



**MUSICAL COPYRIGHT
SOCIETY NIGERIA
(LTD/GTE)**



2023

**ANNUAL GENERAL MEETING/
ANNUAL REPORTS FOR THE
YEAR ENDED 31ST DECEMBER 2022**

...Connecting creativity with prosperity



2023
ANNUAL GENERAL MEETING/
ANNUAL REPORTS FOR THE
YEAR ENDED 31ST DEC. 2022



Respect the Rhythm

Support the Artists

Every beat has a story and every note is someone's creation. Let's honor the creative geniuses behind the music by respecting their copyright.



endorsed by the
Nigerian Copyright Commission

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ORGANIZATION PROFILE AND RECENT HISTORY

The Musical Copyright Society Nigeria Ltd/Gte (MCSN) is an association of authors, composers and publishers of musical works and sound recordings, having interests in a vast repertoire of intellectual works and representing a good number of authors, composers, publishers, performers and producers of music worldwide within the territory of the Federal Republic of Nigeria.

MCSN is a company incorporated as limited by guarantee having no share capital -and non-profit making. MCSN is major Nigerian organisation in the sphere of Intellectual Property rights with particular reference to Copyright in musical works and sound recordings under the statutory approval and licence of the Nigerian Copyright Commission (NCC) as provided under the Copyright Act 2022.

MCSN has very close and cordial working relationship with many similar organisations across the world through the signing of reciprocal representation agreements with sister organisations in various countries of the world, which legally and contractually transfer their copyright interests within the territory of the Federal Republic of Nigeria to it.

MCSN started out as an off-shoot and successor-in-title of the Performing Right Society Limited of the United Kingdom (PRS) and Mechanical-Copyright Protection Society of the United Kingdom (MCPS). Both organisations with assistance from the Late Barrister Fatai Oladale Giwa, in collaboration with notable Nigerian authors and composers such as the Late Moses Adeolu-Akinsanya (Baba Eto), the Late Pa Ojoge Daniel, the Late Chief I. K. Dairo, MBE and the Late Teddy Ibiama, to mention just a few, were the core sponsors, promoters and part of the incorporated members of MCSN with which the Society was incorporated with the approval of its Memorandum and Articles of Association by the Honourable Attorney General of the Federation and Minister of Justice of the Federal Republic of Nigeria on 24 July 1984. As the years went by, MCSN began to sign direct reciprocal representation agreements with sister societies across the world. Such organisations include but not limited to Irish Music Rights Organisation of Ireland (IMRO), Authors' Licensing Collecting Society of the United Kingdom (ALCS), Directors' and Producers' Rights Society of the United Kingdom (DPRS) now DIRECTORS, Broadcast Music Inc. of the United States of America (BMI), SODRAC of Canada, South African Music Rights Organisation (SAMRO), Music Copyright Society of Kenya (MCSK), Zimbabwe Music Rights Association (ZIMRA), Copyright Society of Tanzania (COSOTA), Uganda Performing

ORGANIZATION PROFILE AND RECENT HISTORY

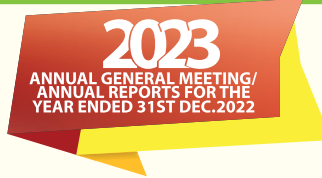
Rights Society (UPRS), Composers and Authors' Society of Hong Kong (CASH), to mention just a few. The list continues to grow by the day.

Over the years, MCSN has built a formidable capacity with which it is able to defend and enforce the huge rights and protect the massive repertoire, which it has acquired right from its formation. MCSN is perhaps the only single organisation in Nigeria that has instituted not less than 50 copyright infringement cases from which it has received not less than 20 favourable court decisions and some are being amicably resolved out-of-court, while some other ones are subsisting in various courts.

MCSN has set legal precedents on which any matter dealing with copyright are being decided in Nigerian courts. Some of these precedents were contained in the judgements of the Supreme Court in the **Adeokin & Anor vs MCSN** and **MCSN vs. Compact Discs Technologies Limited & Ors** appeals in July and December 2018 respectively and the Court of Appeal judgment in **Multichoice Nigeria Limited vs. MCSN**, decided in 2020.

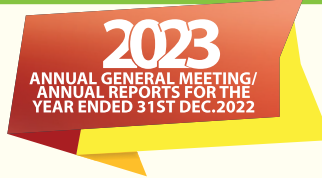
MCSN recorded further milestones in 2020 in spite of the breakout of the pandemic Covid – 19 and its attendant lockdowns and protocols. First, in March 2020, the Federal High Court, Lagos gave judgment in **Suit No. FHC/L/CS/274/2010** between **Musical Copyright Society Nigeria (Ltd/Gte) vs. Copyright Society of Nigeria (Ltd/Gte) & Ors** in which the court ordered the name of COSON to be struck off the register of companies in Nigeria. The judgment still subsists till date.

MCSN is gradually settling down to consolidate its position to do the real business of negotiating and licensing copyright in musical works and sound recordings, collecting and distributing royalties therefrom to its members and affiliates.



CORPORATE INFORMATION

- DIRECTORS:**
- Adeniyi Adegeye Sunday (King Sunny Ade) - President
 - Orits Williki - Chairman
 - Mayo Ayilaran - Director General / CEO
 - Princess Mojisola Fayemi - Balogun
 - Pastor Winston Kola Olulana
 - Dr. Victor Okhai
 - Actor Segun Alile
 - Dr. Ope Banwo
 - Dr. Kenny Ogungbe
 - Dr. Tee Mac O. Iseli OFR
 - D. A. Awosika SAN
 - Sunny Neji
 - Matthew Ohio
 - Asha Fapohunda
 - Myke Pam Mbala
 - Matthew Ojo (NCC Representative)
- SECRETARY :** Adewale Adesokan SAN (Adesokan & Co)
- BANKERS :**
- Union Bank Nigeria Plc.
 - First Bank of Nigeria Plc.
 - Eco Bank Plc
 - United Bank for Africa Plc
 - Zenith Bank Plc
- REGISTERED OFFICE :** 6, Olaribiro Street,
Off Allen Avenue, Ikeja, Lagos
- AUDITORS:** Messrs. Abikoye Olumide & Co
(Chartered Accountants)



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2023
ANNUAL GENERAL MEETING/
ANNUAL REPORTS FOR THE
YEAR ENDED 31ST DEC. 2022

NOTICE OF MEMBERS ANNUAL GENERAL MEETING 2023

NOTICE IS HEREBY GIVEN THAT the 2023 Annual General Meeting of the Members of the Musical Copyright Society Nigeria Limited by Guarantee, MCSN, whose names appear on the register of the Society as at 31st December 2022, shall hold on **Wednesday, 29th November 2023** at 11.00 a.m. before noon at the **Lagos Television (LTV) Event's Hall 2, Lateef Jakande Road, Agidingbi Lagos**, for the following purposes:

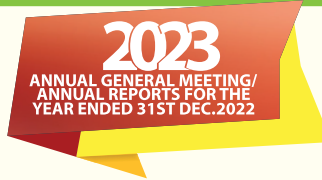
1. To receive and consider the Chairman's Report of events and developments as at 31st December 2022.
2. To receive and approve the Directors' Report for the year ended 31st December 2022.
3. To receive and approve the Financial Report for the year ended 31st December 2022 and the Auditors' Report thereon.
4. To conduct any other business that can be conducted in an Annual General Meeting of Members.

By the Order of the General Council (Board) of the Society

Adewale Adesokan, SAN
Company Secretary

Dated in Lagos this 20th October 2023

N. B. The Annual Reports and Accounts Brochure is enclosed.



PROXY FORM

MUSICAL COPYRIGHT SOCIETY NIGERIA (LTD/GTE) RC64047

2023 ANNUAL GENERAL MEETING to be held at Hall 2, Lagos Television, Agidingbi Road Ikeja, Lagos on Nov. 29, 2023 at 11:00a.m

I/We being a member/members of MCSN hereby appoint*..... or failing him, Mr. Mayo Ayilaran, or failing him, Mr Orits Williki, as my/our proxy to attend and vote for me/us and on my/our behalf at the annual General Meeting of the company to be held on Nov. 29, 2023 and at any adjournment thereof.

Dated this.....day of

Signature of Member.....

Name of Member.....

ADMISSION CARD

The 2023 Annual General Meeting of Musical Copyright Society Nigeria (Ltd/Gte) will hold at Hall 2, Lagos Television, Agidingbi Road, Ikeja, Lagos on Wednesday, Nov. 29, 2023 at 11:00a.m

Name of Member (in BLOCK LETTERS)

.....

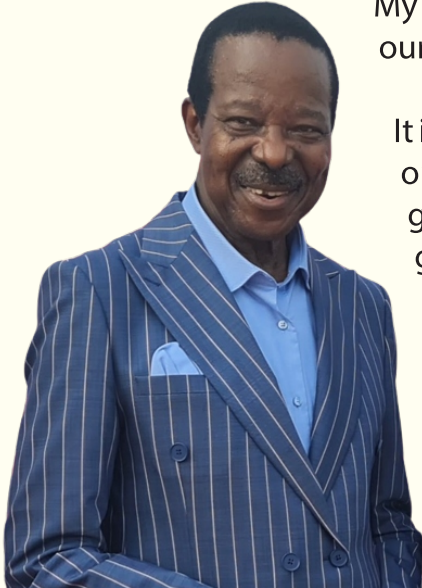
Member's IPI No.....

IMPORTANT

1. Before posting the above form of proxy, please tear off this part and retain it. A person attending the Annual General Meeting of the company or his proxy should produce this card to secure admission to the meeting.
2. A member of the company is entitled to attend and vote at the annual General Meeting of the company. He is also entitled to appoint a proxy to attend and vote instead of him, and in this case, the above card may be used to appoint a proxy.
3. In line with the current practice, the names of two (2) of the directors of the company have been entered on the form of proxy to ensure that someone will be at the meeting to act as your proxy. You may however wish to insert in the blank space on the form (marked"*) the name of any person, whether a member of the company or not, who will attend the meeting and vote on your behalf instead of one (1) of the Directors named.
4. The above form of proxy, when completed, must be deposited at the office of the society, No 6, Olaribiro Street, Off Allen Avenue, Ikeja, Lagos, not less than forty-eight (48) hours before the time fixed for the meeting
5. It is a requirement of the law under the Stamp Duties Act, Cap. S8, Laws of the Federation of Nigeria, 2004, that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must bear a stamp duty of fifty (50) kobo.
6. If the form of proxy is executed by a company, it should be sealed under its common seal or under the hand and seal of its attorney.

Signature of the person attending.....

PRESIDENT'S STATEMENT



My dear Colleagues, Music creators, Distinguished Members of our foremost organization, Ladies and Gentlemen,

It is with great honour and privilege that I stand before you today once again as the President of this foremost organization. As we gather here at our Annual General Meeting, I am filled with gratitude to God and to you all, for the progress we have achieved together and the potential that lies before us.

I firmly believe that an organization is only as strong as its members, and I am proud, knowing where we are coming from, to see the dedication and passion each one of you brings to the table with your creation and Music releases, which is making the top chats all over the world. Our success would not be possible without your unwavering commitment, sacrifices and the invaluable support for our Society, MCSN.

However, as we reflect on our past achievements, we must also look towards the future. Today, I urge each and every member of our organization to join hands with our Board, Management and staff ("THE TEAM") to propel our organization forward.

This is where we get the dividends for our creativity while we are still active and it our pension after our active days on stage and as such let us show others who may not be aware particularly the young and upcoming ones, of the need to join and benefit from our collective power. Creating Music is all we know and do. Charity begins at home. Let us join hands to build our own structure and our home-grown institution.

I would also like to use this opportunity to confirm that based on your decision at our last Annual General Meeting, the Society has secured its own property close to our present office location. Construction work would begin in earnest to have our own befitting permanent office, which everyone of us would be proud of.

I want to at this point say a Big THANK YOU to the entire team at the Nigeria Copyright Commission (NCC) led by the Director General, Dr. John O. Asein, for their continuous support and cooperation with our organisation and leading us to become one of the ultimate CMOs for the betterment of our members and affiliates across the world.

PRESIDENT'S STATEMENT CONT'D

As I welcome you all once again to this year's Annual General Meeting, let me wish us a very peaceful and successful deliberation.

Long Live MCSN!

Long Live Musicians!!

Long Live the Federal Republic of Nigeria!!!

Dr. Sunday Adeniyi Adeggeye MFR
(*King Sunny Ade*)
President.

CHAIRMAN'S STATEMENT

My Dear Colleagues and Associates,

It is my pleasure to welcome you to this Annual General Meeting and to give some details of our activities over the twelve months ending 31 December 2022.

Following the election of directors that took place at the 2022 Annual General Meeting, the Board went on to elect me for another 3-year and final term and the Board members have rededicated themselves to continue to direct the Society on the path of steady growth.



COMPANY'S REPORT

From the results presented by our Board of Directors, our Society is now settled and poised for growth. Though we fell short of the projections of the Society for the year 2022, in terms of global collections and income, but when we compare regular or normal collections outside legal/court awards, our performance surpassed that of the previous year. Our costs fell by over 200% in 2022 when compared with that of 2021 and we are making deliberate efforts to continue to cut costs in order to increase the volume of royalty distributions going to our members and affiliates. In any case, most of the costs incurred in the course of 2022 were funded by income and savings made by the management in previous year in order to maintain the ratio of income going into distributions.

IMPORTANT DEVELOPMENTS

In spite of the very difficult economic climate in the country and around the world the Society continues to surmount every challenge by growing the number of licences issued for the use of our works and sound recordings across various platforms, such as broadcast stations, hotel, restaurants and bars, concerts and event halls, digital and online platforms.

We are still discussing with Multichoice Nigeria Limited to resume payment from 2021 and once negotiations are concluded, appropriate information shall be passed to all.

We continue to strengthen our operations to other regions and states of the country, as we are appointing more effective consultants and agencies across the country to conduct our licensing operation in addition to opening branch offices. The effects of these agencies are being felt in places like Kaduna, Kano, Abia, Edo and Rivers States, with the plan to extend

CHAIRMAN'S STATEMENT CONT'D

to other states before long.

Following your decision and votes at the 2022 Annual General Meeting that the Society should acquire a property for the purpose of having a permanent office of its own, I am pleased to report to you that we have acquired a sizable plot (approximately 1,000 square meters) in the street/close just behind our present office location. We are currently processing the necessary approvals for demolition of the existing structure and commencement of building at the site. The profile impression of the structure which we are proposing to build on the site is published at the inner back page of this brochure.

CONCLUSION

Our Society continues to enjoy strong support and encouragement from the Nigerian Copyright Commission (NCC), particularly the Director General, Dr. John O. Asein. We express our sincere gratitude to the Commission.

I will like to express my sincere gratitude and thanks to my fellow directors for their cooperation and support in the next phase of our journey.

Our lawyers and other service providers have continued to render their services in the most professional way. On behalf of the Board and the entire membership of our Society, I say a big "Thank you" to them.

Finally, I must commend the hard work of our management team under our Director General, Mayo Ayilaran. The team continues to break new grounds in advancing and defending our copyright interests and growing the Society. On behalf of the Board and members, I most sincerely thank the team.

Thank you and God Bless.



Orits Williki
Chairman.

DIRECTOR GENERAL'S COMMENT

2022 marked the beginning of MCSN's return to normal licensing operations having secured the Court of Appeal landmark judgment in the Multichoice Nigeria Limited vs. Musical Copyright Society Nigeria Ltd/Gte case, the award which was amicably settled in 2021 with substantial payment made.

When the Multichoice settlement payment is removed from 2021 income, the income from normal licensing collections was N54,961,000, which rose marginally in 2022 by 7.9% to N59,340,000. The implication of this is that as MCSN is gradually getting into the real business of licensing and collection in place of relying on tortuous litigations. Regular income would begin to rise, with general operations becoming more stable.



The Society also reduced its costs by 219% from N324,592,721.00 in 2021 to N101,513,135 in 2022. The costs would continue to vary as the Society expands until we arrive at an optimum level in the near future.

As would be seen in our various reports, particularly in the President's comments, the Chairman's address and the Board of Directors' report vis-à-vis the report of the Auditors, the Society is making good progress as projected and is achieving gradually its set goals. Some of these are touched upon herein below.

LEGAL ADVANCEMENT

On the legal front, the Society did not achieve much progress as none of the cases still pending in court was concluded due to the loads of cases carried over by the courts from the Covid-19 era and 2022 being the year leading up to general elections, many political cases filed in court took precedence over civil cases, such as the ones being prosecuted by the Society. It is hoped that at the end of the elections and conclusion of expected resultant electoral cases that would most certainly follow, attention would return to civil cases and most of our cases would return to the front burner.

What we are happier about is the fact that most of our cases are now focussed on monetary awards to recoup unpaid copyright royalties from unauthorised users of musical works and sound recordings, as opposed to the former issues of MCSN's legal standing, which have

DIRECTOR GENERAL'S COMMENT CONT'D

been fully resolved by the Supreme Court. The Society shall be doubling up in the coming years to expand its operations to bring more users of music into the copyright net, with the difficult ones taken to court without delay.

We collaborated with the Nigerian Copyright Commission and other stakeholders in pressing for a new Copyright Act to be passed. We participated at the Senate Public Hearing of the Copyright Bill, which was eventually passed by the Senate and House of Representatives in the third quarter of 2022. The Bill was still waiting for the President's assent as at the end of 2022. It is our belief that when the Bill is eventually passed into law, it would greatly benefit our Society and members at large.

DISTRIBUTIONS

Apart from driving down costs, the Society is operating on the principle of not allowing costs to eat up the distributions going to members and affiliates. We have been ploughing back some administrative income into distribution funds to ensure that members continue to receive regular distributions. In 2022, we were able to carry out eight distributions amounting to about N250,000,000. We plan to do more and on more frequent basis in the coming years.

TECHNOLOGICAL IMPROVEMENT

We continue to deploy modern technologies in our operations and we plan to continue to improve with partnership with other sister organisations in the sector. Members are advised to always notify to us and register all their existing and new works for inclusion in our local and international databases. Members are losing quite a lot of remuneration by failing to promptly and adequately document their works as appropriate.

COOPERATION AND COLLABORATION WITH OTHER BODIES

Our relationship with other groups, organisations and associations are going smoothly and we are exploring more opportunities of working more closely with any other identified relevant organisation and association for the ultimate benefits of our members and the advancement of our creative industry.

RELATIONSHIP WITH REGULATORY AGENCY

DIRECTOR GENERAL'S COMMENT CONT'D

The Society continues to enjoy very good and healthy relationship with our regulator, the Nigerian Copyright Commission (NCC), whose officials have continued to encourage and support MCSN's efforts in many areas and regions of the country.

I express MCSN's profound gratitude to the Commission, particularly the Director General, Dr. John Asein, who has been assisting in surmounting major challenges being faced by the Society.

APPRECIATION

The Board of Directors continues to stand solidly behind the Management in all of its activities and has continued to chart the roadmap for the progress and growth of the Society.

MCSN's team of lawyers and consultants continue to render invaluable services for which the Society remains most grateful.

CONCLUSION

The Society remain focussed in achieving the goals set for it and meeting the expectation of members and affiliates.

We appeal to every member of the Society, no matter their position or location that they should strive to protect and advance the interests of the Society. It must be members' duty to at all times work for the Society, speak well of the Society, rally round the Management and Board of Directors; so that we can jointly exceed our overall expectations.

Lastly and most importantly, we give all glory to God for His great mercies.

Thank you and God Bless.



Mayowa Ayilaran
Director General/Chief Executive.

DIRECTOR'S REPORT

The directors have the pleasure of presenting the financial statements of the society for the year ended 31st December, 2022.

1. PRINCIPAL ACTIVITIES

The society administered during the year under review, the performing and mechanical rights (copyright) in musical and related audiovisual works assigned to it by its members and other assignors and operated as an exclusive licensee of affiliated organizations.

2. RESULTS

The summary of the Society's operational performance for the year ended 31st December, 2022 is as presented below:

	31 / 12 / 2022	31 / 12 / 2021
	₦	₦
	'000	'000
Licensing / Royalty Income	<u>59,340</u>	<u>1,854,961</u>
Net Distributable Surplus / (Deficit)	(42,100)	1,530,367
ADD:		
Distributable Income / (Deficit) b/f	<u>1,061,930</u>	<u>(453,131)</u>
	1,019,830	1,077,236
LESS:		
Adjustment	(581)	993
Non-Distributable Income		
Distributions during the year	<u>(240,113)</u>	<u>(16,299)</u>
Distributable Income / (Deficit) c/f	<u>779,136</u>	<u>1,061,930</u>

3. EMPLOYMENT AND EMPLOYEES

a) Employment of disabled persons

The recruitment policy of the society does not discriminate against disabled persons. Considerations are giving to applications made by such people with adequate attention however, given to their abilities.

b) Training and Development

Furthermore, the society's strength and success lie in her human resources. Hence, great emphasis is placed on ensuring that our employees at all levels in the organization are well trained and developed to enhance performance.

4. AUDITORS

The Auditors, Messrs, Abikoye Olumide & Co will continue in office in accordance with section 357 (2) of the Companies and Allied Matters Act, 1990

BY ORDER OF THE BOARD



SECRETARY
LAGOS, NIGERIA



2023
ANNUAL GENERAL MEETING/
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YEAR ENDED 31ST DEC. 2022

AUDITOR'S REPORT



TO THE MEMBERS OF
MUSICAL COPYRIGHT SOCIETY NIGERIA LIMITED / GTE

We have audited the financial statements of MUSICAL COPYRIGHT SOCIETY NIGERIA LIMITED / GTE ("the society") which comprise the statements of financial position as at 31st December, 2022, the income statement, statement of changes in members fund, cash flow statement for the year ended 31st December, 2022 and the statement of accounting policies set out in the financial statements.

Respective Responsibilities of the Directors and Auditors

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act No 6, 2011 and the International Financial Reporting Standards. Furthermore, the directors are responsible for such internal control as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Our responsibility is to form an independent opinion, based on our audit, on the statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with auditing standards. An audit includes, examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the society's circumstances, and are consistently applied and adequately disclosed.

We planned and performed our audit to obtain all the information and explanations, which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statement and assessed whether the society's books have been properly kept.

Opinion

In our opinion, financial statements present fairly, in all material respects, the financial position of MUSICAL COPYRIGHT SOCIETY NIGERIA LIMITED / GTE as at 31st December, 2022, and the financial performance and cash flows for the years ended 31st December 2022 in accordance with the Companies and Allied Matters Act CAP C20 LFN 2004, the Financial Reporting Council of Nigeria Act No 6, 2011, and the International Financial Reporting Standards.

J. O. Abikoye
(FRC//ICAN/00000019256)
For: Abikoye Olumide & Co
(Chartered Accountants)
Lagos, Nigeria

DATED: 20th April, 2023

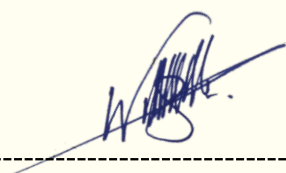


□ 17, Idoluwo Street, Off Doce mo Street, Lagos State. ☒ 10, Akure Road, Adewole Estate, Ilorin, Kwara State,
☒ Plot 201, Durumi Oladipo Diya Way, Opposite Games Village, By Concordia Apartment, Abuja.
www.doubleedgeabikoye.com email: chartered@doubleedgeabikoye.com, doublersource@gmail.com
Tel. 08037136855, 07030883359, 09051596970, 08023296217

MUSICAL COPYRIGHT SOCIETY NIGERIA LIMITED / GTE

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

ASSETS EMPLOYED	NOTES			12/31/2021
			₦	₦
NON CURRENT ASSETS				
Property, Plant & Equipment	4		278,567,220	<u>3,173,400</u>
TOTAL NON-CURRENT ASSET			278,567,220	3,173,400
CURRENT ASSETS	5		<u>748,775,812</u>	<u>1,224,190,867</u>
TOTAL ASSETS			<u>1,027,343,032</u>	<u>1,227,364,267</u>
MEMBERS FUND AND LIABILITIES				
ACCUMULATED FUND	6	141,038,457		61,814,934
RETAINED SURPLUS / (DEFICIT)	7	<u>779,136,803</u>	<u>920,175,260</u>	<u>1,061,930,157</u>
ATTRIBUTABLE TO MEMBERS			920,175,260	1,123,745,091
NON-CURRENT LIABILITY	8	0		0
CURRENT LIABILITIES	9	<u>107,167,772</u>		<u>103,619,176</u>
TOTAL LIABILITIES			<u>107,167,772</u>	<u>103,619,176</u>
TOTAL MEMBERS FUND AND LIABILITIES			<u>1,027,343,032</u>	<u>1,227,364,267</u>





)
) DIRECTORS

The accompanying notes form an integral part of these Accounts

MUSICAL COPYRIGHT SOCIETY NIGERIA LIMITED / GTE
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER 2022

	NOTE	₦	31/12/2021 ₦
LICENSING / ROYALTY INCOME	11	59,413,532	1,854,960,572
LESS:			
ADMINISTRATIVE AND OTHER OVERHEAD	13	<u>(101,513,135)</u>	<u>(324,592,721)</u>
SURPLUS / (DEFICIT) FOR THE YEAR		(42,099,604)	1,530,367,851
PROVISION FOR TAX		<u>-</u>	<u>-</u>
DISTRIBUTABLE SURPLUS / (DEFICIT)		(42,099,604)	1,530,367,851
APPROPRIATION:			
DISTRIBUTABLE SURPLUS / (DEFICIT) B/F		<u>1,061,930,158</u>	<u>(453,131,477)</u>
BALANCE AVAILABLE FOR DISTRIBUTION		1,019,830,554	1,077,236,374
ADJUSTMENTS DURING THE YEAR		(580,554)	992,712
DISTRIBUTIONS DURING THE YEAR	12	<u>(240,113,197)</u>	<u>(16,298,928)</u>
NET DISTRIBUTABLE SURPLUS / (DEFICIT) C/F		<u>779,136,804</u>	<u>1,061,930,158</u>

The accompanying notes form an integral part of these Accounts

MUSICAL COPYRIGHT SOCIETY NIGERIA LIMITED / GTE
STATEMENT OF CHANGES IN MEMBERS' FUND
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Members Fund ₦	Retained Earning ₦	TOTAL ₦
BALANCE AS AT 1ST JANUARY 2021	39,033,381	(452,777,885)	(413,744,504)
ADD:			-
RESERVE & NET DISTRIBUTABLE SURPLUS / (DEFICIT) FOR THE YEAR	-	1,530,367,851	1,530,367,851
OTHER COMPREHENSIVE INCOME	-	23,570,671	23,570,671
PRIOR YEAR ADJUSTMENT	<u>0</u>	<u>(16,298,927)</u>	<u>(16,298,927)</u>
BALANCE AS AT 31ST DECEMBER 2021	<u>39,033,381</u>	<u>1,084,861,710</u>	<u>1,123,895,091</u>
BALANCE AS AT 1ST JANUARY 2022	39,033,381	1,084,861,710	1,123,895,091
ADD:			
NET INCOME FOR THE YEAR		(42,099,604)	(42,099,604)
ADJUSTMENT / OTHER COMPREHENSIVE INCOME		78,642,970	78,642,970
DISTRIBUTION	<u>0</u>	<u>(240,113,197)</u>	<u>(240,113,197)</u>
BALANCE AS AT 31ST DECEMBER 2022	<u>39,033,381</u>	<u>881,291,879</u>	<u>920,325,260</u>

The accompanying notes form an integral part of these Accounts

MUSICAL COPYRIGHT SOCIETY NIGERIA LIMITED / GTE
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2022

	31/12/2021			
	N	N	N	N
Cash flow from Operating Activities				
Net Profit / (Loss) for the Year		(42,099,604)		1,530,367,851
Adjustment for items not involving cash movement:				
Depreciation		<u>3,128,255</u>		<u>500,300</u>
Operating Revenue before Working Capital		(38,971,348)		1,530,868,151
(Increase)/decrease in other current Assets	295,286,446		(1,023,464,771)	
(Increase)/decrease in Trade / Sundry Creditors	<u>3,548,596</u>	<u>298,835,043</u>	<u>(315,452,105)</u>	<u>(1,338,916,876)</u>
Funds generated from operations		259,863,694		191,951,275
Cash from other sources:				
Members Fund / Non Distributable income		<u>77,259,259</u>	<u>22,577,959</u>	<u>22,577,959</u>
Net Cash from Operating Activities		337,122,954		214,529,234
Cash from Investing Activities:				
Distributed Royalty / Loss on Investment		(238,729,487)	(15,306,216)	
Fixed Assets		<u>(278,522,075)</u>	<u>(2,564,000)</u>	<u>(17,870,216)</u>
		(180,128,608)		196,659,018
Cash/Bank Balances at the beginning of the year		<u>198,205,992</u>		<u>1,546,974</u>
Cash / Bank Balances at the end of the year		<u><u>18,077,384</u></u>		<u><u>198,205,992</u></u>

The accompanying notes form an integral part of these Accounts

NOTES TO THE ACCOUNTS

1. Corporate Information

The society was incorporated in Nigeria as a society limited by guarantee in 1984. Its registered office address is at 6, Olaribiro Street, Off Allen Avenue, Ikeja, Lagos State.

The society administered during the year under review, the performing and mechanical rights (copyright) in musical and related audiovisual works as owners and assignee.

2. Basis of preparation.

Statement of compliance with IFRSs

These financial statements have been prepared in accordance with, and comply with, international Financial Reporting Standards (IFRS) and International Reporting Interpretations Committee (IFRIC) interpretations issued and effective at the time of preparing these financial statements.

3. Significant Accounting Policies

The principal accounting policies employed in the preparation of these accounts are as follows:

A) Basis of measurement

The financial statements have been prepared under the historical cost basis except for Property, Plant and Equipment which are measured at fair values.

Adopted Accounting policies have been applied consistently to all period presented in the financial statements.

B) Functional and Presentation Currency

The financial statements are presented in the Nigeria Naira (₦), which is the country's functional currency in which the society operates.

C) Royalty Income

Revenue from royalty and other activities represents cash received during the year.

D) Foreign Currency Transactions

Transactions in foreign currencies are recorded in Naira at the exchange rate ruling at the date of transactions.

E) Property, plant and equipment

Items of property, plant, and equipment are stated at fair value less depreciation.

Depreciation is computed using the straight-line method based on the estimated useful lives of the items of property, plant, and equipment, taking into account the estimated residual value.

The estimated useful lives of property, plant and equipment are

Motor Vehicle	20%
Office Equipment	10%
Furniture & Fittings	20%
Land & Building	
Plant & Generator	10%

F) Trade receivables

Trade receivables are carried at original invoice amount less any allowance for doubtful debts. Allowances are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions.

G) Trade payables

Trade payables are held at invoice cost by suppliers / contractors.

H) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balance with banks.

I) Fair Value exemption

The Society adopted the option of fair value exemption in the valuation of its Property, Plant and Equipment. Furthermore, items of assets, which had been fully depreciated in the account, but still in use, were reported at their fair value.

J) Related Party Transaction

There was no related party transaction during the year under review.

H) Company's indebtedness

Note 9, Sundry Creditors, include provisions for gratuity, Allowances and debt owe to employees.

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31ST DECEMBER 2022**

4. PROPERTY, PLANT & EQUIPMENT	MOTOR VEHICLES	PLANT & GENERATOR	LAND & BUILDING	FURN. & FITTINGS	OFFICE EQUIPMENT	TOTAL
	₤	₤	₤	₤	₤	₤
COST:						
Balance b/f	2,850,000	2,250,000	0	1,989,000	4,305,000	11,394,000
Addition during the year	<u>75,810,000</u>	<u>0</u>	<u>189,000,000</u>	<u>2,350,000</u>	<u>11,362,075</u>	<u>278,522,075</u>
	<u>78,660,000</u>	<u>2,250,000</u>	<u>189,000,000</u>	<u>4,339,000</u>	<u>15,667,075</u>	<u>289,916,075</u>
DEPRECIATION:						
Balance b/f	2,849,000	2,025,000		1,872,000	1,474,600	8,220,600
Charged for the year	<u>1,221,889</u>	<u>224,000</u>	<u>0</u>	<u>505,800</u>	<u>1,176,566</u>	<u>3,128,255</u>
Depreciation Rates	20	10	0	20	10	11,348,855
NET BOOK VALUE						
As at 31/12/2022	<u>74,589,111</u>	<u>1,000</u>	<u>189,000,000</u>	<u>1,961,200</u>	<u>13,015,909</u>	<u>278,567,220</u>
As at 31/12/2021	<u>1,000</u>	<u>225,000</u>	<u>0</u>	<u>117,000</u>	<u>2,830,400</u>	<u>3,173,400</u>
5. CURRENT ASSETS						
Cash & Bank balances						31/12/2021
Trade / Sundry Debtors						₤
Investment						198,205,992
						4,413,000
						<u>711,292,446</u>
						<u>1,021,571,875</u>
						<u>1,224,190,867</u>

**NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31ST DECEMBER 2022**

31/12/2021

NOTES

6. ACCUMULATED FUND

	N	N
Balance blf	61,814,934	39,386,975
Investment Value & Prior year adjustments	1,964,264	-
Non-Distributable income (NOTE 10)	<u>77,259,259</u>	<u>22,427,959</u>
	<u>141,038,457</u>	<u>61,814,934</u>

7. SURPLUS / (DEFICIT) ACCOUNT

Surplus / (Deficit) b/f	1,061,930,158	(453,131,477)
Prior Year Adjustment	(580,554)	992,712
Surplus / (Deficit) for the Year	(42,099,604)	1,530,367,851
Distribution during the year	<u>(240,113,197)</u>	<u>(16,298,928)</u>
Distributable surplus c/f	<u>779,136,803</u>	<u>1,061,930,158</u>

8. NON CURRENT LIABILITIES
(DIRECTORS ACCOUNT)

Balance b/f	0	0
Addition / (Withdrawal) during the year	<u>0</u>	<u>0</u>
	0	0

9. CURRENT LIABILITIES

Trade Creditors	0	0
Prior Year Adjustment	0	0
Sundry Creditors	<u>107,167,772</u>	<u>103,619,176</u>
	<u>107,167,772</u>	<u>103,619,176</u>

10. NON - DISTRIBUTABLE / OTHER INCOME

Foreign Exchange difference	(1,386,437)	(790,180)
Admin., Set up fee & Mics. Income	1,388,250	1,951,139
Investment Income	86,341,607	23,796,667
Provision for tax on investment income	<u>(9,084,161)</u>	<u>(2,529,667)</u>
	<u>77,259,259</u>	<u>22,427,959</u>

11. LICENSING / ROYALTY INCOME

A) LOCAL

Mechanical	7,783,193	618,307,840
Performing Right	<u>44,486,960</u>	<u>1,236,615,681</u>
	52,270,153	1,854,923,521

B) FOREIGN

	<u>7,143,379</u>	<u>37,051</u>
	<u>59,413,532</u>	<u>1,854,960,572</u>

12. DISTRIBUTIONS DURING THE YEAR

Local	40,503,804	16,298,928
Foreign	<u>199,609,393</u>	0
	<u>240,113,197</u>	<u>16,298,928</u>

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31ST DECEMBER 2022

13. OPERATING EXPENSES

	₦	31/12/2021 ₦
Salaries & Wages	36,397,209	34,325,106
Transport & Traveling (Local & Foreign)	3,776,495	2,880,220
Audit & Professional Fees	400,000	205,000
Repair & Maintenance	5,491,288	3,471,475
Stamps & Postages	949,450	716,170
Printing & Stationeries	597,700	1,214,330
Meetings, Press Conferences & PR	8,703,317	7,730,160
Vehicle & Plant Running Expenses	1,199,400	1,179,300
Commission on Licensing	2,705,647	1,362,270
Bank Charges	730,330	1,924,781
Licensing & Monitoring Expenses	1,427,620	373,073
Power & Electricity	2,780,900	1,790,600
Business Promotion & Publicity	12,859,082	13,212,747
Registration & Provision for Subscription	407,765	3,158,805
Medical & Staff Welfare	699,490	972,040
Legal & Professional Fees	1,000,000	186,655,000
Directors' Sitting & Other Allowances	4,948,000	2,964,000
General Expenses	333,536	755,795
Rent & Rates	2,000,000	2,000,000
Gift & Donation	3,666,700	41,500
Information & Communication Technology	848,666	1,003,499
Enforcement expenses	2,715,000	27,200,000
Special Compensation & Awards	1,200,000	18,850,000
Cultural & Social Funds	1,050,000	10,000,000
Filing, Processing & Court Expenses	1,476,735	85,000
Newspapers & Periodical	20,550	21,550
Depreciation	<u>3,128,255</u>	<u>500,300</u>
	<u>101,513,135</u>	<u>324,592,721</u>

DISTRIBUTION RULES

Introduction to MCSN's Distribution Principle:

Just like any other ordinary business organisation, MCSN pays royalties (dividends) to its members and rights holders at least once in a year. This is what is called distributions. This may occur as frequently as distributable incomes are available and may be categorised as specific and general distributions, depending on the source and volume of available income vis-a-vis details or data of exploitation of works resulting in the income to be distributed. The distribution principles relates to royalties paid for the exploitation of music and sound recordings of MCSN members and affiliates in performing and mechanical rights.

This policy document explains how MCSN works out the royalties and schedule when they'll be paid. It's not just about the technologies and methods we use, but also the principles we use for guidance.

Fairness, accuracy, cost effectiveness and transparency are all very important for our members and affiliates. However, sometimes these principles are at odds. This policy document sets out how we strike a balance.

MCSN pays royalties to members and rights holders in a separate set of distributions throughout the year called specific distribution. These are for mechanical rights and specific exploitation, which are detailed separately as specific distribution.

This document cannot cover every aspect of the distribution process. Members should contact our membership department by email at info@mcsnnigeria.org or info.mcsnnigeria@gmail.com for more information.

General Distribution Principle/Rules:

1. Our general distribution principle is found in the MCSN Memo & Articles of Association, specifically Article 46 - 48 of the MEMAT which we refer to as 'Allocation of Moneys'.
2. The guiding principles for allocation of monies are that the costs of collection vis-à-vis that of distribution are fully charged against what has been collected with a view to driving down the costs as the Society advances to optimum level in its operations. This is so because the Society does not receive any grant or subvention for its operations. It relies solely on collection income realized from the exploitation of its repertoire.

DISTRIBUTION RULES

3. Secondly, the distribution policy or principle of the Society is also guided by the regulatory limit of 30% which the Society could charge for its administration costs under the CMO Regulations of 2007.

4. The rules and principles are equally based on the understanding that a fledging society such as MCSN, which is just emerging from serious challenges and encumbrances which lasted for nearly ten years or more could not immediately operate at a level which its costs would equal or less than 30% of collection income. The following rules are however put in place to guide the Society into attaining the required level in good time depending on the type of distribution and volume of income involved:

- a. Every collection is subject to 30% deduction for administration costs.
- b. 10% is further deducted for social fund.
- c. 60% goes into distribution fund.
- d. Any amount expended for administration purposes above the allocated 30% is treated as loan from either the social fund or distribution fund or both.
- e. Such borrowings are rolled over till when the administration costs break even to start refunding the funds as appropriate for disbursement or as may be determined by the Board, subject to the approval of the Annual or Extra-Ordinary General Meeting of members.
- f. Where the cost of carrying out a distribution is higher than the amount available for distribution, the amount is rolled over to when it would be profitably higher than the cost of distribution. However, those affected by such distribution shall duly be notified with the amount due to them but which is being held on account by the Society.

3. The Society's Memorandum and Articles of Association places the directive responsibility of distribution on the MCSN's Board (General Council) as follows:

i. Article 46 - 48 holds the MCSN Board of Directors responsible for determining the specific methods used to allocate and distribute MCSN revenue as royalties. The MCSN Board delegates this responsibility to the Distribution Committee, a sub-committee of the MCSN Board subject to the General Accounting Policies and Standards in force as approved by the Board. This committee decides how to distribute the income we collect to our members and members of affiliated societies, subject to sources and volume of the income available for distribution.

ii. The committee's intent and purpose is to achieve a fair, accurate, transparent and cost-effective distribution.

DISTRIBUTION RULES

- iii. The Board aims for all aspects of distribution rules and processes to be transparent and easily understood. Cost allocations should be clear, without any unknown or hidden cross-subsidies.
- iv. MCSN generally needs and relies on the usage data (program returns) to identify the licensed music and sound recordings being used and the rights-holders to pay. In some cases the people using music (known as 'licensees') are unable to provide complete usage data or supply it in a format we can process. We can use a variety of data collection methods in these situations.
- v. MCSN recognizes that some methods, like music recognition technology companies and electronic fingerprinting techniques, can be very accurate yet also very expensive. It might be costly in terms of collecting or processing the data. This is why we consider principles like cost effectiveness as well as accuracy.
- vi. In some situations achieving 100% data accuracy for each individual performance might cost more than the revenue being collected - meaning there would be nothing left for royalties. Instead, we can use cost effective methods of data collection and analysis to provide statistically representative information about music use.
- vii. MCSN's Distribution Committee ensures a balance between our principles to provide the greatest value for all our members and rights-holders. Royalties for members of affiliated societies are calculated on precisely the same basis as those for MCSN members.

Distribution Principle Review and decision-making processes:

1. The MCSN Board is responsible for formulating and implementing specific distribution principle.
2. The Board is required to:
 - a) ensure this policy is fair, accurate, transparent and cost effective;
 - b) put in place a system to ensure that data supporting royalty allocation is, and continues to be, based on statistically reliable sources. These sources must fairly represent the performing right usage of musical works and sound recordings in the Nigeria.
3. MCSN distribution principles are subject to regular review. MCSN management works closely with the Distribution Committee so that principles in need of review are subject to thorough and timely examination to meet an ever changing and current International Standard.
4. Many factors could lead to a review and in relation to priority, including:

DISTRIBUTION RULES

- a) a change in licence terms, which affects how royalties would be distributed under a certain principle/Rule
- b) a change in data availability, processing or cost, which affects how royalties would be distributed on a certain section
- c) member dissatisfaction with current principle/Rule
- d) a new way that licensed music is being used
- e) a change of legislation
- f) value of distributions governed by the principle/Rule
- g) the potential benefit of a review, such as increased accuracy or cost efficiency
- h) potential risks of not reviewing current policy, such as the absence of a distribution principle/Rule for a new revenue stream

5. During a review, MCSN management works closely with the Distribution Committee to determine a means of distribution that is considered as fair, accurate, cost effective, clear and straightforward as possible.

6. MCSN management undertakes extensive analysis to understand the potential impacts of any proposed principle change on member and rights-holder earnings.

7. Consult with rights-holders if they are likely to be materially affected by any change in the rule or implementation.



EVENTS PHOTOGRAPHY



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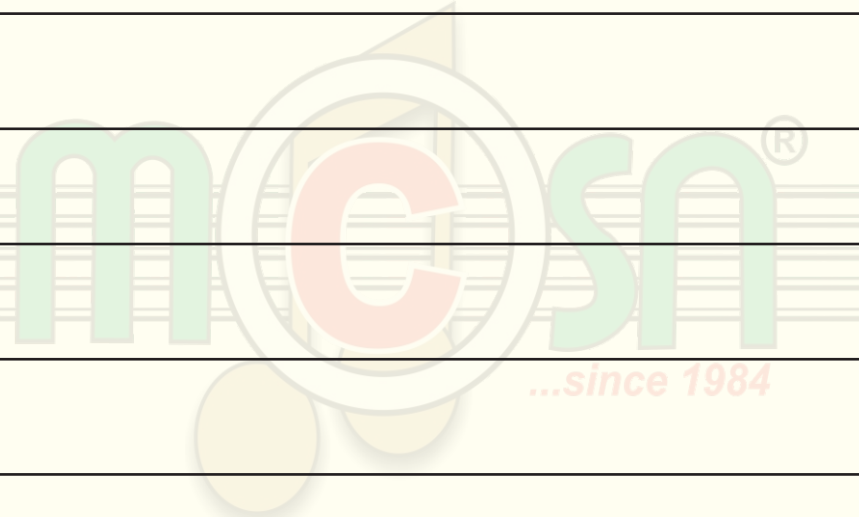


EVENTS PHOTOGRAPHY





2023
ANNUAL GENERAL MEETING/
ANNUAL REPORTS FOR THE
YEAR ENDED 31ST DEC. 2022



VISUALISATION (EXTERIOR)



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Musical Copyright Society Nigeria

WHERE YOUR Music Finds Its

Voice and Value!

Your Music and Sound Recordings deserve to be heard, appreciated and rewarded. At MCSN, we empower Composers, Songwriters, Publishers, Right Owners, Performers and Producers (Label Owners) to make their mark in the Music Industry. With our dedicated support and comprehensive rights management, you'll never miss a dime in Royalty payment. Join MCSN today and let your Music and Sound Recordings true worth shine.



BENEFITS OF JOINING MCSN

- Regular Royalty Payments
- We are truly global in coverage
- We use cutting edge technology to monitor your repertoire.
- Team of experts to protect your interest
- We offer robust member support system.
- Protect you from being intimidated or blacklisted
- Comprehensive Legal Protection & Backing
- Your work is protected throughout your life time and 70 years after.
- It is free to Join MCSN