



sena

Makes the
most of music

Annual report two thousand twenty-three

“Our goal is to create awareness among music users about the value of music, collecting fair remuneration for our rightsholders – national and international performers and producers – and distributing this money quickly and accurately at the lowest possible cost.”

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Abbreviations and terms

CMO | Collective Management Organization

CMOs collectively represent the rights of creators and/or operators on a not-for-profit basis. In Sena's case, these are the rights of national and international Performers and Producers.

CvTA | Copyright and Neighbouring Rights Collective Management Organizations Control Board

An external supervisory body tasked with monitoring compliance with the Supervision and Dispute Resolution of the Collective Management Organizations Act.

European Digital Single Market Directive

European directive relating to digital markets. The directive contains a set of carefully defined objective criteria to determine whether a major online platform may be considered a 'gatekeeper'. This is how the law addresses the problems with large, systematic online platforms specifically.

IFPI | International Federation of the Phonographic Industry

The umbrella organization representing the interests of record companies. The IFPI organizes a 'Performance Rights Committee' meeting (PRC) twice a year for all music licensing companies. Sena is an active member of the PRC meetings.

IRIS | Integrated Repartition Information System

Sena's database and back-office application used to register and process repertoire and personal data. It is also used to link repertoire claims to playlist data used to calculate payments to be made.

Machine Learning

Machine learning is a type of artificial intelligence, such as a computer programme that can learn from people's data, input and decisions.

MLC | Music Licensing Company

This term is used when referring to collective management organizations that also work for Producers.

Producers

In the context of this annual report, 'Producer' means the owner of the master recording of a phonogram. This can be a record company or music company, but also a Performer if the master recording ownership of the phonogram has not been transferred. Or any other party that has financed the master recording of a phonogram and thereby acquired the ownership.

RDx | Repertoire Data Exchange

A portal where Producers (record companies) and MLCs can uniformly submit, register and retrieve repertoire data from producers. All parties involved will have the same producer data in the future. This is more efficient, and results in fewer disputes over claims and faster distribution payments.

SCAN | Service Centre for Copyright and Neighbouring Rights

A joint venture between Sena and Buma that handles the administration of music licences in the general licences segment.

SCAPR | Societies' Council for the Collective Management of Performers' Rights

International trade association that promotes cooperation between the various rights organizations for musicians/performers. Sena is a member of SCAPR and takes part in various working group meetings several times a year.

SKO | Stichting Kijkonderzoek

This organization is responsible for television programme encoding.

VOI@E | Dutch trade association for CMOs

Dutch trade association for CMOs such as Sena, BumaStemra and NORMA. VOI@E aims to increase knowledge and understanding of copyright and neighbouring rights and is the point of contact for questions about copyright and neighbouring rights.

VRDB | Virtual Repertoire Database

An initiative from SCAPR. This global recording database is intended to improve the exchange between international sister organizations. Sena plays a very active role in VRDB.

WIN | Worldwide Independent Network

Coordinates and supports the industry organizations representing independent record labels worldwide.

WPPT | WIPO Performances and Phonograms Treaty

The WIPO Convention on performances and phonograms is an international treaty signed by the member states of the World Intellectual Property Organization. It was adopted in Geneva on 20 December 1996 and came into force on 20 May 2002.

WTCBO | The Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act

Regulates the supervision of CMOs exercised by the CvTA.

W (worldwide) | R (regional) | I (international)

W and R members are directly affiliated with Sena as rightsholders and have given Sena a worldwide or regional mandate, respectively. I members are international rightsholders who are affiliated with Sena through an international sister organization.

30 years of Sena

1 July 2023 marked exactly 30 years since the cornerstone of Sena - the Neighbouring Rights Act - came into force. What a milestone!



* 2023 is still an open year regarding the number of playlist lines imported, so this number could still change.

** The figures for 2008 come from the annual report but were later corrected.

Key figures

x € 1,000

Licence-fee Netherlands



Invoiced

€ 83,943 2023

€ 73,690 2022

Received

€ 91,115 2023

€ 69,477 2022

Licence-fee international



Invoiced

€ 5,672 2023

€ 6,541 2022

Received

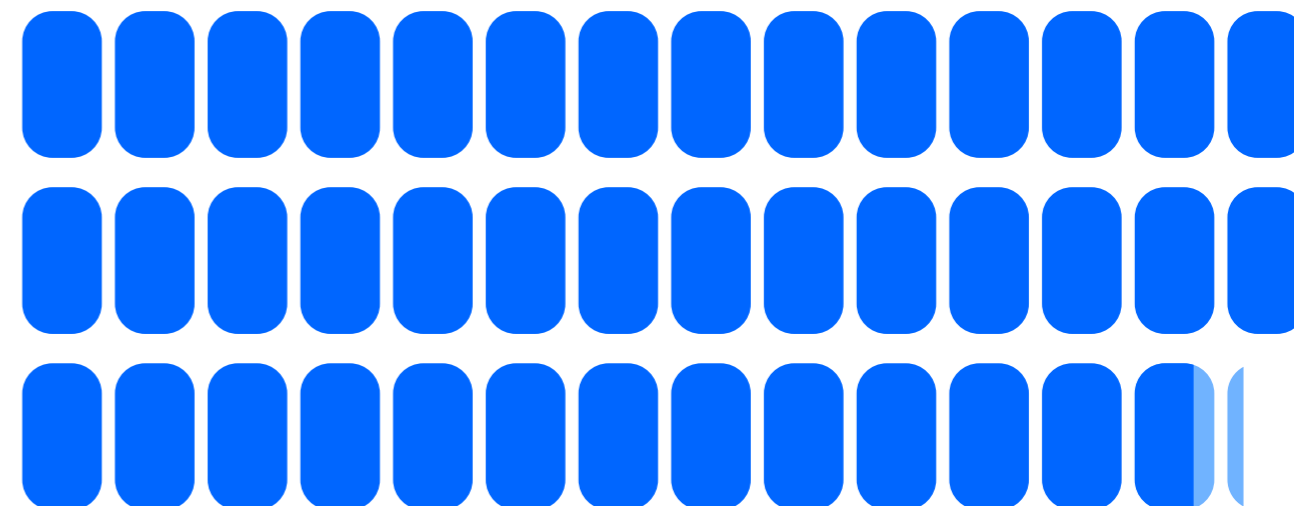
€ 5,774 2023

€ 6,432 2022

Staff



Fte (average) 40.7 2023 41.2 2022



Withholding percentage



Actual*

8.5% 2023

10.5% 2022

Applied**

13% 2023

14.5% 2022

Operating expenses



Gross

€ 8,717 2023

€ 8,270 2022

Net

€ 7,152 2023

€ 7,739 2022

Distribution Netherlands



Gross

€ 68,741 2023

€ 55,408 2022

Net

€ 58,647 2023

€ 47,491 2022

Cost deduction

€ 10,094

€ 7,917

Distribution international



Gross

€ 5,589 2023

€ 6,857 2022

Net

€ 5,310 2023

€ 6,537 2022

Cost deduction

€ 279

€ 320

* Net operating expenses as a percentage of Dutch licence fee income.

** Decision was taken to reduce this percentage to 11% at the end of 2023..

Executive Board Report

Financial x € 1 million

Invoiced licence fee income

Total invoiced licence fee income

€ 89.6
↑ 12%

Dutch licence fee income

€ 83.9
↑ 14%

International licence fee income

€ 5.7
↑ 13%

Received licence fee income

Total licence fee income received

€ 96.9
↑ 28%

This is the highest ever revenue collected by Sena since the start.

Netherlands

€ 91.1

International

€ 5.8

The Dutch received licence fee income in 2023 is slightly skewed as it includes TV revenue from 2022. These licence fees were no longer invoiced in 2022 due to ongoing the contract negotiation with the national TV channels

Distribution

Gross distribution of Dutch collection

€ 68.7
↑ 24%

Gross distribution of international collection

€ 5.6
↑ 18%

Revenue growth in 2023 - like last year - is only seen to a limited extent in the distribution growth for this calendar year. This is largely due to lengthy negotiations with TV channels and legal proceedings initiated against a cable distributor, following the Atresmedia ruling by the European Court of Justice. Therefore, a conservative policy on releasing reserves was adopted at year-end.

Since the minimum net distribution amount was reduced from € 12 to € 5 in 2022, we have seen that the number of rightsholders receiving distribution payments has remained almost constant in 2023. From 2021, these numbers also include rightsholders of recordings funded by entities domiciled in countries that have not ratified the Rome Convention but have ratified the WPPT Convention. In calendar year 2023, 141,886 US recordings were paid in the Dutch collection.

After three years, 2023 was the first year that the Netherlands no longer faced Covid-19 restrictions. Sena invoiced a full year of licence fee income in 2023. Driven by high inflation, the rise in the consumer price index reached 9.9%. The RAAP-PPI surcharge of 26.6% on public use applied in 2023, and the Atresmedia ruling required much of our attention once again during this reporting year.

Net operating expenses



The interest income received on our liquidity position had a significant impact on this: € 850,000 in 2023, compared to a cost of € 198,000 in 2022.

Liquidity position

Our liquidity position increased in 2023.

€ 31.1



This increase is mainly due to higher revenues as a result of higher invoicing. Advances made have also been recouped and no new advances have been made - due to the current interest rate situation - on Sena's initiative. Holding relatively high reserves in 2023 in connection with the Atresmedia solution also resulted in a relatively large increase in the liquidity position.

Social-Cultural fund

In 2023, the Social-Cultural fund decreased by € 889,000.



This is partly because, from music year 2022, we calculate the addition to this fund for the Performers section on a distribution basis, rather than on a collection basis. This has a delayed effect on the build-up of the provision.

By using fingerprinting and VRDB, the distribution percentage has increased. As a result, the balance of undistributed fees has decreased, which also means that less money is available that can be allocated to the Social-Cultural fund. However, the number of SoCu applications remains high. In particular, the number of applications for the Sena Music Production Fund has increased significantly since Covid.

Outstanding amounts

This item increased in 2023.

€ 5,3



The operating balance is added to or withdrawn from this balance sheet item annually. The withholding percentage of 13% applied to the distribution of funds for the music year 2023 was substantially higher than the actual cost percentage of 8.5%. This led to our decision to reduce the withholding percentage over 2023 to 11% retrospectively. The effect of reducing the withholding rate from 13% to 11% is over € 1.5 million. We will process the reduction in the withholding percentage for 2023 in 2024. This leads to a reduction of € 1.5 million in the 'Outstanding amounts' item. This positive effect on the payout will be included in the March 2024 distribution.



“Our 30th anniversary was marked with a new brand style and a completely renewed MySena environment. In 2023, we also had our hands full dealing with the consequences of the EU rulings.”

Markus Bos, CEO Sena

Legal

Atresmedia ruling

Based on Article 7 of the Neighbouring Rights Act, Sena collects equitable remuneration for the use of commercially released phonograms, including from TV broadcasters and cable companies. On 18 November 2020, the European Court of Justice ruled in the case of *Atresmedia v AGEDI/AIE* (the Atresmedia ruling). The ruling stipulates in non-legal terms that TV broadcasters broadcasting audiovisual works no longer owe equitable remuneration to master owners (Producers) and Performers. If the relevant phonograms have already been authorised for synchronisation in audiovisual works, then there would no longer be an issue with transmitting phonograms that have been released for commercial purposes.

Annex

Rightsholders who do not want any changes could agree to the so-called 'Atresmedia solution' from 4 April 2023 in the online tool MySena. This involves an annex to the exploitation agreement. This allows us - in case of doubt - to continue to collect on behalf of the collective and continue to negotiate equitable remuneration on behalf of our rightsholders. Rightsholders who want to make agreements directly with parties who want to use their music in TV broadcasts could use an opt-out scheme until 1 October 2023.

Synchronisation agreements

Sena has talked at length with national TV broadcasters. Working arrangements have been made whereby the term 'Settled' is used for specific music use. This concerns music use for which, according to the TV broadcasters, contractual synchronisation agreements have already been made with the relevant rightsholders. In this case, we will no longer collect and distribute fees for designated programme categories. This will start in music year 2024.

No results

We have not been able to reach an agreement with the leading cable distribution company. We were therefore forced to start legal proceedings in 2022 in order to clarify how the Atresmedia ruling should be interpreted. In view of this ongoing legal uncertainty, the Minister for Legal Protection has chosen not to grant us an extended licence for the time being.

Agreement

Since September 2023, Sena has been collecting and distributing payments for all phonograms released for commercial purposes that are broadcast on NPO channels. An agreement was also reached with Talpa TV and RTL Nederland at the end of 2023. As a result, the playlists from RTL and Talpa channels could be added to the distribution on 15 December 2023, for the period from January 2022 to October 2023.

RAAP-PPI ruling

Recorded Artists Actors Performers - RAAP - and Phonographic Performance Ireland - PPI - are neighbouring

rights organizations based in Ireland representing Performers and Producers respectively. These CMOs did not agree on the fees for Performers who do not live within the European Economic Area - EEA. On 8 September 2020, the European Court of Justice ruled on this issue, ruling that no restrictions should be applied as to which rightsholders are eligible for neighbouring rights remuneration. Rightsholders from third states - states that are not part of the EEA - should not be excluded from the right to equitable remuneration. This would only be allowed if it were set out in European legislation.

Treaty of Rome and WPPT

Based on the Neighbouring Rights Act, only repertoire whose original master owner is established in a country that has signed the Treaty of Rome is protected from all forms of publication. The United States has not ratified the Treaty of Rome and has entered a caveat to the WIPO Performances and Phonograms Treaty. FM radio and TV broadcasting and public use have no neighbouring rights legal protection in the US. This is not the case with webcasting or simulcasting. As a result of the RAAP-PPI ruling, a legislative amendment came into force in the Netherlands on 1 January 2021. This removed the distinction between protection under the Treaty of Rome or the WPPT. This means that repertoire from all countries that have signed the WPPT treaty - including the US - is represented by Sena.

Rates adjustment

As a result of this legislative change in the Netherlands, Sena also had to start collecting and distributing for all forms of publication of 'American repertoire'. We started discussions with the representative organizations of music users to explain that - based on the increased share of protected repertoire - we felt it necessary to increase the fees. For 2023, an unchanged rate of 26.6% was agreed as a RAAP surcharge.

European lobby

The current situation is that all forms of broadcasting or publication of US repertoire is paid for, but not vice versa. Together with our sister organizations, the VNO-NCW Copyright Committee and MKB-Nederland, Sena has been actively lobbying the European Commission, nationally and internationally, to restore reciprocity in European regulations. Performers and producers from the major European countries also joined forces in 2023 to find a solution to the consequences of the RAAP-PPI ruling. The ruling could cause around € 125 million in music revenue from Europe to disappear each year.

Position

The European Commission launched a 'targeted consultation' - public consultation - on 11 September 2023 but did not reach a conclusion in 2023. We remain - in cooperation with many other parties - committed to this topic. If the European rules and/or law is amended again, the RAAP surcharge will lapse immediately.

10% also equitable for VCR radio stations

In 2011, Sena terminated the agreement with the Commercial Radio Association (VCR). A case on the merits was then filed against VCR, as Sena believes that the rate that remains to be charged to date cannot be considered equitable. The District Court of The Hague has asked the Copyright Dispute Business Committee for an expert opinion. On 8 June 2023, the Disputes Committee issued a recommendation. It concluded that Buma's standard 10% rate should also be considered equitable as the Sena rate for nationwide commercial radio stations. The District Court of The Hague did not reach a decision in this case in 2023.

Sena continues to do everything in its power - in the context of the above legal issues - to achieve an optimal result for our rightsholders.

Music creators

MySena

The online tool for more than 48,000 Sena rightsholders. Work is ongoing to continue to optimise our digital services. In 2023, we made a number of important changes to MySena. The dashboard was completely redesigned in the new brand style, with interactive management information. Sound files can now be uploaded in bulk in the repertoire menu. International duplicate claims can be easily resolved. And a new overview shows if tracks from rightsholders have been used at any of the dance festivals that Sena has paid out for since 2022.

Sena app

The Sena app allows rightsholders to view their current balance for the next payment round and see previously made payments via their smartphone or tablet. They can also register new repertoire and check the list of unclaimed repertoire. In 2023, we worked behind the scenes to improve the app and implement Sena's new branding.

Music Rights on Tour

The aim of this joint initiative by Sena, Buma and NORMA is to reach as many students, young performers, producers, composers and authors as possible and explain their rights when it comes to copyright law and the Neighbouring Rights Act.

In 2023, interactive panels were held during seven national events: Noorderslag, Muzikantendag, Popronde Preparty, Haagse Popweek, New Music Conference, Amsterdam Dance Event and No Man's Land. A further 17 Masterclasses were held at various locations. Music Rights on Tour reached more than a thousand potential rightsholders in 2023.

Social and Cultural

Each year, the Sena Performers Fund and the Sena Producers Fund make a financial contribution to several social and cultural events and projects and to the Sena Music Production Fund. From Talent Stages at the Liberation Day festivals (Bevrijdingsfestivals) to the European Guitar Award.

From the Edisons Pop and the Edisons Jazz & Classical, to the Golden Nutcracker (Gouden Notekraker). The aims of the Sena Performers Fund are to promote talent development and encourage proper paid employment for musicians. The aims of the Sena Producers Fund are to support music producers, talent development, Dutch music professionals training and social support through music. To meet these objectives, the Sena Performers reserved 3% (€ 782,000) of the funds distributed to Sena and part of the undistributed fees from the closed music year 2019 (€ 1,373,000). The Sena Producers donated part of the undistributed fees (€ 1,110,000) of the closed music year 2019 to the Producers Fund. The total addition was € 2,155,000 for the Performers and € 1,110,000 for the Producers. The total joint addition amounted to € 3,265,000.

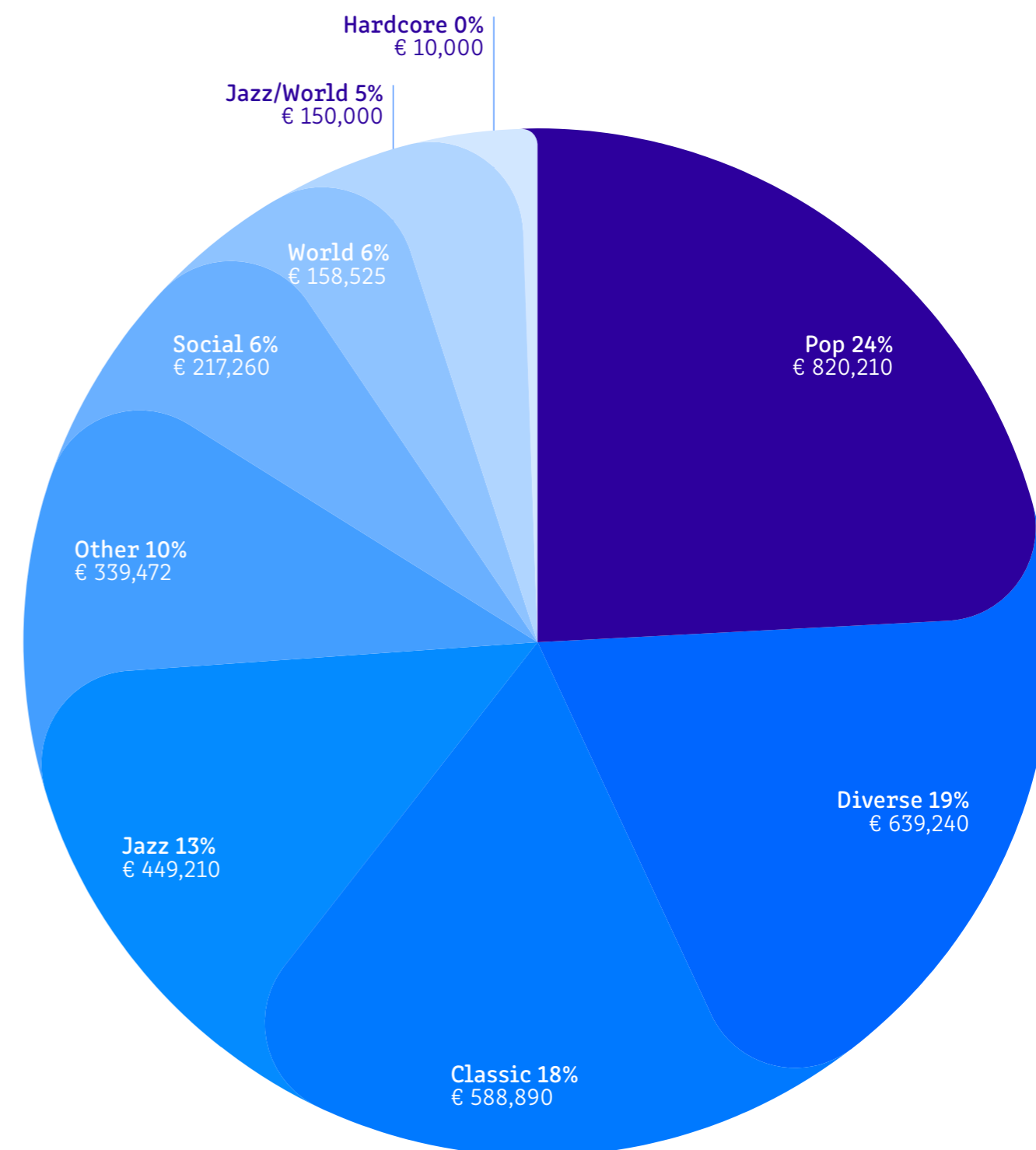
MPF

Het Sena Muziekproductiefonds geeft professionele The Sena Music Production Fund provides financial support to professional musicians who want to release music digitally or physically for the next step in their musical career. In 2023, there were three application rounds for the MPF. A total of 903 applications were submitted, of which 507 were approved. The total amount granted by MPF in 2023 was € 1,476,000.

Taskforce GO!

In response to the misconduct during the 'The Voice' television programme, almost 30 Dutch singers condemned the behaviour within the industry in an open letter. Two experts were then appointed to carry out initial qualitative research within the music industry, which led to the creation of Taskforce GO! This includes Sena and Buma. The aim of the task force is to create a safe, diverse and inclusive working environment for everyone working in the Dutch music industry. The initiative was launched on 19 January 2023 during Eurosonic Noorderslag in Groningen. On 4 September 2023, the task force launched an investigation into the state of harassment and violence in the music industry to get an idea of the extent of the problem and to discover where the problem areas are.

Awarded event by genre



Music users

Music360

This project, launched in March 2023 is funded by Horizon Europe, a scientific research initiative of the European Union. It is a partnership between Sena and four other CMOs, two universities, a fingerprinting company, a European lobbying company for artists and an ecosystem design company. The purpose of the Music360 digital platform is to collect data about the value of music for different stakeholders. The platform collects data at individual locations using fingerprinting technology and combines it with data from CMOs. The resulting information is then made openly available to music creators, music users and policymakers.

Experiments

The project will take a total of three years. During this time, the two universities will develop a theory for music value based on practical experiments with various music users in Europe. The experiments will take place at a supermarket chain in Finland and at department stores in Spain. In the Netherlands, they are carried out in a number of branches of a large cosmetics chain. Together with the fingerprinting company, the universities will also design an architecture to securely collect and share the data obtained.

End to tolerance policy

There is one organization in the Netherlands - Sena - that makes agreements on behalf of neighbouring rightsholders on the amount, collection and payment of equitable remuneration for music use of phonograms released for commercial purposes. For several years, exceptions were tolerated for suppliers who claimed they were using 'rights-inclusive' music; music that does not qualify as a commercial phonogram, made by rightsholders who had reportedly transferred all their rights. On 17 July 2020, the Supreme Court once again confirmed that not only the power to collect and distribute the equitable remuneration, but also the power to determine it - on the basis of its legal mandate - belongs exclusively to Sena.

Postponement

In 2020, the Netherlands was in the middle of the Covid-19 crisis. The termination of the exemption position of providers of 'rights-inclusive' music services has therefore been postponed twice by one calendar year, to give businesses time to adapt. At the end of 2023, we announced that - as announced three years ago - the tolerance policy would come to an end. This policy ceased from 1 January 2024.

Media

One of the background music system suppliers offering the 'rights-inclusive' repertoire actively opposed the end of the tolerance policy announced by Sena and wanted to attract publicity. In early December 2023, we were approached by the NOS news agency. We responded that we are performing a statutory duty and that it is in the interest of the collective of rightsholders represented by us.

SCAN

The Copyright and Neighbouring Rights Service Centre handles - on behalf of Sena and Buma - the invoicing and marketing of companies with an individual or collective licence for public music use in the Netherlands. In 2023, we launched the 'Crescendo' project, a joint project by all parties involved to optimise SCAN's services. Initial priorities include revamping the online licence application process and segmenting services and communications.

Sena has been working with VU University Amsterdam for years. The VU regularly uses our input to conduct research, such as research into the use of blockchain within the music rights industry.



Kaderock 2023

image: Erick Hille

Services

Virtual Repertoire Database | VRDB

The aim of VRDB is to improve the exchange between our international sister organizations. In 2023, playlist information and repertoire data were exchanged with an increasing number of CMOs. A lot of time has also been invested in improving the data quality.

International Performer Number | IPN

The International Performer Database was developed within SCAPR, the global umbrella organization for CMOs working for Performers. Until last year, it was only accessible to SCAPR members. A decision was made to open up the verification of Performer Identification Numbers to selected third parties as well. The IPN is on its way to becoming the global performer identification standard. As with most international IT-related projects, Sena staff also actively contributed to the realisation of this project.

With VRDB and IPN opening up, more high-quality line-up/credits information will be available, with individually well-identifiable artists and musicians within the music ecosystem.

Repertoire Data Exchange | RDx

This project is still in the initial phase and aims to create a portal where producers - record companies - and CMOs can submit, register and retrieve repertoire data from producers in a uniform way. This means all CMOs involved will have the same consistent producer data in the future. This is more efficient and results in fewer disputes over claims and faster distribution payments. The operational launch of RDx took place in 2023. We were able to connect the first Producers and received new claims and updates automatically. This ensures we receive high-quality and up-to-date information identical to that received by our participating sister organizations.

Continuous improvement of the back-office system

In 2023, the back-office system was fully converted to the web-enabled version. This was an essential step towards a task-focused environment where better quality controls can be implemented during data processing. Claims and playlist data can now be processed more efficiently, and data inconsistencies can be identified and resolved immediately. It is also now possible to work from any location.

Complaints and disputes

Sena does its utmost to provide the best possible service to rightsholders, music users and all other relevant parties. We continuously work on the quality and improvement of our services. Anyone who is not happy with our service can file a complaint or a comment. A complaint is a written report by someone who is dissatisfied with us - or with a decision we have made - that has affected someone's interests individually and directly. A comment is a notification indicating that someone disagrees with the amount of remuneration paid by us or that a remuneration payment is missing.

Handling complaints

The Sena Distribution Disputes Committee was created to handle disputes that may arise as a result of the handling of complaints or comments relating to the distribution-related matters. Customers and music users can turn to the Copyright Disputes Committee if they believe a complaint they have submitted has not been correctly handled by us.

Solution

In 2023, a total of 11 complaints were submitted to Sena: nine by music users and two by rightsholders. Two disputes have been submitted to the Sena Disputes Committee. One rightsholder initiated a dispute over possible loss of funds for international publication. The second dispute concerned the possible loss of funds for design music. In both proceedings, no verdict was reached, however a resolution was reached at the hearing. Both disputes were fully settled in 2023.

External developments

The major theme that has occupied the music industry over the past year has undoubtedly been the impact of artificial intelligence. 2023 saw the further rise of AI generated music. This has unleashed debate as to whether copyright law needs to be amended, and if so, how.

A number of large transactions also took place again in catalogue sales to investors. Although the focus is often on copyrights, the claims to the neighbouring rights are increasingly included in these transactions too.

Super fan

Social media and digital marketing are essential for any musician or band that wants to build a fanbase, from creative social media posts to advanced and targeted advertising campaigns. The 'super fan' concept - although still relatively new - is now fully established in the music industry.

Economy

In 2023, the economy only grew by 0.1%. That was significantly lower than the 4.5% of 2022, when there was a lot of growth due to recovery after the Covid-19 pandemic (source: DNB). Inflation fell to 2023 in 3.8% (source: CBS). The number of bankruptcies increased by 52% in 2023. According to the Central Bureau of Statistics, a total of 3,271 companies were declared bankrupt in 2023.

“2023 was Sena's best year financially. Yet happiness did not prevail overall.”

Hans Moolhuijsen CFO Sena





Organization

30 years

In this reporting year, Sena celebrated its 30th anniversary. In September 2023, at the annual Gouden Notekraker award ceremony, we looked back at the past 30 years since the adoption of the Neighbouring Rights Act in 1993, together with rightsholders and music users. The event included a tribute to the most popular songs released between 1993 and 2023.

New branding

We launched a new brand identity on 30 June 2023 to celebrate Sena's 30th anniversary. Digitalisation has also become increasingly dominant in our communications with various stakeholders. This new branding is perfectly suited for this. It is a modern brand identity that exudes dynamism and musical feeling, fitting perfectly with the openness and commitment of our organization.

Collaboration with NORMA

In the first quarter of 2023, we took the decision to end the process to intensify cooperation between NORMA and Sena. As time went on, there was a difference of opinion about the route to be taken. This led to the conclusion that we would be wise to refocus fully on our own priorities. Although the collaboration will not be deepened, we will continue the private copy audio distribution for NORMA. Stichting NORMA has now moved into its own part of the building where Sena is located.

Human resources & organization

Sena conducted a survey to measure employee satisfaction. The results showed that the average score was 7.6. We are proud of the result. The Employee Satisfaction Report was sent to managers in January 2023, with a request to discuss the results with their teams. The feedback from various departments was processed and discussed during a staff meeting on 28 March 2023. As a result, several points of attention were addressed. This research was conducted using a new methodology, so the results cannot be compared with results from previous years.

Sick leave

Due to a few employees being on long-term sick leave, Sena had a relatively high sick leave rate in 2023: 7.2% (3.6% in 2022). The percentage excluding long-term sick leave is 2.3%. The sick leave frequency was 1.3% in 2023 (1.2% in 2022). Seven employees left the company in 2023 (15.2%) compared to five (11.1%) in 2022. Vacancies were open longer in 2023 but were still able to be filled within a reasonable period of time.

Working from home

The number of hours spent working from home has risen sharply nationwide since the Covid-19 pandemic: from an average of 2.6 hours per week in 2019 to almost 7 hours per week in mid-2023. One in three employees can regularly decide for themselves where or when they want to work (source: TNO). Sena also has a working from home policy: employees must be present at the office at least two days a week.

Future

Sena operates in the face of complex, dynamic and constant technological developments, steady growth of data to be processed and changing copyright and neighbouring rights regulations. Over the past few years, legal rulings - such as Atresmedia and RAAP-PPI - have had a major impact on the workload on our organization. We have responded quickly and effectively to these significant changes. Although several cases involve rulings that are in force throughout the European Union, many member states are not acting on them yet. Our great strength is our responsiveness and adaptability. If it is decided that revenue from consumer streaming services will partly come through us, as is already happening in other European countries, we will not shy away from that challenge.

Goals

We are passionate about music and dedicated to supporting our rightsholders and music users. Our goal is to further improve transparency, efficiency and service in the coming years. The 2023–2025 policy plan sets out a number of goals, the most important of which are processing more playlist data, intensifying the use of RDx and VRDB, expanding MySena and the Sena app, optimising SCAN's services, segmenting groups of customers and rightsholders and introducing completely new functionalities. Sustainability - offsetting CO2 emissions - diversity and inclusiveness are also high priorities.

It is a privilege to manage the rights of Performers and Producers. Together with all colleagues within Sena, we look to the future with confidence, enthusiasm and ambition.

Markus Bos
CEO

Hans Moolhuijsen
CFO

Hilversum, 12 April 2024

Supervisory Board Report

For the first time since 2020, Sena's activities in 2023 were no longer affected by Covid-19 restrictions. 2023 was a great year for Sena. Total - invoiced - licence fee income increased compared to 2022. Net distribution also showed a significant increase; 18% compared to last year.

Supervisory Board composition



Number of meetings in 2023



Number of Audit Committee meetings in 2023



Number of Remuneration Committee meetings in 2023



Regular topics



The Executive Board of Sena is supervised by the Supervisory Board. All important board decisions require the approval of the Supervisory Board. This governance model meets all the requirements of the 2021 CMO Governance Code. Sena's Supervisory Board consists of six members - including an independent chair and an independent financial expert member.

Composition of the Supervisory Board

The composition of the Supervisory Board changed in 2023. Berry van Sandwijk - General Manager Sony Music Entertainment Benelux - succeeded Martin Jessurun, who has been a member of our Supervisory Board for three years, with effect from 1 July 2023. As rotating chair of the Remuneration Committee, Martin has made a valuable contribution to the professionalisation of the assessment cycle of the Executive Board. The appointment of Berry van Sandwijk was preceded by a review of suitability and reliability by the Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA). This was the first experience of the CvTA's role in the appointment process, so consultations took place that provided more clarity on the definition and interpretation of this process in future appointments.

Special points of attention

In addition to updates on the operational developments, the status regarding EU rulings, legal proceedings and financial performance and projections - as detailed in the Executive Board report - the Supervisory Board paid particular attention in 2023 to the following matters:

The completion of the project to strengthen collaboration with NORMA concluded a long-standing agenda item at the Supervisory Board meetings. The Audit Committee evaluated the investment statute and was advised by Willis Towers Watson. The Supervisory Board has decided - on the recommendation of the Audit Committee - to amend the investment statute. This makes it possible to use government bonds and/or money market funds in the future. For the time being, the policy remains unchanged, but preparations have been made to enable us to act quickly.

The Audit Committee discussed the consequences and possible risks associated with the transition to the cloud for back-office systems. The Audit Committee has also delved into the governance of SoCu spending and - more specifically - its relationship with the Dutch Performers House. This involved reports from two external parties. The evaluation of the SoCu governance of the Performers section was fully completed in 2023. The dialogue with the Producers section was still ongoing at that time. The Supervisory Board evaluated its own performance on 28 June 2023.

Change to withholding percentage

As a result of the favourable revenue performance - including the interest income - the gap between the withholding percentage and the actual cost percentage was such that the Executive Board submitted the proposed decision to reduce the withholding percentage to 11% for 2023. This was a positive development for Sena's rightsholders that the Supervisory Board was pleased to approve. Given the growth of the Performers Fund - through which session musicians receive additional remuneration linked to the extension of the period of protection from 50 to 70 years - we decided to introduce a withholding percentage for these activities - starting from music year 2024.

“Sena operates in a complex environment. The playing field is very dynamic due to changes in EU regulations, national legislation and court rulings. As independent chair of the Supervisory Board, I find it very interesting to serve the interests of all stakeholders involved in Sena, especially the artists and record companies.”

Chair **Hendrik-Jan de Mooij**



European regulations

The RAAP-PPI ruling and the Atresmedia ruling once again had a major impact on Sena's business operations in 2023. During the reporting year, we worked hard to lobby in Europe and cooperate with other national and international parties to ensure that the RAAP surcharge would lapse as soon as possible. The aim is and remains to reintroduce the principle of reciprocity. The Atresmedia ruling also requires a lot of attention. Although agreement could be reached with the nationwide TV channel groups, legal action against one distributor proved unavoidable.

VOI@E Governance code

Sena complies with the guidelines of the VOI@E Governance Code for CMOs. This requires that the Audit Committee meets with the auditor at least once a year - without the presence of the Executive Board. The Sena Executive Board keeps all supervisors informed of relevant contacts with rightsholders, music users, the Control Board and VOI@E. Terms of office for supervisors are laid down in the articles of association. Sena organises an induction programme for new supervisors. Training courses are also provided to broaden their knowledge.

Committees

The Supervisory Board has two committees: an Audit Committee and a Remuneration Committee. All committee recommendations are submitted to the Supervisory Board which then decides to implement the advice into decisions where applicable.

In conclusion

The Supervisory Board reflects positively on Sena's performance and achievements in 2023. The financial results for 2023 speak for themselves: the organization collected and distributed more money than ever before in its 30-year history. The Supervisory Board welcomes the diligence with which major challenges, such as the consequences of both ECJ rulings, have been met to date. We would like to thank the Executive Board, Sena staff and everyone involved for their efforts.

On behalf of the Supervisory Board

Hendrik-Jan de Mooij
Chair

Hilversum, 12 April 2024

Decisions



> The process of strengthening collaboration with NORMA has ended..



> The investment statute has been amended.



> The Executive Board will notify the Supervisory Board of any data leaks, in the event that these are reported to the Dutch Data Protection Authority.



> The withholding percentage for the music years 2023 and 2024 has been adjusted to 11%.



> A 5.5% withholding will be made for the Performers Fund to cover the costs incurred for the work to distribute the money.



> The 'appointment procedure for Supervisory Board members to be appointed by section representatives' has been approved.



Board of Affiliates Report

Sena had an unforgettable and exciting year in 2023. It was also our anniversary year. The Gouden Notekraker 2023 award ceremony featured a 30-year Sena Special Edition. It is great that the distributions have increased significantly again and that more licence fee income has been achieved. This gives us confidence for the future.

Board of Affiliates composition

The Producers section of the Board of Affiliates welcomed two new section representatives in 2023. Edzer Leenstra - Sony Music Entertainment Benelux - was appointed as of 8 May to fill an existing vacant seat. Fione van Gestel - Universal Music Group - succeeded Eric-Jan Loon on 1 July. Eric-Jan Loon has been a Board of Affiliates member since 2014. His knowledge of the music industry and financial expertise have been of great value to the Board of Affiliates. Jan Favié - rotating chair of the Board of Affiliates on behalf of the Producers section - has resigned as a section representative as of 31 December 2023. Jan Favié has been a Board of Affiliates member since the introduction of the current governance structure in 2012. His extensive experience in the international music rights industry and his active role in various working groups have helped us take Sena to a higher level.

Social, cultural and educational funds

The Board of Affiliates was again presented with a series of decisions for adoption. The articles of association stipulate which matters are then submitted to the General Assembly of Affiliates for a vote. This took place on 8 May 2023. Although not required by the articles of association, the proposal to adjust the remuneration for section representatives was put to a vote and adopted by the General Assembly of Affiliates. In addition, there was a vote on some changes to the distribution subregulations, the approval of the SoCu policy and SoCu spending in 2022. The governance regarding SoCu spending was discussed several times during 2023 with the Supervisory Board Audit Committee. We sought external advice, and the relationship with the Dutch Performers House formed part of this review.

In 2023, 903 Performers and Producers applied for funding from the Sena Music Production Fund, of which 507 were awarded by the assessment committee. The total amount awarded by the MPF was € 1,477,000. Two-thirds of this amount is a donation. The applicant must repay the remaining part to the Sena Music Production Fund after two years. This fund was an initiative of the Performers section. It is now a joint Performers and Producers fund.

Board of Affiliates composition



2 Section representatives Chair (1 Chair of the Board of Affiliates and 1 Vice-Chair of the Board of Affiliates)



6 Section representatives Performers



6 Section representatives Producers (1 vacancy at year-end 2023)

Number of meetings in 2023



The Board of Affiliates comprises section representatives from the Performers section and section representatives from the Producers section. Each section has between five and seven section representatives. The current Board of Affiliates consists of 14 seats for section representatives. Members of the Board of Affiliates are appointed by the General Assembly of Affiliates of the relevant section, for a period of four years and can be reappointed twice for the same period.

Collaboration between sections

In 2023, the following projects were jointly financially supported by the Performers section and the Producers section: Upstream Music, Gouden Notekraker, Edison Pop, Stichting BREIN, Sena Magazine and Taskforce GO!

The music industry has been extensively digitised, and we have decided to publish the Sena Magazine online as well. So, the magazine will become a platform. This decision also symbolises the ever-increasing collaboration between the two sections that form the Board of Affiliates.

Supervisory Board members appointed by the section representatives attend section meetings to prepare for the Board of Affiliates meetings. In addition, another joint training day was organised for the Supervisory Board and Board of Affiliates. Topics discussed included artificial intelligence and a scientific research project into the value of music. Equally important are the informal contacts between all internal supervisors on these training days.

What should not go unmentioned in this report on 2023 is the debate on equality and inclusion. Unacceptable behaviour has various forms and occurs regularly in our industry. Sena has joined Taskforce GO! We are dedicated to making the field of work safer and fairer for our rightsholders.









Sena is always looking for the best balance between accuracy, speed and efficiency in distribution. The threshold amount was lowered from € 12 to € 5 which means more rightsholders are paid. Comments in response to the distribution represent a significant administrative workload for the organization. We have therefore decided to introduce a 10-second minimum difference threshold per broadcast slot. We also stipulate that the fingerprinting data is used as the sole source for the distribution and for any comments relating to radio and TV stations.



Liberation Day festival

image: Eric van Nieuwland

Decisions

-  > We decided to publish the Sena Magazine exclusively digitally.
-  > Joint SoCu grants have been awarded throughout 2023, including to Taskforce GO! for € 40,000.
-  > The annual accounts and the 2022 annual report were adopted.
-  > The remuneration of the sections and the Board of Affiliates has changed.
-  > A payment has been introduced for the Performers for SoCu meetings. The number is capped at eight meetings.
-  > The investment statute has been amended.
-  > The 'appointment procedure for members of the Board of Affiliates to be appointed by section representatives' has been established.
-  > The proposed changes to the general distribution regulations have been adopted.
-  > The 2024 budget has been adopted..

Regular topics

- | | | |
|--|---|---|
|  <p>Overseeing general policy on matters of particular concern to the sections.</p> |  <p>Changing and adopting distribution regulations.</p> |  <p>Providing solicited and unsolicited advice to the Executive Board.</p> |
|  <p>Adopting the annual accounts, the annual plan and the budget.</p> |  <p>Appointing, suspending and dismissing four members of the Supervisory Board: two from the section representatives of the Performers section and two from the section representatives of the Producers section.</p> | |

“The time for action is now. We have already waited far too long. The solution is clear. The European Court itself said that legislation can restore the principle of reciprocity. Targeted legislation is urgently needed to confirm reciprocity and allow member states to implement national actions or other systems. Hundreds of thousands of musicians are counting on the European Union to do the right thing, and as soon as possible.”

Chair **Matthijs van Duijvenbode** on the RAAP-PPI ruling.

European Court of Justice rulings

The situation surrounding the RAAP-PPI ruling remained uncertain in 2023. In the United States, a bill to make FM radio stations pay performers and producers for music use was again rejected. It remains hard to digest that since 8 September 2020 - when the European Court of Justice ruled on this issue - no action has yet been taken by the European Commission. The Board of Affiliates continues to support joint European lobbying - for reciprocity to be applied again.

The Executive Board also frequently reported on the consequences of the Atresmedia ruling in 2023. From 4 April 2023, rightsholders could agree to the 'Atresmedia solution' - an annex to the exploitation agreement. This allows Sena to continue to negotiate and collect for the use of music on TV channels on behalf the collective, where there is uncertainty about this.

Allocation of undistributed fees

On 17 March 2023, the Performers section decided to allocate 75% of the Dutch undistributed fees for music year 2019 and the international undistributed fees for music year 2013 to SoCu. The remaining 25% was evenly distributed among the Performers of the music year in question, on the understanding that the Performers received a minimum gross amount of € 100 from the reservation period of that music year.

The Producers section decided to allocate 100% of the undistributed fees of the aforementioned music years to SoCu.

In conclusion

Despite the ongoing legal wrangling around the EU rulings, Sena has achieved great results for its rightsholders. Sena is demonstrating its ability to respond well to ever-changing circumstances. The organization does everything in its power to constantly raise the level of service and support for rightsholders and music users. However, external factors are difficult to control and predict. We are optimistic about the future, despite the new challenges that will undoubtedly arise. We want to thank everyone at Sena for their hard work and enthusiasm over the past year.

Matthijs van Duijvenbode
Chair of the Board of Affiliates

Hilversum, 12 April 2024



Comprehensive risk management

Risks are threats to achieving Sena's objectives. The risk management framework describes the integral way that we manage the risks faced by the organization. The Executive Board prepares the risk management framework, keeps it up to date and ensures that it is communicated to employees. The strategic risk analysis is part of the policy plan. The Supervisory Board has approved the risk management framework. Sena has a low-risk appetite.

Structuur en governance

The articles of association set out in detail the responsibilities and powers of the Executive Board, the General Assembly of Affiliates, the sections, the Board of Affiliates and the Supervisory Board. We have drawn up profiles that are used to guide recruitment for the supervisory bodies. There is a formal organizational structure that reflects the hierarchical and functional relationship between the different functions. The organizational model is guided by the competencies needed to carry out the primary and supported processes (process orientation). The processes described show the necessary distinction between functions. A key issue here is the separation between licensing, registering rightsholders, registering playlist data, distribution activities and administration activities. The organization must comply with applicable laws and regulations. The Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) supervises compliance.

Desired culture

Sena derives its right to exist from the legal authority to collect and distribute fees for the broadcasting, rebroadcasting or publication by any other means of commercially released phonograms by all Performers and Producers in the Netherlands. Based on this duty and in line with the defined mission, our stakeholders include rightsholders, companies and organizations that broadcast or play music in public, national and international sister organizations, suppliers, Sena's internal and external supervisors, and our employees.

Our culture is aimed at representing the interests of our rightsholders by collecting and distributing fair fees as efficiently

and quickly as possible, and to provide transparency in this process. The core elements of the culture needed to serve our stakeholders as effectively as possible are a service-oriented approach, quality and reliability of management information, and commercial drive. Our core values are professional, reliable and committed.

We have a Disputes Committee for rightsholders - Distribution Disputes Committee - which receives and follows up on complaints from rightsholders. This ensures that problems related to our service provision are taken seriously and learned from.

Sena has one internal and two external (male and female) confidential counsellors. All information about this can be found in the employee manual. The topic is also regularly highlighted during staff meetings.

Sena is a member of SCAPR - Societies' Council for the Collective Management of Performers' Rights - and AEPO-ARTIS, the European association representing collection management organizations of performers' neighbouring rights.

In addition, we actively participate in the meetings of the Performance Rights Committee of IFPI, International Federation of the Phonographic Industry. Our goal is to further professionalise the international exchange between neighbouring rights organizations.

Governance Code VOI@E

Sena is a member of trade association VOI@E. The VOI@E Governance Code came into effect on 1 January 2021.

The Code replaces the good governance and integrity guidelines from 2011 and is part of the CMO Quality Mark. The Supervisory Board, the Board of Affiliates and Sena's Executive Board have set out in their supervisory vision how the Code will be implemented. In addition to the supervisory vision, we have drawn up an 'integrity code of conduct', a 'reporting regulation for suspected wrongdoing or integrity violations' and a 'regulation for avoiding conflicts of interest'. Each year, employees, the Executive Board, the Supervisory Board, the Board of Affiliates and SoCu advisers are asked whether they should report matters to Sena in relation to compliance with the integrity code of conduct - which is part of the VOI@E Governance Code. One of the section representatives expressed that they did not fully recognise themselves in the way the organizational culture is described.

Sena had the CMO Quality Mark accreditation. However, VOI@E decided to stop doing this in 2022.

Required competencies

The competencies required by Sena employees are detailed in the job profiles. These profiles are linked to a salary scale and remuneration system which is administrated by the office manager and adjusted to accommodate changes by the Executive Board.

The quality and reliable implementation of the distribution process is crucial to ensure the quality of our data, and we want to provide assurance for our rightsholders. Therefore, this process is independently audited, resulting in an ISAE 3402 Type 2 compliance statement. This statement indicates that the management measures put in place were designed and operated effectively with regard to the distribution process for the reporting year. This is subject to an annual independent audit by the auditor.

Technology (IT)

As Sena is largely dependent on the continuity, reliability and security of automated data processing to achieve our objectives, we have implemented a number of overarching IT measures. IT services are structured based on Information Technology Infrastructure Library (ITIL) principles. The modifications are built using the scrum agile method. An independent external audit of the IT infrastructure security takes place periodically.

Fraud

The focus on fraud is high and its elimination is safeguarded in various ways. The risk matrix explicitly examines the different types of fraud. This is proactively addressed by the control measures in place. The fraud risks are mitigated by system monitoring and the separation of functions, as well as using trend analysis during the distribution operation. Examples include the unauthorised use of personal data or the theft of personal sensitive information.

Control measures have been developed within Sena to limit the risk of fraud. Examples include the design of the separation of functions, the four-eyes principle and the secure backup of data. The distribution process - including the integrated internal control measures - is reviewed by the auditor. A separate report is issued on this process (ISAE 3402).

General Data Protection Regulation (GDPR)

Since May 2018, Sena has carefully applied the General Data Protection Regulation within its work processes. A privacy officer is employed within the organization to ensure compliance with GDPR. Data leaks that must be reported to the Dutch Data Protection Authority are also reported to the Supervisory Board.

Policy plan

We draw up a new policy plan every three years and update it annually. 2023 was the first year of our most recent multiyear policy plan for the period 2023–2025.

Budget

Every year, we prepare a budget that provides insight into the income and costs for the following year. Throughout the calendar year, we compare the actual results against this and account for any deviations. The budget is approved by the Supervisory Board and adopted by the Board of Affiliates.

Annual plans at departmental level

Each department creates an annual plan based on the policy plan containing the department's objectives and projects. The annual plans serve to guide our efforts to achieve policy objectives, to attain the relevant department's desired service level targets, and effectively and efficiently conduct the processes for which the relevant organizational department is responsible. The departmental plans also form the input for the budget. The departmental objectives set are translated into the responsibilities of individual employees. The individual target agreements are determined and monitored in the annual performance reviews (plan-evaluation-assessment).

Operational risk management

The control measures per operational risk and per operational process are defined in the risk management matrix and the control framework respectively. These are periodically reviewed and, in the case of important process changes, evaluated by the process owner and adjusted if necessary. The risk matrix develops as we update it annually - in consultation with department managers. In 2023, the risk matrix was discussed with the Supervisory Board.

Duties, responsibilities and roles

Sena's line management (Executive Board and MT) is responsible for the risk analysis (the identification and prioritisation of risks), the implementation of control measures and operational monitoring. The Finance & Administration department is additionally responsible for monitoring the structure and effectiveness of the administrative organization and internal controls, as described in the AO/IC manual and for ISAE 3402 purposes. This department is also responsible for providing advice on the structure and adjustment of control measures within processes.

As an additional safeguard for the adequate functioning of internal controls, external auditors and supervisors evaluate specific activities and the performance of our organization.

- › The external, independent auditor checks the annual accounts and the application of the accounting policies (based on Part 9 Book 2 of the Dutch Civil Code, and Directive 640 relating to annual reporting for non-profit making organizations) and reviews the annual report.
- › An external, independent auditor assesses the distribution process and issues an ISAE 3402 Type 2 statement, based on a description of the process and the controls.
- › An external consultant is charged with reporting on the security of the IT infrastructure.
- › The annual assessment by the CvTA.
- › The Supervisory Board oversees the Executive Board.
- › It is responsible for aspects such as approving the policy, the budget, the strategy - which is coupled with the proposed management of the strategic risks - and the annual report, including the annual accounts - which records the results of the policy pursued.
- › The Board of Affiliates advises on the proposed policy and adopts the distribution regulations, the articles of association, the annual plan, the budget and the annual accounts.
- › The 'Code of Conduct Communication Protocol' sets out how the various bodies handle issues in which they have different interests in terms of communication.

The main identified strategic risks

- › Changing legislation could impact our exclusive position.
- › Government involvement could extend further to the setting of rates.
- › Unfavourable case law in EU member states may also qualify as a risk in this category.
- › Commercial risks are highly dependent on the reputation and image of CMOs in general. The use of music for which the right to compensation is disputed under Section 7 of the Neighbouring Rights Act (WNR) applies and the decreasing advertising revenues for the traditional RTV stations - partly because of a shift from linear to on-demand media consumption, are also of great importance. This also applies to the growing demands from licensees regarding streamlining the distribution process and discussions about the level of equitable remuneration.

Identified relationship risks with rightsholders.

- › The loss of international mandates to agents and/or international sister organizations could put pressure on international licence revenue.
- › The inadequate safeguarding of privacy and GDPR - through inadequate data protection measures - as a result of which Sena would not comply with legislation in that area.
- › The impact of the RAAP-PPI and Atresmedia rulings on both revenue and work processes.
- › At the end of 2023, Sena stopped the tolerance policy of so-called 'rights-inclusive' music. This led to some media attention.
- › With regard to the internal organization, keeping the process control up to standard and the documentation required for this were identified as a risk.
- › Fraud risks are present partly given the large volume of financial transactions.
- › The loss of key employees in the organization also falls into this risk category.
- › Finally, technological risks may entail significant cost increases. A disaster where IT systems are temporarily unavailable presents a risk, and another is the loss of data.
- › This risk category also includes the failure to synchronise processes and procedures.

Response and control measures have been formulated for all identified strategic risks where possible. These have been assessed as adequate by the Executive Board and the supervisors.

Geopolitical conflicts

Russia's invasion of Ukraine in February 2022 has created uncertainty in the global economy. The war has led to steep increases in energy and food prices, reducing disposable income, reducing demand and increasing production costs. Added to this was the Israeli-Palestinian conflict. Both wars have an impact on economic conditions.

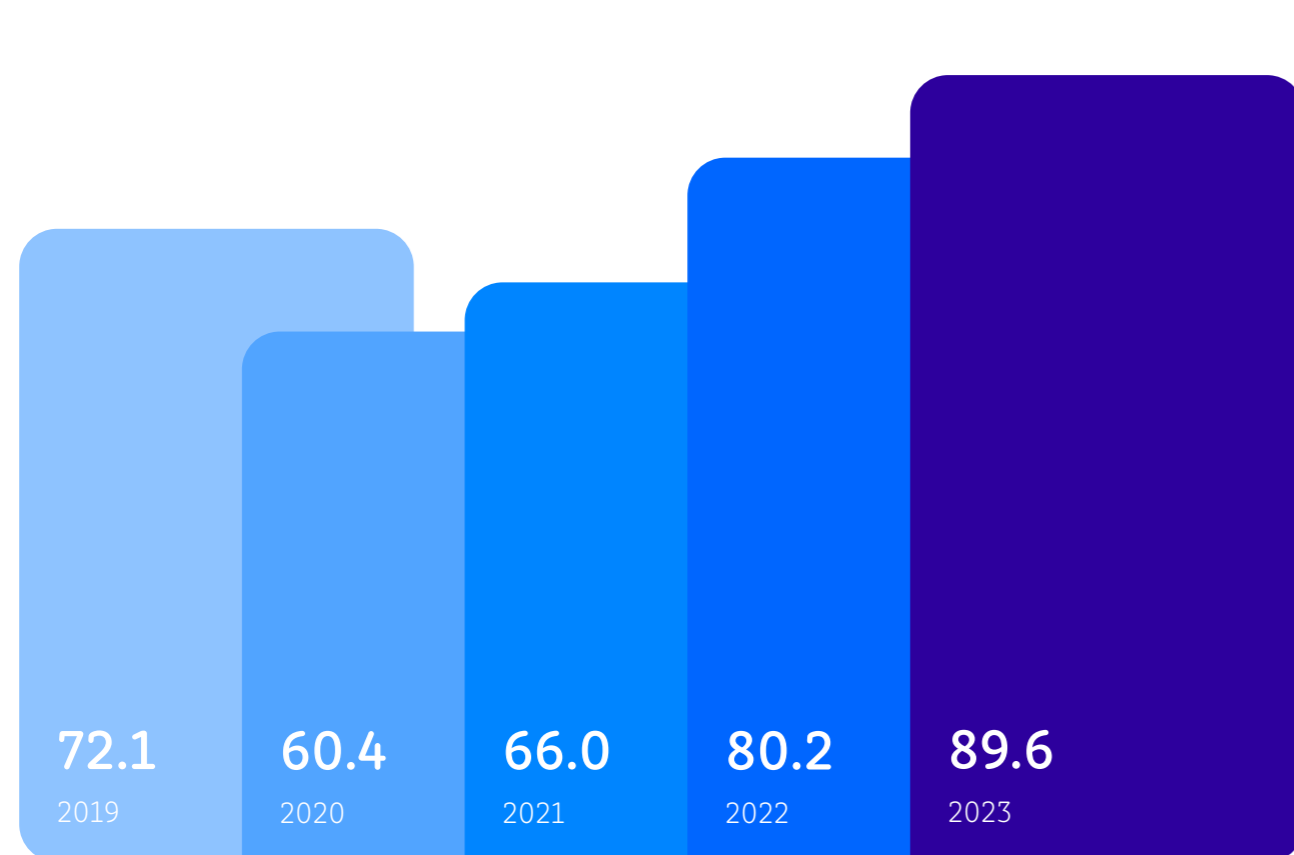


Amersfoort World Jazz Festival

image: Nico Brons

Notes to the 2023 results

This annual report was prepared in accordance with the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCBO) and Part 9, Book 2 of the Dutch Civil Code (BW), as elaborated in directive RJ640 'Non-profit organizations' of the Dutch Accounting Standards Board.



Total (invoiced) licence fee income
2019 – 2023 in millions of euros



Invoiced

The total - invoiced - licence fee income in 2023 was € 89.6 million; € 9.4 million more than in 2022. The Dutch - invoiced - licence fee income increased by € 10.3 million to a total of € 83.9 million. International - invoiced - licence fee income decreased by € 869,000 mainly due to a decrease in revenue from Germany. GVL only distributed one music year in 2023. In previous years, two years were distributed at the same time - due to necessary catching up.

Received

Sena received a total of € 96.9 million in licence fee income in 2023. Of this, € 91.1 million came from the Netherlands and € 5.8 million from overseas.

Distributed

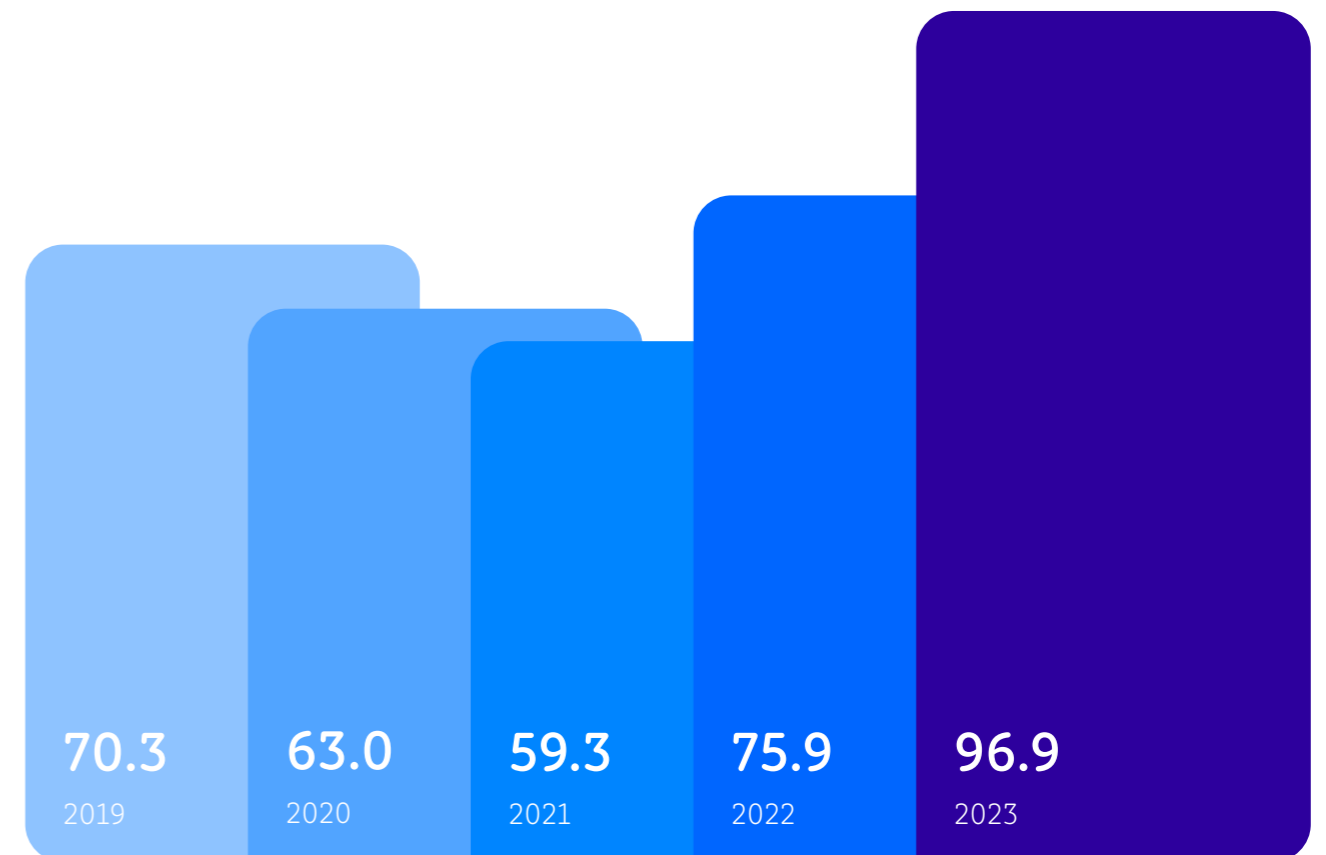
The net distribution of Dutch income increased by € 11.2 million compared to 2022. The net distribution of international income decreased by € 1.2 million. As a result, the total net distribution amounted to € 64.0 million. This is an increase of 18% compared to the previous year.

Operating expenses

The net operating expenses amounted to € 7.2 million in 2023. This corresponds to 8.5% of the Dutch - invoiced - licence fee income.

Withholding percentage

This percentage was reduced from 14.5% to 13% in 2023. The actual cost percentage was 8.5%. This is partly due to the fact that nothing changed regarding the RAAP-PPI ruling in 2023. In view of the relatively large difference between the withholding percentage and the actual cost rate, we decided to reduce the withholding percentage to 11% retrospectively. This percentage also applies to 2024. The difference for 2023 will be paid out in March 2024.



Total received licence fee income
2019–2023 in millions of euros

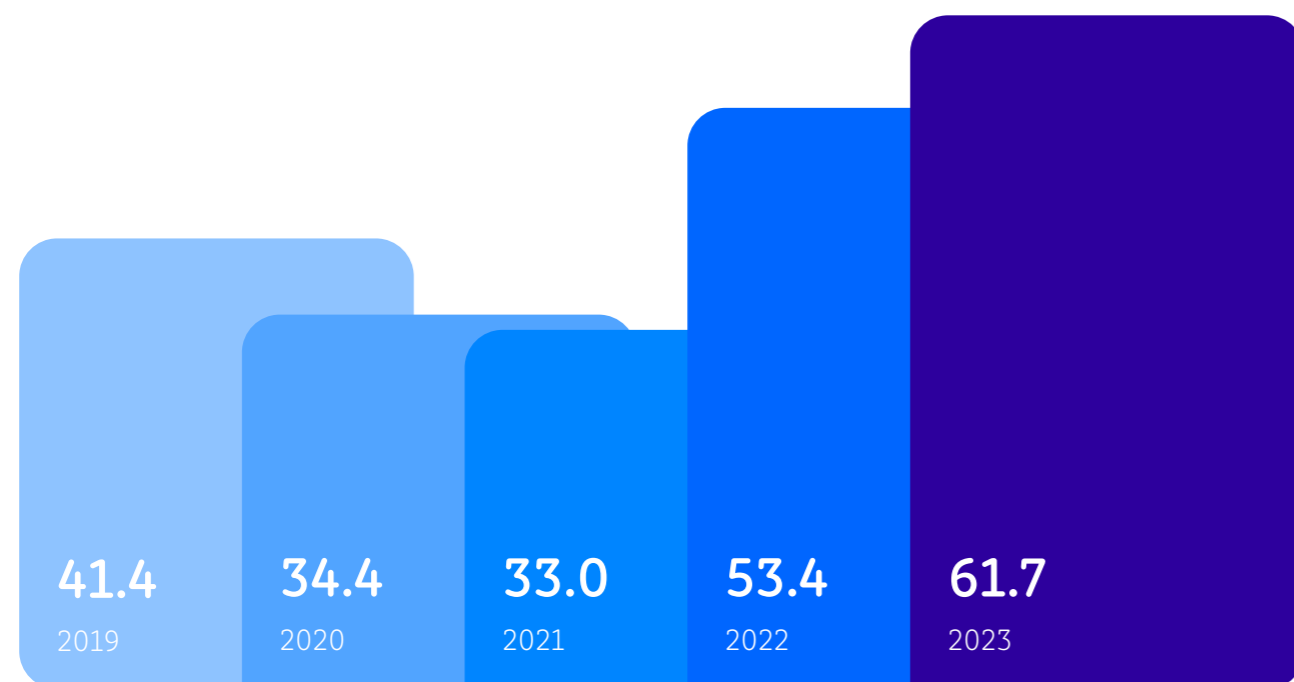


General licences

General licences consist of individual and collective licences. SCAN - Service Centre for Copyright and Neighbouring Rights handles licensing administration on behalf of Sena and Buma. It invoices music users based on agreements made with trade organizations. In October 2022, we extended the commercial agreement with the Expert Copyright Committee - CAR - on the implications of the RAAP-PPI ruling by one year. In 2023 - as in 2022 - there was a surcharge of 26.6% on the applicable general licence fees.

Back to normal

After three consecutive years of government-imposed Covid-19 restrictions, 2023 was the first year without a lockdown. As a result, we were able to issue the usual annual licences for music use to shops, offices, gyms, bars and restaurants. In total, we received € 61.7 million from general licences; € 8.3 million more than in 2022. Collective licences increased by € 4.3 million and individual licence fee income by € 4.0 million. The licence fees were indexed at 9.9% based on the derived consumer price index.



Received income general licences
2019 – 2023 in millions of euros



Media

Licence fee income in this segment amounted to € 29.4 million in this reporting year; an increase of € 13.3 million compared to 2022. New licensing contracts have been concluded with both national public broadcasters and commercial broadcasters. This ensured that we could actually invoice for this in 2023, with licence fee income already earmarked for this in 2022. This also explains the large difference between the invoiced and received licence fee income in this segment.

Disputes Committee

The invoiced licence fee income for commercial radio stations has remained virtually the same. However, during this reporting year - after the hearing by the Disputes Committee - no progress was made in the legal proceedings pending between the commercial national radio stations and Sena. The parties are still awaiting a ruling.

Audiovisual productions

At the end of the reporting year, agreement was reached with the national commercial TV stations on the processing of the music years 2022 and 2023. It was agreed that for these years there will be no recourse to the so-called working agreements, which are part of the 'Atresmedia solution'. Working arrangements - 'settled' - relate to the option for broadcasters to exclude categories on the basis of the Atresmedia ruling, due to self-managed synchronisations for audiovisual productions.

Dance

Intensive marketing activities and a customer-oriented and personal approach have led to an increase in the number of licences within the dance segment. The invoiced income increased by more than € 600,000.



Received licence fee income media
2019 – 2023 in millions of euros



International

Our international received licence fee income decreased from € 6.4 million in 2022 to a total of € 5.8 million. This is a decrease of 10%. The German GVL only paid out for one music year, whereas in recent years it paid out two music years at the same time. A total of € 724,000 was received; a decrease of 61%. We saw the income for Performers from SoundExchange in the United States fall to around € 738,000 due to a combination of various causes. In 2022, this amount was € 814,000.

Growth

Some international organizations also achieved an increase in revenue. As a result of an initial exchange via VRDB with ADAMI from France, we collected € 353,000. Due to an update of SWISSPERFORM's IT system, € 212,000 was paid to Sena, compared to € 59,000 in 2022.

Agreements

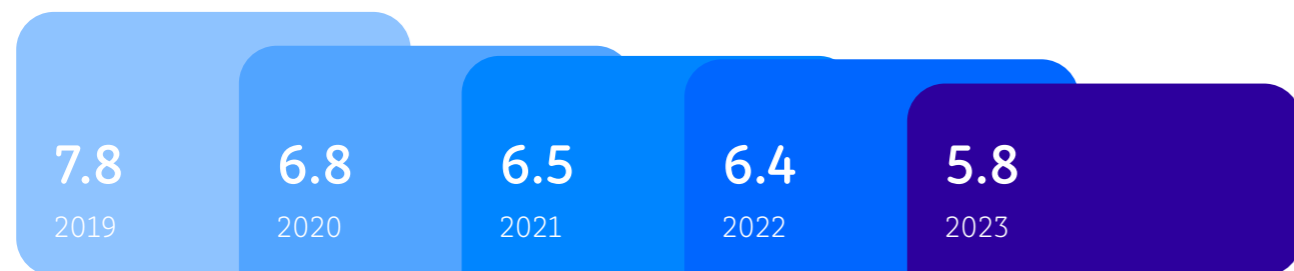
A new bilateral agreement for Producers was concluded with AGINPRO in Guatemala in 2023. Agreements were also made for Performers and Producers with RAYS in Azerbaijan and COTT in Trinidad and Tobago. From 2024, the Indonesian organization SELMI will only collect for Producers and no longer for Performers. Exchanges with ULCRR in Ukraine have resumed and are partly carried out from the SAWP office in Poland.

Distribution

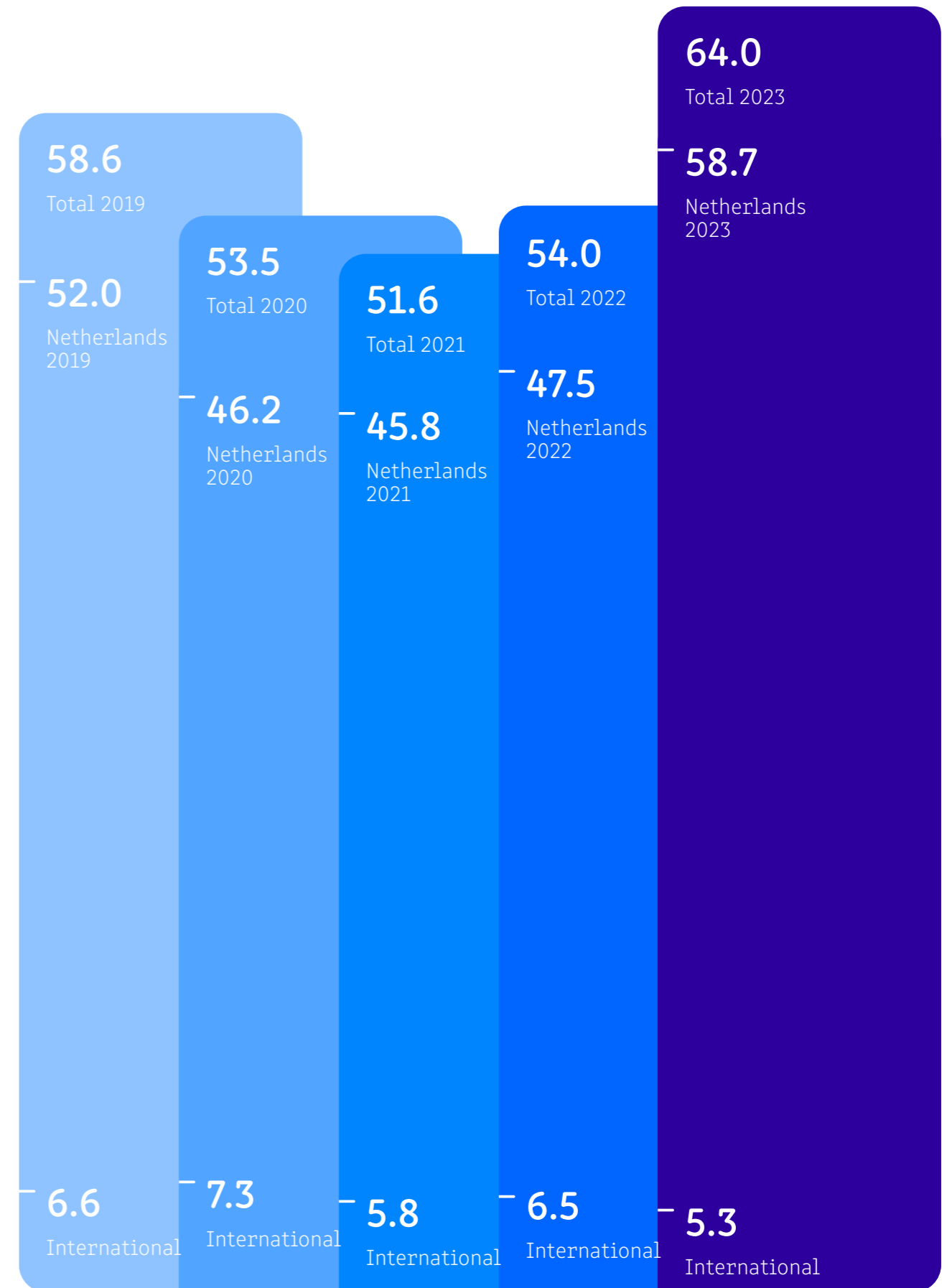
We distributed a gross total of € 74.3 million in 2023 to rightsholders; € 12.1 million more than in 2022. Net distributions also increased by € 9.9 million to € 64.0 million. In 2023, contract negotiations with the television stations were almost completed. Following this, it was possible to distribute television income from 2022 and 2023.

Private copying

We handle the international collection of private copying audio fees for Stichting NORMA - the rights organization that represents Performers such as actors, voice actors, musicians, literary performers and dancers. We distribute these together with the private copying audio fees collected in the Netherlands to the Performer rightsholders registered with Sena. In 2023, we distributed € 504,000 in private copying fees. In 2022, this amount was € 454,000.



International licence fee income received
2019 – 2023 in millions of euros



Net distribution
2019 – 2023 in millions of euros



Exploitation

Our gross operating expenses were € 8.7 million in 2023. This is an increase of 5%. Net operating expenses decreased by 8%, to a total of € 7.2 million. The decrease in net expenses is due to the fact that we were able to add back a significant amount of interest income in 2023, while in 2022 there was a negative interest rate. Parts of our liquidity are held in deposit accounts with relatively favourable interest rates. Gross costs increased by € 447,000 in nominal terms. The main factor here is the increase in salary costs, partly due to high inflation. Furthermore, IT costs have also risen - partly due to the transition to the cloud - but also due to hiring IT staff. The cost of our SCAN service centre has decreased, as have the depreciation costs.

Control Board

The Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) supervises correct compliance with the Collective Management Organizations Supervision and Dispute Settlement Act. This act also includes several 'comply or explain' provisions.

Cost standard

Our gross operating expenses - expressed as a percentage of total (invoiced) licence fee income - were 9.7% in 2023. Expressed as a percentage of the distribution - including the addition of the Social-Cultural fund - the gross operating expenses were 11.2%. Although no longer in force, this more than satisfies the criterion of the Governmental Decree (AMvB) of 12 December 2016. This stipulates that the percentage of costs based on income and distribution may not exceed 15%.

Cost increases

A second 'comply or explain' criterion is that the gross operating expenses may not increase by more than the consumer price index (CPI). The CPI was 3.8% in 2023. Gross operating costs increased by 5.4%. The nominal difference is € 124,000. The reason for this is that we had to increase salary costs per FTE more sharply at the beginning of 2023, as a correction to the very high CPI during 2022. We have also hired additional staff in the IT department to set up an external shell, reducing vulnerability due to dependence on a relatively small number of individuals.

The transition to the cloud has also led to additional costs. Compared to the adopted budget for 2023, the gross costs were 10% lower.

Investments

A third criteria is that investments that exceed 5% of the - invoiced - licence fee income require prior approval from the Control Board. Our investments in 2023 were € 96,000. Expressed as a percentage of the - invoiced - licence fee income, this is 0.1% and falls well below the norm.

Budget 2024

2024 will be the second year of the policy plan for the period 2023–2025. The gross budget for operating expenses in 2024 is € 10.3 million. We foresee an increase in personnel costs in 2024 partly due to a growth in the number of FTEs. The increasing complexity in the negotiations on licensing fees - partly as a result of the aforementioned rulings by the European Court of Justice - call for an expansion of the administrative support of the Licensing department. In addition, the need to build up variable external capacity in the IT area - 'the external shell' - requires an increase in the budget. A process analyst has been hired to identify what efficiency benefits can be achieved. This concerns the investment for now in 2024.

Music metres

Additional costs have also been budgeted for the further refinement of our distribution within the 'general licences' segment. We want to improve this process by installing music metres with our music users. Another goal is to obtain segmented playlists from background music suppliers.

Withholding percentage

Our withholding percentage for 2024 is set at 11%. This is equal to the retroactively reduced withholding percentage of 2023.



Gross operating expenses
2019 – 2023 in millions of euros



North Sea Round Town

image: Eric van Nieuwland

Key figures 2023-2019

AMOUNTS IN THOUSANDS OF EUROS	2023		2022	2021	2020	2019
(INVOICED) LICENCE FEE INCOME						
Dutch use	83,943	+13.9%	73,690	59,551	53,579	64,455
International CMOs	5,672	-13.3%	6,541	6,463	6,834	7,683
Total	89,615	+11.7%	80,231	66,014	60,413	72,138
DISTRIBUTION						
Rightsholders	61,730	+19.7%	51,589	49,580	51,299	55,227
International CMOs	12,600	+18.0%	10,676	8,899	8,803	10,629
Subtotal	74,330	+19.4%	62,265	58,479	60,102	65,856
Cost deductions from distribution	(10,373)	+25.9%	(8,237)	(6,902)	(6,631)	(7,326)
Total	63,957	+18.4%	54,028	51,577	53,471	58,530
Distributable licence fee income	98,518	+18.2%	83,378	66,975	61,931	67,485
SOCIAL-CULTURAL FUND						
Balance as at 1 January	1,999	-43.0%	3,509	4,033	4,395	4,652
Addition	3,265	+37.0%	2,383	2,758	4,072	2,936
Expenditure	(4,154)	+6.7%	(3,893)	(3,282)	(4,434)	(3,193)
Available for distribution at financial year-end	1,110	-44.5%	1,999	3,509	4,033	4,395
STATEMENT OF INCOME AND EXPENDITURE						
Dutch income	7,152	-7.6%	7,739	6,670	7,047	7,440
International income	279	-13.1%	321	272	342	321
Miscellaneous income	436	+6.9%	408	290	397	283
Subtotal	7,867	-7.1%	8,468	7,232	7,786	8,044
Operating expenses (gross)	(8,717)	+5.4%	(8,270)	(7,016)	(7,687)	(8,092)
Subtotal	(850)	-529.3%	198	216	99	(48)
Financial result	850	+529.3%	(198)	(216)	(99)	48
Operating result	-		-	-	-	-

	2023		2022	2021	2020	2019
KEY FIGURES						
Dutch licence fee income received	91,115	+31.1%	69,477	52,812	56,212	62,553
International licence fee income received	5,774	-10.2%	6,432	6,511	6,764	7,777
Percentage of actual costs withheld	13.0%	-1.5% punt	14.5%	14.5%	12.0%	12.0%
Net operating expenses expressed as a percentage of:						
total licence fee income	8.0%	-1.6% punt	9.6%	10.1%	11.7%	10.3%
Dutch licence fee income	8.5%	-2.0% punt	10.5%	11.2%	13.2%	11.5%
Gross operating expenses expressed as a percentage of:						
total licence fee income	9.7%	-0.6% punt	10.3%	10.6%	12.7%	11.2%
total gross distribution (including addition to Social-Cultural Fund)	11.2%	-1.6% punt	12.8%	11.5%	12.0%	11.8%
Annual movements in operating expenses (gross)	447		1,254	(671)	(405)	279
Decrease/increase in operating expenses (gross)	5.4%	-12.5% punt	17.9%	(8.7)%	(5.0)%	3.6%
Derivative consumer price index	9.9%	+8.0% punt	1.9%	1.4%	1.6%	1.3%
Representation of rightsholders	>90%	0.0% punt	>90%	>90%	>90%	>90%
Number of rightsholders with distributions up to and including reporting year *	108,043	+7.2%	100,793	88,717	67,005	66,145
Number of rightsholders with distributions in reporting year *	64,643	-0.9%	65,212	49,813	35,512	33,512
Number of invoiced users	94,331	+6.1%	88,936	89,693	95,641	100,029
Number of employees FTE (average)	40.7	-1.2%	41.2	42.8	42.4	42.0

* The increase from 2020 to 2021 is partly due to the payment of WPPT recordings. The increase from 2021 to 2022 is due to the reduction of the minimum amount for net continued payment from € 12 to € 5.



About Sena

In 1993, the government appointed Sena to manage the remuneration rights of all musicians and producers for the broadcast and rebroadcast of commercially released music based on the Neighbouring Rights Act. Sena - the Foundation for the Exploitation of Neighbouring Rights - does this on an exclusive basis in the Netherlands. No one other than Sena is entitled to collect and distribute these fees. We represent almost all Dutch Performers and Producers internationally as well as some international musicians.

Collection and distribution

Sena distributes the collected fees according to the distribution regulations using 'fingerprinting' technology. This automatically registers a piece of music from television and radio based on a unique audio recognition.

Until music year 2021, Sena processed the playlists from national radio stations with a market share of at least 0.3%, provided they are members of the National Listening Survey (NLO). Sena processes playlists from regional radio stations if they pay an annual fee of over € 30,000. From music year 2022, Sena has processed all national and non-national radio stations that pay a minimum of € 22,689 (this being the minimum fee). The calculation of whether a station meets this requirement is based on the previous year's forecast.

Up to and including music year 2022, Sena processed the playlists of national television stations that paid a minimum licence fee of € 60,000, provided they were reported to Stichting Kijkonderzoek (SKO). From music year 2023, we process playlists from national television channels that pay a minimum licence fee of € 60,000 regardless of whether they are reported to SKO.

We also process playlists from background music suppliers - such as Mood Media and Xenox - with a minimum market share of 1%. These playlists report the music use from hospitality venues and other business music users in the Netherlands. We also process the playlists from various dance events. We are aiming to do this in connection with BumaStemra.

For public use, the playlist data is processed if a user pays at least € 30,000 or more for one specific location.

This is subject to the condition that the party responsible for payment has the producer rights for at least two-thirds of the total repertoire played. A complete playlist must also be supplied in accordance with the layout required by Sena.

We aim to increase the number of collection sources for which we distribute fees, at a reasonable cost level. In order to distribute fees as accurately and fairly as possible, we apply a primetime and non-primetime minute value for the national television stations. A 25% reduction is applied to the distribution of tracks used as design music.

The definition of design music is: a track - tune, jingle, promo, leader, bumper, filter, underscore etc. used to identify and/or to frame radio and television programmes and/or channels. When submitting their repertoire claims in MySena, our rightsholders must indicate at title level whether the track is design music. This repertoire is then eligible for distribution with effect from the year in which the repertoire in question - including sound file - is fully registered in MySena.

Sena distributes the money collected from general licences largely based on a survey carried out twice a year by Infomart GfK, commissioned by Sena and Buma. In this survey, 1,200 companies are called to ask whether they listen to music, and if so, which station or channel. Income from online is distributed based on legal download data. Based on the above methods, we record what music was played in public in a given year.

The fees are then distributed to the rightsholders of this music based on a distribution key specified in the distribution regulations: half of the reserved fees per title are distributed to Producers, the other half to Performers.

The allocation of fees per phonogram/title takes place as follows

The total amount available for distribution to the Performers and/or Producers is divided by the total number of units (i.e. minutes or clicks) of actual use of protected repertoire. This amount per unit is multiplied by the number of units played per title. This creates an amount available per title for distribution to Performers who have contributed to the title in question, and to Producers.

Populair repertoire

For popular repertoire, Performers divide the amount available for the title(s) they have contributed to based on the scale below.

Main artist

Band member (any permanent member of the band) and/or soloist with an artist contract and/or exploitation agreement: 5 points.

Conductor

The person who leads the orchestra, choir or band by means of physical conducting, determining the rhythm and mood for the Performer: 3 points.

Session musician

Session musicians and/or other performers. A session musician who makes a (supporting) musical contribution

to a commercially released phonogram of a main artist: 1 point, with a maximum of 3, on the understanding that when 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 per title.

Classical repertoire

For classical repertoire, Performers divide the amount available for the title(s) they have contributed to based on the scale below.

Main artist

Soloist and/or member of an ensemble with an artist contract and/or exploitation agreement: 5 points.

Conductor

The person who leads the orchestra, choir or ensemble by means of physical conducting, determining the rhythm and mood for the Performer: 3 points.

Orchestra member/choir member

Orchestra member and/or choir member and/or substitute and/or session musicians and/or other performers. The orchestra member/choir member who makes a (supporting) musical contribution to a commercially released phonogram of a main artist: 1 point.

“The aim of the foundation is to promote, without making a profit for itself, the material and immaterial interests of Performers and Producers regarding the implementation and enforcement of their neighbouring rights.”

A fixed withholding percentage is deducted from the fees collected. The withholding percentage for the Dutch - invoiced - licence fee income has been set at 11% from the year 2023. In addition, from 2022, we have withheld 3% of the funds intended for Performers at the time of distribution for social and cultural purposes. The remaining additions for the Social-Cultural fund come from the undistributed fees. The General Assembly of Affiliates votes on both the SoCu expenditure and the SoCu policy in the previous financial year. A withholding percentage of 5.5% is applied to international income. The aforementioned withholdings are specified on the statements that all eligible rightsholders receive on a quarterly basis.

Management model and review of distribution regulations

Our distribution regulations and management model - based on VOI@E Governance Code - are reviewed once every three years to make sure they are up to date and applicable. The most recent review of the articles of association and distribution regulations was completed in 2023. Our current management model, distribution regulations and our articles of association also comply with the VOI@E Governance Code for CMOs.



SummerJazzBikeTour

image: Eddy Westveer

Annual accounts two thousand twenty-three

Balance sheet of december 31 (after appropriation of results)

ASSETS	31 December 2023		31 December 2022	
<i>In thousands of euros</i>	€	€	€	€
Fixed assets				
Intangible fixed assets 1	186		202	
Tangible fixed assets 2	99		142	
Financial fixed assets 3	-		2,176	
		285		2,520
Current assets				
Accounts receivable 4	9,106		9,303	
Accrued receivables and assets 5	1,490		14,472	
		10,596		23,775
Cash and cash equivalents 6		97,913		66,926
TOTAL ASSETS		108,794		93,221
LIABILITIES				
<i>In thousands of euros</i>	€	€	€	€
Equity capital		-		-
Provisions 7		570		635
Non-current liabilities				
Social-Cultural fund 8		1,417		2,369
Current liabilities				
Liability regarding distribution 9				
Payable	84,952		67,707	
Not yet payable	3,499		10,863	
Outstanding amounts	10,067		4,808	
		98,518		83,378
Other current liabilities				
Accounts payable	1,016		513	
Tax and social security contributions	447		161	
Accrued liabilities 10	6,826		6,165	
		8,289		6,839
Total liabilities		108,794		93,221

Statement of income and expenditure

	2023		2022	
<i>In thousands of euros</i>	€	€	€	€
Income				
Dutch income	7,152		7,739	
International income	279		321	
Miscellaneous income 11	436		408	
		7,867		8,468
Operating expenses (gross)				
Salaries 12	(3,564)		(3,341)	
Mailing and collection costs 13	(1,988)		(2,057)	
Other operating expenses 14	(2,847)		(2,468)	
Depreciation of tangible and intangible fixed assets 15	(154)		(211)	
Supervisory costs 15	(164)		(193)	
		(8,717)		(8,270)
Financial result 15		850		(198)
Operating result		-		-
Gross operating expenses budget 16		(9,693)		(9,044)
Operating expenses (net)		(7,152)		(7,739)

Net operating expenses are calculated by adding gross operating expenses plus international income, miscellaneous income and the financial result.

For a comparison with the 2023 Budget, please refer to page 76 of this annual report.

Cash flow statement

	2023		2022	
<i>In thousands of euros</i>	€	€	€	€
CASH FLOW FROM LICENCE FEE INCOME AND DISTRIBUTION AND SOCIAL-CULTURAL FUND EXPENDITURE				
LICENCE FEE INCOME				
The Netherlands	91,115		69,477	
International	5,774		6,432	
Total received licence fee income		96,889		75,909
DISTRIBUTION (NET)				
Netherlands	(58,647)		(47,492)	
International	(5,310)		(6,536)	
Total distribution 17		(63,957)		(54,028)
Social-Cultural fund expenditure		(4,154)		(3,893)
Total cash flow from licence fee income, distribution and Social-Cultural fund expenditure		28,778		17,988
Operating result	(8,002)		(7,541)	
Depreciation of tangible and intangible fixed assets	154		211	
Movements in working capital	9,302		1,765	
Cash flow from operational activities		1,454		(5,565)
Cash flow from investment activities		(95)		(154)
Financial result				
Interest income and expenses	850		(198)	
Cash flow from financing activities		850		(198)
Movement in cash and cash equivalents		30,987		12,071
Cash and cash equivalents as at December 31		97,913		66,926
Cash and cash equivalents as at January 1		66,926		54,855
Movement in cash and cash equivalents		30,987		12,071

Statement of movements in distributable licence fees

	2023		2022	
<i>In thousands of euros</i>	€	€	€	€
Balance as at 1 January		83,378		66,975
(INVOICED) LICENCE FEE INCOME				
Dutch use	83,943		73,690	
International CMOs	5,672		6,541	
Subtotal		89,615		80,231
DISTRIBUTION (GROSS)				
Rightsholders	(61,730)		(51,589)	
International CMOs	(12,600)		(10,676)	
Subtotal		(74,330)		(62,265)
OTHER MOVEMENTS				
Additions				
International income	279		321	
Miscellaneous income	436		408	
Financial result	850		-	
Cost deductions from distribution	10,373		8,237	
Cost deductions from distribution provision for after-claims	3		12	
Release of bad debt provision	-		217	
Distribution payables	5		9	
Performers Fund	318		804	
Subtotal		12,264		10,008
Deductions				
Operating expenses (gross)	(8,717)		(8,270)	
Financial result	-		(198)	
Allocation to bad debt provision	(84)		-	
Allocation to distribution payables	(9)		(30)	
Withdrawal for the provision of after-claims (gross)	-		(315)	
Social-Cultural fund	(3,320)		(2,438)	
Cost deductions from international	(279)		(320)	
Subtotal		(12,409)		(11,571)
Balance as at 31 December		98,518		83,378



De Gouden Notekraker 2023

image: Vince van de Poel

Consolidated accounting principles

General

The Foundation for the Exploitation of Neighbouring Rights has its registered office in Hilversum and operates under Chamber of Commerce number 41194330. Amounts are in thousands of euros, unless otherwise indicated. The general principle for valuing assets and liabilities - as well as for determining the result - is the acquisition price or manufacturing price. Unless otherwise stated, assets and liabilities are shown at face value. We prepare our annual accounts in accordance with Part 9 of Book 2 of the Dutch Civil Code. We also take into account the provisions of directive RJ640 of the Dutch Accounting Standards Board. The annual accounts are prepared based on the assumption of continuity.

Comparison with previous year

The consolidated accounting policies remained unchanged from the previous year.

Estimates

In preparing the annual accounts, the Executive Board – in accordance with generally accepted accounting principles – is required to make certain estimates and assumptions that help to determine the amounts presented. Actual results may differ from these estimates.

Foreign currency

Functional currency

The items in Sena's annual accounts are measured using the currency of the economic environment in which the company primarily conducts its business activities (the functional currency). The annual accounts are prepared in euros; this is Sena's functional and presentation currency.

Transactions, receivables and liabilities

Transactions in foreign currencies during the reporting period are accounted for in the annual accounts at the exchange rate on the transaction date. The foreign currency account is measured at the year-end exchange rate. The valuation differences resulting from the conversion are included in the liabilities regarding distribution.

Monetary assets and liabilities in foreign currencies are converted into the functional currency at the exchange rate on the balance sheet date.

Non-monetary assets measured at acquisition cost in a foreign currency are converted.

Operational leasing

The foundation has lease contracts where a large part of the advantages and disadvantages associated with ownership does not lie with the foundation. These lease contracts are accounted for as operational leases. Lease payments are included in the profit and loss statement on a straight-line basis over the term of the contract, taking into account any payments received from the lessor.

Valuation principles for assets and liabilities

Intangible and tangible fixed assets

Tangible and intangible fixed assets are valued at acquisition or manufacturing cost, less straight-line depreciation based on the expected economic life and impairments, if applicable.

Development costs

Expenditure on development projects is capitalised as part of the manufacturing cost if it is likely that the project will be commercially and technically successful (i.e. if it is expected that economic benefits will be achieved) and the costs can be reliably determined. For the capitalised development costs, a legal reserve has been created under the 'liabilities regarding distribution' item of the capitalised amount. Depreciation of the capitalised development costs commences as soon as commercial production starts and will be applied on a straight-line basis over the expected future useful life of the asset. Research costs are included in the profit and loss account.

Financial fixed assets

Receivables included in financial fixed assets are initially carried at fair value after deduction of transaction costs. These receivables are subsequently measured at amortised cost. The valuation takes into account any impairment losses.

Impairment of fixed assets

For financial assets measured at amortised cost, the amount of impairment is measured as the difference between the book value of the asset and the best estimate of future cash flows discounted at the financial asset's effective interest rate as determined on initial recognition.

The impairment loss previously recognised must be reversed if the decrease in the impairment loss relates to an objective event occurring after the write-off.

The reversal is limited to the maximum amount necessary to value the asset at its amortised cost, if no impairment had occurred. The reversed loss is recognised in the profit and loss statement.

Receivables

All receivables have a remaining term of less than one year, unless otherwise stated. The fair value of the receivables is close to the book value, given the short-term nature of the receivables and the fact that bad debt provisions have been created where necessary.

Financial instruments

Financial instruments include both primary financial instruments - such as receivables and liabilities - as well as derivative financial instruments (derivatives). The foundation does not use derivative financial instruments. The accounting policies relating to the primary financial instruments are explained in the notes to the individual balance sheet items.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances and deposits with a maturity term of less than 12 months. Cash and cash equivalents are valued at nominal value.

Provisions

Provisions are made for legally enforceable or actual liabilities that exist at the balance sheet date, for which it is likely that an outflow of resources will be necessary, and where the extent of which can be reliably estimated.

Pensions

We offer our employees a (defined contribution) pension scheme, where the pension payments are based on the available contributions. This pension scheme is administered by an insurance company. Premiums payable for the financial year are recognised as an operating expense. We include a reserve for contributions not yet paid by the balance sheet date. There are no other obligations apart from the contribution payments. As the contributions owed are of a short-term nature, they are stated at the nominal value. In the event that the contributions paid out exceed the contributions payable to the pension provider, the surplus is included on the balance sheet as an accrual asset, insofar as the pension provider provides reimbursement or settlement with contributions payable in the future.

Non-current liabilities

Non-current liabilities include liabilities with a remaining term of more than one year. Liabilities are initially carried at fair value and are subsequently measured at amortised cost.

Current liabilities

Current liabilities generally have an expected term of up to one year. Liabilities are initially carried at fair value and are subsequently measured at amortised cost. The amortised cost is equal to the nominal value.

Liabilities regarding distribution

The liabilities regarding distribution to rightsholders are accounted for in accordance with the provisions of the articles of association and the distribution regulations. Invoiced licences are initially recognised at the time of invoicing and/or if there is certainty of mutual agreement on the invoiced amounts. The liabilities regarding distribution item is carried at nominal value.

Outstanding amounts

The outstanding amounts item is carried at nominal value. This item is created because of the balance between the withholding percentage and the actual cost percentage. This item is calculated by multiplying the applicable cost withholding percentage by the received licence income in the reporting year per music year, minus the net operating expenses. This item also changes due to the unrealised part of the cost deduction of the receivables movement. Any other movements will be explained in more detail in the notes. If the difference between the withholding percentage and the actual cost percentage is more than 2% points at the end of the relevant music year, the withholding percentage of the relevant music year may be revised by a decision of the Executive Board. This must be approved by the Supervisory Board and adopted by the Board of Affiliates. In the first payment after the reporting year, the withholding percentage will be reduced, resulting in an additional payment.

A positive balance created in the reporting year, if the balance is still positive after five years, can be allocated by the Board of Affiliates as follows:

- Addition to the liability regarding distribution and to the licence year in which the positive balance was created at the time.
- Block for payment, until otherwise determined by decision of the Board of Affiliates.
- Allocation to the provision for after-claims if it concerns a remaining amount.
- Allocation for the purpose of SoCu if it concerns a remaining amount.

Principles for determining results

General

The result is determined as the difference between the turnover and all related costs attributable to the reporting year. The costs are determined in accordance with the aforementioned valuation principles, on a historical basis and allocated to the reporting year to which they relate. Losses are accounted for in the year in which they are foreseeable.

Dutch income

Our services mainly consist of invoicing licence fees, registering repertoire, processing playlists and making distributions to the rightsholders. These activities may take place in a year other than the collection year. Since the result of these services cannot be estimated with reasonable accuracy in the interim, the revenue is recognised at the level of the costs incurred. The difference between the fee deduction and the actual operating expenses is credited or debited directly to the liability regarding distribution.

International income

This item is used to account for the income resulting from the withholding percentage on international distribution.

Miscellaneous income

This item accounts for the income arising from other services.

Costs

Costs are determined on a historical basis and allocated to the reporting year to which they relate.

Periodically payable remuneration

The remuneration paid to staff is included in the statement of income and expenditure in accordance with the terms of employment.

Depreciation

Depreciation is related to the acquisition value of the relevant intangible and tangible fixed assets. Depreciation is based on the estimated economic life and calculated based on a fixed percentage of the acquisition price, taking into account any residual value. Depreciation starts from the moment an asset is put into use.

Financial result

Realised financial results relate to funds held with banks (deposits, savings accounts and current accounts) and are reported in the year to which they relate.

Exchange rate differences that arise during the settlement or currency conversion are recognised in the profit and loss statement in the period in which they occur, unless hedge accounting is used.

Cash flow statement principles

The cash flow statement principles are governed by directive RJ640 of the Dutch Accounting Standards Board. However, on some points the legal requirements have been deviated from because this gives a better insight into Sena's activities. Cash flow from licence fee income, distribution, advance distribution payments and Social-Cultural fund expenditure is prepared using the direct method. Cash flow arising from other operating activities is prepared using the indirect method.



Oranjewoudfestival

image: Foppe Schut

Notes to the balance sheet as at 31 December

Intangible fixed assets (1)

Movements in this item are as follows:

	2023	2022
	Software	Software
Book value 1 January	202	177
Investments	59	100
Disinvestments	-	(10)
Depreciation	(75)	(75)
Depreciation of disinvestments	-	10
Book value 31 December	186	202

In 2023, investments were mainly made in the continued development the data warehouse and the transition of Qlikview and PowerBI. Investment was also made in updating MySena to reflect the new brand identity and a new menu structure.

Intangible assets include an item for development costs of the Sena app. In accordance with Article 374.4 of Book 2 Title 9 of the Dutch Civil Code, a legal reserve must be created for capitalised development expenses. As the foundation has zero equity, € 34,000 is not freely available for distribution.

Total acquisition value and depreciation are:

	2023	2022
Acquisition value	4,891	4,832
Cumulative depreciation	(4,705)	(4,630)
Book value 31 December	186	202

Depreciation rates

The following depreciation percentage is used: software (20%).

Tangible fixed assets (2)

Movements in this item are as follows:

	Refurbishment	Fixtures and fittings	Hardware	2023	2022
Book value 1 January	19	72	51	142	224
Investments	3	3	30	36	54
Disinvestments	-	-	-	-	(19)
Depreciation	(7)	(34)	(38)	(79)	(136)
Depreciation of disinvestments	-	-	-	-	19
Book value 31 December	15	41	43	99	142

This year, there will be investment in the transition to the cloud and a new backup server, but the old servers are still in use, so this is not yet divested. New phones were also purchased at the end of 2023. The old phones were only sold in the new year and will therefore be divested next year. In addition, there have been a number of minor adjustments to the building.

The total acquisition values and depreciation are:

	Refurbishment	Fixtures and fittings	Hardware	2023	2022
Acquisition value	181	261	629	1,071	1,035
Cumulative depreciation	(166)	(220)	(586)	(972)	(893)
Book value 31 December	15	41	43	99	142

Depreciation rates

The following depreciation percentages are used: refurbishment (20%), fixtures and fittings (20%) and hardware (33.33%).

Financial fixed assets (3)

The movement in financial fixed assets is specified as follows:

	2023	2022
Balance as at 1 January	2,176	10,500
Advance payment issued	-	300
Settlement of advance with distribution payment	(2,176)	(1,728)
Reclassification to accrued income	-	(6,896)
Balance as at 31 December	-	2,176

All receivables included in financial fixed assets have a remaining maturity of more than one year. The advance payment has the following characteristics:

- > Repayment takes place once Sena no longer pays interest on its outstanding balances (the interest rate is greater than or equal to 0%).
- > The advance amount will be set off against distribution whereby this takes precedence over the distribution payment.
- > Sena has the right to start settling the advance amount earlier in special cases.
- > No additional securities have been issued for the advance payment amount.
- > 0% interest will be charged on the advance amount, with the aim of reducing the balance of Sena's holdings with financial institutions.

All advances were fully recovered in 2023.

Accounts receivable (4)

	2023	2022
Receivables	9,718	9,903
Bad debt provision	(612)	(600)
Balance as at 31 December	9,106	9,303

Accounts receivable and provision for bad debts

	2023	2022
RECEIVABLES		
Balance as at 1 January	9,903	12,798
(Invoiced) licence fee income	89,615	80,231
Revenue	(96,889)	(75,908)
Debts written off	(72)	(35)
Other	7,161	(7,183)
Balance as at 31 December	9,718	9,903

	2023	2022
BAD DEBT PROVISION		
Balance as at 1 January	(600)	(851)
Debts written off	72	35
Additions/Release	(84)	216
Balance as at 31 December	(612)	(600)

Accounts receivable decreased by € 185,000 in 2023. This year, more was received than invoiced, which is the main reason for this difference. The main reason for this is that last year we included reservations in the invoiced licence fee income for television revenue. At that time, negotiations were still ongoing in relation to the Atresmedia ruling, so they had not been invoiced. In 2023, invoices were issued for both 2022 and 2023, releasing the reservation. This is also reflected in the 'other' item, which mainly consists of the movement in the 'unrealised licence fee income' item.

The amount of the receivables provision was partly determined based on receivables written off in the past. In addition, we considered the age and expected collectability of the invoices from SCAN's receivables, which resulted in a release of the provision.

Accrued receivables and assets (5)

	2023	2022
Accrued interest	500	-
Prepaid expenses	136	150
Distribution payables	248	382
Provision for distribution payables	(42)	(62)
Current portion of advance payment	-	6,896
Other	648	7,106
Balance as at 31 December	1,490	14,472

As of 2023, we still have to receive € 500,000 in interest. This is mainly due to outstanding deposits that will be released next year, but where we have already included the 2023 interest portion. Receivables from rightsholders are classified under the item 'distribution payables' and amount to € 248,000 as at 2023. As of 2023, the advances previously issued have been fully recouped, so this item is no longer included in the 'current portion of advance payment' item. The 'other' item mainly consists of the internal charges still to be received, such as the fingerprint fee, as well as an amount still to be received for the Performers Fund. In 2022, this item also included the 2022 television revenue still to be invoiced. As of 2023, in addition to the internal charges, only a part of the radio revenue for 2022 and 2023 remains to be invoiced.

Cash and cash equivalents (6)

	2023	2022
Savings account/Deposit	61,535	18,780
Current account	36,378	48,146
Balance as at 31 December	97,913	66,926

Cash and cash equivalents are deposited with various banks (whose ratings fit the investment status).

Provisions (7)

	2023	2022
Anniversary provision	107	89
Provision for claims, disputes and lawsuits	245	245
Provision for after-claims	218	301
Balance as at 31 December	570	635

Anniversary provision

Anniversary provision	2023	2022
Balance as at 1 January	89	77
Additions/Release	18	12
Balance as at 31 December	107	89

The provision was created for anniversary payments to Sena employees, in accordance with the provisions in the employee handbook.

Provision for claims, disputes and lawsuits

Legal advice and litigation costs	2023	2022
Balance as at 1 January	245	234
Releases	(89)	(54)
Addition	89	65
Balance as at 31 December	245	245

In relation to ongoing legal proceedings, a provision has been made for expected costs for legal advice and litigation costs. Sena initiated legal proceedings in 2023 regarding the dispute with a music user following the European Court of Justice's Atresmedia/AGEDI AIE ruling in 2020. There is a real possibility that this will be a lengthy procedure that will incur costs. The position is unchanged that based on the legal advice received so far, there is no reason to include a provision for honouring the claim submitted in the past in the annual accounts.

Provision for after-claims

Following a decision by the Performers and Producers sections on 17 March 2017, the 'provision for after-claims' item was created. Claims granted that relate to closed music years can be paid from this item. No payment was made in 2023 and a total of € 83,000 was paid out for old claims.

	Performers	Producers	2023	2022
Balance as at 1 January 2023	143	158	301	81
Additions	-	-	-	315
SUBTOTAL ADDITIONS	-	-	-	315
Payment	(60)	(23)	(83)	(95)
Releases	-	-	-	-
SUBTOTAL WITHDRAWALS	(60)	(23)	(83)	(95)
Balance as at 31 December 2023	83	135	218	301

ACCUAL PER YEAR	Balance as at 1 January 2023	Addition	Withdrawal	Balance as at 31 December 2023
2022	301	-	(83)	218
Total	301	-	(83)	218

This item has a limitation period of two years after the end of the music year. If a balance remains after this period, it will be reallocated to the distribution and added to the liability regarding distribution.

Social-Cultural fund (8)

This item is based on decisions by the respective sections and relates to expenses and/or reserves for social, cultural and/or educational projects. For Performers, the additions are based on 3% of the distribution. This addition will also appear on the statements from June 2022. The addition is paid from the undistributed fees. 75% of the undistributed fees from the Dutch collection from Performers for music year 2019 was added to the Social-Cultural fund in 2023. In addition, 75% of the undistributed international fees from the Performers for music year 2013 has also been added to the Social-Cultural fund. For the Producers, the addition is fully financed from the undistributed fees. In 2023, the Producers added all undistributed fees for music year 2019 (Dutch collection) and music year 2013 (international collection) to the Social-Cultural fund. The reserves are intended for social, cultural and/or educational projects where the section representatives are responsible for the expenditure.

	Performers	Producers	2023	2022
Balance as at 1 January	1,790	209	1,999	3,753
Additions for joint projects	-	-	-	50
Additions in financial year	782	-	782	355
Additions of undistributed fees	1,373	1,110	2,483	1,978
SUBTOTAL ADDITIONS	2,155	1,110	3,265	2,383
Expenditure on joint projects	(330)	(330)	(660)	(50)
Expenditure in financial year	(3,031)	(463)	(3,494)	(3,843)
SUBTOTAL EXPENDITURE	(3,361)	(793)	(4,154)	(3,893)
Balance as at 31 December	584	526	1,110	2,243
Unallocated share Ministry of Education, Culture and Science (OCW) from the Music Production Fund	-	-	-	(244)
Music Production Fund bank balance	307	-	307	370
Balance as at 31 December	891	526	1,417	2,369

ACCUAL PER YEAR	Balance as at 1 January 2023	Addition	Withdrawal	Balance as at 31 December 2023
Up to and including 2010	1,999	-	(889)	1,110
2023	-	782	(782)	-
2023 (addition for music year 2019)	-	2,453	(2,453)	-
2023 (addition for music year 2013 international collection)	-	30	(30)	-
Total	1,999	3,265	(4,154)	1,110

This item is mainly long term as the balance up to and including 2010, being € 1.1 million as at 2023, has no limitation period. The balance remaining after addition in the reporting year has a limitation period of three years.

Social, cultural and educational services

	2023	2022
EXPENDITURE (USE)		
Social-cultural projects	3,270	3,204
Sena Magazine	78	116
Grants by Sena Music Production Fund ¹	700	500
Total use	4,048	3,820
EXPENDITURE (MANAGEMENT)		
Social and cultural projects	86	54
Sena Music Production Fund	20	19
Total management costs	106	73
Total	4,154	3,893

The management costs listed in the overview above only includes out-of-pocket costs. Sena supports the Social-Cultural fund on an administrative and promotional level. These costs involved are part of the total operating expenses.

¹ The total budget for the Sena Music Production Fund was € 1,570,000 in 2023. € 500,000 was allocated by the Performers, € 200,000 was allocated by the Producers and € 648,000 was available in repaid loan instalments from the Sena Music Production Fund. Of the total amount available, € 1,478,000 was allocated to new applications in 2023 (2022: € 1,639,000).

Sena Music Production Fund

	2023	2022
Balance as at 1 January	222	419
Performers	500	300
Producers	200	200
Repayment of loan instalments	648	642
Balance of repaid loan instalments < 2021	-	300
Total additions	1,348	1,442
Tranche 1	(434)	(586)
Tranche 2	(446)	(363)
Tranche 3	(598)	(690)
Total expenditure	(1,478)	(1,639)
Total	92	222



Liability regarding distribution (9)

The liability regarding distribution has a long-term but generally current nature. The timing of distribution of this liability depends on the income from receivables and progress of distribution to rightsholders. Distribution depends on the status of the distribution process (the point of processing the rightsholders claims and processing the playlists). The 'not yet payable' item relates to the receivables position. From 2015 to 2020, we applied the following withholding percentages: 12% on Dutch licence fee income, 4% on income from EU and EFTA countries and 6% on income from other countries. From music year 2021, we applied 5.5% for international licence fee income. For music years 2021 and 2022, we applied 14.5% for Dutch licence fee income and this will be 13% from 2023.

PAYABLE	Netherlands	Inter-national	Total 2023	Netherlands	Inter-national	Total 2022
Balance as at 1 January	65,941	1,766	67,707	56,065	2,237	58,302
DISTRIBUTION						
Gross distribution	(68,741)	(5,589)	(74,330)	(55,408)	(6,857)	(62,265)
Cost deduction	10,094	279	10,373	7,917	320	8,237
Net distribution	(58,647)	(5,310)	(63,957)	(47,491)	(6,537)	(54,028)
SOCIAL-CULTURAL FUND						
Gross deduction	(3,636)	(32)	(3,668)	(2,711)	(25)	(2,736)
Cost deduction	346	2	348	297	1	298
Net deduction	(3,290)	(30)	(3,320)	(2,414)	(24)	(2,438)
(INVOICED) LICENCE FEE INCOME						
(Invoiced) licence fee income	83,943	5,672	89,615	73,690	6,541	80,231
Movement in receivables and reserves	7,172	102	7,274	(4,213)	(109)	(4,322)
Total received licence fee income	91,115	5,774	96,889	69,477	6,432	75,909
Movement in unrealised licence fee income	(7,062)	(105)	(7,167)	7,191	-	7,191
Movement in other receivables items	6	-	6	(9)	-	(9)
Movement in outstanding amounts	(5,259)	-	(5,259)	(2,450)	-	(2,450)
Operating expenses (net)	(7,152)	-	(7,152)	(7,739)	-	(7,739)
Cost deductions from international	-	(279)	(279)	-	(320)	(320)
Cost deduction payment provision for after-claims	3	-	3	12	-	12
Withdrawal provision of after-claims	-	-	-	(315)	-	(315)
Addition to Performers Fund	318	-	318	804	-	804
Write-off BTL music year to uplift	9	(9)	-	22	(22)	-
Movement in distribution payables	5	-	5	9	-	9
Addition of provision for distribution payables	(9)	-	(9)	(30)	-	(30)
Reclassification of unrealised licence fee income	7,062	105	7,167	(7,191)	-	(7,191)
Other movements	(12,079)	(288)	(12,367)	(9,696)	(342)	(10,038)
Balance as at 31 December	83,040	1,912	84,952	65,941	1,766	67,707

NOT YET PAYABLE	Netherlands	Inter-national	Total 2023	Netherlands	Inter-national	Total 2022
Balance as at 1 January	10,728	135	10,863	6,289	26	6,315
Movement receivables	(200)	3	(197)	(2,752)	109	(2,643)
Reclassification of unrealised licence fee income	(7,062)	(105)	(7,167)	7,191	-	7,191
Balance as at 31 December	3,466	33	3,499	10,728	135	10,863
OUTSTANDING AMOUNTS						
Balance as at 1 January	4,808	-	4,808	2,358	-	2,358
16% cost deduction from Dutch licence fee income received	3	-	3	43	-	43
12% cost deduction from Dutch licence fee income received	40	-	40	186	-	186
14,5% cost deduction from Dutch licence fee income received	1,749	-	1,749	9,810	-	9,810
13% cost deduction from Dutch licence fee income received	10,231	-	10,231	-	-	-
Operating expenses (net)	(7,152)	-	(7,152)	(7,739)	-	(7,739)
After-claim	-	-	-	(10)	-	(10)
Other movements	388	-	388	160	-	160
Balance as at 31 December	10,067	-	10,067	4,808	-	4,808
Liability regarding distribution	96,573	1,945	98,518	81,477	1,901	83,378

The distribution and payment of the fees took place based on the distribution regulations (see explanation in the chapter 'About Sena'). Due to the difference in music years, three different cost deductions have been used above. The 'Netherlands' column also includes the addition (€ 318,000) and the distribution (€ 310,000) from the Performers Fund. This brings the ongoing work item for this fund to € 388,000 at the end of 2023.

The 'other movements' item relates to the cost deduction for the movement in receivables (€ 21,000), the movement in the balance of double claims from closed years (€ 189,000), the movement in other receivables (€ 57,000) and the movement in the reserve for the Social-Cultural fund (€ 677,000).

Netherlands

The overview below shows the payable component of the liabilities divided by music year. This breakdown of the distribution obligation is a requirement set by the Copyright and Neighbouring Rights Collective Management Organizations Control Board.

	Age	Licence fee income	Double claims	Total
Up to and including 2018	≥5 years	3,897	576	4,473
2019	<5 and ≥3 years	831	217	1,048
2020	<3 year	6,533	-	6,533
2021	<3 year	11,325	-	11,325
2022	<3 year	19,733	-	19,733
2023	<1 year	39,928	-	39,928
Total net distributable fees		82,247	793	83,040

Since 2009, the reservation period has been three years after the end of a music year. Music year 2019 was closed in 2023. The remaining balance from the undistributed fees has been distributed in accordance with the decision of the section representatives as follows: the Producers share was fully added to the Social-Cultural fund (€ 1.1 million after deduction of costs and VAT) and 75% of the Performers share was added to the Social-Cultural fund (€ 1.3 million after deduction of costs and VAT) and 25% was paid to the Performers (€ 540,000 gross). The remaining balance up to and including music year 2019 in the above table consists of double claims and the reserves for licence fee income still to be realised. The double claim amounts for the open years are discounted in the total amount. We will process the last claims for music year 2020 in the first quarter of 2024 so that this music year can be closed during 2024.

Procedures

Our mission states that we aim to distribute payment as quickly, accurately and efficiently as possible. The law states that - in accordance with Article 2i, paragraph 3, of the Copyright and Neighbouring Rights Supervision and Dispute Settlement Act - that the fees collected must be paid within nine months of the end of the collection year, unless there are reasonable grounds for not doing so. We more than fulfil this requirement for most of our distribution activities, as we are one of the few collective management organizations that are able to distribute licence fees to rightsholders in the year of collection. On 30 September 2023, the balance from 2022 was € 27.2 million, taking into account the distribution period of nine months after the collection year.

Repertoire

Objective reasons for the part that we are unable to pay within the stipulated time include delayed delivery of playlists, reserves for rightsholders that we have not yet been able to identify, funds reserved for future minute value fluctuations - this has been handled conservatively given the ongoing legal proceedings, played but not (yet) claimed repertoire, and rightsholders who have not (yet) registered. These rightsholders have the opportunity to register and/or claim repertoire within a three-year period after the end of the collection year. We make every effort to trace rightful rightsholders. We do this through internet searches, enquiries with rightsholders known to us and suggestions on our online portal MySena and the Sena app. We also actively participate in VDRB and RDx. Despite these efforts, it is not always possible to find the entitled rightsholders within three years. After this period has expired, fees not paid out are designated as undistributed fees and submitted for a decision by the section representatives of the Producers and Performers sections.

International

The breakdown of the payments received from international sister organizations varies widely, partly due to differences in national distribution regulations. This can slow down the time of processing distributions. Article 2k Paragraph 5 of the Copyright and Neighbouring Rights Supervision and Dispute Settlement Act stipulates that the fees collected must be distributed within six months of collection. Furthermore, the settlements usually relate to multiple years, making it difficult to distinguish collection years from music years. For this reason, the outstanding international distributable fees are shown separately. At the end of 2023, the total amount of international collection still to be distributed is € 1.9 million.

	Age	Collection year	Music year
2014 - 2018	>5 years	-	75
2019	>3 and ≤5 years	-	63
2020	>1 and ≤3 years	-	52
2021	>1 and ≤3 years	-	56
2022	>1 and ≤3 years	-	73
2023	≤1 year	1,502	91
Total for distribution		1,502	410

A small part of all income cannot be distributed in full within six months of receipt. A major reason for this is that we do not always receive the necessary information for relatively old years correctly and/or completely. As a result, Sena may no longer have the mandate for a rightsholder, or parts of the amount received remained unspecified. As soon as we can process the collected fees through our distribution system, the same reasons apply as to when distribution is not possible as stated in the Dutch collection. Examples of this are missing rightsholder details or unclaimed repertoire.

In 2023, the year 2013 was closed for international collection. The resulting balance has been partly offset against old negative balances. The balance of € 41,000 was mainly added to the Social-Cultural fund and partly added to the distribution. The balance shown under collection year 2023 mainly relates to money received in November and December 2023.

Accrued liabilities (10)

	2023	2022
Accrued liabilities	6,826	6,165

Accrued liabilities mainly consist of reserves for holidays, holiday pay, management costs and playlists. Also included on the balance sheet is an amount of unrealised licence fee income. The reason for creating this balance sheet item is the lack of mutual agreement on the invoiced amounts.

Liabilities and rights not shown on balance sheet

As of 31 December 2023, the following off-balance sheet liabilities have been made:

	< 1 year	1-5 year	> 5 year
Rent (term until 04-2026)	262	350	-
Car leasing contracts	65	98	-
Copiers (term until 01-2027)	4	9	-
Lessor's bank guarantee	-	25	-
SCAN guarantee	-	1,000	-
Total	331	1,482	-

Events after balance sheet date

After the balance sheet date, the section representatives of the Producers and Performers sections decided on the undistributed fees from 2020 for the Dutch collection and from 2014 for the international collection.

On 22 March 2024, the Performers section representatives decided to add the undistributed fees to the Social-Cultural fund in full. On 5 April 2024, the Producers section representatives decided to add half of the undistributed fees to the funds intended for distribution among the Producers of the musical years concerned; the other half of the undistributed fees will be added to the Social-Cultural fund.

Notes to the statement of income and expenditure

Other income (11)

Other income includes the fees for our services to NVPI, Stichting NORMA, business premises for Stichting NORMA and the fees received from radio and television stations for the use of fingerprinting.

Salaries (12)

	2023	2022
Wages and salaries	2,722	2,546
Social security contributions	545	567
Pension costs	297	228
Total	3,564	3,341

In 2023, Sena employed an average of 45.3 people (2022: 45.5). This amounts to 40.7 FTEs (2022: 41.2). This can be broken down as follows: 4.7 FTE management and office management, 6.6 FTE commercial, 12.1 FTE distribution, 1.8 FTE legal affairs and 15.5 FTE IT, data analysis, communication and finance.

In 2023, salary costs were € 176,000 higher than in 2022. The main reason is that at the end of 2022 we implemented on average a higher salary increase than usual, as a correction for the high inflation. Social security costs have decreased compared to last year and pension costs have risen slightly.

Executive Board remuneration

Amount in euros	2023	2023	2022	2022
Name	M.J. Bos	J.A. Moolhuijsen	M.J. Bos	J.A. Moolhuijsen
Position	CEO	CFO	CEO	CFO
Employment	Yes	Yes	Yes	Yes
Term of employment	1/1 – 31/12	1/1 – 31/12	1/1 – 31/12	1/1 – 31/12
Extent of employment in FTE	1.0	1.0	1.0	1.0
Remuneration plus taxable expense allowance	195,527	200,986	194,308	192,061
Remuneration payable in the future	221,995	221,999	217,853	210,753
Total				
Individually applicable remuneration cap	223,000	223,000	216,000	216,000
Reason for possible exceeding of this cap*		Transitional scheme in accordance with Executives' Pay Act I		

* Based on the Copyright and Neighbouring Rights Supervision and Dispute Settlement Act, a number of sections of the Executives' Pay (Standards) Act (WNT) apply to Sena. The maximum remuneration applicable to Sena in 2023 is € 223,000 (the general remuneration cap). From 2023, the WNT is no longer exceeded.

Supervisory Board remuneration

Amount in euros	2023	2023	2022	2022			
Position	Chair	Member	Chair	Member			
Remuneration	20,000	15,000	20,000	15,000			
General applicable remuneration cap	33,450	22,300	32,400	21,600			
Position	Financial expert member		Financial expert member				
Remuneration	17,500		17,500				
General applicable remuneration cap	22,300		21,600				
Member	Position	Length of service	2023	Remuneration cap maximum 2023	Length of service	2022	Remuneration cap maximum 2022
<i>Amount in euros</i>							
Mr H.J. de Mooij	Independent chair	01/01 – 31/12	20,000	33,450	01/01 – 31/12	20,000	32,400
Ms P.K. van Olphen RA	Independent financial expert member	01/01 – 31/12	17,500	22,300	01/01 – 31/12	17,500	21,600
Mr E.R. Angad-Gaur	Member	01/01 – 31/12	15,000	22,300	01/01 – 31/12	15,000	21,600
Mr R.A. Gruschke	Member	01/01 – 31/12	15,000	22,300	01/01 – 31/12	15,000	21,600
Mr M.R. Jessurun	Member	01/01 – 30/06	7,500	11,058	01/01 – 31/12	15,000	21,600
Mr B. van Sandwijk	Member	01/07 – 31/12	7,500	11,242	-	-	-
Ms C.L. Westbroek RC	Member	01/01 – 31/12	15,000	22,300	01/01 – 31/12	15,000	21,600

There are no undue payments. The individual maximum remuneration for the position of chair for 2023 is € 33,450 (2022 € 32,400). The individual maximum remuneration for the positions of independent financial expert member and member for 2023 is € 22,300 (2022 € 21,600). If the position is held for part of the calendar year, the remuneration will be allocated pro rata.

For the sake of transparency, the remuneration paid from neighbouring rights to the members of the Supervisory Board must be made public. More specifically, this concerns remuneration received from neighbouring rights by a member of the Supervisory Board in person or by legal entities in which the member has a majority interest. For privacy reasons, the scale below has been used.

Level of remuneration received from neighbouring rights

No remuneration	A
Between 0 and 15,000	B
Between 15,000 and 50,000	C
Between 50,000 and 100,000	D
Between 100,000 and 500,000	E
More than 500,000	F

Overview of remuneration received by Supervisory Board and Executive Board members

Mr H.J. de Mooij	Independent chair of the Supervisory Board	A
Ms P.K. van Olphen RA	Independent financial expert member of the Supervisory Board	A
Mr E.R. Angad-Gaur	Supervisory Board member	A
Mr R.A. Gruschke	Supervisory Board member	B
Mr M.R. Jessurun	Supervisory Board member	A
Mr B. van Sandwijk	Supervisory Board member	A
Ms C.L. Westbroek	Supervisory Board member	A
Mr M.J. Bos	CEO	A
Mr J.A. Moolhuijsen	CFO	A

Board of Affiliates remuneration

Amount in euros	2023	2023	2022	2022
Position	(Vice)-Chair	Member	(Vice)-Chair	Member
REMUNERATION	6,750	4,500	6,000	4,000
General applicable remuneration cap	22,300	22,300	21,600	21,600

Member	Position	Length of service	2023	Remuneration cap maximum 2023	Length of service	2022	Remuneration cap maximum 2022
<i>Amount in euros</i>							
Mr M. Beets	Member	-	-	-	01/01 – 30/06	2,000	10,711
Mr G. Bleijerveld	Member	01/01 – 31/12	4,500	22,300	01/01 – 31/12	4,000	21,600
Mr P. Boertje	Chair	-	-	-	01/01 – 30/06	3,000	10,711
Mr. R.P. Delfos	Member	-	-	-	01/01 – 30/06	2,000	10,711
Mr M.J.T. van Duijvenbode	Chair	01/01 – 31/12	6,750	22,300	01/01 – 31/12	6,000	21,600
Mr J.N. Favié CFM EMFC RC	Member	-	-	-	01/01 – 30/06	2,000	10,711
Mr J.N. Favié CFM EMFC RC	Chair	01/01 – 31/12	6,750	22,300	01/07 – 31/12	3,000	10,889
Ms F. van Gestel	Member	01/07 – 31/12	2,250	11,242	-	-	-
Mr F. Janssen	Member	01/01 – 31/12	4,500	22,300	01/07 – 31/12	2,000	10,889
Mr E. Leenstra	Member	08/05 – 31/12	2,250	14,541	-	-	-
Mr E.J. Loon RA	Member	01/01 – 30/06	2,000	11,058	01/01 – 31/12	4,000	21,600
Mr M. Maas	Member	01/01 – 31/12	4,500	22,300	01/01 – 31/12	4,000	21,600
Mr F. Merkies	Member	01/01 – 31/12	4,500	22,300	01/01 – 31/12	4,000	21,600
Mr C. Muyres	Member	01/01 – 31/12	4,500	22,300	01/01 – 31/12	4,000	21,600
Mr B. van Sandwijk	Member	-	-	-	01/01 – 30/06	2,000	10,711
Ms L. Steffens	Member	01/01 – 31/12	4,500	22,300	01/07 – 31/12	2,000	10,889
Mr M.C.J. ten Veen LL.B	Member	-	-	-	01/01 – 30/06	2,000	10,711
Ms A. Verheggen	Member	01/01 – 31/12	4,500	22,300	01/01 – 31/12	4,000	21,600
Mr S. van Welie	Member	01/01 – 31/12	4,500	22,300	01/07 – 31/12	2,000	10,889
Mr E. Winkelmann	Member	01/01 – 31/12	4,500	22,300	01/01 – 31/12	4,000	21,600
Mr C. Witteveen	Member	01/01 – 31/12	4,500	22,300	01/07 – 31/12	2,000	10,889

There are no undue payments. The individual maximum remuneration for the positions of chair and member for 2023 is € 22,300 (2022 € 21,600). If the position is held for part of the calendar year, the remuneration will be allocated pro rata.

Executive Board and the supervisory bodies salary details are disclosed in line with the Copyright and Neighbouring Rights Supervision and Dispute Settlement Act and the CMO Quality Mark.

The Executive Board is subject to the transitional provisions of the WNT. This transitional scheme applies pursuant to Section 25a of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act.

More information about the additional positions on the Supervisory Board, the Board of Affiliates and the Executive Board can be found in the 'Personal details and relevant activities' chapter.

Mailing and collection costs (13)

The Service Centre for Copyright and Neighbouring Rights (SCAN) handles the invoicing and collection processes on our behalf for general licences (individual and collective) and online radio stations up to 100 channels. This item mainly includes these costs. In 2023, SCAN's costs were € 69,000 lower than the year before. This decrease is mainly caused by cost optimisation and higher revenue for collection activities.

Other operating expenses (14)

	2023	2022
Other personnel costs	443	430
Accommodation costs	294	268
IT costs	379	242
Office costs	67	58
Publicity costs	175	135
Third-party advice and services	466	336
General costs	1,023	999
TOTAL	2,847	2,468

In 2023, accommodation costs are € 26,000 higher than last year, which is mainly caused by a received settlement of service costs for previous years.

The IT costs have increased partly due to hiring external IT services to create an additional FTE shell. The transition to the cloud has also entailed additional costs.

Publicity costs are € 40,000 higher in 2023 than in 2022. This increase is mainly due to the development and launch of our new brand identity in 2023. We incurred more PR costs as a result.

The costs for advice and services from third parties are € 130,000 higher this year than last year. There were more costs of € 35,000 for legal advice, as well as more external hiring in IT.

The general costs are € 24,000 higher in 2023 than in 2022. This is caused by several items. Additional costs have been included for the work of our external auditor. More costs were incurred in connection with our 30th anniversary, and we also reestablished ties with our international sister organizations through physical visits. In contrast, fewer costs were incurred in obtaining playlists, the Disputes Committee and contributions

Depreciation of tangible and intangible fixed assets, supervisor costs and financial result (15)

Other operating expenses consist of depreciation of tangible and intangible fixed assets, supervisor costs and the financial result. Depreciation was € 57,000 lower in 2023 than in 2022. We mainly depreciated less hardware because we have not (yet) replaced fully depreciated hardware. The costs for supervisors are € 29,000 lower in 2023 which is mainly due to fewer activities, such as training days for the Supervisory Board and the Board of Affiliates. The financial result consists almost entirely of interest costs. Interest rates were positive again for the first time in 2023, and in addition, we also more actively put money away in deposits, achieving a financial result of € 850,000.

Budget operating expenses (16)

	2023	Budget
Operating expenses (gross)		
Salaries	3,564	3,764
Mailing and collection costs	1,988	2,215
Other operating expenses	2,847	3,178
Depreciation of tangible and intangible fixed assets	154	355
Supervisor costs	164	181
Total operating expenses	8,717	9,693

In 2023, gross operating expenses are € 976,000 lower than budgeted. Salaries were lower, which is mainly because the actual FTE was 4.6 less than included in the budget.

The mailing and collection costs are € 227,000 lower. SCAN has reduced costs for depreciation and realised more income from collection activities.

The other operating costs are € 331,000 lower than budgeted. The main reasons are lower costs for legal advice and other advice, less external hiring with IT and lower costs for obtaining playlists.

In 2023, depreciation is € 177,000 lower than budgeted. A number of investments did not go ahead or were carried forward to 2024. In addition, investments took place later in the year, resulting in less depreciation on an annual basis.

Affiliated parties

We have a partnership with Buma called Service Centre for Copyright and Neighbouring Rights (SCAN). SCAN handles the invoicing and collection of the general licences on behalf of Sena and distributes the received fees as quickly as possible. SCAN invoices half of the operating result to both parties every month. Buma and Sena are both members of SCAN's board. Both parties have given a guarantee of up to €1 million for the fulfilment of SCAN's obligations (see 'Commitments not shown in the balance sheet').

Notes to the cashflow statement

Distribution (17)

The gross and net distribution for 2023 and 2022 are shown in the tables below. Sena makes a distribution four times a year, at the end of each quarter. The gross and net distribution of the Dutch collection both increased compared to the previous year (+24.1% and +23.5%). In 2023, € 25.9 million was distributed from the Dutch collection for the current music year. In addition, € 310,000 was paid out from the Performers Fund (2022: € 650,000). The payment relating to the Performers Fund is included in the Dutch collection. No cost deductions will be made from this for the time being.

Gross and net distribution of the international collection decreased by -18.5% and -18.8% respectively in 2023. In 2023, less was collected from international collection which also means less was distributed.

	Netherlands	International	2023
Gross distribution	68,741	5,589	74,330
Cost deduction	(10,094)	(279)	(10,373)
Net distribution	58,647	5,310	63,957

	Netherlands	International	2022
Gross distribution	55,408	6,857	62,265
Cost deduction	(7,917)	(320)	(8,237)
Net distribution	47,491	6,537	54,028

Hilversum, 12 April 2024

The Executive Board

M.J. Bos
CEO

J.A. Moolhuijsen
CFO

The Supervisory Board

H.J. de Mooij
P.K. van Olphen
E.R. Angad-Gaur
R.A. Gruschke
B. van Sandwijk
C.L. Westbroek



Wonderfeel

image: Foppe Schut

Independent auditor's report

To: The Executive Board and Supervisory Board of the Foundation for the Exploitation of Neighbouring Rights (Sena)

Report on annual accounts 2023 Our opinion

In our opinion, the annual accounts of the Foundation for the Exploitation of Neighbouring Rights (Sena) ('the foundation') give a true and fair view of the financial position of the foundation as at 31 December 2023 and of its results for 2023 in accordance with Part 9 Book 2 of the Dutch Civil Code in force in the Netherlands, directive 640 'Not-for-profit organizations' of the Dutch Accounting Standards Board (RJ 640) and the provisions by and under the Executives' Pay (Standards) Act ('WNT').

What we have audited

We have audited the 2023 annual accounts of the Foundation for the Exploitation of Neighbouring Rights (Sena), Hilversum, as included in this annual report.

The annual accounts consist of:

- › the balance sheet as at 31 December 2023.
- › the statement of income and expenditure for 2023.
- › notes including an overview of the accounting policies for financial reporting and other explanations.

The financial reporting system used to prepare the annual accounts is Part 9 Book 2 of the Dutch Civil Code, RJ 640 and the provisions under and pursuant to the WNT.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch auditing standards and the WNT Audit protocol 2023. Our responsibilities on this basis are described in the 'Our responsibilities for the audit of the annual accounts' section. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent

We are independent of the Foundation for the Exploitation of Neighbouring Rights (Sena) as required by the independent performance of an assurance engagement regulation (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Code of Ethics for Professional Accountants (VGBA).

Compliance with anti-cumulation provision WNT not audited

In accordance with the WNT 2023 Audit protocol, we have not audited the anti-cumulation provision referred to in

section 1.6a of the WNT and section 5(1), subsections n and o of the WNT implementation regulations. This means that we did not check whether a senior executive officer had exceeded standards due to any employment as a senior executive officer at other institutions subject to the WNT, and whether the disclosures required in this context were correct and complete.

Report on other information included in the annual report

The annual report also includes other information. This covers all information in the annual report other than the annual accounts and our auditor's report.

Based on the following activities, we believe that the other information:

- › is consistent with the annual accounts and contains no material discrepancies.
- › contains all information required for the required by Part 9 Book 2 of the Dutch Civil Code and RJ 640 for the Executive Board report.
- › contains all the information required under Articles 2b to 3.d.4 of the collective management transparency report directive.

We have read the other information and, based on our knowledge and understanding obtained from the annual accounts audit or otherwise, we have considered if the other information contains material discrepancies.

With these procedures, we have complied with the requirements of the Dutch Standard 720. The scope of these activities is not as extensive as our audit activities concerning the annual accounts. The Executive Board is responsible for preparing other information, including the Executive Board report in accordance with Part 9 Book 2 of the Dutch Civil Code and RJ 640.

Responsibilities regarding the annual accounts and the audit

Responsibilities of the Executive Board and the Supervisory Board for the annual accounts

The Executive Board is responsible for:

- › the preparation and fair presentation of the annual accounts in accordance with Part 9 Book 2 of the Dutch Civil Code, RJ 640 and the provisions under and pursuant to the WNT.
- › internal control such as the Executive Board deems necessary to enable the preparation of the annual account without material misstatement due to error or fraud.

When preparing the annual accounts, the Executive Board must assess whether the foundation is able to continue its operations as a going concern. Based on the financial reporting framework mentioned, the Executive Board should

prepare the annual accounts using the going concern basis of accounting unless the Executive Board intends to liquidate the foundation or to cease operations or has no realistic alternative but to do so. The Executive Board must disclose in the annual accounts events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern. The Supervisory Board is responsible for overseeing the foundation's financial reporting process.

Our responsibilities for the audit of the annual accounts

Our responsibility is to plan and perform an audit in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to express an audit opinion that includes our opinion. Our audit has been performed with a high, but not absolute, level of assurance and is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it occurs.

Misstatements can arise from errors or fraud and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is included in the appendix to our audit report.

Utrecht, 12 April 2024

Mr J.W. Middelweerd RA

Appendix to our audit report on the 2023 annual accounts of the Foundation for the Exploitation of Neighbouring Rights (Sena)

In addition to what is stated in our audit report, this appendix sets out in more detail our responsibilities for the audit of the annual accounts and explains what an audit involves.

Auditor's responsibilities for auditing the annual accounts

We conducted this audit in a professional-critical manner and, where relevant, applied professional judgement in accordance with Dutch auditing standards, the WNT Audit protocol 2023, ethical regulations and independence requirements.

Our audit included:

- › Identifying and assessing the risks of material misstatements in the annual accounts due to error or fraud, determining and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. With fraud, the risk of not detecting a material misstatement is greater than with errors. Fraud may involve collusion, forgery, intentional omissions, misrepresentations or the breach of internal control.
- › Obtaining an understanding of internal control relevant to the audit in order to select audit procedures that are appropriate in the circumstances. The purpose of these activities is not to express an opinion on the effectiveness of the foundation's internal controls.
- › Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.
- › Determining that the going concern assumption used by the Executive Board is acceptable. Also, based on the audit information obtained, determining whether there are events and circumstances that might cast reasonable doubt on whether the foundation can continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention to the related notes in the annual accounts in our auditor's report. If the notes are inadequate, we need to amend our statement. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or circumstances may lead to the foundation no longer being able to continue as a going concern.
- › Evaluating the overall presentation, structure and content of the annual accounts, including the explanatory notes contained therein and evaluating whether the annual accounts give a true and fair view of the underlying transactions and events.

We communicate with the Supervisory Board regarding the planned scope and timing of the audit and the significant findings revealed by our audit, including any significant shortcomings in internal control.

Personal details and relevant activities

The day-to-day management of Sena is conducted by the Executive Board (Management Board). The Executive Board is supervised by the Supervisory Board. All important decisions must be adopted by the Board of Affiliates after approval by the Supervisory Board. This model meets all the requirements laid down in the Governance Code for CMOs 2021.



Board of Affiliates

Mr G. Bleijerveld

Board of Affiliates member/Performers section representative (paid)

Additional positions

- > Musician (paid).
- > Lecturer - Inholland Media Entertainment Management/ International Music Management/Creative Business Hogeschool Inholland (paid).
- > Lecturer - Music Publisher course at NMUV/VMN.
- > Member of Creative Business Hogeschool Inholland examination board (paid).
- > External member of Conservatorium Haarlem examination board (paid).
- > Independent legal consultant (paid).
- > Board member (secretary) of Buma Social Fund - in liquidation - (paid).
- > Member of BumaStemra Disputes Committee.
- > Board member of Stichting de Thuiskopie (paid).
- > Board member (treasurer/secretary) of Stichting Leenrecht (paid).
- > Vice-Chair of Audio section at Stichting Leenrecht (paid).
- > Board member (secretary) of BAM! Popauteurs.nl (paid).
- > Consultant at BAM! Popauteurs (paid).
- > Daily board member Platform Makers (paid).
- > Board Member of Music committee/Ntb Kunstenbond.

Mr M.J.T. van Duijvenbode

Chair of the Board of Affiliates/ Chair of the Performers section (paid)

Additional positions

- > Paloma Music - owner (paid).
- > Through Paloma Music, work as a songwriter, freelance artist manager, session musician and producer (paid).
- > Board member of Stichting Dutch Performers House (paid).
- > Editor Sena Magazine (paid).
- > Freelance A&R at Spark Records (paid).

Mr W. Maas

Board of Affiliates member/Performers section representative (paid)

Additional positions

- > Musician, composer, producer and columnist (paid).
- > Lecturer at Fontys University of the Arts Rockacademie (paid).
- > Chair of Music committee/ Ntb Kunstenbond (paid).
- > Chair of VCTN (paid).
- > Member of the Brede Adviesgroep Cultureel Klimaat Amersfoort.
- > Chair of the nomination committee of longlists for the Zilveren and Gouden Notekraker (paid).

Ms L. Steffens

Board of Affiliates member/Performers section representative (paid)

Additional positions

- > Viola player AskolSchönberg (paid).
- > Freelance violist (paid).
- > Lecturer at the Royal Conservatoire The Hague (paid).
- > Private violin and viola teacher (paid).
- > Co-owner of Muziekwinkel Zeist (paid).
- > Co-owner Beets-Steffens Real Estate Management (paid).
- > Notary Stichting Amersfoort Jazz (paid).
- > Treasurer Stichting Lotz of Music.

Ms A. Verheggen

Board of Affiliates member/Performers section representative (paid)

Additional positions

- > Senior policy officer NTB/Kunstenbond (paid).
- > Chair of Stichting JA.
- > Chair of Stichting Dutch Jazz Competition.
- > Secretary of Stichting Jazz NL.
- > Editor of Sena Magazine (paid).
- > Chair of Stichting Dutch Performers House (paid).

Mr E. Winkelmann

Board of Affiliates member/Performers section representative (paid)

Additional positions

- > Bassist with Metropole Orchestra (paid).
- > Member of SoWhat Ensemble (paid).
- > Feldenkrais teacher (paid).

Mr C. Witteveen

Board of Affiliates member/Performers section representative (paid)

Additional positions

- > Director of KOSMIK production house (paid).
- > Lecturer of profiling at ArtEZ (paid).
- > Project leader at #Musicrevolution ArtEZ (paid).
- > Ceno's Creative Mind | Adviser to various cultural institutions (paid).
- > Board member of Kunstbende Utrecht.
- > Presenter of Humble Heroes (paid).
- > Musician and producer for various artists, including Typhoon (paid).
- > Board member of Stichting Dutch Performers House (paid).

Mr J.N. Favié CFM EMFC RC

Chair of the Board of Affiliates/ Chair of the Producers section (paid)

Additional positions

- > Managing Director of Promogroup (paid).
- > Managing Director of Pragmafex Holding (paid).
- > Interim Director of U2 Limited (paid).

Ms F. van Gestel (since 1 July 2023)

Board of Affiliates member/Producers section representative (paid)

Additional positions

- > Head of Promo at Universal International Music (paid).

Mr F. Janssen

Board of Affiliates member/Producers section representative (paid)

Additional positions

- › General Manager at 8ball Music (paid).
- › Board member of IMPALA.
- › Executive Board member of STOMP (paid).

Mr E. Leenstra (08-05-2023)

Board of Affiliates member/Producers section representative (paid)

Additional positions

- › Legal & Business Affairs Manager at Sony Music Entertainment Netherlands (paid)
- › Member of legal committee NVPI

Mr F. Merkies

Board of Affiliates member/Producers section representative (paid)

Additional positions

- › Major shareholder and CEO of Studio Fons Merkies (paid).
- › Major shareholder and CEO of Studio Fons Merkies BVBA (Belgian branch, paid).
- › Chair of Dutch Film Composers.
- › Board Member of BCMM (paid).

Mr C. Muyres

Board of Affiliates member/Producers section representative (paid)

Additional positions

- › Artist manager (paid).
- › Owner of Snowstar Records (paid).
- › Programmer and head of PR at LIFF (Leiden International Film Festival) (paid).
- › Founder and Programmer at Chasing Reels (paid).

Mr S. van Welie

Board of Affiliates member/Producers section representative (paid)

Additional positions

- › CFO of Warner Music Benelux (paid).
- › Advisory board member of The Young Digitals.

Mr E.J. Loon (to 1 July 2023)

Board of Affiliates member/Producers section representative (paid)

Additional positions

- › Financial controller Universal Music (paid).
- › Board Member of Werkgeversvereniging voor de Media.
- › Board Member of Federation Music Authors and Publishers.

Supervisory Board**Mr H.J. de Mooij**

Independent chair of the Supervisory Board (paid)

Additional positions

- › Senior counsel at Centrale Raad van Beroep (paid).

Ms P.K. van Olphen RA

Independent financial expert member of the Supervisory Board (paid)

Additional positions

- › CFO of SLTN IT Ventures (paid).
- › Chair of Supervisory Board Stichting Achmea Rechtsbijstand (paid).

Mr R.A. Gruschke

Supervisory Board member | Producers (paid)

Additional positions

- › Vice President of Global Collective Rights at Beggars Group (paid).
- › Member of PPL distribution committee.
- › Board member of PPL.
- › Board member of SIMIM.
- › WIN/Impala Performance Rights Group.
- › Board member of Repertoire Data Exchange Limited.
- › Board member of VPL.

Mr B. van Sandwijk (since 1 July 2023)

Supervisory Board member | Producers (paid)

Additional positions

- › Finance Director Benelux and General Manager Netherlands at Sony Music Entertainment (paid).
- › Chair of the NVPI audio board.

Mr E.R. Angad-Gaur

Supervisory Board member | Performers (paid)

Additional positions

- › Musician/composer/songwriter/publicist (paid).
- › CEO of VCTN (paid).
- › Chair of Platform Makers (paid).
- › Senior adviser at Kunstenbond/Ntb (paid).
- › Board member of Stichting Leenrecht (paid).
- › Rotating chair of Dutch Copyright Federation (paid).
- › Member of the Advisory Board of the National Theme Department D66 Culture & Media.
- › Member of Participants Council of Platform ACCT (paid).
- › Board member (treasurer) of Creatieve Coalitie (paid).
- › Member of Taskforce GO! (paid).

Ms C.L. Westbroek RC

Supervisory Board member | Performers (paid)

Additional positions

- › Manager CFO consulting at EY (paid).
- › Director/shareholder of Stairway to Heaven (paid).
- › Secretary of Stichting Gezamenlijk horeca ondernemers Mariaplaats.

Mr M.R. Jessurun (to 1 July 2023)

Supervisory Board member | Producers (paid)

Executive Board**Mr M.J. Bos**

CEO (paid)

Additional positions

- › Chair of Service Centre for Copyright and Neighbouring Rights.
- › Treasurer of the Executive Board of VOI©E.
- › Board member/Treasurer of SCAPR.
- › Chair of Stichting Podium de Vorstin board.

Mr J.A. Moolhuijsen

CFO (paid)

Additional positions

- › Board Member of the Service Centre Copyright and Neighbouring Rights.
- › Supervisory Board member of Filmtheater Hilversum.
- › Supervisory Board member of CultuurWerkt! (paid).

Appendices

1 Profile of the Supervisory Board

General information about Sena

Sena collects fees on behalf of national and international Performers and Producers (record companies) when their music is played outside the private sphere. This includes the use of music in shops, supermarkets, cafes and clubs as well as music broadcast on radio and television stations. Sena was appointed by the Ministry of Justice in 1993 to implement the Neighbouring Rights Act as a collective management organization. The income is calculated at the lowest possible cost based on playlists from radio and television stations and in accordance with legally approved regulations and is distributed to Performer and Producer rightsholders in the Netherlands and overseas.

Matching playlists and repertoire data is a large-scale automated data processing activity which is constantly optimised through the use of innovative technologies. Sena has to engage in regular litigation to protect the interests of its rightsholders, partly as a result of developments in national and international law and regulations.

Board of Affiliates

Sena's Executive Board is formed by a two-member statutory management board. Supervision of the Executive Board's performance is assigned to the Supervisory Board. The Board of Affiliates is a supervisory body from the perspective of advocacy for affiliated Performers and Producers. One of the tasks of the Board of Affiliates is to appoint a total of four members of the Supervisory Board. These four members then appoint the two independent members of the Supervisory Board, namely the chair and a financial expert member.

Supervisory Board

The six members of the Supervisory Board are appointed for a period of four years and can be reappointed twice, provided that the maximum term of office does not exceed eight years. The Supervisory Board meets at least four times a year. One member of the Supervisory Board serves on the Audit Committee or the Remuneration Committee. These committees meet at least twice a year. The chair is a member of the Remuneration Committee and a member of the Supervisory Board appointed by the section representatives is chair of the Remuneration Committee; the financial expert member is chair of the Audit Committee.

Diversity and inclusion

Sena strives to achieve a reflection of society in its staff composition. The Supervisory Board also strives for a balance in terms of gender, age, cultural background and experience.

Fields of activity for the Supervisory Board

› Supervising the policies and their implementation by the Executive Board as well as Sena's day-to-day running, with a focus on results, performance and risks.

- › Providing solicited and unsolicited advice to the Executive Board and acting as a sounding board.
- › Reviewing the key strategic, organizational, financial, personnel and performance decisions.
- › Approving the annual plan and associated budget, the long-term policy plan, the annual report and the annual accounts.
- › Supervising compliance with relevant legislation and regulations and with the Governance Code for collective management organizations.
- › Compliance with the requirements of financial reporting, internal control and risk management.
- › Appointing, suspending and dismissing the Executive Board, as well as acting as the Executive Board's authorised employer.

A | Job requirements for the Supervisory Board Chair

- › Administrative and supervisory qualities and policy insight.
- › A keen sense of political and managerial matters.
- › Ability to act as a sounding board for the Executive Board.
- › Extensive experience as chair of a supervisory body is recommended.
- › Extensive knowledge and experience of administrative decision-making processes.
- › Understanding of strategic consideration processes.
- › Experience of functioning in a (clear) division of labour between the Supervisory Board and the Executive Board.
- › Familiar with the process regarding legal proceedings.
- › Interest in the music industry.
- › Familiarity with copyright and neighbouring law in the broad sense is recommended.
- › Ability to enthusiastically and convincingly promote the importance of Sena in political and business circles.

Independent

The Supervisory Board Chair cannot be a participant or Sena affiliate and is expected to have no interest(s) in a legal person, legal entity or corporate body that has a relationship with Sena.

Remuneration

The chair receives remuneration of € 20,000 gross per year. This amount includes cost reimbursements. The mileage allowance is 21cents untaxed. The annual time spent is estimated at two half-days per month.

B | Job requirements for the financial expert member of the Supervisory Board

- › Experience as an accountant or financial director at senior management level.
- › Administrative and supervisory qualities and policy insight.
- › A keen sense of political and managerial matters.
- › Ability to act as a sounding board for the Executive Board.
- › Experience as chair of a supervisory body is recommended.
- › Extensive knowledge and experience of administrative decision-making processes.

- › Expertise to independently assess the business results in a general sense.
- › Understanding of strategic consideration processes.
- › Interest in the music industry.
- › Familiarity with copyright and neighbouring law in the broad sense is recommended.
- › Experience with (administrative) organizations involving large-scale data processing.
- › Experience of functioning in a (clear) division of labour between the Supervisory Board and the Executive Board.
- › Academic degree level, or equivalent professional and intellectual ability.
- › Broad societal interests.
- › Possession of (helicopter view) qualities for a supervisor of a complex organization.
- › Ability to enthusiastically and convincingly promote the importance of Sena in political and business circles.

Independent

The financial expert member of the Supervisory Board cannot be a participant or Sena affiliate and is expected to have no interest(s) in a legal person, legal entity or corporate body that has a relationship with Sena.

Remuneration

The financial expert member receives remuneration of € 17,500 gross per year. This amount includes cost reimbursements. The mileage allowance is 21 cents untaxed. The annual time spent is estimated at two half-days per month.

C | Job Requirements for Supervisory Board members appointed by section representatives

- › In principle, Supervisory Board members appointed by the section representatives have a general profile. Depending on the existing composition of the Supervisory Board, preference may be given to a Supervisory Board member with a focus on HR and/or IT and/or legal and/or financial.
- › Optional: experience in organizations where large-scale processing of privacy-sensitive data takes place and new IT applications are implemented.
- › Optional: has skills related to HR vision and policy development.
- › Optional: administrative or management experience in the field of HR and/or personnel policy with a focus on professionalisation and diversity.
- › Optional: legal experience.

- › Administrative and supervisory qualities and policy insight.
- › Sense of political and managerial matters.
- › Ability to act as a sounding board for the Executive Board.
- › Extensive knowledge and experience of administrative decision-making processes.
- › Understanding of strategic consideration processes.
- › Experience of functioning in a (clear) division of labour between the Supervisory Board and the Executive Board is recommended.
- › Familiarity with copyright and neighbouring law in the broad sense is recommended.
- › Ability to enthusiastically and convincingly promote the importance of Sena in political and business circles.

Remuneration

A Supervisory Board member receives remuneration of € 15,000 gross per year. This amount includes cost reimbursements. The mileage allowance is 21 cents untaxed. The annual time spent is estimated at two half-days per month.



2 Profile of the Board of Affiliates

Scope and composition of the Board of Affiliates

The Board of Affiliates consists of section representatives from the Performers and Producers sections. Each section has a minimum of five and a maximum of seven section representatives; this number must be equal at all times. The current Board of Affiliates consists of 14 section representatives. Members of the Board of Affiliates are appointed by the General Assembly of Affiliates of the relevant section, for a period of four years and can be reappointed twice for the same period.

Nomination of candidates can take place on the recommendation of the founding organizations. Affiliates may also submit candidates for vacant seats and/or opposing candidates. In order for candidates and opposing candidates to get an understanding of the Board of Affiliates' most important fields of activity, the following profile has been prepared with the most desirable competencies and experience. Members of the Board of Affiliates cannot be part of the Executive Board or the Supervisory Board. The Board of Affiliates meets at least four times a year.

Fields of activity of the Board of Affiliates

- › Overseeing general policy on matters of particular concern to the sections.
- › Changing and adopting distribution regulations.
- › Adopting the annual accounts, the annual plan and the budget.
- › Providing solicited and unsolicited advice to the Executive Board.
- › Appointing, suspending and dismissing four members of the Supervisory Board (two from the section representatives of the Performers section and two from the section representatives of the Producers section).

Desirable competencies for Board of Affiliate members

- › Knowledge and experience in administrative and policy decision-making processes.
- › Expertise to independently assess the business results in a general sense.
- › Understanding of strategic consideration processes.
- › Ability to work in a team.
- › Possess qualities such as discussion, consultation, decision-making and communication skills.

3 Agreements with international organizations as at December 2023

For **Performers**, we have reciprocal agreements with various international organizations.

From music year 2015 to 2020, we apply a withholding percentage 12%. For music year 2021 and 2022, we apply a withholding percentage of 14.5%. For music year 2023, this is 13%. For payments distributed over older years, we apply the withholding percentage applicable to that year (11%, 12% or 16%). This situation may arise in the event of a double claim being resolved or an after-claim being honoured.

Country	Organization
Argentina	AADI
Austria	LSG
Azerbaijan	RAYS
Belgium	Playright
Brazil	Abramus
Bulgaria	Prophon
Canada	ACTRA-RACS
Croatia	Huzip
Czech Republic	Intergram
Denmark	GRAMEX Denmark
Estonia	EEL
Finland	GRAMEX Finland
France	ADAMI
France	Spedidam
Georgia	GNRA
Germany	GVL
Greece	Apollon
Greece	ERATO
Hungary	EJI
Iceland	SFH
India	ISAMRA
Indonesia	SELMI
Ireland	RAAP
Italy	NUOVO IMAIE
Japan	Geidankyo
Kazakhstan	AMANAT
Latvia	Laipa
Lithuania	Agata
Norway	Gramo
Norway	Norwaco (Private copying)
Poland	SAWP
Poland	STOART
Portugal	GDA
Romania	Credidam
Serbia	PI
Slovakia	SLOVGRAM
Slovenia	IPF
South Africa	SAMPRA
South Korea	FKMP
Spain	AIE
Sweden	SAMI
Switzerland	SWISSPERFORM
Trinidad and Tobago	COTT
Ukraine	ULCRR/ULASP
Ukraine	UMA
United Kingdom	PPL
United States	AFM & SAG-AFTRA
United States	Sound Exchange

Country	Organization	Received international licence fee income	Gross distribution international licence fee income	Withholding percentage	Gross distribution Dutch licence fee income	Withholding percentage
Austria	LSG	121	-	5,5%	16	13,0%
Belgium	Playright	619	-	5,5%	156	13,0%
Brazil	Abramus	78	-	5,5%	10	13,0%
Brazil	UBC	-	-	5,5%	8	13,0%
Canada	ACTRA-RACS	91	-	5,5%	144	13,0%
Canada	ARTISTI	-	-	5,5%	12	13,0%
Canada	MROC	-	-	5,5%	58	13,0%
Croatia	Huzip	10	-	5,5%	1	13,0%
Czech Republic	Intergram	32	-	5,5%	8	13,0%
Denmark	GRAMEX DK	52	-	5,5%	77	13,0%
Estonia	EEL	4	-	5,5%	-	13,0%
Finland	GRAMEX FI	82	-	5,5%	11	13,0%
France	ADAMI	241	-	5,5%	324	13,0%
France	Spedidam	207	-	5,5%	126	13,0%
Georgia	GNRA	3	-	5,5%	-	13,0%
Germany	GVL	528	14	5,5%	442	13,0%
Greece	Apollon	-	-	5,5%	1	13,0%
Hungary	EJI	29	-	5,5%	1	13,0%
Ireland	RAAP	-	-	5,5%	146	13,0%
Iceland	SFH	14	-	5,5%	-	13,0%
Italy	ITSRIGHT	-	-	5,5%	48	13,0%
Italy	NUOVO IMAIE	55	-	5,5%	69	13,0%
Japan	Geidankyo	83	-	5,5%	16	13,0%
Korea	FKMP	10	-	5,5%	61	13,0%
Latvia	Laipa	22	-	5,5%	1	13,0%
Norway	GRAMO	65	-	5,5%	38	13,0%
Poland	STOART	163	-	5,5%	3	13,0%
Portugal	GDA	4	-	5,5%	4	13,0%
Romania	Credidam	-	-	5,5%	8	13,0%
Slovenia	IPF	-	-	5,5%	2	13,0%
South Africa	SAMPRA	13	-	5,5%	3	13,0%
Spain	AIE	97	-	5,5%	272	13,0%
Sweden	SAMI	89	-	5,5%	401	13,0%
Switzerland	SWISSPERFORM	314	-	5,5%	8	13,0%
United Kingdom	PPL	402	(112)	5,5%	6,402	13,0%
United States	AFM & SAG-AFTRA	67	-	5,5%	1,208	13,0%
United States	Sound Exchange	464	3	5,5%	1,712	13,0%
Total Performers		3,959	(95)		11,797	

For **Producers**, we have reciprocal agreements with various international organizations.

From music year 2015 to 2020, we apply a withholding percentage 12%. For music year 2021 and 2022, we apply a withholding percentage of 14.5%. For music year 2023, this is 13%. For payments distributed over older years, we apply the withholding percentage applicable to that year (11%, 12% or 16%). This situation may arise in the event of a double claim being resolved or an after-claim being honoured.

Country	Organization
Argentina	CAPIF
Austria	LSG
Australia	PPCA
Azerbaijan	RAYS
Belgium	SIMIM
Brazil	Abramus
Bulgaria	Prophon
Canada	Re:Sound
Czech Republic	Intergram
Denmark	GRAMEX DK
Estonia	EFÜ
Finland	GRAMEX Finland
France	SCPP
Georgia	GNRA
Germany	GVL
Greece	GRAMMO
Hungary	MAHASZ
Indonesia	SELMI
Ireland	PPI
Italy	SCF
Jamaica	JAMMS
Japan	RIAJ
Kazakhstan	AMANAT
Latvia	Laipa
Lithuania	Agata
New-Zealand	Recorded Music NZ
Norway	Gramo
Poland	ZPAV
Serbia	OFPS
Slovenia	IPF
South Africa	SAMPRA
Spain	Agedi
Sweden	IFPI Svenska
Trinidad and Tobago	COTT
Ukraine	UMA
United Kingdom	PPL
United States	Sound Exchange

Country	Organization	Received international licence fee income	Gross distribution international licence fee income	Withholding percentage	Gross distribution Dutch licence fee income	Withholding percentage
Austria	LSG	15	-	5.5%	-	13.0%
Australia	PPCA	108	-	5.5%	-	13.0%
Belgium	SIMIM	312	-	5.5%	19	13.0%
Brazil	Abramus	8	-	5.5%	-	13.0%
Czech Republic	Intergram	34	-	5.5%	3	13.0%
Denmark	GRAMEX DK	14	-	5.5%	2	13.0%
Estonia	EFU	3	-	5.5%	-	13.0%
Finland	GRAMEX FI	10	-	5.5%	22	13.0%
France	SCPP	(2)	-	5.5%	-	13.0%
Germany	GVL	106	-	5.5%	29	13.0%
Hungary	MAHASZ	9	-	5.5%	-	13.0%
Ireland	PPI	3	-	5.5%	3	13.0%
Italy	ITSRIGHT	-	-	5.5%	2	13.0%
Italy	SCF	8	-	5.5%	4	13.0%
Japan	RIAJ	34	-	5.5%	-	13.0%
Latvia	Laipa	4	-	5.5%	-	13.0%
Lithuania	Agata	1	-	5.5%	-	13.0%
New-Zealand	Recorded Music NZ	4	-	5.5%	-	13.0%
Norway	Gramo	6	-	5.5%	-	13.0%
Poland	ZPAV	2	-	5.5%	-	13.0%
Portugal	Audiogest	1	-	5.5%	-	13.0%
Spain	Agedi	10	-	5.5%	22	13.0%
Sweden	IFPI Svenska	9	-	5.5%	17	13.0%
Swiss	SWISSPERFORM	8	-	5.5%	-	13.0%
United Kingdom	PPL	138	-	5.5%	685	13.0%
United States	Sound Exchange	275	-	5.5%	90	13.0%
Total Producers		1,120	-		898	
Total Performers and Producers		5,079	(95)		12,695	

Private copying

Stichting NORMA has mandated us to collect international private copying audio fees from its affiliates and to distribute them directly to all entitled Performers, to the extent known to Sena.

In 2023, we collected € 593,000 in private copying audio fees from overseas. In total, Sena distributed € 504,000 in private copying audio fees (Dutch collection) in 2023.

Country	Organization	Received licence fee income international	Gross distribution	Ingehouden kostenpercentage
Austria	LSG	149	147	5,5%
Belgium	PLAYRIGHT	15	14	5,5%
Belgium	SIMIM	17	-	5,5%
Denmark	GRAMEX DK	90	72	5,5%
Estonia	EFÜ	1	1	5,5%
Finland	GRAMEX FI	2	2	5,5%
France	ADAMI	112	115	5,5%
France	Spedidam	3	3	5,5%
Germany	GVL	24	-	5,5%
Hungary	EJI	1	4	5,5%
Hungary	MAHASZ	83	82	5,5%
Italy	NUOVO IMAIE	-	3	5,5%
Italy	SCF	1	-	5,5%
Norway	Norwaco	2	2	5,5%
Poland	SAWP	1	2	5,5%
Spain	AIE	46	27	5,5%
Sweden	SAMI	-	1	5,5%
Switzerland	SWISSPERFORM	46	29	5,5%
Total		593	504	



Cultura Nova

image: Barry Faessen

4 Transparency report (reference table)

Please find below the reference table regarding the statutory obligation to publish a transparency report, as referred to in the Transparency Report (Collective Management Directive) Directive and published in the Government Gazette on 23 November 2016. The purpose of this table is to allow readers to easily find the required elements of the transparency report in this annual report.

	Description	Annual report section	Page-number
ARTICLE 2	a Cash flow statement	Cash flow statement	50
	b information on refusals to grant a licence under Section 2l(3) of the Supervision Act;	Transparency report	97
	c description of the statutory and administrative structure of the collective management organization;	Personal details and relevant activities, 81, 85, Appendices 1 and 2	88
	d information about entities that are directly or indirectly owned, or are wholly or partially supervised by the collective management organization;	Notes to the statement of income and expenditure; affiliated parties	76
	e information on the total remuneration amount paid to the persons referred to in Section 2e(3) and Section 2f of the Supervision Act in the past financial year, including any other benefits granted to them;	Notes to the statement of income and expenditure; Executive Board and Supervisory Board remuneration, Personal details and relevant activities	71, 72, 73, 81
	f financial information referred to in Section 3 of this decree;	See Section 3	95
	g a special report on the use of amounts that have been withheld for social, cultural and educational services, including the information referred to in Section 3 of this decree.	See Section 3	95
ARTICLE 3	a financial information on rights revenue by managed rights category and by type of use including information on the income arising from the investment of rights revenue and the use of this income;	Executive Board report, Notes to the 2023 results, Appendix 5, Transparency report	7, 33, 97
	b financial information on the costs of rights management and other services provided by the collective management organization to rightsholders, with a full description of at least the following items:		
	1 all operating expenses and financial costs, specified by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs;	Appendix 5 Transparency report	97
	2 operating expenses and financial costs, specified by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs, to the extent that these costs relate to rights management. This should include management costs that have been withheld on or compensated with rights revenue or income arising from the investment of rights revenue under Section 2g(4) and Section 2h(1–3) of the Supervision Act;		
	3 operating and financial costs for services other than rights management, including social, cultural and educational services;	Social and cultural projects	62
	4 resources used to cover costs;	Not applicable	
	5 amounts deducted from rights revenue, specified by category of managed rights, type of use and purpose of the withholding;	Statement of movements in distributable licence fee income. See also; Notes to the balance sheet, Liability regarding distribution	51, 65
	6 the percentages of the costs of the rights management and other services provided by the collective management organization to rightsholders in respect of the rights revenue in the relevant financial year, by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs;	Key figures and Appendix 3, Agreements with international organizations as at December 2023	41, 89

	Description	Annual report section	Page-number
ARTICLE 3	c financial information on amounts owed to rightsholders, with a full description of at least the following items:		
	1 the total amount paid to rightsholders, specified by category of managed rights and type of use;	Notes to the balance sheet; Liability regarding distribution	65
	2 the total amount paid to rightsholders, specified by category of managed rights and type of use;	Notes to the Cash flow statement; Notes to the balance sheet; Liability regarding distribution	77, 65
	3 the frequency of the payments, specified by category of managed rights and type of use;	Notes to the cash flow statement	77
	4 the total amount collected but not yet allocated to rightsholders, specified by category of managed rights and type of use, and an indication of the financial year in which these amounts were collected;	Notes to the balance sheet; Liability regarding distribution	65
	5 the total amount allocated but not yet distributed to rightsholders, specified by category of managed rights and type of use, and an indication of the financial year in which these amounts were collected;	Notes to the balance sheet; Liability regarding distribution	65
	6 if a collective management organization has not carried out the distribution and payment within the period stipulated by Section 2i(3) of the Supervision Act, the reasons for this delay;	Notes to the balance sheet; Liability regarding distribution	65
ARTICLE 3	7 the total of non-distributable amounts, with an explanatory note on the use of those amounts;	Notes to the balance sheet; Liability regarding distribution	65
	d information on the financial relationship with other collective management organizations, with a description of at least the following items:		
	1 amounts received from other collective management organizations and amounts paid to other collective management organizations, specified by category of managed rights, type of use and organization;	Transparency report and Appendix 3; Agreements with international organizations as at December 2023	97, 89
	2 management costs and other deductions on income from managed rights that are owed to other collective management organizations, specified by category of managed rights, type of use and organization;	Appendix 3; Agreements with international organizations as at December 2023	89
ARTICLE 4	3 management costs and other deductions on the amounts that have been paid by other collective management organizations, specified by category of managed rights and organization;	Appendix 3; Agreements with international organizations as at December 2023	89
	4 the amounts directly distributed to rightsholders that derive from other collective management organizations, specified by category of rights and by organization.	Notes to the cash flow statement	77
	a the amounts deducted for social, cultural and educational services during the financial year, specified by type of objective, and a specification of each objective by category of managed rights and type of use;	Key figures, Statement of movements in distributable licence fee income; Notes to the balance sheet; Liability regarding distribution	41, 51, 65
	b an explanation of the use of those amounts, with a specification by type of objective, including the management costs of the withheld amounts to fund social, cultural and educational services as well as the individual amounts that have been used for social, cultural and educational services.	Social and cultural projects	62

5 Transparency report

Information on refusal to grant a licence

Sena exercises a right to remuneration on behalf of its rightsholders. In principle, it is not possible to withhold, suspend or terminate licences from music users unless a music user refuses to pay the equitable remuneration in accordance with Article 7 of the Neighbouring Rights Act. In that case, Sena can claim the right of prohibition. Licences can be terminated at the initiative of the music user, if the latter stops making (protected) mechanical music available to the public and notifies Sena. If the music user states that they are performing music for which no Sena payment is due, the copyright status of the music used will be checked before terminating the licence.

Rights revenue		2023	2022
		€	€
Rights category	Type of use		
Neighbouring rights	Netherlands	83,943	73,690
DUTCH RIGHTS REVENUE		83,943	73,690
Rights category	Type of use		
Neighbouring rights	International	5,079	6,054
Other rights	International private copying	593	487
INTERNATIONAL RIGHTS REVENUE		5,672	6,541
TOTAL RIGHTS REVENUE		89,615	80,231
Income from investment * of rights revenue		850	(198)
Total rights revenue including income from investment		90,465	80,033

* Rights revenue that is not yet payable will be held at banks (in accordance with investment principles in terms of rating) in savings accounts with the highest possible interest rate. The income from investment outlined here exclusively relates to interest costs.

Costs		2023	2022
		€	€
Rights category – type of use			
Dutch collection	Operating expenses (gross)	8,314	7,908
International collection	Operating expenses (gross)	403	362
Total cost allocation		8,717	8,270

Sena employees do not record their hours. We therefore make no distinction in terms of hours spent on the above rights categories. Nevertheless, in order to meet the requirements of the transparency report, the gross operating result has been allocated to the Dutch collection and international collection rights categories based on estimated time spent per department. This overview is based on a comprehensive costing that includes pro-rata rental costs for the premises.

6 General information Sena

On 29 September 1992, the Foundation for the Exploitation of Neighbouring Rights was established by notarial deed. The foundation has its registered office in Hilversum and operates under Chamber of Commerce number 41194330. The articles of association were last amended on 25 May 2023. The foundation has included the following statement of purpose in its articles of association:

“The aim of the foundation 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.”

- The foundation tries to achieve this goal by:
 - the exercise and enforcement of rights and claims entrusted to the foundation, including the collection and distribution of equitable remuneration within the meaning of Article 7 of the Neighbouring Rights Act.
 - pursuing the enforcement and improvement of neighbouring rights protection in the broadest sense, both nationally and internationally, for Performers and Producers.
- With respect to the provisions 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.
- The foundation is authorised to use the following means to achieve its objective:
 - in collaboration with the founding organizations, engaging in or having other parties engage in activities to improve the social and socioeconomic position of the holders of neighbouring rights, including measures with a cultural or educational purpose.
 - drawing up distribution regulations with regard to the remuneration referred to in this article and implementing these regulations or having other parties implement them.
 - maintaining an office to conduct the foundation's activities or partly or wholly outsourcing these activities to third parties.
 - other means that are conducive to its objective.
- The foundation is authorised to operate both inside and outside the Netherlands to achieve its objective.
- The foundation is authorised to enter into agreements with international organizations of a similar nature.
- The foundation is authorised to join national and international organizations in the field of intellectual property rights in general, and neighbouring rights in particular.

The Dutch Neighbouring Rights Act (WNR) came into force by Royal Decree on 1 July 1993. The Neighbouring Rights Act protects the interests of Producers and Performers of musical works.

The Minister of Justice and Security has designated Sena as the only body authorised to collect and distribute fees under Article 7 of the WNR.

The annual accounts statements were 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 at the General Assembly of Affiliates.

Colophon

Editor

Ralph van Hulzen (Sena)

Concept and realisation

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