

Recorded Artists Actors Performers Limited
(a company limited by guarantee and not having a share capital)

Directors' Report and Financial Statements

Financial Year Ended 31 December 2015

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DIRECTORS AND OTHER INFORMATION

Board of Directors

Patrick Cole
Andrew Basquille
Mary Black
Richard Buckley
Alan McEvoy
Kieran Goss
Ciaran Tourish
David Pennefather
Paul Noonan

Solicitors

Brady McGreevy Solicitors
35 Fitzwilliam Street
Dublin

Secretary and Registered Office

Andrew Basquille
15 Carysfort Avenue
Blackrock
Co Dublin

Registered number: 309692

Bankers

Bank of Ireland
Sandyford Industrial Estate
Dublin 18

Irish Life and Permanent
56-59 St Stephen's Green
Dublin 2

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Bank Place
Limerick

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the financial year ended 31 December 2015.

Statement of directors' responsibilities

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

Irish law requires the directors to prepare financial statements for each financial year that give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council including the Financial Reporting Standard for Smaller Entities (effective January 2015) and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

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 and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors 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.

Accounting records

The measures taken by the directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at 15 Carysfort Avenue, Blackrock, Co Dublin.

Disclosure of information to auditors

The directors in office at the date of this report have each confirmed that:

- As far as he/she is aware, there is no relevant audit information of which the company's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Principal activity

The company was established to administer artists' intellectual property rights. The principal activity of the company is to ensure that performers receive their full entitlements to income in Ireland following the introduction of the Copyright and Related Rights Act 2000 and in other countries where Copyright legislation protects the performers. The company acts as an agency, collecting and distributing these monies due to performers. Its income is derived from an agency fee received from PPI (Phonographic Performance Ireland Limited) and an administration fee charged on domestic distributions of performers' income on a cost recoupment basis.

DIRECTORS' REPORT - continued

Business Review

Recorded Artists Actors Performers (RAAP) is a member-owned not for profit organisation dedicated to the collection and distribution, both here in Ireland and from around the world, of royalties generated from the broadcast, public performance and cable transmission of recorded performances.

In 2015 the company collected and distributed over €6 million to almost 26,000 performers, paying more than €4.6 million of that total to RAAP members.

The company has representation agreements in 40 countries, listed below:

ALBANIA	AKDIE	ITALY	ITSRIGHT
ARGENTINA	AADI	JAPAN	CPRA
AUSTRIA	LSG	LATVIA	LAIPA
AUSTRALIA	PPCA	LITHUANIA	AGATA
BELGIUM	PLAYRIGHT	MEXICO	ANDI
BRAZIL	ABRAMUS	NORWAY	GRAMO
BULGARIA	PROPHON	NORWAY	NORWACO
CANADA	ACTRA	POLAND	SAWP
CANADA	ARTISTI	POLAND	STOART
CANADA	MROC	PORTUGAL	GDA
CROATIA	HUZIP	ROMANIA	CREDIDAM
CYPRUS	ASTERAS	RUSSIA	VOIS
CZECH REPUBLIC	INTERGRAM	SERBIA	PI
DENMARK	GRAMEX	SLOVAKIA	SLOVGRAM
ESTONIA	EEL	SLOVENIA	ZAVOD IPF
FINLAND	GRAMEX	SOUTH KOREA	FKMP
FRANCE	ADAMI	SPAIN	AIE
FRANCE	SPEDIDAM	SPAIN	AIUGE
GERMANY	GVL	SWEDEN	SAMI
GREECE	APOLLON	SWITZERLAND	SWISSPERFORM
HOLLAND	NORMA	UK	BECS
HOLLAND	SENA	UK	PPL
HUNGARY	EJI	USA	AARC
ICELAND	SFH	USA	AFM & AFTRA
INDIA	ISRA	USA	SOUNDEXCHANGE
ITALY	NUOVO IMAIE		

The U.S. market is now by far the biggest single source of royalties for members. The company received more than €1.6 million in 2015, with almost 42% of the total foreign income coming from this territory. The company has Q.I. status (Qualified Intermediary) from the United States Inland Revenue Service (I.R.S.) and our members can now benefit from a zero rate withholding tax from royalties generated out of the U.S., as opposed to the 30% rate that applies to non Q.I. entities.

As the number of rights that the company manages expands, and new territories introduce I.P. rights for performers, there is a need to put in place an International Recording Database to assist in this increased administration of these rights and so ensure that right holders receive their Incomes in a fast, efficient, transparent, and economical manner.

RAAP is involved in the development of this cross border data processing project (V.R.D.B.2.0). The system will adopt a standardised exchange protocol and be fully operational in 2017.

RAAP continues to provide financial support to projects that promote Irish music and musicians. In 2015 we continued our involvement with the Choice Music Irish Album of the Year awards, and at community level we support local initiatives.

The company will continue to review their role in the area of sponsorship and make interventions when we believe that we can make a significant contribution that will benefit recording artists and performers.

DIRECTORS' REPORT - continued

Business Review - continued

At European level the company has joined a core group of performer organisations including FIM (the Federation of International Musicians); FIA (the Federation of International Actors), and AEPO-ARTIST (the Association of European Performer Organisations) to task the European Commission to provide protection to artists for on-demand services, in particular streaming services.

The campaign Fair Internet for Performers is an ongoing campaign and we urge all our members to sign the online petition at www.fair-internet.eu

RAAP is currently in dispute with PPI a licensing body for record producers in Ireland over the share as between performers and producers of the income collected in Ireland for the broadcast, public performance and cable transmission of recorded performances. Since year end the company has commenced legal action against PPI. In consequence, payments made from domestic income in the period under review have been interim payments.

Results

The company did not earn a profit or a loss during the year (2014: €Nil).

Subsequent events

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

Future developments

There are no significant future developments planned which would impact the company.

Political donations

There were no political donations made during the year (2014: €Nil).

Directors

The names of the persons who were directors at any time during the year ended 31 December 2015 are set out below. Unless indicated otherwise, they served as directors for the entire year.

Mr Patrick Cole
Mr Andrew Basquille
Ms Mary Black
Mr Richard Buckley
Mr Alan McEvoy
Mr Kieran Goss
Mr Ciaran Tourish
Mr David Pennefather
Mr Paul Noonan

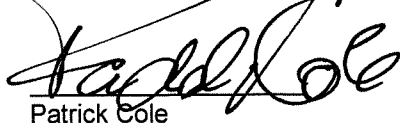
Legal status

Recorded Artists Actors Performers Limited is a company limited by guarantee, not having a share capital, incorporated in Ireland on 15 July 1999. The objectives of the company are the collection and distribution of royalties.

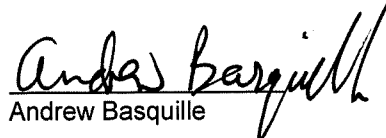
Auditors

The Auditor, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

On behalf of the board


Patrick Cole

Date 02/08/2016


Andrew Basquille

Date 02/08/2016



Independent auditors' report to the members of Recorded Artists Actors Performers Limited

Report on the financial statements

Our opinion

In our opinion, Recorded Artists Actors Performers Limited's financial statements (the "financial statements"):

- give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2015 and of its result for the year then ended;
 - have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland applicable to Smaller Entities; and
 - have been properly prepared in accordance with the requirements of the Companies Act 2014.
-

What we have audited

The financial statements comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and the Financial Reporting Standard for Smaller Entities (effective January 2015) issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland applicable to Smaller Entities).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
 - In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
 - The financial statements are in agreement with the accounting records.
 - In our opinion the information given in the Directors' Report is consistent with the financial statements.
-

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T: +353 (0) 1 792 6000, F: +353 (0) 1 792 6200, www.pwc.com/ie*

Chartered Accountants



Independent auditors' report to the members of Recorded Artists Actors Performers Limited - continued

Matter on which we are required to report by exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

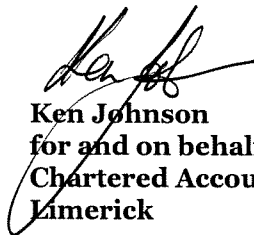
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.



***Independent auditors' report to the members of
Recorded Artists Actors Performers Limited -
continued***

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

A handwritten signature in black ink, appearing to read 'Ken Johnson', is written over the printed name and title.

**Ken Johnson
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Limerick**

4 August 2016

PROFIT AND LOSS ACCOUNT
Financial year ended 31 December 2015

	Notes	2015 €	2014 €
Turnover		689,384	614,278
Administrative expenses		<u>(689,384)</u>	<u>(614,278)</u>
Operating result	3	<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Result for the year		<u>-</u>	<u>-</u>

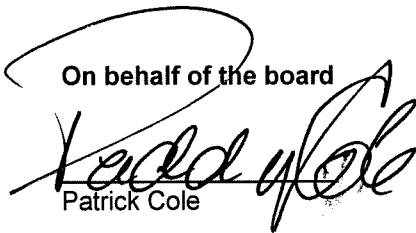
Turnover and operating loss arose solely from continuing operations.

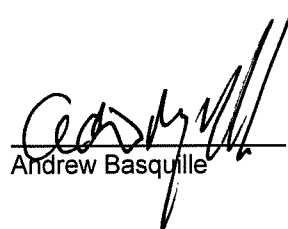
The company had no recognised gains or losses in the financial year or the preceding financial year other than those dealt with in the profit and loss account.

BALANCE SHEET
31 December 2015

	Note	2015 €	2014 €
Fixed assets			
Tangible assets	6	<u>17,042</u>	<u>31,725</u>
Current assets			
Debtors	7	1,874,596	751,126
Cash at bank and in hand		<u>4,464,830</u>	<u>4,990,124</u>
		6,339,426	5,741,250
Creditors - amounts falling due within one year	8	<u>(6,046,714)</u>	<u>(5,463,221)</u>
Net current assets		<u>292,713</u>	<u>278,029</u>
Net assets		<u>309,754</u>	<u>309,754</u>
Represented by:			
Revenue reserves	12	<u>309,754</u>	<u>309,754</u>

On behalf of the board


Patrick Cole


Andrew Basquille

2 August 2016

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The significant accounting policies adopted by the company are as follows:

Basis of preparation

The entity financial statements have been prepared on the going concern basis and in accordance with the Financial Reporting Standard for Smaller Entities (applicable accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The entity financial statements comply with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The entity financial statements have been prepared under the historical cost convention.

Historical cost convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover comprises an agency fee receivable from PPI (Phonographic Performance Ireland Limited) and an administration fee charged to performers against domestic distributions.

Taxation

Corporation tax is provided on non deductible expenses and timing differences between depreciation and the related capital allowances for tax purposes. Taxation costs are recovered from member distributions in accordance with the cost recoupment model adopted by the company.

Deferred taxation is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for taxation purposes and profits recognised in the financial statements which arise because certain gains and losses in the financial statements are dealt with in different periods for taxation purposes.

Deferred tax is measured at the tax rates expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax is not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the timing differences can be utilised.

Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	- 15% straight line
Equipment	- 25% straight line
Motor vehicles	- 20% straight line

Retirement benefits

Retirement benefits are met by payments to a defined contribution pension fund. The defined contribution pension charge to operating profit comprises the contribution payable to the scheme for the year.

Operating leases

Operating lease rentals are charged to the profit and loss account in the period to which they relate.

2 Limit of members liability

The company is registered as a company limited by guarantee not having a share capital. The members of the company have their liability limited to €1.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Operating result	2015	2014
	€	€
The operating result is stated after charging/(crediting):		
Wages and salaries	384,055	351,152
Social insurance costs	56,404	51,131
Defined contribution pension costs	43,767	43,608
Staff costs	<u>484,226</u>	<u>445,891</u>
Auditors' remuneration	8,500	8,500
Depreciation	15,008	14,895
Operating lease charges on office premises	<u>19,069</u>	<u>19,069</u>
4 Particulars of staff	2015	2014
	Number	Number
The average number of persons employed by the company during the year was:		
Administration	<u>5</u>	<u>5</u>
5 Taxation	2015	2014
	€	€
Tax on profit on ordinary activities		
Current tax:		
Irish corporation tax on profit for the year	-	-
Under provision of corporation tax	-	-
Current tax charge for the year	<u>-</u>	<u>-</u>

The company operates on a cost recoupment basis solely for the benefit of its members acting as an agent for the collection and distribution of monies due to its members in accordance with the Copyright and Related Rights Act 2000. Any corporation tax arising on non deductible expense and on timing differences arising between depreciation and capital allowances for taxation purposes are recovered from its members.

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Tangible assets	Fixtures, fittings and equipment €	Motor Vehicles €	Total €
Cost			
At 1 January 2014	108,802	52,142	160,944
Additions	1,103	-	1,103
At 31 December 2014	<u>109,905</u>	<u>52,142</u>	<u>162,047</u>
At 1 January 2015	109,905	52,142	162,047
Additions	325	-	325
At 31 December 2015	<u>110,230</u>	<u>52,142</u>	<u>162,372</u>
Depreciation			
At 1 January 2014	94,573	20,854	115,427
Charge for the year	4,463	10,432	14,895
At 31 December 2014	<u>99,036</u>	<u>31,286</u>	<u>130,322</u>
At 1 January 2015	99,036	31,286	130,322
Charge for the year	4,580	10,428	15,008
At 31 December 2015	<u>103,616</u>	<u>41,714</u>	<u>145,330</u>
Net book amount			
At 31 December 2015	<u>6,614</u>	<u>10,428</u>	<u>17,042</u>
At 31 December 2014	<u>10,869</u>	<u>20,856</u>	<u>31,725</u>
At 31 December 2013	<u>14,229</u>	<u>31,288</u>	<u>45,517</u>
7 Debtors		2015 €	2014 €
VAT receivable		-	1,635
Trade receivables ((i) below)		1,869,203	742,365
Prepayments		5,393	393
Corporation tax		-	6,733
		<u>1,874,596</u>	<u>751,126</u>
Debtors for taxation included above		<u>-</u>	<u>8,368</u>

- (i) PPI Limited collects royalties on behalf of Producers and Performers. The company is in dispute with PPI Limited as to the share of these royalties between Producers and Performers (with the company representing the Performers). The company believes that there are further monies due to the Performers at the year end.

NOTES TO THE FINANCIAL STATEMENTS - continued

8 Creditors - amounts falling due within one year	2015	2014
	€	€
Trade creditors	33,367	894
Accruals	23,110	30,193
Royalty reserve for distribution	5,925,633	5,421,536
Other creditors including tax and social insurance	64,604	10,598
	<u>6,046,714</u>	<u>5,463,221</u>
Other creditors including tax and social insurance comprise:		
VAT payable	35,319	-
Income deducted under PAYE and Pay related social insurance	29,285	10,598
	<u>64,604</u>	<u>10,598</u>

Trade and other creditors are payable at various dates in the next three months in accordance with the suppliers' usual and customary credit terms.

Tax and social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

9 Related party transactions

Certain directors have received payments in respect of copyright remuneration in the normal course of the company's activities. Total payments made to directors in respect of copyright remuneration amounted to €20,482 (2014: €120,055). The directors who received payments during were Mary Black, Kieran Goss, Richard Buckley, Ciaran Tourish, Paul Noonan, Andrew Basquille, David Pennefather and Patrick Cole.

10 Directors remuneration	2015	2014
	€	€
Emoluments for services as directors	<u>37,964</u>	<u>32,479</u>

11 Leases

The total rentals under operating leases, charged as an expense in the profit and loss account, are disclosed below:

	2015	2014
	€	€
Land and buildings	<u>19,069</u>	<u>19,069</u>

At 31 December 2015 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2015	2014
	€	€
In one year or less	19,069	19,069
In more than one year but not more than 5 years	57,207	76,276
In more than five years	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Revenue reserves

	Revenue Reserves €
Increase in profit and loss account for the financial year ended 31 December 2014	-
At 1 January 2014	309,754
At 31 December 2014	<u>309,754</u>
Increase in profit and loss account for the financial year ended 31 December 2015	-
At 1 January 2015	309,754
At 31 December 2015	<u>309,754</u>

13 Cashflow

The company has availed of the exemption from preparing a cash flow statement under the terms of the Financial Reporting Standard for Smaller Entities (effective January 2015).

14 Events after the balance sheet date

There have been no significant events since the balance sheet date.

15 Approval of financial statements

The directors approved the financial statements on 2/8/16