

**Phonographic Performance (Ireland)  
Company Limited by Guarantee**

**Directors' report and financial statements**

**For the financial year ended 31 December 2019**

**Phonographic Performance (Ireland) Company Limited by Guarantee**

**Company Information**

<b>DIRECTORS</b>	Dennis Woods Annette Donnelly William Kavanagh Patrick Creed Mark Crossingham Alan Hennessy
<b>COMPANY SECRETARY</b>	Joe Fitzpatrick
<b>REGISTERED NUMBER</b>	27726
<b>REGISTERED OFFICE</b>	63 Patrick Street Dun Laoghaire Co. Dublin
<b>INDEPENDENT AUDITORS</b>	BDO Statutory Audit Firm Beaux Lane House Mercer Street Lower Dublin 2
<b>BANKERS</b>	AIB George's Street Dun Laoghaire Co. Dublin  KBC Bank Sandwith Street Dublin Ireland
<b>SOLICITORS</b>	Helen Sheehy & Co. 63 Patrick Street Dun Laoghaire Co. Dublin

# **Phonographic Performance (Ireland) Company Limited by Guarantee**

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# **Phonographic Performance (Ireland) Company Limited by Guarantee**

## **Directors' report For the financial year ended 31 December 2019**

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2019.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company is the collection and distribution of licence fees for the broadcasting, cable transmission, dubbing and public performance of sound recordings on behalf of its members. The company also makes payments to performers on behalf of its members.

### **BUSINESS REVIEW**

Phonographic Performance (Ireland) Company Limited by Guarantee had a successful year in 2019.

Collections have continued to grow and the costs of collections have reduced. This has resulted in increased distributable income for both members and performers. The directors believe this leaves the company well placed to deal with the many difficult challenges of 2020 in the face of the global pandemic.

### **RESULTS AND DIVIDENDS**

The income, expenditure and distribution account and balance sheet for the financial year ended 31 December 2019 are set out on pages 8 and 9. The revenue available for distribution to member companies before taxation amounted to €6,845,943 (2018 - €5,943,997).

There were no dividends paid during the year.

### **DIRECTORS**

The directors who served during the financial year were:

Dennis Woods  
Annette Donnelly  
William Kavanagh  
Patrick Creed  
Mark Crossingham  
Alan Hennessy

Mark Crossingham will be retiring from the board by rotation but in accordance with the Articles of Association and, being eligible, offers himself for re election.

# **Phonographic Performance (Ireland) Company Limited by Guarantee**

## **Directors' report (continued) For the financial year ended 31 December 2019**

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks relate to increases or decreases in the use of sound recordings in public performance, broadcasting, cable transmission and dubbing.

Subsequent to the year end, the global pandemic resulted in restrictions on business due to precautionary steps taken by government and public concern. This resulted in the closure of pubs, restaurants, hotels and shops causing a reduced overall use of sound recordings.

### **ACCOUNTING RECORDS**

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 63 Patrick Street, Dun Laoghaire, Co. Dublin.

### **FUTURE DEVELOPMENTS**

The company is currently in dispute with Recorded Artists Actors Performers Company Limited by Guarantee (RAAP).

The dispute centres on the interpretation of part of the Copyright and Related Rights Act of 2000. Both parties had alternative views of the definition of a qualifying performance/performer. This issue was referred by the Irish Commercial Court to the Court of Justice of the European Union (CJEU). The Court of Justice of the European Union (CJEU) ruled that the Irish State has not enacted the law correctly and that Irish law must be changed. The ruling will alter the split of distributable revenue between the Members and Performers. The company has and will continue to follow Irish Law. The company's position historically will not be affected by the decision of the CJEU, since the company has followed the law.

The company will continue to work closely with its agent Irish Music Rights Organisation Company Limited by Guarantee to work to maximise distributable revenue following the outbreak of Covid-19 in Ireland.

### **STATEMENT ON RELEVANT AUDIT INFORMATION**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **POST BALANCE SHEET EVENTS**

Subsequent to the year end, the global pandemic resulted in restrictions on business due to precautionary steps taken by government and public concern. This resulted in the closure of pubs, restaurants, hotels and shops causing a reduced overall use of sound recordings.

The company will work to minimise the fall in distributable income resulting from the Covid-19 pandemic.

Notwithstanding the enormous difficulties presented by the pandemic, there have been no other significant events affecting the company since year end.

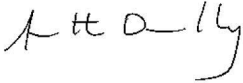
### **AUDITORS**

The auditors, BDO, continue in office in accordance with section 383(2) of the Companies Act 2014.

**Phonographic Performance (Ireland) Company Limited by Guarantee**

**Directors' report (continued)  
For the financial year ended 31 December 2019**

This report was approved by the board and signed on its behalf.



**Annette Donnelly**  
**Director**



**William Kavanagh**  
**Director**

Date: 25 November 2020

## **Phonographic Performance (Ireland) Company Limited by Guarantee**

### **Directors' responsibilities statement For the financial year ended 31 December 2019**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## **Phonographic Performance (Ireland) Company Limited by Guarantee**

### **Independent auditors' report to the members of Phonographic Performance (Ireland) Company Limited by Guarantee**

#### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

##### **Opinion**

We have audited the financial statements of Phonographic Performance (Ireland) Company Limited by Guarantee (the 'company') for the financial year ended 31 December 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2019 and of its profit for the financial year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

##### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

##### **CONCLUSIONS RELATING TO GOING CONCERN**

We have nothing to report in respect of the following matters in relation to which ISA (Ireland) 570 requires us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in





## **Phonographic Performance (Ireland) Company Limited by Guarantee**

### **Independent auditors' report to the members of Phonographic Performance (Ireland) Company Limited by Guarantee (continued)**

our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, 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.

### **OPINION ON THE OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2014**

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

### **RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE**

#### **RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS**

As explained more fully in the Directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.



## Phonographic Performance (Ireland) Company Limited by Guarantee

### Independent auditors' report to the members of Phonographic Performance (Ireland) Company Limited by Guarantee (continued)

#### AUDITORS' 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 Auditors' 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 (Ireland) 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 economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [https://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/ISA-700-(Ireland)). This description forms part of our Auditors' report.

A handwritten signature in black ink, which appears to read 'Stewart Dunne', is located to the left of the printed name.

Stewart Dunne  
for and on behalf of  
**BDO**  
Dublin  
Statutory Audit Firm  
AI223876

25 November 2020

**Phonographic Performance (Ireland) Company Limited by Guarantee**

**Statement of comprehensive income  
For the financial year ended 31 December 2019**

	<b>Note</b>	<b>2019 €</b>	<b>2018 €</b>
Turnover	4	<b>12,670,928</b>	12,052,142
<b>GROSS PROFIT</b>		<b>12,670,928</b>	12,052,142
Distributable to performers		<b>(2,813,574)</b>	(2,691,467)
Cost of collection and distribution		<b>(2,446,727)</b>	(2,887,748)
Distribution Reserve	14	<b>(198,794)</b>	(217,657)
Related party Service Charge		<b>(338,231)</b>	(305,197)
<b>OPERATING PROFIT</b>	5	<b>6,873,602</b>	5,950,073
Other interest receivable and similar income	7	<b>555</b>	1,061
Interest payable and similar expenses		<b>(28,214)</b>	(7,137)
<b>PROFIT BEFORE TAXATION</b>		<b>6,845,943</b>	5,943,997
Tax on profit	8	<b>(35)</b>	1,477
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>6,845,908</b>	5,945,474
<b>OTHER COMPREHENSIVE (LOSS)/ INCOME</b>			
Other comprehensive (expense)/ income		<b>(47,146)</b>	23,434
<b>OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE FINANCIAL YEAR</b>		<b>(47,146)</b>	23,434
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b>6,798,762</b>	5,968,908

The notes on pages 11 to 20 form part of these financial statements.

**Phonographic Performance (Ireland) Company Limited by Guarantee**

**Balance sheet  
As at 31 December 2019**

	<b>Note</b>	<b>2019 €</b>	<b>2018 €</b>
<b>FIXED ASSETS</b>			
Tangible assets	9	<b>37,473</b>	35,401
		<b>37,473</b>	35,401
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due after more than one year	10	-	36,356
Debtors Within One Year	10	<b>2,101,527</b>	2,462,013
Cash at bank and in hand	11	<b>13,192,889</b>	10,393,737
		<b>15,294,416</b>	12,892,106
Creditors: amounts falling due within one year	12	<b>(9,871,922)</b>	(7,959,932)
<b>NET CURRENT ASSETS</b>		<b>5,422,494</b>	4,932,174
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,459,967</b>	4,967,575
<b>NET ASSETS</b>		<b>5,459,967</b>	4,967,575
<b>CAPITAL AND RESERVES</b>			
Members reserve	14	<b>(32,399)</b>	14,747
Other reserves	14	<b>474</b>	474
Profit and loss account	14	<b>5,491,892</b>	4,952,354
<b>SHAREHOLDERS' FUNDS</b>		<b>5,459,967</b>	4,967,575

These financial statements have been prepared in accordance with the small companies regime.

The financial statements were approved and authorised for issue by the board:



**Annette Donnelly**  
Director



**William Kavanagh**  
Director

Date: 25 November 2020

The notes on pages 11 to 20 form part of these financial statements.

**Phonographic Performance (Ireland) Company Limited by Guarantee**

**Statement of changes in equity  
For the financial year ended 31 December 2019**

	<b>Members reserve</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	€	€	€	€
At 1 January 2019	14,747	474	4,952,354	4,967,575
<b>COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>				
Profit for the financial year	-	-	6,845,908	6,845,908
Amount retained for members	(47,146)	-	-	(47,146)
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>	(47,146)	-	6,845,908	6,798,762
Payment to member companies	-	-	(6,306,370)	(6,306,370)
<b>TOTAL TRANSACTIONS WITH MEMBERS</b>	-	-	(6,306,370)	(6,306,370)
<b>AT 31 DECEMBER 2019</b>	<b>(32,399)</b>	<b>474</b>	<b>5,491,892</b>	<b>5,459,967</b>

**Statement of changes in equity  
For the financial year ended 31 December 2018**

	<b>Members reserve</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	€	€	€	€
At 1 January 2018	(8,687)	474	4,991,326	4,983,113
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>				
Profit for the year	-	-	5,945,474	5,945,474
Amount retained for members	23,434	-	-	23,434
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	23,434	-	5,945,474	5,968,908
Payment to member companies	-	-	(5,984,446)	(5,984,446)
<b>TOTAL TRANSACTIONS WITH MEMBERS</b>	-	-	(5,984,446)	(5,984,446)
<b>AT 31 DECEMBER 2018</b>	<b>14,747</b>	<b>474</b>	<b>4,952,354</b>	<b>4,967,575</b>

The notes on pages 11 to 20 form part of these financial statements.

# **Phonographic Performance (Ireland) Company Limited by Guarantee**

## **Notes to the financial statements For the financial year ended 31 December 2019**

### **1. GENERAL INFORMATION**

Phonographic Performance (Ireland) Company Limited by Guarantee is a private company limited by guarantee, incorporated in the Republic of Ireland. The Registered Office is 63 Patrick Street, Dun Laoghaire, Co. Dublin, which is also the principal place of business of the company. The nature of the company's operations and its principal activities are set out in the directors' report on page 1.

### **2. ACCOUNTING POLICIES**

#### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### **2.2 GOING CONCERN**

The directors report sets out the principal activities, business review and principal risks and uncertainties. Taking account of all these factors the directors, having reviewed forecasts, are satisfied the company has adequate resources and cashflow to sustain it for the foreseeable future. Based on this analysis, the directors believe the going concern basis of accounting is still appropriate.

#### **2.3 REVENUE**

Licence fee income which excludes value added tax, represents the invoiced value, and is recognised evenly over the period of the licence term.

In the absence of an invoice, broadcasting and other income is accrued based on the amount agreed in the contract.

Public performance fees, broadcasting fees and other income are accounted for on combination of an accruals and cash basis. Interest and investment income received are accounted for under the accruals basis.

#### **2.4 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**Notes to the financial statements  
For the financial year ended 31 December 2019**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.4 TANGIBLE FIXED ASSETS (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Long-term leasehold property	-	8 years
Fixtures and fittings	-	8 years
Computer equipment	-	3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.5 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

**2.6 DEBTORS**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.7 Deferred contract costs**

Contact costs are recognized using the cost model. After recognition, deferred contract costs are released to the profit and loss account over the period in which it is anticipated these costs are recovered.

**2.8 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 FINANCIAL INSTRUMENTS**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially

**Notes to the financial statements  
For the financial year ended 31 December 2019**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.9 FINANCIAL INSTRUMENTS (continued)**

at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 CREDITORS**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.11 FINANCE COSTS**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.12 PENSIONS**

**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**2.13 INTEREST INCOME**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.



**Notes to the financial statements  
For the financial year ended 31 December 2019**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.14 TAXATION**

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

The preparation of financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period.

**Phonographic Performance (Ireland) Company Limited by Guarantee**

**Notes to the financial statements  
For the financial year ended 31 December 2019**

**4. TURNOVER**

An analysis of turnover by class of business is as follows:

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Broadcasting fees	<b>4,393,497</b>	4,314,183
Broadcasting fees dubbing	<b>865,938</b>	717,802
Public performance fees	<b>6,443,229</b>	6,864,958
Dubbing fees	<b>836,586</b>	22,485
Cable fees	<b>131,678</b>	132,714
	<b><u>12,670,928</u></b>	<b><u>12,052,142</u></b>

Analysis of turnover by geographical area is as follows::

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Republic of Ireland	<b>12,191,467</b>	11,830,275
UK	<b>457,013</b>	200,440
Rest of the world	<b>22,448</b>	21,427
	<b><u>12,670,928</u></b>	<b><u>12,052,142</u></b>

**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The operating profit is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Depreciation of tangible fixed assets	<b>12,940</b>	14,582
Defined contribution pension cost	<b>13,066</b>	13,527
	<b><u>26,006</u></b>	<b><u>28,109</u></b>

**6. EMPLOYEES**

The average monthly number of employees, including the directors, during the financial year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Clerical and administrative	<b><u>6</u></b>	<b><u>6</u></b>

**Phonographic Performance (Ireland) Company Limited by Guarantee**

**Notes to the financial statements  
For the financial year ended 31 December 2019**

**7. INTEREST RECEIVABLE**

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Other interest receivable	<b>555</b>	<b>1,061</b>
	<u><u>555</u></u>	<u><u>1,061</u></u>

**8. TAXATION**

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
<b>CORPORATION TAX</b>		
Current tax on Profit for the year	<b>35</b>	<b>-</b>
Adjustment in respect of previous periods	<b>-</b>	<b>(1,477)</b>
<b>TOTAL CURRENT TAX</b>	<u><u><b>35</b></u></u>	<u><u><b>(1,477)</b></u></u>

**FACTORS AFFECTING TAX CHARGE FOR THE FINANCIAL YEAR**

The tax assessed for the financial year is the same as (2018 - the same as) the standard rate of corporation tax in Ireland of 25% (2018 - 25%) as set out below:

**EFFECTS OF:**

Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	<b>-</b>	<b>(398)</b>
Income tax paid on interest	<b>35</b>	<b>398</b>
Unrelieved tax losses carried forward	<b>-</b>	<b>(1,477)</b>
<b>TOTAL TAX CHARGE FOR THE FINANCIAL YEAR</b>	<u><u><b>35</b></u></u>	<u><u><b>(1,477)</b></u></u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**Phonographic Performance (Ireland) Company Limited by Guarantee**

**Notes to the financial statements  
For the financial year ended 31 December 2019**

**9. TANGIBLE FIXED ASSETS**

	Long-term leasehold property €	Fixtures and fittings €	Computer equipment €	Total €
<b>COST OR VALUATION</b>				
At 1 January 2019	20,839	29,585	467,613	518,037
Additions	-	-	15,012	15,012
At 31 December 2019	20,839	29,585	482,625	533,049
<b>DEPRECIATION</b>				
At 1 January 2019	5,139	18,130	459,367	482,636
Charge for the financial year on owned assets	2,604	1,856	8,480	12,940
At 31 December 2019	7,743	19,986	467,847	495,576
<b>NET BOOK VALUE</b>				
At 31 December 2019	13,096	9,599	14,778	37,473
At 31 December 2018	15,700	11,455	8,246	35,401

**10. DEBTORS**

	2019 €	2018 €
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Other debtors	-	36,356
	-	36,356
	2019 €	2018 €
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	208,464	778,031
Amounts owed by group undertakings	-	88,576
Other debtors	158	584
Prepayments	1,856,548	1,545,305
Amounts recoverable on long term contracts	36,357	49,517
	2,101,527	2,462,013

**Phonographic Performance (Ireland) Company Limited by Guarantee**

**Notes to the financial statements  
For the financial year ended 31 December 2019**

**11. CASH AND CASH EQUIVALENTS**

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Cash at bank and in hand	<b>13,192,889</b>	<b>10,393,736</b>

**12. CREDITORS: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Trade creditors	<b>36,477</b>	<b>161,866</b>
Distribution reserve	<b>669,224</b>	<b>554,513</b>
Amount due to related parties	<b>8,220</b>	<b>-</b>
Amounts owed to performers	<b>6,525,196</b>	<b>4,687,748</b>
Taxation and social security	<b>373,510</b>	<b>75,996</b>
Other creditors	<b>147,712</b>	<b>130,882</b>
Accruals	<b>544,042</b>	<b>794,008</b>
Deferred income	<b>1,567,541</b>	<b>1,554,919</b>
	<b>9,871,922</b>	<b>7,959,932</b>

Included in amounts due to performers are allocations for 2013, 2014 and 2015 based on an estimated non-qualifying percentage. The non-qualifying percentage forms part of the calculation to determine the split of the distributable income between performers and members.

**13. FINANCIAL INSTRUMENTS**

	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	<b>13,192,889</b>	<b>10,393,737</b>
Financial assets that are debt instruments measured at amortised cost	<b>208,464</b>	<b>866,607</b>
	<b>13,401,353</b>	<b>11,260,344</b>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<b>7,386,829</b>	<b>5,535,009</b>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and amounts owed by related parties.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, distribution reserve, amounts due to related parties and the amount due to performers.

## **Phonographic Performance (Ireland) Company Limited by Guarantee**

### **Notes to the financial statements For the financial year ended 31 December 2019**

#### **14. RESERVES**

##### **Other reserves**

Distribution Reserve represents funds allocated to Performers on tracks which as of yet are unmatched to a recording rights holder.

##### **Member companies' account**

The directors of the company and parties related to them, which include the recording companies whose interests the directors represent, are entitled, as are all member companies, to payments representing the fees received from the performance of copyright works.

The payments to the member companies represented by the directors are calculated and paid on an identical basis as the payments for all the member companies.

During the year ended 31 December 2019 €6,306,370 (2018 - €5,984,446) was paid to member companies whose interests were represented by the directors of the company.

#### **15. LIABILITY OF MEMBERS**

The liability of the members is limited. Every member of the company undertakes to contribute to the assets of the company, in the event of the same being wound up while he/she is a member or within one year after he/she ceases being a member, for payment of the debts and liabilities of the company contracted before he/she ceases to be a member and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding €1.

#### **16. COMPANY STATUS**

The company is limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding €1 towards the assets of the company in the event of liquidation.

#### **17. CONTINGENT LIABILITIES**

The Company had no contingent liabilities at the financial year end.

#### **18. PENSION COMMITMENTS**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to €13,066 (2018 - €13,527). Contributions totalling €2,031 (2018 - €Nil) were payable to the fund at the balance sheet date.

## Phonographic Performance (Ireland) Company Limited by Guarantee

### Notes to the financial statements For the financial year ended 31 December 2019

#### 19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 €	2018 €
Not later than 1 year	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

#### 20. RELATED PARTY TRANSACTIONS

During the year the company incurred costs for services under an SLA with Irish Recorded Music Association Company Limited By Guarantee of €338,231 (2018 - €305,197), a company which is also related by having common directors. At year end the balance due to Irish Recorded Music Association Company Limited By Guarantee was €8,220 (2018 receivable - €88,576).

Joe Fitzpatrick, who was appointed as secretary on 15 April 2014 is key management personnel. He is a director of Adakat Limited, a company incorporated in Ireland providing management services to Phonographic Performance (Ireland) Company Limited By Guarantee. During the year services to the value of €162,243 (2018 - €138,300) were provided and included in trade creditors is an amount of €Nil (2018 -€9,994).

#### 21. POST BALANCE SHEET EVENTS

Subsequent to the year end, the global pandemic resulted in restrictions on business due to precautionary steps taken by government and public concern. This resulted in the closure of pubs, restaurants, hotels and shops causing a reduced overall use of sound recordings.

The company will work to minimise the fall in distributable income resulting from the Covid-19 pandemic.

Notwithstanding the enormous difficulties presented by the pandemic, there have been no other significant events affecting the company since year end.

#### 22. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements on 25 November 2020.