

NCB 2021

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 2021.

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 2021.

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1 • The Management's review

In 2021 the COVID-19 pandemic unfortunately continued, and we started out the year with a second lock-down and everybody was working from home. Fortunately, we were prepared, and everything ran smoothly. We do see a small impact from the COVID-19 pandemic on the collection, but luckily we only see a minor impact. However, we still see an overall decline in the mechanical market, similar to what we have seen the previous years. NCB are therefore continuously focusing on streamlining the workflows and optimizing our processes. Thus, despite the decline in the mechanical market NCB have had a very good financial year and is well balanced.

After a very long process NCB have finally obtained an approval from the German tax authorities, and NCB have now received the last withheld tax amounts for distribution. Together with BIEM NCB have optimized our processes regarding our standard agreements. Furthermore, NCB have been focusing on the US market and have been working hard to make sure that our cooperation with the new set-up in the US – the MLC, is working well, and we are happy to say that it is a success.

2021 has been a very satisfactory financial year for NCB despite the general decline in the mechanical offline market and the COVID-19 pandemic. 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

	2021 DKK'000	2020 DKK '000
Revenue	20,031	19,413
Other operating income	551	552
Other external expenses	(12,335)	(12,564)
Gross profit/loss	8,247	7,401
Staff costs	(2)	(88)
Operating profit/loss	8,245	7,313
Income from investments in associates	892	270
Other financial income	368	672
Other financial expenses	(953)	(2,437)
Profit/loss for the year	8,552	5,818
Proposed distribution of profit and loss:		
Retained earnings	8,552	5,818
Proposed distribution of profit and loss	8,552	5,818

2.2 Balance sheet

	2021 DKK'000	2020 DKK'000
Acquired licences	0	0
Intangible assets	0	0
Investments in associates	14,788	13,896
Other financial assets	14,788	13,896
Fixed assets	14,788	13,896
Trade receivables	5,970	5,026
Receivables from associates	2,279	3,427
Other receivables	191	384
Prepayments	8	196
Receivables	8,448	9,033
Cash	192,394	187,094
Current assets	200,842	196,127
Assets	215,630	210,023
Retained earnings	57,222	48,670
Equity	57,222	48,670
Prepayments received from customers	11,429	15,710
Trade payables	1,687	1,741
Other payables	5,855	9,214
Undistributed royalties	139,437	134,688
Current liabilities other than provisions	158,408	161,353
Liabilities other than provisions	158,408	161,353
Equity and liabilities	215,630	210,023

2.3 Statement of changes in equity

	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	48,670	48,670
Profit/loss for the year	8,552	8,552
Equity end of year	57,222	57,222

2.4 Cash flow statement

	2021 DKK'000	2020 DKK'000
Operating profit/loss	8,245	7,313
Working capital changes	(2,360)	(19,000)
Cash flow from ordinary operating activities	5,885	(11,687)
Financial income received	369	672
Financial expenses paid	(954)	(2,437)
Cash flows from operating activities	5,300	(13,452)
Free cash flows generated from operations and investments before financing	5,300	(13,452)
Increase/decrease in cash and cash equivalents	5,300	(13,452)
Cash and cash equivalents beginning of year	187,094	200,546
Cash and cash equivalents end of year	192,394	187,094
Cash and cash equivalents at year-end are composed of:		
Cash	192,394	187,094
Cash and cash equivalents end of year	192,394	187,094

3 • Collected royalties

3.1 Total collections

Country	Phono Standard	CLA-Contracts	Work by Work	Online	Video Standard	Work by Work Video	Unallocated	Broadcasting	Foreign Total	Total
Denmark	1.242.225	3.479.707	1.080.455	453.451	652.213	2.837.891	56.506	726.886		10.529.334
Norway	1.194.053	2.764.725	1.406.411	-35.569	113.352	7.084.783	3.332.046	394.994		16.254.794
Sweden	1.368.006	6.570.931	2.827.277		217.949	4.984.456	6.879.578			22.848.197
Finland	612.059	6.824.273	1.910.010		170.090	3.530.371	732.757			13.779.559
Iceland	110.882		106.351		107	2.550				219.891
Foreign								56.300.783		56.300.783
Total	4.527.225	19.639.637	7.330.503	417.882	1.153.711	18.440.051	11.000.886	1.121.880	56.300.783	119.932.558

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	3,77%	16,38%	46,94%	6,11%	0,35%	15,38%	0,96%	10,11%	100,00%
Royalties collected incl. Performing	4.527	19.640	56.301	7.331	418	18.440	1.154	12.123	119.933
Royalties distributed incl. performing Nett	3.519	17.079	31.146	5.325	11.157	13.561	1.338	21.683	104.807
Income:									
Commission	772	2.326	4.204	1.169	1.323	2.965	293	6.978	20.030
Other - Income	21	90	259	34	2	85	5	56	552
Total Income	793	2.417	4.463	1.203	1.325	3.050	298	7.034	20.582
Expenses:									
Staff	0	0	1	0	0	0	0	0	2
External expenses	44	190	543	71	4	178	11	117	1.158
Expenses owner societies	246	1.067	3.059	398	23	1.002	63	659	6.517
Expenses NMP	176	763	2.187	285	16	716	45	471	4.659
Total expenses	466	2.020	5.791	754	43	1.897	119	1.247	12.336
EBITDA (earnings before int. tax, dep & amort)	328	396	-1.328	449	1.282	1.153	179	5.787	8.246
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)	328	396	-1.328	449	1.282	1.153	179	5.787	8.246
Net - Financial income	-22	-96	-274	-36	-2	-90	-6	-59	-584
Profit from investments	34	146	419	55	3	137	9	90	892
EBT (earnings before tax)	339	447	-1.184	467	1.283	1.201	182	5.818	8.553
Tax	0	0	0	0	0	0	0	0	0
Profit & Loss	339	447	-1.184	467	1.283	1.201	182	5.818	8.553

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			48.114	104	14.241		163.619		226.079
AEPI	GR									0
AGADU	UY									0
AKKA/LAA	LV	395			372	87.492				88.259
AMCOS	AU	21.095		851	1.685.754	37.455				1.745.156
ARTISJUS	HU				2.544	5.793	1.464	38.782		48.583
AUME	AT	754		226.147	63.840	274.182		709.484		1.274.408
CASH	HK				73.538	1.358				74.896
EAÜ	EE									0
GEMA	DE	1.594.425		3.527.764	5.160.429	12.985.486	774	4.384.429		27.653.307
HARRY FOX	US				729.475	317.947				1.047.421
HDS	HR			20.279	1.103	229		105.206		126.818
JASRAC	JP	437.657			1.428.322	1.530.561	7.944	142.536		3.547.020
KOMCA	KR	24		569	389.904	527.611		445		918.554
LATGA-A	LT									0
MCPS	GB	73.723		1.546.483	3.733.009	1.329.736		907.327		7.590.277
MCSC	CN		1.512	244.468		114.520				360.501
MESAM	TR			2.035		1.131				3.165
MUSICAUTOR	BG									0
ONDA	DZ									0
OSA	CZ	11		453	20.799	3.433		33.161		57.856
SABAM	BE			139.600	79.177	73.002		143.645		435.424
SACM	MX									0
SADAIC	AR			321	17.373	553				18.248
SAYCO	CO	709		23	9.315					10.047
SAZAS	SI					9.104				9.104
SACEM	FR	123.642		5.513	5.190.332	402.520	-12.894	604.814		6.313.927
SAMRO	ZA									0
SCD	CL									0
SGAE	ES	382		268	10.519	29.539	73.331			114.040
SIAE	IT	120.839		110.268	126.579	291.252	416.007	99.500	45.164	1.209.609
SODRAC	CA	19.330		78.017	170.364	135.305		135.399		538.414
SOKOJ	RS									0
SOZA	SK	50		0	3.652	1.446		109.104		114.252
SPA	PT	182		4.630	2.688	13.507	79.091	72.098		172.195
STEMRA	NL	59.440		26.060	439.156	652.524	1	-5		1.177.175
SUISA	CH	98.680		36.678	76.187	25.131	219.389	283.131		739.197
TEOSTO	FI			62.314	325.298					387.612
RAO	RU									0
U.C.M.R.	RO	2.335		31.421	932	7.616	33.445			75.748
UBC	BR					74.282				74.282
ZAIS	PL	938			32.584	115.689				149.211
Total		2.554.610	1.512	6.112.274	19.773.348	19.062.647	818.553	7.932.675	45.164	56.300.783

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 Mechanisation	AV Synchronisation	Foreign	Lumpsum	Total
Denmark	498.668	1.239.969	759.968	880.483	550.724	1.394.480	6.732.275	2.977.485	15.034.052
Norway	732.111	206.515	727.239	1.178.677	86.513	2.883.892	5.940.053	3.374.027	15.129.026
Sweden	1.360.293	13.756.271	2.262.014	5.192.619	380.206	6.838.378	13.573.738	12.631.140	55.994.659
Finland	319.537	1.290.670	996.173	508.869	170.497	2.000.573	3.743.996	2.058.964	11.089.279
Iceland	78.285	3.302	114.634	19.190	799	6.085	584.444	149.744	956.481
Internal acc					3.343	51.805	111.779	544	167.471
Foreign soc.	530.423	582.627	464.628	3.377.456	145.594	385.793	459.217	490.782	6.436.521
Total	3.519.316	17.079.353	5.324.656	11.157.294	1.337.676	13.561.006	31.145.502	21.682.686	104.807.489

All amounts in DKK

4.3 Distribution per category and commission rates

Royalties distributed per category:

Distributed amounts	Nett amount DKK	Commission DKK	Rate
AV Mechanisation	1.337.681	292.744	18%
AV Synchronisation	13.561.006	2.965.263	18%
CLA	17.079.353	2.326.149	12%
Foreign	31.145.503	4.203.716	12%
Lumpsum*	21.667.591	7.358.914	25%
Online	11.157.294	1.322.686	10%
Phono Single License	5.324.656	1.168.879	18%
Phono Standard License	3.519.316	772.449	18%
Radio/TV*	15.090	3.313	18%
Comm. Return		-384.032	
Total	104.807.490	20.030.080	16%

All amounts in DKK

*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	319	1.012	457	1.138	24	311			1.131	4.393
ABRAMUS	BR										-
ACDAM	CU	1	517		32						550
ADDAF	BR	14	5	19		46	601			1	686
AEPI	GR	38	99	97	1.202	3	149			29	1.616
AGADU	UY										-
AKKA-LAA	LV		77		2.401					953	3.431
AKM	AU				4.488					57	4.545
AMAR	BR	64	10				45				120
AMCOS	AU	5.560	1.093	1.414	4.009	1.465	4.957			2.458	20.956
AMRA	US	1.152	2.094	628	24.454	3	2.871			2.702	33.903
APA	PY										-
APRA	AU				65.564					2.253	67.817
ARTISJUS	HU	619	220	298	781	168	178			139	2.403
ASCAP	US				774.791					26.506	801.297
AUME	AT	10.530	4.602	1.206	2.149	1.003	3.009			2.072	24.571
BMI	US				804.907					27.616	832.523
BSDA	SN										-
BUMA	NL				56.037					1.970	58.007
CASH	HK										-
CMRRA	CA										-
COTT	TT										-
EAÜ	EE		144		698			-9		5.172	6.004
GEMA	DE	157.103	133.607	141.578	161.226	21.411	84.471	433.816		88.381	1.221.592
HARRY FOX	US										-
HDS	HR	18	613	134	339		106			144	1.354
IMRO	IE				14.108					166	14.274

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IPRS	IN										-
JACAP	JM										-
JASRAC	JP	2.642	1.301	2.013	1.879	3.134	1.081		3.290	15.339	
KOMCA	KR	220	112			363	462		334	1.532	
LATGA-A	LT				594				339	933	
MCPS	GB	195.608	263.208	147.602	131.853	2.324	103.007	688	105.324	949.615	
MCSC	CN		2	13	6	40	47		166	273	
MESAM	TR	46	1	68	24	0	1.358		6	1.504	
MSG	TR	28	1		714	1	182		105	1.030	
MUSICAUTOR	BG									-	
ONDA	DZ									-	
OSA	CZ	5.828	990	273	693	20.375			2.597	30.755	
PAM	ME									-	
PRS	GB				876.896				21.415	898.310	
RAO	RU	1.119	2.757	3.425	308	143	5.281		709	13.742	
SABAM	BE	18.071	5.810	2.478	20.011	1.090	12.981	50	6.101	66.592	
SACM	MX	25	214		81	5			209	533	
SADAIC	AR	194	793	514	2.426	56	3.627		145	7.757	
SAYCO	CO		5		38		96		0	138	
SAZAS	SI	0	411	146	1	165			5.084	5.808	
SACEM	FR	36.452	69.832	50.911	108.652	67.342	91.169	2.983	110.042	537.381	
SACVEN	VE									-	
SAMRO	ZA	0			610				0	610	
SARRAL	ZA									-	
SBACEM	BR	1	145			0				147	
SCD	CL	981	18	3.745	336	1			593	5.674	
SGAE	ES	8.834	6.484	3.296	16.471	4.204	8.057	104	5.650	53.099	
SIAE	IT	11.215	22.940	18.685	42.783	7.080	16.498	20.249	12.949	152.398	
SESAC	US	45.709	28.480	17.694	79.390	195	1.652	0	6.342	179.463	
SOBODAYC	BO									-	
SODRAC	CA	1.585	6.709	1.363	10.217	12.267	5.168	6.627	4.712	48.648	
SOCAN	CA				100.710				3.019	103.729	
SOCINPRO	BR									-	
SOKOJ	RS	10	1.320	118	424	1			191	2.063	
SOZA	SK	6	8		152	0		811	4	982	
SPA	PT	22	1.929	28	1.652	1	354		363	4.349	
STEMRA	NL	19.943	17.596	64.104	33.751	908	24.786	493	25.165	186.747	
SUISA	CH	3.607	4.918	2.222	22.122	1.646	12.941	32	5.966	53.453	
UACRR	UA		1.535						18	1.553	
UBC	BR	1.100	13		10				109	1.232	
U.C.M.R.	RO	7	84	59	4.892	1	89		133	5.265	
ZAMP	MK		341						373	714	
ZAIS	PL	1.752	579	42	1.397	130	260	0	952	5.111	
Total		530.423	582.627	464.628	3.377.456	145.594	385.793	459.217	6.627	484.155	6.436.521

All amounts in DKK

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 2021

Table by type of use:

DKK	Before 2021	2021	Total
000			
AV Mechanisation	2.104	170	2.274
AV Synchronisation	4.150	7.357	11.507
CLA	1.297	7.438	8.735
Foreign	24.493	14.308	38.801
Online	34.066	984	35.050
Phono Single License	5.763	2.658	8.421
Phono Standard	4.583	788	5.371
Radio/TV	1	21	22
Other	301	3	304
In Finance system:			
Online	-	-	-
Other	24.696	4.256	28.952
	101.454	33.727	139.437

All amounts in DKK

Table by type of delay:

DKK	Before 2021	2021	Total
000			
Invoiced but not paid	9.743	3.835	13.578
<i>*54% of the amount consist of Online await clarification</i>			
Ready for distribution	5.894	5.189	11.083
<i>*14% of the amount consist of Online with missing work documentation.</i>			
Missing work documentation	4.563	2.878	7.441
Dispute	5.395	7.670	13.065
Shares on work	2.498	1.066	3.564
Other	2.770	1.591	4.361
Partly distributed rest share is missing	29.201	11.090	40.291
Carve out protection pct has changed	16.090	76	16.166
<i>*100% Online</i>			-
Other	604	332	936
In Financesystem:			
Online	-	-	-
Other	24.696	4.256	28.952
	101.454	37.983	139.437

All amounts in DKK

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	370.255
EUR	18.557
ISK	1.264
NOK	79.192
SEK	293.685
Total	762.953

All amounts in DKK

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	
Tehered Downloads (for free)					
% of performing		6,0			
Tehered Downloads (under subscription)					
% of performing		6,0			
Webcasting					
% of performing		6,0			
User generated content (e.g. Youtube)					
% of performing		6,0			

All amounts in DKK

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	23.477
Foreign	16.583
AV Synchronisation	175.115
AV Mechanisation	3.137
Online	77.289
CLA-contracts	46.668
Phono Single	29.076
Fee's	2.238
Total	373.582

All amounts in DKK

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 28 April 2022.

8.4 Executive bodies of NCB 2021

Board of Directors

Cato Strøm, Managing Director (Chairman)	Appointed by TONO
Guðrun Björk Bjarnadóttir, General Manager (Vice-chairman)	Appointed by STEF
Risto Salminen, CEO	Appointed by Teosto
Karsten Dyhrberg Nielsen, CEO (until 18/5-21)	Appointed by STIM
Kerstin Mangert Stuk, (interim from 18/5-21-31/1-22)	Appointed by STIM
Gorm Arildsen, Managing Director	Appointed by Koda

Audit Committee

Jacob Morild, Lyricist	Appointed by Koda
Asbjørn Schaathun, Composer	Appointed by TONO
Jari Muikko, Executive Director	Appointed by Teosto
Hans Gefors, Composer	Appointed by STIM

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab

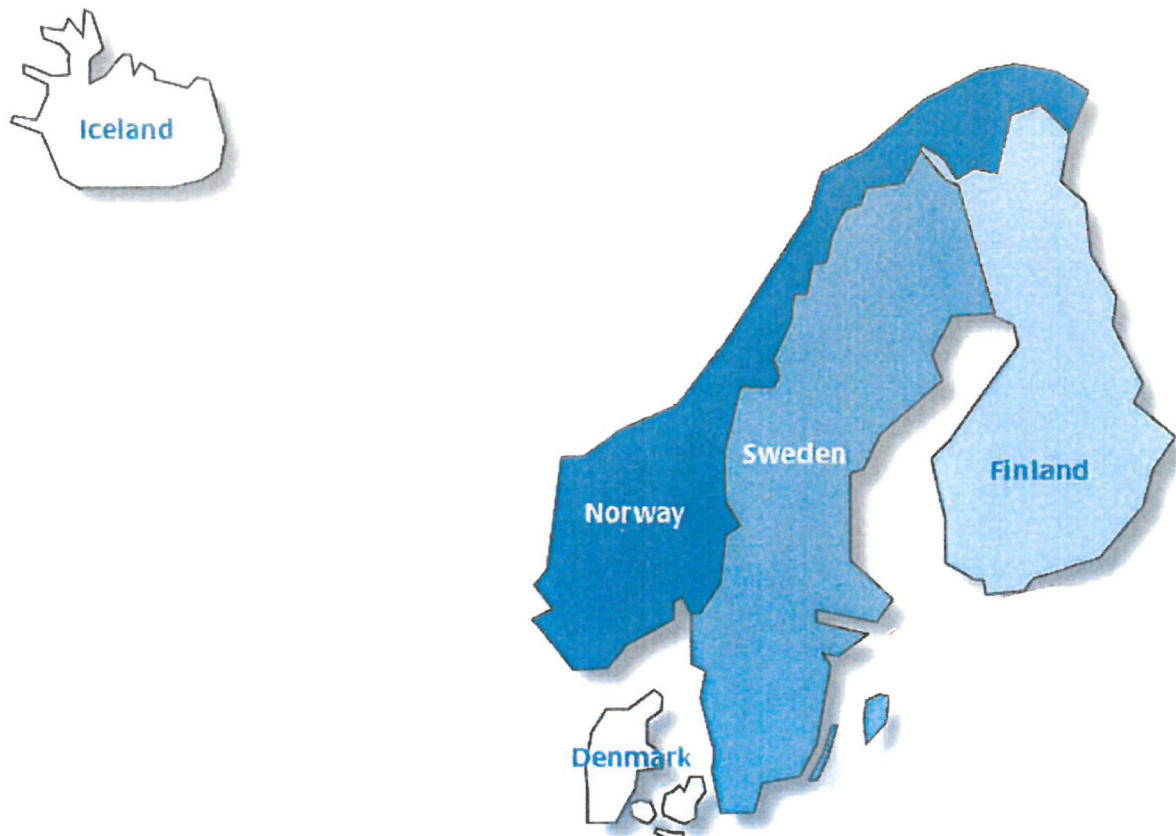
Executive Management

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

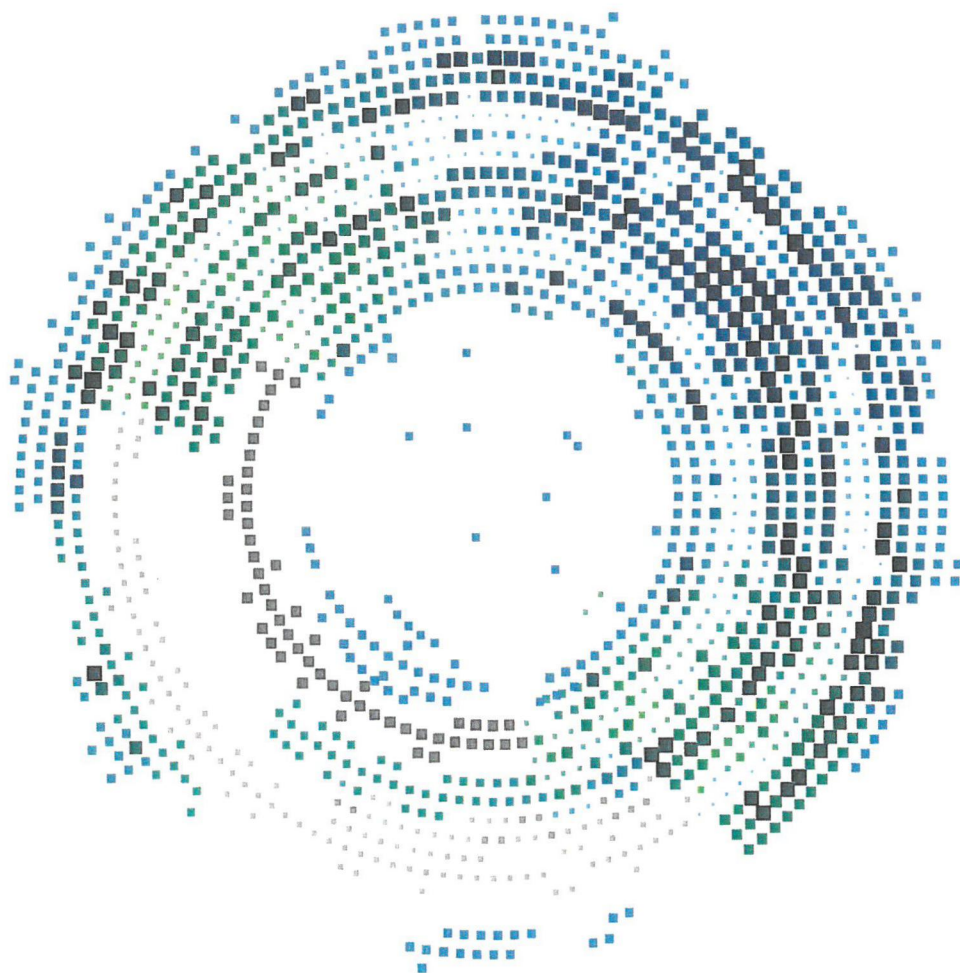
There is no remuneration to the members of the NCB Board.

8.6 NCB's territory of administration



9 • Annual Report 2021

NCB's Annual Report 2021 is attached to this Annual Transparency Report on the following pages.



Nordisk Copyright Bureau (ncb)

Lautrupsgade 9
2100 København Ø
CVR No. 22133314

Annual report 2021

The Annual General Meeting adopted the
annual report on 28.04.2022

Cato Strøm
Chairman of the General Meeting

Contents

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Independent auditor's report	4
Management commentary	7
Income statement for 2021	8
Balance sheet at 31.12.2021	9
Statement of changes in equity for 2021	11
Cash flow statement for 2021	12
Notes	13
Accounting policies	16

Entity details

Entity

Nordisk Copyright Bureau (ncb)

Lautrupsgade 9

2100 København Ø

CVR No.: 22133314

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Cato Strøm, chairman

Gudrun Björk Bjarnadóttir, vice-chairman

Gorm Arildsen

Risto Salminen

Casper Bjørner

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Nordisk Copyright Bureau (ncb) for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021.

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, 28.03.2022

Board of Directors



Cato Strøm
chairman

Gudrun Björk Bjarnadóttir
vice-chairman

Gorm Arildsen

Risto Salminen

Casper Bjørner

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Copenhagen, 28.03.2022

Board of Directors

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chairman

Gudrun Björk Bjarnadóttir
vice-chairman

Gorm Arildsen

Risto Salminen


Casper Bjørner

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 01.01.2021 - 31.12.2021, 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.

In our opinion, the financial statements give a true and fair view of the Society's financial position at 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.03.2022

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. Up until 1 July 2020 the NCB territory also included the Baltic countries, but since 1 July 2020 the administration of the mechanical rights for the Baltic territories are handled by each of the Baltic societies; EAU (Estonia), AKKA/LAA (Latvia) and LATGA-A (Lithuania).

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 8,552k 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 2021

	Notes	2021 DKK'000	2020 DKK '000
Revenue		20,031	19,413
Other operating income		551	552
Other external expenses		(12,335)	(12,564)
Gross profit/loss		8,247	7,401
Staff costs	1	(2)	(88)
Operating profit/loss		8,245	7,313
Income from investments in associates		892	270
Other financial income	2	368	672
Other financial expenses	3	(953)	(2,437)
Profit/loss for the year		8,552	5,818
Proposed distribution of profit and loss:			
Retained earnings		8,552	5,818
Proposed distribution of profit and loss		8,552	5,818

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Acquired licences		0	0
Intangible assets	4	0	0
Investments in associates		14,788	13,896
Other financial assets	5	14,788	13,896
Fixed assets		14,788	13,896
Trade receivables		5,970	5,026
Receivables from associates		2,279	3,427
Other receivables		191	384
Prepayments		8	196
Receivables		8,448	9,033
Cash		192,394	187,094
Current assets		200,842	196,127
Assets		215,630	210,023

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Retained earnings		57,222	48,670
Equity		57,222	48,670
Prepayments received from customers		11,429	15,710
Trade payables		1,687	1,741
Other payables		5,855	9,214
Undistributed royalties	6	139,437	134,688
Current liabilities other than provisions		158,408	161,353
Liabilities other than provisions		158,408	161,353
Equity and liabilities		215,630	210,023
Contingent liabilities	8		
Related parties with controlling interest	9		

Statement of changes in equity for 2021

	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	48,670	48,670
Profit/loss for the year	8,552	8,552
Equity end of year	57,222	57,222

Cash flow statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Operating profit/loss		8,245	7,313
Working capital changes	7	(2,360)	(19,000)
Cash flow from ordinary operating activities		5,885	(11,687)
Financial income received		369	672
Financial expenses paid		(954)	(2,437)
Cash flows from operating activities		5,300	(13,452)
Free cash flows generated from operations and investments before financing		5,300	(13,452)
Increase/decrease in cash and cash equivalents		5,300	(13,452)
Cash and cash equivalents beginning of year		187,094	200,546
Cash and cash equivalents end of year		192,394	187,094
Cash and cash equivalents at year-end are composed of:			
Cash		192,394	187,094
Cash and cash equivalents end of year		192,394	187,094

Notes

1 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	0	88
Other staff costs	2	0
	2	88

The number of employees is 0.

During a 2-year transformation, prior management and the board of the Society have reduced complexities and streamlined processes in order to achieve cost efficiencies in the NCB administration. NCB was in 2016, as a consequence a financially balanced copyright organisation, based around its core functions and this fact enabled the owners to consider the future of NCB and how the mechanical rights attached to physical music media should be administered going forward.

As a result of this, NCB's administrative activities relating to licensing, collection and distribution have continued uninterrupted but in a new organizational setting. According to the board decision all administrative activities and key resources have been outsourced to one of the member societies, Koda, in order to maintain the core operation and commercial know-how of NCB. Also collection activities regarding online performing rights were in 2016 transferred to NMP A/S with transfer of a number of NCB employees to NMP A/S.

As a consequence of the above, NCB no longer has 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.

Outsourcing from NCB to Koda.

- Koda has 11 FTEs working 100% on the collection, license and finance on behalf of NCB. Additionally, Koda has delivered 2,300 working hours involving 19 different FTEs in Koda delivering Le-gal, License and Financial support to NCB.

Outsourcing from NCB to NMP

In 2016, back office such as royalty processing and distribution was outsourced to NMP. In 2021, the expense for this service amounts to DKK 5.9 million equivalent to 11 to 13 FTEs. NCB owns 50% of NMP.

2 Other financial income

	2021 DKK'000	2020 DKK'000
Other interest income	170	672
Exchange rate adjustments	198	0
	368	672

3 Other financial expenses

	2021 DKK'000	2020 DKK'000
Other interest expenses	953	954
Exchange rate adjustments	0	1,481
Fair value adjustments	0	2
	953	2,437

4 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

5 Financial assets

	Investments in associates DKK'000
Cost beginning of year	31,207
Cost end of year	31,207
Impairment losses beginning of year	(17,311)
Share of profit/loss for the year	892
Impairment losses end of year	(16,419)
Carrying amount end of year	14,788

6 Undistributed royalties

	2021 t.kr.	2020 t.kr.
Undistributed royalties (Bifrost): net	110.487	105.008
Undistributed royalties (ASW Online): net	0	12.567
Undistributed royalties (Others): net	13.546	3.138
Undistributed royalties (Sister societies): net	15.404	13.975
	139.437	134.688

7 Changes in working capital

	2021 DKK'000	2020 DKK'000
Increase/decrease in receivables	1,296	2,895
Increase/decrease in trade payables etc	(3,656)	(21,895)
	(2,360)	(19,000)

8 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.

9 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 4.559 k. (2020 DKK 4.273k). 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.

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.

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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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.

Deferred income

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 holdes 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.