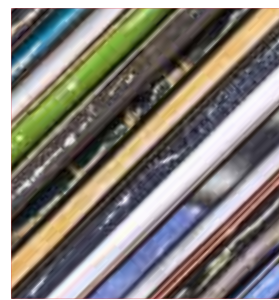
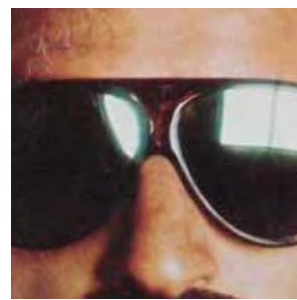
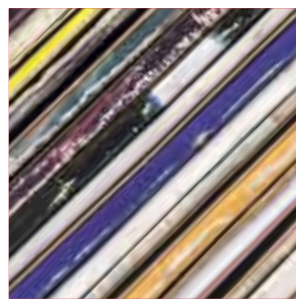
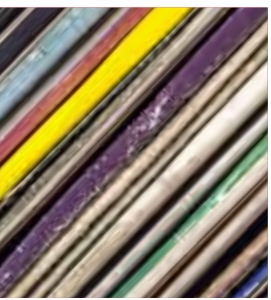
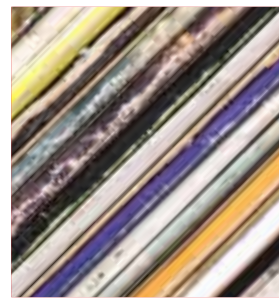
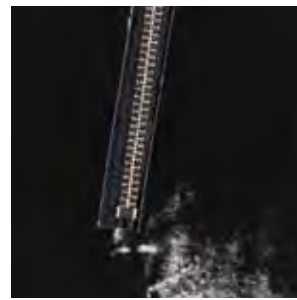
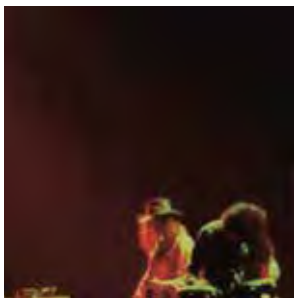
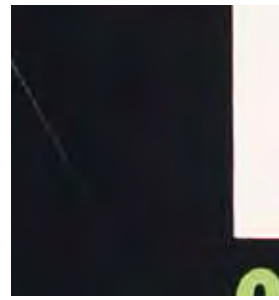
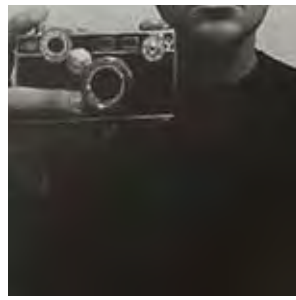
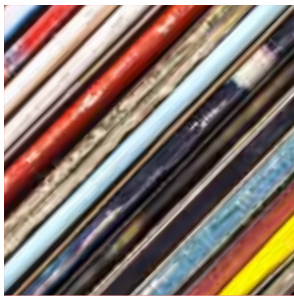
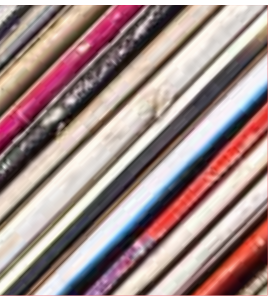
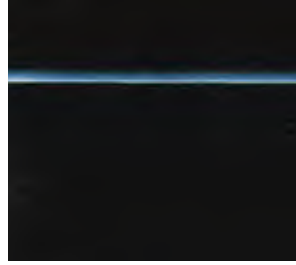
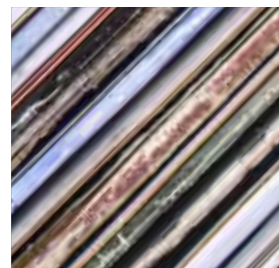


ANNUAL  
REPORT  
2019



Sena



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## 2019 AT A GLANCE

(in thousands of euros)

### Licence fee income National

Invoiced **€ 64,455** +3.4%   
2018 € 62,356

Received **€ 62,553** -0.0%   
2018 € 62,568

### Licence fee income International

Invoiced **€ 7,683** +5.1%   
2018 € 7,311

Received **€ 7,777** -0.7%   
2018 € 7,828

### Cost deduction percentage

Actual<sup>1</sup> **11.5%**  
2018 11.3%


Applied **12.0%**  
2018 12.0%

### Operating expenses

Gross **€ 8,092** +3.6%   
2018 € 7,813

Net **€ 7,440** +5.6%   
2018 € 7,047

### Staff

FTE (average) **42** +0.7%   
2018 41.7

### Distribution National income


Gross **€ 58,972** +2.1%   
2018 € 57,750

Cost deduction **€ 7,022** -0.8%   
2018 € 7,079

Net **€ 51,950** +2.5%   
2018 € 50,671

### Distribution International income

Gross **€ 6,884** -32.4%   
2018 € 10,187

Cost deduction **€ 304** -27.4%   
2018 € 419

Net **€ 6,580** -32.6%   
2018 € 9,768

<sup>1</sup> Net operating expenses as a percentage of national licence fee income



# LIST OF ABBREVIATIONS AND TERMS

## BLOCKCHAIN TECHNOLOGY

Blockchain is technology that makes it possible to capture data in a decentralised, controlled and validated way. This can include claims to musical works or other data about neighbouring rights. Blockchain is largely known as the data structure behind the bitcoin network.

## CMO

Abbreviation for 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 musicians (performers) and record companies (producers).

## CvTA

The Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) is an external supervisory body charged with monitoring compliance with the Supervision and Dispute Resolution of the Collective Management Organizations Act.

## IFPI

The International Federation of the Phonographic Industry (IFPI) is an international umbrella organization representing the interests of record companies. The IFPI organises a Performance Rights Committee meeting (PRC) twice a year for all music licensing companies. Sena is an active member of the PRC meetings.

## IRIS

IRIS is 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 performance data which is used to calculate payments to be made.

## MACHINE LEARNING

Machine learning is a form of artificial intelligence. A computer programme that can learn from people's data, input and decisions. Self-learning computers, in other words.

## MLC

MLC stands for Music Licensing Company. This term is used when referring to collective management organizations that (also) work for producers.

## RDx

RDx stands for Repertoire Data Exchange and is a portal where music companies (producers) and CMOs can supply and retrieve repertoire data about producers. By having one place where all data is registered in a uniform way, all parties involved will be able to work with the same producer data in the future. In addition to efficiency, this also results in fewer claim disputes and faster payment.

## SCAN

The Service Centre for Copyright and Neighbouring Rights is a joint venture between Sena and Buma and handles the administration of music licences in the general licences segment.

## SCAPR

Abbreviation for Societies' Council for the Collective Management of Performers' Rights. SCAPR is an international trade association that promotes cooperation between the various rights organizations for performing artists (musicians and actors). Sena is a member of SCAPR and takes part in various working group meetings several times a year.

## THE VALUE GAP

This is the name for the 'gap' between the remuneration that rightsholders receive for the use of their work on user generated content online platforms and the revenue that these same platforms generate with the work of the rightsholders. This 'value gap' is specifically mentioned in the new Copyright Directive adopted by the European Parliament in 2019.

## VOI®E

VOI®E is the Dutch trade association for CMOs such as Sena, Buma and NORMA. VOI®E aims to increase knowledge and understanding of copyright and neighbouring rights and be the point of contact for questions about copyright and neighbouring rights. Sena is affiliated with VOI®E and has been awarded the CMO Quality Mark.

## VRDB

VRDB stands for Virtual Repertoire Database. This global database is intended to improve the exchange between international sister organizations. VRDB is an initiative of SCAPR, the international trade association for neighbouring rights organizations. Sena plays a very active role in the development and implementation of the use of VRDB in as many countries as possible.

## WIN

The Worldwide Independent Network coordinates and supports the industry associations for independent record companies worldwide.

## WTCBO

The Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act regulates the supervision of CMOs.

## W, R and I members

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

## EXECUTIVE BOARD REPORT

**Achieving the highest possible revenue for our rightsholders and paying them as quickly, efficiently and accurately as possible was our main goal in 2019. We achieved stable financial results for our member record companies, main artists, session musicians, conductors, bands, choirs and orchestras. Providing the highest possible service to them is equally important. As a result, we initiated several service innovations and implemented process improvements in 2019.**

### Financial results

In 2019, total invoiced licence fee income increased by 3.5% (€2.5 million) to a total of €72.1 million. Dutch licence fee income and international income were both higher than in 2018. The Dutch invoiced licence fee income totalled €64.5 million, an increase of €2.1 million. We achieved this increase in both Dutch market segments; €900,000 in the media segment and €1.2 million for music use within the general licences segment (+ 4.3% and + 2.9% respectively). Invoiced income from overseas increased by €372,000 to a total of €7.7 million (+ 5.1%).

Total licence income fee received in 2019 was €66,000 less than in 2018: €70.3 million (- 0.1%). Dutch licence fee income received was €62.6 million, which is at the same level as 2018 (-0.0%) and international income fell slightly by 0.7% to €7.8 million.

We paid €65.9 million gross to our rightsholders (- 3.1%) in 2019. The decrease was due to a lower gross international distribution (- 32.4%). In 2018, we made an extra effort to reduce the work in progress situation, which resulted in a very high distribution of international fees, some of which related to previous years. We distributed a higher amount to Dutch rightsholders in 2019 than in 2018 (+ 2.1%).

Net operating expenses in 2019 amounted to 11.5% of the Dutch licence fee income. Although this represents a slight increase (+ 0.2%) compared to 2018, the withholding percentage of 12% on the distribution in 2019 has proved to be sufficient to cover the organization's costs.

Over the past year, we have made some investments in the Sena app development and office renovations. We also invested in research into the application of technologies such as blockchain, machine learning, chatbots, etc.

Given the nature of our activities, we have a large amount of cash and cash equivalents at our disposal and there is no need for external financing.

No events occurred in the past year that have changed the expectations outlined in the 2018 annual report.

DI-RECT      ROLLING WITH THE PUNCHES



## THE FAVOURITE ALBUM OF... MARKUS BOS

### Rolling With The Punches – DI-RECT

6 October 2017 — DI-RECT Music Productions

"The first album I bought was *Whatever You Want* by Status Quo. The album I played the most is probably *Tattoo You* by the Rolling Stones. But I would still choose *Rolling With The Punches* by DI-RECT. Why? Because it's a beautiful album. They are Dutch rightsholders. The band have been around for 20 years this year. And bass player Bas van Wageningen is always willing to give us advice and feedback."

## Risks

For a general explanation of how Sena deals with the risks that may influence how we achieve our established objectives, please refer to the 'Integrated Risk Management' section. Sena does not run any risk in terms of price, credit and cash flow. However, maintaining a high balance of cash and cash equivalents does involve an interest rate risk. Current ECB policies and the associated negative interest rates are increasingly a risk regarding the value retention of cash and cash equivalents. On balance, interest income was still realized in 2019. Sena's current cash and cash equivalents have the lowest possible risk profile at Dutch banking institutions. The established criteria for this are specified in a statement of investment principles that we evaluate every two years.

## Innovations

2019 was the first year of our new 2019-2021 policy period. IT, data and a service-orientated approach are the main pillars of the policy plan. We have set ourselves the target of becoming a technology leader in the national and international collective management organizations arena. This means we must invest in the innovative strength of our organization. With this in mind, we carried out several exploratory studies on the use of new technologies during the reporting year.

One of the investigations was a pilot to monitor public music use with listening posts. Actual music use was surveyed at six locations with three different technology suppliers. The data obtained was tested for quality but does not yet meet our standards. Nevertheless, the pilot will continue in 2020 in view of our wish to refine the distribution system within the general licences segment.

A joint study was conducted with Buma on how blockchain technology might be integrated into the music rights field. Blockchain is a technology which makes it possible to record data such as music rights claims in a decentralised and transparent manner. After an in-depth exploration of the pros and cons, it was decided not to make any further investments into the possible implementation of this technology at this time. As an interim step towards a future application of blockchain technology, Sena and Buma have started a project using a comparative analysis of the datasets of both organizations. This will allow processes to be better aligned and possibly provide joint services to rightsholders in the future, such as a data portal.

## Data insights

It is paramount that the available data is processed and made accessible in an accurate way, both for Sena and for our affiliated performers and record companies. The number of relevant external data sources we use to improve our data quality is increasing. Processing the data requires efficiency and adequate control measures for accuracy. In 2019, we therefore tested 'machine learning', a technique that can make our matching logic smarter. This should enable us to link better quality music usage information to repertoire information even more efficiently in the future. After initial test results, we voted in favour of a follow-up in 2020.

We actively take part in various international projects designed to ensure the uniform exchange of playlist data and/or repertoire between neighbouring rights organizations. One example of this is the creation of the Virtual Repertoire Database (VRDB) within the SCAPR collective. By the end of 2019 more than 50 SCAPR members had uploaded part of

their repertoire into the VRDB. The introduction of the VRDB is a significant challenge at this stage, especially for the smaller rights organizations. The VRDB's performance will only come into its own when as many international sister organizations as possible join this platform.

In 2019, we also made a start on building a producer portal called the Repertoire Data Exchange (RDx). RDx is an initiative of several MLCs including Sena. It has been adopted by the International Federation of the Phonographic Industry (IFPI) and the Worldwide Independent Network (WIN). This portal will be a place for producers to register their repertoire and rights information centrally. All participating organizations will have access to the same data, resulting in a reduction of double claims and rights conflicts.

The Sena app is a highly valued tool that we provide for rightsholders. Rightsholders can use the app to view detailed information about their current balance, repertoire, claims and payments. 2019 saw a sharp increase in the use of the Sena app. This, along with the large amount of positive feedback we received about the app, encouraged us to continue development. A number of functionalities were added to the app again in 2019. The same applied for our online portal MySena.

In view of all the innovation developments, it is essential that Sena has a stable IT environment to function. An independent external party periodically reviews the security of the IT infrastructure. In 2019, several releases from our back-office application IRIS went live and work was undertaken to make IRIS web-enabled. During the transition to the web-enabled version, we are reviewing our current work processes and making improvements where necessary.

### **In discussion with rightsholders**

For us to perform our task effectively, it is essential that we continue our conversation with our rightsholders. We not only do this through digital channels such as social media, our web chat and Whatsapp, but also through events, face-to-face meetings and information sessions. We do not want our rightsholders to experience any problems contacting us. However, we have noticed that rightsholders are sometimes hesitant to make an appointment with a Sena employee and that attendance at our events is very low in some instances. We regularly question whether this is down to lack of relevance or communication. This was one of the reasons why we organised two small-scale workshops in 2019, where Sena employees conducted an in-depth interview with rightsholders about their wishes regarding Sena's services. During these Design Thinking workshops, customer service prototypes were made which we will develop into specific services in the near future.

The Music Rights on Tour (MRoT) series of events, launched in 2018, also proved to be a successful way to get in touch with (potential) rightsholders in 2019. This combined initiative from Sena, Buma and NORMA offers artists and producers a complete overview and insight into the rights

landscape for authors, musicians, producers and actors. In 2019, Nina June and Thomas Berge were among some of the people who talked about their experiences.

We have noticed that the questions we receive from rightsholders are becoming increasingly complex. Simple questions about registration and repertoire have been replaced by detailed questions about account settlements and comparisons with Buma settlements with a focus on music used as design music or in commercials. Rightsholders look closely - and rightly so - at how well Sena does its work for them. The importance of neighbouring rights revenue for rightsholders is increasing. This makes answering questions and providing a high level of service all the more important. That is one of the reasons why we expanded the capacity of the Service Desk and Data Analysis departments in 2019 and strengthened the collaboration between the Communication, Service Desk and Relationship Management departments. We have also made preparations to implement a chatbot on the website, to answer certain frequently asked questions correctly, around the clock.

### **Extension of CMO quality mark**

During its audit on 30 September 2019, the Keurmerkinstuut (the Dutch certification institute) found that we meet all the criteria laid down in the CMO Quality Mark. Following the binding advice of this independent institute, VOI@E awarded us the CMO Quality Mark for the ninth year in a row.

### **Complaints and disputes**

In 2019, we received 184 queries from rightsholders, 90 of which related to the non-payment or incomplete payment of played repertoire. We settled 148 of these queries in 2019. Overall, there were still 68 queries still open at the end of 2019: 36 from 2019 and 32 from the end of 2018. Two complaints we received before 2019 could not be resolved during the year. These regard long-running issues. We received no new complaints from rightsholders in 2019. Five music users with payment liabilities filed complaints with us in 2019, four of which we were able to resolve during the year. We hope to settle the remaining complaint from 2019 as well as a complaint that was still open at the end of 2018 in 2020.

### **Legal Proceedings**

The Court of Appeal in The Hague delivered its ruling in June 2019 on the long-running proceedings concerning the level of fees for dance festivals. The applicable rate considered fair by the court was therefore set at 1.625% of the receipts for a ticket price up to €85. Dance festival organisers lodged a cassation in September 2019. The case will be presented to the Supreme Court in 2020.

The procedure for determining the fair remuneration for commercial radio stations made virtually no progress in 2019. However, the parties did provide additional documents. We expect this to lead to an interim verdict in 2020.

Sena received a designation decree from the Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) in 2019, as a result of an enforcement request submitted by the Commercial Radio Association (VCR) in 2017. Sena and the CvTA disagree on the interpretation of the terms of standard licence agreements and normal applicable tariffs; in our opinion, individual agreements do not fall within this scope. That is why we appealed against the CvTA's designation decision. The CvTA acknowledges that the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCBO) is not sufficiently clear about what is to be understood by standard licence agreements and normal applicable tariffs including discounts. Therefore, an appeal has been lodged with the administrative courts and possibly prejudicial questions to the Court of Justice of the European Union should be clarified. We regret that the court procedures or the arbitration committee process could take several years before a tariff can be definitively applied.

In the proceedings brought by AMP & co. against Sena, cassation was lodged with the Supreme Court. Although AMP & co. had increased their claim on appeal, the Court of Appeal in The Hague annulled the judgment of the District Court of The Hague, prompting AMP & co. to continue the legal proceedings.

We are not currently in a position to make a reliable assessment of the final outcome in these proceedings. If a payment must still be made to AMP & co. in accordance with

the payment made in 2017, this will not affect the statement of income and expenditure, but will be deducted directly from the liability regarding distribution. This will result in a dilution of the minute value for the open years. This has no effect on the (future) withholding percentage.

### Legislation and regulations

On 26 March 2019, the European Parliament adopted the Copyright Directive. The directive aims to update copyright legislation for today's online world, the 'digital single market'. A widely discussed part of the new directive is Article 17 relating to the 'value gap': the discrepancy between the value that user-generated content platforms generate with copyright material and the payment that artists, authors and producers receive from these content platforms. Under the new directive, the user-generated content platforms are designated as disclosing parties rather than as technical facilitators. Implementation of the directive in national legislation will ensure that rightsholders are fairly compensated for the use of their work.

### Accountant selection process

Although not a formal obligation, we decided to appoint a new auditor after eight years during which the annual accounts were audited by the same firm. In 2018, the Audit Committee and the Supervisory Board undertook a careful selection process, with the support of the office. Newly appointed auditor PricewaterhouseCoopers will audit the financial statements and ISAE-3402 in the 2019 reporting year.

## THE FAVOURITE ALBUM OF... HANS MOOLHUIJSEN

### The Dark Side Of The Moon – Pink Floyd

24 March 1973 — Harvest, EMI UK

"The album that has the most memories for me is Pink Floyd's *The Dark Side of the Moon*. Not just because of the song 'Money' but because I used to play this record non-stop in my attic room. A few years ago my kids gave me a stool made out of old albums. It is on display in my office at Sena. And it's no surprise that the record on the top is *The Dark Side of the Moon*."





### External developments

For the first time in six years, the number of bankruptcies rose again in 2019<sup>1</sup>. Most discontinued businesses occurred in the wholesale, retail and construction industries. The impending Brexit and the uncertainties related to the trade war between the United States and China were key reasons for this. The retail vacancy rate increased again for the first time since 2015. More than 2,700 shops closed their doors. At the end of 2019, 8% of the available retail space in the retail sector, the hotel and catering industry and services sector were empty<sup>2</sup>. In contrast, at the end of 2019 the Netherlands never had as many businesses, almost two million. More than 1.3 million companies were registered by freelancers<sup>3</sup>.

Despite earlier predictions, the linear viewing time did not decrease in 2019. It remained at 156 minutes per day, the same as 2018. Total screen time did increase, partly as a result of a growth in delayed viewing. The average Dutch person watched 192 minutes of video content on a screen in 2019<sup>4</sup>.

Audio consumption also increased, from 190 minutes a day in 2017 to an average of 202 minutes in 2019<sup>5</sup>. The share of live radio listening was stable and accounted for 72% of the total listening volume in 2019.

### Muziek Werkt

Music moves people. Be it customers, visitors or employees, music - when tailored to the audience - has a positive effect their readiness to buy, length of stay and productivity. So logically, music represents an added value for businesses and organizations. Together with Buma, we demonstrate this on

our online knowledge platform Muziek Werkt. The website is a source of information and interesting facts about the most effective use of music. More than 6,000 organizations took part in the annual competition in 2019. Bosch en Hoven primary school won and took 10 people on a VIP trip to see Dutch artist Marco Borsato at De Kuip arena.

### Committed

We can only carry out our statutory duty and provide the best possible service with our skilled and motivated employees. In an effort to continuously improve, we have undertaken the necessary training and education in technology, personal development and leadership. All our employees took part in Security Awareness training in 2019.

Sena employees are committed. Committed to their work for 'their' rightsholders. In 2019, they worked tirelessly to achieve maximum revenue and, just as importantly, to provide the highest possible level of service to both customers and rightsholders. We would like to take this opportunity to warmly thank all our colleagues for their efforts.

M.J. Bos  
CEO

J.A. Moolhuijsen  
CFO

Hilversum, 16 March 2020

<sup>1</sup> Source: Nu.nl, 2 January 2020

<sup>2</sup> Source: Adformatie.nl, 4 February 2020

<sup>3</sup> Source: Nu.nl, 7 January 2020

<sup>4</sup> Source: TotaalTV.nl, 8 January 2020

<sup>5</sup> Source: Audio monitor from the National Listening Research organization (NLO), September 2019



## THE FAVOURITE ALBUM OF... PAM VAN OLPHEN

### **A Night At The Opera – Queen**

21 November 1975 — Virgin EMI Records

"One of my first records. I played it non-stop and I still think it is such beautiful music."

---

## SUPERVISORY BOARD REPORT

**Sena's statutory duty means that, as an organization, we are confronted with many different stakeholders, often each with their own interests. In practice, this results in a wide variety of activities and procedures, legal or otherwise, in addition to performing our core task. The company keeps the Supervisory Board (RvT) informed of all activities in a transparent way. We met six times in 2019.**

Since the introduction of the CMO Quality Mark from VOI@E, Sena has met the set criteria every year and is audited by the independent institute (Keurmerkintituut). As an external body, Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) supervises compliance with the WTCBO. This relates to proper (financial) administration and the general functioning of the CMO. In general, Sena agrees with the CvTA policy. One exception to this is the instruction issued by CvTA to Sena regarding the publication of the agreements with the public broadcasters.

The Supervisory Board supports the Sena Board with the objection and appeal procedures intended to provide clarity on how the law should be interpreted. During 2019, the office kept us actively informed of the progress in this matter.

The Integrity working group was set up in 2019. The working group consists of members of the Supervisory Board, members of the Board of Affiliates, office employees and

external stakeholders. They met a total of four times. In accordance with the requirements of the Good Governance and Integrity Guidelines for CMOs from VOI@E, they drew up regulations to avoid conflicts of interest for management and bodies with a supervisory function. The regulation has not yet been through all the required approval procedures in 2019. However, good progress has been made.

### Other topics in 2019

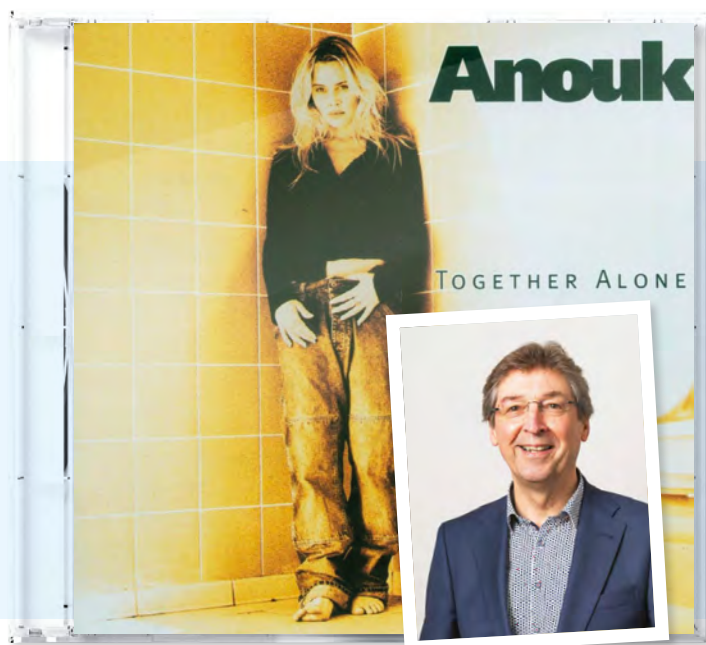
In 2019, we continued to deal with a number of fixed agenda items on the annual calendar. The financial statements and the annual report for 2018 have been approved and the Management Board has been discharged from liability. We also evaluated our own performance, this time with the assistance of an external consultant. The 2020 Budget was approved in the last quarter of 2019.

Managers in the Data & IT and Relationship Management departments gave presentations about the work in their departments and the future plans they are working on.

The theme of the workshop was innovation projects. We were updated on the tests being done with technology that are likely to make a positive contribution to Sena's operations. Fred Teeven, the chair of VOI@E, who took office at the beginning of last year, attended the workshop to meet Sena's internal supervisors.

### Committee meetings

The Supervisory Board has formed two committees from its members: The Audit Committee and the Remuneration Committee. In 2019, both committees submitted recommendations to the Supervisory Board which, where applicable, has acted in accordance with the Committee's recommendations.



## THE FAVOURITE ALBUM OF... ALEID WOLFSE

### Together Alone – Anouk

15 October 1997 — Dino Music

"For the last 20 years or more, I have never been on holiday in the car without bringing along one or two Anouk CDs. She 'caught' me from the start with her music, her amazing voice and beautiful lyrics. Because this emotion has been there from the beginning, I have chosen her first album: *Together Alone*".

The Audit Committee met four times in 2019. The 2018 financial statements were discussed in the presence of BDO, the auditors up to and including the financial year 2018. The review of the management letter following the interim audit for 2019 took place in the presence of PricewaterhouseCoopers, Sena's new auditor with effect from the 2019 reporting year. The committee also discussed a number of other subjects, including the financial implications of various legal proceedings Sena is involved in and the intended change to the accounting policy for the 'outstanding amounts' item in Sena's financial statements. The Supervisory Board has adopted the committee's advice on the change to the accounting policy.

As usual, the Remuneration Committee met twice in 2019. During the meetings, we carried out the annual evaluation of both board members.

### **Ambitious goals**

Sena is a professional, reliable and committed organization. Sena's plans for the 2019-2021 policy period testify to their drive to represent the neighbouring rights of its rightsholders in the best possible way. In the first year of the policy period, Sena energetically worked on investigating new technologies which, when available for use by the organization, could give both collection and distribution an extra boost. We would like to thank all Sena's employees for their efforts in 2019 and would like to express our confidence that they will also be successful in achieving the targets set out in the remaining policy period.

Aleid Wolfsen  
Supervisory Board Chair

Hilversum, 16 March 2020



# BOARD OF AFFILIATES REPORT

**Since its foundation in 1992, Sena has represented the neighbouring rights of tens of thousands of Dutch and international performers and producers. The section representatives from the Board of Affiliates (RvA), in turn, internally monitor the best possible representation of your rights.**

You have chosen us as section representatives of the RvA, either in the Producers section or in the Performers section. The sections supervise the interest representation and jointly adopt important decisions. We report on this at the annual Meeting of Affiliates (VvA). The Meeting of Affiliates is also the perfect moment to listen to your input and to start engaging with rightsholders. You are very welcome to attend the Meeting of Affiliates in person or you can follow remotely via the audio stream if preferred.

## **'Outstanding amounts' accounting policy**

After approval by the Supervisory Board and review by the auditor PricewaterhouseCoopers appointed with effect from the 2019 financial year, the Supervisory Board has adopted the resolution to change the accounting policy in Sena's financial statements for the 'outstanding amounts' item. This item is due to the annual balance between the withholding percentage applied to the distribution and the actual cost percentage of the organization. If the balance is still positive after three years, then the balance of the first of these three years will be added to the liability regarding distribution. The text has been amended to extend the period from three to five years, as stated in the accounting policies. The balances can be used in several ways after the decision of the Board of Affiliates: as an addition to the liability regarding distribution to the musical year in which the positive balance was created, as an addition to the provision for claims, as an addition to the Social and Cultural Fund, or the balance can be blocked for payment and retained for any pending complaint from that year and/or previous years. As a result of the amended decision, decisions can be made at the end of 2020 regarding the balance of the 'outstanding amounts' item from music year 2015, in line with one of the options mentioned above.

## **Amendment to distribution regulations**

In 2019, the Board of Affiliates, in collaboration with staff members, worked on a change to the general distribution regulations text. This concerns reference to the distinction between a primetime and non-primetime minute value for national television stations and the 25% reduction in use of design music. After approval by the Copyright and Neighbouring Rights Collective Management Organizations Control Board, the amended regulations come into force on 2 January 2020.

## **Allocation of undistributed fees**

On 22 March 2019, representatives of the Producers and Performers sections reached a decision about the undistributed fees from 2015, the music year that ended at the end of 2018 after the statutory three-year reservation period. The Performers section decided to distribute 50% of the undistributed fees from the Netherlands equally among performing artists who received a minimum distribution of €100 (gross) in 2015. The other 50% was added to the Social and Cultural Fund. The Producers section decided to add the 2015 undistributed fees from the Netherlands in full to the funds intended for distribution among the producers of the music year 2015. Both sections decided to add the international undistributed fees to the Social and Cultural Fund.

## **Regular topics**

In addition to the allocation of undistributed fees, a number of other topics were on the agenda of the Board of Affiliates in 2019. The 2018 Annual Report and the 2020 Budget were approved. The Executive Board informs the Board of Affiliates of the financial results and forecasts at each meeting. Considerable attention was paid to the updates on ongoing legal proceedings and the progress of the Integrity working group.

## **Innovation seminar**

Technological developments are moving so fast that it is no longer a question of whether CMOs will experience the impact of this, but when. The VOI@E eWorkgroup organised a seminar called 'Innovating digitally together' in autumn 2019. Three speakers presented an overview of the digital developments that are or could be relevant to the sector. Afterwards, a number of the Board of Affiliates members and employees held discussions with other VOI@E members. Together they explored the relevance and feasibility of the various developments during this inspiring seminar.

## **Distribution focus group**

The distribution focus group is an informal, non-policy making advisory body for the Board of Affiliates. The group - consisting of a delegation from the Board of Affiliates, the Executive Board, a number of employees and a broad group of affiliates - discusses subjects put on the agenda by the Board of Affiliates as well as distribution-related subjects proposed by rightsholders. The distribution focus group met twice in 2019. Among other things, they considered a suggestion to amend the distribution sub regulations for performing artists and the explanation and communication of the minute value. An explanation was also been given regarding the distinction made in the distribution between primetime and non-primetime on national TV stations.

## **Social, cultural and educational projects**

Every year, the Performing Artists and Producers sections support various projects with a social, cultural and / or educational purpose. Each year, both sections report on the SoCu policy during

the Meeting of Affiliates. The Performers section in particular has an active SoCu policy. It has set five objectives in its SoCu 2019-2021 Policy Plan. The section receives an average of 300 applications per year, which it assesses based on defined criteria.

The Sena Performers Music Production Fund is a fund for professional musicians who want to make a music recording under their own management but do not have sufficient means available. The fund received 212 applications in 2019. The advisory committee accepted 111 applications for a financial contribution. The total amount at stake was €344,000. Two thirds of the amount is awarded as a donation. The balance is repayable after two years. In 2019, 82 recipients of a loan in 2017 have repaid the part of the loan. Four recipients will be consulted in order to reach an arrangement. The repaid loan amounts are returned to the Sena Performers Music Production Fund.

In 2019, the Performers section paid out a total of four money prizes out of the total amount of the Sena Performers Music Production Fund. Benjamin Tuin, winner of the Buma NL Muzikale Snelkookpan award, received €3,000. The winners of the Golden and Silver Nutcracker ('Gouden en Zilveren Notekraker'), MY BABY and LUWTEN, each received €5,000. Session musician Martijn van Agt won the Humble Heroes Award and also received €5,000.

The Producers section's policy on social, cultural and educational spending has always been very narrow, but in 2019, on the advice of a number of rightsholders, a first step was taken to explore which SoCu projects might be in the direct interest of both producers and performers. A limited number of initiatives

and events were supported in 2019: Edison Pop, the Golden Nutcracker, Muziekids and STOMP.

### Upstream: Music

The Upstream programme was launched in 2018, a collaboration between Sena, the Fonds Podiumkunsten and the Stimuleringsfonds Creatieve Industrie. Upstream: Music is a part of this programme initiated and co-funded by Sena and offers mid-career artists in pop music an opportunity to invest in the (international) development of their career. 2019 was the first full operational year of this fund. A total of 14 applications were granted in two rounds of applications.

### To conclude

Upstream: Music is one of the exceptional projects where the Producers and Performers sections work together. It is evidence that although our interests sometimes diverge, we both advocate growth and a common interest in the healthy development of the music industry. The same is certainly true of all Sena's employees. They worked tirelessly for your rights in 2019 and we would like to express our thanks to them.

Peter Boertje  
Board of Affiliates Chair

Erwin Angad-Gaur  
Board of Affiliates Vice-chair

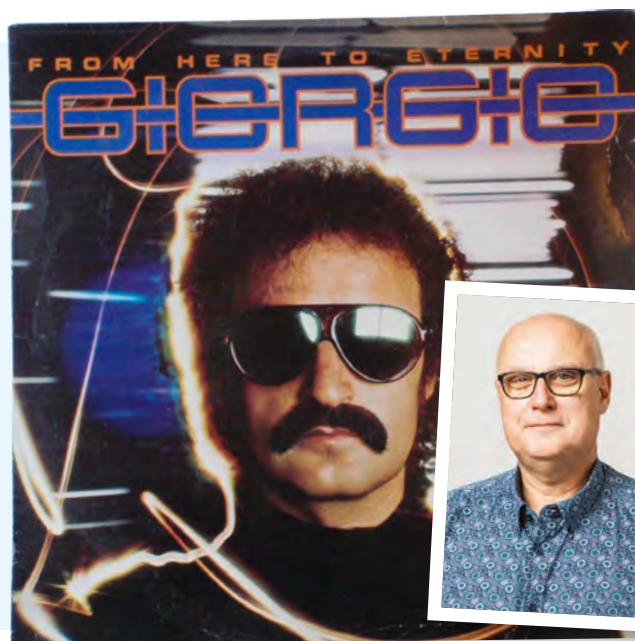
Hilversum, 16 March 2020

## THE FAVOURITE ALBUM OF... PETER BOERTJE

### From Here To Eternity – Giorgio Moroder

22 July 1977 — Casablanca Records

"In 1977, when my school friends were fans of The Eagles, Queen or Santana, I thought Giorgio Moroder was the most groundbreaking, innovative music creator. At school my friends didn't like it and I was even ridiculed for my different taste in music. But I stuck to my own individual choices and refused to stay within safe musical lines. This album ultimately turned out to be part of my decision to become one of the first producers of electronic dance music in our country".



# COMPREHENSIVE RISK MANAGEMENT

Risks are threats to achieving our 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, regularly updates the document and ensures that it is communicated to employees. The strategic risk analysis is part of the policy plan. The risk management framework is approved by the Supervisory Board. Sena adopts a low risk appetite.

## THE KEY RISK MANAGEMENT FRAMEWORKS ARE:

### Structure and governance

- the articles of association set out in detail the responsibilities and powers of the Executive Board, the Meeting 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;
- our formal organizational structure reflects the hierarchical and functional relationships between the different positions. Sena's organizational model emphasises the competencies needed to conduct our primary and support processes (process orientation).
- the necessary distinction between functions can be seen in the processes described. A key issue here is to ensure clear segregation between granting licences, 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 this compliance.

### Desired organizational culture

- we derive our right to exist from our legal authority to collect and distribute fees for the broadcasting, rebroadcasting or publication by any other means of commercially released phonograms (released in the countries that have ratified the Treaty of Rome and/or the WIPO Performances and Phonograms Treaty) by all performers and producers. Based on this duty and in line with the defined mission, our stakeholders include rightsholders, customers (companies and organizations that broadcast or play music in public), national and international sister organizations, suppliers, our internal and external supervisory authorities and our employees.

Our organizational culture is aimed at representing the interests of our rightsholders by collecting and distributing a fair fee as efficiently and quickly as possible, and to provide transparency in this process. The core elements of the organizational culture needed to serve our stakeholders as effectively as possible are a service-oriented approach, quality, the reliability of general and management information and commercial drive. The core values are Professional, Reliable and Committed.

- our Complaints and Disputes Committee for Rightsholders (Distribution Disputes Committee) processes and handles complaints from our rightsholders, ensuring that any problems relating to our services are taken seriously and learned from.
- Sena is a voluntary member of the VOI@E industry organization. Our annual CMO Quality Mark accreditation – awarded following an annual audit by an independent certification body (the Keurmerkinstituut quality assurance institute) – is an additional guarantee that any shortcomings in the quality and transparency of Sena's rights management activities and related information services are adequately identified.
- Sena is a member of SCAPR (Societies' Council for the Collective Management of Performers' Rights), AEPO-ARTIS and actively participates in meetings of the IFPI Performance Rights Committee (International Federation of the Phonographic Industry). Our goal is to make the international exchange between CMOs even more professional.

### Required competencies

- we expect our employees to have specific competencies, which are elaborated in further detail in each job profile. These profiles are linked to a salary scale, assessment and remuneration system which is administrated by the Office Manager and adjusted to accommodate changes by the Executive Board.
- as the quality and reliable implementation of the distribution process is crucial in ensuring the quality of our data and we want to provide assurance for our rightsholders that this process is independently audited, resulting in an ISAE 3402 Type 2 compliance statement. This statement confirms that the management measures put in place were designed and operated effectively with regard to the distribution process for the year under review. An annual independent audit is carried out by the accountant to review compliance.

### Technology (IT)

- in view of the fact that Sena is largely dependent on the continuity, reliability and security of automated data processing to achieve its objectives, we have implemented a number of overarching measures in the area of IT;
- IT services are structured based on Information Technology Infrastructure Library (ITIL) principles;
- the IT modifications are built using the scrum agile method;
- an independent external audit of the security of the ICT infrastructure is carried out periodically;

### General Data Protection Regulation (GDPR)

- as of May 2018, we carefully applied the General Data Protection Regulation to our work processes;
- a Privacy Officer is working within the organization to ensure compliance with GDPR;
- all Sena employees took part in a Security Awareness training course during 2019.



## THE FAVOURITE ALBUM OF... ANITA VERHEGGEN

**Sgt. Pepper's Lonely Hearts Club Band – The Beatles**

1 June 1967 — Parlophone

"My older sisters were Beatles fans and as a kid I heard many tracks from this album. I thought it was fantastic music back then, and now more than 50 years later it has lost none of its freshness and relevance. The songs still touch me in the same way and I'm sure that in a hundred years The Beatles will have the status of composers like Mozart and Beethoven. They're the classical composers of pop music."

### POLICY PLAN

We draw up a new policy plan every three years. We update this plan annually throughout that period. The current multi-year policy plan has been drawn up for the period 2019 - 2021.

### Budget

Each year we draw up a budget that provides an 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.

### Annual plans for departments

Every department draws up an annual plan based on the Policy Plan, which contains the department's objectives and projects. The annual plans serve as a framework for our efforts to achieve policy objectives, attain the relevant department's service level targets and effectively and efficiently conduct the processes for which the relevant organizational department is responsible. These defined departmental objectives are then translated into the responsibilities of the individual employee. 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 laid down in the risk management matrix and the control framework respectively. The matrix and framework are periodically reviewed and, in case of important process changes, evaluated by the process owner and adjusted if necessary.

### DUTIES, RESPONSIBILITIES AND ROLES

Line management (Executive Board and MT) is responsible for risk analysis (the identification and prioritisation of risks), the implementation of control measures and operational monitoring. The F&A 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) and 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 supervisory authorities acting as a third line of defence monitor and evaluate specific activities and performance of the organization as follows:

- the external auditor checks the financial statements and the application of the accounting policies (based on Title 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 auditor assesses the distribution process and issues an ISAE 3402 Type 2 statement (based on a description of the process and controls);
- an external consultant is charged with reporting on the security of the ICT infrastructure;
- CMO Quality Mark audit;
- annual review by the CvTA.



The Supervisory Board oversees the Executive Board and is charged with aspects such as approving the policy, the budget and strategy (linked to the proposed strategic risk control measures), and the annual report (including the financial statements), which sets out the results of the current policy.

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 forums deal with subjects in which they have different interests in terms of communication.

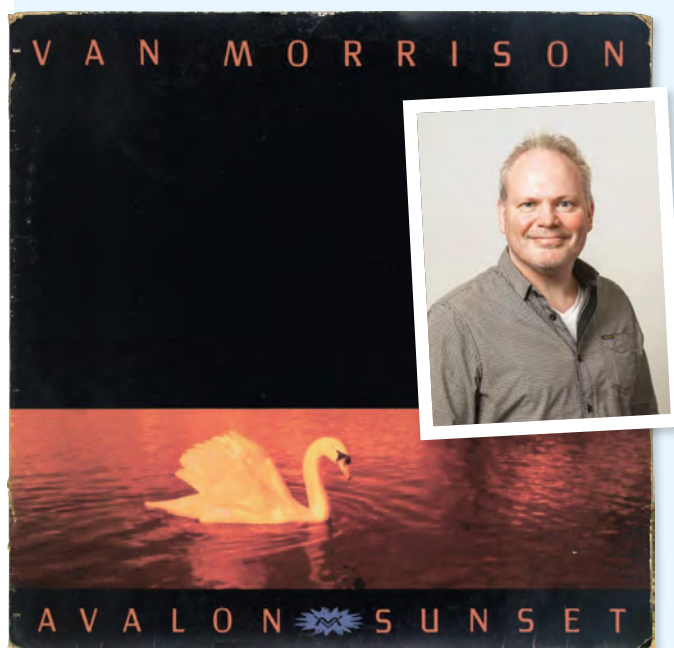
The main strategic risks are defined as follows:

- changing legislation and regulations could impact our exclusive position. Government involvement could extend to setting tariffs. In addition, the government could force CMOs to intensify their collaboration. Unfavourable legal precedents in other EU Member States can also be seen as a risk in this category;
- the commercial risks are highly dependent on the CMO's general reputation and image. The growing popularity of copyright-free music and declining advertising revenue at traditional radio and television stations – partly caused by the shift from linear media consumption to on-demand consumption – also play a key role. The same is true for the increasing demands from licensees regarding streamlining the distribution process and discussions about fair remuneration.

Our relationship with rightsholders is subject to the following risk factors:

- the loss of international mandates to agents and/or international sister organizations could put pressure on international licensing revenues.
- Efforts to ensure privacy and compliance with GDPR (through adequate data protection measures) which would mean Sena would not comply with legislative requirements in this area;
- Due to the use of fingerprinting data, Sena has become responsible for playlist data where this has been agreed with relevant licensees;
- Risks with regard to internal control include the maintenance of process control standards and necessary documentation. The loss of quality marks and/or certifications would have major consequences. Partly in view of the large volume of financial transactions, we are also susceptible to the risk of fraud. The loss of key personnel also falls into this risk category for the organization;
- Finally, technological risks can result in significant cost increases. An incident where the IT systems become temporarily unavailable obviously presents a risk, as does loss of data. This risk category also includes the failure to synchronise processes and procedures accurately.

Where possible, response and control measures have been formulated for all identified strategic risks and these have been assessed as satisfactory by the Executive Board and supervisory bodies.



## THE FAVOURITE ALBUM OF... BERRY VAN SANDWIJK

### **Avalon Sunset – Van Morrison**

19 May 1989 — Polydor

"An album that I still play regularly to this day. It was the first time I was aware of Van Morrison and I was captivated by his voice and the beauty of the songs. Apart from 'Have I told You Lately' there are no hits on the album and actually that's the song that I always skip, and I only listen to the rest. A fantastic record that gives me a very good feeling and that I will probably listen to regularly for the next 30 years. For me, the highlight of Van the Man's rich oeuvre."

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## NOTES TO THE 2019 RESULTS

**This annual report was prepared in compliance with the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCBO) and Title 9, Book 2 of the Dutch Civil Code (BW), as detailed in guideline RJ640 on 'Not-for-profit organizations' from the Dutch Annual Reporting Council (DASB).**

The total invoiced licence fee income in 2019 was €72.1 million, €2.5 million more than in 2018. Dutch invoiced licence fee income increased by €2.1 million to a total of €64.5 million. International invoiced licence fee income also increased by €372,000 to €7.7 million.

The total received licence fee income fell slightly in 2019 by €66,000 to a total of €70.3 million.

Compared to 2018, net distributions decreased by €1.9 million to a total of €58.5 million. This was due to a lower net distribution of international fees (- €3.2 million). The net distribution of Dutch fees increased by €1.3 million to a total of €52 million.

The net operating expenses of the organization in 2019 amounted to 11.5% of the Dutch invoiced licence fee income, which corresponds to €7.4 million (2018: €7.0 million). Our withholding percentage applied to licence fees collected in the Netherlands remained unchanged at 12%.

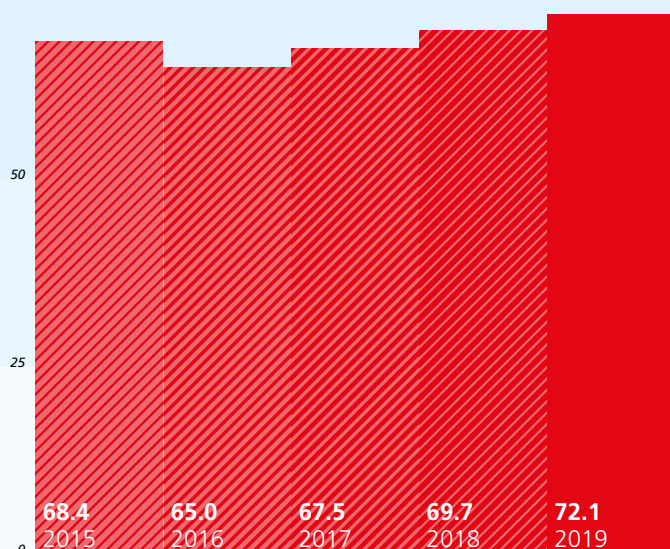
### General licences

Individual businesses and companies who collectively arrange their music licence via a trade organization or a central scheme (companies with multiple branches) fall into the general licences segment. The Service Centre for Copyright and Neighbouring Rights (Scan) takes care of the administrative handling of the licensing. Scan launched a new ERP system in 2019. The implementation of the system has been a time-consuming process and led to the market processing activities being on hold for some time in 2019.

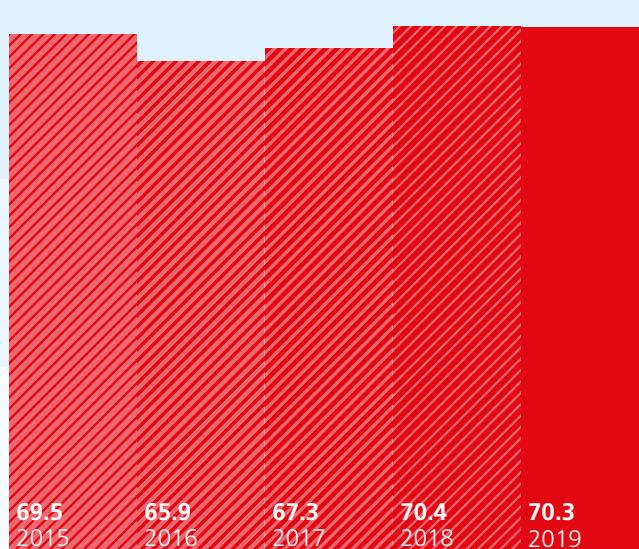
In November 2019, together with Buma, we started to use the MESLIS (Music-Event-System-Location-Ident-System). Our goal is to optimise market coverage in the Dutch events sector. MESLIS is an IT solution that scans the internet to identify events and festivals that are relevant to copyright and neighbouring rights organizations. We anticipate that this will help us to license events more effectively.

The total licence fee income for general licences received in 2019 was €41.4 million (- 0.0%). Of this, we achieved €18.2 million (- 1.6%) within collective licences and €23.2 million (+ 1.2%) within individual licences. The increase in invoiced income was due to a combination of a tariff adjustment in line with the inflation index, the phasing out of discount schemes and tariff adjustments within a number of collective licensing agreements. Because a number of invoices were sent late in the year 2019, the received licence fee income is delayed.

75



**Total invoiced licence fee income 2015-2019**  
(in millions of euros)



**Total received licence fee income 2015-2019**  
(in millions of euros)

## Media

In the media segment, invoiced licence fee income increased by €904,000 to a total of €22.0 million in 2019. Higher income from the dance segment and national commercial television and radio segments in particular contributed to this increase. The income received in 2019 is equal to 2018. One of the reasons for this is that a one-off extra fee was accounted in 2018.

In mid-2019, the Court of Appeal passed its judgment regarding the long-running legal proceedings with the organisers of dance events. It was determined that 1.625% of the receipts for the majority of events constitutes a fair remuneration for the neighbouring rights. Based on this ruling, we recalculated and sent the invoices for the period 2014 up to and including 2019. The dance organisers lodged an appeal against the judgment in September 2019.

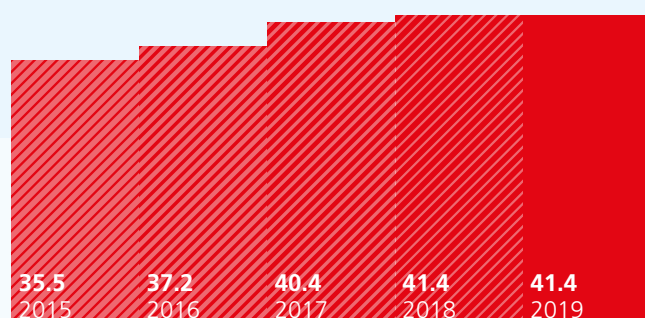
The advertising revenue from the national commercial television and radio stations in 2018 was higher than the forecasts given by the same stations. This resulted in an increase in invoiced licence fee income in 2019, in both sub-segments as a result of post-invoicing in 2018. In 2019, there was unfortunately very little progress in the legal proceedings initiated in 2017 against the Commercial Radio Association (VCR). The parties did, however, explain their views to the court during an oral hearing and exchanged documents.

The number of streaming playback points from background music suppliers showed a slight growth in 2019. As a result, our invoiced licence fees increased in 2019. Invoicing due to the lack of statements for previous years also contributed to the growth in licence income.

Within the new media sub-segment, we achieved a rise in invoiced licence fees due to an increase in the number of webcasters licensed through the Dutch Webcasting Foundation (SWNL).

Cable revenues decreased in 2019. This can be explained by five quarterly invoices that were accounted for as annual turnover in 2018, due to an acceleration of the invoicing process. The number of cable subscribers with the larger market players is stable at this stage.

Because some invoices were not sent until the end of 2019, the received licence fee income from Media is lower than the invoiced licence fee income from Media.



**Received licence fee income General Licences 2015-2019** (in millions of euros)



**Received licence fee income from Media 2015-2019** (in millions of euros)



### International

International licence fee income received fell by €51,000 to a total of €7.8 million in 2019. Compared to 2018, there were once again major shifts in income at country level.

The income we received through the German neighbouring rights organization GVL decreased significantly compared to 2018. This is mainly because in 2018 we received a final payment for performers for the years 2010 to 2012.

In 2019, the American organization Sound Exchange (SX) paid approximately an equal amount of fees to us for the rightsholders represented by Sena in the United States. In 2019, a substantial payment was made by Spedidam in France. The final settlement over several music years ensured that France paid the second highest amount of all international sister organizations.

The 'rights per track, per country' function on MySena remains a focus point to file targeted producer claims overseas. When (independent) producers report their rights per track, per country via our online portal MySena, we can achieve the highest possible revenue for them. Accurate registration of title rights per country leads to faster and more accurate processing and a reduction of double claims on music use overseas. We will continue to make producers aware of the importance of the 'rights per track per country' functionality.

### Distribution

In 2019, our gross distribution to rightsholders amounted to €65.9 million. This is a decrease of €2.1 million compared to 2018. The gross distribution on the Dutch collection increased by €1.2 million but the gross distribution on overseas income decreased by €3.3 million due to a one-off higher distribution in 2018.

Net distribution also decreased in 2019, to a total of €58.5 million. Here, too, Dutch distribution increased, and overseas distribution decreased.

### Private copying

Stichting NORMA has mandated us to collect audio fees for private copying overseas on behalf of its affiliates and to distribute this income to all entitled performing artists, to the extent known to Sena. In 2019, we paid €408,000 in private copying audio fees from overseas to the rightful performing artists. For producers, the distribution amount was €44,000.

### Operating expenses

Our gross operating expenses in 2019 totalled €8.1 million, an increase of €279,000 compared to 2018. However, this increase is lower than expected in the 2019 budget. Most of the increase in costs compared to 2018 was due to higher personnel costs as a result of inflation adjustment, the increase in the number of permanent positions and transition fees paid. The mailing and collection costs, Sena's contribution to the costs of the Scan joint venture, were also higher.

Net operating expenses (adjusted for financial result and miscellaneous income) also increased, to a total of €7.4 million.

75

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0



**Received international licence fee income 2015-2019**  
(in millions of euros)

USA	€1.7 million
France	€1.3 million
Belgium	€1.2 million
Germany	€1.2 million
Other countries < 0.2 million	€1.2 million
United Kingdom	€0.8 million
Japan	€0.2 million
Spain	€0.2 million

**Received licence fee income per country in 2019**  
(total 7.8 million euros)

### Control Board (CvTA)

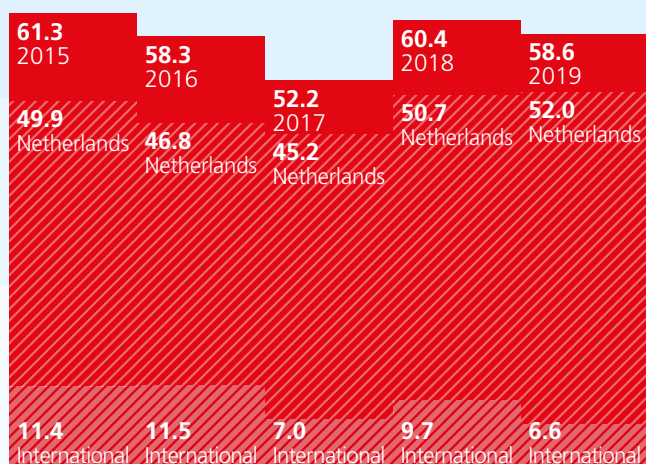
The Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) is responsible for supervising compliance with the Collective Management Organizations Supervision and Dispute Settlement Act on behalf of the Minister of Justice and Security. This Act also contains a number of 'comply or explain' provisions.

Our gross operating expenses, expressed as a percentage of invoiced licence fee income, amounted to 11.5% in 2019. Expressed as a percentage of the distributions, including the addition from the Social and Cultural Fund, the gross operating expenses were 11.8%. This meets the criterion laid down in the general order of 12 December 2016, which stipulates that the cost percentages based on income and distribution may not exceed 15%.

A second pass-or-fail criteria is that gross operating expenses may not increase more than the Consumer Price Index (CPI; 2.6%). We did not comply with this in 2019, with an increase of 3.6%. The increase in the establishment plan deemed necessary to improve the level of service provided to customers and rightsholders, combined with the transition allowance fees paid and the additional costs incurred for Scan's new ERP system, are the underlying causes of this.

### Budget 2020

In 2020, the second year of our policy period, we will continue to invest in the areas of human resources, legal affairs, publicity, IT and innovation. We expect this to result in an increase in gross operating expenses of approximately 9.5%. In the course of the policy period, this could mean that we are forced to increase the withholding percentage, which currently stands at 12%.



**Net distributions 2015-2019**  
(in millions of euros)



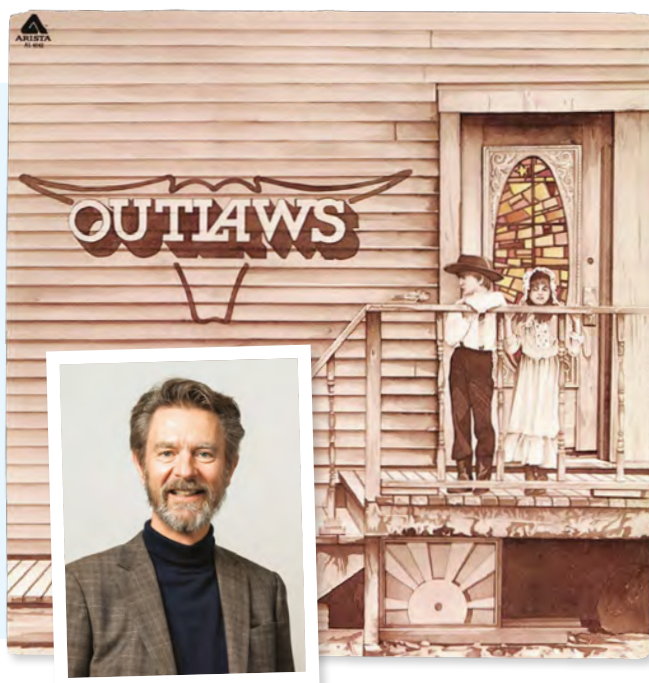
**Gross operating expenses 2015-2019**  
(in millions of euros)

## KEY FIGURES 2019 - 2015

	2019		2018	2017	2016	2015
<i>(amounts in thousands of euros)</i>						
<b>INVOICED LICENCE FEE INCOME</b>						
Dutch use	64,455	+3.4%	62,356	59,409	56,501	55,658
International CMOs	7,683	+5.1%	7,311	8,045	8,528	12,757
<b>TOTAL</b>	<b>72,138</b>	<b>+3.5%</b>	<b>69,667</b>	<b>67,454</b>	<b>65,029</b>	<b>68,415</b>
<b>DISTRIBUTION</b>						
Rightsholders	55,227	-4.7%	57,981	49,457	57,604	62,003
International CMOs	10,629	+6.8%	9,956	9,433	7,793	8,606
<b>SUBTOTAL</b>	<b>65,856</b>	<b>-3.1%</b>	<b>67,937</b>	<b>58,890</b>	<b>65,397</b>	<b>70,609</b>
Deduction of costs from distribution	(7,326)	-2.3%	(7,498)	(6,686)	(7,147)	(9,354)
<b>TOTAL</b>	<b>58,530</b>	<b>-3.2%</b>	<b>60,439</b>	<b>52,204</b>	<b>58,250</b>	<b>61,255</b>
<b>DISTRIBUTABLE LICENCE FEE INCOME</b>	<b>67,485</b>	<b>+3.7%</b>	<b>65,053</b>	<b>66,189</b>	<b>62,621</b>	<b>64,394</b>
<b>SOCIAL AND CULTURAL FUND</b>						
Addition	2,936	-17.3%	3,552	4,061	1,996	2,260
Expenditure	(3,193)	+9.9%	(2,906)	(2,591)	(2,254)	(1,923)
Available for distribution at the end of the financial year	4,395	-5.5%	4,652	4,006	2,536	2,794
<b>STATEMENT OF INCOME AND EXPENDITURE</b>						
Dutch income	7,440	+5.6%	7,047	6,911	6,778	5,919
International income abroad	321	-28.7%	450	298	500	-
Miscellaneous income	283	+6.4%	266	209	131	679
<b>SUBTOTAL</b>	<b>8,044</b>	<b>+3.6%</b>	<b>7,763</b>	<b>7,418</b>	<b>7,409</b>	<b>6,598</b>
Operating expenses (gross)	(8,092)	+3.6%	(7,813)	(7,483)	(7,585)	(7,247)
<b>SUBTOTAL</b>	<b>(48)</b>	<b>-4.0%</b>	<b>(50)</b>	<b>(65)</b>	<b>(176)</b>	<b>(649)</b>
Financial result	48	-4.0%	50	65	176	649
<b>OPERATING RESULT</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	2019		2018	2017	2016	2015
<b>KEY FIGURES</b>						
Dutch licence fee income received	62,553	0.0%	62,568	59,759	57,233	56,177
International licence fee income received	7,777	- 0.7%	7,828	7,543	8,674	13,346
Percentage of actual costs withheld	12.0%	0.0%points	12.0%	12.0%	12.0%	12.0%
<b>Net operating expenses expressed as a percentage of:</b>						
total licence fee income	10.3%	+ 0.2%points	10.1%	10.2%	10.4%	8.7%
Dutch licence fee income	11.5%	+ 0.2%points	11.3%	11.6%	12.0%	10.6%
<b>Gross operating expenses expressed as a percentage of:</b>						
total licence fee income	11.2%	0.0%points	11.2%	11.1%	11.7%	10.6%
total gross distribution (including addition to Social and Cultural Fund)	11.8%	+ 0.9%points	10.9%	11.9%	11.3%	9.9%
Annual movements in operating expenses (gross)	279	-	330	(102)	338	(246)
Decrease/increase in operating expenses (gross)	3.6%	- 0.8%points	4.4%	(1.3)%	4.7%	-3.3%
Derivative consumer price index	+1.6%	+ 0.3%points	+1.3%	+1.1%	0.0%	0.8%
Representation of rightsholders	>90%	0.0%points	>90%	>90%	NB	NB
Number of rightsholders with distributions up to and including 2019 *	66,145	+6.0%	62,401	58,707	56,017	54,549
Number of rightsholders with distributions in 2019 *	33,512	+8.2%	30,971	27,001	24,378	32,474
Number of invoiced users	100,029	-1.8%	101,913	104,224	99,736	102,538
Number of employees in FTE (average)	42.0	+0.7%	41.7	42.2	42.7	42

\* From 2018 onwards, the I members are listed separately in the figures. For reporting years 2017 and earlier, only the W and R members are listed here. W and R members are directly affiliated with Sena as rightsholders and have given Sena a worldwide (W) or regional (R) mandate respectively. I members are international rightsholders who are affiliated with Sena via an international sister organization.



## THE FAVOURITE ALBUM OF... ERIC JAN LOON

**Outlaws – The Outlaws**  
July 1975 — Arista Records

“This album brings so much together that listening to it never gets boring. Polyphonic vocals, three solo singers, three solo guitarists and a set of top songs. The last song became their signature song: ‘Green Grass And High Tides’. Almost 10 minutes long, with flaming solos from three guitars at the same time and on their fourth album (*Bring It Back Alive*) they spun it out to a whole side of the record. This record is so good, I even have the sheet music for it!”



## ABOUT US

In 1993 the government appointed Sena - the 'Foundation for the Exploitation of Neighbouring Rights' - to regulate the remuneration rights of all artists and music companies for the broadcasting and rebroadcasting of commercially released music in accordance with the Neighbouring Rights Act. We do this on an exclusive basis in the Netherlands, which means that no other parties are authorised to collect and distribute these fees. We represent almost all Dutch performing artists and producers as well as a few international artists overseas. Our mission is to create greater awareness of the value of music among music users, to ensure fair collection of fees for national and international artists and producers, and to distribute these fees as quickly and accurately as possible at the lowest possible cost.

### Collection and distribution

We distribute the collected fees according to our distribution rules. We process the playlists from national radio stations with a market share of at least 0.3%, provided they are members of the National Listening Research (NLO). Playlists from regional radio stations are also processed, if they pay us a fee of at least €30,000 on an annual basis. We process the playlists of national television stations for a minimum fee of €60,000, if reported to Stichting Kijkonderzoek (SKO). We also process playlists from background music suppliers such as Mood Media and Xenox. These playlists report the music use of approximately 600 bars in the Netherlands. For public use, the playlist data is processed if a user pays a fee of at least €30,000 or more for one specific establishment. 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 nation-wide television stations and a 25% reduction is applied to the distribution of tracks used as design music.

The definition of design music is: Track used for identification\* and/or to frame radio and television programmes and/or channels. When submitting their repertoire claims in MySena, Sena rightsholders should indicate at track level whether the track is design music.

(\* tunes, jingles, promos, leaders, bumpers, fillers, station IDs, underscores etc.)

We pay a large proportion of the money collected under general licences based on research carried out twice a year by Intomart GfK, commissioned by Sena and Buma. This survey of 1,200 businesses is conducted by phone. Respondents are asked whether they listen to music, and if so, from which source<sup>1</sup>.

Revenue from New Media is distributed based on legal download data. We register which music was played in public in a specific year based on the above methods.

Fees are then distributed among the various rightsholders based on a distribution key specified in the distribution rules.

## THE FAVOURITE ALBUM OF... ERIK WINKELMANN

### Safe As Milk – Captain Beefheart

June 1967 — Buddah Records

"In particular 'Zig Zag Wanderer' from this LP. As a teenager, I was totally into the rock music of the '60s. The extraordinary voice of Don van Vliet (Captain Beefheart), his blues influences and his collaborations with Frank Zappa appealed to me. Anyone who sang through the phone and recorded it had to be a genius. And later he turned out to be a fine painter as well. I've often listened to his later albums, but this first record - which was also quite hard to get at the time - has never left me".



Half of the reserved fees per track are paid to producers, the other half to performers. The allocation of fees per phonogram/track are distributed as follows:

- a) The total amount available for distribution to the performers and/or producers is divided by the total number of minutes of actual use of repertoire subject to payment per collection source.
- b) This amount per minute is multiplied by the number of minutes played per track. This creates an amount per track for distribution to the performers, who have participated to the track in question, and to the producers.

For popular repertoire, performers divide the amount available for the track(s) to which they have contributed according to the following scale:

- main artist: 5 points. A main artist is a band member (any permanent member of the band) and/or soloist with an artist contract and/or exploitation agreement, not being a session musician or conductor.
- conductor: 3 points. A conductor is the person leading the orchestra, choir or band by means of physical conducting, in which he/she determines and indicates the rhythm and mood for the performers.
- session musician: 1 point per instrument, with a maximum of 3 points. The amount to be distributed among session musicians will never exceed 50% of the total amount available for performers per title. Session musicians and/or other performers, not being the main artist or conductor, are defined as follows: the musician who makes a supporting musical contribution on a commercially released phonogram released by a main artist.

For classical repertoire, the performers share the amount available for the track(s) they contributed to, according to the following scale:

- main artist: 5 points
- conductor: 3 points
- session musician: 1 point

We deduct a withholding percentage from the fees collected. The withholding percentage for the Dutch licence income was set at 12% for 2019. In addition, we reserve 3% of the funds intended for performing artists for social and cultural initiatives.

### **Management model and review of distribution regulations**

In accordance with the CMO Quality Mark and accompanying Good Governance and Integrity Guidelines for CMOs, our distribution regulations and management model are assessed every three years to make sure they are up to date and applicable. The most recent review of the articles of association and the distribution regulations took place in 2018 and 2019 respectively.

Our current management model, Articles of Association and distribution regulations also comply with the *Principles* and *Best Practices* anchored in the Good Governance and Integrity Guidelines for CMOs.

## ANNUAL ACCOUNTS 2019

**CASH FLOW STATEMENT 2019**

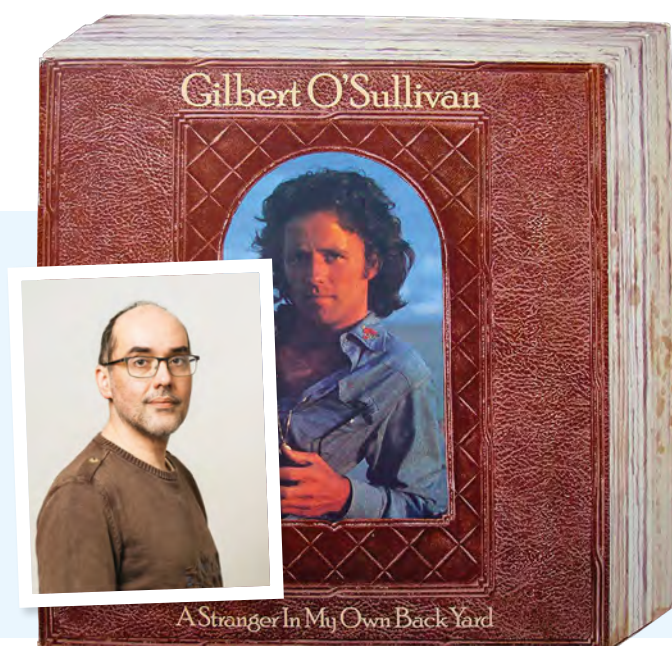
	<b>2019</b>		<b>2018</b>	
<i>(in thousands of euros)</i>	€	€	€	€
<b>CASH FLOW FROM LICENCES AND DISTRIBUTIONS</b>				
<b>LICENCE FEE INCOME RECEIVED</b>				
Licence fee income invoiced		72,138		69,667
Movements in received licence fee income versus invoiced licence fee income		1,808		729
<b>TOTAL LICENCE FEE INCOME RECEIVED</b>		<b>70,330</b>		<b>70,396</b>
<b>THIS REVENUE CAN BE ITEMISED AS FOLLOWS</b>				
Netherlands	62,553		62,568	
International	7,777		7,828	
<b>TOTAL LICENCE FEE INCOME RECEIVED</b>		<b>70,330</b>		<b>70,396</b>
<b>DISTRIBUTION (NET)</b>				
Netherlands	(51,950)		(50,671)	
International	(6,580)		(9,768)	
<b>TOTAL DISTRIBUTION <sup>1</sup></b>		<b>(58,530)</b>		<b>(60,439)</b>
<b>CASH FLOW FROM LICENCES AND DISTRIBUTIONS</b>		<b>11,800</b>		<b>9,957</b>
<b>EXPENDITURE SOCIAL AND CULTURAL FUND</b>		<b>(3,193)</b>		<b>(2,906)</b>
<b>CASH FLOW SENA</b>				
Operating result	(7,488)		(7,097)	
Depreciation of tangible/ intangible fixed assets	181		189	
Movements in working capital	(434)		(888)	
<b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>		<b>(7,741)</b>		<b>(7,796)</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITY</b>		<b>(485)</b>		<b>(66)</b>
<b>TOTAL</b>		<b>(8,226)</b>		<b>(7,862)</b>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		<b>48</b>		<b>50</b>
<b>SUBTOTAL</b>		<b>(8,178)</b>		<b>(7,812)</b>
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		<b>429</b>		<b>(761)</b>
Cash and cash equivalents as at 31 December		68,763		68,334
Cash and cash equivalents as at 1 January		68,334		69,095
<b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		<b>429</b>		<b>(761)</b>

**BALANCE SHEET AS AT 31 DECEMBER** (after appropriation of results)

<b>ASSETS</b>	<b>31 December 2019</b>		<b>31 December 2018</b>	
<i>(in thousands of euros)</i>	€	€	€	€
<b>Fixed assets</b>				
Intangible fixed assets <sup>2</sup>	185		194	
Tangible fixed assets <sup>3</sup>	383		70	
		568		264
<b>Current assets</b>				
Accounts receivable <sup>4</sup>	10,802		7,307	
Tax and social security contributions <sup>5</sup>	-		11	
Accrued receivables and assets <sup>6</sup>	1,398		1,699	
		12,200		9,017
<b>Cash and cash equivalents <sup>7</sup></b>		68,763		68,334
<b>TOTAL ASSETS</b>		<b>81,531</b>		<b>77,615</b>



LIABILITIES	31 December 2019		31 December 2018	
(in thousands of euros)	€	€	€	€
<b>Equity capital</b>		-		-
<b>Non-current liabilities</b>				
Social and Cultural Fund <sup>8</sup>		4,582		4,831
<b>Current liabilities</b>				
Provision for claims <sup>9</sup>	51		92	
Liability regarding distribution <sup>10</sup>				
Payable	61,753		62,391	
Not yet payable	2,994		1,186	
Outstanding amounts	2,738		1,476	
		67,536		65,145
<b>Other current liabilities</b>				
Accounts payable	617		646	
Tax and social security contributions <sup>11</sup>	14		-	
Accrued liabilities <sup>12</sup>	8,782		6,993	
		9,413		7,639
<b>TOTAL LIABILITIES</b>		<b>81,531</b>		<b>77,615</b>



## THE FAVOURITE ALBUM OF... ERWIN ANGAD-GAUR

**A Stranger In My Own Back Yard – Gilbert O'Sullivan**  
October 1974 — Union Square Music

"An album with no (big) hits, this was his fourth and - most importantly - his best album. The only pop album that my parents regularly played at home. And it is actually, my first "great love" of pop albums."

**STATEMENT OF INCOME AND EXPENDITURE**

		2019	2018
(in thousands of euros)	€	€	€
<b>Income</b>			
Dutch income	7,440		7,047
International income	321		450
Miscellaneous income <sup>13</sup>	283		266
		8,044	7,763
<b>Operating expenses (gross)</b>			
Salaries <sup>14</sup>	(3,256)		(3,039)
Mailing and collection costs <sup>15</sup>	(2,085)		(1,980)
Other operating expenses <sup>16</sup>	(2,407)		(2,447)
Depreciation of tangible/ intangible fixed assets <sup>17</sup>	(181)		(189)
Supervisory costs <sup>17</sup>	(163)		(158)
		(8,092)	(7,813)
<b>Financial Result <sup>17</sup></b>		48	50
<b>OPERATING RESULT</b>		-	-
<b>GROSS OPERATING EXPENSES BUDGET <sup>18</sup></b>		(8,727)	(7,985)
<b>OPERATING EXPENSES (NETTO)</b>		(7,440)	(7,047)

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

For a comparison with the 2019 Budget, we refer you to page 50 of this annual report.

## STATEMENT OF MOVEMENTS IN LICENCE FEE INCOME

	2018		2017	
(in thousands of euros)	€	€	€	€
<b>BALANCE AS AT 1 JANUARY</b>		<b>65,053</b>		<b>66,189</b>
<b>LICENCE FEE INCOME INVOICED</b>				
Dutch use	64,455		62,356	
International CMOs	7,683		7,311	
<b>SUBTOTAL</b>		<b>72,138</b>		<b>69,667</b>
<b>DISTRIBUTION (GROSS)</b>				
Rightsholders	(55,227)		(57,981)	
International CMOs	(10,629)		(9,956)	
<b>SUBTOTAL</b>		<b>(65,856)</b>		<b>(67,937)</b>
<b>OTHER MOVEMENTS</b>				
<b>Additions</b>				
International income	321		450	
Miscellaneous income	283		266	
Financial result	48		50	
Deduction of costs from distribution	7,326		7,498	
Deduction of costs from distribution provision for claims	6		1	
Release of bad debt provision	5		5	
Settlement judgment 12 March 2019	(637)		637	
Currency losses	-		1	
Payable distribution	39		-	
Performing Artists Fund	168		144	
Various claims and tracks 2014	-		1	
<b>SUBTOTAL</b>		<b>7,559</b>		<b>9,053</b>
<b>Deductions</b>				
Operating expenses (gross)	(8,092)		(7,813)	
Withholding tax	(1)		-	
Currency losses	-		-	
Social and Cultural Fund	(2,999)		(3,676)	
Distributable fees	-		-	
Claim provision	-		-	
Deduction of costs on international distribution	(317)		(430)	
<b>SUBTOTAL</b>		<b>(11,409)</b>		<b>(11,919)</b>
<b>BALANCE AS AT 31 DECEMBER</b>		<b>67,485</b>		<b>65,053</b>

# CONSOLIDATED ACCOUNTING PRINCIPLES

## GENERAL

Amounts are stated in thousands of euros, unless otherwise stated. The general principle for the valuation of the assets and liabilities and for determining the result, is the acquisition or manufacturing cost. Unless otherwise stated, assets and liabilities are carried at nominal value. We prepare our financial statements in accordance with Title 9, Book 2 of the Dutch Civil Code. In addition, we take into account the provisions of guideline RJ640 of the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

## COMPARISON WITH PREVIOUS YEAR

The accounting policies have remained unchanged from the previous year, with the exception of the system changes included in the relevant paragraphs. The figures for 2018 have been restated, where necessary, to allow a comparison with 2019.

## ESTIMATES

In compiling the financial statements, the Executive Board is required, in accordance with generally applicable principles, to make specific estimates and assumptions that help to determine the amounts included. The actual results may differ from these estimates.

## FOREIGN CURRENCY

### Functional currency

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

### Transactions, receivables and liabilities

Transactions in foreign currencies during the reporting period are accounted for in the financial statements at the exchange rate on the transaction date. The foreign currency account is measured at the exchange rate as at year-end. The valuation differences resulting from the conversion are stated under liability regarding distribution. Monetary assets and liabilities denominated in foreign currencies are converted into the functional currency at the rate as per the balance sheet date. Non-monetary assets measured at cost are converted into a foreign currency.

## OPERATING LEASING

Lease contracts may exist with the company in which a large part of the advantages and disadvantages associated with ownership do not lie with the company. These lease contracts are accounted for as operating leases. Lease payments are recognised in the income statement on a straight-line basis over the term of the contract, taking into account fees received from the lessor.

## VALUATION PRINCIPLES FOR ASSETS AND LIABILITIES

### Intangible and tangible fixed assets

Tangible and intangible fixed assets are carried at cost or manufacturing cost, less straight-line depreciation based on the expected economic lifetime and by impairments where applicable.

### Development costs

Expenditure on development projects is capitalised as part of the purchase price if it is likely that the project will be commercially and technically successful (i.e. if it is likely to achieve economic benefits) and the costs can be reliably determined. A legal reserve has been created for the capitalised development costs that are liable for distribution at the level of the capitalised amount. The depreciation of capitalised development costs begins as soon as commercial production has started and continues on a straight-line basis over the expected future duration of use of the asset. Research costs are included in the income statement.

### Receivables

All receivables have a remaining term to maturity of less than one year, unless stated otherwise. The fair value of the receivables is close to the book value, given the short-term nature of the receivables and the provisions made for bad debts where necessary.

### Financial instruments

Financial instruments refer to primary financial instruments such as receivables and liabilities as well as derivative financial instruments (derivatives). Sena 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 in hand, bank balances and deposits with a term to maturity of less than 12 months. Cash and cash equivalents are carried at nominal value.

### Provisions

Provisions are made for legal or constructive obligations which exist on balance sheet date and where it is likely that an outflow of resources will be necessary, the size of which can be reliably estimated.

### Pensions

We have set up a defined contribution pension plan for our employees with pension benefits based on available contributions. This pension scheme has been placed with an insurance company. The premiums payable for the financial year are recognised as costs. A reserve is included for contributions not

yet paid by the balance sheet date. Apart from the premium payments, there are no other obligations. Since the premiums due are of a short-term nature, they are valued at nominal value. In the event that the contribution amounts paid exceed the contributions to be paid to the pension provider, the surplus amount is considered as prepayment or accrued income, to the extent that the pension provider provides reimbursement or settlement with contributions in future.

### Non-current liabilities

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

### Current liabilities

Most of the current liabilities have an expected term to maturity of up to one year. The 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 recognised in accordance with the provisions of the articles of association and the distribution regulations. Licence fee income is accounted for at the time of invoicing. 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 in order to absorb a possible balance between the withholding percentage and the actual cost percentage. The item is calculated by multiplying the applicable withholding percentage cost by the licensing revenues received in the reporting year per music year, less the net operating expenses Movements in this item are also caused by the unrealized part of the cost deduction for receivable movements. Any other movements will be explained in more detail in the notes. If the balance is still positive after five years, a positive balance in the year under review can be allocated by the Board of Affiliates (RvA) as follows:

- > Addition to the liabilities regarding distribution and to the licence year in which the positive balance was formed.
- > Blocking payment until a decision by the Board of Affiliates states otherwise.
- > Additions to the claim provision if it concerns an outstanding amount.
- > Additions for SoCu if it concerns an outstanding amount.



## THE FAVOURITE ALBUM OF... FONS MERKIES

### L'histoire du soldat - Igor Stravinsky

September 1918 — Arista Records

"When I was young, I mainly associated classical music with Strauss's New Year waltzes, and long, boring Sundays when you couldn't play outside. Until, when I was 19, someone drew my attention to Igor Stravinsky's 'L'histoire du soldat': a world opened up for me. How exciting 'classical' music could be! "



## PRINCIPLES FOR DETERMINING THE RESULT

### General

The result is measured as the difference between turnover and all the associated costs attributable to the reporting year. Costs are determined in accordance with the accounting principles set out above, 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 foreseen.

### Dutch income

Our services primarily consist of invoicing licence fees, registering repertoire, processing playlists and making distributions to rightsholders. These activities may be performed in a different year than the year of collection. Because the result generated by these services cannot be estimated with reasonable accuracy in the interim, the amount of revenue recognised is equal to the costs incurred. The difference between the fee deducted and the actual operating expenses is immediately credited or debited, as the case may be, to the liability regarding distribution.

### International income

This item accounts for the income arising from the withholding percentage on overseas income.

### Miscellaneous income

This item accounts for the income generated by other services.

### Costs

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

### Periodically payable remuneration

The remunerations payable to staff based in the terms of employment are included in the statement of income and expenditure.

### Depreciation

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

### Financial result

Realized financial results relate to resources placed with banks (deposits, savings accounts and current accounts) and are recognised in the year to which they refer. Currency differences arising from the settlement or conversion of monetary items are recognised in profit or loss in the period in which they arise unless hedge accounting is applied.

## PRINCIPLES UNDERLYING THE CASH FLOW STATEMENT

The indirect method was used to prepare the cash flow statement.

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## THE FAVOURITE ALBUM OF... GUUS BLEIJERVELD

### **Are You Experienced – The Jimi Hendrix Experience**

12 May 1967 — Track Records

"From before my time, but an incredibly influential album on my life. Guitar God! Resonates in body and soul, touches me in good times and bad!"



# NOTES TO THE CASH FLOW STATEMENT

## DISTRIBUTION (1)

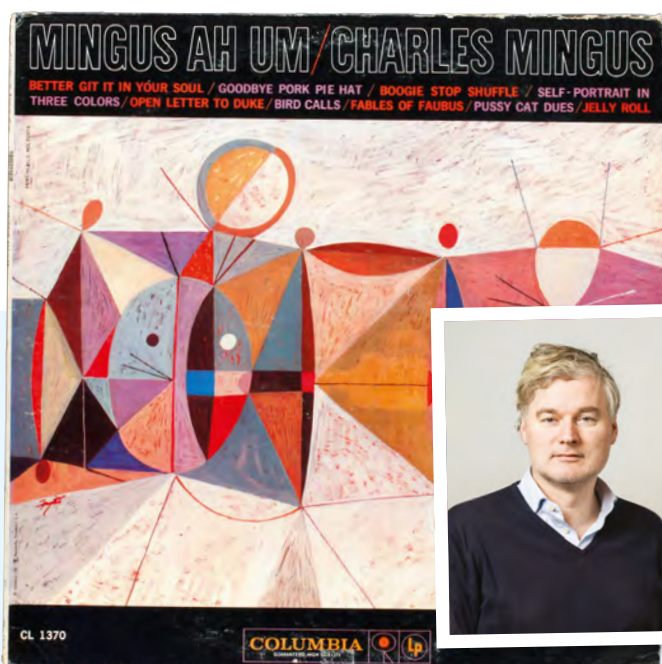
The tables below provide an overview of gross and net distribution in 2019 and 2018. The distribution frequency is four times a year, at the end of each quarter. The gross and net distribution of the Dutch collection in 2019 both increased slightly compared to 2018, by 2.1% and 2.5% respectively. In 2019, there will once again be more distributed from the Dutch collection for the current music year, amounting to €23.2 million gross (2018: €20.4 million). The Performing Artists Fund distributed €130,000, which is more than in the previous year (2018: €96,000). The distribution in respect of the Performing Artists Fund is presented under the Dutch collection. For the time being, no costs will be deducted from the distribution of these fees.

The gross distribution from the overseas collection in 2019 showed a decrease of 32.4% compared to 2018. In 2018, there was a catch-up in the distribution of revenue from previous years, which meant that more could be paid in 2018 than was received.

	Netherlands	International	2019
Gross distribution	58,972	6,884	65,856
Cost deduction	(7,022)	(304)	(7,326)
<b>NET DISTRIBUTION</b>	<b>51,950</b>	<b>6,580</b>	<b>58,530</b>

	Netherlands	International	2018
Gross distribution	57,750	10,187	67,937
Cost deduction	(7,079)	(419)	(7,498)
<b>NET DISTRIBUTION</b>	<b>50,671</b>	<b>9,768</b>	<b>60,439</b>



## THE FAVOURITE ALBUM OF... JAN FAVIÉ

**Mingus Ah Um – Charles Mingus**  
October 1959 — Columbia Records

“Wonderful album with diverse jazz to put on in the office in the afternoon.”

# NOTES TO THE BALANCE SHEET AT 31 DECEMBER

## INTANGIBLE FIXED ASSETS (2)

Movements in this item are as follows:

	2019 20%	2019 10%	2019 Software	2018 Software
<b>Book value as at 1 January</b>	<b>188</b>	<b>6</b>	<b>194</b>	<b>217</b>
Investments	80	-	80	60
Disinvestments	(69)	-	(69)	(1)
Depreciation	(86)	(3)	(89)	(83)
Depreciation of disinvestments	69	-	69	1
<b>BOOK VALUE AS AT 31 DECEMBER</b>	<b>182</b>	<b>3</b>	<b>185</b>	<b>194</b>

In 2019, investments were made in software licences and the further development of the Sena app. The disinvestments include software licences that we no longer use. The historical acquisition value of the development costs related to the app was €148,000. The book value at the end of 2019 still amounts to €101,000.

The total acquisition values and depreciation are as follows:

	2019	2018
Acquisition value	4,689	4,678
Cumulative depreciation	(4,504)	(4,484)
<b>BOOK VALUE AS AT 31 DECEMBER</b>	<b>185</b>	<b>194</b>

## Depreciation rates

The following depreciation rates are applied: software (10% and 20%).

## TANGIBLE FIXED ASSETS (3)

Movements in this item are as follows:

	Refurbishment	Fixtures & fittings	Hardware	2019	2018
<b>Book value as at 1 January</b>	<b>3</b>	<b>13</b>	<b>54</b>	<b>70</b>	<b>170</b>
Investments	17	147	241	405	6
Disinvestments	-	(57)	(236)	(293)	(40)
Depreciation	(2)	(11)	(79)	(92)	(106)
Depreciation of disinvestments	-	57	236	293	40
<b>BOOK VALUE AS AT 31 DECEMBER</b>	<b>18</b>	<b>149</b>	<b>216</b>	<b>383</b>	<b>70</b>

In 2019, investments were made to modernise the offices. The old, fully depreciated equipment has been divested. The investments in hardware mainly related to the purchase of the new servers and new desktops. The replaced hardware, which was also fully depreciated, was divested.

The total acquisition values and depreciation are as follows:

	Refurbishment	Fixtures & fittings	Hardware	2019	2018
Acquisition value	162	326	539	1.027	914
Cumulative depreciation	(144)	(177)	(323)	(644)	(844)
<b>BOOK VALUE AS AT 31 DECEMBER</b>	<b>18</b>	<b>149</b>	<b>216</b>	<b>383</b>	<b>70</b>

## Depreciation rates

The following depreciation rates are applied: refurbishment (20%), fixtures & fittings (20%) and hardware (33.33%).

**ACCOUNTS RECEIVABLE (4)**

	2019	2018
Accounts receivable	10,920	7,436
Bad debt provision	(118)	(129)
<b>BALANCE AS AT 31 DECEMBER</b>	<b>10,802</b>	<b>7,307</b>

**Movements in receivables and bad debt provision**

	2019	2018
<b>ACCOUNTS RECEIVABLE</b>		
<b>BALANCE AS AT 1 JANUARY</b>	<b>7,436</b>	<b>7,035</b>
Licence fee income invoiced	72,138	69,667
Revenue	(70,330)	(70,396)
Written off against the provision	(6)	(49)
Other	1,682	1,179
<b>BALANCE AS AT 31 DECEMBER</b>	<b>10,920</b>	<b>7,436</b>
<b>BAD DEBT PROVISION</b>		
<b>BALANCE AS AT 1 JANUARY</b>	<b>(129)</b>	<b>(183)</b>
Debts written off	6	49
Release	5	5
<b>BALANCE AS AT 31 DECEMBER</b>	<b>(118)</b>	<b>(129)</b>

In 2019, accounts receivable items increased by €3.5 million. In 2019, part of the turnover was invoiced a lot later than in 2018 by Scan due to the transition to a new ERP system. Sena's accounts receivable balance has also increased, which is mainly due to the post-invoicing dance event organisers for the period 2014 to 2019.

This year, the bad debt provision was again analysed using empirical figures. This resulted in writing off €6,000. The item 'other' of €1.7 million mainly consists of licence fee income not yet realized.

**TAX AND SOCIAL SECURITY CONTRIBUTIONS (5)**

	2019	2018
Tax and social security contributions	-	11
<b>BALANCE AS AT 31 DECEMBER</b>	<b>-</b>	<b>11</b>

There is no receivable from the tax authorities in 2019.



**ACCRUED RECEIVABLES AND INCOME (6)**

	2019	2018
Interest due	36	39
Prepaid expenses	254	231
Sena Performers Music Production Fund loans	187	179
Settlement judgment 12 March 2019	-	637
Payable distribution	888	513
Other	33	100
<b>BALANCE AS AT 31 DECEMBER</b>	<b>1,186</b>	<b>1,699</b>

In 2019, the interest received decreased slightly compared to 2018. Market interest rates remained fairly stable throughout the year, apart from a single drop. The Sena Performers Music Product Fund loan item concerns the loan share of the allocations from the Sena Performers Music Product Fund. The loan, which is one third of the grant, must be repaid after two years. The payable distribution item consists of receivables by rightsholders we represent. The other item mainly relates to amounts still to be received in respect of charges on costs.

**CASH AND CASH EQUIVALENTS (7)**

	2019	2018
Savings account/deposit	63,003	65,004
Current account	5,760	3,330
<b>BALANCE AS AT 31 DECEMBER</b>	<b>68,763</b>	<b>68,334</b>

In accordance with the approved policy, the cash and cash equivalents have been deposited with various banks.

**SOCIAL AND CULTURAL FUND (8)**

This item is based on decisions made by respective sections and concerns expenditure and/or reservations for projects of a social, cultural and/or educational nature. Additions will be based on joint financing of projects, the so-called peak spending. In addition, a pre-deduction of 3% is applied to the Dutch collection part for the performing artists. Finally, extra additions are also accounted for at producer level based on actual expenditure. Reservations are intended for social, cultural and/or educational projects whereby the section delegates are responsible for expenditure. In 2019, half of the undistributed funds of the performing artists for music year 2015 and the undistributed international funds for music year 2009 were also added.

	Performers	Producers	2019	2018
<b>Balance as at 1 January</b>	<b>4,652</b>	<b>-</b>	<b>4,652</b>	<b>4,006</b>
Additions for joint projects	297	297	594	382
Additions for financial year	808	125	933	1,045
Additions of undistributed fees	1,409	-	1,409	2,125
<b>ADDITIONS SUBTOTAL</b>	<b>2,514</b>	<b>422</b>	<b>2,936</b>	<b>3,552</b>
Expenditure on joint projects	(297)	(297)	(594)	(382)
Expenditure in financial year	(2,474)	(125)	(2,599)	(2,524)
<b>EXPENDITURE SUBTOTAL</b>	<b>(2,771)</b>	<b>(422)</b>	<b>(3,193)</b>	<b>(2,906)</b>
<b>BALANCE AS AT 31 DECEMBER</b>	<b>4,395</b>	<b>-</b>	<b>4,395</b>	<b>4,652</b>
Sena Performers Music Production Fund loans	187	-	187	179
<b>BALANCE AS AT 31 DECEMBER</b>	<b>4,582</b>	<b>-</b>	<b>4,582</b>	<b>4,831</b>

Specifications per year	Balance as at 1 January	Additions	Withdrawal	Balance as at 31 December
Up to 2010	2,457	-	-	2,457
2018	2,195	-	(2,195)	-
2019	-	1,509	(998)	511
2019 (addition for 2015 music year)	-	1,192	-	1,192
2019 (addition previous years international)	-	235	-	235
<b>TOTAL</b>	<b>4,652</b>	<b>2,936</b>	<b>(3,193)</b>	<b>4,395</b>

This item has a predominantly long-term nature since the balance up to and including 2010, i.e. €2.5 million, 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

	2019	2018
<b>Uses</b>		
Social and cultural projects	2,757	2,337
Sena Performers magazine	86	100
Grants by Sena Performers Music Production Fund <sup>1</sup>	305	418
<b>TOTAL USE</b>	<b>3,148</b>	<b>2,855</b>
	2019	2018
<b>Uses</b>		
Social and cultural projects	40	42
Sena Performers Music Production Fund	5	9
<b>TOTAL MANAGEMENT COSTS</b>	<b>45</b>	<b>51</b>
<b>TOTAL</b>	<b>3,193</b>	<b>2,906</b>

The management costs listed in the overview above only includes out-of-pocket costs. The Sena organization provides administrative and promotional support to the Social and Cultural Fund. The costs involved are part of the total operating expenses.

1: The total budget for the Sena Performers Music Production Fund in 2019 amounted to €409,000 (€300,000 allocated from the Social and Cultural Fund plus €109,000 in loan components received in return from recipients of allocations from the Sena Performer Music Production Fund. Of the available total amount, €362,000 was allocated to new applications in 2019 (2018; €385,000).

## CLAIM PROVISION (9)

Following the decision of the Performing Artists and Producers Sections of 17 March 2017, the claim provision item was created. This item can be used to pay out awarded claims relating to closed music years. In 2019, a total of €41,000 in old claims was paid out from this item.

	Performers	Producers	2019	2018
<b>Balance as at 1 January</b>	<b>45</b>	<b>47</b>	<b>92</b>	<b>94</b>
Additions	-	-	-	-
<b>ADDITIONS SUBTOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Payment	(27)	(14)	(41)	(2)
Release	-	-	-	-
<b>WITHDRAWALS SUBTOTAL</b>	<b>(27)</b>	<b>(14)</b>	<b>(41)</b>	<b>(2)</b>
<b>BALANCE AS AT 31 DECEMBER</b>	<b>18</b>	<b>33</b>	<b>51</b>	<b>92</b>
Specifications per year	Balance as at 1 January	Addition	Withdrawal	Balance as at 31 December
up to and including 2019	92	-	(41)	51
<b>TOTAL</b>	<b>92</b>	<b>-</b>	<b>(41)</b>	<b>51</b>

This item has a limitation period of three years. If a balance remains after three years, it will be used again for distribution and added to the liability regarding distribution.

### LIABILITY REGARDING DISTRIBUTION (10)

The liability regarding distribution is of a long-term but generally current nature. The moment this liability is distributed depends on the income from debtors and the progress made in distribution to the rightsholders. Distribution depends on the status of the distribution process (the moment of processing the rightsholders' claims and processing the playlists). The 'Not yet payable' item relates to the debtor position. With effect from 2015, Sena has applied differentiated withholding percentages: 12% on domestic licence fee income, 4% on income from the EU and EFTA countries, and 6% on income from other countries.

PAYABLE	Netherlands	International	Total 2019	Netherlands	International	Total 2018
<b>Balance as at 1 January</b>	<b>60,291</b>	<b>2,100</b>	<b>62,391</b>	<b>53,434</b>	<b>4,721</b>	<b>58,155</b>
<b>DISTRIBUTION</b>						
Gross distribution	(58,972)	(6,884)	(65,856)	(57,750)	(10,187)	(67,937)
Deduction of costs	7,022	304	7,326	7,079	419	7,498
<b>NET DISTRIBUTION</b>	<b>(51,950)</b>	<b>(6,580)</b>	<b>(58,530)</b>	<b>(50,671)</b>	<b>(9,768)</b>	<b>(60,439)</b>
<b>SOCIAL AND CULTURAL FUND</b>						
Gross deduction	(3,137)	(251)	(3,388)	(3,997)	(263)	(4,260)
Deduction of costs	376	13	389	573	11	584
<b>NET DEDUCTION</b>	<b>(2,761)</b>	<b>(238)</b>	<b>(2,999)</b>	<b>(3,424)</b>	<b>(252)</b>	<b>(3,676)</b>
<b>INVOICED LICENCE FEE INCOME</b>						
Invoiced licence fee income	64,455	7,683	72,138	62,356	7,311	69,667
Movement in receivables	(1,902)	94	(1,808)	212	517	729
<b>TOTAL RECEIVED LICENCE FEE INCOME</b>	<b>62,553</b>	<b>7,777</b>	<b>70,330</b>	<b>62,568</b>	<b>7,828</b>	<b>70,396</b>
Movement in receivable licence fee income	(1,686)	-	(1,686)	(1,179)	-	(1,179)
Movement in other receivables items	4	-	4	-	-	-
Movement in outstanding amounts	(1,262)	-	(1,262)	(294)	-	(294)
Operating expenses (net)	(7,440)	-	(7,440)	(7,047)	-	(7,047)
Deduction of withholding tax	-	(1)	(1)	-	-	-
International deduction of costs	-	(317)	(317)	-	(430)	(430)
Deduction of costs for claim provision	6	-	6	1	-	1
Withdrawal of claim provision	-	-	-	-	-	-
Addition for Performing Artists Fund	168	-	168	144	-	144
Addition of liability for various claims and titles	-	-	-	1	-	1
Settlement judgment 12 March 2019*	(637)	-	(637)	637	-	637
Currency revaluation	-	-	-	-	1	1
Movement in distribution of accounts payable	39	-	39	-	-	-
Reclassification unrealized licence fee income	1,687	-	1,687	6,121	-	6,121
<b>OTHER MOVEMENTS</b>	<b>(9,121)</b>	<b>(318)</b>	<b>(9,439)</b>	<b>(1,610)</b>	<b>(429)</b>	<b>(2,045)</b>
<b>BALANCE AS AT 31 DECEMBER</b>	<b>59,012</b>	<b>2,741</b>	<b>61,753</b>	<b>60,291</b>	<b>2,100</b>	<b>62,391</b>

\* for a more detailed explanation of the settlement judgment 12 March 2019 item, we refer you to the next page of the financial statements.

NOT YET PAYABLE	Netherlands	International	Total 2019	Netherlands	International	Total 2018
<b>Balance as at 1 January</b>	<b>1,088</b>	<b>98</b>	<b>1,186</b>	<b>6,237</b>	<b>615</b>	<b>6,852</b>
Movement in receivables	3,589	(94)	3,495	972	(517)	455
Reclassification unrealized licence fee income	1,687	-	1,687	6,121	-	6,121
<b>BALANCE AS AT 31 DECEMBER</b>	<b>2,990</b>	<b>4</b>	<b>2,994</b>	<b>1,088</b>	<b>98</b>	<b>1,186</b>

Compared to last year, there has been a reclassification of unrealized license fee income in respect of Commercial National Radio (VCR) and Dance. In total this item amounts to €7.8 million and is included in the overview above.

OUTSTANDING AMOUNTS	Netherlands	International	Total 2019	Netherlands	International	Total 2018
<b>Balance as at 1 January</b>	<b>1,476</b>	<b>-</b>	<b>1,476</b>	<b>1,182</b>	<b>-</b>	<b>1,182</b>
16% cost deduction on received Dutch licence fee income	11	-	11	22	-	22
12% cost deduction on received Dutch licence fee income	7,498	-	7,498	7,492	-	7,492
Operating expenses (net)	(7,440)	-	(7,440)	(7,047)	-	(7,047)
Claim provision**	463	-	463	(271)	-	(271)
Other movements	730	-	730	98	-	98
<b>BALANCE AS AT 31 DECEMBER</b>	<b>2,738</b>	<b>-</b>	<b>2,738</b>	<b>1,476</b>	<b>-</b>	<b>1,476</b>
<b>LIABILITY REGARDING DISTRIBUTION</b>	<b>64,740</b>	<b>2,745</b>	<b>67,485</b>	<b>62,855</b>	<b>2,198</b>	<b>65,053</b>

\*\* In 2019, the earlier distribution of €637,000 from 2017, resulting from a judgment given by the District Court of The Hague on 8 February 2017, has been reversed on the basis of the Court's judgment of 12 March 2019. In addition, a total of €174,000 was paid out to several rightsholders for old claims.

Distribution and payment of the fees took place based on the distribution regulations (see notes in the chapter 'About us'). As this relates to different years, two different deduction percentages have been used. The 'Netherlands' column also includes the addition (€168,000) and the distribution (€130,000) from the Fund for Performing Artists. As a result, the ongoing work balance for the Fund for Performing Artists at the end of 2019 is €11,000.

The other movements item concerns, among other things, the cost deductions from the accounts receivable movement (€478,000), the movement in the balance of double claims from closed years (€14,000) and the movement in the reserve for the Social and Cultural Fund (€233,000).

The intangible assets include an item for development costs of the Sena app.



## THE NETHERLANDS

The overview below reflects the payable component of the liabilities, divided by each music year. This breakdown of the distribution obligation is a requirement set by the Copyright and Neighbouring Rights Collective Management Organizations Control Board as well as being one of the criteria for the CMO Quality Mark.

	Age	Total music year
Double claims (closed music years) and licence fee income up to and including 2014	≥5 years	1,994
Double claims (closed music year) and licence fee income 2015	≤5 and ≥3 years	1,193
2016	≤5 and ≥3 years	9,261
2017	<3 years	10,483
2018	<3 years	12,378
2019	<1 year	23,703
<b>TOTAL NET DISTRIBUTABLE FEES</b>		<b>59,012</b>

Since 2009, the reservation period is three years after the end of a music year. In 2019, music year 2015 was closed. In accordance with a decision of the section delegates, the balance of the undistributed monies has been distributed as follows: the producer's share was distributed to the producers (€2.2 million gross) and the performer's share was distributed 50% to the performers (€1.4 million gross) and 50% added to the Social and Cultural Fund (€1.2 million after deduction of costs including VAT). The remaining balance up to and including 2015 shown above relates to double claims and invoiced (partially received) licence fee income for which no distribution has been able to take place. In the first quarter of 2020 we will process the last claims for music year 2016, after which we will close this music year. Up to and including December 2019, claims relating to music year 2016 could still be submitted.

Our mission states that we aim to distribute collected fees as quickly and as accurately as possible. Under the law, and in accordance with Section 2i(3) of the Copyright and Neighbouring Rights Supervision and Dispute Settlement Act, we must distribute fees within nine months after the end of the collection year, unless there are reasonable grounds to prevent this. We amply meet this requirement for most of our distribution activities given that we, as one of the few collective rights management organizations, distribute licence fees to rightsholders in the year of collection. Taking into account the distribution period of nine months after the collection year, the balance from 2018 to 30 September 2019 amounted to €12.5 million. The part that we are unable to distribute within the set period of time is due to the following objective reasons: delayed submission of playlists, played but not yet claimed repertoire, and rightsholders who have not yet registered. These rightsholders have the possibility to register and/ or claim repertoire within a period of three years after the end of the collection year. We make every effort to trace rightful claimants. We do this by internet searches, inquiries with rightsholders known to us, and suggestions via 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 rightsholders within a period of three years. At the end of this period, the fees will be declared as undistributed fees and submitted for a decision to the section delegates of the Producers section and the Performers section.

## INTERNATIONAL

Due in part to differences in the national distribution regulations, there is great divergence in the breakdown of the payments from international sister organizations, which inhibits the speed of processing distributions. Section 2k (5) of the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCB) stipulates that the collected fees 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 2019, the total amount still to be paid out in international collection is €2.7 million.

	Age	Collection year	Music year
2011	>5 years	-	35
2012	>5 years	-	8
2015	≤5 and ≥3 years	-	26
2016	≤5 and ≥3 years	-	54
2017	≤3 and ≥1 year	19	69
2018	≤3 and ≥1 year	146	57
2019	<1 year	2,304	23
<b>TOTAL PAYABLE</b>		<b>2,469</b>	<b>272</b>

The above figures show that not all licence fee income can be paid in full within six months of receipt. An important reason for this is that we do not always receive the necessary data about relatively old years correctly and/or completely. As a result, it may be that Sena no longer has the mandate for a rightsholder, or that parts of the amount received have remained unspecified. As soon as we are able to process the collected funds in our distribution system, the same reasons apply as when it is not possible to distribute payments as stated in relation to the Dutch collection. Examples of this are unknown rightsholders or repertoire that has not yet been claimed.

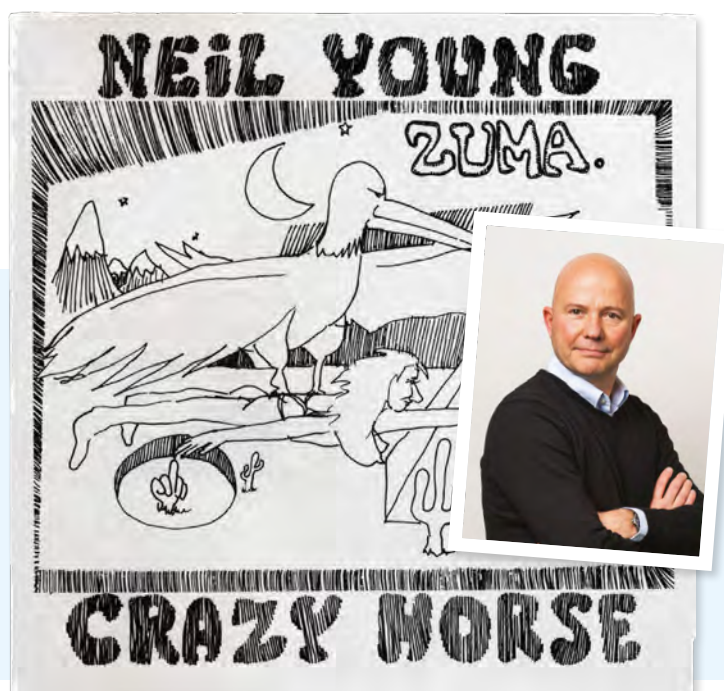
During 2019, the year 2009 was closed for international collections. In accordance with a decision taken, these funds of €161,000 gross have been added to the Social and Cultural Fund. In addition, in accordance with a decision taken in 2018, a further €90,000 gross relating to collection year <2009 will be added to the Social and Cultural Fund in 2019. The balance of €2.3 million presented for collection year 2019 mainly relates to the funds received in November and December 2019.

## THE FAVOURITE ALBUM OF... KEES VAN DER HOEVEN

### Zuma – Neil Young

10 November 1975 — Reprise Records

"I'm a fan of his songs anyway, but I think this album is a highlight in his career. The song 'Cortez the Killer' is legendary. "



**OTHER CURRENT LIABILITIES**

	2019	2018
Payables	617	646
Tax and social security contributions (11)	14	-
Accrued liabilities (12)	8,782	6,993
<b>BALANCE AS AT 31 DECEMBER</b>	<b>9,413</b>	<b>7,639</b>

The negative items consisting of receivables from rightsholders have been removed from the payables balance and are presented separately under the item 'Distribution payables' under other receivables. As a result of this movement in presentation, the comparative figures for 2018 have been increased by €513,000.

**Accrued liabilities**

The principal items included in accrued liabilities are reserves for holiday entitlements, holiday allowances, anniversary bonuses, external consultants and invoiced licence fees. At the end of 2019, an amount of licence income not yet realized was recognised on the balance sheet. The reason for creating this balance sheet item is due to uncertainties regarding the collection of these fees as a result of ongoing legal proceedings.

**COMMITMENTS AND RIGHTS NOT SHOWN IN THE BALANCE SHEET**

As at 31 December 2019, the following commitments not shown on the balance sheet have been undertaken:

	< 1 year	1-5 years	> 5 years
Rent (contract runs until April 2021)	236	79	-
Lease contracts for cars	58	88	-
Copiers (contract runs until January 2023)	5	10	-
Lessor's bank guarantee	-	25	-
Guarantee to Scan	-	1,000	-
<b>TOTAL 2019</b>	<b>299</b>	<b>1,202</b>	<b>-</b>

**EVENTS AFTER THE BALANCE SHEET DATE**

On 13 March 2020, after the balance sheet date, the representatives from the Producers and Performers section came to a decision regarding the undistributed fees from 2016. The Producers section decided to add the undistributed income from music year 2016 to the fees designated for distribution to rightsholders in full. The Performers section decided that 50% of their share of the fees will be added to the fees designated for distribution to rightsholders and the other 50% will be added to the Social and Cultural Fund.

On the day before this annual report was published, the government announced drastic measures to combat the spread of the coronavirus COVID-19. This has an impact on the economy. Based on the circumstances on 16 March 2020, there is no reason to doubt the positive assumption of continuation. We therefore believe that the accounting principles used in the financial statements should be based on the assumption of continuity of Sena.

# NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

## MISCELLANEOUS INCOME (13)

In the statement of income and expenditure, the miscellaneous income includes fees for our services to NVPI, Stichting NORMA and the fees received from media stations for the use of fingerprinting.

## SALARIES (14)

	2019	2018
Wages and salaries	2,535	2,345
Social security contributions	484	473
Pension costs	237	221
<b>TOTAL</b>	<b>3,256</b>	<b>3,039</b>

Sena employed an average of 46.8 people in 2019 (2018: 45.7). The average number of FTEs in 2019 was 42.0 (2018: 41.7). The number of FTEs in 2019 can be broken down as follows: 5.1 FTEs for the Executive Board and office management; 6.6 FTEs for commerce, 11.3 FTEs for distribution, 2.0 FTEs for legal affairs, and 17 FTEs for IT, data analysis, communication and finance. Sena has a stable workforce with relatively low turnover. Any vacancies are quickly filled. There is, however, a long-term vacancy for IT that has not yet been filled due to market conditions. The sickness-related absence rate fell by 1% in 2019 to 3.69%. 2.2% of this relates to long-term absences. The sickness reporting frequency also decreased in 2019, from an average of 1.49 to 1.04 per year.

In 2019, the salaries item was €217,000 higher than in 2018. As mentioned above, the number of FTEs increased by 0.3 FTEs in 2019 compared to 2018. Total salary costs increased by 2.8%. Additional costs were incurred in connection with distributed transition fees. The increase of 2.8% also takes account of adjustments to the salary of the Executive Board in accordance with the legislation on standards for top salaries (WNT).

In 2019, there were fewer long-term sick people, as a result of which the fees received from the sickness absence insurance was €29,000 lower than in 2018. In addition, there has been a drop in the reserves for anniversaries and holidays allocation. Social security contributions and pension costs were higher due to the larger number of FTEs and premium increases.

## EXECUTIVE BOARD REMUNERATION

(amounts in euros)	2019	2019	2018	2018
Name	M.J. Bos	J.A. Moolhuijsen	M.J. Bos	J.A. Moolhuijsen
Position	CEO	CFO	CEO	CFO
Length 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 reimbursement of expenses	232,925	175,789	245,042	173,640
Remuneration payable in the future	18,724	15,723	18,309	13,861
<b>TOTAL</b>	<b>251,649</b>	<b>191,512</b>	<b>263,351</b>	<b>187,501</b>
Individually applicable remuneration cap	194,000	194,000	189,000	189,000
Reason for possible exceeding of this cap	Transitional scheme under Executives' Pay (Standards) Act I		Transitional scheme under Executives' Pay (Standards) Act I	Transitional scheme under Executives' Pay (Standards) Act II

Based on the Supervision and Dispute Settlement Act for CMOs for Copyright and Neighbouring Rights which came into force on 1 July 2013, a number of paragraphs from the WNT apply to Sena. The remuneration cap applicable to Sena in 2019 is €194,000 (the general remuneration cap).

In the years 2017, 2018 and 2019, the maximum remuneration was calculated by means of the transitional reduction in entitlements, with a six-month postponement because Sena only became subject to the WNT on 1 July 2013.

## SUPERVISORY BOARD REMUNERATION

<i>(amounts in euros)</i>	2019	2019	2018	2018
Position	Chair	Member	Chair	Member
<b>REMUNERATION</b>	<b>20,000</b>	<b>15,000</b>	<b>20,000</b>	<b>15,000</b>
General applicable remuneration cap	29,100	19,400	28,350	18,900
Position	Financial expert member		Financial expert member	
<b>REMUNERATION</b>		<b>17,500</b>		<b>17,500</b>
General applicable remuneration cap		19,400		18,900

For the sake of transparency, the remuneration paid from neighbouring rights paid to the members of the Supervisory Board should be made public. More specifically, this concerns the payment received from neighbouring rights by a member of the Supervisory Board in person or by legal entities in which the member holds a majority interest. For privacy reasons, we have used the following scale.

## LEVEL OF BENEFIT 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 BENEFITS RECEIVED BY MEMBERS OF THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

Mr A. Wolfsen MPA	Independent Chair of the Supervisory Board	A
Ms P.K. van Olphen RA	Independent financial expert member of the Supervisory Board	A
Mr R.A. Gruschke	Member of the Supervisory Board	B
Mr C. van der Hoeven	Member of the Supervisory Board	A
Mr K.P. Ligtermoet	Member of the Supervisory Board	B
Mr W.A.Q. Wanrooij	Member of the Supervisory Board	A
Mr M.J. Bos	CEO	A
Mr J.A. Moolhuijsen	CFO	A

## BOARD OF AFFILIATES REMUNERATION

<i>(amounts in euros)</i>	2019	2019	2018	2018
Position	(Vice) Chair	Member	(Vice) Chair	Member
<b>REMUNERATION</b>	<b>6,000</b>	<b>4,000</b>	<b>6,000</b>	<b>4,000</b>
General applicable remuneration cap	19,400	19,400	18,900	18,900

All positions within the Supervisory Board and the Board of Affiliates were fully occupied throughout 2019 and were filled throughout the year by the above members. Please refer to the 'Personal details and relevant activities' chapter for the staffing of the positions.

The salary details of the Executive Board and the supervisory bodies are disclosed in line with the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCB) and the CMO Quality Mark.

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

### MAILING AND COLLECTION COSTS (15)

We have outsourced the invoicing and collection processes for general licences to the Copyright and Neighbouring Rights Service Centre (Scan). The corresponding costs, which were €105,000 higher in 2019 due to the implementation of a new ERP system, are included in this item. We also include the costs we incurred for the collection of media files from collection agencies in this item.

### OTHER OPERATING EXPENSES (16)

	2019	2018
Other staff costs	492	524
Accommodation costs	263	261
IT costs	236	207
Office costs	60	71
Publicity costs	123	249
Advice and services from third parties	429	601
Overheads	804	534
<b>TOTAL</b>	<b>2,407</b>	<b>2,447</b>

In 2019, other staff costs decreased by €32,000 compared to 2018. Fewer costs were incurred in 2019 for recruiting new staff, and the costs of hiring OnMusic in 2018 were still included in this item. This was done in 2019 using advice and services from third parties. Conversely, the costs for courses and training were higher.

Accommodation costs in 2019 are broadly in line with 2018.

The IT costs item was €29,000 higher in 2019 than in 2018. The main reasons for this increase are the costs of our innovation projects such as machine learning and blockchain.

Office costs fell by €11,000 to €60,000 in 2019. We spent less on printing.

Publicity costs were €126,000 lower in 2019. A number of celebrations were organised for stakeholders in 2018 to mark Sena's 25th anniversary and the Neighbouring Rights Act. These costs were not incurred in 2019.

Third party advice and services decreased by €172,000 compared to 2018. This is mainly due to a decrease in the costs incurred for legal advice (- €206,000). The shift of the fingerprinting cost from this item to the overheads item also contributed to the decrease. The costs incurred in 2019 for hiring an external IT company (€86,000) have been included in the advice and services from third parties item this reporting year (2018: other staff costs item).

In 2019, overheads showed an increase of €270,000 compared to 2018. This gives a partially distorted picture because in 2018 a €120,000 reservation was released to the US tax authorities (IRS) in connection with the settlement of the *Qualified Intermediary* status. Furthermore, in 2019 additional costs have been included for the contribution to VOI@E and extra work by SoundAware (such as for solving old claims and the listening box pilot).

### OTHER OPERATING EXPENSES (17)

Other operating expenses include depreciation in tangible/intangible fixed assets, supervisors' costs and the financial result. In 2019, depreciation of tangible and intangible fixed assets was lower than in 2018, mainly due to the fact that the old server and desktops were fully depreciated at the beginning of 2019 and were only replaced at the end of 2019. The supervisors' costs in 2019 were €5,000 higher than in 2018. This is primarily due to the fact that there was not full occupancy in 2018. The financial result, which consists almost entirely of interest income (and costs) from savings accounts and deposits, was slightly lower in 2019 than in 2018. With the exception of a few minor decreases, interest rates remained virtually unchanged throughout 2019.



**BUDGETED OPERATING EXPENSES (18)**

	2019	Budget
	€	€
<b>Operating expenses (gross)</b>		
Salaries	3,256	3,298
Mailing and collection costs	2,085	2,098
Other operating costs	2,407	2,867
Depreciation of tangible/ intangible fixed assets	181	300
Supervisors' costs	163	164
<b>TOTAL OPERATING EXPENSES</b>	<b>8,092</b>	<b>8,727</b>

In 2019, gross operating expenses were €635,000 lower than budgeted. The salary costs came in slightly below budget, partly because there were on average 2.4 FTEs less than expected (2019: 42 FTEs, budget 44.4 FTEs). In addition, there were more long-term sick absences than expected and therefore a higher amount was paid out from the sickness absence insurance than was included in the budget. There has also been a release of reserves for holidays and anniversary payments. Conversely, transition allowance costs were also incurred, which had not been budgeted for.

The mailing and collection costs were lower in 2019 than budgeted, because the costs for the transition to the new ERP system at Scan were lower than budgeted.

Other operating cost were €460,000 below budget in 2019. The largest cost decreases were in other staff costs, IT costs, publicity costs and third-party advice and services.

Actual depreciation was €119,000 lower than expected because a large part of the investments was postponed to later in the year. As a result, we wrote them off over a shorter period of time. The costs for supervisors were more or less in line with the budget.

**AFFILIATED PARTIES**

We have entered into a partnership with Buma under the name Copyright and Neighbouring Rights Service Centre (Scan). Scan carries out the invoicing and collection of licence fees from general licences on Sena's behalf and distributes the fees received as quickly as possible Scan invoices its operating result to both parties each month. Both Buma and Sena sit on the Scan board. Both have issued a guarantee of up to €1 million for the fulfilment of Scan's obligations (see 'Commitments not shown on balance sheet').

Hilversum, 16 March 2020

**Executive Board**

M.J. Bos

J.A. Moolhuijsen

**Supervisory Board**

A. Wolfsen

P.K. van Olphen

R.A. Gruschke

C. van der Hoeven

K.P. Ligtermoet

W.A.Q. Wanrooij



## THE FAVOURITE ALBUM OF... KOERT LIGTERMOET

### **The Flock – The Flock**

1969 — Columbia Records

“A stunning album for its time, which mixed many styles for the first time and took it to a new dimension and was the beginning of progressive rock. I played it incessantly throughout the 60s and 70s. For me it represented everything I knew and appreciated about music styles up to that point. Rock, folk, jazz, classic, big band ... Not very successful commercially, but so what. Recently I bought a cool vinyl copy second-hand because the old one had worn out...”

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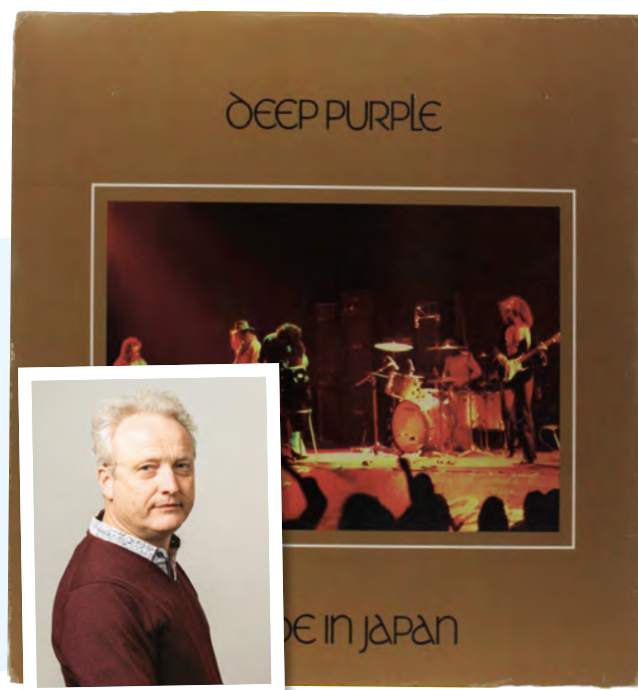
## THE FAVOURITE ALBUM OF... MARIUS BEETS

### **Made In Japan – Deep Purple**

December 1972 — Warner Bros. Records Inc.

"A live album where they really play. Rock mixed with blues and classic. Full of improvisation and very dynamic. Ranges from very quiet to high-energy. This is the album that made me a musician."

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## PERSONAL DETAILS AND RELEVANT ACTIVITIES

The day-to-day management of Sena is conducted by the Executive Board (Management Board). The Executive Board is monitored by the Supervisory Board. All important decisions must be adopted by the Board of Affiliates after having been approved by the Supervisory Board. This model meets all the requirements laid down in the Good Governance and Integrity Guidelines and the CMO Quality Mark awarded by VOI©E.



## BOARD OF AFFILIATES

Unless stated otherwise, all the members of the Board of Affiliates were in the post throughout 2019. As from 31 December 2019, the Board of Affiliates comprised of the following members:

### Mr E.R. Angad-Gaur

Chair of the Board of Affiliates until 27 September 2019 /  
Vice chair of the Board of Affiliates from 27 September 2019 /  
Chair of the Performers Section (paid)

Additional positions:

- > Musician / composer / lyricist / publicist (paid)
- > CEO of VCTN (paid)
- > Chair of Platform Makers (paid)
- > Senior advisor Kunstenbond/Ntb (paid)
- > Secretary of Scobema (paid)
- > Board Member of Stichting Leenrecht (paid)
- > Board Member (secretary) of Stichting de ThuisKopie (paid)
- > Board Member of SONT (paid)
- > Editor of Sena Performers Magazine (paid)
- > Board Member of Federatie Auteursrechtbelangen (paid)
- > Member of the Commission of interested parties CMO Quality Mark (paid)
- > Member of the Advisory Board of the National Theme Department D66 Culture & Media

### Mr M. Beets

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

Additional positions:

- > Bass player (paid)
- > Double bass teacher at Codarts Rotterdam (paid)
- > Joint owner of Maxanter Records VOF (paid)
- > Owner of Studio de Smederij, Zeist (paid)
- > Composer, arranger, producer (paid)
- > Joint owner of a music store in Zeist, The Netherlands (paid)

### Mr G. Bleijerveld LLM

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

Additional positions:

- > Musician (paid)
- > Lecturer at Inholland in Media Entertainment Management/ International Music Management (paid)
- > Member of the examination committee Creative Business School (paid)
- > External member of the examination committee Haarlem Conservatory (paid)
- > Independent legal consultant (paid)
- > Board Member (secretary) Buma Social Fund (paid)
- > Board Member Stichting de ThuisKopie (paid)
- > Board Member (treasurer) Stichting Leenrecht (paid)
- > Board Member Stichting Leenrecht Kunstfonds (fund is currently inactive) (paid)
- > Vice-Chair of the Visual Works section at Stichting Leenrecht (paid)
- > Board Member (secretary) Popauteurs.nl (paid)
- > Popauteurs consultant (paid)
- > Board Member Platform Makers (paid)
- > Board Member (treasurer) Kunstenbond (paid)
- > Board Member music committee/Ntb Kunstenbond

### Mr P. Boertje

Vice-Chair of the Board of Affiliates to 27 September 2019 /  
Chair of the Board of Affiliates from 27 September 2019 /  
Chair of the Producers Section (paid)

Additional positions:

- > Joint owner of Casual Solution BV (paid)
- > Lobbyist for Dierenbescherming South-West region (paid)
- > Chair of STAP (paid)
- > Board Member of STOMP
- > Member of Federatieraad

### Mr R.P. Delfos

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

Additional positions:

- > Saxophone teacher of technique and improvisation at the Royal Conservatoire (paid)
- > Saxophone teacher for light music at ArtEZ Zwolle (paid)
- > Performer in various bands (Artvark, Houdini's, Jazzinvaders, Licksandbrains) (paid)
- > Freelance arranger and composer (paid)
- > Radio programme host Dutch Jazz at Sublime FM (paid)

**Mr M.J.T. van Duijvenbode**

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

Additional positions:

- > Paloma Music - owner (paid)
- > Songwriter (paid)
- > Freelance artist manager (paid)
- > Freelance session musician (paid)
- > Freelance producer (paid)

**Mr J.N. Favié CFM EMFC RC**

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

Additional positions:

- > Managing Director of Promogroup BV (paid)
- > Managing Director of Pragmeflex Holding BV (paid)
- > Interim Director U2 Limited (paid)

**Mr E.J. Loon RA**

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

Additional positions:

- > Financial controller Universal Music (paid)
- > Board Member of Stichting Pensioenfonds voor de Media PNO (paid)
- > Board Member of Werkgeversvereniging voor de Media
- > Board Member of Stichting Federatie Muziek Auteurs en Uitgevers

**Mr F. Merkies**

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

Additional positions:

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

**Mr O. de Neve MSc**

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

Additional positions:

- > OA Music - owner (paid)
- > OA Music:
  - Manager, songwriter, singer, keyboard player for Oliver Alexander (paid)
  - Music producer (paid)
  - Voice-over, freelance (paid)
  - Business and music advisor, freelance (paid)
  - DJ KX Radio

**Mr B. van Sandwijk**

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

Additional positions:

- > Finance Director Sony Music Entertainment Benelux (paid)
- > Treasurer of STAP
- > Board Member of NVPI Audio

**Mr M.C.J. ten Veen LLB**

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

Additional positions:

- > Director of Business and Legal Affairs Warner Music Benelux (paid)
- > Member of the Legal Committee of NVPI
- > Board Member of STAP

**Ms A. Verheggen**

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

Additional positions:

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

**Mr E. Winkelmann**

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

Additional positions:

- > Bass player with the Metropole Orchestra (paid)
- > Ensemble member of SoWhat (paid)
- > Feldenkrais teacher (paid)



## **SUPERVISORY BOARD**

All members of the Supervisory Board were members throughout 2019, unless indicated otherwise. As at 31 December 2019, the Supervisory Board consisted of the following members:

### **Mr A. Wolfsen MPA**

Independent Chair of the Supervisory Board (paid)

Additional positions:

- > Chair of the Supervisory Board of Stichting de Basis (paid)
- > Chair of the Supervisory Board of Oasen N.V. (paid)
- > Chair of the Autoriteit Persoonsgegevens (paid)
- > Member of the Supervisory Board of Bartholomeus Gasthuis (paid)
- > Member of the Arbitration Board for the building industry (paid)
- > Chair of the Employment and Remuneration Committee NVTZ (paid)
- > Chair of Stichting Vrienden van de oude hortus Utrecht
- > Board Member of stichting Move Utrecht
- > Chair of the Supervisory and Advisory Board of the Asbestslachtoffers Institute (paid)

### **Ms P.K. van Olphen RA**

Independent financial expert member of the Supervisory Board (paid)

Additional positions:

- > CFO of SLTN Inter Access (paid)
- > Member of the Supervisory Board foundation Achmea Rechtsbijstand (paid)

### **Mr R.A. Gruschke**

Member of the Supervisory Board, Producers Section (paid)

Additional positions:

- > Vice President Global Collective Rights Beggars Group (paid)
- > Member of the Financial Committee of PPL
- > Member of the Distribution Committee of PPL
- > Board Member PPL
- > Member of the Executive Board of SIMIM
- > Member of WIN/Impala Collecting Rights Committee
- > Board Member of GVL (paid)
- > Advisor tender IFPI/WIN portal

### **Mr C. van der Hoeven**

Member of the Supervisory Board, Producers Section (paid)

Additional positions:

- > CEO / President Universal Music Benelux (paid)
- > Chair NVPI Audio
- > Board Member of NVPI Federatie
- > Member of the Advisory Board of FC Klap

### **Mr K.P. Ligtermoet**

Member of the Supervisory Board, Performers Section (paid)

Additional positions:

- > PINT Performers Interests Consultancy (paid)
- > Treasurer of Stichting BREIN (paid)
- > Secretary of EEGA (bezoldigd)
- > Member of the Disputes Committee Auteurscontractenrecht (paid)
- > Member of the Member Council Kunstenbond (paid)

### **Mr W.A.Q. Wanrooij LLM**

Member of the Supervisory Board, Performers Section (paid)

Additional positions:

- > Executive Secretary of Stichting Federatie Auteursrechtbelangen (paid)
- > Member of Koning Willem III Kring

Four members of the Supervisory Board have been appointed by the section delegates to the Supervisory Board. The independent chairman and the independent financial expert member are appointed by the four members of the Supervisory Board as appointed by the section delegates.

## **EXECUTIVE BOARD**

### **Mr M.J. Bos**

CEO (paid)

Additional positions:

- > Chair of the Board of the Service Centre Copyright and Neighbouring Rights
- > Treasurer of the Executive Board of VOI©E
- > Board member / Treasurer SCAPR
- > Chair of the Board foundation Podium de Vorstin
- > Board Member of Federatie Auteursrechtbelangen

### **Mr J.A. Moolhuijsen**

CFO (paid)

Additional position:

- > Board Member of the Board of the Service Centre Copyright and Neighbouring Rights

**COPYRIGHT AND NEIGHBOURING RIGHTS  
COLLECTIVE MANAGEMENT ORGANIZATIONS  
CONTROL BOARD**

**Chair**

Mr A. Koppejan

**Members**

Ms N. Loonen-van Es RA

Mr M.R. de Zwaan

**Director and Secretary**

Dr V.L. Eiff

**DISTRIBUTION DISPUTES COMMITTEE**

**Chair**

Prof. F.W. Grosheide

**Members**

Mr B.J. Lenselink

Mr R. Dijkstra

**Secretary**

Mr H.W. Roerdink

## THE FAVOURITE ALBUM OF... MATTHIJS VAN DUIJVENBODE

**Sticky Fingers – The Rolling Stones**

23 April 1971 — Atlantic Records

"It's difficult to choose just one album, because I have a lot of music that is very special to me. As far as I'm concerned, *Sticky Fingers* is the best Stones album and The Stones are still my favourite band. So I chose this one. If they had just put 'Brown Sugar' on it ten times, it would still have been my favourite album. But then you get 'Can't You Hear Me Knocking', 'Wild Horses', 'Bitch', 'Sway', 'Moonlight Mile' - well, I can list them all. And it still sounds fresh. Attitude, provocative, cocksure, but also introspective. A fantastic record."



**REMUNERATION BOARD OF AFFILIATES**

MEMBER	POSITION	LENGTH OF SERVICE	2019	LENGTH OF SERVICE	2018
<i>(amount in euros)</i>					
Mr E.R. Angad-Gaur	Chair	01/01 – 31/12	6.000	01/01 – 31/12	6.000
Mr M. Beets	Member	01/01 – 31/12	4.000	01/01 – 31/12	4.000
Mr G. Bleijerveld LLM	Member	01/01 – 31/12	4.000	01/01 – 31/12	4.000
Mr P. Boertje	Chair	01/01 – 31/12	6.000	01/01 – 31/12	6.000
Mr R.P. Delfos	Member	01/01 – 31/12	4.000	01/01 – 31/12	4.000
Mr M.J.T. van Duijvenbode	Member	01/01 – 31/12	4.000	01/01 – 31/12	4.000
Mr J.N. Favié CFM EMFC RC	Member	01/01 – 31/12	4.000	01/01 – 31/12	4.000
Mr E.J. Loon RA	Member	01/01 – 31/12	4.000	01/01 – 31/12	4.000
Mr F. Merkies	Member	01/01 – 31/12	4.000	01/07 – 31/12	2.000
Mr O. de Neve MSc	Member	01/01 – 31/12	4.000	28/05 – 31/12	2.500
Mr B. van Sandwijk	Member	01/01 – 31/12	-	01/01 – 31/12	-
Mr M.C.J. ten Veen LLB	Member	01/01 – 31/12	4.000	01/01 – 31/12	4.000
Ms A. Verheggen	Member	01/01 – 31/12	4.000	01/01 – 31/12	4.000
Mr E. Winkelmann	Member	01/01 – 31/12	4.000	01/01 – 31/12	4.000

With regard to remuneration, there are no undue payments. The individual remuneration cap for the position of chair and member is €19,400 for 2019 and €18,900 for 2018. Mr Van Sandwijk does not claim his compensation.

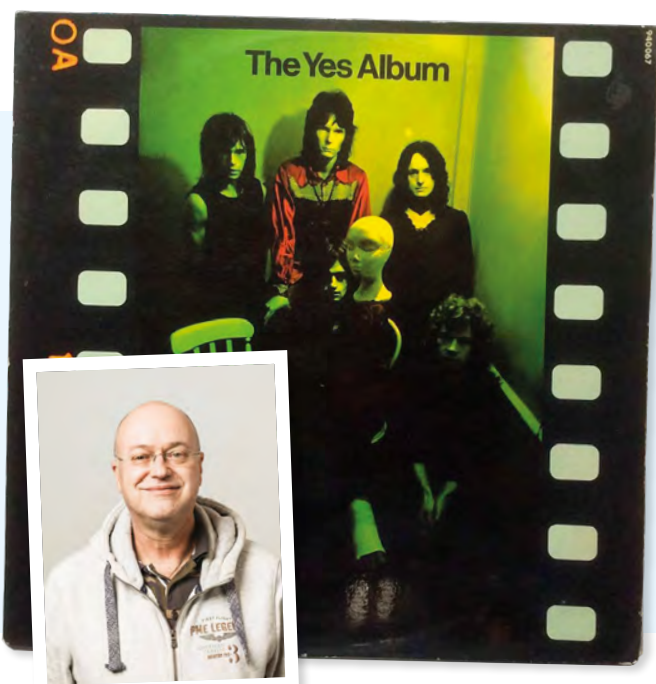
**REMUNERATION SUPERVISORY BOARD**

MEMBER	POSITION	LENGTH OF SERVICE	2019	LENGTH OF SERVICE	2018
<i>(amount in euros)</i>					
Mr A. Wolfsen MPA	Independent Chair	01/01 – 31/12	20.000	01/01 – 31/12	20.000
Ms P.K. van Olphen RA	Independent financial expert member	01/01 – 31/12	17.500	01/01 – 31/12	17.500
Mr R.A. Gruschke	Member	01/01 – 31/12	15.000	01/07 – 31/12	7.500
Mr C. van der Hoeven	Member	01/01 – 31/12	15.000	01/01 – 31/12	15.000
Mr K.P. Ligtermoet	Member	01/01 – 31/12	15.000	01/01 – 31/12	15.000
Mr W.A.Q. Wanrooij LLM	Member	01/01 – 31/12	15.000	01/01 – 31/12	15.000

With regard to remuneration, there are no undue payments. The individual remuneration cap for the position of chair is €29,100 for 2019 and €19,400 for 2018. The individual remuneration cap for the positions of financial expert member and member is €19,400 for 2019 and €18,900 for 2018.

## RESIGNATION ROTA FOR SUPERVISORY BOARD AND BOARD OF AFFILIATES AS FROM 1 JULY 2019

Name	Body	End of current term
Mr E.R. Angad-Gaur	Board of Affiliates, Performers Section	30 June 2021
Mr M. Beets	Board of Affiliates, Performers Section	30 June 2022
Mr G. Bleijerveld LLM	Board of Affiliates, Performers Section	30 June 2021
Mr P. Boertje	Board of Affiliates, Producers Section	30 June 2022
Mr R.P. Delfos	Board of Affiliates, Performers Section	30 June 2022
Mr M.J.T. van Duijvenbode	Board of Affiliates, Performers Section	30 June 2021
Mr J.N. Favié CFM EMFC RC	Board of Affiliates, Producers Section	30 June 2020
Mr E.J. Loon RA	Board of Affiliates, Producers Section	30 June 2022
Mr F. Merkies	Board of Affiliates, Producers Section	30 June 2022
Mr O.A. de Neve MSc	Board of Affiliates, Producers Section	30 June 2020
Mr B. van Sandwijk	Board of Affiliates, Producers Section	30 June 2022
Mr M.C.J. ten Veen LLB	Board of Affiliates, Producers Section	30 June 2022
Ms A. Verheggen	Board of Affiliates, Performers Section	30 June 2020
Mr E. Winkelmann	Board of Affiliates, Performers Section	30 June 2020
Mr A. Wolfsen MPA	Supervisory Board, Independent Chair	31 December 2021
Ms P.K. van Olphen RA	Supervisory Board, Independent financial expert member	19 November 2021
Mr C. van der Hoeven	Supervisory Board, Producers Section	30 June 2020
Mr R.A. Gruschke	Supervisory Board, Producers Section	30 June 2022
Mr K.P. Ligtermoet	Board of Affiliates, Performers Section	30 June 2020
Mr W.A.Q. Wanrooij LLM	Board of Affiliates, Performers Section	12 September 2021



## THE FAVOURITE ALBUM OF... MICHEL TEN VEEN

### The Yes Album – Yes

19 March 1971 — Atlantic Records

“I was into music from a very young age but when I was at a friend’s house I heard this album coming out of his older brothers room - I was still in primary school at the time - and I discovered that there was much music than what was in the top 40 and on the radio. That was the moment I decided I wanted to work in music.”

## APPENDICES

### 1. PROFILE OF THE SUPERVISORY BOARD

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

#### Size and composition of the Supervisory Board

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

#### Fields of activity of the Supervisory Board

- Supervising the (execution of the) Executive Board's day-to-day management as well as the foundation's general state of affairs, taking into account the foundation's results, performance and risks.
- Advising the Executive Board, both on request and on its own initiative, and acting as a sounding board.
- Reviewing the key strategic, organizational, financial, personnel and performance decisions.
- Supervising compliance with relevant legislation and regulations.
- Supervising compliance with Guidelines for Good Governance and integrity for collective management organizations.
- Ensuring all requirements of financial reporting, internal control and risk management are met.
- Appointing the independent chairman and the independent financial expert member of the Supervisory Board.
- Appointing, suspending and dismissing the Executive Board, as well as acting as an authorised employer of the Executive Board.

#### Job requirements for members of the Supervisory Board

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

## 2. PROFILE OF THE BOARD OF AFFILIATES

### Size and composition of the Board of Affiliates

The Board of Affiliates consists of representatives of the Performers Section and representatives of the Producers Section. Each section has at least five and at the most seven section representatives; the number of representatives of both sections should be equal at all times. In its current state, the Board of Affiliates consists of 14 section representatives.

The members of the Board of Affiliates are appointed by the Meeting of Affiliates of the respective Section for a term of four years and can be reappointed twice for a same term. Nomination of candidates can take place on the recommendation of the founding organizations. Affiliates are also entitled to nominate candidates for free seats and/or to nominate opposing candidates. In order to enable candidates and opposing candidates to get a picture of the Board of Affiliates' most important fields of activity, the following profile has been prepared, including the most desirable competencies and experience. The members of the Board of Affiliates cannot be part of the Executive Board or the Supervisory Board. The Board of Affiliates meets at least four times a year.

### Fields of activity of the Board of Affiliates

- Overseeing the overall policy on matters of specific importance to the sections.
- Amending and approving the Distribution Regulations.
- Approving the annual financial statements, the annual plan and the budget.
- Advising the Executive Board, both on request and on its own initiative.
- Appointing, suspending and dismissing four members of the Supervisory Board (two by the section representatives of the Performers Section and two by the section representatives of the Producers Section).

### Desired competencies of the members of the Board of Affiliates

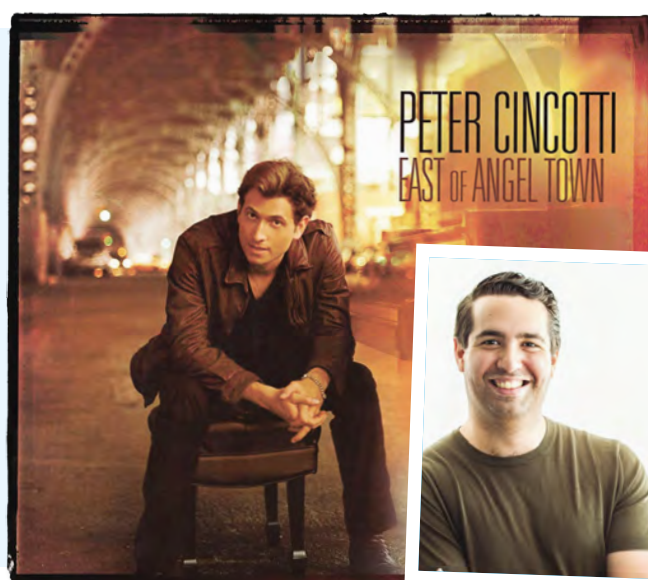
- Knowledge of and experience in administrative decision-making processes.
- Capacity to independently assess the foundation's results.
- Insight into strategic decision-making processes.
- Being able to work in a team.
- Qualities such as discussion, consultation, decision-making and communication skills.

## THE FAVOURITE ALBUM OF... OLIVIER DE NEVE

### East Of Angel Town – Peter Cincotti

4 September 2007 — Warner Bros. Records

"Of course, I could have chosen an album from my idol Billy Joel... but I wanted to choose an underrated artist who wouldn't have sounded like that without Billy Joel. Peter Cincotti's *East Of Angel Town* bursts at the seams with good songs, from the bombastic 'Witch's Brew' to the little 'Another Falling Star'. And it was also produced by the legendary David Foster: a real musical treat!"





### 3. AGREEMENTS WITH INTERNATIONAL ORGANIZATIONS AS AT DECEMBER 2019

For the benefit of **performers**, we have made agreements with the following international organizations:

Country	Organization
Argentina	AADI
Austria	LSG
Belgium	Playright
Brazil	Abramus
Bulgaria	Prophon
Canada	Actra PRS
Croatia	Huzip
Czech Republic	Intergram
Denmark	GRAMEX
Estonia	EEL
Finland	GRAMEX
France	ADAMI
France	Spedidam
Germany	GVL
Greece	Apollon
Greece	ERATO
Hungary	EJI
Iceland	SFH
Indonesia	SELMi
Ireland	RAAP
Italy	NUOVO IMAIE
Japan	Geidankyo
Latvia	Laipa
Lithuania	Agata
Norway	Gramo
Norway	Norwaco (Private Copy)
Poland	STOART/SAWP
Portugal	GDA
Romania	Credidam
Russia	VOIS
Russia	RUR (Private Copy)
Serbia	PI
Slovakia	SLOVGRAM
South Africa	Sampra
South Korea	FKMP
Spain	AIE
Sweden	SAMI
Switzerland	SWISSPERFORM
Ukraine	UMA/UMRL
United Kingdom	PPL
United States	AARC
United States	AFM/AFTRA
United States	Sound Exchange
Uruguay	Sudei

Country	Organization	Received licence fee income international	Gross distribution licence fee income international	Cost percentage withheld	Gross distribution licence fee income the Netherlands	Cost percentage withheld
Austria	LSG	82	-	4%	32	12%
Belgium	Playright	845	-	4%	166	12%
Brazil	Abramus	67	-	6%	14	12%
Brazil	SBACEM	-	-	6%	3	12%
Canada	Actra PRS	99	-	6%	131	12%
Canada	ARTISTI	-	-	6%	4	12%
Canada	MROC	-	-	6%	30	12%
Croatia	Huzip	29	-	4%	1	12%
Czech Republic	Intergram	-	-	4%	5	12%
Denmark	GRAMEX DK	83	-	4%	105	12%
Estonia	EEL	5	-	4%	2	12%
Finland	GRAMEX FI	71	-	4%	48	12%
France	ADAMI	328	-	4%	190	12%
France	Spedidam	915	-	4%	63	12%
Germany	GVL	829	7	4%	577	12%
Greece	Erato	-	-	4%	1	12%
Hungary	EJI	-	-	4%	3	12%
Ireland	RAAP	18	-	4%	235	12%
Iceland	SFH	-	-	4%	1	12%
Italy	ITSRIGHT	-	1	4%	32	12%
Italy	IMAIE	-	-	4%	(1)	12%
Italy	NUOVO IMAIE	90	1	4%	72	12%
Japan	Geidankyo	177	-	6%	14	12%
Korea	FKMP	2	-	6%	-	12%
Lithuania	Agata	60	-	4%	-	12%
Norway	Gramo (Private Copy)	46	1	4%	92	12%
Norway	Norwaco	1	-	4%	-	12%
Poland	STOART/SAWP	117	-	4%	2	12%
Portugal	GDA	4	-	4%	3	12%
Russia	Credidam	32	-	4%	3	12%
Russia	RUR (Private Copy)	101	-	6%	-	12%
Russia	VOIS	43	-	6%	1	12%
Slovakia	SLOVGRAM	1	-	4%	-	12%
Spain	AIE	163	6	4%	157	12%
South Africa	POSA	10	-	6%	-	12%
Sweden	SAMI	58	1	4%	541	12%
Switzerland	SWISSPERFORM	48	-	4%	6	12%
United Kingdom	PPL	554	40	4%	6,316	12%
United States	AARC	-	-	6%	98	12%
United States	AFM/AFTRA	72	-	6%	443	12%
United States	Sound Exchange	1,311	(8)	6%	470	12%
<b>TOTAL PERFORMERS</b>		<b>6,261</b>	<b>49</b>		<b>9,860</b>	

From music year 2015 onwards, we will apply a withholding percentage of 12%. If a reimbursement is continued over older years, we will apply a withholding percentage of 16%. This situation can occur, for example, in the event of a double claim being resolved or an after-claim being honoured.

For the benefit of **producers**, we have made agreements with the following international organizations:

Country	Organization
Argentina	AADI-Capif
Australia	PPCA
Austria	LSG
Belgium	SIMIM
Brazil	Abramus
Bulgaria	Prophon
Canada	Re:Sound
Czech Republic	Intergram
Denmark	GRAMEX DK
Estonia	EFÜ
Finland	GRAMEX FI
France	SCPP
Germany	GVL
Greece	GRAMMO
Hungary	MAHAS
Indonesia	SELMi
Ireland	PPI
Italy	SCF
Jamaica	JAMMS
Japan	RIAJ
Korea	RIAK
Latvia	Laipa
Lithuania	Agata
New Zealand	Recorded Music NZ
Norway	Gramo
Poland	ZPAV
Russia	VOIS
Serbia	O.F.P.S.
Slovenia	Zavod IPF
Spain	Agedi
Sweden	IFPI Svenska
Ukraine	UMA/UMRL
United Kingdom	PPL
United States	AARC (Private Copy/Audio)
United States	Sound Exchange

Country	Organization	Received licence fee income international	Gross distribution licence fee income international	Cost percentage withheld	Gross distribution licence fee income the Netherlands	Cost percentage withheld
Austria	LSG	25	-	6%	-	12%
Argentina	AADI-Cadif	-	-	6%	1	12%
Australia	PPCA	83	-	6%	-	12%
Belgium	SIMIM	349	-	4%	29	12%
Brazil	Abramus	6	-	6%	-	12%
Canada	Re:Sound	(2)	-	6%	-	12%
Czech Republic	Intergram	43	-	6%	1	12%
Denmark	GRAMEX DK	17	-	4%	20	12%
Estonia	EFU	5	-	4%	-	12%
Finland	GRAMEX FI	7	-	4%	-	12%
France	SCPP	63	-	4%	-	12%
Germany	GVL	357	-	4%	27	12%
Hungary	MAHASZ	47	-	4%	-	12%
Ireland	PPI	5	-	4%	-	12%
Italy	SCF	4	-	4%	8	12%
Latvia	Laipa	9	-	4%	-	12%
Lithuania	Agata	-	-	4%	-	12%
New Zealand	Recorded Music NZ	3	-	6%	-	12%
Norway	Gramo	9	-	4%	-	12%
Spain	Agedi	10	-	4%	-	12%
Sweden	IFPI Svenska	13	-	4%	0	12%
United Kingdom	PPL	205	-	4%	629	12%
United States	Sound Exchange	258	-	6%	5	12%
<b>Total producers</b>		<b>1,516</b>	<b>-</b>		<b>720</b>	
<b>TOTAL</b>		<b>7,777</b>	<b>49</b>		<b>10,580</b>	

From music year 2015 onwards, we will apply a withholding percentage of 12%. If a reimbursement is continued over older years, we will apply a withholding percentage of 16%. This situation can occur, for example, in the event of a double claim being resolved or an after-claim being honoured.



## THE FAVOURITE ALBUM OF... ROB GRUSCHKE

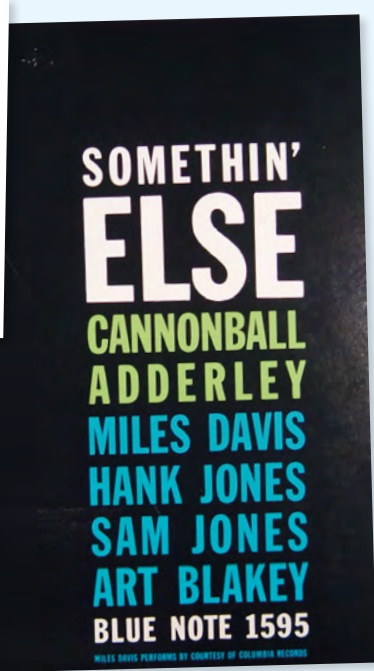
**The Novelist/Walking Without Effort – Richard Swift**  
6 September 2005 — Secretly Canadian

“Johan – Pergola / Love – Forever Changes / Mercury Rev – Deserter’s Songs / Richard Swift – The Novelist/Walking without Effort... choosing a favourite album is very difficult and also subject to change. But based on what I listened to the most, I have chosen this album by the singer/songwriter & producer from America, who died far too young (41).”

### Private copying

Stichting NORMA has mandated us to collect audio fees for Private Copying abroad from its affiliates and to distribute them directly to all entitled performing artists, to the extent known to Sena. In 2019, we were able to collect €544,000 in private copying audio fees from abroad. In 2019 Sena was able to pass on a total of €408,000 in audio rights (Dutch debt collection) to Sena.

Country	Organization	Received licence fee income international	Gross distribution to right-holders	Cost percentage withheld
België	PLAYRIGHT	312	190	4%
België	SIMIM	39	39	4%
Frankrijk	ADAMI	59	58	4%
Frankrijk	SCPP	19	3	4%
Hongarije	MAHASZ	3	2	4%
Noorwegen	Norwaco	1	1	4%
Oostenrijk	LSG	10	10	4%
Rusland	RUR	101	99	6%
Zweden	SAMI	0	6	4%
<b>TOTAAL</b>		<b>554</b>	<b>408</b>	



## THE FAVOURITE ALBUM OF... ROLF DELFOS

### **Somethin' Else – Cannonball Adderley**

1 Augustus 1958 — Van Gelder Studio

"I nearly wore this record out because this is a collaboration with my other hero, Miles Davis. Recorded in 1958, it shows Cannonball at his most expressive and modern. For me, he's the saxophonist with the most spirit and soul and with Miles at his side you can feel the inspiration they give each other. Beautiful captivating solos and I think it's always a perfect example for playing together. The cover is also something to savour. I've enlarged it on a canvas hanging on the wall."

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#### 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) Decree and published in the Government Gazette on 23 November 2016. The purpose of this table is to increase the ease for the reader to find the required elements of the transparency report in this annual report..

Section Description		Part of annual report	Page number
<b>Section 2</b>			
a	cash flow statement;	Cash flow statement	27
b	information on refusals to grant a licence under Section 2l(3) of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act;	Transparency report	72
c	description of the statutory and administrative structure of the collective management organization;	Personal details and relevant activities, Appendices 1 and 2	55, 62, 63
d	information on the entities that are directly or indirectly owned by, or are wholly or partially under the supervision of, the collective management organization;	Notes to the statement of income and expenditure; Affiliated parties	50
e	information on the total remuneration amount that was paid to the persons referred to in Section 2e(3) and Section 2f of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act in the past financial year, including any other benefits granted to such persons;	Notes to the statement of income and expenditure; Executive Board and Supervisory Board remuneration, Personal details and relevant activities	47, 55
f	the financial information referred to in Section 3 of this Decrees;	See Section 3	70
g	a special report on the use of amounts that have been withheld for social cultural, and educational services, in which the information as referred to in Section 3 of this Decree is included;	See Section 3	70
<b>Section 3</b>			
a	financial information on rights revenue specified by category of managed rights and by type of use, including information on the income from the investment of rights revenue and the use of such revenue;	Report of the Executive Board, Notes to the 2019 results, Appendix 5, Transparency report	4, 47, 72
b	financial information on the costs of rights management and services provided by the collective management organization to right-holders, 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	72
	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, including the 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 Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act;	N/A	
	3 operating expenses and financial costs for services other than rights management, including social, cultural and educational services;	Social and cultural Fund	40
	4 resources that are used to cover costs;	N/A	
	5 amounts that have been withheld on rights revenue, specified by category of managed rights, type of use and purpose of the deduction;	Statement of movements in distributable licence fee income. Also see: Notes to the balance sheet; Liability regarding distribution	31, 42
	6 the percentages of the costs of the rights management and other services provided by the collective management organization to right-holders 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 2019	22, 64

Section	Description	Part of annual report	Page number
c	financial information on amounts owed to right-holders, with a full description of at least the following items:		
	1 the total amount attributed to rightsholders, specified by category of managed rights and type of use;	Notes to the balance sheet; liability regarding distribution	42
	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	37, 42
	3 the frequency of the payments, specified by category of managed rights and type of use;	Notes to the cash flow statement	36
	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 fiscal year in which these amounts were collected;	Notes to the balance sheet; liability regarding distribution	42
	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 fiscal year in which these amounts were collected;	Notes to the balance sheet; liability regarding distribution	42
	6 if a collective management organization has not carried out the distribution and payment within the period stipulated by Section 2i(3) of the Act, the reasons for this delay;	Notes to the balance sheet; liability regarding distribution	42
	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	42
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 2019	72, 64
	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 2019	64
	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 2019	64
	4 the amounts directly distributed to right-holders that derive from other collective management organizations, specified by category of rights and by organization;	Notes to the cash flow statement	36
<b>Section 4</b>			
a	the amounts for social, cultural and educational services withheld 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	22, 37, 42
b	a clarification of the use of those amounts, with a specification by type of objective, including the management costs of the withheld amounts for the funding of social, cultural and educational services as well as the individual amounts that have been used for social, cultural and educational services;	Social and cultural Fund	40

## 5. TRANSPARENCY REPORT

### Information on refusal to grant a licence

Due to the fact that Sena exercises a right to be compensated rather than a right of prohibition on behalf of its rightsholders, it is in principle unable to withhold, suspend or terminate music licences from or of music users. Licences can only be terminated at the initiative of the music user, if that user wishes to terminate the publication or disclosure of protected mechanical music and notifies Sena of this fact.

Licences will be suspended if a music user refuses the payment of fair compensation in accordance with Section 7 of the Neighbouring Rights Act. Should the music user report to have played music in public for which Sena is not owed a fee, the rights incumbent on the music that has been used will be verified before the termination of the licence is affected.

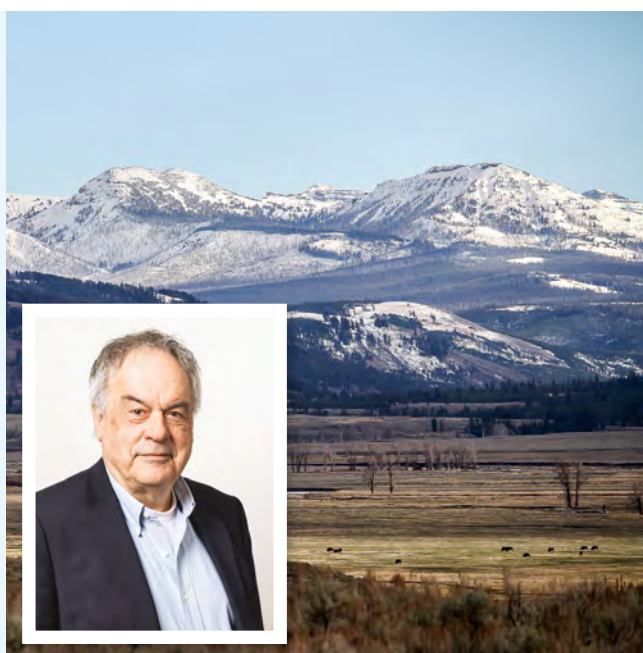
Rights revenue		2019	2018
		€	€
Rights category	Type of use		
Neighbouring rights	Netherlands	64,455	62,356
<b>DUTCH LICENCE FEES</b>		<b>64,455</b>	<b>62,356</b>
Rights category	Type of use		
Neighbouring rights	International	7,139	7,010
Other rights	International private copy	544	301
<b>INTERNATIONAL LICENCE FEES</b>		<b>7,683</b>	<b>7,311</b>
<b>TOTAL RIGHTS REVENUE</b>		<b>72,138</b>	<b>69,667</b>
Income from investment* of rights revenue		48	50
<b>TOTAL RIGHTS FEES INCLUDING INCOME FROM INVESTMENT</b>		<b>72,186</b>	<b>69,717</b>

\* Rights revenue that is not yet payable, in accordance with the investment principles, will be held at banks on savings accounts that yield the highest possible interest. The income from investment outlined here exclusively relates to revenue from interest.

Costs		2019	2018
		€	€
Rights category – type of use*			
Dutch collection	Operating expenses (gross)	7,729	7,432
International collection	Operating expenses (gross)	363	381
<b>TOTAL COST ALLOCATION</b>		<b>8,092</b>	<b>7,813</b>

\* the costs for fingerprinting are now charged in full to the Dutch collection for both years.

Sena employees do not record their hours. As such, we make no distinction in terms of the hours dedicated to the rights categories listed above. Nevertheless, in order to comply with the requirements of the transparency report, the gross operating result has been charged to the Dutch collection and International collection rights categories based on an estimate of the dedicated hours for each department. This overview is founded on a comprehensive cost calculation, which also includes pro rata rental costs for the premises.



## THE FAVOURITE ALBUM OF... WILLEM WANROOIJ

**Pure Moods IV – various artists**

1 October 2002 — Virgin Records America

“Not what you typically call a favourite CD, but an album that stands out for me because it evokes very precious associations with the Rocky Mountains, Yellowstone, mountains and wildlife. A compilation of electronic, country, folk and world music. It goes with me on photo trips to Yellowstone. Musical travel buddy. I always time it so that at the first dreamy chords of Paul Schwartz’s beautiful ‘River of Stars’ I come around the last bend as the heavenly beautiful and spectacular Lamar Valley unfolds to its full length, with snowy mountains on the horizon. With the voice of Lisbeth Scott. A sublime synthesis of image and sound: pure goose bumps.”

## 6. GENERAL INFORMATION SENA

On 29 September 1992, Sena (Stichting ter Exploitatie van Naburige Rechten), the Dutch Foundation for the Exploitation of Neighbouring Rights, was established by notarial deed. The foundation has its registered office in Hilversum, the Netherlands. On 24 November 2017, the foundation's Articles of Association were lastly amended. In its Articles of Association, the foundation has included the following objective:

"The foundation's objective is to represent, on a non-profit basis, the tangible and intangible interests of performers and producers with respect to the exercise and enforcement of their neighbouring rights."

1. The foundation will try to achieve this objective by:
  - a. exercising and enforcing the rights and claims entrusted to the foundation, including the collection and distribution of equitable remuneration within the meaning of Article 7 of the Neighbouring Rights Act;
  - b. aiming to maintain and improve the protection of the neighbouring rights, in the broadest sense, both nationally and internationally, of performers and producers.
2. With respect to the acts referred to in Paragraph 1a, the foundation can take legal action in its own name, regardless of the legal basis on which it exploits and enforces the rights and claims entrusted to it.
3. To achieve its objective, the foundation is authorized to use the following means:
  - a. in collaboration with the founding organizations, engaging in or causing other parties to engage in activities to improve the social and socioeconomic position of the holders of neighbouring rights, including measures with a cultural or educational goal;

- b. drawing up distribution regulations with regard to the remuneration referred to in this article and implementing these regulations or having other parties implement them;
- c. setting up and maintaining an office to conduct the foundation's activities or partly or wholly outsourcing these activities to third parties;
- d. other means which are conducive to its objective.

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

On 1 July 1993, the Dutch Neighbouring Rights Act entered into force by Royal Decree. Among other things, 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 second-use fees under the Neighbouring Rights Act.

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

# COLOPHON

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MAKES  
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MUSIC