



Annual Report 2014

**AGICOA**  
The Rights People





# AGICOA

## Annual Report

### 2014

**AGICOA**  
The Rights People

"LA ISLA MÍNIMA (MARSHLAND)", SPAIN - ANTENA 3 FILMS, S.L. - ATÍPICA FILMS, S.L. - SACROMONTE FILMS, S.L.

"JACK STRONG", POLAND - SCORPIO STUDIO

"MIASTO44", POLAND - AKSON STUDIO FILM MIASTO

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"RICKY RAPPER AND SLICK LEONARD", FINLAND - ARTISTA FILMI OY

"CODE 37", BELGIUM - MENUET

"SOL DE INVERNO", PORTUGAL - SP TELEVISÃO

"BEM VINDOS A BEIRAIS", PORTUGAL - SP TELEVISÃO

"OBYWATEL", POLAND - OPUS FILM

"THE GRUMP", FINLAND - SOLAR FILMS INC. OY

"ROTAS DO VINHO", PORTUGAL - SP TELEVISÃO





## P R E S I D E N T ' S   M E S S A G E

**The degree of change and uncertainty in the broadcast industry is greater than ever. The lines between different forms of content delivery and between different categories of operator seeking to exploit them are increasingly blurred. Many consumer services now on offer don't fit traditional definitions. This clouds the future and argues for a flexible approach.**

**M**any challenges are thus posed for audiovisual rightsholders but, whatever the outcome, underlying principles that applied in the past will still apply. All new and additional commercial exploitation of work must be licensed and deliver appropriate royalties and producers must retain the flexibility to choose the approach they prefer.

It is difficult for producers to keep up with the twists and turns of the marketplace and defend their interests with operators whose reach and power is growing. For many, the collective rights management services offered by AGICOA and its Alliance partners are highly relevant to maintaining revenue streams.

Is it the right time to test more comprehensive collective licensing propositions that respond to new market realities? Under what circumstances? A key question posed in the pages that follow is to what extent should AGICOA's mandate be expanded to respond to producer needs?

The options have been carefully considered by the AGICOA Board who represent close to 15,700 international rightsholders. New proposals have been put forward in Ireland where agreements with national operators are due for renewal. These have been developed jointly with the BBC which is a significant rightsholder in this case.

The importance of coming to the table with broad negotiating capability is clear: operators are more likely to respond to a proposition that covers the spectrum of their business needs rather than to a series of fragmented discussions.

Recent legislation - notably the EU Collective Rights Management Directive - has reinforced the position of rightsholders in many respects, but much remains to be done to establish a licensing framework that relates to consumer value for new forms of delivery. The financing of future content depends on it.

Turning to the present, I am pleased that AGICOA can report on another successful year that saw its rightsholders and portfolio of declared works grow at impressive rates, as well record collections and distributions.

The new management team has settled well and already delivered significant service improvements. I would like to thank General Manager Tom de Lange and his staff for their hard work and express my confidence in their ability to help the organization's members meet the challenges and exploit the opportunities that lie ahead.

CHRIS MARCICH AGICOA PRESIDENT





"VLAAMSE VELDEN", BELGIUM - MENUET

"OCHO APELLIDOS VASCOS (EIGHT BASQUE SURNAMES)", SPAIN - LAZONA FILMS, S.L. - KOWALSKI FILMS, S.L. - SNOW FILMS, A.I.E.

"MAYA DE BIJ", BELGIUM - STUDIO 100

"TURIST (FORCE MAJEURE)", SWEDEN - PLATTFORM PRODUKTION AB, PHOTOGRAPHER: FREDRIK WENZEL

"THE EXPENDABLES 3", USA - MILLENNIUM FILMS - NU IMAGE

"BRABANCONNE", BELGIUM - EYEWORKS

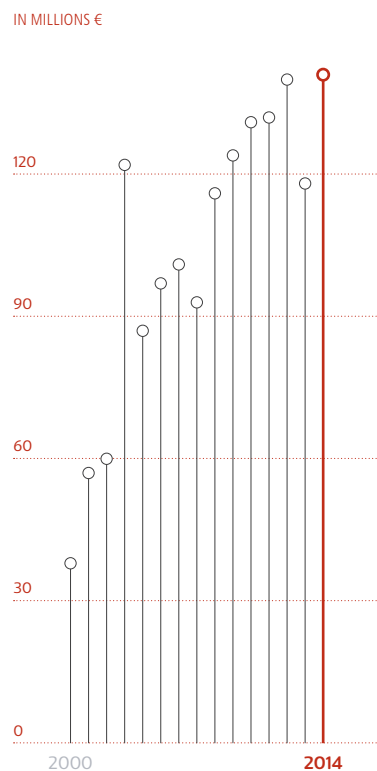
"BROKEN CIRCLE BREAK DOWN", BELGIUM - MENUET

## FACTS & FIGURES

### ROYALTIES

**€141M**

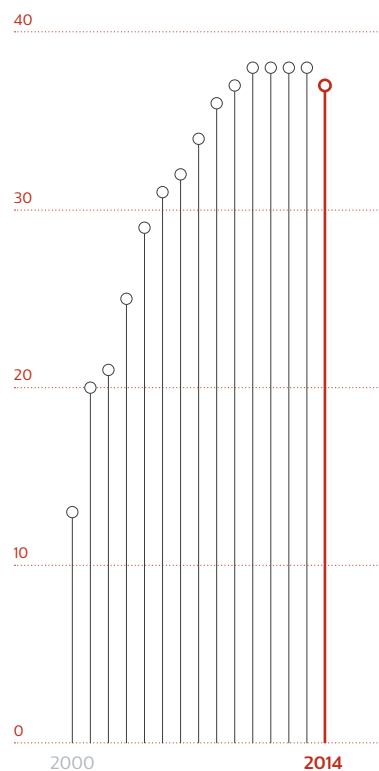
Another year of exceptional distribution. The biggest distribution ever.



### COUNTRIES

**37**

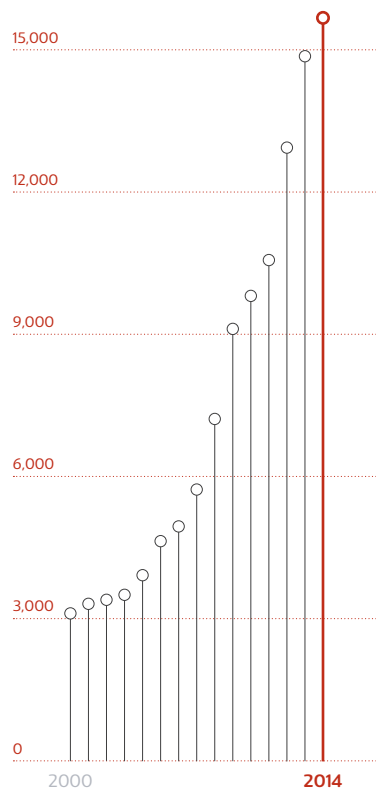
Unique collection and distribution network across major markets.



### RIGHTSHOLDERS

**15,689**

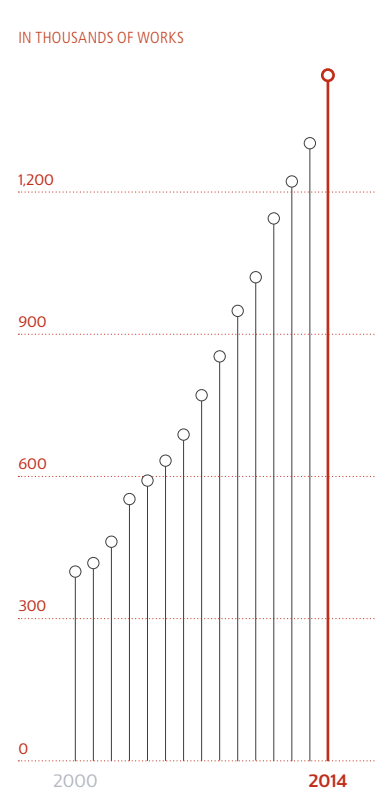
The numbers of audiovisual rightsholders using the organization's services keeps increasing.



### DECLARED WORKS

**1,448,000**

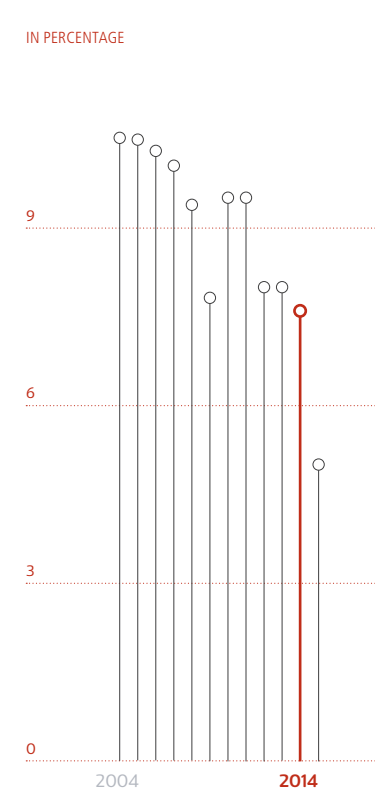
Total number of declared works was up by 11%.



### AGICOA FEES

**7.64 %**

The service fee deducted from royalties put into distribution in 2014 was 7.64%.





**LARS EKBERG**  
CONFLICT AND FOREIGN REMUNERATIONS  
CAB - DENMARK

*« The new IRRIS is a well running software that gives you the overall look and specific details when needed. And as data are validated by capable portfolio managers, your data are in safe hands. »*

**HAL HARTLEY**  
FILM PRODUCER  
POSSIBLE FILMS, LLC - USA

*« The layout of IRRIS Web is improved recently, it has gotten more user-friendly. »*

**GAËLLE CLARK**  
PORTFOLIO COORDINATOR  
SCREENRIGHTS - AUSTRALIA

*« The remodelled IRRIS platform does not only look simpler with its new sober look and cleaner lines but it has also made it easier to manage rights online. It is quite intuitive and the ability to download Excel or PDF reports on the clic of a button is invaluable. It is all round a very useful tool. »*





## MANAGEMENT REPORT

# Full speed ahead

**AGICOA continues to deliver excellent returns to its growing roster of rightsholders through conventional licensing of content for cable and satellite retransmission. The number of rightsholders increased by over 5% to 15,689 at the end of 2014, and their declared works by 11% to over 1.5 million.**

**Collections increased in 2014 to €125m and total royalty distributions reached a record €141m.**

**T**he increases were partly the result of additional revenue from Belgian cable operators, and the inclusion of 2012 payments from the Netherlands which had been delayed by the need to separate international works from those of Dutch rightsholders who now have a separate royalty agreement.

Other contributory factors are the development of the hotel sector in Spain, the positive outcome of litigation in Poland with an almost integral coverage and Israel with a settlement agreement resolving a long-lasting dispute and allowing for licensing solutions to be achieved.

The service fee deducted from royalties put into distribution in 2014 was 7.64%. It will reduce to 5% in 2015 due to a one-off allocation of fees on exceptional collections from previous years.

Operating costs in Geneva were within budget in 2014 and lower than in previous years, while a number of significant service improvements

were delivered. Notable among them were further improvements to IRRIS Web, the AGICOA web-based information system for rightsholders. Its scope and ease of use was upgraded to match the latest performance standards. The work was completed on schedule and the benefits were quickly evident, gaining the approval of many users.





"EL NIÑO", SPAIN - EL NIÑO LA PELICULA, A.I.E.

"DE BEHANDELING", BELGIUM - EYEWORKS

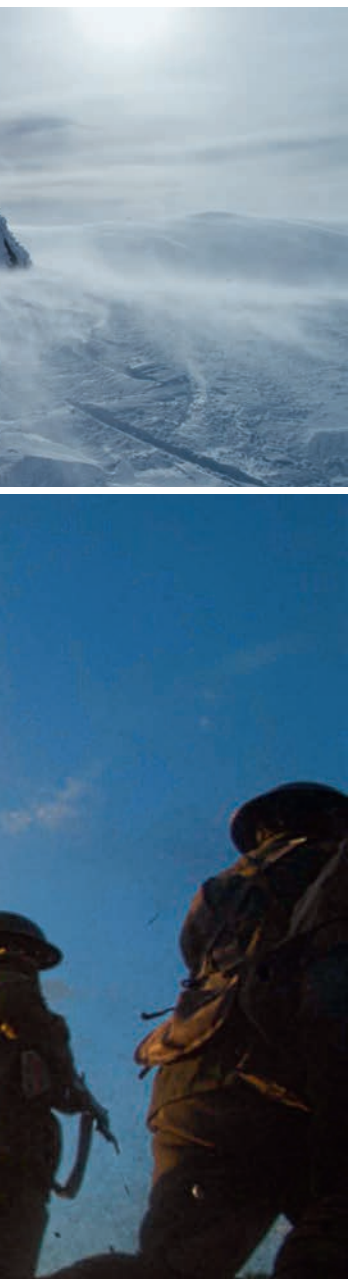
"MARINA", BELGIUM - EYEWORKS

"SER E AGIR", PORTUGAL - VENDE SE FILMES

"THE WAR THAT CHANGED US", AUSTRALIA - ELECTRIC PICTURES

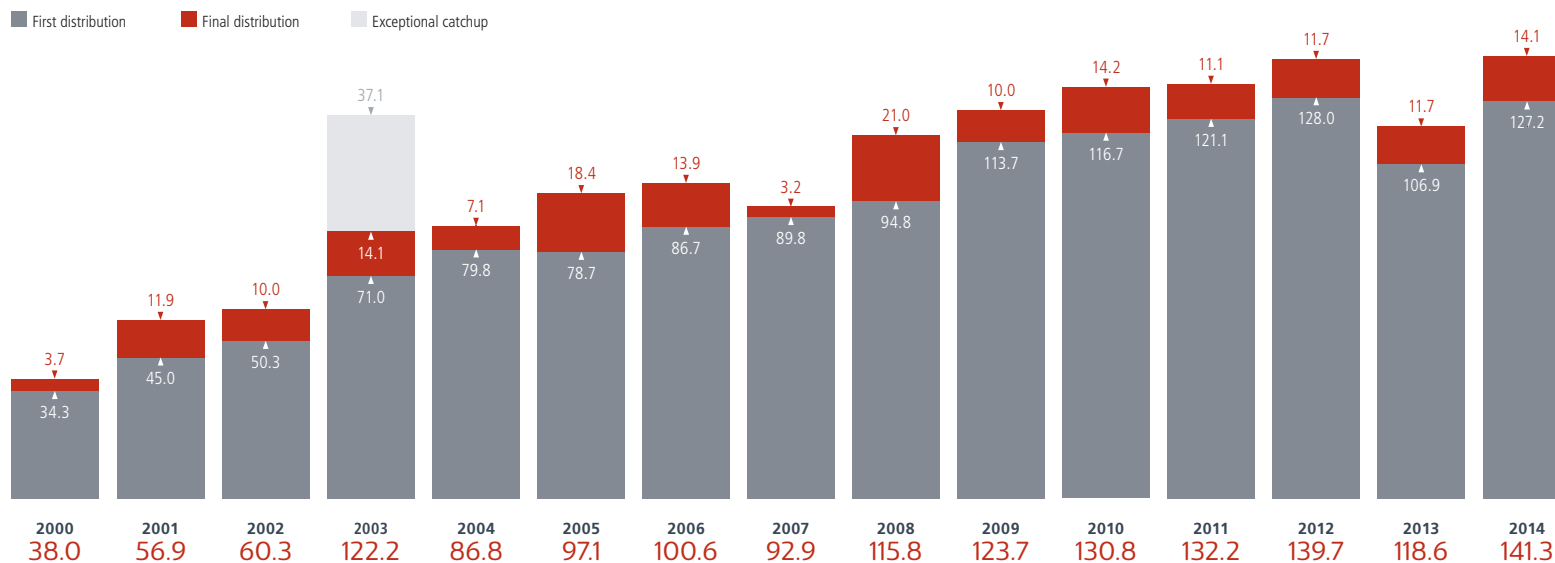
"KAMPEN OM TUNGTVANNET (THE HEAVY WATER WAR), NORWAY -  
FILMKAMERATENE AS, PHOTOGRAPHER: PÅL ULVIK ROKSETH





## ROYALTIES DISTRIBUTION

ROYALTIES DISTRIBUTED IN MILLIONS €



## FIRST DISTRIBUTION

AUSTRALIA	2013	DENMARK	2012	LUXEMBOURG	2013	SPAIN	2013
AUSTRIA	2003-2005	FINLAND	2013	NORWAY	2012	SWEDEN	2013
BELGIUM	2013	GERMANY	2013	POLAND	2013	SWITZERLAND	2012
CANADA	2012	IRELAND	2013	PORTUGAL	2013	THE NETHERLANDS	2013

## FINAL DISTRIBUTION

BELGIUM	2010	NORWAY	2010	SWEDEN	2010
FINLAND	2010	POLAND	2010	THE NETHERLANDS	2010
IRELAND	2008	ROMANIA	2010		
LUXEMBOURG	2010	SLOVENIA	2007		





"DEGRASSI", CANADA - COURTESY OF EPITOME PICTURES INC., A DHX MEDIA COMPANY

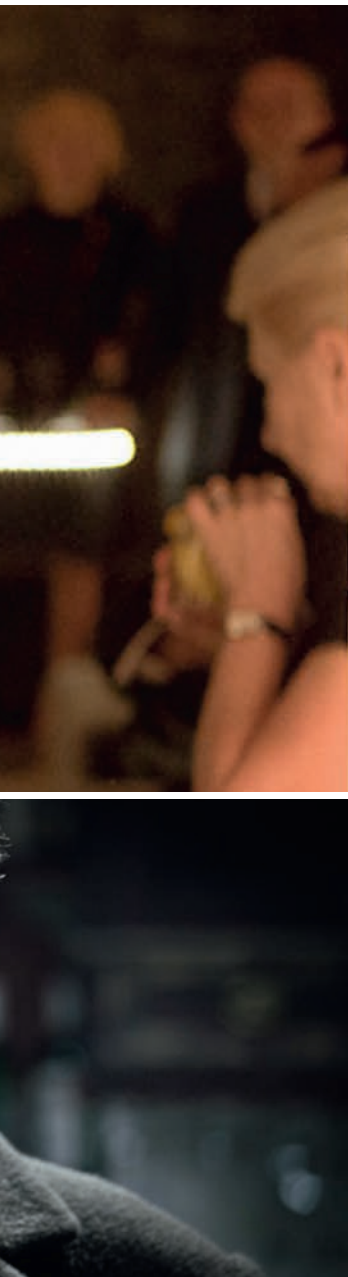
"OS NOSSOS DIAS", PORTUGAL - SP TELEVISÃO

"PRINSESSIA", BELGIUM - STUDIO 100

"OBCE CIAŁO", POLAND - STUDIO FILMOWE TOR

"INGREDIENTE SECRETO", PORTUGAL - VENDE SE FILMES

"POD MOCNYM ANIOŁEM", POLAND - PROFIL FILM, PHOTOGRAPHER: JACEK DRYGAŁA, PHOTO RENDERED ACCESSIBLE BY PROFIL FILM



## MANAGEMENT REPORT

### Industry Environment

**In less than a decade, traditional forms of home entertainment have been overtaken by a broad sweep of technology-driven product and service innovations. Audiovisual rightsholders face many challenges as a result, but there are also opportunities to negotiate more comprehensive licensing agreements for the use of content on which the fortunes of the industry ultimately depend.**

The proliferation of consumer viewing options is a key driver of change. The traditional transmission of channels to fixed TV screens in households has been complemented by new distribution services that make content available on multiple mobile devices such as tablets and smart phones, both inside and outside the home. So-called 'TV Everywhere' is the new reality.

Digital technologies have also enabled today's standard interactive services that let consumers pause programs, re-start them from the beginning, or view them at another moment.

Recent market surveys demonstrate that these developments have increased total viewing time per household as content is now available at any place and at any desired time. So far, this has not been to the detriment of traditional TV viewing.

The rightsholder implications of the changes are twofold. The first is the need to make certain that the commercial value of audiovisual works in multiple option viewing environments is fairly assessed, and that new forms of distribution are suitably licensed. The second is to recognize that some channels and platforms that have contributed royalty income in the past may be less relevant to consumers in future.

The converging business ambitions of telecommunications service providers, cable and satellite operators, and Internet content providers such as Netflix add another dimension of change. The battle for subscribers and dominance of new platforms and market spaces is driving both in-kind and cross-category mergers. One likely outcome is the emergence of fewer, larger players offering bundled services at an international or even global level.

This, too, has implications for rightsholders. As the negotiating strength of industry leaders becomes progressively greater, something more than the market-by-market approach to management of audiovisual rights that exists today will be needed to maintain parity.

In this fast-moving environment, the only certainty is that the future will be very different as competing technologies and business interests reshape the distribution landscape between content originators and consumers. Significant challenges in assessing the commercial value of audiovisual works and licensing their use lie ahead.

The AGICOA Executive Board is following market developments closely and giving careful consideration to rightsholder interests. The organization has the experience, the resources, and the determination to play a central part in negotiating new forms of royalty agreement that balance the interests of rightsholders with the needs of the operators in this fast-changing business environment.



## Value Proposition

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**AGICOA is uniquely placed to deliver value to both audiovisual rightsholders and content distributors.**

It has built an industry reputation for reliable, efficient collective rights management over a 30-year period. It offers rightsholders a single point of contact to declare their audiovisual works and track its use year after year on major channels in countries where AGICOA operates. There are no entry costs - registration of content is the sole requirement.

Shared use of AGICOA's unique international database of audiovisual works brings important economies of scale to a range of rightsholder services. These are delivered in conjunction with

AGICOA Alliance partners, a well-established network with close connections to local content producers and operators in key markets.

Agreed international working standards ensure transparency and equal treatment of all content owners. The result is the timely, transparent cash-out of royalties, and identification of their source down to individual broadcast level.

In addition, AGICOA offers a platform for the international sharing of rightsholder resources, and the exchange of information on new business

developments and the evolution of regulatory frameworks at regional and local levels. Where appropriate, it has the oversight and capabilities to coordinate international licensing negotiations.

## Regulatory and Legal Developments

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**The European Union Directive on Collective Rights Management, approved in 2014, is expected to be transposed into national legislation in member countries by April, 2016.**

It calls for transparency, non-discrimination among international rightsholders, and support measures for the collection of copyright royalties.

As AGICOA collects and distributes royalties in EU markets, it will adjust its practices to the Directive's requirements where necessary. It already observes high standards of transparency and non-discrimination, however.

In 2014, the EU Court of Justice ruled on the so-call catch-up case (an action brought by ITV against Catch-up TV, a provider of unlicensed streaming services of Public Service Broadcasting in the UK), it ruled that even if there is no technical retransmission, there is a need to clear rights when works are made available by third parties other than the original broadcaster. In effect, it

strengthens the position of rightsholders in the face of technology-driven developments that challenge traditional licensing concepts.

## Governance

### The General Assembly in December and election of the Executive Board proceeded smoothly.

There was one change of membership: Max Rumney from PACT joined as representative of UK producers, replacing Nicolas Steil from ALGOA in Luxembourg who has made a valuable contribution to governance during his three years in office.

Incumbent President Chris Marcich was elected for a further three year term. Changes to relevant by-laws make the President the objective, institutional representative of the organization who provides guidance to the Executive Board, defines its agenda, leads consensus negotiation, estab-

lishes work groups and generally oversees member interests in governance processes.

Michael Brodie was reappointed as Treasurer, and it was decided that the AGICOA's auditors will be changed on a rotational basis every three years in-line with new general practice.

## Conclusion



ANNIKA ANDRIVET, VERA CASTANHEIRA, STÉPHANIE GUFFROY-DROUX, SALVATORE SILVESTRI, JEAN-DANIEL GIROD, TOM DE LANGE (MISSING CARLA DECHAMBOUX)

By all measures, 2014 was a successful year for AGICOA and we look forward to the challenges and opportunities that lie ahead in 2015 and beyond as digital technology and new uses of audiovisual content transform the marketplace.

Increasing industry complexity and the likely emergence of more powerful international operators will reinforce the value of the organization's unique service proposition for rightsholders.

Its staff of over 80 people located in 11 countries remains committed to serving their interests in the most efficient, cost-effective ways.

The AGICOA management team would like to thank members for their trust and look forward to the continuation of our productive partnership.

TOM DE LANGE GENERAL MANAGER



## AGICOA MEMBERS

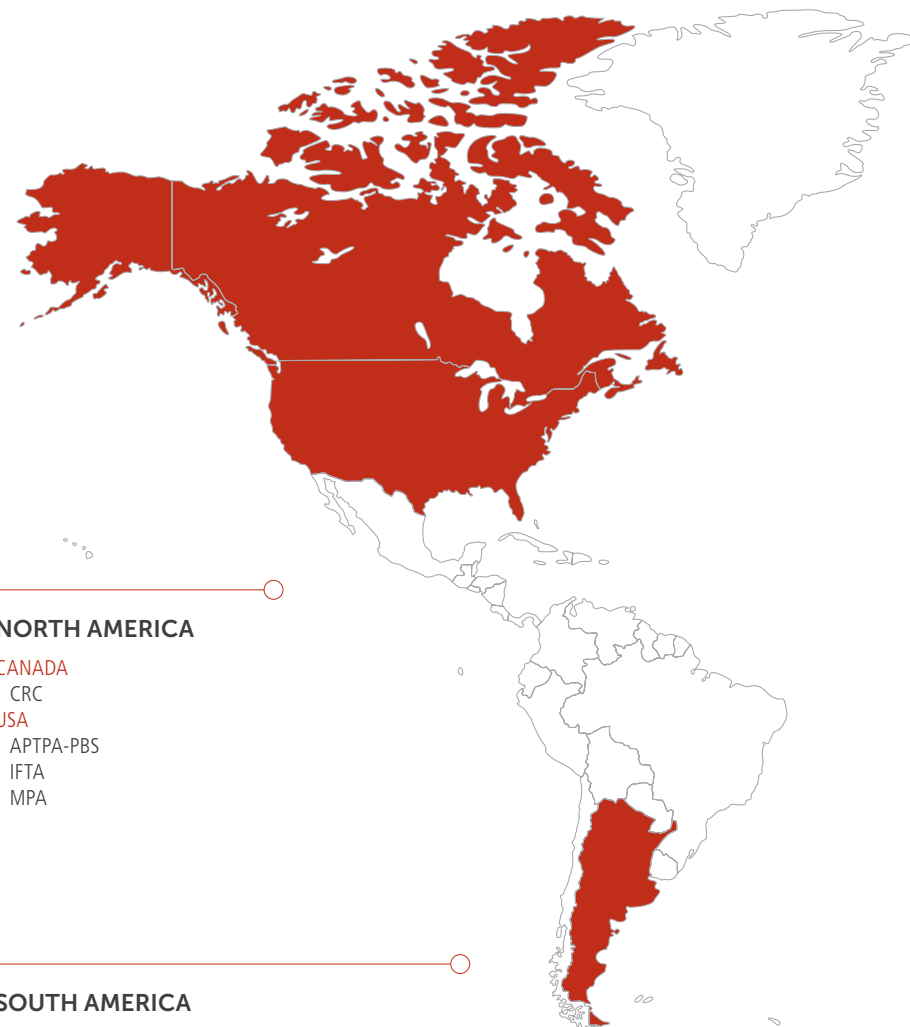
The purpose of the association AGICOA is to defend, through collective rights management, the interests of its members.

**A** GICOA's members are associations of audiovisual producers or distributors, audiovisual producer collective rights management organizations, rights agents and other film and television rightsholders from all over the world.

AGICOA's members define the association's role through their presence in and contributions to its supreme decision making body, AGICOA's General Assembly.

The members, through the General Assembly, define AGICOA's purpose in its

by-laws and fundamental rules of royalty distribution. They approve the annual operating budget and the AGICOA fee. They approve the association's year's end profit and loss account as well as balance sheet. They give discharge to AGICOA's Executive Board and Management and elect and dismiss the auditors. They proclaim the exclusion and suspension of a member and also decide on the association's dissolution.



### NORTH AMERICA

#### CANADA

› CRC

#### USA

› APTPA-PBS

› IFTA

› MPA

### SOUTH AMERICA

#### ARGENTINA

› CAPIT

## ASIA

### CHINA

› CFCA

### INDIA

› THE FILM & TELEVISION PRODUCERS GUILD OF INDIA LTD

### RUSSIA

› PRODUCERS' GUILD OF RUSSIA

### TURKEY

› SE-YAP

## EUROPA

### AUSTRIA

› VAM

### BELGIUM

› BAVP

› COMEDIA

### BULGARIA

› FILMAUTOR

### DENMARK

› CAB

### ENGLAND

› COMPACT MEDIA GROUP

› EMI MUSIC PUBLISHING LIMITED

› PACT

### FINLAND

› COFFPA

› TUOTOS

### FRANCE

› FIAD

› FIAPF

### GERMANY

› GWFF

› VDF

› VGF

### GREECE

› SAPOE

### ICELAND

› SIK

### IRELAND

› SCREEN PRODUCERS IRELAND

### ITALY

› ANICA

### LUXEMBOURG

› ALGOA

› SAMSA FILM SARL

### NORWAY

› AGICOA NORGE

### POLAND

› ZAPA

### PORTUGAL

› GEDIPE

### SERBIA

› FILM CENTER SERBIA

### SLOVAK REPUBLIC

› SAPA

### SPAIN

› EGEDA

› IBAIA

› PAC

› UPCT

### SWEDEN

› FRF

### SWITZERLAND

› SUISSIMAGE

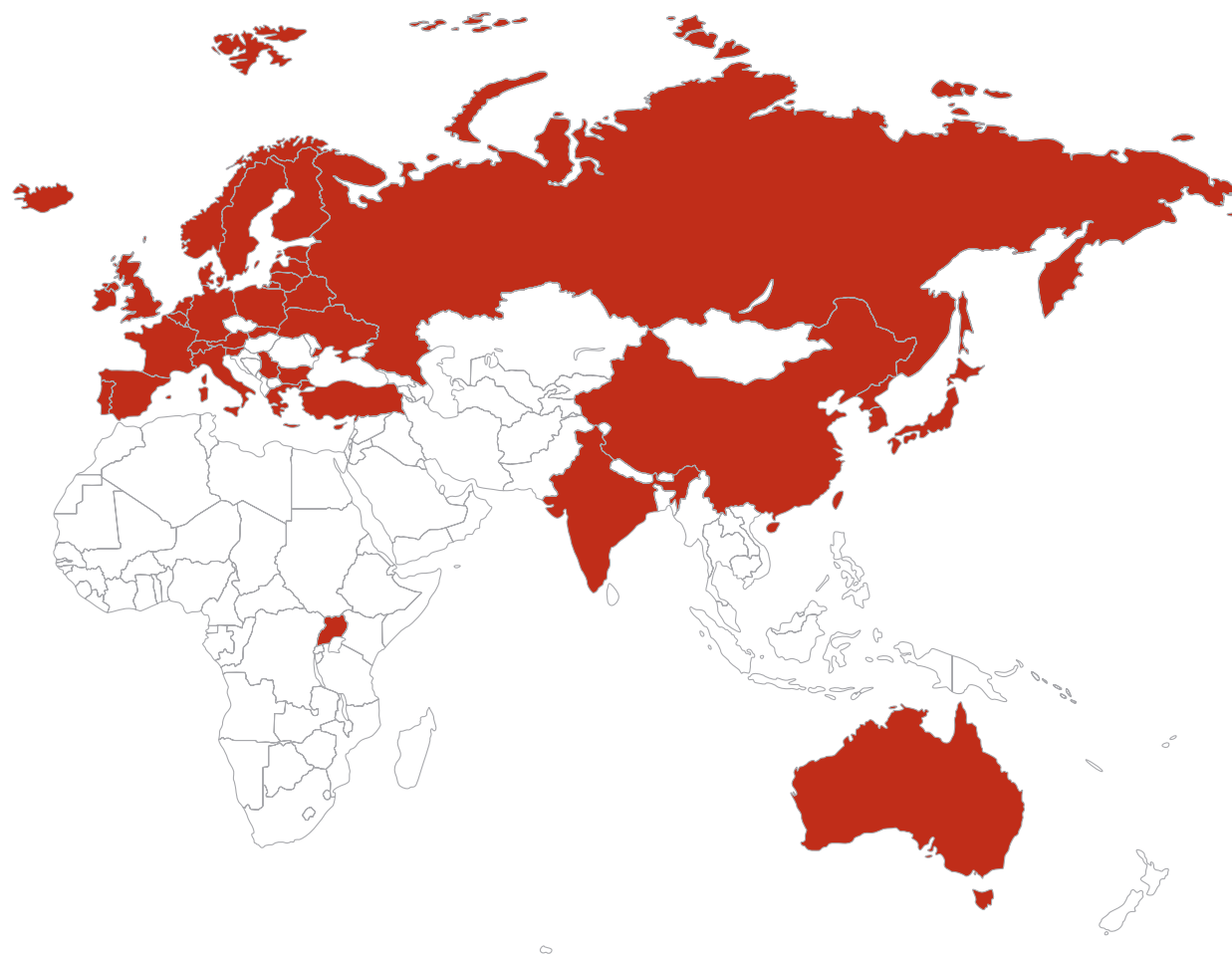
### THE NETHERLANDS

› FINTAGE HOUSE

› SEKAM

### UKRAINE

› APU



## AFRICA

### UGANDA

› UFMI

## OCEANIA

### AUSTRALIA

› SCREENRIGHTS



## 2014 AGICOA EXECUTIVE BOARD



**CHRIS MARCICH**  
**PRESIDENT**

USA

Substitute: Jane Saunders

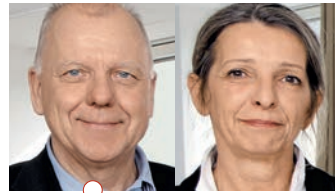
President and Managing Director of Motion Picture Association (MPA), European office, Brussels.



**NICOLE LA BOUVERIE**  
**VICE-PRESIDENT**

BELGIUM

CEO of BAVP (collecting society for cable), PROCIBEL (collecting society for private copy), AGICOA Europe Brussels, Zenab consulting. Director of AUVIBEL (collecting society for the private copying of sound and audiovisual works) and of Eurocopya (European organization of collecting societies for private copy).



**PR. DR. RONALD FROHNE**  
**VICE-PRESIDENT**

GERMANY

Substitute: Gertraude Müller-Ernstberger

Attorney and CPA. Head of New York Office of international Law Firm Noerr LLP. Managing Director of GWFF (collecting society for private copy) and AGICOA Germany. Board member of various German and international companies.



**MIGUEL ANGEL BENZAL MEDINA**  
**TREASURER**

SPAIN

Substitute: José Antonio Suarez

CEO EGEDA, Spain (Audiovisual Producers Rights Management Association) since 1992. At the same time, is CEO of Audiovisual SGR, a mutual guarantee society in which EGEDA is a protector member.



**MICHAEL BRODIE**  
**TREASURER**

UNITED KINGDOM

Bachelor of laws, ACA chartered accountant, UK former Universal Pictures executive.



**BÖRJE HANSSON**  
**OBSERVER**

SWEDEN

Substitute: Johannes Klingsporn

Film producer, managing director of Bright Pictures. Earlier head of production at Svensk Filmindustri (SF) and Swedish film company Filmance that produced among others the famous Swedish criminal series "Beck". Representative of FIAPF.



**JOHN M. JACOBSEN**  
**OBSERVER**

NORWAY

Producer and head of Filmkameratene AS, one of the leading Norwegian film and television companies. Their productions include the Oscar nominated "Pathfinder", the international Emmy nominated animated series "Elias, the little rescue boat" and the recently acclaimed "Max Manus" and "Trollhunter", the most successful Norwegian films in decades. Filmkameratene produced "The Heavy Water War" which started 2015 as the biggest opening ever for a TV series in Norway. They had two films on the Top 10 box office hits in 2014.

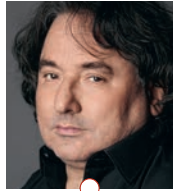


### **RYSZARD KIREJCZYK**

POLAND

Substitute: **Sylvia Biadun**

CEO of ZAPA (Union of Audiovisual Authors and Producers - a collecting society within Polish Filmmakers Association). Former film producer and former Director of Gdynia Film Festival and Debut Film Festival - the biggest Polish film events.



### **JOHN O'SULLIVAN**

UNITED KINGDOM

Substitute: **Andy Harwood**

Co-founder and CEO of Compact has left the company after 18 years to pursue new opportunities.



### **SAN FU MALTHA**

THE NETHERLANDS

Substitute: **Ruud van Breugel** (picture missing)

Dutch film producer. San Fu Maltha found the production company Fu Works in 1995 and the company has grown into one of the most leading feature film production companies of the Netherlands. Fu Works is an independent and internationally oriented production company that produces feature films, documentaries and TV series. Representative of SEKAM



### **DAVID JOHNSON**

UNITED KINGDOM

Substitute: **Jane Hyndman**

David took over as CEO of Compact Media Group in 2014. His involvement with Compact as a former client goes back to 2001, when he was at Granada International. David has worked in media for over 20 years in a variety of senior management, commercial and financial roles. He is a FCA qualified Chartered Accountant. He has worked in international distribution and licensing, broadcast, new media and production for companies including the BBC and ITV. Most recently he was MD of an independent sports production company. He has extensive experience in negotiating large scale deals for productions, co-productions and international sales.



### **JEAN PREWITT**

USA

President/CEO of the Independent Film & Television Alliance (IFTA).



### **NIELS TEVES**

THE NETHERLANDS

Substitute: **Ernst Jacob Bakker**

Co-owner/CEO of leading independent Music, Film & TV Rights company, Fintage House is headquartered in The Netherlands with offices in the UK and Hungary and global consultants in 14 countries. Over the years, Niels has initiated and built up various business lines within Fintage as well securing strategic investments and business developments in cutting edge technology and complete digital eco-systems.



### **NICOLAS STEIL**

LUXEMBOURG

Exclusive legal representative of AGICOA in the Grand-Duchy and founder of ALGOA (Luxembourgish Copyright Collecting Agency). Producer-Director and President/CEO of the Iris Group (Luxembourg, France, Belgium, Germany, UK) which produced and coproduced over 40 movies and distributed over 200 in France and internationally.

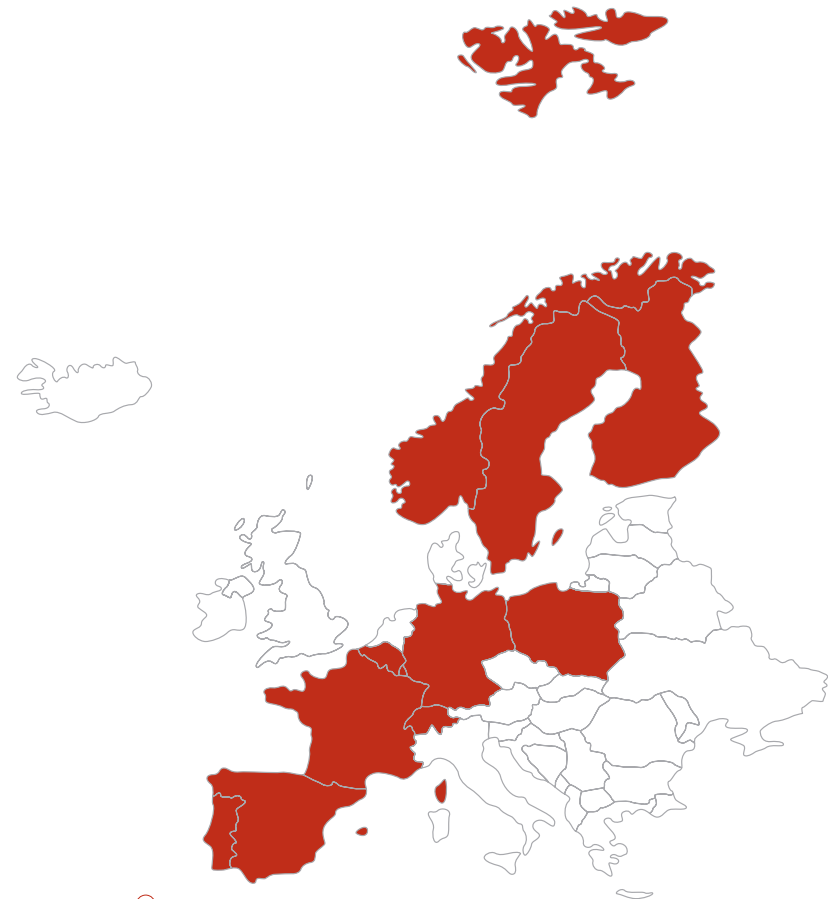


# AGICOA and its partners organizations

The AGICOA Alliance is a unique partnership that enables the efficient international collection and distribution of royalties for the retransmission of audiovisual works.

Alliance partners accommodate different national legal requirements but embody common practices to manage rightsholders' interests in a consistent, cost efficient way. The single declaration of an audiovisual work enables the collection of royalties wherever collective management operates.

Alliance partners have deep knowledge of their own broadcast markets. Aggregation of the interests of international rightsholders adds considerable weight to the collective licensing agreements they negotiate with national and local operators. Equal treatment of all rightsholders, irrespective of size and nationality, is guaranteed.



**BELGIUM**  
› AGICOA EUROPE  
› AGICOA EUROPE BRUSSELS  
**FINLAND**  
› TUOTOS  
**FRANCE**  
› ANGOA  
**GERMANY**  
› AGICOA GMBH

**LUXEMBOURG**  
› ALGOA  
**NORWAY**  
› AGICOA NORWAY  
**POLAND**  
› ZAPA  
**PORTUGAL**  
› GEDIPE

**SPAIN**  
› EGEDA  
**SWEDEN**  
› FRF  
**SWITZERLAND**  
› AGICOA

# People in Geneva

**Almost 90 people located in 11 countries are involved in the management of rightsholder interests by the AGICOA Alliance.**

**O**f these, 32 worked at AGICOA's Geneva headquarters in 2014. Rightsholder Relations managed client portfolios. Distribution and Identification tracked use of work and organized distributions. Legal and Licensing negotiated new license agreements, renewed and extended existing contracts. Finance and Administration managed the collection and distribution of funds. Information Systems was responsible for the quality and performance of the information systems that support our operations, and Information Technology and Security ensured the protection and failsafe back-up of rightsholders data.

THE AGICOA TEAM IN GENEVA







DIETER MEIER

SUISSIMAGE MANAGING DIRECTOR

## GUEST EDITORIAL

# Working together

**Switzerland is a small country so it is not surprising that everyone in the film industry knows each other. It is a close-knit community. SUISSIMAGE, located in Berne, is the collective rights management organization that represents our producers, film authors and even broadcasters in licensing the retransmission of content.**

SUISSIMAGE was founded in 1981 - the same year as AGICOA - following a Swiss Federal Court ruling that cable companies must pay royalties. We work closely with SWISSPERFORM, a sister organization based in Zurich that manages neighbouring rights.

The development of the Swiss broadcast marketplace has been relatively orderly. In 1981 the cable operators pretended that it is not possible to get 100% of the rights by individual agreements and asked the Government to put the licensing of retransmission rights under mandatory collective management. The law has been changed and Cable companies got a one stop shop for all rights. When the Telecom operators began to develop new business models that included broadcast content, they

approached us to help licensing their new business models by establishing a new tariff.

Where several CMO are active in the same field of utilisation, they are obliged to draw up one joint tariff for all repertoires. Each such tariff has to be adopted by a Federal Arbitration Board, who has to decide, 1) if there is a legal basis for mandatory collective management and a tariff, if the answer is yes, they decide 2) whether the remuneration is equitable or not. According to the Federal Court, the Swiss Copyright law has to be interpreted in a strictly technical neutral way. No unfair competition! So, it does not matter if a retransmission is done by traditional cable networks, by IPTV, streaming, OTT, in-home/out of home, on mobile devices or on TV screen. All kind of retransmission

is under mandatory collective management and there is no more space for an individual licensing or an opting out in this field.

Swiss judges have a very pragmatic approach. If users with new services tell them that it is not possible gathering all rights by individual contracts they are looking for the possibility of mandatory collective management for making possible for users and for consumers new business models, granting the rightsholders fair remunerations, trying to make happy in this way all parties, as they did in 1981 in the beginning of cable retransmission. Some regulatory judgements have favoured collective rights management. For example, the Swiss Federal Arbitration Board ruled that Catch-up TV - as well as nPVR - is a form of private copying (allowed by a

*"OBIETNICA", POLAND - OPUS FILM*

*"SUPERWELT (SUPERWORLD)", AUSTRIA - EPO-FILM*

*"ZUIDFLANK", BELGIUM - MENUET*

legal license) made with the assistance of a third party, and that the third party is liable for royalty payments. The broadcasters don't like it, but so far there has been no legal challenge.

The same Board recently ruled that secondary use of work in hotel guest rooms should be licensed. In this case, hotel associations have been quick to contest the judgement. The position is unlikely to be resolved anytime soon, but this could eventually be a new revenue stream.

We believe it's important to balance the interests of content users and rightsholders. We need constructive solutions that both groups believe to be fair and reasonable.

It is also the case that the Swiss marketplace is influenced by developments elsewhere. The pro-

visions of the European Union Rights Management Directive will be progressively implemented by member country governments. Switzerland is not a member, but we normally align our practices with theirs.

In this case, the move towards greater transparency is generally positive, and we already have clear and strong supervision of collective rights management. But some aspects of the Directive are of concern. We worry, for example, that the provision enabling members to vote on matters electronically could limit discussion and compromise the democratic nature of decision making.

However, there will always be challenges, and we will always be better placed to meet them by working together.





## FINANCIAL INFORMATION

FIGURES FOR THE YEAR ENDED DECEMBER 31

### Fiduciary Funds Managed by AGICOA (EURO)

Summary fiduciary funds balance sheet	2014	2013
<b>Current Fiduciary Assets</b>		
Cash and term-deposits	179,111,365	173,620,572
Other assets	639,637	2,172,831
	<b>179,751,002</b>	<b>175,793,403</b>
<b>Non-Current Fiduciary Assets</b>		
Investment property	5,183,250	5,183,250
	<b>5,183,250</b>	<b>5,183,250</b>
<b>Total Fiduciary Assets</b>	<b>184,934,252</b>	<b>180,976,653</b>
<b>Fiduciary Liabilities, Reserves and Provisions</b>		
<b>Short-Term Fiduciary Liabilities</b>		
Payable to rightsholders	4,177,646	6,809,481
AGICOA current account payable	516,921	79,144
Payables of national partner organizations	525,448	370,062
Fiduciary funds put into distribution pending allocation to rightsholders	72,538,785	69,980,651
Fiduciary funds to be put into distribution	86,126,269	84,028,633
	<b>163,885,069</b>	<b>161,267,971</b>
<b>Fiduciary Reserves and Provisions</b>	<b>21,049,183</b>	<b>19,708,682</b>
<b>Total Fiduciary Liabilities, Reserves and Provisions</b>	<b>184,934,252</b>	<b>180,976,653</b>

Summary fiduciary funds statement of income	2014	2013
<b>Revenues</b>		
Royalties earned	102,538,195	93,651,670
Financial and other revenues	691,952	926,091
<b>Total Revenues</b>	<b>103,230,147</b>	<b>94,577,761</b>
<b>Distributions and other Charges</b>		
Fiduciary funds put into distribution	(92,789,047)	(79,372,246)
AGICOA fees	(7,507,018)	(6,718,874)
Bank charges	(19,817)	(29,550)
Foreign currency translation adjustment	462,336	(860,657)
<b>Total Distributions and other Charges</b>	<b>(99,853,546)</b>	<b>(86,981,327)</b>
<b>Net Surplus prior to Allocations</b>	<b>3,376,601</b>	<b>7,596,434</b>
<b>Total Allocations</b>	<b>(3,376,601)</b>	<b>(7,596,434)</b>
<b>Net Surplus after Allocations</b>	<b>0</b>	<b>0</b>

The fiduciary funds financial statements exclude the fiduciary funds managed by AGICOA Urheberrechtsschutz GmbH (Germany), ANGOA (France) and EGEDA (Spain).

## Financial Statements of AGICOA (CHF)

Summary balance sheet	2014	2013
<b>Assets</b>		
<b>Current Assets</b>		
Cash and term-deposits	34,784	68,559
Receivables from the fiduciary funds	621,711	97,001
Other receivables and prepaid expenses	796,389	758,115
	<b>1,452,884</b>	<b>923,675</b>
<b>Non-Current Assets</b>		
Deposits and guarantees	44,399	558,473
Investments in affiliates	99,828	99,828
Receivables ISAN International Agency	2,562,265	2,605,054
Other receivables	71,295	71,295
Tangible fixed assets	144,652	239,989
	<b>2,922,439</b>	<b>3,574,639</b>
<b>Total Assets</b>	<b>4,375,323</b>	<b>4,498,314</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	857,490	955,474
Accrued and other short term liabilities	955,568	937,786
	<b>1,813,058</b>	<b>1,893,260</b>
<b>Non-Current Liabilities</b>		
Provision ISAN International Agency	2,562,265	2,605,054
	<b>2,562,265</b>	<b>2,605,054</b>
<b>Total Liabilities</b>	<b>4,375,323</b>	<b>4,498,314</b>

Summary statement of income	2014	2013
<b>Operating Expenses</b>		
Salaries and social charges	4,575,002	4,965,582
Professional fees and administrative expenses	1,950,360	1,660,841
Depreciation	96,977	148,932
Costs incurred by partner organizations	4,638,312	3,644,585
Modernization of information systems	491,100	152,372
Special projects	50,000	84,624
<b>Total Operating Expenses</b>	<b>11,801,751</b>	<b>10,656,936</b>
<b>Other Expenses</b>		
Interest and bank charges, net	6,876	5,181
Taxes	71,051	82,619
Exchange (gains)/losses, net	(144,528)	29,778
<b>Total other (Income)/Expenses</b>	<b>(66'601)</b>	<b>117,578</b>
<b>Miscellaneous Income</b>		
External services	(331,733)	(281,677)
Rent office space	(123,823)	(112,200)
Other income	(29,614)	(36,626)
<b>Total Miscellaneous Income</b>	<b>(485,170)</b>	<b>(430,503)</b>
<b>Total Net Expenses</b>	<b>11,249,980</b>	<b>10,344,011</b>
<b>Funding of Net Expenses</b>		
Operational budget	11,295,373	11,613,463
Allocation from fiduciary provision	491,100	152,372
Operational budget (surplus)/deficit	(536,493)	(1,421,824)
<b>Total Funding of Net Expenses</b>	<b>11,249,980</b>	<b>10,344,011</b>



## AUDITOR'S REPORT



### **Report of the independent auditor on the summary financial statements**

To the General Meeting of the Members of AGICOA, Geneva

The accompanying summary financial statements, which comprise the summary balance sheet as at December 31, 2014, the summary statement of income for the year then ended, and related notes, are derived from the audited financial statements of AGICOA for the year ended December 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated April 24, 2015.

The summary financial statements do not contain all the disclosures required by Swiss law and the Association's by-laws. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of AGICOA.

### **Executive Board of the Association's Responsibility for the Summary Financial Statements**

The Executive Board of the Association is responsible for the preparation of the summary financial statements in accordance with Swiss law and the Association's by-laws.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Swiss Standard on Auditing (SSA) 810, Engagements to Report on Summary Financial Statements.

### **Opinion**

In our opinion, the summary financial statements derived from the audited financial statements of AGICOA for the year ended December 31, 2014 are consistent, in all material respects, with those financial statements, in accordance with Swiss law and the Association's by-laws.

### **Other Matter**

The summary financial statements of the Association for the year ended December 31, 2013 were audited by another auditor whose report, dated April 23, 2014 expressed an unqualified opinion on those summary financial statements.

Deloitte SA

A handwritten signature in blue ink, appearing to be "FB" with a stylized flourish.

FABIEN BRYOIS  
PARTNER

A handwritten signature in blue ink, appearing to be "Duyade" with a stylized flourish.

AURÉLIE DARRIGADE  
MANAGER

Geneva, April 24, 2015

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 **AGICOA**  
The Rights People





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