



**Transparency Report
Fiscal year 2018**

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Introduction

This transparency report has been produced by AGICOA in accordance with the EU Directive on Collective Management of Copyright and Related Rights and is based on duly audited figures.

The EU Directive has a clear focus on national collective management organizations and has not envisaged AGICOA as an international collective management organization and as a collective management organization of collective management organizations -the AGICOA Alliance-.

The AGICOA Alliance is based on sharing of systems, services and back-office functions where synergies and economies of scale allow for reduced management fees for all rightsholders member of the AGICOA Alliance.

AGICOA Geneva operates an international database of audio-visual works and rights as well as an international rights management system for the benefit of all Members of the AGICOA Alliance. The AGICOA Alliance is characterized by subcontracting of tasks amongst certain of its Members, the centralization of back-office functions as well as the representation and aggregation of repertoire between collecting societies for licensing purposes. It also provides for a single point of contact for rightsholders.

The rights managed internationally by AGICOA relate mainly to copyright and related rights of producers of audiovisual works, their successors in title and entities representing them. AGICOA functions on the basis of a general mandate received from its Members and other rightsholders relating to (i) the simultaneous, full, unchanged and continuous retransmission by cable, satellite or by any other similar means, (ii) the intervention by satellite package providers, cable distribution platforms or other comparable distribution platforms in the communication to the public, (iii) the communication to the public by hotels, homes for elderly, prisons and other similar establishments, (iv) in certain pre-approved countries only, the recording for (non-commercial) educational purposes by educational institutions.


With the introduction on the market of new digital services by distribution platform operators in connection with audiovisual works, AGICOA may, on a strictly voluntary basis and for Members and other rightsholders that so wish only, manage further types of uses such as follows: catch-up TV, TV start from the beginning, pause and resume, preview TV, in-home TV, TV everywhere, NPVR. In addition AGICOA may also be mandated to manage certain rights in the communication to the public of television channels in public venues.

AGICOA is owned and controlled by its Members. As a not-for-profit collective management organization, AGICOA is operating at costs that are documented in the annual budget approved by the General Assembly. AGICOA applies a Single Rate Cost Allocation Method to allocate those combined and integrated costs to the royalties put into distribution by the respective collective management organizations Member of the AGICOA Alliance, the international AGICOA management fee.

AGICOA maintains a strict separation between operational accounts (represented in Swiss francs) and fiduciary accounts due to rightsholders (represented in Euro).

This transparency report covers the operational and fiduciary accounts held by AGICOA Geneva only, the AGICOA partner organizations member of the AGICOA Alliance producing their own transparency reports.

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 Financial statements

1.1 Operational accounts

1.1.1 Balance Sheet

	Notes	2018 CHF	2017 CHF
Assets			
Current assets			
Cash and term-deposits		18 949	24 352
Receivables from the fiduciary funds	1	549 703	128 276
Other receivables		467 005	483 229
Prepaid expenses		325 487	287 888
		<hr/>	<hr/>
		1 361 144	923 745
Non-Current assets			
Deposits and guarantees	2	43 471	64 635
Investments in affiliates	3	99 828	99 828
Other receivables		0	71 295
Receivables ISAN International Agency	4	2 520 795	2 524 465
Tangible fixed assets	5	240 027	328 462
		<hr/>	<hr/>
		2 904 121	3 088 685
		<hr/>	<hr/>
Total Assets		4 265 265	4 012 430
Liabilities			
Current liabilities			
Accounts payable	11	750 329	588 748
Accounts payable related to affiliates		14 032	7 276
Other short term liabilities		611 983	776 649
Accruals / provisions		368 126	115 292
		<hr/>	<hr/>
		1 744 470	1 487 965
Non-Current liabilities			
Provision ISAN International Agency	4	2 520 795	2 524 465
		<hr/>	<hr/>
		2 520 795	2 524 465
		<hr/>	<hr/>
Equity		0	0
		<hr/>	<hr/>
Total Liabilities and Equity		4 265 265	4 012 430

1.1.2 Statement of income

	Notes	2018 CHF	2017 CHF
Operating expenses			
Salaries and social charges		5 208 334	5 201 995
Professional fees - lawyers		226 526	327 688
Professional fees - other		197 945	347 902
Travel and meetings		287 618	276 246
Office costs		629 882	828 428
Depreciation	5	155 735	115 319
Broadcast, audience and works data		350 404	365 983
Special projects	6	15 000	46 885
		<u>7 071 444</u>	<u>7 510 446</u>
Costs incurred by partner organizations			
Partner costs	7	4 604 986	5 297 981
Professional fees – lawyers		215 494	191 882
		<u>4 820 480</u>	<u>5 489 863</u>
Total operating expenses		11 891 924	13 000 309
Financial expenses			
Interest and bank charges, net		3 975	5 556
Exchange (gains)/losses, net		75 205	(93 693)
Total Financial (income) / expenses		<u>79 180</u>	<u>(88 137)</u>
Miscellaneous (income) / expenses			
External services	12	(423 983)	(428 411)
Rent office space	12	(85 120)	(62 265)
Other income	12	(22 000)	(22 663)
Other Costs		461 126	209 334
Total miscellaneous (income)/expenses		<u>(69 977)</u>	<u>(304 005)</u>
Total net expenses, before taxes		11 901 127	12 608 167
Direct taxes	8	72 369	68 300
Total net expenses		<u>11 973 496</u>	<u>12 676 467</u>

Funding of net expenses

Operational budget	9	12 395 416	12 895 861
Operational budget (surplus) / deficit	10	(421 920)	(219 394)
Total funding of net expenses		11 973 496	12 676 467

1.1.3 Cash Flow Statement

The cash flow statement presented use the direct method as per the Swiss Code of Obligations.

	Cash and Term Deposit in CHF 2018	Cash and Term Deposit in CHF 2017
Beginning of year	24'352	11'565
Transfer from fiduciary accounts to operational accounts	9'359'750	10'815'276
ANGOA - services fees	401'840	335'612
Private Copy Distribution (PT)	32'360	17'111
Private Copy Distribution (SE)	3'000	3'000
Producent Rettigheder Danmark (PRD) - Board Remuneration	1'720	2'279
Lease office space	85'020	69'425
Other refunds	187'951	153'987
Payments - suppliers / expenses	(5'732'742)	(6'713'629)
Payments - salaries	(3'558'778)	(3'435'644)
Transfer from operational accounts to fiduciary accounts	(625'786)	(1'185 959)
Payments of Board remuneration	(117'200)	(122'000)
Bank fees	(4091)	(5'245)
FX rate on bank account in foreign currency	(38 448)	78'574
End of year	18'948	24'352

1.1.4 Notes to the operational accounts

The Financial statement has been prepared in accordance with the financial reporting law required by the Swiss Code of Obligations.

Number of employees

The average number of employees during the year was less than 50 (2017: less than 50).

Foreign currency translation

AGICOA maintains its books of account and presents its financial statements in Swiss francs, with the exception of the notes on the fiduciary funds which are presented in Euro.

All balance sheet captions originally denominated in a currency other than Swiss francs are translated at the year-end exchange rate, except for investments in affiliates which are translated at their historical rate.

Revenues and expenses are translated using the rate prevailing at the transaction date.

Tangible fixed assets

Tangible fixed assets have been valued at their historical cost less accumulated depreciation. Computer hardware equipment and software are depreciated over three years on a straight-line basis. All other tangible fixed asset categories are depreciated over five years on a straight-line basis.

Investments in affiliates

Investments in affiliates are stated at their historical cost, net of any provision for impairment.

AGICOA entities abroad

AGICOA has set up collecting societies in the Netherlands (AGICOA The Netherlands: never activated - a dormant entity) and in Luxembourg (AGICOA Europe).

Taxes

For Swiss tax purposes, AGICOA is considered as a service company and consequently its taxable income is calculated on the basis of its total operating expenses incurred in Switzerland. AGICOA follows the policy of accounting for income taxes on an accruals basis.

1. Receivable from the fiduciary funds

The amount of cash receivable from the fiduciary funds of 549 703 CHF corresponds to the translated amount of EUR 488 433 AGICOA current account payable to the operational accounts (refer 1.2.1 note d on page 17).

2. Deposits and guarantees

On December 31, 2018 the total amount of deposits to the Slovenian Court of Justice is in EUR recorded in the AGICOA books at a value of 4 768 CHF at the year-end rate. These deposits are considered by management to be a pledged asset.
(2017: 29 723 CHF)

Other deposits and guarantees are 38 703 CHF. (2017: 34 912 CHF)

3. Investments in affiliates

AGICOA has investments in the following companies:

	Ownership	Voting	Net book	Net book
	2018	rights	value	value
	%		2018	2017
			CHF	CHF
AGICOA Europe Brussels scrl	46 %	46 %	78 862	78 862
AGICOA Urheberrechtsschutz GmbH	49 %	49 %	20 966	20 966
			99 828	99 828

Investments in affiliates are recorded at historical cost.

4. Receivables/Provision ISAN International Agency

ISAN International Agency, domiciled in Geneva, is a non-profit association founded in July 2003 by three organizations: CISAC (Confédération Internationale des Sociétés d'Auteurs et Compositeurs), FIAPF (Fédération Internationale des Associations de Producteurs de Films) and AGICOA. The International Agency is mandated by ISO (International Organization for Standardization) to administer the International Standard Audiovisual Number (ISAN) and its supporting technical environment and to safeguard the integrity of the standard.

As at December 31, 2018 AGICOA records reimbursable advances made to support the development of ISAN International Agency and other receivables of CHF 2 520 795 (2017: CHF 2 524 465). In 2018 a reimbursement is CHF 3 670.

Because of the difficult period ISAN International Agency went through during 2008 and the consequently slower than expected pay back to AGICOA, a provision was set up at December 31, 2008 corresponding to the overall financial involvement of AGICOA in ISAN International Agency. This provision has been adjusted to CHF 2 520 795 as at December 31, 2018.

	31.12.18 CHF	31.12.17 CHF
Reimbursable advances, prepaid expenses and other receivables	2 520 795	2 524 465
Provision ISAN International Agency	2 520 795	2 524 465
5. Tangible fixed assets, net		
	31.12.18 CHF	31.12.17 CHF
Furniture and fixtures	1 046 182	1 035 326
Computer equipment and software	5 836 113	5 779 669
Total tangible fixed assets, acquisition cost	6 882 295	6 814 995
Accumulated depreciation previous years	(6 486 532)	(6 371 214)
Depreciation of the year without	(155 735)	(115 319)
Net book amount	240 027	328 462

6. Special projects

Special project costs in 2018 relate to the production of the “Bona Fides package”. In 2017, special project costs covered the follow-up of WIPO activities.

7. Partner costs

	31.12.18 CHF	31.12.17 CHF
Belgium	1 022 675	918 570
Finland	179 692	383 673
Germany	891 930	825 497
Luxembourg	104 345	4 345
Norway	112 686	105 002
Poland	715 897	1 070 068
Portugal	252 933	208 418
Spain	1 040 187	1 552 829
Sweden	168 526	162 565
The Netherlands	45 958	51 032
Other countries	70 157	15 982
Total	4 604 986	5 297 981

Partner costs are contributions to the costs of the partner organizations e.g. for licensing and managing the AGICOA International repertoire in the respective countries.

These costs are controlled and governed by the AGICOA partner organizations.

8. Direct taxes	31.12.18	31.12.17
	CHF	CHF
Current year estimate	87 744	68 300
Movement in tax provision previous year	(15 375)	0
Total	72 369	68 300

9. Operational budget

For the year 2018 and according to Article 16 of its statutes (version dated December 15, 2015), the operating income of AGICOA is set out in a budget granted by the General Assembly. This income is deducted from the revenues collected on behalf of and on the account of its members or other rightsholders.

The 2018 operating expenses budget of CHF 12 395 416 (2017: CHF 12 895 861) was approved by the General Assembly on December 12, 2017 (refer note h ⁽²⁾ on page 24).

10. Operational budget surplus

The 2018 operational budget surplus is returned to the fiduciary accounts into the operating expense reserve (refer note h ⁽¹⁾ on page 24).

11. Pension liabilities

On December 31, 2018, there is no liability to the pension scheme of AGICOA (2017: none)

12. External services, rent of office space and other income

Details	Total
Services to Angoa (Cooperation Agreement)	388'623
Rental income	85'120
Services rendered for Private Copy distribution (Portugal)	32'360
Refund Co2 Tax	6'069
Withholding Tax 3% and 2% rebate	5'176
Isan reimbursement	3'670
Other Income	5'364
Services rendered for Private Copy distribution (Sweden)	3'000
CAB Board Remuneration	1'720
Grand Total	531'103

Since 1 April 2017 office space on the ground floor as well as 2 parking spaces is leased to the permanent Mission of Macedonia.

1.2 Fiduciary accounts

1.2.1 Balance Sheet

Fiduciary funds balance sheet at December 31 (in EURO)

		AGICOA Geneva	AGICOA Geneva
	Notes	31.12.18 EUR	31.12.17 EUR
Current fiduciary assets			
Cash and term-deposits	a	99 216 276	102 281 140
Receivables from / of national partner organizations		0	(643 416)
Interest and other receivables		696 761	662 426
Receivable from rightsholders		38 688	40 618
		<hr/>	<hr/>
		99 951 725	102 340 768
Non-current fiduciary assets			
Investment property	b	5 183 250	5 183 250
		<hr/>	<hr/>
		5 183 250	5 183 250
Total fiduciary assets			
		<hr/>	<hr/>
		105 134 975	107 524 018
Fiduciary liabilities, reserves and provisions			
Short-term fiduciary liabilities			
Payable to rightsholders	c	1 444 768	2 579 239
AGICOA current account payable	d	488 433	109 706
Payables of / to national partner organizations		339 811	22 134
		<hr/>	<hr/>
		2 273 012	2 711 079
Other fiduciary liabilities			
Fiduciary funds put into distribution pending allocation to rightsholders	e	44 527 944	46 252 432
Fiduciary funds to be put into distribution	f	40 266 077	42 606 857
		<hr/>	<hr/>
		84 794 021	88 859 289
		<hr/>	<hr/>

Fiduciary reserves and provisions

General reserve	g	10 210 900	8 558 848
Operating expense reserve	h	7 833 394	7 363 444
Other fiduciary provisions		23 648	31 358
		<u>18 067 942</u>	<u>15 953 650</u>
Total fiduciary liabilities, reserves and provisions		<u>105 134 975</u>	<u>107 524 018</u>

1.2.2 Statement of income

		AGICOA Geneva	AGICOA Geneva
	Notes	31.12.18 EUR	31.12.17 EUR
Revenues			
Royalties collected under general mandate		40 433 197	44 121 912
Other royalties collected		4 753 820	3 594 542
Financial and other revenues		(4 979)	(14)
Total revenues	(5.1)	<u>45 182 038</u>	<u>47 716 440</u>
Distributions and other charges			
Fiduciary funds put into distribution (net)	(5.3)	(43 809 812)	(46 348 373)
AGICOA fees	i	(3 559 923)	(3 306 461)
Bank charges		(8 915)	(9 636)
Foreign currency translation adjustment		97 161	(1 472 984)
Total distribution and other charges		<u>(47 281 489)</u>	<u>(51 137 454)</u>
Net deficit prior to allocations		<u>(2 099 451)</u>	<u>(3 421 014)</u>

Allocations / releases

(Allocation to) / release of general reserve	g	(93 028)	3 982 906
Allocation to operating expense reserve	h	(306 012)	(1 299 864)
Release of fiduciary funds to be put into distribution	f	2 498 491	737 972
Total releases		<u>2 099 451</u>	<u>3 421 014</u>
Net surplus after allocations / releases		<u>0</u>	<u>0</u>

1.2.3 Cash Flow Statement

The cash flow statements presented use the direct method as per the Swiss Code of Obligations.

	Cash and Term Deposit in EUR 2018	Cash and Term Deposit in EUR 2017
Beginning of year	102'281'140	105 737 368
Royalties collected	45'182'038	47'716'440
TVA on royalties collected	620'426	597'003
Transfer from operational accounts to fiduciary accounts	445'204	1'025'428
Transfer from Partners accounts to Agicoa Geneva fiduciary accounts	12'743'800	3'987'540
Other movements	(8'890)	971'442
Transfer from fiduciary accounts to operational accounts	(8'054'005)	(9'145'929)
Payments to declarants	(54'545'434)	(46'843'772)
Bank fees and interests	(13'895)	(8'644)
FX rate on bank account in foreign currency	565'891	(1'755'736)
Total cash flow from operating activities	(3'064'865)	(3'456'228)
End of year	99'216'275	102'281'140

1.2.4 Notes to the fiduciary accounts

Translation of financial statements

The accounting records for fiduciary funds are maintained in the currency of origin of the funds. For analytical purposes, the equivalent value in Euro is also recorded, with the following rules:

All balance sheet amounts have been translated at the year-end exchange rate; and revenues and expenses have been translated using the rate prevailing at the transaction date.

The investment property is accounted for at historical cost.

AGICOA recognizes that it could be held liable towards the AGICOA partner organizations in relation to those activities performed under the control of AGICOA as a service provider. This does exclude the liabilities from and activities performed under the control of the AGICOA partner organizations.

a) Cash and term-deposits held by AGICOA Geneva

The cash and term-deposits for Australia, Austria, Bosnia-Herzegovina, Bulgaria, Canada, Croatia, Denmark, Estonia, Hungary, Ireland, Israel, Iceland, Latvia, Lithuania, Luxembourg, Macedonia, Serbia, Slovakia, Switzerland, The Netherlands and United Kingdom are kept on bank accounts and term-deposits under the direct control of AGICOA.

b) Investment property

On October 18, 2005 AGICOA acquired the office premises located at Pestalozzi 1, 1202 Geneva. This investment property is recorded at cost at year-end at CHF 8 090 487 translated to EUR 5 183 250 (at historical exchange rate).

In 2018, the market value of the property has been estimated by a real estate agent between CHF 9.9 and 10.4 million.

c) AGICOA payable to rightsholders

The total amount payable to rightsholders at the end of 2018 is **EUR 1 444 768**

Country	Type of use	Period of broadcast	Grand total
FX rate			20
Australia	Cable	2001-2017	315
Austria	Cable	1993-2014	5'855
Belgium	Cable	1983-1995	12'573
Bosnia	Cable	2003-2014	318'720
Canada	Cable	1990-2016	2'254
Denmark	Cable	1986-2016	7'437
Finland	Cable	2001-2003	1'026
General reserve	Cable	2003-2017	4'593
Hungary	Cable	2008-2017	2'851
Iceland	Cable	2015	1'031
Ireland	Cable	1989-2017	6'644
Israel	Cable	2006-2015	25'016
Lithuania	Cable	2016	230
Luxembourg	Cable	2001-2017	10'495
Mark-up countries	Cable	2004-2017	715'888
Poland	Cable	2015-2016	131
Portugal	Cable	2016	122
Romania	Cable	2004-2010	2'002
Serbia	Cable	2014-2016	580
Slovenia	Cable	2009-2010	44'421
Sweden	Cable	2017	1'701
Switzerland	Cable	1989-2016	72'800
The Netherlands	Cable	1984-2017	148'052
Finland	Educational Copying	2009-2016	147
Great Britain	Educational Copying	2007-2017	5'673
Austria	US Rightholders	2001-2014	643
Estonia	US Rightholders	2009-2016	434
Hungary	US Rightholders	2004-2016	442
Japan	US Rightholders	2006-2013	107
Latvia	US Rightholders	2011-2013	99
Lithuania	US Rightholders	2004-2011	61
Poland	US Rightholders	2009-2016	64
Portugal	US Rightholders	2008-2014	18
Republic Czech	US Rightholders	2006-2015	3
Slovakia	US Rightholders	2005-2015	100
Switzerland	US Rightholders	2000-2015	561
The Netherlands	US Rightholders	2006-2015	51'659

d) AGICOA current account payable

The AGICOA current account payable to the operational accounts of EUR 488 433 corresponds to the translated amount of CHF 549 703 receivable from the fiduciary funds (refer 1.1.1 note 1 on page 8).

e) 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:

	AGICOA Geneva 2018 EUR
Broadcasts payable inventory	5 721 218
Broadcasts pending late claims	33 001 489
Broadcasts in conflict	3 513 113
Broadcasts on blocked works	1 288 633
Other provisions	1 003 491
	<hr/>
Fiduciary funds put into distribution pending allocation to rightsholders	44 527 944

These provisions are further detailed below:

Broadcasts payable inventory**EUR 5 721 218**

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	Type of use	Period of broadcast	Grand total
Australia	Cable	2011	1
Austria	Cable	1996-2014	111'942
Belgium	Cable	1991-1995	1'630
Bosnia	Cable	2014	65
Canada	Cable	2002-2016	8'428
Denmark	Cable	2005-2016	60'268
Finland	Cable	2001-2004	143
General reserve	Cable	2017	45
Hungary	Cable	2008-2017	2'854
Ireland	Cable	2000-2017	615'562
Iceland	cable	2015	1'092
Israel	Cable	2006-2015	568'429
Lithuania	Cable	2016	6'397
Luxembourg	Cable	2003-2017	1'794'469
Mark-up countries	Cable	2011-2017	4
Romania	Cable	2005-2010	25'017
Serbia	Cable	2014-2016	305
Switzerland	Cable	1994-2016	553'985
The Netherlands	Cable	1988-2017	1'937'732
Finland	Educational Copying	2008-2016	16'384
Great Britain	Educational Copying	2008-2017	14'423
Estonia	US Rightholders	2009-2016	733
Hungary	US Rightholders	2014	3
Japan	US Rightholders	2006-2013	217
Latvia	US Rightholders	2011-2013	40
Poland	US Rightholders	2009-2016	427
Republic Czech	US Rightholders	2006-2015	-697
Slovakia	US Rightholders	2015	54
Switzerland	US Rightholders	2000-2015	370
The Netherlands	US Rightholders	2007-2015	896

Broadcasts pending late claims**EUR 33 001 489**

Rightsholders have to register their audio-visual works and rights in order to claim their entitlement to AGICOA rights revenue. Following the first distribution AGICOA holds a provision for rightsholders to make late claims during a period of minimum three years until a final distribution is run. Any non-distributed amount remaining following the final distribution is allocated to the general reserve for the decision of the General Assembly

Country	Type of use	Period of broadcast	Grand total
FX rate			-22'843
Australia	Cable	2001-2017	4'268
Austria	Cable	2004-2014	569'640
Bosnia	Cable	2013-2014	526'080
Canada	Cable	2009-2016	14'749
Denmark	Cable	2009-2016	436'816
General reserve	Cable	2003-2017	9'394
Hungary	Cable	2014-2017	311'542
Ireland	Cable	2013-2017	9'462'195
Iceland	Cable	2015	100'526
Israel	Cable	2006-2015	3'387'236
Lithuania	Cable	2016	156'399
Luxembourg	Cable	2015-2017	2'003'813
Mark-up countries	Cable	2004-2017	10'154
Serbia	Cable	2014-2016	657'576
Switzerland	Cable	2004-2016	851'309
The Netherlands	Cable	2015-2017	12'928'645
Finland	Educational Copying	2014-2016	240'810
Great Britain	Educational Copying	2015-2017	1'190'011
Austria	US Rightholders	2001-2014	668
Estonia	US Rightholders	2009-2016	5'107
Hungary	US Rightholders	2007-2016	522
Japan	US Rightholders	2006-2013	67'082
Latvia	US Rightholders	2011-2013	158
Lituania	US Rightholders	2004-2011	413
Poland	US Rightholders	2005-2016	8
Portugal	US Rightholders	2008-2014	503
Republic Czech	US Rightholders	2006-2015	77'224
Slovakia	US Rightholders	2004-2015	720
Switzerland	US Rightholders	2000-2015	2'197
The Netherlands	US Rightholders	2006-2015	8'567

Broadcasts in conflict**EUR 3 513 113**

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

Country	Type of use	Period of broadcast	Grand total
Austria	Cable	1993-2014	123'051
Belgium	Cable	1983-1995	160'721
Bosnia	Cable	2013-2014	1'714
Canada	Cable	1990-2016	21'848
Denmark	Cable	1986-2016	124'756
Finland	Cable	2001-2003	4'087
Hungary	Cable	2008-2017	11'639
Ireland	Cable	1989-2017	85'342
Iceland	Cable	2015	4'876
Israel	Cable	2006-2015	171'780
Lithuania	Cable	2016	4'489
Luxembourg	Cable	2001-2017	631'082
Romania	Cable	2004-2010	23'008
Serbia	Cable	2014-2016	7'735
Switzerland	Cable	1989-2016	746'542
The Netherlands	Cable	1984-2017	1'348'091
Finland	Educational Copying	2009-2016	5'814
Great Britain	Educational Copying	2007-2017	36'538

Broadcasts on blocked works**EUR 1 288 633**

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	Type of use	Period of broadcast	Grand total
Austria	Cable	1993-2013	1'545
Belgium	Cable	1985-1995	370'094
Denmark	Cable	1988-2016	9'670
Finland	Cable	2001-2003	2'772
Hungary	Cable	2008	31
Ireland	Cable	1991-2017	54'059
Israel	Cable	2006-2015	939
Luxembourg	Cable	2001-2017	67'019
Romania	Cable	2004-2010	10'715
Switzerland	Cable	1995-2016	20'434
The Netherlands	Cable	1984-2017	728'465
Finland	Educational Copying	2010	363
Great Britain	Educational Copying	2013-2017	22'527

Other provisions**EUR 1 003 491**

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	Type of use	Period of broadcast	Grand total
Austria	Cable	2004-2014	8'701
Bosnia	Cable	2013-2014	1'351
Canada	Cable	2015-2016	21'525
Denmark	Cable	2013-2016	17'171
Hungary	Cable	2014-2017	4'123
Ireland	Cable	2013-2017	78'690
Israel	Cable	2006-2015	16'564
Iceland	Cable	2015	3'155
Lithuania	Cable	2016	13'184
Luxembourg	Cable	2015-2017	30'386
Serbia	Cable	2014-2016	3'738
Switzerland	Cable	2011-2016	33'734
The Netherlands	Cable	2015-2017	724'242
Finland	Educational Copying	2015	1'057
Great Britain	Educational Copying	2015-2017	45'870

f) Fiduciary funds to be put into distribution

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 2018 was postponed pending clarification of the legal framework and authorizations in specific countries.

AGICOA Geneva
2018
EUR

Royalties collected in 2018	32 837 845
Royalties collected in 2017	3 157 738
Royalties collected in 2016 and before	4 270 494
Fiduciary funds to be put into distribution - end of year	40 266 077

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

Fiduciary funds to be put into distribution
EUR 40 266 077

Country	Type of use	Period of broadcast	Grand total
FX rate			87'998
Australia	Cable	2009-2017	26'864
Austria	Cable	1993-2017	1'283'726
Belgium	Cable	1983-1995	181'202
Bosnia	Cable	2016-2018	-142'435
Bulgaria	Cable	2011-2016	30'548
Canada	Cable	1995-2017	125'944
Croatia	Cable	2013-2017	1'431'220
Denmark	Cable	1990-2017	7'197'880
Estonia	Cable	2011-2012	98'034
Finland	Cable	2001-2003	134
France Afrique	Cable	2014-2017	90'713
Ghana	Cable	2017	1'854
Great Britain	Cable	2014-2017	7'237
Haïti	Cable	2014-2017	308'442
Hungary	Cable	2008-2018	85'531
Iceland	Cable	2017	204'035
Ireland	Cable	1998-2018	956'113
Israel	Cable	2012-2018	3'595'749
Kosovo	Cable	2011-2015	88'402
Latvia	Cable	2011-2015	133'773
Lithuania	Cable	2017	378'660
Luxembourg	Cable	2001-2014	939
Macedonia	Cable	2011-2016	302'058
Madagascar	Cable	2014-2018	342'637
Mauritius	Cable	2014-2017	712'182
Moldavia	Cable	2015-2017	2'717
Montenegro	Cable	2011-2015	218'063
Romania	Cable	2004-2010	17'146
Senegal	Cable	2014	2'208
Serbia	Cable	2011-2016	426'097
Slovenia	Cable	2018	-8'473
Slovakia	Cable	2016-2017	19'651
Switzerland	Cable	1996-2018	7'525'760
The Netherlands	Cable	1995-2018	9'315'324
Luxembourg	Catch-up TV	2016-2017	105'565
Denmark	Communication to the public in bars, cafes	2015-2017	514'615
Finland	Educational Copying	2009-2013	154
Great Britain	Educational Copying	2007-2018	1'106'255
Luxembourg	In-home	2016-2017	105'565
Denmark	TV Start from the begining	2017	243'789
Luxembourg	TV Start from the begining	2016-2017	105'565
Ireland	TV Everywhere	2017-2018	559'432
Luxembourg	TV Everywhere	2016-2017	105'566
Hungary	US Rightholders	2016-2017	2'238
Poland	US Rightholders	2016-2017	401'462
Austria	US Rightholders	2011-2016	274'734
Estonia	US Rightholders	2009-2017	43'783
Japan	US Rightholders	2006-2011	8'861
Latvia	US Rightholders	2015	17'173
Portugal	US Rightholders	2013-2016	11'300
Republic Czech	US Rightholders	2006-2016	300'031
Slovakia	US Rightholders	2016-2017	168'155
The Netherlands	US Rightholders	2012-2016	1'143'901

g) General reserve AGICOA Geneva

The general reserve has the prime purpose to fund the operating costs to run off AGICOA'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.

	AGICOA Geneva 2018 EUR
General reserve - beginning of year	8 558 848
Current year interest release	(4 133)
Realized exchange losses	(32 830)
Allocation to revaluation reserve non realized gains	129 991
Total allocation to / (release of) general reserve (refer to the statement of income on page 13)	<hr/> (93 028)
Non-distributable amount for General Assembly decision	881 944
Other movements	676 515
Foreign currency translation	565
General reserve - end of year	<hr/> 10 210 900

The breakdown of the non-distributable amount by country of collection, broadcast period and type of use is provided below.

Non-distributable amount for General Assembly decision EUR 881 944

Country	Type of use	Period of broadcast	Grand total
Australia	Cable	2009	527
Austria	Cable	2001-2003	172'015
Canada	Cable	2014	17'072
Denmark	Cable	2012	168'478
Ireland	Cable	2012	52'796
Luxembourg	Cable	2014	15'384
Switzerland	Cable	2010	201'086
The Netherlands	Cable	2014	238'334
Finland	Educational Copying	2013	3'900
Great Britain	Educational Copying	2014	12'352

h) Operating expense reserve

AGICOA is allocating costs using the Single Rate Cost Allocation Method. This method is using one cost rate to allocate the cost pool (service costs) to cost objects (production/services). This single rate method does not distinguish between fixed and variable costs and entails efficiency variances (actual costs to budget) as well as production volume variances (actual distributions to plan).

The cost pool is determined on an annual basis including the costs incurred by AGICOA Geneva as well as its Partner Organizations (the AGICOA Alliance). The production pool is determined on an annual basis as the distribution plan of first distributions by AGICOA Geneva and its Partner Organizations (the AGICOA Alliance). The single rate used for the allocating of the combined and integrated costs of the AGICOA Alliance to the first distributions in the respective countries, referred to as the international AGICOA fees, is determined annually: for 2018 this single rate was 8.35% deducted from all new rights revenue put into first distributions.

AGICOA is capturing efficiency variances and production variances in the operating expense reserve used for the calculation of the single rate of the following year. The use of operating expense reserve is subject to Board approval.

Further details: Budget and Financing as approved by the General Assembly on December 12, 2017

	Budget 2018	Actual 2018	Variances 2018	
	CHF	CHF	CHF	EUR
Operational expenditure	12 395 416 ⁽²⁾	12 282 230 ⁽³⁾	(109 183)	(97 014)
Other revenues	0	(531 103)	531 103	471 907
	<u>12 395 416</u>	<u>11 973 496</u>	<u>421 920⁽¹⁾</u>	<u>374 893</u>
Financing				
8.35 % on distributions	9 346 986 ⁽²⁾	12 156 380	2 809 394	2 496 262
Income other activities	548 430 ⁽²⁾	82 084 ⁽⁴⁾	(466 346)	(414 367)
Use of operating expense reserve	2 500 000 ⁽²⁾	2 500 000	0	0
	<u>12 395 416</u>	<u>14 738 464</u>	<u>2 343 048⁽¹⁾</u>	<u>2 081 895</u>
Total movements of the operating expense reserve			2 764 968	2 456 788

(1) Operational budget surplus returned to the fiduciary accounts.

(2) Operational budget and budget financing approved by the General Assembly on December 12, 2017.

(3) Total operating expenses (excluding depreciation) + Total Financial expenses + Direct taxes + exceptional charges

(4) Fees ad hoc mandate distribution

i) AGICOA Fees	Notes	EUR 2018	EUR 2017
Gross fees collected	(5.2)	(8 395 842)	(9 618 317)
Gross fees collected partner organizations		4 588 296	5 084 231
Allocation of the surplus for budget financing of the year		(2 138 067)	(1 399 933)
Other movements		(71 098)	(125 972)
Surplus allocated to the operating expense reserve		2 456 788	2 462 289
AGICOA fees on Geneva distributions (refer to the statement of income)		(3 559 923)	(3 306 461)
AGICOA fees on Partner distributions		(4 588 296)	(5 084 231)
Total AGICOA Fees		(8 148 219)	(8 390 692)

2 Management Report

At your service

As technology-driven change continues to redefine consumer choice and commercial possibilities at every level of the broadcast industry, AGICOA helps audio visual rightsholders secure licensed use of their works across a range of new digitally-enabled forms of content delivery.

The scope of our member support agenda broadened significantly in 2018. We began to offer extended voluntary mandates for the collective management of royalties for new digital retransmission options, and our advocacy efforts on behalf of member interests in Brussels and elsewhere in Europe helped influence a positive outcome to the EU's regulatory rethink of licensing requirements for new signal technologies and forms of content delivery.

The EU decision that new formats including mobile options should be subject to the mandatory licensing principles that apply to satellite and cable retransmission ended a period of uncertainty and reluctance by some operators to recognize new royalty obligations. The provisions of the new EU Directive – which must be implemented by nation states within two years – will strengthen the position of AGICOA members in future collective negotiations.

Demand for linear TV is declining in the face of consumer preference for time-shifted viewing options such as Catch-up, Start from the Beginning, Pause and Resume, for location flexibility and mobile access on a range of devices, and the appeal of OTT subscription programming from Netflix, Amazon Prime and alike.

The drift away from linear viewing may continue in the short-term, but its impact on future collective management agreements and revenue streams can be countered by bundling the licensing of retransmission and related digital services into bigger, more cost-efficient packages. The critical mass and the one-stop shopping options that AGICOA can provide are advantageous for platform operators as well as rightsholders.

Although the broadcast world is radically different to the one that existed when AGICOA was founded 40 years ago, our purpose is unchanged – to ensure the efficient collection and distribution of royalties to independent producers of audio visual works within the scope of agreed mandates.

While we are not the primary source of licensing revenue for audio visual producers, we can be an increasingly important supplementary one as the broadcast universe expands, demand for content increases, and consumer viewing options multiply. Our goal is to take advantage of the opportunities this will continue to create and contribute as fully as possible to the vitality of member businesses.

Our first duty is to inform members of licensing developments so they can take informed decisions about the royalty management options available to them. That

done, we aim to provide the level of service that best meets their needs. But the choice of mandate is always theirs.

Early in 2018, our portfolio teams began a round of contacts to brief rightsholders on the technological and regulatory outlook, and outlined proposals to extend AGICOA's general mandate on a voluntary basis to include a range of time-shifted and mobile retransmission formats. By year-end, 65% of those approached had opted to extend use of our services.

We also put the finishing touches to a distribution plan for revenue from these new sources. In effect, we already had a template from handling the international distribution needs of our AGICOA Alliance partners in Scandinavia where collective rights management was already mandatory for some new forms of content delivery.

In other respects, 2018 was a business-as-usual year. Despite market turbulence and a mix of old and new royalty payment challenges, distribution of revenues to members totalled €44.6m, maintaining recent satisfactory levels. Collections were down on the previous year at €45.2m pending the conclusion of on-going negotiations in some key markets.

Rightsholder demand for our services remains strong. Membership increased by 5%, totalling 18,588 at year-end, and the number of declared works and rights passed the 1.4 million mark, reaching their highest-ever levels.

AGICOA is uniquely equipped to manage transactional complexity. The state-of-the-art IT systems at its Geneva offices – nerve center of our collective management operations – monitored over two million broadcasts from 148 channels in 36 countries in 2018, matching content use to member data to initiate royalty collection and distribution processes for AGICOA Geneva and its partner organizations.

These powerful tools enable AGICOA and its Alliance partners to operate seamlessly and internationally across the complicated matrix of channels and platforms that make use of members' work. Data security is an absolute priority. Regular intrusion tests ensure exceptionally high levels of protection, and there are rapid recovery contingency plans in place to protect against physical loss or damage.

As trustees, we take pride in the prudent management of members' financial assets in transit with us. We have a duty of care to guarantee their protection and only work with leading banks that guarantee the integrity of the continuous flow of international transactions we make each year.

The objective is to 'cash out' by distributing royalty revenue as soon as possible. We conform to strict EU distribution guidelines in this respect, and also have resolution processes in place to help ensure that conflicting royalty claims are settled and blocked revenue is released as quickly as possible.

AGICOA's internal management processes are subject to ISAE 3000 scrutiny and certification of internal controls. Our operations and governance are fully aligned with the provisions of the EU Directive on Collective Management Organizations

(CMO) and with EU and Swiss data protection laws. Our annual transparency report can be accessed at www.agicoa.org.

Our operations are funded by a management fee applied to the distribution of royalty revenues. This is approved each year by the General Assembly of members, and was reduced from 9.16% to 8.35% in 2018. A further decrease to 7.96% will be applied in 2019. The General Assembly agrees an annual budget and any variance, after operating costs are deducted and any other revenue are added, is returned to rightsholder accounts. A saving of 3.40% was entirely re-allocated in this way at the end of 2018.

3 Legal and governance structure

ASSOCIATION FOR THE INTERNATIONAL COLLECTIVE MANAGEMENT OF AUDIOVISUAL WORKS (AGICOA) has been set up a non-profit association, organized corporately, in compliance with these By-Laws as well as with the Book 1, Title 2, Chapter 2 of the Swiss Civil Code (hereinafter referred to as : “AGICOA”).

AGICOA’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 individual and institutional members.

4 Remuneration of the bodies

4.1 Agicoa Management

In 2018 the remuneration of the management team amounted to CHF 1 761 959 including social charges, pension fund contributions and severance pay for an outgoing manager.

4.2 Administrative Board and its President

The Administrative Board members are entitled to payment of Per Diem, except for the President. The substitute delegates of the Administrative Board members are entitled to payment only if they replace the principle delegate of the Administrative Board member who is unable to attend a Statutory Meeting or Committee Meeting.

The President is entitled to a monthly remuneration. The remuneration of the Administrative Board members and the president is subject to social charges and

legal pension contributions for members who have not reached Swiss retirement age.

In 2018 the total remuneration of the Administrative Board and President amounted to 174 908 CHF.

5 Additional financial information

5.1 Royalties collected in 2018 per country, per broadcast period and by type of use

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 a cash basis.

AGICOA has collected in total for the fiscal year 2018 **EUR 45 187 017**

During 2018 AGICOA did not refuse to issue a license to any user.

5.1.1 Amounts collected (excluding from collecting societies)

AGICOA has collected **EUR 19 709 005**

Country	Type of use	Period of broadcast	Grand total
France Africa	Cable	2017	28'354
Ghana	Cable	2017	1'854
Great Britain	Cable	2017	3'169
Haïti	Cable	2017	113'741
Iceland	Cable	2015-2017	258'234
Ireland	Cable	2017-2018	3'512'475
Israel	Cable	2017	551'000
Latvia	Cable	2015	1'417
Madagascar	Cable	2017	5'105
Mauritius	Cable	2017	307'586
Moldavia	Cable	2017	1'029
Serbia	Cable	2016	1'053
The Netherlands	Cable	2015-2018	12'603'725
Ireland	TV Everywhere	2017-2018	559'432
Austria	US Rightholders	2016	136'269
Estonia	US Rightholders	2016-2017	41'576
Hungary	US Rightholders	2016-2017	2'238
Latvia	US Rightholders	2015	17'173
Portugal	US Rightholders	2013-2016	11'300
Republic Czech	US Rightholders	2016	296'493
Slovakia	US Rightholders	2017	111'881
The Netherlands	US Rightholders	2012-2016	1'143'901

5.1.2 Amounts collected from collecting societies

AGICOA has collected

EUR 25 478 019

Country	Type of use	Period of broadcast	Grand total
Vam - Austria	Cable	2008-2017	2'089'149
Screenrights - Australia	Cable	2010-2017	13'045
Filmautor - Bulgaria	Cable	2012-2016	19'829
CRC - Canada	Cable	2015-2017	119'252
DHFR - Croatia	Cable	2013-2017	1'431'220
PRD - Denmark	Cable	2011-2017	7'197'055
Filmjus - Hungary	Cable	2017-2018	246'418
Avaka - Lithuania	Cable	2017	334'539
Algoa - Luxembourg	Cable	2017	2'529'414
Suissimage, Swissperform - Switzerland	Cable	2011-2016	8'074'207
Videma - The Netherlands	Cable	2013-2016	1'046'601
Algoa - Luxembourg	Cash-up TV	2016-2017	105'565
PRD - Denmark	Communication to the public	2015-2017	203'705
ERA - Great Britain	Educational Copying	2018	1'106'067
Algoa - Luxembourg	In home	2016-2017	105'565
Algoa - Luxembourg	TV Everywhere	2016-2017	105'565
PRD - Denmark	TV Start from the beginning	2017	243'789
Algoa - Luxembourg	TV Start from the beginning	2016-2017	105'565
ZAPA - Poland	US Rightholders	2016-2017	401'462

5.1.3 Income arising from the investment of rights revenue

Investment income over rights revenue collected to be put into distribution (refer 1.2.4 note f on page 20) is added to the rights revenue put into the first distribution. The income arising from investments on any other liabilities (refer 1.2.4 note b-c-d-e-g-h) is attributed to the general reserve.

AGICOA is very prudent and is holding the fiduciary assets essentially on current accounts and term deposit accounts.

In 2018 AGICOA incurred minor negative interests (4 979.51 EUR).

5.2 AGICOA fees

Below provides further details on 1.2.4 note i on page 24 and includes a breakdown of the AGICOA fees per country, broadcast period and type of use. As explained above under 1.2.4 note h on page 23, the AGICOA fees correspond to the annual single rate deductions applied to all new rights revenue put into distribution for a given year. For 2018, this percentage was 8.35% for cable, educational copying and hotel distributions and 5% for the other type of use distributions as per the General Assembly's resolution dated December 12, 2017.

Country	Type of use	Period of broadcast	Grand total
Australia	Cable	2009-2017	5'558
Austria	Cable	2008-2014	67'267
Belgium	Cable	2014-2017	2'303'752
Canada	Cable	2014-2016	9'847
Denmark	Cable	2011-2016	597'292
Hungary	Cable	2016-2017	24'652
Ireland	Cable	2013-2017	325'005
Iceland	Cable	2015	23'524
Lithuania	Cable	2016	33'157
Luxembourg	Cable	2017	211'206
Mark-up countries	Cable	2017	19'431
Norway	Cable	2016	202'034
Poland	Cable	2017	989'609
Portugal	Cable	2017	369'661
Serbia	Cable	2015-2016	10'570
Slovenia	Cable	2010-2016	383'878
Sweden	Cable	2015-2017	293'321
Switzerland	Cable	2011-2016	621'163
The Netherlands	Cable	2014-2017	1'689'598
Finland	Educational Copying	2016	13'369
Great Britain	Educational Copying	2017	86'213
Norway	Educational Copying	2016	4'291
Portugal	Hotel	2016	41'750
Estonia	US Rightholders	2015-2016	1'255
Hungary	US Rightholders	2014-2016	433
Latvia	US Rightholders	2012-2013	1'394
Poland	US Rightholders	2016	15'810
Portugal	US Rightholders	2014	75
Republic Czech	US Rightholders	2015	10'996
Slovakia	US Rightholders	2015	3'328
Switzerland	US Rightholders	2000-2015	13'934
The Netherlands	US Rightholders	2007-2015	22'469

5.3 Amounts put into distribution

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

Amount put into distributions (net of AGICOA fees)

EUR 43 809 812

Country	Type of use	Period of broadcast	Grand total
Australia	Cable	2009-2017	62'252
Austria	Cable	2008-2014	800'842
Belgique	Cable	1983-1995	174'215
Canada	Cable	2014-2016	123'048
Denmark	Cable	2012-2016	6'643'949
Hungary	Cable	2016-2017	270'580
Ireland	Cable	2012-2017	3'569'532
Iceland	Cable	2015	258'205
Lithuania	Cable	2016	363'931
Luxembourg	Cable	2014-2017	2'322'046
Mark-up countries	Cable	2017	213'274
Serbia	Cable	2015-2016	116'018
Switzerland	Cable	2011-2016	7'184'042
The Netherlands	Cable	2014-2017	19'097'803
Finland	Educational Copying	2016	146'733
Great Britain	Educational Copying	2014-2016	950'138
Estonia	US Rightholders	2015-2016	30'428
Hungary	US Rightholders	2014-2016	9'503
Latvia	US Rightholders	2012-2013	33'468
Poland	US Rightholders	2016	247'687
Portugal	US Rightholders	2014	1'799
Republic Czech	US Rightholders	2015	263'904
Slovakia	US Rightholders	2015	52'275
Switzerland	US Rightholders	2000-2015	334'897
The Netherlands	US Rightholders	2007-2015	539'246

5.3.1 Distribution plan

The distribution plan 2018 has been fully realized at the end of December 31 except for the Finnish distribution for cable.

To speed up the cash-out process, AGICOA has had two multi-country distributions in June and in December.

5.3.2 Payments to rightsholders

At the end of the year, AGICOA Geneva has paid out more than 44.6M EUR to rightsholders.

38M EUR (85.5%) have been paid over four distributions: The Netherlands, Switzerland, Denmark and Ireland.

5.3.3 Amounts paid to other collecting societies

ANGOA	2'678'801
APFI	24'265
BAVP	701'540
EGEDA	87'050
FILMAUTOR	-
FILMJUS	11'805
FRF	735'120
GEDIPE	62'960
GWFF	117'132
PACC	1'743
PRD	113'345
SCREENRIGHT	351'766
SEKAM	23'417
SUISSIMAGE	13'303
VAM	36'916
VG BILD KUNST	5'892
VGf	97'011
ZAPA	6'876