ANNUAL REPORT AND ACCOUNTS 2022

Irish Music Rights Organisation
Company Limited by Guarantee

imro.ie

CHAIRPERSON'S STATEMENT

It is a pleasure to present this foreword for our 2022 Annual Report. After a tumultuous few years, the music industry began to stabilise and bounce back over the course of 2022. I'd like to congratulate our CEO Victor Finn and his team on the excellent results that are highlighted over the following pages.

Throughout the year, as life began to return to normal, we continued to work closely with our membership, providing support and resources to assist careers that in many cases had been put on hold. Our wide range of seminars and workshops, which were moved online during COVID-19, resumed in-person at Copyright House, with our webinar series remaining online to facilitate members who can only access these resources remotely. We also resumed our initiatives promoting the use of music in businesses throughout the country, as well as continuing our ongoing collaboration with Junior Cert Teachers to engage with the education sector on the importance of copyright and provide advice and interactive sessions on the creative process.

We continued to advocate for the rights of music creators, building on the extensive lobbying that we carried out both here and in Europe on behalf of the Copyright Directive over the last number of years. We have also been championing our creators here at home, with our involvement in a multitude of events such as the IMRO Radio Awards, the IMRO Live Music Venue of the Year Awards, the IMRO/Law Society collaboration and numerous other events and partnerships.

The alliances that we have nurtured over the last number of years are now of vital importance as we face the exponential advancement of technology, particularly Artificial Intelligence, which has been to the forefront of almost every sector over the past year. We are working closely with our sister organisations and international creators' alliances on the global stage to explore the complexities, the difficulties and indeed the opportunities created by these technologies. We will keep IMRO members informed on this as the situation unfolds.

On behalf of the Board, I would like to express my gratitude to our CEO, Victor Finn, for his outstanding leadership of IMRO. His extensive knowledge or royalty collection is unsurpassed and his position as Vice President of the Board of GESAC speaks to the great esteem in which he is held by our affiliates abroad. I would also like to acknowledge the hard work and dedication of his team; it has been a great pleasure to work alongside them all this past year.

I also need to express huge thanks to the Board of IMRO. The workload of the Board has increased a great deal over the last number of years. It is heartening to see how this increased workload has been embraced by every member of the Board with diligence, grace and enthusiasm. I am, as always, indebted to them for their guidance and their continued support in the course of my work as Chair. Their commitment to the organisation both individually and collectively has been exemplary.

Finally, I would like to thank all of you, our membership, for inspiring us by your creativity and your talent. It is a great honour to be Chair of IMRO and I am so proud of the work of our membership. I hope that in the coming year you will join us in working towards our vision of *"a world where music is valued and its creators are championed"*.

Eleanor McEvoy
May 2023

CHIEF EXECUTIVE OFFICER'S REVIEW OF 2022

The financial accounts for the year ended 31st December 2022 show the highest ever distributable revenues and a welcome return to growth following two challenging years for our individual members and the organisation.

Overall, our revenues reached €42.5m. Broadcast revenues showed growth of 4% whilst online and international revenues grew very strongly. Live concerts bounced back in 2022, and the buoyant market in Ireland is reflected in a growth of over 12% on 2019. General public performance revenues exceeded our budget by 2% but are still below 2019 levels. We continue to see closures across the pubs, cafes and small restaurant sectors. Our license schemes and tariffs are updated annually, and our compliance rates are at an all-time high. As a result, distributable revenue exceeded €35.5m for the first time.

We had a record year for new member admissions; over 2,000 new members joined us in 2022. Many composers, authors and publishers from across the globe are joining IMRO due to our unequalled levels of service, the efficiency of our distributions and operations and our 24/7 online portal.

Advocacy of your rights at government and EU levels is more critical than ever. Significant milestones on the regulatory front were delivered over the past year; the new Media Commission was established; the Sale of Alcohol Bill is going through the Oireachtas; the ongoing implementation of the Copyright Directive; we have worked at the EU level with GESAC, our European wide representative organisation, on European Parliament resolutions tackling buy-out contracts, and the recent announcement of a study on buy-outs by the European Commission. We also welcome the European Parliament's report on music streaming and its impact on composers, songwriters and their music publishers.

As I write, the spectre of Artificial intelligence (AI) looms large. These advances have the potential to alter the administrative and process aspects of our business fundamentally. We must ensure that our employees have the IT and upskilling required to harness the many possibilities presented. More importantly, however, AI will have significant impacts on creators. We will support the core principles of respect for artistry and creativity of human-created works, that the use of existing copyright works for AI purposes requires a license in advance from the copyright holder, and that our government has adequate, updated regulations in place to protect human creativity. We will encourage the tech platforms to act responsibly and ethically in its development. We do not want a repeat of the past when new participants sought to benefit from creative works without fairly sharing the proceeds.

Again, many thanks to Eleanor and the board for their guidance and assistance in 2022. I'm also conscious that we have demanded much from our people over the past few years. The ongoing challenges and our digital transformation program will mean never-ending change as we position IMRO as the society of choice to manage your repertoire. Our employees continue to set the example of best-in-class service. I want to thank all for their hard work and ongoing dedication. We seek to deliver full value to our members as the opportunities for music and its enjoyment continue to expand.

Victor Finn
May 2023

REPORTS AND FINANCIAL STATEMENTS

for the Financial Year ended 31 December 2022

Irish Music Rights Organisation Company Limited by Guarantee

Reports and Financial Statements for the financial year ended 31 December 2022

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IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS AT 31 DECEMBER 2022

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)
Róisín O'Reilly
Faye O'Rourke
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 2022.

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

Public health restrictions were lifted at the end of January 2022 and the public performance side of the business began its recovery. Restarting the business involved re-engaging with a large number of customers whose businesses had been stalled by the pandemic, around closure credits, existing balances and ultimately around payment.

Restarting these activities contributed to licence revenue bouncing back to €42,513,388 (2021: €27,236,185), an increase of €15,277,203 (56%) on 2021. All revenue categories, excluding domestic online and satellite, showed increases in 2022. The continued strong performance of multi-territorial and overseas revenue was supplemented by the recovery of public performance revenues, demonstrated by a particularly buoyant concert market due to pent up demand over the pandemic period.

Operating costs, in line with increased activity, also returned to more normal levels at €6,804,131 (2021: €5,799,479), up by €1,004,652 (17%) in the financial year. An exceptional charge relating to the completion of an Enhanced Transfer Value (ETV) exercise to reduce pension risk on the defined benefit pension scheme of €879,400 was also booked. Total costs (excluding the exceptional item) as a percentage of revenue were 14.8% (2021: 17.6%). Other operating income decreased by €136,660 (14%) on the prior financial year. However, if Government supports of €479,268 received through the Employment Wage Subsidy Scheme are stripped out of the prior year, other operating income shows growth of €342,608 (71%) year-on year. In 2022 royalties have increased by €13,185,037 (59%) over 2021 due increased activity levels, post-pandemic.

The gross pension asset at €1,462,100 (2021: asset 1,356,800) has increased by €105,300 and is mainly due to the negative impact of market movements on the liabilities counterbalanced by the impact of the ETV exercise. The company's current liabilities figures includes a pension liability of €1.4m is in relation to the ETV exercise. Reserves at the financial year-end amounted to a surplus of €5,153,217 (2021: surplus €5,855,248).

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.

Credit notes were issued for all closure periods during 2022, to ensure that customer balances were correct and could be collected. At year-end, there still remains a risk of customer business closures and non- payment of outstanding customer balances and therefore IMRO has increased its bad debt provision at 31st December 2022 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 17 and 19 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:
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)
Róisín O'Reilly
Faye O'Rourke
Bill Shanley
Sharon Boyse Smith

Secretary:
Bradwell Limited

Faye O'Rourke was appointed to the Board on 5th May 2022.

BOARD AND COMMITTEE ATTENDANCE

The total number of Board meetings in 2022 was 7 (2021: 11).
Board attendances by each Board member were as follows:

	Attended	Number of meetings eligible to attend in year
Brian Crosby	7	7
Ed Condon	7	7
Clare Duignan	7	7
Mick Hanly	7	7
Ray Harman	7	7
Ian Hennessy	7	7
James Hickey	7	7
Steve Lindsey	7	7
Eleanor McEvoy	7	7
Juliet Martin	7	7
Rose McHugh	7	7
Faye O'Rourke	5	6
Roisin O'Reilly	5	7
Bill Shanley	6	7
Sharon Boyse-Smith	7	7

Committee attendances by each Board member were as follows:

	Corporate Governance	Distribution	Finance & Audit	Marketing & Membership	Remuneration & HR	Technology
Eleanor McEvoy (Chair)	4(4)	3(3)	4(4)	2(2)	3(3)	1(1)
Sharon Boyse-Smith	4(4)	3(3)				1(1)
Brian Crosby		3(3)	4(4)			
Mick Hanly				2(2)	3(3)	
Ray Harman	4(4)		4(4)			1(1)
Ian Hennessy			4(4)	2(2)		1(1)
James Hickey	4(4)		4(4)		3(3)	
Steve Lindsey		3(3)	4(4)			
Juliet Martin				2(2)	3(3)	
Rose McHugh	4(4)		4(4)		3(3)	1(1)
Róisín O'Reilly	3(4)	3(3)		1(1)		
Bill Shanley		2(3)		1(2)		
Clare Duignan	4(4)	3(3)	4(4)		3(3)	
Ed Condon	4(4)	3(3)				
Faye O'Rourke				1(1)		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 2022.

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 paid royalties only 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: **4th May 2023**

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.

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRISH MUSIC RIGHTS ORGANISATION LTD

Report on the audit of the financial statements

Opinion on the financial statements of Irish Music Rights Organisation Ltd ("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 2022 and of the result 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 Report on the audit of the financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report on the audit of the financial statements. 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 LTD

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.

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.

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Deloitte.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
IRISH MUSIC RIGHTS ORGANISATION LTD

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.

John Kehoe
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

4th May 2023

INCOME AND EXPENDITURE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	**2022** **€**	2021 €
Licence revenue	*3*	42,513,388	27,236,185
Operating expenses		(6,804,131)	(5,799,479)
Exceptional item	4	(879,400)	-
Other operating income		826,583	963,244
Operating surplus before royalties		35,656,440	22,399,950
Royalties		(35,559,534)	(22,374,497)
Operating surplus		96,906	25,453
Other finance income	*14*	17,900	3,800
Surplus before taxation	*6*	114,806	29,253
Taxation (charge)/benefit on profit on ordinary activities	*7*	(69,675)	16,303
Surplus for the financial year		45,131	45,556

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 2022

	Notes	**2022** **€**	2021 €
Surplus for the financial year		45,131	45,556
Actuarial gain / (loss) in respect of pension	*14*	(853,900)	487,200
Deferred tax on actuarial (gain) / loss		106,738	(60,900)
Revaluation surplus	*9*	-	496,751
Deferred tax on revaluation surplus		-	(163,928)
Total comprehensive (loss) / income		(702,031)	804,679

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notes	**2022 €**	2021 €
Fixed Assets			
Intangible assets	8	452,464	201,539
Tangible assets	*9*	9,592,507	9,720,324
		10,044,971	9,921,863
Pension Asset			
Pension Asset	14	1,462,100	1,356,800
Current Assets			
Debtors	*10*	21,018,486	18,079,876
Cash at bank and on hand	*11*	15,431,554	9,247,571
		36,450,040	27,327,447
Creditors: Amounts falling due within one year	*12*	(40,725,807)	(30,514,389)
Net current liabilities		(4,275,767)	(3,186,942)
Net assets excluding provisions for liabilities		7,231,303	8,091,721
Provisions for liabilities			
Deferred tax	*13*	(2,078,085)	(2,236,473)
NET ASSETS		5,153,217	5,855,248
Reserves			
Deficit on reserves		(1,659,156)	(957,125)
Revaluation reserve		6,812,373	6,812,373
		5,153,217	5,855,248

The financial statements were approved and authorised for issue by the Board of Directors on **4th May 2023** and signed on its behalf by:

Rose McHugh
Director

Eleanor McEvoy
Director

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

STATEMENT OF CHANGES IN RESERVES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Deficit on reserves €	**Revaluation reserve €**	**Total €**
At 1 January 2022	(957,125)	6,812,373	5,855,248
Surplus for the financial year	45,131	-	45,131
Actuarial (loss) /gain in respect of pension scheme	(853,900)	-	(853,900)
Deferred tax on actuarial gain	106,738	-	106,738
At 31 December 2022	(1,659,156)	6,812,373	5,153,217

In respect of prior financial year:

	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

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Notes	**2022** **€**	2021 €
Net cash (outflow) / inflow from operating activities	*16*	6,996,018	(728,564)
Cash flows from investing activities			
Purchase of tangible fixed assets		(366,907)	(167,917)
Purchase of intangible fixed assets		(470,199)	(59,545)
Proceeds from the disposal of fixed assets		25,071	-
Net cash outflows from investing activities		(812,035)	(227,462)
Net increase/(decrease) in cash and cash equivalents		6,183,983	(956,026)
Cash and cash equivalents at beginning of year		9,247,571	10,203,597
Cash and cash equivalents at end of year		15,431,554	9,247,571
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand at end of year	*11*	15,431,554	9,247,571
Cash and cash equivalents at end of year	*11*	15,431,554	9,247,571

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 €3,541,447 (2021: €3,179,459).

3. LICENCE REVENUE

	2022	2021
	€	€
The analysis of licence revenue by geographical market is as follows:		
Ireland	30,260,670	18,507,993
United Kingdom	3,561,729	1,898,397
Other EU countries	5,589,793	4,288,077
United States of America	1,575,351	1,468,820
Rest of the World	1,525,845	1,072,898
Net revenue	42,513,388	27,236,185

4. EXCEPTIONAL ITEM

The exceptional charge in 2022 is a charge to the Profit and Loss Account resulting from the completion of an Enhanced Transfer Value (ETV) to members of the Irish Music Rights Organisation pension Scheme to manage the risk associated with future valuations of this scheme.

5. EMPLOYEES AND REMUNERATION

The average monthly number of persons employed by the company during the financial year, excluding non-executive directors, was 49 (2021: 47) and all were categorised as administration.

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

	2022	2021
	€	€
Wages and salaries	3,010,314	2,786,636
Social welfare costs	374,963	216,802
Other retirement benefit costs	121,350	129,922
Enhanced Transfer Value cost (Note 4)	879,400	-
	4,386,027	3,133,360

6. SURPLUS BEFORE TAXATION

	2022	2021
	€	€
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	284,220	260,899
Depreciation (Note 8)	462,623	449,229
Amortisation (Note 7)	219,274	266,057
(Loss) on disposal of fixed assets	17,101	-
Government wage supports	-	(479,268)
Auditor's remuneration:		
- Audit	53,980	49,750
- Other assurance services	4,300	6,750
- Other non-audit services	950	950
	59,230	57,450

7. TAXATION CHARGE

	2022	2021
	€	€
Current tax charge for the financial year	121,325	28,458
Deferred tax (benefit) / charge on pension adjustment	(51,650)	(44,761)
Taxation charge (benefit)	69,675	(16,303)

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:

	2022	2021
	€	€
Surplus before tax	114,806	29,253
Surplus multiplied by the standard rate of Irish corporation tax for the financial year of 12.5% (2021: 12.5%)	14,351	3,657
Effects of:		
Non-taxable amounts and other adjustments	(38,423)	(72,138)
Depreciation in excess of capital allowances	93,747	52,178
Tax arising on the pension adjustment	-	-
Current tax charge/(benefit) for the financial year	69,675	(16,303)

At the year-end date, no deferred tax asset was recorded (2021: Nil).

8. INTANGIBLE FIXED ASSETS

	2022	2021
	€	€
Cost:		
At 1 January	1,954,220	1,894,675
Additions	470,199	59,545
At 31 December	2,424,419	1,954,220
Amortisation:		
At 1 January	1,752,681	1,486,624
Charge for the financial year	219,274	266,057
At 31 December	1,971,955	1,752,681
Carrying value		
At 31 December	452,464	201,539

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

9. TANGIBLE FIXED ASSETS

	Property	Computer equipment	Motor vehicles	Furniture and equipment	Total
	€	€	€	€	€
Cost or valuation					
At 1 January 2022	8,800,000	2,872,783	302,000	555,925	12,530,708
Additions	18,565	55,162	79,450	213,730	366,907
Disposals	-	-	(93,144)	-	(93,144)
At 31 December 2022	8,818,565	2,927,945	288,306	769,655	12,804,471
Accumulated depreciation					
At 1 January 2022	-	2,452,729	180,675	176,980	2,810,384
Charge for financial year	365,862	27,865	33,671	35,225	462,623
Disposals	-	-	(61,043)	-	(61,043)
At 31 December 2022	365,862	2,480,594	153,303	212,205	3,211,964
Net book value					
At 31 December 2022	8,452,703	447,351	135,003	557,450	9,592,507
At 31 December 2021	8,800,000	420,054	121,325	378,945	9,720,324

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 2022**. 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 (2021: €8,800,000). The carrying value of property that would have been recognised had the asset been carried under the cost model is €1,136,954 (2021: €1,247,804).

9. 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 2021	9,000,000	2,856,636	264,329	441,826	12,562,791
Additions	-	16,147	37,671	114,099	167,917
Disposal	(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
Disposals	(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 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).

10. DEBTORS:

	2022 €	2021 €
(Amounts falling due within one year):		
Broadcasting and public performance debtors, net of bad debts provision	17,863,965	16,320,806
Other debtors and prepayments	228,637	45,429
Prepaid Revenue	363,218	-
Accrued Revenue	2,562,666	1,713,641
	21,018,486	18,079,876

11. CASH AT BANK AND ON HAND

	2022 €	2021 €
Cash balances available on demand	15,431,554	9,247,571
	15,431,554	9,247,571

12. CREDITORS: Amounts falling due within one year

	2022 €	2021 €
Members, affiliates and PPI royalties payable	28,121,451	20,783,349
Cable TV rights holders royalties payable	3,013,013	2,852,369
Public performance deferred revenue	5,012,188	4,219,523
Other creditors and accruals	1,991,141	1,301,677
Pension liability	1,425,400	-
VAT payable	913,676	1,212,578
Payroll taxes	124,157	128,987
Corporation tax	124,781	15,906
	40,725,807	30,514,389

13. DEFERRED TAX

	2022	2021
Deferred Tax Liabilities	**€**	€
At beginning of the financial year	2,236,473	2,056,406
Charged to income and expenditure account	(51,650)	(44,761)
Charged to other comprehensive income	(106,738)	224,828
	2,078,085	2,236,473

** Charge to income and expenditure account (note 6) for the year was €51,650.

Deferred tax is provided as follows:

	2022	2021
	€	€
Deferred Tax Liabilities:		
Deferred tax on revaluation surplus	2,156,423	2,156,423
Deferred tax arising in relation to retirement benefit obligations (Note 14)	(78,337)	80,050
	2,078,086	2,236,473

14. 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 €121,421 (2020: €141,157).

(b) Defined benefit scheme

The company operates 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 trustees of the pension scheme undertook and concluded an Enhanced Transfer Value (ETV) exercise on 30th November 2022 and the settlement gain was determined using the assumptions applicable at that date. The associated employer cost was €1,425,400 which was matched by the pension scheme at a cost of €1,425,400, funded through the divestment of assets from the scheme. The associated company's liabilities includes an amount of €1,425,400 pertaining to the ETV.

The most recent actuarial valuation prepared by Barry O'Mahony, Fellow of the Institute of Actuaries, on 31 December 2022 showed that the market value of the scheme's assets after the ETV, was €7,518,900 and that the actuarial value of those assets represented 124.10% 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:

	2022	2021
	%	%
Discount rate at 31 December	3.70	1.15
Future salary increases	0.00	0.00
Future pension increases for in-payment benefits (A/B)	2.60 / 2.20	2.10 / 2.10
Future pension increases for deferred benefits (A/B)	2.60 / 2.50	2.10 / 2.10
Price inflation	2.60	2.10

14. 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	
	2022	2021
	Years	Years
Retiring today:		
Males	21.9	21.8
Females	24.3	24.2
Retiring in 25 years:		
Males	24.7	24.6
Females	26.8	26.7

The amounts recognised in the income and expenditure account are as follows:	**2022**	2021
	€	€
Current service cost	43,000	51,500
Net interest cost	(17,900)	(3,800)
Curtailment Gain	(546,000)	-
Enhanced Transfer Value Cost	1,425,400	-
	904,500	47,700
Recognised in other comprehensive income	853,900	(487,200)
Total debit / (credit) relating to defined benefit scheme	1,758,400	(439,500)

14. 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:

	2022	2021
	€	€
Present value of defined benefit obligations	(6,056,800)	(10,547,200)
Fair value of scheme assets	7,518,900	11,904,000
Net asset / (liability) recognised in the balance sheet	1,462,100	1,356,800

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

	2022	2021
	€	€
At 1 January	1,356,800	511,500
Service cost	(43,000)	(51,500)
Interest cost	17,900	3,800
Plan changes	(879,400)	-
Re-measurement effect recognised in OCI	(853,900)	487,200
Employer contributions	1,863,700	405,800
Net asset / (liability) recognised in the balance sheet	1,462,100	1,356,800

Movements in the present value of scheme assets were as follows:

	2022	2021
	€	€
At 1 January	11,904,000	11,956,800
Settlements and curtailments	(2,888,200)	(552,900)
Return on plan assets less interest	(3,176,000)	344,100
Interest on assets	143,600	81,400
Benefits paid	(342,200)	(346,500)
Employee contributions	14,000	15,300
Employer contributions	1,863,700	405,800
Asset recognised in the balance sheet	7,518,900	11,904,000

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

	2022	2021
	€	€
At 1 January	10,547,200	11,445,300
Service cost	43,000	51,500
Employee contributions	14,000	15,300
Interest costs	125,700	77,600
Benefits paid	(342,200)	(346,500)
Settlements and curtailments	(2,008,800)	(552,900)
Changes to financial assumptions	(2,322,100)	(143,100)
Liability recognised in the balance sheet	6,056,800	10,547,200

Risks and rewards arising from the assets

At 31 December 2022 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:

	2022	2021
(as a percentage of total scheme assets)	**%**	%
Equities	34.06	38.18
Bonds – Fixed interest fund	58.75	58.53
Other	7.19	3.29

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.

15. FINANCIAL INSTRUMENTS

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

	2022	2021
	€	€
Financial assets		
Measured at undiscounted amount receivable		
• Broadcasting and public performance debtors, net of bad debts provision (see Note 10)	17,863,965	16,320,806
Financial liabilities		
Measured at undiscounted amount payable		
• Members, affiliates and PPI royalties payable (Note 12)	28,121,451	20,783,349
• Cable TV rights holders royalties payable (Note 12)	3,013,013	2,852,369
	31,134,464	23,635,718

16. STATEMENT OF CASH FLOWS

Reconciliation of operating surplus to cash generated by operations	**2022**	2021
	€	€
Operating surplus	96,906	25,453
Adjustment for:		
Depreciation	462,623	449,229
Amortisation	219,274	266,057
Loss on disposal of tangible fixed assets	17,101	-
Pension contributions	(984,300)	(405,800)
Retirement benefits service charge	43,000	51,500
	(145,396)	386,439
Operating cash flows before movement in working capital		
Increase in debtors	(2,938,610)	(5,600,717)
Increase in creditors	10,102,543	4,518,305
Cash generated/(used in) from operating activities	7,018,537	(695,973)
Income taxes paid	(22,519)	(32,591)
Net cash inflow/(outflow) from operating activities	6,996,018	(728,564)

17. 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 2022 total royalties paid by the organisation to the directors of the company and to parties related to the directors of the company amounted to €2,377,857 (2021: €1,417,190). 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 €811,203 – 5 individuals (2021: €802,278 – 5 individuals), which is included within the remuneration disclosed in note 5 of €3,506,627 (2021: €3,133,360).

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

18. LEGAL STATUS OF THE COMPANY

The company is limited by guarantee and has no share capital. As at 31 December 2022, the company had 17,815 members (2021: 15,760) whose guarantee is limited to €1.27 each. The guarantee continues for one year after individual membership ceases.

19. SUBSEQUENT EVENTS

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

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