

**MUSIC NETWORK COMPANY LIMITED BY GUARANTEE**

**Annual Report and Financial Statements  
for the Financial Year Ended 31 December 2018**

**Company Number:  
Charity Number:**

**161254  
CHY8353**

***MUSIC NETWORK COMPANY LIMITED BY GUARANTEE***

**CONTENTS**

<b>DIRECTORS AND OTHER INFORMATION</b>	<b>1</b>
<b>DIRECTORS' REPORT</b>	<b>2</b>
<b>AUDITOR'S REPORT</b>	<b>8</b>
<b>STATEMENT OF FINANCIAL ACTIVITIES</b>	<b>10</b>
<b>BALANCE SHEET</b>	<b>11</b>
<b>CASHFLOW STATEMENT</b>	<b>12</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>13</b>

**MUSIC NETWORK COMPANY LIMITED BY GUARANTEE**

**DIRECTORS AND OTHER INFORMATION**

<b>Directors</b>	Peter Finnegan (Chairperson) Peter Browne Clíona Doris John McGrane Jenny Sherwin Neil Martin Shirley Kavanagh Anna Lardi Fogarty
<b>Secretary</b>	Edel Bell
<b>Auditor</b>	JPAS Ltd. Chartered Accountants and Statutory Audit Firm 35 Ashton Wood Herbert Road Bray Co. Wicklow
<b>Principal Bankers</b>	Allied Irish Banks plc 1 Lower Baggot Street Dublin 2
<b>Registered &amp; Head Office</b>	National Concert Hall Building Earlsfort Terrace Dublin 2
<b>Solicitor</b>	Thomas Barry & Co. 11 St. Stephens Green Dublin 2

## **MUSIC NETWORK COMPANY LIMITED BY GUARANTEE**

### **DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The Directors present their Report and Financial Statements of the company for the financial year ended 31 December 2018.

#### **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 accumulated deficit of €15,318 of Music Network.

#### Directors and their Interests

The directors of the charitable company Music Network CLG are its trustees for the purpose of charity law.

The directors serving during the year and since the year-end were as follows:

Peter Finnegan (Chairperson)  
Clíona Doris  
Peter Browne  
John McGrane  
Jenny Sherwin  
Neil Martin  
Shirley Kavanagh  
Anna Lardi Fogarty

In accordance with the company's Articles of Association, Peter Finnegan, Peter Browne and Clíona Doris retired by rotation and, being eligible, offered themselves for re-election.

Secretary: Edel Bell

Clíona Doris resigned as Company Secretary on 22 March 2018 and Edel Bell 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 guarantees at 31 December 2018 was eight.

#### Organisation

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

**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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 systems are in place to manage exposure to risk.

Post Balance Sheet Events

There have been no significant transactions since the year-end.

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.

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.

**Achievements and Performance**

In the year ended 31<sup>st</sup> December 2018, 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 classical, jazz and traditional musicians/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.

**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

- **Dublin Concert Series:** presentation of 9 concerts in a range of Dublin city centre venues, featuring musicians and ensembles performing in genres including Irish and Scottish traditional, jazz/improvised, new and classical music, and providing exposure to a broad audience.
- **Complementary Performance Programme:** year-end 3-concert series featuring Natalie Clein (cello), Julius Drake (piano) and Claire Booth (soprano), presented in Dublin, Sligo and Wexford.
- **Music Network Artist Residency:** commencement 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. The opening concert of the residency took place in the period.
- **Dún Laoghaire-Rathdown County Council Arts Office Musicians-in-Residence Programme:** commencement of management of this programme on behalf of the County Arts Office. 3 residencies were completed in 2018 by vocalist and songwriter Susan McKeown, pianist and composer Conor Linehan and composer and sound artist Craig Cox.
- **Support for emerging musicians and new ensembles:** provision of a range of performance opportunities for Irish musicians, including emerging, via the Listen At Arthur's monthly concert series, Wood Quay Summer Sessions and a Galway Jazz Festival partnership.
- **Commissioning of new works by Irish composers:** commissioning of new works by Siobhán Cleary, Benjamin Dwyer, Amanda Feery and Sebastian Adams for Music Network's National Touring Programme.
- **Promotion of contemporary Irish works, and partnership with the Contemporary Music Centre's (CMC) Composer's Voice initiative:** presentation of contemporary Irish works within 100% of classical tour programmes performed in the period; continuation of this partnership with CMC, showcasing composer Siobhán Cleary.
- **International concerts, opportunities and networking:** continuation of our partnership with Le Centre Culturel Irlandais, Paris on the provision of an annual Music Residency Bursary, and of other networking activities in the period including attendance at ClassicalNext, Rotterdam, with the support of Culture Ireland.
- **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 59 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.
- **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.
- **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 websites and social media platforms; expansion of training programmes for musicians covering fundraising, self-promotion and self-management skills, music publishing, musicians and the digital world and tax and self-employment for musicians; provision of ongoing support and advice to musicians engaged across Music Network's programmes.

**DIRECTORS' REPORT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2018**

- **Music Capital Scheme:** management of the 2017/18 scheme with funding of €244,629 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 €160,000 awarded for the purchase of instruments for non-professional groups/ensembles such as brass and silver bands, concert bands, symphonic wind ensembles, pipe bands, ceili bands, choirs, youth/amateur orchestras and ensembles, fife and drum (and other marching) bands, big bands, community music groups, percussion and samba groups, pop/rock music collectives, traditional music groups/organisations, choirs, other non-professional groups/ensembles.
  - **Award 2: Individual Instruments** – funding of €63,999 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 the 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, with management of the O'Neill Cello.
- **The Piano Scheme:** continuation of this scheme, supported by Jeffers Pianos and in association with Galway Jazz Festival, giving professional musicians resident in Ireland and working in jazz and improvised music access to concert standard pianos for public performances throughout the country.
- **Arts Council Music Recording Scheme:** management of projects still under production from awards made in previous years continued, on behalf of the Arts Council.
- **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. 20 local/regional Music Education Partnerships (MEPs) were in operation in 2018, delivering 150 programmes in all musical genres to 48,500 children and young people and providing employment opportunities for 400 musicians.

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**

Music Network CLG is core funded by the Arts Council and received a grant of €538,000 from its principal funder in 2018. The company occupies premises in the National Concert Hall Building, Earlsfort Terrace, Dublin 2. The company greatly appreciates this gesture of support in kind from the Office of Public Works and also the support of other funders during the period.

At the year end the company had assets of €190,507 (31 December 2017: €148,577) and liabilities of (€147,393) (31 December 2017: (€107,968)). The net funds of the company have increased by €2,505 (31 December 2017: €2,390) and the directors are satisfied with the level of retained reserves at the year end. Of the net funds at 31 December 2018 of €43,114, €31,799 of this is attributable to restricted funds.

## **DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

### Investment Powers and Policy

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

### **Reserves Policy**

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

### **Plans for Future Periods**

Throughout 2019-2020 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.

### **Accounting Records**

To ensure that proper books and 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 company's accounting records are kept at National Concert Hall Building, Earlsfort Terrace, Dublin 2.

### **Statement of Relevant Audit Information**

In accordance with Section 330 of the Companies Act 2014:

- so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware; and
- each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of the relevant audit information and to establish that the auditor is aware of that information.

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare financial statements for each financial period. Under the law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and accounting standards issued by the Financial Reporting Council, including FRS 102 The Financial Reporting Standard applicable in the UK and Ireland (Generally Accepted Accounting Practice in Ireland) as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015. 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 period end date and of the profit or loss of the company for the financial period and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.



**MUSIC NETWORK COMPANY LIMITED BY GUARANTEE**

**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Taxation Status

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

Auditors

The Auditors, JPAS Ltd., Chartered Accountants, continue in office in accordance with section 383(2) of the Companies Act, 2014.

**ON BEHALF OF THE BOARD**

**DIRECTOR**

**DIRECTOR**

**29 May 2019**



**Peter Finnegan**

**Shirley Kavanagh**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2018**

**OPINION**

We have audited the financial statements of Music Network Company Limited by Guarantee (the 'company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies set out in note 1. 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" as modified by the Statement of Recommended Practice "Accounting and Reporting by Charities" effective 1 January 2015.

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 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been 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 the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard as issued by the Irish Auditing and Accounting Service Authority ("IAASA") Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 21 to the financial statements, 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 the ISAs 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 charity'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 COMPANIES ACT 2014**

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2018**

- 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;
- the information given in the Director's Report is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with the Companies Act 2014.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' 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.

**RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our audit report.

**THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the company's members as a body in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in the audit report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company or the company's members as a body for our audit work, for this report, or for the opinions we have formed.

  
**Jill Percival**  
**For and on Behalf of**  
**JPAS Ltd.**  
**Chartered Accountants**  
**and Statutory Audit Firm**

**29 May 2019**

**35 Ashton Wood**  
**Herbert Road**  
**Bray**  
**Co. Wicklow**

MUSIC NETWORK COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Funds Year Ended Dec '18 €	Restricted Funds Year Ended Dec '18 €	Total Funds Year Ended Dec '18 €	Total Funds Year Ended Dec '17 €
<b>Income</b>					
Grants and donations	2	725,994	235,724	961,718	932,019
<i>Income from Charitable Activities</i>					
Performance fees	3	117,855	23,000	140,855	119,294
Investment income		-	-	-	2
Other Income		10	-	10	374
<b>Total Income</b>		<b>843,859</b>	<b>258,724</b>	<b>1,102,583</b>	<b>1,051,689</b>
<b>Expenditure</b>					
<i>Cost of Raising Funds</i>					
Advertising and promotion	4	114,664	-	114,664	110,541
<i>Expenditure on Charitable Activities</i>					
Musician fees and expenses	5	726,690	258,724	985,414	938,758
<b>Total Expenditure</b>		<b>841,354</b>	<b>258,724</b>	<b>1,100,078</b>	<b>1,049,299</b>
<b>Net Income and Net Movement in Funds in the Period</b>					
		<b>2,505</b>	<b>-</b>	<b>2,505</b>	<b>2,390</b>
<b>Reconciliation of Funds</b>					
Total Funds Brought Forward		<b>8,810</b>	<b>31,799</b>	<b>40,609</b>	<b>38,219</b>
Total Funds Carried Forward		<b>11,315</b>	<b>31,799</b>	<b>43,114</b>	<b>40,609</b>

There were no recognised gains or losses other than the incomings/outgoings for the above two financial years.

MUSIC NETWORK COMPANY LIMITED BY GUARANTEE

BALANCE SHEET  
AS AT 31 DECEMBER 2018

	Note	€	Year Ended Dec '18 €	Year Ended Dec '17 €
<b>Fixed Assets</b>				
Tangible assets	11		895	1,937
Heritage assets	11		31,799	31,799
Financial assets	12		<u>2</u>	<u>2</u>
			32,696	33,738
<b>Current Assets</b>				
Debtors	13	24,683		27,705
Bank and cash		<u>133,128</u>		<u>87,134</u>
		157,811		114,839
<b>Current Liabilities</b>				
Creditors	14	<u>(147,393)</u>		<u>(107,968)</u>
<b>Net Current Liabilities</b>			<u>10,418</u>	<u>6,871</u>
<b>Total Assets less Current Liabilities</b>			<u>43,114</u>	<u>40,609</u>
<b>Net Assets/Liabilities</b>			<u>43,114</u>	<u>40,609</u>
<b>Financed By</b>				
Unrestricted Funds	16		11,315	8,810
Restricted Funds			<u>31,799</u>	<u>31,799</u>
			<u>43,114</u>	<u>40,609</u>

The notes on pages 13 to 21 form an integral part of these accounts.

The financial statements were approved by the Board on the 29 May 2019 and signed on its behalf by

Director



Peter Finnegan

Director



Shirley Kavanagh

**MUSIC NETWORK COMPANY LIMITED BY GUARANTEE**

**CASH FLOW STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	<b>Year Ended Dec '18 €</b>	<b>Year Ended Dec '17 €</b>
<b>Cashflows from Operating Activities</b>		
Net Income	2,505	2,390
Depreciation	1,042	1,427
(Increase)/Decrease in Debtors	3,022	55,300
Increase/(Decrease) in Creditors	39,425	(178,498)
Net Cash Inflow/(Outflow) from Operating Activities	<u>45,994</u>	<u>(119,381)</u>
<b>Cash Flow Statement</b>		
Net Cash Inflow/(Outflow) from Operating Activities	45,994	(119,381)
Capital Expenditure	-	-
	<u>45,994</u>	<u>(119,381)</u>
<b>Reconciliation of Net Cash Flow to Movement in Net Funds (Note 17)</b>		
Change in Cash and Cash Equivalents in the Financial Period	45,994	(119,381)
Cash and Cash Equivalents at the Beginning of the Financial Period	87,134	206,515
Cash and Cash Equivalents at the End of the Financial Period	<u>133,128</u>	<u>87,134</u>

**ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**1. Statement of Accounting Policies**

Music Network Company Limited by Guarantee is a public benefit entity incorporated in Ireland with a registered office at the National Concert Hall Building, Earlsfort Terrace, Dublin 2.

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

**1.1 Accounting Policies**

The financial statements have been prepared in accordance with 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 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and with generally accepted accounting principles in Ireland and Irish Statute comprising the Companies Act 2014.

**1.2 Basis of Preparation**

The financial statements are prepared on a going concern basis, under the historical cost convention, and comply with the financial reporting standards of the Financial Reporting Council.

The financial statements are prepared in Euro which is the functional currency of the company.

**1.2.1 Consolidation**

The company and its subsidiaries combined meet the size exemption criteria for a group in accordance with section 297 of the Companies Act 2014 and can avail of the exemption from the requirement to prepare consolidated financial statements. Consequently, these financial statements deal with the results of the company as a single entity.

**1.3 Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

**1.4 Donated Services and Facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**1.5 Fund Accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the company's work or for specific projects being undertaken by the company.

**1.6 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of publicity and marketing and their associated support costs.
- Expenditure on charitable activities includes musician fees and costs and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

**1.7 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.

**1.8 Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost, less accumulated depreciation. Depreciation is calculated to write off the cost of fixed assets over their useful lives at the following annual rates:

Office Equipment	20% per annum on the straight-line basis.
Computer Equipment	33% per annum on the straight-line basis.
Motor Vehicles	20% per annum on the straight-line basis.
Audio Visual Equipment	33% per annum on the straight-line basis.
Fixtures, Fittings and Equipment	20% per annum on the straight-line basis.

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying amount may not be recoverable.

**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.

**1.9 Investment in Subsidiary Undertaking**

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

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.11 Cash at Bank and in Hand**

Cash at bank and cash in hand includes cash with a short maturity of three months or less from the date of acquisition or opening of the deposit of similar account.

**1.12 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.

**1.13 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.



NOTES ON THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

**1.14 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.

**1.15 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.

**2. Income From Grants and Donations**

	<b>Year Ended Dec '18 €</b>	<b>Year Ended Dec '17 €</b>
Arts Council Core Grant	538,000	518,000
Other Arts Council Grant	11,725	30,176
Other Grant Aid	248,229	217,055
Friends Scheme	4,320	4,508
Donations in Kind	159,444	162,280
	<u>961,718</u>	<u>932,019</u>

**2.1 Arts Council Funds**

Name of Grantor	Name of Grant	Purpose	Accrued (Deferred) Grant 31 December 2017	Grant awarded in 2018	Cash received in period
The Arts Council	Strategic Funding 2018	Revenue Funding	€0	€538,000	€538,000
The Arts Council	Recording Scheme	Recording Awards	(€15,070)	€11,725	€0

The company has adequate financial controls in place to manage granted funds.

*MUSIC NETWORK COMPANY LIMITED BY GUARANTEE*

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**3. Income From Charitable Activities**

	Year Ended Dec '18 €	Year Ended Dec '17 €
Promoter and Box Office Fees	140,855	119,294
	<u>140,855</u>	<u>119,294</u>

**4. Cost of Raising Funds**

	Year Ended Dec '18 €	Year Ended Dec '17 €
Advertising and Promotion	32,500	25,541
Donations in Kind	82,164	85,000
	<u>114,664</u>	<u>110,541</u>

**5. Analysis of Expenditure on Charitable Activities**

	Year Ended Dec '18 €	Year Ended Dec '17 €
Musician Fees and Expenses	453,798	417,439
Support Costs (see note 6)	363,163	358,359
Governance Costs (see note 6)	91,173	85,680
Donations in Kind	77,280	77,280
	<u>985,414</u>	<u>938,758</u>

**6. 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 (see note 5) 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	119,658	17,880	137,538	Usage
Finance Costs	572	191	763	Usage
Payroll Expenses	242,933	60,733	303,666	Usage
Legal and Professional	-	6,834	6,834	Governance
Audit and Accounts Fees	-	5,535	5,535	Governance
	<u>363,163</u>	<u>91,173</u>	<u>454,336</u>	

**MUSIC NETWORK COMPANY LIMITED BY GUARANTEE**

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**7. Net Income/(Expenditure) for the Period**

Net income is stated after charging the following

	<b>Year Ended Dec '18</b>	<b>Year Ended Dec '17</b>
	€	€
Auditors' Remuneration	5,535	5,600
Depreciation	1,042	1,427
	<u>6,577</u>	<u>7,027</u>

**8. Employees**

**Number of employees**

The average monthly number of employees (including directors) during the period was as follows:

	<b>Year Ended Dec '18</b>	<b>Period Ended Dec '17</b>
Management	1	1
Administration	6	6
	<u>7</u>	<u>7</u>

**Analysis of Staff Costs and the Cost of Key Management Personnel**

	<b>€</b>	<b>€</b>
Wages and Salaries	258,452	260,155
Employers PRSI	28,036	27,967
Pension Costs	12,685	14,485
	<u>299,173</u>	<u>302,607</u>

The number of higher paid employees was:

	<b>Year Ended Dec '18</b>	<b>Period Ended Dec '17</b>
€60,000 to €70,000	1	1

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

**9. Taxation**

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

**10. Retirement Benefits**

	<b>Year Ended Dec '18</b>	<b>Year Ended Dec '17</b>
	€	€
Retirement Benefits	12,685	14,485
	<u>12,685</u>	<u>14,485</u>

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.

**MUSIC NETWORK COMPANY LIMITED BY GUARANTEE**

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**10. Retirement Benefits - continued**

The defined contribution scheme charge for the year ended 31 December 2018 was €12,685 (Period ended 31 December 2017: €14,485). Pension costs which are attributable to a particular activity are allocated directly to that activity. Where pension costs are incurred to further more than one activity they are apportioned between the relevant activities based on the amount of staff time which each activity absorbs. Defined contribution pension costs are paid from unrestricted funds.

**11. Tangible Assets**

	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Computer Equipment</b>	<b>A/V Equipment</b>	<b>Musical Instruments</b>	<b>Total</b>
	€	€	€	€	€	€
<b>Cost</b>						
At 1 January 2018	38,050	14,923	10,258	4,480	16,784	84,495
Additions	-	-	-	-	-	-
At 31 December 2018	<u>38,050</u>	<u>14,923</u>	<u>10,258</u>	<u>4,480</u>	<u>16,784</u>	<u>84,495</u>
<b>Accumulated Depreciation</b>						
At 1 January 2018	38,050	14,918	8,326	4,480	16,784	82,558
Charge for period	-	-	1,042	-	-	1,042
At 31 December 2018	<u>38,050</u>	<u>14,918</u>	<u>9,368</u>	<u>4,480</u>	<u>16,784</u>	<u>83,600</u>
<b>Net Book Amount</b>						
At 31 December 2017	-	5	1,932	-	-	1,937
At 31 December 2018	-	5	890	-	-	895

**Heritage Assets**

<b>Basis of Capitalisation</b>	<b>At Cost</b>	<b>Total</b>
	€	€
Carrying Amount at Beginning of the Reporting Period	31,799	31,799
Additions	-	-
Carrying Amount at End of the Reporting Period	<u>31,799</u>	<u>31,799</u>

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).

Heritage assets acquired during the past five years (2014-2018) are disclosed in the table below:

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	€	€	€	€	€
Heritage Assets Purchased	Nil	Nil	31,799	Nil	Nil

**MUSIC NETWORK COMPANY LIMITED BY GUARANTEE**

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**12. Investment in Subsidiary**

	<b>Subsidiary Undertaking Shares</b>	<b>Total</b>
	<b>€</b>	<b>€</b>
<b>Cost</b>		
At 1 January 2018	2	2
At 31 December 2018	<u>2</u>	<u>2</u>

Music Network CLG holds 100% of the share capital in Music Generation DAC. Music Generation DAC was incorporated on 11 November 2010.

**13. Debtors**

	<b>Year Ended Dec '18</b>	<b>Year Ended Dec '17</b>
	<b>€</b>	<b>€</b>
Trade Debtors	12,607	8,340
Sundry Debtors	-	3,409
Prepayments	4,157	11,615
Intercompany	7,919	4,341
	<u>24,683</u>	<u>27,705</u>

**14. Creditors: amounts falling due within one year**

	<b>Year Ended Dec '18</b>	<b>Year Ended Dec '17</b>
	<b>€</b>	<b>€</b>
Trade Creditors	10,771	12,577
Credit Card	1,868	4,103
Accruals	90,613	36,948
Deferred Income (Note 15)	29,090	37,065
VAT	6,831	7,470
PAYE Account	2,977	3,253
PRSI Account	2,953	3,213
USC	581	814
Pension Liability	1,709	2,525
	<u>147,393</u>	<u>107,968</u>

(i) No balances are repayable on demand or have interest accrued

**MUSIC NETWORK COMPANY LIMITED BY GUARANTEE**

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**15. Deferred Income**

	<b>Year Ended Dec '18 €</b>	<b>Year Ended Dec '17 €</b>
At 1 January 2018	37,065	196,991
Arts Council increase/(decrease) in period	<u>(11,725)</u>	<u>(146,561)</u>
	25,340	50,430
Other Grant increase/(decrease) in period	<u>3,750</u>	<u>(13,365)</u>
At 31 December 2018	<u><u>29,090</u></u>	<u><u>37,065</u></u>

Deferred income is comprised of grant income received but where the performance conditions attached to these grants were not met at 31 December 2018.

**16. Charitable Funds**

	<b>Opening Funds Year Ended Dec '17 €</b>	<b>Income Year Ended Dec '18 €</b>	<b>Expenditure Year Ended Dec '18 €</b>	<b>Closing Funds Year Ended Dec '18 €</b>
Unrestricted Funds	8,810	843,859	841,354	11,315
Restricted Funds – Music	-	258,724	258,724	-
Restricted Funds– Heritage Asset	<u>31,799</u>	-	-	<u>31,799</u>
Total Funds	<u><u>40,609</u></u>	<u><u>1,102,583</u></u>	<u><u>1,100,078</u></u>	<u><u>43,114</u></u>

**Restricted Fund – Heritage Asset**

During the period ended 31 December 2016 the company received a donation to purchase a cello, bow and case as the first acquisitions to the National Musical Instrument Resource. This donation is restricted as to its nature and is included within restricted funds.

**17. Analysis of Changes in Net Funds**

	<b>Opening Balance Period Ended Dec '17 €</b>	<b>Cash Flows Year Ended Dec '18 €</b>	<b>Closing Balance Year Ended Dec '18 €</b>
Cash at Bank and in Hand	<u>87,134</u>	<u>45,994</u>	<u>133,128</u>
	<u><u>87,134</u></u>	<u><u>45,994</u></u>	<u><u>133,128</u></u>

*MUSIC NETWORK COMPANY LIMITED BY GUARANTEE*

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

**18. Subsidiaries**

At 31 December 2018, the company had the following principal subsidiaries:

<b>Subsidiary</b>	<b>Company Share</b>	<b>Activity</b>
Music Generation DAC	100%	Music Education Development

All shares are ordinary shares. The subsidiary's registered office is that of the parent company. The subsidiary has a year end of 31 December 2018.

**19. 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 2018 was €7,919 (at 31 December 2017 €4,341).

**20. Capital**

The company is limited by guarantee. Each guarantor signed the Constitution offering a guarantee of €1 each

**21. APB Ethical Standards – Provisions Available to Small Entities**

In common with other organisations of our size and nature the directors engage the auditors to assist in the preparation of the financial statements.

**22. Approval of financial statements**

The financial statements were approved by the Board on 29 May 2019 and signed on its behalf by

**Peter Finnegan**



**Shirley Kavanagh**

