



ANNUAL REPORT AND ACCOUNTS 2023

Irish Music Rights Organisation
Company Limited by Guarantee

CHAIRPERSON'S STATEMENT



I am delighted to present this forward for the IMRO 2023 Annual Report. Our CEO Victor Finn will highlight the financial results on the following pages and I would like to take this opportunity to congratulate Victor and his team on the excellent results this year.

2023 saw a huge growth of membership in IMRO, with our membership currently standing at almost 25,000 members. It is particularly gratifying to witness members joining us from diverse corners of the globe, reaffirming IMRO as the society of choice on an international scale.

We continued to strengthen our alliances with our colleagues and sister organisations throughout the world in 2023, ever mindful of the challenges posed by Artificial Intelligence to the music industry. Recognising the paramount importance of technological prowess, we established a dedicated technology committee, an AI working group and enlisted an expert tech advisor to consult with the board. Our recent appointment of a technology expert as an external director on the board also underscores our commitment to navigating the complexities of AI, whilst also seeking out the opportunities it can provide.

Throughout the year, we remained steadfast in our lobbying in Europe and enhanced our advocacy here at home, championing the rights of our writers and publishers to our public representatives and policy makers.

Our commitment to maintaining exemplary Corporate Governance standards was unwavering. Our alliance with the Law Society yielded numerous publications from Dr Mark Hyland the IMRO Professor of Intellectual Property Copyright Law as well as the annual IMRO Law Society Lecture, serving to highlight the importance of the creative industries within the world of intellectual property.

2023 witnessed a vibrant array of membership events with events taking place both online and

also in-house. The IMRO Radio Awards, Venue of the Year awards, BAI Hall of Fame and numerous other associated events continued promoting and recognising the work of both our members and our stakeholders.

All of our successful endeavours are a testament to the superb team that we have working in IMRO and on behalf of the board, I would like to give enormous thanks to our CEO Victor Finn whose unparalleled dedication and expertise have propelled IMRO to new heights. His promotion to the position of vice president of GESAC the umbrella organisation for collection organisations throughout Europe, is a testament to his global recognition in the field of music licensing. I would also like to thank him personally for his invaluable contributions and his spirit of collaboration throughout the year.

I would also like to thank the Board of IMRO for their exemplary performance and unwavering support throughout the year. Their commitment to duty and enthusiasm in embracing increasing responsibilities have been instrumental in IMRO's success and I am deeply indebted to them for their guidance and encouragement to me in my role as Chair.

Lastly, I extend my gratitude to you, our members. Your immense creativity serves as a beacon of inspiration for us all and it is your unwavering passion for your work that continues to drive us in our work. In the inimitable words of Benny Andersson and Bjorn Ulvaeus *"Thank you for the music"*.

Eleanor McEvoy
May 2024

CHIEF EXECUTIVE OFFICER'S REVIEW OF 2023



The year-end results for 2023 show IMRO revenues reaching an all-time high of €45.8m, a healthy increase of 8% compared to 2022. Our costs for the year amounted to €6.2m (2022: €6.8m), down by €603k, or 9% in the financial year. IMRO distributed €37.7m to our members and international affiliates in 2023, a €9m increase, up 31% on last year. Total costs as a percentage of revenue were 13.5% (2022: 14.8%).

Our efficiency and levels of service continue to attract rightholders and industry partners. Investing in our people, systems, and processes and partnering with industry-leading technology companies allows us to scale the organisation sustainably while driving revenues and the membership base. We have teamed up with like-minded commercially driven affiliates in Denmark, Norway, Finland, Holland, Canada and Australia to improve the speed and accuracy of international payments. We aim to establish higher collection standards and faster and more accurate payments for all our respective members. We want to roll these improvements out globally so that efficiencies become international CISAC (our global umbrella body) standards mandated for all territories.


We have several significant projects in train, including upgrading our Distribution System to accommodate ever-increasing data volumes, re-designing our Customer Relationship Management Portal so that IMRO customers can interact with us seamlessly, relaunching our Membership Portal to give members access to more detailed usage analytics, Customer Market Research and launching a major review of all our public performance tariffs.

We championed the AI Act on its way through the EU Parliament. The legislation provides ground rules for the use of AI, and the forthcoming guidelines from the EU Commission will be vital in ensuring that copyright is fully respected.

This new legislation can enable the licensing of copyrighted works where appropriate. We are acutely aware of the potential effects of AI, both positive and negative. IMRO have just announced a pilot partnership with Dutch-based technology firm Copyright Delta. The aim is to assess the level of IMRO repertoire used by AI apps, providing licensing opportunities with our member's consent. We also made progress on the buy-outs of commissioned works by audio-visual services and the host of issues around streaming services. Both issues are featured in EU Parliamentary Committee reports. The EU Commission is now considering both reports for further action.

At home, we have commissioned Core Media to undertake primary research on the Social & Cultural Value of Music in Ireland to develop a National Music Strategy to present to the Joint Oireachtas Committee of the Irish Parliament and relevant government departments and political parties given the impending national elections. IMRO is also a participant in the EU-wide Music360 Research aimed at establishing the value of music to public venues in Ireland and across the EU.

With IMRO's unique position as a cornerstone of the Irish entertainment industry—a sector driven by creativity, connection, and community—this journey towards enhanced sustainability reporting is not only a regulatory requirement but a reflection of IMRO's core values and commitment to making a positive



impact. This year, we are reporting on Scopes 1 and 2 of our obligations under the Corporate Sustainability Reporting Directive (CSRD). We plan to report on the broader Scope 3 obligations in 2025, well ahead of our mandatory reporting requirements. Through many proactive initiatives, detailed herein, we minimise our environmental impact wherever possible. We have established ambitious environmental targets to be published in our Annual Reports to monitor our progress.

We have a top-class array of people in all the business areas at IMRO. Change is ongoing, and thank you again for your dedication, flexibility, and commitment to the many projects underway.

Thank you to Eleanor and the board for your support in 2023. The pace of change is increasing, and the expertise and guidance provided are fundamental to our success.

The positive news for our composers, authors, and publishers is that the use of music continues to grow and develop. We must ensure that creatives get their fair share of this ever-expanding market, with timely regulations allowing orderly markets to prevail. We must find ways to work with technology, license all use at total value, and rigorously enforce your rights where necessary.

Victor Finn
May 2024

“We aim to establish higher collection standards and faster and more accurate payments for all our respective members.”

A teal-tinted background image of a woman with long hair wearing large headphones, looking to the right. The image is overlaid with a pattern of small white dots on the left side.

REPORTS AND FINANCIAL STATEMENTS

for the Financial
Year ended 31
December 2023

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS AT 31 DECEMBER 2023

Brian Crosby
Ed Condon
Clare Duignan (External)
Tom Dunne
Mick Hanly
Ray Harman
Ian Hennessy
Steve Lindsey
Juliet Martin
Eleanor McEvoy
Rose McHugh (External)
Faye O'Rourke
Bill Shanley
Anna Malin – Skogman (External)
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
Terrace
Dublin 2

BANKERS

Bank of Ireland
Lower Baggot Street
Dublin 2 Earlsfort

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

The directors present herewith their report and the audited financial statements for the financial year ended 31 December 2023.

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

Licence revenue hit an all-time high of €45,818,265 in 2023 (2022: €42,513,388), an increase of €3,304,877 (8%) over 2022. All revenue categories, excluding broadcasting, showed increases in 2023. The strong performance of multi-territorial, domestic online and overseas revenue, due to the performance of the repertoire and the addition of new writers, was supplemented by the continuing buoyant concert market, up 27% on the prior year.

Operating costs, at €6,201,006 (2022: €6,804,131), were down by €603,125 (9%) in the financial year. An exceptional non-cash charge of €1,589,700 relating to the completion of a buy-out of the defined benefit pension scheme was booked in the year to reflect the difference between the carrying value of the pension on the balance sheet and the cost of buying annuities at market rates. The buy-out secures the pensions of former employees and eliminates the investment, inflationary and longevity risks to the Company associated with maintaining a defined benefit pension scheme. Total costs (excluding the exceptional item) as a percentage of revenue were 13.5% (2022: 14.8%). Other operating income increased by €59,305 (7%) on the prior financial year. In 2023, royalties have increased by €4,722,220 (13%) over 2022 due to increased activity levels.

Due to the impact of the buy-out, the gross pension asset has been reduced to nil (2022: asset €1,462,100). Copyright House was revalued downwards, to reflect downward pressure on property values during 2023. Reserves at the financial year-end amounted to a surplus of €2,353,344 (2022: surplus €5,153,218).

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.

Strong performances in some revenue lines mask the challenges in others. Inflation, uncertainty and market disruption continue to challenge many customers in the Irish market, and the risk of customer business closures and non-payment of outstanding customer balances remains a key focus. Therefore, IMRO maintained and made appropriate bad debt provisions on 31st December 2023 to address this collection risk.

Considerations regarding going concerns are discussed in the 'going concern' section of this report.

DIRECTORS' 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' REPORT (CONTINUED)

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

Tom Dunne

Clare Duignan (External)

Mick Hanly

Ray Harman

Ian Hennessy

James Hickey (External)

Steve Lindsey

Juliet Martin

Eleanor McEvoy

Roisin O'Reilly

Rose McHugh (External)

Faye O'Rourke

Bill Shanley

Anna Malin-Skogman (External)

Sharon Boyse Smith

Secretary:

Bradwell Limited

Roisin O'Reilly resigned on 15th June 2023 and James Hickey resigned on 14th September 2023.

Tom Dunne was appointed to the Board on 15th June 2023, and Anna Jonsson-Skogman was appointed to the board on 14th September 2023.

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

BOARD AND COMMITTEE ATTENDANCE

The total number of Board meetings in 2023 was 7 (2022: 7). Board attendance by each Board member was 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	4	4
Steve Lindsey	7	7
Eleanor McEvoy	7	7
Juliet Martin	7	7
Rose McHugh	7	7
Faye O'Rourke	6	7
Roisin O'Reilly	3	3
Bill Shanley	7	7
Sharon Boyse-Smith	7	7
Tom Dunne	4	4
Anna Malin-Skogman	3	3

Committee attendances by each Board member were as follows:

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

DIRECTORS' REPORT (CONTINUED)

TRANSACTIONS INVOLVING DIRECTORS

Details of transactions involving directors are set out in note 17 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 2023.

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 that the Company distributes paid royalties only and ultimately has discretion over the timing of the royalties' distribution 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's quarterly performance against targets.

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.

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED)

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: 2nd May 2024

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

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 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 2023 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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**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

2nd May 2024

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

**INCOME AND EXPENDITURE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	<i>Note</i>	2023 €	2022 €
License revenue	3	45,818,265	42,513,388
Operating expenses		(6,201,006)	(6,804,131)
Exceptional item	4	(1,589,700)	(879,400)
Other operating income		885,888	826,583
Operating surplus before royalties		38,913,447	35,656,440
Royalties		(40,281,754)	(35,559,534)
Operating (deficit) / surplus		(1,368,307)	96,906
Other finance income	14	66,400	17,900
Surplus before taxation	6	(1,301,907)	114,806
Taxation charge on profit on ordinary activities	7	(243,983)	(69,675)
(Deficit)/Surplus for the financial year		(1,545,890)	45,131

The company's results are all derived 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 a non-exclusive licensee on behalf of the societies affiliated to it.

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	<i>Note</i>	2023 €	2022 €
(Deficit) Surplus for the financial year		(1,545,890)	45,131
Actuarial gain / (loss) in respect of pension	14	4,900	(853,900)
Deferred tax on actuarial (gain) / loss		(614)	106,738
Revaluation loss	9	(1,878,013)	-
Deferred tax on revaluation loss		<u>619,744</u>	<u>-</u>
Total comprehensive (loss) / income		<u>(2,799,873)</u>	<u>(702,031)</u>

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

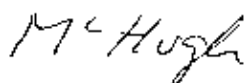
**BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Note	2023 €	2022 €
Fixed Assets			
Intangible assets	8	490,523	452,464
Tangible assets	9	<u>7,346,695</u>	<u>9,592,507</u>
		7,837,218	10,044,971
Pension Asset			
Pension Asset	14	-	1,462,100
Current Assets			
Debtors	10	19,735,231	21,018,486
Cash at bank and on hand	11	<u>16,448,443</u>	<u>15,431,554</u>
		36,183,674	36,450,040
Creditors: Amounts falling due within one year	12	<u>(40,130,869)</u>	<u>(40,725,807)</u>
Net current liabilities		<u>(3,947,195)</u>	<u>(4,275,767)</u>
Net assets excluding provisions for liabilities		3,890,023	7,231,303
Provisions for liabilities			
Deferred tax	13	<u>(1,536,679)</u>	<u>(2,078,085)</u>
NET ASSETS		<u>2,353,344</u>	<u>5,153,218</u>
Reserves			
Deficit on reserves		(3,200,760)	(1,659,156)
Revaluation reserve		<u>5,554,104</u>	<u>6,812,374</u>
		<u>2,353,344</u>	<u>5,153,218</u>

The financial statements were approved and authorised for issue by the Board of Directors on 2nd May 2024 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 2023**

	Deficit on Reserves €	Revaluation Reserve €	Total €
At 1 January 2023	(1,659,156)	6,812,373	5,153,217
Deficit for the financial year	(1,545,890)	-	(1,545,890)
Actuarial (loss) / gain in respect of pension scheme	4,900	-	4,900
Deferred tax on actuarial gain	(614)	-	(614)
Revaluation loss	-	(1,878,013)	(1,878,013)
Deferred tax on revaluation loss	-	619,744	619,744
	<u>(3,200,760)</u>	<u>5,554,104</u>	<u>2,353,344</u>
At 31 December 2023	(3,200,760)	5,554,104	2,353,344

In respect of prior financial year:

	Deficit on Reserves €	Revaluation Reserve €	Total €
At 1 January 2022	(957,125)	6,812,374	5,855,249
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
	<u>(1,659,156)</u>	<u>6,812,373</u>	<u>5,153,218</u>
At 31 December 2022	(1,659,156)	6,812,373	5,153,218

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	<i>Note</i>	2023 €	2022 €
Net cash inflow from operating activities	16	1,408,546	6,996,018
Cash flows from investing activities			
Purchase of tangible fixed assets		(134,609)	(366,907)
Purchase of intangible fixed assets		(257,047)	(470,199)
Proceeds from the disposal of fixed assets		-	25,071
Net cash outflows from investing activities		<u>(391,657)</u>	<u>(812,035)</u>
Net increase in cash and cash equivalents		<u>1,016,889</u>	<u>6,183,983</u>
Cash and cash equivalents at beginning of year		<u>15,431,554</u>	<u>9,247,571</u>
Cash and cash equivalents at end of year		<u>16,448,443</u>	<u>15,431,554</u>
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand at end of year	11	<u>16,448,443</u>	<u>15,431,554</u>
Cash and cash equivalents at end of year	11	<u>16,448,443</u>	<u>15,431,554</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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 than 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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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. The provision is based on reviews of specific balances, including historic collectability and the ageing of the balance. At the year's end, the bad debt provision was €3,160,000 (2022: €3,541,447).

3. LICENCE REVENUE	2023	2022
	€	€
The analysis of licence revenue by geographical market is as follows:		
Ireland	31,449,805	30,260,670
United Kingdom	2,880,862	3,561,729
Other EU countries	7,462,584	5,589,793
United States of America	2,031,157	1,575,351
Rest of the World	1,993,857	1,525,845
Net revenue	<u>45,818,265</u>	<u>42,513,388</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

3. EXCEPTIONAL ITEM

The exceptional charge in 2023 is a non-cash charge to the Profit and Loss Account resulting from the completion of a buy-out of the legacy defined benefit scheme. The charge reflects the difference between the carrying value of the pension and the cost of buying annuities at market rates. The buy-out secures the pensions of past employees through the purchase of annuities and eliminates three key risks to the Company associated with maintaining a defined benefit pension scheme pension: investment, inflation and longevity risks.

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.

4. EMPLOYEES AND REMUNERATION

The average monthly number of persons employed by the company during the financial year, excluding non-executive directors, was 56 (2022: 49), and all were categorised as administration.

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

Wages and salaries	3,479,560	3,010,314
Social welfare costs	396,527	374,963
Other retirement benefit costs	139,381	121,350
Exceptional pension charges (Note 4)	1,589,700	879,400
	<u>5,605,168</u>	<u>4,386,027</u>

6. SURPLUS BEFORE TAXATION	2023	2022
	€	€

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	276,700	284,220
Depreciation (Note 8)	502,408	462,623
Amortisation (Note 7)	218,989	219,274
(Loss) on disposal of fixed assets	-	17,101
	<u>72,000</u>	<u>59,230</u>
Auditor's remuneration:		
- Audit	58,000	53,980
- Other assurance services	4,320	4,300
- Other non-audit services	10,950	950
	<u>72,000</u>	<u>59,230</u>

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

7. TAXATION (BENEFIT) CHARGE	2023 €	2022 €
Current tax charge for the financial year	166,257	121,325
Deferred tax benefit on pension adjustment	77,726	(51,650)
	<u>243,983</u>	<u>69,675</u>
Taxation charge	<u>243,983</u>	<u>69,675</u>

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:

	2023 €	2022 €
Surplus before tax	<u>26,693</u>	<u>114,806</u>
Surplus multiplied by the standard of Irish corporation tax for the financial year of 12.5% (12.5%)	3,337	14,351
Effects of:		
Non-taxable amounts and other adjustments	128,834	(38,423)
Depreciation in excess of capital allowances	40,449	93,747
Research and development tax credit claimed	71,363	-
	<u>243,983</u>	<u>69,675</u>
Current tax (benefit) / charge for the financial year	<u>243,983</u>	<u>69,675</u>

At the year-end date, no deferred tax asset was recorded (2022: Nil).

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. INTANGIBLE FIXED ASSETS	2023 €	2022 €
Cost:		
At 1 January	2,424,419	1,954,220
Additions	<u>257,048</u>	<u>470,199</u>
At 31 December	<u>2,681,467</u>	<u>2,424,419</u>
Amortisation:		
At 1 January	1,971,955	1,752,681
Charge for the financial year	<u>218,989</u>	<u>219,274</u>
At 31 December	<u>2,190,944</u>	<u>1,971,955</u>
Carrying value		
At 31 December	<u>490,523</u>	<u>452,464</u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. TANGIBLE FIXED ASSETS

	Property €	Computer Equipment €	Motor Vehicles €	Furniture and Equipment €	Total €
Cost or valuation					
At 1 January 2023	8,761,306	2,944,539	284,880	813,746	12,804,471
Additions	978	3,710	-	129,921	134,609
Revaluation	(2,612,284)	-	-	-	(2,612,284)
At 31 December 2023	6,150,000	2,948,249	284,880	943,667	10,326,796
Accumulated depreciation					
At 1 January 2023	365,862	2,477,716	153,303	215,083	3,211,964
Charge for the financial year	368,409	36,348	34,253	63,398	502,408
Revaluation	(734,271)	-	-	-	(734,271)
At 31 December 2023	-	2,514,064	187,556	278,481	2,980,101
Net book value					
At 31 December 2023	6,150,000	434,185	97,324	665,186	7,346,695
At 31 December 2022	8,395,444	466,823	131,577	598,663	9,592,507

The property was professionally valued by John McCann of Quinn Agnew FSCSI FRICS ACI Arb, an independent valuer, to market value at 31st December 2023, which the directors deem to equate to fair value at 31 December 2023. Market value was determined from market-based evidence available at the time of 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 €6,150,000 at the balance sheet date (2022: €8,395,444). The carrying value of property that would have been recognised had the asset been carried under the cost model is €1,026,104 (2022: €1,136,954).

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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
Charge for the financial year	-	-	(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 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).

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. DEBTORS:	2023	2022
(Amounts falling due within one year):	€	€
Broadcasting and public performance debtors, net of bad debt provision	17,621,074	17,863,965
Other debtors and prepayments	181,545	228,637
Prepaid Revenue	-	363,218
Accrued Revenue	<u>1,932,612</u>	<u>2,562,666</u>
	<u>19,735,231</u>	<u>21,018,486</u>
11. CASH AT BANK AND ON HAND	2023	2022
	€	€
Cash balances available on demand	<u>16,448,443</u>	<u>15,431,554</u>
	<u>16,448,443</u>	<u>15,431,554</u>
12. CREDITORS: Amounts falling due within one year	2023	2022
	€	€
Members, affiliates and PPI royalties payable	29,418,624	28,121,451
Cable TV rights holders royalties payable	3,046,522	3,013,013
Public performance deferred revenue	4,926,445	5,012,188
Other creditors and accruals	1,520,129	1,991,141
Pension liability	-	1,425,400
VAT payable	1,099,093	913,676
Payroll taxes	47,265	124,157
Corporation tax	<u>72,791</u>	<u>124,781</u>
	<u>40,130,869</u>	<u>40,725,807</u>

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. DEFERRED TAX	2023	2022
	€	€
Deferred Tax Liabilities		
At beginning of the financial year	2,078,085	2,236,473
Charges (credit) to income and expenditure account	77,726	(51,650)
Charged to other comprehensive income	<u>(619,132)</u>	<u>(106,738)</u>
	<u>1,536,679</u>	<u>2,078,085</u>

** Credit to income and expenditure account (note 7) for the year was €78,338.

Deferred tax is provided as follows:	2023	2022
	€	€
Deferred Tax Liabilities:		
Deferred tax on revaluation surplus	1,536,679	2,156,423
Deferred tax arising in relation to retirement benefit obligations (Note 14)	-	78,337
	<u>1,536,679</u>	<u>2,078,086</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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 €184,385 (2022: €121,421).

(b) Defined benefit scheme

The company operated a defined benefit scheme for qualifying employees. Under the scheme, the employees were 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.

In 2022, the pension scheme's trustees undertook and concluded an Enhanced Transfer Value (ETV) exercise, and the associated employer cost was €1,425,400, which was reflected in the 2022 accounts net of a curtailment gain of €546,000. The remaining cost of the ETV was matched by the pension scheme at a cost of €1,425,400 and was funded through the divestment of assets from the scheme.

During 2023, a buy-out was initiated to provide a full and definitive settlement for the pension scheme and allow the Trustee to wind up the scheme by purchasing individual policies for the scheme's members. As the pension scheme was fully funded, it was agreed with the trustees that the index-linked employer contribution of €352,000 due in 2023 was not required to be paid into the scheme. These annuities were purchased at market value on 7th December 2023 and were funded by the divestment of assets from the scheme. After paying the legal and advisory wind-up fees, a surplus of €63,000 was returned to the Company.

The most recent actuarial valuation prepared by Barry O'Mahony, Fellow of the Institute of Actuaries, on 31 December 2023 showed that after the annuity purchase the market value of the scheme's was nil. The trustees are currently in the process of winding up the scheme.

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:

	2023	2022
	%	%
Discount rate at 31 December	-	3.70
Future salary increases	-	0.00
Future pension increases for in-payment benefits (A/B)	-	2.60 / 2.20
Future pension increases for deferred benefits (A/B)	-	2.60 / 2.50
Price inflation	-	2.60

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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	
	2023	2022
	Years	Years
Retiring today:		
Males	-	21.9
Females	-	24.3
Retiring in 25 years:		
Males	-	24.7
Females	-	26.8
The amounts recognised in the income and expenditure account are as follows:	2023	2022
	€	€
Current service cost	-	43,000
Net interest income	(66,400)	(17,900)
Curtailment Gain	-	(546,000)
Enhanced Transfer Value Cost	1,589,700	1,425,400
	<u>1,523,300</u>	<u>904,500</u>
Recognised in other comprehensive income	<u>(4,900)</u>	<u>853,900</u>
Total debit relating to defined benefit scheme	<u>1,518,400</u>	<u>1,758,400</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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:

	2023 €	2022 €
Present value of defined benefit obligations	-	(6,056,800)
Fair value of scheme assets	-	7,518,900
Net assets / (liability) recognised in the balance sheet	-	1,462,100

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

	2023 €	2022 €
At 1 January	1,462,100	1,356,800
Service cost	-	(43,000)
Interest cost	66,400	17,900
Plan changes, settlements and curtailments	(1,589,700)	(879,400)
Re-measurement effect recognised in OCI	4,900	(853,900)
Employer contributions	56,300	1,863,700
Net asset / (liability) recognised in the balance sheet	-	1,462,100

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

	2023 €	2022 €
At 1 January	7,518,900	11,904,000
Settlements and curtailments	(7,574,300)	(2,888,200)
Return on plan assets less interest	158,400	(3,176,000)
Interest on assets	266,500	143,600
Benefits paid	(425,800)	(342,200)
Employee contributions	-	14,000
Employer contributions	56,300	1,863,700
Asset recognised in the balance sheet	-	7,518,900

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

14. RETIREMENT BENEFITS (CONTINUED)

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

	2023	2022
	€	€
At 1 January	6,056,800	10,547,200
Service cost	-	43,000
Employee contributions	-	14,000
Interest costs	200,100	125,700
Benefits paid	(425,800)	(342,200)
Settlements and curtailments	(5,984,600)	(2,008,800)
Changes to financial assumptions	153,500	(2,322,100)
	<u> </u>	<u> </u>
Liability recognised in the balance sheet	<u> </u> -	<u> </u> 6,056,800

Risks and rewards arising from the assets

At 31 December 2023 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:

	2023	2022
	%	%
(as a percentage of total scheme assets)		
Equities	-	34.06
Bonds – Fixed interest fund	-	58.75
Other	<u> </u> -	<u> </u> 7.19

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.

IRISH MUSIC RIGHTS ORGANISATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. FINANCIAL INSTRUMENTS

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

	2023 €	2022 €
Financial assets		
<i>Measured at undiscounted amount receivable</i>		
• Broadcasting and public performance debtors, net of bad debt provision (see Note 10)	<u>17,621,074</u>	<u>17,863,965</u>
Financial liabilities		
<i>Measured at undiscounted amount payable</i>		
• Members, affiliates and PPI royalties payable (Note 12)	<u>29,878,436</u>	28,155,810
• Cable TV rights holders royalties payable (Note 12)	<u>3,046,522</u>	<u>3,013,013</u>
	<u>32,924,958</u>	<u>31,168,823</u>

16. STATEMENT OF CASH FLOWS

Reconciliation of operating surplus to cash generated by operations

	2023 €	2022 €
Operating (deficit) surplus	(1,368,307)	96,906
<i>Adjustment for:</i>		
Depreciation	502,408	462,623
Amortisation	218,989	219,274
Loss on disposal of intangible fixed assets	-	17,101
Pension Adjustment	1,589,700	-
Pension contributions	(56,300)	(984,300)
Retirement benefits service charge	-	43,000
	<u>886,490</u>	<u>(145,396)</u>
Operating cash flows before movement in working capital		
Increase in debtors	1,283,253	(2,938,610)
Increase in creditors	<u>(542,948)</u>	<u>10,102,543</u>
Cash generated/(used in) from operating activities	1,626,795	7,018,537
Income taxes paid	<u>(218,249)</u>	<u>(22,519)</u>
Net cash inflow/(outflow) from operating activities	<u>1,408,546</u>	<u>6,996,018</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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 2023 total royalties paid by the organisation to the directors of the company and to parties related to the directors of the company amounted to €3,426,183 (2022: €2,377,857). 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 €983,190 - 6 individuals (2022: - €811,203 - 5 individuals), which is included within the remuneration disclosed in note 5 of €4,015,468 (2022: €3,506,627).

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 2023, the company had 20,211 members (2022: 17,815) 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.



imro

Irish Music Rights Organisation CLG

Copyright House
Pembroke Row
Lower Baggot Street
Dublin 2
Ireland

info@imro.ie

www.imro.ie