

**Music Network Company Limited by Guarantee  
Annual Report and Audited Financial Statements  
for the financial year ended 31 December 2020**

**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**

<b>Directors</b>	Orla Moloney (Appointed 2 October 2020) Peter Browne (Resigned 31 December 2020) John McGrane (Resigned 31 December 2020) Jennifer Sherwin Neil Martin Shirley Kavanagh Anna Lardi Fogarty Carl Corcoran Cathal Cusack
<b>Chairperson</b>	Peter Finnegan (Resigned 31 December 2020) Patricia Moylan (Assigned 1 January 2021)
<b>Company Secretary</b>	Jennifer Sherwin
<b>Charity Number</b>	CHY8353
<b>Company Number</b>	161254
<b>Registered Office and Principal Address</b>	National Concert Hall Building Earlsfort Terrace Dublin 2
<b>Auditors</b>	KSI Faulkner Orr Limited Chartered Accountants and Statutory Auditors Behan House 10 Lower Mount Street Dublin 2 Ireland
<b>Bankers</b>	AIB 1 Lower Baggot Street, Dublin 2
<b>Solicitors</b>	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 2020

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 2020.

The financial statements are prepared in accordance with the Companies Act 2014, 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Directors' Report contains the information required to be provided in the Directors' Annual Report under the Statement of Recommended Practice (SORP) guidelines. The directors of the company are also charity trustees for the purpose of charity law and under the company's constitution are known as members of the board of trustees.

In this report the directors of Music Network Company Limited by Guarantee present a summary of its purpose, governance, activities, achievements and finances for the financial year 2020.

## Mission, Objectives and Strategy

### Mission Statement

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

Audience Development objectives include:

- Maintaining and enhancing audience-focused programming
- Deepening engagement with current audiences, & developing new audiences, for live music
- Advocating for the value of live music in society.

Partnership Development objectives include:

- Diversifying the range and number of funding partners and supporters in order to sustain and grow the work of the organisation
- 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 company Music Generation on an integrated strategy for national music development
- Strengthening existing strategic partnerships and initiating new partnerships, in pursuit of our goals.

## Structure, Governance and Management

### Structure

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).

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

### Management

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

# Music Network Company Limited by Guarantee DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

## Review of Activities, Achievements and Performance

In the year ended 31st December 2020, Music Network CLG implemented the following programme of activities:

- **National Touring Programme:** Music Network's flagship performance programme offering four major national tours by leading international and Irish ensembles performing traditional, folk, jazz/improvised, baroque, classical and contemporary music to a broad network of partner promoters at subsidised rates. In addition, two tour concerts, unable to go ahead due to national restrictions relating to Covid-19, were recorded and broadcast digitally.
- **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.
- **Making Music with Sonamus: the Wicklow Teaching Residency:** a new residency programme, delivered in partnership with Wicklow County Council, and providing music tuition and group music-making opportunities with a professional ensemble for older people from County Wicklow.
- **The Butterfly Sessions:** a new 20-part series featuring new works commissioned from 24 Irish and/or Ireland-based musicians and composers, broadcast online to audiences world-wide.
- **Music Network: Live & Local:** a 5-concert series presented across the country with partner promoters in August 2020, when the easing of national restrictions permitted.
- **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 granted in 2020 to guitarist and composer Dave Flynn, Kevin Brady with the Tommy Halferty Trio and Ikigai Chamber ensemble, with all residency events produced being filmed and broadcast online.
- **Support for Irish musicians including emerging musicians and new ensembles:** provision of a range of performance opportunities for Irish musicians via Wood Quay Summer Sessions and performances under the DLR Musicians-in-Residence Programme above.
- **Commissioning of new works by Irish composers:** commissioning of new works by the Donal O'Connor, Jim Murray, Anxo Lorenzo and Jack Talty Quartet, Garth Knox, Finola Merivale, Conor Linehan and Emma O'Halloran 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 both traditional and classical music tour programmes performed in the period, and further profiling of a number of the featured composers 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, and of its partnership with Irish Music and Dance London under its touring programme, as well as 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 20 participatory events in partnership with a range of 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.
- **Promoter and Audience Development:** continued publication and distribution of a Promoter E-Bulletin to provide regular access to programming 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 current and future concert activity.

# Music Network Company Limited by Guarantee DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

- **Training, Information and Advice Services:** expansion of training programmes for musicians, covering a range of self-promotion and self-management skills, delivered online; 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; provision of ongoing support and advice to musicians engaged across Music Network's programmes.
- **Music Capital Scheme:** management of the 2020 scheme with funding of €270,000 granted by the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media. The scheme provided financial support in two discrete awards:
  - **Award 1: Instrument Banks:** funding of €162,500 awarded for the purchase of instruments for non-professional groups working in a range of genres and formats including Classical, Irish Traditional, Contemporary Classical, Marching, Concert and Pipe Bands, Early/Baroque, Pop, Rock, Contemporary and multi-genre music.
  - **Award 2: Individual Instruments:** funding of €85,700 awarded for the purchase of high-quality musical instruments for highly skilled individual performers playing at a professional level in a range of genres.
- **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 2020 focused on the creation and launch 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. 25 local/regional Music Education Partnerships were in operation in 2020, in Carlow, Cavan/Monaghan, Clare, Cork City, Donegal, Dún Laoghaire-Rathdown, Galway City, Galway County, Kerry, Kildare, Kilkenny, Laois, Leitrim, Limerick City, Longford, Louth, Mayo, Meath, Offaly/Westmeath, Roscommon, Sligo, South Dublin, Tipperary, Waterford Wexford and Wicklow.

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 12 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 €629,469 (2019 - €255,730) and liabilities of €552,226 (2019 - €213,908). The net assets of the company have increased by €35,422.

## 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 2021 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 commence implementation of its new strategic plan for the period 2021-25.

# Music Network Company Limited by Guarantee DIRECTORS' ANNUAL REPORT

for the financial year ended 31 December 2020

## Directors and Secretary

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

Patricia Moylan (Assigned 1 January 2021)  
Orla Moloney (Appointed 2 October 2020)  
Peter Finnegan (Resigned 31 December 2020)  
Peter Browne (Resigned 31 December 2020)  
John McGrane (Resigned 31 December 2020)  
Jennifer Sherwin  
Neil Martin  
Shirley Kavanagh  
Anna Lardi Fogarty  
Carl Corcoran  
Cathal Cusack

The secretary who served throughout the financial year was Jennifer Sherwin.

## 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 Board regularly reviews the funds available to the organisation to ensure there is continued capacity to meet its requirements. Reserves are needed to bridge the funding gaps between spending on productions and events, and receiving resources through admission charges and grants that provide funding. Such reserves are held within the General fund (unrestricted). Whilst the current level of resources is sufficient, it is the directors' view that it is prudent to ensure that reserves are in place to provide financial flexibility over the course of any forthcoming challenges for the charity.

## Investment Powers and Policy

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

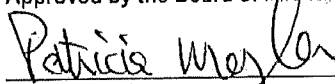
## Auditors

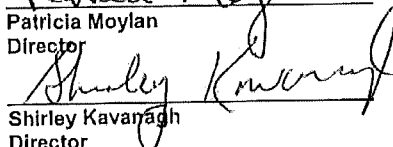
The auditors, KSI Faulkner Orr Limited have indicated their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

## 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 National Concert Hall Building, Earlsfort Terrace, Dublin 2.

Approved by the Board of Directors on 12<sup>th</sup> July 2021 and signed on its behalf by:

  
Patricia Moylan  
Director

  
Shirley Kavanagh  
Director

## Music Network Company Limited by Guarantee DIRECTORS' RESPONSIBILITIES STATEMENT

for the financial year ended 31 December 2020

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.

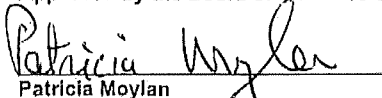
The directors confirm that they have complied with the above requirements in preparing the financial statements.

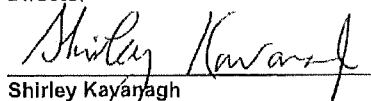
The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and net income or expenditure of the company to be determined 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 12<sup>th</sup> July '21 and signed on its behalf by:

  
Patricia Moylan  
Director

  
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 2020 which comprise the Statement of Financial Activities (incorporating an Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including the 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 2020 and of its surplus 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 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 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**

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 the date 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 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.

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 course of 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**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- 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

We have obtained all the information and explanations which, to the best of our knowledge and belief, are 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. In our opinion 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 complied with by the company. 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**

The directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that 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, if 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:

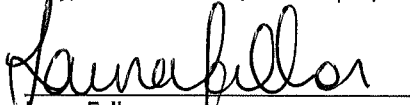
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

## INDEPENDENT AUDITOR'S REPORT to the Members of Music Network Company Limited by Guarantee

### 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  
for and on behalf of  
**KSI FAULKNER ORR**  
Chartered Accountants and Statutory Auditors  
Behan House  
10 Lower Mount Street  
Dublin 2  
Ireland

.....12/07/2021

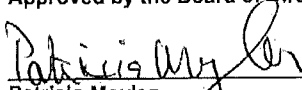
**Music Network Company Limited by Guarantee**  
**STATEMENT OF FINANCIAL ACTIVITIES**

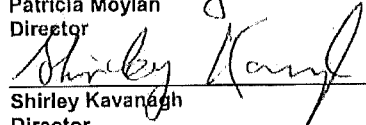
(Incorporating an Income and Expenditure Account)  
 for the financial year ended 31 December 2020

	Notes	Unrestricted Funds 2020 €	Restricted Funds 2020 €	Total 2020 €	Unrestricted Funds 2019 €	Restricted Funds 2019 €	Total 2019 €
<b>Incoming Resources</b>							
Charitable activities							
- Grants from governments and other co-funders	3.1	746,000	245,000	991,000	678,208	242,000	920,208
Activities for generating funds	3.2	68,739	52,661	121,400	125,129	35,445	160,574
Other income	3.3	10	-	10	101	-	101
<b>Total incoming resources</b>		<b>814,749</b>	<b>297,661</b>	<b>1,112,410</b>	<b>803,438</b>	<b>277,445</b>	<b>1,080,883</b>
<b>Resources Expended</b>							
Raising funds	4.1	92,665	5,313	97,978	96,946	-	96,946
Charitable activities	4.2	686,662	292,348	979,010	728,224	257,005	985,229
<b>Total Resources Expended</b>		<b>779,327</b>	<b>297,661</b>	<b>1,076,988</b>	<b>825,170</b>	<b>257,005</b>	<b>1,082,175</b>
<b>Net incoming/outgoing resources before transfers</b>		<b>35,422</b>	<b>-</b>	<b>35,422</b>	<b>(21,732)</b>	<b>20,440</b>	<b>(1,292)</b>
<b>Net movement in funds for the financial year</b>		<b>35,422</b>	<b>-</b>	<b>35,422</b>	<b>(21,732)</b>	<b>20,440</b>	<b>(1,292)</b>
<b>Reconciliation of funds</b>							
Balances brought forward at 1 January 2020	13	(10,417)	52,239	41,822	11,315	31,799	43,114
<b>Balances carried forward at 31 December 2020</b>		<b>25,005</b>	<b>52,239</b>	<b>77,244</b>	<b>(10,417)</b>	<b>52,239</b>	<b>41,822</b>

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 12<sup>th</sup> July '21 and signed on its behalf by:

  
 Patricia Moylan  
 Director

  
 Shirley Kavanagh  
 Director

**Music Network Company Limited by Guarantee**  
**BALANCE SHEET**

as at 31 December 2020

	Notes	2020 €	2019 €
<b>Fixed Assets</b>			
Tangible assets	6	34,732	36,324
Investments	7	2	2
		<u>34,734</u>	<u>36,326</u>
<b>Current Assets</b>			
Debtors	8	11,866	34,791
Cash at bank and in hand		582,870	184,613
		<u>594,736</u>	<u>219,404</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(552,226)</u>	<u>(213,908)</u>
<b>Net Current Assets</b>		<u>42,510</u>	<u>5,496</u>
<b>Total Assets less Current Liabilities</b>		<u>77,244</u>	<u>41,822</u>
<b>Funds</b>			
Restricted trust funds		52,239	52,239
General fund (unrestricted)		5	(10,417)
Unrestricted designated funds		25,000	-
<b>Total funds</b>	13	<u>77,244</u>	<u>41,822</u>

Approved by the Board of Directors on 2<sup>nd</sup> July '21 and signed on its behalf by:

Patricia Moylan  
 Patricia Moylan  
 Director

Shirley Kavanagh  
 Shirley Kavanagh  
 Director

**Music Network Company Limited by Guarantee**  
**CASH FLOW STATEMENT**  
for the financial year ended 31 December 2020

	Notes	2020 €	2019 €
Net cash inflow from operating activities	16	397,038	46,842
Capital expenditure	16	-	(5,222)
		<u>397,038</u>	<u>41,620</u>
Financing	16	1,893	6,876
		<u>398,931</u>	<u>48,496</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Movement in cash in the financial year		398,931	48,496
Cash inflow from Increase in debts and lease financing		(1,893)	(6,876)
		<u>397,038</u>	<u>41,620</u>
Change in net funds resulting from cash flows		180,799	139,179
Net funds at 1 January 2020		<u>180,799</u>	<u>139,179</u>
		<u>577,837</u>	<u>180,799</u>
Net funds at 31 December 2020		<u>577,837</u>	<u>180,799</u>

# Music Network Company Limited by Guarantee

## NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2020

### 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 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 applicable in the UK and Republic of Ireland (FRS 102) (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.

## Music Network Company Limited by Guarantee NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

### **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.

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.

### **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.

### **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.



# Music Network Company Limited by Guarantee

## NOTES TO THE FINANCIAL STATEMENTS

continued

for the financial year ended 31 December 2020

### 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.

### 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

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.

**Music Network Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS**

continued

for the financial year ended 31 December 2020

**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 €	2020 €	2019 €
Arts Council Core Grant	574,857	-	574,857	510,016
Other Grant Aids	25,000	245,000	270,000	265,449
Donation in kind	139,693	-	139,693	139,693
Friends scheme	6,450	-	6,450	5,050
	<u>746,000</u>	<u>245,000</u>	<u>991,000</u>	<u>920,208</u>

During the year Music Network Company Limited by Guarantee received €568,000 from The Arts Council for Strategic Funding for 2020.

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 2020 was €13,718.

3.2 OTHER TRADING ACTIVITIES	Unrestricted Funds €	Restricted Funds €	2020 €	2019 €
Promotor & Box Office fees	68,739	52,661	121,400	160,574
	<u>68,739</u>	<u>52,661</u>	<u>121,400</u>	<u>160,574</u>

3.3 OTHER INCOME	Unrestricted Funds €	Restricted Funds €	2020 €	2019 €
Other Income	10	-	10	101
	<u>10</u>	<u>-</u>	<u>10</u>	<u>101</u>

4. EXPENDITURE				
4.1 RAISING FUNDS			2020 €	2019 €
Advertising and Promotion			35,565	34,533
Donation in Kind			62,413	62,413
			<u>97,978</u>	<u>96,946</u>

4.2 CHARITABLE ACTIVITIES			2020 €	2019 €
Expenditure on charitable activities			432,788	461,213
Support Costs (Note 4.3)			373,721	359,689
Donation in Kind			77,280	77,280
Governance Costs (Note 4.3)			95,221	87,047
			<u>979,010</u>	<u>985,229</u>

**Music Network Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS**

continued

for the financial year ended 31 December 2020

**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.

	<b>Support Costs</b>	<b>Governance Costs</b>	<b>Total</b>	<b>Basis of Apportionment</b>
	€	€	€	
General Office	85,536	12,781	98,317	Usage
Finance Costs	498	166	663	Usage
Payroll Expenses	282,688	70,672	353,360	Usage
Legal and Professional	5,000	3,535	8,535	Governance
Audit and Accounts Fee	-	8,067	8,067	Governance
	<b>373,721</b>	<b>95,221</b>	<b>468,942</b>	

**5. EMPLOYEES AND REMUNERATION**

**Number of employees**

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

	<b>2020</b>	<b>2019</b>
	Number	Number
Management	1	1
Administration	7	7
	<b>8</b>	<b>8</b>

The staff costs comprise:

	<b>2020</b>	<b>2019</b>
	€	€
Wages and salaries	335,968	296,756
Pension costs	14,590	12,520
	<b>350,558</b>	<b>309,276</b>

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 2020

**6. TANGIBLE FIXED ASSETS**

	Heritage assets**	Computer Equipment	Fixtures, fittings and equipment	Motor vehicles	Audio Visual Equipment	Total
<b>Cost</b>						
At 31 December 2020	31,799	12,086	18,317	38,050	21,264	121,516
<b>Depreciation</b>						
At 1 January 2020	-	10,271	15,607	38,050	21,264	85,192
Charge for the financial year	-	908	684	-	-	1,592
At 31 December 2020	-	11,179	16,291	38,050	21,264	86,784
<b>Net book value</b>						
At 31 December 2020	31,799	907	2,026	-	-	34,732
At 31 December 2019	31,799	1,815	2,710	-	-	36,324

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, bow 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 (see note 16).

**Music Network Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the financial year ended 31 December 2020

**6.1 TANGIBLE FIXED ASSETS PRIOR FINANCIAL YEAR**

	Heritage assets**	Computer Equipment	Fixtures, fittings and equipment	Motor vehicles	Audio Visual Equipment	Total
	€	€	€	€	€	€
<b>Cost</b>						
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
<b>Depreciation</b>						
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
<b>Net book value</b>						
At 31 December 2019	31,799	1,815	2,710	-	-	36,324
At 31 December 2018	31,799	895	-	-	-	32,694

**Music Network Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS**

for the financial year ended 31 December 2020

**7. INVESTMENTS**

Investments	Group and participating undertakings
Cost	€
At 31 December 2020	2
<b>Net book value</b>	
At 31 December 2020	2
At 31 December 2019	2

**8. DEBTORS**

	2020	2019
	€	€
Trade debtors	10,155	10,737
Amounts owed by group entities	(850)	1,043
Prepayments and accrued income	2,561	23,011
	<u>11,866</u>	<u>34,791</u>

**9. CREDITORS**

**Amounts falling due within one year**

	2020	2019
	€	€
Bank overdrafts	5,032	4,857
Trade creditors	8,299	26,253
Taxation and social security costs (Note 10)	9,211	12,573
Pension accrual	3,735	2,099
Accruals	316,002	93,322
Deferred Income	209,947	74,804
	<u>552,226</u>	<u>213,908</u>

**10. TAXATION AND SOCIAL SECURITY**

	2020	2019
	€	€
<b>Creditors:</b>		
VAT	462	3,036
PAYE / PRSI	8,749	9,537
	<u>9,211</u>	<u>12,573</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 €14,590 (2019 - €12,520).

**12. RESERVES**

	2020	2019
	€	€
At 1 January 2020	41,822	43,114
Surplus/(Deficit) for the financial year	35,422	(1,292)
	<u>77,244</u>	<u>41,822</u>
At 31 December 2020	<u>77,244</u>	<u>41,822</u>

**Music Network Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS**

continued

for the financial year ended 31 December 2020

**13. FUNDS**

**13.1 RECONCILIATION OF MOVEMENT IN FUNDS**

	Unrestricted Funds €	Restricted Funds €	Total Funds €
At 1 January 2019	11,315	31,799	43,114
Movement during the financial year	(21,732)	20,440	(1,292)
At 31 December 2019	(10,417)	52,239	41,822
Movement during the financial year	35,422	-	35,422
At 31 December 2020	<u>25,005</u>	<u>52,239</u>	<u>77,244</u>

**13.2 ANALYSIS OF MOVEMENTS ON FUNDS**

	Balance 1 January 2020 €	Income €	Expenditure €	Transfers between funds €	Balance 31 December 2020 €
<b>Restricted funds</b>					
Restricted	52,239	297,661	297,661	-	52,239
<b>Unrestricted funds</b>					
Unrestricted	(10,417)	814,749	779,327	(25,000)	5
General				25,000	25,000
Designated Funds					
<b>Total funds</b>	<u>41,822</u>	<u>1,112,410</u>	<u>1,076,988</u>	<u>-</u>	<u>77,244</u>

In the year ended 31 December 2020, the directors agreed to set up a designated fund in the event of the interruption or cessation to Arts Council funding. In 2020, €25,000 was transferred into this fund.

**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**

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

**16. CASH FLOW STATEMENT**

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

	2020 €	2019 €
Net movement in funds	35,422	(1,292)
Depreciation	1,592	1,592
Movement in debtors	21,032	(16,984)
Movement in creditors	338,992	63,526
<b>Net cash inflow from operating activities</b>	<u>397,038</u>	<u>46,842</u>

**Music Network Company Limited by Guarantee**  
**NOTES TO THE FINANCIAL STATEMENTS**

continued

for the financial year ended 31 December 2020

16.2 CASH FLOW STATEMENT	2020	2019
	€	€
<b>CAPITAL EXPENDITURE</b>		
Payments to acquire tangible assets	-	(5,222)
	<u>          </u>	<u>          </u>
<b>FINANCING</b>		
Advances to subsidiaries/group companies	<u>1,893</u>	<u>6,876</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 by Music Network CLG at 31 December 2020 was €850 (€1,042 due to Music Network CLG at 31 December 2019).

18. Deferred Income	2020	2019
	€	€
At 1 January 2020	74,804	29,090
Arts Council increase/(decrease) in period	135,144	57,984
Other Grant Increase/(decrease) in period	-	(12,270)
	<u>209,948</u>	<u>74,804</u>

Deferred income is comprised of grant income received but where the performance conditions attached to these grants were not met at 31 December 2020.

**19. APPROVAL OF FINANCIAL STATEMENTS**

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

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*1<sup>st</sup> June 2021.*