

NCB 2022

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 2022.

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 2022.

	Page
1 The Management's review	2
2 Financial information	3
2.1 Profit and loss account	
2.2 Balance sheet	
2.3 Statement of changes in equity	
2.4 Cash flow statement	
3 Collected royalties	6
3.1 Total collections	
3.2 Profit and loss split on collection categories (description)	
3.3 Profit / Loss per category	
3.4 Collected royalties from foreign societies	
4 Distribution of royalties	9
4.1 Method and distribution frequency	
4.2 Total distributions	
4.3 Distribution per category and commission rates	
4.4 Distribution to foreign societies	
5 Undistributed royalties	12
5.1 Practice regarding undistributable royalties	
5.2 Undistributed royalties by 31 December 2022	
6 Social and cultural deductions	13
7 Rejections of Licensees	15
8 General information on NCB	15
8.1 Legal and governance structure	
8.2 Ownership of other entities	
8.3 About NCB	
8.4 Executive bodies of NCB 2022	
8.5 Remuneration of the Board and management	
8.6 NCB's territory of administration	
9 Annual Report 2022	18

2 • Financial information

2.1 Profit and loss account

	2022 DKK'000	2021 DKK '000
Revenue	22,207	20,031
Other operating income	502	551
Other external expenses	(10,047)	(12,335)
Gross profit/loss	12,662	8,247
Staff costs	(97)	(2)
Operating profit/loss	12,565	8,245
Income from investments in associates	889	892
Other financial income	982	368
Other financial expenses	(1,004)	(953)
Profit/loss before tax	13,432	8,552
Tax on profit/loss for the year	(385)	0
Profit/loss for the year	13,047	8,552
Proposed distribution of profit and loss:		
Retained earnings	13,047	8,552
Proposed distribution of profit and loss	13,047	8,552

2.2 Balance sheet

	2022 DKK'000	2021 DKK'000
Acquired licences	0	0
Intangible assets	0	0
Investments in associates	15,677	14,788
Financial assets	15,677	14,788
Fixed assets	15,677	14,788
Trade receivables	2,886	5,970
Receivables from associates	5,124	2,279
Other receivables	18	191
Prepayments	0	8
Receivables	8,028	8,448
Cash	178,239	192,394
Current assets	186,267	200,842
Assets	201,944	215,630

2.2 Balance sheet (continued)

	2022 DKK'000	2021 DKK'000
Retained earnings	70,269	57,222
Equity	70,269	57,222
Prepayments received from customers	3,654	11,429
Trade payables	1,970	1,687
Income tax payable	385	0
Other payables	2,954	5,855
Undistributed royalties	122,712	139,437
Current liabilities other than provisions	131,675	158,408
Liabilities other than provisions	131,675	158,408
Equity and liabilities	201,944	215,630

2.3 Statement of changes in equity

	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	57,222	57,222
Profit/loss for the year	13,047	13,047
Equity end of year	70,269	70,269

2.4 Cash flow statement

	2022 DKK'000	2021 DKK'000
Operating profit/loss	12,565	8,245
Working capital changes	(26,697)	(2,360)
Cash flows from ordinary operating activities	(14,132)	5,885
Financial income received	983	369
Financial expenses paid	(1,006)	(954)
Cash flows from operating activities	(14,155)	5,300
Free cash flows generated from operations and investments before financing	(14,155)	5,300
Increase/decrease in cash and cash equivalents	(14,155)	5,300
Cash and cash equivalents beginning of year	192,394	187,094
Cash and cash equivalents end of year	178,239	192,394
Cash and cash equivalents at year-end are composed of:		
Cash	178,239	192,394
Cash and cash equivalents end of year	178,239	192,394

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	1.362.166	3.881.380	1.136.373	-343.555	728.003	2.128.146	20.311	207.612		9.120.436
Norway	894.644	2.707.583	1.229.005	-615.089	166.523	6.167.772	3.188.278	512.225		14.250.941
Sweden	1.127.021	4.631.128	1.823.252	-1.322.245	483.780	4.508.129	3.104.038			14.355.103
Finland	353.392	5.749.605	1.497.973	-1.359.625	185.255	4.788.367	-675.414			10.539.553
Iceland	113.018	16.182	64.107	-34.532						158.775
*Lithuania				-311.838						-311.838
*Estonia				-454.188						-454.188
*Latvia				-457.267						-457.267
Foreign								47.748.856		47.748.856
Total	3.850.241	16.985.878	5.750.710	-4.898.339	1.563.561	17.592.414	5.637.213	719.837	47.748.856	94.950.371

*Old online invoices have been credited

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	4,06%	17,89%	50,29%	6,06%	-5,16%	18,53%	1,65%	6,70%	100,00%
Royalties collected incl. Performing	3.850	16.986	47.749	5.751	-4.898	17.592	1.564	6.357	94.950
Royalties distributed incl. performing Nett	2.952	14.492	25.161	4.541	873	14.960	1.221	34.218	98.418
Income:									
Commission	648	1.974	3.392	990	103	3.277	268	11.554	22.206
Other - Income	20	90	252	30	-26	93	8	34	502
Total Income	668	2.063	3.645	1.020	77	3.370	276	11.588	22.708
Expenses:									
Staff	4	17	49	6	-5	18	2	6	97
External expenses	50	220	618	74	-63	228	20	82	1.229
Expenses owner societies	263	1.160	3.261	393	-335	1.202	107	434	6.486
Expenses NMP	95	417	1.173	141	-120	432	38	156	2.332
Total expenses	411	1.814	5.101	614	-523	1.879	167	679	10.143
EBITDA (earnings before int. tax, dep & amort)	257	249	-1.456	406	601	1.491	109	10.909	12.565
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)	257	249	-1.456	406	601	1.491	109	10.909	12.565
Net - Financial income	-1	-4	-12	-1	1	-4	0	-2	-23
Profit from investments	36	159	447	54	-46	165	15	60	889
EBT (earnings before tax)	292	404	-1.020	458	556	1.651	123	10.967	13.431
Tax	-16	-69	-193	-23	20	-71	-6	-26	-385
Profit & Loss	276	335	-1.214	435	576	1.580	117	10.941	13.046

All amounts in DKK

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					63.805				63.805
AEPI	GR									0
AGADU	UY									0
AKKA/LAA	LV					18.227				18.227
AMCOS	AU	9.706		875	2.438.546	80.187				2.529.314
ARTISJUS	HU				13.565	7.183	1.278	40.545		62.571
AUME	AT	441		263.477	13.487	327.655		472.006		1.077.066
CASH	HK			1.764	57.830					59.594
EAÜ	EE							74.163		74.163
GEMA	DE	566.662		83	3.133.293	7.207.082		2.845.306		13.752.426
HARRY FOX	US									0
HDS	HR									0
JASRAC	JP	177.132		18.009	1.065.000	742.598	906	74.591		2.078.236
KOMCA	KR			703	600.106	515.813		339		1.116.961
LATGA-A	LT									0
MCPS	GB	33.148		1.301.195	2.333.670	983.645		351.904		5.003.562
MCSC	CN		15.913	344.991	118.011					478.915
MESAM	TR									0
MLC	US				6.980.371					6.980.371
MUSICAUTOR	BG									0
ONDA	DZ									0
ORFIUM	US				1.433.777					1.433.777
OSA	CZ	43.141		347	25.592	10.300		164.770		244.150
SABAM	BE			78.825	172.589	380.974		114.040		746.428
SACM	MX									0
SADAIC	AR			4.321	88.861	1.482				94.664
SAYCO	CO									0
SAZAS	SI									0
SACEM	FR	26.318		-5.300	2.800.589	231.798	172.949	1.925.284		5.151.638
SAMRO	ZA									0
SCD	CL									0
SGAE	ES	4.268		21.790	58.469	52.514	157.012	330.493		624.546
SIAE	IT	10.063			33.621	54.948		41.122		139.754
SODRAC	CA	13		78.453	232.207	95.554		98.108		504.335
SOKOJ	RS									0
SOZA	SK	31		169	3.906	950		62.542		67.598
SPA	PT	296			9.075	21.334	62.632	87.263		180.600
STEMRA	NL	84.736		514.964	443.701	1.829.643	21	35		2.873.100
SUISA	CH	620.407		21.920	183.469	307.838	61.183	707.938		1.902.755
TEOSTO	FI	120.784			283.394					404.178
RAO	RU									0
U.C.M.R.	RO									0
UBC	BR									0
ZAIS	PL	109		-130	28.592	57.551				86.122
Total		1.697.255	15.913	2.646.456	22.551.721	12.991.081	455.981	7.390.449	0	47.748.856

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	477.574	1.041.914	775.431	118.642	402.745	1.426.377	6.887.065	5.819.286	16.949.034
Norway	605.760	116.699	627.627	73.683	90.165	3.006.128	5.612.530	5.430.110	15.562.704
Sweden	1.023.599	11.916.249	1.729.972	361.120	517.209	7.556.443	9.099.887	15.078.095	47.282.575
Finland	275.579	576.214	926.213	40.765	103.018	2.444.636	3.028.881	5.170.699	12.566.005
Iceland	69.641	3.584	57.207	1.211	400	3.330	514.354	342.702	992.431
Internal acc			33.036	1.548		29.180			63.764
Foreign soc.	500.082	837.732	391.079	275.821	107.061	493.444	18.749	2.377.304	5.001.273
Total	2.952.236	14.492.392	4.540.565	872.790	1.220.599	14.959.539	25.161.467	34.218.196	98.417.784

4.3 Distribution per category and commission rates

Royalties distributed per category:

Distributed amounts	Nett amount DKK	Commission DKK	Rate
AV Mechanisation	1.220.599	267.796	18%
AV Synchronisation	14.959.539	3.276.935	18%
CLA	14.492.392	1.973.651	12%
Foreign	25.161.467	3.392.456	12%
Lumpsum*	34.218.092	11.564.496	25%
Online	872.790	103.256	10%
Phono Single License	4.540.565	989.516	18%
Phono Standard License	2.952.236	647.889	18%
Radio/TV*	104	23	18%
Comm. Return		-10.189	
Total	98.417.785	22.205.830	

*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	133	336		194	53	955			9.920	11.591
ABRAMUS	BR				1.444					539	1.983
ACDAM	CU	1	3.500		2	27				348	3.877
ADDAF	BR	2	3	119			268			155	548
AEPI	GR									-	-
AGADU	UY									-	-
AKKA-LAA	LV				121					714	836
AKM	AU				363					7.000	7.363
AMAR	BR	60	1	22		14				8	105
AMCOS	AU	5.581	1.986	1.094	1.358	1.043	6.397	55		17.562	35.076
AMRA	US	1.134	2.124	31	694	2	1.894			26.748	32.627
APA	PY										-
APRA	AU				9.278					58.005	67.283
ARTISJUS	HU	201	24	75	37	564	22			3.435	4.358
ASCAP	US				61.072					458.924	519.996
AUME	AT	14.453	2.450	822	205	519	1.602			9.114	29.165
AUTODIAHIR	GR									348	348
BMI	US				42.533					425.034	467.567
BSDA	SN										-
BUMA	NL				8.204					94.569	102.773
CASH	HK										-
CMRRA	CA										-
COTT	TT	19	17	18	210		44			28	337
EAÜ	EE		8		190					8.032	8.229
GEMA	DE	87.951	158.953	100.793	10.700	17.988	82.563	491		283.880	743.320

(continues on next page)

HARRY FOX	US										-
HDS	HR	46	1.147	67	36	2	42			744	2.085
IMRO	IE				1.567					6.428	7.995
IPRS	IN										-
JACAP	JM										-
JASRAC	JP	3.223	613	7.062	1.247	4.693	867			13.243	30.948
KOMCA	KR	294	735	129	10	948	13			752	2.880
LATGA-A	LT				268					1.004	1.272
MCPS	GB	158.840	532.080	110.150	25.131	8.029	100.072	1.850		200.581	1.136.734
MCSC	CN										-
MESAM	TR	54	58	367	2		190			839	1.510
MSG	TR	4	0		317		1.223			3.406	4.950
MUSICAUTOR	BG	25	1.000		2	3	15			94	1.139
ONDA	DZ										-
OSA	CZ	1.258	269	552	80	2.171	2.218			2.045	8.593
PAM	ME		491		1					3	494
PRS	GB				78.572					297.798	376.370
RAO	RU	891	251	3.015	54	639	3.727			2.437	11.015
SABAM	BE	25.773	2.983	5.536	1.429	1.271	20.092	1		51.683	108.767
SACM	MX	223	21	106	12	1	98			641	1.102
SADAIC	AR	96	210	1.183	248	15	1.257			2.837	5.846
SAYCO	CO										-
SAZAS	SI	0	191		2	77				266	535
SACEM	FR	52.057	56.668	60.717	6.620	28.239	190.655	4.176	25	95.409	494.566
SACVEN	VE										-
SAMRO	ZA				1.506					853	2.359
SARRAL	ZA										-
SBACEM	BR	1	71	8	0	1	53			10	144
SCD	CL	53	9		3	1				199	265
SGAE	ES	3.867	5.626	3.374	2.816	3.482	13.493	103		10.177	42.939
SIAE	IT	7.749	18.712	16.081	2.972	7.171	19.666	11.346		29.517	113.214
SICAM	BR	2	5	42	0	4	708			30	793
SESAC	US	112.408	24.629	18.366	3.905	644	8.858			60.345	229.154
SOBODAYC	BO										-
SODRAC	CA	294	2.028	1.162	809	875	3.600			9.140	17.909
SOCAN	CA				3.448					70.586	74.034
SOCINPRO	BR										-
SOKOJ	RS	3	195	5	30	61	80			1.549	1.924
SOZA	SK										-
SPA	PT	51	1.077	38	53	1	458			1.249	2.926
STEMRA	NL	17.874	15.938	49.387	4.605	27.391	26.038	713		70.590	212.536
SUISA	CH	3.497	2.109	3.171	2.292	189	6.031	14		30.615	47.918
UACRR	UA		232							107	340
UBC	BR	1.000	6		1					530	1.537
U.C.M.R.	RO	1	20	8	690	5				1.121	1.846
ZAMP	MK										-
ZAIS	PL	963	953	7.578	487	938	246			6.090	17.255
Total		500.082	837.732	391.079	275.821	107.061	493.444 </				

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. 43%) or disputes (approx. 11%). 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 2022

Table by type of use:

DKK	Before 2022	2022	Total
000			
AV Mechanisation	1.490	142	1.632
AV Synchronisation	3.978	5.918	9.896
CLA	6.882	1.786	8.668
Foreign	27.535	16.622	44.157
Online	24.120	68	24.188
Phono Single License	4.866	1.856	6.722
Phono Standard	3.980	761	4.741
Radio/TV	-	19	19
Other	20	61	81
In Finance system:			
Online	-	-	-
Other	8.395	14.214	22.609
	81.266	41.447	122.713

Table by type of delay:

DKK 000	Before 2022	2022	Total
Invoiced but not paid	734	2.386	3.120
Ready for distribution	5.246	4.539	9.785
Missing work documentation	3.767	2.629	6.396
Dispute	10.262	3.170	13.432
Shares on work	2.903	635	3.538
Other	2.106	1.324	3.430
Partly distributed rest share is missing	31.339	11.712	43.051
Carve out protection pct has changed	16.289	49	16.338
*100% Online			-
Other	225	789	1.014
In Financesystem:			
Online	-	-	-
Other	8.395	14.214	22.609
	81.266	41.447	122.713

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	31.092
EUR	3.111
ISK	51
NOK	5.671
SEK	21.281
Total	61.205

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			

National funds are deducted from online performing only.

NCB pays the Nordic national societies the calculated amount twice a year.

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	13.865
Foreign	12.371
AV Synchronisation	140.081
AV Mechanisation	3.435
Online	-
CLA-contracts	46.221
Phono Single	22.982
Fee's	1.500
Total	240.454

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 are 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 16 May 2023.

8.4 Executive bodies of NCB 2022

Board of Directors

Casper Bjørner, CEO (Chairman)	Appointed by STIM
Guðrun Björk Bjarnadóttir, General Manager (Vice-chairman)	Appointed by STEF
Karl Vestli, Managing Director	Appointed by TONO
Risto Salminen, CEO	Appointed by Teosto
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

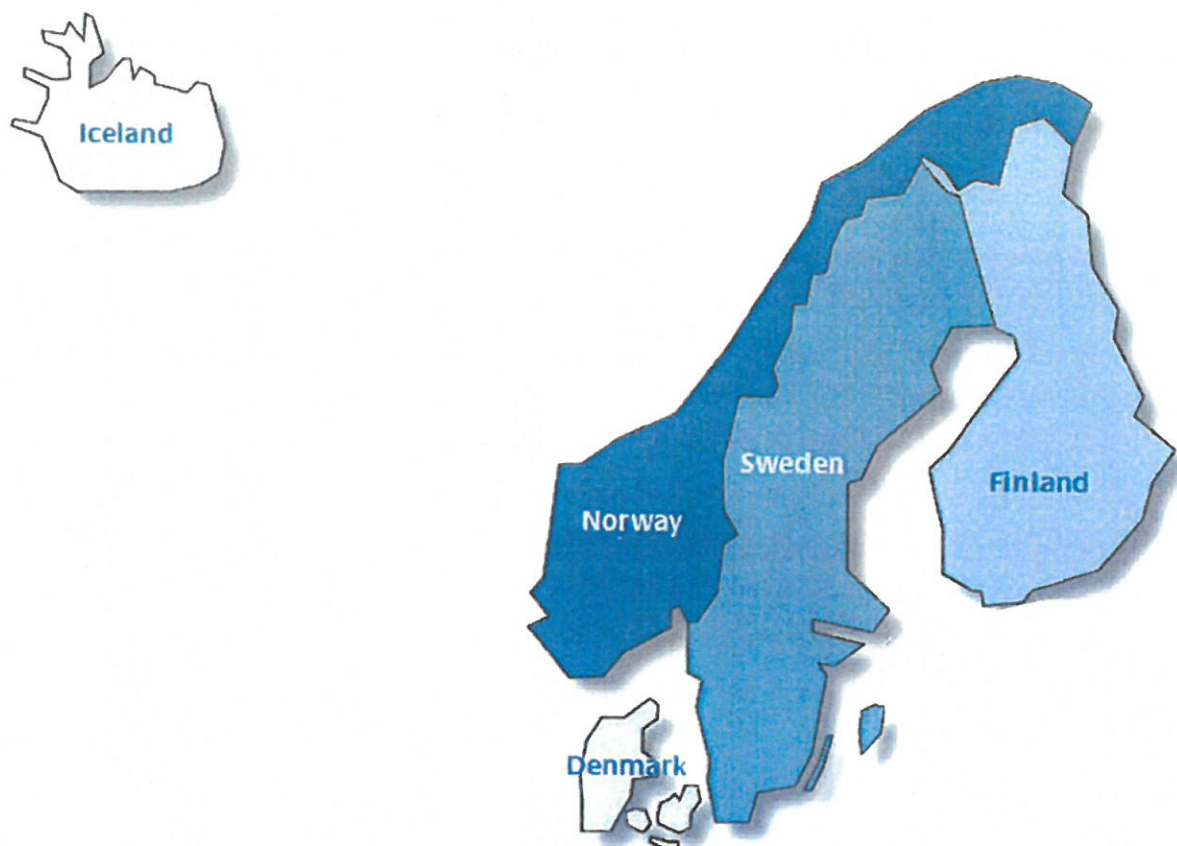
Executive Management

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 2022

NCB's Annual Report 2022 is attached to this Annual Transparency Report on the following pages.

Deloitte.

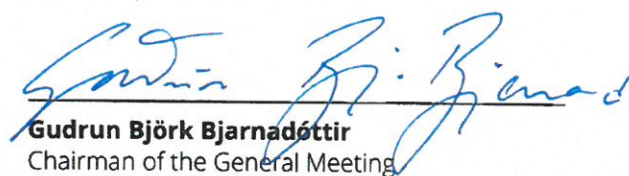


Nordisk Copyright Bureau (ncb)

Lautrupsgade 9
2100 København Ø
CVR No. 22133314

Annual report 2022

The Annual General Meeting adopted the
annual report on 16.05.2023


Gudrun Björk Bjarnadóttir
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2022	8
Balance sheet at 31.12.2022	9
Statement of changes in equity for 2022	11
Cash flow statement for 2022	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: 01.01.2022 - 31.12.2022

Board of Directors

Casper Bjørner, Chairman

Gudrun Björk Bjarnadóttir, vice-chairman

Karl Vestli

Risto Salminen

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 01.01.2022 - 31.12.2022.

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

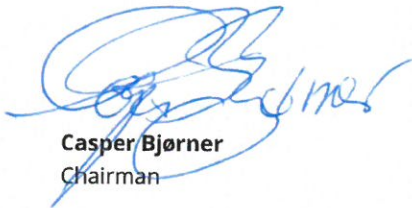
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 21.04.2023

Board of Directors



Casper Bjørner
Chairman

Gudrun Björk Bjarnadóttir
vice-chairman

Karl Vestli

Risto Salminen

Gorm Arildsen

Statement by Management

The Board of Directors has today considered and approved the annual report of Nordisk Copyright Bureau (ncb) for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 21.04.2023

Board of Directors

Casper Bjørner
Chairman


Gudrun Björk Bjarnadóttir
vice-chairman

Karl Vestli

Risto Salminen

Gorm Arildsen

Statement by Management

The Board of Directors has today considered and approved the annual report of Nordisk Copyright Bureau (ncb) for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

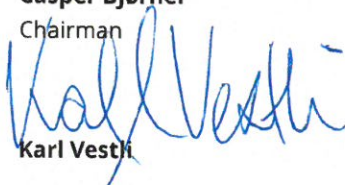
We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

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

Copenhagen, 21.04.2023

Board of Directors

Casper Bjørner
Chairman



Karl Vesth

Gudrun Björk Bjarnadóttir
vice-chairman

Risto Salminen

Gorm Arildsen

Statement by Management

The Board of Directors has today considered and approved the annual report of Nordisk Copyright Bureau (ncb) for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 21.04.2023

Board of Directors

Casper Bjørner
Chairman

Gudrun Björk Bjarnadóttir
vice-chairman

Karl Vestli



Risto Salminen

Gorm Arildsen

Statement by Management

The Board of Directors has today considered and approved the annual report of Nordisk Copyright Bureau (ncb) for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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, 21.04.2023

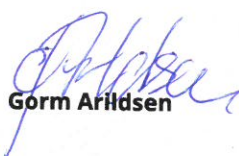
Board of Directors

Casper Bjørner
Chairman

Gudrun Björk Bjarnadóttir
vice-chairman

Karl Vestli

Risto Salminen


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 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 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, 21.04.2023

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; EAÜ (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 13,047 k which is considered satisfactory.

For 2023 is expected a result which is lower than in 2022 and will depend on level of collections and related cost level.

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 2022

	Notes	2022 DKK'000	2021 DKK '000
Revenue		22,207	20,031
Other operating income		502	551
Other external expenses		(10,047)	(12,335)
Gross profit/loss		12,662	8,247
Staff costs	1	(97)	(2)
Operating profit/loss		12,565	8,245
Income from investments in associates		889	892
Other financial income	2	982	368
Other financial expenses	3	(1,004)	(953)
Profit/loss before tax		13,432	8,552
Tax on profit/loss for the year	4	(385)	0
Profit/loss for the year		13,047	8,552
Proposed distribution of profit and loss:			
Retained earnings		13,047	8,552
Proposed distribution of profit and loss		13,047	8,552

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK'000	2021 DKK'000
Acquired licences		0	0
Intangible assets	5	0	0
Investments in associates		15,677	14,788
Financial assets	6	15,677	14,788
Fixed assets		15,677	14,788
Trade receivables		2,886	5,970
Receivables from associates		5,124	2,279
Other receivables		18	191
Prepayments		0	8
Receivables		8,028	8,448
Cash		178,239	192,394
Current assets		186,267	200,842
Assets		201,944	215,630

Equity and liabilities

	Notes	2022 DKK'000	2021 DKK'000
Retained earnings		70,269	57,222
Equity		70,269	57,222
Prepayments received from customers		3,654	11,429
Trade payables		1,970	1,687
Income tax payable		385	0
Other payables		2,954	5,855
Undistributed royalties	7	122,712	139,437
Current liabilities other than provisions		131,675	158,408
Liabilities other than provisions		131,675	158,408
Equity and liabilities		201,944	215,630
Contingent liabilities	9		
Related parties with controlling interest	10		

Statement of changes in equity for 2022

	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	57,222	57,222
Profit/loss for the year	13,047	13,047
Equity end of year	70,269	70,269

Cash flow statement for 2022

	Notes	2022 DKK'000	2021 DKK'000
Operating profit/loss		12,565	8,245
Working capital changes	8	(26,697)	(2,360)
Cash flows from ordinary operating activities		(14,132)	5,885
Financial income received		983	369
Financial expenses paid		(1,006)	(954)
Cash flows from operating activities		(14,155)	5,300
Free cash flows generated from operations and investments before financing		(14,155)	5,300
Increase/decrease in cash and cash equivalents		(14,155)	5,300
Cash and cash equivalents beginning of year		192,394	187,094
Cash and cash equivalents end of year		178,239	192,394
Cash and cash equivalents at year-end are composed of:			
Cash		178,239	192,394
Cash and cash equivalents end of year		178,239	192,394

Notes

1 Staff costs

	2022 DKK'000	2021 DKK'000
Wages and salaries	97	0
Other staff costs	0	2
	97	2
Average number of full-time employees	0	0

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 10 FTEs working 100% on the collection, license and finance on behalf of NCB. Additionally, Koda has delivered 2,300 working hours involving 13 different FTEs in Koda delivering Legal, 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 2022, the expense for this service amounts to DKK 6 million equivalent to 11 to 13 FTEs. NCB owns 50% of NMP.

2 Other financial income

	2022 DKK'000	2021 DKK'000
Other interest income	982	170
Exchange rate adjustments	0	198
	982	368

3 Other financial expenses

	2022 DKK'000	2021 DKK'000
Other interest expenses	846	953
Exchange rate adjustments	158	0
	1,004	953

4 Tax on profit/loss for the year

	2022 DKK'000	2021 DKK'000
Current tax	385	0
	385	0

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	31,207
Cost end of year	31,207
Impairment losses beginning of year	(16,419)
Share of profit/loss for the year	889
Impairment losses end of year	(15,530)
Carrying amount end of year	15,677

7 Undistributed royalties

	2022 t.kr.	2021 t.kr.
Undistributed royalties (Bifrost), net	100.105	110.487
Undistributed royalties (Others), net	7.618	13.546
Undistributed royalties (Sister societies), net	14.991	15.404
	122.714	139.437

8 Changes in working capital

	2022 DKK'000	2021 DKK'000
Increase/decrease in receivables	421	1,296
Increase/decrease in trade payables etc.	(27,118)	(3,656)
	(26,697)	(2,360)

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 2.332k. (2021 DKK 4.659k). 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.

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.

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 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.