
**RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY
GUARANTEE**

**FINANCIAL INFORMATION IN ACCORDANCE WITH THE EUROPEAN UNION
(COLLECTIVE RIGHTS MANAGEMENT) (DIRECTIVE 2014/26/EU) REGULATION 2016 –
ANNUAL TRANSPARENCY REPORT (ATR) INCORPORATING THE SPECIAL REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2018

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

COMPANY INFORMATION

Directors	Patrick Cole Andrew Basquille Mary Black Richard Buckley Alan McEvoy Kieran Goss Ciaran Tourish Paul Noonan Roisin O'Reilly Philip Magee
Company secretary	Andrew Basquille
Registered number	309692
Registered office	RAAP House 15 Carysfort Avenue Blackrock Co. Dublin
Independent auditors	Nexia Smith & Williamson Paramount Court Corrig Road Sandyford Business Park Dublin 18
Bankers	Bank of Ireland Sandyford Industrial Estate Dublin 18 Irish Life and Permanent 56-59 St Stephen's Green Dublin 2
Solicitors	Brady McGreevy Solicitors 21 Upper Fitzwilliam Street Dublin 2

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

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RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

Principal activities

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), however due to a dispute with PPI no agency fee was paid in 2018, and an administration fee charged on distributions of performers' income on a cost recoupment basis.

Results and dividends

The profit for the year, after taxation, amounted to €NIL (2017 - €NIL).

Directors

The directors who served during the year were:

Patrick Cole
Andrew Basquille
Mary Black
Richard Buckley
Alan McEvoy
Kieran Goss
Ciaran Tourish
Paul Noonan
Roisin O'Reilly
Philip Magee

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at RAAP House, 15 Carysfort Avenue, Blackrock, Co. Dublin.

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 2018 the company collected and distributed over €6.1 million, an increase of over 27% on 2017, to more than 32,000 performers, an increase of 23% on 2017, paying more than €4.7 million of that total to RAAP members, an increase of €1 million on 2017.

The company has representation agreements in 50 countries, listed below, and plans to conclude more bilateral agreements in 2019.

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

TERRITORY	SOCIETY		TERRITORY	SOCIETY
ALBANIA	AKDIE		JAPAN	CPRA
ARGENTINA	AADI		LATVIA	LAIPA
AUSTRIA	LSG		LITHUANIA	AGATA
BELGIUM	PLAYRIGHT		MEXICO	ANDI
BRAZIL	ABRAMUS		MEXICO	EIE
BRAZIL	SOCINPRO		NORWAY	GRAMO
BRAZIL	UBC		NORWAY	NORWACO
BULGARIA	PROPHON		PANAMA	PANAIE
CANADA	ACTRA		PARAGUAY	AIE PARAGUAY
CANADA	ARTISTI		PERU	SONIEM
CANADA	MROC		POLAND	SAWP
CHILE	SCI		POLAND	STOART
COLOMBIA	ACINPRO		PORTUGAL	GDA
CROATIA	HUZIP		ROMANIA	CREDIDAM
CYPRUS	ASTERAS		RUSSIA	VOIS
CZECH REPUBLIC	INTERGRAM		SERBIA	PI
DENMARK	GRAMEX		SLOVAKIA	SLOVGRAM
DOMINICAN REPUBLIC	SODAIE		SLOVENIA	IPF
ECUADOR	SARIME		SLOVENIA	ZVASP
ESTONIA	EEL		SOUTH KOREA	FKMP
FINLAND	GRAMEX		SPAIN	AIE
FRANCE	ADAMI		SPAIN	AISGE
FRANCE	SPEDIDAM		SWEDEN	SAMI
GEORGIA	GCA		SWITZERLAND	SWISSPERFORM
GERMANY	GVL		UK	PPL
GREECE	APOLLON		UKRAINE	NRMU
GREECE	ERATO		UKRAINE	UMA
HOLLAND	NORMA		URUGUAY	SUDEI
HOLLAND	SENA		USA	AARC
HUNGARY	EJI		USA	AFM & AFTRA
ICELAND	SFH		USA	SOUNDEXCHANGE
INDIA	ISRA		VENEZULA	AVINPRO
ITALY	NUOVO IMAIE			

The U.S. market is now by far the biggest single source of royalties for members. The company received circa €2 million in 2018, with 48% 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 can apply to non Q.I. entities.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 will go live in December 2018.

RAAP continues to provide financial support to projects that promote Irish music and musicians. We continue 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.

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.

Events since the end of the year

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.

Statement on relevant audit information

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Compliance Statement

For the purpose of section 225 of the companies Act 2014 ("the Act"), we, the directors;

1. Acknowledge that we are responsible for securing the Company's compliance with its relevant obligations as defined in section 225(1) of the Act (the "relevant obligations"); and

2. Confirm that each of the following has been done:

I. A compliance statement (as defined in section 225(3)(a) of the act) setting out the Company's policies (that in our opinion, are appropriate to the company) representing compliance by the Company with its relevant obligations have been drawn up;

III. Appropriate arrangements or structures, that are, in our opinion, designed to secure compliance with the Company's relevant obligations, have been put in place; and

III. During the financial year to which this report relates, a review of the arrangements or structures referred to in paragraph (II) above have been conducted.

Legal and governance structure

Recorded Artists Actors Performers is a not for profit organisation set up to ensure that musicians receive the performance royalties that are due to them. The Company is registered as Recorded Artists Actors Performers Company Limited By Guarantee – registration number 309692.

Following the introduction of the Copyright Act on 1st January 2001, R.A.A.P. was set up to distribute performance royalties to artists (main artists and session musicians). Artists are entitled to a payment when a sound recording they have contributed to is publicly broadcast in Ireland and around the world. Our organisation was officially launched on 15th February 2001 and is run by performers for performers.

The performance right exists throughout Europe and in almost every other country in the world. R.A.A.P. has engaged in collecting this income for our members through international reciprocal agreements entered into under E.U. and W.I.P.O. directives.

The Company structure is

1. Members - All artists who qualify can apply to become members of RAAP. All members are entitled to attend and vote at annual general meetings of the Company.

2. Board of Directors - Appointed at annual general meetings by the members. The Board must consider and approve all major policy and management decisions of the Company.

3. Chairman - Appointed by and from within the Board of Directors. Chairs all Board Meetings and acts as direct liaison on a day to day basis between the Board and the CEO.

4. CEO - Employed on a salaried basis to manage the day to day operations and controls within the Company.

5. Administration staff - Appointed by the CEO to manage the day to day administration.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Auditors

The auditors, Nexia Smith & Williamson, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board and signed on its behalf.

Patrick Cole
Director

Date: 25 June 2019

Andrew Basquille
Director

Date: 25 June 2019

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' .

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, of the profit or loss for that financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

Patrick Cole
Director

Date: 25 June 2019

Andrew Basquille
Director

Date: 25 June 2019

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

**ASSURANCE REPORT TO THE RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY
GUARANTEE IN RESPECT OF THE ANNUAL TRANSPARENCY REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

In accordance with our engagement letter dated 11 September 2017, we were engaged by Recorded Artists Actors Performers Company Limited by Guarantee to perform a limited assurance engagement in respect of the accounting information included in the Annual Transparency Report for the financial year ended 31 December 2018 ("Annual Transparency Report") prepared pursuant to Regulation 20(4) of the European Union (Collective Rights Management) (Directive 2014/26/EU) regulation 2016 ("the Directive").

The accounting information included in the Annual Transparency Report is defined in Regulation 20(5) of the Directive, which comprises the financial statements specified in Part 1 of the Schedule (Information to be provided in the Annual Transparency Report) to the Directive, on which we opined on 29 June 2018 which included an Emphasis of Matter paragraph but did not modify our opinion in this respect. Our opinion is reproduced on pages 10 to 12 of this annual Transparency Report, and the financial information specified in Part 2 and 3 of the Schedule to the Directive ("accounting information").

Respective Responsibilities

As a collective management organisation, you are responsible for the preparing of the Annual Transparency Report, including a special report as required by Regulation 20(1) of the Directive for each financial year no later than 8 months following the end of that financial year. This Annual Transparency Report is required to contain at least the Information set out in the schedule to the Directive, and comply with the overall requirements of the Directive.

As directors of RAAP, you are responsible for ensuring that RAAP keeps, or causes to be kept, adequate accounting records allowing the preparation of the Annual Transparency Report for each financial year that fairly presents the activity of the Company.

Our responsibility is to review the accounting information included in the Annual Transparency Report and provide a limited level of assurance on whether anything has come to our attention, based on the procedures performed and evidence obtained, that would cause us to believe, in all material respects, that the accounting information included in the Annual Transparency Report is not fairly stated and complies with the requirements of the directive.

Assurance work performed

Our work was conducted having regard to the International standard on Assurance Engagements 3000 (revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000") issued by the International Auditing and Assurance Standards Board.

We were not required to carry out an audit conducted in accordance with the International Standards on Auditing (UK and Ireland). Consequently our conclusion is not expressed as an audit opinion.

In accordance with ISAE 3000, we confirm that we apply International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We also comply with the independence and other ethical requirements of the Code of Ethics for the Professional Accountants issued by the International Ethics Standards Board of Accountants.

We planned and performed procedures to obtain limited assurance on whether anything has come to our attention, based on the procedures performed and evidence obtained, that would cause us to believe, in all material respects that the accounting information included in the Annual Transparency report is not fairly stated and complies with the requirements of the Directive.

The procedures we performed are included in Appendix I to this report

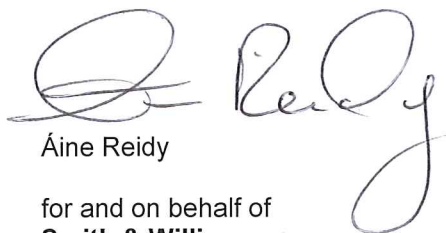
ASSURANCE REPORT TO THE RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY
GUARANTEE IN RESPECT OF THE ANNUAL TRANSPARENCY REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects, that the accounting information included in the Annual Transparency Report for the financial year ended 31 December 2018 is not fairly stated and complies with the requirements of the Directive.

Restrictions on use of our Report

Our report has been prepared solely for your exclusive use however, we understand that a copy of our report will be included on the Company's website for a period for 5 years. Our report must not be recited or referred to in whole or in part in any other document. Our report must not be made available, copied, or recited to any other party without our express written permission, Notwithstanding any written permission given, Smith & Williamson neither owes nor accepts any duty to the party, other than the Company, in connection with our report or this engagement and shall not be liable for any loss, damage, or expense of whatsoever nature which is caused by reliance on our report



Aine Reidy

for and on behalf of
Smith & Williamson
Chartered Accountants and Registered Auditor
Paramount Court
Corrig Road
Sandyford Business Park
Dublin 18
Date: 26 June 2019

ASSURANCE REPORT TO THE RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY
GUARANTEE IN RESPECT OF THE ANNUAL TRANSPARENCY REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Appendix I – Summary of Procedures

- Discussed the requirements of the European Union (Collective Rights Management) (Directive 2014/26/EU) Regulations 2016 with Company Management.
- Inquired with company management and understood the process completed by the company to prepare the Annual Transparency Report.
- Obtained a copy of the audited financial statements for the year ended 31 December 2018 and agreed the numbers to the underlying trial balance.
- Agreed the financial information in the audited trial balance to the financial information included in each category of the Annual Transparency report.
- Where amounts did not agree directly between the Annual Transparency Report and the audited trial balance, inquired with the company management how the figures have been calculated / extracted and agreed to supporting documentation if required.
- Performed analytical procedures or test of details of amounts included in the below categories to assess whether the amounts were correctly classified in the CMO Report – Appendix to the financial report
- Reviewed the cost allocations between the categories to management budget and supporting information where required.
- Read the narrative information included by the company management as part of the Annual Transparent report and discussed with management how they believed the narrative satisfied the requirements of the European Union (Collective Rights Management) (Directive 2014/26/EU) Regulation 2016 with Company management.
- Compared the narrative information included by company management as part of the Annual Transparency Report and narrative information included in the audited financial statements. Inquired with management should any narrative information be inconsistent or misleading.
- Obtained written representation from the directors of the company to confirm the responsibilities for the financial and narrative information included in the Annual Transparency Report.
- Report to the company management where our procedures above have identified areas where the accounting information included in the Annual Transparency Report was not in compliance with the requirements of Schedule 1 to the European Union (Collective Rights Management) (Directive 2014/26/EU) Regulations 2016.

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Recorded Artists Actors Performers Company Limited by Guarantee (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 profit 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 properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Emphasis of matter

We draw attention to note 8 in the financial statements which describes the possible consequences of the ongoing legal dispute between the company and PPI Limited. Our opinion is not modified in this respect.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RECORDED ARTISTS ACTORS
PERFORMERS COMPANY LIMITED BY GUARANTEE (CONTINUED)

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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

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

- in our opinion, the information given in the Directors' Report is consistent with the financial statements; and
- in our opinion, the Directors' Report has been prepared in accordance with applicable legal requirements.

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, and 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 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RECORDED ARTISTS ACTORS
PERFORMERS COMPANY LIMITED BY GUARANTEE (CONTINUED)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.


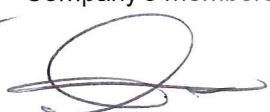
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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's website at: [https://www.iaasa.ie/Publications/ISA-700-\(Ireland\)](https://www.iaasa.ie/Publications/ISA-700-(Ireland)). This description forms part of our Auditors' 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 we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Aine Reidy

for and on behalf of
Nexia Smith & Williamson

Chartered Accountants and Statutory audit firm

Paramount Court
Corrig Road
Sandyford Business Park
Dublin 18
Date: 26 June 2019

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 €	2017 €
Turnover		923,150	808,789
Administrative expenses		(602,413)	(597,698)
Exceptional administrative expenses		(318,593)	(209,245)
Operating profit	2	2,144	1,846
Tax on profit	5	(2,144)	(1,846)
Profit for the financial year		-	-

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:€NIL).

The notes on pages 17 to 24 form part of these financial statements.

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

**BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Note	2018 €	2017 €
Fixed assets			
Tangible assets	7	25,524	37,390
		25,524	37,390
Current assets			
Debtors: amounts falling due within one year	8	2,919,775	2,919,518
Cash at bank and in hand	9	5,360,015	4,529,628
		8,279,790	7,449,146
Creditors: amounts falling due within one year	10	(8,305,314)	(7,486,536)
		(25,524)	(37,390)
Net current liabilities		(25,524)	(37,390)
Total assets less current liabilities		-	-
Net assets		-	-
Capital and reserves		-	-
Shareholders' funds		-	-

The financial statements were approved and authorised for issue by the board:

Patrick Cole
Director

Andrew Basquille
Director

Date: 25 June 2019

Date: 25 June 2019

The notes on pages 17 to 24 form part of these financial statements.

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Total equity
	€
Other comprehensive income for the year	-
Total comprehensive income for the year	-
Total transactions with owners	-
At 31 December 2018	-

The notes on pages 17 to 24 form part of these financial statements.

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 €	2017 €
Profit for the financial year	-	-
Adjustments for:		
Depreciation of tangible assets	11,867	13,394
Taxation charge	2,144	1,846
Decrease/(increase) in debtors	(95)	7,013
Increase in creditors	821,193	557,300
Corporation tax (paid)	(3,969)	(1,846)
Net cash generated from operating activities	831,140	577,707
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(1,463)
Sale of tangible fixed assets	-	-
Net cash from investing activities	-	(1,463)
Net increase/(decrease) in cash and cash equivalents	831,140	576,244
Cash and cash equivalents at beginning of year	4,528,002	3,951,758
Cash and cash equivalents at the end of year	5,359,142	4,528,002
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,360,015	3,954,319
Bank overdrafts	(873)	(2,561)
	4,528,002	3,951,758

The notes on pages 17 to 24 form part of these financial statements.

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

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and Irish statute comprising of the Companies Act 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

1.2 Turnover

Turnover comprises an agency fee receivable from PPI (Phonographic Performance Ireland Limited) (however due to the dispute with PPI no Agency fees was paid in 2017 or 2018) ,and an administration fee charged by performers against domestic and foreign distributions.

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Motor vehicles	- 20%
Fixtures fittings and equipment	- 15% - 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

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

1. Accounting policies (continued)

1.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties.

1.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.8 Operating leases: the Company as lessee

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

1.9 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.

1.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.11 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

1.12 Cash flow statement

The company has availed of the exemption in FRS 102 from the requirement to produce a cash flow statement because it is classed as a small company.

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

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

2. Profit on ordinary activities before taxation

The operating profit is stated after charging:

	2018	2017
	€	€
Depreciation of tangible fixed assets	11,866	13,395
Operating lease charges on office premises	-	19,069
Defined contribution pension cost	<u>44,317</u>	<u>44,121</u>

3. Employees

Staff costs, including directors' remuneration, were as follows:

	2018	2017
	€	€
Wages and salaries	345,272	352,639
Social insurance costs	50,064	50,551
Cost of defined contribution scheme	44,317	44,121
	<u>439,653</u>	<u>447,311</u>

Capitalised employee costs during the year amounted to €NIL (2017 - €NIL).

The average monthly number of employees, including the directors, during the year was as follows:

	2018	2017
	No.	No.
Administration	<u>5</u>	<u>5</u>

4. Directors' remuneration

	2018	2017
	€	€
Directors' emoluments	<u>37,917</u>	<u>37,721</u>

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

5. Taxation

	2018 €	2017 €
Corporation tax		
Current tax on profits for the year	<u>2,144</u>	<u>1,846</u>
Taxation on profit on ordinary activities	<u>2,144</u>	<u>1,846</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2017 - the same as) the standard rate of corporation tax in Ireland of 12.5% (2017 - 12.5%) as set out below:

	2018 €	2017 €
Profit on ordinary activities before tax	<u>2,144</u>	<u>1,846</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2017 - 12.5%)	268	231
Effects of:		
Expenses not deductible for tax purposes	801	540
Capital allowances for year in excess of depreciation	856	856
Income taxable at source	219	219
Total tax charge for the year	<u>2,144</u>	<u>1,846</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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.

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

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

6. Exceptional items

	2018	2017
	€	€
Exceptional administration expenses	<u>318,593</u>	<u>209,245</u>

Exceptional administrative expense items include legal fees in relation to the High Court proceedings that RAAP was forced to bring to address the unilateral decision by PPI to change the terms on which royalties paid by licensed music users are shared by record producers with performers. RAAP seeks to recover substantial funds withheld by PPI. The directors are confident in the strength of RAAP's case and that the legal fees will be recovered in due course.

7. Tangible fixed assets

	Motor vehicles €	Fixtures fittings and equipment €	Total €
Cost			
At 1 January 2018	54,877	113,773	168,650
At 31 December 2018	<u>54,877</u>	<u>113,773</u>	<u>168,650</u>
Depreciation			
At 1 January 2018	21,050	110,210	131,260
Charge for the year on owned assets	10,975	891	11,866
At 31 December 2018	<u>32,025</u>	<u>111,101</u>	<u>143,126</u>
Net book value			
At 31 December 2018	<u>22,852</u>	<u>2,672</u>	<u>25,524</u>
At 31 December 2017	<u>33,827</u>	<u>3,563</u>	<u>37,390</u>

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

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

8. Debtors

	2018	2017
	€	€
Trade debtors	2,919,126	2,919,126
VAT	162	-
Prepayments and accrued income	487	392
	<u>2,919,775</u>	<u>2,919,518</u>

The trade debtor represents amounts owing from PPI which is also accounted for as a liability to the company members within Other Creditors in Note 10. The said liability becomes payable to the members on receipt of the trade debtor. In the event that the debtor is not received from PPI the liability is not payable to the members.

9. Cash and cash equivalents

	2018	2017
	€	€
Cash at bank and in hand	5,360,015	4,529,628
Less: bank overdrafts	(873)	(1,626)
	<u>5,359,142</u>	<u>4,528,002</u>

10. Creditors: Amounts falling due within one year

	2018	2017
	€	€
Overdrafts owed to credit institutions	873	1,626
Trade creditors	32,234	1,057
Taxation and social insurance	10,956	23,217
Other creditors	8,114,577	7,424,192
Accruals	146,674	36,444
	<u>8,305,314</u>	<u>7,486,536</u>

Other creditor balances relate to amounts payable to Members. These balances fall due for payment on receipt of the related income.

	2018	2017
	€	€
Other taxation and social insurance		
PAYE/PRSI control	580	3,794
VAT Control	10,376	19,423
	<u>10,956</u>	<u>23,217</u>

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

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

11. Company status

The company is limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding €1 towards the net assets of the company in the event of liquidation.

12. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 €	2017 €
Not later than 1 year	-	9,535
	<u>-</u>	<u>9,535</u>

13. 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 €15,305 (2017: €15,430). Other directors remuneration is disclosed in note 4 of this report.

The total remuneration for key management personal for the financial year totalled €256,045 (2017: €265,943), this is included within the remuneration disclosed in note 3 of €345,272 (2017: €352,639).

In addition key management personal have benefited from an employer pension contribution of €41,327.

14. Deduction for social, cultural and educational services

The amounts deducted for the purposes of social, cultural and educational services in the financial year 2018 were Nil.

Recipient	Amount	Type of Awards	
N/A		Nil	N/A

RECORDED ARTISTS ACTORS PERFORMERS COMPANY LIMITED BY GUARANTEE

2018	Amounts received from other CMO			Amounts distributed to other CMO		
	Gross Collection Received	Deductions for Administration	Net Collection	Gross Collection Paid	Deductions for Administration	Net Paid
CMO						
ABRAMUS - BRAZIL	€33,183	€2,655	€30,528	€0	€0	€0
ACTRA - CANADA	€66,331	€5,307	€61,025	€23,801	€3,570	€20,230
ADAMI - FRANCE	€150,332	€10,047	€140,285	€5,460	€819	€4,641
AFM AFTRA - USA	€53,544	€4,284	€49,261	€0	€0	€0
AGATA - LITHUANIA	€0	€0	€0	€182	€27	€155
AIE - SPAIN	€91,530	€7,322	€84,208	€9,253	€1,388	€7,865
AIS - BOSNIA	€5,190	€415	€4,775	€0	€0	€0
AISGE - SPAIN	€1,014	€81	€933	€0	€0	€0
AKDIE - ALBANIA	€667	€30	€637	€0	€0	€0
ARTISTI - CANADA	€0	€0	€0	€550	€82	€467
CPRA - JAPAN	€37,320	€2,986	€34,334	€1,206	€181	€1,026
CREDIDAM - ROMANIA	€7,778	€622	€7,156	€120	€18	€102
EEL - ESTONIA	€1,723	€138	€1,586	€145	€22	€123
EJI - HUNGARY	€5,573	€231	€5,341	€0	€0	€0
GDA - PORTUGAL	€4,161	€333	€3,828	€0	€0	€0
GRAMEX - DENMARK	€69,448	€5,556	€63,892	€7,971	€1,196	€6,775
GRAMEX - FINLAND	€14,663	€1,173	€13,490	€457	€69	€388
GRAMO - NORWAY	€68,058	€5,445	€62,613	€2,963	€444	€2,518
GVL - GERMANY	€502,644	€40,212	€462,433	€36,264	€5,440	€30,825
HUZIP - CROATIA	€5,937	€475	€5,462	€0	€0	€0
INTERGRAM - CZECH REPUBLIC	€0	€0	€0	€1,634	€245	€1,389
ITSRIGHT - ITALY	€0	€0	€0	€1,737	€261	€1,477
LSG - AUSTRIA	€40,342	€1,930	€38,412	€5,794	€869	€4,925
MROC - CANADA	€0	€0	€0	€6,894	€1,034	€5,860
NORMA - HOLLAND	€22,463	€895	€21,569	€0	€0	€0
NORWACO - NORWAY	€6,840	€547	€6,293	€0	€0	€0
NUOVO IMAIE - ITALY	€77,910	€3,937	€73,973	€2,744	€412	€2,332
PI - SERBIA	€3,586	€287	€3,299	€155	€23	€131
PLAYRIGHT - BELGIUM	€51,584	€3,200	€48,384	€2,033	€305	€1,728
PPCA - AUSTRALIA	€21,181	€1,694	€19,486	€0	€0	€0
PPL - UK	€442,839	€35,427	€407,412	€839,956	€125,993	€713,963
SAMI - SWEDEN	€43,640	€1,999	€41,641	€30,864	€4,630	€26,234
SAWP - POLAND	€2,303	€110	€2,193	€0	€0	€0
SENA - HOLLAND	€246,860	€17,340	€229,520	€22,634	€3,395	€19,239
SFH - ICELAND	€3,502	€280	€3,222	€0	€0	€0
SLOVGRAM - SLOVAKIA	€1,638	€131	€1,507	€261	€39	€221
SOUNDEXCHANGE - USA	€2,028,885	€124,526	€1,904,359	€56,978	€8,547	€48,431
STOART - POLAND	€30,744	€2,460	€28,285	€701	€105	€596
SWISSPERFORM - SWITZERLAND	€33,694	€2,696	€30,999	€0	€0	€0
	€4,177,109	€284,769	€3,892,340	€1,060,754	€159,113	€901,641
AGENT						
41 GP RIGHTS - UK	€0	€0	€0	€3,829	€574	€3,255
ABSOLUTE RIGHTS MANAGEMENT - UK	€0	€0	€0	€1,007	€151	€856
BB - USA	€0	€0	€0	€2,930	€439	€2,490
BULLOCKS RIGHTS MANAGEMENT - UK	€0	€0	€0	€1,280	€192	€1,088
DOWNTOWN MUSIC - UK	€0	€0	€0	€406	€61	€345
FREE RADICAL - UK	€0	€0	€0	€22,353	€3,353	€19,000
IAG INTERNATIONAL - SPAIN	€0	€0	€0	€3,208	€481	€2,727
IPRG - UK	€0	€0	€0	€7,502	€1,125	€6,376
IRR - AUSTRALIA	€0	€0	€0	€3,579	€537	€3,042
KOBALT MUSIC ARTISTS - UK	€0	€0	€0	€139,037	€20,856	€118,182
KOBALT MUSIC RIGHTS AGENCY - UK	€0	€0	€0	€188,474	€28,271	€160,203
KOBALT NEIGHBOURING RIGHTS- UK	€0	€0	€0	€185,159	€27,774	€157,385
LIME BLUE MUSIC - UK	€0	€0	€0	€278	€42	€237
OFF LIMITS - UK	€0	€0	€0	€721	€108	€613
PERFORMANCE RIGHTS LTD - UK	€0	€0	€0	€4,249	€637	€3,611
PREMIER MUZIK - CANADA	€0	€0	€0	€61,842	€9,276	€52,566
RIGHT BACK - FRANCE	€0	€0	€0	€2,591	€389	€2,203
RIGHT4MUSIC - UK	€0	€0	€0	€991	€149	€843
RT - USA	€0	€0	€0	€8,092	€1,214	€6,878
TE - USA	€0	€0	€0	€443	€67	€377