

ANNUAL REPORT 2025



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COMPANY OVERVIEW

The Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc. plays a vital role in protecting the rights of music creators throughout the region. As a collective management organisation (CMO), ECCO represents songwriters, composers and music publishers by licensing the use of copyrighted musical works for public performance, broadcasting, online streaming and mechanical reproduction. Through reciprocal agreements with CMOs around the world, ECCO ensures that its members receive fair remuneration for the use of their music.

As a non-profit organisation, ECCO is committed to transparency, accountability and operational efficiency, while prioritising the timely distribution of royalties to rightsholders. Looking ahead, the organisation remains dedicated to strengthening copyright administration, expanding licensing opportunities and advocating for the rights of music creators.

ECCO operates across six Eastern Caribbean territories: Antigua and Barbuda, the Commonwealth of Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines.



Antigua & Barbuda



Commonwealth
of Dominica



Grenada



St. Kitts & Nevis



Saint Lucia



St. Vincent &
The Grenadines



OUR CREATIVE MISSION & PURPOSE

A Message from ECCO Chairman of the Board Bruno Leonce



To our ECCO Members and Stakeholders, I am filled with a deep sense of gratitude for our community of creators. As we look toward the future, I want to reaffirm that the Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc. exists for one essential reason, to support and protect you, the creators who answer the calling of making music. Much like our affiliate colleagues,

our bedrock principle is that we will always put creators first. We are building a foundation for ECCO that is rooted in transparency, innovation, and resolute compliance.

ECCO remains dedicated to meeting all governance standards set by CISAC and the respective domestic laws within the territories where we operate. We view our current “provisional” status with CISAC not as a setback

but as a roadmap for excellence, we have already made significant strides in reducing administrative deductions to 36% and improving our reporting accuracy. Whether it is adhering to the Companies Act or cooperating with the Annual Inspections of the Intellectual Property office, we are dedicated to a culture of transparency and accountability.

To our members, I urge you to keep creating good and relevant content. Your music is the light that connects our region, and through your art, you have the power to influence and help shape our society. In an era of rapid change, your voices are more important than ever.

We encourage you to continue striving for excellence, knowing that ECCO is working behind the scenes to ensure your contributions are recognised and rewarded in the music industry.

The OECS possesses a strong, vibrant culture and a rich heritage that is unique in the global creative landscape. It is our mandate to ensure this heritage is not only protected and monetised but also shared proudly with the rest of the world. Through our active participation in international assemblies and the negotiation of reciprocal agreements, we are opening doors for Caribbean music to be heard and paid for in every corner of the globe.

OUR CREATIVE MISSION & PURPOSE

A Message from ECCO Chairman of the Board Bruno Leonce (continued)

We recognise the uncertainty of our political landscape within the OECS and the challenges posed by varying levels of legislative compliance. For the creative industry to truly flourish, we need the full support of our respective governments. To this end, ECCO is prioritising structured stakeholder consultations and a strengthened partnership with the OECS Commission to achieve our shared goals of regional harmony and robust copyright enforcement.

This year, our strengthened strategic operations have culminated in a landmark royalty payout. By successfully migrating to WIPO Connect, we have overcome previous data hurdles, resulting in an increase in royalties paid and a return to a reliable distribution cycle. Furthermore, we are proactively investing in systems to address the phenomenon of Generative AI and digital management to ensure technological progress strengthens rather than diminishes your rights and livelihoods.

None of these achievements would be possible without the collective effort of our leadership and team. I wish to extend my profound thanks to the Board of Directors for their support of our mission and their prudent management of our assets. Their commitment to ensuring merit-based leadership and a steady trajectory for this organisation has been vital to our recent successes.

I also want to thank our management team, led by CEO Martin A. James. Their dedication to modernising our operations and representing ECCO on the world stage has directly led to improved international standing and more foreign royalties for our members. Finally, my sincere thanks go to our staff. Their resilience during our relocation to a safer environment and their hard work in mastering new digital systems are what allow us to serve the creative landscape with excellence every day.

Together, we will continue to build an industry where OECS creativity is protected, valued, and celebrated worldwide.

Sincerely,
Bruno Leonce
Chairman of the Board,
ECCO Inc.

A YEAR OF HISTORIC GROWTH AND RESILIENCE

CEO'S MESSAGE



I am honoured to announce that the Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc. has delivered a year of unprecedented success and record-breaking royalty distributions for our music creators. In 2025, ECCO reached a monumental milestone, making the largest distribution in the organisation's history of over \$2.8 million XCD distributed

to rights holders. This achievement, covering the 2023 and 2024 licensing periods, is a powerful testament to the rising value of Caribbean music and the upward trajectory of our collections.

Much like our global affiliates, our bedrock principle is putting creators first. We have been relentless in our pursuit of operational efficiency. I am proud to report that,

despite significant regional challenges, we have successfully reduced our administrative costs from 44% in 2024 to 36% in 2025. This improvement brings us firmly in line with CISAC's international standards and ensures that a greater share of every dollar collected goes directly where it belongs: into the pockets of our members.

Our total collections for 2025 reached \$2,030,954.67, maintaining a steady climb from previous years. While 52% of royalties were exported to our international sister societies, 48% stayed within the OECS, ensuring our local creators remain the primary beneficiaries of their creative impact.

Our growth is fueled by a commitment to robust stakeholder engagement across the OECS. We have strengthened our ties with Intellectual Property Offices and the Director of Creative Economies in St. Kitts and Nevis. To further this momentum, we have requested high-level meetings with Ministers and Directors of Creative Economies in Antigua and Barbuda, Grenada, St. Vincent and the Grenadines, Dominica, and Saint Lucia.

In Saint Lucia, our dedication to enforcement is bearing fruit, with four major broadcasters recently coming on board to ensure compliance. Our strategic memberships with the Chamber of Commerce and the Saint Lucia

A YEAR OF HISTORIC GROWTH AND RESILIENCE

CEO'S MESSAGE (continued)

Hospitality & Tourism Association (SLHTA) are also yielding results, as more member businesses recognise their legal obligations and begin to contribute fairly to the creative ecosystem.

ECCO is no longer just a regional player; we are a global advocate. We have signed reciprocal agreements with three new sister CMOs and are currently processing requests from many others, expanding the reach of your music to every corner of the globe.

Internal member relations have improved tremendously. Through strategic webinars, a revamped website, and constant updates via social media and WhatsApp, we are building a genuine community of well-informed creators. Our membership continues to grow, reaching 959 members by the end of 2025, a steady 2% increase that reflects our continued relevance.

We remain mindful of the challenges ahead. Legislative reform remains a priority across all territories to harmonise copyright policies. Furthermore, we are standing firm against the disruptive phenomenon of Generative AI. We believe that using copyrighted works to train AI models without permission is not “fair use” and it is a threat to the creative process. We are proactively investing in digital monitoring and systems like WIPO

Connect to ensure that technological progress strengthens, rather than diminishes, your livelihoods.

To the Staff of ECCO: I place on record my most profound gratitude for your dedication and resilience. Your hard work in mastering new digital systems is what allows us to serve with excellence.

To the Board of Directors: Thank you for your stewardship and prudent management of our assets. Your commitment to merit-based leadership has been vital to our success.

To our Compliant Users: We thank you for remaining true to the law and recognising the value of the music that powers your businesses.

To You, the Members: We honour your membership. I urge you to keep your creative juices flowing and continue to educate yourselves on the business of music.

We are on an upward trajectory and we will not relent. We remain true to our mission: Protecting Music Rights.

Sincerely,
Martin A. James
Chief Executive Officer,
ECCO Inc.

MEMBERSHIP

We're pleased to share that our total membership grew from 940 at the end of 2024 to 959 by the end of 2025 – an increase of about 2%.

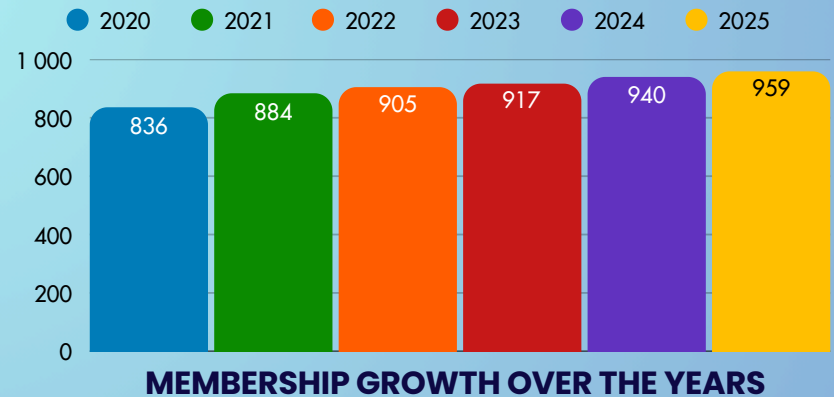
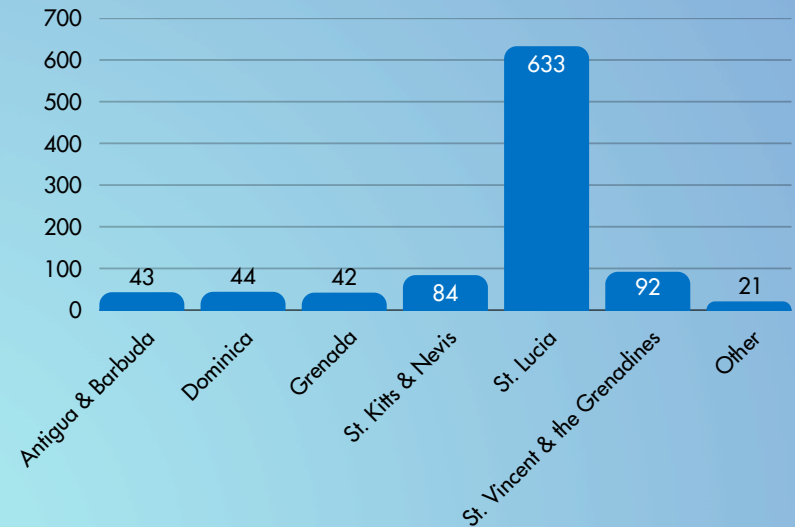
In 2024, we welcomed 30 new members and recorded 4 resignations, resulting in a net gain of 26 members for the year, while in 2025, we welcomed 22 new members and saw 3 resignations, giving us a net gain of 19 members.

Of the 22 new members in 2025, 15 are from Saint Lucia, 3 from St. Kitts and Nevis, 2 from St. Vincent and the Grenadines, 1 from Antigua & Barbuda and 1 from Grenada.

Among these new members, 8 were female and 14 were male.

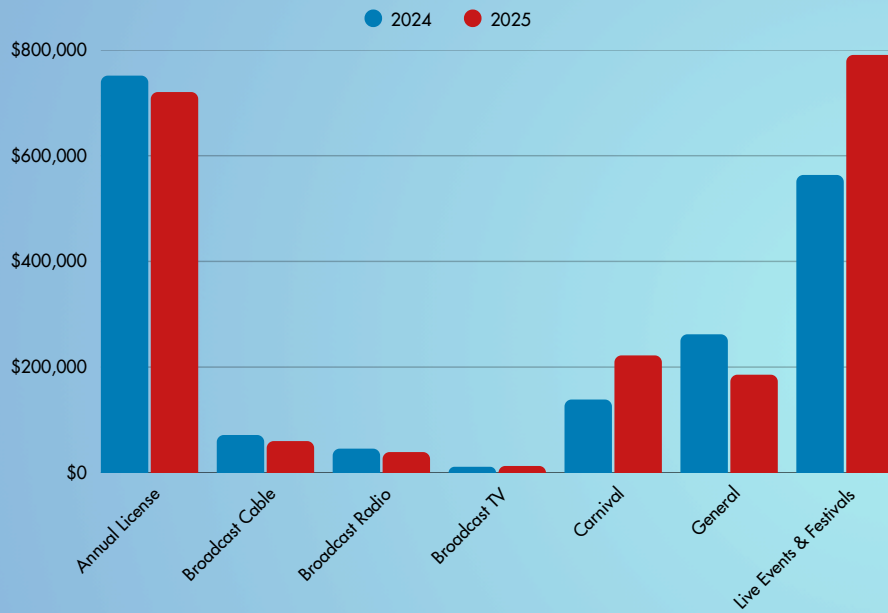
The ongoing growth, along with the lower number of resignations, reflects our continued commitment to attracting and retaining members. We remain focused on strengthening the support we offer to music professionals through networking opportunities, royalty collection and distribution, and legal protection.

MEMBERS PER TERRITORY

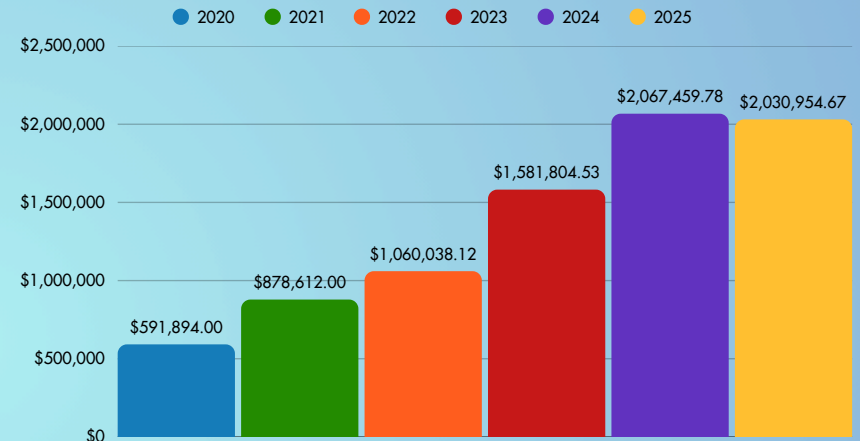


LICENSING

Overall collections reached \$2,030,954.67 in 2025. The bar graph on the left compares collections across the various categories between 2024 and 2025, highlighting changes in performance over the two-year period. The bar graph on the right illustrates ECCO's collection growth from 2020 to 2025, demonstrating the organisation's continued progress and upward trajectory in revenue generation.



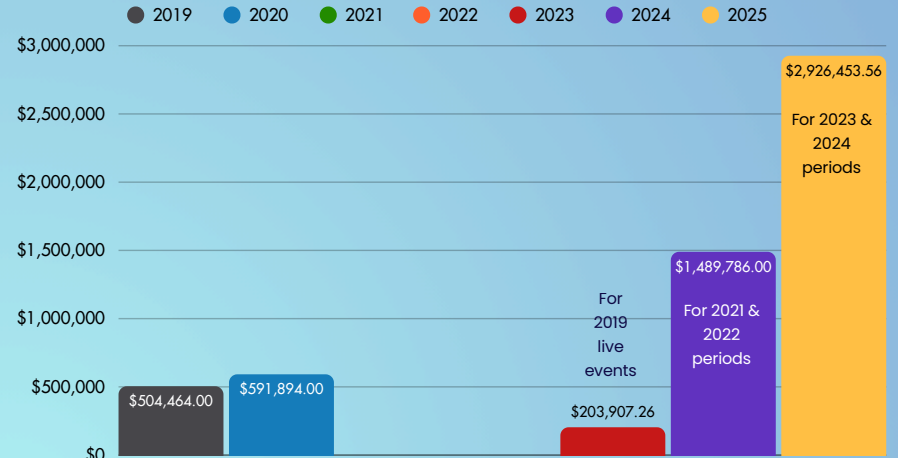
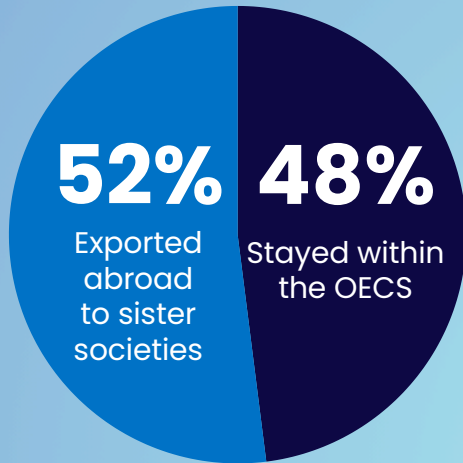
COMPARISON BETWEEN 2024 & 2025



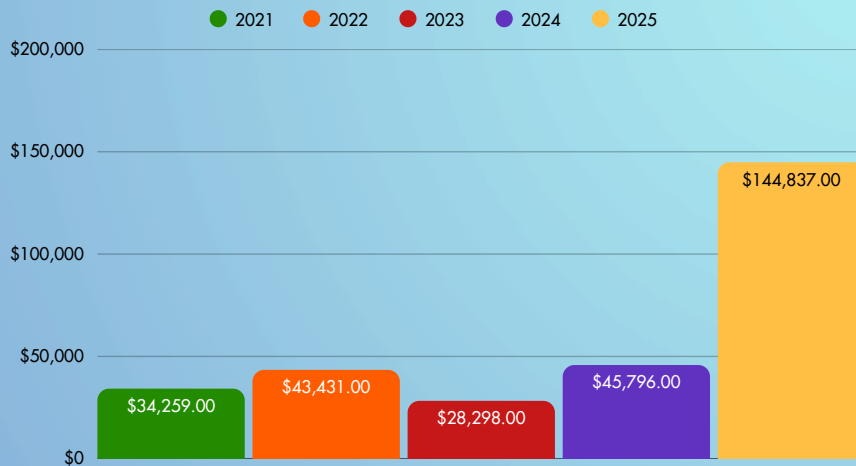
COLLECTIONS OVER THE YEARS

DISTRIBUTION

In 2025, ECCO made distributions for the 2023 and 2024 periods totalling \$2.9 million XCD. Of the allocated amount, 48% stayed within the OECS while 52% of royalties were exported abroad to affiliated societies.



DISTRIBUTION OVER THE YEARS



Royalties received from Sister Societies

ECCO implemented WIPO Connect, a platform provided to the organisation and other societies across the Caribbean, Europe and Africa, for the first time with its 2024 distribution. The benefits have been considerable as evidenced by the payouts to rights holders in 2024 and 2025.

BOARD OF DIRECTORS























Leadership in Focus: The ECCO Board of Directors

At ECCO, strong leadership is the foundation of our success. We are pleased to share the composition of our Board of Directors, elected during our last Annual General Meeting, who continue to guide our strategy and vision and helped place the organisation in a position of greater visibility and benefit to rights holders across the OECS.

Under their stewardship, ECCO has been placed in a position of greater visibility and impact, delivering tangible benefits to rights holders across the OECS. Their expertise and dedication ensure that ECCO remains on a path of sustainable growth and innovation, a commitment underscored in 2025 by the two largest royalty distributions to music creatives in the organisation's history.

MEET THE BOARD

Songwriter Members

 Mr. Bruno Leonce (Chair) 	 Mr. Buffalo Odium (Vice Chair) 	 Mr. Lancelot Chapman (Secretary) 
 Ms. Melissa Moses (Director) 	 Mr. Kendall Eugene (Director) 	 Mr. Anderson Reynolds (Director) 
 Mr. Jarvin Octave (Director) 	 Mr. Daryl Bobb (Director) 	 Mrs. Isha Andrews (Director) 
 Mr. Vaughn Skerritt (Director) 		 Mr. Ladimer Gumbs (Director) 

Publisher Members

 Island of Birth Represented By Dr. Arthur Antoine (Director) 	 New Media Publishing Represented By Mr. Maurice Compton (Director) 
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OPERATIONS

MEET OUR DEDICATED TEAM



MARTIN A. JAMES
CHIEF EXECUTIVE
OFFICER



KEEN COTTER
OPERATIONS
MANAGER



GILLIAN MC. DONALD
ACCOUNTS &
DISTRIBUTION OFFICER



GERMINE SEALY
LICENSING SUPPORT
OFFICER



RENELLE LEWIS
MEMBERSHIP OFFICER



CHERISSA PELAGE-JOSEPH
ACCOUNTS CLERK &
DATA ENTRY OFFICER

OPERATIONS

MEET OUR COMMITTED AGENTS



MC. CARTHY MARIE

Commonwealth
of Dominica



SHIVRON REDHEAD

Grenada



GRACE RICHARDSON

St. Kitts & Nevis



EMANUEL MANDE

St. Lucia



DOUGAL ALLEN

St. Vincent &
the Grenadines

ECCO's licensing agents play a crucial role in ensuring the protection of music creators' rights across various territories. Tasked with licensing music users, collecting licensing fees, and enforcing compliance, they are on the frontline of ECCO's mission to safeguard intellectual property and generate fair compensation for creators.

Their commitment and vigilance help maintain a structured and transparent licensing system, ensuring that businesses and event organizers operate within legal frameworks while supporting the sustainability of the music industry.

AFFILIATES

SOCIETY	COUNTRY
ALBAUTOR	ALBANIA
AMRA	USA
ASCAP	USA
BMI	USA
BSCAP	BELIZE
BUMA	NETHERLAND
COSCAP	BARBADOS
COTT	TRINIDAD & TOBAGO
JACAP	JAMAICA
JASRAC	JAPAN
MSG	TURKEY
PRS	UK
SACEM	FRANCE

SOCIETY	COUNTRY
SAMRO	SOUTH AFRICA
SARSUR	SURINAME
SESAC	USA
SGAE	SPAIN
SOCAN	CANADA
STIM	SWEDEN
SUISA	SWITZERLAND
UACRR	UKRAINE
UBC	BRAZIL
MLC	USA
CISAC	FRANCE
ACCS	CARIBBEAN



**Eastern Caribbean Collective Organisation
for Music Rights (ECCO) Inc.**

Financial Statements

December 31, 2025

(expressed in Eastern Caribbean dollars)

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

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May 21, 2026

Independent Auditor's Report

**To the Members of
Eastern Caribbean Collective Organisation for
Music Rights (ECCO) Inc.**

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.** (the Company) which comprise the statement of financial position as of December 31, 2025 and the statements of comprehensive income and expenditure, changes in equity and cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respect, the financial position of **Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.** as of December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS for SMEs Accounting Standard issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS for SMEs Accounting Standard as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Grant Thornton Inc.

Pointe Seraphine
PO Box 195 Castries
St. Lucia W.I.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, 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 and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Chartered Accountants**

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Statement of Financial Position
As of December 31, 2025

(expressed in Eastern Caribbean dollars)

	2025 \$	2024 \$
Assets		
Current assets		
Cash (Note 4)	3,518,775	4,204,237
Trade and other receivables (Note 6)	1,383,943	1,340,793
Due from related party (Note 7)	5,012	5,012
	<u>4,907,730</u>	<u>5,550,042</u>
Property and equipment (Note 8)	<u>371,571</u>	<u>383,936</u>
Total assets	<u>5,279,301</u>	<u>5,933,978</u>
Liabilities		
Current liabilities		
Accruals and other payables (Note 9)	94,304	143,828
Provision for legal award	5,000	5,000
Deferred revenue	423,744	261,536
Due to rights owners (Note 10)	3,972,715	4,782,612
	<u>4,495,763</u>	<u>5,192,976</u>
Total liabilities	<u>4,495,763</u>	<u>5,192,976</u>
Equity		
Reserve fund	<u>783,538</u>	<u>741,002</u>
Total liabilities and equity	<u>5,279,301</u>	<u>5,933,978</u>

Approved by the Board of Directors on.....Thursday, May 21st, 2026



B. Leonard

Director

Louise Chapman

Director

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Statement of Comprehensive Income and Expenditure
For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

	2025 \$	2024 \$
Income		
Royalties (Note 11)	1,643,072	1,679,551
Registration fees	4,500	4,200
	<hr/> 1,647,572	<hr/> 1,683,751
Administrative and general expenses (Note 12)	(408,935)	(486,693)
Staff costs (Note 13)	(380,194)	(296,435)
Legal and professional fees	(93,232)	(59,092)
Other income (Note 14)	–	14,585
	<hr/> 765,211	<hr/> 856,116
Net surplus and comprehensive income for the year	<hr/> 765,211	<hr/> 856,116
Attributable to:		
Net distributable comprehensive income	760,711	837,331
Other income not included in distributable reserves	4,500	18,785
	<hr/> 765,211	<hr/> 856,116
Net comprehensive income	<hr/> 765,211	<hr/> 856,116

The accompanying notes are an integral part of these financial statements.

(4)

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Statement of Changes in Equity
For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

	2025 \$	2024 \$
Distributable reserve		
Net distributable comprehensive income for the year	<u>760,711</u>	<u>837,331</u>
Appropriations to reserve fund –		
5% of net distributable comprehensive income	(38,036)	(41,867)
Distributable income to rights owners (Note 10)	<u>(722,675)</u>	<u>(795,464)</u>
At end of year	<u>–</u>	<u>–</u>
Reserve fund		
At beginning of year	741,002	680,350
Appropriation from distributable reserve -		
5% of net distributable comprehensive income	38,036	41,867
Other income not included in distributable comprehensive income	<u>4,500</u>	<u>18,785</u>
At end of year	<u>783,538</u>	<u>741,002</u>
Equity, end of year	<u>783,538</u>	<u>741,002</u>

The accompanying notes are an integral part of these financial statements.

(5)

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Statement of Cash Flows

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

	2025 \$	2024 \$
Cash flows from operating activities		
Net income for the year	765,211	856,116
Adjustments for:		
Depreciation and amortization (Notes 8 and 12)	23,522	17,591
Bad debts (recovery)/expense - net	<u>(159,381)</u>	<u>35,954</u>
Operating profit before working capital changes	629,352	909,661
Decrease in receivables and prepayments	116,231	57,979
Decrease in accruals and other payables	(49,524)	(231,229)
Increase in deferred revenue	<u>162,208</u>	<u>97,470</u>
Net cash provided by operating activities	<u>858,267</u>	<u>833,881</u>
Cash flows from investing activities		
Purchase of property and equipment (Note 8)	<u>(11,157)</u>	<u>(37,956)</u>
Net cash used in investing activities	<u>(11,157)</u>	<u>(37,596)</u>
Cash flows from financing activities		
Distributions to rights owners	<u>(1,532,572)</u>	<u>(118,629)</u>
Net cash used in financing activities	<u>(1,532,572)</u>	<u>(118,629)</u>
Net (decrease)/increase in cash	(685,462)	677,296
Cash, beginning of year	<u>4,204,237</u>	<u>3,526,941</u>
Cash, end of year (Note 4)	<u>3,518,775</u>	<u>4,204,237</u>

The accompanying notes are an integral part of these financial statements.

(6)

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

1 General information

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc. (“formerly The Hewanorra Musical Society (HMS) Incorporated”) (the Company) was incorporated in January 2001 under the Companies Act 1996, as a non-profit company without share capital. The Company is the successor to the Hewanorra Musical Society which was established as a Partnership in June 1999. That Partnership was dissolved in January 2001 and the net assets were transferred to the Company. All rights and privileges of the members of the Partnership were also assigned to the Company.

The Company is registered as a collective society under the Copyright (Amendment) Act of 2000 and is subject to the conditions of that legislation. The principal business activity of the Company is the exercise and enforcement, on behalf of rights owners and affiliates, of all rights and remedies under the law relating to copyright and intellectual property.

The registered office of the Company is located at Castries, Saint Lucia.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements of the Eastern Caribbean Collective Organisation (ECCO) for Music Rights Inc. have been prepared in accordance with IFRS for SMEs Accounting Standard and under the historical cost convention.

The preparation of financial statements in conformity with IFRS for SMEs Accounting Standard requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

a) Statement of compliance

The financial statements of the company have been prepared in accordance with IFRS for SMEs Accounting Standard.

b) Cash

Cash include cash in hand, deposits at call with banks and restricted cash with bank.

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies ...continued

c) Trade Receivables

Receivables are carried at fair value and subsequently measured at amortised cost using effective interest method, less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the statement of comprehensive income and expenditure. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administrative and operating expenses' in the statement of comprehensive income and expenditure.

d) Property and equipment

Land is stated at cost. All other property and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income and expenditure during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to allocate their cost to their residual values over the estimated useful lives as follows:

Building	2%
Computers	20%
Office furniture	20%
Office equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within other income, in the statement of comprehensive income and expenditure.

e) Intangible assets

Website development costs are capitalised on the basis of the cost incurred to acquire and bring to use the website into use. These costs are amortized over their estimated useful life of 4 years. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 4 years.

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies ...continued

f) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

g) Financial instruments

Financial assets

Trade and other receivables and cash

These financial assets are recognised initially at the transaction price. Subsequently, they are measured at amortised cost using the effective interest method, less provision for impairment. Sales are made on normal credit terms and trade receivables do not bear interest.

Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognised in profit or loss.

Financial liabilities

The Company's financial liabilities include borrowings and trade and other payables. Financial liabilities are recognised initially at transaction price. After initial recognition they are measured at amortised cost using the effective interest method. Trade payables are on normal credit terms and do not bear interest.

h) Accruals and other payables

Accruals and other payables are recognised in the period in which the related money, goods or services are received or when a legally enforceable claim against the Company is established. These are recognised initially at fair value and subsequently measured at amortised cost using effective interest. Accruals and other payables are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

i) Deferred revenue

Deferred revenue represents unamortised license fees received. Deferred revenue is amortised over the life of the license.

j) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income and expenditure over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies ...continued

k) Provisions

Provisions are recognised when obligation (legal or constructive) is incurred as a result of past events and when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an 'Interest expense' in the statement of comprehensive income and expenditure.

l) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale services in the ordinary course of the Company's activities.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Performing rights royalty income from Broadcasting and Special Events is recognised on an accrual basis, where the organisations involved have the proven capacity to pay the amounts invoiced by the Company.

(b) Registration fees are recognised on an accrual basis upon submission of a completed registration form.

(c) Interest income is recognised on a time proportion basis using the effective interest method.

m) Related party relationships and transactions

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Transactions between related parties are accounted for at arms' length prices or on terms similar to those offered to non-related entities in an economically comparable market.

n) Borrowing costs

Borrowing costs are expensed as incurred.

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

2 Summary of significant accounting policies ...continued

o) Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The financial statements are presented in Eastern Caribbean dollars, which is the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income and expenditure.

p) Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying the economic benefits is remote. Contingent assets are not recognised unless the realisation of the assets is virtually certain. They are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

q) Subsequent events

Post year-end events that provide additional information about the Company’s position at the balance sheet date (adjusting events) are reflected in the Company’s financial statements. Post year-end events that are not adjusting events are disclosed when material to the financial statements, if any.

r) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Critical judgements in applying the entity’s accounting policies

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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management does not consider that there are estimates and assumptions that will have a significant risk, causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

4 Cash

	2025 \$	2024 \$
Cash at bank and on hand	3,456,135	4,141,597
Restricted cash (Note 10)	<u>62,640</u>	<u>62,640</u>
	<u>3,518,775</u>	<u>4,204,237</u>

5 Investment securities

	2025 \$	2024 \$
Debt securities		
Unlisted investment securities	263,585	263,585
Less: provision for impairment of investment securities	<u>(263,585)</u>	<u>(263,585)</u>
	<u>—</u>	<u>—</u>

This investment with CLICO International Life Insurance Limited matured on December 22, 2009. This investment has been fully provided for.

6 Trade and other receivables

	2025 \$	2024 \$
Trade receivables	1,419,785	1,821,913
Less: Provision for impairment of receivables	<u>(73,617)</u>	<u>(515,449)</u>
	1,346,168	1,306,464
Prepayments	<u>37,775</u>	<u>34,329</u>
	<u>1,383,943</u>	<u>1,340,793</u>

The fair value of receivables approximates the carrying values at December 31, 2025 and 2024, since these receivables are expected to be realised on a short-term basis.

The creation and release of provision for impaired receivables have been included in administrative expenses in the statement of comprehensive income (Note 14). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash. In 2025, no receivables were provided for (2024 - \$35,954) and \$159,381 of receivables being provided for were recovered (2024 - \$Nil were recovered).

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

7 Related party balances and transactions

	2025 \$	2024 \$
Due from related party		
Performing Right Society Ltd.	<u>5,012</u>	<u>5,012</u>

Balances with related parties are unsecured, non-interest bearing and due and demandable.

Key management compensation

Key management comprises senior management of the Company.

Compensation of key management personnel were as follows:

	2025 \$	2024 \$
Salaries and wages	196,860	153,212
Social security costs	5,925	5,704
Pension and medical benefits	<u>1,200</u>	<u>1,200</u>
	<u>203,985</u>	<u>160,116</u>

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

8 Property and equipment

	Land and Building \$	Computers \$	Office Furniture \$	Office Equipment \$	Total \$
At December 31, 2023					
Cost	475,462	47,410	19,752	73,949	616,573
Accumulated depreciation	(129,224)	(34,200)	(19,006)	(70,572)	(253,002)
Net book amount	346,238	13,210	746	3,377	363,571
Year ended December 31, 2024					
Opening net book amount	346,238	13,210	746	3,377	363,571
Additions	–	22,760	14,446	750	37,596
Depreciation charge (Note 12)	(8,661)	(6,780)	(839)	(1,311)	(17,591)
Closing net book amount	337,577	29,190	14,353	2,816	383,936
At December 31, 2024					
Cost	475,462	70,170	34,198	3,377	363,571
Accumulated depreciation	(137,885)	(40,980)	(19,845)	(71,883)	(270,592)
Net book amount	337,577	29,190	14,353	2,816	383,936
Year ended December 31, 2025					
Opening net book amount	337,577	29,190	14,353	2,816	383,936
Additions	–	6,840	4,445	–	11,285
Disposal - net	–	(128)	–	–	(128)
Depreciation charge (Note 12)	(8,661)	(9,575)	(3,825)	(1,461)	(23,522)
Closing net book amount	328,916	26,327	14,973	1,355	371,571
At December 31, 2025					
Cost	475,462	76,882	38,643	74,699	665,686
Accumulated depreciation	(146,546)	(50,555)	(23,670)	(73,344)	(294,115)
Net book amount	328,916	26,327	14,973	1,355	371,571

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

9 Accruals and other payables

	2025 \$	2024 \$
Accrued expenses	50,136	98,241
Accounts payable	(2,810)	28,587
VAT payable - net	(6,334)	(9,898)
Other payables	53,312	26,897
	<u>94,304</u>	<u>143,828</u>

10 Due to rights owners

	2025 \$	2024 \$
At beginning of year	4,782,613	4,105,777
Foreign distribution received for rights owners	160,957	52,400
Distributable income to rights owners	722,675	795,464
	<u>5,666,245</u>	4,953,641
Less: distribution to rights owners	<u>(1,693,530)</u>	(171,029)
At end of year	<u>3,972,715</u>	4,782,612

The Company's Article of Incorporation and By-laws stated that the Company may appropriate 5% of its net distributable income at the end of each financial year as a reserve fund.

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

11 Royalties

	2025 \$	2024 \$
General	963,481	772,097
Live events	494,094	721,441
Broadcasting	185,497	186,013
	<u>1,643,072</u>	<u>1,679,551</u>

The revenue is attributed to the member territories as follows:

	2025 \$	2024 \$
St. Lucia	1,154,610	1,017,909
St. Kitts	77,132	185,087
Antigua	250,656	234,211
Dominica	98,432	175,623
Grenada	58,465	58,611
St. Vincent and the Grenadines	3,777	8,110
	<u>1,643,072</u>	<u>1,679,551</u>

Eastern Caribbean Collective Organisation for Music Rights (ECCO) Inc.

Notes to Financial Statements

For the year ended December 31, 2025

(expressed in Eastern Caribbean dollars)

12 Administrative and general expenses

	2025	2024
	\$	\$
Agents fees and commissions	176,622	116,440
Taxes and licenses	63,267	6,730
Rent	54,000	58,500
Travel and entertainment	40,707	43,547
BMAT licensing system fee	26,762	33,059
Expenses for meetings	25,367	30,708
Depreciation (Note 8)	23,522	17,591
Utilities	22,806	23,497
Accounting and audit fees	20,341	18,604
Printing, postage and office supplies	19,010	19,574
Bank charges	10,786	9,024
Promotion and advertising	9,262	4,179
Sponsorships and donations	7,438	15,438
Consultant Fees	6,249	4,075
Dues and subscriptions	4,346	5,777
CISAC/SUISA Subscriptions	2,853	1,630
Membership Fees	1,658	1,658
Security services	720	1,080
Office repairs and maintenance	300	170
Bad debts (recovery)/expense - net	(159,381)	35,954
Akisoft licensing	-	12,226
Director fees	-	4,763
ACCS subscriptions	-	-
Insurance	-	-
Other expenses	52,300	22,469
	408,935	450,739

13 Employee benefit expense

	2025	2024
	\$	\$
Salaries and wages	353,657	272,018
Social security cost	13,297	12,247
Gratuity	10,400	9,600
Pension and medical	2,338	2,117
Other staff benefits	502	453
	380,194	296,435

14 Other income

	2025	2024
	\$	\$
Miscellaneous income	-	14,585
	-	14,585

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