

APPROVED  
at the meeting of the AKKA/LAA Council of 28.03.2024.  
President of the Council  
Kārlis Kazāks  
Riga, 28.03.2024.

**Copyright and Communication Consulting Agency/**

**Latvian Authors' Association**

**(AKKA/LAA)**

Reg. No. 40008043690

**ANNUAL REPORT 2023**

RIGA, 2024

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According to Regulation No. 439 of the CM of July 14, 2022  
“Regulations regarding annual accounts of associations, foundations and trade unions  
and the keeping of accounts in a simple record system”

Name: *Copyright and Communication Consulting Agency/  
Latvian Authors' Association  
(AKKA/LAA)*

Registration No./ER: 40008043690  
Date: December 30, 2004  
Address: 97 Aleksandra Čaka Str., Riga LV-1011  
Tel.: +371 67315632  
E-mail: [info@akka-laa.lv](mailto:info@akka-laa.lv)

State Revenue Service  
territorial authority: Riga Customer Service Centre

Unit of measure: EUR

## **BALANCE**

**December 31, 2023**

**Association AKKA/LAA**  
**Reg. No. 40008043690**

**Balance**  
**at December 31, 2023**

(EUR)

No.	Item name	at 31.12.2023	at 31.12.2022
	<b>ASSET</b>		
	<i><b>LONG-TERM INVESTMENTS</b></i>		
<b>I</b>	<b>Intangible investments</b>	<b>382 979</b>	<b>360 501</b>
<b>II</b>	<b>Fixed assets:</b>	<b>705 702</b>	<b>709 888</b>
1.	Real estate	668 812	669 703
2.	Other fixed assets	36 890	40 185
	<i>Total long-term investments</i>	<i>1 088 681</i>	<i>1 070 389</i>
	<b>CURRENT ASSETS</b>		
<b>I</b>	<b>Debtors</b>	<b>4 300</b>	<b>3 313</b>
<b>II</b>	<b>Expense for subsequent periods</b>	<b>14 887</b>	<b>11 812</b>
<b>III</b>	<b>Money</b>	<b>9 020 427</b>	<b>8 109 334</b>
	<i>Total current assets</i>	<i>9 039 614</i>	<i>8 124 459</i>
	<b>BALANCE</b>	<b>10 128 295</b>	<b>9 194 848</b>

AKKA/LAA CEO:

Inese Paklone

AKKA/LAA Chief Accountant:

Gunta Dambe

March 20, 2024

**Association AKKA/LAA**  
**Reg. No. 40008043690**

(EUR)			
No.	Item name	At 31.12.2023	At 31.12.2022
<b>LIABILITY</b>			
<b>I</b>	<b>Funds:</b>		
1.	Target fund	193 514	208 163
2.	Real estate revaluation reserve	433 959	433 959
3.	Reserve fund	620 906	391 277
	<i>3.1. reserve fund for previous years</i>	<i>391 277</i>	<i>362 263</i>
	<i>3.2. reference year reserve fund</i>	<i>229 629</i>	<i>29 014</i>
	<i>Total funds</i>	<b><i>1 248 379</i></b>	<b><i>1 033 399</i></b>
<b>III</b>	<b>Short-term creditors:</b>		
1.	Taxes and compulsory state social insurance contributions	183 669	170 236
2.	Other creditors	7 364 077	6 719 640
	<i>Short-term creditors in total</i>	<b><i>7 547 746</i></b>	<b><i>6 889 876</i></b>
3.	Accrued liabilities and provisions	1 332 170	1 271 573
	<i>Total short-term creditors with accumulated liabilities and provisions</i>	<b><i>8 879 916</i></b>	<b><i>8 161 449</i></b>
	<b>BALANCE</b>	<b>10 128 295</b>	<b>9 194 848</b>

AKKA/LAA CEO:

Inese Paklone

AKKA/LAA Chief Accountant:

Gunta Dambe

March 20, 2024

**Association AKKA/LAA**  
**Reg. No. 40008043690**

**Statement of revenue and expenditure**  
**for 2023**

(EUR)

No.	Revenue and expenditure items	In the reporting period 2023	In the reporting period 2022
<b>I</b>	<b>Membership fees, enrollment fees and other annual contributions</b>	<b>2 033</b>	<b>1 630</b>
<b>IV</b>	<b>Revenue from economic activities</b>	<b>1 787 416</b>	<b>1 515 115</b>
<b>V</b>	<b>Other revenue</b>	<b>13 535</b>	<b>5 052</b>
<b>VII</b>	<b>TOTAL REVENUE</b>	<b>1 802 984</b>	<b>1 521 797</b>
<b>VIII</b>	<b>Expenditure for the fulfilment of the objectives and tasks laid down in the Statutes</b>	<b>1 565 987</b>	<b>1 485 415</b>
	including		
1.	Services of others received for the performance of economic activities	171 919	170 644
2.	Salaries	789 501	691 666
3.	Social security payments	182 384	158 723
4.	Depreciation and write-off of fixed assets and intangible investments	120 335	104 672
5.	Other expenses	301 848	359 710
<b>IX</b>	<b>Taxes:</b>		
1.	Property tax	7 368	7 368
	<b>Taxes in total</b>	<b>7 368</b>	<b>7 368</b>
<b>X</b>	<b>TOTAL EXPENSES</b>	<b>1 573 355</b>	<b>1 492 783</b>
<b>XI</b>	<b>DIFFERENCE BETWEEN REVENUE AND EXPENDITURE</b>	<b>229 629</b>	<b>29 014</b>

AKKA/LAA CEO:

Inese Paklone

AKKA/LAA Chief Accountant:

Gunta Dambe

March 20, 2024

## ***CLARIFICATION OF THE ANNUAL REPORT***

### **1. Accounting policies and explanations on balance sheet and revenue, expenditure statement items.**

#### **1.1. Accounting principles and valuation methods**

The annual report has been prepared in accordance with generally accepted accounting principles of Latvia. The accounting organization and procedures for drawing up initial documentation shall comply with the requirements of the Law on Accounting and the Law on Associations and Foundations of the GOP. The annual report has been prepared in accordance with Regulation No. 439 of the Cabinet of Ministers of July 14, 2022, Regulations Regarding Annual Reports of Associations, Foundations and Trade Unions and accounting keeping in a simple recording system. The items in the annual accounts are valued according to the following accounting principles:

1) using the same assessment methods as in the previous accounting year;  
 2) the evaluation has been performed with due caution, i.e. – the report includes only revenue obtained up to the balance sheet date – expenses incurred in the accounting year, as well as such liabilities which have become known in the period between the balance sheet date and the day when the annual report was drawn up have been taken into account;

3) the economic transactions of the association have been recorded and reflected in the annual report, taking into account the economic content and nature thereof.

The accounting register is an account turnover statement. The chart of accounts shall be detailed according to the nature of the economic activity of the association.

Accounting and financial analysis use the accounting computer program “Jumis”.

Revenue from rights management is accounted in the Business Information System AVIS program.

The statement of revenue and expenditure has been prepared in accordance with the scheme annexed to Cabinet Regulation No. 439.

Balances of tangible and financial assets have been verified in inventories.

#### **Revenue**

Revenue shall consist of deductions to cover the expenses of the administration of rights, membership fees and entry fees. Another part of revenue consists of revenue from currency fluctuations and revenue from expense compensation.

From the remuneration received, the association shall cover only the actual expenses related to the collection, distribution and disbursement of the remuneration (Copyright Collective Management Act, Articles 19 and 24). This corresponds to the expenditure item of the statement of revenue and expenditure “expenditure for the fulfilment of the objectives and tasks laid down in the Statutes”.

The revenue and expense statement does not include interest on bank deposits, but it is added to the current compensation distribution for authors. Excess revenue over expenditure shall be credited to the reserve fund. The excess of expenditure over revenue shall be written off against the balance of the reserve fund. Excess revenue is accumulated and diverted for long-term investments to compensate the funds used.

Revenue from rights management (collected remuneration) is segregated in accounting and is not reported in the statement of revenue and expenditure.

### **Fixed assets**

Fixed assets are initially shown at acquisition cost less depreciation. Depreciation of fixed assets is calculated by linear method. Depreciation norms have been approved by the CEO of AKKA/LAA.

2% per year for buildings  
Business Intelligence System – 10%  
For other fixed assets 20%–35%

The real estate was initially presented at the acquisition value and revalued in 2007, a revaluation reserve was presented, which is not reduced annually by the amount of depreciation of the revalued immovable property.

### **Money**

The funds consist of funds in the bank and the treasury. Monies for royalties are segregated in the accounts.

Cash balances in foreign currencies have been recalculated at the exchange rate of the European Central Bank as of December 31, 2023. Exchange differences in net worth are reflected in the statement of revenue and expenditure under “other revenue” or “other expenditure”.

### **Accounts receivable and accounts payable**

Receivables and accounts payable are real and are measured at the end of the reporting period according to accounting records and acts of comparison. If the recovery of receivables is doubtful, provision is made for doubtful debtors. Receivables are shown in the balance sheet net of doubtful receivables and provisions for doubtful receivables.

Payables for distributed and unpaid and unallocated royalties are accounted for separately.

### **Provisions and accrued liabilities**

Accumulated liabilities for unused leave are determined by multiplying the average remuneration of employees for the last six months of the reporting period by the number of days of unused leave, including mandatory social insurance contributions of the employer.

Provisions are based on accounting estimates in the amounts necessary to cover expenses that may arise. The provision shall be made on the basis of decisions of the AKKA/LAA Council and orders of the CEO.

### **Corporation tax**

In accordance with the Law of the Republic of Latvia “Corporate Income Tax Law”, the association is exempted from payment of corporate income tax.

If the classification of items is changed in the reporting year, the previous year's figures are reclassified accordingly so that the information is comparable.



Association AKKA/LAA

## 2.2.1. Overview of the long-term investment movement in 2023

	Intangible investment in computer programs	Creation of computer programs	Land	Building and shed	Other fixed assets	Total long-term investments
<b>Initial value 31.12.2022.</b>	<b>784 710</b>	<b>0</b>	<b>397 862</b>	<b>397 754</b>	<b>177 704</b>	<b>1 758 030</b>
Purchased in 2023	63 991	40 369		8 156	26 111	138 627
Corrections in 2023					(2 239)	(2 239)
Relocation	17 876	(17 876)			0	0
<b>Initial value 31.12.2023.</b>	<b>866 577</b>	<b>22 493</b>	<b>397 862</b>	<b>405 910</b>	<b>201 576</b>	<b>1 894 418</b>
<b>Accumulated depreciation 31.12.2022.</b>	<b>424 209</b>	<b>0</b>	<b>0</b>	<b>125 913</b>	<b>137 519</b>	<b>687 641</b>
Calculated in 2023	81 882			9 047	29 406	120 335
Corrections in 2023					(2 239)	(2 239)
<b>Accumulated depreciation 31.12.2023.</b>	<b>506 091</b>	<b>0</b>	<b>0</b>	<b>134 960</b>	<b>164 686</b>	<b>805 737</b>
<b>Residual value 31.12.2022.</b>	<b>360 501</b>	<b>0</b>	<b>397 862</b>	<b>271 841</b>	<b>40 185</b>	<b>1 070 389</b>
<b>Residual value 31.12.2023.</b>	<b>360 486</b>	<b>22 493</b>	<b>397 862</b>	<b>270 950</b>	<b>36 890</b>	<b>1 088 681</b>

### 1.2.2 Clarification of AKKA/LAA balance 2023 sheet items

Balance sheet items are structured according to the scheme of Annex 1 to Cabinet Regulation No. 808, Regulations Regarding Annual Accounts of Associations, Foundations and Trade Unions.

(EUR)

	At 31.12.2023	At 31.12.2022
<b>Intangible investments</b>	<b>382 979</b>	<b>360 501</b>
Software value less depreciation	360 486	360 501
Expenses for creating a royalty computer program	22 493	
<b>Fixed assets</b>	<b>705 702</b>	<b>709 888</b>
including		
1) real estate		
Value of land and office building less depreciation	668 812	669 703
of which value of land <i>(ownership rights to land and office building are recorded in the Land Register, Cadaster No. 0100-033-0036 28.03.2003, as a society of 17.03.2006)</i>	397 862	397 862
2) other fixed assets	36 890	40 185
Office technique and inventory value less depreciation		
<b>Debtors</b>	<b>4 300</b>	<b>3 313</b>
including		
1) overtaxation	1 643	1 607
2) settlement of membership fees	2 135	1 706
3) other debtors	522	0
<b>Costs of subsequent periods, including:</b>	<b>14 887</b>	<b>11 812</b>
– press subscription, licence extension 2024	3 470	3 603
– Health Insurance for employees/ January-June, 2024	11 032	7 864
– insurance payments for 2024	385	345
In 2023 doubtful debtors have accumulated EUR 62,908		
<b>Money</b>	<b>9 020 427</b>	<b>8 109 334</b>
Monies to cover management costs	1 725 311	1 248 120
Monies for royalties		
of which		
1) treasury funds	394	184
2) funds in Swedbank, SEB and Luminor bank accounts <i>(the foreign currency has been recalculated into euro in accordance with the exchange rate determined by the Bank of Latvia on the last working day of the reporting year)</i>	7 294 722	6 861 030
<b>I Funds</b>	<b>1 248 379</b>	<b>1 033 399</b>
1) Target fund <i>Resources of the Culture and Education Foundation (CEF) in accordance with Sections 19 and 24 of the Copyright collective Management Law See Annex 2.3 for a report on the use of the CEF funds</i>	193 514	208 163
2) Reserve fund	620 906	391 277

* builds from excess revenue over expenditure, designed to offset long-term expenditure				229 629	29 014
* amount of revenue overrun in previous years				391 277	362 263
Real estate revaluation reserve				433	433 959
Revaluation carried out in 2007				959	
Type of real estate	Cadastral value 31.12.2023	Balance sheet value of Real estate until revaluation	Revaluation reserve		
Land	317 373	105 416	292 446		
Office building	173 801	155 841	139 053		
Shed		-	2 460		
<b>Total:</b>	<b>491 174</b>	<b>261 257</b>	<b>433 959</b>		
<b>III Short-term creditors, including:</b>				<b>7 547 746</b>	<b>6 889 876</b>
1. Taxes and national social security contributions at 31.12.2022 (Budgeted debits 01.2023. See Annex 2.4)				183 669	170 236
1. Other creditors:				7 364 077	6 719 640
1) Settlement of distributed and unpaid compensation				1 544 410	1 416 691
- including distributed royalties for authors in Latvia				1 036 227	1 038 959
<i>of which: distributed and unpaid remuneration due to the settlement of inheritance matters, closed bank accounts, etc.</i>				666 077	622 795
<i>non-payable remuneration: EUR 123394 for 2020, EUR 59 520 for 2021, EUR 81 304 for 2022, EUR 105 932 for 2023</i>				370 150	416 164
- distributed royalties to foreign copyright organizations				508 183	377 732
<i>of which: distributed and unpaid remuneration due to closed bank accounts etc.</i>				80 977	377 732
<i>of which: distributed and unpaid remuneration due to sanctions</i>				427 206	
2) Settlement of undistributed remuneration				5 736 720	5 168 509
including blank tape levy and public lending				1 386 698	1 355 076
Remuneration still to be distributed from previous years				4 350 022	3 813 433
3) Bills of suppliers and customers				35 541	88 842
- payment of December bills				22 028	21 178
- advance payments received				13 513	67 664
4) Billing parties				860	537
5) Settlement of December pay				46 546	45 061

<b>Provisions and accrued liabilities</b>	<b>1 332 170</b>	<b>1 271 573</b>
Accrued liabilities for payment of employee leave money and state social insurance deductions, material stimulation of employees regarding the results of the previous year	287 170	226 573
<i>Provisions</i>		
of which – upgrading and developing supplements for AVIS software	675 000	675 000
- repair of heating systems and interior of the office building	100 000	100 000
- legal proceedings	125 000	125 000
- AKKA/LAA anniversary events	90 000	90 000
- to ensure business continuity of AKKA/LAA	55 000	55 000

### 1.2.3 Clarification of the AKKA/LAA revenue and expenditure statement items for 2023

*Balance sheet items are structured according to the scheme of Annex 2 to Cabinet Regulation No. 808, Regulations Regarding Annual Accounts of Associations, Foundations and Trade Unions.*

	2023	2022
<b>Membership fee and enrollment fee in 2023</b>	<b>2 033</b>	<b>1 630</b>
A total of 303 members, including 298 natural persons and 5 legal persons		
<b>Revenue from economic activities, total</b>	<b>1 787 416</b>	<b>1 515 115</b>
Deductions for administration expense of received compensation		
of which AKKA/LAA	1 643 468	1 377 267
Public lending	42 742	42 057
Blank tape levy	101 206	95 791
<b>Other revenue</b>	<b>13 535</b>	<b>5 052</b>
<i>1) proceeds from the issue of licences for related rights</i>	381	221
<i>2) proceeds from exchange rate fluctuations</i>	0	2 736
<i>3) revenue from the deposit of administrative funds</i>	10 436	0
<i>4) compensation for legal proceedings and other costs</i>	2 718	2 095
<b>Expenditure for the performance of the tasks provided for in the Statutes, total</b>	<b>1 565 987</b>	<b>1 485 415</b>
Under Article 66(2) of the Copyright Law, “the collecting society shall bear the actual costs of collecting, distributing and paying the remuneration from the remuneration collected under the contracts entered into”.		

In 2023, the actual expenditure was as follows:		
1. Services of other persons received for the performance of economic activities, Including:	171 919	170 644
- <i>business trip expenses, transport services</i>	16 230	10 266
- <i>office machinery servicing, purchase of spare parts</i>	36 871	31 734
- <i>organization of seminars and training of employees, ISO</i>	1 632	0
- <i>legal services and recovery of receivables</i>	7 415	6 773
- <i>communication services</i>	16 561	16 564
- <i>purchase of information, research, advertising</i>	30 367	39 882
- <i>purchase of information, research, advertising</i>	5 422	4 214
- <i>expenditure related to maintenance, repair and utilities of property, property insurance</i>	51 343	38 471
- <i>payment of various services</i>	6 078	22 740
2. salary	789 501	691 666
3. state social security payments	182 384	158 723
4. depreciation of fixed assets and intangible assets	120 335	104 672
5. other expenditure, including:	301 848	359 710
- <i>Labor Protection expenditure, employee health insurance policies</i>	21 005	15 412
- <i>membership fees CISAC, GESAC, EVA and foreign databases</i>	13 993	17 478
- <i>representation expenses</i>	9 654	5 197
- <i>savings for holiday money, social security deductions, employee bonus</i>	191 248	321 623
- <i>losses from exchange rate fluctuations</i>	1 000	0
- <i>fine</i>	64 948	0
<b>Taxes</b>		
- <b>Property tax</b>	<b>7 368</b>	<b>7 368</b>

### 1.3. Report on turnover of resources of the Culture and Education Foundation (CEF) in 2023

(EUR)

<b>Balance at 31.12.2022</b>	<b>208 163</b>
<b>CEF actual revenue in 2023,</b>	<b>211 365</b>
<i>including:</i>	
<i>25% of blank tape levy</i>	<i>145 469</i>
<i>Non-payable remuneration</i>	<i>65 896</i>
<b>TOTAL:</b>	<b>419 528</b>

#### Actual expenditure of CEF in 2023

1	Publication of the newsletter "AKKA/LAA news" (1 issue), production, publication, dissemination of information	2 382
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2	Copyright Infinity Awards, event 2023	42 903
3	CEF project management	18 935
4	Copyright Museum maintenance	742
5	Home page improvement, maintenance expense	850
6	Arranging and conducting educational seminars, events	1 251
7	Author Grants	81 900
8	Conference of Baltic authors' societies in Vilnius	1510
9	Calendars	13 541
10	Participation in CopyMonkey project	12 000
11	Donation to Ukraine, Ukrainian authors	50 000
	<b>TOTAL:</b>	<b>226 014</b>

**Balance at 31.12.2023.**

193 514

#### 1.4. Tax and fee information

Tax payment to the budget in 2023

(EUR)

No.	Type of tax	Calculated for 2023	Paid in 2023
1	Personal income tax	697 266	690 274
	of which		
	- of wages	176 149	172 032
	- of the authors' remuneration	521 117	518 242
2	State social security contributions	313 580	307 138
3	Property tax	7 368	7 368
4	Risk charge	155	156
	Total:	1 018 369	1 004 936

AKKA/LAA has no overdue tax payments.

#### 1.5. Other information

1.5.1 The association does not have a financial liability that is not shown in the balance sheet. No guarantees or guarantees have been provided to other persons,

the property of the association has not been pledged.

1.5.2 In 2023, a remuneration of EUR 32 500 has been calculated for the President and the members of the Council. The President was paid a health insurance policy. No other expenditure has been reimbursed.

1.5.3 The average number of employees under contracts of employment in the reference year was 34. For 2023, a remuneration of EUR 912 416 has been calculated for employees and contractors, and according to royalty agreements EUR 54 893 have been calculated for the development of the computer program, translations for the home page and court, preparation of AKKA/LAA news.

1.5.4 The society has not received donations or gifts in 2023.

AKKA/LAA CEO:

Inese Paklone

AKKA/LAA Chief Accountant:

Gunta Dambe

March 20, 2024

## **Management Report**

### **1. General information on the Association**

#### **1.1. Name and registered office:**

Copyright and Communication consulting Agency /  
Latvian Authors' Association (AKKA/LAA), A. Caka Street 97, Riga, LV-1011

#### **1.2. Registration No. and date:**

40008043690, December 30, 2004

#### **1.3. Scope, objectives and methods for their implementation:**

1) bringing together authors for the exercise of collective management of authors' rights in accordance with laws and regulations of the Republic of Latvia and international conventions and agreements of which Latvia is a member;

2) arrangement of the copyright protection system in the Republic of Latvia;

3) promotion of cultural diversity in Latvia by ensuring lawful exploitation of the works of foreign authors to the public;

4) promotion of the work and cultural accessibility of Latvian authors abroad;

5) collective management of the rights of Latvian copyright holders in the Republic of Latvia and abroad;

6) collective management of the rights of foreign copyright holders in the Republic of Latvia and abroad;

7) promoting favorable conditions for creative activities of authors by exercising their copyright and defending their economic interests.

#### **1.4. Information regarding the structure of the association**

The structure of the association shall consist of its highest decision-making body – a general assembly of members, supervisory body – Council and executive body – Executive Director (CEO).

The General Assembly shall consist of copyright holders who have entered into a collective management agreement with the AKKA/LAA and have been admitted as members of the AKKA/LAA.

The Council shall represent the interests of the members during the period between the general meetings and shall monitor the performance of the Executive Director. The Council shall be elected from among the members by the general meeting for a term of three years. The number of members of the Council shall be 9. The work of the Council shall be chaired by the President. The President shall be elected from among the Council for a term of three years. The President shall convene meetings of the Council, enter into a contract of employment with the Executive Director, supervise the implementation of decisions of the General Assembly and the Council.

The Executive Director shall be elected by the Council.

### **1.5. Information on the policy governing the operation**

The documentation of the association shall include policies on quality, personnel, conflict of interest prevention, confidentiality of information and processing of personal data.

### **1.6. Information on the decision-making process**

The General Assembly shall decide all matters of its competence by a simple majority of the

members present, except for a decision terminating the Association, which shall be taken with the consent of more than 2/3 members. The General Assembly shall approve the Statutes of the association, elect a Council, approve the remuneration and other financial benefits of the President and members of the Council, approve the annual transparency report and general regulations of the association, etc.

The Council shall determine and implement the strategy of the association, organize and control the implementation of general meetings and decisions thereof, elect and revoke the executive director, supervise the activities of the executive

director, determine the amount of the fees of members, admit new members, approve the annual budget and annual accounts, creative and financial programs and the utilization of funds thereof, approve minimum norms (tariffs) for authors of remuneration and the rules for the collection, distribution and disbursement thereof, appoint and cancel an auditor, etc.

The Executive Director (CEO) manages the matters of the Association, ensures the execution of decisions of General Assembly and Council, manages the funds and property of the Association in

conformity with laws, statutes and decisions of General Assembly and Council, decides on the numerical and personal composition of the staff, as well as the procedures and amount of remuneration, hires and fires employees, etc.



Internal process descriptions have been developed for the circulation of information.

### **1.7. Information on financial management**

The Council shall approve the annual budget, the annual report, the report of the Executive Director on the results of the annual work, approve the findings of the auditor on the results of the audit.

### **1.8. Information on the staff**

AKKA/LAA staff shall perform their duties in accordance with approved job descriptions. Staff policies are included in the AKKA/LAA documentation.

### **1.9. The governing body:**

AKKA/LAA Council, elected in August 28, 2023.

Acting since October 14, 2023:

Kārlis Kazāks (President)

Valdis Muktupāvels

Kārlis Lācis (until 14.10.2023.)

Juris Petraškevičs

Kaspars Zemītis (since 25.08.2022.)

Juris Arvīds Mūrnieks

Ingus Ulmanis

Valdis Rūmnieks

Lauris Gundars

Dagnija Dreika (since 14.10.2023.)

### **1.10. The executive body:**

Executive Director (CEO) of AKKA/LAA:

Inese Paklone, date of approval 13.12.2004

**1.11. Number of members:** The association has 303 members, including 298 natural persons and 5 legal persons

### **1.12. Information regarding the accounting officer signing the annual report:**

Chief Accountant Gunta Dambe

### **1.13. Information regarding the sworn auditor:**

Licence No. 159 of Briede and Vīndedze Ltd.

LR Sworn Auditor Niāra Vīndedze, Certificate No. 114

## **AKKA/LAA**

### **1.14. Key achievements in 2023 and development perspective**

2023 was the twenty-eighth year of operation for the copyright collecting society AKKA/LAA, adding the initial two-year period of operation of the AKKA (the authors' communications consultancy agency), then the thirtieth year of operation and the nineteenth year of being a society. In 2023, total royalties collected amounted to 9.9 million euros, up 16.4 percent from 2022.

90% of the total remuneration consists of the remuneration collected for authors, and 10% of the remuneration collected was received by holders of related rights.

### Remuneration collected in 2023

Type of work		Amount (EUR)	%
1.	Musical works	6 323 424	63.94
	<i>Including public performance</i>	<i>3 797 489</i>	<i>38.40</i>
2.	Dramatic and musical dramatic works	634 957	6.42
3.	Literary works	260 068	2.63
4.	Visual works	87 311	0.88
5.	Audiovisual works	350 140	3.54
6.	Choreography	1 972	0.02
7.	Blank tape levy	621 003	6.28
8.	Public lending	348 141	3.52
9.	Remuneration from sister societies abroad	208 949	2.11
10.	Revenue from bank % for authors	69 016	0.70
<b>Remuneration to authors in total</b>		<b>8 904 981</b>	<b>90.04</b>
1.	To related rights organizations in Latvia	985 317	9.96
<b>Remuneration to other rightsholders in total</b>		<b>985 317</b>	<b>9.96</b>
<b>Total remuneration</b>		<b>9 890 298</b>	<b>100.00</b>
<i>including proceeds from bank accrued deposit</i>		<i>69 016</i>	
<i>%</i>			

In 2023, EUR 3 642 833 were collected for the public use of musical, literary and choreographic works, including EUR 2 345 897 for artistic performances, EUR 1 173 175 for the public playback of musical records and EUR 123 761 for the film music. The increase in royalties collected against 2022 is EUR 1 024 023, or 139.1% against the previous year's revenue.

In the segment of concerts and cultural events, a sharp increase in revenue in 2023 is due to the XXVII General Latvian Song and XVII Dance Festival concerts and cultural activities related to the festivities.

In sectors where recording music is traditionally played – shops, cafes and services segment – there was a high variability of companies, which negatively affected the amount of the collected remuneration. Due to the high variability of licensees, regular monitoring of the market segment continued in this area.

In the field of film industry, cinema attendance statistics showed a positive trend in 2023. Without changing the number of stationary cinemas, the number of licences issued for the shows in local government cultural centers and individual cinema seances increased. The increase in the remuneration charged for the public performance of film music is also due to the increase in ticket prices in the sector.

In 2023, **the Musical Works Department** continued to improve the management of licensing processes, thereby saving administrative costs. It was achieved that a large part of the licensee reports was submitted in electronic format.

Following the administrative reorganization of local government cultural/folk houses within the framework of territorial reform, training seminars were organized for new employees. Specialists in the Musical Works Department put a lot of work into training the licensees.

In **the audiovisual sector**, the AKKA/LAA collected EUR 112 714 in 2023, a decrease of EUR 25 324 or 18.35% compared to 2022. The majority of the revenue comes from the pay for broadcasting audiovisual works on television. The amount entered under this heading in 2023 was EUR 22 486, or 19.30% less than 2022, when there was significant growth compared to 2021. EUR 7 216 (2022: EUR 3 147; 2021: EUR 1 821) were charged for the film shows, showing an increase of 41.63%, while content users' demand for the same repertoire online declined compared to the post-pandemic period: in 2023, EUR 5 462 (2022 – EUR 10 428) were collected for the online publication of audiovisual works, representing a decrease of 47.62% compared to 2022. The remuneration collected for the reproduction of film fragments in 2023 was EUR 6 003 - 24.35% less than in 2022.

**The Media Department** administers the use of musical works – broadcasting in electronic media – on radio and television, as well as distributing works on cable and closed internet protocol television and making them public online. In addition, the Department also administers the reproduction of authors' works on carriers. In the case of cable and closed internet protocol television, the remuneration charged by the division, in addition to musical works, covers literary, audiovisual and visual works and, in the case of radio, literary works.

In 2023, the Media Department collected EUR 2 721 933. Compared to 2022, the remuneration collected decreased by 14%. Such a reduction is due to the fact that, in 2022, a significant part of the remuneration collected by the division was made up of amounts which also covered several previous years, whereas the remuneration collected in 2023 related mainly to that year.

The biggest reward in 2023 came from broadcasting musical works to radio and TV. Second to that is the remuneration from the distribution of various works on cable and closed internet protocol television. Third place: remuneration for the online publication of musical works.

**The Department of Literary and Dramatic works** issues licences and collects royalties due to authors for both the use of literary works (publishing, reproduction, broadcasting, internet use) and the use of dramatic works (public performances in theatres, reproduction, broadcasting, Internet use). The Department also licenses the publication of sheet music. Licensing the use of works in theater performances the Department licences not only the use of texts (plays, literary works), but also of musical works (musical dramatic works, specially written music and existing musical works), as well as choreographed works and scenography (setting and costume), as well as the recording (reproduction) and broadcasting and use thereof on the Internet. The department handles the reports and also collects royalties for televising choreographed works.

In the field of literary and dramatic works, AKKA/LAA has issued 138 licenses to publishers in 2023, up from 120 in 2022. In 2022, EUR 32,586 was collected from publishing houses and EUR 32,343 in 2023 (respectively, for the publication of literary works, almost EUR 30 987 and for the publication of musical works (notes), just over EUR 1 356).

In 2023, 308 licences were issued to theatres (303 in 2022), while the remuneration collected almost doubled – EUR 772 745 (EUR 485 797 in 2022, respectively).

As the public performance of works recovers, their use in the digital environment has decreased.

99 licences (comparatively 2022.g. –89 licences) were issued online for the use of literary and musical sheet music by authors represented by AKKA/LAA, EUR 19 903 were collected for the use of literary works and EUR 1 751 for the use of sheet music. Online use of theatre recordings has fallen dramatically – 6 licences issued and a fee collected – at EUR 935. Professional theatres have kept only a few staging entries in the e-environment, with pay-per-view shows offered through [www.bilesuparadize.lv](http://www.bilesuparadize.lv) etc. platforms for a shorter term than was seen in 2022 and no longer in demand, as evidenced by the ticket revenue reports submitted.

For the broadcasting of dramatic works (productions), EUR 12 989 (total for the authors of the main works used in the performance and for existing musical works) was collected on television, EUR 695 for literary works and EUR 1 972 for choreographed works.

**The Visual Works Department** administers the extensive and varied use of visual and photographic works – reproduction by printing (books, press publications, brochures, exhibition catalogues, etc.), reproduction in posters, on various materials, reproduction on data carriers, in films, as well as broadcasting of reproductions on television, showing and making available on the Internet. The department is also responsible for collecting and distributing the resale of visual works, as well as for distributing the remuneration for the retransmission of visual works on cable television and the blank tape levy.

In 2023, a remuneration of EUR 87 311 was collected for authors of visual and photographic works, including distributed remuneration for cable retransmission of EUR 45 953.

In 2023, the number of licences issued for the publication of visual and photographic works on the Internet (websites and social network accounts) continued to increase and the remuneration collected was EUR 2 549. The trend of developing digital learning tools, including visual and photographic works, continues in recent years.

In 2023, the remuneration for displaying visual works on screens at events rose – EUR 6 444.

The resale of visual works is basically online, and the number of artworks sold at auctions, and also resale rewards, has fallen by almost 35% year-on-year – EUR 14,051.

The remuneration for the publication and reproduction of visual works has increased to EUR 7 010 and for television broadcasting has decreased slightly compared to 2022: EUR 5 727.

In 2023, EUR 348.141 were received from the Ministry of Culture of the Republic of Latvia **for public lending** in 2022, an increase of EUR 10 924 or 3.13% on the previous year. Last year, 189 authors submitted information on their lent works in paper format or by e-mail, of which 76 authors applied for their works for public lending remuneration for the first time (this number does not include authors who continually supplement their work database). The information necessary for the distribution of remuneration regarding the issued works of specific authors was compiled in 136 libraries and library branches of Latvia. A total of EUR 304 394 has been distributed for the lending of books, sheet music, phonograms and copies of films. Of that amount, EUR 302 943 were received by authors and EUR 1 450 by holders of related rights. 99.00% of the distributed remuneration went to the authors of books.

**The Blank Tape Levy Department** collects remuneration for blank tape carriers imported into the territory of Latvia. The amount of remuneration, for which the remuneration is to be paid and groups of rightsholders receiving remuneration are determined by Cabinet of Ministers Regulation No. 321.

Compared to 2022, revenues from the blank tape levy increased by just over 1.5% in 2023 and amounted to EUR 1 606 320, including EUR 621 003 for authors and EUR 985 317 for holders of related rights.

In February 2024, the AKKA/LAA, in accordance with Cabinet of Ministers Regulation No. 321, distributed the blank tape levy collected in 2023 to groups of rightsholders, minus the actual expenditure of administration.

In 2023, **the Documentation and Distribution Department** started work on a new project to significantly improve the AKKA/LAA online site for communication with rightsholders, as the functionality of the website plays an increasingly important role in registering authors' works, as well as for rightsholders to be more fully able to control revenue from the use of their works.

Last year, 183 new contracts were signed with authors and 31 with the authors' heirs. Thus, as of 31 December 2023, AKKA/LAA represented 6 550 Latvian authors, 25 music publishers and 854 heirs of rights under direct management agreements, as

well as calculated remuneration for those 806 authors who had applied for public lending remuneration.

Overall, AKKA/LAA represents nearly 4.5 million foreign rights holders under contracts with foreign collecting societies (for musical works – 75, audiovisual works – 39, choreographed – 11, dramatic and musical-dramatic – 25, literary – 16, and visual (including photographic) – 38).

The work database of AKKA/LAA rightsholders was supplemented with 280 097 new works. The AVIS database processed 28 783 user reports of works, or programs of works used, in which 93 467 audiovisual works were identified or processed, 41 492 literary works, 12 522 choreographed works, 10 858 dramatic works, 4 636 visual works and 785 370 musical works.

In distribution, AKKA/LAA continues to use both full-scale, analogue and sampling programs. The remuneration charged to concerts and major broadcasters was distributed through full-scale programs, the blank tape levy was distributed by the analogue method, while the remuneration for the public performance of recorded music was distributed by the analogue and the sampling methods. The processing of large amounts of data received from film and music portals was carried out by AKKA/LAA in collaboration with Swiss-based company SUISA Digital, which specializes in the processing of reports from major music portals, and BMAT, registered in Barcelona, which is based on music reports from film portals.

**The structure of the remuneration paid is characterized by  
the following table:  
paid out by AKKA/LAA in 2023  
(including income tax)**

		(EUR)
No.	Rightsholders	Amount
1	Remuneration for directly represented authors and publishers of musical, literary, dramatic, visual, audiovisual and choreographic works	3 880 409
2	Remuneration for foreign copyright organizations	2 402 407
3	Remuneration for music performers and producers in Latvia	714 604
4	Remuneration for film producers in Latvia	99 226

5	Remuneration for performing actors in Latvia	99 226
	<b>Total:</b>	<b>7 195 872</b>

On October 14, 2017, the General Assembly of AKKA/LAA decided that the Culture and Education Foundation (CEF) would consist of unclaimed remuneration, that is to say, the recipient of which had not been ascertained within three years of the use of the work. On August 30, 2021, the General Assembly decided that 25% of the blank tape levy would also be transferred to the CEF.

These funds are used in accordance with the provisions of the CEF. The use of the funds in 2023 was approved by the AKKA/LAA Council at its meeting on January 18, 2024. The balance of the CEF on December 31, 2023 was EUR 193 514.

AKKA/LAA concluded the year of 2023 with an excess of EUR 229 629 over expenditure.

The full 2023 report of the AKKA/LAA and the report of independent auditors are submitted electronically to the State Revenue Service electronic declaration system. An overview of the remuneration collected and distributed to authors by the AKKA/LAA shall be submitted to the Secretariat of the International Confederation of Societies of Authors and Composers (CISAC). The annual report is also published on the AKKA/LAA website in [www.akka-laa.lv](http://www.akka-laa.lv).

AKKA/LAA CEO

Inese Paklone

March 20, 2024