Phonographic Performance (Ireland) Company Limited by Guarantee

Directors' Report and Financial Statements

For the financial year ended 31 December 2016

BDO

Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

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

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Directors' Report
For the financial year ended 31 December 2016

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2016.

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 2016.

As a result of the initiatives taken in 2016 collections have marginally increased but the costs of collections and distributions have significantly increased. Much of this increase is due to set up and restructuring costs. The directors are confident the initiatives taken in 2016 will ultimately lead to reduced costs going forward and increased distributable income.

In 2016 the Irish Music Rights Organisation Company Limited by Guarantee commenced its administration of the public performance of sound recordings on behalf of the company.

The company adopted a new constitution and compliance statement to meet the requirements of the Companies Act 2014 and the EU (Collective Rights Management) (Directive 2014/26/EU) Regulations 2016, during the year.

To bring PPI into line with international best practice, PPI's distribution which was predominantly label based with limited ability to register individual tracks required upgrading to a track based system. This was also necessary to comply with the provisions of the CRM Regulations. In October 2016 the company engaged the back office services of Phonographic Performance Limited (PPL) to assist us with this transition. As the agreement with PPL puts PPI in a position to calculate allocations to both producers and performers PPI terminated its agency agreement with Recorded Artists Actors and Performers Company Limited By Guarantee (RAAP) in October 2016.

RESULTS AND DIVIDENDS

The income, expenditure and distribution account and balance sheet for the financial year ended 31 December 2016 are set out on pages 6 and 7. The revenue available for distribution to member companies before taxation amounted to €5,092,271 *(2015 - €4,875,022)*.

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

Patrick Creed 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 2016

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 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.

POST BALANCE SHEET EVENTS

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

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.

Director ALAN HENNESSY

Date: 02/11/2017

Director MARK CROSSINGHAM

Directors' Responsibilities Statement
For the financial year ended 31 December 2016

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;
- prepare the financial statements 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.

Independent Auditors' Report to the Members of Phonographic Performance (Ireland) Company Limited by Guarantee

We have audited the financial statements of Phonographic Performance (Ireland) Company Limited by Guarantee for the financial year ended 31 December 2016, set out on pages 6 to 21. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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 otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

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 2016 and of its profit for the financial year ended;
- have been properly prepared in accordance with relevant financial reporting framework and in particular with the requirements of the Companies Act 2014.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACT 2014

- 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.
- The financial statements are in agreement with the accounting records.

Independent Auditors' Report to the Members of Phonographic Performance (Ireland) Company Limited by Guarantee (continued)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of our obligations under the Companies Act 2014 to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act are not made.

Stewart Dunne
for and on behalf of
BDO
Statutory Audit Firm
AI223876
Date: 02/11/2017

Statement of Income and Retained Earnings
For the financial year ended 31 December 2016

	Note	2016 €	*2015 €*
Licence fee income	4	**11,140,443**	*11,076,611*
GROSS PROFIT		**11,140,443**	*11,076,611*
Cost of collection and distribution		**(3,234,394)**	*(2,725,091)*
Distributable to Performers	22	**(2,171,538)**	*(3,004,430)*
IRMA Service Charge		**(417,458)**	*(510,025)*
Distribution reserve	14	**(231,838)**	*-*
OPERATING PROFIT	5	**5,085,215**	*4,837,065*
Interest receivable and similar income	7	**7,056**	*37,957*
PROFIT BEFORE TAX		**5,092,271**	*4,875,022*
Tax on profit	8	**(10,704)**	*(10,673)*
PROFIT AFTER TAX		**5,081,567**	*4,864,349*
Retained earnings at the beginning of the financial year		**2,626,071**	*2,980,905*
		2,626,071	*2,980,905*
Profit for the financial year		**5,081,567**	*4,864,349*
Payments to member companies during year		**(4,133,440)**	*(5,219,183)*
RETAINED EARNINGS AT THE END OF THE FINANCIAL YEAR		**3,574,198**	*2,626,071*

All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 21 form part of these financial statements.

Balance Sheet
As at 31 December 2016

	Note		2016 €		2015 €
FIXED ASSETS					
Tangible assets	9		**25,844**		*92,594*
			25,844		*92,594*
CURRENT ASSETS					
Debtors	10	**4,626,228**		*1,402,305*	
Cash at bank and in hand	11	**6,562,240**		*6,930,636*	
		11,188,468		*8,332,941*	
Creditors: amounts falling due within one year	12	**(7,639,640)**		*(5,798,990)*	
NET CURRENT ASSETS			**3,548,828**		*2,533,951*
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,574,672**		*2,626,545*
NET ASSETS			**3,574,672**		*2,626,545*
CAPITAL AND RESERVES					
Other reserves	14		**474**		*474*
Profit and loss account	14		**3,574,198**		*2,626,071*
SHAREHOLDERS' FUNDS			**3,574,672**		*2,626,545*

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

Director ALAN HENNESSY

Director MARK CROSSINGHAM

Date: 02/11/2017

The notes on pages 9 to 21 form part of these financial statements.

Statement of Cash Flows
For the financial year ended 31 December 2016

	2016 €	*2015* *€*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	**5,081,567**	*4,864,349*
ADJUSTMENTS FOR:		
Depreciation of tangible assets	**37,649**	*56,037*
Loss on disposal of tangible assets	**(719)**	*(12,755)*
Interest received	**(7,056)**	*(37,957)*
Taxation charge	**10,704**	*10,673*
(Increase) in debtors	**(3,058,492)**	*(105,423)*
Increase in creditors	**1,666,891**	*1,323,636*
Corporation tax (paid)/received	**(2,826)**	*10,698*
Distributable to Performers	**2,403,376**	*3,004,430*
IRMA Service charge	**395,133**	*510,025*
NET CASH GENERATED FROM OPERATING ACTIVITIES	**6,526,227**	*9,623,713*
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	**(5,480)**	*(83,649)*
Sale of tangible fixed assets	**35,750**	*30,139*
Interest received	**7,056**	*37,957*
Payments to member companies during year	**(4,133,440)**	*(5,219,183)*
Distributable to Performers	**(2,403,376)**	*(3,004,430)*
Payments on behalf of the recording industry	**(395,133)**	*(510,025)*
NET CASH FROM INVESTING ACTIVITIES	**(6,894,623)**	*(8,749,191)*
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(368,396)**	*874,522*
Cash and cash equivalents at beginning of financial year	**6,930,636**	*6,056,114*
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	**6,562,240**	*6,930,636*
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR COMPRISE:		
Cash at bank and in hand	**6,562,240**	*6,930,636*
	6,562,240	*6,930,636*

Notes to the Financial Statements
For the financial year ended 31 December 2016

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 director's 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 instruments 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 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 Irish GAAP 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.

Notes to the Financial Statements
For the financial year ended 31 December 2016

4. TURNOVER

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

	2016 €	*2015 €*
Broadcasting fees	**4,125,013**	*3,958,103*
Broadcasting fees dubbing	**722,515**	*687,673*
Public performance fees	**5,494,650**	*5,686,569*
Dubbing fees	**644,907**	*520,183*
Cable fees	**153,358**	*224,083*
	11,140,443	*11,076,611*

	2016 €	*2015 €*
Republic of Ireland	**11,140,443**	*11,076,611*
	11,140,443	*11,076,611*

All turnover arose in Ireland.

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The operating profit is stated after charging:

	2016 €	*2015 €*
Depreciation of tangible fixed assets	**37,199**	*56,037*
Defined contribution pension cost	**74,537**	*99,106*

Notes to the Financial Statements
For the financial year ended 31 December 2016

6. EMPLOYEES

Staff costs were as follows:

	2016 €	*2015 €*
Wages and salaries	**539,730**	*1,042,435*
Social insurance costs	**61,055**	*115,378*
Cost of defined contribution scheme	**74,537**	*99,106*
Other compensation costs	**320,471**	*273,163*
Staff private health insurance	**32,090**	*49,177*
	1,027,883	*1,579,259*

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

	2016 No.	*2015 No.*
Clerical and administrative	**9**	*19*

7. INTEREST RECEIVABLE

	2016 €	*2015 €*
Other interest receivable	**7,056**	*37,957*

Notes to the Financial Statements
For the financial year ended 31 December 2016

8. TAXATION

	2016 €	*2015* *€*
CORPORATION TAX		
Current tax on profits for the year	**8,319**	*10,673*
Adjustments in respect of previous periods	**2,385**	-
TOTAL CURRENT TAX	**10,704**	*10,673*

FACTORS AFFECTING TAX CHARGE FOR THE FINANCIAL YEAR

The tax assessed for the financial year is the same as *(2015 -higher than)* the standard rate of corporation tax in Ireland of 25% *(2015 - 25%)*. The differences are explained below:

	2016 €	*2015* *€*
Profit on ordinary activities before tax	**46,605**	*37,957*
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 25% (2015 -25%)	**8,319**	*9,489*
EFFECTS OF:		
Utilisation of tax losses	**-**	*1,184*
Prior year over accrual	**2,385**	-
TOTAL TAX CHARGE FOR THE FINANCIAL YEAR/YEAR	**10,704**	*10,673*

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 2016

9. TANGIBLE FIXED ASSETS

	Long-term leasehold property €	Motor vehicles €	Fixtures and fittings €	Computer equipment €	Total €
Cost or valuation					
At 1 January 2016	**20,315**	**98,292**	**85,688**	**446,324**	**650,619**
Additions	**-**	**-**	**-**	**5,480**	**5,480**
Disposals	**-**	**(57,000)**	**-**	**-**	**(57,000)**
At 31 December 2016	**20,315**	**41,292**	**85,688**	**451,804**	**599,099**
Depreciation					
At 1 January 2016	**19,552**	**49,991**	**69,596**	**418,886**	**558,025**
Charge for the financial year on owned assets	**220**	**13,270**	**4,308**	**19,401**	**37,199**
Disposals	**-**	**(21,969)**	**-**	**-**	**(21,969)**
At 31 December 2016	**19,772**	**41,292**	**73,904**	**438,287**	**573,255**
Net book value					
At 31 December 2016	**543**	**-**	**11,784**	**13,517**	**25,844**
At 31 December 2015	*763*	*48,301*	*16,092*	*27,438*	*92,594*

Notes to the Financial Statements
For the financial year ended 31 December 2016

9. TANGIBLE FIXED ASSETS (CONTINUED)

	Long-term leasehold property €	Motor vehicles €	Fixtures and fittings €	Computer equipment €	Total €
Cost or valuation					
At 1 January 2015	**20,315**	**98,637**	**78,823**	**426,540**	**624,315**
Additions	**-**	**57,000**	**6,865**	**19,784**	**83,649**
Disposals	**-**	**(57,345)**	**-**	**-**	**(57,345)**
At 31 December 2015	**20,315**	**98,292**	**85,688**	**446,324**	**650,619**
Depreciation					
At 1 January 2015	**19,296**	**66,768**	**64,930**	**390,955**	**541,949**
Charge owned for the period	**256**	**23,184**	**4,666**	**27,931**	**56,037**
Disposals	**-**	**(39,961)**	**-**	**-**	**(39,961)**
At 31 December 2015	**19,552**	**49,991**	**69,596**	**418,886**	**558,025**
Net book value					
At 31 December 2015	**763**	**48,301**	**16,092**	**27,438**	**92,594**
At 31 December 2014	*1,019*	*31,869*	*13,893*	*35,585*	*82,366*

Notes to the Financial Statements
For the financial year ended 31 December 2016

10. DEBTORS

	2016 €	*2015 €*
DUE AFTER MORE THAN ONE YEAR		
Deferred contract costs	**135,389**	*184,905*
	135,389	*184,905*
DUE WITHIN ONE YEAR		
Trade debtors	**995,957**	*494,509*
Amounts owed by related parties	**151,820**	*156,755*
Corporation tax repayable	**-**	*5,657*
Prepayments and accrued income	**3,293,546**	*510,963*
Deferred contract costs	**49,516**	*49,516*
	4,626,228	*1,402,305*

11. CASH AND CASH EQUIVALENTS

	2016 €	*2015 €*
Cash at bank and in hand	**6,562,240**	*6,930,636*

12. CREDITORS: Amounts falling due within one year

	2016 €	*2015 €*
Trade creditors	**66,325**	*151,078*
Distribution reserve	**231,838**	*-*
Amount due to performers	**4,999,584**	*4,828,046*
Corporation tax	**2,221**	*-*
Taxation and social security	**303,400**	*238,135*
Other creditors	**145,947**	*29,813*
Accruals	**1,051,996**	*551,918*
Deferred income	**838,329**	*-*
	7,639,640	*5,798,990*

Notes to the Financial Statements
For the financial year ended 31 December 2016

13. FINANCIAL INSTRUMENTS

	2016 €	*2015* *€*
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	**6,562,240**	*6,930,636*
Financial assets that are debt instruments measured at amortised cost	**1,147,777**	*651,264*
	7,710,017	*7,581,900*
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	**5,443,694**	*5,008,937*
	5,443,694	*5,008,937*

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 and 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 2016 €4,133,440 *(2015 - €5,219,183)* 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 IR£1.

16. 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.

17. CAPITAL COMMITMENTS

There were no capital commitments at 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 €74,537 *(2015 €99,106)*. Contributions totalling €2,726 *(2015 -€11,555)* were payable to the fund at the balance sheet date.

Notes to the Financial Statements
For the financial year ended 31 December 2016

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 €	*2015* *€*
Not later than 1 year	**31,250**	*125,000*
	31,250	*125,000*

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 €417,458 (2015 - €510,825), 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 €151,820 (2015 - €156,755).

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 €110,825 (2015 -€111,475) were provided and included in trade creditors is an amount of €9,194 (2015 -€10,793)

21. POST BALANCE SHEET EVENTS

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

22. DUE TO PERFORMERS

The amount Distributable to Performers has fallen significantly in 2016. The performer's distribution in 2015 was calculated using an estimated non-qualifying percentage rate of 22.4%. Following the engagement of PPL it has been possible to calculate the actual non-qualifying rate for 2016 of 31.22% . The comparative figure for 2015 also includes an Agency Fee of €197,799. There is no Agency Fee in the 2016 figure as this is the subject of legal proceedings.

In previous years where the performer's distribution has had to be calculated using an estimated non-qualifying percentage rate of 22.4% the company has retained amounts pending the resolution of the legal dispute.

23. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved these financial statements on 4th September 2017 which were issued on 2nd November 2017.