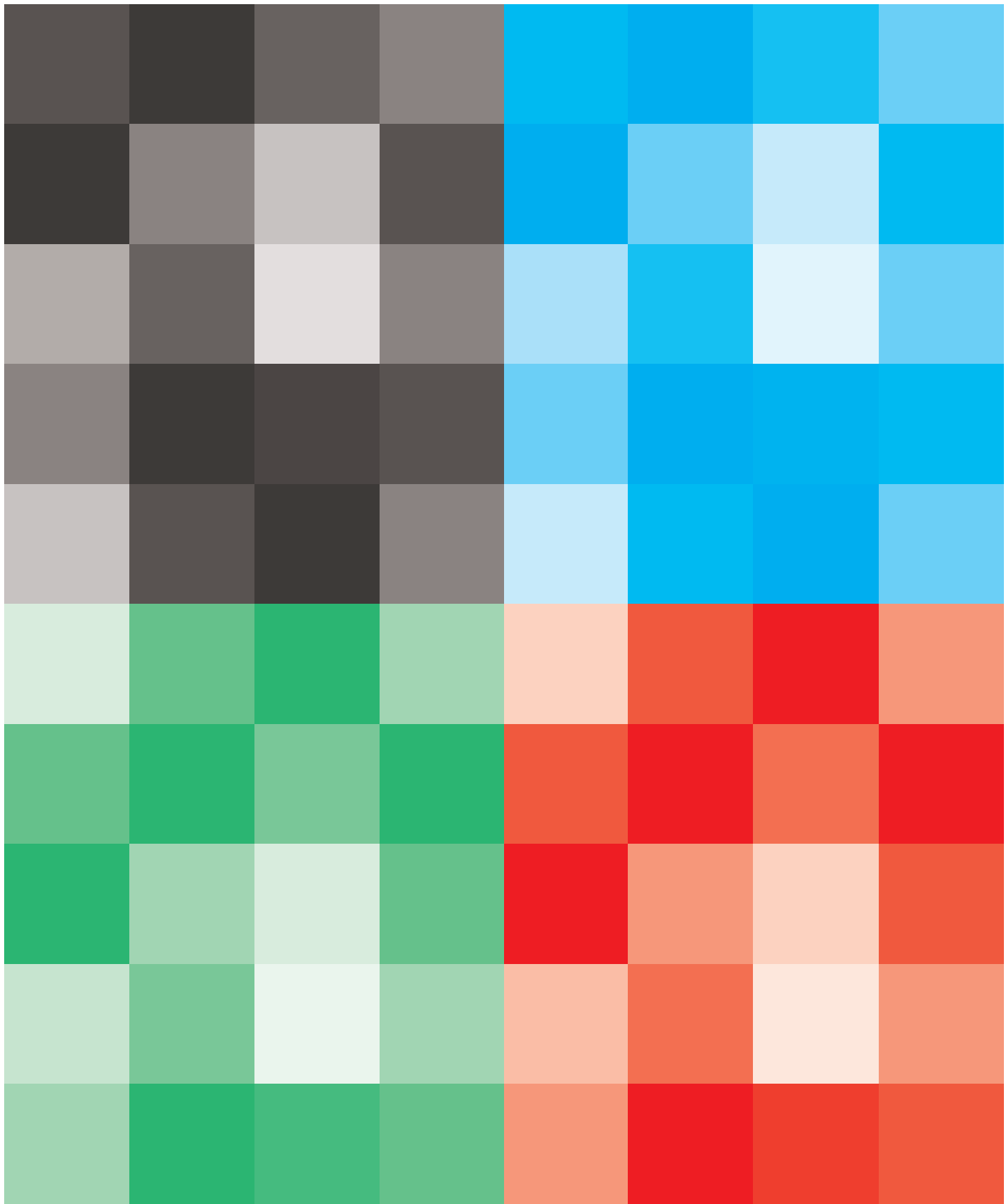


# ANNUAL REPORT 2013



# CONTENTS

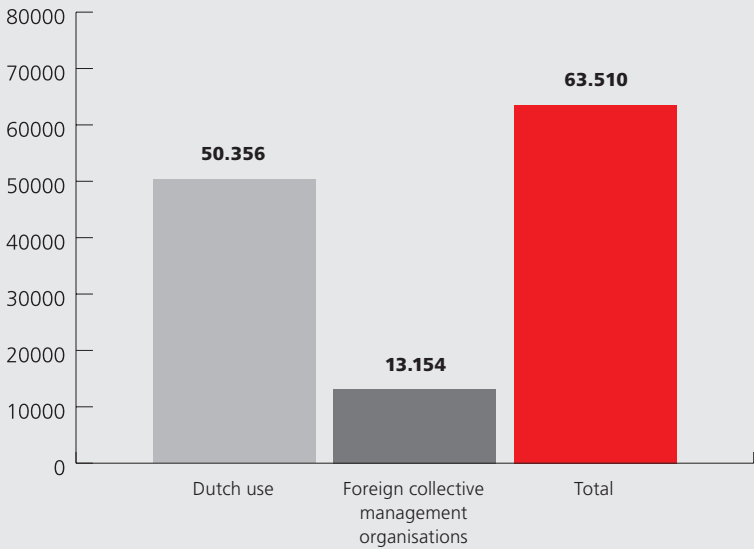
---

KEY FIGURES 2013	4
REPORT OF THE EXECUTIVE BOARD	6
REPORT OF THE SUPERVISORY BOARD	12
REPORT OF THE BOARD OF AFFILIATES	14
SOCIAL-CULTURAL PROJECTS	18
MUSIC WORKS	20
NOTES TO THE RESULTS 2013	24
Public Performance	25
Broadcasting Revenue	26
International	30
Private copying	31
KEY FIGURES	32
DISTRIBUTION	36
OPERATIONS	37
Budget 2014	37
ABOUT SENA	38
ANNUAL ACCOUNTS 2013	43
CASH FLOW STATEMENT 2013	45
BALANCE SHEET AS PER 31 DECEMBER 2013	46
STATEMENT OF INCOME AND EXPENDITURE	48
OVERVIEW MUTATIONS DISTRIBUTABLE LICENCE INCOME	49
CONSOLIDATED ACCOUNTING PRINCIPLES	52
NOTES TO THE CASH FLOW STATEMENT	54
NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2013	55
CURRENT LIABILITIES	60
NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE	64
OTHER INFORMATION	66
Subsequent events	66
Independent auditors' report	67
PERSONAL DATA AND RELEVANT ACTIVITIES	70
ANNEXES	74

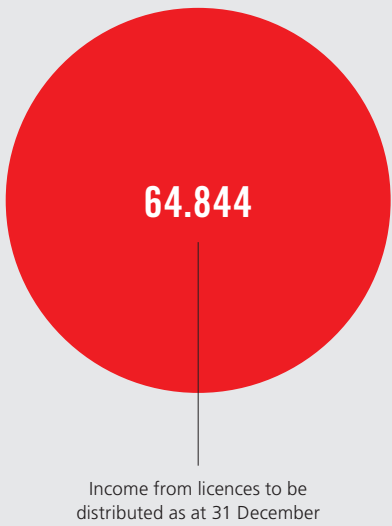
# KEY FIGURES 2013

(AMOUNTS IN THOUSANDS OF EUROS)

## INVOICED LICENCE FEES



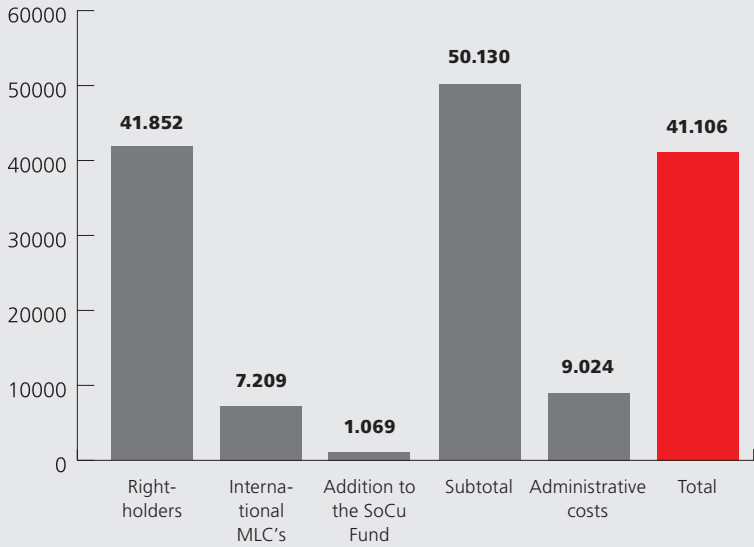
## LICENCE INCOME TO BE DISTRIBUTED



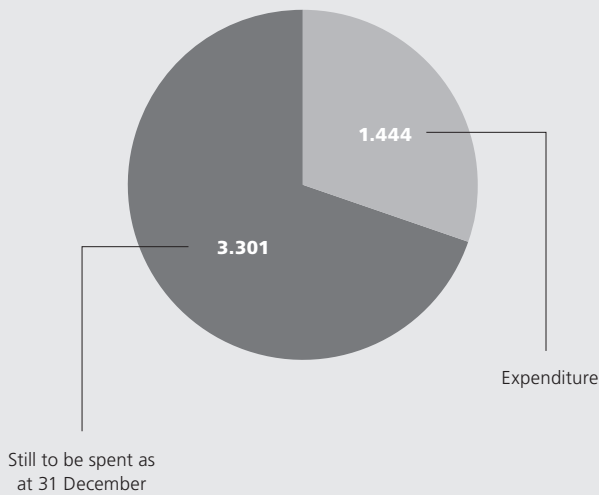
## OPERATING ACCOUNT



## DISTRIBUTION



## SOCIAL-CULTURAL OBJECTIVES



## KEY FIGURES



Number of invoiced users



Number of right-holders



Number of right-holders with distributed funds



Derived consumer price index, June 2012 - June 2013



Percentage of actual costs withheld



Operating expenses (net) as a percentage of total licence income



Operating expenses (gross) as a percentage of total licence income



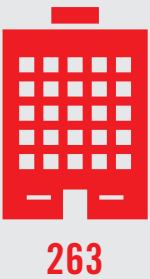
Operating expenses (gross) as a percentage of total distributions



Increase in operating expenses



Annual movements of operating expenses



Number of employees in FTE



**TOTAL 42.9**

# REPORT OF THE EXECUTIVE BOARD

## TWO DECADES

Over twenty years ago, the Dutch Neighbouring Rights Act (“Wet op de naburige rechten” (WNR)) came into force. This means that Sena has represented the rights of performers and producers with heart and soul for two decades by now. A task that still grows in importance. Apart from that, 2013 was a year in which we managed to optimise a considerable number of administrative processes. Sena will strive continuously for improvement of its performance and for the appreciation of the quality of its services.

Despite the difficult economic conditions, Sena’s financial results show an improvement compared to 2012. The trend of growing revenues has also continued last year. Total licence income increased with more than 9 percent. Cash receipts even reported a greater increase of 16 percent. This constitutes a record amount; € 66 million. Never before has Sena realised a higher amount of cash receipts. For about two thirds, this can be attributed to Dutch collection income. Obviously, this is the result of an increase in licence income; still, the diminished debtor position made a contribution of at least equal importance. During the year under review, a number of process changes has been implemented, as a result of which the average number of days that Sena’s invoices are outstanding, has decreased by 17 to 33. The distributions as a result of Dutch collection also increased by 9 percent. Even though the costs have increased compared to 2012 in absolute terms, the cost percentage (operating expenses including the financial result and miscellaneous income, divided by total licence income) has remained constant, at 9.5 percent. Netted of the financial result and miscellaneous income, the cost percentage shows a slight decrease with 0.7 percent. Compared to the budget, the actual costs showed a decrease with 2.7 percent. The deficit due has been decreased from € 11.1 million at the end of 2012 to € 6.2 million at the end of 2013. In the opinion of the Executive Board, this is a performance to be genuinely proud of. Nonetheless, we will have to strive continuously for further improvement. The withholding percentage over 2013 remained unchanged, at 16 percent. Until the moment that the deficit due is eliminated, it is necessary to employ a higher withholding percentage than the actual cost percentage. Around the turn of the year from 2015 to 2016, the deficit due will have been fully cleared. This is partly dependent upon the size of the non-claimed funds as at the closing of the claiming period of the music years 2008, 2011 and further.

## RENEWAL OF THE COLLECTIVE MANAGEMENT ORGANISATION QUALITY MARK

For the third year in a row, Sena has met the quality mark’s criteria, as well as the principles and best practice provisions of the Guidelines for good governance and integrity for collective management organisations (CMO’s). On the basis of an audit by

the Dutch Certification Institute on 13 August 2013, Sena’s CMO quality mark has been renewed with another year. In accordance with the quality mark’s criteria, Sena provides an insight into its key figures 2013 and its multi-annual distribution obligation by means of its annual report and its annual accounts.

## DUTCH ACT ON THE SUPERVISION OF COLLECTIVE MANAGEMENT ORGANISATIONS

The CMO quality mark, which has been developed by VOI©E - the trade association of Dutch collective management organisations for copyrights and neighbouring rights - intends to provide self-regulation for a major part of the supervision of CMO’s. Organisations must be capable of supervising their own functioning in a collective manner. At the same time, the Dutch government deemed it necessary to add further detail to the supervision of CMO’s by means of tightening the Dutch Act on the supervision of and dispute resolution regarding collective management organisations of copyrights and neighbouring rights (“Wet toezicht collectieve beheersorganisaties auteurs- en naburige rechten”) of 2003. This new act entered into force on 1 July 2013.

It is the opinion of the State Secretary for Security and Justice, Mr Teeven, that the sector’s growing economic importance justifies a much stronger independent supervision of the activities of collective management organisations<sup>1</sup>. Despite the fact that Sena endorses the importance of high-quality supervision from the government, it is also of the opinion that the recently approved legislation is somewhat overdone.

In November 2013, the proposal for a directive of the European Union on the collective management of copyright and related rights was published. This directive provides for a number of minimum criteria regarding the governance and the supervision of CMO’s in all EU member states. The newly approved Dutch legislation is much stricter than the proposed EU directive.

Sena is of the opinion that the borders between the member states within the European market will lose more and more of their importance over the coming years. This is partly related to the digital distribution of music services via the Internet. This development may also lead to a situation in which neighbouring rights organisations will increasingly court for the favours and mandates of performers and producers internationally. Sena is not afraid of this competition; on the contrary, it has been preparing itself for this for quite some time now. However, this does require a level playing field with the neighbouring rights organisations in the other EU member states.

<sup>1</sup> Source: www.rijksoverheid.nl.

The Dutch Act on the supervision of collective management organisations imposes much more obligations on Sena than the proposed EU directive. This will lead to higher costs for Sena, compared to sister organisations in other EU member states. If we want to compete with these organisations for the solicitation of right-holders, the level of the costs and/or the withholding percentage is of utter importance. Because of the obligations pursuant to the Dutch Act on the supervision of collective management organisations, Sena will have a serious backlog compared to the international competition and, obviously, this is hardly desirable.

## “NEVER BEFORE HAS SENA REALISED A HIGHER AMOUNT OF CASH RECEIPTS.”

### POLICY PLAN 2013-2015

In 2013, both Sena’s Supervisory Board (SB) and Sena’s Board of Affiliates (BoA) approved the Board’s Policy plan entitled “Making music worthwhile”. In the plan, Sena’s management team has identified three pillars for the period 2013-2015: Professionalisation, Digitisation and Internationalisation. These three pillars provide the foundation on which a large optimisation process has been initiated for the coming policy period. Key terms in this respect are a high level of service and a high level of efficiency. Sena’s umbrella mission is to make the value of music manifest to all its stakeholders.

### PROFESSIONALISATION

An important first step in creating added value has been the establishment of the renewed Music Works platform. On [www.muziekwerkt.nl](http://www.muziekwerkt.nl), entrepreneurs can gain insight into the advantages that the right use of music may offer their company or organisation. This illustrates the high return on an investment in a music licence. The argumentation will be extended during the coming period, among other things by (commissioning) an independent study into the value of music. Where possible, we will cooperate with copyright organisation Buma/Stemra in order to achieve the greatest possible impact.

In 2013, Sena started a project to obtain the ISAE 3402 certificate for its distribution process. ISAE 3402 is an international norm for the outsourcing of dataprocessing and guarantees a correct execution of financial and IT processes. As the first CMO in the Netherlands, Sena has recently obtained a Type 1 certificate. In 2014, this project will be followed up with the purpose of obtaining a Type 2 certificate. This way, right-holders will get an additional confirmation of the reliability of Sena’s distribution process.

Motivated in part by the results of a satisfaction survey conducted among various groups of stakeholders in 2012, a more detailed specification will now be provided in addition to the regular payment statements, should a right-holder request Sena to do so.

### DIGITISATION

At the end of 2013, investments were made in IT hardware, through which a clear separation between the product and the test environment has been realised. This way, Sena’s computer

infrastructure has been prepared to facilitate future developments. MySena, the online portal for right-holders, has been evaluated in consultation with a group of directly involved right-holders. During this process, the portal’s operation, structure and speed have been thoroughly assessed. Where possible, simplifications were made. Furthermore, information has been grouped in a more logical manner. Also in this respect, transparency and user-friendliness for the right-holders were our main priorities.

With the introduction of the renewed MySena, right-holders can now register their repertoire more easily at Sena. In order to achieve further optimisation of its services, Sena has decided to accept only digitally registered repertoire as from 1 January 2014. This will enable the organisation to process its data faster and more accurately, as well as to do so at lower costs. This will allow us to further speed up the process of distribution in the future.

An important software adjustment has been implemented in the distribution system IRIS. This project, under the name of Transaction Database, will ensure that right-holders have a better insight into the history of their Sena payments. This will also enable unlocking playing information at broadcast station level for right-holders in the near future.

It is Sena’s intention to create an optimal balance between efficiency and accuracy, along with maximum transparency for its right-holders. In this, Sena is well aware of the fact that providing more information may also lead to more questions from the part of its right-holders. Having to deal with a greater volume of queries will put extra pressure on our efficiency and may easily boil down to higher operating expenses.

Pursuant to the Dutch Neighbouring Rights Act, Sena has been appointed - to the exclusion of all others - to collect an equitable remuneration for the communication to the public of commercial phonograms. Making commercial phonograms available is the exclusive right of the record companies. As a result of digitisation, new types of distribution which are a mixture of communication to the public and making available, increasingly emerge. It is Sena’s intention to facilitate new initiatives where possible, provided that sustainable and cost-effective exploitation is in sight, so that an equitable remuneration can be paid for the music licence. Obviously, proper coordination with the record companies as well as their trade association, NVPI, is a prerequisite for operating on the basis of voluntary mandates.

### INTERNATIONALISATION

Digital music services are to a lesser extent bound to national borders than their more traditional linear types of communication to the public. It is Sena’s ambition to provide multi-territorial licences in good cooperation with foreign neighbouring rights organisations. Sena aims to contribute actively to the international neighbouring rights sector and to promote the interests of its Dutch right-holders abroad as well as possible. Therefore, Sena has manifested itself in the international arena for quite some time now. The termination of the cooperation with Rights Agency Ltd, which was already announced in 2012, will take effect in a number of countries in 2014. However, Sena’s foreign mandates provide the organisation with an unchangedly strong position in two of the three largest music markets in the world, namely Japan and the United States.

In 2013, considerable efforts have been made to obtain the Qualified Intermediary (QI) status, which is granted by the American Internal Revenue Service (IRS). Organisations that are in possession of the QI status are entitled to payments without withholding tax (30 percent) by Sound Exchange, AARC and AFM/AFTRA in the United States. Still, this is subject to very strict conditions. To cover its administrative costs, Sena withholds 7.5 percent from the funds collected from Sound Exchange. This means that the net distribution to the right-holders is still 32 percent higher than in the case where Sena would not possess a QI status. To this end, right-holders are required to submit all necessary documents to Sena. In practice it has been shown that the processing time of all required data is considerable. Therefore, Sena has decided to allow all right-holders involved more time to collect and submit the necessary evidence. For that reason, American funds that were collected in the three last quarters of 2013, have been blocked from distribution. This explains why foreign collections in the amount of € 5.2 million have not been distributed in 2013.

Within the scope of international cooperation, Sena employees have participated in two IT projects, namely VRDB 2.0 (Virtual Repertoire Database) and IDMT (International Data Management Tool). These projects should result in more standardised and efficient procedures with respect to both the registration of repertoire and the international exchange of funds.

In the field of international licensing, a first step has been made in 2013 in the form of an agreement at IFPI (International Federation of the Phonographic Industry) level. This agreement allows for pan-European licensing of small-scale music use on commercial websites. Small-scale business users of music on websites are no longer required to seek the permission of right-holders in various countries. As from December 2013, they can apply for a single pan-European licence from Sena or any other music licensing company (MLC).

COMMERCIAL DEVELOPMENTS

During 2013, it again appeared not to be feasible for the joint collecting organisations to come to an agreement with RODAP (Rechtenoverleg Distributeurs van Audiovisuele Producties) about a one-stop-shop for the entire audiovisual sector. RODAP challenges the claims from a few of Sena’s peer copyright collecting organisations and claims more copyrights for the same amount of money, or for even less.

Despite the various meetings and considerable efforts, 2013 has brought only stagnation with respect to the possibility to come to an agreement with the broadcasting stations. At the end of 2013, the negotiations were even broken off. Subsequently, the negotiations with Netherlands Public Broadcasting (NPO) and the individual commercial broadcasting stations have been resumed. As yet, these negotiations are focussed on the traditional manner of communication to the public, within RODAP referred to as basic media services. This concerns linear broadcasts as well as the free offer of missed broadcasts (“Uitzending Gemist”). For other types of broadcasts and content distribution for which the consumer pays separately, the so-called extra media services, a mediation path has been initiated in order to pave the way for a constructive outcome that can be supported by all parties involved. However, with respect to these extra media services,

there is a complicating factor for Sena because, dependent upon the type of distribution, this may concern exclusive rights of record companies. Sena must first obtain a voluntary mandate for this first, if it wants to be able to license these services at all.

Sena is also negotiating with NPO in order to conclude an agreement for the coming years. Obviously, the far-reaching reforms that NPO has to implement, play a prominent role in these negotiations. Sena expects to conclude these discussions and sign a new agreement in 2014.

DANCE

In October 2013, The Court of First Instance of The Hague reached a decision in the protracted conflict between Sena and the organisers of dance events. Requested to establish an equitable remuneration, the Court decided that the organisers of dance events should pay 1.5 percent of their box receipts to Sena for the music they play during their events. On the basis of this court decision, both parties came to an agreement for both past and future years early December. Unfortunately, it appeared the very same month that the organisers of dance events wanted to keep the possibility of lodging an appeal, which undermined, in the opinion of Sena, the negotiated result that was previously achieved. Nonetheless, Sena is confident that it will be successful in any further proceedings.

USE OF MUSIC BY COMPANIES

Agreements with the Copyrights Platform (Platform Auteursrechten) of VNO-NCW Confederation of Netherlands Industry and Employers and with the Royal Association MKB-Nederland have been closed in good cooperation with various trade organisations and companies with various branches, resulting in a revised collective licensing agreement as per 2013. Some organisations refrained from continuation of the collective agreement because they were no longer capable of fulfilling their administrative duties, such as timely delivery of data or payment of an invoice on behalf of all participating members of the collective agreement. Various trade organisations saw their membership drop, partly as a result of an increasing number of reorganisations and liquidations.

Music licences that are not part of a collective agreement, are dealt with by the Copyright and Neighbouring Rights Service Centre, the joint venture of Sena and Buma. On an annual basis, the Service Centre invoices approximately 120,000 companies. Even though there were some cautious signs of economic recovery, the number of bankruptcies increased with 9.75 percent to 9,456 companies, including one-man businesses, compared to 2012.<sup>2</sup> Both the retail and the construction sector were hit relatively hard. Naturally, the consequences also made themselves felt to the Service Centre.

Within the Service Centre, the collaboration with Buma is to everybody’s satisfaction. More and more companies are making use of www.mijnlicentie.nl. This online web portal, where music licences can easily be obtained, has been subjected to a user test in 2013. The portal will be optimised in terms of functionality and user friendliness by mid 2014.

<sup>2</sup> Source: Statistics Netherlands (CBS)

The Service Centre’s business model has been taken more and more as an example for international copyright and neighbouring rights organisations. Throughout the year under review, Sena and Buma have repeatedly given an account of their collaboration.

COMPLAINTS AND DISPUTES

In 2013, a total of fifty-five complaints was filed: four to Sena’s Legal department, five to Sena’s Distribution department and forty-six to the Copyright and Neighbouring Rights Service Centre. Out of these forty-six complaints to the Service Centre (an equivalent of 0.04 percent of the total number of invoices sent) thirty complaints were taken over and dealt with by Sena. In 2012, the total number of complaints received was higher. In that year, a total of ninety-eight complaints was filed, which can be divided as follows: six to Sena’s Legal department, thirty to Sena’s Distribution department and sixty-two to the Copyright and Neighbouring Rights Service Centre, of which twenty complaints were taken over and dealt with by Sena. At the end of 2012, two complaint files with respect to music users were still open. These files have been closed at the beginning of 2013. Particularly, the decrease of the number of distribution complaints is striking. However, a single distribution complaint may refer to multiple tracks. Complaints can be filed if a right-holder or a music user is dissatisfied with Sena’s services or if a right-holder or music user does not agree with a decision by Sena or the fees that have been charged.

PLAYLIST PROCESSING

Starting from 2014, Sena will not fully process all repertoire submitted, but only the repertoire that has actually been played. Daily practice reveals that more than two thirds of the repertoire registered at Sena, does not have any airplay on the more than forty playlist sources that are being processed by Sena. This means there are also no payments made on these tracks. All registered repertoire is checked when entered; thus, the repertoire can be matched with any repertoire played. After that, the focus will be on further processing the repertoire data of the played repertoire. As from 2013, the number of playlists to be processed, has been extended. As a consequence, all playlists from national radio stations which have a minimum market share of 0.3 percent and are affiliated with the National Listen Survey (“Nationaal Luisteronderzoek”, NLO), will be processed. Delivery of the play data is the responsibility of the media operators. To come to an accurate distribution, it is of key importance that these playlists are of a proper quality. As a result of some queries and complaints by right-holders during 2013, the quality of the playlists as delivered by a number of parties has been questioned. In 2013, Sena has therefore performed an audit on the playlist data from 2011. In addition, a number of providers of finger printing systems has been submitted to a skills test. In 2014, Sena will do everything to guarantee the quality of the playlists. In this respect, Sena has expressed its preference for a partnership in which media operators will jointly organise the delivery of play data in close consultation with copyright and neighbouring rights organisations. This way, the harmonisation of source data can be guaranteed.

ORGANISATION

During the implementation of the new governance structure in 2012, it was decided that the statutory term of the chairman of the Supervisory Board would terminate at 31 December 2013. During a large part of Sena’s existence, Ed Nijpels has given his efforts to our organisation, first as chairman of the Executive Board and subsequently as chairman of the Supervisory Board. With a great deal of passion, he has represented the case of neighbouring rights and defended its necessity. Sena owes him a great deal of gratitude. At his farewell, Ed Nijpels was awarded the Silver Phonograph by NVPI because of his great merits for the Dutch music industry. As from 1 January 2014, Aleid Wolfsen has taken his place as chairman of the Supervisory Board. On behalf of all of Sena’s affiliates, he will perform the independent supervision of the functioning of the Executive Board.

In view of further professionalisation of the organisation, we decided in 2013 to implement a separation within the distribution department. We have established a front-office, the Relation Management department, and a back-office, the Data Processing department. Furthermore, we have expanded the capacity of our IT department and adjusted the management of our Finance and administration department. These planned organisational changes have led to a cost increase compared to 2012, which was, however, provided for in the budget. Following these changes, the portfolios of the two Executive Board members have been redivided in a more balanced manner.

The professional and personal development of Sena’s employees is a vital link within our plans to achieve the objectives of our organisation. For this reason, we have invested in a field-oriented training programme and, in addition, we have started the Sena Leadership Programme.

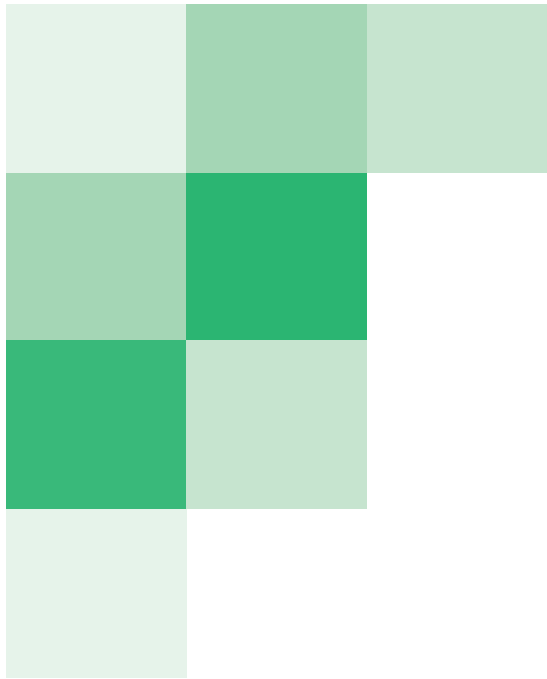
At the occasion of the twenty-year anniversary, Sena rolled out a radio campaign in the first week of July. During that month, a relations event was organised as well. During 2013, Sena has also started to manifest itself more expressly on social media.

The budget for the operating expenses for 2014 has been fixed at an amount of € 7.5 million (exclusive of financial and miscellaneous income). Sena has set itself some ambitious objectives for 2014, which are mainly focussed on further growth of the licence income, the cash receipts and distributions to right-holders. Our organisation can only achieve these objectives with the professional and incessant efforts of all Sena employees. Therefore, we would like to express our deepest gratitude to all for the performances they have delivered during 2013.

Markus Bos  
Hans Moolhuijsen

Hilversum, 7 March 2014





KEANE  
SOVEREIGN LIGHT CAFE  
SILENCED BY THE NIGHT

# TOP 10 ROCK

INTERNATIONAL

1  
I FOLLOW RIVERS - TRIGGERFINGER

2  
**SOVEREIGN LIGHT CAFÉ - KEANE**

3  
**SILENCED BY THE NIGHT - KEANE**

4  
JUST SAY YES - SNOW PATROL

5  
HEY THERE DELILAH - PLAIN WHITE T'S

6  
DON'T YOU (FORGET ABOUT ME) - SIMPLE MINDS

7  
WITH OR WITHOUT YOU - U2

8  
RADIO GA GA - QUEEN

9  
GUARDIAN - ALANIS MORISSETTE

10  
DREADLOCK HOLIDAY - 10CC



# REPORT OF THE SUPERVISORY BOARD

In this report, account is given of the policy that has been pursued and the supervision that has been exerted over the first full calendar year in which the new governance structure implemented mid 2012, was in effect. I do so on behalf of the entire Supervisory Board, even though I was not part of it myself during the year of 2013.

First, I would like to give it a moment's thought that Hans Kosterman was forced to resign his position as a member of the Supervisory Board as well as his position as editor-in-chief of the Sena Performers Magazine for health reasons. Ever since Sena's establishment, Hans Kosterman has given his efforts to the organisation in an unflagging manner and with uttermost commitment. We owe him a great deal for everything he has achieved. The representatives of the Performers' Section have decided to appoint Willem Wanrooij as his replacement in the Supervisory Board as per 13 September 2013.

As from 1 January 2014, I have succeeded Ed Nijpels, who served Sena for more than 18 years, first as chairman of the Executive Board and subsequently as chairman of the Supervisory Board. From my position, I would like to express my gratitude to Ed Nijpels once more on behalf of the Executive Board and the Supervisory Board for his important contribution to the development that has brought Sena to where it is now. Over twenty years, the Sena organisation has developed itself from a pioneer into an established name among performers and record companies, also in the international arena. During the previous year, Sena has worked hard to further develop this position and to try and make the shift to a service organisation for all stakeholders involved.

This happened under extremely hard circumstances. The unremitting economic slow-down has resulted in decisive measures with respect to the state budget – measures in which the cultural sector was definitely not spared.

“TO THIS END, ARTISTS SHOULD BE ABLE TO BRING COPYRIGHTS ON THEIR WORK IN EFFECT, WITHOUT BEING OUTLAWED ON THE INTERNET”.

<sup>3</sup> Source: VOI@E newsletter, 14 December 2013.  
<sup>4</sup> Source: “Pop, wat levert ‘t op?” A study by IVA Beleid & Advies, University of Tilburg, 2009.

According to Melle Daamen, member of the Dutch Council for Culture, the Dutch cultural order is too large and too fragmented. It has been outpaced by globalisation and paves the way for non-committal consumption of the supply. On the basis of its current policy of subsidisation, the government would in general lull entertainers, performers and artists asleep. This would impede innovation and a free market. Pim van Klink, chairman of the Dutch Federation of Copyright, has suggested, in a reaction to Daamen's commentary<sup>3</sup>, that the government should enable citizens to appreciate art on its own conditions and should create the preconditions under which artists may generate income with their own products. Van Klink: “To this end, artists should be able to bring copyrights on their work in effect, without being outlawed on the Internet”.

This latter quote evidently also refers to the importance of Sena's activities. First of all, this concerns Sena's obvious task of protecting neighbouring rights. Approximately 20,000 performers and more than 3,500 producers, both national and international, are registered with Sena and thus express their trust in Sena's ability to collect a maximum compensation for the communication to the public of recordings of their performance, their music. All types of communication to the public need to be considered in this respect, ranging from traditional linear to newer digital types. Therefore, Sena will try and come to further arrangements in close consultation with all relevant parties to expand its mandates. For producers, Sena's distributions constitute an indispensable source of income, enabling them to still achieve a sound operational income despite a protracted economic slowdown, and thus to (re-)invest in new talent. For musicians, the Sena distributions are a sorely needed addition to their income. The average (pop) musician only earns some € 12.000 per year with their music<sup>4</sup>. Logically, they will have to find other forms of income by means of second jobs. It is estimated that 64 percent of all performers in the Netherlands needs a second job to keep their heads above water financially.

In addition, Sena's Performers' Section has a very active social and cultural (SoCu) policy. This does not just encourage art consumption, but also creates the preconditions for artists to be able to support them-selves (in part). Each year, a large number of initiatives in the social-cultural sector, ranging from music festivals to the possibility of making a professional record, is financially supported.

This way, Sena literally offers various stages for its right-holders, all to the enjoyment of 'consumers'. Sena's Performers' Section is of the opinion that performing artists should be able to make a decent living. Unfortunately, they experience far too often that organisations of festivals and other musical events offer no or hardly any fee. This is unacceptable to them. For this reason, the section established a minimum fee for each artist who performs at a stage which is financially supported by Sena.

**SUPERVISORY BOARD**  
The Supervisory Board was convened five times over 2013. During the meeting in March, the Annual Accounts 2012 were approved and the auditors' report and the Management Letter were discussed in the presence of the accountant. In May, a positive resolution was passed in order to grant discharge to the Executive Board. In addition, the profile of the new chairman of the Supervisory Board was established and the Policy plan 2013-2015, as prepared by Sena's management team, was approved. In August, the Management Regulations were established, and the biannual report as well as the outlook for 2013 were explained by the Executive Board to the Supervisory Board. During the meeting of the Supervisory Board in October, the budget for 2014 was discussed and approved. At the last meeting in 2013 in December, the Supervisory Board evaluated its own functioning and the members of the Supervisory Board with power of appointment appointed the new independent chairman.

Other topics that were on the agenda during the year, included the annual report 2012 of the Copyright and Neighbouring Rights Service Centre, the consequences of the implementation of the revised Dutch Act on the supervision and dispute resolution as from 1 July 2013 and the status of the negotiations with various organisations. Further, the remuneration committee and the audit committee reported their findings to the other members of the Supervisory Board. Special point of attention for the Supervisory Board was a number of risk management measures that were taken by Sena during 2013, including the implemented security optimisation of Sena's IT platform, Sena's policy with respect to liquid assets that are in administration, and the procedure to obtain the ISAE-3402 certificate. During 2013, Sena has actively requested cable operators to provide auditors' reports in support of their invoicing. The Supervisory Board will be consulted on risk mitigation measures in 2014 as well.

The optimisation process initiated in 2013, will enhance the organisation's capabilities to perform its two core activities – the collection of licence fees for the communication to the public of music and the distribution of these fees to the rightful owners against the lowest possible costs – as effectively as possible. The three pillars as identified in the Policy plan 2013-2015 – Professionalisation, Digitisation and Internationalisation – will allow us to approach opportunities and threats proactively during the term of duration of the policy. Our message that music is not a cost item, but a valuable and highly profitable investment in the business activities of many types of companies, will help Sena to achieve its self-defined objectives. We face the developments in the arena in which Sena operates both in the Netherlands and abroad with confidence.

Aleid Wolfsen  
Chairman of the Supervisory Board

Hilversum, 7 March 2014

# REPORT OF THE BOARD OF AFFILIATES

As a private corporation, Sena operates in an semi-public arena. The number of stakeholders having an opinion on Sena and its statutory responsibilities is quite extensive. In order to assert influence on politics or the media, the facts are all too often rendered incorrectly. Obviously, Sena understands the various interests. Nonetheless, Sena considers it its duty to set right any factual inaccuracies, where needed. After all, this is in the interest of all its right-holders, to whom the organisation is primarily responsible.

As from the entry into force of Sena's new governance structure in July 2012, the Board of Affiliates represents the approximately 23,500 performers and producers who are registered at Sena. The Board of Affiliates exercises its supervision from a perspective of representation of interests. Important decisions by the Executive Board need to be approved by the Board of Affiliates. This concerns, amongst other things, the budget, the annual report and the annual accounts, as well as any amendments to the Distribution Regulations or Sena's Articles of Association.

### THE VALUE OF MUSIC

The phenomenon of licence fees for the use of music outside of the private sphere, is still regularly criticised by many entrepreneurs. Common arguments against the licence fee are the fact that one has already paid for the music by purchasing the CD or that the licence fee is too high. Sena will keep emphasising that the level of the fees has been agreed with the representing parties of the various sectors, including various trade and umbrella organisations. The licence fees are annually indexed on the basis of the derived consumer price index (CPI) as calculated by Statistics Netherlands (CBS). Apart from this annual 'inflation correction', Sena never raises its fees unilaterally. Since the entry into force of the Dutch Act on the supervision of collective management organisations in July 2013, any price increases and any new fees need to be submitted to the Copyright and Neighbouring Rights Control Board (CvTA) if no agreement can be reached with the representing market parties.

The added value of music may not be evident to all entrepreneurs, it has appeared from various (international) studies that the right use of music may yield hard cash for companies. Well-considered use of music may generate increased sales. Music stimulates the consumption and provides for a peaceful atmosphere if needed in a certain environment. In general, music provides for a sense of safety and comfort. One of Sena's overarching objectives for the coming policy period is to convince the Dutch business community of the value-adding function of music. In Sena's Policy plan 2013-2015 entitled "Making music worthwhile", a number of concrete actions in this respect have been defined. One of the

first steps in this respect has already been made in 2013, with the introduction of the online platform "Music Works". As yet, the platform mainly draws from existing research results. In 2014, an own, independent study will be commissioned that should give some extra significance to the assertion that music indeed has a value-adding function.

### EXTENSION OF THE TERM OF PROTECTION

In 2011, the European Union decided to extend the protection of neighbouring rights for all music recordings from fifty to seventy years after the first date of publication. On 17 October 2013, the Dutch legislative amendment was officially endorsed by publication in the "Staatsblad van het Koninkrijk der Nederlanden" (the Dutch Bulletin of Acts and Decrees). The extension of the term of protection applies to all recordings published as from 1 November 1963. In this respect, digitalisations or remasterings are not deemed as newly produced phonograms. On the basis of this change of legislation, the works of performers and producers now rightly enjoy a term of protection that is more in proportion to that of copyright, albeit still substantially shorter than the latter.

### FUND FOR SESSION MUSICIANS

The amended legislation also provides that a fund for session musicians is established as per 1 January 2014 for phonograms of which the original fifty years' term of protection would mature in 2014. Thanks to this fund, musicians whose rights were bought out and who have contributed to repertoire that approaches the end of its term of protection, will now enjoy twenty extra years of income from this fund. The contribution to this fund amounts to 20 percent of the income generated by the phonogram's producer (or whoever exploits the work) on the basis of the reproduction, distribution and making available of the phonogram. 2014 will be the first year in which producers will have to pay the aforementioned contribution to the fund. In order to guarantee an accurate registration of all data needed, Sena will receive annual statements from the producers, which will be subsequently matched to the personal and repertoire data as registered in Sena's database. This matching will take place for the first time in 2015.

### DISTRIBUTION SYSTEM

In 2013, the Board of Affiliates has taken the initiative to establish a Distribution Advisory committee. Apart from some representatives from the Performers' Section and the Producers' Section, the committee also includes a number of affiliates who do not in any way perform a role within a supervisory organ of Sena. These Sena affiliates, who are completely free of any possible other interests, can often provide valuable input to the debate within the Distribution Committee, on the basis of examples from daily practice. The committee is attended by Sena employees.

In consultation, they can consider possibilities for improvement of the primary distribution processes as established in the Distribution Regulations approved by the Ministry of Safety and Justice. One of the topics that has been discussed during the year under review, is the system of points for performers. Alternative distributions of points as well as the consequences thereof, will be further analysed at the request of the Performers' Section. During 2014, this will be further elaborated. As soon as these studies lead to any substantial proposed amendments, these proposals will be submitted to the Meeting of Affiliates.

### LEGAL SUPPLY

It is often said that fighting illegal supply only makes sense if there is a sufficiently diverse, accessible legal supply available. There is much diversity of opinion in this respect. However, there can never be any valid excuse for infringing someone else's rights. We are collectively of the opinion that an as accessible and varied supply as possible is helpful to both right-holders and consumers. Apart from enforcement, provision of information also plays an important role in this. The Federation of Copyright Interests - the joint consultation body of the Platform of Creative Media Industry, the Platform Makers and VOI©E - has launched 'thecontentmap.nl' at Eurosonic Noorderslag 2014. After English example, this website endeavours to provide references to the total supply of legal music, motion pictures and television broadcasts, games, e-books and images in the Netherlands. In order to bring this successful initiative under the attention of young persons, educators and the educational system, the Dutch Minister of Education, Culture and Science has promised financial support for a campaign.

### BOARD OF AFFILIATES

The Board of Affiliates comprises fourteen members. These members, whether nominated or not, are appointed by the respective Meetings of Affiliates of the Performers' Section and the Producers' Section. Both meetings have appointed seven members. The roles of chairman and secretary are annually rotated. Halfway through the year 2013, the chairmanship was passed on to the undersigned, Peter Boertje, also chair of the Producers' Section. Erwin Angad-Gaur, current chair of the Performers' Section and up to mid 2013 chairman of the Board of Affiliates, fulfills the role of secretary as from that very same date.

In 2013, the Board of Affiliates was convened four times. In March, the annual report and annual accounts for the year 2012 were approved and it was decided that non-claimed funds up to 2005 would be used to diminish the deficit due. During the meeting of May, one of the topics on the agenda concerned the regulations for attendance fees. In September, the Policy plan 2013-2015 was given a positive advice. During this meeting, the

Board of Affiliates agreed with a change of policy proposed by the Executive Board, on the basis of which overpaid fees that cannot be set off against future income, will be claimed back. In December, the Investment Regulations were approved, and the budget for 2014 was adopted. In addition, the Board of Affiliates was informed by the Executive Board about the assessment of the activities with respect to the twenty-year anniversary of Sena. During the year, the financial and administrative results have been a permanent point on the meetings's agenda. The various committees, including the Distribution Advisory committee and the 20 Years Sena task group, convened four times in total over 2013.

During the Meetings of Affiliates on 27 May 2013, the Executive Board has reported on the policy conducted over 2012. The results achieved with respect to diminishing the deficit due have been explained by the Executive Board during both meetings. The remuneration of the members of the Board of Affiliates has been approved unanimously by voting. Moreover, the SoCu fund expenditures in 2012 have been approved by voting by both meetings. During the meeting of the Performers' Section, Erwin Angad-Gaur, Bert Ruiter and Simone Vierstra were reappointed by voting as section representatives. Also in this meeting, the changes to the conditions for SoCu applications (including the requirement that, in principle, musicians need to receive a reasonable fee for any projects subsidised by Sena), as proposed by the section representatives, were unanimously approved by the Meeting of Affiliates.

The Board of Affiliates is pleased with the fact that Sena has managed to realise an increase of invoiced licence fees and cash receipts over 2013, compared to 2012. The cost percentage also shows a favourable development, while Sena has simultaneously invested in further improvement of the organisation's quality. Therefore, we would like to express our gratitude to all employees of the Sena office.

Peter Boertje  
Chairman of the Board of Affiliates

Hilversum, 7 March 2014





AVICII  
LEVELS

# TOP 10 DANCE

INTERNATIONAL

- 1  
EUPHORIA - LOREEN
- 2  
ONE DAY / RECKONING SONG - ASAF AVIDAN & MOJOS
- 3  
FEEL THE LOVE - RUDIMENTAL & JOHN NEWMAN
- 4  
HANGOVER - TAO CRUZ & FLO RIDA
- 5  
ODE TO THE BOUNCER - STUDIO KILLERS
- 6  
DON'T YOU WORRY CHILD - SWEDISH HOUSE MAFIA & JOHN MARTIN
- 7  
EVOLUTION - EQUINOX
- 8  
**LEVELS - AVICII**
- 9  
WITHOUT YOU - DAVID GUETTA & USHER
- 10  
MILLION VOICES - OTTO KNOWS

# SOCIAL-CULTURAL PROJECTS

Every year, Sena's Performers' Section and Producers' Section support various social-cultural (SoCu) projects. Especially the Performers' section has a very active SoCu policy and contributes to various festivals, master classes and musical recordings. On an annual basis, the section receives an average of three hundred applications. These applications are assessed by the section on the basis of fixed criteria. A list of all projects supported is included on page 59 of the Annual Accounts 2013.

### PERFORMERS

The fees that performers receive for their performance often comes at the bottom of the festival's or event's budget. This is a thorn in the flesh of the Performers' Section. In 2013, the section has unabatedly hold on to the minimum fee of € 250 per performer per concert for events that have been granted a SoCu allowance by Sena's Performers' Section. This policy has been approved unanimously by the Meeting of Affiliates. In this way, paid labour for performers, one of the main objectives of the section's SoCu policy, is encouraged. The fee norm has been explained and defended by the section's representatives during various panel sessions that were held within the scope of, amongst other things, Eurosonic Noorderslag, Buma NL and the Jazzdag. In addition, the norm has been one of the guiding criteria for the assessment of all SoCu applications submitted to the section. Applications that did not include the minimum fee of € 250 per performer, were declined, unless the applicant could provide a reasonable explanation for deviating from the fee norm.

Talent development is still the second spearhead of the Performers' Section. Various projects that provide a stage for promising talent, were financially supported. For instance, we continued the support of Sena Talent Stages at the national liberation festivals on 5 May, which was originally a pilot project in 2012. In 2013, new musical talents were given the opportunity to present themselves to the Dutch public in no less that fourteen towns and cities. Young guitar talents could once more try and attract the attention at the Sena Young Talent Guitar Awards. An incentive prize was awarded to a group called La Corneille, which won the Sena Performers PopNL Award in the packed venue 'Melkweg'. During Buma NL, the section gave its name and support to the "Sena Nieuw Talent Podium" (Sena New Talent Stage).

During the year under review, the Performers' Section also continued its activities with respect to the Sena Music Fund. This initiative is intended to provide financial support to professional musicians in order to enable a high-quality music recording. In 2013, the initiative consisted of three parts. During three application rounds, a total of 216 applications was submitted to the Performers' Section, 69 of which were granted an allowance with a total value of € 150 thousand.

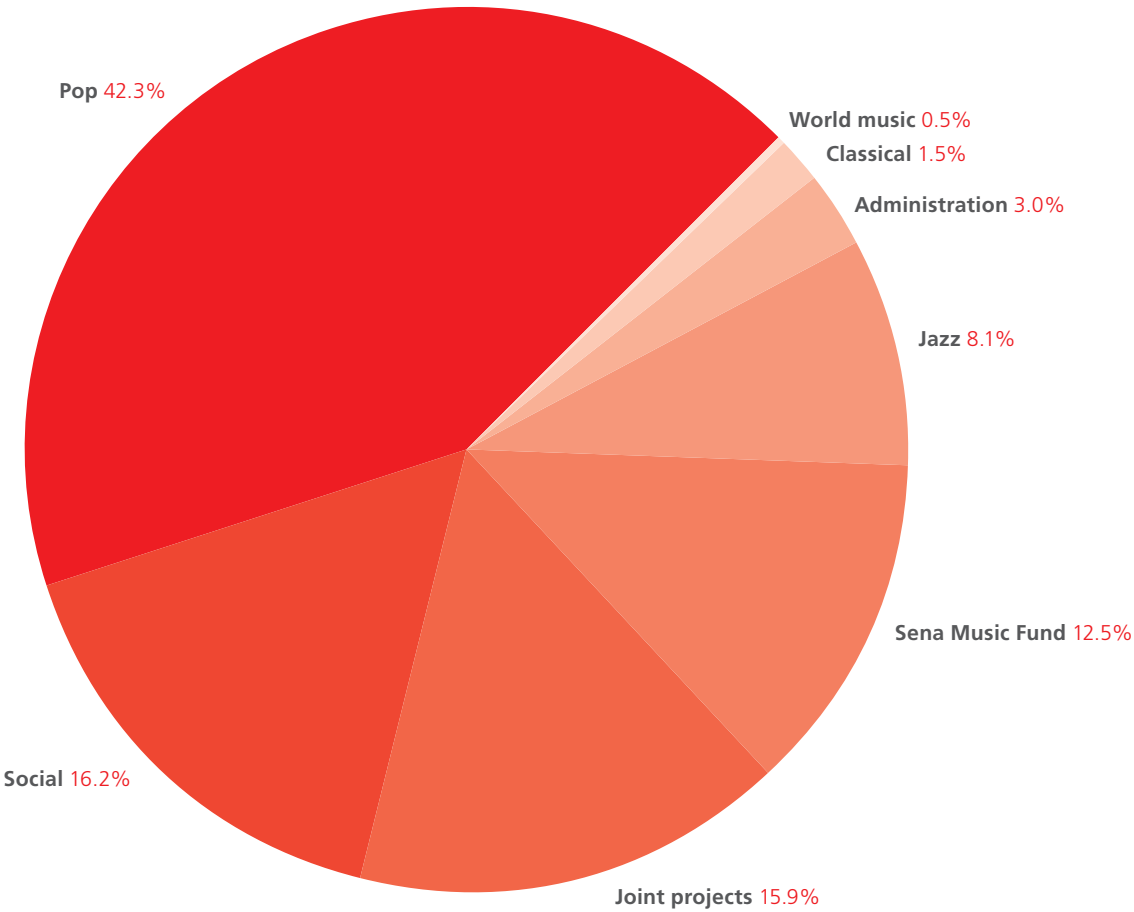
In order to come to a balanced distribution of the SoCu funds among the various musical genres, support was also given to jazz, classical and urban during 2013. For 2014, it is the section's unabated intention to support projects representing all genres, as well as to show a sound ambition in its SoCu policy, emphasizing a long-term connection of the name of the Performers' Section and that of Sena in general to events with a positive publicity value. These basic principles have also been used as a foundation for the new SoCu policy plan developed in 2013. This plan will be submitted for approval during the Meeting of Affiliates.

### JOINT SUPPORT

In 2013, the Performers' Section and the Producers' Section also gave their joint support to four projects. The "Gouden Notekraker", ever since 1971 a well-established prize from and for musicians and actors, was awarded to Racoon and Annet Malherbe in venue 'Paradiso' this year. In October, the Amsterdam Dance Event took place, the world's biggest international network and showcase event of the dance sector. As usual, this event, which expands year after year, presented a fine opportunity to inform the performers and producers present about the importance of neighbouring rights. Also in 2013, Stichting BREIN received an allowance from both Sections in order to support its activities in the field of the enforcement of copyrights and neighbouring rights and the protection against any infringements thereof. In 2013, both sections also supported the presentation of the Edison Pop Prize.

In order to provide a clear picture of the diversification of the expenses, an overview of the actual payments in the calendar year 2013 is provided on the neighbouring page.

Social-cultural expenditures  
2013





# MUSIC WORKS

For a lot of people, music is so important that they would rank it third of all things in life they could not do without, apart from their health and the bare necessities of life. Apparently, only the Internet and mobile telephones have an even bigger impact on our daily lives<sup>5</sup>. Many of us simply cannot conceive a life without music. Music makes us happy and adds to our productivity. Music gives us a feeling of security and makes sure that we exercise a little harder in the gym and that we have a nice time in the pub. Music comforts us in the dentist's or doctor's waiting room. Music works.

These are the findings of various national and international studies. For the first time, the main results have been gathered and are presented on the online platform entitled "Music works" (www.muzyekwerkt.nl), which has been established at Sena's initiative with the cooperation of Buma/Stemra late December 2013.

The effects of music on the work floor are also clearly demonstrated in a study by Randstad, entitled "Music and Work" (2012). In this study, employees of 18 years and older were asked how often they would listen to music during their activities and which music was perceived by them as the most productive. The results were quite impressive. 83 percent of all respondents listens to music during their work, and 66 percent even does so on a regular basis. Music also influences the way people work: 81 percent indicates to work better with music; even 96 percent enjoys their work more with music.

In 2013, Buma/Stemra performed a study into the appreciation of music by consumers in public spaces. The results of this study provide some insights into the possible effects of music on the consumers' purchase behaviour and the perception of music in public spaces and on the work floor. Consumers indicate that, in general, they are unconsciously influenced by music in sports' canteens, beauty parlours and barbershops, bars and restaurants. E.g. 66 percent of the visitors of restaurants indicates the music adds to the atmosphere of the establishment. 53 percent of the visitors of bars says that they are inclined to go back to a certain bar if it plays the right music. 63 percent of the visitors of hair-dressers says that music adds to the image of the shop.

The British neighbouring rights organisation PPL has been analysing the effects of the use of music by companies for quite some time now. Every now and then, the organisation publishes some new insights. The most recent study was focussed on the impact of music in the travelling industry. One of the things that came out of this study, was that 88 percent of the employees surveyed

in this sector is of the opinion that recognisable music by well-known artists has a more positive effect than music that resembles the formers' repertoire.

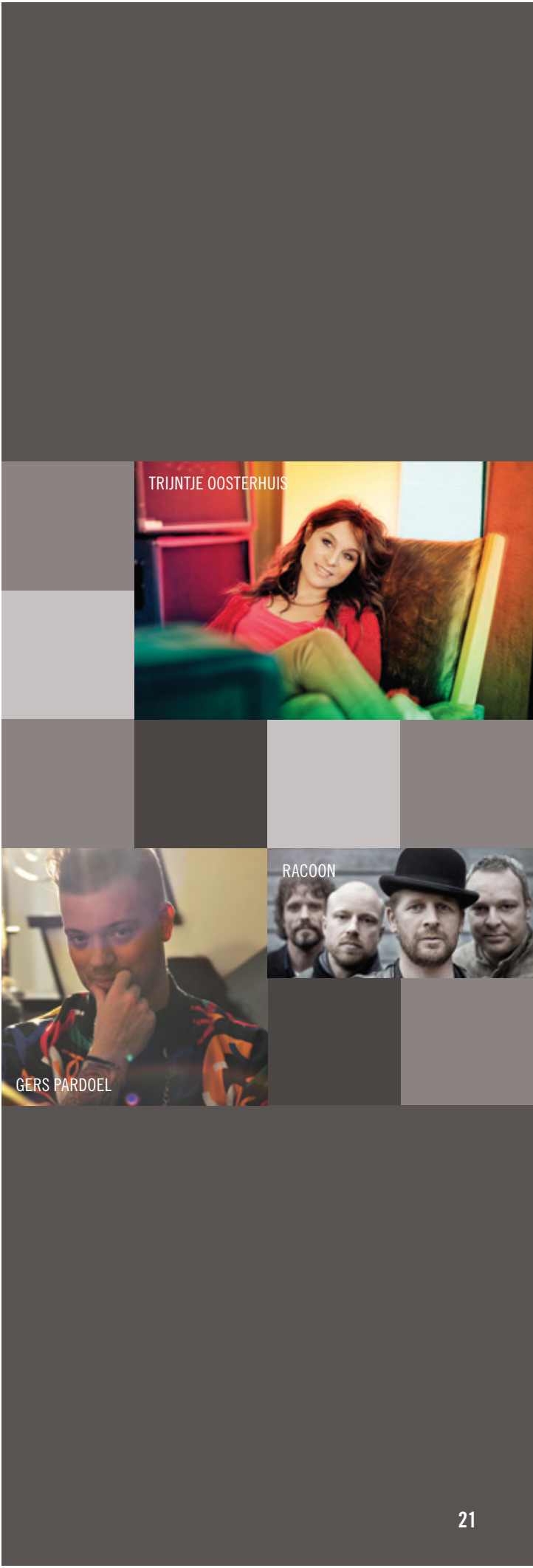
On muziekwerkt.nl, comments of entrepreneurs are also featured. These comments shed some light on the role that music plays within the businesses and in which way they try to positively influence the (purchasing) behaviour of their clients. Many of them even hire a specialised company that helps them in selecting the most appropriate music. Obviously, the clients' preferences play a very important role in this.

Unfortunately, not all entrepreneurs are convinced of the value of music. Too often, the licence fees that must be paid for the publication of music, are still seen as expenses, rather than as an investment. Some consider that the height of the licence fee is not in proportion to the value music adds to their business. Luckily, the value of music is not denied. Entrepreneurs will not easily turn off the music in their shops. They too recognise the impact of music. So now it is up to Music Works and Sena to provide more insight into the added value of music for companies and consumers and to make it more concrete to them.

## "MUSIC BRINGS HOME THE BACON"

- Dimitri Roels, Vlaamsch Broodhuys

<sup>5</sup> 2011 Source: "Uncovering a Musical Myth", a study by Heartbeat International, 2011.







WILL MAAS  
SESSION MUSICIAN  
ILSE DELANGE - HURRICANE, WINTER OF LOVE

# TOP 10 POP

THE NETHERLANDS

- 1  
HURRICANE - ILSE DELANGE  
SESSION MUSICIANS: M.S.J.J. VAN AGT, A.H. VAN DONGEN,  
A.P.L. KERSBERGEN, W.M. MAAS, B.G.J. VERGOOSSEN
- 2  
LIVERPOOL RAIN - RACCOON
- 3  
KNOCKED OUT - TRIJNTJE OOSTERHUIS
- 4  
WINTER OF LOVE - ILSE DELANGE  
SESSION MUSICIANS: M.S.J.J. VAN AGT, A.H. VAN DONGEN,  
A.P.L. KERSBERGEN, W.M. MAAS, B.G.J. VERGOOSSEN
- 5  
BAGAGEDRAGER - GERS PARDOEL & SEF
- 6  
TOOK A HIT - RACCOON
- 7  
WIL JE NIET NOG EEN NACHT - GLENNIS GRACE &  
EDWIN EVERS
- 8  
VRIENDEN - GUUS MEEUWIS
- 9  
LOSE IT - WAYLON
- 10  
MEER KAN HET NIET ZIJN - SABRINA STARKE & BLØF

# NOTES TO THE RESULTS

## 2013

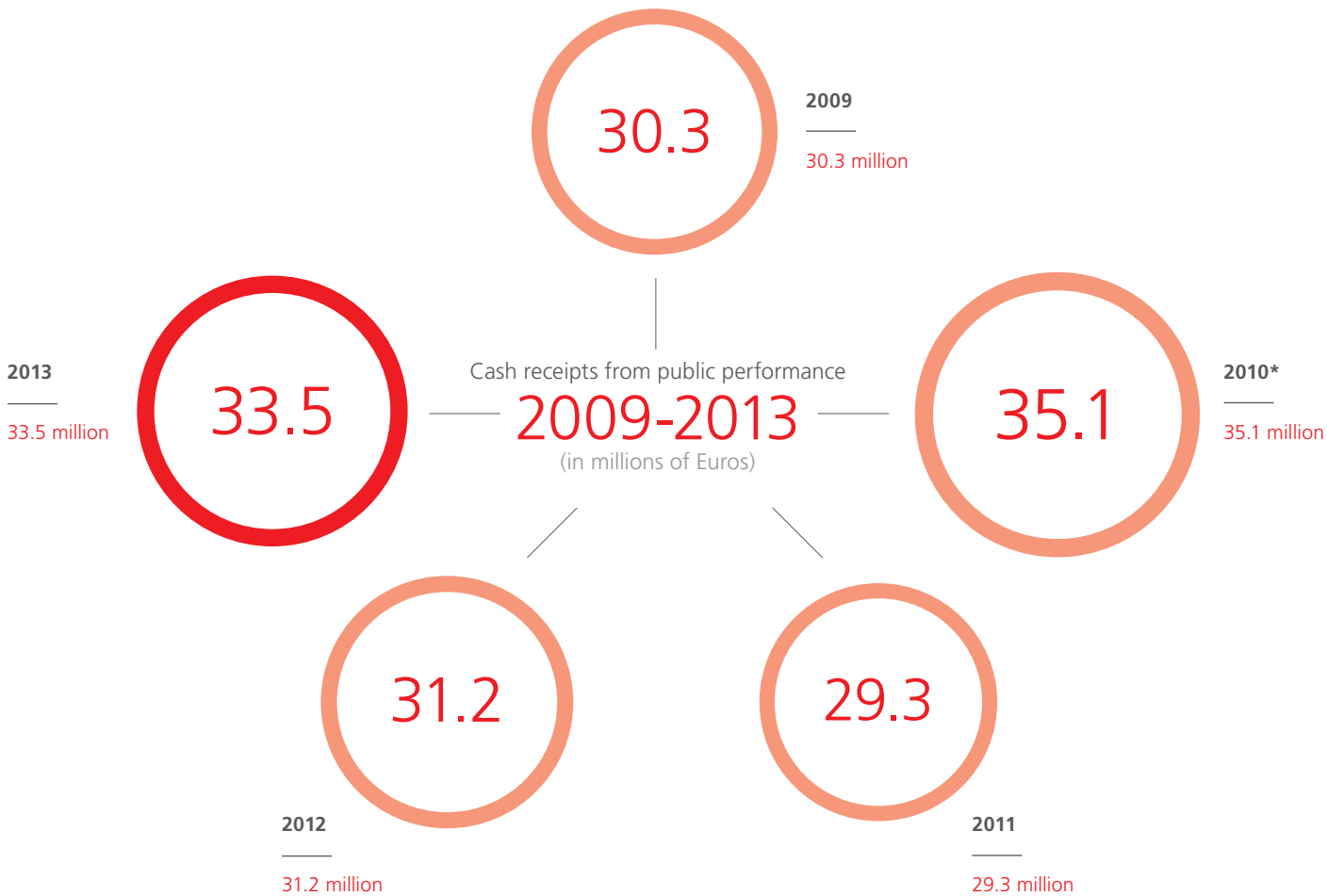
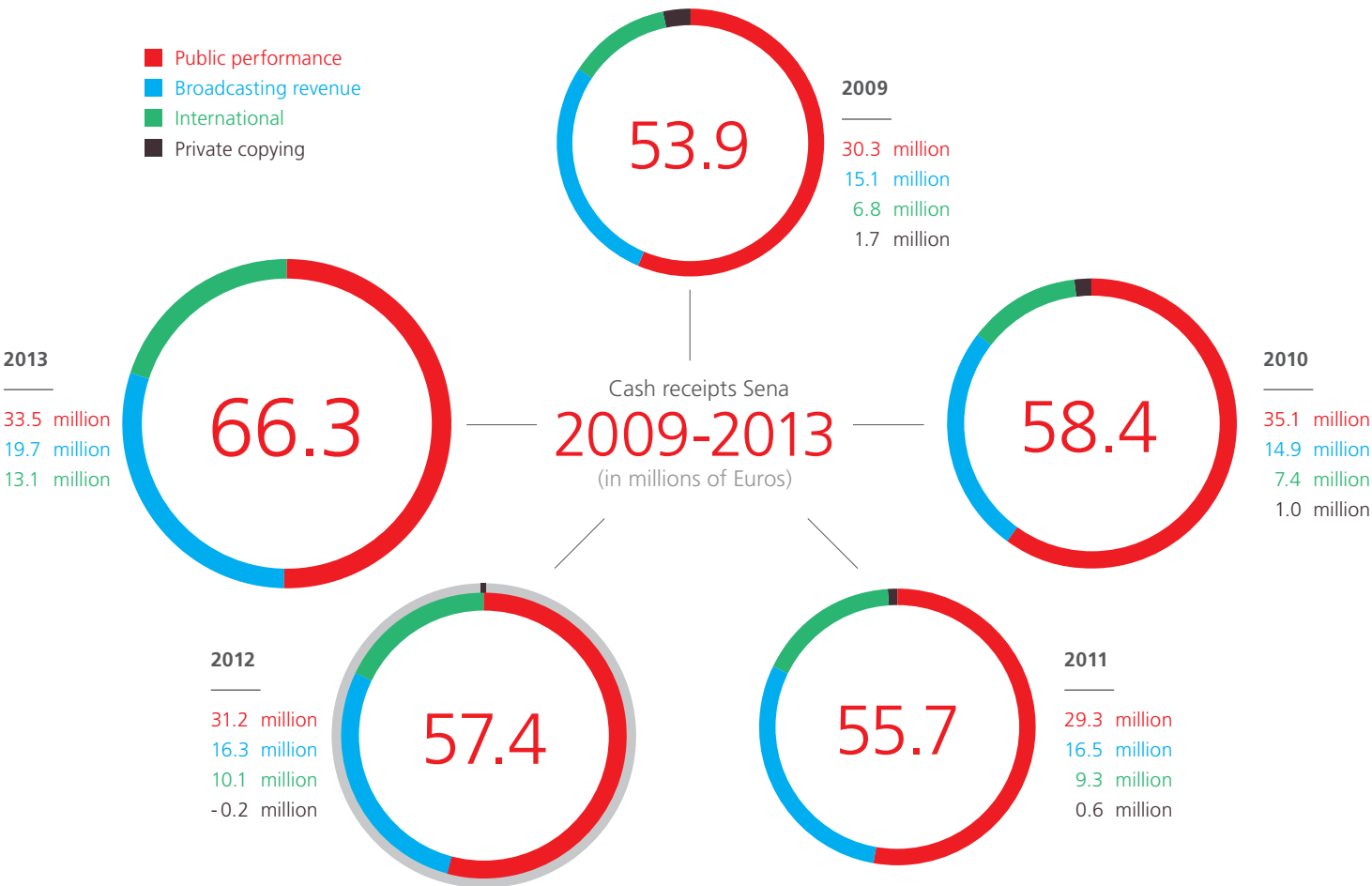
For the second consecutive year, the annual report has been prepared in accordance with the provisions of Title 9 of Book 2 of the Dutch Civil Code, which has been further detailed in Directive RJ640 "Non-profit organisations", by the Dutch Accounting Standards Board (DASB). This benefits the transparency of the reporting and is also in conformity with the guidelines of the CMO quality mark.

Further, pursuant to the additional guidelines of the quality mark, two additional statements have been added to the annual report, namely the Key Figures and a statement of the multi-annual distribution obligation (please refer to pages 32 and 49 respectively).

Just like in the previous fiscal year, a withholding percentage of 16 percent has been applied to all distributions in 2013. The years 2007 and 2010, of which the claiming periods have expired, have been settled in their entirety. This has enabled us to reduce the deficit due from € 11.1 million to € 6.2 million. During 2014, the years 2008 and 2011 are to be closed.

As per the end of 2013, the total costs, including miscellaneous income and Sena's financial result, added up to € 6.1 million. This equals 9.5 percent of the total invoiced licence fees. Costs exclusive of financial income and the financial result have increased with 3.8 percent, compared to 2012. Nonetheless, costs are still 2.7 percent below budget. The increase included in the budget was necessary to arrange for the new organisational structure and to pay for the investment in additional employees on the IT and data processing departments. The investments made allow for an effective realisation of the objectives as defined in the Policy plan.

Because the various revenue categories are reported in the annual report under cash receipts, the decreased debtor position is clearly visible under this item. Dutch invoiced licence fees increase with 5 percent, whereas cash receipts increase with no less than 12 percent.



### PUBLIC PERFORMANCE

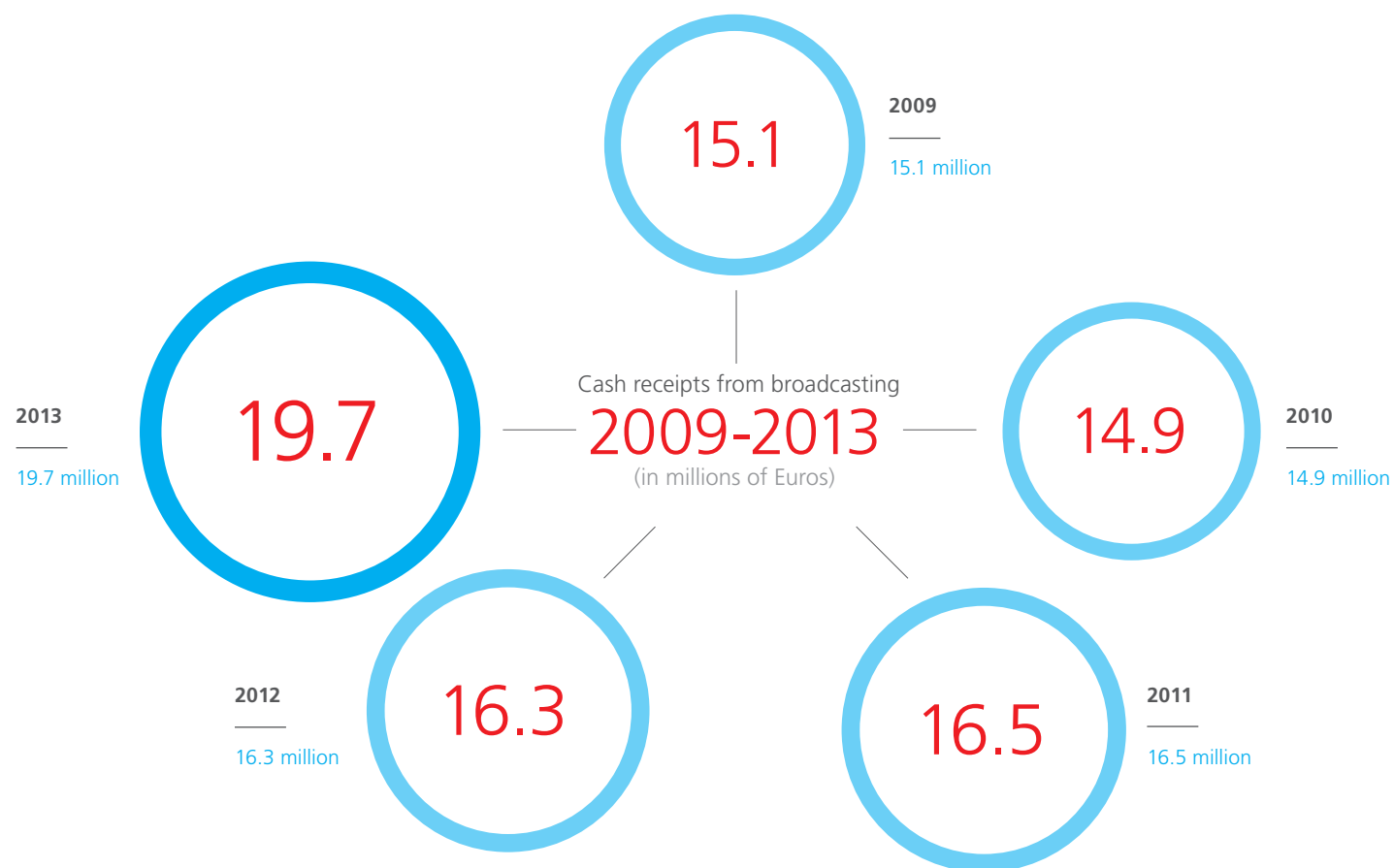
Over 2013, cash receipts from public performance, both collective and individual, increased by € 2.3 million to a total amount of € 33.5 million (+7.4%). Collective licence fees yielded a revenue of € 11.7 million despite the fact that a number of collective agreements with trade organisations (total value of € 0.9 million) was not renewed. Cash receipts from individual licences amounted to € 21.8 million, an increase with 7 percent compared to 2012. In this respect, the growth of revenues invoiced amounted to 2 percent.

According to the negotiation results of music licensing companies within the framework of VOI@E and the Copyrights Platform (Platform Auteursrechten) of VNO-NCW and the Royal Association MKB-Nederland, 2013 was the first year in which the collective licence agreements with trade organisations and the central arrangements with corporate organisations – companies with various branches – were concluded in a revised manner. In close collaboration with its partners, Sena has responded to the appeal from the part of the collective to achieve more transparency and uniformity from CMO's with respect to indexing methods and discounts granted.

The functioning of the joint field service of Sena and Buma, as part of the Copyright and Neighbouring Rights Service Centre, was very much to the satisfaction and the service has proven its value over 2013. Organisations that decided not to participate in a collective agreement or of which no recent data about the use of music by their members were sufficiently available, could easily be licensed after a visit of the field service. The number of music users requesting an electronic invoice from the online portal [www.mijnlicentie.nl](http://www.mijnlicentie.nl) is growing steadily. This results in an efficiency improvement for the Service Centre.

\* In 2010, no substantial amounts over previous years have been collected.





#### BROADCASTING REVENUE

Licence fees invoiced from broadcasting licences increased with 9 percent. Cash receipts noted an increase of 21 percent. Despite many complicating factors, this is quite satisfactory. The total broadcasting revenue increased to € 19.7 million (2012: € 16.3 million).

Licence income from the cable segment increased again this year. In 2013, the number of foreign broadcast stations distributed via (cable) networks has increased as well. No less than 84 percent of all Dutch households has a subscription to digital television. Standard packages with a diversified supply as well as additional packages are offered by distributors systematically and at a large scale.

Though the mutual dependence of marketing income by commercial broadcasting stations as well as the height of the licence fees are in conformity with internationally accepted standards, this results in quite some volatility with respect to Sena's revenues.

For quite some time now, intensive negotiations are carried on with the Dutch Association of Commercial Radio Stations (VCR) about renewal of the contract. The additional protection of repertoire from the US in case of listening via the internet and the diversity of the exploitations via various (radio) platforms, are also part of these negotiations. After a period of two years, the negotiations reached a deadlock mid 2013. Sena takes into consideration the possibility that the court is needed in order to come to an arrangement.

#### INCREASE OF SCALE

Granting licences in the broadcasting sector is as complex as ever. This is especially true for 'small-scaled' webcasting. Still, there was an increase in this type of licence income in 2013 as well. The increase and the related increase in scale are mainly related to Sena's cooperation with the Dutch Webcasting Association ("Stichting Webcasting Nederland" - SWNL). The agreements for 'large-scaled' webcasting have been terminated as a result of fees for right-holders from the United States that still need to be further agreed. This issue will also be dealt with in the negotiations with the VCR.

Late 2013, Sena closed a service agreement with the trade organisation of the entertainment industry ("Nederlandse Vereniging van Producenten en Importeurs" - NVPI). This agreement gives Sena the possibility to license specifically identified exclusive producers' rights on a non-exclusive basis and thus to offer broadcasting stations a collective licence. This way, broadcasting stations can license new types of exploitation via a one-stop-shop and - within the boundaries of the non-exclusive mandates - they can have certain elbowroom as well as possibilities to further develop this. Obviously, this manner of licensing will require continuous and distinct coordination with NVPI.

AFROJACK



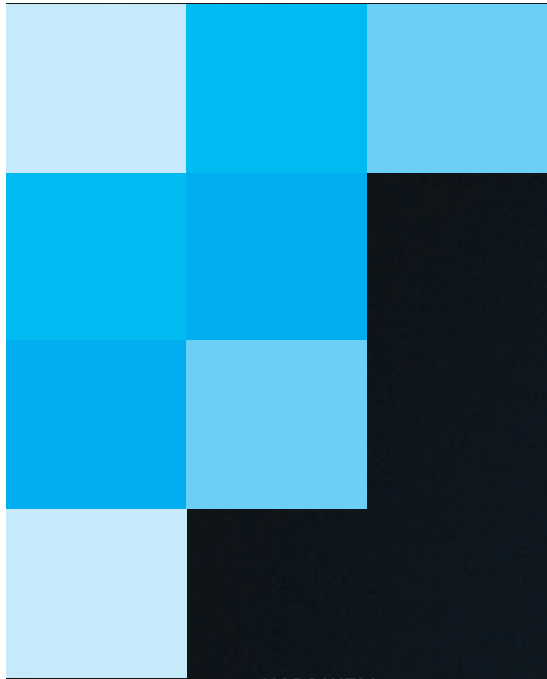
ARMIN  
VAN BUUREN



SANDRO  
SILVA







HARDWELL  
COBRA (OFFICIAL ENERGY ANTHEM 2012)



# TOP 10 DANCE

THE NETHERLANDS

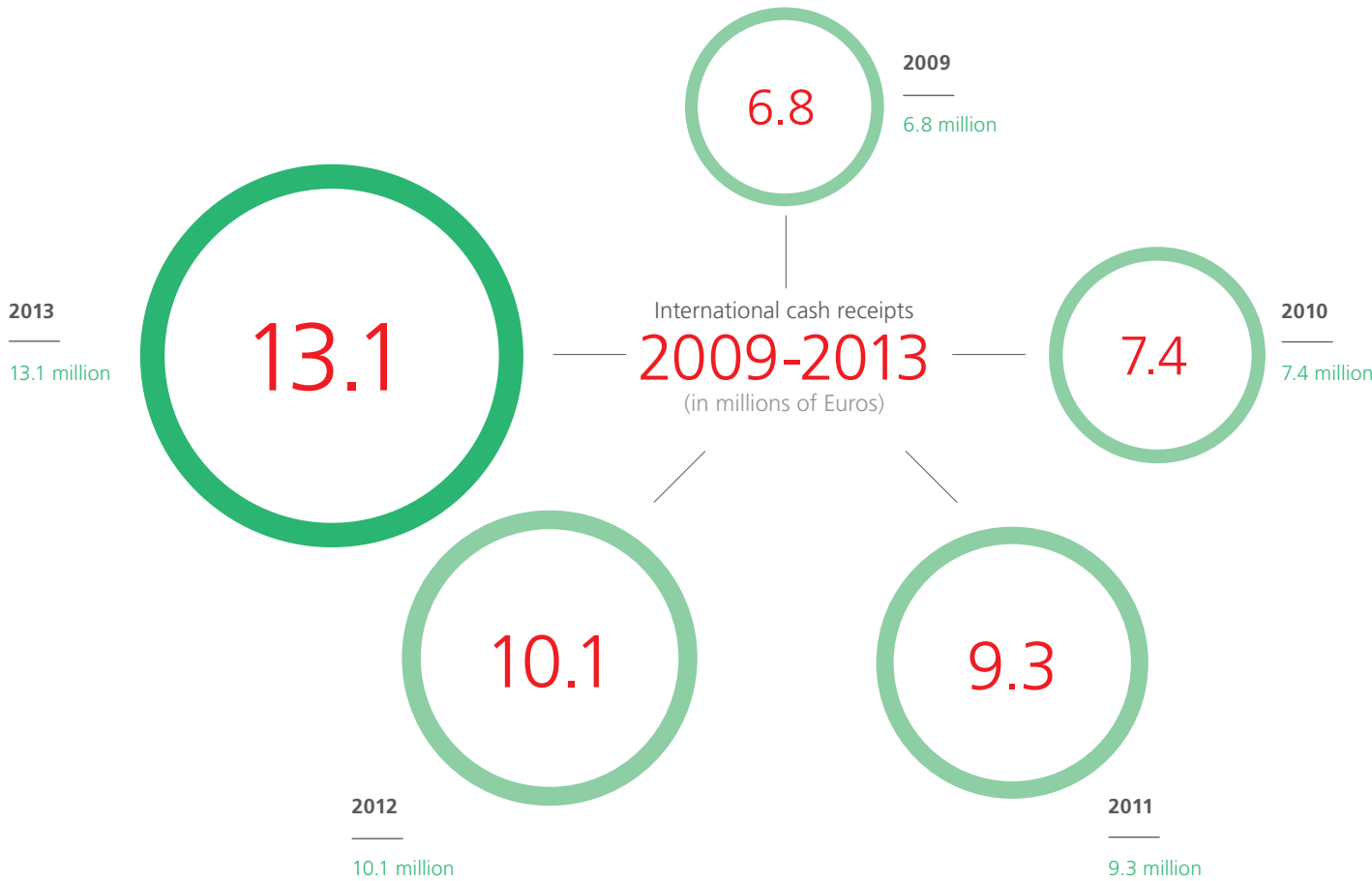
- 1  
CAN'T STOP ME - AFROJACK & SHERMANOLOGY
- 2  
EPIC - SANDRO SILVA & QUINTINO
- 3  
FAIL IN LOVE - SHARON DOORSON
- 4  
ROCK THE HOUSE - AFROJACK
- 5  
NOTHING INSIDE - SANDER VAN DOORN & MAYAENI
- 6  
**COBRA (OFFICIAL ENERGY ANTHEM 2012) - HARDWELL**
- 7  
DON'T BLAME THE PARTY (MODE) - BINGO PLAYERS
- 8  
CRY (JUST A LITTLE) - BINGO PLAYERS
- 9  
YEAR OF SUMMER - WILDSTYLEZ & NIELS GEUSEBROEK
- 10  
WE ARE HERE TO MAKE SOME NOISE (RADIO EDIT) -  
ARMIN VAN BUUREN

INTERNATIONAL

In 2013, total international revenues amounted to € 13.1 million, an increase of no less than 30 percent compared to 2012 (€ 10.1 million). This substantial increase is mainly due to the cash receipts from the United States, which grew with 50 percent to € 5.9 million.

Apart from the fact that the earlier-mentioned QI status has been granted to Sena, the quickly growing popularity of Dutch dance music in the United States plays a major role in this increase in international cash receipts. Cash receipts only relate to digital broadcasting of the Sena repertoire, i.e. via internet radio (the so-called webcasters) and satellite radio. As opposed to the situation in the Netherlands and a large part of the world, the broadcasting of repertoire via radio or television and the public performance of repertoire are not protected in the United States.

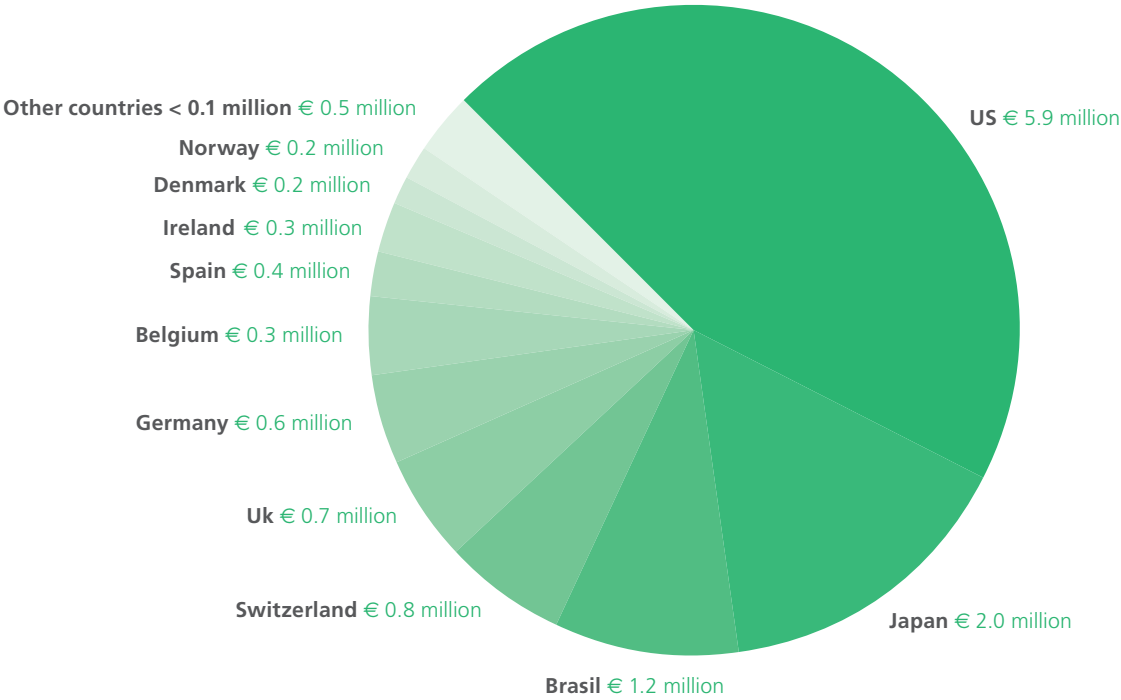
In 2013, Sena has been collecting fees from the United States of America for independent producers for the very first time. Until the year under review, this was not possible because of the lack of protection of American repertoire in the Netherlands. The protection of this repertoire came into being after the ratification of the WIPO Performances and Phonograms Treaty (WPPT) by the European Union, mid 2010. Therefore, Sena has closed a bilateral agreement for independent producers with Sound Exchange as from 2011. On this basis, Sena was able to start collecting fees in 2013.



International cash receipts

2013

(13.1 million Euros in total)



In 2013 a growth in fees collected in Japan has also been realised. Due to administrative reasons Sena only received fees from Japan for performing artists in early 2013, even though Sena formally should already have received these fees in December 2012. The total amount of fees collected via the Japanese Council of Performers' Organisations (CPRA) amounted to € 2.0 million.

In contrast to Japan, the payments from a number of other countries, including Germany, Italy, Austria and France, were disappointing for various reasons. In 2014, we will increase the pressure on the respective organisations to ensure a correct and full settlement of the funds.

The mutual competition between agents, but also between MLCs, is constantly increasing. This development may cause Sena's international cash receipts to come under pressure in the future. On the basis of an active international policy, optimal service and an optimisation of the provision of information, Sena will continue to try and convince its right-holders to keep granting their mandates to Sena.

PRIVATE COPYING

It has been established in an agreement that Sena provides services to Stichting NORMA, namely the distribution of private copying fees. As these funds are directed through Stichting NORMA as from calendar year 2011, they are no longer included in Sena's annual accounts. Only the compensation that Sena receives for its services, is included in the Statement of income and expenditure under Miscellaneous income.

In 2012, the government decided, partly prompted by a decision by the Court of The Hague on the injustice of freezing the private copying scheme, to implement a new, extended private copying scheme as from 2013. Under these new regulations, PCs, laptops, tablets and smartphones are included as well. In October 2013, it was announced that the scheme would be renewed with another two years as from 1 January 2014.



# KEY FIGURES 2013

(AMOUNTS IN THOUSANDS OF EUROS)

	2013	2012
INVOICED LICENCE FEES		
Dutch use	50.356	48.154
Dutch collective management organisations		(215)
International use		
Foreign collective management organisations	13.154	10.077
Other		
TOTAL	63.510	58.016
DISTRIBUTION		
Right-holders	41.852	46.300
Dutch collective management organisations		
International collective management organisations	7.209	7.592
Addition to the SoCu Fund	1.069	885
Other		138
SUBTOTAL	50.130	54.915
Administrative costs	(9.024)	(11.281)
TOTAL	41.106	43.634
LICENCE INCOME TO BE DISTRIBUTED		
Income from rights/licences to be distributed as per 31 December	64.844	52.857
SOCIAL-CULTURAL OBJECTIVES		
Expenditure	1.444	825
Still to be spent as per 31 December	3.301	3.686
OPERATING ACCOUNT		
Operating expenses (net)	6.057	5.503
Other income	332	603
Operating expenses (gross)	(7.229)	(6.966)
OPERATING RESULT	(840)	(860)
Financial result	840	860
RESULT (BEFORE TAXATION)	0	0
KEY FIGURES		
Cash receipts - The Netherlands	53.210	47.513
Cash receipts - International	13.083	10.063
Percentage of actual costs withheld	16.0%	16.0%
Operating expenses (net) as a percentage of total licence income	9.5%	9.5%
Operating expenses (gross) as a percentage of total licence income	11.4%	12.0%
Operating expenses (gross) as a percentage of total distributions	14.4%	12.7%
Annual movements of operating expenses	263	(476)
Increase in operating expenses	3.8%	(6.4%)
Derived consumer price index, June 2012 - June 2013	1.4%	2.0%
Number of right-holders	23.356	21.789
Number of right-holders with distributed funds	15.210	15.066
Number of invoiced users	112.304	115.435
Number of employees in FTE	42.9	41.9







HANS EIJKENAAR  
SESSION MUSICIAN  
ANOUK - GIRL

# TOP 10 ROCK

THE NETHERLANDS

- 1  
WHAT HAVE YOU DONE - ANOUK
- 2  
CAN'T MAKE UP MY MIND - NEW SHINING
- 3  
WISH I COULD - MISS MONTREAL
- 4  
I WOULD STAY - KREZIP
- 5  
COME TOGETHER - KANE
- 6  
SWEET GOODBYES - KREZIP
- 7  
FIND ME - DANNY VERA
- 8  
GIRL - ANOUK  
SESSION MUSICIANS: M.S.J.J. VAN AGT, J.C. EIJKENAAR,  
L.N. HAAKSMA, M. VAN SCHIE
- 9  
YOUNG ONES - DI-RECT
- 10  
MICHEL - ANOUK

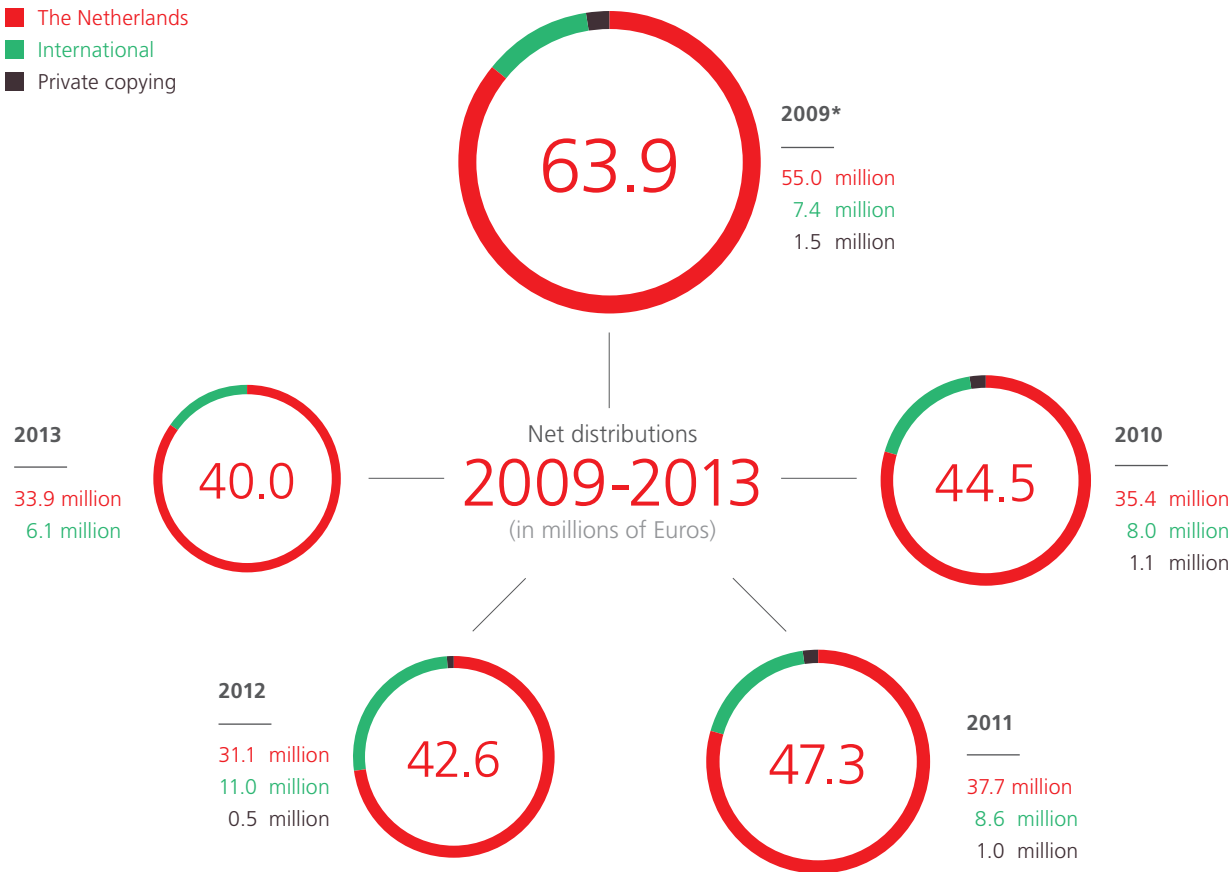


# DISTRIBUTION

One of Sena's core responsibilities is ensuring that fees are distributed to right-holders as quickly and correctly as possible and against the lowest possible costs. In 2013, quite some initiatives were taken in this respect. As indicated earlier in this annual report, we have commissioned studies into finger printing processes. In addition, we have met with the various playlist suppliers in order to achieve an accelerated supply. Lastly, Sena urged Intomart GfK to make the results of the joint Sena and Buma/Stemra market research available sooner. The implementation of some of these initiatives will offer Sena some direct results in 2014. With the introduction of the transaction database, Sena now has the possibility to create a buffer with the help of which any

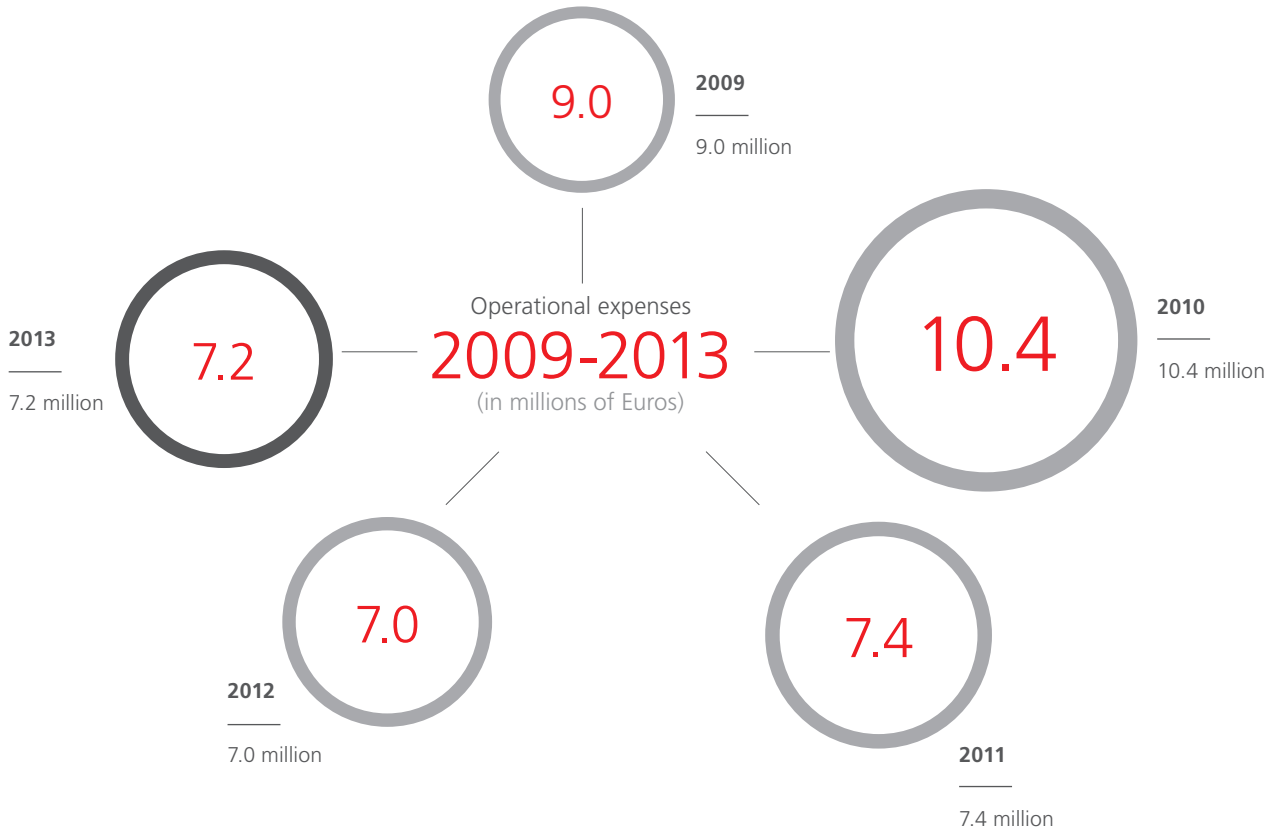
fluctuations in the minute value can be minimalised. Obviously, this buffer has a once-only effect on the level of the distribution. Undistributed Sena funds still need our special attention as well. The respective departments will consult one another on a weekly basis in order to analyse the various process steps and to try and achieve accelerated improvements.

Dutch net distribution has increased with 9 percent to € 33.9 million. International distributions amount to € 6.1 million. The relatively low percentage of 55 percent is of an occasional nature, as the US fees will be distributed in early 2014.



\* In 2009 an advance payment was made and a high amount was distributed concerning previous years.

# OPERATIONS



In 2013, the level of operational expenses remained below budget. Total operational costs amount to € 7.2 million. If the financial result and miscellaneous income are included, operational costs amount to € 6.1 million.

In order to support Sena's core processes, far-reaching investments have been made in IT and the automation system during the year under review. Both the transaction database and the new online portal MySena went live. In addition, the playlist portal has been developed, which is meant to enable a more controlled and structured submission of playlists. Furthermore, quite some man hours have been invested to increase the level of international co-operation with other music licensing companies. Sena participates actively in various international projects.

**BUDGET 2014**  
The budget for operational expenses in 2014 has been set at € 7.5 million. Compared to 2013, this constitutes an increase of € 275 thousand. Expenses for wages and salaries are expected to increase by 2 percent (€ 64 thousand). The most poignant increase is expected for mailing and collection costs (+ 7.8%, an increase of € 128 thousand). This increase is largely explained by an incidental benefit in 2013. Within the post 'Other operational expenses' mutations are covered at item level. Nevertheless, the total budgetted amount for Other operational expenses remains nearly identical to 2013 (+ 1%, an increase of € 19 thousand). The depreciation of intangible fixed assets are expected to increase by 30 percent (+ € 62 thousand) due to a higher level of capital expenditures (€ 219 thousand).

# ABOUT SENA

In 1993, the government appointed Sena (“Stichting ter Exploitatie van Naburige Rechten”), the Dutch Foundation for the Exploitation of Neighbouring Rights, to manage the remuneration right under the Dutch Neighbouring Rights Act of all performers and record producers for the communication to the public of music which has been commercially published. Sena has been exclusively appointed to perform this task in the Netherlands, meaning that no other entity is entitled to collect and distribute these fees. In addition to all national artists and producers, Sena also represents a large number of international top acts. Our mission statement is as follows:

Sena aims to create awareness among music users of the value of music, with the ultimate goal of collecting a remuneration on behalf of national and international artists and producers, and distributing this remuneration to the right-holders as quickly and correctly as possible and against the lowest possible costs.

### DISTRIBUTION

Sena distributes the fees collected on the basis of its Distribution Regulations. Sena processes playlists of national radio stations which have a market share of at least 0.3% and which are affiliated with the National Listen Survey (“Nationaal Luisteronderzoek” - NLO). Playlists from regional radio stations are processed if they pay Sena a minimum licence fee of € 30 thousand annually. Playlists of national television broadcasters are processed if they pay a minimum annual licence fee of € 60 thousand. In addition, playlists from background music suppliers such as Alcas, Eazis, Mood Media and Mediatools, are processed as well. These playlists report the use of music of some 1,500 pubs in the Netherlands. It is Sena’s aim to further increase the number of sources used for distributions, such against a sound cost level. In order to distribute the fees as accurately and as fairly as possible, we distinguish between a prime-time and a non-prime-time rate for national broadcasting stations.

Sena distributes a large part of the public performance fees collected on the basis of a survey by Intomart GfK, which is performed twice a year on behalf of Buma and Sena. As part of this survey, 2,400 entrepreneurs are contacted by telephone and asked if they listen to music, and if so, to which broadcast station and/or from which source.

Broadcasting revenue is distributed on the basis of legal download data. Based on the above-mentioned methods, Sena registers which music was communicated to the public in a certain year. Subsequently the fees are distributed among the right-holders of this music, on the basis of the allocation clauses laid down in the Distribution Regulations.

Half of the reserved fees per title are distributed to the producers; the other half is distributed to the performing artists. The distribution of fees per phonogram/title is carried out as follows:

- a) the total amount available for distribution to the performers will be divided by the total number of minutes of actual use of repertoire subject to royalties per collection source;
- b) This amount per minute is multiplied by the number of minutes played per title, thus resulting in an amount per title that is available for distribution among the performers who have contributed in that capacity to the title in question, and among the producers.

The performers of popular music, who have contributed in that capacity to a certain title, share the amount available for the title in question in accordance with the following point system:

- band members (‘the artist’) / soloist: 5 points;
- conductor: 3 points;
- session musicians / performers: 1 point per instrument, with a maximum of 3 points. Moreover, if session musicians have contributed to the recording, the amount to be distributed among the session musicians will never exceed 50% of the total amount available for each title.

The performers of classical music, who have contributed in that capacity to a certain title, share the amount available for the title in question in accordance with the following point system:

- soloist: 5 points;
- conductor: 3 points
- other performers: 1 point.

Sena deducts a cost rate from all fees collected. For the year 2013, the withholding percentage was determined at 16 percent. In addition, Sena reserves 3 percent of the fees intended for the performing artists for social-cultural objectives.

### GOVERNANCE MODEL AND TESTING OF THE DISTRIBUTION REGULATIONS

2013 was the first full calendar year in which Sena’s new governance structure was in effect.

On the basis of the CMO quality mark and the accompanying guidelines for good governance and integrity for CMO’s, Sena’s Distribution Regulations and governance model must be tested every three years to see if they are still up to date and practicable. The most recent test took place in 2012, together with the change in Sena’s governance structure. The next test will take place in 2015.

On the basis of its current governance model, Articles of Association and Distribution Regulations, Sena fulfils the requirements of the principles and best practices, as laid down in the afore-mentioned guidelines for good governance and integrity for collective management organisations.



KONINKLIJK  
CONCERTGEBOUWORKEST



RICHARD  
SPEETJENS  
(RPHO)

NEDERLANDS  
BLAZERS ENSEMBLE





COMBATTIMENTO CONSORT AMSTERDAM  
CONCERTI GROSSI OPUS 3,  
BRANDENBURGS CONCERT NR. 4 IN G GR. T., BWV 1049

# TOP 10 CLASSICAL

THE NETHERLANDS

- 1  
**CONCERTI GROSSI OPUS 3 -  
COMBATTIMENTO CONSORT AMSTERDAM**  
SESSION MUSICIANS: S.C. BOS, A. DEN HERDER,  
COMBATTIMENTO CONSORT AMSTERDAM,  
J.W. DE VRIEND (DIRIGENT)
- 2  
SYMFONIE NR. 5 IN BES GR. T. D 485 - RADIO KAMERORKEST
- 3  
SERENADE NR. 10 IN BES GR. T. GRAN PARTITA, KV 361 -  
NEDERLANDS BLAZERS ENSEMBLE
- 4  
SYMFONIE NR. 2 IN BES, B12 - KONINKLIJK  
CONCERTGEBOUWORKEST
- 5  
SYMFONIE NR. 8 IN ES GR. T., DER TAUSEND -  
JANE EAGLEN, ANNE SCHWANWILMS, RUTH ZIESAK,  
KONINKLIJK CONCERTGEBOUWORKEST
- 6  
PIANOCONCERT IN A KL. T. OPUS 16 - JEAN-YVES THIBAUDET,  
ROTTERDAMS PHILHARMONISCH ORKEST
- 7  
SYMFONIE NR. 9 IN E KL. T. OPUS 95 UIT DE NIEUWE WERELD -  
NEDERLANDS PHILHARMONISCH ORKEST
- 8  
**BRANDENBURGS CONCERT NR. 4 IN G GR. T., BWV 1049 -  
COMBATTIMENTO CONSORT AMSTERDAM**  
SESSION MUSICIANS: A.E. BERGMAN †, S.J. VAN DER MEER,  
H.T. ROELOFS, M. VERBRUGGEN, COMBATTIMENTO CONSORT  
AMSTERDAM, J.W. DE VRIEND (DIRIGENT)
- 9  
SYMFONIE NR. 5 IN CIS KL. T. - KONINKLIJK  
CONCERTGEBOUWORKEST
- 10  
SYMFONIE NR. 6, OPUS 68, PASTORALE -  
ORKEST VAN DE 18E EEUW



# ANNUAL ACCOUNTS 2013

---

CASH FLOW STATEMENT 2013

(in thousands of Euros)	2013	2012
	€	€
INVOICED LICENCE FEES	63.510	58.016
Movements in cash receipts versus invoiced licences	2.783	(634)
TOTAL RECEIPTS FROM LICENCES	66.293	57.382
THESE RECEIPTS CAN BE SPECIFIED AS FOLLOWS:		
The Netherlands	53.210	47.513
International	13.083	10.063
Total Sena rights – Article 7 WNR	66.293	57.576
Private copy	0	(194)
TOTAL RECEIPTS FROM LICENCES	66.293	57.382
DISTRIBUTION PAYMENTS		
The Netherlands	(33.935)	(31.086)
International	(6.079)	(11.069)
Private copy	(23)	(456)
TOTAL DISTRIBUTION PAYMENTS (1)	(40.037)	(42.611)
CASH FLOWS FROM LICENCES AND DISTRIBUTION	26.256	14.771
Operational expenses (gross)	(7.229)	(6.966)
Miscellaneous income	332	603
Financial result	840	860
Depreciation of (in)tangible fixed assets	210	277
Investments in (in)tangible fixed assets	(138)	(41)
Movements in accrued assets	(159)	591
Restructuring provision	0	(136)
Movements in current liabilities	(736)	(272)
CASH FLOWS FROM OPERATIONAL ACTIVITIES	(6.880)	(5.084)
EXPENSES OF SOCIAL-CULTURAL FUND	(1.444)	(825)
	17.932	8.862
Cash at bank and in hand as at 1 January	43.829	34.967
Cash at bank and in hand as at 31 December	61.761	43.829
MOVEMENTS IN CASH AT BANK AND IN HAND	17.932	8.862



BALANCE SHEET AS AT  
31 DECEMBER 2013

ASSETS

(in thousands of Euros)	31 December 2013		31 December 2012	
	€	€	€	€
<b>Fixed assets</b>				
Intangible fixed assets (2)	194		236	
Tangible fixed assets (3)	182		212	
Financial fixed assets (4)	6.204		11.054	
		<b>6.580</b>		<b>11.502</b>
<b>Current assets</b>				
Accounts receivable (5)	2.119		3.634	
Accrued assets (6)	557		365	
		<b>2.676</b>		<b>3.999</b>
<b>Cash at bank and in hand (7)</b>		<b>61.761</b>		<b>43.829</b>
<b>TOTAL ASSETS</b>		<b>71.017</b>		<b>59.330</b>

LIABILITIES

(in thousands of Euros)	31 December 2013		31 December 2012	
	€	€	€	€
<b>Equity</b>		<b>0</b>		<b>0</b>
<b>Long-term liabilities</b>				
Social-cultural projects (8)		<b>3.301</b>		<b>3.686</b>
<b>Current liabilities</b>				
Distribution liability (9)				
- Payable	62.725		49.223	
- Not yet payable	2.119		3.634	
		<b>64.844</b>		<b>52.857</b>
<b>Other current liabilities</b>				
Accounts payable	735		773	
Taxes and social security contributions	282		510	
Accrued liabilities (10)	1.855		1.504	
		<b>2.872</b>		<b>2.787</b>
<b>TOTAL LIABILITIES</b>		<b>71.017</b>		<b>59.330</b>

## STATEMENT OF INCOME AND EXPENDITURE

(in thousands of Euros)	2013	2012
	€	€
<b>Income</b>		
Turnover	6.057	5.503
Miscellaneous income (11)	332	603
	<b>6.389</b>	<b>6.106</b>
<b>Operational expenses</b>		
Wages and salaries (12)	(2.967)	(2.657)
Mailing and collection costs (13)	(1.621)	(1.722)
Other operational expenses (14)	(2.300)	(2.214)
Depreciation of (in)tangible fixed assets (15)	(210)	(277)
Management costs (15)	(131)	(96)
	<b>(7.229)</b>	<b>(6.966)</b>
Financial result	<b>840</b>	<b>860</b>
<b>RESULT OF UTILISATION OPERATIONAL EXPENSES</b>	<b>0</b>	<b>0</b>
<b>BUDGET OF OPERATIONAL EXPENSES (16)</b>	<b>(7.432)</b>	<b>(7.520)</b>

OVERVIEW MUTATIONS  
DISTRIBUTABLE LICENCE INCOME

(in thousands of Euros)	2013	2012
	€	€
BALANCE AS AT 1 JANUARY	52.857	53.169
INVOICED LICENCE FEES		
Dutch use	50.356	48.154
Dutch CMO's	0	(215)
Foreign CMO's	13.154	10.077
Subtotal	63.510	58.016
DISTRIBUTIONS		
Right-holders	(41.852)	(46.300)
Foreign CMO's	(7.209)	(7.592)
Additions to the SoCu Fund	(1.069)	(885)
Other	0	(138)
Subtotal	(50.130)	(54.915)
OTHER MOVEMENTS		
Additions		
Miscellaneous income	332	603
Financial result	840	860
Release of provision for accounts receivable	747	0
Subtotal	1.919	1.463
Withholdings		
Operational expenses (gross)	(7.229)	(6.966)
Withholding of administrative costs with respect to distributions over music year 2012	6.042	6.199
Withholding of administrative costs with respect to distributions over previous years	2.982	5.082
Addition to provision for accounts receivable	0	(884)
Movements in deficit due	(4.850)	(7.794)
Miscellaneous income - international	(257)	(513)
Subtotal	(3.312)	(4.876)
BALANCE AS AT 31 DECEMBER	64.844	52.857





BIRDY  
PEOPLE HELP THE PEOPLE

# TOP 10 POP

INTERNATIONAL

1  
SOMEBODY THAT I USED TO KNOW - GOTYE & KIMBRA

2  
THE A-TEAM - ED SHEERAN

3  
NEXT TO ME - EMELI SANDÉ

4  
TURNING TABLES - ADELE

5  
KEEP YOUR HEAD UP - BEN HOWARD

6  
BALADA - GUSTTAVO LIMA

7  
**PEOPLE HELP THE PEOPLE - BIRDY**

8  
AI SE EU TE PEGO - MICHEL TELO

9  
NEW AGE - MARLON ROUDETTE

10  
EVERYTHING'S GONNA BE ALRIGHT - THE BABYSITTERS  
CIRCUS



# CONSOLIDATED ACCOUNTING PRINCIPLES

## GENERAL

Unless otherwise indicated, all amounts are stated in thousands of Euros. Assets and liabilities are generally recognized at purchase or manufacturing price. The purchase or manufacturing price is used as valuation basis for the determination of the result. Unless otherwise stated, assets and liabilities are recognized at nominal value. This year is the second year for which Sena has prepared its annual accounts in accordance with Title 9 of Book 2 of the Dutch Civil Code. In addition, the provisions of the Guideline for annual reporting 640 of the Dutch Accounting Standards Board have been taken into account.

## SENA'S ACTIVITIES

Sena has two core activities. The first is to grant licences on behalf of the right-holders to companies or organisations using music, and to collect the associated fees. Sena carefully monitors and registers where, how and for which purpose music is played in the commercial sector, as well as which licences are applicable. Sena's second responsibility is to ensure that the fees are distributed correctly among performers and producers. To make this possible, Sena first registers the right-holders' details, including the repertoire they have worked on or have produced. Subsequently, Sena calculates who is entitled to what. This is done on the basis of information such as playlists from radio and television broadcast stations. Sena also uses the results of a large-scale market research study, which is conducted in conjunction with Buma. This study produces an overview of listening behaviour within the Dutch commercial sector. Finally, Sena distributes payments to the respective right-holders. Sena does not act for profit. The foundation considers it as its duty to distribute the fees as correctly as possible and at the lowest possible cost. Distributions are made four times a year. Sena ensures the distribution of fees with respect to both music played in the Netherlands and music played abroad.

## CHANGE OF PRESENTATION

Three issues have been amended in these accounts. First of all, an overview of movements in proceeds from licence fees to be distributed has been added. This overview shows the movements in the (distribution) obligation. In accordance with the CMO quality mark, this overview is added in the same manner by all collective management organisations. The second amendment is the inclusion of the part of the Sena Muziekproductiefonds forming the loans. The third amendment concerns the statement of income and expenditure. Miscellaneous benefits have now been stated as income.

## COMPARATIVE FIGURES

Where necessary, the figures for 2012 have been reclassified in order to facilitate a comparison with 2013.

## ESTIMATES

In compiling the annual accounts, the Executive Board has to make specific estimates and assumptions that help to determine the amounts included. Such estimates are made in accordance with generally applicable principles. The actual results may deviate from these estimates.

## FOREIGN CURRENCIES

Transactions closed in foreign currencies during the year under review will be recognized in the annual accounts against the exchange rate applicable at the transaction date. The foreign currency account is valued at the rate of exchange as per the year-end. Any exchange differences arising from the conversion will be taken to the statement of income and expenditure.

## PRINCIPLES OF VALUATION FOR ASSETS AND LIABILITIES

### Tangible and intangible fixed assets

Tangible and intangible fixed assets are valued at purchase or manufacturing price, less a straight-line depreciation based on the expected useful life and, where applicable, special impairments.

### Financial fixed assets

The result arising from the difference between the withholding percentage and the operational expenses, plus miscellaneous income and the financial result in the year under review will be settled entirely with the deficit due. Financial fixed assets have come into existence in the past because of a too low withholding percentage. As a result, a deficit due has arisen.

### Accounts receivable

The accounts receivable are stated at fair value when they are first recorded and are subsequently carried at amortised cost, which is equal to the nominal value reduced by the bad debt provisions considered necessary.

### Provisions

Provisions are recorded for concrete or specific risks and obligations which exist on the balance sheet date and the size of which is uncertain, but which can be reasonably estimated.

### Pensions

The foundation has set up a pension scheme for its staff, in which the pension benefits are based on defined contributions. This pension scheme is administered by an insurance company. The contributions owed over the financial year are recorded as costs. A reserve is included for contributions not yet paid as at the balance sheet date. Since these liabilities have a short-term character, they are carried at their nominal value.

## Non-current liabilities

Non-current liabilities consist of debts with a remaining duration greater than one year. Non-current liabilities are stated at fair value when they are first recorded, and are subsequently carried at amortised cost.

## Current liabilities

Current liabilities consist in the main of debts with a remaining duration not greater than one year.

## Liabilities with respect to distributions

Liabilities with respect to distributions to participants are recorded on the basis of the provisions included in the Articles of Association and the Distribution Regulations. Licence fees are recorded at the moment of invoicing.

## PRINCIPLES OF THE DETERMINATION OF THE RESULT

### General information

The result is defined as the difference between turnover and all related costs attributable to the year under review. Costs are determined on the basis of the afore-mentioned valuation principles. Losses are recorded in the year in which they become foreseeable.

### Turnover

Sena's services consist roughly of the following: invoicing of licence fees, documenting of repertoire, processing of playlists, and distribution of fees to the respective right-holders. These activities can be performed in another year than the year of collection. As the results of these services cannot be estimated reasonably on an interim basis, the results are recorded in the amount of costs incurred. The difference between the fee withheld and the actual office costs is directly settled with the deficit due.

### Depreciation

Depreciation is related to the purchase price of the respective intangible and tangible fixed assets. Depreciation is based on the estimated useful life and is calculated on the basis of a fixed percentage of the purchase price, taking into account any residual value. Investments are depreciated as from the moment of putting into operation.

### Financial result

Financial results realised relate to resources deposited at banks (deposits, savings accounts and current accounts) and are recorded in the year to which they relate.

## VALUATION PRINCIPLES OF THE CASH FLOW STATEMENT

The cash flow statement has been prepared on the basis of the indirect method.

NOTES TO THE CASH  
FLOW STATEMENT

DISTRIBUTION PAYMENTS (1)

The statement below gives a specification of the gross and net distributions over the years 2013 and 2012. Over the year under review, there has been an increase in both gross and net distributions. Net distributions have increased by 9 percent compared to 2012. The distribution of foreign fees has decreased over 2013. The main reason behind this is the distribution of fees received from the United States, at the beginning of 2014. This is related to the fact that Sena has been granted the QI-status (please refer to page 8). As regards private copying fees: these are distributed through Stichting NORMA as from 2011. The distribution amounts as stated below concern earlier years.

2013	The Netherlands Article 7 WNR	International	Private copy	Total
Gross distributions	42.959	6.079	23	49.061
Less: administrative costs	9.024	-	-	9.024
NET DISTRIBUTIONS	33.935	6.079	23	40.037
2012	The Netherlands Article 7 WNR	International	Private copy	Total
Gross distributions	42.367	11.069	516	53.952
Less: administrative costs	11.281	-	60	11.341
NET DISTRIBUTIONS	31.086	11.069	456	42.611

NOTES TO THE BALANCE SHEET  
AS PER 31 DECEMBER 2013

INTANGIBLE FIXED ASSETS (2)

Movements in intangible fixed assets can be specified as follows:

	2013	2012
	Software	Software
Book value as at 1 January	236	357
Investments	48	0
Depreciation	(90)	(121)
BOOK VALUE AS AT 31 DECEMBER	194	236

Total purchase costs and depreciation can be specified as follows:

	2013	2012
Purchase value	5.133	5.086
Accumulated depreciation	(4.939)	(4.850)
BOOK VALUE AS AT 31 DECEMBER	194	236

DEPRECIATION RATES

The following depreciation rate is applied: software (20%).

TANGIBLE FIXED ASSETS (3)

Movements in tangible fixed assets can be specified as follows:

	Renovation	Inventory	Hardware	Total 2013	Total 2012
Book value as at 1 January	57	53	102	212	332
Investments	0	10	81	91	41
Disinvestments	0	0	0	0	(702)
Depreciation	(40)	(22)	(59)	(120)	(156)
Depreciation of disinvestments	0	0	0	0	697
BOOK VALUE AS AT 31 DECEMBER	17	41	124	182	212
	Renovation	Inventory	Hardware	Total 2013	Total 2012
Purchase value	121	244	396	761	671
Accumulated depreciation	(104)	(203)	(272)	(579)	(459)
BOOK VALUE AS AT 31 DECEMBER	17	41	124	182	212

DEPRECIATION RATES

The following depreciation rates are applied: renovation (20%), inventory (20%), hardware (33.33%). Investments mainly concern replacement of hardware.

FINANCIAL FIXED ASSETS (4)

Movements in deficit due

	2013
OPENING BALANCE AS AT 1 JANUARY	11.054
Operational expenses, miscellaneous income and financial result	6.057
Withholding of administrative costs with respect to distributions over music year 2012	(6.042)
Withholding of administrative costs with respect to distributions over previous music years	(2.982)
Withholding of administrative costs with respect to cash flows over calendar year 2013 and release of closed years	(1.465)
Release of obligation for private copy	(418)
SUBTOTAL	(10.907)
END BALANCE AS AT 13 DECEMBER	6.204

The deficit due will be made up by means of the difference between the 16 percent cost deduction and the gross operational expenses, net of miscellaneous income and the financial result. Given the fact that there is still deficit due from previous years, the withholding percentage is higher than necessary to cover operational expenses. Furthermore, there will be a withholding percentage of 16 percent over all open music years. These additional withholdings will be deducted from the deficit due. The deficit due mainly has a long-term nature. In the ‘Overview mutations distributable licence income’ the cost deduction has been calculated on the basis of the distribution. The deficit due is calculated on the basis of cash receipts.

ACCOUNTS RECEIVABLE (5)

	2013	2012
Accounts receivable	3.604	6.006
Provision for accounts receivable	(1.485)	(2.372)
NET BALANCE AS AT 31 DECEMBER	2.119	3.634

Movements in and the provision for accounts receivable

MOVEMENTS IN ACCOUNTS RECEIVABLE	2013	2012
Opening balance as at 1 January	6.006	6.364
Invoiced licence fees	63.510	58.016
Receipts	(66.293)	(57.382)
Amount written off from the provision	(140)	(1.287)
Other	521	295
NET BALANCE AS AT 31 DECEMBER	3.604	6.006

MOVEMENTS IN PROVISION	2013	2012
Opening balance as at 1 January	2.372	2.775
Accounts receivable written off	(140)	(1.287)
Release / addition	(747)	884
END BALANCE AS AT 13 DECEMBER	1.485	2.372

NET ACCOUNTS RECEIVABLE	2.119	3.634
-------------------------	-------	-------

As a result of the implementation of a number of procedural changes in the debtor management at the start of 2013, the debtor balance decreased from € 6.006 thousand to € 3.604 thousand. Expressed in days, this amounts to a decrease of seventeen days. The provision has been determined on the basis of expected bad debts. Furthermore, expected (legal) collecting charges to be made for the settlement of fees, have been taken into account and included under accrued liabilities. Accounts receivable written off concern debts that have been finally established as being uncollectable. As the debtor balance has been diminished, the provision has been diminished accordingly, resulting in a decrease of € 747 thousand.

ACCRUED ASSETS (6)

	2013	2012
Interest receivable	288	200
Prepaid expenses	172	95
Loans projects of Sena Muziekproductiefonds	48	15
Other	49	55
ACCRUED ASSETS AS AT 31 DECEMBER	557	365

In case funds are allocated from Sena Muziekproductiefonds, one third of these funds concerns a loan which is due after two years.



CASH AT BANK AND IN HAND (7)

	2013	2012
Savings account/deposits	59.500	40.628
Current account	2.261	3.201
CASH AT BANK AND IN HAND AS AT 31 DECEMBER	61.761	43.829

The increase in cash at bank and in hand is due to the later international distribution, the increase in invoiced licence fees and an improvement of the debtor processes, which has resulted in a decrease of the debtor balance. With the exception of a deposit in the amount of € 4.9 million, cash at bank and in hand is directly available. in conformity with Sena’s policy, the funds have been deposited at various banks.

LONG-TERM LIABILITIES / SOCIAL-CULTURAL PROJECTS (8)

This item is based on a decision by the respective sections and concerns a reserve for social-cultural projects for performers and producers. The application of these funds is the responsibility of the section representatives. The item is created on the basis of funds that are available for distribution with respect to the periods of music use up to and including 2004. In addition, starting from 2005, 3% of the amount available for distribution to performers has been added to the provision as a pre-deduction. Furthermore, an amount of € 0.2 million of the amount available for distribution to producers has been added in 2013 to the social-cultural provision.

	Performers	Producers	Total 2013	Total 2012
Balance as at 1 January	3.671	0	3.671	3.646
Additions with respect to joint projects	191	191	382	285
Additions for the financial year	594	50	644	565
SUBTOTAL	4.456	241	4.697	4.496
Expenditures with respect to joint projects	(191)	(191)	(382)	(285)
Expenditures for the financial year	(1.012)	(50)	(1.062)	(540)
SUBTOTAL	3.253	0	3.253	3.671
Part of the loan to Sena Muziekproductiefonds	48	-	48	15
BALANCE AS AT 31 DECEMBER	3.301	0	3.301	3.686

SoCu specified per year	Balance as at 1 January	Addition	Withdrawal	Balance as at 31 December
Up to and including 2010	3.139	0	0	3.139
2011	0	0	0	0
2012	532	0	(532)	0
2013	0	1.026	(912)	114
SOCU TOTAL	3.671	1.026	(1.444)	3.253

This item mainly has a long-term nature, as the balance, as per the end of 2010 in the amount of € 3.1 million, has no limitation period. In conformity with the provisions of the CMO quality mark, all reserves built up as from 2011 will have to be spent within three years. Therefore, the amount of € 114 thousand has a short-term nature.

Expenditures over 2013 concern the following projects and/or destinations:

JOINT PROJECTS

Amsterdam Dance Event (ADE)  
Gouden Notekraker  
Edison Pop  
Stichting BREIN

PERFORMERS' SECTION

25 jaar Friesland Pop  
Beeckestijnpop  
Buma NL  
Buma Rotterdam Beats  
Clash of the Titans  
De Nederlandse Toonkunstenaarsbond (Ntb)  
De Popprijs  
Misha documentary  
Eddy Christiani Award (ECA)  
European Jazz Competition  
European Talent Exchange Programme (ETEP)  
Festival d-Vers  
FNV KIEM  
Freeze Festival  
High School Music Competition  
House in Harmony  
IJssel Stroomt Over  
Internationaal Kamermuziekfestival Schiermonnikoog  
Into The Tune  
Jazzdag  
Jazzfest Amsterdam  
Kids Jazz  
Local Heroes  
Masterclasses Muzikaal Ondernemen  
Muziekenzorg.nl

PRODUCERS' SECTION

Edison Pop

Muzikantendag on Tour  
Nationaal Comité 4 en 5 mei - Talent Stages  
Nationaal Jeugd Jazz Orkest  
Noord Zie Jazz Festival  
Platform Makers  
Pop met beleid 2.0  
Popunie Live  
Say Jazz Be Jazz Live Jazz  
Sena Muziekproductiefonds  
Sena Performers PopNL Award  
Sena Young Talent Guitar Awards  
Sodom Rocks  
Sound of Music Festival  
Stichting Amersfoort Jazz  
Stukafest Utrecht  
SubLime FM  
Summer Jazz  
Toonzetters  
U Jazz festival  
Uilenburger Concerten  
VESTROCK  
VOLT Buitenspelen voor de GRAP  
World Blend Café  
Jazz in Duketown  
Wereldjazz Festival

CURRENT  
LIABILITIES

LIABILITIES WITH RESPECT TO DISTRIBUTIONS (9)

Liabilities with respect to distributions have a multi-annual, but mainly short-term nature. The moment that these distributions are paid out depends upon the receipt of the respective accounts receivable as well as the policies with respect to the distribution to affiliates. Distribution depends upon the status of the distribution process (the moment of processing of the claims of right-holders and the moment of processing of the playlists). The ‘Not yet distributable’ item concerns the debtor position.

SPECIFICATION OF THE ADDITION TO THE DISTRIBUTION LIABILITY		2013
INVOICED LICENCE FEES	63.510	
Release of provision for accounts receivable	747	
		64.257
Costs withheld		
Withholding of administrative costs with respect to distributions over music year 2012	(6.042)	
Withholding of administrative costs with respect to distributions over previous music years	(2.982)	
Withholding of administrative costs with respect to cash flows over calendar year 2013 and release of closed years	(1.465)	
TOTAL COSTS WITHHELD		(10.489)
RELEASE OF LIABILITY FOR PRIVATE COPY		(418)
MISCELLANEOUS INCOME - INTERNATIONAL		(257)
BALANCE OF THE ADDITION TO THE DISTRIBUTION LIABILITY		53.093
The balance is allocated as follows:		
Article 7 WNR		40.614
International		12.897
Private copy		(418)
BALANCE OF THE ADDITION TO THE DISTRIBUTION LIABILITY		53.093

	Payable			Not yet payable	Total 2013
	Article 7 WNR	International	Private Copy		
BALANCE AS AT 31 DECEMBER 2012	46.126	2.227	870	3.634	52.857
TOTAL PAID	(33.935)	(6.079)	(23)	0	(40.037)
Distribution balance of accounts payable	0	0	0	0	0
Movements in accounts receivable	1.515	0	0	(1.515)	0
Addition to social-cultural projects	(1.069)	0	0	0	(1.069)
Addition to distribution liability	40.614	12.897	(418)	0	53.093
BALANCE AS AT 31 DECEMBER 2013	53.251	9.045	429	2.119	64.844

The allotment and payment of fees have been performed in accordance with the Distribution Regulations (please refer to page 38 of the annual report for explanation).

DISTRIBUTION LIABILITY ON THE BASIS OF ARTICLE 7 WNR

Funds to be distributed, divided per year of use of the music. This specification of the distribution liability is a requirement of the Copyright and Neighbouring Rights Control Board, but is also mandatory to qualify for the CMO quality mark.

Double claims up to and including 2006 and 2009	(62)
2007	258
2008	826
2010	1.960
2011	3.235
2012	7.605
2013	39.429
TOTAL NET DISTRIBUTIONS	53.251

Since 2009, the limitation period amounts to 3 years after the end of the music year. Up to music year 2009, the limitation period was 5 years. During 2013, the years 2006 and 2009 have been closed. The balance in this respect concerns joint claims. The remaining older years that were still open at the start of 2013, have been settled financially during the year under review. During 2014, the years 2007 and 2010 will be closed. The balance of the music years 2007 and 2010 amounts to € 2.2 million. Despite reasonable efforts by Sena, the right-holders for these funds could not be traced yet.

INTERNATIONAL

Sena receives payments from foreign CMO's with highly diverse information in terms of detail. It may occur that a payment comprises various years of music use. During 2013, Sena has adjusted its processes. Therefore, it is now possible to provide a specification of the undistributed funds. Internationally, payments in a certain calendar year need not necessarily refer to the respective music year. Furthermore, the payment specifications of some countries are very limited. These two circumstances justify why the international funds to be distributed are presented separately. The total amount to be distributed is € 9.0 million.

	Year of collection	Music year
< 2007	37	197
2007	443	29
2008	90	56
2009	29	83
2010	46	81
2011	467	141
2012	147	112
2013	7.087	0
TOTAL TO BE DISTRIBUTED	8.346	699

PRIVATE COPY

This item regards private copying levies. In consultation with Stichting Thuiskopie, an amount of € 418 thousand has been released from this liability.

OTHER CURRENT LIABILITIES (10)

	2013	2012
ACCOUNTS PAYABLE	735	773
TAX AND SOCIAL SECURITY CONTRIBUTIONS	282	510
ACCRUED LIABILITIES (10)	1.855	1.504

The most important items under ‘Accrued liabilities’ are reserves for other invoiced licence fees, collection expenses, costs for external consultants and reserves for claims arisen in 2013.

OFF-BALANCE SHEET COMMITMENTS

As at 31 December 2013, the following off-balance sheet commitments were entered into:

	< 1 year	1 - 5 year	> 5 year
Rent (maturity in March 2016)	276	345	
Car lease contracts	80	93	
Copying machines (maturity in April 2017)	7	15	
Bank guarantee to lessor		78	



NOTES TO THE STATEMENT OF  
INCOME AND EXPENDITURE

MISCELLANEOUS INCOME (11)

Income from fees received from abroad, as well as fees or services to NVPI and Stichting NORMA are presented in the Statement of income and expenditures as ‘Miscellaneous income’.

WAGES AND SALARIES (12)

	2013	2012
Wages and salaries	2.383	2.119
Social security contributions	405	387
Pension liabilities	179	151
TOTAL	2.967	2.657

On average, there were 47.2 people employed in 2013 (2012: 43.7), which is equal to 42.9 FTE (2012: 41.9). The average number of FTEs over 2013 can be specified as follows: 5.2 FTE for management and support, 9.7 FTE for commerce, 10.4 FTE for distribution, 2.1 FTE for legal, and 15.5 FTE for IT, business development, communication, PR and finance.

REMUNERATION OF THE EXECUTIVE BOARD		
Name	M.J. Bos	J.A. Moolhuijsen
Position	CEO	CFO
Term of employment	1 January through 31 December 2013	1 January through 31 December 2013
Size of employment	100%	100%
Remuneration	239	153
Social security contributions	9	9
Taxable fixed and variable expense allowance	3	3
Expenses in respect of remuneration payable in time	35	14
Addition for lease car	0	11
TOTAL	286	190

Pursuant to the Dutch Act on the supervision of and dispute resolution regarding collective management organisations for copyright and related rights and the CMO quality mark, information with respect to the remuneration of statutory directors are presented. In this act, the provisions of the Dutch Act on the standardisation of the remuneration of senior executives of the public and semi-public sector (WNT) have been declared applicable to collective management organisations.

MAILING AND COLLECTION COSTS (13)

The invoicing and collection processes for individual licensees have been outsourced by Sena to the Copyright and Neighbouring Rights Service Centre. The related costs have been included under this item.

OTHER OPERATIONAL EXPENSES (14)

	2013	2012
Other personnel costs	509	461
Housing expenses	250	305
Automation expenses	66	57
Office costs	188	159
Advertising costs	450	336
External advice and services	513	387
General expenses	324	509
TOTAL	2.300	2.214

OTHER OPERATIONAL EXPENSES (15)

This includes various income, depreciation of (in)tangible fixed assets, management costs and the financial result. Costs recorded under management costs include the remuneration of the Supervisory Board and the Board of Affiliates. In 2013, the fixed remuneration of the chairman of the Supervisory Board amounted to € 19.7 thousand; the remuneration for the other members amounted to € 11 thousand. The financial result almost entirely consists of interest income from savings accounts and deposits.

BUDGET OF OPERATIONAL EXPENSES (GROSS) (16)

(in thousands of Euros)	2013	BUDGET
Wages and salaries	(2.967)	(2.977)
Mailing and collection costs	(1.621)	(1.725)
Other operational expenses	(2.300)	(2.287)
Depreciation of (in)tangible fixed assets	(210)	(304)
Management costs	(131)	(139)
TOTAL OPERATIONAL EXPENSES (GROSS)	(7.229)	(7.432)

Operational expensens over 2013 were € 203 thousand lower than the budgeted amount (2.7%). The decrease in mailing and collection costs was mainly the result of an incidental item, i.e. the release of a provision. The smaller amount of depreciation can be explained by a smaller amount of investments during the year under review, as well as the fact that these investments were made at a later moment during the year.

AFFILIATED PARTIES

Sena has entered into a partnership with Buma under the name of Copyright and Neighbouring Rights Service Centre. Both parties have a seat in the Governing Board of the Service Centre.

SUBSEQUENT EVENTS

Subsequent to the balance sheet date, the Board of Affiliates has voted in favour of a resolution to carry the undistributed funds of 2007 and 2010 to the deficit due. Performers and producers make an equal contribution.

In 2013, Sena initiated a project to obtain an ISAE 3402 certificate for her distributions process. ISAE 3402 is an international standard for outsourcing of dataprocessing and guarantees a correct execution of financial and IT processes. As the first collective management organisation in the Netherlands, Sena has recently succeeded in obtaining the Type 1 certificate. In 2014, this project will be followed up with the purpose of obtaining a Type 2 certificate. This way, right-holders will get an additional conformation of the reliability of Sena’s distribution process.

Hilversum, 7 March 2014

Executive Board

M.J. Bos  
J.A. Moolhuijsen

Supervisory Board

A. Wolfsen  
C.G. Boot  
C. van der Hoeven  
A. de Jong  
K.P. Ligtermoet  
W.A.Q. Wanrooij

INDEPENDENT AUDITOR'S REPORT

To: the Management Board and Supervisory Board of Stichting ter Exploitatie van Naburige Rechten

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements 2013 of Stichting ter Exploitatie van Naburige Rechten, Hilversum which comprise the balance sheet as at 31 December 2013, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management’s responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with Title 9 of Book 2 of the Dutch Civil Code and elaborated in Guideline for annual reporting 640 “Not-for-profit organizations” of the Dutch Accounting Standards Board. Furthermore management is responsible for such internal control as it deems necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of Stichting ter Exploitatie van Naburige Rechten as at 31 December 2013 and of its result for the year then ended in accordance with Title 9 of Book 2 of the Dutch Civil Code and elaborated in Guideline for annual reporting 640 “Not-for-profit organizations” of the Dutch Accounting Standards Board.

Utrecht, 7 March 2014

BDO Audit & Assurance B.V.  
on its behalf,

sgd Drs. M.N. de Groot RA





SHARON ISBIN  
CONCIERTO DE ARANJUEZ

# TOP 10 CLASSICAL

INTERNATIONAL

1  
SYMFONIE NO. 83 LA POULE - CONCENTUS MUSICUS WIEN

2  
DE NOTENKRAKER, OPUS 71 -  
KIROV ORKEST MARIINSKY THEATER ST. PETERSBURG

3  
CLARINETCONCERT IN A GR, KV 622 -  
SABINE MEYER & BERLINER PHILHARMONIKER

4  
**CONCIERTO DE ARANJUEZ - SHARON ISBIN**

5  
SHEHERAZADE OPUS 35 -  
LEVITIN, SERGEI & KIROV ORCHESTRA

6  
DIE MOLDAU - LONDON SYMPHONY ORCHESTRA

7  
EINE KLEINE NACHTMUSIK, KV 525 -  
ACADEMY OF ST. MARTIN IN THE FIELDS

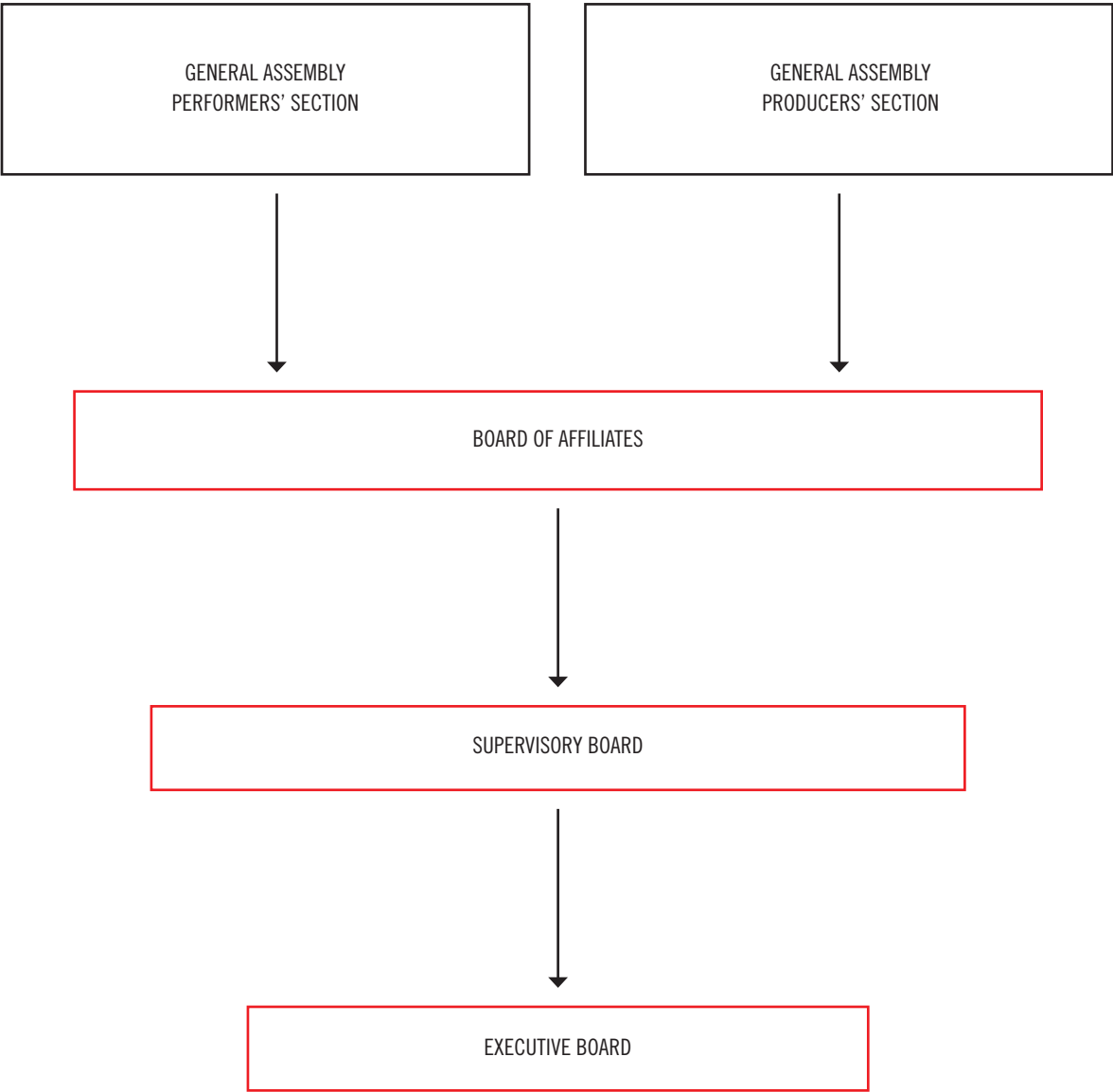
8  
SYMFONIE NO. 6 OPUS 68 PASTORALE -  
WIENER PHILHARMONIKER

9  
SYMFONIE NO. 3 IN F. GRT. T. OPUS 90 -  
BOSTON SYMPHONY ORCHESTRA

10  
CARMEN - ORCHESTRE DE L'OPÉRA BASTILLE



GOVERNANCE STRUCTURE OF SENA



BOARD OF AFFILIATES

As per 31 December 2013:

**Mr E.R. Angad-Gaur MA**

Secretary of the Board of Affiliates / Chair of the Performers' Section (paid)

(Additional) functions:

- 1 Musician / composer / lyricist / publicist (paid)
- 2 Secretary of Ntb, VCTN and SPAN (paid)
- 3 Chair of Platform Makers (paid)
- 4 Secretary of Stichting NORMA (paid)
- 5 Secretary of Scobema (paid)
- 6 Member of the Board of Stichting Leenrecht (paid)
- 7 Member of the Board (secretary) of Stichting de Thuis kopie (paid)
- 8 Member of the Board of Kunsten 92
- 9 Member of the Board of the National Thematic Department of D66 for Culture
- 10 Member of the Board of SONT (paid)
- 11 Contributor to Sena Performers Magazine (paid)

**Mr R.J.T. van Beek MA**

Member of the Board of Affiliates / Section representative of the Producers' Section (paid)

(Additional) functions:

- Business Director 8ball Music (paid)
- 1 Member of the Board of STOMP
  - 2 Member of the Board of Impala
  - 3 Member of the Board of Ronde Tafel Vught
  - 4 Member of the Board of Tilburgsche Heerenzitting

**Mr M. Beets**

Member of the Board of Affiliates / Section representative of the Performers' Section (paid)

(Additional) functions:

- 1 Bass player (paid)
- 2 Contrabass teacher at Codarts Rotterdam (paid)
- 3 Joint proprietor of Maxanter Records VOF (paid)
- 4 Owner of Studio de Smederij, Zeist (paid)
- 5 Composer, arranger, producer (paid)

**Mr P. Boertje**

Chair of the Board of Affiliates / Chair of the Producers' Section (paid)

(Additional) functions:

- 1 Joint owner of Essential Dance Music BV (paid)
- 2 Joint owner of Casual Solution BV (paid)
- 3 Owner of P. Boertje Holding BV (paid)
- 4 Councillor/Deputy Party Leader of VVD Ridderkerk (paid)
- 5 Policy advisor of Dierenbescherming Rijnmond (paid)
- 6 Chair of STAP
- 7 Member of the Board of STOMP

**Mr J.J.R.G. Brans MSc**

Member of the Board of Affiliates / Section representative of the Producers' Section

(Additional) function:

Manager Marketing & Business Analysis Universal Music Benelux (paid)

**Mr R.P. Delfos**

Member of the Board of Affiliates / Section representative of the Performers' Section (paid)

(Additional) functions:

- 1 Teacher of saxophone technique and improvisation at the Royal Conservatoire (paid)
- 2 Teacher of saxophone for light music at Artez Zwolle (paid)
- 3 Active in various bands (Artvark, Houdini's, Jazzinvaders, Licksandbrains) (paid)
- 4 Various workshops at Jazz International et al on a yearly basis (paid)
- 5 Freelance arranger and composer (paid)
- 6 Radio programme Dutch Jazz at SubLime (paid)

**Mr ir. J.N. Favié CFM EMFC RC**

Member of the Board of Affiliates / Section representative of the Producers' Section (paid)

(Additional) functions:

- 1 Managing Director of Promogroup BV (paid)
- 2 Managing Director of PragmaFlex Holding BV (paid)
- 3 Interim Director of U2 Limited (paid)

**Mr R.A. Gruschke**

Member of the Board of Affiliates / Section representative of the Producers' Section (paid)

(Additional) functions:

- 1 Vice-President of the Global Collective Rights Beggars Group (paid)
- 2 Member of the Financial Committee of PPL
- 3 Member of the Distribution Committee of PPL

**Mr A.C.M. Ruiter**

Member of the Board of Affiliates / Section representative of the Performers' Section (paid)

(Additional) functions:

- 1 Member of the Board of BV Pop (part of FNVKIEM)
- 2 Member of the Board of trade organisation Popauteurs.NL

**Mr B. van Sandwijk**  
Member of the Board of Affiliates / Section representative of the Producers’ Section (paid)

- (Additional) functions:
- 1 Financial Director of Sony Music (paid)
  - 2 Treasurer of STAP

**Mr M.C.J. ten Veen LL.B**  
Member of the Board of Affiliates / Section representative of the Producers’ Section (paid)

- (Additional) functions:
- 1 Director of Business & Legal Affairs of Warner Music Benelux (paid)
  - 2 Member of the Board of SIMIM Belgium
  - 3 Member of the Board of Imagia Belgium
  - 4 Member of the Legal Committee of NVPI
  - 5 Member of the Copyright Committee of NVPI

**Ms A. Verheggen**  
Member of the Board of Affiliates / Section representative of the Performers’ Section (paid)

- (Additional) functions:
- 1 Senior policy assistant Ntb (paid)
  - 2 Chair Stichting JA
  - 3 Chair Stichting Dutch Jazz Competition
  - 4 Chair Stichting European Jazz Competition
  - 5 Secretary Stichting Jazz NL
  - 6 Contributor to Sena Performers Magazine (paid)

**Ms S. Vierstra**  
Member of the Board of Affiliates / Section representative of the Performers’ Section (paid)

- (Additional) functions:
- 1 Violin teacher (paid)
  - 2 Allround violinist and personal coach (paid)
  - 3 Clubmanager SGV (volunteer)

**Mr E. Winkelmann**  
Member of the Board of Affiliates / Section representative of the Performers’ Section (paid)

- (Additional) functions:
- 1 Bass player Metropole Orkest (paid)
  - 2 Member of Board of Ntb

SUPERVISORY BOARD

**Mr E.H.T.M. Nijpels MA**  
Independent Chair of the Supervisory Board (paid) - up to and including 31 December 2013

- (Additional) functions:
- 1 Chair of NLingenieurs (paid)
  - 2 Chair of the Supervisory Board of Wetsus (paid)
  - 3 Chair of Papier Recycling Nederland and VRN (paid)
  - 4 Chair of KBb educatief (paid)
  - 5 Member of the Executive Board of VNO-NCW
  - 6 Member of Urgenda Platform
  - 7 Chair of Thuiswinkel.org (paid)

For a complete overview of the functions of Mr Nijpels, please refer to [www.nlingenieurs.nl](http://www.nlingenieurs.nl).

**Mr A. Wolfsen MPA LL M**  
Independent Chair of the Supervisory Board (paid) - as from 1 January 2014

- (Additional) functions:
- 1 Chair of the Supervisory Board of Jantje Beton
  - 2 Chair of the Supervisory Board of Expertisecentrum Forensische Psychiatrie (paid)
  - 3 Chair of the Letselschaderaad
  - 4 Member of the Advisory Board of College of Bescherming Persoonsgegevens (paid)

**Mr C.G. Boot RA**  
Independent financial expert member of the Supervisory Board (paid)

- (Additional) functions:
- 1 CFO Koninklijke Joh. Enschedé (paid)
  - 2 Member of the Advisory Council of Van Ede & Partners at the Arnhem office
  - 3 Member of the Supervisory Board of Hoekstra Krantendruk (paid)

**Mr C. van der Hoeven MA**  
Member of the Supervisory Board, Producers’ Section (paid)

- (Additional) functions:
- 1 CEO / President of Universal Music Benelux (paid)
  - 2 Chair of NVPI Audio
  - 3 Member of the Board of NVPI Federatie

**Mr ir. A. de Jong**  
Member of the Supervisory Board, Producers’ Section (paid)

- (Additional) functions:
- 1 Managing Director of Challenge Records International B.V. (paid)
  - 2 Managing Director of New Arts International B.V. (paid)
  - 3 Vice-Chair of NVPI Audio
  - 4 Member of the Board of NVPI Federatie
  - 5 Secretary of STOMP
  - 6 Owner and manager of Knockwood B.V.

**Mr K.P. Ligtermoet**  
Member of the Supervisory Board, Performers’ Section (paid)

- (Additional) functions:
- 1 PINT Performers’ Interests Consultancy (paid)
  - 2 Member of the Board of Stichting BREIN (paid)
  - 3 Chair of EEGA

**Mr W.A.Q. Wanrooij LL M**  
Member of the Supervisory Board, Performers’ Section (paid)

- (Additional) functions:
- 1 Executive secretary of Stichting Federatie Auteursrechtbelangen (paid)
  - 2 Consultant / project manager World Intellectual Property Organization (paid)
  - 3 Member of the IP Commission International Chamber of Commerce
  - 4 Member of the Koning Willem III Kring

Four members of the Supervisory Board have been appointed by the Section representatives in the Board of Affiliates. The independent chairman and the independent financial expert member are appointed by the four members of the Supervisory Board that were appointed by the Section representatives.

EXECUTIVE BOARD

**Mr M.J. Bos MA**  
CEO (paid)

- (Additional) functions:
- 1 Chair of the Copyright and Neighbouring Rights Service Centre
  - 2 Treasurer of the Executive Board of VOI©E

**Mr J.A. Moolhuijsen**  
CFO (paid)

- (Additional) function:
- 1 Member of the Board of the Copyright and Neighbouring Rights Service Centre

COPYRIGHT AND NEIGHBOURING RIGHTS COLLECTIVE MANAGEMENT ORGANISATIONS CONTROL BOARD

**Chairman**  
Mr J.W. Holtslag MA

**Members**  
Mr J.L.R.A. Huydecoper LL M  
Mr M. Sanders MA  
Mr H.B. van der Veen RA

**Secretary**  
Mr H.F.R. van Heemstra LL M

**Director**  
Mr V.L. Eiff MA



1. PROFILE OF THE SUPERVISORY BOARD

Sena collects fees on behalf of national and international performers and record producers when their music is played outside the private sphere. This may e.g. be the use of music in shops, supermarkets, bars and discos, but also the broadcasting of music on radio and television stations. Sena has been designated by the Ministry of Security and Justice to ensure the implementation of the Neighbouring Rights Act, and has performed this task since 1 July 1993. On the basis of playlists of radio and television broadcast stations and legally approved Distribution Regulations, these earnings are distributed to the entitled performers and producers in the Netherlands and abroad, against the lowest possible costs.

Size and composition of the Supervisory Board

The Supervisory Board consists of six members, including an independent chair and a financial expert. The members are appointed for a term of four years and can be reappointed once for the same term. The members of the Supervisory Board cannot be part of the Executive Board or the Board of Affiliates at the same time. The Supervisory Board will meet at least four times a year.

Fields of activity of the Supervisory Board

- Supervising the Executive Board's day-to-day management as well as the foundation's general state of affairs, taking into account the foundation's results, performance and risks.
- Advising the Executive Board, both on request and on its own initiative, and acting as a sounding board.
- Testing the key strategic, organisational, financial, personnel and performance decisions.
- Supervising the compliance with relevant legislation and regulations.
- Supervising the compliance with guidelines for good governance and integrity for collective management organisations.
- Ensuring all requirements of financial reporting, internal control and risk management are met.
- Appointing, suspending and dismissing the Executive Board, as well as acting as an authorised employer of the Executive Board.

Job requirements for members of the Supervisory Board

- Administrative and supervising qualities and administrative understanding.
- A keen sense of political and administrative relations.
- Being able to act broadly as a sounding board for the Executive Board.
- Knowledge of and experience with administrative decision-making processes.
- Capacity to make an overall assessment of the foundation's results in an independent way.
- Administrative knowledge and experience.
- Understanding of strategic considerations.
- Being able to work in a team.
- Qualities such as discussion, consultation, decision-making and communication skills.
- Interest in the music sector and in copyright and neighbouring rights in general.
- Experience with (administrative) organisations where large-scale data processing is executed.
- Affinity with day-to-day management on the basis of a (clear) job demarcation between the Supervisory Board and the Executive Board.
- An academic working and thinking level; broad social interest.
- Integrity and independence.
- Having the (helicopter view) qualities to function as a supervisor of a complex organisation.

2. PROFILE OF THE BOARD OF AFFILIATES

Size and composition of the Board of Affiliates

The Board of Affiliates consists of representatives of the Performers' Section and representatives of the Producers' Section. Each Section has at least five and at the most seven Section representatives; the number of representatives of both Sections should be equal at all times. In its current state, the Board of Affiliates consists of fourteen Section representatives. The members of the Board of Affiliates are appointed by the Meeting of Affiliates of the respective Section for a term of four years, and can be reappointed twice for a same term. Nomination of candidates can take place on the recommendation of the founding organisations. Affiliates are also entitled to nominate candidates for free seats and/or to nominate opposing candidates.

In order to enable candidates and opposing candidates to get a picture of the Board of Affiliates' most important fields of activity, the following profile has been prepared, including the most desirable competencies and experience. The members of the Board of Affiliates cannot be part of the Executive Board or the Supervisory Board. The Board of Affiliates will meet at least four times a year.

Fields of activity of the Board of Affiliates

- Supervising the overall policy-making process with respect to matters that are of specific importance to the Sections.
- Amending and approving the Distribution Regulations.
- Approving the annual accounts, the annual plan and the budget.
- Advising the Executive Board, both on request and on its own initiative.
- Appointing, suspending and dismissing four members of the Supervisory Board (two by the Section representatives of the Performers' Section and two by the Section representatives of the Producers' Section).

Desired competencies of the members of the Board of Affiliates

- Knowledge of and experience with administrative decision-making processes.
- Capacity to make an overall assessment of the foundation's results in an independent way.
- Understanding of strategic weighing processes.
- Being able to work in a team.
- Qualities such as discussion, consultation, decision-making and communication skills.

3. AGREEMENTS WITH FOREIGN ORGANISATIONS AS AT DECEMBER 2013

For the benefit of **Performers**, the following agreements have been closed with foreign organisations:

COUNTRY	ORGANISATION
Argentina	AADI
Austria	LSG
Belgium	Playright
Brazil	Abramus
Bulgaria	Prophon
Canada	Actra PRS - AFM
Croatia	Huzip
Czech Republic	Intergram
Denmark	GRAMEX
Estonia	EEL
Finland	GRAMEX
France	Adami
France	Spedidam
Germany	GVL
Greece	Apollon
Greece	Erato
Hungary	EJI
Iceland	SFH
Ireland	RAAP
Italy	IMAIE
Japan	Geidankyo
Latvia	Laipa
Lithuania	Agata
Norway	Gramo
Poland	STOART/SAWP
Portugal	GDA
Romania	Credidam
Russia	VOIS
Slovakia	SLOVGRAM
Slovenia	Zavod IPF
Spain	AIE
Sweden	SAMI
Switzerland	SWISSPERFORM
Ukraine	UMA
United Kingdom	PPL
Uruguay	Sudei
USA	AARC
USA	AFM/AFTRA
USA	Sound Exchange

For the benefit of **Producers**, the following agreements have been closed with foreign organisations:

COUNTRY	ORGANISATION
Australia	PPCA
Austria	LSG
Belgium	SIMIM
Brazil	Abramus
Bulgaria	Prophon
Czech Republic	Intergram
Denmark	GRAMEX
Estonia	EFU
Finland	GRAMEX
France	SCPP
Germany	GVL
Greece	GRAMMO
Ireland	PPI
Italy	SCF
Jamaica	JAMMS
Japan	RIAJ
Latvia	Laipa
Lithuania	Agata
Norway	Gramo
Poland	ZPAV
Russia	VOIS
Serbia	O.F.P.S.
Slovenia	Zavod IPF
Spain	Agedi
Sweden	IFPI Svenska
Taiwan	ARCO
Ukraine	UMA
United Kingdom	PPL
USA	AARC (PC/Audio)
USA	Sound Exchange

4. GENERAL INFORMATION ABOUT SENA

On 29 September 1992, Sena (Stichting ter Exploitatie van Naburige Rechten), the Dutch Foundation for the Exploitation of Neighbouring Rights, was established by notarial deed. The foundation has its registered office in Hilversum, the Netherlands. On 9 July 2012, the foundation’s Articles of Association were amended. In its Articles of Association, the foundation has included the following objective:  
“The foundation’s objective is to represent, on a non-profit basis, the tangible and intangible interests of performers and producers with respect to the exercise and enforcement of their neighbouring rights.”

1. The foundation will try to achieve this objective by:
- a. exercising and enforcing the rights and claims entrusted to the foundation, including the collection and distribution of equitable remuneration within the meaning of Article 7 of the Act;

b. aiming to maintain and improve the protection of the neighbouring rights, in the broadest sense, both nationally and internationally, of performers and producers.
2. With respect to the acts referred to in Paragraph 1a, the foundation can take legal action in its own name, regardless of the legal basis on which it exploits and enforces the rights and claims entrusted to it.
3. To achieve its objective, the foundation is authorized to use the following means:
- a. in collaboration with the founding organizations, engaging in or causing other parties to engage in activities to improve the social and socioeconomic position of the holders of neighbouring rights, including measures with a cultural goal;

- b. drawing up distribution regulations with regard to the remuneration referred to in this article and implementing these regulations or having other parties implement them;

c. setting up and maintaining an office to conduct the foundation’s activities or partly or wholly outsourcing these activities to third parties; 3

d. other means which are conducive to its objective.
4. The foundation is authorized to work both in the Netherlands and elsewhere to achieve its objective.
5. The foundation is authorized to enter into agreements with organizations of a similar nature in other countries.
6. The foundation is authorized to join national and international organizations relating to intellectual property rights in general and neighbouring rights in particular.

On 1 July 1993, the Dutch Neighbouring Rights Act entered into force by Royal Decree. Amongst other things, the Neighbouring Rights Act protects the interests of producers and performers of musical works.

The Minister of Security and Justice has designated Sena as the only body authorised to collect and distribute second-use fees under the Neighbouring Rights Act.

The annual accounts have been prepared under the responsibility of the Executive Board, approved by the Supervisory Board and adopted by the Board of Affiliates. The annual accounts are available for inspection to the Meetings of Affiliates.



COLOPHON

Address

Catharina van Renneslaan 20  
1217 CX Hilversum  
The Netherlands

T +31 (0) 35 625 1700  
E [sena@sena.nl](mailto:sena@sena.nl)  
I [www.sena.nl](http://www.sena.nl)

Editor-in-chief

Melanie van de Kuinder, Sena

Design

Fellows, Amsterdam

Photography

Peter Blok (photo Nederlands Blazers Ensemble)  
Dennis Branko (photo Gers Pardoel)  
Anne Dokter (photo Royal Concertgebouw orchestra)  
Boo George (photo Birdy)  
Marc de Groot (photo Trijntje Oosterhuis)  
J. Henry Fair (photo Sharon Isbin)  
Carli Hermès (photo Armin van Buuren)  
Mechteld Jansen (photo Racoon)  
Michiel van Nieuwkerk (photo Combattimento Consort Amsterdam)  
Robert Peek (photo Richard Speetjens, RPHO)  
Paul Tolenaar (photo Will Maas)  
Mark Uyl (photo Miss Montreal)  
Universal Music (photos Afrojack, Anouk, Kane, Keane)

The top-10 lists in this Annual Report were put together on the basis of the playlists of radio stations and television broadcasters in 2012.

