AGICOA EUROPE
The Rights People

Transparency Report
Fiscal year 2020

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Introduction

This is the 2020 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 2020 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,

Tom De Lange
Managing Director

1 Annual accounts

1.1 Balance Sheet

	Notes	2020 EUR	2019 EUR
Assets			
Current assets			
Cash and term-deposits		3 061 648	3 755 280
Receivables	3	1 181 772	1 234 610
		4 243 420	**4 989 890**
Total Assets			
Liabilities			
Capital			
Profit/Loss for the financial year		0	0
		0	0
Provisions for liabilities and charges			
Becoming due and payable within one year	4	282 433	261 783
		282 433	261 783
Creditors			
Trade Creditors becoming due and payable within one year		14 650	13638
Tax and social security debts			
Tax debts		12 749	8 560
Other Creditors becoming due and payable within one year	5	3 933 588	4 705 909
		3 960 987	4 728 107
Total liabilities		**4 243 420**	**4 989 890**

1.2 Statement of income

CHARGES	Notes	2020	2019
Use of merchandise, raw materials and consumable materials		0	0
Other external charges	6	118 485	109 201
Other operating charges		1 141 266	3 892 167
Extraordinary expenses		0	0
Tax on profit or loss	8	0	0
Other taxes	8	4 724	4 604
TOTAL CHARGES		**1 264 475**	**4 005 972**
INCOME			
Net turnover		1 241 140	3 963 964
Other operating income	7	23 135	41 999
Other interest receivable and similar income		200	9
Profit/Loss for the financial year		0	0
TOTAL INCOME		**1 264 475**	**4 005 972**

1.3 Cash Flow Statement

The cash flow statement presented herein uses the direct method.

	Cash and Term Deposit in EUR 2020	Cash and Term Deposit in EUR 2019
Beginning of year	**3'755'281**	**1'168'518**
Slovenian Royalties AIPA	1'229'973	3'476'162
Other Income	4'819	5'317
Annual Budget 2020	55'000	89'000
Payments to rightsholder/Collecting Societies	-1'073'038	-824'837
Partial payments following Settlement agreement (Telekom Slovenije)	-789'418	-
Payments - suppliers / expenses	-17'156	-70'654
Payments VAT	-2'689	-14'582
Payments Agicoa Alliance Management Fees to Geneva	-99'874	-72'658
Tax	-535	-535
Bank fees	-714	-450
End of year	**3'061'648**	**3'755'281**

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

	2020 EUR	2019 EUR
Receivables		
becoming due and payable within one year		
Trade debtors	1'179'083	1'229'974
Other debtors	2'689	4'636
Taxes	0	0
	1'181'772	1'234'610

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:

	2020 **EUR**
Broadcasts payable inventory	35 091
Broadcasts pending claims registration	147 169
Broadcasts in conflict	65 805
Broadcasts on blocked works	785
Other provisions	33 583
Fiduciary funds put into distribution pending allocation to rightsholders	**282 433**

These provisions are further detailed below:

Broadcasts payable inventory **EUR 35 091**

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	917
Slovenia	2006	Cable	1'482
Slovenia	2007	Cable	2'195
Slovenia	2008	Cable	1'633
Slovenia	2009	Cable	4'379
Slovenia	2010	Cable	1'784
Slovenia	2011	Cable	335
Slovenia	2012	Cable	2'621
Slovenia	2013	Cable	1'093
Slovenia	2014	Cable	836
Slovenia	2015	Cable	351
Slovenia	2016	Cable	330
Slovenia	2017	Cable	3'605
Slovenia	2018	Cable	13'530

Broadcasts pending claims registration **EUR 147 169**

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	6'287
Slovenia	2011	Cable	22'718
Slovenia	2012	Cable	23'963
Slovenia	2013	Cable	13'002
Slovenia	2014	Cable	10'619
Slovenia	2015	Cable	17'052
Slovenia	2016	Cable	8'509
Slovenia	2017	Cable	26'754
Slovenia	2018	Cable	18'265

Broadcasts in conflict **EUR 65 805**

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	1'588
Slovenia	2006	Cable	2'062
Slovenia	2007	Cable	1'092
Slovenia	2008	Cable	2'570
Slovenia	2009	Cable	2'776
Slovenia	2010	Cable	1'613
Slovenia	2011	Cable	4'726
Slovenia	2012	Cable	5'533
Slovenia	2013	Cable	3'837
Slovenia	2014	Cable	3'509
Slovenia	2015	Cable	3'752
Slovenia	2016	Cable	1'965
Slovenia	2017	Cable	13'450
Slovenia	2018	Cable	17'332

Broadcasts on blocked works **EUR 785**

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

Other provisions **EUR 33 583**

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	505
Slovenia	2011	Cable	1'857
Slovenia	2012	Cable	1'059
Slovenia	2013	Cable	494
Slovenia	2014	Cable	1'527
Slovenia	2015	Cable	1'430
Slovenia	2016	Cable	446
Slovenia	2017	Cable	6'283
Slovenia	2018	Cable	19'982

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:

	2020 EUR
Fiduciary funds to be put into distribution	3 795 566
Payable to Rightsholders	5 866
Other fiduciary provisions	77 238
Payable to other partner organization	1 603
Fiduciary funds payable	53 315
	3 933 588

Fiduciary funds to be put into distribution **EUR 3 795 566**

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.

Country	Period of Broadcast	Type of use	Total in EUR
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	61'268
Slovenia	2019	Cable	1'179'083
Slovenia - Court Settlement	2007-2008-2009	Cable	1'329'737

The total amount payable to rightsholders at the end of 2020 is EUR 5 866

Country	Period of Broadcast	Type of use	Total in EUR
Slovenia	2005	Cable	1'301
Slovenia	2007	Cable	58
Slovenia	2008	Cable	461
Slovenia	2009	Cable	1'165
Slovenia	2010	Cable	6
Slovenia	2011	Cable	147
Slovenia	2012	Cable	1'093
Slovenia	2013	Cable	521
Slovenia	2014	Cable	220
Slovenia	2015	Cable	196
Slovenia	2016	Cable	6
Slovenia	2017	Cable	415
Slovenia	2018	Cable	277

Other fiduciary provisions **EUR 77 238**

General reserve	69 501
Other fiduciary provisions	7 737
	77 238

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	6'202
Slovenia	2006	Cable	8'855
Slovenia	2007	Cable	7'481
Slovenia	2008	Cable	12'890
Slovenia	2009	Cable	22'585
Slovenia	2010	Cable	11'997
Slovenia		Bank fees	-509

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

In 2020, there are no non-distributable amounts, similar to 2019.

Note 6 – Other external charges

Other external charges of EUR 118.485,31 are composed of administrative and legal expenses (EUR 18.611,47) and of subcontracted work to AGICOA Geneva (EUR 99.873,84).

Note 7 – Other operating income

For the year 2020 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 2020 operating income of EUR 23 135 is composed of the approved budget of EUR 55 000 less the tax and administrative expenses spend for the year EUR 31 865.

Note 8 – Taxes

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

Note 9 – Substantiates events

There is no significant events to be disclosed

2 Management Report

In 2020, 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 2020.

4.2 Administrative Board and its President

In 2020, no remuneration was paid to any member of the Administrative Board nor to the President.

5 Additional financial information

5.1 Royalties collected in 2020 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 2020 **EUR 1 241 140**

During 2020, AGICOA Europe a.s.b.l. did not refuse to issue a license to any user.

5.2 Royalties collected in 2020 per country, per broadcast period and by type of use from other than collecting societies

None

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 2020, this percentage was of 8.12% under the general mandate, as per AGICOA's General Assembly's resolution dated December 10, 2019.

AGICOA Alliance Management fees deducted **EUR 99 874**

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 1 068 990

Country	Period of Broadcast	Type of use	Total in EUR
Slovenia	2018	Cable	1'068'990

5.6 Distribution plan

The distribution plan 2020 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 2020, AGICOA Europe a.s.b.l. has paid out 1 073 038 EUR to collecting society AGICOA Geneva.