Phonographic Performance (Ireland) Company Limited by Guarantee

Directors' report and financial statements

For the financial year ended 31 December 2017

BDO
Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Phonographic Performance (Ireland) Company Limited by Guarantee

Company Information

DIRECTORS	Dennis Woods Annette Donnelly William Kavanagh Patrick Creed Mark Crossingham Alan Hennessy
COMPANY SECRETARY	Joe Fitzpatrick
REGISTERED NUMBER	27726
REGISTERED OFFICE	63 Patrick Street Dun Laoghaire Co. Dublin
INDEPENDENT AUDITORS	BDO Statutory Audit Firm Beaux Lane House Mercer Street Lower Dublin 2
SOLICITORS	Helen Sheehy & Co. 63 Patrick Street Dun Laoghaire Co. Dublin

Phonographic Performance (Ireland) Company Limited by Guarantee

Contents

Directors' report
For the financial year ended 31 December 2017

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2017.

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.

BUSINESS REVIEW

Phonographic Performance (Ireland) Company Limited by Guarantee had a satisfactory year in 2017.

As a result of initiatives taken in 2016 collections have continued to increase in 2017 and costs of collections have decreased. This has resulted in increased distributable income for both Members and Performers. The directors are confident the initiatives taken in 2016 will lead to increased distributable income in future years.

RESULTS AND DIVIDENDS

The income, expenditure and distribution account and balance sheet for the financial year ended 31 December 2017 are set out on pages 7 and 8. The revenue available for distribution to member companies before taxation amounted to €5,664,907 *(2016 - €5,092,271).*

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

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

Directors' report (continued)
For the financial year ended 31 December 2017

PRINCIPAL RISKS AND UNCERTAINTIES

The company is currently in dispute with Recorded Artists Actors Performers Company Limited by Guarantee (RAAP). The dispute centres on interpretation of part of the Copyright and Related Rights Act of 2000. Both parties have alternative views of the definition of a qualifying performance/performer. This has the potential to alter the split of distributable revenue between the parties. The company has taken expert legal advice and are confident their position is correct. It is hoped this dispute will be resolved in the near future.

An additional set of legal proceedings has been taken by RAAP as a result of the termination of it's agency agreement by PPI.

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 Patricks Street, Dun Laoghaire, Co. Dublin.

FUTURE DEVELOPMENTS

The company will continue to work closely with its agent Irish Music Rights Organisation Company Limited by Guarantee to try to increase distributable revenue.

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.

AUDITORS

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

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

Annette Donnelly	Patrick Creed
Director	**Director**

Date: 5 September 2018

Directors' responsibilities statement
For the financial year ended 31 December 2017

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 Irish Generally Accepted Accounting Practice in Ireland, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in Ireland and Irish law.

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 of the company 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.

BDO

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 2017, which comprise the Statement of income and retained earnings, 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 financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2017 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 ISAs (Ireland) require 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 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

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

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 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

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the Directors' responsibilities statement on page 3, 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.

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). This description forms part of our Auditors' report.

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

5 September 2018

Statement of Income and retained earnings
For the financial year ended 31 December 2017

	Note	2017 €	2016 €
Licence fee income	4	11,470,394	11,140,443
GROSS PROFIT		11,470,394	11,140,443
Cost of collection and distribution		(2,946,460)	(3,234,394)
Distributable to Performers		(2,465,811)	(2,171,538)
IRMA Service Charge		(179,195)	(417,458)
Distribution reserve	14	(217,437)	(231,838)
OPERATING PROFIT	5	5,661,491	5,085,215
Interest receivable and similar income	7	3,416	7,056
PROFIT BEFORE TAX		5,664,907	5,092,271
Tax on profit	8	(736)	(10,704)
PROFIT AFTER TAX		5,664,171	5,081,567
Retained earnings at the beginning of the financial year		3,574,198	2,626,071
		3,574,198	2,626,071
Profit for the financial year		5,664,171	5,081,567
Members reserve		(8,687)	-
Payment to member companies during the year		(4,247,043)	(4,133,440)
RETAINED EARNINGS AT THE END OF THE FINANCIAL YEAR		4,982,639	3,574,198

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 21 form part of these financial statements.

Balance sheet
As at 31 December 2017

	Note		2017 €		2016 €
FIXED ASSETS					
Tangible assets	9		49,983		25,844
			49,983		25,844
CURRENT ASSETS					
Debtors	10	2,774,454		4,626,228	
Cash at bank and in hand	11	10,193,355		6,562,240	
		12,967,809		11,188,468	
Creditors: amounts falling due within one year	12	(8,034,679)		(7,639,640)	
NET CURRENT ASSETS			4,933,130		3,548,828
TOTAL ASSETS LESS CURRENT LIABILITIES			4,983,113		3,574,672
NET ASSETS			4,983,113		3,574,672
CAPITAL AND RESERVES					
Members reserve	14		(8,687)		-
Other reserves	14		474		474
Profit and loss account	14		4,991,326		3,574,198
SHAREHOLDERS' FUNDS			4,983,113		3,574,672

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

Patrick Creed
Director

Date: 5 September 2018

The notes on pages 11 to 21 form part of these financial statements.

Statement of changes in equity
For the financial year ended 31 December 2017

	Members reserve	Other reserves	Profit and loss account	Total equity
	€	€	€	€
At 1 January 2017	-	474	3,574,198	3,574,672
Profit for the financial year	-	-	5,664,171	5,664,171
Amount retained for members	(8,687)	-	-	(8,687)
Payment to member companies	-	-	(4,247,043)	(4,247,043)
TOTAL TRANSACTIONS WITH OWNERS	-	-	(4,247,043)	(4,247,043)
AT 31 DECEMBER 2017	(8,687)	474	4,991,326	4,983,113

Statement of changes in equity
For the financial year ended 31 December 2016

	Other reserves	Profit and loss account	Total equity
	€	€	€
At 1 January 2016	474	2,626,071	2,626,545
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	5,081,567	5,081,567
Dividends: Equity capital	-	(4,133,440)	(4,133,440)
AT 31 DECEMBER 2016	474	3,574,198	3,574,672

The notes on pages 11 to 21 form part of these financial statements.

Notes to the financial statements
For the financial year ended 31 December 2017

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 in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of 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 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.

2.3 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 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
Motor vehicles	-	4 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 income and retained earnings.

2.4 Operating leases: the company as lessee

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

2.5 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.

2.6 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.

2.7 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.

2.8 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 non-puttable 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

2. ACCOUNTING POLICIES (CONTINUED)

2.8 Financial Instruments (continued)

financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 income and retained earnings.

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.

2.9 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.

2.10 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 income and retained earnings 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.

2.11 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Taxation

Tax is recognised in the Statement of income and retained earnings, 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.

4. TURNOVER

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

	2017 €	2016 €
Broadcasting fees	3,937,210	4,125,013
Broadcasting fees dubbing	693,545	722,515
Public performance fees	6,424,807	5,494,650
Dubbing fees	284,967	644,907
Cable fees	129,865	153,358
	11,470,394	11,140,443

	2017 €	2016 €
Republic of Ireland	11,470,394	11,140,443
	11,470,394	11,140,443

All turnover arose in Ireland.

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The operating profit is stated after charging:

	2017 €	2016 €
Depreciation of tangible fixed assets	18,716	37,199
Defined contribution pension cost	19,424	74,537

6. EMPLOYEES

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

	2017 No.	2016 No.
Clerical and administrative	6	19

7. INTEREST RECEIVABLE

	2017 €	*2016 €*
Other interest receivable	3,416	*7,056*

8. TAXATION

	2017 €	*2016 €*
CORPORATION TAX		
Current tax on profits for the year	736	*8,319*
Adjustments in respect of previous periods	-	*2,385*
TOTAL CURRENT TAX	736	*10,704*

FACTORS AFFECTING TAX CHARGE FOR THE FINANCIAL YEAR

The tax assessed for the financial year is the same as *(2016 - higher than)* the standard rate of corporation tax in Ireland of 25% *(2016 - 25%)*. The differences are explained below:

	2017 €	*2016 €*
Profit on ordinary activities before tax	-	*46,605*
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 25% (2016 - 25%)	-	*8,319*
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,648	*6,099*
Capital allowances for financial year in excess of depreciation	(2,151)	*(1,885)*
Rollover relief on profit on disposal of fixed assets	(544)	-
Subscriptions and donations	106	-
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(514)	-
Income tax paid on interest	736	*(1,829)*
Unrelieved tax losses carried forward	1,455	-
TOTAL TAX CHARGE FOR THE FINANCIAL YEAR	736	*10,704*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

Notes to the financial statements
For the financial year ended 31 December 2017

9. TANGIBLE FIXED ASSETS

	Long-term leasehold property €	Motor vehicles €	Fixtures and fittings €	Computer equipment €	Total €
COST OR VALUATION					
At 1 January 2017	20,315	41,292	85,688	451,804	599,099
Additions	20,839	-	14,849	15,809	51,497
Disposals	(20,315)	(41,292)	(70,952)	-	(132,559)
At 31 December 2017	20,839	-	29,585	467,613	518,037
DEPRECIATION					
At 1 January 2017	19,772	41,292	73,904	438,287	573,255
Charge for the financial year on owned assets	2,535	-	3,381	12,800	18,716
Disposals	(19,772)	(41,292)	(62,853)	-	(123,917)
At 31 December 2017	2,535	-	14,432	451,087	468,054
NET BOOK VALUE					
At 31 December 2017	18,304	-	15,153	16,526	49,983
At 31 December 2016	*543*	*-*	*11,784*	*13,517*	*25,844*

Notes to the financial statements
For the financial year ended 31 December 2017

10. DEBTORS

	2017 €	2016 €
DUE AFTER MORE THAN ONE YEAR		
Deferred contract costs	85,873	*135,389*
	85,873	*135,389*
DUE WITHIN ONE YEAR		
Trade debtors	291,947	*995,957*
Amounts owed by related parties	298,849	*151,820*
Corporation tax repayable	2,422	-
Prepayments and accrued income	1,985,635	*3,293,546*
Deferred contract costs	49,516	*49,516*
VAT repayable	60,212	-
	2,774,454	*4,626,228*

11. CASH AND CASH EQUIVALENTS

	2017 €	2016 €
Cash at bank and in hand	10,193,355	*6,562,240*

12. CREDITORS: Amounts falling due within one year

	2017 €	2016 €
Trade creditors	81,788	*66,325*
Distribution reserve	389,215	*231,838*
Amount due to performers	5,639,563	*4,999,584*
Corporation tax	-	*2,221*
Taxation and social security	6,267	*303,400*
Other creditors	143,795	*145,947*
Accruals	505,912	*1,051,996*
Deferred income	1,268,139	*838,329*
	8,034,679	*7,639,640*

Notes to the financial statements
For the financial year ended 31 December 2017

13. FINANCIAL INSTRUMENTS

	2017 €	*2016* *€*
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	**10,193,355**	*6,562,240*
Financial assets that are debt instruments measured at amortised cost	**590,796**	*1,147,777*
	10,784,151	*7,710,017*
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	**6,254,361**	*5,443,694*
	6,254,361	*5,443,694*

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 and the amount due to performers.

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 2017 €4,247,043 *(2016 - €4,133,440)* 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 is currently in dispute with Recorded Artists Actors Performers Company Limited by Guarantee. The dispute centres on interpretation of part of the Copyright and Related Rights Act of 2000. Both parties have alternative views of the definition of a qualifying performance/performer. This has the potential to alter the split of distributable revenue between the parties. The company has taken expert legal advice and are confident their position is correct. It is hoped this dispute will be resolved in the near future.

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 €19,424 *(2016 €74,537)*. Contributions totalling €2,060 *(2016 - €2,726)* were payable to the fund at the balance sheet date.

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	*2016*
	€	*€*
Not later than 1 year	30,000	*31,250*
	30,000	*31,250*

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 €179,195 (2016 - €417,458), a company which is also related by having common directors. At year end the balance due from Irish Recorded Music Association Company Limited By Guarantee was €298,849 (2016 - €151,820).

Joe Fitzpatrick, who was appointed as secretary on 15 April 2014 is key management personnel. He is a former director of FC On Call 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 €117,325 (2016 - €110,825) were provided and included in trade creditors is an amount of €9,994 (2016 -€9,194)

21. POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

22. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements on 5th September 2018 which were issued on 5th September 2018