



2023 UPRS ANNUAL REPORT

Let The Music Pay

www.uprs.go.ug



ANNUAL REPORT

⏸️▶️➤➤ 2023

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Values

- i. Professionalism
- ii. Integrity
- iii. Teamwork
- iv. Excellence
- v. Transparency Accountability

VISION

A Uganda where creators are empowered and musical work is valued, protected, and fairly rewarded.

MISSION

To protect, promote, and monetize the economic rights and interests of our members.

Values

- i. Professionalism
- ii. Integrity
- iii. Teamwork
- iv. Excellence
- v. Transparency Accountability

EDITORIAL TEAM

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- Morriner Sharon Nasuna : Administrator
- BYG Alexander Ltd: Layout & Graphic Design

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ACRONYMS AND ABBREVIATIONS

WIPO	World Intellectual Property Office
CISAC	The International Confederation of Societies of Authors and Composers
ARIPO	Africa Region Intellectual Property Office
URSB	Uganda Registration Services Bureau
UCC	Uganda Communications Commission
DWC	Operation Wealth Creation
URA	Uganda Revenue Authority
AGM	Annual General Meeting
CMO	Collective Management Organization
ICT	Information and Communication Technologies
EL	Africa Entertainment Limited
UNESCO	The United Nations Educational, Scientific and Cultural Organization
NGO	Non-Governmental Organization
MOU	Memorandum of Understanding
NCF	National Culture Forum
UNCC	Uganda National Culture Centre
UMA	Uganda Musicians Association
UNMF	Uganda National Musician Federation
ULRC	Uganda Law Reform Commission

ABOUT THIS REPORT

The Board and Management of Uganda Performing Right Society Limited (UPRS) is pleased to bring you the Annual General Report for the financial year ending 31 December 2023. This report details the activities and programs undertaken by UPRS for the Financial Year Ended 31 December 2023.

During this period, UPRS focused on addressing gaps as identified during the previous AGM held on 20 January 2023 at the UNCC Auditorium and among others was; Developing a 5year Strategic Plan that would rebuild firmer and more efficient structures, complying with all statutory obligations for the benefit of our esteemed members, Pursuing UCC to honor the NAB-MOU, increasing publicity about UPRS functionality, improving monitoring of music usage and increasing collections.

We also aimed at improving the CMO's principal pillars of transparency, accountability, and good governance. The year also focused on showcasing UPRS' resilience and strengthening meaningful strategic Partnerships to acquire its primary mandate of collecting and distributing royalties to its esteemed members.

Despite the turbulence within the Sector, UPRS has sustained its operations and our membership has kept growing. We have strategized to harness digital business and physical engagements respecting copyright guidelines. We have improved our visibility nationally and forged new international partnerships.

The UPRS Board is responsible for the integrity and completeness of this report. The UPRS management team applied collective efforts to bring this report to fruition. It is, therefore, our honor and pleasure to approve and bring to you the UPRS Annual Report 2023.

Signed on behalf of the Board:



Okello Kelo Sam (Mr.)
Board Chairman



UPRS CORPORATE PROFILE



UPRS we license commercial Music users in Uganda including but not limited to broadcasters, restaurants, retail shops, gyms, salons, life fitness clubs, theme parks, public transport, night clubs, bard, mobile discos, hotels, and etcetera....

The Uganda Performing Rights Society Ltd, is a licensed collective management organization (CMO) incorporated under the Companies Act, no. 1 of 2012, under the Copyright and Neighboring Rights Act, 2006. it is limited by guarantee and regulated by the Uganda Registration Services Bureau (URSB). it is a member of the Confederation of International Societies of Authors and Composers (CISAC) and has numerous bilateral agreements across continents. On behalf of our registered Members, we license commercial Music users in Uganda including but not limited to broadcasters, restaurants, retail shops, gyms, salons, life fitness clubs, theme parks, public transport, night clubs, bard, mobile discos, hotels, and etcetera.

We manage all music rights including, performing rights, lyrics, composers, production, and publishing. It is our mandate to collect and distribute royalties equitably. As a strong CMO in Uganda presently we aim to be the best not only in Uganda but across the East African Region.

We have encouraged initiatives that will empower our collections and ensure significant collections for our members in the next 3 years.

WHAT WE DO?

We encourage Music creatives to register with us at no fee and protect their works from exploitation; collect and distribute royalties equitably to our members at the end of every financial year which ends 31 December; We also collect on behalf of our International counterparts through signed reciprocal agreements with sister CMOs around the world which allows us to collect royalties for the use of our members' music in foreign territories and; we offer them legal support in cases that fall directly under our responsibility.

OUR VISION

A Uganda where creators are empowered and musical work is valued, protected, and fairly rewarded.

Mission

To protect, promote, and monetize the economic rights and interests of our members.

Strategic Objectives

- i. Increase royalty collections
- ii. Simplify processes to ease registration
- iii. Promote timely and equitable distribution of royalty
- iv. Increase levels of awareness about UPRS services
- v. Increase membership
- vi. Enhance staff capacity to execute UPRS mandate
- vii. Improve processes Core

Values

- i. Professionalism
- ii. Integrity
- iii. Teamwork

- iv. Excellence
- v. Transparency Accountability

Our Stakeholders

Rights holders, Music Users, Government Affiliates and bodies, Partners, Sister CMOs

Our Location And Contacts

We relocated to the address below in the interest of cost-cutting and getting closer to our users.

Registered Office

Plot 2240, Diplomat Zone, Kansanga Ggaba
P.O. Box 102466 Kampala
Tel: +256 771 952 357
Tel: +256 751 607 197
info@uprs.go.ug
www.uprs.go.ug



GOVERNANCE



It's the responsibility of the Board to make sure the CMO is effectively and efficiently governed

Board Of Directors

The role of the Board of Directors (BOD) is to supervise and oversight UPRS management and resource mobilization. It is comprised of 11 Directors. 6 members are appointed by the Regulator (URSB) and 5 members are appointed by members at the Annual General Meeting.

It's the responsibility of the Board to make sure the CMO is effectively and efficiently governed and at the end of every financial year which ends 31 December, it gives accountability to its members at the Annual General Meeting. The Board is responsible for making decisions of importance that determine the Strategic Objectives and Policies through which UPRS delivers its mandate.

The Board dedicates a range of its powers, duties, and responsibilities to its 3 committees which convene once (1) every quarter and give a detailed report to the full Board which also seats once (1) every quarter. The committees were revised to include;

- i. The Finance, Investment and Technical Committee
- ii. The Audit and Risk Committee
- iii. The Membership, Human Resources, and International Relations Committee

Board Members

Board Chairperson: Mr. Okello Kelo Samuel

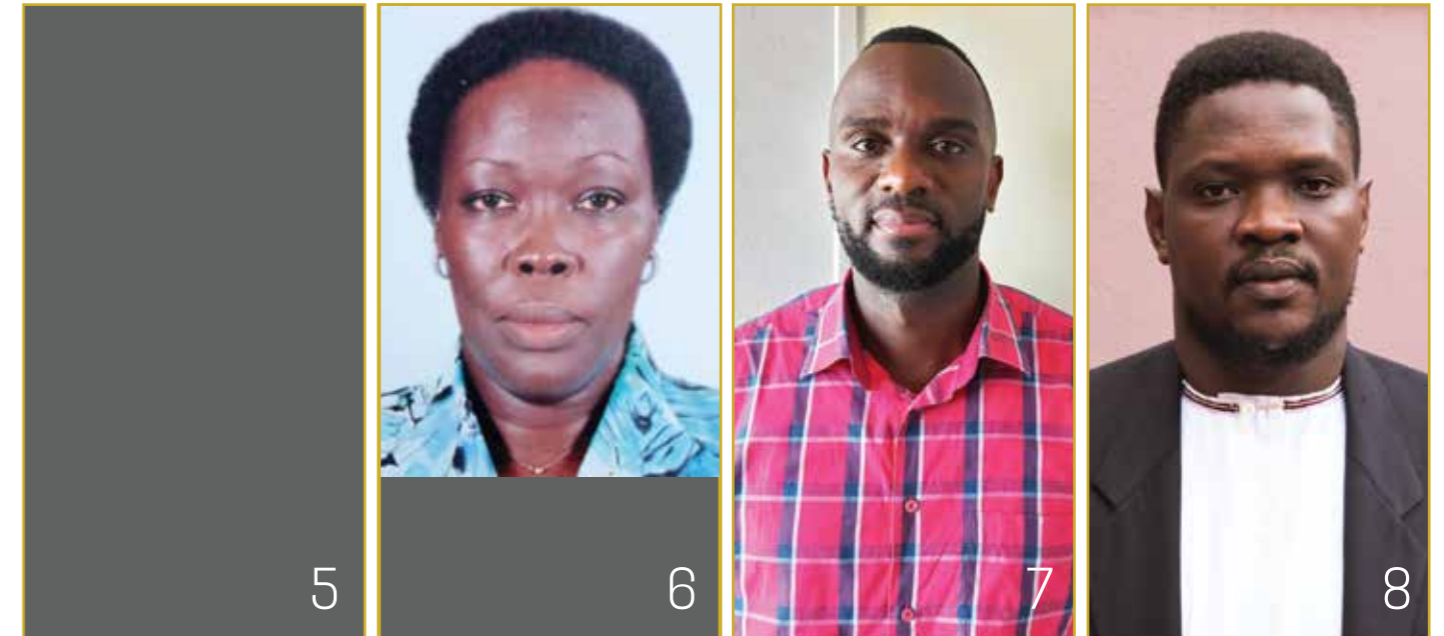
Directors

- Mr. Okello Jimmy
- Ms. Dinnah Kyasimiire
- Prof. Mangeni Patrick
- Ms. Juliet Ssesanga
- Mr. Justin Basiima
- Ms. Judy Bitre-Gama
- Mr. Sserumaga James
- Mr. Kaye Wisdom
- Mr. Ssemakula Robert
- Dr. Ntege Peter Nawe



BOARD PROFILE

UPRS BOARD 2020 - 2023



APPOINTEES

1. Mr. Okello Jimmy
2. Dr. Patrick Mangeni
3. Robert Ssemakula
4. Okello Kello Samuel
- 5.
6. Ms JUdy Obitre-Gama
7. Justine Basiima - Producers
8. Sserumaga James - Publishers
9. Juliet Ssesanga - Performers
10. Wisdom Kaye - Performers
11. Dr. Peter Ntege - Composers

STATEMENT BY THE REGISTRAR GENERAL

The Board of Uganda Performing Right Society (UPRS) will convene the 4th consecutive Annual General Meeting (AGM) on 12th July 2024 for the year ended 31st December 2023.



Mercy K. Kainobwisho
Registrar General

The AGM is an essential organ of an association or organization, playing a vital role in the governance and functioning of the association. It serves several important roles, including:

- 1. Financial Reporting:** To present and approve the annual financial statements, ensuring transparency and accountability in the management of the society's finances.
- 2. Strategic Planning:** To discuss and approve strategic plans and initiatives for the upcoming year, aligning with the organization's goals and objectives.
- 3. Election of Officers:** To elect or re-elect members to the board of directors or other key positions, ensuring proper governance and representation of the members.
- 4. Member Engagement:** To provide a platform for members to voice their opinions, concerns, and suggestions, fostering a sense of community and involvement in the society's activities.
- 5. Policy Updates:** To review and approve changes to the society's policies, rules, or regulations, ensuring they remain relevant and effective.
- 6. Performance Review:** To assess the performance of the society over the past year, identifying successes and areas for improvement.
- 7. Compliance:** To fulfill legal and regulatory obligations, ensuring the society operates within the framework of relevant laws and regulations.
- 8. Communication:** To share important information with members, including updates on industry developments, new initiatives, and upcoming events.

As the Regulator, the AGM is a crucial event for maintaining good governance, transparency, and member engagement within Uganda Performing Right Society.

URSB has supported UPRS in many ways including:

1. Governance capacity training of the Board members;
2. Developing a Licensing and Operations Manual to provide guidance for effective licensing processes;
3. Appointment of MDJ and Partners Certified Professional Accountant (CPA) to audit UPRS's financials from 2019 to 2023;
4. Awareness campaigns for Members of UPRS and other stakeholders in the music industry to sensitize them

- about the importance of copyright protection and the benefits of respecting copyright;
5. Trainings for artists and stakeholders in the copyright industry on intellectual property rights, the importance of licensing and how to maximize their earnings from their creative works and;
6. Availing venue for meetings including the AGM.

Going forward UPRS should:

1. Adopt a royalty distribution system that reflects the actual usage of works;
2. Maintain regular audits by independent auditors to ensure financial transparency and compliance with regulations;
3. Maintain high standards of accountability and transparency;
4. Conduct regular elections and renewals for board members to maintain fresh perspectives and avoid conflicts of interest;
5. Ensure AGMs are held within the legally mandated timeframe, providing a platform for members to review activities, approve financial statements, and make key decisions;

6. Improve communication channels with its members, providing regular updates and ensuring transparency in decision-making processes and;
7. Continue to educate stakeholders about the importance of copyright protection and the benefits of licensing, which will increase compliance and support for UPRS.

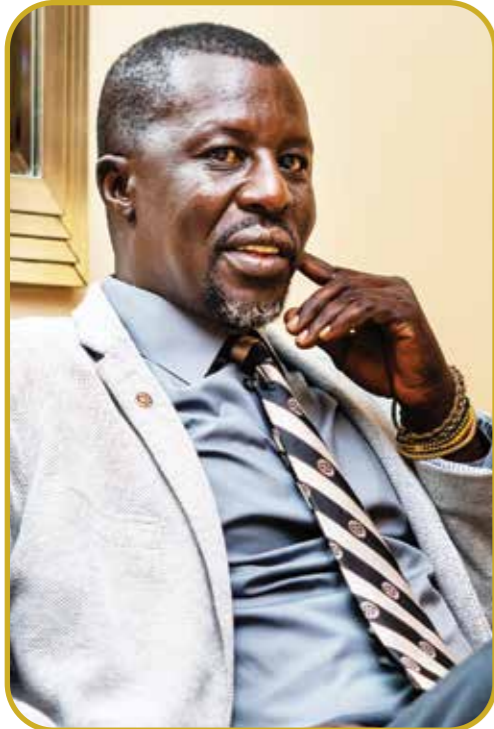
The Regulator's vision remains a Collective Management Organization (CMO) that is accountable, enables users to easily access licenses, is member-centered, and effectively collects and distributes royalties to its members. URSB will ensure regular training sessions for board members, management, and staff on corporate governance, financial management, and rights administration to enhance their competence. URSB will work closely with other relevant stakeholders to ensure UPRS operates within the legal framework and adopts best practices.

Mercy K. Kainobwisho
REGISTRAR GENERAL



CHAIRPERSON'S STATEMENT

Since assuming the role of Chairman Board of Directors at Uganda Performing Right Society (UPRS) in March 2023, I have had the privilege of leading a talented and dedicated team of Directors.



Above
Okello Kelo Sam (Mr.)
Board Chairperson

Together, we have achieved significant milestones, including;

- a)** Developing a comprehensive five-year strategic plan. This clearly defines the standard Business Model that the society operates on, how to efficiently carry out the core mandates of collection and distribution.
- b)** Implementing a successful staff restructuring program. The society has a well-defined Organogram outlining the authority levels, reporting lines and salary bands.
- c)** Establishing a robust financial management system. This was based on the 'Four Eyes Principle' where two or more authorizers have approved any financial transaction. Furthermore, to keep within budget lines, Finance and Audit committees approve quarterly expenditures based on the approved annual budget.
- d)** Conducting a critical audit to ensure operational excellence. This has been carried out for the last five years from 2019 to 2023 to ascertain the adherence to acceptable international accounting best practices. A respectable auditing firm MDJ & Partners was appointed by the Regulator upon the request of the Board to carry out this exercise.
- e)** New Partnerships. The Board recognized that collections alone weren't enough to get the society to optimal operating capacity. New strategic business partners like PSFU were brought on board in a capacity building angle, UCC to increase user licensing payment compliance especially among broadcasters who are major users of musical works and also to support national monitoring user. MTN as a major user of musical works through CRBT, platform music consumption and payment gateway. The government of Uganda which is championing the Copyright amendment bill that will ensure fair compensation to artists and their works.
- f)** Artist inclusivity in society affairs. The Board recognizing the need to bring the members mostly the youth closer to the decision making arena, an Extraordinary General Meeting was held to relax most stringent requirements for Board partition. This allowed for more member contribution based on merit of works, UPRS membership than academic qualification.

Our success would not have been possible without the guidance and support of our Regulator, the regulator has held the hands of UPRS so well that the institution has come

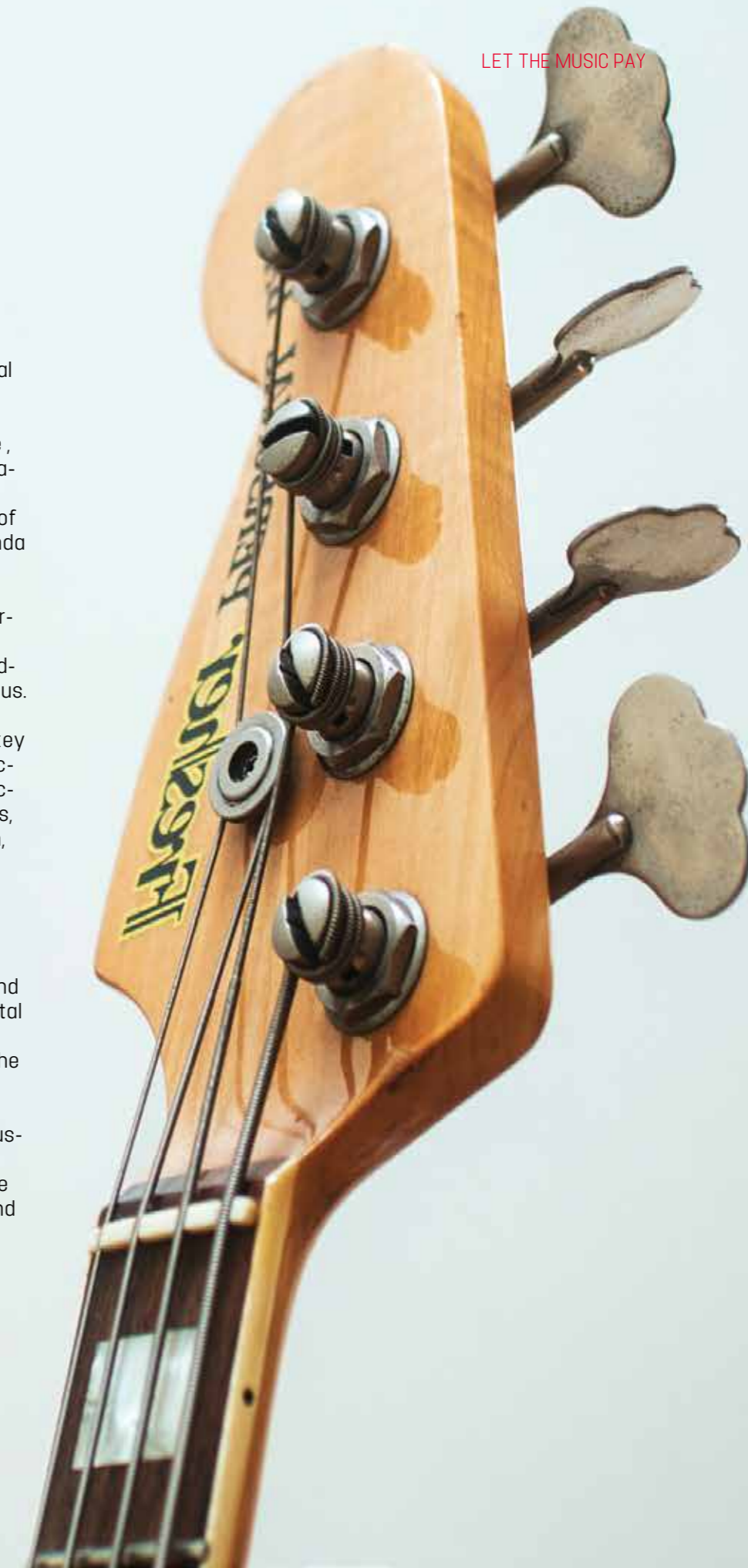
a major player in the African regional intellectual organization and as a board we still recognize that the regulator continues to play this role, well as strategic partners like Operation Wealth Creation. We are also grateful for the collaborative spirit of industry players, including the Uganda National Musicians Federation, Uganda Musicians Association, National Cultural Forum, Music Entertainment Network, Kadongokamu Associations and all other stakeholders who have worked closely with us.

However, the Board has identified key area for improvements that enhancing our capacity for effective collection and distribution. To address this, given roadmap in the strategic plan, we have explored alternative solutions like sampling and using utility codes for easier distribution, partnering with National statutory instruments, infrastructure and institutions to stabilize collection and compliance, expanding into the digital space, catering to the needs and market opportunities of GenZ and the evolving music industry.

We remain committed to continuously improving the management of UPRS, ensuring that we better serve our members, music community and our country.

Okello Kelo Sam (Mr.)
Board Chairperson

LET THE MUSIC PAY



CHIEF EXECUTIVE OFFICER'S STATEMENT

Greetings and salutations; it's my honor and privilege to address you all as the CEO of UPRS.



UPRS has gone through a lot of transformation in the last one year. This has stemmed from the ground work that was laid down since the last AGM held in 2023. There were so many areas singled out for improvement whose progress has been visible to both internal and external stakeholders.

Strategy and vision; any organization that is to meet its achievements must have a clear and well defined strategy as a guiding map to realize its vision. UPRS has oriented its activities based on its core mandate of Collecting and Distributing. This has seen the Society engage license user Apex bodies like UCC, Uganda Bars Association, Private Sector Foundation Uganda(PSFU) the apex body for Private Sector in Uganda, among others to increase payment compliance. Furthermore, we have put a lot of emphasis on optimizing reciprocal agreements and international collecting associations to boost our inflows. A few of these engaged are CAPASSO, IFPI, WIPO and ARIPO. It is such initiatives that have seen our collections in the first six months of the year 2024 equal to the collections received for the entire year of 2023.

Human Resources and Organizational Culture; The new Board under the stewardship of our Chairman Mr. Sam Okello and a reputable HR Consultant developed a standard Human Resources manual that defines a professional way of handling recruitments, remunerations, inductions and disciplinary matters. This saw competitive selection of staff through newspaper and online adverts that were placed to give equal opportunity to anyone capable. This process started with the successful recruitment of a Substantive CEO at the start of the year 2024, Mr. Stephen Sebugwawo. Furthermore, this saw a remarkable improvement in staff welfare and improved performance and morale. Costs and Expenditures; Checks and balances have been put in place with the guidance of the Finance and Audit committee. As such, the Society has spent a third less in the first months of 2024 than in the same first six months of 2023. This has freed up some financial resources that have been used to reduce the Society's arrears by 65% and start remitting monthly tax returns to URA as a way of contributing to the Nation's resource basket. All of this has been done without any external funding indicating improved Organization financial health and self-sustainability.

Stakeholder Engagements; For the first in the history of the Society, three key stakeholder engagements for the members have been held within six months to listen and adopt their suggestions as way of making the Society more inclusive and closer to its members. A Pre-AGM, Extraordinary-AGM and annual AGM have been held all in 2024 and Articles of Association amended to allow for more Board participation on merit and experience than academic qualifications.

Above
Sebugwawo Stephen (Mr.)
Chief Executive Officer

This is in line with new emerging Board considerations across the world. This has given the youth more opportunity to get involved in the Society's affairs while bringing new and vibrant ideas to increase the Society's effectiveness.

Future outlook; our feasibility study has revealed that there is a lot more we can do to enhance our collections and as such, we have embarked on new initiatives like;

- a) Increasing licensing users from 2,000 in 2023 to 5,000 by end of May 2024 to avoid concentration risk. This coupled with revised payment tariffs should greatly improve our collections.
- b) Enhancing our digital capacity to enable online assessments, payments and user mapping to increase collections while remaining very cost effective.
- c) Intensifying our sensitization, regional extension programs and stakeholder engagements. This will increase membership and encourage more active participation in CMO activities. To that effect, we shall be forming representative committees which will be all inclusive to listen to members' advice and suggestions to better the operations and collections for the Society.
- d) Public and Private Sector Partnerships: We shall enhance and optimize those already ongoing for better value proposition and also seek out new ones whose goals align with our core mandate.

I am confident that together we shall move UPRS to much greater heights and I look forward to a very long and prosperous interaction with each and every single one of you.

Sebugwawo Stephen (Mr.)
Chief Executive Officer

Departments

Work is conducted under:

- Licensing department is the core
- Registration Department
- International reciprocal partners
- Document management
- Finance
- Administration
- Legal
- Compliance

Secretariate

- Sebugwawo Stephen (Mr.)
- Nassuna Morriner Sharon (Ms)
- Nakintu Moreen (Ms.)
- Nansubuga Deborah (Ms.)
- Naamala Ephrance (Ms.)
- Namara Joan (Ms.)
- Sebugenyi Fredrick (Mr.)
- Ssebuliba George (Mr.)
- Ssensamba Robert (Mr.)
- Adongo Felista (Ms.)

CEO
 Administrator
 Documentation Officer
 Documentation Officer
 Licensing Officer
 Licensing Officer
 Licensing Officer
 Compliance Officer
 Compliance Officer
 Office Attendant

Staff Turnover

- Viola Buyungo (Ms)
- Gyavira Kiziri (Mr)

Finance Consultant
 ICT Officer



Sebugwawo Stephen



Nassuna Morriner Sharon



Nakintu Moreen



Nansubuga Deborah



Naamala Ephrance



Namara Joan



Sebugenyi Fred



Ssebuliba George



Ssensamba Robert



Adongo Felista

UPRS STAFF

EXTERNAL AUDITOR

MDJ and Partners were appointed by the Regulator as empowered in Section 69 (2) of the Copyright and Neighboring Act 2006). This followed the failure of the AGM of 2022 to appoint one. They were appointed to conduct Audits for the financial year ending 31 December 2023 and since this would not be successful without Audited Report for 2022, the Regulator in the same spirit approved UPRS to leverage on their services to align that gap.

MDJ and Partners

Physical address: plot 16 Kampala Road, Barenzi building,

P.O. Box: 271. Entebbe Country: Uganda

BUSINESS PERFORMANCE REPORT

1 INTRODUCTION

The UPRS Annual Report for the financial year 2023 is based on strategies aligned to rebuilding efficient structures, enhancing public and stakeholders' awareness about UPRS functions, establishing networks and synergies to enhance performance, and complying with all statutory obligations for the benefit of our esteemed members. Pursuing UCC to honor the NAB-MOU, increasing publicity about UPRS functionality, improving monitoring of music usage, and increasing collections. The year also focused on showcasing UPRS' resilience strengthening meaningful strategic Partnerships and harnessing digital business to acquire its primary man-

date of collecting and distributing royalties to its esteemed members.

1.1 REBUILDING EFFICIENT STRUCTURES

Under this objective, plans were developed to propel the continuity of UPRS. A well-consulted strategic plan was developed, a revised organogram was adopted and this attracted new talent to improve productivity, better financial management skills were adopted, updating our books of accounts and clearing the backlog, networking, and sourcing for synergies that would propel desired results and enable UPRS to attain its mandate of collecting and distributing to its members.

1.1.1 Developed and adopted a well-consulted 3-year Strategic Plan

The first-ever Strategic Plan was developed to cater to the review of the legal and policy framework, establish financial management systems, operationalize the UPRS structure and Human Resource Policies, develop staff capacity, streamline the Audit function, increase collections, increase our repertoire, and strengthen enforcement and compliance. Details of the Strategic Plan are discussed in the subsequent chapters of this report.

This exercise was conducted collectively by UPRS Board and Secretariat, URSB Technical Team and Rights Owners Association Leads so it's a true reflection of well-thought-out ideals from technocrats across the Sector. Highlights During the consultations.

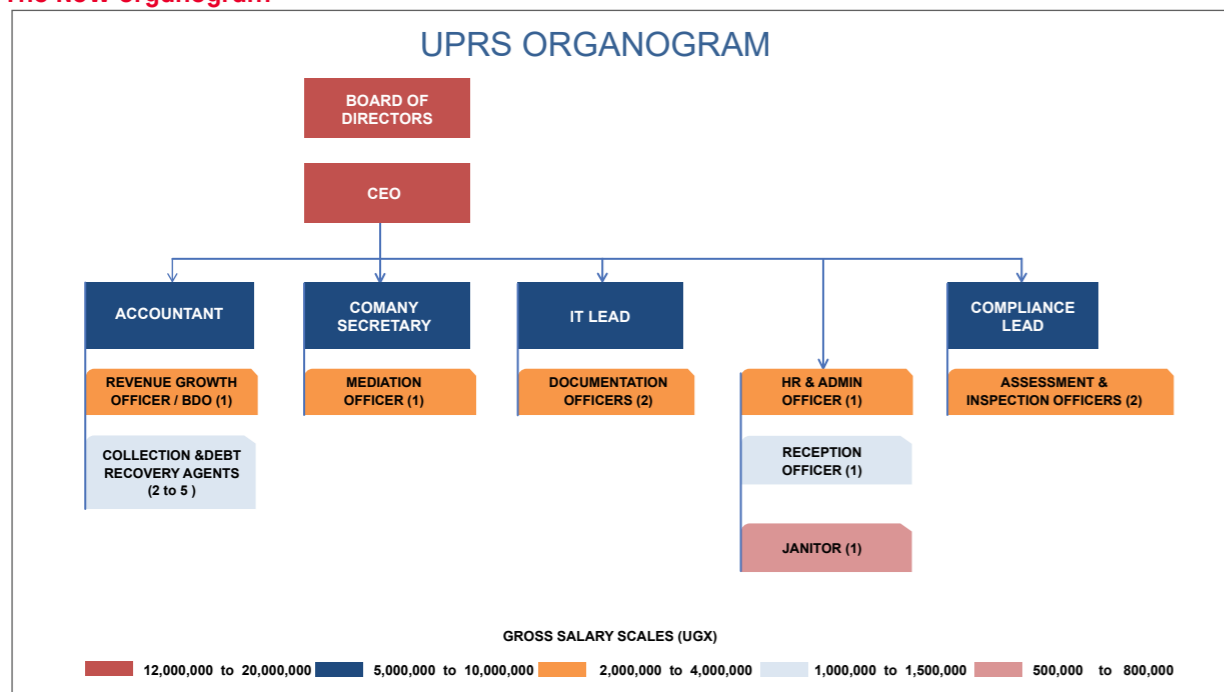




1.1.2 Operationalizing the UPRS Revised Organization Structure

The Board approved the organization structure and started its implementation to strengthen key functions such as the Legal Function, Human Resources, Audit etcetera. Despite the meager financial resources for full implementation once this structure is affirmed UPRS shall increase in productivity. UPRS operates through intertwined key functions: Human Resources and Administration, Membership and Documentation, Licensing, Enforcement, Communication and publicity, Finance and planning. The Board decided that for continuity of UPRS all functions needed to be improved and this saw a recruitment of new talent to make significant contributions towards the different outputs of the Society.

The New Organogram



1.1.3 Countrywide Consultation during the Copyright and Neighboring Act 2006 Reform



1.1.4 Developing Staff Capacity and Strengthening Function of UPRS



2023 was a year of shifting the Copyright and Neighbouring Act 2006 Law and all strategies were designed to embrace this shift. Synergies pooled resources together and trained the implementers with basic skills. During the above training, all Board Directors attended training on Corporate Business and the key take way was corporate communication. This has seen CMOs shifting from conducting business informally to formal frameworks and models.

Together with the support of the Regulator staff were provided with training in CMO functionalities, intervention adhering to good practices such as the enforcement exercise, budgeting and planning, and technical assistance such as developing the Strategic Plan. As a result, UPRS was intrigued to extend beyond the Kampala Metropole to be able to achieve its mandate. The details are discussed in the subsequent chapters.

The Board and Secretariat with support from URSB and WIPO, attended a two-day training on Collective Management Operations and licensing. The Board at the same time was taken through a 2-day training on Corporate Governance by the Directorate of Intellectual Property at URSB and ARIPO during this period.

1.1.5 Review of Policy Framework as a Risk Mitigation Measure

The Board shifted UPRS business from being conducted informally to becoming more formal and more organized. They advised that UPRS automates its business and this proposal was shared with NITA-U who are positive to provide the service at a mutual arrangement. They also introduced a cashless process which has had a great positive impact on our financial Management as presented in the Audited Books.

The Board furthermore approved significant policies to direct the functionality of UPRS and among these were the Human Resource Manual, Revised Financial Policy, and Code of Conduct among others.

The is a need to also develop a petty cash policy, Risk and Audit Policy, Membership Policy, Procurement Policy, Licensing Policy, Commission policy, and bonus among others and the purpose of this initiative is to improve financial management.

1.1.6 Streamlining Service Delivery Standards to Cater for Transparent and Accountability

UPRS has improved its service delivery standards with control measures such as a cashless basis during any transaction. We have put it upon ourselves that when clients pay for licenses they are served with their licenses in a space of 3 to 5 days from the time of payment hence improving our brand and building back the trust from our members and users.

1.2 UPRS BRAND AWARENESS

We embarked on promoting our Brand to improved the tarnished public image generated over the past.

1.2.1 Procured a Public Relation Firm

This initiative was adopted to improve our brand among our users and to also increase our footage across borders. Capital One Group spearheaded the drive and we visited areas of Mbarara, social media platforms upgraded and we were able to promote our brand by 30% measured by Social Media.

Awarded loyal clients

Among our clients, we recognized those who have been committed and compliant since our time of operation. Among these, we awarded: Next Media House, KFC, Cafesserie,

1.2.2 Radio and TV talk shows

We were able to conduct numerous radio talks where we disseminated a lot of Copyright and Neighboring Act 2006 Information and clarity on misperceptions about UPRS.



1.3 SSTRENGTHENING MEANINGFUL RELATIONSHIPS AND CREATING NEW PARTNERSHIPS.

Our relationship with our Regulator improved over time and with their support, we have been able to accomplish visible results such as increasing brand awareness and developing the 3-year Strategic Plan which has set a milestone in being more focused on our deliverables. The Regulator has also supported the promotion of the Copyright and Neighboring Act of 2006 which has created a positive impact toward compliance.

We have been working closely with organizations such as OWC which has given us both financial and technical support, NITA-U handling most of our technology challenges, CISAC which has offered a lot of advanced technology services such as WIPO-CONNECT and CIS-NET, ARIPO which has offered training for capacity building, IFPI which has advocated for sound recording collections, other CMOs that have allowed us to leverage on their expertise, and other CMOs that have grown our repertoire.

1.3.1 Growing our Membership Services

We reviewed the existing Repertoires and are still reviewing a number of these such as China, Spain, Turkey, and SAMPRO for Multi territorial etcetera.

Report showing our Membership during Financial Year 2023

Activities	Number	Status
Data base systems Memberships	572 Members registered in 2023	Ongoing process
Memberships	3057 works uploaded by NITA-U	Ongoing
Memberships	421 Members registered	Ongoing
General Licenses	20137 General Works processed	Ongoing
Memberships	5196 Works Registered in 2023	Ongoing
Memberships	12320 matched works in the fourth quarter	Ongoing
Memberships	12320 matched works in the fourth quarter	Ongoing
Memberships	3767 Members to receive royalties against 5,057 works done on the same period.	Ongoing

1.4 INCREASING COLLECTIONS

This objective was given keen attention to improving UPRS's ability to collect and be in a position to distribute meaningful royalties to its members. UPRS adopted a revised model of licensing agents and much as it did not meet the

target, it contributed to a 47% revenue growth as compared to 2022 revenue.

1.4.1 Licensing Agency.

The attained improvement in the revenue collection is attributed to an immense change which included among others enrolling agency licensing which conducted massive sensitization of our clients, training of collection agents, and improving the licensing processes. Standby Promoters Limited contributed to UPRS collections with a gross of Ugx. Shs. 60 Million of the total collections and despite its pitfalls if well managed it can do better.

1.4.2 Expanding the collection scope beyond Kampala Metropole.

The Licensing Team extended beyond the Kampala Metropole and also engaged users in areas of Mbarara, Mbale, Jinja, and Gulu. This was to eliminate the stereotype that the copyright license was for only users in the Kampala Metropole and to soften the ground for the next year's collection while we increased revenue. 2023 licensing revenue collection is forecasted on three major streams i.e. the general licensing that includes the broadcasting and public performance sectors. The second avenue was the mechanical rights royalties collected on our behalf by our sister society Capasso and the online/digital licensing.

1.4.3 Online Revenue and Other Avenues

UPRS realized an increase in its revenue even when enforcement did not come through timely. Out of hardship, we collected a gross total of Ugx. 443,966,759 and realized an increase in the online revenue especially that from CAPASSO. Against the Ugx. 30,077,265 collected in 2020 and 2021. We were able to match works equivalent to USD 25,365 for the entire year because we increased the works we submitted to them. Part of these royalties were remitted to UPRS whereas others are still in transit. This is another great avenue that would earn our members up and above their local collections once boosted and closely monitored.

Graph illustrating Revenue by Category

REVENUE BY CATEGORY		
CATEGORY	AMOUNT	QTY
General Licensing	388,371,551	418
Digital Revenue	12,864,046	3
Mechanical Rights	42,731,162	1
Sub-TOTAL	443,966,759	422
LESS 18% VAT	79,914,016.62	
TOTAL	364,052,742	

We therefore collected a net total revenue of 364,052,742/= from general licensing, digital revenue and Mechanical Rights Royalties. General licensing encompasses public performance and the broadcasting sector. This collection was from 418 music Users against the 219 Users of 2022 from the areas of Kampala, Entebbe, Mukono and Wakiso.

1.4.4 Digital Revenue

We are aware that the Global is shifting toward complete digitization and this propelled us to conduct feasibility study after the takedown of members' catalogue from Afrischa. With this trial, we were able to realize some revenue as discussed in the Audited books. This is a venture that requires thorough development so that UPRS harnesses all revenue streams and increases on the royalty distribution.



The Licensing Team extended beyond the Kampala Metropole and also engaged users in areas of Mbarara, Mbale, Jinja, and Gulu.



1.5 ENFORCEMENT AND COMPLIANCE

We did not conduct any enforcement and this may have contributed to the low compliance observed over the years between 2020 to 2023.

1.5.1 Enforcement

As mentioned in the earlier chapters of this report we deployed a collecting agent to collect on our behalf however, this being a unique type of business, they could not competitively accomplish the task. The downside of this initiative was that their agents became familiar with the field and even though the contract was terminated in May 2023, the agents continue today to take advantage of the UPRS small human resources and collect illegally. We badly needed enforcement however, this did not come through at the appropriate time. Worth noting is that this activity was taken back by the Regulator who guided and advised that we try a harmonious path of negotiation and sensitization to allow Users an opportunity to independently apply for licenses. This method has been conducted as of February 2024 however, the turn-up has not yielded the expected results and UPRS could have lost approximately Ugx. 1.3 Billion to that effect.

1.5.2 Awareness

Compliance is still low and we are aware that part of the cause is ignorance and lack of the will to propel users to pay. We tried to conduct awareness drives but the environment was not stable for us to accomplish this task since last year saw a wave in a lot of copyright advocacy from various Associations and Federations.

1.5.3 Litigation

The previous AGM among other resolutions resolved that we litigate infringers such as Africha and also sue UCC for not honoring the signed MOU with NAB.

We also had ongoing cases and below is the report:

Case	Status
Seac Hotel (1995) LTD v/A Delphine Suites, Forest Collages, Kabira Country Club Limited Civil Suit. 758 of 2019	Settled out of Court and Users started complying
Ven Group Limited and Nantambala Joyce Suit No.919 of 2019	Still ongoing but a forensic report showed an infringement report. We are waiting for the judgment in March 2024

1.6 CHALLENGES

Despite the continuity of UPRS throughout 2023, this was not without challenges. The organization is required to collect significant royalties from all streams of revenue across the globe on behalf of its members however, the following need to be addressed: Inadequate staffing, cumbersome collection methods, unrealistic tariffs, limited field resources, non-enforcement on defaulters, and limited awareness and fraudsters.

1.7 STRENGTH

- i. Legal Authority: As a recognized performing rights society, UPRS has legal authority to collect and distribute royalties on behalf of its members.
- ii. Local Expertise: UPRS has a deep understanding of the local music industry, allowing it to advocate effectively for its members.
- iii. Global Networks and partnerships: Through affiliations with international organizations, UPRS can tap into global networks for revenue collection and distribution.
- iv. Experienced staff.
- v. Support of the Regulator.
- vi. Some level of automation (membership side).
- vii. The only authorized body in Uganda to issue IPI and WID for international recognition of members and their works.

1.8 WEAKNESS

- I. Limited membership declaring a limited catalog of musical works
- II. Transparency concerns: allegations of opacity in royalty distribution or governance issues undermining trust among members and stakeholders.
- III. Inability to pay royalties to members on time,
- IV. Resource constraints: limited financial resources affect the organization's ability to implement advanced technology and educational programs.
- V. Internal UPRS structural weaknesses including overlapping mandate of board and management, mischarge of funds limiting implementation of critical activities, limited policies.
- VI. Limited awareness about UPRS services offered and a weak UPRS brand
- VII. UPRS staffing issues: inadequate staffing, poor reward and remuneration of staff
- VIII. Lack of physical presence across the country, manual processes (licensing side),
- IX. Lack of monitoring mechanisms.

- X. Collections: unilateral tariff setting (unrealistic licensing tariffs, low collection of royalties. (non-negotiated, non-consulted, non-participatory), creates hostility, non-compliance, and rejection of the system.
- XI. Limited engagement with members and stakeholders leading to suspicion and discontent.
- XII. Poor music management, which affects commercialization and revenue sharing

1.9 OPPORTUNITIES

- i. Government will and support.
- ii. Political will and support.
- iii. Expanding Music market: The expansion of music market e.g. digital
- iv. Collaboration: Collaborations with other collecting societies and international organizations can expand revenue sources and global reach.
- v. Policy Advocacy: Advocating for favorable copyright policies can strengthen UPRS's position and benefits for its members.
- vi. Willingness from development partners to collaborate with the UPRS.
- vii. Legal reforms.
- viii. Untapped membership potential
- ix. Technological advancement
- x. Availability of works, content and creativity
- xi. Growing awareness about the copyright

1.10 THREATS

- i. Poor attitude (mindset) of society towards CMO business
- ii. Changing Consumer Behaviour: Shifts in consumer preferences and the decline of traditional revenue sources (e.g., physical sales) affect royalty generation.
- iii. Unwillingness to comply by users.

1.11 BUDGET AND REVENUE PROJECTIONS

UPRS requires a budget of UGX..... to conduct its operations and realize its desired objectives. It will further be discussed in the appendix ...

The 2024 revenue projections are based on the current revenue growth rate of the 2022 & 2023 net revenue. This is meant to give the department a clear revenue direction to take to achieve the target.

2024 LICENSING REVENUE PROJECTIONS

N	METHOD	Growth Rate
1	2022 Revenue	247,000,000
2	2023 Revenue	364,052,742
3	Revenue Growth	117,052,742
4	Growth Rate	47
5	47% Growth rate(2023)	171,104,788.74
6	2024 Projection-Top Down approach	535,157,531
7	other initiatives -URSB Support	267,578,765.37
OVER ALL 2024 PROJECTION		802,736,296

1.12 INTIATIVE TO ACHIEVE THE ABOVE

- i. Revising the tariffs to cater for all categories of users.
- ii. Recruit more licensing staff.
- iii. Enforcement from URSB for the non-compliant users.
- iv. Automate and acquire more equipment for the licensing work.
- v. Conduct indiscriminate licensing
- vi. Frequent Sensitizations and marketing





MINUTES OF PREVIOUS MEETINGS



MINUTES OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2022 OF UGANDA PERFORMING RIGHT SOCIETY LIMITED HELD ON 20th JANUARY, 2023 AT THE UGANDA NATIONAL THEATRE KAMPALA

PRESENT

UPRS Board and URSB Members (physically and online) As per the attendance Register for the Annual General Meeting

IN ATTENDANCE

Mr. Kabiito Karamagi	Board Chairperson
Mr. Semakula Robert	Board Member
Mr. Sserumaga James	Board Member
Ms. Juliet Ssesanga	Board Member
Mr. Justin Basiima	Board Member
Mr. Kaye Wisdom	Board Member
Mr. Okello Kelo Sam	Board Member
Prof. Patrick Mangeni	Board Member
Ms. Morine Sharon Nassuna	Acting Chief Executive Officer
Ms. Gladys Kikule Namata	Minute Secretary
Mr. Philip Kalibaala	Representing Director Intellectual Property-URSB
Mr. Ambrose Ekajju	Representing Director Intellectual Property-URSB
Mr. Lutunda Ronald	Representing Director Intellectual Property-URSB

ABSENT WITH APOLOGIES

Ms. Dinnah Kyasimire Board Member

Min/AGM.01/2023 RECORD OF MEMBERS PRESENT

The Acting Chief Executive Officer confirmed that there were One Hundred Twenty (120) members in physical attendance (see attached registries) and Twenty-Five online thus forming the requisite quorum as per Article 9 of the Articles of Association of the Society. It was also noted that no proxies were shared with the Secretariat.

Therefore, the meeting was opened with a prayer by Mr. Ambrose Semuyaba, the Vice President of the Federation of the Gospel Artists of Uganda. The Acting Chief Executive Officer welcomed the Chairman to give his opening remarks.

Min/AGM.02/2023 CONFIRMATION OF NOTICE FOR THE MEETING AND ADOPTION OF THE AGENDA

Confirmation of Notice and Adoption of the Agenda The Acting Chief Executive Officer confirmed that two formal notices were duly published in the New Vision newspaper as well as the Society's website with the first formal twenty-one-day notice published on 30th December, 2022 and an amended notice affecting only the Agenda published on 16th January, 2023. The notice and agenda were taken as read by the members.



Resolved: The Notice and Agenda of the Annual General Meeting of the Company be adopted.

Min/AGM.03/2023 CHAIRMAN'S INTRODUCTORY REMARKS

The Chairman welcomed the members to the second Annual General Meeting of the Society since Caretaker Management and noted his appreciation for the strides that were taken thus far.

He noted that the main objective in 2022 was to restructure the Society after a devastating 2020 Covid-19 pandemic. He pointed out that throughout 2022, the Board and Management endeavoured to clean house and enter proper engagement arrangements for the implementation of the Collections mandate of the Collective Management Organisation (CMO).

The members were informed that 2022 closed with various changes in Management and the composition of the Board of Directors. He noted that Mr. James Abola resigned in 2021 to focus on his newly bestowed duties in the Uganda Revenue Authority. Ms. Grace Nakabugo and Mr. Peter Mukuru also ceased to be members of the Board of Directors. He noted the Society's appreciation for their dedicated service to the Society and their invaluable support and guidance.

It was also pointed out that Ms. Dinnah Kyasimire was appointed to the Board of Directors by the Regulator in August 2022 following the exit of Ms. Grace Nakabugo. Therefore, one (1) vacancy remained on the Board and therefore formal meetings of the Board were halted in December 2022 pending the filling of this vacancy by the Regulator.

Additionally, Mr. Anthony Mwandha resigned from the position of Chief Executive Officer and the Chairman emphasised appreciation for his service. In this regard, Ms. Morrine Nassuna was appointed as Acting Chief Executive Officer of the Society.

The Chairman emphasized three (3) aspects as follows:

- (a) The members were urged to exercise sober debate, trust, responsibility and belief in the competence of those that have oversight over the Society. He emphasized the need for the Society to be unified and objective in order to evolve into a commendable CMO in the East African region and Africa at large.
- (b) It was pointed out that the Society was taking baby steps since the Caretaker management but now needed to move towards full maturity and capacity. This would require commitment, dedication and an understanding of the aspects that are paramount to achieving the mandate of the Society. Therefore, he urged members to be well acquainted with the mandate of the CMO and hold Management accountable to this mandate.
- (c) Lastly, it was noted that members needed to work towards projecting the Society and highlighting its benefit towards the Licensees. He noted that given that these were the



entities and institutions from whom the Society collected and whose compliance was paramount, these would be seen as Clients.

Therefore, it was paramount that the value that is paid for through collections manifests through increased quality of works and materials by members of the Society. This would be a focal point in 2023.

He concluded by appreciating the Board of Directors therefore, for providing bold leadership and guidance to the CMO in the trying times. He also appreciated Partners for their continued support to the Society throughout 2022. Lastly he extended his sincere condolences to all those that lost loved ones in 2022.

Min/AGM.04/2023 CONFIRMATION OF MINUTES OF THE LAST ANNUAL GENERAL MEETING HELD ON 29TH OCTOBER, 2021

Adoption of Agenda of The Acting Chief Executive Officer confirmed that a formal twenty-one-day notice of the meeting was published in the New Vision newspaper on 30th December, 2022. An amended notice was published in the New Vision newspaper circulated on 16th January, 2023 including more details to the Agenda. Both notices were published on the Society's website as well. The same were taken as read by the members.

Confirmation of the Minutes of the previous Annual General Meeting of The Acting Chief Executive Officer took the members through the minutes of the previous Annual General Meeting held on 29th October, 2021. A member requested for the following amendment:
At page 5 minute 7, the name "Diplock Segawa" be amended to correctly read as; "Diplock Segawa."

- Resolved:**
- 1. The Agenda of the Annual General Meeting of the Company be adopted as earlier circulated.
 - 2. The Minutes of the previous Annual General Meeting held on 29th October, 2021 are approved and adopted subject to the amendment requested.

Min/AGM.05/2023 CONSIDERATION OF THE 2022 ANNUAL REPORT AND BUSINESS PERFORMANCE REPORT

Tabled The Chairman invited the Acting Chief Executive Officer to table the Annual Report for the year 2022 for noting and adoption by the members.

2022 Annual Report and Business The Acting Chief Executive Officer made a presentation of the 2022 Annual Report and Business Performance Report and the following were the key highlights of the Presentation:



Performance Report

1. The Acting Chief Executive Officer informed the members of the change in the Governance structures during the year with the Board of Directors closing the year at ten (10) members and not eleven (11) as provided for under the Articles of Association. This was due to the fact that the casual vacancy created by Mr. Peter Mukuru's resignation was pending filling by the Regulator as authorized under the Articles.
2. It was also noted that throughout the year, the Board operated with the support of three (3) strategically selected committees to support in execution of the Board's mandate.
3. She informed the members of the staff breakdown of the Society operating across seven (7) departments and/or offices.
4. It was pointed out that the year 2022 for purposes of the Work plan had four key assessment areas that is; Increasing revenue collections, Human Resource structuring, Stakeholder and/or Membership management and Risk and Assurance.
5. Regarding the target of increasing revenue by 87%, it was reported that a Collections Agent that is; StandBy Promoters Limited, was duly onboarded towards the end of 2022 in order to grow the Revenue collections base and effectiveness of the Society's mandate.
6. The meeting was informed that engagement of the Collections Agent was duly conducted in accordance with the Public Procurement and Disposal of Public Assets Authority standards and regulations and proper engagement steps were taken with the Agent.
7. It was also noted that UGX 247 Million in Royalties was collected by the Society against a target of UGX 1.3 Billion. This position was expected to exponentially change in 2023 with the onboarding of a competent Collections agent.
8. The members were informed that a Content Reorganization arrangement was commenced through an engagement with Opus Music Africa. Of the 9348 songs to take down from the Africha portal, 4874 requests had been issued and only 2494 requests were granted by the time of the meeting for the takedown process.
9. Opus Music noted that several takedowns were pending and therefore needed to be handled expediently in view of the challenges presented by Africha.
10. With respect to the Human Resource Restructuring, the meeting was informed that a new Human Resource Manual and operational policies were developed and adopted by the Board. Additionally, capacity building was undertaken for the existing staff of the Society which improved productivity and efficiency of the team.
11. It was pointed out that although the members had appointed Wade and Partners as the Society's auditors in 2021, the same declined to proceed with the audit process in 2022 citing a conflict of interest. Therefore, the Board requested the Regulator to appoint another Auditor as per the powers



accorded under the Copyright and Neighboring rights Act. An auditor was recommended for appointment and the same is still pending a conclusion.

12. It was noted that some of the key aspects of the Society's Strategic outlook for the year 2023 included; full role of the agency model, online revenue growth, enhancement of the Society's visibility and increase of synergies and partnerships with other CMOs, Financial Institutions, Telecommunication entities, international intellectual property organizations as well as applicable government agencies.

Resolved: The 2022 Annual Report and the Business Performance report are noted and adopted.

Min/AGM.06/2023 CONSIDERATION OF THE 2023 WORKPLAN AND BUDGET

Tabled: The Acting Chief Executive Officer tabled the Work plan and budget for the year 2023 for approval and adoption by the members.

- Noted:**
1. The meeting was informed that several projects rolled out in the second half of 2022 would remain key projects for 2023 including the corresponding income and expenditure estimates and action plans for the same.
 2. It was also noted that the Society needed significant resources for the effective and comprehensive implementation of the five (5) year strategic plan. The Society aimed at lobbying for UGX 6 Billion over the five-year period from various Donors.

Resolved: The 2023 Work Plan and Budget were unanimously approved and adopted by the members.

Min/AGM.07/2023 CONSIDERATION OF FEEDBACK FROM THE MEMBERS

Tabled: The Board Chairman led the feedback session.

- Noted:**
1. A member raised a concern regarding promoters that benefit from Musicians works without consent and requisite remittance of royalties. Opus Music representative noted that once the takedown was completed, a requirement for payment would be established.
 2. Additionally, members were urged to always formalise arrangements with promoters and music producers and to ensure that contracts duly protected the rights of the author of the works including the related benefits.
 3. The members noted with concern that many of their old works still featured on the Africha Platform. Management reassured the members that the takedown by Opus Music was ongoing and great efforts were being made to ensure that all works were removed.
 4. The members were also informed that although suing Africha was explored as an option, the legal expenses would be onerous on the Society with success based on a balance of probabilities. Therefore, the takedown by Opus Music was the first consideration.



The Chairman appreciated the members for their contributions and noted that the same would be reconsidered in detail.

Min/AGM.08/2023 APPOINTMENT AND REMUNERATION OF EXTERNAL AUDITORS

Tabled The matter of the External Auditor of the Society was tabled by the Chairman for consideration by the members.

- Noted**
1. It was noted that although the members had appointed Wade and Partners as the Society's auditors in 2021, the same declined to proceed with the audit process in 2022 citing a conflict of interest. Therefore, the Board requested the Regulator to appoint another Auditor as per the powers accorded under the Copyright and Neighboring Rights Act.
 2. The recommended auditor for the appointment was cited as RSM Eastern Africa, one of the reputable audit firms operating in the region. Therefore, the Board of Directors sought adoption by the members of the request to the Regulator to appoint the recommended external auditor for the Society to replace Wade and Partners.
 3. The members were also informed that the Audited Financials for the year ended 31st December 2022 were ready and duly perused. However, the matter of appointment and adoption of the Board's recommendation were pending conclusion.
 4. However, a member noted with concern that an appointment or approval could not be undertaken for an auditor the members were hearing of for the first time.

Resolved Members failed to appoint an external auditor to replace Wade and Partners and the Board advised that the matter is reverted to the Regulator, Uganda Registration Services Bureau, to handle the same as per the powers vested in by the Copyright and Neighboring Rights Act **Section 69 (2)**.

Min/AGM.09/2023 CONSIDERATION OF DISTRIBUTION OF ROYALTIES

Tabled The matter of the Distribution of Royalties was tabled before the members for consideration.

- Noted**
1. The members were informed that UGX 247 Million was collected in royalties for the year ended 31st December, 2022. However, the Board of Directors recommended that the funds be reinvested to earn a higher return for the members.
 2. Furthermore, it would be challenging to distribute royalties before the Financial Statements for the year ended 31st December, 2022 are duly adopted and approved by the members.



3. However, the members' opined that the royalties as is ought to be distributed to all duly registered members of the Society in equal measure given that royalties had not been distributed for several years.
4. Management noted that it was essential for members to validate their registration details so that if the royalties were to be distributed, the same would be channelled to correct avenues and not erroneous members details.

Resolved The members resolved that the collected royalties for the year ended 31st December, 2022 be distributed equally to all registered members of the Society through mobile money or account details as per the registration details submitted by each member.

Min/AGM.10/2023 ANY OTHER BUSINESS

Tabled A member raised a concern as to some parties not adhering to the Memorandum of Understanding executed in Gulu regarding the protection of musical works and holding various stakeholders accountable.

It was pointed out that Uganda Communications Commission was not holding some broadcasters accountable regarding licenses for utilization of musical works.

Resolved The members resolved to hold the Uganda Communications Commission accountable for their commitments within the Agreement including requiring specific performance through courts of law.

There being no other business, the meeting was adjourned at 18:34 hours.

Confirmed and signed on the _____ day of _____ 2023

Chairman

Director



MINUTES OF THE 001 EXTRAORDINARY GENERAL MEETING (EGM) HELD ON 07TH JUNE 2024

Location: AUDITORIUM UBFC, Plot 1 Baskerville Avenue, kololo, Kampala

Agenda

1. Call to Order
2. Confirmation of Quorum
3. Motion to Waive the EGM 21 Days' Notice requirement
4. Adoption of the Agenda
5. Opening Prayer
6. Remarks from the Chairperson, UPRS Board
7. Remarks by the Registrar General, URSB
8. Presentation of Petition by Members on Proposed Amendments to Memorandum of Articles of Association of UPRS
9. Reactions to the Petition
10. Resolutions passed on the above petition
11. AOB (For notified Items Only)

Physical Attendance:

- | | |
|----------------------------------|-----------------------------------|
| 1. Mr. Ekongot Geofrey | 25. Ms. Agnes Mirembe |
| 2. Mr. Martin Nkoyoyo | 26. Mr. Patrick Muhumuza |
| 3. Mr. Edirisa Musuzza | 27. Mr. David Tayebwe |
| 4. Mr. Joesph Lwerere | 28. Mr. Edrisa Mago Mubiru |
| 5. Mr. Kiguli Abdul | 29. Mr. Ojambo Andrew Daddy Andre |
| 6. Mr. Muyinda Ramah | 30. Mr. Kawuki Ronals |
| 7. Prince Nick Nyombi | 31. Mr. Kenneth Kinumba |
| 8. Mr. Moses Mugabe | 32. Mr. Richard Sorge |
| 9. Mr. Egesa Fred David | 33. Mr. Bruno Kiggundu |
| 10. Mr. John Kateregga | 34. Ms. Doreen Karungi - URSB |
| 11. Mr. Baker Ssemuusi James | 35. Mr. Timothy Madex |
| 12. Ms. Phiina Mugerwa | 36. Mr. Baryevuga Steven-URSB |
| 13. Mr. Ambrose Ssemuyaba | 37. Mr. Kenneth Sserwadda |
| 14. Mr. Lubega Brain | 38. Mr. Richman Kajura |
| 15. Mr. Ezra Agaba | 39. Mr. David Kigonya Luutu |
| 16. Mr. Mulondo Emmanuel | 40. Mr. Joshua Kiberu |
| 17. Ms. Gorret Ndagire Kayita | 41. Mr. Daniel Kazibwe Ragga Dee |
| 18. Ms. Jovia Nambuya Lanisha | 42. Mr. Charles Batambuze |
| 19. Ms. Clarissa Nabulime | 43. Mr. Micheal Lubambula Kalumba |
| 20. Mr. Alex Luete Mikaya Ronald | 44. Mr. Martin Muhumuza |
| 21. Mr. David Ebanguti Opio | 45. Mr. Uzair Luyonga |
| 22. Mr. George William Lule | 46. Mr. Malcom Ssewanyana James |
| 23. Big Eye | 47. Mr. Mr. Sam Kiyimba Gombya |
| 24. Mr. Derik Gava | |

Board Members Present

1. Mr. Sam Okello Kelo - Chair
2. Mr. Justin Basiima
3. Mr. James Sserumaga
4. Mr. Jimmy Okello

UPRS Secretariate

1. Mr. Ssebugwawo Stephen Charles – UPRS CEO
2. Ms. Nassuna Morriner Sharon – Administration / Secretary

MINUTES

MINUTE	DISCUSSION	PERSON RESPONSIBLE	
MIN/EGM.01/2024	CALL TO ORDER The meeting was called to order at 11:36 am by the UPRS Board Chairperson.		
MIN/EGM.02/2024	CONFIRMATION OF QUORUM The Board Chair confirmed that there were 46 Members in physical attendance and 55 Members on Virtual thus forming the prerequisite quorum as per Article 9 of the Articles of Association of the Society.		
MIN/EGM.03/2024	MOTION TO WAIVE THE EGM 21 DAYS' NOTICE REQUIREMENT All voted to waive the 21 Day's notice requirement and approved that the Extraordinary General Meeting be held on 7 th June 2024.		
MIN/EGM.04/2024	ADOPTION OF THE AGENDA Mr. Martin Nkoyoyo requested to open the amendments to the entire Article of Associations and not limit it to Board Composition and qualifications. The motion was seconded by Ms. Phina Mugerwa, Mr. Moses Mugabe and Mr. Wesley King.		
	Resolved:		

	Members resolved that the agenda be adopted with amendment of Item 8 to include amendment of the entire Article of Associations.		
MIN/EGM.05/2024	PRAYER A word of prayer from King Wesley president of FGAAU.		
MIN/EGM.06/2024	THE CHAIRPERSON; <ol style="list-style-type: none"> 1. Welcomed Members to the Extraordinary General Meeting which they had requested during the Pre-AGM meeting that was convened on 15 May 2024. 2. He thanked members for committedly working together to develop and change the music sector and advised that the EGM meeting should focus more on making sure the Industry is in a balanced position and functional and that history will tell their contribution of moving the industry to the next level. 3. He informed Members that UPRS governance is in full support and thanked URSB for support and giving UPRS second chance to operate. 4. He thanked the Board for their commitment to serve the Sector and those in physical attendance as listed above were given chance to greet members. 5. Introduced the New Chief Executive Officer Mr. Ssebugwawo Stephen who brings unique skills to the organization to realise its mandate of collecting and distributing. 6. Encouraged members to move in one direction and build something in mind that Uganda will thank the entire fraternity for tomorrow. 		

	7. In his conclusive remarks, mentioned that the Board wished members well and emphasized that members should be well-informed that the CMO is very functional.		
MIN/EGM.07/2024	<p>REMARKS BY THE REGISTRAR GENERAL (RG), URSB</p> <p>The RG was not able to attend, however, the DIP. Agaba Gilbert represented URSB and made the following remarks.</p> <ul style="list-style-type: none"> i. Welcomed members to URSB and appreciated the Board and members for the efforts to improve UPRS toward corporate governance displayed during the meeting. To mention a few pointers, there was a proper notice shared in advance, and members being given a platform to raise matters of concern. ii. He applauded the Board for responding positively to the Members' call for the EGM and also mentioned that imbalances of the representation on the Board should be handled tactfully bearing in mind that UPRS has numerous stakeholders whose interest must be put into consideration. iii. He also noted that members needed to understand the nature of CMO and its structures and in his brief, mentioned that it is established by Law and with purpose. He further mentioned that much as forming an Association or Organization is free, when it comes to CMO there are more parties to forming one and for the case of UPRS we have the: <ul style="list-style-type: none"> Owners of Copyright Works Government or Regulator to issue authorization to the CMO Users who pay for using the works of the Rights Owners 		

	<ul style="list-style-type: none"> i. He further noted that minus the above stakeholders, the CMO neither collects nor distributes therefore, their interests must be protected and taken into account to make the CMO perform in its rightful setting such as collective negotiation of tariffs. ii. He mentioned that much as members are the rights owners, they can not necessarily do what they want because all interested parties must be considered and have a proper understanding and address the imbalances to make the CMO operate. iii. As decisions are made Members should bear in mind that the Government of Uganda (GOU), and its users have an interest and we should build something that will sustain us tomorrow and outlast us. Invest in the future and do not exclude the interested stakeholders because if they are excluded UPRS will be left as an association. iv. He argues that Members present must deliberate realistically because they represented thousands of members in the Sector and should ensure that they are not selfish since they were custodians of the majority not in attendance. v. He mentioned that the Board consisted of 11 Members, 6 Independents, and the other 5 composed of producers, composers or songwriters elected by members. <p>Conclusion</p> <ul style="list-style-type: none"> a. He noted that if we do not include corporate governance in doing business, everything will fail and that was why the independent Directors were brought on Board to bring balance through their technical expertise to also ensure objectivity and have a balanced perspective to take care of all 		
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	<p>interests.</p> <ul style="list-style-type: none"> b. He advised members to work on creating a bigger cake than a small muffin that can only be consumed by 1 person and wished members good deliberations that created balance and built something that would outlast the representatives. c. He informed members that URSB and the key players are all working towards the development of the stakeholders' interest. Much as we can not change the past we are ensuring a better tomorrow. And if governance was the problem then let's ensure governance is aligned because it is the only way the CMO will make money. d. One of the ways is finding a mechanism to help us reach each user in whatever category and ask them to pay for use and this is only possible through CMO so let us embrace it to be able to collect from users. e. Invest in the CMO and everything rotates on its proper governance. Once we get that right it will sustain the UPRS CMO. 		
	<p>Reactions</p> <ul style="list-style-type: none"> i. The Chairperson encouraged members that the industry is moving in the right direction and that tomorrow the Industry will thank members for their contribution. ii. The DIP could not wait for the reactions because of other engagements and advised that any concerns would be attended to by the Copyright Manager Mr. Kalibaala and Mr. Lutunda Ronald 		
	<p>to guide good resolutions.</p> <p style="text-align: center;">7</p> <ul style="list-style-type: none"> iii. Before DIP's departure, a concern of unfairness was raised by Mr. Edrisa Musuzza and he informed the meeting that they were in attendance to make things better and advocate for content owners to earn what they deserved. iv. In the DIP's response, he acknowledges that there were mistakes in the past and since there is an opportunity, they promised to make the future better. He advised that because the business model has changed, UPRS needs to adapt to the changes such as the digital users and this can only be achieved through CMO and all issues rotate around governance for the future. 		
MIN/EGM.08/2024	<p>PRESENTATION OF PETITION BY MEMBERS ON PROPOSED AMENDMENTS TO THE MEMORANDUM OF ARTICLES OF ASSOCIATION OF UPRS</p> <p>The Petition was presented by Mr. Nkoyoyo Martin on behalf of the members of UNMF, UMA, FGAU, APAU, MULA, SWAU, NUCPAAU, and NCF. He mentions that these were collectively developed during a meeting which they convened on 20 May 2024 and agreed to the following:</p> <p>Purpose</p> <p>They proposed amendments to the UPRS Memorandum of Articles of Association were for the purpose of enhancing governance, efficiency, and operational effectiveness of UPRS and to ensure that it aligns with best practices and meets the evolving needs of its members.</p> <p>The articles affected as will be discussed in the last part of the minutes were;</p> <ul style="list-style-type: none"> i. Article No. 5 Clauses a and b: Termination of Membership ii. No. 6 clause d: Group Membership entitled to 1 vote 		

	<ul style="list-style-type: none"> iii. Article No. 7 clause b: 21 days of notice to hold the Extra General Meeting iv. Article 7 clause d A member may, in writing, petition the Board to convene an Extraordinary General meeting if 1/3 of the members second the petition in writing. v. Article 8: Notice of General Meeting and supporting documents. vi. Article 9 Subsection 11.1 - 11.5: Board of Directors composition. vii. Article 10: Board Nomination Process viii. Article 11: Disqualification of Directors ix. Article 12: Removal of A Director. x. Article 14: Board Committees xi. Article 16: Appointment of Chief Executive Officer xii. Article 18: Regulation of Expenses and Salaries. xiii. Article 21: Amendments to be flexible. 		
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MIN/EGM.09/2024	<p>REACTIONS TO THE PETITION</p> <p>Comment from the Chairperson UPRS Board:</p> <ol style="list-style-type: none"> 1. He advised that whatever the members discuss they should be mindful of the actual problem of the CMO as already presented and the big problem lies in collections and expansion of collections. 2. The other issue is governance which must support the goal and can only be achieved by compliance. 3. In whatever amendment is suggested, they must have an existing and functional CMO so he advised that they should be mindful of the guidance given by the Regulator. 4. He informed members that Some issues had been solved and some will be solved as we proceed. <p>Comment from Chairperson NCF</p> <ol style="list-style-type: none"> i. Called for goodwill from all interested parties and advocated for the inclusion of members in the real issues of members. 		
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	<ul style="list-style-type: none"> ii. Emphasised the proper Board alignment and encouraged members who understand the gist of their work to be included in the governance. iii. Expenses are also very crucial.. noted that expenses are higher than what is distributed and advocates maintaining a 30% for expenses and also increasing collection for significant distributions. iv. We want to win back members' hope to enable systems. v. UPRS can collect if members are also included and tuned towards the same goal. <p>Comments from President UNMF</p> <ol style="list-style-type: none"> i. Called for members to be concerned about their issues. Thanked members for being patriotic towards CMO concerns. ii. He also emphasized unity if they are to benefit out of their CMO for the longest time. iii. Called for harmony between all interested to parties. iv. Requested that UPRS should align the systems for proper operations. <p>Comments from Vice President UNCC</p> <ol style="list-style-type: none"> i. She thanks all members for being active present and reminded them that UPRS belongs to Members and must be concerned. ii. She encouraged the secretariat that they are only trying to align the CMO and not creating a rift. iii. She also encouraged the Board to include Rights Holders and Technocrats should only complement the Rights Holders. iv. She applauded the coalition and advised that a lot shall be realized if the members always address the same problem together. v. UPRS should reduce its expenses and comment that we can harness opportunities available 		
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	<p>such as free premises at UNCC premises.</p> <ul style="list-style-type: none"> vi. Encouraged to always share however little they have even if it's a muffin currently because then sharing the cake will be easier. <p>Deputy General Secretary from NUCPAAW</p> <ol style="list-style-type: none"> i. Upplauded the Individual behind the idea of amending the Memarts. As a Union whenever the law is streamlined, work becomes easier therefore as part of the decision-makers of what is being submitted, they agree with whatever has been submitted. ii. The appeal is to follow the law as amended to eliminate friction and make the Board tasks easier. iii. He also called upon the Board to serve them because they are the ones who entrust Board with the authority to run the Society. <p>General comments</p> <p>Reactions to the Petition:</p> <ol style="list-style-type: none"> i. Members appreciated the opportunity to streamline the laws. ii. The members appreciated the need to expand collections however, reminded the meeting that the focus is affirming governance and advised that priority be given to it entirely amending the Memarts and other issues will also be addressed later. iii. Need for expatriates on the Board to balance experience and it is imperative to have URSB experts who come in with great skills in Marketing, Legal so Director Juliet Ssesanga suggested that we opt for 7elected members and 4 Independent Directors. iv. The deliberations included numerous associations and federations hence there was a good representation of the industry. 		
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MIN/EGM.010/2024	RESOLUTIONS PASSED ON THE ABOVE PETITION		
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	<p>Article 5 a & b</p> <p>Issues to note in clause A</p> <ol style="list-style-type: none"> a. Membership of a member may, for sufficient reasons and at any time, be terminated by the Board or by such general directions as the Board may from time to time give. b. The Society shall give the member a written notice of three months signed by an officer and this could be resolved by the Extraordinary General Meeting in case of raised concerns. <p>Issues to note in clause B</p> <ol style="list-style-type: none"> ii. A member may by giving 60days' notice in writing to the Secretary, terminate his/her membership at least three years after his election to membership at the end of the month in which he was first elected to membership or at any third anniversary of the date he/she was first elected to membership; <p>Proposed amendment</p> <ol style="list-style-type: none"> iii. Grounds for the termination of membership by the board should be provided including; fraudulent declaration of works that a member does not own and abuse of code of conduct. iv. To provide for the validity of the contracts entered into by the society in which the member's works are part of the repertoire managed by the society to allow for the use of such works to continue until the expiration of such contracts and for the member to continue deriving benefits from economic rights being administered by the society. <p>Reaction/Discussion:</p> <ol style="list-style-type: none"> v. Power to dismiss or termination should remain with the AGM. vi. Purpose of the proposal is to protect the interest of UPRS vii. Works for a dismissed member should be kept until existing contracts expire and the member should continue to get their royalty until search the time of closing or terminating the contracts. viii. Recommended that dismissal grounds be justified and put in place, such as breach of contract and code of contract, and disseminated to members the reasons for dismissal to prevent 		
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	dismissal on ignorance.		
	ix. Members noted the need to define who a member should be in context and requested that they clearly state out clear scorecards.		
	x. Propose where there has been an unfair dismissal, a member can appeal to get justice to ensure quality in governance however it was brought to light that this is at the AGM.		
	Motion: Mr. Sam Gombya proposed to adopt the amendments as presented and Mr. Mugabe Moses seconded.		
	Resolved: <ul style="list-style-type: none"> • Grounds for the termination of membership by the board should be provided including; fraudulent declaration of works that a member does not own and abuse of code of conduct. • Provide Valid contracts entered into by the society on behalf of members and retain them until such contracts expire however, the member should continue deriving benefits from economic rights being administered by the society. 		
	Article 6 D. Issues to note <ul style="list-style-type: none"> • Group membership shall be entitled to one vote. Proposed amendment <ul style="list-style-type: none"> • We propose that the subsection be removed. It is a redundant provision given that group membership is neither defined nor provided for under membership. Reactions <ol style="list-style-type: none"> Agreed that the article be rephrased and made clear to articulate. Having realized that copyright is individual and ownership is broken down into split sheets it is 		
	not necessary to maintain the group membership since it is not defined anywhere.		
	iii. The meeting was guided to qualify who a member is and what a group membership is to eliminate unforeseen miscommunications and gaps.		
	Motion: Online and physical attendance majority agreed to remove.		
	Resolved: <ol style="list-style-type: none"> Remove the Article because it is redundant. 		
	Article 7b Extraordinary General Meeting. The issue to note: Notice for Extraordinary General Meetings requires a 21days notice currently. Proposed Amendment <ol style="list-style-type: none"> Reduce the notice to 14 days to cater for early convening of these meetings especially those arising from members' petitions that don't benefit from subsection (c) and yet urgency might be required. Reactions: <ol style="list-style-type: none"> Proposals recommended as resolutions should be consistent with the other laws of Uganda so that the CMO is not out of order with the Country Laws. Members were advised that this particular article was referenced from Company Act Table A. 		
	Motion Was moved by Mr. Mulinde Rama to adopt the recommendation of reducing the Extraordinary Meeting days from 21 to 14 and seconded by Mr. Mugabe Moses		

	Resolved: With the guidance from URSB reducing the Extraordinary Meeting days from 21 to 14 is acceptable only if it does not antagonize with the National Laws of such events and in case there are no controversial or legal implications involved the days of notice will be reduced to 14.		
	Article 7d. Issues to note <ul style="list-style-type: none"> • A member may, in writing, petition the Board to convene an Extraordinary General Meeting if 1/3 of the members second the petition in writing. Proposed Amendment: <ul style="list-style-type: none"> • To reduce the ratio from 1/3 to 1/10 of the members and secondment should be by signing on the same petition as opposed to individual writing. It is a fair ratio of signatures which may or may not be achieved. It protects both the interests of the petitioner but is also difficult enough to protect the organization. Secondly, requiring written secondments as opposed to signatures denies the opportunity for petitions of this nature to succeed as a lot of artists are not in a position to write Reactions: <ol style="list-style-type: none"> Getting a 1/3 of the members to write in secondment of a petition is unachievable considering the cost and time-consuming element involved. Members are not always comfortable with writing so they request that they just sign on an already prepared petition. URSB guided that this is reserved to cross-check with the law and if there are variations they will be guided accordingly on what position to take with appropriate references. 		
	Motion By Mr. Mulinde Rama that 7d be amended to reduce the number to 1/10 and second by Mr. Sserumaga James. 15 Online the graph showed a majority in agreement with the recommendation.		
	Resolved: Amendmenet to reduce the number to 1/10 and to also second by signing on the drafted petition.		
	8A: Notice of General Meeting Issues to Note <ol style="list-style-type: none"> Every General Meeting and a meeting called for the passing of a Special Resolution shall be called by twenty-one days' notice in writing at the least. shall specify the place, the day, and the time of the meeting. The general nature of that business and the agenda shall be given in the manner hereinafter mentioned or in such other manner, as may be prescribed by the Society in General Meeting. Proposed Amendment: To include the agenda and relevant documents (e.g. previous minutes, audit report) along with the notice. Reactions <ol style="list-style-type: none"> Having documents in ahead of time promotes transparency and enables members to discuss appropriately and enable improvement. We should find a way of handling sensitive information for public consumption. It's the right practice for CMO to publish this information on the official website. 		

	<p>Motion: Mr. Michheal Kalumba moved a motion to adopt the amendment as proposed and Mr. Luyonga Uzzain seconded it.</p> <p>Online 100% voted to Amend as proposed.</p>		
	<p>Resolved:</p> <p>i. That the AGM notice be published 21 days before the actual date including the agenda, venue, and time, and attach the relevant documents at the time of publishing the notice.</p>		
	<p>Article 9. Board of Directors. Issues to note</p> <p>11.1 The Board shall consist of 11 Directors with a mixture of skills in finance, marketing, legal, leadership, communications and planning.</p> <p>11.2 To qualify for being appointed Director, a Member shall have been registered with the Society for a period of not less than 3 (three) consecutive years.</p> <p>11.3 There shall be appointed as Director any person(s) who, not being a Member, has special knowledge, skills and or experience relevant to performing the role and functions of a Director. Any such person(s) appointed under this clause shall be referred to as an Independent Director.</p> <p>11.4 All Directors shall have the following minimum qualifications; (i) Shall have a minimum qualification of a Bachelor's Degree in one of the fields of Business, Finance, and any other related fields of study. (ii) 2 principal passes at A' Level (iii) Credits in English and Mathematics at O' Level (iv) Shall be reputable and high moral standard (v) Not undergone bankruptcy proceedings and not convicted of financial related</p>		

	<p>crime. (vi) Sound mind (vii) Above 18 years of age (viii) Shall possess demonstrated expertise and experience relevant to the functions of the Society and the principal issues that affect the Society.</p> <p>11.5 The term of a Director shall be three (3) years and shall be eligible for re-election for a further term, save that any person who has served as Director for two consecutive terms shall not be eligible for re-election until a further three (3) years have elapsed.</p> <p>proposed amendment:</p> <p>i. To correct the numbering of the sub-sections using alphabetical order to align well with the entire document.</p> <p>ii. To provide for Board qualification being experience and understanding of the music industry; composition of the Board to include: songwriters/composers 3; music publishers 2; producers 2 and performers 2 and two ex-officio members including the CEO and 1 other member with special expertise that the Board will nominate.</p> <p>iii. To remove all restrictive academic qualifications that limit the participation of members in the governance of UPRS and instead emphasize these at the level of the CEO and his/her team To provide for the roles of the Board which are missing in the current document.</p> <p>Reactions</p> <p>i. The board should be effective.</p> <p>ii. We need a board that is inclusive of both acquired skills and indigenous knowledge.</p> <p>iii. We need qualified Directors with expertise and experience to make informed decisions.</p> <p>iv. Quantify the parameters such as an academic measure.</p> <p>v. Board representatives must be quick at articulating or understanding issues deliberated in Boardrooms.</p> <p>vi. Board members must have diverse skills and industry-specific knowledge which is not about</p>		
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	<p>how talented one is but how the industry operates to identify risks and opportunities to the industry.</p> <p>vii. Ensure setting a certain basic minimum to the Board.</p> <p>viii. Directors must have an understanding of Finance and the sector dynamics to help Members project on decisions presented to them.</p> <p>ix. Legal expertise is crucial to at least a basic understanding of the legality of corporate governance and this has to be quantified.</p> <p>x. Leadership and governance normally come from the independent members which also needs a qualification.</p> <p>xi. Governance expertise which has a level of corporate principals and having someone who has experience in commercial areas to be able to deal with corporates at their level of understanding.</p> <p>xii. Invest in qualified Directors for long-term results so please ensure investing in good directors.</p> <p>xiii. We must look at the history of UPRS of Board compositions and let us analyze the nature of operations and their impact then craft a way forward.</p> <p>xiv. We should find a solution to why our CMO is not performing as expected. We should therefore find a value that gives balance and a diversity of skills.</p> <p>xv. They wanted a creator-led Board to allow them to participate in the complex CMO arena.</p> <p>xvi. We should build capacity for Artists to enable them to participate in their business.</p> <p>xvii. Welcome the qualified Directors to bring talent onto the Board.</p> <p>xviii. The amendment is not to eliminate the elites but they want to open the opportunity to allow inclusion and give chance to the members to participate.</p> <p>xix. The reason Members came up with the suggestions was to get tangible results.</p> <p>xx. There was a rationale that was considered for the current Board and situation. The past was equally considered and used as a leading basis for the current situation.</p>		
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	<p>xxi. Remove the hi-cups and allow the participation of members who are ready to take up responsibility.</p> <p>xxii. The term of the Independent board members needs to be reviewed.</p> <p>xxiii. Balance regional representation (If a Chairperson is from one region the Vice should be from another region).</p> <p>xxiv. Emphasis must be put on ability and not only on Academic qualifications.</p> <p>xxv. URSB advises any Board Members to base themselves on Copyright that is highly technical for proper deliberations.</p> <p>UPRS Chairperson's response</p> <p>i. He advised members to have a balanced position as advised by the DIP.</p> <p>ii. He advised that a CMO requires parameters and requests that members observe them.</p> <p>iii. He also acknowledged that being successful does not necessarily require the books But the alternative would be the catalog and many more.</p> <p>iv. He wants members to make principled decisions during the transformation process of UPRS.</p> <p>v. He mentioned that it's important to consider amendments however, they should not divorce the UPRS from the Government.</p> <p>vi. He wanted members to know that for any institution that is regulated, the Regulator has parameters and advises that these are catered for.</p> <p>vii. Noted that the Board is a policy body that makes policies for the secretariat to follow.</p> <p>He therefore proposed:</p> <p>a. On behalf of the Board members that there is a balanced Board and suggests that Members share with the regulator the Board composition of 2:9, 3:8 and also advise a Board which has 50:50 representation and allow the regulator to determine who they bring on</p>		
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	<p>Board and should reflect professional support.</p> <p>b. 3 members out of the elected Members to have a minimum of O-level or equivalent and 2 members to have experience and contribution to the Sector to include an opportunity for a balanced discussion and awareness of where UPRS should go.</p> <p>c. Recommend that URSB have the liberty to select from the Creatives who meet their requirements.</p> <p>d. Minimum academic qualification to be O' level.</p> <p>e. We should also consider the history and have 2 open positions to create opportunities to invite expertise.</p> <p>f. He also proposed Recommends a ratio of 5 Independent Members: 6 Elected representatives.</p> <p>g. There was an exclusive moment of brainstorming of 5 minutes.</p>		
	<p>Motions</p> <p>i. Mr. Sam Gombya moved to amend the qualifications to a minimum of O-level or its equivalent and Mr. Micheal Kalumba seconded the motion.</p> <p>ii. Mr. Mugabe Moses moved to adopt as amended the ratio of 8 Elected Members to 3 Independent Members and Prince Nick Nyombi seconded the motion.</p> <p>iii. Two votes in support of 6 elected Members : 5 Independent Board Members.</p>		
	<p>Resolved</p> <p>i. Composition of the Board to include: 8 directly Elected Members from songwriters/composers 2; music publishers 2; producers 2 and performers 2 and 3 Independent members and the CEO co-</p>		
	<p>opt and will double as the Board Secretary.</p> <p>ii. The 8 elected members will not be vetted or subjected for approval by the Regulator.</p> <p>iii. 3 Members out of 8 will be elected on the merit of their contribution to the industry.</p> <p>iv. O'level or its equivalent is the minimum qualification for the Board Members and a percentage of experience, contribution, and understanding of the music industry.</p>		
	<p>Article 10 b: board nomination process.</p> <p>Issues to Note</p> <p>a. Qualifying persons interested in taking on Director positions in the company shall formally apply in the manner that the company or Board shall determine from time to time.</p> <p>b. The existing Board at the time of the election will be responsible for reviewing all Board member applications to determine completeness of information. They must consider the categories of membership, gender, and geographical areas that require representation. Additionally, they must consider the value that the potential candidates can bring to the Board of Directors, and the membership, based on the applicant's background, involvement, and level of commitment. The Board will at least two weeks before the Annual General Meeting present a slate of nominees to the Registrar of Copyright for vetting and shortlisting for election at the Annual General Meeting.</p> <p>c. For the first two terms following the passing of these Articles, the Independent Directors shall be appointed by the Registrar of Copyright.</p> <p>d. For this same period, the candidates intending or intended to be Member Directors will be nominated by Members and their names as well as credentials will be forwarded to the Registrar of Copyright for vetting and shortlisting for election at the Annual General Meeting.</p> <p>e. The company shall following the Annual General Meeting and voting of Directors submit to the Registrar of Copyright names of the elected Directors for approval.</p> <p>Proposed Amendment:</p>		

	<p>i. To provide for all Directors to be voted into office by the members and to provide for the process of their nomination and election into office conducted by an election committee appointed by the sitting Directors for nomination after which it is disbanded.</p> <p>Reaction:</p> <p>i. Section C was relaxed up and they advised that the subsection be removed. This was in the interest of allowing members to grow.</p> <p>ii. Muyinda Rama proposed to remove section C and Malcom James seconded the same.</p> <p>iii. Mr. Mugabe Moses moved to amend that an election committee is appointed to conduct the appointment exercise of Member Directors and disband the Election committee after the process is completed and Mr. Sserumaga James Seconded.</p>		
	<p>Resolved</p> <p>i. The existing Board shall appoint an electoral committee to handle nominations and AGM will approve the nominees.</p> <p>ii. The Electoral Committee will be disbanded after its purpose at a given time.</p> <p>iii. Article 10 subsection c and d be removed.</p> <p>iv. The company shall following the Annual General Meeting and voting of Directors notify the Registrar of Copyright names of the elected Directors.</p>		
	<p>Article 11: Disqualification of Directors.</p> <p>Issues to note</p> <p>The Office of Director shall be vacated:-</p> <p>a. If the member Director ceases to be a member, or in the case of a Director appointed as a nominee of a Corporation or Firm, if such a Corporation or Firm ceases to be a member;</p> <p>b. If Director becomes bankrupt and is not discharged;</p>		
	<p>c. If the Director becomes prohibited from being a Director in accordance with the laws of Uganda;</p> <p>d. If the Director becomes of unsound mind;</p> <p>e. If the Director, by notice in writing to the Society, resigns his office and f. If the Director, without special leave of absence from the Board, absents him/herself from the meetings, either during a period of six successive calendar months or during a period covered by three consecutive meetings, whichever is the longer.</p> <p>Proposed Amendment:</p> <p>i. To provide for the replacement of a position of Director which has been vacated and for the new Director to serve for the remaining period of the term of office.</p> <p>Reactions:</p> <p>1. Identify who conducts the replacement of the exiting Director and members proposed that it could be the sitting Board.</p> <p>2. It was noted that as much as the sitting Board can be replaced they have to go back to the constituencies.</p> <p>Motion:</p> <p>Mr. Muyinda Rama Proposed and the majority online and Physically seconded that the sitting Board conducts the replacement process but goes back to the constituents with the vacant seats.</p>		
	<p>Resolved:</p> <p>1. The sitting Board to conduct the Director replacement process but appointment should be out of the constituents with the vacant seats.</p>		

	<p>Article 12: Removal of a Director.</p> <p>Issue to note</p> <p>The article allows the removal of a Director by a 2/3 majority if in gross contempt or breach of these articles as expressed in Article 38.</p> <p>Proposed Amendment:</p> <p>Rephrase this article for clarity because the referenced Article 38 is non-existent.</p> <p>Reactions:</p> <ol style="list-style-type: none"> Once the member is off the Board, the sitting Board should go back to the constitution and start the process of replacement. The Regulator advised that some of the Regulations were aligned to the company's Act which was used as a reference and where Article 38 was referred to in the Article of Association. <p>Motion</p> <ol style="list-style-type: none"> Mr. Muyinda Rama moved a motion to rephrase the Article and was seconded by the majority that this article be rephrased. 		
	<p>Resolved</p> <ul style="list-style-type: none"> Rephrase the article for clarity and correct the typo error of Article 38 indicating the appropriate reference as Company Act. 		
	<p>Article 14: Board Committees.</p> <p>Issues to note:</p> <ol style="list-style-type: none"> The following Board Committees must at all times be constituted in addition to any other committees that the board may deem fit from time to time. 		
	<ol style="list-style-type: none"> These are the Technical Committee, Audit & Risk as well as Members' Affairs and International Relations each with a minimum of 3 members and a maximum of 5 Members. The Audit & Risk Committee shall constitute of Independent Directors and it shall have the following core functions among others as the Board may from time to time delegate: (i) Oversee all matters relating to internal and external audits of the Society; (ii) Oversee internal control over financial reporting (iii) Review of filings and earning reporting; (iv) Risk oversight; The Technical & Finance Committee shall have an Independent Director as Chairperson and shall be in charge of the following functions among others as the Board may from time to time delegate: <ol style="list-style-type: none"> Provide financial oversight of the company; ii. assist the Board in fulfilling its oversight responsibilities on specific technical matters which are beyond the scope or expertise of non-technical Board members; iii. periodic consideration of reports on Copyright Management; iv. overseeing periodic benchmarking by Management of the technical policies, systems and monitoring processes of the Corporation versus industry best practices; (v) reviewing and reporting to the Board on the sufficiency of financial, technical and human resources to ensure proper and timely development and advancement of the Corporation's exploration, project and mining operations (having regard to the Corporation's strategy). The Members' Affairs and International Relations Committee shall have the majority of its Members being Member Directors with one being the Chairperson and it shall oversee; (i) Oversight over Member Related Matters (ii) Oversight over matters concerning the International Relations of the Society. e. A Committee may Co-opt any members of the Society not being Board Members but who because of their expertise or experience can assist in the management and operation of the Committee on a short-term basis. The terms of engagement of Co-opting shall be detailed in the Board Manual or Charter. <p>Proposed Amendment:</p>		

	<p>To provide for safeguards that ensure that the Board does not interfere with the roles of the company staff.</p> <p>Reactions:</p> <ol style="list-style-type: none"> The Audit and Risk Committee only included Independent members which Members are not comfortable with. Finance and Technical also entirely included Independent Members Members should know how the Board functions and the proposal the Chairperson provided is that the Committees bring prayers to the full Board and advises that committees be chaired by the independent Directors. The board should remain in governance and the secretariat should do daily operations. The board must function professionally and must be trained to function corporately. The board should adhere to the right corporate governance principles. Curb the number of the Board Sitings and not over step their mandate. <p>Motion</p> <p>Mr. Muhinda moved a motion to adopt a recommendation Article 14 that the Board adheres to the right corporate governance principles and Mr. Izulanda Seconded.</p>		
	<p>Resolved:</p> <ol style="list-style-type: none"> The Board should adhere to the right corporate governance principles and not interfere with the 		

	<p>roles of the company secretariat.</p> <p style="text-align: center;">27</p>		
	<p>Article 16: Appointment of Chief Executive Officer.</p> <p>Issues to note</p> <p>The Board may from time to time appoint any person (whether being a member or not) as Chief Executive Officer, and/or other Officers of the Society for such term and at such remuneration as it may think fit, and (subject to any contract entered into between the Board and each Chief Executive Officer and/or other Officers) may from time to time remove that person from office.</p> <p>Proposed Amendment:</p> <p>To provide for a Secretariat to be headed by the CEO. To expand the roles of the CEO to include being Secretary to the Board as an Ex-officio member of the Board.</p>		
	<p>Resolved:</p> <p>Include the CEO as an Ex-Officio member of the Board.</p>		
	<p>Article 18: Regulation of Expenses and Salaries.</p> <p>Issues to note</p> <p>The Board may regulate the general expenses of the Society and fix the salaries and emoluments of all employees in consultation with the Chief Executive Officer.</p> <p>Proposed Amendment:</p> <p>To make a provision to cap Secretariat expenses to 30% of the gross collections by the Society. Curb Secretariate expenses to 30% of gross collection.</p> <p>Reaction</p>		

	<p>i. Board gives strategic direction that allows the CMO to operate so while putting a cap is commendable it should be realistic to allow continuity of the CMO because the collections are very low apparently.</p> <p>ii. UPRS should function according to the approved budget and if there is an emergency an appeal for a supplementary budget can be brought to the Extraordinary Meeting rather than putting a cap that will make UPRS continuity impossible.</p> <p>iii. Curbing was to challenge the secretariat relying only on collections but rather be motivated to reach every corner of the country and seek out potential partners.</p> <p>Motion:</p> <p>i. Mr. Sam Gombwa moved that the society come up with an annual budget to be approved at the AGM (Majority of the vote) and was seconded by Prince Nick Nyombi.</p> <p>Vote</p> <p>4 voted capping to 30%</p> <p>The majority voted the budget to be approved in the AGM</p>		
	<p>Resolved:</p> <p>The society comes up with an annual budget to be approved at the AGM and a supplementary budget in case of any emergencies shall be approved at an extraordinary meeting.</p>		
	<p>Article 21: Amendments</p> <p>Issues to note</p> <p>Amendments to the Memorandum and Articles of Association may be made only by the General Meeting, save as otherwise provided herein.</p>		

	<p>Proposed Amendment:</p> <p>Amendments to the Memorandum and Articles of Association shall be made only by the General Meeting, save as otherwise provided herein.</p> <p>Reactions:</p> <p>a. Advised that the article is interpreted and simplified which was performed by URSB Counsel</p> <p>b. The Regulator can have an overriding power in case of inconsistency but it's the AGM that is the supreme body to make decisions.</p> <p>Motion:</p> <p>Mr. Sam Gombya moved a motion that instead of using may we use shall and amended shall be conducted by the AGM and seconded by Mugabe Moses.</p>		
	<p>Resolved:</p> <p>1. Replace "May" with "Shall" in the Article to read</p> <p>"Amendments to the Memorandum to Articles of Association shall be made only by the General Meeting, save as otherwise provided herein".</p>		
MIN/EGM.011/2024	<p>Having no A.O.B the meeting came to a Conclusion</p> <p>The Chairperson</p> <p>i. Thanked members for dedicating time for the meeting and being present for the meeting and confirms that minutes shall be presented and we shall also circulate the minutes to members and have the documents registered with URSB following the interest of the members.</p> <p>ii. Resolutions have to be extracted for filing and must be communicated to the regulator for vetting and qualifying them</p>		

	<p>iii. Amendment has to be prepared and registered there after organize elections as advised order.</p> <p>iv. Given the circumstances Chair requested the meeting to approve postponement of the AGM to first address the deliberations reached at in the EGM and 12th July 2024 was proposed as the AGM date. This was seconded by the majority and resolved.</p>		
	<p>Timelines for the minutes</p> <p>7 days</p>		
Adjournment	<p>The Meeting was closed at 7:22 pm with a photo session.</p>		

These minutes are a true extract of the Extraordinary General Meeting Meeting held on the 7th of June 2024, in the UBFC Auditorium at Kololo.

Signature:

Nassuna Morrine Sharon

Minute Secretary

Signature:

Mr. Okello Jimmy

Chairperson

APPENDICES





STRATEGIC PLAN

2024 - 2026



THE UGANDA PERFORMING RIGHT SOCIETY

STRATEGIC PLAN

2024 - 2026

Talking points



- 1 Introduction – Context
- 2 Approach
- 3 Situational analysis
- 4 The Strategy

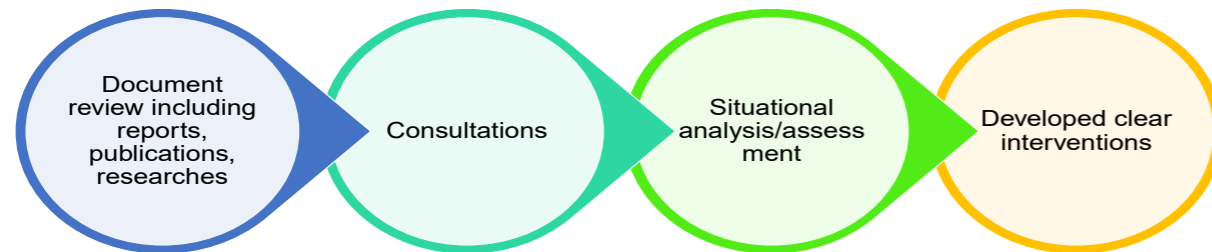
Introduction

- ❖ UPRS is one of the registered collecting societies in Uganda, recognized in Copyright and Neighbouring Rights Act of 2006
- ❖ Mandate is to promote the economic and social interests of its members by defending their copyright and neighbouring rights interests in music.
- ❖ The 2024- 2026 UPRS Strategic Plan provides a a roadmap for the organization's future success.
- ❖ Provides a sense of purpose, clear objectives, and a framework for decision-making.

Where are we? Where are we going? How shall we reach where we are going? How shall we know that we have reached our destination?

Approach

Consultative and participatory approach: UPRS Board, URSB, producers, composers, Federation of the National Cultural Forum, Uganda Reproduction Rights Organisation (URRO), Federation of Gospel Artistes Uganda, Uganda Musicians Association, and Artistes' Union



Situational analysis – SWOT

Strength

- i. Legal Authority: As a recognized performing rights society, UPRS has legal authority to collect and distribute royalties on behalf of its members.
 - ii. Diverse Membership: UPRS has a diverse membership of authors, performers, composers, producers and publishers, which enriches its range and influence.
 - iii. Local Expertise: UPRS has a deep understanding of the local music industry, allowing it to advocate effectively for its members.
 - iv. Global Networks and partnerships: Through affiliations with international organizations, UPRS can tap into global networks for revenue collection and distribution.
 - v. Experienced staff.
 - vi. Support of the Regulator.
 - vii. Committed leadership (board of directors and management).
 - viii. Monopoly powers given by the copyright and Neighboring Act 2006.
 - ix. Some level of automation (membership side).
 - x. Corporate longevity.
 - xi. The only authorized body in Uganda to issue IPI and WID for international recognition of members and their works.
 - xii. Some approved policies to guide the processes
 - xiii. Clear mandate
- Availability of wide catalogue

Situational analysis – SWOT

Weaknesses

- i. Limited Membership (only 4,044 out potential 15,000)
- ii. Limited catalogue of musical works
- iii. Insufficient technological infrastructure, which hinders efficient royalty collection, especially in the digital era.
- iv. Transparency Concerns: Allegations of opacity in royalty distribution or governance issues could undermine trust among members and stakeholders. Inability to pay royalties to members
- v. Resource Constraints: Limited financial resources affect the organization's ability to implement advanced technology and educational programs.
- vi. Internal UPRS structural weaknesses including overlapping mandate of board and management, Mischarge of funds limiting implementation of critical activities, Limited policies
- vii. Limited awareness about UPRS services offered and a weak UPRS brand
- viii. UPRS staffing issues: Inadequate staffing, Poor reward and remuneration of staff
- ix. Lack of physical presence across the country, Manual processes (licensing side), Lack of monitoring Mechanisms.
- x. Collections: Unilateral tariff setting (Unrealistic licensing tariffs, Low collection of royalties. (Non-negotiated, non-consulted, non-participatory), creates hostility, non-compliance, and rejection of the system
- xi. Limited engagement with members and stakeholders leading to suspicion and discontent
- xii. Poor music management, which affects commercialization and revenue sharing

Situational analysis – SWOT

Opportunities

- ❖ Government will and support.
- ❖ Political will and support.
- ❖ Expanding Music market: The expansion of music market e.g. digital
- ❖ Collaboration: Collaborations with other collecting societies and international organizations can expand revenue sources and global reach.
- ❖ Policy Advocacy: Advocating for favourable copyright policies can strengthen UPRS's position and benefits for its members.
- ❖ Willingness from development partners to collaborate with the UPRS.
- ❖ Legal reforms.
- ❖ Untapped membership potential
- ❖ Technological advancement
- ❖ Availability of works, content and creativity
- ❖ Growing awareness about the copyright

Situational analysis – SWOT

Threats

- ❖ Poor attitude (mindset) of society towards CMO business
- ❖ Limited levels of education of members
- ❖ Limited knowledge of members
- ❖ Changing Consumer Behaviour: Shifts in consumer preferences and the decline of traditional revenue sources (e.g., physical sales) affect royalty generation.
- ❖ Unwillingness to comply by users.



The Strategy



Strategic direction

Vision
A Uganda where creators are empowered and musical work is valued, protected, and fairly rewarded

Mission
❖ To protect, promote, and monetize the economic rights and interests of our members

Strategic Objectives

- ❖ Increase royalty collections Simplify processes to ease registration
- ❖ Promote timely and equitable distribution of royalty
- ❖ Increase levels of awareness about UPRS services
- ❖ Increase membership
- ❖ Enhance staff capacity to execute UPRS mandate
- ❖ Improve processes

Core Values

- ❖ Professionalism, Integrity, Teamwork, Excellence, Transparency, Accountability,

Theme
To make music pay

10

The Strategy- Interventions

Objective: Increase levels of awareness about UPRS services

- ❖ Educational Workshops and Seminars.
- ❖ Artist Outreach Programs
- ❖ Online Awareness Campaigns
- ❖ Run advertising campaigns in traditional media
- ❖ Member Referral Program
- ❖ Artist Testimonials
- ❖ Community Engagement
- ❖ Community Engagement
- ❖ Educational Materials
- ❖ Networking Events
- ❖ Partnerships



The Strategy- Overarching objective

Enhance the protection of the rights and interests of performing artists in Uganda through fair compensation and recognition for their creative works.

The Strategy- Interventions

Objective: Increase royalty collections

- ❖ Diversified Revenue Streams. Explore opportunities to diversify revenue streams by securing licensing agreements for various uses of copyrighted content, such as public performances, broadcasts, ringtones, and background music in businesses.
- ❖ Legal Enforcement
- ❖ Local and Regional Outreach
- ❖ Royalty Collection from Public Events
- ❖ Market Analysis to enable UPRS to adapt its strategies accordingly.
- ❖ Global Partnerships. Explore partnerships with international copyright organizations to facilitate the collection of royalties for Ugandan artists and creators whose works are used outside the country.

The Strategy- Interventions

Objective: Promote timely and equitable distribution of royalty

- ❖ Establish clear and transparent criteria for royalty distribution.
- ❖ Implement a regular and predictable distribution schedule, so members can anticipate when they will receive their royalties.
- ❖ Invest in technology and data management systems to accurately track the usage of copyrighted works, ensuring that the data used for distribution is precise.
- ❖ Conduct workshops and training sessions to educate members about the distribution process
- ❖ Develop an online portal where members can access their royalty statements, track earnings, and review usage reports.
- ❖ Regularly audit users and licensees to verify compliance with licensing agreements and the accurate reporting of usage
- ❖ Establish effective mechanisms for addressing disputes related to royalty distribution, allowing members to raise concerns and seek resolution.
- ❖ Maintain open and transparent communication with members regarding the distribution process, timelines, and any changes or updates to the process.
- ❖ Establish rigorous quality control processes to ensure that the distribution process complies with legal and regulatory requirements and maintains accuracy.

The Strategy- Interventions

Objective: Increase membership

- ❖ Develop an easy-to-use online registration portal Legal Enforcement
- ❖ Membership Drives
- ❖ Incentives for New Members
- ❖ Artist Liaisons
- ❖ Referral Program
- ❖ Create programs and initiatives aimed at engaging young and emerging artists
- ❖ Artist Recognition
- ❖ Local and Regional Engagement



The Strategy- Interventions

Objective: Enhance staff capacity to execute UPRS mandate

- ❖ Training and Professional Development.
- ❖ Member Services Training
- ❖ Staff motivation interventions
- ❖ Provision of tools of trade



The Strategy- Interventions

Objective: Improve processes

- ❖ Utilize technology and data management systems to track and report on usage accurately
- ❖ Invest in technology and data management systems
- ❖ Implement a regular and predictable distribution schedule to ensure that royalties are distributed to members promptly and on time.
- ❖ Establish clear and transparent criteria for royalty distribution to ensure that the process is based on objective standards that all members can understand.

Key Performance Indicators

- ❖ Royalty Growth Rate
- ❖ Membership Growth
- ❖ Compliance Rate: Measure the percentage of licensed entities that report usage and pay royalties on time, indicating the level of adherence to licensing agreements.
- ❖ Membership Satisfaction
- ❖ Level of public awareness and understanding of UPRS
- ❖ Time taken to resolve disputes related to royalty collection and distribution
- ❖ Market Share: Assess UPRS's market share by comparing its royalty collections to the total market potential for royalty revenue in Uganda.

Alternative financing

- ❖ Grants and Funding Opportunities: Apply for grants and funding opportunities from international organizations, NGOs, and cultural foundations that support copyright protection and creative industries.
- ❖ Sales of Educational Materials: UPRS can create and sell educational materials, books, and resources related to copyright and intellectual property to generate revenue.
- ❖ Investment Income: Invest any surplus funds in income-generating investments, such as certificates of deposit, bonds, or other financial instruments.
- ❖ Strategic Partnerships: Partner with businesses and organizations in the music and creative industries to create revenue-sharing agreements that benefit both UPRS and its partners.
- ❖ Crowdfunding: Launch crowdfunding campaigns to raise funds for specific projects, awareness campaigns, or initiatives.



PROPOSED BUDGET 2024 (FUNDED)

CASHFLOW BUDGET

PROJECTION	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Total
CASH BROUGHT FORWARD	217,000,000	24,194,000	211,233,000	323,097,000	84,785,000	23,894,400	1,051,602,020	839,496,654	604,578,351	385,190,819	174,967,132	44,121,322	
LICENSING COLLECTION	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	150,000,000.00	1,800,000,000
Commission (5% of Gross)	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	7,500,000	90,000,000
UPRS NET LICENSING COLLECTIONS	142,500,000	142,500,000	142,500,000	142,500,000	142,500,000	142,500,000	142,500,000	142,500,000	142,500,000	142,500,000	142,500,000	142,500,000	1,710,000,000
ONLINE REVENUE				50,000,000				50,000,000				50,000,000	150,000,000
LICENSING SUB TOTAL	142,500,000	142,500,000	142,500,000	192,500,000	142,500,000	142,500,000	142,500,000	192,500,000	142,500,000	142,500,000	142,500,000	192,500,000	1,860,000,000
OTHER SOURCES OF INCOME													
INTEREST INCOME	6,000,000	6,600,000	7,260,000	7,986,000	8,794,600	9,663,060	10,629,366	11,692,303	12,861,533	14,147,686	15,562,455	17,118,700	128,305,703
GRANT				300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	300,000,000	2,700,000,000
TOTAL REVENUE	148,500,000	149,100,000	149,760,000	500,486,000	451,284,600	452,163,060	453,129,366	504,192,303	455,361,533	456,647,686	458,062,455	509,618,700	4,688,305,703
RIGHTS OWNERS ROYALTIES (50%)	71,250,000	71,250,000	71,250,000	96,250,000	71,250,000	71,250,000	71,250,000	96,250,000	71,250,000	71,250,000	71,250,000	96,250,000	930,000,000
UPRS GROSS OPERATIONAL FUNDS	77,250,000	77,850,000	78,510,000	404,236,000	380,034,600	380,913,060	381,879,366	407,942,303	384,111,533	385,397,686	386,812,455	413,368,700	3,758,305,703

Asset Acquisition													
Furniture and Fixtures	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	60,000,000
Car													200,000,000
Monitoring system (Estimated Amount)													1,000,000,000
Total Priority Items	-	-	-	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	1,260,000,000
Arrears													
International Obligations (CISAC & SUISA)													200,000,000
Total Arrears	-	-	-	-	-	-	-	-	-	-	-	-	200,000,000
Licensing Department													

Field Activities	6,875,000.00	6,875,000.00	6,875,000.00	6,875,000.00	6,875,000.00	6,875,000.00	6,875,000.00	6,875,000.00	6,875,000.00	6,875,000.00	6,875,000.00	6,875,000.00	82,500,000
User Follow ups	491,666.67	491,666.67	491,666.67	491,666.67	491,666.67	491,666.67	491,666.67	491,666.67	491,666.67	491,666.67	491,666.67	491,666.67	5,900,000
Marketing	6,700,000.00	6,700,000.00	6,700,000.00	6,700,000.00	6,700,000.00	6,700,000.00	6,700,000.00	6,700,000.00	6,700,000.00	6,700,000.00	6,700,000.00	6,700,000.00	80,400,000
Staff Training	583,333.33	583,333.33	583,333.33	583,333.33	583,333.33	583,333.33	583,333.33	583,333.33	583,333.33	583,333.33	583,333.33	583,333.33	7,000,000
Branding and Stationary	691,666.67	691,666.67	691,666.67	691,666.67	691,666.67	691,666.67	691,666.67	691,666.67	691,666.67	691,666.67	691,666.67	691,666.67	8,300,000
Transportation	3,208,333.33	3,208,333.33	3,208,333.33	3,208,333.33	3,208,333.33	3,208,333.33	3,208,333.33	3,208,333.33	3,208,333.33	3,208,333.33	3,208,333.33	3,208,333.33	38,500,000
Stakeholders' meetings	1,233,333.33	1,233,333.33	1,233,333.33	1,233,333.33	1,233,333.33	1,233,333.33	1,233,333.33	1,233,333.33	1,233,333.33	1,233,333.33	1,233,333.33	1,233,333.33	14,800,000
UPCountry Licensing	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	60,000,000
User Sensitisation	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	180,000,000
Enforcement Exercise	1,333,333.33	1,333,333.33	1,333,333.33	1,333,333.33	1,333,333.33	1,333,333.33	1,333,333.33	1,333,333.33	1,333,333.33	1,333,333.33	1,333,333.33	1,333,333.33	16,000,000
Total Licensing Costs	41,116,667	41,116,667	41,116,667	41,116,667	41,116,667	41,116,667	41,116,667	41,116,667	41,116,667	41,116,667	41,116,667	41,116,667	493,400,000
Board Expenses	5,458,000	5,458,000	5,458,000	5,458,000	5,458,000	5,458,000	5,458,000	5,458,000	5,458,000	5,458,000	5,458,000	5,458,000	65,496,000
Administration Costs													
Audit fees													10,000,000
Generator Expenses	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	9,600,000
Motorcycle Expenses	426,667	426,667	426,667	426,667	426,667	426,667	426,667	426,667	426,667	426,667	426,667	426,667	5,120,000
Motorvehicle Expenses	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	1,020,000	12,240,000
Travel & Accomodation	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	5,500,000	38,500,000
Computer consumables	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	60,000,000
Casual Labour	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
Equipment Insurance													5,500,000
Electricity Expense- YAKA	230,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,980,000
Equipment Hire													1,000,000
Furniture repair and maintenance	250,000			250,000									1,000,000
Office Repair and Maintenance	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
Legal Fees	7,000,000			7,000,000									42,000,000
Meals for Stakeholders	416,667	416,667	416,667	416,667	416,667	416,667	416,667	416,667	416,667	416,667	416,667	416,667	5,000,000
Medical Insurance	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	925,000	11,100,000
Newspaper	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	128,000	1,536,000
Office Cleaning (inclusive of cleaning material)	1,503,417	1,503,417	1,503,417	1,503,417	1,503,417	1,503,417	1,503,417	1,503,417	1,503,417	1,503,417	1,503,417	1,503,417	18,041,000
Office Equipment Repair and Maintenance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	12,000,000


WORKPLAN 2024

WORK PLAN FOR UPRS FINANCIAL YEAR 2024																	
Phase/Key Activities		JAN				FEB				MAR				APR			
		Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4
Activity	Responsibility	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Project 1: Tariff Review																	
Negotiations with stakeholders	Stakeholder, Regulator, UPR																
Proposal writing																	
Final Draft																	
Implementation																	
Project 2: Clients Engagement Campaign																	
Region to Region campaign	UPRS																
Evaluation																	
Project 3: Stake holders engagements																	
Associations and Forums meetings	Membership Committee																
Project 4: UPRS Licensing Activities																	
Assessments	Licensing Department																
Demand Notes																	
Cautions																	
Compliance activities																	
Data collection by ODK																	
Enforcement	Compliance Dept																
Internal Audits																	
External Audit																	
Project 5: Revenue Collection Initiatives																	
Country-wide field rolling out	Regional Agents																
Monitoring and Evaluation	UPRS Management																
Recognition of Complying Users	UPRS Compliance, licensing, Finance and CEO																
Grants	UPRS Management																
Sensitization	UPRS Management/PR consultant/Partnerships																
Project 6: Digital Licensing / Collections																	
Development phase	Partner in Digital Licensing																
Implementation	Partner in Digital Licensing																
Monitoring and Evaluation	ICT, NITA-U																
Project 7: Documentation and Membership																	
Sensitization	Documentation Dept																
Recruitment of members	Documentation																
CAPASSO	Documentation & ICT																
Task 8: Board																	
Full Board																	
Full Board																	
Full Board																	
Full Board																	
Task 9: AGM																	
UPRS Board, Management UPRS & Stakeholders																	

WORK PLAN FOR UPRS FINANCIAL YEAR 2024																																	
Phase/Key Activities		MAY				JUN				JUL				AUG				SEP				OCT				NOV				DEC			
		Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4	Week 1	Week 2	Week 3	Week 4				
Activity	Responsibility	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4				
Project 1: Tariff Review																																	
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UPRS Board, Management UPRS & Stakeholders																																	

FINANCIAL REPORTS

2019 - 2024

 <p>Uganda Performing Right Society (UPRS) Ltd (A Company Limited by Guarantee and not having a Share Capital)</p>	<p>Annual Report and Audited Financial Statements for the year ended 31 December 2019</p>	<p>Auditors: ©MDJ AND PARTNERS Certified Public Accountants P.O. Box 271, Entebbe (U) Issued: April, 2024</p>
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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

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ACRONYMS

A/C	Account
AGM	Annual General Meeting
B/F	Balance Brought Forward
BOD	Board of Directors
C/F	Balance Carried Forward
CAPASSO	Composers, Authors and Publishers Association
CEO	Chief Executive Officer
CISAC	Confederation of Societies of Authors and Composers
CPA	Certified Public Accountant
FY	Financial Year
IAS	International Accounting Standards
IESBA	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IFPI	International Federation of Phonographic Industry
IFRSs	International Financial Reporting Standards
IRP	Intellectual Rights Property
ISA	International Standards on Auditing
LST	Local Service Tax
LTD	Limited
NSSF	National Social Security Fund
PA	Performing Artists
PAYE	Pay as You Earn
SUISA	The Swiss Cooperative Society for Music Authors and Publishers
TB	Treasury Bills
UGX	Uganda Shillings
UPRS	Uganda Performing Right Society Ltd
URSB	Uganda Registration Services Bureau
USD	United States Dollar
VAT	Value Added Tax
WHT	Withholding Tax
WIPO	World Intellectual Property Organisation

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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SOCIETY'S EXECUTIVE INFORMATION:

REGISTERED OFFICES AND PLACE OF ABODE:

Previous Address:
Plot 99, Kira Road
P.O. Box 148,
Kampala, Uganda.
Tel. +256-771 952 357 | 0751-067197
E-mail: info@uprs.go.ug
Website: www.uprs.go.ug

Current Address:
Plot 2240, Diplomat Zone, Kansanga-Ggaba Road
P.O. Box 102466
Kampala, Uganda.
Tel. +256-771 952 357 | 0751-067197
E-mail: info@uprs.go.ug
Website: www.uprs.go.ug

BANKERS:

Tropical Bank Ltd
Kampala Main Branch
A/C 2000074357

AUDITORS:

MDJ and Partners
Certified Public Accountants
P.O. Box 271,
Entebbe, Uganda.

LAWYERS (CARE-TAKING ENTITY):

Ligomaac Advocates
Plot 4 Jinja Road
5th Floor, Social Security House
P.O. Box 8230,
Kampala (U)

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REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DEC. 2019

The Board of Directors is pleased to submit their report together with the Audited financial statements, which disclose the state of financial affairs of Uganda Performing Right Society Ltd, for the year ended 31 December 2019.

1.0. ESTABLISHMENT AND LEGAL STATUS:

1.1. Brief Background.

Uganda Performing Right Society Ltd is a society that was formed in 1985 by authors (mainly musicians) to advance the cause of copyright administration in Uganda. It is registered with the Registrar of Companies as a Company Limited by guarantee having no share Capital, in other words, it belongs to all of its members. UPRS is recognized by the Government as a Collecting Society, and it is a Member of the Confederation of International Societies of Authors and Composers (CISAC).

1.2. Vision.

A Country free from piracy and infringement of copyright works

1.3. Mission.

To promote copyright and promote the value of music

1.4. Goal of the Society.

To fight infringement and piracy of music, pakalast

1.5. Objectives of the Society.

Uganda Performing Right Society Ltd's Vision and Mission are driven by the following objectives:

- o To promote the economic and social well-being of members.
- o To promote and encourage creativity in artistic, literary, and scientific works in Uganda.
- o To make reciprocal representation agreements with foreign societies.
- o To foster understanding between members and users of their works.
- o To provide members and any other interested persons with information relating to and neighbouring rights.

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REPORT OF THE BOARD OF DIRECTORS - CONTINUED

2.0. PRINCIPAL ACTIVITIES AND OPERATION MODE:

Uganda Performing Right Society Ltd principal activities are administering copyright and neighbouring rights on behalf of its members, and other members of other societies through reciprocal representative agreements, and its membership is open to all performing artists across the entire country. However, majority of the members are served online via platforms set up by the management of the Society from time to time.

3.0. CORPORATE GOVERNANCE:

Uganda Performing Right Society Ltd is committed to the principles of good corporate governance and recognizes the need to provide services in accordance with generally accepted best practices and the existing regulatory framework. In so doing, the Board therefore confirms that:

- a) They met as and when it was necessary during the year under review;
- b) They retained full and effective control over the Society throughout the year;
- c) The Board continued to exercise responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance; and
- d) The Board members continued to bring skills and experience from their own spheres of operation to complement the professional experience and skills of the management team.

Further, the Board continued to carry out its role of formulating policies and strategies for the Society, reviewing the work plans, ensuring that the accounting system is maintained in accordance with acceptable standards, the books of Account for the Society are kept properly, and that accounts are checked by authorised auditors, as well as recruitment and development of key personnel.

4.0. SOCIETY'S GOVERNANCE AND MANAGEMENT:

The Society's governance structure comprises of the Annual General Meeting (AGM), the Board of Directors and management.

4.1. The Annual General Meeting (AGM)

The AGM is the supreme organ of UPRS. It is constituted by all registered active members of the Society. During the year, the membership of the Society increased by **92 members**, thus from **2,879** members reported as at 31 December 2018 to **2,971** members reported by end of the year 2019.

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REPORT OF THE BOARD OF DIRECTORS - CONTINUED

4.2. Board of Directors.

The Board that partly steered the operations of the Society during the reporting period comprised of the following members:

Name	Position	Period of Service
Mr. Travis Kazibwe	Chairperson	January – June 2019
Ms. Joanta Kawalya	Vice Chairperson	January – June 2019
Mr. Robert Kalinda	Second Vice Chairperson	January – June 2019
Mr. Shiohole Shaay	General Secretary	January – June 2019
Ms. Chance Nalubega	Woman Representative	January – June 2019
Ms. Irene Lalam	Asst. Woman Representative	January – June 2019
Mr. Samuel Kato	Member in charge of Western	January – June 2019
Mr. Emmanuel Denis Omagor	Member in charge of Eastern	January – June 2019
Ms. Oliver Lanyero	Member in charge of Northern	January – June 2019
Mr. Benz Branic Kailbowami	Member in charge of Central	January – June 2019
Mr. Ueggu Micheal	Member in charge of producers	January – June 2019
Mr. Dennis Odora	Member in charge of producers	January – June 2019
Mr. Brian Kabilito	Member in charge of producers	January – June 2019

4.3. Changes in Governance of the Society.

At the expiry of the term of office for the previous Board, there was a leadership vacuum created at Board level and this in turn created some governance challenges. In response thereof, the Regulator (URSB) appointed a care-taking Board led by Counsel Kabilito Karamagi, a practicing Advocate with Ligomarc Advocates. The care-taking Board took over the office effective July 2019 and was mandated to run the affairs of the Society until a substantive Board is constituted at the next AGM.

4.4. Management and administration.

During the reporting period, the Company was run by a management and administration team comprising of the Executive, middle level and lower-level management staff. The senior management team of the Society comprised of the following key members:

Name	Designation	Period of service
Mr. Wasula James	CEO	January – June 2019
Ms. Nansubuga Deborah	Ag. Accountant	January – December 2019
Mr. Matovu Dick	Compliance Officer	January – June 2019
Ms. Nantume Lilian	Licensing Manager	January – December 2019

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REPORT OF THE BOARD OF DIRECTORS - CONTINUED

4.5. Benefits to members.

Uganda Performing Right Society Ltd pays out benefits to its members in form of Royalties based on the performance for a given reporting period. The amount to be paid is proposed by the Board and approved at the AGM. For the financial year ended 31 December 2019, UGX 36,285,537= was declared as Royalties and paid out to members.

4.6. Remuneration of Board members.

Serving on the Board of UPRS is a voluntary service based on the authority entrusted with the individual Board members by the AGM and the Regulator. Therefore, the entity does not remunerate its Board members on a monthly basis. The Board members are only facilitated when conducting official business of the Society in accordance with its governance policies and procedures.

5.0. RISK MANAGEMENT:

Whereas currently there is no internal audit function at management level, the responsibility for managing the internal audit and risk management affairs of UPRS is vested in the audit and risk management committee of the Board. This committee works hand in hand with the management and staff to ensure that there are robust internal controls and that the risk profiles of UPRS are maintained within the acceptable levels.

The Board accepts full responsibility for the risk management and internal control system of UPRS. Management ensures that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- Safeguarding of the Society's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Society's risk management system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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REPORT OF THE BOARD OF DIRECTORS – CONTINUED

6.0. SOLVENCY AND GOING CONCERN:

UPRS confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board has a reasonable expectation that the Society has adequate resources to continue in operation for the foreseeable future.

7.0. DEVELOPMENT PARTNERS AND SUPPORT RECEIVED:

The Board on behalf of UPRS would like to acknowledge and appreciate in a special way for the continuous collaboration and support received from the following key development partners we worked with during the year: CISAC, WIPO, SUISA, IFPI and CAPASSO.

8.0. FINANCIAL RESULTS FOR THE YEAR:

The financial performance of UPRS for the year ended 31 December 2019 is as stated in the Statement of Comprehensive Income presented on page 16. Below is the summarised financial performance for the year as compared with the previous year:

	31-Dec-19 UGX	31-Dec-18 (Re-stated) UGX
Surplus Before Tax	218,553,325	71,955,001
Income Tax expense	(61,592,225)	(16,760,117)
Surplus for the year	156,961,100	55,194,883

9.0. ACCOUNTABILITY AND FINANCIAL REPORTING:

Our Society contracts with qualified auditors to perform yearly audits to ensure complete disclosure, transparency, and compliance with the relevant Ugandan laws and regulations. The Regulator (URSB) appointed MDJ and Partners-Certified Public Accountants as our new External Auditors in accordance with Section 69(2) of the Copyright and Neighbouring Rights Act 2006 and the provisions of the Ugandan Companies Act 2012 as amended. They have expressed interest to remain in office as auditors of the Society for the next reporting period subject to approval by the AGM and clearance by the Regulator.

10.0. APPROVAL OF THE FINANCIAL STATEMENTS:

The Financial Statements were received, discussed and approved by the Board of Directors at their meeting held at Kampala on the 22nd day of April, 2024.

By order of the Board:

.....
CHAIRMAN, UPRS BOARD



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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

Section 69(1) of the Copyright and Neighbouring Rights Act 2006 of the Laws of Uganda together with the Companies Act 2012, under which UPRS is registered and regulated requires the Board of Directors to prepare the financial statements of the Society for each financial period and cause those Accounts to be audited at least once in every year by an auditor appointed by the AGM and or the Regulator and approved by the Registrar. The financial statements should give a true and fair view of the state of affairs of the Society as at the end of the financial period and of the operating results for that period.

Further, the Act and regulations thereunder also requires the Board to ensure that the Society maintains proper accounting records, which disclose with reasonable accuracy its financial position. The Board is also responsible for safeguarding the Society's assets and to take reasonable steps for prevention and detection of fraud and other irregularities.

The Board asserts that save for the issues identified as Key Audit Matters in the Auditor's report presented hereinafter, the financial Statements as audited by MDJ and Partners-Certified Public Accountants (our independent External auditors) give a true and fair view of the state of financial affairs of Uganda Performing Right Society Ltd as at 31 December 2019. The Auditors have issued unqualified Audit opinion over the financial statements for the year.

A review of the going concern status of Uganda Performing Right Society Ltd indicates that the Society is likely to remain in operation for at least the next twelve months from the date of this statement.

This statement is made in accordance with the resolution of the Board at their meeting held at Kampala on the 22nd day of April, 2024 and is signed for and on behalf of Uganda Performing Right Society Ltd by:

.....
CHAIRMAN
.....
CHAIRMAN
.....
AUDIT & RISK COMMITTEE UPRS
.....
CHIEF EXECUTIVE OFFICER

.....
CHAIRMAN
.....
CHIEF EXECUTIVE OFFICER



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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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The Members
 Uganda Performing Right Society (UPRS) Ltd
 Plot 2240, Diplomat Zone,
 Kansanga Ggaba Rd
 P.O. Box 102466,
 Kampala, Uganda.

RE: THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF UGANDA PERFORMING RIGHT SOCIETY LTD FOR THE YEAR ENDED 31 DECEMBER, 2019

Auditor's Opinion:

We have audited the accompanying financial statements of Uganda Performing Right Society Ltd, as set out on page 16 to 38 hereinafter. These financial statements comprise of: the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies for the year ended 31 December, 2019.

In our opinion, the accompanying financial statements present in all other material respects, a true and fair view of the financial position of Uganda Performing Right Society Ltd as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs), the Copyright and Neighbouring Rights Act 2006 and the Companies Act 2012 as amended.

Emphasis of Matter:

Without qualifying our opinion, we draw your attention to the fact that the Society's Comparative Financial statements had material misstatements that caused a limitation in our audit scope which formed the basis to re-state them after agreeing with management on the respective misstated account balances that needed to be corrected. In addition, lack of a substantively constituted Board of Directors for half period of the financial year under review caused some threats to the Society's going concern status and to some extent affected normal flow of its business operations though subsequently, a care-taker was appointed by the Regulator to oversee the affairs of the Society as explained under the paragraph for Key Audit Matters hereinafter.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, 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.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Key Audit Matters:

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of provide a separate opinion on these matters.

The following are the key audit matters that have been identified for the year:

Key Audit Matter identified	How our Audit addressed the KAM
<p>1.0. Re-statement of comparative financial results for previous year (2018):</p> <p>UPRS adopted and uses the International Financial Reporting Standards (IFRSs) to report on its financial affairs. As a result, some of the items that had been disclosed in the previous year financial statements did not meet the requirements of the IFRSs and have been re-instated to correct the financial performance and financial position of the entity for year ended 31 December, 2018.</p> <p>Further, the Entity did not also comply fully with some of the statutory obligations as required under the provisions of the Companies Act, the Income Tax Act, the VAT Act and the NSSF Act in respect to accounting for statutory deductions and filling of statutory returns for year ended 31 December, 2018. We noted that statutory obligations due and payable had not been appropriately disclosed and provided for in the entity's records for the past years of operation as evidenced in the copies of the previous audited financial statements that were availed to us during the audit.</p>	<p>The adoption and application of the IFRSs and the need to ensure full compliance with the provisions of various laws and regulations applicable to UPRS as amended resulted into the need to re-state the comparative financial statements for the financial year ended 31 December, 2018 as a basis to derive accurate opening balances that have a carry forward effect on the financial statements for the year 2019.</p> <p>Our procedures in relation to this matter involved performing substantive tests to review and confirm the correct account balances that would have comprised each item of the comparative financial statements and considering the materiality of the omissions made then, we agreed with the Board and management to have the financial statements of the previous financial year (2018) re-stated to the correct position. The adjustments made have been disclosed under the respective Notes to the comparative financial statements and the proposed audit adjustments and recommendations appropriately made to management where applicable. Having agreed with management on the appropriate audit adjustments, we have no further disclosures or reservations to make about this particular matter.</p>

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Key Audit Matters –continued

Key Audit Matter identified	How our Audit addressed the KAM
<p>2.0. Going Concern status</p> <p>A review of the Entity's going concern status during the year 2019 revealed some significant threats undermining the stability and functionality of UPRS but mainly caused by those charged with its governance and management.</p>	<p>Our procedures in relation to this matter involved performing substantive tests to review and confirm the actual threats to the going concern status of the entity and how these were resolved to guarantee the continuity of UPRS. We confirmed that:</p> <ol style="list-style-type: none"> 1) The Regulator invoked his powers under the respective laws and regulations, dissolved the old Board whose term of office had expired and appointed a Care-taking Board to oversee the operations of the entity effective the month of July 2019 until such a time when the new Board was to be reconstituted by the AGM. 2) As a result of the Care-taking Board being in place and adequately supervising the management team with some actions taken to re-organize the human resource, UPRS continued with its business operations and was able to realize adequate funds by end of the year under review that enabled it to finance its obligations as and when they fell due. <p>We have no further disclosures or reservations to make about this particular matter.</p>

Besides, the above matters, we have no other significant key audit matters that were identified for the year that would qualify for disclosure in this audit report. The above key audit matters do not modify our audit opinion as stated earlier in the opinion paragraph.

Other information:

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information 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 other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this information, we are required to report that fact.

We have nothing to report in this regard.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
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THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Responsibilities of the Board of Directors and those charged with Governance for the Financial Statements:

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal controls 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 preparation of the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

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 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 basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment 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 opinion. The risk not detecting a material misstatement resulting from fraud is higher than or one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements -continued

- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Compliance with Other Regulatory Requirements:

As required by the Ugandan Companies Act 2012 together with the Copyright and Neighbouring Rights Act 2006 and the regulations made thereunder as amended to date, we report to you based on our audit that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account have been kept by the Society so far as appears from our examination of those books; and

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Report on Compliance with Other Regulatory Requirements:

3. The Society's statement of financial position and statement of comprehensive income are in agreement with the books of account kept for the year under review.
4. The Society's business was run within the minimum acceptable standards for the year under review.

The Lead Engagement Practitioner on this audit resulting in the independent auditors' report is CPA Mwase Daniel Balibonaki (P0139), whose signature and seal are hereby appended and /or fixed on this 22nd day of April, 2024.

MDS & Partners

MDJ AND PARTNERS
Certified Public Accountants
P.O. Box 271,
Entebbe, Uganda



Mwase Daniel Balibonaki

CPA Mwase Daniel Balibonaki (P0139)
Lead Engagement Practitioner
P.O. Box 271,
Entebbe, Uganda

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	31-Dec-19 UGX	31-Dec-18 (Re-stated) UGX
REVENUE:		
Local Revenue	669,120,261	545,976,635
Other Income	56,530,317	29,141,071
Total Revenue	725,650,578	575,117,706
EXPENDITURE:		
Business Development & Promotion expenses	106,712,784	56,009,441
Employee expenses	252,905,742	298,259,932
Governance expenses	25,670,000	30,761,569
Administration expenses	121,808,727	118,131,763
Total Expenditure	507,097,253	503,162,705
SURPLUS BEFORE TAX	218,553,325	71,955,001
Corporation tax expense	(61,592,225)	(16,760,117)
SURPLUS FOR THE YEAR	156,961,100	55,194,883

The Statement of Comprehensive Income is to be read in conjunction with the notes forming part of the financial statements set out on pages 20 to 38 and the Report of the independent auditors presented on page 10-15.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Notes	31-Dec-19 UGX	31-Dec-18 (Re-stated) UGX
ASSETS:			
Non-Current Assets:			
Property and Equipment	12	27,461,229	30,313,884
Total Non-Current Assets		27,461,229	30,313,884
Current Assets:			
Receivables and prepayments	13	14,753,901	2,794,149
Cash and Bank Balances	14	225,861,715	45,003,732
Total Current Assets		240,615,616	47,797,881
TOTAL ASSETS		268,076,845	78,111,765
FUNDS AND LIABILITIES:			
FUNDS:			
Retained Surplus Account	15	140,253,795	19,578,232
Total Accumulated Funds		140,253,795	19,578,232
LIABILITIES:			
Payables and Accruals	16	39,180,384	25,436,065
Income Tax Provisions	17	88,642,666	33,097,468
Total Liabilities		127,823,050	58,533,533
TOTAL FUNDS AND LIABILITIES		268,076,845	78,111,765

The Statement of Financial Position is to be read in conjunction with the notes forming part of the financial statements set out on pages 20 to 38 and the Report of the independent auditors presented on page 10-15.

Approval of the Financial Statements:

The Financial Statements laid out on page 16 to 38 were received, discussed and approved by the Board at their meeting held at Kampala on the 22nd day of April, 2024 and were signed for and on behalf of UPRS by:

Mrs. Sanyal

CHAIRMAN
UPRS BOARD

Mwase Daniel Balibonaki

CHAIRMAN
AUDIT & RISK COMMITTEE

Mwase Daniel Balibonaki

CHIEF EXECUTIVE OFFICER
UPRSARDA PERFORMING RIGHT SOCIETY



UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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For the year ended 31 December 2019

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31-Dec-19	31-Dec-18
		UGX	(Re-stated Results) UGX
Cash flows from Operating activities:			
Surplus Before Tax per Income Statement		218,553,325	71,955,001
Adjusted for non-cash flow items:			
Depreciation expense	12	6,804,655	7,902,542
Net effects of prior year adjustments		-	7,005,565
Surplus Before Working Capital Changes		225,357,980	86,863,108
Increase/Decrease in Receivables & Prepayments	13	(11,959,752)	5,887,692
Increase / Decrease in Payables and Accruals	16	13,744,319	(1,443,496)
Cash generated from operations		227,142,546	91,307,304
Income Tax paid	17	(6,047,027)	(12,198,592)
Net cash from operating activities		221,095,520	79,108,712
Cash flows from Investing activities:			
Purchase of property and equipment	12	(3,952,000)	(5,737,300)
Net Cash from/used in Investing activities		(3,952,000)	(5,737,300)
Cash flows from Financing activities:			
Members' Royalties Paid	15	(36,285,537)	(38,132,000)
Net cash from/used in Financing activities		(36,285,537)	(38,132,000)
Net movement in Cash and Cash equivalents		180,857,983	35,239,412
Cash and Cash equivalents at start of the year		45,003,732	9,764,320
Cash and Cash equivalents at end of the year	14	225,861,715	45,003,732
Reconciliation of Cash and Cash Equivalents:			
Cash held at hand		647,300	756,500
Cash held at Bank		225,214,415	44,247,232
Total Cash and Cash equivalents at year end		225,861,715	45,003,732

The Statement of Cash Flows is to be read in conjunction with the notes forming part of the financial statements set out on pages 20 to 38 and the Report of the independent auditors presented on page 10-15.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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STATEMENT OF CHANGES IN ACCUMULATED FUNDS AS AT 31 DECEMBER 2019

FY 2019	Retained Surplus Account	UGX	Total Accumulated Fund	UGX
Opening Balances as at 01 January 2019	19,578,232	19,578,232	19,578,232	19,578,232
Surplus for the year after tax	156,961,100	156,961,100	156,961,100	156,961,100
Members' Royalties Paid	(36,285,537)	(36,285,537)	(36,285,537)	(36,285,537)
Balance as at 31 December 2019	140,253,795	140,253,795	140,253,795	140,253,795
FY 2018 (Re-stated)	Retained Surplus Account	UGX	Total Accumulated Fund	UGX
Opening Balances as at 01 January 2018	21,095,745	21,095,745	21,095,745	21,095,745
Prior-period adjustments	(18,580,397)	(18,580,397)	(18,580,397)	(18,580,397)
Surplus for the year after tax	55,194,883	55,194,883	55,194,883	55,194,883
Members' Royalties Paid	(38,132,000)	(38,132,000)	(38,132,000)	(38,132,000)
Balance as at 31 December 2018	19,578,231	19,578,231	19,578,231	19,578,231

The Statement of Changes in Accumulated Funds is to be read in conjunction with the notes forming part of the financial statements set out on pages 20 to 38 and the Report of the independent auditors presented on page 10-15.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2019

1.0. REPORTING SOCIETY AND ACCOUNTING PERIOD:

Uganda Performing Right Society Ltd (UPRS) is a Society established in 1985 with a primary goal of promoting the economic and social interest of its members through defending their copyright and neighbouring right interests. Uganda Performing Right Society Ltd reports on its financial affairs after every end of twelve months period. These financial statements therefore cover a period of twelve months running from 01 January to 31 December 2019.

2.0. STATEMENT OF COMPLIANCE WITH THE IFRS:

For purposes of preparing and presenting these financial statements, Uganda Performing Right Society Ltd has adopted and complied in full with both the new and revised International Financial Reporting Standards and the related interpretations thereof as applicable to the reporting period ended 31 December, 2019.

3.0. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the reporting period.

3.1. Basis of preparation.

The financial statements have been prepared under the historical cost convention and are in compliance with the International Financial Reporting Standards (IFRS). The accounting policies adopted are consistent with those of the previous year. The preparation of the financial statements in conformity with the International Financial Reporting Standards requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based on the Board's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The Board meets its day-to-day obligations from its current assets. On this basis, the Board considers it appropriate to prepare the financial statements on a going concern basis which assumes that UPRS will be in operational existence for the foreseeable future.

3.2. New standards, amendments and interpretations issued and now adopted by UPRS.

(i) IFRS 9 Financial Instruments.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaced IAS 39 Financial Instruments:

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.2. New standards, amendments and interpretations issued and now adopted by UPRS -continued

Recognition and measurement.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the UPRS's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) or Fair Value Through Profit and Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and the contractual cash flow characteristics of the financial asset. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold the financial assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.2. New standards, amendments and interpretations issued and now adopted by UPRS -continued

Receivables are classified at amortised cost. There were no changes in classification of financial liabilities, as all remained under "other financial liabilities".

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'Expected Credit Loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

The financial assets at amortised cost consist of receivables, cash and cash equivalents and receivables from Government.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs; these are ECLs that result from possible default events within 12 months after the reporting date; and

- Lifetime ECLs; these are ECLs that result from all possible default events over the expected life of a financial instrument.

UPRS measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Receivables from Government entities for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

UPRS has elected to apply the simplified approach and record lifetime expected losses on all trade receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, UPRS considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on UPRS's historical experience and informed credit assessment and including forward-looking information.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.2. New standards, amendments and interpretations issued and now adopted by UPRS -continued

UPRS assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due. UPRS considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to UPRS in full.
- The financial asset is more than 360 days past due.

Measuring of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that UPRS expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, UPRS assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the impairment model

The ECLs were calculated based on actual credit loss experience over the past three years. UPRS performed the calculation of ECL rates separately for receivable categories. UPRS used a simplified approach to determine the expected credit losses by using a provision matrix, because; the receivable base consists of a large number of small receivable balances, the receivables have common risk characteristics and do not have a significant financing component.

(ii) IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.2. New standards, amendments and interpretations issued and now adopted by UPRS -continued

Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange of transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

UPRS adopted IFRS 15 using the cumulative effect method (with practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1st January 2018).

Revenue Recognition.

Revenue represents the fair value of consideration received or receivable for the services rendered by UPRS in the course its activities. It is recognised when it is probable that future economic benefits will flow to UPRS and the amount of revenue can be measured reliably. It is stated net of indirect taxes, rebates and discounts.

Sale of goods are recognised upon the delivery of the product and customer acceptance, while sale of services is recognised upon performance of the service and customer acceptance based on the proportion of actual service rendered to the total services to be provided. Income has been recognised in the financial statements in accordance with the requirements of IFRS 15 that deals with the same.

Licence income.

Income of UPRS mainly comprises of Licensing Fees collected from Licenses issued to various customers that consume the services UPRS is mandated to provide and is recognised on cash basis as per the revised accounting policy of the entity adopted by the Board in 2018.

Grant Income.

Grants are recognised only when there is reasonable assurance that (a) UPRS will comply with the conditions attached to the grant and (b) the grant will be received. The grant is recognised as income over the period necessary to match it with the related costs, for which it is intended to compensate, on a systematic basis.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.2. New standards, amendments and interpretations issued and now adopted by UPRS -continued

Grant Income -continued

Non-monetary grants such as Physical Assets donated in kind and other resources are usually accounted for at fair value, although recording both the asset and the grant at a nominal amount is permitted. A grant received as compensation for costs already incurred or for immediate financial support with no future related costs, is recognised as income in the period in which it is receivable. For the period under review, the Society did not receive any grant that would qualify for disclosure in the financial statements. Grants and financial assistance received from Government is accounted for in accordance with the requirements of IAS 20.

Other income

Any other income is recognised when the right to receive the payment is established. For the reporting period under review, the society received other income from international partners and this has been recognised on accrual basis of accounting as per the terms spelt out in the respective signed Partnership Agreements.

(ii) IFRS 16 Leases

Introduction of the standard

Under IFRS 16 Leases, a lease is defined on the basis of whether the customer controls the use of an asset for a period of time. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. It defines the Liability as "a present obligation arising from past events the settlement of which is expected to result in an outflow from the entity and as such, of resources embodying economic benefits "and as such, lease payments qualified to meet this definition. This standard replaces IAS 17 Leases and has many accounting changes for lessees. Under IAS 17, lessees were required to make a distinction between a finance lease (on the balance sheet) and an operating lease (off balance sheet).

IFRS 16 Leases now requires lessees to recognize a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.2. New standards, amendments and interpretations issued and now adopted by UPRS -continued

(iii) IFRS 16 Leases- continued

Initial Measurement

IFRS 16 Leases requires cost measurement basis for the right of use asset and lease liability. The cost is measured with reference to the present value of the lease payments. The right of use asset cost is further defined to include any initial direct costs incurred by the lessee, and an estimate of any restoration costs.

Subsequent Measurement.

IFRS 16; Leases requires a lessee to subsequently measure the right of use asset at cost less accumulated depreciation and or accumulated impairment losses adjusted for re-measurements of the lease liability. The standard further requires the lessee to measure the lease liability using an effective interest method so that the carrying amount of the lease liability is measured at amortized cost basis and the interest expense allocated over the lease term.

Impact of application of IFRS 16 Leases on UPRS

IFRS 16; Leases has had no significant impact on initial application of the standard because UPRS had no Leased Assets which would qualify for recognition in the financial statements using the requirements of the new standard.

(c) Held to collect investments

All investment securities held by UPRS are classified as held to collect. The Board determines the classification of its investment securities at initial recognition and reevaluates this at every reporting date.

Held-to-collect financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Board has the positive intention and ability to hold to maturity. Marketable securities comprising investments in unit trusts and fixed deposits are classified in this category and initially recognized at cost being the fair value of the consideration given, including transaction costs. They are subsequently carried at amortised cost using the effective yield method, less any provision for impairment. By end of the reporting period, UPRS did not have any investments falling in this category that would qualify for disclosure in the financial statements.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.3. Expenditure Recognition.

Expenditure is recognized when it is incurred.

3.4. Accounts Receivable and Prepayments.

Accounts receivable and Prepayments are recognized at fair value.

3.5. Payables and accrued expenses.

Payables and accrued expenses are recognized at fair value.

3.6. Property and Equipment.

The cost of purchased property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributed costs which have been incurred in bringing the assets to the present location and condition necessary for their intended service. Physical properties acquired by the Society in form of donations in kind are recognised at the fair values representative of the market prices at which such assets would have been purchased in the open market. During the reporting period, the Society received some donated physical assets that have been disclosed in the asset schedule and subjected to depreciation in accordance with the entity's financial policy.

3.7. Depreciation of Property and Equipment.

All Property and Equipment of the Society are stated at historical cost value less accumulated depreciation and impairment losses, where applicable. Depreciation is calculated to write off the cost of each asset over their expected useful lives on the basis of Reducing Balance method and using the annual rates stated below;

Asset Class	Rates
Furniture and fittings	12.5%
Motor Vehicles and Cycles	20.0%
Data handling equipment	40.0%
Office equipment	12.5%
Generator	20.0%

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.8. Intangible Assets.

Intangible assets relating to accounting software are initially measured at purchase cost and amortised on a straight-line basis over their estimated useful lives. The intangible asset refers to the software accounting package normally procured and used by the Society for maintaining its account records. The software once put in place is amortized at 33.3% per annum on a straight-line basis of accounting. For the year 2019, the Society did not procure any intangible asset that would qualify for disclosure in the financial statements.

3.9. Impairment of Assets.

At each balance sheet date, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.10. Cash and Cash Equivalents.

For purposes of presentation of the entity's statement of Cash flows, cash and cash equivalents comprises of cash in hand and demand deposits held on the various Bank accounts run by UPRS.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.1.1. Inventories.

These are stated at the lower of cost or net realizable value. At close of the financial year the Society did not have any tradable inventories that would qualify for disclosure in the financial statements. Inventories relating to consumables procured for purposes of implementing operational activities or internal use have been expensed since they are not held for sale.

3.1.2. Employee benefits.

UPRS pays salaries and wages to its employees and contributes to the National Social Security Fund (NSSF) staff engaged on permanent terms and pays gratuity to staff employed on contract terms. NSSF is a defined contribution scheme registered under the National Social Security Fund Act (1985) as amended in 2020.

UPRS's obligations under this scheme are limited to specific contribution regulated from time to time and currently stated at 10% of the employee's gross pay. UPRS's contributions are charged to the Income Statement in the year to which they relate.

3.13. Translation of foreign currencies.

Transactions in foreign currencies during the year are converted into Ugandan shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The resulting differences from conversion and translation are dealt with in the statement of financial performance in the year to which they relate. All effects of changes in foreign currency translations to functional reporting currency are accounted for in accordance with the requirements of IAS 21 that deals with the same.

If UPRS is to report to other Users of financial statements in foreign countries, an average exchange rate of 1USD=UGX 3,650= is recommended for use for the period ended 31 December 2019.

3.14. Critical accounting estimates and judgements in applying accounting policies.

UPRS makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.15. Provisions, Contingent Assets and Contingent Liabilities.

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. As at end of the reporting year, the Society had no provisions that would qualify for disclosure.

3.16. Taxation.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The rate of income tax that is applied in measuring the current tax is the statutory rate of 30% charged in accordance with the Income Tax Act (1997) of Uganda.

3.17. Comparative Financial Statements.

The financial statements have been presented with comparative information for the previous period. Where necessary, changes have been made in respect of the format, disclosures, recognition criteria and presentation of various items in the accounts to suit the adoption and current requirements of the International Financial Reporting Standards and other regulations currently in force.

4.0. RELATED PARTY TRANSACTIONS:

A related party transaction is a transfer of resources, services or obligations between the reporting Society and related party, regardless of whether a price is charged or not. The Board, management and staff are members of UPRS and they are mandated by the entity's Constitution with the responsibility to manage and supervise all the affairs of the Society and in this case, they are related parties. The related party transactions of UPRS mainly involve advances taken by the staff members, Board members and the income from international partners to finance activities of the Society realized under reciprocal arrangements. Related party transactions are recognized in accordance with the requirements of IAS 24.

5.0. FINANCIAL RISK MANAGEMENT:

UPRS has exposures to mainly liquidity, interest rate and foreign exchange risks that arise from use of its financial instruments. UPRS is essentially engaged in the promotion of economic and social interest of its members through defending their copyright and neighbouring rights, interests, and relies more on income from Licensing fees to finance its operations.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.0. FINANCIAL RISK MANAGEMENT -continued

Management endeavours at all times to minimize risks. Management has put in place a mechanism that ensures strict adherence to International and National laws regulating the performing Arts industry, sector regulations, guidelines and terms embedded in Partnership agreements held with development partners as a control measure against risk exposures. The Society's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment procedures and continuous monitoring. The policies and practices established for this purpose are continuously benchmarked with the industry best practices. UPRS's operations are supported by local management and outsourced consultants who use a comprehensive range of qualitative and quantitative tools to ensure minimum risk exposures. Management is responsible for the assessment, management and mitigation of risk in the Society. UPRS's overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The financial risk management policies are outlined below:

5.1. Credit risk.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the entity. The Society's credit risk is primarily attributable to its receivables and amounts due from related parties, estimated by the entity's Accounts department based on prior experience, existing financial and economic factors faced by the debtors and the exit options available. The credit risk on receivables is limited because the Society provides services to its clients mainly on cash basis while any dealings with members on credit service arrangement is restricted to those that are legally admitted into UPRS's membership using the established policies and procedures and management ensures that each member is appropriately billed the Fees payable and the settlement terms thereof.

5.2. Liquidity risk management.

The ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Society's short, medium and long-term funding and liquidity management requirements. UPRS manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

5.3. Foreign exchange risk.

UPRS undertakes certain transactions denominated in foreign currencies. This exposes it to foreign exchange risk. However, the Exchange rate exposures are managed within approved policy guidelines.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-19 UGX	31-Dec-18 (Re-stated) UGX
6.0. SURPLUS BEFORE TAX		
This is stated after expensing the following:		
Audit Fees (Note 11)	6,750,000	3,500,000
Depreciation expense (Note 12)	6,804,655	7,902,542
Sub-Total	56,530,317	29,141,071
7.0. REVENUE		
7.1. Local Revenue		
Income realised from License Fees	641,480,694	545,976,635
Income realised from Penalty Fees	27,639,567	-
Sub-Total	669,120,261	545,976,635
7.2. Other Income		
Royalties received from Africha Entertainment	28,743,617	-
Royalties received from Google Ireland	27,786,700	16,231,344
Royalties received from You tube	-	12,855,913
Miscellaneous income	-	53,814
Sub-Total	56,530,317	29,141,071
TOTAL REVENUE	725,650,578	575,117,706
8.0. BUSINESS DEVELOPMENT AND PROMOTION EXPENSES		
Field compliance operations	53,856,000	1,030,000
Workshops	1,600,000	2,594,100
Licensing expenses	8,182,000	4,171,400
Commission paid-out to business agents	3,335,487	4,381,497
Legal Fees	9,363,500	7,900,000
Evidence gathering	3,920,000	-
Members' IDs	1,759,000	3,621,000
Printing license materials	7,533,800	12,092,500
Branding and advertising	1,136,000	1,090,000
Discounts allowed to business clients	3,639,828	486,444
Sensitisation campaigns	6,908,000	14,642,500
Monitoring and automated Airplay	5,479,169	4,000,000
Total	106,712,784	56,009,441

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-19 UGX	31-Dec-18 (Re-stated) UGX
9.0. EMPLOYEE EXPENSES		
Staff Salaries	210,145,429	232,447,116
10% NSSF Employer Contributions	22,834,214	16,700,616
Wages for Casual labourers	1,704,000	1,704,000
Staff welfare	7,485,100	5,621,500
Staff transport and travelling	10,736,999	41,786,700
Total	252,905,742	298,259,932
10.0. GOVERNANCE EXPENSES		
Board and Committee meeting expenses	25,670,000	15,621,569
AGM expenses	-	15,140,000
Total	25,670,000	30,761,569
11.0. ADMINISTRATION EXPENSES		
Rent for Offices & Warehouses	22,632,000	23,850,000
Office expenses	342,500	-
Secretarial services and stationery	8,386,500	-
Newspapers and Magazines	991,600	810,000
Local transport and travel	11,390,650	179,200
Repairs and maintenance	2,758,300	4,558,000
Security services	5,239,200	3,876,200
Cleaning and Hygiene	1,085,500	926,200
Electricity & lighting	2,871,185	2,620,800
Water bills	1,203,522	1,177,700
Telephone and airtime	2,689,000	3,373,200
Internet subscription	5,840,708	4,203,630
Audit services	6,750,000	3,500,000
Consultancy services	12,000,000	9,600,000
Motor vehicles & Motorcycles running expenses	4,086,900	2,448,000
Subscriptions and contributions	9,097,220	24,812,115
Insurance services	14,133,527	13,635,976
Generator running expenses	433,500	-
Condolences and charity contributions	3,072,260	4,460,000
Bank charges	-	4,798,200
Penalties	-	1,400,000
Depreciation expense (Refer to Note 12)	6,804,655	7,902,542
Total	121,808,727	118,131,763

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.0. PROPERTY AND EQUIPMENT AS AT 31 DECEMBER 2019 (CURRENT YEAR)

Name of Asset Costs / Valuations:	Data Handling Equipment UGX	Furniture and Fittings UGX	Motor Vehicle and Cycles UGX	Office Equipment UGX	Generator UGX	Total UGX
As at 01 January 2019	41,108,505	19,467,718	18,250,000	11,579,300	3,300,000	93,705,523
Additions/Disposals	1,675,000	-	-	2,277,000	-	3,952,000
As at 31 Dec. 2019	42,783,505	19,467,718	18,250,000	13,856,300	3,300,000	97,657,523
Depreciation:	40%	12.50%	20.00%	12.50%	20.00%	
As at 01 January 2019	36,312,902	12,672,513	9,320,000	2,749,604	2,336,621	63,391,639
Charge for the year	2,588,241	849,401	1,786,000	1,388,337	192,676	6,804,655
Charge on disposal	-	-	-	-	-	-
As at 31 Dec. 2019	38,901,143	13,521,913	11,106,000	4,137,941	2,529,297	70,196,294
Net Book Value:						
As at 31 Dec. 2018	4,795,603	6,795,205	8,930,000	8,829,696	963,379	30,313,884
As at 31 Dec. 2019	3,882,362	5,945,805	7,144,000	9,718,359	770,703	27,461,229

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.1. PROPERTY AND EQUIPMENT – (PREVIOUS YEAR 2018)

Name of Asset Costs / Valuations:	Data Handling Equipment UGX	Furniture & Fittings UGX	Motor Vehicle UGX	Office Equipment UGX	Generator UGX	Total UGX
As at 01 January 2018	39,008,505	19,467,718	18,250,000	7,942,000	3,300,000	87,968,223
Additions/Disposals	2,100,000	-	-	3,637,300	-	5,737,300
As at 31 Dec. 2018	41,108,505	19,467,718	18,250,000	11,579,300	3,300,000	93,705,523
Depreciation:	40%	12.50%	20.00%	12.50%	20.00%	
As at 01 January 2018	33,115,833	11,701,769	7,087,500	1,488,219	2,095,776	55,489,097
Charge for the year	3,197,069	970,744	2,232,500	1,261,385	240,845	7,902,542
Charge on disposal	-	-	-	-	-	-
As at 31 Dec. 2018	36,312,902	12,672,513	9,320,000	2,749,604	2,336,621	63,391,639
Net Book Value:						
As at 31 Dec. 2017	5,892,672	7,765,949	11,162,500	6,453,781	1,204,224	32,479,126
As at 31 Dec. 2018	4,795,603	6,795,205	8,930,000	8,829,696	963,379	30,313,884

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-19 UGX	31-Dec-18 (Re-stated) UGX
17.0. INCOME TAX COMPUTATIONS		
Surplus Before Tax as per Income Statement	218,553,325	71,955,001
Adjusted for:		
Depreciation expense (Note 12)	6,804,655	7,902,542
10% Telephone expenses (Note 11)	268,900	337,320
Condolences & charity contributions (Note 11)	-	4,460,000
Capital allowance deductions (Note 18)	(20,319,464)	(28,787,806)
Chargeable income for the year	205,307,416	55,867,057
30% Corporation Tax payable thereon	61,592,225	16,760,117
Add: Tax Arrears B/F	33,097,468	28,535,943
Less: Withholding Tax credit offset	(6,047,027)	(12,198,592)
Tax due and payable	88,642,666	33,097,468

18.0. COMPUTATION OF CAPITAL ALLOWANCE DEDUCTIONS

18.1. Wear & Tear Allowances - Current year 2019

Name of Assets	Computers and Accessories	Motor Vehicles and cycles	Furniture, Fittings & Equipment	Total
% Rates	40%	30%	20%	
T.W.D.V as at 01/01/2019	24,665,103	12,775,000	27,477,614	64,917,717
Additions	1,675,000	-	2,277,000	3,952,000
Qualifying Cost for W&T	26,340,103	12,775,000	29,754,614	68,869,717
Wear & Tear Allowances	(10,536,041)	(3,832,500)	(5,950,923)	(20,319,464)
T.W.D.V as at 31/12/2019	15,804,062	8,942,500	23,803,692	48,550,253

Summary of Capital allowances claimable for the year:

Wear & Tear Allowance	20,319,464
Total	20,319,464

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-19 UGX	31-Dec-18 (Re-stated) UGX
13.0. RECEIVABLES AND PREPAYMENTS		
Sundry Trade Debtors	494,700	-
Board and Staff advances	6,066,500	2,656,500
WHT receivable	8,192,701	137,649
Total	14,753,901	2,794,149
14.0. CASH AND BANK BALANCES		
Cash at hand	647,300	756,500
Cash held on Tropical Bank Account	225,214,415	44,247,232
Total	225,861,715	45,003,732
15.0. RETAINED SURPLUS ACCOUNT		
Balance B/F	19,578,232	21,095,745
Prior period adjustments	-	(18,580,397)
Surplus for year after tax	156,961,100	55,194,883
Royalties paid to members	(36,285,537)	(38,132,000)
Balance C/F	140,253,795	19,578,232
16.0. PAYABLES AND ACCRUALS		
Suppliers' bills payable	-	1,510,593
Customer advances	21,201,305	15,824,932
VAT payable	2,689,160	-
Audit & Consultancy fees payable	9,150,000	3,700,000
PAYE Tax payable	3,310,195	2,102,500
INSSF contributions payable	2,250,719	2,298,040
Salaries payable	41,898	-
WHT payable	537,108	-
Total	39,180,384	25,436,065

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19.0. EVENTS AFTER THE REPORTING DATE

There were no material events subsequent to the year ended 31 December 2019 which would require adjustments of or disclosure in these financial statements.

20.0. COMMITMENTS

There were no capital commitments as at 31 December 2019 that would qualify for disclosure in these financial statements same as the case was in the previous financial year.

21.0. DISTRIBUTION OF ROYALTIES TO ELIGIBLE MEMBERS


UPRS is authorised by Uganda Registration Services Bureau (URSB) in line with the Ugandan Copyright & Neighbouring Rights Act 2006 and the Copyright & the Neighbouring Rights Regulations 2010 to license rights in musical works unit sound recordings. Through reciprocal agreements, UPRS also administers the rights owners around the world whose members' works are exploited in Uganda.

The distribution of Royalties to eligible members is done in accordance with the distribution policy (Rules) enacted by UPRS in April 2018. The current policy provides that the distributable income may include:

- a) Licensing revenues less administrative expenses and provision for any reserved funds.
- b) Royalties received from affiliated societies less administrative expenses. Further, a deduction of 5% of net royalties received from affiliated societies in respect of the costs associated with the analysis and processing of the royalty payments shall be made.
- c) Interest earned from investments after deduction of administration fees.
- d) The application of points allocated to the various distribution pools. The points are arrived at by dividing distributable revenue by total frequency of play count in a category.

The current policy further provides that net distributable revenue is determined by aggregating all the Gross license revenue less administrative, operation and promotion expenses incurred by UPRS in the course of generating the income and also expenses relating to social and cultural allocations (Musical works).

In view of the above policy, UPRS management ensures that the administrative expenses incurred are capped to a maximum of 30% of the Gross license revenue earned every year and this is done in accordance with the industry best practices which requires every CMO to maintain a royalty distribution ratio of 70:30 of the Gross License revenue. However, it should be noted that revenue derived by UPRS in other forms outside the License revenue is entirely used on supporting the administration of the entity and does not form part of the amount available for distribution to members.



Uganda Performing Right Society
(UPRS) Ltd
(A Company Limited by Guarantee and not having a Share Capital)

Annual Report and Audited Financial
Statements for the year ended
31 December 2020

Auditors:
@MDJ AND PARTNERS
Certified Public Accountants
P.O. Box 271, Entebbe (U)
Issued: April, 2024

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

ACRONYMS

A/C	Account
AGM	Annual General Meeting
B/F	Balance Brought Forward
BOD	Board of Directors
C/F	Balance Carried Forward
CAPASSO	Composers, Authors and Publishers Association
CEO	Chief Executive Officer
CISAC	Confederation of Societies of Authors and Composers
CPA	Certified Public Accountant
FY	Financial Year
IAS	International Accounting Standards
IESBA	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IFPI	International Federation of Phonographic Industry
IFRSs	International Financial Reporting Standards
IRP	Intellectual Rights Property
ISA	International Standards on Auditing
LST	Local Service Tax
LTD	Limited
NSSF	National Social Security Fund
PA	Performing Artists
PAYE	Pay as You Earn
SOP	Standard Operating Procedures
SUISA	The Swiss Cooperative Society for Music Authors and Publishers
TB	Treasury Bills
UBA	United Bank for Africa
UGX	Uganda Shillings
UPRS	Uganda Performing Right Society Ltd
URA	Uganda Revenue Authority
URSB	Uganda Registration Services Bureau
USD	United States Dollar
VAT	Value Added Tax
WHT	Withholding Tax
WIPO	World Intellectual Property Organisation

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

SOCIETY'S EXECUTIVE INFORMATION:

REGISTERED OFFICES AND PLACE OF ABODE:

Previous Address:
Plot 35, House 5A Bukoto Drive
P.O. Box 102466
Kampala, Uganda.
Tel. +256-771 952 357 | 0751-067197
E-mail: info@uprs.go.ug
Website: www.uprs.go.ug

Current Address:
Plot 2240, Diplomat Zone, Kansanga-Ggaba Road
P.O. Box 102466
Kampala, Uganda.
Tel. +256-771 952 357 | 0751-067197
E-mail: info@uprs.go.ug
Website: www.uprs.go.ug

BANKERS:

Tropical Bank Ltd
Kampala Main Branch
A/C 2000074357

United Bank of Africa
Kampala Main Branch
A/C No. 0164000335
A/C No. 0131000984

AUDITORS:

MDJ and Partners
Certified Public Accountants
P.O. Box 271,
Entebbe, Uganda.
Telephone: +256-392-901 205 | 0772-635101
Email: mdjandpartners@yahoo.com | mvasekdaniel@yahoo.com

LAWYERS (CARE-TAKING ENTITY):

Ligomarc Advocates
Plot 4 Jinja Road
5th Floor: Social Security House
P.O. Box 8230,
Kampala (U)

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DEC. 2020

The Board of Directors is pleased to submit their report together with the Audited financial statements, which disclose the state of financial affairs of Uganda Performing Right Society Ltd, for the year ended 31 December 2020.

1.0. ESTABLISHMENT AND LEGAL STATUS:

1.1. Brief Background.

Uganda Performing Right Society Ltd is a society that was formed in 1985 by authors (mainly musicians) to advance the cause of copyright administration in Uganda. It is registered with the Registrar of Companies as a Company Limited by guarantee and having no share Capital, in other words, it belongs to all of its members. UPRS is recognized by the Government as a Collecting Society, and it is a Member of the Confederation of International Societies of Authors and Composers (CISAC).

1.2. Vision.

A Country free from piracy and infringement of copyright works.

1.3. Mission.

To promote copyright and promote the value of music.

1.4. Goal of the Society.

To fight infringement and piracy of music, pakalast.

1.5. Objectives of the Society.

- Uganda Performing Right Society Ltd's Vision and Mission are driven by the following objectives:
- o To promote the economic and social well-being of members.
 - o To promote and encourage creativity in artistic, literary, and scientific works in Uganda.
 - o To make reciprocal representation agreements with foreign societies.
 - o To foster understanding between members and users of their works.
 - o To provide members and any other interested persons with information relating to and neighbouring rights.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

2.0. PRINCIPAL ACTIVITIES AND OPERATION MODE:

Uganda Performing Right Society Ltd principal activities are administering copyright and neighbouring rights on behalf of its members, and other members of other societies through reciprocal representative agreements, and its membership is open to all performing artists across the entire country. However, majority of the members are served online via platforms set up by the management of the Society from time to time.

3.0. CORPORATE GOVERNANCE:

Uganda Performing Right Society Ltd is committed to the principles of good corporate governance and recognizes the need to provide services in accordance with the generally accepted best practices and the existing regulatory framework. In so doing, the Board therefore confirms that:

- a) They met as and when it was necessary during the year under review;
- b) They retained full and effective control over the Society throughout the year;
- c) The Board continued to exercise responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance; and
- d) The Board members continued to bring skills and experience from their own spheres of operation to complement the professional experience and skills of the management team.

Further, the Board continued to carry out its role of formulating policies and strategies for the Society, reviewing the work plans, ensuring that the accounting system is maintained in accordance with acceptable standards, the books of Account for the Society are kept properly, and that accounts are checked by authorised auditors, as well as recruitment and development of key personnel.

4.0. SOCIETY'S GOVERNANCE AND MANAGEMENT:

The Society's governance structure comprises of the Annual General Meeting (AGM), the Board of Directors and management.

4.1. The Annual General Meeting (AGM)

The AGM is the supreme organ of UPRS. It is constituted by all registered active members of the Society. The membership of the Society stood at **3,201** members as at 31 December 2020 compared to **2,971** members reported at the end of the year 2019. This represents an increase in membership enrolment by **230** members.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

4.2. Changes in Governance of the Society

At the expiry of the term of office for the previous Board, there was a leadership vacuum created at Board level and this in turn created some governance challenges. In response thereof, the Regulator (URSB) appointed a care-taking Board led by Counsel Kabito Karamagi, a practicing Advocate with Ligomarc Advocates. The care-taker took over the office effective July 2019 and handled the Society's affairs up to end of September 2020.

4.3. Board of Directors

During the year 2020, a Special General Meeting was held and a new Board constituted to oversee the operations of the Society. The Board that steered the operations of the company for the last quarter of the reporting period after taking over from the Care-taker comprised of the following members:

Name	Position	Period of Service
Mr. Kabito Karamagi	Board Chairman	October – December 2020
Mr. Okello Sam Kelo	Director	October – December 2020
Mr. Serumaga James	Director	October – December 2020
Mr. Mangeni Patrick Wa'Ndeda	Director	October – December 2020
Ms. Basima Justin	Director	October – December 2020
Mr. Kaye Gideon Wisdom	Director	October – December 2020
Mr. Ntege Peter	Director	October – December 2020
Ms. Sesanga Juliet	Director	October – December 2020
Mr. Ssemakula Robert Edward	Director	October – December 2020
Ms. Nakabugo Grace	Director	October – December 2020
Mr. Abola James	Director	October – December 2020

4.4. Management and administration:

During the reporting period, the Society was run by a management and administration team comprising of Executive, middle level and lower-level staff. The senior management team of the Society comprised of the following key members:

Name	Designation	Period of service
Mr. Anthony Mwandha	Restructuring Officer	March – December 2020
Ms. Nansubuga Deborah	Ag. Accountant	January – August 2020
Ms. Buyungo Viola	Finance Consultant	September – December 2020
Mr. Ssebuliba George	Compliance Officer	January – December 2020
Ms. Nantume Lilian	Licensing Manager	January – March 2020

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

4.5. Benefits to members.

Uganda Performing Right Society Ltd pays out benefits to its members in form of Royalties based on the performance for a given reporting period. The amount to be paid is proposed by the Board and approved at the AGM. For the financial year ended 31 December 2020, UPRS did not either declare or pay any benefits in form of royalties to its members.

4.6. Remuneration of Board members.

Serving on the Board of UPRS is a voluntary service based on the authority entrusted to the individual Board members by the AGM and the Regulator. Therefore, the entity does not remunerate its Board members on a monthly basis. The Board members are only facilitated when conducting official business of the Society in accordance with its governance policies and procedures.

5.0. RISK MANAGEMENT:

Whereas currently there is no internal audit function at management level, the responsibility for managing the internal audit and risk management affairs of UPRS is vested in the audit and risk management committee of the Board. This committee works hand in hand with the management and staff to ensure that there are robust internal controls and that the risk profiles of UPRS are maintained within the acceptable levels.

The Board accepts final responsibility for the risk management and internal control system of UPRS. Management ensures that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- Safeguarding of the Society's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Society's risk management system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

REPORT OF THE BOARD OF DIRECTORS – CONTINUED

6.0. SOLVENCY AND GOING CONCERN:

UPRS confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board remains optimistic that save for the effects of COVID-19 on the entity's operations, the negative financial implications of which cannot be reliably estimated in the short-run, UPRS still has many available opportunities to exploit from which it can realise adequate resources to sustain its operations for the foreseeable future.

7.0. DEVELOPMENT PARTNERS AND SUPPORT RECEIVED:

The Board on behalf of UPRS would like to acknowledge and appreciate in a special way the support received from the following key development partners during the year: CISAC, WIPO, SUISA, IFPI and CAPASSO.

8.0. FINANCIAL RESULTS FOR THE YEAR:

The financial performance of UPRS for the year ended 31 December 2020 is as stated in the Statement of Comprehensive Income presented on page 15. Below is the summarised financial performance for the year as compared with the previous year:

	31-Dec-20	31-Dec-19
Surplus/Deficit Before Tax	(185,192,463)	UGX 218,553,325
Corporation tax expense	-	(61,592,225)
Surplus/Deficit for the year	(185,192,463)	156,961,100

9.0. ACCOUNTABILITY AND FINANCIAL REPORTING:

Our Society contracts with qualified auditors to perform yearly audits to ensure complete disclosure, transparency, and compliance with the relevant Ugandan laws and regulations. The Regulator (URSB) appointed MDJ and Partners-Certified Public Accountants as our new External Auditors in accordance with Section 69(2) of the Copyright and Neighbouring Rights Act 2006 and the provisions of the Ugandan Companies Act 2012 as amended. They have expressed interest to remain in office as auditors of the Society for the next reporting period subject to approval by the AGM and clearance by the Regulator.

10.0. APPROVAL OF THE FINANCIAL STATEMENTS:

The Financial Statements were received, discussed and approved by the Board of Directors at their meeting held at Kampala on the 22nd day of April, 2024.

By order of the Board.
Ms. Sanyu
CHAIRMAN, UPRS BOARD



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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

Section 69(1) of the Copyright and Neighbouring Rights Act 2006 of the Laws of Uganda together with the Companies Act 2012, under which UPRS is registered and regulated requires the Board of Directors to prepare the financial statements of the Society for each financial period and cause those Accounts to be audited at least once in every year by an auditor appointed by the AGM and or the Regulator and approved by the Registrar. The financial statements should give a true and fair view of the state of affairs of the Society as at the end of the financial period and of the operating results for that period.

Further, the above cited Acts and the Regulations thereunder also requires the Board to ensure that the Society maintains proper accounting records, which disclose with reasonable accuracy its financial position. The Board is also responsible for safeguarding the Society's assets and to take reasonable steps for prevention and detection of fraud and other irregularities.

The Board asserts that the financial Statements as audited by MDJ and Partners-Certified Public Accountants (our independent External auditors) give a true and fair view of the state of financial affairs of Uganda Performing Right Society Ltd as at 31 December 2020. The Auditors have issued unqualified Audit opinion over the financial statements for the year.

A review of the going concern status of UPRS revealed that despite the effects of the COVID-19 pandemic that curtailed most of the entity's business operations across the country resulting into posting of losses at the end of the year under review, the Board is still optimistic that when the pandemic is overcome and the new business strategies put in place are effectively implemented by management, UPRS will eventually turn into a profit-making entity for the foreseeable future. It is therefore highly probable that UPRS will remain a going concern for at least the next twelve months from the date of this statement.

This statement is made in accordance with the resolution of the Board at their meeting held at Kampala on the 22nd day of April, 2024 and is signed for and on behalf of Uganda Performing Right Society Ltd by:

Ms. Sanyu CHAIRMAN UPRS BOARD
Mwinda CHAIRMAN UPRS BOARD
Ms. Sanyu CHIEF EXECUTIVE OFFICER UPRS



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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

The Members
 Uganda Performing Right Society Ltd (UPRS)
 Plot 22-40, Diplomat Zone, Kansanga Ggaba Rd
 P.O. Box 102466,
 Kampala, Uganda.

RE: THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF UGANDA PERFORMING RIGHT SOCIETY LTD FOR THE YEAR ENDED 31 DECEMBER, 2020

Auditor's Opinion:

We have audited the accompanying financial statements of Uganda Performing Right Society Ltd, as set out on page 15 to 36 hereinafter. These financial statements comprise of: the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies for the year ended 31 December, 2020.

In our opinion, the accompanying financial statements present in all material respects, a true and fair view of the financial position of Uganda Performing Right Society Ltd as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs), the Copyright and Neighbouring Rights Act 2006 and the Companies Act 2012 as amended.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, 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.

Key Audit Matters:

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
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THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Key Audit Matters –continued

The following are the key audit matters that have been identified for the year:

<p>1.0. Going Concern status</p> <p>A review of the Entity's going concern status for part of the year 2020 revealed some continuous significant threats undermining the stability and functionality of UPRS but mainly caused by those charged with its governance and management.</p>	<p>Our procedures in relation to this matter involved performing substantive tests to review and confirm the actual threats to the going concern status of the entity and how these were resolved to guarantee the continuity of UPRS. We confirmed that:</p> <p>1) The Regulator continued to exercise his powers under the respective laws and regulations, to oversee the operations of the entity and ensured that a new Board was substantively appointed/elected during the last quarter of the year to take over from the Care-taker he had entrusted with the governance responsibility in the year 2019.</p> <p>2) As a result of the new Board of Directors coming into being and assuming the oversight roles it was able to re-organize the entity and gradually restored its business operations during the year despite the challenges faced at the time mainly brought about by the COVID-19 pandemic. The new Board was mandated to run UPRS for a three-year period effective the month of October 2020.</p> <p>We have no further disclosures or reservations to make about this particular matter.</p>
<p>2.0. Impact of COVID-19 on the Entity's operations and going concern status:</p> <p>During the audit, we paid particular attention to the effects of COVID-19 on the going concern status of UPRS from the time the outbreak was officially announced up to the Balance Sheet date and we confirmed that the effects of the pandemic resulted into material uncertainty relating to the future financial position, financial performance and Cash flows of the entity.</p>	<p>Our procedures in relation to this matter included performing tests to confirm the Board and management's action and responses to the situation that would ensure continuity of UPRS in operation. In response to this matter, we confirmed that the Board had taken the following actions:</p> <p>(i) Postponed most of the activities that were to be performed during the year especially those that were classified by government as falling in the category of non-essential services i.e. AGM, physical transacting of business with the clients, among others;</p> <p>(ii) Created awareness among its stakeholders including employees and members by availing information about the virus;</p>

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<p>We noted that the entity's activities and those of its members were ranked among the non-essential services due to the restrictions put in place by the Government during the lock down periods to fight the pandemic. This caused disruptions in the planned operations of the entity for the year and grossly affected its earnings from the sector it works with.</p>	<p>(iii) Put in place the necessary Standard Operating Procedures (SOPs) to protect the employees and other stakeholders from the pandemic;</p> <p>(iv) Lobbied for some COVID-19 relief fund from the Government Agencies charged with the same in order to support its members in need.</p> <p>(v) In addition, a crisis management team and continuity plan were put in place to deal with the potential negative impact of the pandemic on the entity's operations and ensure its going concern status is maintained.</p>
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Besides, the above matters, we have no other significant key audit matters that were identified for the year that would qualify for disclosure in this audit report. The above key audit matters do not modify our audit opinion as stated earlier in the opinion paragraph.

Other information:

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information 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 other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Board of Directors and those with Governance for the Financial Statements:

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRSs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. In preparation of the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

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THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

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 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 in accordance with ISAs, we exercise professional judgment 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 opinion. The risk not detecting a material misstatement resulting from fraud is higher than or one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
 - 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 Society'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 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 whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal controls that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
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THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements –Continued:

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Compliance with Other Regulatory Requirements:

As required by the Ugandan Companies Act 2012 together with the Copyright and Neighbouring Rights Act 2006 and the regulations made thereunder as amended to date, we report to you based on our audit that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account have been kept by the Society so far as appears from our examination of those books; and
3. The Society's Statement of financial position (Balance Sheet) and the Statement of comprehensive income are in agreement with the books of account kept for the reporting period from where they have been drawn.

The Lead Engagement Practitioner on this audit resulting in the independent auditors' report is CPA Mwase Daniel Balibonaki (P0138), whose signature and seal are hereby appended and /or fixed on this 22nd day of April, 2024.

MDS Partner
MDJ AND PARTNERS
 Certified Public Accountants
 P.O. Box 271,
 Entebbe, Uganda



Mwase Daniel Balibonaki
 CPA Mwase Daniel Balibonaki (P0138)
 Lead Engagement Practitioner
 P.O. Box 271,
 Entebbe, Uganda

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	31-Dec-20 UGX	31-Dec-19 UGX
REVENUE:			
Local Revenue	7.1.	207,282,730	669,120,261
Other Income	7.2.	47,834,528	56,530,317
Total Revenue		255,117,258	725,650,578
EXPENDITURE:			
Business Development & Promotion Expenses	8	85,135,683	106,712,784
Employee Expenses	9	161,342,100	252,905,742
Governance Expenses	10	9,062,875	25,670,000
Administration Expenses	11	184,769,063	121,808,727
Total Expenditure		440,309,721	507,097,253
SURPLUS/DEFICIT BEFORE TAX		(185,192,463)	218,553,325
Corporation tax expense	17	-	(61,592,225)
SURPLUS/DEFICIT FOR THE YEAR		(185,192,463)	156,961,100

The Statement of Comprehensive Income is to be read in conjunction with the notes forming part of the financial statements set out on pages 19 to 36 and the Report of the independent auditors presented on page 10-14.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Notes	31-Dec-20 UGX	31-Dec-19 UGX
ASSETS:			
Non-Current Assets:			
Property and Equipment	12	23,597,323	27,461,229
Total Non-Current Assets		23,597,323	27,461,229
Current Assets:			
Receivables and prepayments	13	20,986,256	14,753,901
Cash and Bank Balances	14	52,354,337	225,861,715
Total Current Assets		73,340,593	240,615,616
TOTAL ASSETS		96,937,916	268,076,845
FUNDS AND LIABILITIES:			
FUNDS:			
Surplus/Deficit Account	15	(22,074,695)	140,253,795
Total Accumulated Funds		(22,074,695)	140,253,795
LIABILITIES:			
Payables and Accruals	16	64,799,105	39,180,385
Income Tax Provisions	17	54,213,507	88,642,666
Total Liabilities		119,012,612	127,823,050
TOTAL FUNDS AND LIABILITIES		96,937,916	268,076,845

The Statement of Financial Position is to be read in conjunction with the notes forming part of the financial statements set out on pages 19 to 36 and the Report of the independent auditors presented on page 10-14.

Approval of the Financial Statements:
 The Financial Statements laid out on page 16 to 36 were received, discussed and approved by the Board at their meeting held at Kampala on the 22nd day of April, 2024 and were signed for and on behalf of UPRS by:

Mwase Daniel Balibonaki
CHAIRMAN
UPRS BOARD

Mwase Daniel Balibonaki
CHAIRMAN
AUDIT & RISK COMMITTEE

Mwase Daniel Balibonaki
CHIEF EXECUTIVE OFFICER
UPRS/UGANDA PERFORMING RIGHT SOCIETY



UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	31-Dec-20 UGX	31-Dec-19 UGX
Cash flows from Operating activities:			
Surplus/Deficit Before Tax per Income Statement		(185,192,463)	218,553,325
Adjusted for non-cashflow items:			
Depreciation expense	12	5,913,906	6,804,655
Effects of prior year adjustments		22,863,972	-
Surplus/Deficit Before Working Capital Changes		(156,414,585)	225,357,980
Increase/Decrease in Receivables & Prepayments	13	(6,232,355)	(11,959,752)
Increase/Decrease in Payables and Accruals	16	25,618,720	13,744,319
Cash generated from operations		(137,028,219)	227,142,547
Income Tax paid/waivers	17	(34,429,159)	(6,047,027)
Net cash from operating activities		(171,457,378)	221,095,520
Cash flows from Investing activities:			
Purchase of property and equipment	12	(2,050,000)	(3,952,000)
Net Cash from/used in Investing activities		(2,050,000)	(3,952,000)
Cash flows from Financing activities:			
Royalties paid to members	15	-	(36,285,537)
Net cash from/used in Financing activities		-	(36,285,537)
Net movement in Cash and Cash equivalents		(173,507,378)	180,857,983
Cash and Cash equivalents at start of the year		225,861,715	45,003,732
Cash and Cash equivalents at end of the year	14	52,354,337	225,861,715
Reconciliation of Cash and Cash Equivalents:			
Cash held at hand		731,900	647,300
Cash held at bank		51,622,437	225,214,415
Total Cash and Cash equivalents at year end		52,354,337	225,861,715

The Statement of Cash Flows is to be read in conjunction with the notes forming part of the financial statements set out on pages 19 to 36 and the Report of the independent auditors presented on page 10-14.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

STATEMENT OF CHANGES IN ACCUMULATED FUNDS
AS AT 31 DECEMBER 2020

FY 2020	Retained Surplus/Deficit Account		Total Accumulated Funds
	UGX	UGX	
Opening Balances as at 01 January 2020	140,253,795		140,253,795
Prior year adjustments	22,863,972		22,863,972
Deficit for the year after tax	(185,192,463)		(185,192,463)
Round off effect	—	—	—
Balance as at 31 December 2020	(22,074,695)		(22,074,695)

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FY 2019	Retained Surplus Account		Total Accumulated Funds
	UGX	UGX	
Opening Balances as at 01 January 2019	19,578,232		19,578,232
Surplus for the year after tax	156,961,100		156,961,100
Members' Royalties Paid	(36,285,537)		(36,285,537)
Round off effect	(1)	(1)	(1)
Balance as at 31 December 2019	140,253,795		140,253,795

The Statement of Changes in Accumulated Funds is to be read in conjunction with the notes forming part of the financial statements set out on pages 19 to 36 and the Report of the independent auditors presented on page 10-14.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2020

1.0. REPORTING SOCIETY AND ACCOUNTING PERIOD:

Uganda Performing Right Society Ltd (UPRS) is a Society established in 1985 with a primary goal of promoting the economic and social interest of its members through defending their copyright and neighbouring right interests. Uganda Performing Right Society Ltd reports on its financial affairs after every end of twelve months period. These financial statements therefore cover a period of twelve months running from 01 January to 31 December 2020.

2.0. STATEMENT OF COMPLIANCE WITH THE IFRSs:

For purposes of preparing and presenting these financial statements, Uganda Performing Right Society Ltd has adopted and complied in full with both the new and revised International Financial Reporting Standards and the related interpretations thereof as applicable to the reporting period ended 31 December, 2020.

3.0. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the reporting period.

3.1. Basis of preparation.

The financial statements have been prepared under the historical cost convention and are in compliance with the International Financial Reporting Standards (IFRS). The accounting policies adopted are consistent with those of the previous year. The preparation of the financial statements in conformity with the International Financial Reporting Standards requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based on the Board's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The Board meets its day-to-day obligations from its current assets. On this basis, the Board considers it appropriate to prepare the financial statements on a going concern basis which assumes that UPRS will be in operational existence for the foreseeable future.

3.2. New standards, amendments and interpretations issued and now adopted by UPRS.

On 1 January 2020, UPRS adopted the new or amended International Financial Reporting Standards (IFRS) that are mandatory for application for the financial year. Changes to UPRS's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.2. New standards, amendments and interpretations issued and now adopted by UPRS -continued

Such new or amended standards include:

- Definition of Materiality (Amendment to IAS 1 and IAS 8);
- Amendments to references to the Conceptual Framework; and
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

The adoption of these new or amended IFRSs did not result in substantial changes to UPRS's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

3.3. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to the standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that UPRS has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).

3.4. Revenue Recognition.

Revenue represents the fair value of consideration received or receivable for the services rendered by UPRS in the course its activities. It is recognised when it is probable that future economic benefits will flow to UPRS and the amount of revenue can be measured reliably. It is stated net of indirect taxes, rebates and discounts. Sale of goods are recognised upon delivery of the product and customer acceptance, while sale of services is recognised upon performance of the service and customer acceptance based on the proportion of actual service rendered to the total services to be provided. Income has been recognised in the financial statements in accordance with the requirements of IFRS 15 that deals with the same.

Licence income.

Income of UPRS mainly comprises of Licensing Fees collected from Licenses issued to various customers that consume the services UPRS is mandated to provide and is recognised on cash basis as per the revised accounting policy of the entity adopted by the Board in the year 2018.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.4. Revenue recognition – continued

Grant Income.

Grants are recognised only when there is reasonable assurance that (a) UPRS will comply with the conditions attached to the grant; and (b) the grant will be received. The grant is recognised as income over the period necessary to match it with the related costs, for which it is intended to compensate, on a systematic basis. Non-monetary grants such as Physical Assets donated in kind and other resources are usually accounted for at fair value, although recording both the asset and the grant at a nominal amount is permitted. A grant received as compensation for costs already incurred or for immediate financial support with no future related costs, is recognised as income in the period in which it is receivable. For the period under review, the Society did not receive any grant that would qualify for disclosure in the financial statements. Grants and financial assistance received from Government is accounted for in accordance with the requirements of IAS 20.

Other income.

Any other income is recognised when the right to receive the payment is established. For the reporting period under review, the society received other income from international partners and this has been recognised on accrual basis of accounting as per the terms spelt out in the respective signed Partnership Agreements.

3.5. Recognition of Lease Transactions.

UPRS recognises any lease transactions in accordance with the requirements of IFRS 16 Leases. At the inception of the contract, UPRS assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed. For the year ended 31 December 2020, UPRS did not execute any lease transactions which would qualify for recognition in the financial statements using the requirements of IFRS 16.

3.6. Financial Instruments.

Recognition and derecognition

Financial assets and financial liabilities are recognised when UPRS becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments – continued

Classification and initial measurement of financial assets

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into one of the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented, UPRS does not have any financial assets categorised as FVOCI. Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) or Fair Value Through Profit and Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and the contractual cash flow characteristics of the financial asset. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold the financial assets to collect contractual cash flows; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual Cash flows and selling financial assets; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of Principal and interest on the principal amount outstanding.

Receivables are classified at amortised cost. There were no changes in classification of financial liabilities, as all remained under "other financial liabilities".

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments – continued

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses –the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included trade receivables, cash and cash equivalents and receivables from Government. The financial assets at amortised cost consist of receivables, cash and cash equivalents and receivables from Government.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs; these are ECLs that result from possible default events within 12 months after the reporting date; and

- Lifetime ECLs; these are ECLs that result from all possible default events over the expected life of a financial instrument.

UPRS measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

- Receivables from Government entities for which credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

UPRS has elected to apply the simplified approach and record lifetime expected losses on all trade receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, UPRS considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on UPRS's historical experience and informed credit assessment and including forward-looking information.

UPRS assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due. UPRS considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to UPRS in full.
- The financial asset is more than 360 days past due.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments – continued

Measuring of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that UPRS expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-Impaired financial assets

At each reporting date, UPRS assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the impairment model

The ECLs were calculated based on actual credit loss experience over the past three years. UPRS performed the calculation of ECL rates separately for receivable categories. UPRS used a simplified approach to determine the expected credit losses by using a provision matrix, because; the receivable base consists of a large number of small receivable balances, the receivables have common risk characteristics and do not have a significant financing component.

3.7. Expenditure Recognition.

Expenditure is recognized when it is incurred.

3.8. Accounts Receivable and Prepayments.

Accounts receivable and Prepayments are recognized at fair value.

3.9. Payables and accrued expenses.

Payables and accrued expenses are recognized at fair value.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.10. Property and Equipment.

The cost of purchased property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributed costs which have been incurred in bringing the assets to the present location and condition necessary for their intended service. Physical properties acquired by the Society in form of donations in kind are recognised at the fair values representative of the market prices at which such assets would have been purchased in the open market. During the reporting period, the Society received some donated physical assets that have been disclosed in the asset schedule and subjected to depreciation in accordance with the entity's financial policy.

3.11. Depreciation of Property and Equipment.

All Property and Equipment of the Society are stated at historical cost value less accumulated depreciation and impairment losses, where applicable. Depreciation is calculated to write off the cost of each asset over their expected useful lives on the basis of Reducing Balance method and using the annual rates stated below;

Asset Class	Rates
Furniture and fittings	12.5%
Motor Vehicles and Cycles	20.0%
Data handling equipment	40.0%
Office equipment	12.5%
Generator	20.0%

3.12. Intangible Assets.

Intangible assets relating to accounting software are initially measured at purchase cost and amortised on a straight-line basis over their estimated useful lives. The intangible asset refers to the software accounting package normally procured and used by the Society for maintaining its account records. The software once put in place is amortized at 33.3% per annum on a straight-line basis of accounting. For the year 2020, the Society did not procure any intangible asset that would qualify for disclosure in the financial statements.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.13. Impairment of Assets.

At each balance sheet date, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14. Cash and Cash Equivalents.

For purposes of presentation of the entity's statement of Cash flows, cash and cash equivalents comprises of cash in hand and demand deposits held on the various Bank accounts run by UPRS.

3.15. Inventories.

These are stated at the lower of cost or net realizable value. At close of the financial year the Society did not have any tradable inventories that would qualify for disclosure in the financial statements. Inventories relating to consumables procured for purposes of implementing operational activities or internal use have been expensed since they are not held for sale.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.16. Employee benefits.

UPRS pays salaries and wages to its employees and contributes to the National Social Security Fund (NSSF) staff engaged on permanent terms and pays gratuity to staff employed on contract terms. NSSF is a defined contribution scheme registered under the National Social Security Fund Act (1985) as amended in 2020.

UPRS's obligations under this scheme are limited to specific contribution regulated from time to time and currently stated at 10% of the employee's gross pay. UPRS's contributions are charged to the Income Statement in the year to which they relate.

3.17. Translation of foreign currencies.

Transactions in foreign currencies during the year are converted into Ugandan shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The resulting differences from conversion and translation are dealt with in the statement of financial performance in the year to which they relate. All effects of changes in foreign currency translations to functional reporting currency are accounted for in accordance with the requirements of IAS 21 that deals with the same.

If UPRS is to report to other Users of financial statements in foreign countries, an average exchange rate of USD=UGX 3,650= is recommended for use for the period ended 31 December 2020.

3.18. Critical accounting estimates and judgements in applying accounting policies.

UPRS makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

3.19. Provisions, Contingent Assets and Contingent Liabilities.

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. As at end of the reporting year, the Society had no provisions, contingent assets and contingent liabilities that would qualify for disclosure.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.20. Taxation.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The rate of income tax that is applied in measuring the current tax is the statutory rate of 30% charged in accordance with the Income Tax Act (1997) of Uganda.

3.21. Comparative Financial Statements.

The financial statements have been presented with comparative information for the previous period. Where necessary, changes have been made in respect of the format, disclosures, recognition criteria and presentation of various items in the accounts to suit the adoption and current requirements of the International Financial Reporting Standards and other regulations currently in force.

4.0. RELATED PARTY TRANSACTIONS:

A related party transaction is a transfer of resources, services or obligations between the reporting Society and related party, regardless of whether a price is charged or not. The Board, management and staff are members of UPRS and they are mandated by the entity's Constitution with the responsibility to manage and supervise all the affairs of the Society and in this case, they are related parties. The related party transactions of UPRS mainly involve advances taken by the staff members, Board members and the income from international partners to finance activities of the Society realized under reciprocal arrangements. Related party transactions are recognized in accordance with the requirements of IAS 24.

5.0. FINANCIAL RISK MANAGEMENT:

UPRS has exposures to mainly liquidity, interest rate and foreign exchange risks that arise from use of its financial instruments. UPRS is essentially engaged in the promotion of economic and social interest of its members through defending their copyright and neighbouring rights, interests, and relies more on income from Licensing fees to finance its operations.

Management endeavours at all times to minimize risks. Management has put in place a mechanism that ensures strict adherence to International and National laws regulating the performing Arts industry, sector regulations, guidelines and terms embedded in the Partnership agreements held with development partners as a control measure against risk exposures. The Society's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment procedures and continuous monitoring.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.0. FINANCIAL RISK MANAGEMENT -continued

The policies and procedures established for this purpose are continuously benchmarked with the industry best practices. UPRS's operations are supported by local management and outsourced consultants who use a comprehensive range of qualitative and quantitative tools to ensure minimum risk exposures. Management is responsible for the assessment, management and mitigation of risk in the Society. UPRS's overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The financial risk management policies are outlined below:

5.1. Credit risk.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the entity. The Society's credit risk is primarily attributable to its receivables and amounts due from related parties, estimated by the entity's Accounts department based on prior experience, existing financial and economic factors faced by the debtors and the exit options available. The credit risk on receivables is limited because the Society provides services to its clients mainly on cash basis while any dealings with members on credit service arrangement is restricted to those that are legally admitted into UPRS's membership using the established policies and procedures and management ensures that each member is appropriately billed the Fees payable and the settlement terms thereof.

5.2. Liquidity risk management.

The ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Society's short, medium and long-term funding and liquidity management requirements. UPRS manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

5.3. Foreign exchange risk.

UPRS undertakes certain transactions denominated in foreign currencies. This exposes it to foreign exchange risk. However, the Exchange rate exposures are managed within approved policy guidelines.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-20 UGX	31-Dec-19 UGX
6.0. SURPLUS/DEFICIT BEFORE TAX		
This is stated after expensing the following:		
Audit Fees (Note 1)	6,750,000	6,750,000
Depreciation expense (Note 12)	5,913,906	6,804,655
7.0. REVENUE		
7.1. Local Revenue		
Income realised from License Fees	206,071,183	641,480,694
Income realised from Penalty Fees	1,211,547	27,639,567
Sub-Total	207,282,730	669,120,261
7.2. Other Income		
Royalties received from Africha Entertainment	20,383,413	28,743,617
Royalties received from Google Ireland	22,449,131	27,786,700
Donations from well-wishers	5,000,000	-
Bank interest received	1,984	-
Sub-Total	47,834,528	56,530,317
TOTAL REVENUE	255,117,258	725,650,578
8.0. BUSINESS DEVELOPMENT AND PROMOTION EXPENSES		
Field compliance operations	800,000	53,856,000
Trainings, workshops and seminars	4,972,400	1,600,000
Licensing expenses	13,890,000	8,182,000
Commission paid-out to business agents	746,633	3,335,487
Legal Fees	1,296,500	9,363,500
Printing license materials	6,952,000	7,533,800
Branding	41,328,000	1,136,000
Marketing and advertising	15,150,150	3,920,000
Evidence gathering	-	3,639,828
Discounts allowed to business clients	-	6,908,000
Sensitisation campaigns	-	5,479,169
Monitoring and automated Airplay	-	1,759,000
Members' IDs	-	-
Total	85,135,683	106,712,784

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-20 UGX	31-Dec-19 UGX
9.0. EMPLOYEE EXPENSES		
Staff Salaries	109,335,340	210,145,429
10% NSSF Employer contributions	13,332,024	22,834,214
Wages for Casual labourers	2,346,000	1,704,000
Staff welfare	6,660,800	7,485,100
Staff transport and travelling	10,519,000	10,736,999
Restructuring expenses	19,148,936	-
Total	161,342,100	252,905,742
10.0. GOVERNANCE EXPENSES		
Board and Committee meeting expenses	9,062,875	25,670,000
Total	9,062,875	25,670,000
11.0. ADMINISTRATION EXPENSES		
Rent for offices and warehouses	74,452,572	22,632,000
Office running expenses	2,420,100	342,500
Secretarial services and stationery	-	8,386,500
Newspapers and Magazines	532,000	991,600
Local transport and travel	12,269,400	11,390,650
Repairs and maintenance	12,185,677	2,758,300
Security services	9,850,443	5,239,200
Cleaning and Hygiene	3,766,500	1,085,500
Electricity and lighting	1,810,000	2,871,185
Water bills	991,833	1,203,522
Telephone and airtime	8,105,714	2,689,000
Internet subscription	3,695,627	5,840,708
Audit services	6,750,000	6,750,000
Consultancy services	22,400,000	12,000,000
Motor vehicle and Motorcycle running expenses	6,099,608	4,086,900
Subscriptions and Contributions	3,923,363	9,097,220
Insurance services	634,600	14,133,527
Generator Running expenses	325,000	433,500
Personal Protective Equipment	760,000	-
Equipment Hire	1,915,000	-
Relocation expenses	2,875,000	-
Website Hosting	870,000	3,072,260
Bank charges	2,222,721	-
Depreciation expense (Note 12)	5,913,906	6,804,655
Total	184,769,063	121,808,727

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.0. PROPERTY AND EQUIPMENT (CURRENT YEAR -2020)

Name of Asset	Data Handling Equipment UGX	Furniture and Fittings UGX	Motor Vehicle and cycles UGX	Office Equipment UGX	Generator UGX	Total UGX
As at 01 January 2020	42,783,505	19,467,718	18,250,000	13,856,300	3,300,000	97,657,523
Additions/Disposals	2,050,000	-	-	-	-	2,050,000
As at 31 Dec. 2020	44,833,505	19,467,718	18,250,000	13,856,300	3,300,000	99,707,523
Depreciation:	40%	12.50%	20.00%	12.50%	20.00%	
As at 01 January 2020	38,901,143	13,521,913	11,106,000	4,137,941	2,529,297	70,196,294
Charge for the year	2,372,945	743,226	1,428,800	1,214,795	154,141	5,913,906
Charge on disposal	-	-	-	-	-	-
As at 31 Dec. 2020	41,274,088	14,265,139	12,534,800	5,352,736	2,683,437	76,110,200
Net Book Value:						
As at 31 Dec. 2019	3,882,362	5,945,805	7,144,000	9,718,359	770,703	27,461,229
As at 31 Dec. 2020	3,559,417	5,202,579	5,715,200	8,503,564	616,563	23,597,323

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.1. PROPERTY AND EQUIPMENT – (PREVIOUS YEAR 2019)

Name of Asset	Data Handling Equipment UGX	Furniture and Fittings UGX	Motor Vehicle and Cycles UGX	Office Equipment UGX	Generator UGX	Total UGX
As at 01 January 2019	41,108,505	19,467,718	18,250,000	11,579,300	3,300,000	93,705,523
Additions/Disposals	1,675,000	-	-	2,277,000	-	3,952,000
As at 31 Dec. 2019	42,783,505	19,467,718	18,250,000	13,856,300	3,300,000	97,657,523
Depreciation:	40%	12.50%	20.00%	12.50%	20.00%	
As at 01 January 2019	36,312,902	12,672,513	9,320,000	2,749,604	2,336,621	63,391,639
Charge for the year	2,588,241	849,401	1,786,000	1,388,337	192,676	6,804,655
Charge on disposal	-	-	-	-	-	-
As at 31 Dec. 2019	38,901,143	13,521,913	11,106,000	4,137,941	2,529,297	70,196,294
Net Book Value:						
As at 31 Dec. 2018	4,795,603	6,795,205	8,930,000	8,829,696	963,379	30,313,884
As at 31 Dec. 2019	3,882,362	5,945,805	7,144,000	9,718,359	770,703	27,461,229

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-20 UGX	31-Dec-19 UGX
13.0. RECEIVABLES AND PREPAYMENTS		
Sundry Trade Debtors	821,191	494,700
Board and Staff advances	6,070,500	6,066,500
WHT receivable	14,094,565	8,192,701
Total	20,986,256	14,753,901
14.0. CASH AND BANK BALANCES		
Cash at hand	731,900	647,300
Cash held on Tropical Bank A/C	51,223,741	225,214,415
Cash held on UBA Savings Bank A/C	199,387	-
Cash held on UBA Overdraft Bank A/C	199,310	-
Total	52,354,337	225,861,715
15.0. SURPLUS/DEFICIT ACCOUNT		
Balance B/F	140,253,795	19,578,232
Prior year adjustments	22,863,972	-
Surplus/Deficit for the year	(185,192,463)	156,961,100
Royalties paid to members	-	(36,285,537)
Round-off effect	-	(1)
Balance C/F	(22,074,695)	140,253,795
16.0. PAYABLES AND ACCRUALS		
Suppliers' bills payable	41,028,494	-
Customers advances	877,790	21,201,305
VAT payable	691,332	2,689,160
Audit and Consultancy fees payable	18,564,000	9,150,000
PAYE payable	725,048	3,310,195
NSF payable	2,399,866	2,250,719
Salaries payable	41,897	41,898
WHT payable	470,678	537,108
Total	64,799,105	39,180,385

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-20 UGX	31-Dec-19 UGX
17.0. INCOME TAX COMPUTATIONS		
Surplus/Deficit Before Tax as per Income Statement	(185,192,463)	218,553,325
Adjusted for:		
Depreciation expense (Note 12)	5,913,906	6,804,655
10% Telephone expenses (Note 11)	810,571	268,900
Donations and Grants (Note 7)	(5,000,000)	-
Capital allowance deductions (Note 18)	(14,585,113)	(20,319,464)
Chargeable Income/Loss for the year	(198,053,099)	205,307,416
30% Corporation Tax payable thereon	-	61,592,225
Add: Tax Arrears B/F	88,642,666	33,097,468
Less: Tax waivers by URA	(29,939,967)	-
Withholding Tax credit offset	(4,489,192)	(6,047,027)
Tax due and payable	54,213,507	88,642,666

18.0. COMPUTATION OF CAPITAL ALLOWANCE DEDUCTIONS

18.1. Wear & Tear Allowances - Current year 2020

Name of Assets	Computers and Accessories	Motor Vehicles and cycles	Furniture, Fittings & Equipment	Total
% Rates	40%	30%	20%	
T.W.D.V as at 01/01/2020	15,804,062	8,942,500	23,803,691	48,550,253
Additions	2,050,000	-	-	2,050,000
Qualifying Cost for W&T	17,854,062	8,942,500	23,803,691	50,600,253
Wear & Tear Allowances	(7,141,625)	(2,682,750)	(4,760,738)	(14,585,113)
T.W.D.V as at 31/12/2020	10,712,437	6,259,750	19,042,953	36,015,140

Summary of Capital allowances claimable for the year:

Wear & Tear Allowance	14,585,113
Total	14,585,113

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19.0. EVENTS AFTER THE REPORTING DATE

Except for the effects of COVID-19 pandemic that curtailed most of the activities of the entity as stated earlier in this report, there were no other material events subsequent to the year ended 31 December 2020 which would require adjustments of or disclosure in these financial statements.

20.0. COMMITMENTS

There were no capital commitments as at 31 December 2020 that would qualify for disclosure in these financial statements same as it was in the previous financial year.

21.0. DISTRIBUTION OF ROYALTIES TO ELIGIBLE MEMBERS


UPRS is authorised by Uganda Registration Services Bureau (URSB) in line with the Ugandan Copyright & Neighbouring Rights Act 2006 and the Copyright & the Neighbouring Rights Regulations 2010 to license rights in musical works unit sound recordings. Through reciprocal agreements, UPRS also administers the rights owners around the world whose members' works are exploited in Uganda.

The distribution of Royalties to eligible members is done in accordance with the distribution policy (Rules) enacted by UPRS in April 2018. The current policy provides that the distributable income may include:

- Licensing revenues less administrative expenses and provision for any reserved funds.
- Royalties received from affiliated societies less administrative expenses. Further, a deduction of 5% of net royalties received from affiliated societies in respect of the costs associated with the analysis and processing of the royalty payments shall be made.
- Interest earned from investments after deduction of administration fees.
- The application of points allocated to the various distribution pools. The points are arrived at by dividing distributable revenue by total frequency of play count in a category.

The current policy further provides that net distributable revenue is determined by aggregating all the Gross license revenue less administrative, operation and promotion expenses incurred by UPRS in the course of generating the income and also expenses relating to social and cultural allocations (Musical works). In view of the above policy, UPRS management ensures that the administrative expenses incurred are capped to a maximum of 30% of the Gross license revenue earned every year and this is done in accordance with the industry best practices which requires every CMO to maintain a royalty distribution ratio of 70:30 of the Gross License revenue. However, it should be noted that revenue derived by UPRS in other forms outside the License revenue is entirely used on supporting the administration of the entity and does not form part of the amount available for distribution to members.

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 <p>Uganda Performing Right Society (UPRS) Ltd (A Company Limited by Guarantee and not having a Share Capital)</p>	<p>Annual Report and Audited Financial Statements for the year ended 31 December 2021</p>	<p><u>Auditors:</u> ©MDJ AND PARTNERS Certified Public Accountants P.O. Box 271, Entebbe (U) Issued: April, 2024</p>
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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

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A PERFORMING RIGHT SOCIETY (UPRS) LTD

Financial Statements

For the year ended 31 December 2021

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Account
 Annual General Meeting
 Balance Brought Forward
 Board of Directors
 Balance Carried Forward
 Composers, Authors and Publishers Association
 Chief Executive Officer
 Confederation of Societies of Authors and Composers
 Certified Public Accountant
 International Accounting Standards
 International Ethics Standards Board for Accountants' Code of Ethic
 Professional Accountants
 International Federation of Phonographic Industry
 International Financial Reporting Standards
 Intellectual Rights Property
 International Standards on Auditing
 Local Service Tax
 Memorandum of Understanding
 National Social Security Fund
 National Cultural Forum
 Operation Wealth Creation
Performing Artists

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD

Audited Financial Statements

For the year ended 31 December 2021

SOCIETY'S EXECUTIVE INFORMATION:

REGISTERED OFFICES AND PLACE OF ABODE:

Previous Address:
 Plot 35, House 5A Bukoto Drive
 P.O. Box 102466
 Kampala (U)
 Tel: +256-771 952 357 | 0751-067197
 E-mail: info@uprs.go.ug
 Website: www.uprs.go.ug

Current Address:
 Plot 2240, Diplomat Zone, Kansanga-Ggaba Road
 P.O. Box 102466
 Kampala, Uganda
 Tel: +256-771 952 357 | 0751-067197
 E-mail: info@uprs.go.ug
 Website: www.uprs.go.ug

BANKERS:

Tropical Bank Ltd
 Kampala Main Branch
 A/C 2000074357

United Bank of Africa
 Kampala Main Branch
 A/C No. 0164000335
 A/C No. 0131000984

AUDITORS:

MDJ and Partners
 Certified Public Accountants
 P.O. Box 271,
 Entebbe, Uganda.
 Telephone: +256-392-901 205 | 0772-635101
 Email: mdjandpartners@yahoo.com | mvasekdaniel@yahoo.com

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD

Audited Financial Statements

For the year ended 31 December 2021

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DEC. 2021

The Board of Directors is pleased to submit their report together with the Audited financial statements, which disclose the state of financial affairs of Uganda Performing Right Society Ltd, for the year ended 31 December 2021.

1.0. ESTABLISHMENT AND LEGAL STATUS:

1.1. Brief Background.

Uganda Performing Right Society Ltd is a society that was formed in 1985 by authors (mainly musicians) to advance the cause of copyright administration in Uganda. It is registered with the Registrar of Companies as a Company Limited by guarantee having no share Capital, in other words, it belongs to all of its members. UPRS is recognized by the Government as a Collecting Society, and it is a Member of the Confederation of International Societies of Authors and Composers (CISAC).

1.2. Vision.

A Country free from piracy and infringement of copyright works

1.3. Mission.

To promote copyright and promote the value of music

1.4. Goal of the Society.

To fight infringement and piracy of music, pakalast

1.5. Objectives of the Society.

Uganda Performing Right Society Ltd's Vision and Mission are driven by the following objectives:

- o To promote the economic and social well-being of members.
- o To promote and encourage creativity in artistic, literary, and scientific works in Uganda.
- o To make reciprocal representation agreements with foreign societies.
- o To foster understanding between members and users of their works.
- o To provide members and any other interested persons with information relating to and neighbouring rights

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD

Audited Financial Statements

For the year ended 31 December 2021

REPORT OF THE BOARD OF DIRECTORS - Continued

2.0. PRINCIPAL ACTIVITIES AND OPERATION MODE:

Uganda Performing Right Society Ltd principal activities are administering copyright and neighbouring rights on behalf of its members, and other members of other societies through reciprocal representative agreements, and its membership is open to all performing artists across the entire country. However, majority of the members are served online via platforms set up by the management of the Society from time to time.

3.0. CORPORATE GOVERNANCE:

Uganda Performing Right Society Ltd is committed to the principles of good corporate governance and recognizes the need to provide services in accordance with generally accepted best practices and the existing regulatory framework. In so doing, the Board therefore confirms that:

- a) They met as and when it was necessary during the year under review;
- b) They retained full and effective control over the Society throughout the year;
- c) The Board continued to exercise responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance; and
- d) The Board members continued to bring skills and experience from their own spheres of operation to complement the professional experience and skills of the management team.

Further, the Board continued to carry out its role of formulating policies and strategies for the Society, reviewing the work plans, ensuring that the accounting system is maintained in accordance with acceptable standards, the books of Account for the Society are kept properly, and that accounts are checked by authorised auditors, as well as recruitment and development of key personnel.

4.0. SOCIETY'S GOVERNANCE AND MANAGEMENT:

The Society's governance structure comprises of the Annual General Meeting (AGM), the Governing Board and management.

4.1. The Annual General Meeting (AGM)

The AGM is the supreme organ of UPRS. It is constituted by all registered active members of the Society. The membership of the Society stood at **3,485** members as at 31 December 2021 compared to **3,201** members reported at the end of the year 2020. This represents an increase in membership enrolment by **284** members.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

4.2. Board of Directors

The Board that steered the operations of the Society during the reporting period comprised of the following members:

Name	Position	Period of Service
Mr. Kabiito Karamagi	Board Chairman	January – December 2021
Mr. Okello Sam Kelo	Director	January – December 2021
Mr. Senumaga James	Director	January – December 2021
Mr. Mangeni Patrick Wa Ndeda	Director	January – December 2021
Ms. Basima Justin	Director	January – December 2021
Mr. Kaye Gideon Wisdom	Director	January – December 2021
Mr. Ntege Peter	Director	January – December 2021
Ms. Sesanga Juliet	Director	January – December 2021
Mr. Ssemakula Robert Edward	Director	January – December 2021
Ms. Nakabugo Grace	Director	January – December 2021
Mr. Abola James	Director	January – December 2021

4.3. Management and administration:

During the reporting period, the Society was run by a management and administration team comprising of Executive, middle level and lower-level management staff. The senior management team of the Society comprised of the following key members:

Name	Designation	Period of service
Mr. Anthony Mwandha	Ag. CEO	January – December 2021
Ms. Buyungo Viola	Accountant	January – December 2021
Mr. Ssebuliba George	Compliance Officer	January – December 2021
Ms. Naamala Ephraime	Licensing Officer	January – December 2021

4.4. Benefits to members.

Uganda Performing Right Society Ltd pays out benefits to its members in form of Royalties based on the performance for a given reporting period. The amount to be paid is proposed by the Board and approved at the AGM. For the financial year ended 31 December 2021, UPRS did not either declare or pay any benefits in form of royalties to its members.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

4.5. Remuneration of Board members.

Serving on the Board of UPRS is a voluntary service based on the authority entrusted to the individual Board members by the AGM and the Regulator. Therefore, the entity does not remunerate its Board members on a monthly basis. The Board members are only facilitated when conducting official business of the Society in accordance with its governance policies and procedures.

5.0. RISK MANAGEMENT:

Whereas currently there is no internal audit function at management level, the responsibility for managing the internal audit and risk management affairs of UPRS is vested in the audit and risk management committee of the Board. This committee works hand in hand with the management and staff to ensure that there are robust internal controls and that the risk profiles of UPRS are maintained within the acceptable levels.

The Board accepts final responsibility for the risk management and internal control system of UPRS. Management ensures that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- Safeguarding of the Society's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Society's risk management system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

6.0. SOLVENCY AND GOING CONCERN:

UPRS confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board remains optimistic that save for the effects of COVID-19 on the entity's operations, the negative financial implications of which cannot be reliably estimated in the short-run, UPRS still has many available opportunities to exploit from which it can realise adequate resources to sustain its operations for the foreseeable future.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

REPORT OF THE BOARD OF DIRECTORS – CONTINUED

7.0. DEVELOPMENT PARTNERS AND SUPPORT RECEIVED:

The Board on behalf of UPRS would like to acknowledge and appreciate in a special way the support received from various development partners during the year that greatly helped the organisation to partly finance its operations. Below is a summary of the Key development partners and the funding support received from each one of them:

Name of Development Partner	Purpose of Funding	FY 2021		FY 2020	
		UGX	UGX	UGX	UGX
Operation Wealth Creation (OWC)	Support to UPRS for AGM event and administrative activities	-	100,000,000	-	-
National Cultural Forum	Support to Local administration	-	20,000,000	-	-
CAPASSO	Royalties remitted to UPRS	-	30,771,621	-	-
Donation from well-wisher	Support to local Administration	-	-	-	5,000,000

8.0. FINANCIAL RESULTS FOR THE YEAR:

The financial performance of UPRS for the year ended 31 December 2021 is as stated in the Statement of Comprehensive Income presented on page 16. Below is the summarised financial performance for the year as compared with the previous year:

	31-Dec-21	31-Dec-20
Surplus/Deficit Before Tax	UGX (59,560,639)	UGX (185,192,464)
Corporation tax expense	-	-
Surplus/Deficit for the year	UGX (59,560,639)	UGX (185,192,464)

9.0. ACCOUNTABILITY AND FINANCIAL REPORTING:

Our Society contracts with qualified auditors to perform yearly audits to ensure complete disclosure, transparency, and compliance with the relevant Ugandan laws and regulations. The Regulator (URSB) appointed MDJ and Partners-Certified Public Accountants as our new External Auditors in accordance with Section 69(2) of the Copyright and Neighbouring Rights Act 2006 and the provisions of the Ugandan Companies Act 2012 as amended. They have expressed interest to remain in office as auditors of the Society for the next reporting period subject to approval by the AGM and clearance by the Regulator.

10.0. APPROVAL OF THE FINANCIAL STATEMENTS:

The Financial Statements were received, discussed and approved by the Board of Directors at their meeting held at Kampala on the 22nd day of April, 2024.

By order of the Board:
Abola James
CHAIRMAN, UPRS BOARD



UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

Section 69(1) of the Copyright and Neighbouring Rights Act 2006 of the Laws of Uganda together with the Companies Act 2012, under which UPRS is registered and regulated requires the Board of Directors to prepare the financial statements of the Society for each financial period and cause those Accounts to be audited at least once in every year by an auditor appointed by the AGM and or the Regulator and approved by the Registrar. The financial statements should give a true and fair view of the state of affairs of the Society as at the end of the financial period and of the operating results for that period.

Further, the above cited Acts and the Regulations thereunder also requires the Board to ensure that the Society maintains proper accounting records, which disclose with reasonable accuracy its financial position. The Board is also responsible for safeguarding the Society's assets and to take reasonable steps for prevention and detection of fraud and other irregularities.

The Board asserts that the financial Statements as audited by MDJ and Partners-Certified Public Accountants (our independent External auditors) give a true and fair view of the state of financial affairs of Uganda Performing Right Society Ltd as at 31 December 2021. The Auditors have issued unqualified Audit opinion over the financial statements for the year.

A review of the going concern status of UPRS revealed that despite the effects of the COVID-19 pandemic that curtailed most of the entity's business operations across the country resulting into posting of losses at the end of the immediate past and current year under review, the Board is still optimistic that the new business strategies being pursued presently will eventually turn UPRS into a profit-making entity for the foreseeable future. It is therefore highly probable that UPRS will remain a going concern for at least the next twelve months from the date of this statement.

This statement is made in accordance with the resolution of the Board at their meeting held at Kampala on the 22nd day of April, 2024 and is signed for and on behalf of Uganda Performing Right Society Ltd by:

By order of the Board:
Abola James
CHAIRMAN, UPRS BOARD
Abola James
CHAIRMAN, UPRS BOARD

By order of the Board:
Abola James
CHAIRMAN & RISK COMMITTEE UPRS
Abola James
CHIEF EXECUTIVE OFFICER



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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

The Members
 Uganda Performing Right Society Ltd (UPRS)
 Plot 22-40, Diplomat Zone, Kansanga Ggaba Rd
 P.O. Box 102466,
 Kampala, Uganda.

RE: THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF UGANDA PERFORMING RIGHT SOCIETY LTD FOR THE YEAR ENDED 31 DECEMBER, 2021

Auditor's Opinion:

We have audited the accompanying financial statements of Uganda Performing Right Society Ltd, as set out on page 15 to 36 and the Annexes thereto presented hereinafter. These financial statements comprise of; the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Accumulated Funds and the notes to the financial statements, including a summary of significant accounting policies for the year ended 31 December, 2021.

In our opinion, the accompanying financial statements present in all material respects, a true and fair view of the financial position of Uganda Performing Right Society Ltd as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs), the Copyright and Neighbouring Rights Act 2006 and the Companies Act 2012 as amended.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, 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.

Key Audit Matters:

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Key Audit Matters –continued

The following are the key audit matters that have been identified for the year:

Key Audit Matter identified	How our Audit addressed the KAMs
<p>1.0. Impact of COVID-19 on the Entity's operations and going concern status:</p> <p>During the audit, we paid particular attention to the effects of COVID-19 on the going concern status of the UPRS from the time the outbreak was officially announced to the Balance Sheet date and we confirmed that the effects of the pandemic resulted into material uncertainty relating to the future financial position, financial performance and Cash flows of the entity. We noted that the entity's activities and those of its members were ranked among the non-essential services due to the restrictions put in place by the Government during the lock down periods to fight the pandemic. This caused some disruptions in the planned operations of the entity for the year and grossly affected its earnings from the sector it works with.</p>	<p>Our procedures in relation to this matter included performing tests to confirm the Board and management's action and responses to the situation that would ensure continuity of the UPRS in operation. In response to this matter, we confirmed that the Board had taken the following actions:</p> <p>(i) Postponed most of the activities that were to be performed during the year especially those that were classified by government as falling in the category of non-essential services i.e. AGM, physical transacting of business with the clients, among others;</p> <p>(ii) Created awareness among its stakeholders including employees and members by availing information about the virus and;</p> <p>(iii) Put in place the necessary Standard Operating Procedures (SOP) to protect the employees and stakeholders from the pandemic;</p> <p>(iv) Lobbied for some COVID-19 relief funds to support the entity's activities and its members.</p> <p>(v) In addition, a crisis management team and continuity plan were put in place to deal with the potential negative impact of the pandemic on the entity's operations and ensure its going concern status is maintained.</p> <p>We have no further disclosures or reservations to make about this particular matter.</p>

Besides, the above matters, we have no other significant key audit matters that were identified for the year that would qualify for disclosure in this audit report.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Other information:

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information 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 other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board of Directors and those with Governance for the Financial Statements:

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal controls 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 preparation of the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

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 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 basis of these financial statements.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements –Continued:

As part of an audit in accordance with ISAs, we exercise professional judgment 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 opinion. The risk 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 controls.
- 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 Society'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 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 whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements –Continued:

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with Other Regulatory Requirements:

As required by the Ugandan Companies Act 2012, together with the Copyright and Neighbouring Rights Act 2006 and the regulations made thereunder as amended to date, we report to you based on our audit that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account have been kept by the Society so far as appears from our examination of those books; and
3. The Society's statement of financial position (Balance Sheet) and statement of comprehensive income (Income and Expenditure Statement) are in agreement with the books of account kept for the reporting period from where they have been drawn.

The Lead Engagement Practitioner on this audit resulting in the independent auditors' report is CPA Mwase Daniel Balibonaki (P0138), whose signature and seal are hereby appended and /or fixed on this 22nd day of April, 2024.

MDS & Partners

MDJ AND PARTNERS
Certified Public Accountants
P.O. Box 271,
Entebbe, Uganda



Mwase Daniel Balibonaki

CPA Mwase Daniel Balibonaki (P0138)
Lead Engagement Practitioner
P.O. Box 271,
Entebbe, Uganda

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	31-Dec-21	31-Dec-20
	UGX	UGX
REVENUE:		
Local Revenue	182,993,590	207,282,730
Other Income	150,821,411	47,834,528
Total Revenue	333,815,001	255,117,258
EXPENDITURE:		
Business Development & Promotion Expenses	43,997,339	85,135,683
Employee Expenses	146,920,458	161,342,100
Governance Expenses	51,182,300	9,062,875
Administration Expenses	151,275,543	184,769,063
Total Expenditure	393,375,640	440,309,721
SURPLUS/DEFICIT BEFORE TAX	(59,560,639)	(185,192,463)
Corporation tax expense	-	-
SURPLUS/DEFICIT FOR THE YEAR	(59,560,639)	(185,192,463)

The Statement of Comprehensive Income is to be read in conjunction with the notes forming part of the financial statements set out on pages 19 to 36, the Annexes laid out on page 37 to 38 and the Report of the independent auditors presented on page 10-14.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	31-Dec-21	31-Dec-20
	UGX	UGX
ASSETS:		
Non-Current Assets:		
Property and Equipment	21,193,936	23,597,323
Total Non-Current Assets	21,193,936	23,597,323
Current Assets:		
Receivables and prepayments	17,431,515	20,986,256
Cash and Bank Balances	17,150,336	52,354,337
Total Current Assets	34,581,851	73,340,593
TOTAL ASSETS	55,775,786	96,937,916
FUNDS AND LIABILITIES:		
FUNDS:		
Retained Surplus/Deficit	(81,635,335)	(22,074,696)
Total Accumulated Funds	(81,635,335)	(22,074,696)
LIABILITIES:		
Payables and Accruals	88,483,613	64,799,105
Income Tax Provisions	48,927,509	54,213,507
Total Liabilities	137,411,122	119,012,612
TOTAL FUNDS AND LIABILITIES	55,775,786	96,937,916

The Statement of Financial Position is to be read in conjunction with the notes forming part of the financial statements set out on pages 19 to 36, the Annexes laid out on page 37 to 38 and the Report of the independent auditors presented on page 10-14.

Approval of the Financial Statements:
The Financial Statements laid out on page 16 to 36 were received, discussed and approved by the Board at their meeting held at Kampala on the 22nd day of April, 2024 and were signed for and on behalf of UPRS by:

Mrs. Sijje
CHAIRMAN
UPRS BOARD

Mwase Daniel Balibonaki
CHAIRMAN
AUDIT & RISK COMMITTEE

Mwase Daniel Balibonaki
CHIEF EXECUTIVE OFFICER
UPRS



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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	31-Dec-21	31-Dec-20
	UGX	UGX
Cash flows from Operating activities:		
Surplus/Deficit Before Tax per Income Statement	(59,560,639)	(185,192,463)
Adjusted for:		
Depreciation expense	4,903,387	5,913,906
Effects of Prior year adjustments	-	22,863,972
Round off effect	2	-
Deficit Before Working Capital Changes	(54,657,250)	(156,414,585)
Increase/Decrease in Receivables & Prepayments	3,554,741	(6,232,355)
Increase / Decrease in Payables and Accruals	23,684,508	25,618,720
Cash generated from operations	(27,418,002)	(137,028,219)
Income Tax paid	(5,285,999)	(34,429,159)
Net cash from operating activities	(32,704,001)	(171,457,378)
Cash flows from Investing activities:		
Purchase of property and equipment	(2,500,000)	(2,050,000)
Net Cash from/used in Investing activities	(2,500,000)	(2,050,000)
Net movement in Cash and Cash equivalents	(35,204,001)	(173,507,378)
Cash and Cash equivalents at start of the year	52,354,337	225,861,715
Cash and Cash equivalents at end of the year	17,150,336	52,354,337

Reconciliation of Cash and Cash Equivalents:

	31-Dec-21	31-Dec-20
	UGX	UGX
Cash held at hand	376,200	731,900
Cash held at bank (all Bank Accounts)	16,774,136	51,622,437
Total Cash and Cash equivalents at year end	17,150,336	52,354,337

The Statement of Cash Flows is to be read in conjunction with the notes forming part of the financial statements set out on pages 19 to 36, the Annexes laid out on page 37 to 38 and the Report of the independent auditors presented on page 10-14.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

STATEMENT OF CHANGES IN ACCUMULATED FUNDS AS AT 31 DECEMBER 2021

	Retained Surplus/Deficit Account	Total Accumulated Funds
	UGX	UGX
FY 2021		
Opening Balances as at 01 January 2021	(22,074,696)	(22,074,696)
Deficit for the year	(59,560,639)	(59,560,639)
Balance as at 31 December 2021	(81,635,335)	(81,635,335)

FY 2020		
Opening Balances as at 01 January 2020	140,253,795	140,253,795
Prior year adjustments	22,863,972	22,863,972
Round off effect	1	1
Deficit for the year	(185,192,464)	(185,192,464)
Balance as at 31 December 2020	(22,074,696)	(22,074,696)

The Statement of Changes in Accumulated Funds is to be read in conjunction with the notes forming part of the financial statements set out on pages 19 to 36, the Annexes laid out on page 37 to 38 and the Report of the independent auditors presented on page 10-14.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

1.0. REPORTING SOCIETY AND ACCOUNTING PERIOD:

Uganda Performing Right Society Ltd (UPRS) is a Society established in 1985 with a primary goal of promoting the economic and social interest of its members through defending their copyright and neighbouring right interests. Uganda Performing Right Society Ltd reports on its financial affairs after every end of twelve-month period. These financial statements therefore cover a period of twelve months running from 01 January to 31 December 2021.

2.0. STATEMENT OF COMPLIANCE WITH THE IFRSs:

For purposes of preparing and presenting these financial statements, Uganda Performing Right Society Ltd has adopted and complied in full with both the new and revised International Financial Reporting Standards and the related interpretations thereof as applicable to the reporting period ended 31 December, 2021.

3.0. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the reporting period.

3.1. Basis of preparation

The financial statements have been prepared under the historical cost convention and are in compliance with the International Financial Reporting Standards (IFRS). The accounting policies adopted are consistent with those of the previous year. The preparation of the financial statements in conformity with the International Financial Reporting Standards requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based on the Board's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The Board meets its day-to-day obligations from its current assets. On this basis, the Board considers it appropriate to prepare the financial statements on a going concern basis which assumes that UPRS will be in operational existence for the foreseeable future.

3.2. New standards, amendments and interpretations issued and now adopted by UPRS.

On 1 January 2021, UPRS adopted the new or amended International Financial Reporting Standards (IFRS) that are mandatory for application for the financial year. Changes to UPRS's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.2. New standards, amendments and interpretations issued and now adopted by UPRS -continued

Such new or amended standards include:

- Definition of Materiality (Amendment to IAS 1 and IAS 8);
- Amendments to references to the Conceptual Framework; and
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

The adoption of these new or amended IFRSs did not result in substantial changes to UPRS's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

3.3. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to the standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that UPRS has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

3.4. Revenue Recognition.

Revenue represents the fair value of consideration received or receivable for the services rendered by UPRS in the course its activities. It is recognised when it is probable that future economic benefits will flow to UPRS and the amount of revenue can be measured reliably. It is stated net of indirect taxes, rebates and discounts. Sale of goods are recognised upon the delivery of the product and customer acceptance, while sale of services is recognised upon performance of the service and customer acceptance based on the proportion of actual service rendered to the total services to be provided. Income has been recognised in the financial statements in accordance with the requirements of IFRS 15 that deals with the same.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.4. Revenue recognition – continued

Licence income.

Income of UPRS mainly comprises of Licensing Fees collected from Licenses issued to various customers that consume the services UPRS is mandated to provide and is recognised on cash basis as per the revised accounting policy of the entity adopted by the Board in 2018.

Grant Income.

Grants are recognised only when there is reasonable assurance that (a) UPRS will comply with the conditions attached to the grant and (b) the grant will be received. The grant is recognised as income over the period necessary to match it with the related costs, for which it is intended to compensate, on a systematic basis.

Non-monetary grants such as Physical Assets donated in kind and other resources are usually accounted for at fair value, although recording both the asset and the grant at a nominal amount is permitted. A grant received as compensation for costs already incurred or for immediate financial support with no future related costs, is recognised as income in the period in which it is receivable. For the period under review, the Society received some external grants from OWC and NCF to support its local administration as disclosed under Note 7.2 of the notes to the financial statements. All Grants and financial assistance received from Government are accounted for in accordance with the requirements of IAS 20.

Other income.

Any other income is recognised when the right to receive the payment is established. For the reporting period under review, the society received other income from international partners and this has been recognised on accrual basis of accounting as per the terms spelt out in the respective signed Partnership Agreements.

3.5. Recognition of Lease Transactions

UPRS recognises any lease transactions in accordance with the requirements of IFRS 16 Leases. At the inception of the contract, UPRS assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed. For the year ended 31 December 2021, UPRS did not execute any lease transactions which would qualify for recognition in the financial statements using the requirements of IFRS 16.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments.

Recognition and derecognition.

Financial assets and financial liabilities are recognised when UPRS becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets.

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into one of the following categories:

- amortised cost,
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented, UPRS does not have any financial assets categorised as FVOCI. Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) or Fair Value Through Profit and Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and the contractual cash flow characteristics of the financial asset. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold the financial assets to collect contractual cash flows and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual Cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of Principal and interest on the principal amount outstanding.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments – continued

Receivables are classified at amortised cost. There were no changes in classification of financial liabilities, as all remained under "other financial liabilities".

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses –the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included trade receivables, cash and cash equivalents and receivables from Government. The financial assets at amortised cost consist of receivables, cash and cash equivalents and receivables from Government.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs; these are ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs; these are ECLs that result from all possible default events over the expected life of a financial instrument.

UPRS measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition
- Receivables from Government entities for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

UPRS has elected to apply the simplified approach and record lifetime expected losses on all trade receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, UPRS considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on UPRS's historical experience and informed credit assessment and including forward-looking information.

UPRS assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due. UPRS considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to UPRS in full.
- The financial asset is more than 360 days past due.

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For the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments – continued

Measuring of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that UPRS expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, UPRS assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the impairment model

The ECLs were calculated based on actual credit loss experience over the past three years. UPRS performed the calculation of ECL rates separately for receivable categories. UPRS used a simplified approach to determine the expected credit losses by using a provision matrix, because; the receivable base consists of a large number of small receivable balances, the receivables have common risk characteristics and do not have a significant financing component.

3.7. Expenditure Recognition.

Expenditure is recognized when it is incurred.

3.8. Accounts Receivable and Prepayments.

Accounts receivable and Prepayments are recognized at fair value.

3.9. Payables and accrued expenses.

Payables and accrued expenses are recognized at fair value.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.10. Property and Equipment.

The cost of purchased property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributed costs which have been incurred in bringing the assets to the present location and condition necessary for their intended service. Physical properties acquired by the Society in form of donations in kind are recognised at the fair values representative of the market prices at which such assets would have been purchased in the open market. During the reporting period, the Society received some donated physical assets that have been disclosed in the asset schedule and subjected to depreciation in accordance with the entity's financial policy.

3.11. Depreciation of Property and Equipment.

All Property and Equipment of the Society are stated at historical cost value less accumulated depreciation and impairment losses, where applicable. Depreciation is calculated to write off the cost of each asset over their expected useful lives on the basis of Reducing Balance method and using the annual rates stated below;

Asset Class	Rates
Furniture and fittings	12.5%
Motor Vehicles and Cycles	20.0%
Data handling equipment	40.0%
Office equipment	12.5%
Generator	20.0%

3.12. Intangible Assets.

Intangible assets relating to accounting software are initially measured at purchase cost and amortised on a straight-line basis over their estimated useful lives. The intangible asset refers to the software accounting package normally procured and used by the Society for maintaining its account records. The software once put in place is amortized at 33.3% per annum on a straight-line basis of accounting. For the year 2021, the Society did not procure any intangible asset that would qualify for disclosure in the financial statements.

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For the year ended 31 December 2021

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.13. Impairment of Assets.

At each balance sheet date, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14. Cash and Cash Equivalents.

For purposes of presentation of the entity's statement of Cash flows, cash and cash equivalents comprises of cash in hand and demand deposits held on the various Bank accounts run by UPRS.

3.15. Inventories.

These are stated at the lower of cost or net realizable value. At close of the financial year the Society did not have any tradable inventories that would qualify for disclosure in the financial statements. Inventories relating to consumables procured for purposes of implementing operational activities or internal use have been expensed since they are not held for sale.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.16. Employee benefits.

UPRS pays salaries and wages to its employees and contributes to the National Social Security Fund (NSSF) staff engaged on permanent terms and pays gratuity to staff employed on contract terms. NSSF is a defined contribution scheme registered under the National Social Security Fund Act (1985) as amended in 2020.

UPRS's obligations under this scheme are limited to specific contribution regulated from time to time and currently stated at 10% of the employee's gross pay. UPRS's contributions are charged to the Income Statement in the year to which they relate.

3.17. Translation of foreign currencies.

Transactions in foreign currencies during the year are converted into Ugandan shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The resulting differences from conversion and translation are dealt with in the statement of financial performance in the year to which they relate. All effects of changes in foreign currency translations to functional reporting currency are accounted for in accordance with the requirements of IAS 21 that deals with the same.

If UPRS is to report to other Users of financial statements in foreign countries, an average exchange rate of USD=UGX 3,750= is recommended for use for the period ended 31 December 2021.

3.18. Critical accounting estimates and judgements in applying accounting policies.

UPRS makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

3.19. Provisions, Contingent Assets and Contingent Liabilities.

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. As at end of the reporting year, the Society had no provisions, contingent liabilities and contingent assets that would qualify for disclosure.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.20. Taxation.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The rate of income tax that is applied in measuring the current tax is the statutory rate of 30% charged in accordance with the Income Tax Act (1997) of Uganda.

3.21. Comparative Financial Statements.

The financial statements have been presented with comparative information for the previous period. Where necessary, changes have been made in respect of the format, disclosures, recognition criteria and presentation of various items in the accounts to suit the adoption and current requirements of the International Financial Reporting Standards and other regulations currently in force.

4.0. RELATED PARTY TRANSACTIONS:

A related party transaction is a transfer of resources, services or obligations between the reporting Society and related party, regardless of whether a price is charged or not. The Board, management and staff are members of UPRS and they are mandated by the entity's Constitution with the responsibility to manage and supervise all the affairs of the Society and in this case, they are related parties. The related party transactions of UPRS mainly involve advances taken by the staff members, Board members and the income from international partners to finance activities of the Society realized under reciprocal arrangements. Related party transactions are recognized in accordance with the requirements of IAS 24.

5.0. FINANCIAL RISK MANAGEMENT:

UPRS has exposures to mainly liquidity, interest rate and foreign exchange risks that arise from use of its financial instruments. UPRS is essentially engaged in the promotion of economic and social interest of its members through defending their copyright and neighbouring rights, interests, and relies more on income from Licensing fees to finance its operations.

Management endeavours at all times to minimize risks. Management has put in place a mechanism that ensures strict adherence to International and National laws regulating the performing Arts industry, sector regulations, guidelines and terms embedded in Partnership agreements held with development partners as a control measure against risk exposures. The Society's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment procedures and continuous monitoring.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.0. FINANCIAL RISK MANAGEMENT -continued

The policies and procedures established for this purpose are continuously benchmarked with the industry best practices. UPRS's operations are supported by local management and outsourced consultants who use a comprehensive range of qualitative and quantitative tools to ensure minimum risk exposures. Management is responsible for the assessment, management and mitigation of risk in the Society. UPRS's overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The financial risk management policies are outlined below:

5.1. Credit risk.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the entity. The Society's credit risk is primarily attributable to its receivables and amounts due from related parties, estimated by the entity's Accounts department based on prior experience, existing financial and economic factors faced by the debtors and the exit options available. The credit risk on receivables is limited because the Society provides services to its clients mainly on cash basis while any dealings with members on credit service arrangement is restricted to those that are legally admitted into UPRS's membership using the established policies and procedures and management ensures that each member is appropriately billed the Fees payable and the settlement terms thereof.

5.2. Liquidity risk management.

The ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Society's short, medium and long-term funding and liquidity management requirements. UPRS manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

5.3. Foreign exchange risk.

UPRS undertakes certain transactions denominated in foreign currencies. This exposes it to foreign exchange risk. However, the Exchange rate exposures are managed within approved policy guidelines.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-21 UGX	31-Dec-20 UGX
6.0. SURPLUS / DEFICIT BEFORE TAX This is stated after expensing the following: Audit Fees (Note 11) Depreciation expense (Note 12)	6,750,000 4,903,387	6,750,000 5,913,906
7.0. REVENUE		
7.1. Local Revenue Income realised from License Fees Income realised from Penalty Fees	181,419,959 1,573,631	206,071,183 1,211,547
Sub-Total	182,993,590	207,282,730
7.2. Other Income Grant received from UNCC Grant received from OWC Donation from well wisher Royalties received from CAPASSO Bank Interest received Royalties received from Africha Entertainment Royalties received from Google Ireland	20,000,000 100,000,000 30,771,621 49,790 150,821,411 333,815,001	- - 5,000,000 1,984 20,383,413 22,449,131 47,834,528 255,117,258
8.0. BUSINESS DEVELOPMENT AND PROMOTION EXPENSES Field compliance operations Trainings, Workshops and seminars Licensing Expenses Commission Paid-out to business agents Legal fees Printing License materials Branding Marketing and advertising Sensitisation campaigns	32,217,792 415,800 450,000 379,472 514,100 2,343,800 110,000 7,364,875 201,500	3,125,000 4,972,400 11,565,000 746,633 1,296,500 6,952,000 41,328,000 15,150,150 -
Total	43,997,339	85,135,683

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-21 UGX	31-Dec-20 UGX
9.0. EMPLOYEE EXPENSES Staff Salaries 10% NSSF Wages for Casual Labour Staff welfare Staff transport and travelling Restructuring expenses	53,920,180 5,392,018 19,336,900 23,676,360 44,595,000	109,335,340 13,332,024 2,346,000 6,660,800 10,519,000 19,148,936
Total	146,920,458	161,342,100
10.0. GOVERNANCE EXPENSES Board and Committee meeting expenses AGM expenses	3,897,300 47,285,000	9,062,875 -
Total	51,182,300	9,062,875
11.0. ADMINISTRATION EXPENSES Rent for offices and warehouses Office running expenses Secretarial services and Stationery Newspapers and Magazines Local transport and travel Repairs and maintenance Security services Cleaning and Hygiene Electricity and lighting Water bills Communication expenses Audit services Consultancy services Motor vehicle and Motorcycle running expenses Subscriptions and Contributions Insurance services Generator running expenses Personal Protective Equipment Hire of Equipment Relocation expenses Website hosting Bank charges Suits and Penalties Depreciation expense (Note 12)	68,047,500 2,595,800 4,453,700 1,608,000 7,335,975 4,111,116 4,948,500 2,165,000 1,600,700 5,071,678 6,750,000 12,400,000 17,644,600 3,884,494 229,417 640,000 - - - 1,455,677 1,430,000 4,903,387	74,452,572 2,420,100 - 532,000 12,269,400 12,185,677 9,850,443 3,766,500 1,810,000 991,833 11,801,341 6,750,000 22,400,000 6,099,608 3,923,363 634,600 325,000 760,000 1,915,000 2,875,000 870,000 2,222,721 5,913,906
Total	151,275,543	184,769,063

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.0. PROPERTY AND EQUIPMENT (CURRENT YEAR -2021)

Name of Asset	Data Handling Equipment	Furniture and Fittings	Motor Vehicle and Cycles	Office Equipment	Generator	Total
Costs / Valuations:	UGX	UGX	UGX	UGX	UGX	UGX
As at 01 January 2021	44,833,505	19,467,718	18,250,000	13,856,300	3,300,000	99,707,523
Additions/Disposals	-	-	2,500,000	-	-	2,500,000
As at 31 December 2021	44,833,505	19,467,718	20,750,000	13,856,300	3,300,000	102,207,523
Depreciation:	40%	12.50%	20.00%	12.50%	20.00%	
As at 01 January 2021	41,274,088	14,265,139	12,534,800	5,352,736	2,683,438	76,110,200
Charge for the year	1,423,767	650,322	1,643,040	1,062,946	123,312	4,903,387
Charge on disposal	-	-	-	-	-	-
As at 31 December 2021	42,697,855	14,915,461	14,177,840	6,415,681	2,806,750	81,013,587
Net Book Value:						
As at 31 December 2020	3,559,417	5,202,579	5,715,200	8,503,564	616,562	23,597,323
As at 31 December 2021	2,135,650	4,552,257	6,572,160	7,440,619	493,250	21,193,936

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.1. PROPERTY AND EQUIPMENT (PREVIOUS YEAR -2020)

Name of Asset	Data Handling Equipment	Furniture and Fittings	Motor Vehicle and cycles	Office Equipment	Generator	Total
Costs / Valuations:	UGX	UGX	UGX	UGX	UGX	UGX
As at 01 January 2020	42,783,505	19,467,718	18,250,000	13,856,300	3,300,000	97,657,523
Additions/Disposals	2,050,000	-	-	-	-	2,050,000
As at 31 Dec. 2020	44,833,505	19,467,718	18,250,000	13,856,300	3,300,000	99,707,523
Depreciation:	40%	12.50%	20.00%	12.50%	20.00%	
As at 01 January 2020	38,901,143	13,521,913	11,106,000	4,137,941	2,529,297	70,196,294
Charge for the year	2,372,945	743,226	1,428,800	1,214,795	154,141	5,913,906
Charge on disposal	-	-	-	-	-	-
As at 31 Dec. 2020	41,274,088	14,265,139	12,534,800	5,352,736	2,683,437	76,110,200
Net Book Value:						
As at 31 Dec. 2019	3,882,362	5,945,805	7,144,000	9,718,359	770,703	27,461,229
As at 31 Dec. 2020	3,559,417	5,202,579	5,715,200	8,503,564	616,563	23,597,323

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13.0. RECEIVABLES AND PREPAYMENTS

	31-Dec-21 UGX	31-Dec-20 UGX
Sundry Trade Debtors	10,242,761	821,191
Board and Staff advances	6,729,921	6,070,500
WHT receivable	-	14,094,565
Prepaid warehouse insurance	458,833	-
Total	17,431,515	20,986,256

14.0. CASH AND BANK BALANCES

Cash at hand	376,200	731,900
Cash held on Tropical Bank A/C	13,087,610	51,223,741
Cash held on UBA Savings Bank A/C	3,009,179	199,387
Cash held on UBA Overdraft Bank A/C	677,347	199,310
Total	17,150,336	52,354,337

15.0. SURPLUS/DEFICIT ACCOUNT

Balance B/F	(22,074,696)	140,253,795
Prior year adjustments	-	22,863,972
Deficit for the year	(59,560,639)	(185,192,464)
Round off effect	-	-
Balance C/F	(81,635,335)	(22,074,696)

16.0. PAYABLES AND ACCRUALS

Suppliers' bills payable	36,344,915	41,028,494
Customer advances	2,759,269	877,790
Provision for VAT payable	8,930,552	691,332
Audit and Consultancy fees payable	27,450,000	18,564,000
PAYE payable	3,680,813	725,048
NSSF payable	4,520,742	2,399,866
Salaries payable	37,897	41,897
WHT payable	1,867,645	470,678
Other payables	2,891,779	-
Total	88,483,613	64,799,105

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17.0. INCOME TAX COMPUTATIONS

	31-Dec-21 UGX	31-Dec-20 UGX
Deficit Before Tax as per Income Statement	(59,560,639)	(185,192,463)
Adjusted for:		
Depreciation expense (Note 12)	4,903,387	5,913,906
10% Telephone expenses (Note 11)	507,168	810,571
Donations and Grants (Note 7)	(120,000,000)	(5,000,000)
Capital allowance deductions (Note 18)	(10,721,490)	(14,585,113)
Chargeable income/loss for the year	(184,871,575)	(198,053,099)
Add: Taxable loss B/F	(198,053,099)	-
Adjusted chargeable income/loss C/F	(382,924,674)	(198,053,099)
30% Corporation Tax payable thereon	-	-
Tax Arrears B/F	54,213,507	88,642,666
Less: Tax waivers by URA	-	(29,939,967)
Withholding Tax paid	(5,285,998)	(4,489,192)
Tax Due and Payable	48,927,509	54,213,507

18.0. COMPUTATION OF CAPITAL ALLOWANCE DEDUCTIONS

18.1. Wear & Tear Allowances - Current year 2021

Name of Assets	Computers and Accessories	Motor Vehicles and cycles	Furniture, Fittings & Equipment	Total
% Rates	40%	30%	20%	
T.W.D.V as at 01/01/2021	10,712,437	6,259,750	19,042,953	36,015,140
Additions	-	2,500,000	-	2,500,000
Qualifying Cost for W&T	10,712,437	8,759,750	19,042,953	38,515,140
Wear & Tear Allowances	(4,284,975)	(2,627,925)	(3,808,591)	(10,721,490)
T.W.D.V as at 31/12/2021	6,427,462	6,131,825	15,234,362	27,793,650

Summary of Capital allowances claimable for the year:

Wear & Tear Allowance	10,721,490
Total	10,721,490

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19.0. EVENTS AFTER THE REPORTING DATE

Except for the effects of COVID-19 pandemic that curtailed most of the activities of the entity as stated earlier in this report, there were no other material events subsequent to the year ended 31 December 2021 which would require adjustments of or disclosure in these financial statements.

20.0. COMMITMENTS

There were no capital commitments as at 31 December 2021 that would qualify for disclosure in these financial statements same as it was in the previous financial year.

21.0. DISTRIBUTION OF ROYALTIES TO ELIGIBLE MEMBERS

UPRS is authorised by Uganda Registration Services Bureau (URSB) in line with the Ugandan Copyright & Neighbouring Rights Act 2006 and the Copyright & the Neighbouring Rights Regulations 2010 to license rights in musical works unit sound recordings. Through reciprocal agreements, UPRS also administers the rights owners around the world whose members' works are exploited in Uganda.

The distribution of Royalties to eligible members is done in accordance with the distribution policy (Rules) enacted by UPRS in April 2018. The current policy provides that the distributable income may include:

- Licensing revenues less administrative expenses and provision for any reserved funds.
- Royalties received from affiliated societies less administrative expenses. Further, a deduction of 5% of net royalties received from affiliated societies in respect of the costs associated with the analysis and processing of the royalty payments shall be made.
- Interest earned from investments after deduction of administration fees.
- The application of points allocated to the various distribution pools. The points are arrived at by dividing distributable revenue by total frequency of play count in a category.

The current policy further provides that net distributable revenue is determined by aggregating all the Gross license revenue less administrative, operation and promotion expenses incurred by UPRS in the course of generating the income and also expenses relating to social and cultural allocations (Musical works). In view of the above policy, UPRS management ensures that the administrative expenses incurred are capped to a maximum of 30% of the Gross license revenue earned every year and this is done in accordance with the industry best practices which requires every CMO to maintain a royalty distribution ratio of 70:30 of the Gross License revenue. However, it should be noted that revenue derived by UPRS in other forms outside the License revenue is entirely used on supporting the administration of the entity and does not form part of the amount available for distribution to members.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

ANNEX I:

ACCOUNTABILITY STATEMENT FOR THE NCF GRANT FOR THE YEAR ENDED 31 DECEMBER 2021

	31-Dec-21 UGX
--	------------------

REVENUE:

Support Grant received by UPRS from NCF	20,000,000
Total amount received	20,000,000

EXPENDITURE:

Staff COVID-19 relief support	8,625,000
AGM preparation expenses	7,725,000
Warehouse insurance services	805,835
Electricity (Yaka services)	200,000
Data for Zoom meetings	450,000
Baliff's professional Fee	1,430,000
Office running expenses	677,347
Bank charges	86,818
Total Expenditure	20,000,000
Unutilised Funds at year end	-

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2021

ANNEX 2:

ACCOUNTABILITY STATEMENT FOR THE OWC GRANT
FOR THE YEAR ENDED 31 DECEMBER 2021

31-Dec-21
 UGX


REVENUE:

Support Grant received by UPRS from OWC 100,000,000
Total amount received 100,000,000

EXPENDITURE:

Funds utilised on AGM activity 47,285,000
 Funds utilised on Office Rent 16,054,000
 Funds utilised on Staff Salaries 28,698,700
 Funds utilised on Staff Welfare 1,603,000
 Funds utilised on electricity 480,000
 Funds utilised on Printing & Stationery 2,081,800
 Funds utilised on Legal & Consultancy services 1,560,000
 Funds utilised on Local transport 86,000
 Funds utilised on Motor vehicles/Cycles expenses 856,000
 Funds utilised on Airtime & Internet services 480,500
 Funds utilised on Office running expenses 815,000

Total Expenditure 100,000,000
Unutilised Funds at year end -



Uganda Performing Right Society
(UPRS) Ltd
 (A Company Limited by Guarantee and not having a Share Capital)

Annual Report and Audited Financial
Statements for the year ended
31 December 2022

Auditors:
@MDJ AND PARTNERS
 Certified Public Accountants
 P.O. Box 271, Entebbe (U)
 Issued: April, 2024

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

ACRONYMS:

A/C	Account
AGM	Annual General Meeting
B/F	Balance Brought Forward
BOD	Board of Directors
C/F	Balance Carried Forward
CAPASSO	Composers, Authors and Publishers Association
CEO	Chief Executive Officer
CISAC	Confederation of Societies of Authors and Composers
CPA	Certified Public Accountant
IAS	International Accounting Standards
IESBA	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IFPI	International Federation of Phonographic Industry
IFRSs	International Financial Reporting Standards
IRP	Intellectual Rights Property
ISA	International Standards on Auditing
LST	Local Service Tax
MOU	Memorandum of Understanding
NCF	National Cultural Forum
NITA	National Information Technology Authority
NSSF	National Social Security Fund
OWC	Operation Wealth Creation
PA	Performing Artists
PAYE	Pay as You Earn
SOP	Standard Operating Procedures
SUISA	The Swiss Cooperative Society for Music Authors and Publishers
TB	Treasury Bills
UBA	United Bank for Africa
UGX	Uganda Shillings
UNCC	Uganda National Cultural Centre
UPRS	Uganda Performing Right Society Ltd
URA	Uganda Revenue Authority
URSB	Uganda Registration Services Bureau
USD	United States Dollar
VAT	Value Added Tax
WHT	Withholding Tax
WIPO	World Intellectual Property Organisation

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

SOCIETY'S EXECUTIVE INFORMATION:

REGISTERED OFFICES AND PLACE OF ABODE:

Previous Address: Plot 35, House 5A Bukoto Drive
P.O. Box 102466
Kampala, Uganda.
Tel. +256-771 952 357 | 0751-067197
E-mail: info@uprs.go.ug
Website: www.uprs.go.ug

Current Address: Plot 2240, Diplomat Zone, Kansanga-Ggaba Road
P.O. Box 102466
Kampala, Uganda.
Tel. +256-771 952 357 | 0751-067197
E-mail: info@uprs.go.ug
Website: www.uprs.go.ug

BANKERS:

Tropical Bank Ltd
Kampala Main Branch
A/C 2000074357

United Bank of Africa
Kampala Main Branch
A/C No. 0164000335
A/C No. 0131000984

AUDITORS:

MDJ and Partners
Certified Public Accountants
P.O. Box 271,
Entebbe, Uganda.
Telephone: +256-392-901 205 | 0772-635101
Email: mdjandpartners@yahoo.com | mwasedaniel@yahoo.com

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DEC. 2022

The Board of Directors is pleased to submit their report together with the Audited financial statements, which disclose the state of financial affairs of Uganda Performing Right Society Ltd, for the year ended 31 December 2022.

1.0. ESTABLISHMENT AND LEGAL STATUS:

1.1. Brief Background.

Uganda Performing Right Society Ltd is a society that was formed in 1985 by authors (mainly musicians) to advance the cause of copyright administration in Uganda. It is registered with the Registrar of Companies as a Company Limited by guarantee having no share Capital, in other words, it belongs to all of its members. UPRS is recognized by the Government as a Collecting Society, and it is a Member of the Confederation of International Societies of Authors and Composers (CISAC).

1.2. Vision.

A Country free from piracy and infringement of copyright works

1.3. Mission.

To promote copyright and promote the value of music

1.4. Goal of the Society.

To fight infringement and piracy of music, pakalast

1.5. Objectives of the Society.

Uganda Performing Right Society Ltd's Vision and Mission are driven by the following objectives:

- o To promote the economic and social well-being of members.
- o To promote and encourage creativity in artistic, literary, and scientific works in Uganda.
- o To make reciprocal representation agreements with foreign societies.
- o To foster understanding between members and users of their works.
- o To provide members and any other interested persons with information relating to and neighbouring rights

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

2.0. PRINCIPAL ACTIVITIES AND OPERATION MODE:

Uganda Performing Right Society Ltd principal activities are administering copyright and neighbouring rights on behalf of its members, and other members of other societies through reciprocal representative agreements, and its membership is open to all performing artists across the entire country. However, majority of the members are served online via platforms set up by the management of the Society from time to time.

3.0. CORPORATE GOVERNANCE:

Uganda Performing Right Society Ltd is committed to the principles of good corporate governance and recognizes the need to provide services in accordance with generally accepted best practices and the existing regulatory framework. In so doing, the Board therefore confirms that:

- a) They met as and when it was necessary during the year under review;
- b) They retained full and effective control over the Society throughout the year;
- c) The Board continued to exercise responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance; and
- d) The Board members continued to bring skills and experience from their own spheres of operation to complement the professional experience and skills of the management team.

Further, the Board continued to carry out its role of formulating policies and strategies for the Society, reviewing the work plans, ensuring that the accounting system is maintained in accordance with acceptable standards, the books of Account for the Society are kept properly, and that accounts are checked by authorised auditors, as well as recruitment and development of key personnel.

4.0. SOCIETY'S GOVERNANCE AND MANAGEMENT:

The Society's governance structure comprises of the Annual General Meeting (AGM), the Governing Board and management.

4.1. The Annual General Meeting (AGM)

The AGM is the supreme organ of UPRS. It is constituted by all registered active members of the Society. The membership of the Society stood at **3,588** members as at 31 December 2022 compared to **3,485** members reported at the end of the year 2021. This represents an increase in membership enrolment by **103** members.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

4.2. Board of Directors

The Board that steered the operations of the Society during the reporting period comprised of the following members:

Name	Position	Period of Service
Mr. Kabiito Karamagi	Board Chairman	January – December 2022
Mr. Okello Sam Kelo	Director	January – December 2022
Mr. Serumaga James	Director	January – December 2022
Mr. Mangani Patrick Wa'Nlede	Director	January – December 2022
Ms. Basima Justin	Director	January – December 2022
Mr. Kaye Gideon Wisdom	Director	January – December 2022
Mr. Ntege Peter	Director	January – December 2022
Ms. Sesanga Juliet	Director	January – December 2022
Mr. Semakula Robert Edward	Director	January – December 2022
Mr. Abola James	Director	January – December 2022
Mr. Mukuru Peter	Director	January – December 2022
Ms. Nakabugo Grace	Director	January – July 2022
Ms. Dinnah Kyasimiire	Director	August– December 2022

4.3. Management and administration:

During the reporting period, the Society was run by a management and administration team comprising of Executive, middle level and lower-level staff. The senior management team of the Society comprised of the following key members:

Name	Designation	Period of service
Mr. Anthony Mwandha	Ag. CEO	January – September 2022
Ms. Nassuna Morraine Sharon	Ag. CEO	September – December 2022
Ms. Buyungo Viola	Accountant	January – December 2022
Mr. Ssebuliba George	Compliance Officer	January – December 2022
Ms. Naamala Ephraim	Licensing Officer	January – December 2022

4.4. Benefits to members.

Uganda Performing Right Society Ltd pays out benefits to its members in form of Royalties based on the performance for a given reporting period and in accordance with the Royalties Distribution policy enacted in 2018. The amount to be paid is proposed by the Board and approved at the AGM. For the financial year ended 31 December 2022, the Board has proposed **UGX 21,4856,820=** as royalties payable to the members, representing 62% of the gross license fees collected during the year.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

4.5. Remuneration of Board members.

Serving on the Board of UPRS is a voluntary service based on the authority entrusted to the individual Board members by the AGM and the Regulator. Therefore, the entity does not remunerate its Board members on a monthly basis. The Board members are only facilitated when conducting official business of the Society in accordance with its governance policies and procedures.

5.0. RISK MANAGEMENT:

Whereas currently there is no internal audit function at management level, the responsibility for managing the internal audit and risk management affairs of UPRS is vested in the audit and risk management committee of the Board. This committee works hand in hand with the management and staff to ensure that there are robust internal controls and that the risk profiles of UPRS are maintained within the acceptable levels.

The Board accepts final responsibility for the risk management and internal control system of UPRS. Management ensures that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- Safeguarding of the Society's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Society's risk management system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

6.0. SOLVENCY AND GOING CONCERN:

UPRS confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board remains optimistic that save for the effects of COVID-19 that severely affected the entity's operations for the past two years, the negative financial implications of which cannot be reliably estimated in the short-run, UPRS still has many available opportunities to exploit, from which it can realise adequate resources to sustain its operations for the foreseeable future.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

REPORT OF THE BOARD OF DIRECTORS – CONTINUED

7.0. DEVELOPMENT PARTNERS AND SUPPORT RECEIVED:

The Board on behalf of UPRS would like to acknowledge and appreciate in a special way the support received from various development partners during the year that greatly helped the organisation to partly finance its operations. Below is a summary of the Key development partners and the funding support received from each one of them:

Name of Development Partner	Purpose of Funding	FY 2022		FY 2021	
		UGX	UGX	UGX	UGX
OWC	Re-organizing the Company by improving Revenue generation, Enhanced governance and control and Business process re-engineering.		1,000,000,000		100,000,000
UNCC	Support to Local administration		20,000,000		
NITA	Support to Local administration		6,000,000		
NCF	Support to Local administration		-		20,000,000
CAPASSO	Royalties remitted to UPRS		-		30,771,621

8.0. FINANCIAL RESULTS FOR THE YEAR:

The financial performance of UPRS for the year ended 31 December 2022 is as stated in the Statement of Comprehensive Income presented on page 16. Below is the summarised financial performance for the year as compared with the previous year:

	31-Dec-22	31-Dec-21
	UGX	UGX
Surplus/Deficit Before Tax	108,983,781	(59,560,639)
Corporation tax expense	-	-
Surplus/Deficit for the year	108,983,781	(59,560,639)

9.0. ACCOUNTABILITY AND FINANCIAL REPORTING:

Our Society contracts with qualified auditors to perform yearly audits to ensure complete disclosure, transparency, and compliance with the relevant Ugandan laws and regulations. The Regulator (URSB) appointed MDJ and Partners-Certified Public Accountants as our new External Auditors in accordance with Section 69(2) of the Copyright and Neighbouring Rights Act 2006 and the provisions of the Ugandan Companies Act 2012 as amended. They have expressed interest to remain in office as auditors of the Society for the next reporting period subject to approval by the AGM and clearance by the Regulator.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

REPORT OF THE BOARD OF DIRECTORS – CONTINUED

10.0. APPROVAL OF THE FINANCIAL STATEMENTS:

The Financial Statements were received, discussed and approved by the Board of Directors at their meeting held at Kampala on the 22nd day of April, 2024.

By order of the Board.

Mrs. Sanyu
.....
CHAIRMAN, UPRS BOARD



UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

Section 69(1) of the Copyright and Neighbouring Rights Act 2006 of the Laws of Uganda together with the Companies Act 2012, under which UPRS is registered and regulated requires the Board of Directors to prepare the financial statements of the Society for each financial period and cause those Accounts to be audited at least once in every year by an auditor appointed by the AGM and or the Regulator and approved by the Registrar. The financial statements should give a true and fair view of the state of affairs of the Society as at the end of the financial period and of the operating results for that period.

Further, the above cited Acts and the Regulations thereunder also requires the Board to ensure that the Society maintains proper accounting records, which disclose with reasonable accuracy its financial position. The Board is also responsible for safeguarding the Society's assets and to take reasonable steps for prevention and detection of fraud and other irregularities.

The Board asserts that the financial Statements as audited by MDJ and Partners-Certified Public Accountants (our independent External auditors) give a true and fair view of the state of financial affairs of Uganda Performing Right Society Ltd as at 31 December 2022. The Auditors have issued unqualified Audit opinion over the financial statements for the year.

A review of the going concern status of Uganda Performing Right Society Ltd indicates that the Society is likely to remain in operation for at least the next twelve months from the date of this statement.

This statement is made in accordance with the resolution of the Board at their meeting held at Kampala on the 22nd day of April, 2024 and is signed for and on behalf of Uganda Performing Right Society Ltd by:


CHAIRMAN
UPRS BOARD


CHAIRMAN
AUDIT & RISK COMMITTEE


CHIEF EXECUTIVE OFFICER
UPRS



UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

The Members
 Uganda Performing Right Society Ltd (UPRS)
 Plot 2240, Diplomat Zone, Kansanga, Ggaba Rd
 P.O. Box 102466,
 Kampala, Uganda.

RE: THE INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF UGANDA PERFORMING RIGHT SOCIETY LTD FOR THE YEAR ENDED 31 DECEMBER, 2022

Auditor's Opinion:

We have audited the accompanying financial statements of Uganda Performing Right Society Ltd, as set out on page 16 to 39 and the Annex thereto hereinafter. These financial statements comprise of: the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Accumulated Funds and the notes to the financial statements, including a summary of significant accounting policies for the year ended 31 December, 2022.

In our opinion, the accompanying financial statements present in all material respects, a true and fair view of the financial position of Uganda Performing Right Society Ltd as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs), the Copyright and Neighbouring Rights Act 2006 and the Companies Act 2012 as amended.

Emphasis of Matter:

Without qualifying our opinion, we draw your attention to the fact that the financial statements include **UGX 1 billion** in form of a Grant received by UPRS from Operation Wealth Creation that was used to partly fund its activities for the year under review. Whereas we obtained the initial proposal document submitted by UPRS to solicit for external funding support and confirmed the amount received as per bank statement availed to us, our audit scope was limited with lack of more collaborative evidence in form of; an MOU or any similar document signed between UPRS and the Funding Partner as a basis to inform further verifications and confirmation of the actual grant received versus what the entity did apply for, the terms and conditions set against the Grant released and whether the same was utilized on the intended purposes or not to the expectations of both parties.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Basis for Opinion -continued

We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, 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.

Key Audit Matters:

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following are the key audit matters that have been identified for the year:

Key Audit Matter identified	How our Audit addressed the KAMs
<p>1.0. Grant receipts and utilization</p> <p>The Financial statements for the year under review contain a significant amount of UGX 1 billion relating to the Grant received from Operation Wealth Creation Secretariat to support the activities of the Society. A portion of this Grant has been recognized as part of revenue earned by the Society during the year and the unutilized portion recognized as deferred income available for use in the subsequent reporting periods. However, we had concerns over its support documents and basis of utilization.</p>	<p>Our procedures in relation to this matter involved performing substantive tests to review and confirm the basis for recognition of the grant received and how the funds from the Funding partner were put to use. We obtained the initial funding request proposal document, the bank statements and confirmed the amount received by UPRS. However, there was limitation in audit scope caused by:</p> <ol style="list-style-type: none"> 1) Lack of an official fund approval or release notice shared between UPRS and the Funding Partner as a basis to confirm the actual amount released versus what was stated in the original funding proposal document presented by UPRS. 2) Lack of an MOU signed between UPRS and the Funding Partner as a basis to verify and confirm whether the funds were utilized for the intended purposes or not and in line with the terms and conditions set against the grant released. <p>We relied on management explanations, clarifications and details in the initial proposal document to make appropriate disclosures about this grant in the financial statements in respect to its usage and accountability.</p>

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

Therefore, given the above limitations in audit scope, we did not satisfy ourselves as to whether the funds were utilised by UPRS to the intended purposes as might have been envisaged by the Funding Parrry.	Besides, the above matter, we have no further disclosures or reservations we hold about this particular matter.
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Besides, the above matters, we have no other significant key audit matters that were identified for the year and would qualify for disclosure in this audit report. The above key audit matter does not modify our audit opinion as stated earlier in the opinion paragraph.

Other information:

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information 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 other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board of Directors and those with Governance for the Financial Statements:

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal controls 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 preparation of the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

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 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 basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment 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 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 controls.
- 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 Society'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 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 whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal controls that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements – Continued:

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with Other Regulatory Requirements:

As required by the Ugandan Companies Act 2012 together with the Copyright and Neighbouring Rights Act 2006 and the regulations made thereunder as amended to date, we report to you based on our audit that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Society so far as appears from our examination of those books; and
- The Society's statement of financial position (Balance Sheet) and statement of comprehensive income (Income and Expenditure Statement) are in agreement with the books of account kept for the reporting period from where they have been drawn.

The Lead Engagement Practitioner on this audit resulting in the independent auditors' report is CPA Mwase Daniel Balibonaki (P0138), whose signature and seal are hereby appended and /or fixed on this 22nd day of April, 2024.

MDS & Partners

MDJ AND PARTNERS
Certified Public Accountants
P.O. Box 271,
Entebbe, Uganda



[Signature]
CPA Mwase Daniel Balibonaki (P0138)
Lead Engagement Practitioner
P.O. Box 271,
Entebbe, Uganda

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	31-Dec-22	31-Dec-21
	UGX	UGX
REVENUE:		
Local Revenue	346,710,289	182,993,590
Other Income	520,536,931	150,821,411
Total Revenue	867,247,220	333,815,001
EXPENDITURE:		
Business Development & Promotion expenses	113,363,200	43,997,339
Employee expenses	250,041,827	146,920,458
Governance expenses	75,375,700	50,597,300
Administration expenses	319,482,712	151,860,543
Total Expenditure	758,263,439	393,375,640
SURPLUS/DEFICIT BEFORE TAX	108,983,781	(59,560,639)
Corporation tax expense	-	-
SURPLUS/DEFICIT AFTER TAX	108,983,781	(59,560,639)

The Statement of Comprehensive Income is to be read in conjunction with the notes forming part of the financial statements set out on page 20 to 39, the Annex laid out on page 40 and the Report of the independent auditors presented on page 11-15.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	31-Dec-22	31-Dec-21
	UGX	UGX
ASSETS:		
Non-Current Assets:		
Property and Equipment	17,556,234	21,193,936
Total Non-Current Assets	17,556,234	21,193,936
Current Assets:		
Receivables and prepayments	103,832,658	17,431,515
Cash and Bank Balances	510,054,285	17,150,336
Total Current Assets	613,886,943	34,581,851
TOTAL ASSETS	631,443,177	55,775,787
EQUITY AND LIABILITIES:		
EQUITY:		
Retained Surplus/Deficit	27,348,446	(81,635,335)
Total Equity	27,348,446	(81,635,335)
LIABILITIES:		
Deferred Income	292,071,555	-
Payables and Accruals	267,154,185	88,483,613
Income Tax Provisions	44,868,992	48,927,509
Total Liabilities	604,094,731	137,411,122
TOTAL EQUITY AND LIABILITIES	631,443,177	55,775,787

The Statement of Financial Position is to be read in conjunction with the notes forming part of the financial statements set out on page 20 to 39, the Annex laid out on page 40 and the Report of the independent auditors presented on page 11-15.

Approval of the Financial Statements:

The Financial Statements laid out on page 16 to 39 were received, discussed and approved by the Board at their meeting held at Kampala on the 22nd day of April, 2024 and were signed for and on behalf of UPRS by:

[Signature]

CHAIRMAN
UPRS BOARD

[Signature]

CHAIRMAN
AUDIT & RISK COMMITTEE

[Signature]

CHIEF EXECUTIVE OFFICER
UPRSARDA PERFORMING RIGHT SOCIETY



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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	31-Dec-22 UGX	31-Dec-21 UGX
Cash flows from Operating activities:			
Surplus/Deficit Before Tax per Income Statement		108,983,781	(59,560,639)
Adjusted for non-cashflow items:			
Depreciation expense	12	4,167,702	4,903,387
Round off effect			
Surplus/Deficit Before Working Capital Changes		113,151,482	(54,657,252)
Increase/Decrease in Accounts Receivable	13	(86,401,143)	3,554,741
Increase / Decrease in Payables and Accruals	17	178,670,572	23,684,508
Cash generated from operations		205,420,911	(27,418,003)
Income Tax paid	18	(4,058,517)	(5,285,998)
Net cash from operating activities		201,362,394	(32,704,001)
Cash flows from Investing activities:			
Purchase/Disposal of property and equipment	12	(530,000)	(2,500,000)
Net Cash used in Investing activities		(530,000)	(2,500,000)
Cash flows from Financing activities:			
Deferred Income	16	292,071,555	
Net cash used in Financing activities		292,071,555	
Net movement in Cash and Cash equivalents		492,903,949	(35,204,001)
Cash and Cash equivalents at start of the year	14	17,150,336	52,354,337
Cash and Cash equivalents at end of the year		510,054,285	17,150,336
Reconciliation of Cash and Cash Equivalents:			
Cash held at hand		43,900	376,200
Cash held at bank		510,010,385	16,774,136
Total Cash and Cash equivalents at year end		510,054,285	17,150,336

The Statement of Cash Flows is to be read in conjunction with the notes forming part of the financial statements set out on page 20 to 39, the Annex laid out on page 40 and the Report of the independent auditors presented on page 11-15.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

STATEMENT OF CHANGES IN ACCUMULATED FUNDS AS AT 31 DECEMBER 2022

FY 2022	Retained Surplus/Deficit	Total Equity
	UGX	UGX
Opening Balances as at 01 January 2022	(81,635,335)	(81,635,335)
Deficit for the year	108,983,781	108,983,781
Balance as at 31 December 2022	27,348,446	27,348,446
FY 2021	Retained Surplus/Deficit	Total Equity
	UGX	UGX
Opening Balances as at 01 January 2021	(22,074,696)	(22,074,696)
Deficit for the year	(59,560,639)	(59,560,639)
Balance as at 31 December 2021	(81,635,335)	(81,635,335)

The Statement of Changes in Accumulated Funds is to be read in conjunction with the notes forming part of the financial statements set out on page 20 to 39, the Annex laid out on page 40 and the Report of the independent auditors presented on page 11-15.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

1.0. REPORTING SOCIETY AND ACCOUNTING PERIOD:

Uganda Performing Right Society Ltd (UPRS) is a Society established in 1985 with a primary goal of promoting the economic and social interest of its members through defending their copyright and neighbouring right interests. Uganda Performing Right Society Ltd reports on its financial affairs after every end of twelve-month period. These financial statements therefore cover a period of twelve months running from 01 January to 31 December 2022.

2.0. STATEMENT OF COMPLIANCE WITH THE IFRS:

For purposes of preparing and presenting these financial statements, Uganda Performing Right Society Ltd has adopted and complied in full with both the new and revised International Financial Reporting Standards and the related interpretations thereof as applicable to the reporting period ended 31 December, 2022.

3.0. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the reporting period.

3.1. Basis of preparation

The financial statements have been prepared under the historical cost convention and are in compliance with the International Financial Reporting Standards (IFRS). The accounting policies adopted are consistent with those of the previous year. The preparation of the financial statements in conformity with the International Financial Reporting Standards requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based on the Board's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The Board meets its day-to-day obligations from its current assets. On this basis, the Board considers it appropriate to prepare the financial statements on a going concern basis which assumes that UPRS will be in operational existence for the foreseeable future.

3.2. New standards, amendments and interpretations issued and now adopted by UPRS.

UPRS has continued with the practice of adopting the new or amended International Financial Reporting Standards (IFRS) that are mandatory for application for the financial year. Changes to UPRS's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.2. New standards, amendments and interpretations issued and now adopted by UPRS -continued

Such new or amended standards include:

- Definition of Materiality (Amendment to IAS 1 and IAS 8);
- Amendments to references to the Conceptual Framework; and
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

The adoption of these new or amended IFRSs did not result in substantial changes to UPRS's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

3.3. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to the standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that UPRS has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment- Proceeds before Intended Use (Amendments to IAS 16); and
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

3.4. Revenue Recognition.

Revenue represents the fair value of consideration received or receivable for the services rendered by UPRS in the course its activities. It is recognised when it is probable that future economic benefits will flow to UPRS and the amount of revenue can be measured reliably. It is stated net of indirect taxes, rebates and discounts. Sale of goods are recognised upon the delivery of the product and customer acceptance, while sale of services is recognised upon performance of the service and customer acceptance based on the proportion of actual service rendered to the total services to be provided. Income has been recognised in the financial statements in accordance with the requirements of IFRS 15 that deals with the same.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.4. Revenue recognition – continued

Licence income.

Income of UPRS mainly comprises of Licensing Fees collected from Licenses issued to various customers that consume the services UPRS is mandated to provide and is recognised on cash basis as per the revised accounting policy of the entity adopted by the Board in 2018.

Grant Income.

Grants are recognised only when there is reasonable assurance that (a) UPRS will comply with the conditions attached to the grant and (b) the grant will be received. The grant is recognised as income over the period necessary to match it with the related costs, for which it is intended to compensate, on a systematic basis.

Non-monetary grants such as Physical Assets donated in kind and other resources are usually accounted for at fair value, although recording both the asset and the grant at a nominal amount is permitted. A grant received as compensation for costs already incurred or for immediate financial support with no future related costs, is recognised as income in the period in which it is receivable. For the period under review, the Society received an external conditional support grant from OWC amounting to **UGX 1billion**. This has been disclosed in the financial statements in accordance with the terms and conditions attached to it. Grants and financial assistance received from Government are accounted for in accordance with the requirements of IAS 20.

Other income.

Any other income is recognised when the right to receive the payment is established. For the reporting period under review, other income earned by UPRS comprised on only Bank interest received.

3.5. Recognition of Lease Transactions.

UPRS recognises any lease transactions in accordance with the requirements of IFRS 16 Leases. At the inception of the contract, UPRS assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed. For the year ended 31 December 2022, UPRS did not execute any lease transactions which would qualify for recognition in the financial statements using the requirements of IFRS 16.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments.

Recognition and derecognition

Financial assets and financial liabilities are recognised when UPRS becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into one of the following categories:

- amortised cost,
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented, UPRS does not have any financial assets categorised as FVOCI. Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) or Fair Value Through Profit and Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and the contractual cash flow characteristics of the financial asset. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold the financial assets to collect contractual cash flows and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL;

- It is held within a business model whose objective is achieved by both collecting contractual Cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of Principal and interest on the principal amount outstanding.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments – continued

Receivables are classified at amortised cost. There were no changes in classification of financial liabilities, as all remained under “other financial liabilities”.

Impairment of financial assets

IFRS 9’s impairment requirements use forward-looking information to recognise expected credit losses—the “expected credit loss (ECL) model”. Instruments within the scope of the requirements included trade receivables, cash and cash equivalents and receivables from Government. The financial assets at amortised cost consist of receivables, cash and cash equivalents and receivables from Government.

Under IFRS 9, loss allowances are measured on either of the following bases;

- 12-month ECLs; these are ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs; these are ECLs that result from all possible default events over the expected life of a financial instrument.

UPRS measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition
- Receivables from Government entities for which credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

UPRS has elected to apply the simplified approach and record lifetime expected losses on all trade receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, UPRS considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on UPRS’s historical experience and informed credit assessment and including forward-looking information.

UPRS assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due. UPRS considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to UPRS in full.
- The financial asset is more than 360 days past due.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments – continued

Measuring of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that UPRS expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-Impaired financial assets

At each reporting date, UPRS assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the impairment model

The ECLs were calculated based on actual credit loss experience over the past three years. UPRS performed the calculation of ECL rates separately for receivable categories. UPRS used a simplified approach to determine the expected credit losses by using a provision matrix, because; the receivable base consists of a large number of small receivable balances, the receivables have common risk characteristics and do not have a significant financing component.

3.7. Expenditure Recognition.

Expenditure is recognized when it is incurred.

3.8. Accounts Receivable and Prepayments.

Accounts receivable and Prepayments are recognized at fair value.

3.9. Payables and accrued expenses.

Payables and accrued expenses are recognized at fair value.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.10. Property and Equipment.

The cost of purchased property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributed costs which have been incurred in bringing the assets to the present location and condition necessary for their intended service. Physical properties acquired by the Society in form of donations in kind are recognised at the fair values representative of the market prices at which such assets would have been purchased in the open market. During the reporting period, the Society received some donated physical assets that have been disclosed in the asset schedule and subjected to depreciation in accordance with the entity's financial policy.

3.11. Depreciation of Property and Equipment.

All Property and Equipment of the Society are stated at historical cost value less accumulated depreciation and impairment losses, where applicable. Depreciation is calculated to write off the cost of each asset over their expected useful lives on the basis of Reducing Balance method and using the annual rates stated below:

Asset Class	Rates
Furniture and fittings	12.5%
Motor Vehicles and Cycles	20.0%
Data handling equipment	40.0%
Office equipment	12.5%
Generator	20.0%

3.12. Intangible Assets.

Intangible assets relating to accounting software are initially measured at purchase cost and amortised on a straight-line basis over their estimated useful lives. The intangible asset refers to the software accounting package normally procured and used by the Society for maintaining its account records. The software once put in place is amortized at 33.3% per annum on a straight-line basis of accounting. For the year 2022, the Society did not procure any intangible asset that would qualify for disclosure in the financial statements.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.13. Impairment of Assets.

At each balance sheet date, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14. Cash and Cash Equivalents.

For purposes of presentation of the entity's statement of Cash flows, cash and cash equivalents comprises of cash in hand and demand deposits held on the various Bank accounts run by UPRS.

3.15. Inventories.

These are stated at the lower of cost or net realizable value. At close of the financial year the Society did not have any tradable inventories that would qualify for disclosure in the financial statements. Inventories relating to consumables procured for purposes of implementing operational activities or internal use have been expensed since they are not held for sale.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.16. Employee benefits.

UPRS pays salaries and wages to its employees and contributes to the National Social Security Fund (NSSF) staff engaged on permanent terms and pays gratuity to staff employed on contract terms. NSSF is a defined contribution scheme registered under the National Social Security Fund Act (1985) as amended in 2020.

UPRS's obligations under this scheme are limited to specific contribution regulated from time to time and currently stated at 10% of the employee's gross pay. UPRS's contributions are charged to the Income Statement in the year to which they relate.

3.17. Translation of foreign currencies.

Transactions in foreign currencies during the year are converted into Ugandan shillings (the functional currency) at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The resulting differences from conversion and translation are dealt with in the statement of financial performance in the year to which they relate. All effects of changes in foreign currency translations to functional reporting currency are accounted for in accordance with the requirements of IAS 21 that deals with the same.

If UPRS is to report to other Users of financial statements in foreign countries, an average exchange rate of USD=UGX 3,750= is recommended for use for the period ended 31 December 2022.

3.18. Critical accounting estimates and judgements in applying accounting policies.

UPRS makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

3.19. Provisions, Contingent Assets and Contingent Liabilities.

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. As at end of the reporting year, the Society had no provisions, contingent liabilities and contingent assets that would qualify for disclosure.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.20. Taxation.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The rate of income tax that is applied in measuring the current tax is the statutory rate of 30% charged in accordance with the Income Tax Act (1997) of Uganda.

3.21. Comparative Financial Statements.

The financial statements have been presented with comparative information for the previous period. Where necessary, changes have been made in respect of the format, disclosures, recognition criteria and presentation of various items in the accounts to suit the adoption and current requirements of the International Financial Reporting Standards and other regulations currently in force.

4.0. RELATED PARTY TRANSACTIONS:

A related party transaction is a transfer of resources, services or obligations between the reporting Society and related party, regardless of whether a price is charged or not. The Board, management and staff are members of UPRS and they are mandated by the entity's Constitution with the responsibility to manage and supervise all the affairs of the Society and in this case, they are related parties. The related party transactions of UPRS mainly involve advances taken by the staff members, Board members and the income from international partners to finance activities of the Society realized under reciprocal arrangements. Related party transactions are recognized in accordance with the requirements of IAS 24.

5.0. FINANCIAL RISK MANAGEMENT:

UPRS has exposures to mainly liquidity, interest rate and foreign exchange risks that arise from use of its financial instruments. UPRS is essentially engaged in the promotion of economic and social interest of its members through defending their copyright and neighbouring rights, interests, and relies more on income from Licensing fees to finance its operations.

Management endeavours at all times to minimize risks. Management has put in place a mechanism that ensures strict adherence to International and National laws regulating the performing Arts industry, sector regulations, guidelines and terms embedded in Partnership agreements held with development partners as a control measure against risk exposures. The Society's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment procedures and continuous monitoring.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.0. FINANCIAL RISK MANAGEMENT -continued

The policies and procedures established for this purpose are continuously benchmarked with the industry best practices. UPRS's operations are supported by local management and outsourced consultants who use a comprehensive range of qualitative and quantitative tools to ensure minimum risk exposures. Management is responsible for the assessment, management and mitigation of risk in the Society. UPRS's overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The financial risk management policies are outlined below:

5.1. Credit risk.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the entity. The Society's credit risk is primarily attributable to its receivables and amounts due from related parties, estimated by the entity's Accounts department based on prior experience, existing financial and economic factors faced by the debtors and the exit options available. The credit risk on receivables is limited because the Society provides services to its clients mainly on cash basis while any dealings with members on credit service arrangement is restricted to those that are legally admitted into UPRS's membership using the established policies and procedures and management ensures that each member is appropriately billed the Fees payable and the settlement terms thereof.

5.2. Liquidity risk management.

The ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Society's short, medium and long-term funding and liquidity management requirements. UPRS manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

5.3. Foreign exchange risk.

UPRS undertakes certain transactions denominated in foreign currencies. This exposes it to foreign exchange risk. However, the Exchange rate exposures are managed within approved policy guidelines.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-22 UGX	31-Dec-21 UGX
6.0. SURPLUS/DEFICIT BEFORE TAX		
This is stated after expensing the following:		
Audit Fees (Note 11)	6,750,000	6,750,000
Depreciation expense (Note 12)	4,167,702	4,903,387
7.0. REVENUE		
7.1. Local Revenue		
Income received from Licenses Fees	346,710,289	181,419,959
Income realised from Penalty Fees	-	1,573,631
Sub-Total	<u>346,710,289</u>	<u>182,993,590</u>
7.2. Other Income		
Grant from OWC (portion utilised in the year)	519,071,625	100,000,000
Grant received from UNCC	-	20,000,000
Royalties received from CAPASSO	-	30,771,621
Bank Interest received	1,465,305	49,790
Sub-Total	<u>520,536,931</u>	<u>150,821,411</u>
Total Revenue	<u>867,247,220</u>	<u>333,815,001</u>
8.0. BUSINESS DEVELOPMENT AND PROMOTION EXPENSES		
Field compliance operations	15,559,000	32,217,792
Trainings, Workshops and Seminars	19,371,800	415,800
Licensing Expenses	-	450,000
Commission Paid-out to business agents	2,060,800	379,472
Legal Fees	10,536,000	514,100
Printing License materials	26,078,500	2,343,800
Branding	980,000	110,000
Marketing and advertising	16,861,900	7,364,875
Sensitisation campaigns	150,000	201,500
Stakeholders' engagements	21,765,200	-
Total	<u>113,363,200</u>	<u>43,997,339</u>

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-22 UGX	31-Dec-21 UGX
9.0. EMPLOYEE EXPENSES		
Staff Salaries	197,969,570	53,920,180
10% NSRF Employer Contribution	19,796,957	5,392,018
Wages for Casual Labour	120,000	-
Staff welfare	17,855,300	19,336,900
Staff transport and travelling	14,300,000	23,676,360
Restructuring expenses	-	44,595,000
Total	<u>250,041,827</u>	<u>146,920,458</u>
10.0. GOVERNANCE EXPENSES		
Board and Committee expenses	62,644,400	1,227,300
Board retreats	4,232,000	2,670,000
AGM expenses	8,499,300	46,700,000
Total	<u>75,375,700</u>	<u>50,597,300</u>
11.0. ADMINISTRATION EXPENSES		
Rent for offices & warehouses	68,974,677	68,047,500
Office running expenses	9,228,500	2,595,800
Secretarial services & stationery	6,220,100	4,453,700
Local transport and travel	3,620,500	1,608,000
Repairs and maintenance	2,704,000	7,335,975
Security services	4,027,116	4,111,116
Computer consumables & IT support services	16,587,759	-
Cleaning and Hygiene	8,626,000	4,948,500
Electricity and lighting	2,074,200	2,165,000
Water bills	2,120,400	1,600,700
Communication expenses	6,626,653	5,656,678
Audit services	6,750,000	6,750,000
Sub-Total C/F	<u>137,559,905</u>	<u>109,272,969</u>

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-22 UGX	31-Dec-21 UGX
11.0. ADMINISTRATION EXPENSES-Continued		
Sub-total B/F	<u>137,559,905</u>	<u>109,272,969</u>
Technical support services (Note 11.1)	130,225,000	12,400,000
Motor vehicle and Motorcycle running expenses	36,313,100	17,644,600
Subscriptions and Contributions	5,125,210	3,884,494
Insurance services	688,250	229,417
Generator running expenses	1,050,000	640,000
Bank charges	2,530,279	1,455,677
Suits and penalties	1,823,267	1,430,000
Depreciation expense (Note 12)	4,167,702	4,903,386
Total	<u>319,482,712</u>	<u>151,860,543</u>
11.1. Technical support services constitute of:		
HR Consultancy services	13,280,000	-
Tax Consultancy services	1,200,000	10,000,000
Technical consultancy by OWC attache'	20,300,000	-
Professional Fees for Forensic audit	6,195,000	-
You tube take down contracted services	41,600,000	-
Other sundry professional service engagements	47,650,000	2,400,000
Total	<u>130,225,000</u>	<u>12,400,000</u>

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.0. PROPERTY AND EQUIPMENT (CURRENT YEAR -2022)

Name of Asset	Data Handling Equipment	Furniture and Fittings	Motor Vehicle and Cycles	Office Equipment	Generator	Total
Costs / Valuations:	UGX	UGX	UGX	UGX	UGX	UGX
As at 01 January 2022	44,833,505	19,467,718	20,750,000	13,856,300	3,300,000	102,207,523
Additions/Disposals	1,900,000	-	(2,500,000)	1,130,000	-	530,000
As at 31 December 2022	46,733,505	19,467,718	18,250,000	14,986,300	3,300,000	102,737,523
Depreciation:	40%	12.50%	20.00%	12.50%	20.00%	
As at 01 January 2022	42,697,855	14,915,461	14,177,840	6,415,681	2,806,750	81,013,587
Charge for the year	1,614,260	569,032	814,432	1,071,327	98,650	4,167,702
Charge on disposal	-	-	-	-	-	-
As at 31 December 2022	44,312,115	15,484,493	14,992,272	7,487,009	2,905,400	85,181,289
Net Book Value:						
As at 31 December 2021	2,135,650	4,552,257	6,572,160	7,440,619	493,250	21,193,936
As at 31 December 2022	2,421,390	3,983,225	3,257,728	7,499,291	394,600	17,556,234

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

12.1. PROPERTY AND EQUIPMENT (PREVIOUS YEAR -2021)

Name of Asset	Data Handling Equipment	Furniture and Fittings	Motor Vehicle and Cycles	Office Equipment	Generator	Total
Costs / Valuations:	UGX	UGX	UGX	UGX	UGX	UGX
As at 01 January 2021	44,833,505	19,467,718	18,250,000	13,856,300	3,300,000	99,707,523
Additions/Disposals	-	-	2,500,000	-	-	2,500,000
As at 31 December 2021	44,833,505	19,467,718	20,750,000	13,856,300	3,300,000	102,207,523
Depreciation:	40%	12.50%	20.00%	12.50%	20.00%	
As at 01 January 2021	41,274,088	14,265,139	12,534,800	5,352,736	2,683,438	76,110,200
Charge for the year	1,423,767	650,322	1,643,040	1,062,946	123,312	4,903,387
Charge on disposal	-	-	-	-	-	-
As at 31 December 2021	42,697,855	14,915,461	14,177,840	6,415,681	2,806,750	81,013,587
Net Book Value:						
As at 31 December 2020	3,559,417	5,202,579	5,715,200	8,503,564	616,562	23,597,323
As at 31 December 2021	2,135,650	4,552,257	6,572,160	7,440,619	493,250	21,193,936

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13.0. RECEIVABLES AND PREPAYMENTS

	31-Dec-22	31-Dec-21
	UGX	UGX
Sundry Trade Debtors	96,702,511	10,242,761
Board and Staff advances	6,596,314	6,729,921
Other Prepayments	533,833	458,833
Total	103,832,658	17,431,515

14.0. CASH AND BANK BALANCES

Cash at hand	43,900	376,200
Cash held on Tropical Bank A/C	27,025,090	13,087,610
Cash held on UBA Savings Bank A/C	218,385,584	3,009,179
Cash held on UBA Overdraft Bank A/C	264,391,211	677,347
Cash at Airtel money collection point	208,501	-
Total	510,054,285	17,150,336

15.0. SURPLUS/DEFICIT ACCOUNT

Balance B/F	(81,635,335)	(22,074,696)
Surplus/Deficit for the year	108,983,781	(59,560,639)
Balance C/F	27,348,446	(81,635,335)

16.0. DEFERRED INCOME

Grant received from OWC	1,000,000,000	-
Grant received from NITA	6,000,000	-
Grant received from UNCC	20,000,000	-
Total grants received during the year	1,026,000,000	-
Less amount reserved for refund of members' Royalties payable	(214,856,820)	-
Less Grant portion utilised and recognised as Revenue for the year (Refer to Annex 1)	(519,071,625)	-
Unutilised Funds C/F	292,071,555	-

Note:
The balance for deferred income as indicated above comprises of UGX 266,071,555= for the Grant received from OWC, UGX 6 million from NITA and UGX 20 million from UNCC.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17.0. PAYABLES AND ACCRUALS

	31-Dec-22	31-Dec-21
	UGX	UGX
Suppliers' bills payable	12,963,472	36,344,915
Customer prepayments	1,409,155	2,759,269
Audit and Consultancy fees payable	27,000,000	27,450,000
PAYE payable	4,780,000	3,680,813
NSSF payable	2,880,000	4,520,742
Royalties payable to members	214,856,820	-
Salaries payable	-	37,897
WHT Tax payable	587,640	1,867,645
Provision for VAT payable	2,677,098	8,930,552
Other payables	-	2,891,780
Total	267,154,185	88,483,613

18.0. INCOME TAX COMPUTATIONS

Surplus/Deficit Before Tax from Income Statement	108,983,781	(59,560,639)
Adjusted for:		
10% Telephone expenses (Note 11)	662,665	507,168
Depreciation expense (Note 12)	4,167,702	4,903,387
Donations and Grants (Note 7)	(519,071,625)	(120,000,000)
Capital allowance deductions (Note 19)	(7,330,222)	(10,721,490)
Chargeable income/loss for the year	(412,587,700)	(184,871,574)
Add: Taxable loss B/F	(382,924,674)	(198,053,100)
Adjusted chargeable income/loss C/F	(795,512,374)	(382,924,674)
30% Corporation Tax payable thereon	-	-
Tax Arrears B/F	48,927,509	54,213,507
Less Withholding Tax Paid	(4,058,517)	(5,285,998)
Tax Due and Payable	44,868,992	48,927,509

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19.0. COMPUTATION OF CAPITAL ALLOWANCE DEDUCTIONS

19.1. Wear & Tear Allowances

Name of Assets	Computers and Accessories	Motor Vehicles, Furniture and Other Assets	Total
% Rates	40%	20%	
T.W.D.V as at 01/01/2022	6,427,462	21,366,187	27,793,650
Additions	1,900,000	1,130,000	3,030,000
Disposals	-	(2,500,000)	(2,500,000)
Qualifying Cost for W&T	8,327,462	19,996,187	28,323,650
Wear & Tear Allowances	(3,330,985)	(3,999,237)	(7,330,222)
T.W.D.V as at 31/12/2022	4,996,477	15,996,950	20,993,427

Summary of Capital allowances claimable for the year:

Wear & Tear Allowance	7,330,222
Total	7,330,222

20.0. EVENTS AFTER THE REPORTING DATE

There were no material events subsequent to the year ended 31 December 2022 which would require adjustments of or disclosure in these financial statements.

21.0. COMMITMENTS

There were no capital commitments as at 31 December 2022 that would qualify for disclosure in these financial statements same as it was in the previous financial year.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21.0. DISTRIBUTION OF ROYALTIES TO ELIGIBLE MEMBERS

UPRS is authorised by Uganda Registration Services Bureau (URSB) in line with the Ugandan Copyright & Neighbouring Rights Act 2006 and the Copyright & the Neighbouring Rights Regulations 2010 to license rights in musical works unit sound recordings. Through reciprocal agreements, UPRS also administers the rights owners around the world whose members' works are exploited in Uganda.

The distribution of Royalties to eligible members is done in accordance with the distribution policy (Rules) enacted by UPRS in April 2018. The current policy provides that the distributable income may include:

- Licensing revenues less administrative expenses and provision for any reserved funds.
- Royalties received from affiliated societies less administrative expenses. Further, a deduction of 5% of net royalties received from affiliated societies in respect of the costs associated with the analysis and processing of the royalty payments shall be made.
- Interest earned from investments after deduction of administration fees.
- The application of points allocated to the various distribution pools. The points are arrived at by dividing distributable revenue by total frequency of play count in a category.

The current policy further provides that net distributable revenue is determined by aggregating all the Gross license revenue less administrative, operation and promotion expenses incurred by UPRS in the course of generating the income and also expenses relating to social and cultural allocations (Musical works). In view of the above policy, UPRS management ensures that the administrative expenses incurred are capped to a maximum of 30% of the Gross license revenue earned every year and this is done in accordance with the industry best practices which requires every CMO to maintain a royalty distribution ratio of 70:30 of the Gross License revenue. However, it should be noted that revenue derived by UPRS in other forms outside the License revenue is entirely used on supporting the administration of the entity and does not form part of the amount available for distribution to members.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2022

ANNEX 1:


**ACCOUNTABILITY STATEMENT FOR THE OWC GRANT
FOR THE YEAR ENDED 31 DECEMBER 2022**

**31-Dec-22
UGX**

REVENUE:	
Support Grant received by UPRS from OWC	1,000,000,000
Refund of members' royalty funds used on operating expenses	(214,856,820)
Funds available for implementing other entity's activities	785,143,180

EXPENDITURE:

Human Resource Consultancy services	13,280,000
UPRS rebranding under caretaker management	31,247,000
Public Relations Campaigns	5,640,000
OWC attaché's consultancy fees	20,300,000
Legal fees	11,682,000
Africa-You tube take down services	41,600,000
Professional fees for forensic audit (RSM-CPAs)	6,195,000
Designing of electronic data collection tool, deployment and training	5,610,000
External Audit services (Wade & Partners)	10,060,000
AGM preparation expenses	7,007,300
UPRS administration support expenses	92,677,031
Bank charges	814,329
Board and Working Committees' expenses	56,786,900
Field Licensing activities	7,934,000
Marketing expenses	7,023,900
Staff Salaries	74,006,561
Office rent	22,209,677
Printing services	18,430,000
Purchase of office projector	1,900,000
Stakeholders' engagement activities	15,690,000
Payment of Tax Arrears (VAT & PAYE)	54,770,660
Staff Training expenses	8,720,000
Withholding Tax paid	5,487,267
Total Expenditure	519,071,625
Unutilised Funds at year end (Deferred Grant C/F- Note 16)	266,071,555

 <p>Uganda Performing Right Society (UPRS) Ltd (A Company Limited by Guarantee and not having a Share Capital)</p>	<p>Annual Report and Audited Financial Statements for the year ended 31 December 2023</p>	<p><u>Auditors:</u> ©MDJ AND PARTNERS Certified Public Accountants P.O. Box 271, Entebbe (U) Issued: April, 2024</p>
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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

ACRONYMS:

A/C	Account
AGM	Annual General Meeting
B/F	Balance Brought Forward
BOD	Board of Directors
C/F	Balance Carried Forward
CAPASSO	Composers, Authors and Publishers Association
CEO	Chief Executive Officer
CISAC	Confederation of Societies of Authors and Composers
CPA	Certified Public Accountant
IAS	International Accounting Standards
IESBA	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IFPI	International Federation of Phonographic Industry
IFRSs	International Financial Reporting Standards
IRP	Intellectual Rights Property
ISA	International Standards on Auditing
LST	Local Service Tax
MOU	Memorandum of Understanding
NSSF	National Social Security Fund
NITA	National Information Technology Authority
OWC	Operation Wealth Creation
PA	Performing Artists
PAYE	Pay as You Earn
SOP	Standard Operating Procedures
SUISA	The Swiss Cooperative Society for Music Authors and Publishers
TB	Treasury Bills
UBA	United Bank for Africa
UGX	Uganda Shillings
UNCC	Uganda National Cultural Centre
UPRS	Uganda Performing Right Society Ltd
URA	Uganda Revenue Authority
URSB	Uganda Registration Services Bureau
USD	United States Dollar
VAT	Value Added Tax
WHT	Withholding Tax
WIPO	World Intellectual Property Organisation

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

SOCIETY'S EXECUTIVE INFORMATION:

REGISTERED OFFICES AND PLACE OF ABODE:

Previous Address:
Plot 35, House 5A Bukoto Drive
P.O. Box 102466
Kampala, Uganda.
Tel. +256-771 952 357 | 0751-067197
E-mail: info@uprs.go.ug
Website: www.uprs.go.ug

Current Address:
Plot 2240, Diplomat Zone, Kansanga-Ggaba Road
P.O. Box 102466
Kampala, Uganda.
Tel. +256-771 952 357 | 0751-067197
E-mail: info@uprs.go.ug
Website: www.uprs.go.ug

BANKERS:

Tropical Bank Ltd
Kampala Main Branch
A/C 2000074357

United Bank of Africa
Kampala Main Branch
A/C No. 0164000335
A/C No. 0131000984

AUDITORS:

MDJ and Partners
Certified Public Accountants
P.O. Box 271,
Entebbe, Uganda.
Telephone: +256-392-901 205 | 0772-635101
Email: mdjandpartners@yahoo.com | mwasedaniel@yahoo.com

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DEC. 2023

The Board of Directors is pleased to submit their report together with the Audited financial statements, which disclose the state of financial affairs of Uganda Performing Right Society Ltd, for the year ended 31 December 2023.

1.0. ESTABLISHMENT AND LEGAL STATUS:

1.1. Brief Background.

Uganda Performing Right Society Ltd is a society that was formed in 1985 by authors (mainly musicians) to advance the cause of copyright administration in Uganda. It is registered with the Registrar of Companies as a Company Limited by guarantee having no share Capital, in other words, it belongs to all of its members. UPRS is recognized by the Government as a Collecting Society, and it is a Member of the Confederation of International Societies of Authors and Composers (CISAC).

1.2. Vision.

A Country free from piracy and infringement of copyright works

1.3. Mission.

To promote copyright and promote the value of music

1.4. Goal of the Society.

To fight infringement and piracy of music, pakalast

1.5. Objectives of the Society.

Uganda Performing Right Society Ltd's Vision and Mission are driven by the following objectives:

- o To promote the economic and social well-being of members.
- o To promote and encourage creativity in artistic, literary, and scientific works in Uganda.
- o To make reciprocal representation agreements with foreign societies.
- o To foster understanding between members and users of their works.
- o To provide members and any other interested persons with information relating to and neighbouring rights

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

REPORT OF THE BOARD OF DIRECTORS - Continued

2.0. PRINCIPAL ACTIVITIES AND OPERATION MODE:

Uganda Performing Right Society Ltd principal activities are administering copyright and neighbouring rights on behalf of its members, and other members of other societies through reciprocal representative agreements, and its membership is open to all performing artists across the entire country. However, majority of the members are served online via platforms set up by the management of the Society from time to time.

3.0. CORPORATE GOVERNANCE:

Uganda Performing Right Society Ltd is committed to the principles of good corporate governance and recognizes the need to provide services in accordance with generally accepted best practices and the existing regulatory framework. In so doing, the Board therefore confirms that:

- a) They met as and when it was necessary during the year under review;
- b) They retained full and effective control over the Society throughout the year;
- c) The Board continued to exercise responsibility for strategic and policy decisions, the approval of budgets and the monitoring of performance; and
- d) The Board members continued to bring skills and experience from their own spheres of operation to complement the professional experience and skills of the management team.

Further, the Board continued to carry out its role of formulating policies and strategies for the Society, reviewing the work plans, ensuring that the accounting system is maintained in accordance with acceptable standards, the books of Account for the Society are kept properly, and that accounts are checked by authorised auditors, as well as recruitment and development of key personnel.

4.0. SOCIETY'S GOVERNANCE AND MANAGEMENT:

The Society's governance structure comprises of the Annual General Meeting (AGM), the Governing Board and management.

4.1. The Annual General Meeting (AGM)

The AGM is the supreme organ of UPRS. It is constituted by all registered active members of the Society. The membership of the Society stood at **3,838** members as at 31 December 2023 compared to **3,588** members reported at the end of the year 2022. This represents an increase in membership enrolment by **250** members.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

4.2. Board of Directors.

The Board that steered the operations of the Society during the reporting period comprised of the following members:

Name	Position	Period of Service
Mr. Okello Kelo Sam	Board Chairman	March – December, 2023
Mr. Kabito Karamagi Kenneth	Board Chairman	January – February 2023
Mr. Okello Sam Kelo	Director	January – February 2023
Mr. Serumaga James	Director	January – December 2023
Mr. Mangeni Patrick Wa Ndeda	Director	January – December 2023
Ms. Basilima Justin	Director	January – December 2023
Mr. Kaye Gideon Wisdom	Director	January – December 2023
Mr. Nigege Peter	Director	January – December 2023
Ms. Ssesanga Juliet	Director	January – December 2023
Mr. Ssemakula Robert Edward	Director	January – December 2023
Mr. Okello Jimmy	Director	September – December 2023
Ms. Judy Obitre-Gama	Director	March – December 2023

4.3. Management and administration.

During the reporting period, the Society was run by a management and administration team comprising of Executive, middle level and lower-level management staff. The senior management team of the Society comprised of the following key members:

Name	Designation	Period of service
Ms. Morrine Sharon Nassuna	Ag. CEO	January – December 2023
Ms. Buyungo Viola	Accountant	January – December 2023
Mr. Ssebuliba George	Compliance Officer	January – December 2023
Ms. Naamala Ephraim	Licensing Officer	January – December 2023

4.4. Benefits to members.

Uganda Performing Right Society Ltd pays out benefits to its members in form of Royalties based on the performance for a given reporting period. The amount to be paid is proposed by the Board and approved at the AGM. Whereas the Board did not declare royalties payable for the financial year ended 31 December 2023, **UGX 22,626,737=** was partly paid out to some of the eligible members against the amount that had been declared in the financial year 2022.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

4.5. Remuneration of Board members.

Serving on the Board of UPRS is a voluntary service based on the authority entrusted to the individual Board members by the AGM and the Regulator. Therefore, the entity does not remunerate its Board members on a monthly basis. The Board members are only facilitated when conducting official business of the Society in accordance with its governance policies and procedures.

5.0. RISK MANAGEMENT:

Whereas currently there is no internal audit function at management level, the responsibility for managing the internal audit and risk management affairs of UPRS is vested in the audit and risk management committee of the Board. This committee works hand in hand with the management and staff to ensure that there are robust internal controls and that the risk profiles of UPRS are maintained within the acceptable levels.

The Board accepts final responsibility for the risk management and internal control system of UPRS. Management ensures that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- Safeguarding of the Society's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Society's risk management system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

6.0. SOLVENCY AND GOING CONCERN:

UPRS confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board remains optimistic that save for the sustainability challenges still being faced, UPRS still has many available opportunities to exploit from which it can realise adequate resources to sustain its operations for the foreseeable future.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

REPORT OF THE BOARD OF DIRECTORS - CONTINUED

7.0. DEVELOPMENT PARTNERS AND SUPPORT RECEIVED:

The Board on behalf of UPRS would like to acknowledge and appreciate in a special way the support received from various development partners during the year that greatly helped the organisation to partly finance its operations. Below is a summary of the Key development partners and the funding support received from each one of them:

Name of Development Partner	Purpose of Funding	FY 2023		FY 2022	
		UGX	UGX	UGX	UGX
Operation Wealth Creation (OWC)	Re-organizing the Company by improving Revenue generation, Enhanced governance and control and Business process re-engineering.	-	-	1,000,000,000	-
Uganda National Cultural Center (UNCC)	Support to Local administration	-	-	20,000,000	-
National Information Technology Authority (NITA)	Support to Local administration	-	-	6,000,000	-
Composers, Authors and Publishers Association (CAPASSO)	Royalties remitted to UPRS	42,731,162	-	-	-

8.0. FINANCIAL RESULTS FOR THE YEAR:

The financial performance of UPRS for the year ended 31 December 2023 is as stated in the Statement of Comprehensive Income presented on page 15. Below is the summarised financial performance for the year as compared with the previous year:

	31-Dec-23	31-Dec-22
	UGX	UGX
SURPLUS/DEFICIT BEFORE TAX	(50,101,635)	108,983,781
Corporation tax expense	-	-
SURPLUS/DEFICIT FOR THE YEAR	(50,101,635)	108,983,781

Our Society contracts with qualified auditors to perform yearly audits to ensure complete disclosure, transparency, and compliance with the relevant Ugandan laws and regulations. The Regulator (URSB) appointed MDJ and Partners-Certified Public Accountants as our new External Auditors in accordance with Section 69(2) of the Copyright and Neighbouring Rights Act 2006 and the provisions of the Ugandan Companies Act 2012 as amended. They have expressed interest to remain in office as auditors of the Society for the next reporting period subject to approval by the AGM and clearance by the Regulator.

10.0. APPROVAL OF THE FINANCIAL STATEMENTS:

The Financial Statements were received, discussed and approved by the Board of Directors at their meeting held at Kampala on the 22nd day of April, 2024.

By order of the Board.

Wesley Sanyalwa
.....
CHAIRMAN, UPRS BOARD



UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

STATEMENT OF RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

Section 69(1) of the Copyright and Neighbouring Rights Act 2006 of the Laws of Uganda together with the Companies Act 2012, under which UPRS is registered and regulated requires the Board of Directors to prepare the financial statements of the Society for each financial period and cause those Accounts to be audited at least once in every year by an auditor appointed by the AGM and or the Regulator and approved by the Registrar. The financial statements should give a true and fair view of the state of affairs of the Society as at the end of the financial period and of the operating results for that period.

Further, the above cited Acts and the Regulations thereunder also requires the Board to ensure that the Society maintains proper accounting records, which disclose with reasonable accuracy its financial position. The Board is also responsible for safeguarding the Society's assets and to take reasonable steps for prevention and detection of fraud and other irregularities.

The Board asserts that the financial Statements as audited by MDJ and Partners-Certified Public Accountants (our independent External auditors) give a true and fair view of the state of financial affairs of Uganda Performing Right Society Ltd as at 31 December 2023. The Auditors have issued unqualified Audit opinion over the financial statements for the year.

A review of the going concern status of Uganda Performing Right Society Ltd indicates that the Society is likely to remain in operation for at least the next twelve months from the date of this statement.

This statement is made in accordance with the resolution of the Board at their meeting held at Kampala on the 22nd day of April, 2024 and is signed for and on behalf of Uganda Performing Right Society Ltd by:


.....
CHAIRMAN
UPRS BOARD


.....
CHAIRMAN
AUDIT & RISK COMMITTEE


.....
CHIEF EXECUTIVE OFFICER
UPRS



UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

The Members
Uganda Performing Right Society Ltd (UPRS)
Plot 2240, Diplomat Zone, Kansanga, Ggaba Rd
P.O. Box 102466
Kampala, Uganda.

RE: THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF UGANDA PERFORMING RIGHT SOCIETY LTD FOR THE YEAR ENDED 31 DECEMBER, 2023

Auditor's Opinion:

We have audited the accompanying financial statements of Uganda Performing Right Society Ltd, as set out on page 16 to 39 and the Annex thereto hereinafter. These financial statements comprise of: the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Accumulated Funds and the notes to the financial statements, including a summary of significant accounting policies for the year ended 31 December, 2023.

In our opinion, the accompanying financial statements present in all material respects, a true and fair view of the financial position of Uganda Performing Right Society Ltd as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs), the Copyright and Neighbouring Rights Act 2006 and the Companies Act 2012, as amended.

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, 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.

Key Audit Matters:

Key audit matters are those that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There were *no significant Key Audit matters that would qualify for disclosure in the current reporting period.*

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Other information:

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information 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 other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board of Directors and those with Governance for the Financial Statements:

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal controls 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 preparation of the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Society's financial reporting process.

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 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 basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements –Continued:

- 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 opinion. The risk not detecting a material misstatement resulting from fraud is higher than or one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- 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 Society'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 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 whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

THE INDEPENDENT AUDITOR'S REPORT – CONTINUED

Report on compliance with Other Regulatory Requirements:

As required by the Ugandan Companies Act 2012, together with the Copyright and Neighbouring Rights Act 2006 and the regulations made thereunder as amended to date, we report to you based on our audit that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of account have been kept by the Society so far as appears from our examination of those books; and
3. The Society's statement of financial position (Balance Sheet) and statement of comprehensive income (Income and Expenditure Statement) are in agreement with the books of account kept for the reporting period from where they have been drawn.

The Lead Engagement Practitioner on this audit resulting in the independent auditors' report is CPA Mwase Daniel Balibonaki (PO138), whose signature and seal are hereby appended and /or fixed on this 22nd day of April, 2024.

Mwase Daniel Balibonaki



MDJ AND PARTNERS
Certified Public Accountants
P.O. Box 271,
Entebbe, Uganda

Mwase Daniel Balibonaki
CPA Mwase Daniel Balibonaki (PO138)
Lead Engagement Practitioner
P.O. Box 271,
Entebbe, Uganda

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-23	31-Dec-22
	UGX	UGX
REVENUE:		
Local Revenue	348,310,706	346,710,289
Other income	297,844,043	520,536,931
Total Revenue	646,154,749	867,247,220
EXPENDITURE:		
Business Development & Promotion expenses	103,946,665	113,363,200
Employee expenses	288,805,044	250,041,827
Governance expenses	101,605,424	75,375,700
Administration expenses	201,899,251	319,482,712
Total Expenditure	696,256,384	758,263,439
SURPLUS/DEFICIT BEFORE TAX	(50,101,635)	108,983,781
Corporation tax expense	-	-
SURPLUS/DEFICIT FOR THE YEAR	(50,101,635)	108,983,781

The Statement of Comprehensive Income is to be read in conjunction with the notes forming part of the financial statements set out on page 19 to 38, the Annex laid out on page 39 and the Report of the independent auditors presented on page 11-14.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	31-Dec-23	31-Dec-22
	UGX	UGX
ASSETS:		
Non-Current Assets:		
Property and Equipment	14,421,898	17,556,234
Total Non-Current Assets	14,421,898	17,556,234
Current Assets:		
Receivables and prepayments	138,554,016	103,832,658
Cash and Bank Balances	271,916,933	510,054,285
Total Current Assets	410,470,949	613,886,943
TOTAL ASSETS	424,892,847	631,443,177
FUNDS AND LIABILITIES:		
FUNDS:		
Retained Surplus/Deficit	(22,753,189)	27,348,446
Total Accumulated Fund	(22,753,189)	27,348,446
LIABILITIES:		
Deferred Income	43,378,042	292,071,555
Payables and Accruals	365,117,758	267,154,185
Income Tax Provisions	39,150,236	44,868,992
Total Liabilities	447,646,036	604,094,732
TOTAL FUNDS AND LIABILITIES	424,892,847	631,443,177

The Statement of Financial Position is to be read in conjunction with the notes forming part of the financial statements set out on page 19 to 38, the Annex laid out on page 39 and the Report of the independent auditors presented on page 11-14.

Approval of the Financial Statements:
The Financial Statements laid out on page 16 to 38 were received, discussed and approved by the Board at their meeting held at Kampala on the 22nd day of April, 2024 and were signed for and on behalf of UPRS by:

Mwase Daniel Balibonaki
CHAIRMAN
UPRS BOARD

Mwase Daniel Balibonaki
CHAIRMAN
AUDIT & RISK COMMITTEE

Mwase Daniel Balibonaki
CHIEF EXECUTIVE OFFICER
UPRS



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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2023

	31-Dec-23	31-Dec-22
	UGX	UGX
Cash flows from Operating activities:		
Surplus/Deficit Before Tax per Income Statement	(50,101,635)	108,983,781
Adjusted for non-cashflow items:		
Depreciation expense	3,134,336	4,167,702
Round off effect	(1)	(1)
Surplus/Deficit Before Working Capital Changes	(46,967,299)	113,151,482
Increase/Decrease in Accounts Receivable	(34,721,358)	(86,401,143)
Increase/Decrease in Payables and Accruals	97,963,574	178,670,573
Cash generated from operations	16,274,916	205,420,911
Income Tax paid	(5,718,756)	(4,058,517)
Net cash from operating activities	10,556,160	201,362,394
Cash flows from Investing activities:		
Purchase/Disposal of property and equipment	-	(530,000)
Net Cash used in Investing activities	-	(530,000)
Cash flows from Financing activities:		
Deferred Income	(248,693,513)	292,071,555
Net cash used in Financing activities	(248,693,513)	292,071,555
Net movement in Cash and Cash equivalents	(238,137,353)	492,903,949
Cash and Cash equivalents at start of the year	510,054,285	17,150,336
Cash and Cash equivalents at end of the year	271,916,933	510,054,285

Reconciliation of Cash and Cash Equivalents:
Cash held at hand
Cash held at bank (all Bank Account balances)
Total Cash and Cash equivalents at year end

	31-Dec-23	31-Dec-22
	UGX	UGX
Cash held at hand	131,290	43,900
Cash held at bank (all Bank Account balances)	271,785,643	510,010,385
Total Cash and Cash equivalents at year end	271,916,933	510,054,285

The Statement of Cash Flows is to be read in conjunction with the notes forming part of the financial statements set out on page 19 to 38, the Annex laid out on page 39 and the Report of the independent auditors presented on page 11-14.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

STATEMENT OF CHANGES IN ACCUMULATED FUNDS AS AT 31 DECEMBER 2023

FY 2023	Retained Surplus/Deficit Account		Total Accumulated Funds	
	UGX	UGX	UGX	UGX
Opening Balances as at 01 January 2023	27,348,446		27,348,446	
Deficit for the year	(50,101,635)		(50,101,635)	
Round off effect	(1)	(1)	(1)	(1)
Balance as at 31 December 2023	(22,753,190)	(22,753,190)	(22,753,190)	(22,753,190)

FY 2022	Retained Surplus/Deficit Account		Total Accumulated Funds	
UGX	UGX	UGX	UGX	
Opening Balances as at 01 January 2022	(81,635,335)		(81,635,335)	
Surplus for the year	108,983,781		108,983,781	
Balance as at 31 December 2022	27,348,446	27,348,446	27,348,446	27,348,446

The Statement of Changes in Accumulated Funds is to be read in conjunction with the notes forming part of the financial statements set out on page 19 to 38, the Annex laid out on page 39 and the Report of the independent auditors presented on page 11-14.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1.0. REPORTING SOCIETY AND ACCOUNTING PERIOD:

Uganda Performing Right Society Ltd (UPRS) is a Society established in 1985 with a primary goal of promoting the economic and social interest of its members through defending their copyright and neighbouring right interests. Uganda Performing Right Society Ltd reports on its financial affairs after every end of twelve-month period. These financial statements therefore cover a period of twelve months running from 01 January to 31 December 2023.

2.0. STATEMENT OF COMPLIANCE WITH THE IFRSs:

For purposes of preparing and presenting these financial statements, Uganda Performing Right Society Ltd has adopted and complied in full with both the new and revised International Financial Reporting Standards and the related interpretations thereof as applicable to the reporting period ended 31 December, 2023.

3.0. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the reporting period.

3.1. Basis of preparation

The financial statements have been prepared under the historical cost convention and are in compliance with the International Financial Reporting Standards (IFRS). The accounting policies adopted are consistent with those of the previous year. The preparation of the financial statements in conformity with the International Financial Reporting Standards requires estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Although those estimates are based on the Board's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The Board meets its day-to-day obligations from its current assets. On this basis, the Board considers it appropriate to prepare the financial statements on a going concern basis which assumes that UPRS will be in operational existence for the foreseeable future.

3.2. New standards, amendments and interpretations issued and now adopted by UPRS.

UPRS has continued with the practice of adopting the new or amended International Financial Reporting Standards (IFRS) that are mandatory for application for the financial year. Changes to UPRS's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.2. New standards, amendments and interpretations issued and now adopted by UPRS -continued

Such new or amended standards include:

- Definition of Materiality (Amendment to IAS 1 and IAS 8);
- Amendments to references to the Conceptual Framework; and
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

The adoption of these new or amended IFRSs did not result in substantial changes to UPRS's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

3.3. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to the standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that UPRS has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

3.4. Revenue Recognition.

Revenue represents the fair value of consideration received or receivable for the services rendered by UPRS in the course its activities. It is recognised when it is probable that future economic benefits will flow to UPRS and the amount of revenue can be measured reliably. It is stated net of indirect taxes, rebates and discounts. Sale of goods are recognised upon delivery of the product and customer acceptance, while sale of services is recognised upon performance of the service and customer acceptance based on the proportion of actual service rendered to the total services to be provided. Income has been recognised in the financial statements in accordance with the requirements of IFRS 15 that deals with the same.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.4. Revenue recognition – continued

Licence income.

Income of UPRS mainly comprises of Licensing Fees collected from Licenses issued to various customers that consume the services UPRS is mandated to provide and is recognised on cash basis as per the revised accounting policy of the entity adopted by the Board in 2018.

Grant Income.

Grants are recognised only when there is reasonable assurance that (a) UPRS will comply with the conditions attached to the grant and (b) the grant will be received. The grant is recognised as income over the period necessary to match it with the related costs, for which it is intended to compensate, on a systematic basis.

Non-monetary grants such as Physical Assets donated in kind and other resources are usually accounted for at fair value, although recording both the asset and the grant at a nominal amount is permitted. A grant received as compensation for costs already incurred or for immediate financial support with no future related costs, is recognised as income in the period in which it is receivable. For the period under review, the Society continued to utilise the unspent funds that were part of the support grant from OWC which was received in the year 2022. The grant has been disclosed in the financial statements in accordance with the terms and conditions attached to it. Grants and financial assistance received from Government are accounted for in accordance with the requirements of IAS 20.

Other income.

Any other income is recognised when the right to receive the payment is established. For the reporting period under review, the society received other income from international partners and this has been recognised on accrual basis of accounting as per the terms spelt out in the respective signed Partnership Agreements.

3.5. Recognition of Lease Transactions.

UPRS recognises any lease transactions in accordance with the requirements of IFRS 16 Leases. At the inception of the contract, UPRS assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed. For the year ended 31 December 2023, UPRS did not execute any lease transactions which would qualify for recognition in the financial statements using the requirements of IFRS 16.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments.

Recognition and derecognition

Financial assets and financial liabilities are recognised when UPRS becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into one of the following categories:

- amortised cost,
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI).

In the periods presented, UPRS does not have any financial assets categorised as FVOCI. Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) or Fair Value Through Profit and Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and the contractual cash flow characteristics of the financial asset. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold the financial assets to collect contractual cash flows and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual Cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of Principal and interest on the principal amount outstanding.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments – continued

Receivables are classified at amortised cost. There were no changes in classification of financial liabilities, as all remained under "other financial liabilities".

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses –the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included trade receivables, cash and cash equivalents and receivables from Government. The financial assets at amortised cost consist of receivables, cash and cash equivalents and receivables from Government.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs; these are ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs; these are ECLs that result from all possible default events over the expected life of a financial instrument.

UPRS measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition
- Receivables from Government entities for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

UPRS has elected to apply the simplified approach and record lifetime expected losses on all trade receivables. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, UPRS considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on UPRS's historical experience and informed credit assessment and including forward-looking information.

UPRS assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due. UPRS considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to UPRS in full.
- The financial asset is more than 360 days past due.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.6. Financial Instruments – continued

Measuring of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that UPRS expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, UPRS assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impact of the impairment model

The ECLs were calculated based on actual credit loss experience over the past three years. UPRS performed the calculation of ECL rates separately for receivable categories. UPRS used a simplified approach to determine the expected credit losses by using a provision matrix, because; the receivable base consists of a large number of small receivable balances, the receivables have common risk characteristics and do not have a significant financing component.

3.7. Expenditure Recognition.

Expenditure is recognized when it is incurred.

3.8. Accounts Receivable and Prepayments.

Accounts receivable and Prepayments are recognized at fair value.

3.9. Payables and accrued expenses.

Payables and accrued expenses are recognized at fair value.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.10. Property and Equipment.

The cost of purchased property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributed costs which have been incurred in bringing the assets to the present location and condition necessary for their intended service. Physical properties acquired by the Society in form of donations in kind are recognised at the fair values representative of the market prices at which such assets would have been purchased in the open market. During the reporting period, the Society received some donated physical assets that have been disclosed in the asset schedule and subjected to depreciation in accordance with the entity's financial policy.

3.1.1. Depreciation of Property and Equipment.

All Property and Equipment of the Society are stated at historical cost value less accumulated depreciation and impairment losses, where applicable. Depreciation is calculated to write off the cost of each asset over their expected useful lives on the basis of Reducing Balance method and using the annual rates stated below:

Asset Class	Rates
Furniture and fittings	12.5%
Motor Vehicles and Cycles	20.0%
Data handling equipment	40.0%
Office equipment	12.5%
Generator	20.0%

3.1.2. Intangible Assets.

Intangible assets relating to accounting software are initially measured at purchase cost and amortised on a straight-line basis over their estimated useful lives. The intangible asset refers to the software accounting package normally procured and used by the Society for maintaining its account records. The software once put in place is amortized at 33.3% per annum on a straight-line basis of accounting. For the year 2023, the Society did not procure any intangible asset that would qualify for disclosure in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.13. Impairment of Assets.

At each balance sheet date, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14. Cash and Cash Equivalents.

For purposes of presentation of the entity's statement of Cash flows, cash and cash equivalents comprises of cash in hand and demand deposits held on the various Bank accounts run by UPRS.

3.15. Inventories.

These are stated at the lower of cost or net realizable value. At close of the financial year the Society did not have any tradable inventories that would qualify for disclosure in the financial statements. Inventories relating to consumables procured for purposes of implementing operational activities or internal use have been expensed since they are not held for sale.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.16. Employee benefits.

UPRS pays salaries and wages to its employees and contributes to the National Social Security Fund (NSSF) staff engaged on permanent terms and pays gratuity to staff employed on contract terms. NSSF is a defined contribution scheme registered under the National Social Security Fund Act (1985) as amended in 2020.

UPRS's obligations under this scheme are limited to specific contribution regulated from time to time and currently stated at 10% of the employee's gross pay. UPRS's contributions are charged to the Income Statement in the year to which they relate.

3.17. Translation of foreign currencies.

Transactions in foreign currencies during the year are converted into Ugandan shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. The resulting differences from conversion and translation are dealt with in the statement of financial performance in the year to which they relate. All effects of changes in foreign currency translations to functional reporting currency are accounted for in accordance with the requirements of IAS 21 that deals with the same.

If UPRS is to report to other Users of financial statements in foreign countries, an average exchange rate of 1USD=UGX 3,750= is recommended for use for the period ended 31 December 2023.

3.18. Critical accounting estimates and judgements in applying accounting policies.

UPRS makes estimates and assumptions concerning the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

3.19. Provisions, Contingent Assets and Contingent Liabilities.

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. As at end of the reporting year, the Society had no provisions, contingent liabilities and contingent assets that would qualify for disclosure.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.0. SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

3.20. Taxation.

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authority. The rate of income tax that is applied in measuring the current tax is the statutory rate of 30% charged in accordance with the Income Tax Act (1997) of Uganda.

3.21. Comparative Financial Statements.

The financial statements have been presented with comparative information for the previous period. Where necessary, changes have been made in respect of the format, disclosures, recognition criteria and presentation of various items in the accounts to suit the adoption and current requirements of the International Financial Reporting Standards and other regulations currently in force.

4.0. RELATED PARTY TRANSACTIONS:

A related party transaction is a transfer of resources, services or obligations between the reporting Society and related party, regardless of whether a price is charged or not. The Board, management and staff are members of UPRS and they are mandated by the entity's Constitution with the responsibility to manage and supervise all the affairs of the Society and in this case, they are related parties. The related party transactions of UPRS mainly involve advances taken by the staff members, Board members and the income from international partners to finance activities of the Society realized under reciprocal arrangements. Related party transactions are recognized in accordance with the requirements of IAS 24.

5.0. FINANCIAL RISK MANAGEMENT:

UPRS has exposures to mainly liquidity, interest rate and foreign exchange risks that arise from use of its financial instruments. UPRS is essentially engaged in the promotion of economic and social interest of its members through defending their copyright and neighbouring rights, interests, and relies more on income from Licensing fees to finance its operations.

Management endeavours at all times to minimize risks. Management has put in place a mechanism that ensures strict adherence to International and National laws regulating the performing Arts industry, sector regulations, guidelines and terms embedded in Partnership agreements held with development partners as a control measure against risk exposures. The Society's risk management strategy is based on a clear understanding of various risks, disciplined risk assessment procedures and continuous monitoring.

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.0. FINANCIAL RISK MANAGEMENT -continued

The policies and procedures established for this purpose are continuously benchmarked with the industry best practices. UPRS's operations are supported by local management and outsourced consultants who use a comprehensive range of qualitative and quantitative tools to ensure minimum risk exposures. Management is responsible for the assessment, management and mitigation of risk in the Society. UPRS's overall risk management programme focuses on unpredictability of changes in the operating environment and seeks to minimize the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The financial risk management policies are outlined below:

5.1. Credit risk.

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the entity. The Society's credit risk is primarily attributable to its receivables and amounts due from related parties, estimated by the entity's Accounts department based on prior experience, existing financial and economic factors faced by the debtors and the exit options available. The credit risk on receivables is limited because the Society provides services to its clients mainly on cash basis while any dealings with members on credit service arrangement is restricted to those that are legally admitted into UPRS's membership using the established policies and procedures and management ensures that each member is appropriately billed the Fees payable and the settlement terms thereof.

5.2. Liquidity risk management.

The ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework for the management of the Society's short, medium and long-term funding and liquidity management requirements. UPRS manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

5.3. Foreign exchange risk.

UPRS undertakes certain transactions denominated in foreign currencies. This exposes it to foreign exchange risk. However, the Exchange rate exposures are managed within approved policy guidelines.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6.0. SURPLUS /DEFICIT BEFORE TAX
This is stated after expensing the following:

Audit Fees (Note 11)	8,500,000	31-Dec-22 UGX
Depreciation expense (Note 12)	3,134,336	6,750,000
		4,903,387
7.0. REVENUE		
7.1. Local Revenue		
Income received from License Fees	348,310,706	346,710,289
Sub-Total	348,310,706	346,710,289
7.2. Other Income		
Grant received from OWC	248,693,513	519,071,625
Royalties received from CAPASSO	42,731,162	-
Bank Interest received	6,419,368	1,465,305
Sub-Total	297,844,043	520,536,930
TOTAL REVENUE	646,154,749	867,247,220

8.0. BUSINESS DEVELOPMENT AND PROMOTION EXPENSES

Field compliance operations	10,779,000	15,559,000
Trainings, Workshops and Seminars	4,966,500	19,371,800
Commission Paid-out to business agents	12,225,665	2,060,800
Legal Fees	13,134,200	10,536,000
Printing License materials	5,890,500	26,078,500
Branding	180,800	980,000
Public Relation campaigns	500,000	-
Marketing and advertising	47,162,000	16,861,900
Sensitisation campaigns	200,000	150,000
Stakeholders' engagements	8,908,000	21,765,200
Total	103,946,665	113,363,200

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9.0. EMPLOYEE EXPENSES

Staff Salaries	252,218,462	31-Dec-22 UGX
10% NSSF Employer Contribution	25,221,848	197,969,570
Wages for casual labourers	4,750,000	19,796,957
Staff welfare	6,311,800	1,200,000
Staff transport and travelling	-	17,855,300
Restructuring expenses	302,934	14,300,000
Total	288,805,044	250,041,827

10.0. GOVERNANCE EXPENSES

Board and Committee expenses	42,536,800	62,644,400
Board retreats	9,608,000	4,232,000
AGM expenses	49,460,624	8,499,300
Total	101,605,424	75,375,700

11.0. ADMINISTRATION EXPENSES

Rent for offices & warehouses	61,141,333	68,974,677
Office running expenses	5,176,000	9,228,500
Secretarial services & stationery	5,001,600	6,220,100
Local transport and travel	9,479,500	3,620,500
Travelling and accommodation	12,979,200	-
Repairs and maintenance	17,389,900	2,704,000
Security services	8,554,737	4,027,116
Computer consumables & IT support services	8,386,200	16,587,759
Cleaning and hygiene	2,783,600	8,626,000
Electricity and lighting	1,708,000	2,074,200
Water bills	1,138,200	2,120,400
Airtime and Internet	6,462,300	6,626,653
Audit services	8,500,000	6,750,000
Sub-total C/F	148,700,570	137,559,905

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11.0. ADMINISTRATION EXPENSES - Continued

Balance B/F	148,700,570	31-Dec-22 UGX
Technical support services (Note 11.1)	14,790,000	137,559,905
Operating permits	72,300	130,225,000
Motor vehicle and Motorcycle running expenses	14,190,500	36,313,100
Subscriptions and Contributions	7,786,099	5,125,210
Insurance services	458,833	688,250
Generator Running expenses	846,000	1,050,000
AWS-Amazon Website hosting	4,786,000	-
Bank charges	7,029,612	2,530,279
Suits and penalties	105,000	1,823,267
Depreciation expense (Note 12)	3,134,336	4,167,702
Total	201,899,251	319,482,712

11.1. Technical support services constitute of:

HR Consultancy services	-	13,280,000
Tax Consultancy services	-	1,200,000
OWC attaché's consultancy fees	8,000,000	20,300,000
Forensic Audit Fee	-	6,195,000
You tube take down contracted services	-	41,600,000
Other sundry professional service engagements	6,790,000	47,650,000
Total	14,790,000	130,225,000

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.0. PROPERTY AND EQUIPMENT (CURRENT YEAR -2023)

Name of Asset	Data Handling Equipment	Furniture and Fittings	Motor Vehicle and Cycles	Office Equipment	Generator	Total
Costs / valuations:	UGX	UGX	UGX	UGX	UGX	UGX
As at 01 January 2023	46,733,505	19,467,718	18,250,000	14,986,300	3,300,000	102,737,523
Additions/Disposals	-	-	-	-	-	-
As at 31 December 2023	46,733,505	19,467,718	18,250,000	14,986,300	3,300,000	102,737,523
Depreciation:	40%	12.50%	20.00%	12.50%	20.00%	
As at 01 January 2023	44,312,115	15,484,493	14,992,272	7,487,009	2,905,400	85,181,289
Charge for the year	968,556	497,903	651,546	937,411	78,920	3,134,336
Charge on disposal	-	-	-	-	-	-
As at 31 December 2023	45,280,671	15,982,396	15,643,818	8,424,420	2,984,320	88,315,625
Net Book Value:						
As at 31 December 2022	2,421,390	3,983,225	3,257,728	7,499,291	394,600	17,556,234
As at 31 December 2023	1,452,834	3,485,322	2,606,182	6,561,880	315,680	14,421,898

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UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-23 UGX	31-Dec-22 UGX
13.0. RECEIVABLES AND PREPAYMENTS		
Sundry Trade Debtors	91,684,922	96,702,511
Board and Staff advances	6,596,314	6,596,314
Other prepayments	40,272,780	533,833
Total	138,554,016	103,832,658
14.0. CASH AND BANK BALANCES		
Cash at hand	131,290	43,900
Cash held on Tropical Bank A/C	25,985,218	27,025,090
Cash held on Equity Bank A/C	10,921,096	-
Cash held on UBA Savings Bank A/C	226,676,390	218,385,584
Cash held on UBA Overdraft Bank A/C	5,362,488	264,391,211
Cash at Airtel money collection point	2,840,451	208,501
Total	271,916,933	510,054,285
15.0. SURPLUS/DEFICIT ACCOUNT		
Balance B/F	27,348,446	(81,635,335)
Surplus/Deficit for the year	(50,101,635)	108,983,781
Round-off effect	(1)	-
Balance C/F	(22,753,190)	27,348,446
16.0. DEFERRED INCOME		
Balance B/F	292,071,555	-
Grant received from OWC	-	1,000,000,000
Grant received from NITA	-	6,000,000
Grant received from UNCC	-	20,000,000
Total grants received during the year	292,071,555	1,026,000,000
Less amount reserved for refund of members' Royalties payable	-	(214,856,820)
Less Grant portion utilised and recognised as Revenue for the year (Refer to Annex 1)	(248,693,513)	(519,071,625)
Unutilised Funds C/F	43,378,042	292,071,555

Note: Deferred income includes unutilized grants that were received in 2022 from OWC, UNCC and NITA, a significant portion of which was put to use in the current reporting period.

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12.1. PROPERTY AND EQUIPMENT (PREVIOUS YEAR -2022)

Name of Asset	Data Handling Equipment	Furniture and Fittings	Motor Vehicle and Cycles	Office Equipment	Generator	Total
Costs / valuations:	UGX	UGX	UGX	UGX	UGX	UGX
As at 01 January 2022	44,833,505	19,467,718	20,750,000	13,856,300	3,300,000	102,207,523
Additions/Disposals	1,900,000	-	(2,500,000)	1,130,000	-	530,000
As at 31 December 2022	46,733,505	19,467,718	18,250,000	14,986,300	3,300,000	102,737,523
Depreciation:	40%	12.50%	20.00%	12.50%	20.00%	
As at 01 January 2022	42,697,855	14,915,461	14,177,840	6,415,681	2,806,750	81,013,587
Charge for the year	1,614,260	569,032	814,432	1,071,327	98,650	4,167,702
Charge on disposal	-	-	-	-	-	-
As at 31 December 2022	44,312,115	15,484,493	14,992,272	7,487,009	2,905,400	85,181,289
Net Book Value:						
As at 31 December 2021	2,135,650	4,552,257	6,572,160	7,440,619	493,250	21,193,936
As at 31 December 2022	2,421,390	3,983,225	3,257,728	7,499,291	394,600	17,556,234

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	31-Dec-23 UGX	31-Dec-22 UGX
17.0. PAYABLES AND ACCRUALS		
Suppliers' bills payable	28,990,751	12,963,472
Customer prepayments	3,949,955	1,409,155
Audit and Consultancy fees payable	24,655,000	27,000,000
Royalties payable to members	192,230,083	214,856,820
Salaries payable	21,006,541	-
PAYE payable	26,554,016	4,780,000
NSSF payable	22,566,848	2,880,000
Provision for VAT payable	44,704,585	2,677,098
WHT payable	459,980	587,640
Sub-Total	365,117,758	267,154,185
Surplus/Deficit Before Tax per Income Statement	(50,101,635)	108,983,781
Adjusted for:		
Depreciation expense (Note 12)	3,134,336	4,167,702
10% Telephone expenses (Note 11)	646,230	662,665
Donations and Grants (non-taxable income)	(248,693,513)	(519,071,625)
Capital allowance deductions (Note 19)	(6,183,981)	(7,330,222)
Chargeable income/loss for the year	(301,198,562)	(412,587,700)
Add: Taxable loss B/F	(795,512,374)	(382,924,674)
Adjusted chargeable income/loss C/F	(1,096,710,936)	(795,512,374)
30% Corporation Tax payable thereon		
Tax Arrears B/F	44,868,992	48,927,509
Less: Withholding Tax Paid/claimable	(5,718,756)	(4,058,517)
Tax Due and Payable	39,150,236	44,868,992
18.0. INCOME TAX COMPUTATIONS		
Surplus/Deficit Before Tax per Income Statement	(50,101,635)	108,983,781
Adjusted for:		
Depreciation expense (Note 12)	3,134,336	4,167,702
10% Telephone expenses (Note 11)	646,230	662,665
Donations and Grants (non-taxable income)	(248,693,513)	(519,071,625)
Capital allowance deductions (Note 19)	(6,183,981)	(7,330,222)
Chargeable income/loss for the year	(301,198,562)	(412,587,700)
Add: Taxable loss B/F	(795,512,374)	(382,924,674)
Adjusted chargeable income/loss C/F	(1,096,710,936)	(795,512,374)
30% Corporation Tax payable thereon		
Tax Arrears B/F	44,868,992	48,927,509
Less: Withholding Tax Paid/claimable	(5,718,756)	(4,058,517)
Tax Due and Payable	39,150,236	44,868,992

UGANDA PERFORMING RIGHT SOCIETY (UPRS) LTD
Audited Financial Statements
For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19.0. COMPUTATION OF CAPITAL ALLOWANCE DEDUCTIONS

19.1. Wear & Tear Allowances

Name of Assets	Computers and Accessories	Motor Vehicles, Furniture and Other Assets	Total
% Rates	40%	20%	
T.W.D.V as at 01/01/2023	4,996,477	15,996,950	20,993,427
Additions	1,900,000	1,130,000	3,030,000
Qualifying Cost for W&T	6,896,477	17,126,950	24,023,427
Wear & Tear Allowances	(2,758,591)	(3,425,390)	(6,183,981)
T.W.D.V as at 31/12/2023	4,137,886	13,701,560	17,839,446

Summary of Capital allowances claimable for the year:

Wear & Tear Allowance	6,183,981
Total	6,183,981

20.0. EVENTS AFTER THE REPORTING DATE

There were no material events subsequent to the year ended 31 December 2023 which would require adjustments of or disclosure in these financial statements.

21.0. COMMITMENTS

There were no capital commitments as at 31 December 2023 that would qualify for disclosure in the financial statements same as it was in the previous financial year.

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For the year ended 31 December 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22.0. DISTRIBUTION OF ROYALTIES TO ELIGIBLE MEMBERS

UPRS is authorised by Uganda Registration Services Bureau (URSB) in line with the Ugandan Copyright & Neighbouring Rights Act 2006 and the Copyright & the Neighbouring Rights Regulations 2010 to license rights in musical works unit sound recordings. Through reciprocal agreements, UPRS also administers the rights owners around the world whose members' works are exploited in Uganda.

The distribution of Royalties to eligible members is done in accordance with the distribution policy (Rules) enacted by UPRS in April 2018. The current policy provides that the distributable income may include:

- Licensing revenues less administrative expenses and provision for any reserved funds.
- Royalties received from affiliated societies less administrative expenses. Further, a deduction of 5% of net royalties received from affiliated societies in respect of the costs associated with the analysis and processing of the royalty payments shall be made.
- Interest earned from investments after deduction of administration fees.
- The application of points allocated to the various distribution pools. The points are arrived at by dividing distributable revenue by total frequency of play count in a category.

The current policy further provides that net distributable revenue is determined by aggregating all the Gross license revenue less administrative, operation and promotion expenses incurred by UPRS in the course of generating the income and also expenses relating to social and cultural allocations (Musical works). In view of the above policy, UPRS management ensures that the administrative expenses incurred are capped to a maximum of 30% of the Gross license revenue earned every year and this is done in accordance with the industry best practices which requires every CMO to maintain a royalty distribution ratio of 70:30 of the Gross License revenue. However, it should be noted that revenue derived by UPRS in other forms outside the License revenue is entirely used on supporting the administration of the entity and does not form part of the amount available for distribution to members.

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ANNEX 1:

ACCOUNTABILITY STATEMENT FOR THE OWC GRANT

FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-23 UGX	31-Dec-22 UGX
REVENUE:		
Balance B/F	266,071,555	-
Support Grant received by UPRS from OWC	-	1,000,000,000
Refund of members' royalty funds used on operating expenses	-	(214,856,820)
Funds available for implementing other entity's activities	266,071,555	785,143,180
EXPENDITURE:		
Human Resource Consultancy services	-	13,280,000
UPRS rebranding under caretaker management	-	31,247,000
Public Relations Campaigns	29,528,000	5,640,000
OWC attache's consultancy fees	6,000,000	20,300,000
Legal fees	-	11,682,000
Africa-You tube take down services	4,200,000	41,600,000
Professional fees for forensic audit (RSM-CPAs)	-	6,195,000
Designing of electronic data collection tool, deployment & training	-	5,610,000
External Audit of UPRS (Wade & Partners)	-	10,060,000
AGM preparation expenses	52,190,224	7,007,300
UPRS administration expenses	25,794,402	92,677,031
Bank charges	636,687	814,329
Board and Committee expenses	30,671,000	56,786,900
Field Licensing activities	2,600,000	7,934,000
Marketing expenses	-	7,023,900
Staff Salaries	74,781,000	74,006,561
Office rent	17,010,000	22,209,677
Printing services	625,000	18,430,000
Purchase of office projector	-	1,900,000
Stakeholders' engagements	2,000,000	15,690,000
Payment of Tax Arrears (VAT & PAYE)	-	54,770,660
Staff Training	-	8,720,000
Withholding Tax paid	2,657,200	5,487,267
Total Expenditure	248,693,513	519,071,625
Unutilised Funds at year end (Deferred Grant C/F-Note 16)	17,378,042	266,071,555



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