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ANNUAL REPORT + ACCOUNTS 2021

Irish Music Rights Organisation Company Limited by Guarantee

CHAIRPERSON'S STATEMENT

As we begin to emerge from this most difficult period of our industry's history, I hereby present the foreword for the 2021 Annual Report. Our CEO Victor Finn will highlight the financial results for the year ending December 2021 on the following pages, but I would like to draw your attention to some of the other areas where IMRO was active over the last twelve months.

On 19th November the Copyright Directive (passed by the European Parliament in Strasbourg in 2019) was finally signed into Irish law by Tánaiste and Enterprise, Trade and Employment Minister Leo Varadkar. As many of you are aware, this result was the culmination of years of extensive lobbying by IMRO and indeed by the IMRO membership both here in Ireland and abroad. The implementation of this directive means that multinational tech companies will have to pay a fair price for the use of creative work online. This was the biggest piece of copyright legislation in decades and it marks a huge step forward for the rights of creators into the future.

We were delighted that 2021 saw IMRO listed in the IBEC and Business and Finance "Leading in Wellbeing Top 100 companies", this list recognises companies that are leading the way in workplace wellbeing. I am also pleased to say that following environmental, social and governance initiatives, IMRO reduced our Carbon footprint by almost 40%. As we return to normal, post pandemic, members visiting Copyright House will notice the much-enhanced bicycle parking facilities and our new Urban Garden as they enter the building.

Throughout 2021 we continued our extensive corporate governance work implementing many new initiatives to ensure that IMRO exhibits the best possible practice in corporate governance into the future. In October, the Board and executive developed a new strategic plan for IMRO, creating new Mission and Vision statements to better embrace new developments in technology and recognising IMRO's increasing role on the global stage.

None of the above would have been possible without the expertise and outstanding dedication of our CEO Victor Finn and his team. Their commitment to IMRO was unfaltering over the past year as the company continued to deal with the continued challenges related to Covid-19. I would like to thank Victor for his extraordinary leadership throughout this testing time and for going above and beyond in service of our members.

I would also like to say a profound thanks to the members of the IMRO Board. The workload of the Board increased exponentially over the last two years and Board members took on extra work and increased meetings with great diligence. I would also like to specifically thank the Chairs of each of the Board's committees, where a huge amount of the 'heavy lifting' was carried out over the last year. I would also personally like to thank the Board, firstly for the faith they placed in me by electing me as their Chair but also for their support, experience and guidance over these last two difficult years.

Whilst the recent past has been testing, we have learned a great deal as individuals and as an organisation throughout those difficulties, and I do believe that we are a stronger organisation now. I have no doubt that the lessons we have learned will assist us greatly to overcome future hurdles and to seek out new opportunities into the future.

I would like the last word to go to the IMRO membership. We continue to be inspired by your creativity, your talent and your resilience in the face of the immense difficulties you have faced over the last twenty-six months. You inspire us to be the best organisation we can be and you drive us forward to continue our work to create 'a world where music is valued and its creators are championed.'

Onwards and upwards,

Eleanor McEvoy
May 2022

CHIEF EXECUTIVE OFFICER'S REVIEW OF 2021

The past year continued to be a challenging environment for IMRO's customers and members alike. Nonetheless, the 2021 results exceeded our targets. Despite the unprecedented impact of the pandemic, overall revenues increased by 5% and with the cost containment measures introduced, our distributable revenues increased by 7%. Broadcast and online royalties contributed to this growth. Domestic public performance revenues, though, were heavily impacted by government-enforced closures. With health restrictions now easing, we can look with some confidence to a broad-based recovery in 2022, and a welcome return to revenue levels last encountered in 2019.

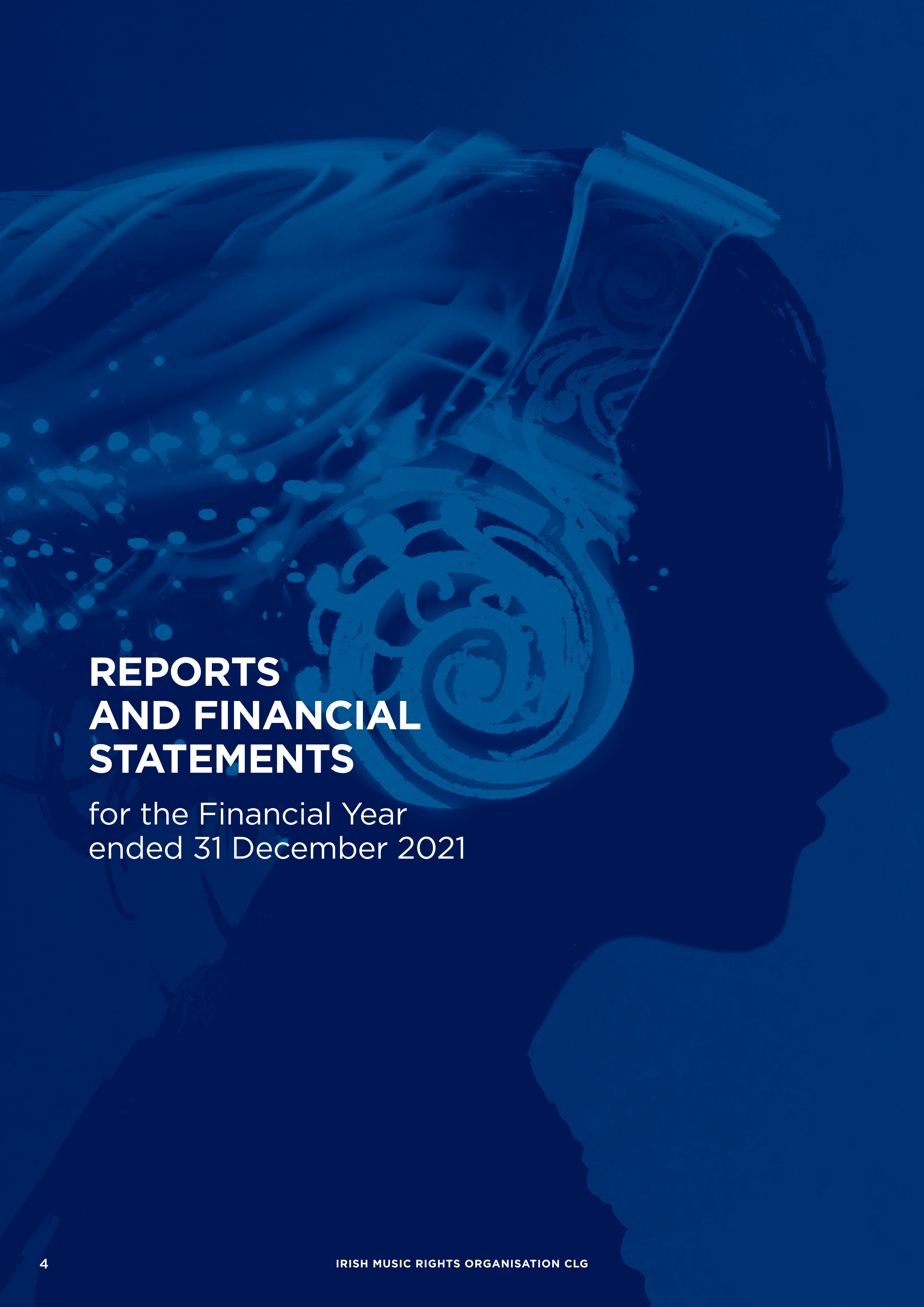
Our five-year strategic plan details the overriding objectives for IMRO management to deliver over the period 2020-2025. We are well on track to providing the necessary challenging change program within IMRO, ensuring that the organisation is focused on achieving further improvements of higher royalty revenues, a supportive legislative environment and enhancing our services to the membership and licensees. We aim to do this while also ensuring that we play our part in building a sustainable environment. We are well on the way to eliminating our carbon footprint and making the organisation an example of how small and medium-sized companies can save energy, reduce greenhouse gas emissions and preserve natural resources.

New technologies are dictating how music is used and traded, from new platforms like TikTok to the new revenue potential of NFTs. We will continue to advocate for and support the government and regulators on your behalf. In the past year, we've worked with the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media to ensure the best possible support was available to music creators.

We've partnered with industry colleagues to provide a safe re-opening of the live music sector. We have attended the Oireachtas Committee to detail our plans for the industry. Regulatory changes, from copyright legislation to broadcasting and right through to the review of the nightime economy, will all influence the opportunities for our membership. IMRO will continue to ensure that your voice is heard both here and at the EU level, and that the livelihoods of songwriter's composers, authors and their publishers are to the fore.

Despite the significant hurdles over the past two years, IMRO employees rose to the challenge. I want to thank all the staff at IMRO, who have continued to provide excellent service to the membership and licensees throughout 2021. We added a record 1,800 new members in 2021 bringing our total to over 17,000. I also want to thank Eleanor and the board for their guidance, help and support throughout 2021. We look forward to a more productive environment in 2022 for all those engaged in the creative industries. IMRO is well-positioned to navigate the recovery and lead the charge toward a modernised, efficient music licensing landscape that better serves our members, industry partners, and valued customers.

Victor Finn
May 2022



REPORTS AND FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2021

Irish Music Rights Organisation Company
Limited by Guarantee

Reports and Financial Statements
for the financial year ended
31 December 2021

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DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS AT 31 DECEMBER 2021

Brian Crosby
Ed Condon
Clare Duignan (External)
Mick Hanly
Ray Harman
Ian Hennessy
James Hickey (External)
Steve Lindsey
Juliet Martin
Eleanor McEvoy
Rose McHugh (External)
Roisin O'Reilly
Bill Shanley
Sharon Boyse Smith

SOLICITORS

McCann Fitzgerald
Riverside One
2 Harbourmaster Place
Sir Rogerson's Quay
Dublin 2

Matheson
70 Sir John Rogerson's Quay
Dublin 2

Arthur Cox
Earlsfort Terrace
Dublin 2

SECRETARY AND REGISTERED OFFICE

Bradwell Limited
Copyright House
Pembroke Row
Lower Baggot Street
Dublin 2

INDEPENDENT AUDITOR

Deloitte Ireland LLP
Deloitte & Touche House
Chartered Accountants and Statutory Audit Firm
Earlsfort Terrace
Dublin 2

BANKERS

Bank of Ireland
Lower Baggot Street
Dublin 2

The directors present herewith their report and the audited financial statements for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The company administers the performing right in copyright music on behalf of its members and, as a non-exclusive licensee, on behalf of the societies affiliated to it. It also administers the public performing right in sound recordings on behalf of Phonographic Performance Ireland.

BUSINESS REVIEW

2021 was another challenging year with the continued effect of public health restrictions due to COVID-19 on the public performance revenue spanning throughout the year. Licence revenue at €27,236,185 (2020: €25,856,020) showed an increase of €1,380,165 (5%) on 2020. All revenue categories, excluding domestic online, concerts and overseas royalties, showed increases in 2020. The strong performance of multi-territorial and broadcast revenue fed into this result with public performance revenues showing increases from a low base in 2020.

The continued impact on the company's business necessitated close monitoring of the key performance indicators of the business by the Finance, Audit, and Risk Committee of the board in order to preserve distributable revenues during the year. Operating costs were €5,799,479 (2020: €6,039,839), showing a decrease of €240,361 (4%) in the financial year. Total costs (net of other operating income) as a percentage of revenue were 17.6% (2020: 19.5%). Other operating income decreased by €32,478 (3%) on the prior financial year and includes €479,268 of direct Government supports through the Employment Wage Subsidy Schemes introduced during the pandemic.

The gross pension asset at €1,356,800 (2020: asset €511,500) shows an increase of €845,300 and is mainly due to the positive impact of market movements on the liabilities of the scheme. Reserves at the financial year-end amounted to a surplus of €5,855,248 (2020: surplus €5,050,569).

PRINCIPAL RISKS AND UNCERTAINTIES

The performance of the business is dependent on the use of copyright music generally in the Irish broadcast and public performance sectors and the use of IMRO members' copyright music in overseas territories. The principal risks relate to increases or decreases in such use, the tariffs charged for such use and the continued willingness of sister collection societies around the world to maintain reciprocal arrangements with IMRO, whereby IMRO represents their repertoire in the Republic of Ireland, while they represent the IMRO repertoire in other countries.

2021 saw disruption to the global and Irish economies continue due to the public health measures implemented to reduce the spread of COVID-19. In 2020, the Company committed to not charging all affected Public Performance customers for closure periods and to suspending collection activity during the pandemic period. This has resulted in reduced in Public Performance invoicing and ultimately cash collections during the year ended 31st December 2021. Credit notes were issued for closure periods based on customer declarations, and the Company has provided fully for any of these unclaimed credits. The likelihood of permanent customer business closures and financial stress on customers continued throughout the year as does the risk of non-payment of outstanding customer balances at year-end. Consequently, IMRO has increased its bad debt provision at 31st December 2021 to address this collection risk. Consideration with regards to going concern are discussed in 'going concern' section of this report.

FINANCIAL RISK MANAGEMENT

The company is exposed to a variety of financial risks that include price risk, credit risk, liquidity risk and cash flow risk. The directors have programmes and controls in place to manage the financial risk exposures of the company.

Foreign exchange risk
With the exception of overseas revenue the company does not have any material exposure to foreign exchange risk. The substantial part of its business is conducted in Euro.

Credit risk
The company has a significant level of debtors at any point in time. Procedures are in place which monitor the risk from existing debt.

Liquidity risk
The company has significant bank balances. It has no exposure to debt finance and has sufficient available funds to meet the day to day operations and strategy of the company.

Price risk
The company is not exposed to any specific price risks. The directors review the appropriateness of their pricing policy and pricing arrangements with external parties on an ongoing basis in order to manage any price risk exposure.

Cash flow risk
The company does not have any material exposure to cash flow risk. Cash flow from operations continues to remain strong.

ACCOUNTING RECORDS

The measures that the directors have taken to secure 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 Copyright House, Pembroke Row, Lower Baggot Street, Dublin 2.

RESULTS

The income and expenditure account and balance sheet are set out on page 18 and 20 respectively.

DIVIDENDS

The company is limited by guarantee and it is not possible for such a company to pay a dividend.

DIRECTORS AND SECRETARY

The directors and secretary, who served at any time during the financial year except as noted, were as follows:

Directors:
Paul Brady
Brian Crosby
Ed Condon
Keith Donald
Clare Duignan (External)
Mick Hanly
Ray Harman
Ian Hennessy
James Hickey (External)
Steve Lindsey
Juliet Martin
Eleanor McEvoy
Rose McHugh (External)
Roisin O'Reilly
Bill Shanley
Sharon Boyse Smith

Secretary:
Bradwell Limited

DIRECTORS AND SECRETARY (CONTINUED)

In accordance with the company's Articles of Association, three writer directors, Mick Hanly, Keith Donald and Ray Harman retired by rotation. Keith Donald was not eligible for re-appointment as he had held office for more than twenty years at the time of his retirement by rotation. Nine nominations were received for the three available positions. Following a ballot, the successful candidates, Mick Hanly, Ray Harman and Brian Crosby were appointed by the members at the Annual General Meeting on 10 June 2021.

Also, in accordance with the company's Articles of Association, two publisher directors, Steve Lindsey and Brian Crosby retired by rotation. Three nominations were received for the available positions. Following a ballot, the successful candidates, Steve Lindsey and Edmond Condon were appointed by the members at the Annual General Meeting on 10 June 2021.

Paul Brady, a writer director, resigned as a director on 14 October 2021 thus creating a casual vacancy on the Board.

Clare Duignan, an external director, was re-appointed as an external director with effect from 1 January 2022 for a period of three years. There have been no other changes to the board during the year or since the year end.

BOARD AND COMMITTEE ATTENDANCE

The total number of Board meetings in 2021 was 11 (2020: 8).
Board attendances by each Board member were as follows:

	Attended	Number of meetings eligible to attend in year
Brian Crosby	11	11
Ed Condon	6	6
Keith Donald	5	5
Clare Duignan	11	11
Mick Hanly	11	11
Ray Harman	11	11
Ian Hennessy	11	11
James Hickey	11	11
Steve Lindsey	11	11
Eleanor McEvoy	11	11
Juliet Martin	11	11
Rose McHugh	11	11
Roisin O'Reilly	11	11
Bill Shanley	11	11
Sharon Boyse-Smith	11	11

Committee attendances by each Board member were as follows:

	Corporate Governance	Distribution	Finance, Audit & Risk	Marketing & Membership	Remuneration & HR
Eleanor McEvoy (Chair)	3(3)	2(2)	7(7)	1(1)	3(3)
Sharon Boyse-Smith		2(2)			2(2)
Paul Brady					
Brian Crosby		2(2)	1(1)		
Keith Donald			5(5)		
Mick Hanly	3(3)				1(1)
Ray Harman		1(1)	1(1)	1(1)	
Ian Hennessy			7(7)		
James Hickey	3(3)		7(7)		3(3)
Steve Lindsey		1(1)	7(7)	1(1)	
Juliet Martin		1(1)		1(1)	1(1)
Rose McHugh	3(3)		7(7)		3(3)
Róisín O'Reilly		1(1)			
Bill Shanley		1(1)		1(1)	
Clare Duignan	3(3)	1(1)	7(7)		3(3)
Ed Condon		1(1)			

TRANSACTIONS INVOLVING DIRECTORS

Details of transactions involving directors are set out in note 16 to the financial statements. Apart from these, there are no contracts or arrangements of any significance in relation to the business of the company in which the directors had any interest, as defined in the Companies Act 2014, at any time during the financial year ended 31 December 2021.

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report. The directors' report describes the financial position of the company; its cash flows, liquidity position and borrowing facilities; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Company's forecasts and projections, taking account of possible changes in trading performance, show that the Company should operate within the level of its current cash resources. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This assessment is based on the fact the Company distributes only paid royalties and ultimately has discretion over the timing of the distribution of royalties to the respective right holders. The directors, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements and continue to monitor the company performance against targets quarterly.

SUBSEQUENT EVENTS

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

COMPLIANCE STATEMENT

For the purposes of section 225 of the Companies Act 2014 (the "Act"), we, the directors:

1. Acknowledge that we are responsible for securing the Company's compliance with its relevant obligations as defined in section 225(1) of the Act (the "relevant obligations"); and

2. Confirm that each of the following has been done:

   (i) a compliance statement (as defined in section 225(3)(a) of the Act) setting out the Company's policies (that in our opinion, are appropriate to the company) respecting compliance by the Company with its relevant obligations has been drawn-up;
   (ii) appropriate arrangements or structures, that are, in our opinion, designed to secure material compliance with the Company's relevant obligations, have been put in place; and
   (iii) during the financial year to which this report relates, a review of the arrangements or structures referred to in paragraph (ii) above has been conducted.

AUDITORS

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors at the time the directors' report and financial statements are approved:

a) So far as the director is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
b) Each director has taken all steps that ought to have been taken by the director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board and signed on its behalf by:

Rose McHugh
Director

Eleanor McEvoy
Director

Date: 5th May 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council* ("relevant financial reporting framework"). 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 and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- 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.

Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
Irish Music Rights Organisation Company Limited by Guarantee

Report on the audit of the financial statements

Opinion on the financial statements of Irish Music Rights Organisation Company Limited by Guarantee (the 'company')
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 2021 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Income and Expenditure Account;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Reserves;
- the Statement of Cash Flows; and
- the related notes 1 to 18, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

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 described below in the "*Auditor's 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 the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, 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
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively , may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the Reports and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
Irish Music Rights Organisation Company Limited by Guarantee

Other information (Continued)
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.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement, 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, 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
Irish Music Rights Organisation Company Limited by Guarantee

Auditor's responsibilities for the audit of the financial statements (Continued)
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014
Based solely on the work undertaken in the course of the audit, we report that:

- 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.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

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.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Use of our report
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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 5th May 2022

INCOME AND EXPENDITURE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Notes	**2021** **€**	2020 €
Licence revenue	*3*	27,236,185	25,856,020
Operating expenses		(5,799,479)	(6,039,839)
Other operating income		963,244	995,722
Operating surplus before royalties		22,399,950	20,811,903
Royalties		(22,374,497)	(20,703,515)
Operating surplus		25,453	108,388
Other finance income /(costs)	*13*	3,800	(200)
Surplus before taxation	*5*	29,253	108,188
Taxation benefit / (charge) on profit on ordinary activities	*6*	16,303	(72,264)
Surplus for the financial year		45,556	35,924

The results of the company all derive from continuing operations.

The format of the Income and Expenditure account represents the special nature of the business in administering the performing rights of copyright music of its members and as non-exclusive licensee, on behalf of the societies affiliated to it.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Notes	**2021**	2020
		€	€
Surplus for the financial year		45,556	35,924
Actuarial gain in respect of pension	*13*	487,200	265,000
Deferred tax on actuarial gain		(60,900)	(33,125)
Revaluation surplus	*8*	496,751	-
Deferred tax on revaluation surplus		(163,928)	-
Total comprehensive income		804,679	267,799

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	**2021** **€**	2020 €
Fixed Assets			
Intangible assets	7	201,539	408,051
Tangible assets	*8*	9,720,324	9,504,885
		9,921,863	9,912,936
Pension Asset			
Pension Asset	13	1,356,800	511,500
Current Assets			
Debtors	*9*	18,079,876	12,491,653
Cash at bank and on hand	*10*	9,247,571	10,203,597
		27,327,447	22,695,250
Creditors: Amounts falling due within one year	*11*	(30,514,389)	(26,012,711)
Net current liabilities		(3,186,942)	(3,317,461)
Net assets excluding provisions for liabilities		8,091,721	7,106,975
Provisions for liabilities			
Deferred tax	*12*	(2,236,473)	(2,056,406)
NET ASSETS		5,855,248	5,050,569
Reserves			
Deficit on reserves		(957,125)	(1,428,981)
Revaluation reserve		6,812,373	6,479,550
		5,855,248	5,050,569

The financial statements were approved and authorised for issue by the Board of Directors on **5th May 2022** and signed on its behalf by:

Rose McHugh
Director

Eleanor McEvoy
Director

STATEMENT OF CHANGES IN RESERVES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Deficit on reserves €	**Revaluation reserve €**	**Total €**
At 1 January 2021	(1,428,981)	6,479,550	5,050,569
Surplus for the financial year	45,556	-	45,556
Actuarial gain in respect of pension scheme	487,200	-	487,200
Deferred tax on actuarial gain	(60,900)	-	(60,900)
Revaluation surplus	-	496,751	496,751
Deferred tax on revaluation surplus	-	(163,928)	(163,928)
At 31 December 2021	(957,125)	6,812,373	5,855,248

In respect of prior financial year:

	Deficit on reserves €	Revaluation reserve €	Total €
At 1 January 2020	(1,696,780)	6,479,550	4,782,770
Surplus for the financial year	35,924	-	35,924
Actuarial gain in respect of pension scheme	265,000	-	265,000
Deferred tax on actuarial gain	(33,125)	-	(33,125)
At 31 December 2020	(1,428,981)	6,479,550	5,050,569

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Notes	2021 €	2020 €
Net cash (outflow) / inflow from operating activities	*15*	(728,564)	(2,471,698)
Cash flows from investing activities			
Purchase of tangible fixed assets		(167,917)	(94,324)
Purchase of intangible fixed assets		(59,545)	(254,133)
Proceeds from the disposal of fixed assets		-	7,000
Net cash outflows from investing activities		(227,462)	(341,457)
Net (decrease) / increase in cash and cash equivalents		(956,026)	(2,813,155)
Cash and cash equivalents at beginning of year		10,203,597	13,016,752
Cash and cash equivalents at end of year		9,247,571	10,203,597
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand at end of year	*10*	9,247,571	10,203,597
Cash and cash equivalents at end of year	*10*	9,247,571	10,203,597

1. ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows.

Basis of Preparation

The financial statements have been prepared in accordance with the Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis of Accounting and General Information

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with the Companies Act 2014 and Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be euro because that is the currency of the primary economic environment in which the company operates.

The financial statements have been prepared under the historical cost convention, with the exception of property which is stated at revalued amount less accumulated depreciation.

Going Concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report. The directors' report describes the financial position of the company; its cash flows, liquidity position and borrowing facilities; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Company's forecasts and projections, taking account of possible changes in trading performance, show that the Company should operate within the level of its current cash resources. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This assessment is based on the fact the Company distributes only paid royalties and ultimately has discretion over the timing of the distribution of royalties to the respective right holders. The directors, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements and continue to monitor the company performance against targets quarterly.

Licence Revenue

Licence revenue represents royalty income earned exclusive of value added tax and net of any bad debt provision.

Broadcasting and public performance revenue earned is recognised over the period of the license or if related to specific events, revenue is recognised once the event has taken place. The company's share of amounts collected from cable television is included under license revenue with the allocations to the rightsholders included in the creditors on the balance sheet.

1. ACCOUNTING POLICIES (CONTINUED)

Other Operating Income

Other operating income, other than government wage supports represents agency income from other rights administrators. The company performs billing and collection services on behalf of the other rights administrators and earns income based on the level of cash collected. The agency income is recognised when cash is collected.

Fixed Assets

Property is stated at revalued amount less accumulated depreciation. The property is revalued every 3-5 years with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised or depreciated cost relating to the same property or such a deficit, is charged (or credited) to the income and expenditure account.

Other tangible and intangible fixed assets are stated at cost less accumulated depreciation.

The cost of fixed assets is their purchased cost together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over their useful economic lives stated below. The relevant depreciation charges are estimated to reduce the assets to residual values by the end of their expected useful economic lives.

	Years
Property	50
Improvements to property	36
Computer equipment	3 - 5
Motor vehicles	5
Furniture and equipment	7

Depreciation is charged through the income and expenditure account each financial year and there is no allocation to the revaluation reserve in other comprehensive income.

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of Assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the income and expenditure account.

Non-Financial Assets

An asset is impaired where there is an objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease, an impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher that the carrying value had no impairment been recognised.

Foreign Currencies

Foreign currency transactions are translated into Euro at the rate of exchange ruling at the date of the transactions. Assets and liabilities denominated in foreign currencies are translated to Euro at the rate ruling at the balance sheet date. Any differences arising on translation are included in the results for the period.

Retirement Benefits

For defined benefit schemes the amounts charged to operating surplus before royalties are the costs arising from employee services rendered during the financial year and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to the income and expenditure account and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. Actuarial valuations are obtained annually and are updated at each balance sheet date.

For defined contribution schemes the amounts charged to the income and expenditure account in respect of pension costs and other post-retirement benefits are the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax, including Irish corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable surplus and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable surplus from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or reserves are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or reserves as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial Instruments

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

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the income and expenditure account, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

1. ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (Continued)

Financial assets and liabilities (Continued)

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Government Grants / Government Wage Subsidy Support Schemes

Government wage supports are treated as government grants, are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company’s accounting policies
The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Revenue recognition

The company enters into differing types of revenue contracts where the substance of the transaction can differ, resulting in a determination of whether gross or net presentation of revenue is appropriate. The company assesses a number of indicators in determining the appropriate basis for revenue presentation. These indicators include the level of credit risk borne by the company, discretion in establishing the price paid for the product, the fixed or variable nature of margin generated and responsibility for fulfilment.

Key source of estimation uncertainty - Defined benefit obligations

The estimation of accounting for retirement benefit obligations involves judgments which the directors make in conjunction with independent actuaries. These involve estimates about uncertain future events, including life expectancy of the scheme members, future pension increases and inflation, as well as discount rates. The assumptions used by the company are described in Note 13. As at the year-end (and as disclosed in note 13), the carrying amount of pension assets exceeded the carrying amount of the pension liability. Pension asset ceiling as per FRS 102 has not been applied as the organisation has right to release the scheme assets when the plan asset is settled.

Key source of estimation uncertainty – Bad Debt Provision

In assessing the recoverability of broadcasting and public performance debtors recorded within debtors, amounts falling due within one year, the directors have made the assumption that any impairment resulting from the non-recoverability of the debtors owed to the company will not be in excess of the bad debt provision that has been put in place. The directors believe that the bad debt provision represents an appropriate estimate and as a result no further provisioning is required. Separately, a provision has also been included for any unclaimed credits to businesses that may not have re-opened in 2020. The provision is based on reviews of specific balances, including, historic collectability and the aging of the balance. At the year end the bad debt provision was €3,179,459 (2020: €2,673,413).

3. LICENCE REVENUE

	2021	2020
	€	€

The analysis of licence revenue by geographical market is as follows:

Ireland	18,507,993	16,957,993
United Kingdom	1,898,397	2,032,512
Other EU countries	4,288,077	4,562,130
United States of America	1,468,820	1,219,479
Rest of the World	1,072,898	1,083,906
Net revenue	27,236,185	25,856,020

4. EMPLOYEES AND REMUNERATION

The average monthly number of persons employed by the company during the financial year, excluding non-executive directors, was 47 (2020: 58) and all were categorised as administration.

The company's employment costs for all employees excluding non-executive directors comprise:

	2021	2020
	€	€
Wages and salaries	2,786,636	3,161,383
Social welfare costs	216,802	252,742
Other retirement benefit costs	129,922	146,921
	3,133,360	3,561,046

5. SURPLUS BEFORE TAXATION

	2021	2020
	€	€
Surplus before taxation for the financial year is stated after charging/(crediting):		
Aggregate emoluments paid to or receivable by directors in respect of qualifying services	260,899	236,939
Depreciation (Note 8)	449,229	416,585
Amortisation (Note 7)	266,057	314,391
Profit on disposal of fixed assets	-	(6,500)
Government wage supports	(479,268)	(552,490)
Auditor's remuneration:		
- Audit	49,750	47,750
- Tax advisory services	-	-
- Other assurance services	6,750	4,000
- Other non-audit services	950	950
	59,950	52,700

6. TAXATION CHARGE

	2021	2020
	€	€
Current tax charge for the financial year	28,458	34,951
Deferred tax (benefit) / charge on pension adjustment	(44,761)	37,313
Taxation charge	(16,303)	72,264

The current tax charge for the financial year is lower than the current charge that would result from applying the standard rate of Irish corporation tax to surplus before taxation. The differences are explained below:

	2021	2020
	€	€
Surplus before tax	29,253	108,188
Surplus multiplied by the standard rate of Irish corporation tax for the financial year of 12.5% (2020: 12.5%)	3,657	13,524
Effects of:		
Non-taxable amounts and other adjustments	(72,138)	6,243
Depreciation in excess of capital allowances	52,178	52,565
Tax arising on the pension adjustment	-	(68)
Current tax (benefit) / charge for the financial year	(16,303)	72,264

At the year-end date, no deferred tax asset was recorded (2020: €3,916).

7. INTANGIBLE FIXED ASSETS

	2021	2020
	€	€
Cost:		
At 1 January	1,894,675	1,640,542
Additions	59,545	254,133
At 31 December	1,954,220	1,894,675
Amortisation:		
At 1 January	1,486,624	1,172,233
Charge for the financial year	266,057	314,391
At 31 December	1,752,681	1,486,624
Carrying value		
At 31 December	201,539	408,051

Intangible assets are made up solely of software assets acquired by the company and used in running the company's IT platform.

8. TANGIBLE FIXED ASSETS

	Property	Computer equipment	Motor vehicles	Furniture and equipment	Total
	€	€	€	€	€
Cost or valuation					
At 1 January 2021	9,000,000	2,856,636	264,329	441,826	12,562,791
Additions	-	16,147	37,671	114,099	167,917
Revaluation	(200,000)	-	-	-	(200,000)
At 31 December 2021	8,800,000	2,872,783	302,000	555,925	12,530,708
Accumulated depreciation					
At 1 January 2021	331,399	2,426,524	143,583	156,400	3,057,906
Charge for financial year	365,352	26,205	37,092	20,580	449,229
Revaluation	(696,751)	-	-	-	(696,751)
At 31 December 2021	-	2,452,729	180,675	176,980	2,810,387
Net book value					
At 31 December 2021	8,800,000	420,054	121,325	378,945	9,720,324
At 31 December 2020	8,668,601	430,112	120,746	285,426	9,504,885

The property was professionally valued by John McCann of Quinn Agnew FSCSI FRICS ACIArb, an independent valuer, to market value at **14 February 2022**, which the directors deem to equate to fair value at **31 December 2021**. Market value was determined from market-based evidence available at the time for the report. The directors are satisfied that there has been no material increase/decrease in fair value since the date of the report.

The carrying value is €8,800,000 at the balance sheet date (2020: €8,668,601). The carrying value of property that would have been recognised had the asset been carried under the cost model is €1,247,804 (2020:€ 1,358,654).

8. TANGIBLE FIXED ASSETS (CONTINUED)

In respect of prior financial year:

	Property	Computer equipment	Motor vehicles	Furniture and equipment	Total
	€	€	€	€	€
Cost or valuation					
At 1 January 2020	9,000,000	2,797,862	262,829	437,776	12,498,467
Additions	-	58,774	31,500	4,050	94,324
Disposals	-	-	(30,000)	-	(30,000)
At 31 December 2020	9,000,000	2,856,636	264,329	441,826	12,562,791
Accumulated depreciation					
At 1 January 2020	-	2,399,402	130,497	140,922	2,670,821
Charge for financial year	331,399	27,122	42,586	15,478	416,585
Disposals	-	-	(29,500)	-	(29,500)
At 31 December 2020	331,399	2,426,524	143,583	156,400	3,057,906
Net book value					
At 31 December 2020	8,668,601	430,112	120,746	285,426	9,504,885
At 31 December 2019	9,000,000	398,460	132,332	296,854	9,827,646

The carrying value of property that would have been recognised had the asset been carried under the cost model is €1,358,654 (2019:€ 1,469,504).

9. DEBTORS:

	2021	2020
	€	€
(Amounts falling due within one year):		
Broadcasting and public performance debtors, net of bad debts provision	16,320,806	10,547,031
Other debtors and prepayments	45,429	364,075
Accrued Revenue	1,713,641	1,568,053
Corporation tax	-	12,494
	18,079,876	12,491,653

	2021	2020
	€	€

10. CASH AT BANK AND ON HAND

	2021	2020
	€	€
Cash balances available on demand	9,247,571	10,203,597
	9,247,571	10,203,597

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

	2021	2020
	€	€
Members, affiliates and PPI royalties payable	20,783,349	17,660,472
Cable TV rights holders royalties payable	2,852,369	2,444,479
Public performance deferred revenue	4,219,523	3,147,478
Other creditors and accruals	1,301,677	1,609,439
VAT payable	1,212,578	1,055,010
Payroll taxes	128,987	95,833
Corporation tax	15,906	-
	30,514,389	26,012,711

12. DEFERRED TAX

	2021	2020
Deferred Tax Liabilities	**€**	€
At beginning of the financial year	2,056,406	1,992,495
Charged to income and expenditure account	(44,761)	30,786**
Charged to other comprehensive income	224,828	33,125
	2,236,473	2,056,406

** Charge to income and expenditure account (note 6) for the year was €37,313. Other movement of €6,527 relates to deferred tax asset recorded in the prior year now reversed (see further below).

Deferred tax is provided as follows:

	2021	2020
Deferred Tax Liabilities:	**€**	€
Deferred tax on revaluation surplus	2,156,423	1,992,495
Deferred tax arising in relation to retirement benefit obligations (Note 13)	80,050	63,911
	2,236,473	2,056,406

13. RETIREMENT BENEFITS

(a) Defined contribution scheme

The organisation operates a defined contribution scheme. Pension benefits are funded over the employee's period of service by way of contributions to an insured fund. The organisation's contributions are charged to the income and expenditure account in the financial year to which they relate and amounted to €141,157 (2020: €154,947).

(b) Defined benefit scheme

The company operates in a defined benefit scheme for qualifying employees. Under the scheme, the employees are entitled to retirement benefits up to a maximum of 66.67 per cent of pensionable salary depending on length of service and on attainment of a retirement age of 60 or 65 as appropriate. No other post-retirement benefits are provided. The scheme is a funded scheme.

The most recent actuarial valuation prepared by Barry O'Mahony, Fellow of the Institute of Actuaries, on 31 December 2021 showed that the market value of the scheme's assets was €11,904,000 and that the actuarial value of those assets represented 112.90% of the benefits that had accrued to members after allowing for expected future increases in earnings. The variable rate of contribution by the company was set at 10% of earnings with effect from 1 January 2010 in accordance with the recommendation of the actuary. However, in addition and as part of a 10-year Minimum Funding Plan submitted to the Pension Board in 2014, the company also contributed an annual lump sum of €352,000 in the financial year ended 31 December 2014 with annual lump sum payments of €352,000 indexed in line with inflation payable over a 9-year period. This lump sum payment is subject to review by the actuary each year to ensure that the Scheme remains on track to meet the Minimum Funding Standard by the end of the funding proposal i.e. 31 December 2023. The contribution by employees is 10% of pensionable salaries. The funding proposal was approved by the Pensions Board in January 2014. As at the year end, carrying amount of pension assets exceeded the carrying amount of pension liability. Pension asset ceiling as per FRS 102 has not been applied as the organisation has right to release the scheme assets when the plan asset is settled.

The actuarial report is not available for public inspection but is available to the members and other persons as provided for in the Occupational Pension Schemes (Disclosure of Information) Regulations, 1998.

The principal actuarial assumptions at the balance sheet date:

	2021	2020
	%	%
Discount rate at 31 December	1.15	0.70
Future salary increases	0.00	0.00
Future pension increases for in-payment benefits	2.10	1.45
Price inflation	2.15	1.40

13. RETIREMENT BENEFITS (CONTINUED)

(b) Defined benefit scheme (Continued)

Mortality assumptions:
Investigations have been carried out within the past three years into the mortality experience of the company's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Valuation at	
	2021	2020
	Years	Years
Retiring today:		
Males	21.8	21.6
Females	24.2	24.1
Retiring in 25 years:		
Males	24.6	24.5
Females	26.7	26.6

The amounts recognised in the income and expenditure account are as follows:	**2021**	2020
	€	€
Current service cost	51,500	70,400
Net interest cost	(3,800)	200
	47,700	70,600
Recognised in other comprehensive income	(487,200)	(265,000)
Total credit relating to defined benefit scheme	(439,500)	(194,400)

13. RETIREMENT BENEFITS (CONTINUED)

(b) Defined benefit scheme (Continued)

The amount included in the balance sheet arising from the company's obligations in respect of its defined benefit retirement benefit schemes is as follows:

	2021	2020
	€	€
Present value of defined benefit obligations	(10,547,200)	(11,445,300)
Fair value of scheme assets	11,904,000	11,956,800
Net asset / (liability) recognised in the balance sheet	1,356,800	511,500

Movements in the present value of defined benefit obligations were as follows:

	2021	2020
	€	€
At 1 January	511,500	(52,000)
Service cost	(51,500)	(70,400)
Interest cost	3,800	(200)
Re-measurement effect recognised in OCI	487,200	265,000
Employer contributions	405,800	369,100
Net asset / (liability) recognised in the balance sheet	1,356,800	511,500

Risks and rewards arising from the assets

At 31 December 2021 the scheme assets were invested in a diversified portfolio that consisted primarily of equity and debt securities.

The analysis of the scheme assets at the balance sheet date was as follows:

	2021	2020
(as a percentage of total scheme assets)	**%**	%
Equities	38.18	34.42
Bonds – Fixed interest fund	58.53	62.84
Other	3.29	2.74

Scheme assets do not include any of Irish Music Rights Organisation Company Limited by Guarantee's own financial instruments, or any property occupied by Irish Music Rights Organisation Company Limited by Guarantee.

14. FINANCIAL INSTRUMENTS

The carrying values of the company's financial assets and liabilities are summarised by category below:

	2021	2020
	€	€
Financial assets		
Measured at undiscounted amount receivable		
• Broadcasting and public performance debtors, net of bad debts provision (see Note 9)	16,320,806	10,547,031
Financial liabilities		
Measured at undiscounted amount payable		
• Members, affiliates and PPI royalties payable (Note 11)	20,783,349	17,647,109
• Cable TV rights holders royalties payable (Note 11)	2,852,369	2,444,479
	23,635,718	20,091,588

15. STATEMENT OF CASH FLOWS

Reconciliation of operating surplus to cash generated by operations	**2021**	2020
	€	€
Operating surplus	25,453	108,388
Adjustment for:		
Depreciation	449,229	416,585
Amortisation	266,057	314,391
Profit on disposal of tangible fixed assets	-	(6,500)
Pension contributions	(405,800)	(369,100)
Retirement benefits service charge	51,500	70,400
	386,439	534,164
Operating cash flows before movement in working capital		
Decrease / (increase) in debtors	(5,600,717)	2,378,231
(Decrease) / increase in creditors	4,518,305	(5,309,199)
Cash (used in) / generated from operating activities	(695,973)	(2,396,804)
Income taxes paid	(32,591)	(74,894)
Net cash (outflow) / inflow from operating activities	(728,564)	(2,471,698)

16. RELATED PARTY TRANSACTIONS

Financial Reporting Standard 102, Section 33, Related Party Disclosures requires the disclosure of all material transactions undertaken by the company with related parties. Under the terms of Section 33, all directors are related parties.

There are three groups of directors of the company: publisher directors, writer directors and external directors. External directors are not members of the company and so do not receive royalties from the company. Like all members of the company, publisher and writer directors, and parties related to them, are entitled to royalties from the company in respect of the performance of any copyright works owned by them. Parties related to publisher and writer directors include family members and companies controlled by these directors. Parties related to publisher directors also include the publishing companies and their subsidiaries.

During 2021 total royalties paid by the organisation to the directors of the company and to parties related to the directors of the company amounted to €1,417,190 (2020: €1,571,554). Amounts paid to parties related to the publisher directors were not necessarily for the benefit of the directors themselves or their families. These royalties were calculated on the same basis as royalties paid to all members, that is full, provisional, and associate members, and are paid in accordance with the company's normal procedures.

The total remuneration (including pensions) for key management personnel for the financial year totalled €802,278 – 5 individuals (2020: €862,323 – 6 individuals), which is included within the remuneration disclosed in note 4 of €3,133,360 (2020: €3,561,046).

The Irish Music Rights Organisation regards its membership as the ultimate controlling party.

17. LEGAL STATUS OF THE COMPANY

The company is limited by guarantee and has no share capital. As at 31 December 2021, the company had 15,760 members (2020: 14,010) whose guarantee is limited to €1.27 each. The guarantee continues for one year after individual membership ceases.

18. SUBSEQUENT EVENTS

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

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