



**Transparency Report**  
**Fiscal year 2019**

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## Introduction

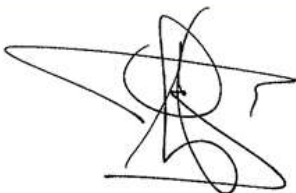
This is the 2019 transparency report produced by AGICOA Europe a.s.b.l. pursuant to the entry into force of the Luxembourg Grand-Duchy Law of 25 April 2018 on collective management of copyrights and neighboring (the “Law”).

AGICOA Europe a.s.b.l.’s bylaws and governing rules have been reviewed and modified in 2018 so as to ensure full compliance to the Law. The authorization of AGICOA Europe a.s.b.l. granted by the Luxembourg Grand-Duchy’s Ministry of Economy to act as a collective management organization has consequently been renewed in 2018 for a period of three years.

In 2019 AGICOA Europe a.s.b.l.’s activities concentrated on its main task to distribute funds collected from AIPA in Slovenia.

AGICOA Europe a.s.b.l. maintains a strict separation between operational accounts and fiduciary accounts due to rightsholders. This transparency report covers both operational and fiduciary accounts.

Sincerely Yours,

A handwritten signature in black ink, appearing to be 'Tom De Lange', written over a light blue horizontal line.

Tom De Lange  
Managing Director

# 1 Annual accounts

## 1.1 Balance Sheet

	Notes	2019 EUR	2018 EUR
<b>Assets</b>			
<b>Current assets</b>			
Cash and term-deposits		3 755 280	1 168 518
Receivables	3	1 234 610	944 532
		<u>4 989 890</u>	<u>2 113 050</u>
<b>Total Assets</b>			
<b>Liabilities</b>			
<b>Capital</b>			
Profit/Loss for the financial year		0	0
		<u>0</u>	<u>0</u>
<b>Provisions for liabilities and charges</b>			
Becoming due and payable within one year	4	261 783	297 808
		<u>261 783</u>	<u>297 808</u>
<b>Creditors</b>			
Trade Creditors			
becoming due and payable within one year		13 638	57 934
Tax and social security debts			
Tax debts		8 560	4 491
Other Creditors			
becoming due and payable within one year	5	4 705 909	1 752 817
		<u>4 728 107</u>	<u>1 815 242</u>
<b>Total liabilities</b>			
		<u>4 989 890</u>	<u>2 113 050</u>

## 1.2 Statement of income

<b><u>CHARGES</u></b>	<b><u>Notes</u></b>	<b>2019</b>	<b>2018</b>
Use of merchandise, raw materials and consumable materials		0	0
Other external charges	6	109 201	103 732
Other operating charges		3 892 167	966 785
Extraordinary expenses		0	0
Tax on profit or loss	8	0	211
Other taxes	8	4 604	4 815
<b>TOTAL CHARGES</b>		<b><u>4 005 972</u></b>	<b><u>1 075 543</u></b>
<b><u>INCOME</u></b>			
Net turnover		3 963 964	960 829
Other operating income	7	41 999	114 714
Other interest receivable and similar income		9	0
Profit/Loss for the financial year		0	0
<b>TOTAL INCOME</b>		<b><u>4 005 972</u></b>	<b><u>1 075 543</u></b>

## 1.3 Cash Flow Statement

The cash flow statement presented herein uses the direct method.

	Cash in EUR 2019	Cash in EUR 2018
<b>Beginning of year</b>	<b>1'168'518</b>	<b>4'821'717</b>
Slovenian Royalties AIPA	1'357'008	163'395
Court settlement agreement (TELEKOM Slovenije)	2'119'155	-
Budget annuel 2019	89'000	89'000
Royalties paid to rightholders	-824'837	-3'377'722
Payments - suppliers / expenses	-81'154	-53'464
Payments VAT	-3'877	-356
Payments Agicoa Alliance Management Fees to Geneva	-72'658	-383'878
Receivable from Agicoa Geneva on Slovenian royalties before 2010	4'575	-89'838
Bank fees	-450	-336
<b>End of year</b>	<b>3'755'280</b>	<b>1'168'518</b>

## **1.4 Notes to accounts**

### ***Note 1 – General***

AGICOA Europe a.s.b.l. (the “Association”) is a not-for-profit association organized in compliance with by-laws of 11 September 2018, as well as the law of Luxembourg dated 21 April 1928, relating to not-for-profit associations and foundations, and its amendments.

The main activity of the Association is to act as a Collective Management Organization on behalf of producers of audiovisual works, their successors in title and entities representing them who are Members and/or Declarants of the Association.

The registered office of the Association is 25-27, Zone d’Activité économique Kehlen, L-8287 Kehlen, Grand-Duchy of Luxembourg.

### ***Note 2 – Significant accounting policies***

#### **General**

The annual accounts are prepared by analogy with Luxembourg legal and regulatory requirements as well as with generally accepted accounting principles in Luxembourg and in accordance with the Law of 25 April 2018 on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market and modifying the modified Law of 18 April 2001 on copyright, related rights and database.

#### **Receivables and debts**

Receivables and debts are recorded at their nominal value and are subject to value adjustment and provisions for bad debts (shown under Provisions for liabilities and charges) where their recoverability is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

#### **Income and charges**

All income and charges are accounted for on an accrual basis.

The royalties of a given broadcasting year are recognized in the Association’s books when the exact amount thereof is known i.e. generally in the fiscal year following the retransmission.

All income regarding a residual collection on old broadcasting years will be recognized in the fiscal year of receipt of such residual collection.

The operating income of the Association is related to fiduciary funds to cover operating expenses.

## Foreign currency translation

Income and charges denominated in currencies other than EUR are translated at the exchange rate prevailing at the date of the relevant transaction. Debtors, cash at bank and liabilities denominated in currencies other than EUR are stated at the rate of exchange prevailing at the balance sheet date. Realized and unrealized exchange gains and losses are recorded in the statement of profit and loss.

### Note 3 – Receivables

	<b>2019</b>	<b>2018</b>
	<b>EUR</b>	<b>EUR</b>
<b>Receivables</b>		
becoming due and payable within one year		
Trade debtors	1'229'974	912 787
Other debtors	4'636	31 745
Taxes	0	0
	<u>1'234'610</u>	<u>944 532</u>

### Note 4 – Provisions for liabilities and charges

Provisions consist of fiduciary funds put into distribution pending allocation to rightsholders.

Fiduciary funds put into distribution pending allocation to rightsholders are composed of the following provisions which are recorded per country, type of use, per broadcast year and due to rightsholders:

	<b>2019</b>
	<b>EUR</b>
Broadcasts payable inventory	44 958
Broadcasts pending claims registration	134 574
Broadcasts in conflict	68 240
Broadcasts on blocked works	875
Other provisions	13 136
	<hr/>
Fiduciary funds put into distribution pending allocation to rightsholders	<b>261 783</b>

These provisions are further detailed below:



**Broadcasts payable inventory****EUR 44 958**

This inventory of work-in-progress is composed of amounts released from the broadcast accounts, as a consequence of claims registered, but that have not been allocated / committed to rightsholders.

Country	Period of Broadcast	Type of use	Total in EUR
Slovenia	2005	Cable	967
Slovenia	2006	Cable	1'615
Slovenia	2007	Cable	4'429
Slovenia	2008	Cable	5'466
Slovenia	2009	Cable	10'870
Slovenia	2010	Cable	2'406
Slovenia	2011	Cable	4'582
Slovenia	2012	Cable	263
Slovenia	2013	Cable	1'207
Slovenia	2014	Cable	1'908
Slovenia	2015	Cable	1'398
Slovenia	2016	Cable	499
Slovenia	2017	Cable	9'348

**Broadcasts pending claims registration****EUR 134 574**

Rightsholders have to register their audio-visual works and rights in order to claim their entitlement to AGICOA Europe a.s.b.l. rights revenue. Following the first distribution AGICOA Europe a.s.b.l. holds a provision for rightsholders to make claims during a period of minimum three years until a final distribution is run.

Country	Period of Broadcast	Type of use	Total in EUR
Slovenia	2010	Cable	6'850
Slovenia	2011	Cable	26'591
Slovenia	2012	Cable	24'080
Slovenia	2013	Cable	13'027
Slovenia	2014	Cable	10'490
Slovenia	2015	Cable	17'119
Slovenia	2016	Cable	8'509
Slovenia	2017	Cable	27'908

**Broadcasts in conflict****EUR 68 240**

In case of double claims the amounts are blocked for payment until conflict resolution and pay-out to the entitled rightsholder.

Country	Period of Broadcast	Type of use	Total in EUR
Slovenia	2005	Cable	2'019
Slovenia	2006	Cable	2'297
Slovenia	2007	Cable	1'317
Slovenia	2008	Cable	3'064
Slovenia	2009	Cable	3'118
Slovenia	2010	Cable	2'783
Slovenia	2011	Cable	2'494
Slovenia	2012	Cable	9'938
Slovenia	2013	Cable	5'445
Slovenia	2014	Cable	4'918
Slovenia	2015	Cable	5'543
Slovenia	2016	Cable	2'744
Slovenia	2017	Cable	22'560

### Broadcasts on blocked works

**EUR 875**

During the clarification or completion of audiovisual works data the payments are temporarily blocked on the work until proper matching with the broadcast data can be performed.

Country	Period of Broadcast	Type of use	Total in EUR
Slovenia	2005	Cable	10
Slovenia	2006	Cable	5
Slovenia	2007	Cable	14
Slovenia	2008	Cable	251
Slovenia	2009	Cable	472
Slovenia	2010	Cable	33
Slovenia	2012	Cable	90

### Other provisions

**EUR 13 136**

These temporary provisions cover essentially amounts blocked in relation to series, seasons, episodes with missing information regarding the episode broadcast and/or requiring clarification on the rights.

Country	Period of Broadcast	Type of use	Total in EUR
Slovenia	2010	Cable	507
Slovenia	2011	Cable	1'857
Slovenia	2012	Cable	1'059
Slovenia	2013	Cable	494
Slovenia	2014	Cable	1'526
Slovenia	2015	Cable	1'489
Slovenia	2016	Cable	446
Slovenia	2017	Cable	5'758

### **Note 5 – Other Creditors**

Other creditors consist of fiduciary funds to be put into distribution, payables to rightsholders and partner organisations, and other fiduciary provisions:

	<b>2019</b>
	<b>EUR</b>
Fiduciary funds to be put into distribution	4 574 606
Payable to Rightsholders	31 271
Other fiduciary provisions	76 980
Payable to other partner organization	1 603
Fiduciary funds payable	21 450
	<hr/>
	<b>4 705 909</b>

#### **Fiduciary funds to be put into distribution**

**EUR 4 574 606**

The collection of royalties per country, per broadcast year and per type of use is in general put into distribution the following year. The distribution of some amounts collected prior to 2018 was postponed pending clarification.

Further details per country, broadcast periods and type of use are provided below.

<b>Country</b>	<b>Period of Broadcast</b>	<b>Type of use</b>	<b>Total in EUR</b>
Slovenia	2005	Cable	175
Slovenia	2006	Cable	23
Slovenia	2007	Cable	29
Slovenia	2008	Cable	19
Slovenia	2010	Cable	-2'873
Slovenia	2011	Cable	-14'390
Slovenia	2012	Cable	100'325
Slovenia	2013	Cable	222'287
Slovenia	2014	Cable	239'823
Slovenia	2015	Cable	174'568
Slovenia	2016	Cable	459'853
Slovenia	2017	Cable	45'639
Slovenia	2018	Cable	1'229'973
<hr/>			
Slovenia - Court Settlement	2007-2009	Cable	2'119'155

Regarding the Court Settlement refer to note 9.

**The total amount payable to rightsholders at the end of 2019 is EUR 31 271**

Country	Period of Broadcast	Type of use	Total in EUR
Slovenia	2005	Cable	1'488
Slovenia	2006	Cable	423
Slovenia	2007	Cable	291
Slovenia	2008	Cable	173
Slovenia	2009	Cable	376
Slovenia	2010	Cable	226
Slovenia	2011	Cable	1'076
Slovenia	2012	Cable	2'506
Slovenia	2013	Cable	6'586
Slovenia	2014	Cable	11'858
Slovenia	2015	Cable	2'553
Slovenia	2016	Cable	76
Slovenia	2016	Cable	3'638

**Other fiduciary provisions**

**EUR 76 980**

General reserve	69 226
Other fiduciary provisions	7 754

**76 980**

The general reserve has the prime purpose to fund the operating costs to run off AGICOA Europe a.s.b.l.'s fiduciary liabilities in the event activities are discontinued. The general reserve is also providing cover for unforeseen claims from third parties as well as errors and omissions after final distributions have been processed. This general reserve was increased with the non-distributable amounts prior to 2018.

Country	Period of Broadcast	Type of use	Total in EUR
Slovenia	2005	Cable	6'178
Slovenia	2006	Cable	8'726
Slovenia	2007	Cable	7'352
Slovenia	2008	Cable	12'796
Slovenia	2009	Cable	22'414
Slovenia	2010	Cable	11'997
Slovenia	2019	Bank fees	-237

As from 2018, such non-distributable amounts are subject to the decision of the General Assembly as to their use.

In 2019, there are no non-distributable amounts, similar to 2018.

### ***Note 6 – Other external charges***

Other external charges are composed of administrative and legal expenses for EUR 109 201.

### ***Note 7 – Other operating income***

For the year 2019 and according to its statutes, the operating income of AGICOA Europe a.s.b.l. is set out in a budget granted by its General Assembly and income from fiduciary funds dedicated to cover legal expenses. The operating income is deducted from the revenues collected on behalf of and on the account of its members or other rightsholders.

The 2019 operating income of EUR 41 999 is composed of the approved budget of EUR 89.000 less the tax and administrative expenses spend for the year EUR 47 001.

### ***Note 8 – Taxes***

The Association is subject to the general tax regulations in Luxembourg.

### ***Note 9 – Substantiates events***

On December 10, 2018, a court decision regarding a litigation against TELEKOM Slovenije decided that the Association is entitled to receive an amount of EUR 2.2 million. Such amount is due to be paid in 12 instalments of EUR 183 333.33 each from January 2019 till December 2019. TELEKOM Slovenije has made the agreed instalment payments in deduction of withholding tax what apparently is contrary to Slovenian Law. AGICOA Europe a.s.b.l. thus needs to go back to court to clarify the situation and the actual amount receivable. In addition, these EUR 2.2 million need to be split among AGICOA Europe a.s.b.l. and other entities (EBU, VG Media and SAZAS).

Management noted the significant impact of the COVID-19 on the global economy. In this context, management assessed that the COVID-19 outbreak subsequent to the reporting period is a non-adjusting event in 2019. However, due to the uncertainty of the situation, management will continue to closely monitor this situation and its potential impact on the activity of AGICOA Europe a.s.b.l. .

## **2 Management Report**

In 2019, AGICOA Europe a.s.b.l.'s activities concentrated on its main task to distribute funds collected from AIPA in Slovenia.

## **3 Legal and governance structure**

AGICOA Europe a.s.b.l. is a not-for-profit association organized corporately in compliance with its By-Laws of 11 September 2018 as well as the Luxembourg Law dated 21 April 1928, relating to not-for-profit associations and foundations, and its amendments.

AGICOA Europe a.s.b.l.'s bodies are the following:

- A. The General Assembly
- B. The Executive Board and its President
- C. The Managing Director
- D. The Auditor

The General Assembly is composed of all founding, institutional and individual members.

## **4 Remuneration of the bodies**

### **4.1 AGICOA Europe a.s.b.l. Management**

No remuneration was paid to the Management team in 2019.

### **4.2 Administrative Board and its President**

In 2019, no remuneration was paid to any member of the Administrative Board nor to the President.

## **5 Additional financial information**

### **5.1 Royalties collected in 2019 per country, per broadcast period and by type of use from collecting societies**

The fiduciary funds are accounted for by year of broadcast, by country of collection and by type of use.

A distribution for a specific broadcast year is deemed to have started when the value of the broadcast on channels which are part of the said distribution is calculated and

when first payments to rightsholders have been released. The royalties earned are accounted for on an accruals basis.

AGICOA Europe a.s.b.l. has recorded for the fiscal year 2019 **EUR 1 762 309**

During 2019, AGICOA Europe a.s.b.l. did not refuse to issue a license to any user.

## 5.2 Royalties collected in 2019 per country, per broadcast period and by type of use from other than collecting societies

Court Settlement - Telekom Slovenije 2007 - 2009 **EUR 2 201 655**

## 5.3 Income arising from the investment of rights revenue

Investment income over rights revenue collected to be put into distribution is added to the rights revenue put into the first distribution. The income arising from investments on any other liabilities is attributed to the general reserve.

AGICOA Europe a.s.b.l. is very prudent and is holding the fiduciary assets essentially on current accounts.

## 5.4 AGICOA Alliance Management fees

The AGICOA Alliance Management fees correspond to the annual single rate deductions applied to all new rights revenue put into distribution for a given year. For 2019, this percentage was of 7.96% under the general mandate, as per AGICOA's General Assembly's resolution dated December 11, 2018.

AGICOA Alliance Management fees deducted **EUR 72 658**

## 5.5 Amounts put into distribution by AGICOA Europe a.s.b.l.

The rights revenue is distributed on the basis of the distribution plan approved by the Administrative Board.

**Amount put into distributions (net of management fees) **EUR 796 063****

Country	Period of Broadcast	Type of use	Total in EUR
Slovenia	2017	Cable	796'064

## 5.6 Distribution plan

The distribution plan 2019 has been fully realized. The closing of some broadcast years and their respective final distributions for Slovenia were postponed as additional royalties are still expected in relation to those years.

## 5.7 Payments to rightsholders/ collecting societies

In 2019, AGICOA Europe a.s.b.l. has paid out 824 837 EUR to collecting society AGICOA Geneva.