will achieve our purpose are:

Rights	We provide services that enable New Zealand creators to record and manage their copyright and be paid when their work is used by others. We advocate for copyright law that works for New Zealand creators
Licence	We generate revenue for rightsholders through services that are efficient and accessible for license-holders
Promote	We provide information on rights and licensing that makes doing the right thing easier and we support our creative people through our Cultural Fund
Develop	We will be an organisation that people want to work for and work with, constantly looking to improve in all aspects of our business

In delivering our strategy we will take the following customer-centred approach:

Experts: Our **expertise** helps everyone get it right when it comes to rights

Simplify: Our technology and approach makes the rights process **easier**

Empower: We **empower** both creators and users of rights to get full value from them

Our business

Introducing Copyright Licensing New Zealand

CLNZ plays a key role in ensuring fair compensation for the use creators work making creative rights valuable assets for all New Zealanders. We do this for authors, publishers and visual artists, as well as users of copyright works. Our tailored licensing solutions allow education facilities, businesses and government departments to copy, scan and share from copyright protected material including books, magazines, art works, images, journals and periodicals; beyond what is permitted under the Copyright Act 1994.

We are a limited liability company that We return all net profit to rightsholders (not to our shareholders) in accordance with our constitution. Jointly owned by the Publishers Association of New Zealand (PANZ) and the New Zealand Society of Authors (NZSA). To support growing New Zealander's understanding of why copyright matters, we provide resources to inform and educate about copyright. We work with our shareholder organisations and creative sector partners to advocate to central government for policy and a legal framework that underpins the rights of creators to choose what they do with their work.

In 2024 Copyright Licensing Ltd was appointed to manage the Artist Resale Royalty Scheme for New Zealand. Resale Royalties Aotearoa launched in December and contributes a share of its expenses for assistance in management of the scheme to CLNZ.

Governance

The Company is governed by a Board of Directors. Two directors are appointed in conjunction with each of the shareholder organisations and two directors are appointed independently via an open recruitment process. The Board operates in accordance with the CLNZ Board Charter and best-practice corporate governance processes and standards. The Board sets the strategic vision for the Company and approves an annual business plan and budget. The Chief Executive is responsible for delivering the targets set in the business plan.

Directors serve an initial term of 3 years which can be extended by a further term of 3 years.

CLNZ is a Reproduction Rights Organisation (RRO)

CLNZ is the only Reproduction Rights Organisation (RRO – also known as a CMO or Collective Management Organisation) in New Zealand for text-based copyright material and visual art, and is a member of the global body, the International Federation of Reproduction Rights Organisations (IFRRO).

Although the structure and operation of RROs around the world can differ, each serves the same purpose – the collection and distribution of copyright licensing fees.

The licensing services we provide are underpinned by agreements with rightsholders. For CLNZ this means visual artists, the majority of New Zealand publishers and, through the publisher, authors.

We also have reciprocal agreements with overseas RROs so that when New Zealand titles are copied overseas under licence, the local RRO can distribute the funds to us for distribution to the New Zealand copyright owner. Likewise, if an international title is copied under our licensing schemes, we will distribute the funds to the relevant overseas RRO for distribution to the copyright owner.

We package multiple copyrights in a way that allows users of copyright works to have legal access to the materials they wish to copy through a simple licence. We establish the relevant licence fee, issue the licences, collect the data and revenues and distribute funds to the rightsholders whose works have been copied. Our licence customers include education organisations – Universities, Institutes of Technology and Polytechnics (ITP's), Wānanga, Private Training Establishments (PTE's) and schools – non-profit organisations, charities, government agencies and businesses. We also make payments to New Zealand artists that have signed an agreement with CLNZ when their work is used to promote a sale on the secondary art market.

Supporting rightsholders

CLNZ operates in accordance with the WIPO (World Intellectual Property Organisation) Good Practice Toolkit for CMOs. Our Distribution Policy, approved by our shareholders at each Annual General Meeting, determines how the net funds (gross fees less our annual overheads and contributions to our Cultural Fund and Legal Reserve Fund) we receive from each licence category are put aside into distribution pools. These funds are then allocated according to the copying records we receive from licensees. We divide the total value in each distribution pool by the total number of pages in that pools' copying records. This gives us a page-rate.

The number of pages of each copyright owner's works that have been copied in that pool are then multiplied by the page rate to give a sum owing from that pool.

Distribution payments and data relating to funds owing to New Zealand copyright owners are available via our online portal, MyCopyright. Licensee customers are also provided with access to MyCopyright to simplify the process of uploading copying data, for making use-requests under their licence and for other reporting against the licence terms. Access to MyCopyright is also provided to visual artists who are due licensing fees from CLNZ.

Cultural and legal reserve funds

The CLNZ Cultural Fund is allocated 2% of local licence revenue each year, as well as any international funds that are not able to be distributed to local rightsholders. The Cultural Fund supports initiatives that contribute to the development and sustainability of New Zealand's literary, publishing and creative sectors. As CLNZ's revenue from visual arts licensing grows, we anticipate working with artists to develop ways to support this sector in a similar way.

The CLNZ Legal Reserve Fund is allocated 1% of local licence revenue each year (up to a total cap of $400,000) and provides an equitable mechanism to fund legal actions taken by CLNZ that will provide benefit to a group or groups of rightsholders. The indemnity provided in CLNZ licences is also backed by the Legal Reserve Fund.

Our Technology

CLNZ's operations are underpinned by a number of technology solutions. Copyright work records and data received from licensees are processed through cloud-based software called WISE, operated by PepperTag in Canada. WISE was developed by IFRRO for developing-RRO's and CLNZ has worked with PepperTag to build on the core functionality and develop integrations with our customer relationship management (CRM) software, Zoho.

MyCopyright gives our customers access to these systems. We use API's (application programming interface) between WISE, Zoho and Xero (cloud accounting software) to create efficiency with data handling and operational processes.

Rights

	Tactics	2025 Target (Unaudited)	2025 Actual	2024 Target (Unaudited)	2024 Actual
Goal *Services that enable NZ creators to record and manage their copyright, be paid when their work is used by others, and advocating for Copyright that works for NZ creators* ***Success*** *A sustainable future operating model, underpinned by fit-for-purpose technology*	Reduce time between usage data being received and distribution payments being made *Authors' Licensing and Collecting Society (ALCS) distributions are paid directly to copyright owners without undergoing a notification and .claiming process. All other distributions notifications are generated and sent to NZ Rightsholders*, with payment completed after a claim is returned. *includes Visual art copyright owners. Efficient and effective collection of data on which to base distributions	• Payments to NZ authors due funds from ALCS are made within 10 working days of CLNZ receiving the funds and data • Payments to NZ rightsholders due funds from overseas licensing are made available for claim within 2 months of the end of the collection period • 90% of distributable funds to NZ rightsholders paid within 4 months of notification.	• March payment was completed within 2 working days, the September payment did not meet target. • Notification sent for collection period closing 31/12/2024 on 26/02/25. Notification sent for collection period closing 30/06/2025 on 13/08/24. • 74.9% claimed by rightsholders within 4 months	• Payments to NZ authors due funds from ALCS are made within 10 working days of CLNZ receiving the funds and data • Payments to NZ rightsholders due funds from overseas licensing are made available for claim within 2 months of the end of the collection period • 90% of distributable funds to NZ rightsholders paid within 4 months of notification.	• ALCS data received April 10, payment generated to Authors April 15. ALCS funds received September 27, payment generated to Authors 1 October. • Notification sent for collection period closing 31/12/2023 on 22/02/24. Notification sent for collection period closing 30/06/2024 on 19/08/24. • 71.3% claimed by rightsholders within 4 months.
		• 45% of 170 schools approached participate in data collection	• 34.12% of 170 schools approached participated	• 45 % of 197 schools approached participate in data collection	• 39% of 191 schools approached participated
		• 88 % of 9 ITPs/PTEs approached participate in data collection	• 45.45% (5 of 9) ITPs/PTEs approached participated in data collection	• 88 % of 15 ITPs/PTEs approached participate in data collection	• 60% (9 of 15) ITPs/PTEs approached participated in data collection
	Our service and technology offerings are innovative and adapt and evolve to meet the changing needs of the business and our customers	• Growth and development of MyCreativeRights platform	• Changed MyCreativeRights based on user feedback, simplifying user experience and rebranded to Catalogue	• MyCreativeRights launched	• Full launch of MyCreativeRights commenced March 28, 2024
	Stakeholder management to influence regulations that are adopted and implemented* by Government, to meet the needs of rightsholders and licence holders.	• Make submissions as opportunities arise for the benefit of stakeholders.	• Responded to 18 of the 23 proposals for changes to copyright act and attended round table review with Minister Simpson	• Submissions on Copyright and RRS in UK and EU Free Trade Agreements (FTA's) • Make submissions as opportunities arise for the benefit of stakeholders.	• Direct engagement with the Minister of Commerce (Minister Bayly) in the Copyright Act review. Meeting resulted in further information being shared with Minister. • Direct engagement with MBIE on Ai Governance in the public service. Submission and attendance at the Amplify creative strategy.

Licence

	Tactics	2025 Target	2025 Actual	2024 Target	2024 Actual
Goal *Generating revenue for rightsholders through services that are efficient and accessible for license-holders (LH)* ***Success*** *increasing levels of revenue generated for rightsholders and high levels of customer satisfaction*	Grow domestic licensing revenue	$6,585,300	$6,821,788	$6,293,300	$6,359,807
	Maintain or grow %age of licensed entities	Universities 100% Schools 80% PTE 25%	Universities 100% Schools 79.94% PTE 20.05%	Universities 100% Schools 80% PTE 25%	Universities 100% Schools 77.3% PTE 21.7%

Promote

	Tactics	2025 Target	2025 Actual	2024 Target	2024 Actual
Goal *Provide information on rights and licensing that makes doing the right thing easier and to support our creative people through our Cultural Fund* ***Success*** *Increasing use of our resources by others*	Provision of resources that inform and educate creators and users of copyright works. Sector support via cultural fund awards. Launch of MyCreativeRights	• Participation in CRE workshops - 500 people per year • Licensee education program • Distribution of cultural fund via 4 main awards • 350 users of Catalogue and 50 paid subscribers	• 665 attendees at Copyright and Licensee education workshops • 557 users registered for Catalogue & Legal Service, 3 paid subscribers • $184,000 distributed via the Cultural fund	• Participation in CRE workshops - 500 people per year • Licensee education program • Distribution of cultural fund via 4 main awards • 300 users of MyCreativeRights	• 988 attendees at Copyright and Licensee education workshops • 399 users registered for MyCreativeRights • $185,000 distributed via the Cultural fund

Develop

	Tactics	2025 Actual	2024 Actual
Goal *We will be an organisation that people want to work for and work with, constantly looking to improve in all aspects of our business* ***Success*** *Our people and our partnerships evolve to ensure we deliver on our strategy*	We are a best-practice CMO, in our governance and our operations We respect New Zealand's te ao Māori heritage and reflect the values of the country we operate in	• Best practice is reviewed as part of Board compliance. • Completed MANAVATION cultural competency curse. Finished with full day immersion with Tūraukawa Bartlett. • Continuing to have fortnightly voluntary Te reo Māori sessions with team. • New name Te reo Māori name was developed and will be gifted and launched to CLNZ in 2026.	• Best practice is reviewed as part of Board compliance. • Have engaged with MANAVATION. Includes a full immersion Te reo Māori workshop in 2025.

Standard: PBE FRS 48 Service Performance Reporting. EG A10

Statement of Service Performance Reporting: Resale Royalties Aotearoa Toi Huarau

1. Purpose/Vision

Entity Overview:

Resale Royalties Aotearoa Toi Huarau (RRA) serves as the collection agency for the Artist Resale Royalty Scheme under the Resale Right for Visual Artists Act 2023, as appointed by the Ministry for Arts, Culture and Heritage (MCH). RRA is a fully owned subsidiary of CLNZ and therefore its accounts are not reported separately. We are committed to elevating the status of visual artists by ensuring they receive ongoing royalties from the resale of their original artwork.

Vision:

To support and sustain the artistic community by providing a transparent, efficient, and fair royalty distribution system, thereby fostering a robust arts ecosystem that recognises the value of visual art, artists and their successors.

RRA Core Functions

- Eligibility Registration:
  Artists and their successors are encouraged to register with RRA for timely royalty payments, facilitating efficient identification, collection, and distribution of owed payments.

- Resale Obligations:
  Members of the Art Market Profession and Publicly Funded Galleries, Libraries, Archives and Museums (GLAM) sector involved in qualifying resales must report specific resale details (e.g., artwork title, resale value, original artist information) to RRA. This information is essential for verifying sales and ensuring rightful royalties for artists.

- Royalty Distribution:
  Upon verifying a qualified resale, RRA collects the 5% royalty from the seller (or their agent) and distributes it to the eligible artists, retaining 20% of the collected fee for funding operational functions.

- Reciprocal Agreements:
  RRA will form reciprocal agreements with Australia, the United Kingdom, and the members of the European Union as mandated by the NZ-UK and NZ-EU Free Trade Agreements and the Resale Right for Visual Artists Act 2023.

- Record Keeping and Reporting:
  RRA maintains and publishes records related to resale royalty collection, financial statements and other pertinent information, including engagement with Māori, complaints, and enforcement.

- Public Education:
  RRA provides information to stakeholders and the wider public about their rights and obligations under the scheme, along with developing specific policies and processes (e.g., distribution policy, complaints process).

- Cultural Fund:
  RRA is establishing a Cultural Fund focused on supporting the career sustainability of visual artists.

2. Key Objectives

- **Collecting Resale Royalties:** Ensure effective processes for the collection of resale royalties to benefit eligible artists and their successors.
- **Distributing Royalties:** Timely and accurate distribution of collected royalties.
- **Educating Stakeholders:** Increase awareness of the Artist Resale Royalty Scheme among all stakeholders, including artists, art market professions, GLAM and art buyers, and sellers.
- **Promoting Visual Art:** Support New Zealand visual artists through initiatives such as the Cultural Fund.

3. Expected Outcomes/Impacts

- Achieve a high rate of registration among eligible artists and their successors.
- Improve the understanding of rights and obligations among stakeholders regarding resale royalties.
- Establish a Cultural Fund that actively contributes to the sustainability of artists' careers.
- Enhance overall compliance with the Artist Resale Royalty Scheme across the visual arts sector.

4. Medium to Long-Term Plans

RRA plans to achieve its objectives through:

- Strengthening relationships with stakeholders in the art market and GLAM sectors.
- Expanding educational resources and workshops tailored to diverse stakeholder needs.
- Developing and implementing a comprehensive stakeholder engagement strategy.
- Collaborating with international counterparts to establish reciprocal agreements.

5. Performance Measures

To assess our effectiveness, we will track the following performance measures annually:

- **Royalty Distribution Efficiency:** Percentage of royalties distributed to rightsholders within established timelines.
- **Stakeholder Engagement:** Number of workshop attendees and engagement through digital channels (website visits, social media followers).
- **Cultural Fund Development:** Progress in establishing and operationalizing the Cultural Fund through stakeholder surveys and policy drafts.

6. Measurement Systems and Controls

RRA will implement the following approaches/systems to measure and collect selected Service Performance Information (SPI):

- **Data Management Systems:** Utilize integrated SaaS solutions (e.g., WISE and Zoho) for effective reporting, tracking, and collection of resale royalty data.
- **Regular Reviews:** Establish a routine for assessing data accuracy and compliance with legislative requirements (i.e. Auditing resale reports against verifiable public sales information).
- **Stakeholder Feedback Mechanism:** Create channels for ongoing stakeholder feedback to enhance engagement strategies and education efforts (e.g. Annual survey of stakeholder groups, Engagement with sector on Cultural Fund, and Changes to scheme).

7. Information Gathering

Throughout the reporting period, RRA will:

- Collect performance data, including information on royalty collections, distributions, stakeholder engagement, and education initiatives.
- Maintain supporting documentation for all reported measures.

Note: In most instances the above data collection is consistent with the data collection we require to report to the Ministry for Arts, Culture and Heritage (MCH)

8. Presentation of Period-End SPI

At the end of each annual reporting period, RRA will:

- Present service performance information alongside financial statements in a clear and accessible format.
- Summarize key performance measures and highlight any achievements or challenges faced during the period.

9. Compliance Review

RRA will conduct a thorough review of the SPI to ensure compliance with PBE FRS 48, encompassing all reporting obligations and standards.

10. Governance and Approval

The board will approve the SPI prior to each annual period-end, ensuring accountability and oversight of all reported information.

11. Continuous Improvement

Following the completion of the reporting period, RRA will review and assess performance to identify areas for improvement for the next period, ensuring continued alignment with best practices and stakeholder needs.

12. RRA Operating Principles

In delivering our strategy, we adhere to the following operating principles:

- Compliance with the operational rules set out in the Resale Right for Visual Artists Regulations 2024.
- Operations that are transparent, accountable, and respectful.
- Acting in the best interests of right holders.
- Acknowledgment and respect for Māori as tangata whenua, providing culturally appropriate support to Māori artists.
- Inclusivity regarding the diverse needs of all New Zealanders.

13. RRA Service Performance Reporting Information FY25

Strategic Goal	Tactics	2025 Target	2025 Actual	2024 Target	2024 Actual
Resale Royalty Distribution	Collect and pay resale royalties efficiently and in accordance with relevant legislation.	95% of royalties paid within 10 working days of receipt of fully completed distribution claim.	100% of royalties paid within 10 working days of receipt of fully completed distribution claim.	95% of royalties paid within 10 working days of receipt of fully completed distribution claim.	N/A. Scheme has been operational since 1st Dec 2024 and no distributions have been run.
	Build sector relationships and grow the AMP & Artist registry to support timely distribution payments.	Registry signups: **400**	Registry signups: **547**	Registry signups: **150**	Registry signups: **232**
Stakeholder Education	Provide workshops and resources for key stakeholders on their rights and obligations under the scheme.	Workshop attendees: **100**	Workshop attendees: **118**	Workshop attendees: **150**	Workshop attendees: **303**
	Deliver public education activities and marketing campaigns on the operation of the scheme and the Act.	Website homepage visitors: **2,000** Social media followers: 3,000	Website homepage visitors: **5,300** Social media followers: Instagram: **1,425** Facebook: **43** Linkedin: **72**	Website homepage visitors: **1,000** Social media followers: 3,000	Website homepage visitors: **1,870** Social media followers: Instagram: **1,120** Facebook: **32** Linkedin: **51**
Promote New Zealand Visual Artists	Establish a Cultural Fund focused on supporting the career sustainability of visual artists.	Research and consultation undertaken for initial draft of a Cultural Fund Policy.	Completed	Identify stakeholders, and draft consultation approach for the preferred structure of the Cultural Fund Policy.	Completed

Copyright Licensing Limited

Consolidated Annual Report

for the year ended 31 December 2025

Copyright Licensing Limited

Directory

As at 31 December 2025

Nature of Business	Licensing & Royalty Services	
Address	Level 6, BDO Towers 19-21 Como Street Takapuna Auckland 0622	
Registered Office	Level 6, BDO Towers 19-21 Como Street Takapuna Auckland 0622	
Directors	Rose Carlyle Karunakar Shenoy Victoria Spackman Melanee Winder Craig Gamble Gina Butson	
Shareholders	The New Zealand Society of Authors (Pen New Zealand Incorporated)	50 Ordinary Shares
	Publishers Association of New Zealand	50 Ordinary Shares
Date of Incorporation	10 August 1988	
Accountants	Nexia New Zealand Limited Chartered Accountants 5 William Laurie Place Albany Auckland 0632	
Auditor	RSM Hayes Audit	
IRD Number	050-636-305	
Company Number	396745	
Business Number	9429039440839	

Copyright Licensing Limited

Directors' Report

For the year ended 31 December 2025

The board of directors submit their annual report including the Consolidated Financial Statements for the year ended 31 December 2025.

The ultimate shareholders of the group have exercised their right under section 211(3) of the Companies Act 1993, whereby pursuant to a decision of the ultimate shareholders of the group who together hold at least 95% of the voting shares, have agreed not to comply with any of paragraphs (a) and (e) - (j) of section 211(1).

Auditor
These Consolidated Financial Statements have been audited and RSM Hayes Audit have been appointed as auditors for the ensuing year.

For and on behalf of the Board

M. Winder

___________________________ **Director** **Dated** 29 May 2026 _______________

Mel Winder
:or

___________________________ **Director** **Dated** 29 May 2026 _______________

Karun Shenoy
Director / Chair

Nexia New Zealand

Copyright Licensing Limited

Consolidated Statement of Comprehensive Revenue and Expenses

For the year ended 31 December 2025

	Note	2025	2024
		$	$
Revenue from Exchange Transactions			
Domestic Licensing		6,821,788	6,359,807
Funding		466,958	444,000
Overseas Reproduction Rights Organisations		822,173	839,319
Royalties Income		207,726	6,409
Interest Received		300,290	420,900
Other Income		85,892	301,173
Total Revenue		**8,704,827**	**8,371,608**
Expenses			
Accountancy Fees		49,994	46,933
Amortisation	6	125,822	97,691
Fees Paid to the Auditor - Audit of the Consolidated Financial Statements		56,307	49,181
Depreciation	5	12,591	16,409
Directors' Remuneration	12	122,345	141,205
Legal Expenses		34,469	40,681
MCH Grant Spending		34,215	246,530
Office Lease Expenses		124,060	123,153
Operating Expenses		562,737	586,735
Staff Expenses		869,931	861,364
Total Expenses		**1,992,471**	**2,209,882**
Cultural Fund Expenses	7	254,378	165,213
Net Revenue after Expenses		**6,457,978**	**5,996,513**
Distributions Payable for the Year	1 (u)	6,345,260	5,901,717
Net Surplus for the Year Before Tax		**112,718**	**94,796**
Income Tax Expense	2	33,911	33,806
Total Comprehensive Revenue and Expenses for the Year		**78,807**	**60,990**

Copyright Licensing Limited

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share Capital	Retained Earnings	MCH Funded Projects Reserve	Cultural Reserve	Legal Reserve	Total
	$	$	$	$	$	$
Balance as at 1 January 2025	**100**	**25,527**	**773,098**	**382,537**	**400,000**	**1,581,262**
Total Comprehensive Revenue and Expenses for the Year	-	78,807	-	-	-	78,807
Transfer to/(from) Reserves	-	154,197	(85,114)	(69,083)	-	-
Balance as at 31 December 2025	**100**	**258,531**	**687,984**	**313,454**	**400,000**	**1,660,069**
Balance as at 1 January 2024	**100**	**-**	**851,117**	**269,055**	**400,000**	**1,520,272**
Total Comprehensive Revenue and Expenses for the Year	-	60,990	-	-	-	60,990
Transfer to/(from) Reserves	-	(35,463)	(78,019)	113,482	-	-
Balance as at 31 December 2024	**100**	**25,527**	**773,098**	**382,537**	**400,000**	**1,581,262**

Copyright Licensing Limited

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025	2024
		$	$
Equity			
Share Capital	11	100	100
Cultural Reserve Fund	7	313,454	382,537
Legal Reserve Fund	8	400,000	400,000
MCH Funded Projects Reserve	9	687,984	773,098
Retained Earnings		258,531	25,527
Total Equity		**1,660,069**	**1,581,262**
Represented by:			
Current Assets			
Cash & Cash Equivalents		2,505,585	1,498,451
Investments	3	7,000,000	6,611,140
Accounts Receivable		122,993	33,389
Accrued Income		91,596	153,459
GST Receivable		-	5,551
Income Tax Refundable		27,606	160,669
Prepayments		16,266	35,668
Total Current Assets		**9,764,046**	**8,498,327**
Non Current Assets			
Deferred Tax		6,070	-
Intangibles	6	994,688	1,024,457
Property, Plant & Equipment	5	103,168	115,759
Total Non-Current Assets		**1,103,926**	**1,140,216**
Total Assets		**10,867,972**	**9,638,543**
Current Liabilities			
Accounts Payable		54,936	119,350
Accruals		68,671	85,728
Distributable Funds		8,921,166	7,683,354
GST Payable		13,038	-
Provision for Holiday Pay		84,274	68,816
Revenue in Advance		65,818	100,033
Total Current Liabilities		**9,207,903**	**8,057,281**
Total Liabilities		**9,207,903**	**8,057,281**
Net Assets		**1,660,069**	**1,581,262**

Authorised by:

____________________________ **Director** **Dated:** ____________

____________________________ **Director** **Dated:** ____________

Copyright Licensing Limited

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025	2024
	$	$
Cash Flows from Operating Activities		
Cash was provided from:		
Interest Received	362,153	362,656
Funding	466,958	444,000
Licensing Revenue	7,738,018	7,193,147
Royalties	807,231	6,409
Other Activities	41,992	301,173
GST Receipts	6,572	60,977
Income Tax Receipts	93,082	-
	9,516,006	**8,368,362**
Cash was disbursed to:		
Payments to Suppliers & Employees	(1,943,275)	(2,119,272)
Distributions to Right Holders	(5,672,109)	(5,952,196)
Payments to Cultural Fund	(408,575)	(51,730)
Income Tax Payments	-	(59,929)
	(8,023,959)	**(8,183,127)**
Net Cash Flows from Operating Activities	**1,492,047**	**185,235**
Cash Flows to Investing Activities		
Cash was disbursed to:		
Payments to acquire Property, Plant & Equipment	-	(234,596)
Intangibles	(96,053)	-
Investments	(388,860)	(62,781)
	(484,913)	(297,377)
Net Cash Flows to Investing Activities	**(484,913)**	**(297,377)**
Net Increase/(Decrease) in Cash Held	1,007,134	(112,142)
Cash at Beginning of the Year	1,498,451	1,610,593
Cash at the End of the Year	**2,505,585**	**1,498,451**

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements

For the year ended 31 December 2025

1. Statement of Accounting Policies

Reporting Entity

Copyright Licensing Limited is incorporated in New Zealand, registered under the Companies Act 1993.

These Consolidated Financial Statements for the year ended 31 December 2025 comprise Copyright Licensing Limited ('the controlling entity') and its wholly owned subsidiary Resale Royalties Aotearoa Limited (together referred to as the 'group').

The Consolidated Financial Statements are general purpose financial statements which have been prepared according to the requirements set out by the External Reporting Board.

The Directors consider Copyright Licensing Limited to be a not-for-profit public benefit entity as the full amount of the net surplus each year is required to be distributed to right holders in accordance with the entity's Constitution and Distribution Policy.

Resale Royalties Aotearoa Limited operates a royalty scheme on behalf of right holders of resold artwork. The net returns from royalties are paid out to the right holders whose materials have been sold by Art Market Professionals.

Statement of Compliance and Basis of Preparation

The Consolidated Financial Statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR) and other applicable financial reporting standards, as appropriate for public benefit entities as set out in the External Reporting Board Standard A1: Application of the Accounting Standards Framework. They have been prepared under the assumption the group operates on a going concern basis, which assumes the group will be able to discharge its liabilities as they fall due for a minimum period of 12 months from the reporting date.

The group is eligible to apply Tier 2 PBE RDR accounting standards (Public Benefit Entity Standards - Reduced Disclosure Regime) on the basis that it does not have public accountability and is not large as defined by XRB A1. The group has elected to report in accordance with PBE Standards RDR and has applied disclosure concessions.

The accounting principles recognised as appropriate for the measurement and reporting of the Consolidated Statement of Comprehensive Revenue and Expenses and Consolidated Statement of Financial Position on a historical cost basis are followed by the group, unless otherwise stated in the Specific Accounting Policies.

The information is presented in New Zealand dollars. All values are rounded to the nearest dollar.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Consolidated Statement of Comprehensive Revenue and Expenses and Consolidated Statement of Financial Position have been applied:

(a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, to the extent it is probable that the economic benefits will flow to the group and revenue can be reliably measured.

- Revenue from exchange transactions
  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.

Periodically, funds are received from Reproduction Rights Organisations in other countries as a result of New Zealand works being copied overseas. The group 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 Distribution Policy.

Royalty revenue is received on the sale of artwork on the secondary art market.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

- Revenue from non-exchange transactions
  Grant revenue is recognised when any use or return conditions attached to the grant have been complied with. Where there are unfulfilled conditions the amount relating to these is recognised as a liability and released to revenue as the conditions are met.

(b) Expenses

A liability is accrued for expenses incurred in the year estimated at future cash outflows for the goods and services provided and yet to be billed.

(c) Operating Leases

Operating lease payments, where the lessors effectively retain substantially all of the risks and benefits of ownership of the leased items, are recognised in the determination of the operating surplus in equal instalments over the lease term.

(d) Cash & Cash Equivalents

Cash & 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.

(e) Investments

Investments are term deposits with original maturities over 90 days. Term deposits of less than 90 days are included in cash & cash equivalents.

(f) Accounts Receivable

Accounts Receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for expected credit losses. Individual debts that are known to be uncollectable are written off in the period that they are identified.

(g) Prepayments

Prepayments are recorded when payment is made to a supplier in advance of a product or service being received.

(h) Property, Plant & Equipment

Items of property, plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

All other repairs and maintenance are recognised as expenses in the Consolidated Statement of Comprehensive Revenue and Expenses in the financial period in which they are incurred.

Depreciation is charged on a diminishing value over the useful life of the asset for furniture & fittings, office equipment and computer hardware. Depreciation is charged on a straight-line basis over the lease term for leased assets. 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: The following depreciation rates/useful lives have been used:

Furniture & Fittings	7% - 17.5% DV
Office Equipment	15% - 39% DV
Computer Hardware	50% DV (previous years 40%)
Leased Asset	4% SL

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(i) Intangible Assets

Intangible assets include trademarks and software development which 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 following amortisation rates have been used:

Trademarks 0%
Computer software 10% SL - 50% DV

(j) Income Tax

The income tax expense charged to the Consolidated Statement of Comprehensive Revenue and Expenses includes both the current year's provision and the income tax effects of taxable temporary differences and deductible temporary differences to the extent that it is probable that they will be utilised.

Copyright Licensing Limited 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 right holder, 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 and deferred tax. Due to timing differences, the entity is subject to non-deductible expenditure which may result in an income tax liability.

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

(k) Financial Instruments

Financial instruments are recognised in the Consolidated Statement of Financial Position when the group becomes party to a financial contract. They include cash & cash equivalents, investments, term deposits, payables and receivables.

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

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

(l) Financial Instruments – Financial Assets

At initial recognition, the group determines the classification of financial assets as either held at fair value or amortised cost. Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

Amortised Cost
Includes assets where the group intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

Fair Value
Financial assets not held at amortised cost are held at fair value. Assets are subsequently measured at fair value only when the fair value can be reliably measured based on a quoted price for an identical asset in an active market. Where no active market price is available, the instrument shall be measured at the fair value for a prior year less any accumulated impairment loss.

Gains and losses are recognised in profit or loss for movements in the fair value of the assets and when the assets are derecognised.

(m) Financial Instruments – Financial Liabilities
Financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

(n) Foreign Currencies
Transactions in foreign currencies are converted at the New Zealand rate of exchange ruling at the date of the transaction. At balance date, foreign monetary assets and liabilities are translated at the closing rate, and exchange variations arising from these translations are recognised in the Consolidated Statement of Comprehensive Revenue and Expenses.

(o) Goods and Services Taxation (GST)
Revenue and expenses have been recognised in the Consolidated Financial Statements exclusive of GST except that irrecoverable GST input tax has been recognised in association with the expense to which it relates. All items in the Consolidated Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST. The Consolidated Statement of Cashflows is stated on a gross basis.

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

(p) Revenue in Advance
Advance grant revenue from Manatū Taonga Ministry for Culture and Heritage is recognised upon receipt or when the right to receive funds is established, with unearned revenue recorded as a liability pending the expenditure as per the funding contract.

(q) Employee Benefits
Liabilities for wages and 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.

(r) MCH Funded Projects Reserve
In 2023 Copyright Licensing Limited constructed a software asset for creative rights management and other services to offer to right holders. The majority of the funds for this asset have been granted by Manatū Taonga Ministry of Culture and Heritage and are required to be recognised in 2023. So that right holders in the future years are not unfairly disadvantaged as the asset is amortised, this reserve has been created that will be released over the assets useful life.

(s) Cultural Fund
A contribution of 2% of annual domestic licensing revenue is transferred to the Cultural Fund each year. This amount is deducted before arriving at the net surplus.

(t) Legal Reserve Fund
The Legal Reserve Fund was established in 2016 to help to manage a significant risk from unplanned legal expenditure. Any movement in the reserve fund are added or deducted to the operating results for the year before arriving at the net surplus. A formal policy has been adopted 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.

(u) 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.

Revenue from overseas Reproduction Rights Organisations and copyright clearance licensing services is distributed to identified publishers and authors after deduction of the relevant administration charge.

Royalty revenue is received from the secondary art market and 80% of the royalty revenue is allocated for distribution pending the identification of artists whose works were sold.

(v) Significant Judgements, Estimates and Assumptions
The preparation of financial statements requires management to make judgements, estimates and assumptions about the recognition and measurement of assets, liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The directors consider that no judgements, estimates and assumptions undertaken are deemed to be significant.

Nexia New Zealand

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

(w) Basis of Consolidation

Controlled entities are those entities over which the group has the power to govern the financial and operating policies so as to obtain benefits from that entity's activities. The financial statements of the group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with owners of the controlling entity in their capacity as owners, within net assets/equity.

The financial statements of the controlled entities are prepared for the same reporting period as the controlling entity, using consistent accounting policies.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(x) Changes in Accounting Policies and Disclosures

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those from the previous financial statements.

2. Tax Reconciliation

	2025 $	2024 $
Net Surplus for the Year Before Tax	112,718	94,796
Prima Facie Tax Expense at 28%	31,561	26,543
Tax Effect of Differences		
Transfer to Reserves	43,175	(9,930)
Permanent Differences	(30,092)	10,525
Timing Differences	3,560	11,915
Utilised Tax Losses	(8,223)	(5,246)
Current Year Income Tax Expense	39,981	33,806
Deferred Tax	(6,070)	-
Total Income Tax Expense	**33,911**	**33,806**

Copyright Licensing Limited has tax losses of $30,882 to carry forward (2024: $60,250).

3. Investments

	2025 $	2024 $
Westpac New Zealand Limited - Term Deposit 45	2,000,000	-
Westpac New Zealand Limited - Term Deposit 46	3,000,000	-
Westpac New Zealand Limited - Term Deposit 47	2,000,000	-
Westpac New Zealand Limited - Term Deposit 81	-	6,611,140
Total Investments	**7,000,000**	**6,611,140**

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

4. Financial Assets & Liabilities

The carrying amounts of financial instruments presented in the Consolidated Statement of Financial Position relate to the following categories of assets and liabilities stated at amortised cost.

	2025	2024
Financial Assets	**$**	**$**
Cash & Cash Equivalents	2,505,585	1,498,451
Investments - Current	7,000,000	6,611,140
Receivables from Exchange Transactions	122,993	33,389
	9,628,578	**8,142,980**

	2025	2024
Financial Liabilities		
Trade and Other Creditors	139,210	188,166
Distributable Funds	8,921,166	7,683,354
	9,060,376	**7,871,520**

5. Property, Plant & Equipment

Property, Plant & Equipment 2025	Cost or Valuation $	Accumulated Depreciation $	Carrying Amount $
Furniture & Fittings			
Opening Balance	156,383	(50,491)	105,892
Depreciation	-	(7,790)	(7,790)
Closing Balance	**156,383**	**(58,281)**	**98,102**
Office Equipment			
Opening Balance	10,658	(9,876)	782
Depreciation	-	(258)	(258)
Closing Balance	**10,658**	**(10,134)**	**524**
Computer Hardware			
Opening Balance	36,292	(27,207)	9,085
Depreciation	-	(4,543)	(4,543)
Closing Balance	**36,292**	**(31,750)**	**4,542**
Leased Asset			
Opening Balance	18,480	(18,480)	-
Closing Balance	**18,480**	**(18,480)**	-
Total			
Opening Balance	221,813	(106,054)	115,759
Depreciation	-	(12,591)	(12,591)
Closing Balance	**221,813**	**(118,645)**	**103,168**

Nexia New Zealand

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

Property, Plant & Equipment 2024	Cost or Valuation $	Accumulated Depreciation $	Carrying Amount $
Furniture & Fittings			
Opening Balance	156,383	(42,056)	114,327
Depreciation	-	(8,435)	(8,435)
Closing Balance	**156,383**	**(50,491)**	**105,892**
Office Equipment			
Opening Balance	10,658	(9,467)	1,191
Depreciation	-	(409)	(409)
Closing Balance	**10,658**	**(9,876)**	**782**
Computer Hardware			
Opening Balance	31,726	(19,642)	12,084
Additions	4,566	-	4,566
Depreciation	-	(7,565)	(7,565)
Closing Balance	**36,292**	**(27,207)**	**9,085**
Leased Asset			
Opening Balance	18,480	(18,480)	-
Closing Balance	**18,480**	**(18,480)**	-
Total			
Opening Balance	217,247	(89,645)	127,602
Additions	4,566	-	4,566
Depreciation	-	(16,409)	(16,409)
Closing Balance	**221,813**	**(106,054)**	**115,759**

Nexia New Zealand

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

6. Intangibles

Intangibles 2025	Cost or Valuation $	Accumulated Amortisation $	Carrying Amount $
Software & Operating Systems			
Opening Balance	1,674,081	(655,114)	1,018,967
Additions	96,053	-	96,053
Amortisation	-	(125,822)	(125,822)
Closing Balance	**1,770,134**	**(780,936)**	**989,198**
Trademarks			
Opening Balance	5,490	-	5,490
Closing Balance	**5,490**	-	**5,490**
Total			
Opening Balance	1,679,571	(655,114)	1,024,457
Additions	96,053	-	96,053
Amortisation	-	(125,822)	(125,822)
Closing Balance	**1,775,624**	**(780,936)**	**994,688**

Intangibles 2024	Cost or Valuation $	Accumulated Amortisation $	Carrying Amount $
Software & Operating Systems			
Opening Balance	1,444,050	(557,423)	886,627
Additions	230,031	-	230,031
Amortisation	-	(97,691)	(97,691)
Closing Balance	**1,674,081**	**(655,114)**	**1,018,967**
Trademarks			
Opening Balance	5,490	-	5,490
Closing Balance	**5,490**	-	**5,490**
Total			
Opening Balance	1,449,540	(557,423)	892,117
Additions	230,031	-	230,031
Amortisation	-	(97,691)	(97,691)
Closing Balance	**1,679,571**	**(655,114)**	**1,024,457**

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

7. Cultural Fund

Annual contributions of 2% of domestic licensing revenue are made to this fund which is then invested in New Zealand for cultural and social purposes to benefit the right holders the group represents.

	2025	2024
	$	$
Opening Balance	382,537	269,055
Contribution from Licensing Revenue	136,436	127,196
Less grants, awards and expenses paid from Cultural Fund	(254,378)	(165,213)
Unattributable Overseas Revenue - This Year	47,732	56,156
Unattributable Overseas Revenue - Last Year	1,127	95,343
Closing Balance	**313,454**	**382,537**

8. Legal Reserve Fund

Annual contributions of 1% of domestic licensing revenue are made to this fund, up to a cap of $400,000. The funds are set aside for any claim against the indemnity provided by the licenses the group sells and for any unplanned legal expenditure on matters that impact the right holders the group represents. In 2025 no contribution was allocated to the fund (2024: nil). Unspent funds may be reallocated to revenue at a later date in accordance with the provisions of the Distribution Policy.

	2025	2024
	$	$
Opening Balance	400,000	400,000
Closing Balance	**400,000**	**400,000**

9. MCH Funded Projects Reserve

	2025	2024
	$	$
Opening Balance	773,098	851,117
Transfer to/(from) Reserve	(85,114)	(78,019)
Closing Balance	**687,984**	**773,098**

10. Operating Lease Commitments

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

	2025	2024
Future minimum lease payments under non-cancellable leases	$	$
No later than one year	98,559	95,807
Later than one year and no later than five years	65,365	159,338
Total Operating Lease Commitments	**163,924**	**255,145**

Nexia New Zealand

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

11. Share Capital

	2025	2024
	$	$
100 Ordinary Shares	100	100
Total Share Capital	**100**	**100**

All issued shares are fully paid.

12. Related Party Transactions

	2025	2024
	$	$
a. New Zealand Society of Authors - 50% Shareholder of Copyright Licensing Limited		
Payments made:		
Contestable Fund Grant (NZ Writers Program)	20,000	20,000
Donation to President Honour Event	-	1,000
Administration Costs for Research Grants	3,000	2,999
Administration Costs for Writers Award	5,356	3,770
Library Bulletin Advertising	-	150
Membership Fee	174	161
	28,530	**28,080**
Receipts:		
Office Recovery Costs	9,860	9,860
Printing & Copying	240	240
Membership Fees		-
	10,100	**10,100**
Accounts Receivable for Office Recovery Costs	968	968
b. Publishers Association of New Zealand - 50% Shareholder of Copyright Licensing Limited		
Payments made:		
Professional Development Training	40,000	-
Contribution to NZ Market Sizing Report	19,128	18,753
Membership Fees	1,371	1,371
	60,499	**20,124**
Receipts:		
Office Recovery Costs	9,860	9,860
Printing & Copying	960	960
Membership Fees	-	-
	10,820	**10,820**
Accounts Receivable for Office Recovery Costs	1,037	1,037

Copyright Licensing Limited
Notes to and forming partofthe Consolidated Financial Statements (continued)
For the year ended 31 December 2025

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 Constitution. There are no amounts owed to or by related parties at year end.

Melanee Winder, director of the controlling entity, is employed by a publishing company that receives distribution payments. Rosanna Carlyle, Gina Butson and Andrew Gamble may receive distributions from their publishers from time to time.

Any payments made are on the same terms as all other distributions.

Key Management Personnel
The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the Board of Directors, Chief Executive, Technology Manager, Marketing Manager and the Policy and Legal 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:

	2025	2024
Senior Management - Remuneration	$576,416	$542,250
Senior Management - Full Time Equivalent	3.55	3.35
Directors - Remuneration	$122,345	$129,590
Directors - FullTime Equivalent	0.1	0.1

13. Expenses to Revenue Ratio

Theshareholdersof CopyrightNew Zealand Limited aim for an expenses to revenue ratio of 20% or less. The 2025 ratio is 18.3%(2024:18.7%) as calculated in the below table.

	2025 Consolidated $	2025 Resale Royalties Aotearoa Limited $	2025 Copyright Licensing Limited $	2024 Copyright Licensing Limited $
Revenue	8,704,827	675,680	8,029,147	7,921,199
Less Funding received from MCH	(466,958)	(466,958)	-	-
Less MCH Funded Reserve included in Other Income	(34,215)	-	(34,215)	(246,530)
Revenue Excluding MCH Funding	**8,203,654**	**208,722**	**7,994,932**	**7,674,669**
Expenses not relating to Funded Activities				
Accountancy Fees	49,994	22,714	27,280	21,765
Amortisation	40,708	31,833	8,875	17,755
Audit Fees	56,307	21,000	35,307	29,181
Depreciation	12,591	623	11,968	16,355
Directors Expenses	122,345	7,000	115,345	139,182
Legal Expenses	34,469	1,555	32,914	5,145
Office Lease Expenses	124,060	10,500	113,560	117,028
Operating Expenses	562,737	155,369	407,368	429,449
Staff Expenses	869,931	158,171	711,760	655,539
Total Expenses not relating to Funded Activities	**1,873,142**	**408,765**	**1,464,377**	**1,431,399**
Expenses to Revenue Ratio			**18. 3%**	**18. 7%**

Copyright Licensing Limited

Notes to and forming part of the Consolidated Financial Statements (continued)

For the year ended 31 December 2025

Reconciliation to total Expenses in the Consolidated Statement of Comprehensive Revenue and Expenses

	2025 Consolidated $
Total Expenses not relating to Funded Activities	1,873,142
Expenses Funded from Reserves	
Amortisation (MCH Activity Related)	85,114
Staff Expenses on CAAS/CRMS Activities	-
MCH Grant Spending	34,215
Cultural Fund Expenses	254,378
Total Expenses Funded from Reserves	373,707
Total Expenses	2,246,849
Net Revenue after Expenses	6,457,978

14. Group Information

Details of the group's subsidiary is shown below. The share capital of the subsidiary consists solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation is also the principal place of business.

Name of Entity	Principal Activity	Country of Incorporation	2025 % Equity	2024 % Equity
Resale Royalties Aotearoa Limited	Royalty Services	New Zealand	100	100

15. Capital Commitments

The group has no capital commitments as at 31 December 2025 (2024: Nil).

16. Contingent Liabilities

The group has no contingent liabilities and no guarantees as at 31 December 2025 (2024: Contingent Liabilities Nil, Guarantees Nil).

17. Events Occurring After Balance Date

There have been no significant events occurring after balance date that would materially affect the issuance of these financial statements.

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