

**Music Network Company Limited by Guarantee
Annual Report and Audited Financial Statements
for the financial year ended 31 December 2019**

**Company Number: 161254
Charity Number: CHY8353**

Music Network Company Limited by Guarantee
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Music Network Company Limited by Guarantee
REFERENCE AND ADMINISTRATIVE INFORMATION

| | |
|--|--|
| Directors | Peter Browne Cliona Doris (Resigned 4 July 2019) John McGrane Jennifer Sherwin Neil Martin Shirley Kavanagh Anna Lardi Fogarty Carl Corcoran (Appointed 13 November 2019) Cathal Cusack (Appointed 15 November 2019) |
| Chairperson | Peter Finnegan |
| Company Secretary | Edel Bell (Resigned 4 July 2019) Jennifer Sherwin (Appointed 4 July 2019) |
| Charity Number | CHY8353 |
| Company Number | 161254 |
| Registered Office and Principal Address | National Concert Hall Building Earlsfort Terrace Dublin 2 |
| Auditors | KSI Faulkner Orr Chartered Accountants and Statutory Auditors Behan House 10 Lower Mount Street Dublin 2 Ireland |
| Bankers | Allied Irish Bank plc 1 Lower Baggot Street Dublin 2 |
| Solicitors | Thomas Barry & Co 11 St. Stephens Green Dublin 2 Ireland |

Music Network Company Limited by Guarantee DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2019

The directors present their Directors' Annual Report, combining the Directors' Report and Trustees' Report, and the audited financial statements for the financial year ended 31 December 2019.

Structure, Governance and Management

The company is a charity (registered number CHY8353) and hence the report and results are presented in a form which complies both with the requirements of the Companies Act 2014 and also the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015) - (Charities SORP FRS102).

Legal Status

Music Network CLG is a company registered in Dublin, Ireland (Registration Number 161254) which was incorporated on 3 July 1990. The company is governed by a Constitution. The objects of the company are charitable in nature and it has established charitable status. The company took over the assets and liabilities of Music Network, an unincorporated body, with effect from 1 January 1991. The company assumed the accumulative deficit of €15,318 of Music Network.

Directors and Secretary

The directors who served throughout the financial year, except as noted, were as follows:

Peter Finnegan (Chairperson)
Peter Browne
Cliona Doris (Resigned 4 July 2019)
John McGrane
Jennifer Sherwin
Nell Martin
Shirley Kavanagh
Anna Lardi Fogarty
Carl Corcoran (Appointed 13 November 2019)
Cathal Cusack (Appointed 15 November 2019)

In accordance with the company's Articles of Association, John McGrane, Shirley Kavanagh and Anna Lardi Fogarty retired by rotation and, being eligible, offered themselves for re-election.

Secretary: Edel Bell, Jennifer Sherwin

Edel Bell resigned as Company Secretary on 4 July 2019 and Jennifer Sherwin was appointed as Company Secretary on the same date.

Members of the charitable company guarantee to contribute an amount not exceeding €1 to the assets of the charitable company in the event of winding up. The total number of such guarantors at 31 December 2019 was nine.

Organisation:

A chief executive and support staff are employed by Music Network CLG to carry out the day-to-day management of the company.

Mission Statement, strategic priorities and key objectives

Music Network's mission is to make high-quality live music available and accessible to people throughout Ireland, regardless of their location or circumstance, and to support the career development of musicians.

Music Network's Strategic Policy identifies three key priorities: Musician, Audience and Partnership Development.

Under Musician Development, objectives include:

- Provision of professional performance opportunities (in Ireland and internationally) and associated outreach/audience development initiatives
- Promotion of the work of contemporary Irish composers
- Provision of supports for emerging musicians
- Creation of curatorial opportunities for musicians
- Provision of direct funding supports to musicians

Music Network Company Limited by Guarantee
DIRECTORS' ANNUAL REPORT
for the financial year ended 31 December 2019

Audience Development objectives include:

- Placing greater emphasis on audience-focused programming
- Maximising access to high quality touring product for audiences
- Identifying new ways for audiences to engage with live music
- Developing new audiences for live music
- Broadening public engagement with live music through use of new performance settings
- Advocating the value of live music in society.

Partnership Development objectives include:

- Engaging with the Arts Council and other music touring groups/organisations, to generate ideas that further develop infrastructure for music touring in Ireland
- Deepening engagement with key promoters, working together to raise standards of concert promotion and foster greater audience focus, leading to increased audiences
- Working with and through our subsidiary Music Generation and local Music Education Partnerships towards full implementation of the National Music Education Programme and an integrated strategy for local music development
- Strengthening existing strategic partnerships and initiating new partnerships, in pursuit of our goals.

Review of Activities, Achievements and Performance

In the year ended 31st December 2019, Music Network CLG implemented the following programme of activities:

- **National Touring Programme:** Music Network's flagship performance programme offering nine major national tours by leading international and Irish traditional, jazz/improvised, roots, baroque, contemporary and classical ensembles to a broad network of partner promoters at subsidised rates.
- **Programming for Child and Family Audiences:** continuation of Music Network's strategic partnership with The Ark, to create, produce and tour high quality original, child-centred music performances for children and families.
- **Dublin Concert Series:** presentation of 9 concerts in a range of Dublin city centre venues, featuring musicians and ensembles performing in genres including traditional, jazz/improvised, roots, baroque, contemporary and classical music, and providing exposure to a broad audience.
- **Music Network Artist Residency:** completion of the 2018/19 residency in partnership with Mermaid Arts Centre and Wicklow County Council, featuring baroque guitarist Eamon Sweeney as resident artist and curator of the 6-concert series and associated Learning and Participation Programme.
- **Dún Laoghaire-Rathdown County Council Arts Office Musicians-in-Residence Programme:** continued management of this programme on behalf of the County Arts Office. 3 residencies were completed - by pianist Izumi Kimura, percussionist Éamonn Cagney and saxophonist Lara Gallagher.
- **Support for emerging musicians and new ensembles:** provision of a range of performance opportunities for Irish musicians, including emerging, via Wood Quay Summer Sessions, performances at dlr Lexicon studio and a Galway Jazz Festival partnership.
- **Commissioning of new works by Irish composers:** commissioning of new works by Jane O'Leary, Kevin Volans, Josephine Marsh, Alex Petcu and Brian Bolger for Music Network's National Touring Programme.
- **Promotion of contemporary Irish works, including presentation of 'Composer Insight' talks by featured composers:** presentation of contemporary Irish works within 100% of classical tour programmes performed in the period, and in a new development, expansion of Music Network's commissioning policy to incorporate traditional music tours; 3 composers were showcased under Music Network's Composer Insight Series.
- **International concerts, opportunities and networking:** continuation of Music Network's partnership with Le Centre Culturel Irlandais, Paris on the provision of an annual Music Residency Bursary, initiation of a new partnership with Irish Music and Dance London under an expansion of Music Network's touring network, and continuation of other networking activities in the period.
- **Music Education:** this is operated through a subsidiary of Music Network CLG called Music Generation DAC. See below for more details on the subsidiary and its operations.
- **Learning and Participation Programme:** presentation of 41 participatory events in partnership with a range of partner promoters, Music Education Partnerships, third level music institutions and other music and community groups involving Irish and international artists engaged on Music Network tours and concerts.

Music Network Company Limited by Guarantee DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2019

- **Promoter and Audience Development:** continued publication and distribution of a Promoter E-Bulletin to provide regular access to programming and other relevant information for partner promoters, and provision of ongoing supportive contact (via site visits/concert attendance, email and telephone) with Partner Promoters throughout the period, in relation to concert activity; new pilot initiative commenced with the charity Alone providing access to Music Network's concerts for its members.
- **Information, Training and Advice Services:** continued provision of music information services including a range of tailored e-newsletters/e-bulletins for different audiences and the maintenance and development of Music

Network's website and social media platforms, expansion of training programmes for musicians covering a range of self-promotion and self-management skills; provision of ongoing support and advice to musicians engaged across Music Network's programmes.

- **Music Capital Scheme:** management of the 2019 scheme with funding of €266,850 granted by the Department of Culture, Heritage and the Gaeltacht. The scheme provided financial support in two discrete awards:
 - **Award 1: Instrument Banks:** funding of €163,400 awarded for the purchase of instruments for non-professional groups including choral, classical, early/baroque, Irish traditional, marching/concert bands, samba, pop, contemporary, multi-genre and other non-professional ensembles.
 - **Award 2: Individual Instruments:** funding of €82,040 awarded for the purchase of high-quality musical instruments for highly skilled individual performers playing at a professional level.
- **National Musical Instrument Resource:** progression of Music Network's aim to establish a National Musical Instrument Resource, designed to complement, and enhance the impact of, the Music Capital Scheme and ensure that no musician at any level is prevented from fulfilling genuine musical potential for lack of an appropriate instrument. Work in 2019 focused on laying the groundwork for development of an online hub funded under Creative Ireland's National Creativity Fund - a one-stop-shop for all matters music capital-related in Ireland, and on continued management of the O'Neill Cello.
- **Music Generation DAC:** initiated by Music Network, Music Generation is co-funded by U2, The Ireland Funds, the Department of Education and Skills, The Arts Council and local Music Education Partnerships. As a result of almost ten years of ongoing research and advocacy by Music Network and The Arts Council, in July 2009 U2 and The Ireland Funds donated €7 million to Music Network for the roll-out of the instrumental/vocal tuition strand of the music education model published in its 2003 feasibility study report, "A National System of Local Music Education Services" and subsequently piloted in Dublin and Donegal. Music Network then moved to establish a subsidiary company, Music Generation DAC (operational since June 2010) charged with responsibility for the efficient management of the fund. 21 local/regional Music Education Partnerships were in operation in 2019, in Carlow, Clare, Cork City, Laois, Limerick City, Louth, Mayo, Offaly/Westmeath, Sligo, South Dublin, Wicklow, Donegal, Cavan/Monaghan, Dún Laoghaire-Rathdown, Galway City, Galway County, Kilkenny, Leitrim, Roscommon, Waterford and Wexford.

Music Network continued to exercise a governance role in relation to management of Music Generation, and to assist in building support among government departments and other agencies to secure continued investment in Music Generation in working towards its goal of full national roll out by 2022.

Financial Review

The results for the financial year are set out on page 11-13 and additional notes are provided showing income and expenditure in greater detail.

Financial Results

At the end of the financial year the company has assets of €255,730 (2018 - €190,508) and liabilities of €213,908 (2018 - €147,394). The net assets of the company have decreased by €(1,292).

Principal Risks and Uncertainties

The directors are aware of the risks to which the company is exposed, in particular those related to the operations and finances of the organisation and are satisfied that appropriate systems are in place to manage exposure to risk.

Throughout 2020 Music Network will continue to provide a range of services and programmes to deliver on its mission through three priority areas: audience development, musician development and partnership development. The organisation will also prepare a new strategic plan for the period 2021-25.

Music Network Company Limited by Guarantee
DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2019

Compliance with Sector-Wide Legislation and Standards

The company engages pro-actively with legislation, standards and codes which are developed for the sector. Music Network Company Limited by Guarantee subscribes to and is compliant with the following:

- The Companies Act 2014
- The Charities SORP (FRS 102)

Reserves Policy

The directors assess on an ongoing basis the financial requirements of the company to ensure that it has sufficient funds to operate. The company has budgetary controls in place to ensure that its resources are not depleted unnecessarily.

Post-Balance Sheet Events

Post-balance sheet events and their implications for the company are discussed in Note 15 to the financial statements.

Investment Powers and Policy

In accordance with the Constitution the company has the power to invest in any way the trustees wish.

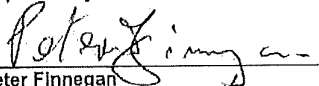
Auditors

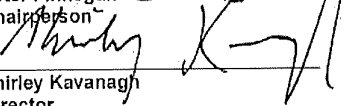
JPAS Limited resigned as auditors during the financial year. The directors appointed KSI Faulkner Orr to fill the vacancy and they have expressed their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

Accounting Records

To ensure that adequate accounting records are kept in accordance with Sections 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at the National Concert Hall Building, Earlsfort Terrace, Dublin 2.

Approved by the Board of Directors on 28th May '20 and signed on its behalf by:


Peter Finnegan
Chairperson


Shirley Kavanagh
Director

Music Network Company Limited by Guarantee DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2019

The directors are responsible for preparing the financial statements in accordance with applicable Irish law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council.

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 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. 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 net income or expenditure of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the relevant financial reporting framework, 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 operation.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

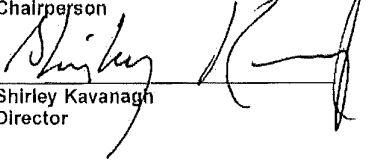
The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and net income or expenditure of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and the Directors' Annual Report comply with 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing the auditor's report) of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board of Directors on 28th May 2020 and signed on its behalf by:


Peter Finnegan
Chairperson


Shirley Kavanagh
Director

INDEPENDENT AUDITOR'S REPORT

to the Members of Music Network Company Limited by Guarantee

Report on the audit of the financial statements

Opinion

We have audited the company financial statements of Music Network Company Limited by Guarantee for the financial year ended 31 December 2019 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

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 2019 and of its net incoming resources for the financial year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", as applied in accordance with the provisions of the Companies Act 2014 and having regard to the Charities SORP; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our 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.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- in our opinion, the Directors' Annual Report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

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 any material misstatements in the Directors' Annual Report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

to the Members of Music Network Company Limited by Guarantee

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 8 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 management either intends to liquidate the company or to cease operations, or has 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further information regarding the scope of our responsibilities as auditor

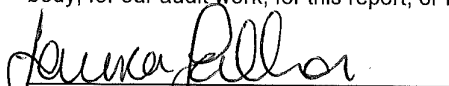
As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 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 our Auditor's Report. However, future events or conditions may cause the company 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 we identify during our audit.

The purpose of our audit work and to whom we owe our responsibilities

Our 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 any 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.



Laura Fallon

KSI FAULKNER ORR LIMITED

Chartered Accountants and Statutory Auditors

Behan House

10 Lower Mount Street

Dublin 2

Ireland

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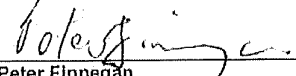
Music Network Company Limited by Guarantee
STATEMENT OF FINANCIAL ACTIVITIES

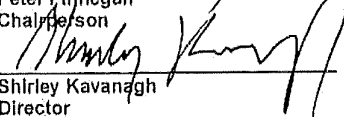
(Incorporating an Income and Expenditure Account)
 for the financial year ended 31 December 2019

| | Notes | Unrestricted Funds 2019 € | Restricted Funds 2019 € | Total 2019 € | Unrestricted Funds 2018 € | Restricted Funds 2018 € | Total 2018 € |
|---|-------|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Incoming Resources | | | | | | | |
| Charitable activities: | | | | | | | |
| Grants from governments and other co-funders | 3.1 | 678,208 | 242,000 | 920,208 | 725,994 | 235,724 | 961,718 |
| Activities for generating funds | 3.2 | 125,129 | 35,445 | 160,574 | 117,755 | 23,000 | 140,755 |
| Other income | 3.3 | 101 | - | 101 | 110 | - | 110 |
| Total incoming resources | | 803,438 | 277,445 | 1,080,883 | 843,859 | 258,724 | 1,102,583 |
| Resources Expended | | | | | | | |
| Raising funds | 4.1 | 96,946 | - | 96,946 | 114,664 | - | 114,664 |
| Charitable activities | 4.2 | 728,224 | 257,005 | 985,229 | 726,690 | 258,724 | 985,414 |
| Total Resources Expended | | 825,170 | 257,005 | 1,082,175 | 841,354 | 258,724 | 1,100,078 |
| Net incoming/outgoing resources before transfers | | (21,732) | 20,440 | (1,292) | 2,505 | - | 2,505 |
| Gross transfers between funds | | - | - | - | - | - | - |
| Net movement in funds for the financial year | | (21,732) | 20,440 | (1,292) | 2,505 | - | 2,505 |
| Reconciliation of funds | | | | | | | |
| Balances brought forward at 1 January 2019 | 13 | 11,315 | 31,799 | 43,114 | 8,810 | 31,799 | 40,609 |
| Balances carried forward at 31 December 2019 | | (10,417) | 52,239 | 41,822 | 11,315 | 31,799 | 43,114 |

The Statement of Financial Activities includes all gains and losses recognised in the financial year.
 All income and expenditure relate to continuing activities.

Approved by the Board of Directors on 20th May 20 and signed on its behalf by:


 Peter Finnegan
 Chairperson


 Shirley Kavanagh
 Director


Music Network Company Limited by Guarantee

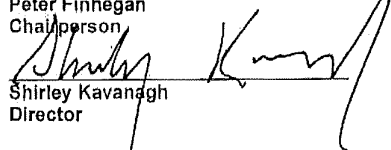
BALANCE SHEET

as at 31 December 2019

| | Notes | 2019 € | 2018 € |
|---|-------|------------------|------------------|
| Fixed Assets | | | |
| Tangible assets | 6 | 36,324 | 32,694 |
| Investments | 7 | 2 | 2 |
| | | <u>36,326</u> | <u>32,696</u> |
| Current Assets | | | |
| Debtors | 8 | 34,791 | 24,683 |
| Cash at bank and in hand | | 184,613 | 133,129 |
| | | <u>219,404</u> | <u>157,812</u> |
| Creditors: Amounts falling due within one year | 9 | <u>(213,908)</u> | <u>(147,394)</u> |
| Net Current Assets | | <u>5,496</u> | <u>10,418</u> |
| Total Assets less Current Liabilities | | <u>41,822</u> | <u>43,114</u> |
| Funds | | | |
| Restricted trust funds | | 52,239 | 31,799 |
| General fund (unrestricted) | | (10,417) | 11,315 |
| Total funds | 13 | <u>41,822</u> | <u>43,114</u> |

Approved by the Board of Directors on 26th May 2020 and signed on its behalf by:


 Peter Finnegan
 Chairperson


 Shirley Kavanagh
 Director

Music Network Company Limited by Guarantee
CASH FLOW STATEMENT
for the financial year ended 31 December 2019

| | Notes | 2019 € | 2018 € |
|---|-------|----------------|----------------|
| Net cash inflow from operating activities | 16 | 46,842 | 51,807 |
| Capital expenditure | 16 | (5,222) | - |
| | | <u>41,620</u> | <u>51,807</u> |
| Financing | 16 | 6,876 | (7,919) |
| Movement in cash in the financial year | | <u>48,496</u> | <u>43,888</u> |
| Reconciliation of net cash flow to movement in net funds | | | |
| Movement in cash in the financial year | | 48,496 | 43,888 |
| Cash inflow from increase in debts and lease financing | | (6,876) | 7,919 |
| | | <u>41,620</u> | <u>51,807</u> |
| Change in net funds resulting from cash flows | | 139,179 | 87,372 |
| Net funds at 1 January 2019 | | <u>139,179</u> | <u>87,372</u> |
| Net funds at 31 December 2019 | | <u>180,799</u> | <u>139,179</u> |

Music Network Company Limited by Guarantee NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

1. GENERAL INFORMATION

Music Network Company Limited by Guarantee is a company limited by guarantee incorporated in the Republic of Ireland. The registered office of the company is the National Concert Hall Building, Earlsfort Terrace, Dublin 2 which is also the principal place of business of the company. The financial statements have been presented in Euro (€) which is also the functional currency of the company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)".

The company has applied the Charities SORP on a voluntary basis as its application is not a requirement of the current regulations for charities registered in the Republic of Ireland. As permitted by the Companies Act 2014, the company has varied the standard formats in that act for the Statement of Financial Activities and the Balance Sheet. Departures from the standard formats, as outlined in the Companies Act 2014, are to comply with the requirements of the Charities SORP and are in compliance with section 4.7, 10.6 and 15.2 of that SORP.

Going Concern

The financial statements of Music Network Company Limited by Guarantee have been prepared on a going concern basis and the Directors have satisfied themselves that there are adequate resources to continue in operational existence for the foreseeable future. The directors have considered any potential impacts of COVID-19 on the company and have had discussions with funders in relation to this. The directors are satisfied that the current going concern assessment remains appropriate as an assessment has been made on the strength of the organisation and steps to maintain services in a prudent manner have been implemented. The longer term forecast for Music Network Company Limited by Guarantee gives the Directors comfort that this entity is able to continue on a going concern basis.

Fund accounting

The following are the categories of funds maintained:

Restricted funds

Restricted funds represent income received which can only be used for particular purposes, as specified by the donors. Such purposes are within the overall objectives of the company.

Unrestricted funds

Unrestricted funds consist of General and Designated funds.

- General funds represent amounts which are expendable at the discretion of the board, in furtherance of the objectives of the company.
- Designated funds comprise unrestricted funds that the board has, at its discretion, set aside for particular purposes. These designations have an administrative purpose only, and do not legally restrict the board's discretion to apply the fund.

Incoming Resources

Income is recognised by inclusion in the Statement of Financial Activities only when the company is legally entitled to the income, performance conditions attached to the item(s) of income have been met, the amounts involved can be measured with sufficient reliability and it is probable that the income will be received by the company.

Income from charitable activities

Income from charitable activities include income earned from the supply of services under contractual arrangements and from performance related grants which have conditions that specify the provision of particular services to be provided by the company. Income from government and other co-funders is recognised when the company is legally entitled to the income because it is fulfilling the conditions contained in the related funding agreements. Where a grant is received in advance, its recognition is deferred and included in creditors. Where entitlement occurs before income is received, it is accrued in debtors.

Music Network Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
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Grants from governments and other co-funders typically include one of the following types of conditions:

- Performance based conditions: whereby the company is contractually entitled to funding only to the extent that the core objectives of the grant agreement are achieved. Where the company is meeting the core objectives of a grant agreement, it recognises the related expenditure, to the extent that it is reimbursable by the donor, as income.
- Time based conditions: whereby the company is contractually entitled to funding on the condition that it is utilised in a particular period. In these cases, the company recognises the income to the extent it is utilised within the period specified in the agreement.

In the absence of such conditions, assuming that receipt is probable and the amount can be reliably measured, grant income is recognised once the company is notified of entitlement.

Grants received towards capital expenditure are credited to the Statement of Financial Activities when received or receivable, whichever is earlier.

Resources Expended

Expenditure is analysed between costs of charitable activities and raising funds. The costs of each activity are separately accumulated and disclosed, and analysed according to their major components. Expenditure is recognised when a legal or constructive obligation exists as a result of a past event, a transfer of economic benefits is required in settlement and the amount of the obligation can be reliably measured. Support costs are those functions that assist the work of the company but cannot be attributed to one activity. Such costs are allocated to activities in proportion to staff time spent or other suitable measure for each activity.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs are analysed between cost of raising funds and expenditure on charitable activities. Where costs cannot be directly attributed, they are allocated in proportion to the benefits received. Salaries and associated costs which can be attributed to specific projects are charged accordingly.

Financial Instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical Accounting Judgements and Estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Establishing useful economic lives for depreciation purposes of property, plant and equipment
Long lived assets, consisting primarily of fixtures, fittings and equipment, comprise a significant portion of total assets. The annual depreciation charge depends primarily on the estimated useful economic lives of each type of asset and estimates of residual value. The directors regularly review these asset useful economic lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset useful lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful economic lives is included in the accounting policies.

Pensions

Retirement benefits are met by payments to a defined contribution pension fund. Contributions payable to the pension scheme are charged to the statement of financial activities as they fall due. The assets are held separately from those of the company in an independently administered fund. Differences between the amount charged in the statement of financial activity and payments made to the pension fund are treated as assets or liabilities.

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NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2019

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

| | | |
|----------------------------------|---|-----------------------------|
| Heritage assets** | - | Not depreciated or revalued |
| Computer Equipment | - | 33% Straight line |
| Fixtures, fittings and equipment | - | 20% Straight line |
| Motor vehicles | - | 20% Straight line |
| Audio Visual Equipment | - | 33% Straight line |
| Office Equipment | - | 20% Straight line |

Heritage Assets

All additions are capitalised and recognised in the Balance Sheet under Heritage assets. The assets are classified by whether they are bought by or donated to the company. The cost or value of the acquisition is used where such a cost of valuation is reasonably obtainable.

Such assets are not revalued or depreciated. The carrying value of Heritage assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying amount may not be recoverable.

Leasing

Rentals payable under operating leases are dealt with in the income and expenditure account as incurred over the period of the rental agreement.

Investments in subsidiary

Investment in the subsidiary undertaking is accounted for at cost less provision for impairment in value.

Debtors

Debtors are recognised at the settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Income recognised by the company from government agencies and other co-funders, but not yet received at financial year end, is included in debtors

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand comprises cash on deposit at banks requiring less than three months notice of withdrawal.

Taxation

The company is a registered charity and is therefore exempt from Corporation Tax, Income Tax and Capital Gains Tax.

| | | | | | |
|------------|------------------------------|---------------------------|-------------------------|----------------|----------------|
| 3. | INCOME | | | | |
| 3.1 | CHARITABLE ACTIVITIES | Unrestricted Funds | Restricted Funds | 2019 | 2018 |
| | | € | € | € | € |
| | Arts Council Core Grant | 510,016 | - | 510,016 | 549,725 |
| | Other Grant Aids | 23,449 | 242,000 | 265,449 | 248,229 |
| | Donation in kind | 139,693 | - | 139,693 | 159,444 |
| | Friends scheme | 5,050 | - | 5,050 | 4,320 |
| | | 678,208 | 242,000 | 920,208 | 961,718 |

During the year Music Network Company Limited by Guarantee received €568,000 from The Arts Council for Strategic Funding for 2019. At 31 December 2019, €57,984 of this grant was deferred to 2020 in line with the performance-based conditions of the grant

Music Network Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2019

Music Network was awarded €30,833 by the Department of Culture, Heritage and the Gaeltacht under the "Creative Ireland Programme Scheme 2018/2019", for the purpose of development of a National Musical Instrument Resource. The total drawdown by Music Network in 2019 was €16,845.

| 3.2 OTHER TRADING ACTIVITIES | Unrestricted Funds € | Restricted Funds € | 2019 € | 2018 € |
|------------------------------|----------------------------|--------------------------|----------------|----------------|
| Promoter & Box Office fees | 125,129 | 35,445 | 160,574 | 140,755 |
| | <u>125,129</u> | <u>35,445</u> | <u>160,574</u> | <u>140,755</u> |
| 3.3 OTHER INCOME | Unrestricted Funds € | Restricted Funds € | 2019 € | 2018 € |
| Other income | 101 | - | 101 | 110 |
| | <u>101</u> | <u>-</u> | <u>101</u> | <u>110</u> |
| 4. EXPENDITURE | | | 2019 | 2018 |
| 4.1 RAISING FUNDS | | | € | € |
| Donation in Kind | | | 62,413 | 82,164 |
| Advertising and Promotion | | | 34,533 | 32,500 |
| | | | <u>96,946</u> | <u>114,664</u> |
| 4.2 CHARITABLE ACTIVITIES | | | 2019 | 2018 |
| | | | € | € |
| Musician Fees and Expenses | | | 461,213 | 453,798 |
| Support Costs (Note 4.3) | | | 359,689 | 363,163 |
| Donation in Kind | | | 77,280 | 77,280 |
| Governance Costs (Note 4.3) | | | 87,047 | 91,173 |
| | | | <u>985,229</u> | <u>985,414</u> |

4.3 Analysis of Governance and Support Costs

The company initially identifies costs of its support functions. It then identifies those costs which relate to the governance function. Having identified the governance costs, the remaining support costs together with governance costs are apportioned between the key charitable activities undertaken in the period. Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

| | Support Costs € | Governance Costs € | Total Costs € | Basis of Apportionment |
|------------------------|-----------------------|--------------------------|---------------------|------------------------|
| General Office | 107,874 | 16,119 | 123,993 | Usage |
| Finance Costs | 685 | 228 | 914 | Usage |
| Payroll Expenses | 251,130 | 62,783 | 313,913 | Usage |
| Legal and Professional | - | 2,362 | 2,362 | Governance |
| Audit and Accounts fee | - | 5,555 | 5,555 | Governance |
| | <u>359,689</u> | <u>87,074</u> | <u>446,735</u> | |

Music Network Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
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5. EMPLOYEES AND REMUNERATION

Number of employees

The average number of persons employed (including executive directors) during the financial year was as follows:

| | 2019 Number | 2018 Number |
|---------------------------|----------------|----------------|
| Management | 1 | 1 |
| Administration | 7 | 7 |
| | <u>8</u> | <u>8</u> |
| The staff costs comprise: | | |
| | 2019 € | 2018 € |
| Wages and salaries | 296,756 | 290,856 |
| Pension costs | 12,520 | 12,685 |
| | <u>309,276</u> | <u>303,541</u> |

One employee received remuneration within the band of €70,000-€80,000.

None of the directors received emoluments or payments for professional or other services during the period.

Music Network Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

6. TANGIBLE FIXED ASSETS

| | Heritage assets** | Computer Equipment | Fixtures, fittings and equipment | Motor vehicles | Audio Visual Equipment | Total |
|-------------------------------|-------------------|--------------------|----------------------------------|----------------|------------------------|---------|
| | € | € | € | € | € | € |
| Cost | | | | | | |
| At 1 January 2019 | 31,799 | 10,258 | 14,923 | 38,050 | 21,264 | 116,294 |
| Additions | - | 1,828 | 3,394 | - | - | 5,222 |
| At 31 December 2019 | 31,799 | 12,086 | 18,317 | 38,050 | 21,264 | 121,516 |
| Depreciation | | | | | | |
| At 1 January 2019 | - | 9,363 | 14,923 | 38,050 | 21,264 | 83,600 |
| Charge for the financial year | - | 908 | 684 | - | - | 1,592 |
| At 31 December 2019 | - | 10,271 | 15,607 | 38,050 | 21,264 | 85,192 |
| Net book value | | | | | | |
| At 31 December 2019 | 31,799 | 1,815 | 2,710 | - | - | 36,324 |
| At 31 December 2018 | 31,799 | 895 | - | - | - | 32,694 |

**Heritage assets are valued as they are added to the National Musical Instrument Resource. During the period ended 31 December 2016 the company purchased a cello, how and case. These are the first additions to the company National Musical Instrument Resource. A donation was received to purchase these assets, amounting to €31,799.

Music Network Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2019

6.1 TANGIBLE FIXED ASSETS PRIOR FINANCIAL YEAR

| | Heritage assets** | Computer Equipment | Fixtures, fittings and equipment | Motor vehicles | Audio Visual Equipment | Total |
|-------------------------------|-------------------|--------------------|----------------------------------|----------------|------------------------|---------------|
| | € | € | € | € | € | € |
| Cost | | | | | | |
| At 31 December 2018 | 31,799 | 10,258 | 14,923 | 38,050 | 21,264 | 116,294 |
| Depreciation | | | | | | |
| At 1 January 2018 | - | 8,321 | 14,923 | 38,050 | 21,264 | 82,558 |
| Charge for the financial year | - | 1,042 | - | - | - | 1,042 |
| At 31 December 2018 | - | 9,363 | 14,923 | 38,050 | 21,264 | 83,600 |
| Net book value | | | | | | |
| At 31 December 2018 | 31,799 | 895 | - | - | - | 32,694 |
| At 31 December 2017 | 31,799 | 1,937 | - | - | - | 33,736 |

Music Network Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

7. INVESTMENTS

| | Group and participating undertakings € |
|---|---|
| Investments in Subsidiary Cost | |
| At 31 December 2019 | 2 |
| Net book value | |
| At 31 December 2019 | <u>2</u> |
| At 31 December 2018 | <u>2</u> |

| 8. DEBTORS | 2019 € | 2018 € |
|--------------------------------|---------------|---------------|
| Trade debtors | 10,737 | 12,607 |
| Amounts owed by group entities | 1,043 | 7,919 |
| Prepayments and accrued income | 23,011 | 4,157 |
| | <u>34,791</u> | <u>24,683</u> |

| 9. CREDITORS | 2019 € | 2018 € |
|--|----------------|----------------|
| Amounts falling due within one year | | |
| Trade debtors | 4,857 | 1,869 |
| Trade creditors | 26,253 | 10,771 |
| Taxation and social security costs (Note 10) | 12,573 | 13,342 |
| Pension accrual | 2,099 | 1,709 |
| Accruals | 93,322 | 90,613 |
| Deferred Income (Note 18) | 74,804 | 29,090 |
| | <u>213,908</u> | <u>147,394</u> |

| 10. TAXATION AND SOCIAL SECURITY | 2019 € | 2018 € |
|---|---------------|---------------|
| Creditors: | | |
| VAT | 3,036 | 6,831 |
| PAYE / PRSI | 9,537 | 6,511 |
| | <u>12,573</u> | <u>13,342</u> |

11. PENSION COSTS - DEFINED CONTRIBUTION

The charity operates an externally funded defined contribution scheme that covers all the employees of the charity. The assets of the scheme are vested in independent trustees for the sole benefit of the employees. Pension costs amounted to €12,520 (2018 - €12,685).

12. RESERVES

| | 2019 € | 2018 € |
|--|---------------|---------------|
| At 1 January 2019 | 43,114 | 40,609 |
| (Deficit)/Surplus for the financial year | (1,292) | 2,505 |
| At 31 December 2019 | <u>41,822</u> | <u>43,114</u> |

Music Network Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2019

13. FUNDS

13.1 RECONCILIATION OF MOVEMENT IN FUNDS

| | Unrestricted Funds € | Restricted Funds € | Total Funds € |
|------------------------------------|----------------------------|--------------------------|---------------------|
| At 1 January 2018 | 8,810 | 31,799 | 40,609 |
| Movement during the financial year | 2,505 | - | 2,505 |
| At 31 December 2018 | 11,315 | 31,799 | 43,114 |
| Movement during the financial year | (21,732) | 20,440 | (1,292) |
| At 31 December 2019 | <u>(10,417)</u> | <u>52,239</u> | <u>41,822</u> |

13.2 ANALYSIS OF MOVEMENTS ON FUNDS

| | Balance 1 January 2019 € | Income € | Expenditure € | Transfers between funds € | Balance 31 December 2019 € |
|----------------------------|-----------------------------------|------------------|------------------|------------------------------------|-------------------------------------|
| Restricted income | | | | | |
| Restricted | 31,799 | 277,445 | 257,005 | - | 52,239 |
| Unrestricted income | | | | | |
| Unrestricted General | 11,315 | 803,438 | 825,170 | - | (10,417) |
| Total funds | <u>43,114</u> | <u>1,080,883</u> | <u>1,082,175</u> | <u>-</u> | <u>41,822</u> |

14. STATUS

The company is limited by guarantee not having a share capital.

The liability of the members is limited.

Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while they are members, or within one financial year thereafter, for the payment of the debts and liabilities of the company contracted before they ceased to be members, and the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required, not exceeding € 1.

15. POST-BALANCE SHEET EVENTS

The Coronavirus 2019 (COVID-19) disease was recognised as a pandemic by the World Health Organisation on 11 March 2020. Music Network Company Limited by Guarantee recognises this is a significant risk that the company is exposed to. The Board of Directors and staff have taken a number of actions focused on assuring continuity for its performers, staff, partners and other key stakeholders. The company continues to identify, assess and plan for a wide range of potential financial and operational outcomes as matters develop. Arising from these analyses, the company is taking steps to sustain its services and to protect its activities.

Within government restrictions and advice, Music Network Company Limited by Guarantee continues to provide services to support its staff and performers during this time and continues to operate remotely and online. The Directors consider that there is no impact on the company's ability to continue as a going concern at this time.

Music Network Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS

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for the financial year ended 31 December 2019

16. CASH FLOW STATEMENT

16.1 RECONCILIATION OF OPERATING NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2019 | 2018 |
|--|----------------------|----------------------|
| | € | € |
| Net movement in funds | (5,376) | 2,505 |
| Depreciation | 1,592 | 1,042 |
| Movement in debtors | (16,984) | 6,600 |
| Movement in creditors | 67,610 | 41,660 |
| | <u>46,842</u> | <u>51,807</u> |
| Net cash inflow from operating activities | <u><u>46,842</u></u> | <u><u>51,807</u></u> |

16.2 CASH FLOW STATEMENT

| | 2019 | 2018 |
|--|----------------|----------------|
| | € | € |
| CAPITAL EXPENDITURE | | |
| Payments to acquire tangible assets | <u>(5,222)</u> | <u>-</u> |
| FINANCING | | |
| Advances to subsidiaries/group companies | <u>6,876</u> | <u>(7,919)</u> |

17. RELATED PARTY TRANSACTIONS

The company has identified the following transactions which are required to be disclosed under the terms of "Related Party Disclosures".

Music Generation DAC

Music Generation DAC is a 100% subsidiary of Music Network CLG. The balance due to Music Network CLG at 31 December 2019 was €1,043 (at 31 December 2018 €7,919).

| | 2019 | 2018 |
|--|---------------|---------------|
| | € | € |
| 18. Deferred Income | | |
| At 1 January 2019 | 29,090 | 37,065 |
| Arts Council increase/(decrease) in period | 57,984 | (11,725) |
| Other Grant increase/(decrease) in period | (12,270) | 3,750 |
| | <u>74,804</u> | <u>29,090</u> |

Deferred income is comprised of grant income received but where the performance conditions attached to these grants were not met at 31 December 2019.

19. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on

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