

ICE Services Ltd

Revenue Recognition policy

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# Introduction - Revenue

Revenue in ICE Services Ltd is the commission on core licenses or the service fee it earns on distribution not its invoiced income.

Both are generally recognised at the point of distribution, with the exception of commission earned on lump sums which may vary.

The 4 scenarios below show when commission is recognised in different circumstances.

Ice Services Ltd has a policy of passing any financial benefit it realises, as a result of efficiencies achieved in its establishment and on-going activities back to the rightsholders it represents.

As such all commissions and services fees will be based on documented costs, the annual budget for which will require approval from the ICE Services Board annually, and be subject to audit by the ICE Services Risk & Assurance Committee.

# Recognition of revenue for a standard transaction (no WHT)

Sequence of events:-

1. Usage data received from DSP
2. Data processed and files passed to CODA for invoicing
3. Invoice raised and sent to DSP
4. DSP pays invoice in full
5. Payment matched to invoice
6. Data passed to distribution
7. Monthly distribution run, commission and payment to societies calculated.
8. **Commission recognised as revenue**
9. Payment to societies made

# Recognition of revenue for a standard transaction (WHT)

Sequence of events:-

1. Usage data received from DSP
2. Data processed and files passed to CODA for invoicing
3. Invoice raised and sent to DSP
4. DSP pays invoice less withholding tax
5. Payment matched to invoice and adjustment Journals made for WHT.
6. Data passed to distribution
7. Monthly distribution run, commission and payment to societies calculated on invoice value less non-refundable WHT suffered
8. **Commission recognised as revenue**
9. Payment to societies made

# Recognition of revenue for a lump sum or advance (no WHT)

Sequence of events:-

1. Lump sum/Advance invoiced raised and sent to DSP
2. DSP pays invoice in full
3. Payment matched to invoice
4. Data passed to distribution
5. Monthly distribution run, retained commission calculated and advance payment to societies calculated on invoice value on the agreed split of the lump sum that was agreed by the Licensing and Payout Committee.
6. Payment made to societies
7. **Dependant on the agreement with the Rights holder a proportion of commission is recognised as revenue**.
8. Usage data received from DSP
9. Data processed
10. Rebalancing of income in line with actual usage and final calculation of commission and societies payments made.
11. **Remainder of commission recognised as revenue.**
12. Final payments made to societies.

# Recognition of revenue for a lump sum or advance (WHT)

Sequence of events:-

1. Lump sum/Advance invoiced raised and sent to DSP
2. DSP pays invoice in full less withholding tax
3. Payment matched to invoice and adjustment journals made for WHT
4. Data passed to distribution
5. Monthly distribution run, retained commission calculated and advance payment to societies calculated on invoice value less non-refundable WHT suffered on the agreed split of the lump sum that was agreed by the Licensing and Payout Committee.
6. Payment made to societies
7. **Dependant on the agreement with the Rights holder a proportion of commission is recognised as revenue**.
8. Usage data received from DSP
9. Data processed
10. Rebalancing of income in line with actual usage and final calculation of commission and societies payments made.
11. **Remainder of commission recognised as revenue.**
12. Final payments made to societies.

# Service fees

Service fees are the fee payable by the ICE Customer for the performance or delivery of services. Services fees are recognised as revenue in relation to the service tower with the SPV’s and the timings thereon.

# Interest

Interest earned on cash held is recognised on a monthly basis

# Other revenue

Other revenue represents miscellaneous other income not derived from core business and is recognised when it is earned.