

NCB 2023

Transparency report



Introduction and table of contents

NCB's annual transparency report gives an overview of NCB's activities and holds detailed information on the revenues received from NCB's customers and NCB's distribution of royalties to the rightsholders from all over the world represented by NCB. The final section of the report consists of NCB's financial statements for 2023.

The report contains all the information required by the Danish Act on Collective Rights Management (2016) and is based on the accounting information stated in NCB's audited financial statements for 2023.

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1 • The Management's review

In 2023 we have seen a modest overall decline in the mechanical market. Vinyl is picking up in the Nordic territories, all though its resurgence is not able to fully cover the loss in CDs. NCB is still focusing on streamlining workflows and optimizing our processes. Thus, despite the decline in the mechanical market NCB has had a satisfactory financial year and is well balanced.

NCB has been focusing on the US market and has been working hard to ensure a very good set-up in the US. The MLC is working well, and we are able to collect and distribute a considerable amount of royalties from the MLC and from our other US partners. We are glad to see that the set-up is working really well.

With a well-functioning NCB and a viable business in the foreseeable future NCB is working on a new business strategy to keep NCB as a highly specialized and excellent CMO for the benefit of the rightsholders. The strategy is being developed in close collaboration with rightsholder's representatives and the Nordic performing societies.

2023 has been a satisfactory financial year for NCB despite the general decline in the mechanical offline market. NCB will continue to focus on optimizing our processes and licenses to create value for our members and rightsholders through the best and most efficient administration of the mechanical rights.

2 • Financial information

2.1 Profit and loss account

	2023 DKK'000	2022 DKK '000
Revenue	18,054	22,207
Other operating income	496	502
Other external expenses	(16,934)	(10,047)
Gross profit/loss	1,616	12,662
Staff costs	(127)	(97)
Operating profit/loss	1,489	12,565
Income from investments in associates	628	889
Other financial income	5,233	982
Other financial expenses	(1,217)	(1,004)
Profit/loss before tax	6,133	13,432
Tax on profit/loss for the year	(1,044)	(385)
Profit/loss for the year	5,089	13,047
Proposed distribution of profit and loss:		
Retained earnings	5,089	13,047
Proposed distribution of profit and loss	5,089	13,047

2.2 Balance sheet

	2023	2022
	DKK'000	DKK'000
Acquired licences	0	0
Intangible assets	0	0
Investments in associates	16,305	15,677
Financial assets	16,305	15,677
Fixed assets	16,305	15,677
Trade receivables	1,937	2,886
Receivables from associates	1,582	5,124
Other receivables	338	18
Receivables	3,857	8,028
Cash	176,497	178,239
Current assets	180,354	186,267
Assets	196,659	201,944

2.2 Balance sheet (continued)

	2023 DKK'000	2022 DKK'000
Retained earnings	75,358	70,269
Equity	75,358	70,269
Prepayments received from customers	3,918	3,654
Trade payables	2,253	1,970
Income tax payable	1,044	385
Other payables	2,666	2,954
Undistributed royalties	111,420	122,712
Current liabilities other than provisions	121,301	131,675
Liabilities other than provisions	121,301	131,675
Equity and liabilities	196,659	201,944

2.3 Statement of changes in equity

	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	70,269	70,269
Profit/loss for the year	5,089	5,089
Equity end of year	75,358	75,358

2.4 Cash flow statement

	2023 DKK'000	2022 DKK'000
Operating profit/loss	1,489	12,565
Working capital changes	(6,851)	(26,697)
Cash flows from ordinary operating activities	(5,362)	(14,132)
Financial income received	5,233	983
Financial expenses paid	(1,212)	(1,006)
Taxes refunded/(paid)	(401)	0
Cash flows from operating activities	(1,742)	(14,155)
Free cash flows generated from operations and investments before financing	(1,742)	(14,155)
Increase/decrease in cash and cash equivalents	(1,742)	(14,155)
Cash and cash equivalents beginning of year	178,239	192,394
Cash and cash equivalents end of year	176,497	178,239
Cash and cash equivalents at year-end are composed of:		
Cash	176,497	178,239
Cash and cash equivalents end of year	176,497	178,239

3 • Collected royalties

3.1 Total collections

Country	Phono Standard	CIA-Contracts	Work by Work	Online	Video Standard	Work by Work Video	Unallocated	Broadcasting	Foreign Total	Total
Denmark	1.181.199	2.779.583	931.710	0	467.498	1.497.937	17.101	167.774		7.042.802
Norway	823.204	1.688.167	1.126.608		38.583	5.293.576	3.140.285	461.074		12.571.497
Sweden	1.081.769	2.611.265	1.480.730		81.830	5.033.651	2.714.152			13.003.397
Finland	333.444	3.966.734	1.481.625		71.762	3.302.613	234.883	-77		9.390.984
Iceland	93.864		61.544		5	17.026				172.439
Foreign									49.052.140	49.052.140
Total	3.513.480	11.045.749	5.082.217	0	659.678	15.144.803	6.106.421	628.771	49.052.140	91.233.259

All amounts in DKK

3.2 Profit and loss split on collection categories (description)

NCB's income consists of commission from distributed royalties, fees and interest from late reporting.

Commission rates are fixed based on the approved budget for the year. There are no other deductions from undistributed royalties in any category to cover administration costs etc.

Costs or income that can be directly connected to a specific collection category are placed in that specific category. Costs or income with no direct connection to a specific collection category, are split by collection percentage in the range of categories they represent. There have been no costs or income connected to other business areas than collection and management of royalties.

3.3 Profit / Loss per category

DKK '000	Audio Standard Contract	Central Licensing	Sister Societies	Audio Single Licenses	Online Services	AV Single Licenses	AV Standard Contract	Other & Broadcasting	Total
Collection % Total	3,85%	12,11%	53,77%	5,57%	0,00%	16,60%	0,72%	7,38%	100,00%
Royalties collected incl. Performing	3.513	11.046	49.052	5.082	0	15.145	660	6.735	91.233
Royalties distributed incl. performing Nett	2.681	9.593	27.412	3.617	228	11.431	570	33.595	89.127
Income:									
Commission	581	1.307	3.619	653	26	2.649	125	9.092	18.052
Other - Income	19	60	266	28	0	82	4	37	496
Total Income	600	1.367	3.885	681	26	2.731	129	9.128	18.548
Expenses:									
Staff	5	15	69	7	0	21	1	9	128
External expenses	30	93	413	43	0	127	6	57	767
Expenses owner societies	311	979	4.346	450	0	1.342	58	597	8.084
Expenses NMP	311	979	4.346	450	0	1.342	58	597	8.084
Total expenses	657	2.066	9.174	951	0	2.832	123	1.260	17.063
EBITDA (earnings before int. tax, dep & amort)	-57	-699	-5.289	-269	26	-101	5	7.869	1.485
Depreciations	0	0	0	0	0	0	0	0	0
Restructuring costs	0	0	0	0	0	0	0	0	0
EBIT (earnings before int. & tax)	-57	-699	-5.289	-269	26	-101	5	7.869	1.485
Net - Financial income	155	487	2.162	224	0	667	29	297	4.020
Profit from investments	24	76	338	35	0	104	5	46	628
EBT (earnings before tax)	122	-136	-2.789	-10	26	671	39	8.212	6.134
Tax	-40	-126	-561	-58	0	-173	-8	-77	-1.044
Profit & Loss	82	-262	-3.351	-69	26	497	31	8.135	5.090

3.4 Collected royalties from foreign societies

Society	Country	Film/Video	Karaoke	Not defined product	Online	Phono	Phono blank tape	Radio/TV	Video blanktape levy	Total
ACUM	IL			31	369	25.746		541.511		567.657
AEPI	GR									0
AGADU	UY									0
AKKA/LAA	LV									0
AMCOS	AU	757			3.536.453	235.429				3.772.639
ARTISJUS	HU			5	5.610	13.451	1.009	54.009		74.084
AUME	AT	167		379.793		351.646		469.873		1.201.479
CASH	HK			1.244	48.103					49.347
EAÜ	EE	4.254		701.989	1.670.857			105.535		2.482.635
GEMA	DE	185.432		4.309.401	2.010.222			1.146.797		7.651.852
HARRY FOX	US			2.924	22.526	125.240				150.690
HDS	HR			81.441				4.875		86.316
JASRAC	JP	79.081		45.116	1.158.459	226.107	103	49.356		1.558.222
KOMCA	KR			1.768	120.460	330.321				452.549
LATGA-A	LT									0
MCPS	GB	45.665		1.533.441	3.226.509	728.447		533.341		6.067.403
MCSC	CN			106.831						106.831
MESAM	TR			2		3.456				3.458
MLC	US				8.245.379					8.245.379
MUSICAUTOR	BG									0
ONDA	DZ									0
ORFIUM	US				978.653					978.653
OSA	CZ	3.528		363	1.246	4.033		114.031		123.201
SABAM	BE			236.733	125.632	126.269		120.116		608.750
SACM	MX			4.528	996.486	3.942				1.004.956
SADAIC	AR									0
SAYCO	CO				55.455					55.455
SAZAS	SI				14	3.715				3.729
SACEM	FR	43.789		73.005	6.920.912	316.052	159.162	683.382		8.196.302
SAMRO	ZA									0
SCD	CL									0
SGAE	ES	47		213	3.207	33.514	38.894	103.669		179.544
SIAE	IT	2.260		269.405	67.907	90.210		20.648		450.430
SODRAC	CA			163.208	71.945	164.657		103.733		503.543
SOKOJ	RS									0
SOZA	SK			776	4.209	3.025		54.314		62.324
SPA	PT				115	46		2.351		2.512
STEMRA	NL	147.544		213.201	514.862	2.075.115	-6	-13		2.950.703
SUISA	CH	543.283			84.638	153.210		476.408		1.257.539
TEOSTO	FI	29.493			8.498					37.991
RAO	RU									0
U.C.M.R.	RO	5		17.955	196	5.289	6.332			29.777
UBC	BR					68.658				68.658
ZAIS	PL	16.345			6.274	44.913				67.532
Total		1.101.650	0	8.143.373	29.885.196	5.132.491	205.494	4.583.936	0	49.052.140

All amounts in DKK

4 • Distribution of royalties

4.1 Method and distribution frequency

NCB distributes twice a year in June and December.

Royalties due to Nordic based authors, composers and music publishers are distributed via Koda, STEF, STIM, Teosto and TONO.

Royalties due to international rights holders are distributed via affiliated societies based on NCB's reciprocal and unilateral agreements.

NCB is member of the collective rights management organisation Copydan Arkiv, which collects monies for the use of copyright protected works by educational institutions. Any collections by Copydan AVU are forwarded to its members, who in turn distribute the money to the rightsholders. Both Koda and NCB are members of this Copydan organisations. Since the Copydan organisation represent both Koda and NCB, the Copydan organisation is able to collect monies for the use of musical works in general, i.e. both for the performing rights (Koda) and for the mechanical rights (NCB). In practice, the licensing of musical works done by Copydan AVU does not distinguish between these two types of exploitation. On this background, NCB and Koda have agreed that, to the extent NCB were allocated money from Copydan AVU, Koda will receive and distribute any such money.

4.2 Total distributions

Country	Phono Standard	CLA-Contracts	Work by Work	Online	AV Mechanical	AV Synchronisation	Foreign	Lumpsum	Total
Denmark	386.047	453.562	589.227	24.153	259.410	1.128.011	6.835.260	6.975.997	16.651.667
Norway	486.986	72.245	604.704	1.643	36.159	2.027.374	5.030.769	5.550.301	13.810.181
Sweden	1.007.204	8.280.944	1.245.252	107.194	197.804	6.271.325	11.592.487	15.096.753	43.798.963
Finland	324.676	342.212	860.692	1.786	31.823	1.717.790	2.468.805	3.461.592	9.209.377
Iceland	58.287	3.958	41.357	103	673	3.152	771.987	443.056	1.322.574
Internal acc	32.042		420	3.729		2.041	639.134		677.366
Foreign soc.	385.418	440.445	275.218	89.304	44.271	281.070	73.569	2.067.295	3.656.589
Total	2.680.661	9.593.366	3.616.871	227.911	570.138	11.430.764	27.412.010	33.594.995	89.126.717

4.3 Distribution per category and commission rates

Royalties distributed per category:

Distributed amounts	Nett amount DKK	Commission DKK	Rate
AV Mechanisation	570.139	125.028	18%
AV Synchronisation	11.430.764	2.649.157	18%
CLA	9.593.368	1.307.235	12%
Foreign	27.412.011	3.618.916	12%
Lumpsum*	33.591.642	9.100.497	25%
Online	227.911	25.662	10%
Phono Single License	3.616.870	653.489	18%
Phono Standard License	2.680.661	581.196	18%
Radio/TV*	3.353	736	18%
Comm. Return		-9.418	
Total	89.126.717	18.052.497	

The Baltic Societies have set their own commission rates at EAU 25%, AKKA/LAA 24% and LATGA-A 21% for all royalties collected in their respective territories.

*Lumpsum – Lumpsum describes the categories, which are not distributed line-by-line. These categories are instead distributed based on category, territory, previous distribution information for same or similar categories and collection period.

4.4 Distribution to foreign societies

Society	Country	Phono Standard	CLA-Contracts	Work by Work	Online	AV Mechanisation	AV Synchronisation	Foreign	Radio/TV	Lumpsum	Total
ACUM	IL	110	465		184	11	358			5.351	6.480
ABRAMIUS	BR				212					309	521
ACDAM	CU	0	883		0	2				526	1.411
ADDAF	BR									-	-
AEPI	GR									-	-
AGADU	UY	44	34				165			63	307
AKKA-LAA	LV				55					4.619	4.674
AKM	AU				27					6.535	6.562
AMAR	BR	73	0	4.502	0	8				531	5.114
AMCOS	AU	6.140	817	648	40	85	4.188	1		11.036	22.955
AMRA	US	331	1.577	137	39	4	280			15.753	18.120
APA	PY									-	-
APRA	AU				75					47.552	47.627
ARTISJUS	HU	132	541	81	3	18	40			2.004	2.820
ASCAP	US				9.931					336.025	345.957
AUME	AT	8.831	1.838	919	53	167	1.109			8.180	21.098
AUTODIAHIR	GR									424	424
BMI	US				9.795					325.141	334.937
BSDA	SN				125					288	413
BUMA	NL				2.538					77.049	79.587
CASH	HK	34		54	1					43	131
CMRRA	CA									-	-
COMPASS	SG									736	736
COTT	TT									-	-
EAU	EE				0					26.171	26.171
GEMA	DE	74.657	102.606	67.672	12.331	4.228	49.738	74		301.418	612.723

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HARRY FOX	US										-
HDS	HR	22	1.179		9	0	96			1.899	3.204
IMRO	IE				49					7.321	7.370
IPRS	IN				305					294	599
JACAP	JM				112					528	640
JASRAC	JP	4.786	191	4.496	159	3.169	262			4.227	17.290
KOMCA	KR	70	89	17	5.618	286	503			873	7.457
LATGA-A	LT				3					1.896	1.899
MCPS	GB	88.130	227.169	69.554	9.094	4.425	83.448	1.691	16	195.089	678.617
MCSC	CN				0					188	188
MESAM	TR	16	40	1	2					211	270
MSG	TR	0			3					368	371
MUSICAUTOR	BG	2	138							174	314
ONDA	DZ										-
OSA	CZ	1.424	138	16	1	417	88			2.576	4.661
PAM	ME		76							38	114
PRS	GB				7.973					272.895	280.868
RAO	RU	415	447	1.832	0	2.500	1.453			3.291	9.938
SABAM	BE	27.402	3.709	7.494	311	9.365	8.206	0		47.575	104.062
SACM	MX	63	5	24	97	1				387	577
SADAIC	AR	313	78	1.389	10	42	2.094			2.855	6.781
SAYCO	CO			26	657		32			227	943
SAZAS	SI	0	1.139			52				141	1.333
SACEM	FR	34.167	29.874	17.422	735	12.345	71.168	49	1	106.860	272.620
SACVEN	VE										-
SAMRO	ZA				22					645	667
SARRAL	ZA										-
SBACEM	BR	0	4	41		0	21			323	389
SCD	CL	48	8	995	7	26				728	1.812
SGAE	ES	2.276	2.295	2.073	82	1.042	5.172	33		12.868	25.840
SIAE	IT	10.410	13.823	43.056	515	3.654	16.334	71.407		35.466	194.664
SICAM	BR										-
SESAC	US	92.146	15.670	13.533	987	127	2.815			33.575	158.854
SOBODAYC	BO										-
SODRAC	CA	1.983	1.626	934	1.799	817	2.470			4.308	13.937
SOCAN	CA				8.082					45.708	53.790
SOCINPRO	BR										-
SOKOJ	RS	1	462		0	5	56			839	1.363
SOZA	SK	3			1		119			192	316
SPA	PT	45	1.252	79	45	0	1.645			1.847	4.913
STEMRA	NL	24.216	29.718	35.703	15.017	781	24.611	310		75.325	205.681
SUIISA	CH	2.159	1.692	2.434	340	547	4.425	5		29.723	41.325
UACRR	UA		30							282	312
UBC	BR	555	18		1.746	8				676	3.002
U.C.M.R.	RO	4	26	6	61	0	119	0		694	910
ZAMP	MK										-
ZAIS	PL	4.406	791	79	51	138	57			4.180	9.701
ZIMRA	ZW									232	232
Total		385.418	440.445	275.218	89.304	44.271	281.070	73.569	17	2.067.277	3.656.589

5 • Undistributed royalties

5.1 Practice regarding undistributable royalties

During the collection and distribution process, all royalties undergo different statuses before the amount is distributed. At first the amount is shown as "Invoiced", when the invoice has been created and NCB is awaiting payment. Then the amount is categorised "Payment received" when the amount is received and awaits the next distribution run. The amount is now distributed within the time limits set out in the Danish Act on Collective Rights Management (based on the so-called CRM Directive).

However, some royalties cannot be distributed due to various reasons, the main reason being missing documentation (approx. 55%) or disputes (approx. 30%). All royalties are divided into different groups and given a code describing the reason why they are not distributed. This also includes the royalties awaiting the next distribution run. See the figures below.

The royalties which cannot be distributed are manually handled and undergo various processes too. One of the processes for seeking information regarding documentation is sending lists of works with missing documentation to NCB's member societies 16 times per year and uploading the lists to the website twice a year. The works are sent through the system with each distribution run to be matched and distributed.

If it is not possible to distribute received amounts within three years, the main rule is that the amount is distributed as a lump sum based on category, territory, previous distribution information for same or similar categories and collection period. However, there are a few exceptions from this rule, e.g., disputes, which are kept in the system until the parties have reached a settlement.

5.2 Undistributed royalties by 31 December 2023

Table by type of use:

DKK 000	Before 2023	2023	Total
AV Mechanisation	1.278	130	1.408
AV Synchronisation	4.844	5.254	10.098
CLA	6.041	1.568	7.609
Foreign	26.491	15.698	42.189
Online	11.055		11.055
Phono Single License	4.081	1.817	5.898
Phono Standard	3.742	646	4.388
Radio/TV		15	15
Other	75	13	88
In Finance system:			
Online	-	-	-
Other	7.748	20.924	28.672
	65.355	46.065	111.420

Table by type of delay:

DKK '000	Before 2023	2023	Total
Invoiced but not paid	1.442	2.292	3.734
Ready for distribution	4.310	3.262	7.572
Missing work documentation	3.094	3.283	6.377
Dispute	9.729	3.002	12.731
Shares on work	3.222	313	3.535
Other	1.944	1.282	3.226
Partly distributed rest share is missing	30.014	11.671	41.685
Carve out protection pct has changed	3.526		3.526
*100% Online			-
Other	326	36	362
In Financesystem:			
Online	-	-	-
Other	7.748	20.924	28.672
	65.355	46.065	111.420

6 • Social and cultural deductions

NCB does not deduct social and cultural amounts on any mechanical rights.

Deductions made when processing royalties on behalf of other societies

When NCB processes royalties on behalf of its member societies (Koda, STEF, STIM, Teosto and TONO), such processing might entail a request from the relevant society to apply deductions for social and cultural purposes on the performing rights represented by these societies, as shown in the figure below. NCB only handles such performing rights when handling online rights on behalf of the member societies, and therefore NCB only deducts social and cultural amounts on the performing rights part of online rights. All such amounts are transferred to the member societies for further handling. Thus, NCB refers to Koda, STEF, STIM, Teosto and TONO and each of their Annual Transparency Reports for further information.

Amounts deducted on behalf of member societies:

Dist.currency	Amount - DKK
DKK	6.299
EUR	43
ISK	8
NOK	130
SEK	3.203
Total	9.683

Applicable rates when handling distributions on behalf of member societies:

	Denmark Koda	Finland TEOSTO	Iceland STEF	Norway Tono	Sweden Stim
Permanent Downloads					
% of performing		6,0	10,0	10,0	
On demand streaming (for free)					
% of performing		6,0			
On demand streaming (under subscription)					
% of performing	10,0	6,0	10,0	10,0	
Ringtones					
% of performing		6,0	10,0	10,0	
Cloud Locker Services					
% of performing		6,0			
Temporary Downloads					
% of performing	10,0	6,0	10,0	10,0	
Tethered Downloads (for free)					
% of performing		6,0			
Tethered Downloads (under subscription)					
% of performing		6,0			
Webcasting					
% of performing		6,0			
User generated content (e.g. Youtube)					
% of performing		6,0			

NKF – Norwegian Composers Foundation

In accordance with the Norwegian Act of April 9, 1965 no.1, regarding The Norwegian Composers foundation NCB also deducts 2% on all sales in Norway. However, this is not a deduction but an extra charge, since the 2 % are added to the invoice. NCB refers to the Norwegian Composers Foundation and the Norwegian Act of April 9, 1965 no.1 for further information.

Amounts collected for the Foundation:

Collections group	Amount - DKK
Phono Standard	12.436
Foreign	22.434
AV Synchronisation	109.464
AV Mechanisation	1.264
Online	-
CLA-contracts	30.281
Phono Single	17.540
Fee's	1.480
Total	194.899

7 • Rejection of licensees

NCB does not reject licensees in general. The only reasons for NCB not granting a licence upon request are:

- if the licence requested does not fall under the scope of mechanical music rights
- if the music work is not copyright protected
- if the administration of the rights is not passed on to NCB
- lack of payment of royalties due.

8 • General information on NCB

8.1 Legal and governance structure

NCB - Nordisk Copyright Bureau - is a Nordic society that in collaboration with affiliated societies all over the world manages the recording and copying rights in music on CD, DVD, film, video, the internet etc. for composers, lyricists and music publishers. NCB's head office is in Copenhagen and NCB's territory of administration covers all Nordic countries.

Following the restructuring process in 2017 in order to secure NCB's business in the future, all of the administrative activities and key resources of NCB were outsourced to the administration of Koda. This way, NCB has chosen to underpin its core operation and commercial knowhow in a new organizational setup, which at the same time would maintain the existing legal structure of NCB as a collective rights management society.

The current members of NCB are all of the Nordic performing rights societies: Koda in Denmark, STEF in Iceland, STIM in Sweden, Teosto in Finland and TONO in Norway.

NCB's Board of Directors consists of five members. Koda, STEF, STIM, Teosto and TONO each appoint one member at the General Assembly.

NCB's audit is undertaken by a state authorised public accountant. In addition, Koda, STIM, Teosto and TONO all appoint a rights holder representative to NCB's Audit Committee, which convenes twice a year and review the books.

8.2 Ownership of other entities

NCB holds 50% of the shares in NMP – Network of Music Partners A/S – which is a joint venture company owned by NCB and PRS for Music in the U.K. NMP provides back-office services to the music copyright administration industry.

8.3 About NCB

Name & registered office

Nordisk Copyright Bureau
Lautrupsgade 9
DK-2100 Copenhagen Ø
Denmark

CVR number 22 13 33 14
(Central Business Registration number)

Contact information

Telephone:

(+45) 33 36 87 00

Email:

ncb@ncb.dk

Web:

www.ncb.dk

Annual General Meeting

The Annual General Meeting will be held on 10 June 2024.

8.4 Executive bodies of NCB 2023**Board of Directors**

Risto Salminen, CEO (Chairman)

Appointed by Teosto

Guðrun Björk Bjarnadóttir, CEO (Vice-chairman)

Appointed by STEF

Karl Vestli, CEO

Appointed by TONO

Casper Bjørner, CEO

Appointed by STIM

Gorm Arildsen, CEO

Appointed by Koda

Audit Committee

Jacob Morild, Lyricist

Appointed by Koda

Asbjørn Schaathun, Composer

Appointed by TONO

Jari Muikku, Executive Director

Appointed by Teosto

Hans Gefors, Composer

Appointed by STIM

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab

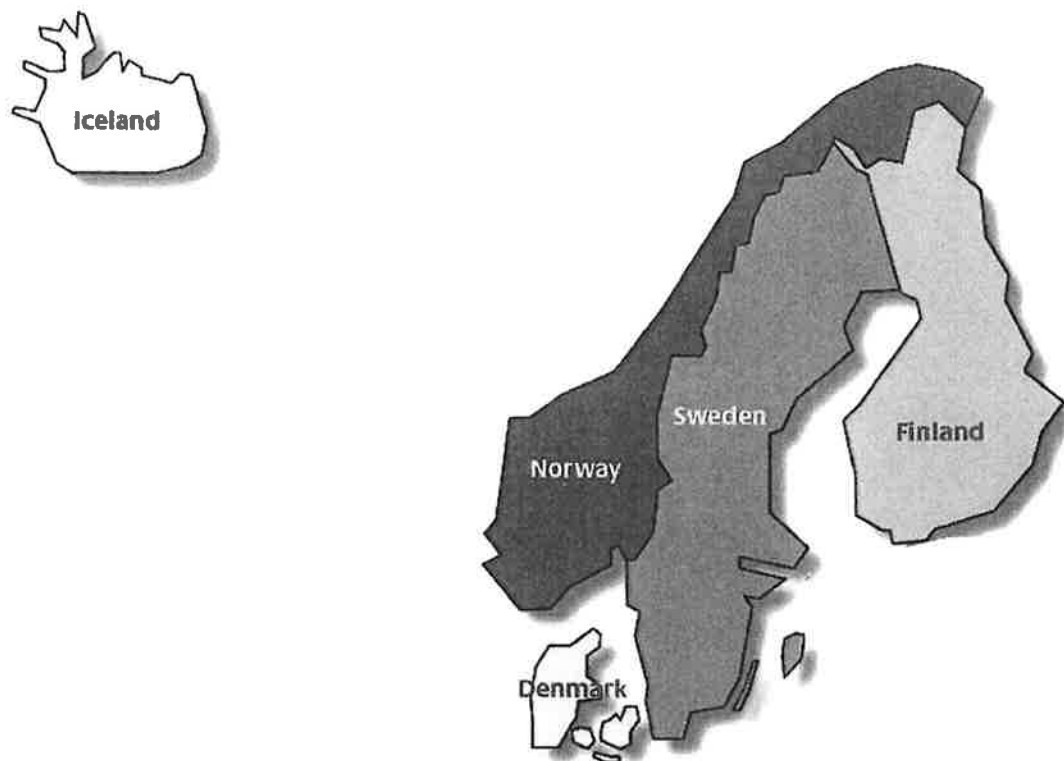
Executive Management

NCB has no executive management, since its activities are outsourced to Koda, thus NCB is represented by the Chairman and/or the board of directors.

8.5 Remuneration of the Board and management

There is no remuneration to the members of the NCB Board.

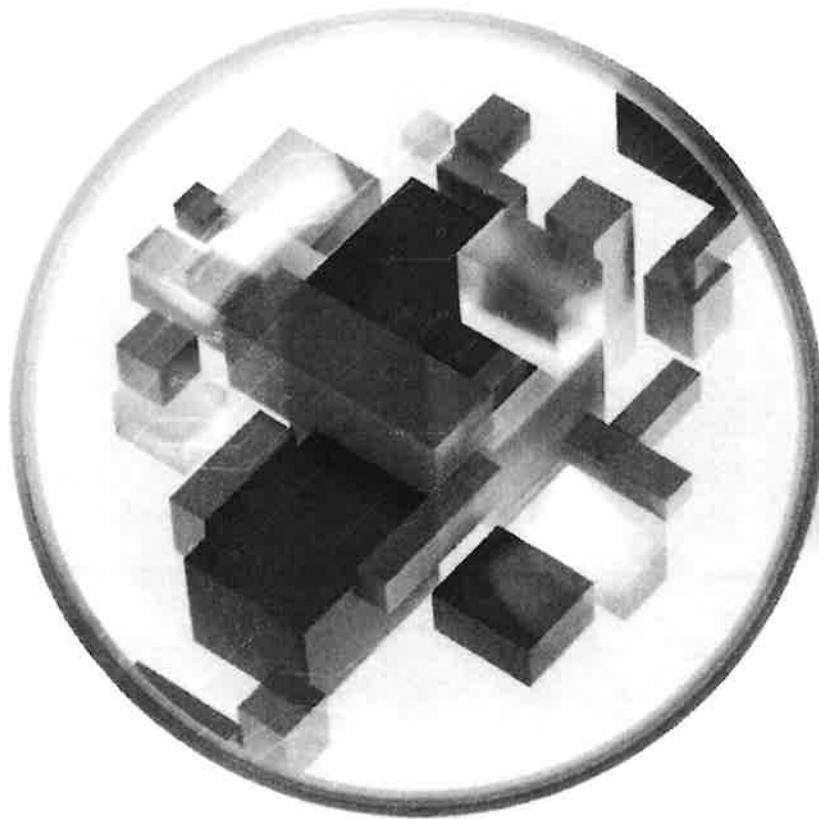
8.6 NCB's territory of administration



9 • Annual Report 2023

NCB's Annual Report 2023 is attached to this Annual Transparency Report on the following pages.

Deloitte.



Nordisk Copyright Bureau (ncb)

Lautrupsgade 9
2100 København Ø
CVR No. 22133314

Annual report 2023

The Annual General Meeting adopted the annual report on 10.06.2024


Guðrún Björk Bjarnadóttir
Chairman of the General Meeting

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Balance sheet at 31.12.2023	9
Statement of changes in equity for 2023	11
Cash flow statement for 2023	12
Notes	13
Accounting policies	16

Entity details

Entity

Nordisk Copyright Bureau (ncb)
Lautrupsgade 9
2100 København Ø

Business Registration No.: 22133314
Registered office: København
Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Risto Salminen, Chairman
Gudrun Björk Bjarnadóttir, vice-chairman
Casper Bjørner
Karl Vestli
Gorm Arildsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors has today considered and approved the annual report of Nordisk Copyright Bureau (ncb) for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act and the Danish Act on Collective Management of Copyright section 23, subsection 5.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 08.04.2024

Board of Directors



Risto Salminen
Chairman

Gudrun Björk Bjarnadóttir
vice-chairman

Casper Bjørner

Karl Vestli

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Copenhagen, 08.04.2024

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Risto Salminen
Chairman

Gudrun Björk Bjarnadóttir
vice-chairman

Casper Bjørner

Karl Vestli


Gorm Arildsen

Independent auditor's report

To the owners of Nordisk Copyright Bureau (ncb)

Opinion

We have audited the financial statements of Nordisk Copyright Bureau (ncb) for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act and the Danish Act on Collective Management of Copyright section 23, subsection 5.

In our opinion, the financial statements give a true and fair view of the Society's financial position at 31.12.2023 and of the results of its operations and cash flows for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act and the Danish Act on Collective Management of Copyright section 23, subsection 5.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is responsible for assessing the Society's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and 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 management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 08.04.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556



Henrik Hartmann Olesen

State Authorised Public Accountant
Identification No (MNE) mne34143

Management commentary

Primary activities

NCB – Nordic Copyright Bureau – is a Nordic society that in collaboration with affiliated societies all over the world manages the recording and copying rights in music on CD, DVD, film, video, the internet etc. for composers, lyricists and music publishers. NCB's head office is in Copenhagen and NCB's territory of administration covers all Nordic countries.

NCB's member societies are Koda in Denmark, STEF in Iceland, STIM in Sweden, Teosto in Finland and TONO in Norway.

NCB's Board of Directors consists of five members. Koda, STEF, STIM, Teosto and TONO appoint one member each.

NCB's audit is undertaken by a state authorized public accountant. In addition, Koda, STIM, Teosto and TONO all appoint a rights holder representative to NCB's Audit Committee which convenes twice a year.

NCB holds 50% of the shares in NMP – Network of Music Partners A/S – that is a joint venture company owned by NCB and PRS for Music in the UK. NMP provide back-office services to the music copyright administration industry.

Development in activities and finances

The financial result of the Society is a profit of DKK 5,089 k which is considered satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

		2023	2022
	Notes	DKK'000	DKK '000
Revenue		18,054	22,207
Other operating income		496	502
Other external expenses		(16,934)	(10,047)
Gross profit/loss		1,616	12,662
Staff costs	1	(127)	(97)
Operating profit/loss		1,489	12,565
Income from investments in associates		628	889
Other financial income	2	5,233	982
Other financial expenses	3	(1,217)	(1,004)
Profit/loss before tax		6,133	13,432
Tax on profit/loss for the year	4	(1,044)	(385)
Profit/loss for the year		5,089	13,047
Proposed distribution of profit and loss:			
Retained earnings		5,089	13,047
Proposed distribution of profit and loss		5,089	13,047

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Acquired licences		0	0
Intangible assets	5	0	0
Investments in associates		16,305	15,677
Financial assets	6	16,305	15,677
Fixed assets		16,305	15,677
Trade receivables		1,937	2,886
Receivables from associates		1,582	5,124
Other receivables		338	18
Receivables		3,857	8,028
Cash		176,497	178,239
Current assets		180,354	186,267
Assets		196,659	201,944

Equity and liabilities

	Notes	2023 DKK'000	2022 DKK'000
Retained earnings		75,358	70,269
Equity		75,358	70,269
Prepayments received from customers		3,918	3,654
Trade payables		2,253	1,970
Income tax payable		1,044	385
Other payables		2,666	2,954
Undistributed royalties	7	111,420	122,712
Current liabilities other than provisions		121,301	131,675
Liabilities other than provisions		121,301	131,675
Equity and liabilities		196,659	201,944
Contingent liabilities	9		
Related parties with controlling interest	10		

Statement of changes in equity for 2023

	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	70,269	70,269
Profit/loss for the year	5,089	5,089
Equity end of year	75,358	75,358

Cash flow statement for 2023

	Notes	2023 DKK'000	2022 DKK'000
Operating profit/loss		1,489	12,565
Working capital changes	8	(6,851)	(26,697)
Cash flows from ordinary operating activities		(5,362)	(14,132)
Financial income received		5,233	983
Financial expenses paid		(1,212)	(1,006)
Taxes refunded/(paid)		(401)	0
Cash flows from operating activities		(1,742)	(14,155)
Free cash flows generated from operations and investments before financing		(1,742)	(14,155)
Increase/decrease in cash and cash equivalents		(1,742)	(14,155)
Cash and cash equivalents beginning of year		178,239	192,394
Cash and cash equivalents end of year		176,497	178,239
Cash and cash equivalents at year-end are composed of:			
Cash		176,497	178,239
Cash and cash equivalents end of year		176,497	178,239

Notes

1 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	110	97
Other staff costs	17	0
	127	97
Average number of full-time employees	0	0

NCB has no longer employees or a registered management. However, the activities of licensing, collection, and distribution remain in the ownership of the Society, but they are performed by Koda as of 1 April 2017. Koda handles the Society's original activities.

2 Other financial income

	2023 DKK'000	2022 DKK'000
Other interest income	5,195	982
Exchange rate adjustments	38	0
	5,233	982

3 Other financial expenses

	2023 DKK'000	2022 DKK'000
Other interest expenses	513	846
Exchange rate adjustments	704	158
	1,217	1,004

4 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Current tax	1,044	385
	1,044	385

5 Intangible assets

	Acquired licences DKK'000
Cost beginning of year	345
Cost end of year	345
Amortisation and impairment losses beginning of year	(345)
Amortisation and impairment losses end of year	(345)
Carrying amount end of year	0

6 Financial assets

	Investments in associates DKK'000
Cost beginning of year	31,208
Cost end of year	31,208
Impairment losses beginning of year	(15,531)
Share of profit/loss for the year	628
Impairment losses end of year	(14,903)
Carrying amount end of year	16,305

7 Undistributed royalties

	2023 DKK'000	2022 DKK'000
Undistributed royalties (Bifrost), net	82.748	100.105
Undistributed royalties (Others), net	6.652	7.618
Undistributed royalties (Sister societies), net	22.020	14.991
	111.420	122.714

8 Changes in working capital

	2023 DKK'000	2022 DKK'000
Increase/decrease in receivables	4,172	421
Increase/decrease in trade payables etc.	(11,023)	(27,118)
	(6,851)	(26,697)

9 Contingent liabilities

The Society has entered into Service level agreements with NMP – Network of Music Partners A/S and Koda. The contracts contain notice of termination.

There are no other contingent liabilities.

10 Related parties with controlling interest

In accordance with the service level agreement between NMP A/S and NCB the Society has been invoiced an amount of DKK 8,083k. (2022 DKK 2,332k). The amount has been recognized in other external expenses.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class A enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year, except for adjustments concerning classification without effect on result and equity.

Presentation of income statement and balance sheet as well as description of items and notes has been restated to reflect NCB's special activity as a Society administering copyrights.

Income statement

Revenue

Commission income is calculated on the basis of royalties received and is booked as income in connection with distribution to rights holders.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities,

Other external expenses

Other external expenses include expenses relating to the Society's ordinary activities, including expenses to distribution of royalties to rights holders and related systems, sale, administration, bad debts etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for society staff.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including net capital or exchange gains on securities, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including net capital or exchange losses on securities, payables and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc comprise acquired intellectual property rights which consist of Software licenses,

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value and plus or minus unrealised pro rata intra-group profits and losses.

The Society's share of the enterprises' profit or losses after elimination of intra-group profits and losses.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

The accounting policies applied to material financial statement items of associates are:

Other investments comprising unlisted investments are measured at fair value.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts. Receivables mainly consists of receivables from producers.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise online collections on behalf of owner Societies and prepayments from standard producers.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Undistributed royalties

Undistributed royalties includes unallocatable royalties and other undistributed royalties.

Undistributed royalties comprises unallocatable royalties result from the receipt of royalties for which no

recording documentation is received that permits individual distribution or for which it has not been possible to distribute to rights holders after 10 distribution periods (4-years).

A proportion of unallocatable royalties older than 10 distribution periods is distributed to the rights holders and to non-Nordic sister Societies based on a specific distribution model.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as repayments of interest-bearing debt and purchase of treasury shares.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.