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in thousands of euros

	2020	2019	
Licence fee income - National			
Invoiced	€ 53,579	€ 64,455	▼ -16.9%
Received	€ 56,212	€ 62,553	▼ -10.1%
Licence fee income - International			
Invoiced	€ 6,834	€ 7,683	▼ -11.1%
Received	€ 6,764	€ 7,777	▼ -13.0%
Cost deduction percentage			
Actual ¹	13.2%	11.5%	
Applied	12.0%	12.0%	
Operating expenses			
Gross	€ 7,687	€ 8,092	▼ -5.0%
Net	€ 7,047	€ 7,440	▼ -5.3%
Staff			
Fte (average)	42.4	42.0	▲ +1.0%
Distribution - National income			
Gross	€ 52,436	€ 58,972	▼ -11.1%
Cost deduction	€ 6,289	€ 7,022	▼ -10.4%
Net	€ 46,147	€ 51,950	▼ -11.2%
Distribution - International income			
Gross	€ 7,666	€ 6,884	▲ +11.4%
Cost deduction	€ 342	€ 304	▲ +12.5%
Net	€ 7,324	€ 6,580	▲ +11.3%

¹ Net operating expenses as a percentage of national licence fee income

LIST OF ABBREVIATIONS
AND TERMS

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 artists, 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 the 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
Integrated Repartition Information System (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 record companies (producers) and CMOs can supply and retrieve repertoire data of 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 the 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.

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 has been awarded the CMO Quality Mark.

VRDB
VRDB stands for Virtual Repertoire Database. This global recording 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 further 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 by the Copyright and Neighbouring Rights Collective Management Organizations Control Board.

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 a MLC.

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In 2020, more than ever before, we saw how important music and culture in a broad sense are to our society. When we could no longer go to festivals, concerts and the pub with the familiar background music, the contribution music makes to our lives became abundantly clear. The outbreak of COVID-19 has made this painfully clear. The coronavirus pandemic left us with empty theatres, empty agendas and little or no income for the vast majority of our rightsholders. Our music customers have also been severely affected by the economic consequences of the lockdowns. Times of crisis force organizations to go back to their core, to demonstrate what they stand for and who they are there for. We are proud that in these unprecedented times we were able to defend the interests of our rightsholders, with understanding and concern for the situation many businesses found themselves in, and with all our colleagues doing their utmost from home.

Financial results

The coronavirus pandemic has had a significant impact on our income and distribution. Shortly after the announcement of the intelligent lockdown, we held talks with representatives from the trade organizations. And then we did the same again at the start of the second partial lockdown at the end of 2020. Music customers have been compensated for the decreased use of music in their companies, in accordance with the agreements. The rates for commercial radio and television stations are based on advertising revenue, which came under severe pressure due to the coronavirus crisis. These changes have led to a €11.7 million decrease in our invoiced licence fee income in 2020, to a total of €60.4 million, a decrease of 16.3% compared to 2019. Dutch licence fee income decreased by 16.9% to a total of €53.6 million. International income showed a decrease of €849,000 (- 11.1%).

Received licence fee income also understandably decreased in 2020 but was higher than the invoiced licence fee income due to revenue received from invoices with an invoice date older than 2020 (amongst which dance invoices). We received €63 million in actual income, of which €56.2 million came from the Netherlands (- 10.1%) and €6.8 million from abroad (- 13.0%).

In 2020, we distributed €60.1 million gross to our rightsholders (- 11.1%). The gross distribution of the domestic Dutch collection amounted to €52.4 million (- 7.1%). The gross distribution of the international collection increased by 11.4% to €7.7 million. Due to the negative market interest rate, €10.5 million was also paid in advance in fees in the reporting year.

Sena's liquidity position decreased by €11.9 million. This is mainly caused by the aforementioned advance payments to rightsholders (presented under financial fixed assets on the balance sheet). The closing position of the cash and cash equivalents at the end of 2020 is €56.9 million. The amount of the advance payment (€10.5 million) added to the cash and cash equivalents position at the end of the reporting year gives sufficient balance to settle the liability regarding

distribution (€61.9 million). With regard to the accounts receivable item, the collectability of this item was examined more closely, partly due to COVID-19. As a result, the provision for doubtful account receivables increased by more than €1 million.

Continuity

Despite the COVID-19 pandemic, it is our assumption that our ability to continue to operate as a sustainable business has not been nor will be affected. However, there is a material impact on licence fee income due to the measures taken by the government, such as the compulsory closure of restaurants, shops and public areas and the ban on most events.

Cost reduction

A decrease in licence fee income leads to an increase in the cost percentage if the operating level remains the same. During the reporting year, an inventory was made of which (investment) projects could be postponed and which cost-saving measures could be implemented. This inventory led to the decision to postpone a number of projects for the time being, resulting in a significant reduction in the operating costs budget for 2020. A claim has also been made for the government's support measures, the NOW scheme. At the time of writing, the NOW subsidies to be received have not yet been approved. These subsidies have not yet been added to the operation due to this uncertainty.

Despite the cost-saving measures taken, net operating expenses amounted to 13.2% of Dutch licence fee income; an increase of 1.7 percentage points compared to 2019. The 12% withholding percentage was insufficient to cover the operations in 2020. The resulting deficit was charged to 'outstanding amounts'.

We estimate that the decline in licence fee income due to COVID-19 will be temporary and will return to a similar level as before the COVID-19 outbreak in the medium term once the government measures are lifted. However, there is a considerable risk of large numbers of bankruptcies and business closures of shops and bars and restaurants after

support measures are ended in 2021¹. Overall, this could lead to a structurally lower licence fee income stream. Notwithstanding the situation previously described, the annual financial statements have been prepared on the assumption of continuity.

Music Emergency Fund

When the intelligent lockdown was announced in March, it was immediately clear that the cultural sector would be hit extremely hard by the announced measures. Concerts and festivals were cancelled and turned out to be unfeasible for many businesses to operate profitably during the periods when only 30 and 100 visitors were allowed in compliance with RIVM measures. As a result, our rightsholders saw their live income, a large part of their income stream, disappear in the blink of an eye. There quickly became an urgent need for a support package, especially as the government's generic support measures were not always accessible to music professionals. From the beginning of the crisis, there has been a strong lobby from the cultural sector working behind the scenes, including the Dutch Foundation of Copyright Interests (Federatie Auteursrechtbelangen) for members and affiliates of CMOs. In May 2020, the Music Emergency Fund was established to provide support for musicians and producers so they can continue to make music. This fund has been incorporated into the Copyright Sector Support Fund, with contribution of €5 million from CMOs. The Ministry of Education, Culture and Science (OCW) was willing to match this amount, on the condition that funds would only be allocated to production-related applications. The Spotify COVID-19 Music Relief Fund also pledged \$100,000 plus a doubling of all private donations to the Music Emergency Fund. This made a total of €1.1 million available in the Music Emergency Fund to Sena's rightsholders who needed financing for their music projects. Based on production-related applications, we were able to allocate funds to 502 Sena rightsholders. The remaining amount (€401,000) was made available for the Music Production Fund. A total of 723 new projects were financed from this fund during the reporting year (for a complete overview of the Music Production Fund, please see to page 49.

Policy plan 2019-2021

2020 was the second year of our 2019-2021 policy period. We identified IT, data and a service-orientated approach as three main pillars of our policy plan. Our goal - to claim a position as a technology leader in the landscape of national and international collective management organizations - remains unchanged, but COVID-19 has presented us with additional challenges. The need for cost reduction was evident due to the decline in licence fee income. This year, we have taken an extra critical approach to see which innovation investments could still be justifiably continued. A number of investments were put on hold, including the follow-up to the pilot using listening devices.

IT and Data

Process and system improvements in the data area that had already been started did continue in 2020. The pursuit of a more refined distribution processes, along with detailed management information, brings an ever-growing amount of data. Better manageable core systems and process optimisations are crucial. Only then can we continue to perform our work efficiently. In the reporting year, we started to use large parts of a new web-enabled version of our back-end system. This new system version is process-oriented and more efficient to maintain. After a gradual phasing out of our old system, we expect that all distribution activities will be able to take place from the new system during the course of 2022. We also expect further process optimisation from the use of machine learning technology.

The technical integration with the international producer portal Repertoire Data Exchange (RDx) was achieved in the reporting year. RDx is a central hub where producers can register their repertoire and rights information in one place, improving data quality and efficiency. Participants commit to a uniform minimum data quality standard and central data registration. This will reduce the number of rights disputes and duplicate claims. As one of the initiators, Sena has been closely involved in the creation of RDx. The first uploads of repertoire data are expected in 2021.

Progress was also made in 2020 on another international project, the Virtual Repertoire Database (VRDB). A significant amount of repertoire information from participating organizations has been received and processed through this central database, which aims to simplify the exchange and standardisation of repertoire data on an international scale. Sena has registered the repertoire and rights information of its rightsholders in VRDB to achieve faster payment to our rightsholders. The focus for 2021 will be to scale up data exchange to permanently replace a substantial part of the old exchange processes between international sister organizations.

Sena continues to actively contribute to new projects to improve the quality of the international exchange and create more accurate, quicker and more efficient distribution to our rightsholders. One such project is the proposal to make the international performer number (IPN) available to other organizations in the industry, to improve the metadata quality as close to the source as possible.

Service-orientated

The third pillar of our policy plan is a focus on service: our services to our rightsholders and our customers. We made many improvements in this area in 2020. Rightsholders can make more changes themselves using our online portal MySena. For example, they can now edit previously uploaded repertoire, re-upload sound files and request their Sena number themselves. Validating the producer country code has also been simplified and producers can easily see which tracks the 'rights per title per country' have been registered using a download option. The 'current balance' feature that has been available on the Sena app since its launch was also made available on MySena in the middle of 2020. Additional details have been included in the notes section. These improved features ensure greater transparency for our rightsholders, who were also able to ask us questions via a chatbot at the end of 2020. We organised our first successful webinar for rightsholders during the reporting year.

Using our online knowledge platform Music Works, we continue to emphasise the undeniable benefits of music in the workplace, even though less music was played in public in 2020. We have taken the opportunity to add valuable information for businesses to the website. Many businesses have faced an arduous year with dramatic drops in income and even compulsory closures. The Service Centre for Copyright and Neighbouring Rights (Scan), which handles the administrative processing of Sena's licensing, have also approached music users with understanding and offered assistance with payment arrangements where possible. Our licensing department provided adjusted advance invoices for those media companies who saw their revenue forecasts fall due to cancelled advertising campaigns.

Legislation and regulations

Sena must increasingly deal with European legislation that frames national legislation. This became even more evident in 2020 when the European Court of Justice (ECJ) ruled on two high-profile cases.

On 8 September 2020, the ECJ issued the RAAP-PPI judgment on fees to performers who do not live within the European Economic Area (EEA). In its judgment, the ECJ ruled that no restrictions may be applied with regard to which rightsholders are eligible for a neighbouring rights payment. Rightsholders from so-called third states (states that do not belong to the EEA) should not be excluded from the right to equitable remuneration. This would only be allowed if it were laid down in European legislation, which is not (yet) the case. Sena has to comply with Dutch laws and regulations. Under the Neighbouring Rights Act (WNR), only repertoire whose original master owner is based in a country that is a signatory to the Treaty of Rome was protected from all forms of publication.

¹ Source: *Special Management Barometer, PricewaterhouseCoopers, November 2020*

The United States (US), among others, has not ratified the Treaty of Rome. In the case of webcasting or simulcasting, repertoire from all countries that have ratified the WIPO Performance and Phonograms Treaty (WPPT), which includes the US, is represented by Sena. As a result of the RAAP-PPI judgment, the Ministry of Justice and Security have proposed an amendment to the law, which was adopted in December 2020. The distinction between protection based on the Treaty of Rome or the WPPT has consequently been abolished. As of 1 January 2021, Sena in principle represents amongst others the entire American repertoire. A logical consequence of this is the implementation of an increase in the fees paid by music customers to Sena as of the same date. We informed the representative music customer organizations about this at the end of December 2020. If the rate increases for music licences that we are aiming for do not keep pace with the increase in the amount of protected repertoire, this could lead to an overall decrease in the minute value. Several European member states, including the Netherlands, have now urged the European Union to regulate the material reciprocity as laid down in Article 4 paragraph 2 of the WPPT Treaty at EU level. In that case, both the rate adjustments and the changes in our distribution policy will be reversed.

In the reporting year, the ECJ also ruled on another case; the Atresmedia judgment. On 18 November 2020, the European Court of Justice ruled that the equitable remuneration claim of Article 8 paragraph 2 of the VLN Directive, in which certain neighbouring rights have been laid down, does not apply when a user ‘communicates an audiovisual recording to the public containing a phonogram or a reproduction of an audiovisual work’. Performers and producers have many more rights in the Netherlands based on the Neighbouring Rights Act (WNR), namely a ban on all forms of exploitation and not only on a remuneration claim. If a certain type of publication does not fall under Sena’s remuneration claim based on Article 7 of the Neighbouring Rights Act (WNR), it automatically falls under the WNR prohibition right for performers and producers. Publication without their consent would then be an infringement and therefore liable for compensation. Immediately after the Court’s ruling, we started to explore the wishes of our customers (television broadcasters) and the possible consequences of this ruling for our rightsholders and our licence fee income.

Legal procedures

The level of rates for dance events is the subject of a procedure that has been going on for years. Both the dance festival organisers and Sena put their pleas before the Supreme Court in November 2020 and submitted their written statements. The Advocate General will give a verdict in April 2021. To our regret, the (interim) judgment in the proceedings to determine the equitable remuneration for commercial radio stations was postponed for the whole of 2020.

We have lodged an appeal against a designation decision received in 2019 of the Copyright and Neighbouring Rights Supervisory Board (CvTA). This led to the receipt of a request for a preliminary injunction by the Commercial Radio Association (VCR), RTL and Talpa in 2020. In April 2020,

the administrative court rejected this request. The parties pleaded their case before the District Court of The Hague in November 2020.

In July 2020, the Supreme Court made an early ruling in the cassation proceedings AMP et al. versus Sena. The earlier ruling of the Court of Appeal of The Hague was overturned. The partially recovered fee paid based on the judgment to the entitled rightsholders has been paid out again. The case is to be heard again by the Amsterdam Court of Appeal.

Extension of the CMO Quality Mark

VOICE have awarded us the CMO Quality Mark for the tenth year in a row, following the binding advice from the independent Certification Institute (Keurmerkinstituut). During its audit on 21 September 2020, the Certification Institute found that we meet all the criteria set out in the CMO Quality Mark.

Complaints and disputes

During the 2020 calendar year, we received 269 comments from rightsholders. Of these, 204 were settled in 2020. 146 of these comments related to non-payment or incomplete payment of repertoire played. At the end of 2020, 66 comments were still outstanding, of which 65 were from 2020 and one from 2019. We did not receive any complaints from rightsholders in 2020.

In 2020, eight music customers with an obligation to pay submitted complaints to us, seven of which we were able to resolve during the year. We expect to settle the remaining complaint in 2021

External developments

Despite the coronavirus crisis, the number of bankruptcies was historically low in 2020, thanks to the extensive package of government support measures. 2,703 companies were declared bankrupt, the lowest number in 20 years. Companies in the commerce sector accounted for 21% of all declared bankruptcies. The hospitality industry and culture, and sports and recreation sectors were also hit relatively hard in 2020². However, an increase in the number of bankruptcies is expected in 2021 due to the ongoing lockdown measures.

In 2020, the Dutch watched an average of 160 minutes of television a day; four minutes more than in 2019. Viewing on demand took place on average 24 minutes a day, also four minutes more than the previous year. The total TV screen time, including time spent on viewing video on demand services for example, amounted to 206 minutes in 2020 (2019: 192)³.

While the advertising income from commercial radio and television stations initially showed a sharp decline, there was a recovery in the second half of 2020. The figures published by RAB and Screenforce showed a shrinkage of 17% for radio and 9% for television respectively for the whole of 2020.

Connected online

It became clear in mid-March how quickly a normal year can change. On 16 March 2020, all Sena employees went from working normally to working from home overnight. The first distribution payment of 2020 was scheduled for the end of that week. This was calmly achieved. Everyone has had to adapt. Fortunately, staying in touch with each other is possible from a distance. Through this connection and our huge commitment to the struggles of our rightsholders, we have succeeded in representing the rights of ‘our’ artists, musicians and producers as best we can, even in such a difficult year. We are extremely proud of this. We would like to thank all Sena colleagues for their dedication, resilience and great commitment.

Future outlook

As previously explained, the COVID-19 pandemic and the measures taken by the government from mid-March 2020 onwards have resulted in a sharp decrease in licence fee income. As long as there is no prospect of an end to shop and restaurant closures and the organization of in-person events, we will see this reflected in our licence fee income.

For our rightsholders, this will unfortunately mean that the consequences are expected to be felt until the music year 2022. As of 1 January 2021, in line with the approved 2021 Budget, we were forced to increase the withholding percentage per music year 2021 from 12% to 14%; a percentage that is still very competitive compared to our international sister organizations.

Unfortunately, this increase and the expectation that more companies will go bankrupt in 2021 will create an even bleaker distribution prospect for our rightsholders. We will continue to work passionately and innovatively to ensure that performers and producers get what they deserve.

M.J. Bos	J.A. Moolhuijsen
CEO	CFO

Hilversum, 22 March 2021

² Source: Statistics Netherlands (CBS), January 2021

³ Source: Annual Review Stichting Kijkonderzoek, January 2021

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The impact of the COVID-19 crisis has naturally been the topic of every Supervisory Board (RvT) discussion in 2020. With an understanding of the difficulties experienced by its customers, Sena has made every effort to limit the damage for its rightsholders and offer help where possible.

Discussions in 2020

The Supervisory Board met four times, both in person and online. In addition to the committee meetings, video calls were also held on an ad hoc basis. The Supervisory Board also participated in online information sessions together with the Board of Affiliates (RvA) in response to the two rulings from the European Court of Justice that were important to Sena.

Composition of the Supervisory Board

In 2020, we welcomed two new members: Chrissie Westbroek representing the Performers Section and Martin Jessurun representing the Producers Section. They replace Koert Ligtermoet and Kees van der Hoeven, whose terms both ended. Koert and Kees have fulfilled the three main tasks of the Supervisory Board in a professional manner for many years: supervising compliance with legislation and regulations and implementing the strategy, advising the Executive Board on request and on their own initiative, and acting as the employer of the Executive Board. As a thank you for their hard work and dedication, they were both awarded Sena Icon status during their farewell.

Amendment to the Supervision Act

One of the subjects we discussed at length was the preparation for the upcoming amendment of the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCBO). The WTCBO regulates the supervision exercised over CMOs. As of 1 January 2021, additional requirements will be placed on CMOs. From this date, all new or amended contracts with representative user organizations must be reported to the Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA). If the CvTA does not intend to agree

to rates or discounts, from now on it must first request advice from the Copyright Disputes Committee. Half of the costs for the CvTA will be borne by the CMOs from 2021 onwards. Each CMO will receive an invoice for its share of the 50% contribution to the CvTA costs in proportion to its turnover, up to a maximum of one third of the total contribution. However, CMOs are given the opportunity to comment and make suggestions once a year about the implementation of CvTA supervision in relation to the costs. In addition, the CvTA will be authorised to subject Supervisory Board members and directors of CMOs with an annual turnover of at least €50 million to a still to be determined reliability and suitability test.

Benchmarking

Although cost standardisation is not an obligation arising from the European Directive, the Dutch government has opted for a General Administrative Order (Algemene Maatregel van Bestuur, AMvB) that limits the costs of CMOs to a generic maximum of 15% by means of a 'comply or explain' provision. For some time, the CvTA's preference was to replace the 15% cost standard by a benchmark in which CMOs can be compared and best practices shared as a result. Within VOI@E, a committee was set up to look into the feasibility of this. CMOs affiliated with VOI@E all implement different law, so the underlying processes are different. Standardising the financial data is therefore complex, time-consuming and expensive, regardless of whether this leads to useful insights. Sena has actively contributed to the research and will also be involved in the continuation of this project.

This is an unofficial translation of our Dutch Financial Statements 2020 dated 22 March 2021.

Rules for avoiding conflicts of interest

The Integrity Working Group was formed in 2019, and in the reporting year it also looked at creating regulations to prevent conflicts of interest for management and supervisory bodies. The working group, consisting of members of the RvA, the Executive Board, office employees and external stakeholders, finalised the regulations with due observance of the requirements of the good governance and integrity guidelines from the CMOs. The Supervisory Board and the Board of Affiliates respectively approved and adopted the regulations in December. Sena is now awaiting a response from the CvTA.

The draft Governance Code of VOI@E was also discussed in the reporting year. This governance code will replace the good governance and integrity guidelines from the CMOs. CMOs affiliated with VOI@E will be able to implement the code in 2021.

RAAP-PPI and Atresmedia rulings

In addition to the amendment of the Supervision and dispute resolution of Collective Management Organizations (Copyright and Neighbouring Rights) Act and the amendment of Article IIIa of the Act of 6 July 2004 (Implementation of the Copyright and Neighbouring Rights Directive in the information society; as a consequence of the RAAP-PPI ruling), the Directive on Copyright in the Digital Single Market was also adopted in Parliament just before the turn of the year. This law will come into force in the middle of 2021. An important element is that user uploaded content platforms are designated as disclosing parties and as a result they owe equitable remuneration to the rightsholders of the content they distribute. This development, together with the far-reaching consequences of the aforementioned European Court rulings, illustrate the shift to a European playing field on which Sena is expected to act.

Regular topics

Annually recurring topics included the approval of the 2019 annual accounts and annual report and the 2021 budget, the granting of discharge to the Executive Board and the evaluation of Sena's investment policy. The Supervisory Board has approved the intended decision of the Executive Board to continue Sena's investment policy unchanged. The Supervisory Board also received regular updates from the office about the ongoing legal proceedings.

Committee meetings

The Audit Committee and the Remuneration Committee are composed of the members of the Supervisory Board. All committee recommendations for the reporting year were submitted to the Supervisory Board, who then made decisions in accordance with the committee recommendations, when applicable. The Audit Committee met three times in 2020. The 2019 annual accounts, the draft audit plan and the management letter were discussed in the presence of auditor PricewaterhouseCoopers. Other items on the agenda included the risk matrix, the Scan budget and updates on legal proceedings, in particular the possible financial consequences for Sena. The Remuneration Committee met twice in 2020 and carried out the annual evaluation of the two Executive Board members. The staff composition of the organizations was also considered, and attention was drawn to diversity policy and succession planning.

A final note

The global COVID-19 pandemic placed Sena in an unforeseen position in 2020. Sena creates a risk matrix every year to consider a range of possible threats to the business. The threat from a pandemic was not included until 2020. The fact that Sena managed to achieve its distribution to rightsholders, a short time after the lockdown began in March 2020, is a great achievement. Sena has done everything within its power to mitigate the painful consequences of COVID-19 for rightsholders and music customers wherever possible. On top of the usual tasks, this has led to additional work being carried out due to the abrupt changes. The Supervisory Board would like to take this opportunity to express its appreciation and heartfelt thanks to all Sena employees.

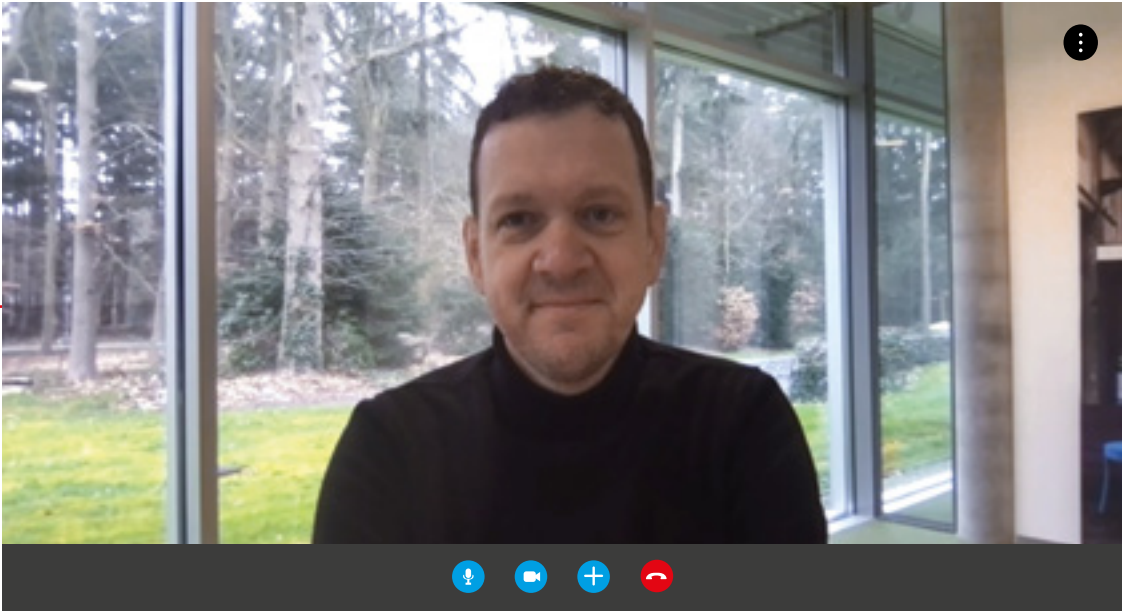
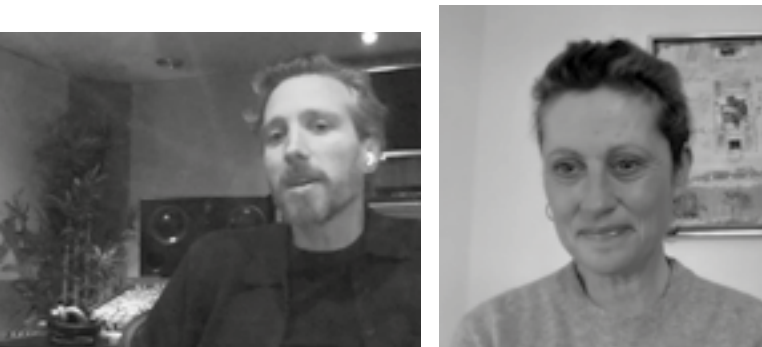
Aleid Wolfsen
Chair of the Supervisory Board

Hilversum, 22 March 2021

UDO DELFGOU
INretail

2020 was a very eventful year for retail. There was a great deal of panic and little light at the end of the tunnel for retailers. We have tried to help many businesses through the crisis. But it's a strange balance. On one hand, you are fighting for the interests of your members and, on the other hand, you are aware there is a health crisis going on.

We have a good working relationship with Sena because we both understand what interests we need to serve. For Sena, the music creators are the ones who are struggling. However, Sena understands the concerns of the members affiliated to INretail. There was always mutual respect and there was never any dispute about which side was having the hardest time. Together, we were always able to find a good balance.



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BOARD OF AFFILIATES REPORT

2020 was an unprecedented and difficult year for artists, musicians and record companies. COVID-19 shook the music industry to its core. Wherever possible, the Board of Affiliates (RvA) has tried to proactively help you, our rightsholders. With the Music Emergency Fund (part of the Rights Sector Support Fund), a goodwill arrangement for affected SoCu events and extra instalments of the Sena Music Production Fund. This took place with great mutual solidarity between producers and performers.

The financial implications of the coronavirus crisis naturally dominated the agenda in all five meetings in 2020. The Executive Board kept us informed of all relevant developments in a periodical update email to the Board of Affiliates and Supervisory Board members. Combined Supervisory Board / Board of Affiliates information sessions also took place online.

Allocation of undistributed fees

On 13 March 2020, the section delegates from the Producers and Performers Sections made a decision about the undistributed fees from the 2016 music year; the year that ended on 31 December 2020 after the statutory three-year reservation period. The Producers Section decided to add the undistributed fees in full to the funds intended for distribution to producers with revenue from the 2016 music year. The Performers Section decided to distribute 50% of the undistributed fees equally among all individual performers who received at least €100 gross in 2016. The other 50% has been added to the Social-Cultural Fund.

Amendments to the distribution subregulations

The distribution subregulations for Performers were amended in a few respects in 2020. The definitions of main artist, session musician and conductor have been tightened. In addition, an article has been added to the distribution subregulations clarifying that a performer on a title can only receive a point rating for one role. The Board of Affiliates adopted the amended distribution subregulations, after which they were submitted to the Meeting of Affiliates (VvA) for approval. The Meeting of Affiliates, which had to be held online and had been postponed as a result, agreed to this on 30 June.

Section representatives remuneration

Section representatives of the Board of Affiliates receive an annual salary for their services. In 2020, the Board of Affiliates decided to divide the remuneration into tiers based on the percentage of meetings attended. Section representatives will receive 100% of the fee if they attend at least 75% of all (preparatory) meetings. Section representatives will receive 75% of the fee for attendance between 75% moving to 50% of the fee for attendance at less than 50% of the meetings. This amended scheme has retroactive effect on 1 January 2020.

SoCu international withholding percentage

In December 2020, the Board of Affiliates decided that Sena will actively seek permission from sister organizations for the SoCu withholding. This should put an end to a tolerance situation that contradicts the provisions of European regulations (Collective Rights Management Directive).

Distribution sounding board group

The distribution sounding board group consists of representatives from the Board of Affiliates, staff members and a broad delegation of affiliates. It serves as an informal, non-policy-making advisory body for the Board of Affiliates. The sounding board group met once in 2020. The participants discussed Sena's position in relation to consumer streaming services, the delivery of sound files in relation to fingerprinting and the process of submitting repertoire and evidence to Sena.

This is an unofficial translation of our Dutch Financial Statements 2020 dated 22 March 2021.

Legal developments

In addition to the COVID-19 crisis, in 2020 Sena was faced with two judgments from the European Court of Justice: the Atresmedia judgment and the RAAP-PPI judgment. Following the RAAP-PPI judgment, the Dutch Neighbouring Rights Act was amended as of 1 January 2021. The sections have been informed about both judgments and jointly argue for restoring the RAAP-PPI judgment at European level and note that until then Sena rates will have to be increased to cover the use of previously unprotected material. During 2021, further decisions will have to be made on how to deal with the Atresmedia judgment.

Regular topics

In 2020, several annually recurring topics were on the Board of Affiliates agenda. We adopted the 2019 annual report and the 2021 Budget and held a review meeting as part of the 2019-2021 Policy Plan. Despite the major impact of COVID-19 on Sena's income, the Board of Affiliates fully supports the course set out in the policy plan. The Executive Board has given us quarterly updates on Sena's financial situation. We were also frequently informed of the progress of the various legal proceedings and the rulings by the European Court of Justice.

Social, cultural and educational projects

Many social, cultural and educational projects could not take place in 2020 due to the COVID-19 restrictions. However, organisers were faced with costs that were sometimes high and had already been incurred. The Performers Section therefore decided in March 2020 on a goodwill arrangement for festivals and live events. On condition that the musicians were paid first, organisers who had previously received an award from the Sena Performers Fund could use the advance of 70% of the amount awarded, up to a maximum of €14,000, to cover the unavoidable costs resulting from the cancellation of the event.

Music Emergency Fund, Sena (Performers) Music Production Fund - Support Fund for the Rights Sector

The Sena Performers Music Production Fund is a fund for professional musicians who do not have sufficient financial means to make their own music or video recordings. After the first lockdown in 2020, an additional tranche of the fund was opened thanks to a contribution from both sections. The condition that the money must be used for a self-managed production was specifically removed for this additional tranche. In addition, Sena contributed €1.15 million of support to the Rights Sector Support Fund from the Federatie Auteursrechtbelangen. The government agreed to double the funds jointly contributed by the CMOs (€5 million) as a subsidy to help the sector. At the end of 2020, the government announced it will make a further contribution to the fund to develop projects for the CMOs involved. From this first tranche, Sena financed the Music Emergency Fund and an additional tranche of the Music Production Fund, under the name Sena Music Production Fund. One of the conditions of the Music Emergency Fund was that the spending must be production related.

In total, there were four tranches of the Music Production Fund in 2020. As many as 1,029 musicians and producers applied for a total amount of €4.7 million. Advisory committees reviewed all applications in the four tranches and approved 605 applications. The total amount involved was €2.1 million. Two thirds of the amount awarded is a donation. The remaining third must be repaid after two years. These repaid amounts will flow back into the Sena (Performers) Music Production Fund.

The Section paid out four sums of award money in 2020 from the total amount of the Sena Performers Music Production Fund. Violinist Marieke de Bruijn from the Dutch String Collective won the Humble Heroes Award and received €5,000. This year Sena's rightsholders awarded the Gouden Notekraker (Golden Nutcracker) to Eefje de Visser. DARLYN won the Zilveren Notekraker. Both received a cash prize of €5,000. Melissa Plantinga received €3,000 for winning Buma's NL Muzikale Snelkookpan prize.

The Producers and Performers Sections didn't just work together on the Music Emergency Fund and the Support Fund for the Rights Sector. In 2020, they also jointly supported the Pop Investment Fund: Upstream Music. The BREIN Foundation also received financial support from an earmarked levy from the Federatie Auteursrechtbelangen (Copyright Federation), administratively processed by VOI©E, the sector association for CMOs.

Upstream: Music

Upstream: Music is part of the Upstream programme launched in 2018 as a collaboration between Sena, het Fonds Podiumkunsten and the Stimuleringsfonds Creatieve Industrie. As initiator and co-financier of Upstream: Music, Sena offers mid-career pop artists the opportunity to invest in their further (international) career development. In 2020, 22 applications were granted in four application rounds.

Outlook

Empty concert halls and festival fields, government support schemes and sometimes forced career switches. All of us at Sena have tried to support music creators in these difficult and troubled times and to offer optimism for the future. The problems for the sector are far from being solved. Large-scale support will still be necessary to bring the cultural sector and the professional music industry back to pre-corona levels. But there are signs of hope on the horizon with the roll-out of the vaccination program, the event guarantee fund and the various test events. We sincerely hope that we can experience music in every way soon.

Erwin Angad-Gaur
Chair of the Board of Affiliates

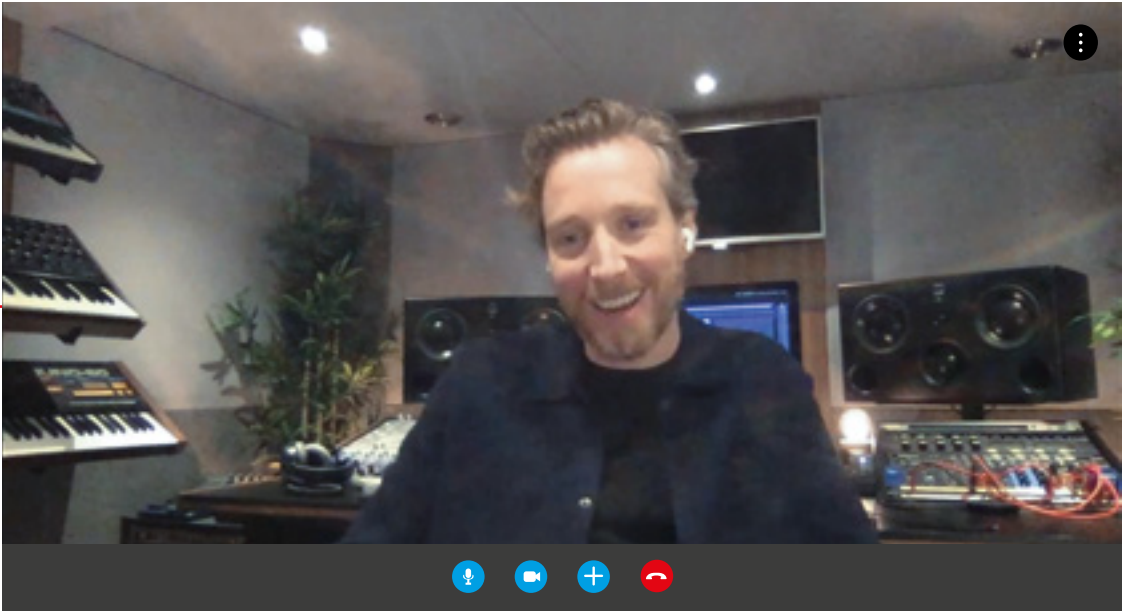
Peter Boertje
Vice-chair of the Board of Affiliates

Hilversum, 22 March 2021

BAS VAN WAGENINGEN
DIRECT

The corona time has presented a lot of challenges. Your creativity is triggered in a different way. We mostly looked for ways to play and to stay active. We have learned a lot; we focused on innovation.

‘Soldier On’ was picked up pretty soon after the first lockdown started. The ‘Netherlands stays home’ campaign embraced the song, and radio also gave it lots of attention; it was played on every station. This is still true today, more than a year after its release. I think it’s great that the song has found its place. ‘Soldier On’ has been our backbone to survive this situation, to pause for a moment and to be able to make music full time. That has been fantastic, and we are very grateful.



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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.

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 most important strategic risks are defined as follows:

- › changing legislation could impact our exclusive position. The scope of government intervention could extend to the setting of rates. The government may force CMOs to intensify their mutual collaboration. This risk category also includes unfavourable legal precedents in other EU Member States;
- › the commercial risks are highly dependent on the reputation and image of CMOs in general. The use of music for which it is disputed whether the right to compensation under Section 7 of the Neighbouring Rights Act (WNR) applies, and decreasing advertising revenues for the traditional RTV stations, partly because of a shift from linear to on-demand media consumption, also play a key role. This also applies to the growing demands from licensees regarding streamlining the distribution process and discussions about equitable fees.

Identified risks related to the relationship with rightsholders are:

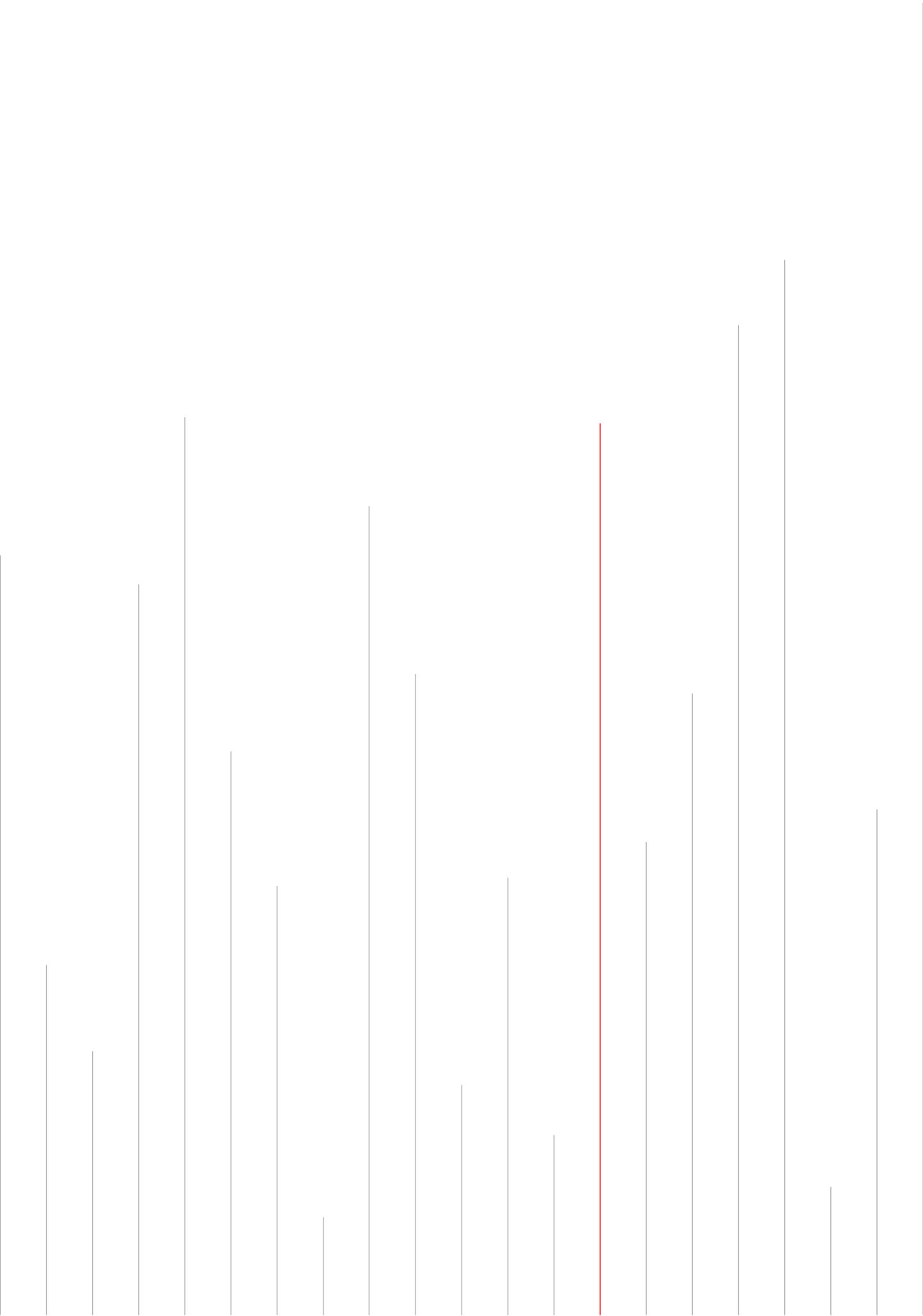
- › the loss of international mandates to agents and/or international sister organizations could put pressure on international licence revenue;
- › efforts to safeguard privacy and compliance with the General Data Protection Regulation (through adequate data protection measures) could impede Sena's efforts to comply with legislation in this area;
- › Sena has become responsible for playlist data because of the use of fingerprinting data, where agreement has been reached with the relevant licensees;
- › risks have been identified regarding internal organization, including maintaining process control standards and the necessary documentation. The loss of quality marks and/or certifications would have major consequences. We are susceptible to fraud risks, partly because of the large volume of financial transactions. The loss of key personnel from the organization also falls into this risk category;
- › finally, technological risks can result in significant cost increases. A disaster where IT systems are temporarily unavailable presents a risk and another is the loss of data. This risk category also includes the failure to synchronise processes and procedures.

Where possible, response and control measures have been formulated for all identified strategic risks, which are considered adequate by the Executive Board and supervisory bodies.

COVID-19

The COVID-19 outbreak and subsequent measures taken by the government as of 15 March 2020 have had negative consequences for Sena, as detailed in 'Accounting principles' in the financial statements. In addition to the effects we already know about, macroeconomic uncertainty distorts economic activity and it is unknown what the longer-term effects on our business activities might be. The scale and length of this global COVID-19 pandemic remains uncertain, but we expect it to have a long-lasting impact on our business activities. The key risks arising from this are:

- › licence fee income and withholding percentage: The compulsory closure of restaurants and bars and non-essential shops and the ban on events have led to a material decrease in licence fee income. Decreasing licence fee income means that, with an unchanged withholding percentage, the cover will be lower than Sena's actual operating costs. In the first instance, we will deduct this difference from the 'outstanding amounts' item;
- › government support: Sena has applied for a subsidy under the NOW scheme and has received an advance. The applications have not yet been finalised, so there is a risk that Sena may not be able to meet the requirements to benefit from this scheme or that a repayment obligation could arise;
- › internal control: From 15 March onwards, Sena employees will work from home as much as possible. In the Executive Board's opinion, the internal control has remained at an adequate level;
- › continuity: Despite the COVID-19 outbreak, the assumption is that Sena's ability to continue to operate sustainably has not been, or will not be, affected. However, there is material uncertainty about Sena's licence fee income for as long as the pandemic continues.



International

The licence fee income we received from abroad decreased by €1 million in 2020 to a total of €6.8 million. The decrease compared to 2019 is partly due to the impact of COVID-19 and partly to delayed payments from international sister organizations, which did not fall within the reporting year.

The ‘rights per title per country’ functionality in MySena remains a focus point to be able to make targeted producer claims abroad. When (independent) producers submit their rights per country per title via our online portal MySena, we can generate the highest possible fees for them. Accurate recording of title rights per country leads to faster and more accurate processing as well as a reduction in duplicate claims on music use internationally. We continue to alert producers to the importance of the ‘rights per title per country’ functionality.

Distribution

Our gross distribution to rightsholders amounted to €60.1 million in 2020; a decrease of €5.8 million compared to 2019. The gross Dutch distribution of collected fees decreased by €6.5 million but the gross distribution of international fees increased by €782,000. This is because we distributed the international fees from 2019 in calendar year 2020. Net distribution decreased in 2020, by €5 million to a total of €53.5 million.

Private copying

Stichting NORMA mandated us to collect audio fees for Private Copying abroad from its affiliates and to distribute these fees directly to all entitled performers, to the extent known to Sena. In 2020, we paid €330,000 in international Private copy audio fees to entitled performers. The distribution amount for producers was €47,000.

Exploitation

Our gross operating expenses amounted to €7.7 million in 2020, which is a 5% decrease compared to 2019. The decrease is mainly due to lower costs for mailing and collection activities, as these were on hold for prolonged periods due to COVID-19. Also, a one-off release of reserved costs for collection took place.

Net operating expenses (adjusted for financial result and other income) also decreased by 5.3% to a total of €7.0 million.

Control Board

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 includes several ‘comply or explain’ provisions.

Our net operating expenses, expressed as a percentage of the invoiced licence fee income, were 13.2% in 2020. The gross operating expenses, expressed as a percentage of the distribution, were 12%, including an addition from the Social-Cultural Fund. This meets the criterion of the governmental decree (AMvB) dated 12 December 2016 which stipulates that the cost percentages based on fees and distribution may not exceed 15% *.

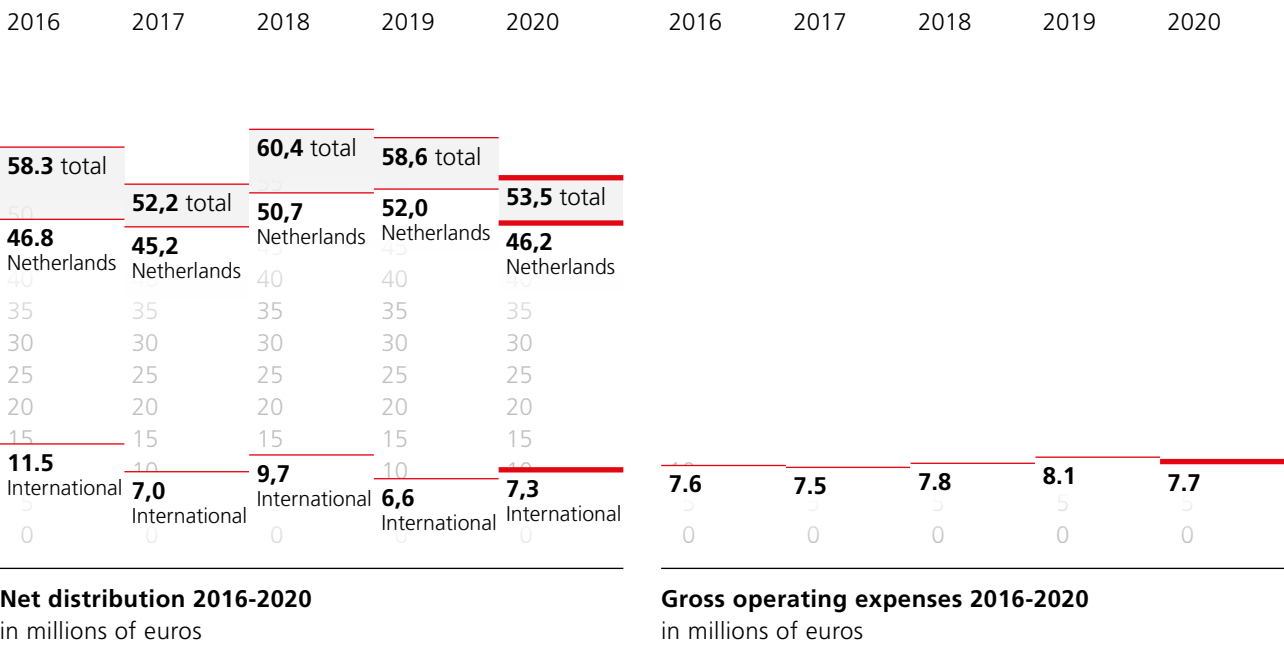
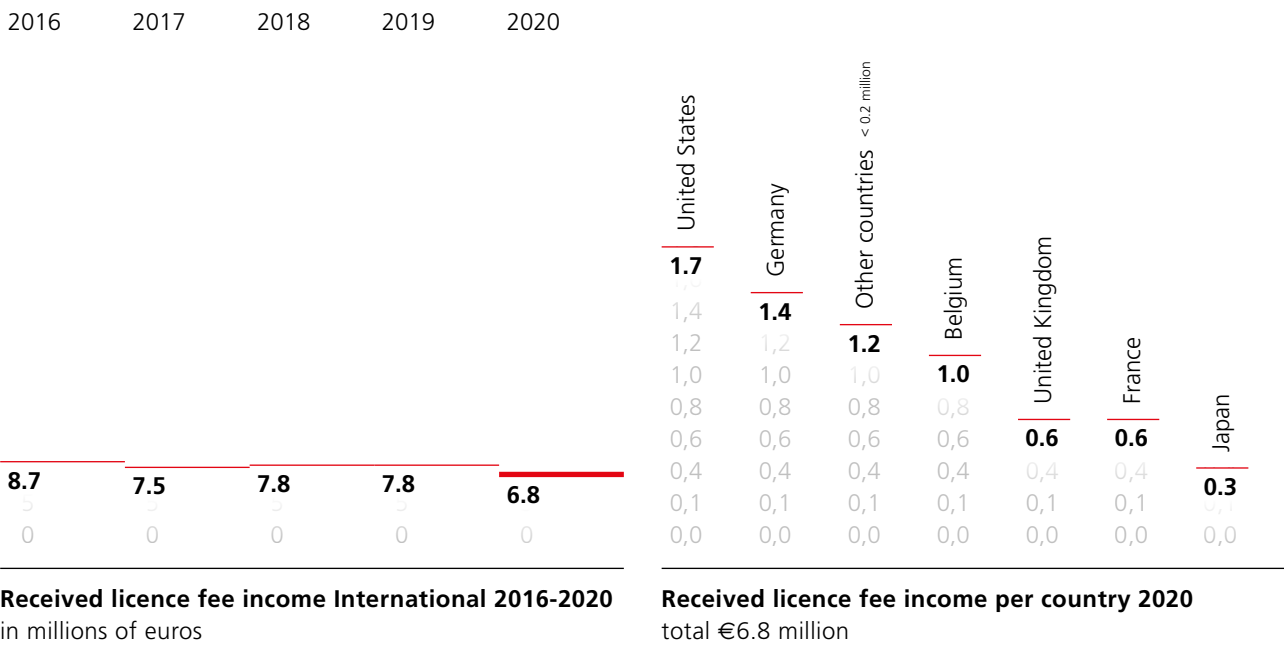
A second comply-or-explain criterion is that the gross operating costs may not increase more than the Consumer Price Index (CPI; 1.4%). We complied with this in 2020, due to the discontinuation of a few projects and cuts in other cost areas.

The third criterion is investments in a given calendar year require prior approval from the CvTA if they exceed 5% of the invoiced licence fee income. Sena’s investments (€123,000) remained well below this limit.

Budget 2021

Due to the ongoing coronavirus crisis, we will focus on cost reduction in 2021. In the last year of our policy period, investments will be put on hold. Investments that are necessary to maintain our service level will be carried out as planned. Our withholding percentage has increased to 14.5% for music year 2021. For the open music years 2017 to 2020, we will maintain the previous withholding of 12%.

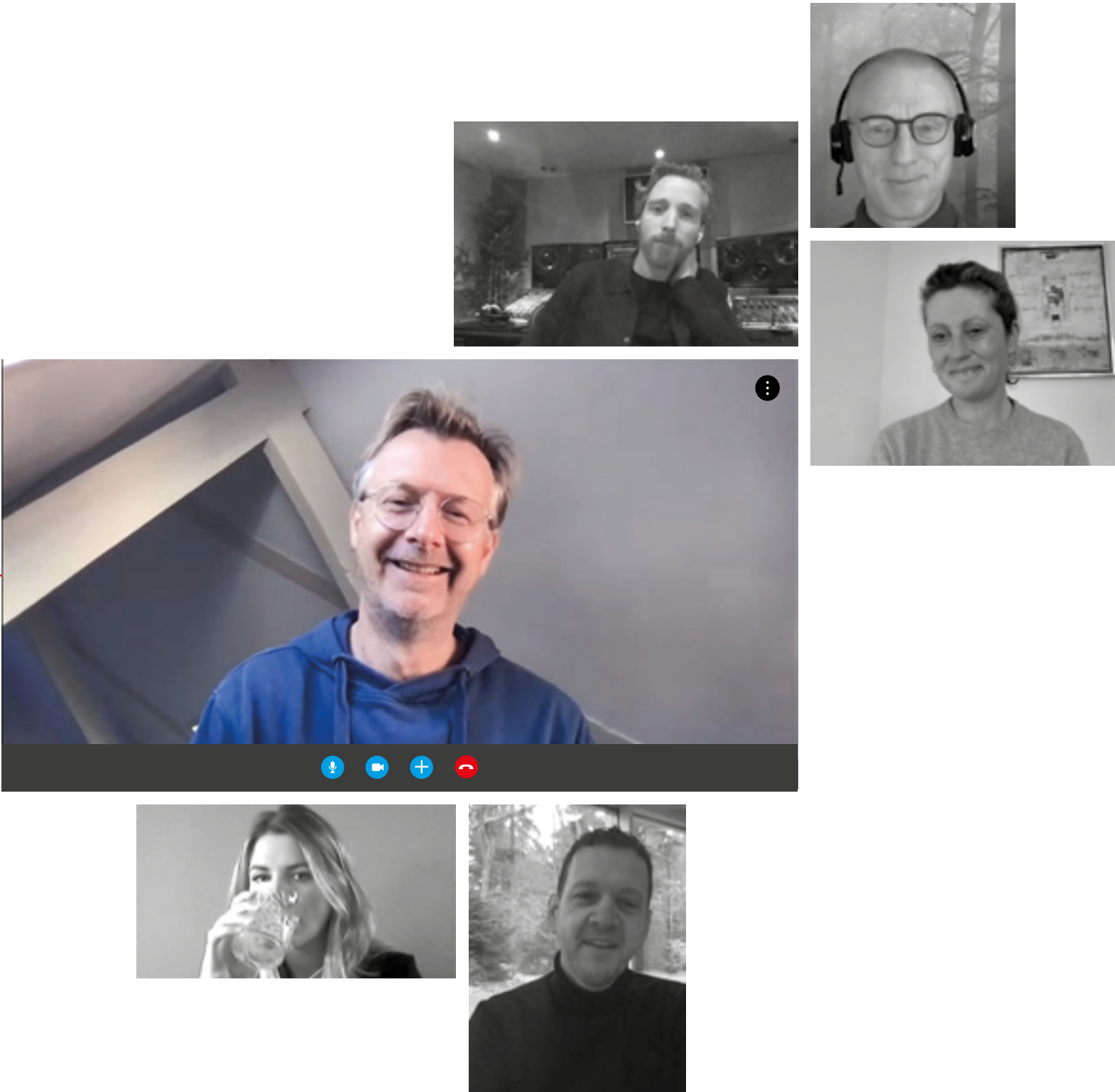
* the governmental decree (AMvB) applied to CMOs until 1 January 2020. However, the Control Board has made it known that it will continue to apply the principles of the decree (AMvB) as long as there is no suitable alternative.



BOB VOS
Cornelis Music

Music is an enormous support and inspiration, especially in the difficult time we are going through. People still need positivity and it's nice to see that our artists can be a part of that. OG3NE received international recognition when Dolly Parton and Brian May's home isolation sessions went viral, and the 'Beste Zangers' programme achieved the highest ever audience ratings in 2020. Stef Bos was rediscovered by the general public. Miss Montreal achieved her biggest hit. So, despite all the challenges, I think we have actually had a very good year.

Our cooperation with Sena is going well. We have a lot of contact with the staff, and things are always very positive and friendly. The quarterly statement is carefully prepared and sent quickly. Sena's income is extremely important for us and our artists, especially now that everyone is having a tough time financially.



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amounts in thousands of euros

INVOICED LICENCE FEE INCOME

	2020		2019	2018	2017	2016
Dutch use	53,579	- 16.9%	64,455	62,356	59,409	56,501
International CMOs	6,834	- 11.1%	7,683	7,311	8,045	8,528
Total	60,413	- 16.3%	72,138	69,667	67,454	65,029

DISTRIBUTION

Rightsholders	51,299	- 7.1%	55,227	57,981	49,457	57,604
International CMOs	8,803	- 17.2%	10,629	9,956	9,433	7,793
Subtotal	60,102	- 8.7%	65,856	67,937	58,890	65,397
Deduction of costs from distribution	(6,631)	- 9.5%	(7,326)	(7,498)	(6,686)	(7,147)
Total	53,471	- 8.6%	58,530	60,439	52,204	58,250

Distributable licence fee income

61,931	- 8.2%	67,485	65,053	66,189	62,621
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SOCIAL AND CULTURAL FUND

Addition	4,072	+ 38.7%	2,936	3,552	4,061	1,996
Expenditure	(4,434)	+ 38.9%	(3,193)	(2,906)	(2,591)	(2,254)
Available for distribution at the end of the financial year	4,033	- 8.2%	4,395	4,652	4,006	2,536

STATEMENT OF INCOME AND EXPENDITURE

Dutch income	7,047	- 5.3%	7,440	7,047	6,911	6,778
International income abroad	342	+ 6.9%	321	450	298	500
Miscellaneous income	397	+ 39.9%	283	266	209	131
Subtotal	7,786	- 3.2%	8,044	7,763	7,418	7,409
Operating expenses (gross)	(7,687)	- 5.0%	(8,092)	(7,813)	(7,483)	(7,585)
Subtotal	99	- 306.3%	(48)	(50)	(65)	(176)
Financial result	(99)	- 306.3%	48	50	65	176
Operating result	-		-	-	-	-

This is an unofficial translation of our Dutch Financial Statements 2020 dated 22 March 2021.

KEY FIGURES

	2020		2019	2018	2017	2016
Dutch licence fee income received	56,212	- 10.1%	62,553	62,568	59,759	57,233
International licence fee income received	6,764	- 13.0%	7,777	7,828	7,543	8,674
Percentage of actual costs withheld	12.0%	0.0% _{pt}	12.0%	12.0%	12.0%	12.0%

Net operating expenses expressed as a percentage of:

total licence fee income	11.7%	+ 0.6% _{pt}	10.3%	10.1%	10.2%	10.4%
Dutch licence fee income	13.2%	+ 1.7% _{pt}	11.5%	11.3%	11.6%	12.0%

Gross operating expenses expressed as a percentage of:

total licence fee income	12.7%	+ 1.5% _{pt}	11.2%	11.2%	11.1%	11.7%
total gross distribution	12.0%	+ 0.2% _{pt}	11.8%	10.9%	11.9%	11.3%
(including addition to Social and Cultural Fund)						
Annual movements in operating expenses (gross)	(405)	-	279	330	(102)	338
Decrease/increase in operating expenses (gross)	-5.0%	- 11.7% _{pt}	3.6%	4.4%	-1.3%	4.7%
Derivative consumer price index	+1.4%	+ 0.2% _{pt}	+ 1.6%	+ 1.3%	+ 1.1%	0.0%
Representation of rightsholders	>90%	0.0% _{pt}	>90%	>90%	>90%	NB
Number of rightsholders with distributions up to and including 2020*	67,005	+ 1.3%	66,145	62,401	58,707	56,017
Number of rightsholders with distributions in 2020*	35,512	+ 6.0%	33,512	30,971	27,001	24,378
Number of invoiced users	95,641	- 4.4%	100,029	101,913	104,224	99,736
Number of employees in FTE (average)	42.4	+ 1.0%	42.0	41.7	42.2	42.7

* 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.

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 record companies for the (re)broadcasting and other forms of broadcasting 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 nationwide 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 idents, 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. Due to COVID-19, the research was only carried out once in 2020. This survey of 1,200 businesses is conducted by phone. Respondents are asked whether they listen to music, and if so, from which source¹.

Revenue from Online 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.

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, the performers share the amount available for the title(s) they have contributed to, based on the following scale:

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

This is an unofficial translation of our Dutch Financial Statements 2020 dated 22 March 2021.

- conductor: the person who leads the orchestra, choir or band by means of physical conducting, determining the rhythm and mood for the performer: 3 points;
- session musicians: session musicians and/or other performers. A session musician who makes a (supporting) musical contribution to a commercially released phonogram of a main artist: 1 point, on the condition that when session musicians have contributed to the recording, the amount to be distributed among the session musicians will never exceed 50% of the total amount available per title.

For classical repertoire, the performers divide the amount available for the title(s) in which they have contributed based on the following scale:

- main artist: soloist and/or member of an ensemble with an artist contract and/or exploitation agreement: 5 points;
- conductor: the person who leads the orchestra, choir or band by means of physical conducting, determining the rhythm and mood for the performer: 3 points;
- orchestra member/choir member: member of an orchestra and/or choir and/or substitute and/or session musicians and/or other performers. The orchestra member/choir member who makes a (supporting) musical contribution to a commercially released phonogram of a main artist: 1 point.

A performer can only receive a score for one role per title (main artist, or conductor, or session musician/orchestra member/choir member).

A SoCu withholding percentage is deducted from the collected fees in addition to a fixed withholding percentage. The withholding percentage for the Dutch licence fee income for the year 2020 was set at 12.0%. In addition, we reserve 3.0% of the funds intended for performers for socio-cultural purposes. The Producers Section deducts SoCu fees on a project basis. In the Meeting of Affiliates, a vote is taken on both the SoCu expenditure and the SoCu policy from the previous financial year.

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.

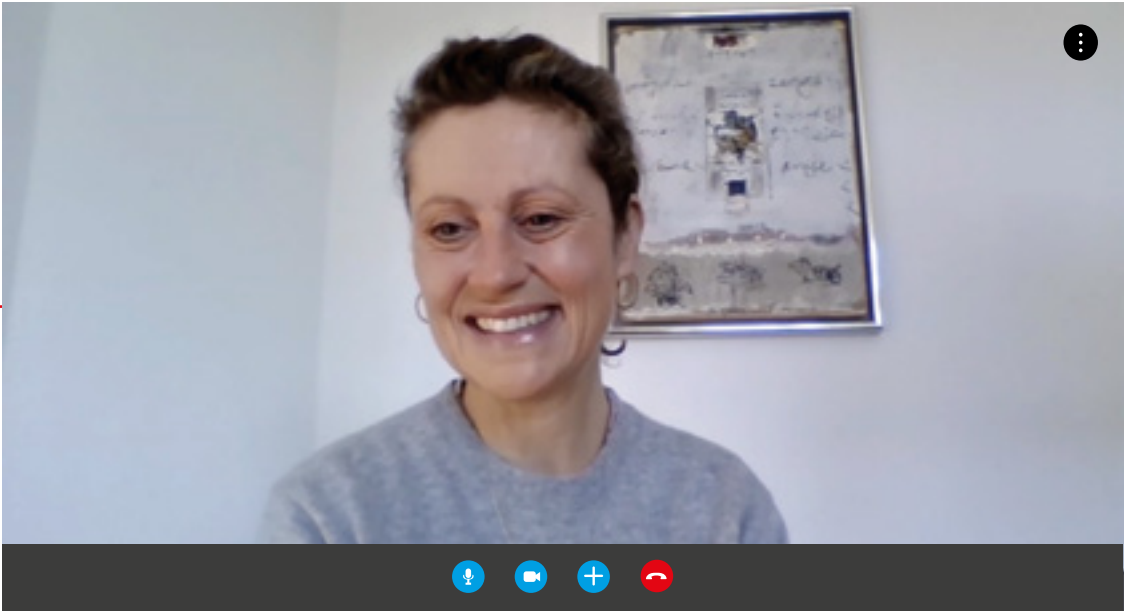
ANNE SOPHIE GERSDORFF

Gramex Denmark

When I started at Gramex in August 2020, we all expected a serious decrease in our revenue due to COVID-19 and the lockdowns we experienced in several sectors in Denmark. We have definitively been affected, but we are relieved to see that we ended the year with a decrease of approximately 7%. It could have been much worse.

The near future will still be hugely affected by the coronavirus. However, we are beginning to see the light at the end of the tunnel. The Danes have an enormous passion for returning to normality. There is a strong desire to go out, buy clothes and visit restaurants. This will have a positive impact on Gramex. I hope - and expect - that all employees will be able to meet at our offices again before the start of the summer holiday.

I feel that the cooperation with Sena has been a very positive experience for me. The relationship with Sena is close and it is very easy to get in contact. There is a lot of willingness to help the 'new one in the class'; which I am. Sena, and in particular Markus, have been very helpful and interested in sharing best practices, experiences and developments.



STATEMENT OF INCOME AND EXPENDITURE

	2020		2019	
<i>in thousands of euros</i>	€	€	€	€
Income				
Dutch income	7,047		7,440	
International income	342		321	
Miscellaneous income ¹²	397		283	
	7,786		8,044	
Operating expenses (gross)				
Salaries ¹³	(3,221)		(3,256)	
Mailing and collection costs ¹⁴	(1,752)		(2,085)	
Other operating expenses ¹⁵	(2,341)		(2,407)	
Depreciation of tangible/ intangible fixed assets ¹⁶	(214)		(181)	
Supervisory costs ¹⁶	(159)		(163)	
	(7,687)		(8,092)	
Financial Result ¹⁶	(99)		48	
OPERATING RESULT	-		-	
GROSS OPERATING EXPENSES BUDGET¹⁷	(8,863)		(8,727)	
OPERATING EXPENSES (NET)	(7,047)		(7,440)	

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 2020 Budget, we refer you to page 58 of this annual report.

CASH FLOW STATEMENT 2020

	2020		2019	
<i>in thousands of euros</i>	€	€	€	€
CASH FLOW FROM LICENCE FEE INCOME AND DISTRIBUTIONS AND EXPENDITURES SOCIAL AND CULTURAL FUND				
LICENCE FEE INCOME				
Netherlands	56,212		62,553	
International	6,764		7,777	
Total licence fee income received	62,976		70,330	
DISTRIBUTION (NET)				
Netherlands	(46,147)		(51,950)	
International	(7,324)		(6,580)	
Total distribution¹⁸	(53,471)		(58,530)	
ADVANCE PAYMENT DISTRIBUTION	(10,500)		-	
EXPENDITURE SOCIAL AND CULTURAL FUND	(4,434)		(3,193)	
Total cash flow from licence fee income and distributions and expenditure social and cultural fund	(5,429)		(8,607)	
CASH FLOW SENA				
Operating result	(6,948)		(7,488)	
Depreciation of tangible/ intangible fixed assets	214		181	
Movements in working capital	491		(434)	
CASH FLOW FROM OPERATIONAL ACTIVITIES	(6,243)		(7,741)	
CASH FLOW FROM INVESTMENT ACTIVITY	(124)		(485)	
CASH FLOW FROM FINANCING ACTIVITY	(99)		48	
MOVEMENT IN CASH AND CASH EQUIVALENTS	(11,895)		429	
Cash and cash equivalents as at 31 December	56,868		68,763	
Cash and cash equivalents as at 1 January	68,763		68,334	
MOVEMENT IN CASH AND CASH EQUIVALENTS	(11,895)		429	

STATEMENT OF MOVEMENTS IN LICENCE FEE INCOME

	2020		2019	
<i>in thousands of euros</i>	€	€	€	€
Balance as at 1 January		67,485		65,053
LICENCE FEE INCOME INVOICED				
Dutch use	53,579		64,455	
International CMOs	6,834		7,683	
Subtotal		60,413		72,138
DISTRIBUTION (GROSS)				
Rightsholders	(51,299)		(55,227)	
International CMOs	(8,803)		(10,629)	
Subtotal		(60,102)		(65,856)
OTHER MOVEMENTS				
Additions				
International income	342		321	
Miscellaneous income	397		283	
Financial result	-		48	
Deduction of costs from distribution	6,631		7,326	
Deduction of costs from distribution provision for claims	3		6	
Release of bad debt provision	-		5	
Payable distribution	-		39	
Performing Artists Fund	213		168	
Subtotal		7,586		8,196
DEDUCTIONS				
Operating expenses (gross)	(7,687)		(8,092)	
Financial result	(99)		-	
Withholding tax	-		(1)	
Distribution payables	(8)		-	
Allocation to bad debt provision	(1,021)		-	
Allocation to distribution payables provision	(106)		-	
Social and Cultural Fund	(4,188)		(2,999)	
Deduction of costs on international distribution	(342)		(317)	
Judgement settlement 12 March 2019	-		(637)	
Subtotal		(13,451)		(12,046)
BALANCE AS AT 31 December		61,931		67,485

ACCOUNTING PRINCIPLES

General

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

Comparison with previous year

The accounting principles remained unchanged from the previous year, with the exception of the accounting changes applied as described in the relevant sections. Where necessary, the figures for 2019 have been reclassified to allow a comparison with 2020. Adjustments are non-material in nature.

Estimates

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

Foreign currency

Functional currency

The items in Sena’s financial statements are measured using the currency of the economic environment in which the company primarily conducts its business activities (the functional currency). The financial statements are drawn up in euros; this is Sena’s functional and presentation currency

Transactions, receivables and liabilities

Transactions in foreign currencies during the reporting period are included 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. Any measurement differences resulting from the conversion are stated under ‘liabilities regarding distribution’. Monetary assets and liabilities in foreign currencies are converted into the functional currency at the exchange rate on the balance sheet date. Non-monetary assets that are measured at cost in a foreign currency are converted.

Operational leases

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

VALUATION PRINCIPLES FOR ASSETS AND LIABILITIES

Intangible and tangible fixed assets

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

Development costs

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

Financial fixed assets

Receivables included in financial fixed assets are initially valued at fair value after transaction costs (if material). These receivables are then valued at amortised cost. The valuation takes into account any impairment losses.

Impairment of fixed assets

For financial assets measured at amortised cost, the amount of impairment is measured as the difference between the asset’s book value and the best estimate of future cash flows discounted at the financial asset’s effective interest rate determined by the first processing of the instrument.

The impairment loss that was previously recognised will be reversed if the decrease in the impairment loss is related to an objective event after write-off. The reversal is limited to a maximum of the amount necessary to value the asset at the amortised cost price at the time of the reversal, if no impairment had occurred. The reversed loss is accounted for in the profit and loss account.

Receivables

All receivables have a remaining term 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 fact that bad debt provisions have been created where necessary.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and liabilities, as well as derivative financial instruments (derivatives). 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 legally enforceable or actual liabilities that exist at the balance sheet date, for which it is likely that an outflow of resources will be necessary, and where the extent of which can be reliably estimated.

Pensions

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

Non-current liabilities

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

Current liabilities

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

Liabilities regarding distribution

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

Outstanding amounts

The outstanding amounts item is carried at nominal value. This item is created because of the balance between the withholding percentage and the actual cost percentage. The item is calculated by multiplying the applicable cost withholding percentage by the received licence revenue in the reporting year per music year, minus the net operating expenses. This item also changes due to the unrealised part of the cost deduction of the receivables movement. Any other movements will be clarified in the notes. A positive balance created in the reporting year, if the balance is still positive after 5 years, can be allocated by the Board of Affiliates (RvA) as follows:

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

PRINCIPLES FOR DETERMINING THE RESULT

General

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

Dutch income

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

International income

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

Other income

This item is used to account for the income generated by other services.

Costs

The costs are determined historically and allocated to the reporting year to which they relate.

Periodically payable remunerations

The remuneration owed to staff is included in the statement of income and expenditure based on the terms of employment.

Depreciation

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

Financial result

Realised financial results relate to funds deposited with banks (deposits, savings accounts and current accounts) and are reported in the year to which they relate. Exchange rate differences that arise during the settlement or currency conversion are recognised in the profit and loss statement in the period in which they occur, unless hedge accounting is used.

CASH FLOW STATEMENT PRINCIPLES

For the cash flow statement principles, the RJ640 guideline of the Dutch Accounting Standards Board applies. However, some points have deviated from the legal requirements because this provides a better insight into Sena’s activities. The cash flow from licence fee income, distribution, advance payment distribution and Social-Cultural Fund expenditure are prepared using the direct method. The cash flow arising from the other operating activities are prepared using the indirect method.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER

INTANGIBLE FIXED ASSETS (1)

Movements in this item are as follows:

	2020	2020	2020	2019
	20%	10%	Software	Software
Book value 1 January	182	3	185	194
Investments	60	-	60	80
Disinvestments	-	-	-	(69)
Depreciation	(65)	(3)	(68)	(89)
Depreciation of disinvestment	-	-	-	69
Book value 31 December	177	-	177	185

In 2020, investments were made in the further development of machine learning and the Sena app.

The total acquisition value and depreciation are:

	2020	2019
Acquisition value	4,749	4,689
Cumulative depreciation	(4,572)	(4,504)
Book value as at 31 December	177	185

Depreciation rates

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

TANGIBLE FIXED ASSETS (2)

Movements in this item are as follows:

	Refurbishment	Fixtures and fittings	Hardware	2020	2019
Book value as at 1 January	18	149	216	383	70
Investments	2	1	60	63	405
Disinvestments	-	(76)	(65)	(141)	(293)
Depreciation	(5)	(34)	(107)	(146)	(92)
Depreciation of disinvestments	-	76	65	141	293
Book value as at 31 December	15	116	169	300	383

Investments made in 2020 were mainly for the replacement of the server and laptops for employees. Disinvestment mainly relates to old, fully depreciated furniture and desktops that were no longer used from 2020 (furniture and desktops were replaced in 2019; the old desktops were given to charity in 2020).

The total acquisition value and depreciation are:

	Refurbishment	Fixtures and fittings	Hardware	2020	2019
Acquisition value	164	251	534	949	1,027
Cumulative depreciation	(149)	(135)	(365)	(649)	(644)
Book value as at 31 December	15	116	169	300	383

Depreciation rates

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

FINANCIAL FIXED ASSETS (3)

The movements in financial fixed assets can be specified as follows:

	2020
As at 1 January	-
Advance payments made	10,500
Settlement of advance payment with distribution payment	-
Balance as at 31 December	10,500

All receivables included under financial fixed assets have a remaining term to maturity of more than one year. Furthermore, the advance payment has the following characteristics:

- > Repayment takes place as soon as Sena no longer pays interest on its outstanding balances (the interest rate is greater than or equal to 0%);
- > The advance amount will be repaid by means of settlement with the distribution, whereby settlement has priority over the payment of the distribution;
- > Sena has the right, in special cases, to start settling the advance amount earlier;
- > No collateral was provided for the advance payment;
- > 0% interest is charged on the advance amount and the aim is to reduce the balance of the funds held by Sena with financial institutions.tegoeden bij financiële instellingen te verlagen.

ACCOUNTS RECEIVABLE (4)

	2020	2019
Receivables	8,927	10,920
Bad debt provision	(1,101)	(118)
Balance as at 31 December	7,826	10,802

Movements in receivables and bad debt provision

	2020	2019
ACCOUNTS RECEIVABLE		
Balance as at 1 January	10,920	7,436
Invoiced licence fee income	60,413	72,138
Revenue	(62,976)	(70,330)
Written off against the provision	(37)	(6)
Other	607	1,682
Balance as at 31 December	8,927	10,920

BAD DEBT PROVISION

	2020	2019
Balance as at 1 January	(118)	(129)
Debts written off	37	6
Additions/Release	(1,020)	5
Balance as at 31 December	(1,101)	(118)

The receivables item decreased by €2 million in 2020. Both the accounts receivable and bad debt positions at Sena and Scan have decreased. At Sena, this is mainly because payments were received for old dance invoices at the beginning of this year. However, this revenue came to a virtual standstill after the first quarter. In 2019, the account receivables position at Scan was higher because invoices were issued later in the year due to the transition to a new ERP system.

The amount of the bad debt provision is determined based on receivables written off in the past. The expected number of bankruptcies due to COVID-19 has also been taken into account. As a result of this analysis, €1 million has been added to the provision (mostly in general licences). The ‘other’ item under accounts receivable, mainly consists of a change to ‘unrealised licence fee income’ item.

ACCRUED RECEIVABLES AND INCOME (5)

	2020	2019
Interest due	-	36
Prepaid expenses	183	254
Distribution payables	411	888
Provision for distribution payables	(27)	-
Unallocated share Ministry of Education, Culture and Science (OCW)	299	-
Other	104	33
Balance as at 31 December	970	1,211

The ‘interest due’ item was removed in 2020 due to negative interest rates on our deposits with the bank. Since early 2020, market interest rates are now negative. The item ‘distribution payables’ concerns claims against rightsholders represented by us. Since 2020, we have also included provision here for any possible uncollectible receivables based on age. The ‘other’ item mainly concerns amounts received regarding chargebacks (e.g. fingerprinting).

CASH RESOURCES (6)

	2020	2019
Savings account/deposit	26,480	63,003
Current account	30,388	5,760
Balance as at 31 December	56,868	68,763

The cash resources have been deposited at various banks (that fit with the ratings under the investment status).

PROVISIONS (7)

Provisions for personnel	2020	2019
Anniversary provision	57	50
Balance as at 31 December	57	50

The provision was formed for anniversary dotations to Sena employees, in accordance with the personnel manual.

Provision for claims, disputes and legal proceedings	2020	2019
Legal advice and litigation costs	479	379
Balance as at 31 December	479	379

In connection with ongoing legal cases, a provision has been made for expected legal advice and litigation costs.

Provision for claims
Following the decision of the Performers and Producers Sections on 17 March 2017, the provision for claims item was created. This item is intended for the payment of claims relating to closed musical years. A total of €0,000 in old claims was paid out from this item in 2020.

	Performers	Producers	2020	2019
Balance as at 1 January	18	33	51	92
Additions	-	-	-	-
Subtotal additions	-	-	-	-
Payment	(15)	(15)	(30)	(41)
Release	-	-	-	-
Subtotal withdrawals	(15)	(15)	(30)	(41)
Balance as at 31 December	3	18	21	51

SPECIFICATIONS PER YEAR	Balance as at 1 January	Addition	Withdrawal	Balance as at 31 December
Up to and including 2020	51	-	(30)	21
Total	51	-	(30)	21

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

SOCIAL-CULTURAL FUND (8)

This item is based on decisions by the respective sections and relates to expenses and/or reserves for social, cultural and/or educational projects. The additions are based on joint financing of projects for the high expenditures. An advance deduction of 3% is also applied to the domestic Dutch collection share for performers. Finally, extra additions are also accounted for by producers based on actual expenditure.

The reserves are intended for social, cultural and/or educational projects where the section representatives are responsible for the expenditure. Half of the undistributed fees of the performers for the music year 2016 have been added to the Social-Cultural Fund in 2020.

	Performers	Producers	2020	2019
Balance as at 1 January	4,395	-	4,395	4,652
Additions for joint projects	898	898	1,796	594
Additions in financial year	692	225	917	933
Additions of undistributed fees	1,359	-	1,359	1,409
Subtotal additions	2,949	1,123	4,072	2,936
Expenditure on joint projects	(898)	(898)	(1,796)	(594)
Expenditure in financial year	(2,413)	(225)	(2,638)	(2,599)
Subtotal expenditure	(3,311)	(1,123)	(4,434)	(3,193)
Balance as at 31 December	4,033	-	4,033	4,395
Unallocated share Ministry of Education, Culture and Science (OCW) from the Music Production Fund	299	-	299	-
Balance as at 31 December	4,332	-	4,332	4,395

SPECIFICATIONS PER YEAR

	Balance as at 1 January	Addition	Withdrawal	Balance as at 31 December
Up to and including 2010	2,457	-	-	2,457
2019	1,938	-	(1,938)	-
2020	-	2,713	(2,496)	217
2020 (addition for music year 2016)	-	1,359	-	1,359
Total	4,395	4,072	(4,434)	4,033

This item is mainly long-term as the balance up to and including 2010 (€ 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

	2020	2019
EXPENDITURES (USE)		
Social-Cultural projects	3,265	2,757
Sena Performers magazine	85	86
Grants by Sena Performers Music Production Fund ¹	1,010	305
Total use	4,360	3,148
EXPENDITURES (MANAGEMENT)		
Social-Cultural projects	55	40
Sena Performers Music Production Fund	19	5
Total management costs	74	45
Total	4,434	3,193

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

¹ The total budget for the Sena Performers Music Production Fund in 2020 was €2,451,000 (€300,000 allocated from the Social-Cultural Fund, €700,000 in additional allocations from the Social-Cultural Fund, €1,050,000 allocated from the Ministry of Education, Culture and Science (OCW) and €401,000 from the Music Emergency Fund (see Music Emergency Fund and Music Production Fund specifications) concerning undistributed fees). Of the available total amount, €2.1 million was awarded to new applications in 2020 (2019: €362,000).

MUSIC EMERGENCY FUND

	Performers	Producers	2020
Balance as at 1 January	-	-	-
Social-Cultural Fund	500	500	1,000
Spotify	62	-	62
Total additions	562	500	1,062
Emergency fund allocations	405	256	661
Sena Performers Music Production Fund	157	244	401
Total expenditure	562	500	1,062
Balance as at 31 December	-	-	-

MUSIC PRODUCTION FUND

	Social-Cultural Fund	Ministry of Education, Culture and Science	2020
Stand 1 januari	-	-	-
Performers	900	-	900
Producers	100	-	100
Ministry of Education, Culture and Science	-	1,050	1,050
Repayment of loan parts	-	-	-
Emergency fund balance	401		401
Total additions	1,401	1,050	2,451
Tranche 1	147	-	147
Tranche 2	831	-	831
Tranche 3	149	297	446
Tranche 4	227	454	681
Total expenditure	1,354	751	2,105
Balance as at 31 December	47	299	346

LIABILITY REGARDING DISTRIBUTION (9)

The liability regarding distribution is of a long-term but generally current nature. The moment at which this liability is distributed depends on the income from receivables 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 receivables position. Since the start of 2015, Sena has applied differentiated with-holding percentages: 12% on domestic licence fee income, 4% on income from EU and EFTA countries and 6% on income from other countries.

	Nether-lands	Inter-national	Total 2020	Nether-lands	Inter-national	Total 2019
PAYABLE						
Balance as at 1 January	59,012	2,741	61,753	60,291	2,100	62,391
DISTRIBUTION						
Gross distribution	(52,436)	(7,666)	(60,102)	(58,972)	(6,884)	(65,856)
Cost deduction	6,289	342	6,631	7,022	304	7,326
Net distribution	(46,147)	(7,324)	(53,471)	(51,950)	(6,580)	(58,530)
SOCIAL-CULTURAL FUND						
Gross deduction	(4,759)	-	(4,759)	(3,137)	(251)	(3,388)
Cost deduction	571	-	571	376	13	389
Net deduction	(4,188)	-	(4,188)	(2,761)	(238)	(2,999)
INVOICED LICENCE FEE INCOME						
Invoiced licence fee income	53,579	6,834	60,413	64,455	7,683	72,138
Movement in receivables	2,633	(70)	2,563	(1,902)	94	(1,808)
Total received licence fee income	56,212	6,764	62,976	62,553	7,777	70,330
Movement in receivable licence fee income	(674)	-	(674)	(1,686)	-	(1,686)
Movement in other receivables items	66	-	66	4	-	4
Movement in outstanding amounts	1,766	-	1,766	(1,262)	-	(1,262)
Operating expenses (net)	(7,047)	-	(7,047)	(7,440)	-	(7,440)
Deduction of withholding tax	-	-	-	-	(1)	(1)
International deduction of costs	-	(342)	(342)	-	(317)	(317)
Deduction of costs for provision of claims	3	-	3	6	-	6
Withdrawal under provision of claims	-	-	-	-	-	-
Addition to Performers Fund	213	-	213	168	-	168
Additional liability for various claims and titles	-	-	-	-	-	-
Judgement settlement 12 March 2019*	-	-	-	(637)	-	(637)
Currency gains/losses	-	-	-	-	-	-
Movement in distribution payables	(8)	-	(8)	39	-	39
Addition of provision for distribution payables	(106)	-	(106)	-	-	-
Reclassification of unrealised licence fee income	(2,053)	-	(2,053)	1,687	-	1,687
Other movements	(7,840)	(342)	(8,182)	(9,121)	(318)	(9,439)
Balance as at 31 December	57,049	1,839	58,888	59,012	2,741	61,753

* For further information about the ‘Judgement settlement 2 March 2019’ item, please refer to the Legal proceedings and Events after balance sheet date on the next pages the annual report.

	Nether-lands	Inter-national	Total 2020	Nether-lands	Inter-national	Total 2019
NOT YET PAYABLE						
Balance as at 1 January	2,990	4	2,994	1,088	98	1,186
Movement in receivables	(3,046)	70	(2,976)	3,589	(94)	3,495
Reclassification of unrealised licence fee income	2,053	-	2,053	(1,687)	-	(1,687)
Balance as at 31 December	1,997	74	2,071	2,990	4	2,994
OUTSTANDING AMOUNTS						
Balance as at 1 January	2,738	-	2,738	1,476	-	1,476
16% deduction of costs from Dutch licence fee income received	11	-	11	11	-	11
12% deduction of costs from Dutch licence fee income received	6,737	-	6,737	7,498	-	7,498
Operating expenses (net)	(7,047)	-	(7,047)	(7,440)	-	(7,440)
Belated claim**	(1,005)	-	(1,005)	463	-	463
Other movements	(462)	-	(462)	730	-	730
Balance as at 31 December	972	-	972	2,738	-	2,738
Liability regarding distribution	60,018	1,913	61,931	64,740	2,745	67,485

** In 2019, the previous distribution of €637,000 from 2017, as a result of a ruling by the District Court of The Hague on 8 February 2017, was reversed on the basis of the ruling by the Court of Appeal of The Hague on 12 March 2019. On 17 July 2020, the Supreme Court overturned the 2019 ruling and referred the proceedings to the Amsterdam Court of Appeal. As a result, Sena made another payment of €637,000 in 2020, in accordance with the earlier judgment of the District Court of The Hague. In addition, a total of €368,000 was paid out for old claims to multiple rightsholders

The 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 (€213,000) and the distribution (€164,000) from the Performers Fund. The ongoing work item for the Performers Fund comes to €159,000 at the end of 2020.

The ‘other movements’ item includes the cost deduction from the receivables movement (- €406,000), the movement in the balance of the double claims from closed years (€11,000), the movement in other receivables (- €40,000) and the movement in the reservation for the Social-Cultural Fund (- €32,000).

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

THE NETHERLANDS

The overview below shows the payable component of the liabilities, divided by music year. This breakdown of the distribution obligation is a requirement set by the Copyright and Neighbouring Rights Collective Management Organizations Control Board 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 2015	≥5 jaar	3,287
Double claims (closed music year) and licence fee income 2016	<5 en ≥3 jaar	2,674
2017	≤4 en ≥3 jaar	9,339
2018	<3 jaar	9,693
2019	<3 jaar	12,243
2020	<1 jaar	19,813
Total net distributable fees		57,049

Since 2009, the reservation period has been three years after the end of a music year. The 2016 music year ended in 2020. The remaining balance of undistributed fees has been distributed in accordance with the decision by the section delegates as follows: the producers’ share was paid to the producers (€2.4 million gross) and 50% of the performers’ share (€1.6 million gross) was paid to the performers and 50% was added to the Social-Cultural Fund (€1.4 million after deduction of costs and VAT). The remaining balance for the 2016 music year in the table above relates to double claims. We will process the final claims for the 2017 music year in the first quarter of 2021, so that this music year can be closed during the year.

Our mission statement says that we aim to distribute 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 that preclude such distribution. We more than fulfil this requirement for most of our distribution activities given that we are one of the few collective management organizations who are able to distribute licence fees to rightsholders in the year of collection. On 30 September 2020 the balance from 2019 was €10.9 million, taking into account the distribution period of nine months after the collection year. The part that we cannot distribute within the set period is partly 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 option to register and/or claim repertoire within a three-year period after the end of the collection year. We make every effort to trace legitimate rightsholders. We do this by searching online, asking rightsholders known to us and suggestions on our online portal MySena and the Sena app. We also actively participate in VDRB and RDx. Despite these efforts, it is not always possible to find the rightsholders within three years. After this period has expired, the fees not paid out are labelled as undistributed fees and submitted for a decision by the section representatives of the Producers Section and the Performers Section.

INTERNATIONAL

There is great divergence in the breakdown of the payments received from international sister organizations, which inhibits the lead time of processing distributions. This is due in part to differences in the national distribution regulations. Section 2k (5) of the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCB) stipulates that the collected fees must have been 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 have been shown separately. At the end of 2020, the total amount of international collection still to be distributed was €1.8 million.

	Age	Collection year	Music year
2011	> 5 years	-	31
2012	> 5 years	-	3
2013	> 5 years	-	4
2015	> 5 years	-	13
2016	>3 and ≤5 years	-	48
2017	>1 and ≤3 years	-	55
2018	>1 and ≤3 years	-	43
2019	>1 and ≤3 years	-	77
2020	≤1 years	1.545	20
Total distributable fees		1.545	294

The above figures show that not all income can be distributed in full within 6 months of receipt. One important reason for this is that we do not always receive the necessary information 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 remained unspecified. As soon as we can process the collected fees through our distribution system, the same reasons apply as to when distribution is not possible as stated in the Dutch collection. Examples of this are unknown rightsholders or not yet claimed repertoire.

In 2020, the year 2010 was closed for international collection. The resulting balance of €58,000 has been offset against old balances. The balance shown under collection year 2020 mainly relates to the fees received in November and December 2020.

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

OTHER CURRENT LIABILITIES

	2020	2019
Payables	345	617
Tax and social security contributions ¹⁰	55	14
Accrued liabilities ¹¹	9,421	8,353
Balance as at 31 December	9,821	8,984

The negative items consisting of receivables owed by rightsholders have been removed from the payables balance and presented separately under the ‘distribution payables’ item under other receivables.

Accrued liabilities

The accrued liabilities mainly consist of reserves for holidays, holiday allowances, external consultants, playlists, invoiced licence fee income and interest payable. Subsidies received under the NOW scheme are also shown here until official receipt of this subsidy is confirmed. At the end of 2020, an amount of unrealised licence fee income is also included on the balance sheet. The reason for creating this balance sheet item is the lack of mutual agreement on the invoiced amounts.

LIABILITIES AND RIGHTS NOT SHOWN IN THE BALANCE SHEET

As of 31 December 2020, the following off-balance-sheet liabilities have been undertaken:

	< 1 year	1 – 5 yrs	> 5 yrs
Rent (term up to and including 04-2026)	243	981	82
Lease contracts for cars	69	133	-
Copiers (term up to and including 01-2023)	5	5	-
Lessor's bank guarantee	-	25	-
Guarantee to Scan	-	1,000	-
Total	317	2,144	82

It cannot be ruled out that third parties may file a claim against Sena as a result of the RAAP-PPI and Atresmedia judgments. In that case, Sena will have to defend itself and incur legal costs. Based on legal advice received so far, there is no reason to include a provision for Sena's honouring of a claim in the financial statements.

EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, the section representatives of the Producers and Performers Sections came to a decision on 19 March 2021 regarding the undistributed fees from 2017. The Producers Section decided to add the undistributed fees from the 2017 music year to the fees intended for distribution in full. The Performers Section decided that 50% of their share will be added to the fee intended for distribution and the other 50% to the Social-Cultural Fund.

In the appeal procedure against a designation decision by the Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) received in 2019, we received a request for a preliminary injunction from the Commercial Radio Association (VCR), RTL and Talpa in 2020. A verdict is expected by 22 February 2021.

After the balance sheet date, the Ministry of Social Affairs and Employment took the position that the licence fee income should not be regarded as a basis for determining turnover. This probably means that the NOW subsidies received must be returned to the UWV.

OTHER INCOME (12)

In the statement of income and expenditure, other income includes fees for our services to NVPI, Stichting NORMA and the fees received from radio and television stations for the use of *fingerprinting*.

SALARIES (13)

	2020	2019
Wages and salaries	2,477	2,535
Social security contributions	534	484
Pension costs	210	237
Total	3,221	3,256

2020, Sena employed an average of 47.1 people (2019: 46.8), with the average of 42.4 FTEs (2019: 42.0). In 2020, the number of FTEs was broken down as follows: 5.1 FTE board and office management, 6.7 FTE commercial, 12.4 FTE distribution, 1.7 FTE legal positions and 16.5 FTE in IT, data analysis, communication and finance.

Sena has a stable workforce with relatively little turnover. Any vacancies are not available for long. However, there is a long-term IT vacancy that has not been filled yet due to market conditions and the coronavirus crisis. The absenteeism rate decreased from 3.69% in 2019 to 0.89% in 2020. The sickness reporting frequency also decreased in 2020 from an average of 1.04 to 0.79. The salary costs were €58,000 lower in 2020 than in 2019. This was mainly due to payment received from the UWV (Employee Insurance Agency) in 2020 for previously paid transition payments. Salaries were indexed in 2020 and the average number of FTEs also increased slightly compared to 2019. Cuts were made to other personnel-related costs in 2020. In 2020, there were fewer long-term sick. As a result, we received less sick pay from the absenteeism insurance. In addition, allocations were made to the reserves for holidays and anniversary payments. Social security and pension costs rose slightly due to a slightly higher number of FTEs and premium increases.

EXECUTIVE BOARD REMUNERATION

amounts in euros	2020	2020	2019	2019
Name	M.J. Bos	J.A. Moolhuijsen	M.J. Bos	J.A. Moolhuijsen
Position	CEO	CFO	CEO	CFO
Employment	Yes	Yes	Yes	Yes
Duration 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	213,163	179,436	232,925	175,789
Remuneration payable in the future	21,640	17,817	18,724	15,723
Total	234,803	197,253	251,649	191,512
Individually applicable remuneration cap	201,000	201,000	194,000	194,000
Transitional scheme under			Transitional	
Reason for possible exceeding of this cap	Executives' Pay Act I		Executives' Pay Act I	

Pursuant to the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act, which came into effect on 1 July 2013, a number of provisions in the Executives' Pay (Standards) Act (WNT) apply to Sena. The remuneration cap applicable to Sena in 2020 is €201,000 (the general remuneration cap). The transgression of the individually applicable maximum remuneration by the CEO is permitted under the Executives' Pay Act I.

In the years 2020 and 2019, the maximum remuneration is calculated according to the phasing out of transitional law, with a six-month delay because Sena became subject to the WNT on 1 July 2013.

SUPERVISORY BOARD REMUNERATION

amounts in euros				
Position	2020	2020	2019	2019
	Chair	Member	Chair	Member
Remuneration	20,000	15,000	20,000	15,000
General applicable remuneration cap	30,150	20,100	29,100	19,400
Position	Financial expert member		Financial expert member	
Remuneration	17,500		17,500	
General applicable remuneration cap	20,100		19,400	

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

LEVEL OF RENUMERATION RECEIVED FROM NEIGHBOURING RIGHTS (IN EUROS)

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

OVERVIEW OF REMUNERATION RECEIVED BY MEMBERS OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD

Mr A. Wolfsen MPA	Independent Chair of the Supervisory Board	A
Mrs P.K. van Olphen RA	Independent financial expert member of the Supervisoryboard	A
Mr R.A. Gruschke	Member of the Supervisory Board	B
Mr C. van der Hoeven	Member of the Supervisory Board	A
Mr M.R. Jessurun	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
Mrs C.L. Westbroek	Member of the Supervisory Board	A
Mr M.J. Bos	CEO	A
Mr J.A. Moolhuijsen	CFO	A

BOARD OF AFFILIATES REMUNERATION

amounts in euros				
Position	2020	2020	2019	2019
	(Vice) Chair	Member	(Vice) Chair	Member
Remuneration	6,000	4,000	6,000	4,000
General applicable remuneration cap	20,100	20,100	19,400	19,400

One of the positions on the Board of Affiliates from the Producers Section was not filled all year. For notes on the occupation of positions, please refer to the chapter ‘Personal details and relevant activities’ on pages 63 to 69. Executive Board and the supervisory bodies salary data is disclosed in line with the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act and the CMO Quality Mark.

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

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

MAILING AND COLLECTION COSTS (14)

We outsourced the invoicing and collection processes for general licences (individual and collective) to the Copyright and Neighbouring Rights Service Centre (Scan), and from 2020, this also includes online radio stations up to 100 channels. The costs from Scan were lower in 2020 due to a decrease in the costs for marketing and collection processes as a result of COVID-19. This item also includes the costs of using collection agencies for media files. In 2020, there was a one-off release from the collection costs reserve due to fewer files outstanding at collection agencies.

OTHER OPERATING EXPENSES (15)

	2020	2019
Other personnel costs	337	492
Accommodation Costs	242	263
IT costs	246	236
Office costs	48	60
Publicity costs	91	123
Advice and services of third parties	596	429
Overheads	781	804
Total	2,341	2,407

Other personnel costs decreased in 2020 by €155,000 compared to 2019. In 2020, fewer costs were incurred for hiring external staff, training and health and safety costs. By contrast, the premium for absenteeism insurance was much higher in 2020 than in 2019. There were also fewer mileage allowances paid out to staff due to working from home as a result of COVID-19. The costs of meals in the company restaurant also decreased. Accommodation costs were €21,000 lower in 2021 than in the previous year, mainly due to costs incurred in 2019 for the building refurbishment in combination with the purchase of new equipment. In 2020, the IT costs were €10,000 higher compared to 2019. No costs were incurred in 2020 compared to 2019 for *block-chain*, but costs were incurred for the construction of the producer portal (RDx) and more extensive Microsoft licences in connection with the need to work from home. Office costs decreased by €12,000 compared to 2019. This deviation is divided into several small costs and is largely due to the fact that staff worked from home for a large part of the year in 2020. In 2020, publicity costs decreased by €32,000 to an amount of €91,000. The main reason for this decrease is the lower number of events in 2020. The costs for advice and services provided by third parties increased by €167,000 in 2020. The provision for expected legal costs has been increased by €100,000 as a result of the two decisions from the European Court of Justice (RAAP/PPI and Atresmedia). More costs were also incurred for the work related to SoundAware (which was accounted for under the ‘over-heads’ item in the past), work on IRISweb and MySena, the inventory of rightsholders in the dance sector and tax advice. The overheads item was €23,000 lower in 2020 than in 2019. Due to COVID-19, there were fewer entertainment costs (and travel and accommodation costs). Department-related costs were also lower due to working from home. A reserve was made in 2019 for the costs of dance playlists, which is still largely intact, and no additional allocation was made in 2020. In addition, costs were incurred in 2020 for the work related to an event crawler, the membership fee for VOI©E was raised and cybercrime insurance was taken out from 2020 onwards.

OTHER OPERATING EXPENSES (16)

The other operating expenses consists of depreciation of tangible and intangible fixed assets, supervisor costs and the financial result. Depreciation was higher in 2020 than in 2019. This is partly due to the investments in inventory that were made during 2019 and included in the depreciation for the whole of 2020. In addition, investments were made in hardware to replace the server and to buy laptops and screens to enable employees to work from home. The supervisors’ costs in 2020 were €5,000 lower than in 2019 because there was not full staffing in 2020 and there were offsets for supervisors who did not meet the attendance threshold during 2019.

The financial result consists almost entirely of interest income and costs. In 2020, interest rates were negative for the first time, which meant that we had to incur almost all interest costs. The result came to a total of €99,000.

BUDGETED OPERATING EXPENSES (17)

	2020	Budget
Operating expenses (gross)		
Salaries	3,221	3,281
Mailing and collection costs	1,752	2,201
Other operating expenses	2,341	2,955
Depreciation of tangible and intangible fixed assets	214	265
Cost for supervisors	159	161
Total operating expenses	7,687	8,863

The gross operating expenses in 2020 were €1.2 million lower than budgeted. The salaries were €60,000 lower, partly because there was 1 FTE less than anticipated in the budget. In 2020, cuts were made to other personnel costs, which were included in the budget. In addition, we received compensation from the UWV for past transitional payments. There was also an allocation to the reserves for holidays and anniversary allowances.

The mailing and collection costs were lower than budgeted because fewer costs were incurred for marketing and collection processes due to COVID-19.

The other operating expenses were €614,000 lower than budgeted. The negative deviations can be found in the ‘other personnel costs’, ‘publicity costs’ and ‘overheads’ items. Depreciation was €51,000 below budget in 2020, mainly because several projects were cancelled due to cost savings.

The costs for supervisors were virtually in line with the budget.

AFFILIATED PARTIES

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

NOTES TO THE CASH FLOW STATEMENT

DISTRIBUTION (18)

The gross and net distribution in 2020 are shown in the tables below. Sena makes a distribution four times a year, at the end of each quarter. Both the gross and net distribution of the Dutch collection decreased in 2020 compared to 2019, by 11.1% per cent and 11.2% respectively. In 2020, a gross amount of €12.5 million was distributed from the domestic Dutch collection for the current music year. €164,000 was distributed from the Performers Fund (2019: €130,000). The distribution of the Performers Fund is included in the Dutch collection. For the time being, no costs are deducted from this.

Gross and net international distribution increased in 2020 compared to 2019, by 11.4% and 11.3% respectively. In 2020, more was distributed than received because revenue from previous years was processed. This has reduced support for the international Working Hands programme.

	Netherlands International		2020
Gross distribution	52,436	7,666	60,102
Cost deduction	(6,289)	(342)	(6,631)
Net distribution	46,147	7,324	53,471

	Netherlands International		2019
Gross distribution	58,972	6,884	65,856
Cost deduction	(7,022)	(304)	(7,326)
Net distribution	51,950	6,580	58,530

At the initiative of Sena, a limited number of targeted advance payments have been made, resulting in the amount to be paid on negative interest on bank balances held to be limited.

Hilversum, 22 March 2021

Executive Board

M.J. Bos
J.A. Moolhuijsen

Supervisory Board

A. Wolfsen
P.K. van Olphen
R.A. Gruschke
M.R. Jessurun
W.A.Q. Wanrooij
C.L. Westbroek

ESMÉE HILHORST

Sena

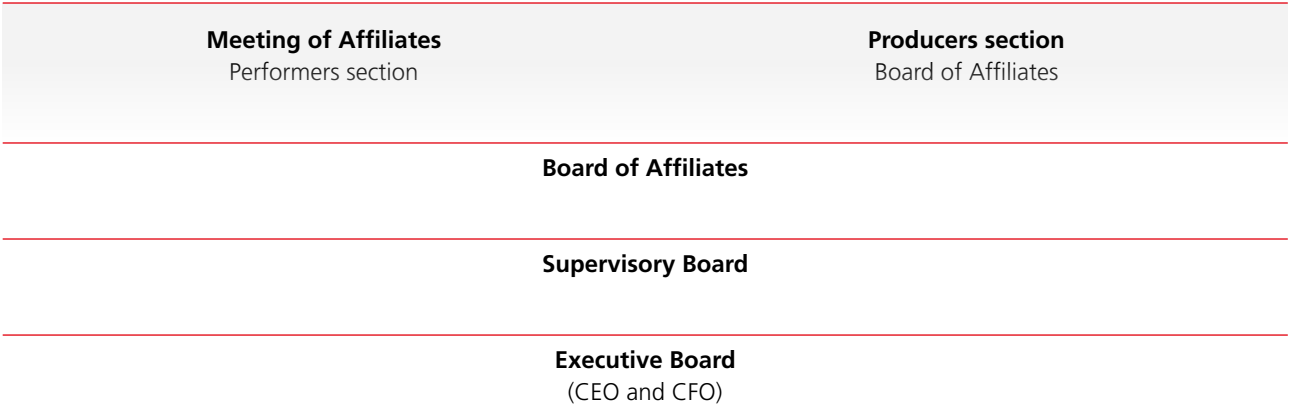
2020 has been an unusual and crazy year for everyone. Working 100% from home was a particularly big change. Suddenly, the colleagues I sat next to every day could only been seen on a webcam. At Sena, we always have music on at work and that's no different at my home office. Despite all the limitations, I think we have all got through things well.

It's great that initiatives were launched in 2020 to support those who were hit hard by the effects of the coronavirus. Sena, together with Buma, set up the Music Emergency Fund offering financial support to the most seriously affected rightsholders. And additional funding was made available from the Sena Music Production Fund, so that more new music recordings could be financed in 2020.



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RSONAL DET I S A RE EVA T A IVI IE
P RSONAL DET I S A RE EVANT A IVITIE
PERSONAL DETAI S A D RE EVANT A TIVITIES
PERSONAL DETAI S AND RE EVANT ACTIVITIES
PERSONAL DETAILS AND RELEVANT ACTIVITIES
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 2020. As from 31 December 2020, the Board of Affiliates comprised of the following members:

Mr E.R. Angad-Gaur

Chair of the Board of Affiliates from 8 October 2020 / Vice chair of the Board of Affiliates until 8 October 2020 / 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 Thuis kopie (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 & MediaMember Participants
 - > Council of Platform ACCT (paid)
 - > Member Steering Committee Creatieve Coalitie

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

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 / Creative Business Hogeschool Inholland (paid)
 - > Member of the examination committee Creative Business School Inholland (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 Thuis kopie (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)
 - > BAM 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 from 8 October 2020 / Chair of the Board of Affiliates until 8 October 2020 / 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)
 - > Board Member stichting Dutch Performers House (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)
 - > Board Member stichting Dutch Performers House (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 Pragmaflex Holding BV (paid)
 - > Interim Director U2 Limited (paid)

Mr E.J. Loon

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

- Additional positions:
- > Financial controller Universal Music (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

Member of the Board of Affiliates / Section representative of the Producers Section (paid) until 5 February 2020

- 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 LL.B

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)

REMUNERATION BOARD OF AFFILIATES

Member	Position	Length of service	Remu- neration maximum		Length of service	Remu- neration maximum	
			2020	2020		2019	2019
(amount in euros)							
Mr E.R. Angad-Gaur	Chair	01/01 - 31/12	6,000	20,100	01/01 - 31/12	6,000	19,400
Mr M. Beets	Member	01/01 - 31/12	4,000	20,100	01/01 - 31/12	4,000	19,400
Mr G. Bleijerveld	Member	01/01 - 31/12	4,000	20,100	01/01 - 31/12	4,000	19,400
Mr P. Boertje	Chair	01/01 - 31/12	6,000	20,100	01/01 - 31/12	6,000	19,400
Mr R.P. Delfos	Member	01/01 - 31/12	4,000	20,100	01/01 - 31/12	4,000	19,400
Mr M.J.T. van Duijvenbode	Member	01/01 - 31/12	4,000	20,100	01/01 - 31/12	4,000	19,400
Mr J.N. Favié CFM EMFC RC	Member	01/01 - 31/12	4,000	20,100	01/01 - 31/12	4,000	19,400
Mr E.J. Loon	Member	01/01 - 31/12	4,000	20,100	01/01 - 31/12	4,000	19,400
Mr F. Merkies	Member	01/01 - 31/12	4,000	20,100	01/07 - 31/12	4,000	19,400
Mr O. de Neve	Member	01/01 - 28/02	667	3,350	01/05 - 31/12	4,000	19,400
Mr B. van Sandwijk	Member	01/01 - 31/12	-	20,100	01/01 - 31/12	-	19,400
Mr M.C.J. ten Veen LL.B	Member	01/01 - 31/12	4,000	20,100	01/01 - 31/12	4,000	19,400
Ms A. Verheggen	Member	01/01 - 31/12	4,000	20,100	01/01 - 31/12	4,000	19,400
Mr E. Winkelmann	Member	01/01 - 31/12	4,000	20,100	01/01 - 31/12	4,000	19,400

With regard to remuneration, there are no undue payments. The individual remuneration cap for the position of chair and member is €20,100 for 2020 and €19,400 for 2019. If a position is filled for a part of the year, then the remuneration will be assigned in proportion. Until now, Mr Van Sandwijk does not claim his compensation.

SUPERVISORY BOARD

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
- > Chair of the Supervisory and Advisory Board of the Asbestslachtoffers Institute (paid)
- > Chair of the Supervisory Board UtrechtZorg (paid)

Ms P.K. van Olphen RA

Independent financial expert member of the Supervisory Board (paid)

Additional positions:

- > CFO of SLTN IT Ventures B.V. (paid)
- > Member of the Supervisory Board foundation Achmea Rechtsbijstand (paid)

Mr Gruschke

Member of the Supervisory Board, Producers Section (paid)

Additional positions:

- > Vice President Global Collective Rights Beggars Group (paid)
- > Member of the Distribution Committee of PPL
- > Board Member PPL
- > Member of the Executive Board of SIMIM
- > WIN/Impala Performance Rights Group
- > Board Member of GVL (paid)
- > Member of the Financial Committee GVL
- > Board Member Repertoire Data Exchange Limited

Mr C. van der Hoeven

Member of the Supervisory Board, Producers Section (paid) – until 1 July 2020

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 M.R. Jessurun

Member of the Supervisory Board, Producers Section (paid) – per 1 July 2020

Additional positions:

- > President Warner Music Benelux (paid)
- > Board Member NVPI Audio

Mr K.P. Ligtermoet

Member of the Supervisory Board, Performers Section (paid) - until 1 July 2020

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

Member of the Supervisory Board, Performers Section (paid)

Additional positions:

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

Ms C.L. Westbroek RC

Member of the Supervisory Board, Performers Section (paid) - per 1 July 2020

Additional positions:

- > Finance consultant Eiffel B.V. (paid))
- > Director Stairway to Heaven B.V. (paid)
- > Secretary of Stichting Gezamenlijk horecaondernemers Mariaplaats
- > Board Member of Stichting Nix 18

REMUNERATION SUPERVISORY BOARD

Member	Position	Length of service	2020	Remu- neration maximum 2020	Length of service	2019	Remu- neration maximum 2019
<i>(amount in euros)</i>							
Mr A. Wolfsen MPA	Independent Chair	01/01 - 31/12	20,000	30,150	01/01 - 31/12	20,000	29,100
Ms P.K. van Olphen RA	Independent financial expert member	01/01 - 31/12	17,500	20,100	01/01 - 31/12	17,500	19,400
Mr R.A. Gruschke	Member	01/01 - 31/12	15,000	20,100	01/01 - 31/12	15,000	19,400
Mr C. van der Hoeven	Member	01/01 - 30/06	7,500	10,500	01/01 - 31/12	15,000	19,400
Mr M.R. Jessurun	Member	01/07 - 31/12	7,500	10,500	-	-	-
Mr K.P. Ligtermoet	Member	01/01 - 30/06	7,500	10,500	01/01 - 31/12	15,000	19,400
Mr W.A.Q. Wanrooij	Member	01/01 - 31/12	15,000	20,100	01/01 - 31/12	15,000	19,400
Ms C.L. Westbroek RC	Member	01/07 - 31/12	7,500	10,500	-	-	-

With regard to remuneration, there are no undue payments. The individual remuneration cap for the position of chair is €30,150 for 2020 and €29,100 for 2019. The individual remuneration cap for the positions of financial expert member and member is €20,100 for 2020 and €19,400 for 2019. If a position is filled for a part of the year, then the remuneration will be assigned in proportion.

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 positions:
- > Board Member of the Board of the Service Centre Copyright and Neighbouring Rights
 - > Treasurer of Filmtheater Hilversum

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 LLM

Director and Secretary
Ms A. van Ouwkerk a.i.

DISTRIBUTION DISPUTES
COMMITTEE

Chair
Prof. F.W. Grosheide

Members
Mr B.J. Lenselink LLM
Mr R. Dijkstra LLM

Secretaris
Mr H.W. Roerdink LLM

RESIGNATION ROTA FOR SUPERVISORY BOARD AND BOARD OF AFFILIATES AS FROM 1 JULY 2020

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 2024
Mr E.J. Loon	Board of Affiliates, Producers Section	30 June 2022
Mr F. Merkies	Board of Affiliates, Producers Section	30 June 2022
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 2024
Mr E. Winkelmann	Board of Affiliates, Performers Section	30 June 2024
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 R.A. Gruschke	Supervisory Board, Producers Section	30 June 2022
Mr M.R. Jessurun	Supervisory Board, Producers Section	30 June 2024
Mr W.A.Q. Wanrooij LLM	Supervisory Board, Producers Section	12 September 2021*
Ms C.L. Westbroek RC	Board of Affiliates, Performers Section	30 June 2024

* Mr Wanrooij has indicated his wish to step down early, as of 30 June 2021.

ERIC VAN DER PLOEG

Videma

Sena, Videma and Buma have been working together with Scan for a long time for licensing and invoicing. Our cooperation intensified in 2020 as a result of corona. Together, we have set up a compensation scheme for those who have invoices owing. This was done efficiently thanks to the virtual coordination, but I did miss the personal contact.

The coronavirus pandemic has given me several insights, starting with stillness. It has brought me more peace, space and walks, sometimes with music in the background. The past year has also made it clear to me that life cannot be planned and engineered, however much we would like it to be. The positive thing I take from this is that I live more in the now and take less things for granted. I don't think I'll go back to 'the old normal' completely.



APPENDICES

1. PROFILE OF THE SUPERVISORY BOARD

Sena collects fees on behalf of national and international performers and record companies 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 broad-casting 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 twice, as long as the maximum term of office does not exceed eight years. 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 founda-tion'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 the VOI@E Governance Code CMOs;
- › Ensuring all requirements of financial reporting, internal control and risk management are met;
- › Appointing the independent chairman and the inde-pendent 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 demar-cation 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 repre-sentatives of the Producers Section).

Desired competencies of the members of the Board of Affiliates

- › Knowledge of and experience in administrative deci-sion-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.

3. Agreements with international organizations as at December 2020

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-RACS
Croatia	Huzip
Czech Republic	Intergram
Denmark	Gramex Denmark
Estonia	EEL
Finland	Gramex Finland
France	ADAMI
France	Spedidam
Georgia	GCA
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	RUR (Private Copy)
Russia	VOIS
Serbia	PI
Slovakia	SLOVGRAM
South Africa	Sampra
South Korea	FKMP
Spain	AIE
Sweden	SAMI
Switzerland	SWISSPERFORM
Ukraine	ULCRR/ULASP
Ukraine	UMA/UMRL
United Kingdom	PPL
United States	AARC
United States	AFM & SAG-AFTRA
United States	SoundExchange

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	103	-	4%	28	12%
Belgium	Playright	628	-	4%	130	12%
Brazil	Abramus	86	-	6%	13	12%
Brazil	SBACEM	-	-	6%	2	12%
Brazil	Socinpro	-	-	6%	-	12%
Brazil	UBC	-	-	6%	-	12%
Bulgaria	Prophon	-	-	4%	-	12%
Canada	ACTRA-RACS	46	-	6%	92	12%
Canada	ARTISTI	-	-	6%	5	12%
Canada	MROC	-	-	6%	30	12%
Croatia	Huzip	14	-	4%	1	12%
Czech Republic	Intergram	37	-	4%	7	12%
Denmark	Gramex DK	32	-	4%	160	12%
Estonia	EEL	5	-	4%	-	12%
Finland	Gramex FI	68	-	4%	23	12%
France	ADAMI	263	-	4%	340	12%
France	Spedidam	270	-	4%	191	12%
Germany	GVL	1,281	1	4%	558	12%
Greece	Erato	2	-	4%	1	12%
Hungary	EJI	-	-	4%	5	12%
Iceland	SFH	-	-	4%	(11)	12%
Ireland	RAAP	19	-	4%	138	12%
Italy	IMAIE	-	-	4%	(9)	12%
Italy	ITSRIGHT	-	1	4%	61	12%
Italy	NUOVO IMAIE	37	1	4%	69	12%
Japan	Geidankyo	142	-	6%	10	12%
Korea	FKMP	-	-	6%	16	12%
Latvia	Laipa	16	-	4%	-	12%
Lithuania	Agata	15	-	4%	-	12%
Norway	Gramo (Private Copy)	49	1	4%	(11)	12%
Norway	Norwaco	1	-	4%	-	12%
Poland	SAWP	4	-	4%	-	12%
Poland	STOART/SAWP	98	-	4%	5	12%
Portugal	GDA	4	-	4%	3	12%
Romania	Credidam	16	-	4%	6	12%
Russia	RUR (Private Copy)	19	-	6%	-	12%
Russia	VOIS	-	-	6%	1	12%
Serbia	PI	11	-	-	1	-
Slovakia	SLOVGRAM	-	-	4%	-	12%
South Africa	POSA	94	-	6%	1	12%
Spain	AIE	130	2	4%	192	12%
Sweden	SAMI	73	-	4%	472	12%
Switzerland	SWISSPERFORM	69	-	4%	9	12%
United Kingdom	PPL	491	(56)	4%	4,793	12%
United States	AARC	-	16	6%	22	12%
United States	AFM & SAG-AFTRA	70	(3)	6%	447	12%
United States	SoundExchange	1,273	7	6%	457	12%
Total performers		5,484	(33)		8,261	12%

From music year 2015 onwards, we apply a withholding percentage of 12%. If a distribution is done over older years, we will apply the withholding percentage applicable to that year (11% or 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	CAPIF
Australia	PPCA
Austria	LSG
Belgium	SIMIM
Brazil	Abramus
Bulgaria	Prophon
Canada	Re:Sound
Czech Republic	Intergram
Denmark	Gramex Denmark
Estonia	EFÜ
Finland	Gramex Finland
France	SPPF
Germany	GVL
Greece	GRAMMO
Hungary	MAHASZ
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	OFPS
Slovakia	IPF
South Africa	Sampra
Spain	Agedi
Sweden	IFPI Svenska
Switzerland	SWISSPERFORM
Ukraine	UMA
United Kingdom	PPL
United States	SoundExchange

		Received licence fee income international	Gross distribution licence fee income international	Cost percentage withheld	Gross distribution licence fee income Netherlands	Cost percentage withheld
Country	Organization					
Austria	LSG	11	-	6%	-	12%
Argentina	CAPIF	-	-	6%	1	12%
Australia	PPCA	87	-	6%	-	12%
Belgium	SIMIM	381	-	4%	22	12%
Brazil	Abramus	3	-	6%	-	12%
Canada	Re:Sound	15	-	6%	1	12%
Czech Republic	Intergram	11	-	6%	1	12%
Denmark	Gramex DK	88	-	4%	5	12%
Estonia	EFU	5	-	4%	-	12%
Finland	Gramex FI	18	-	4%	-	12%
France	SCPP	36	-	4%	-	12%
France	SPPF	-	-	4%	-	12%
Georgia	GCA	-	-	4%	-	12%
Germany	GVL	81	-	4%	-	12%
Germany	IFPI Germany	-	-	4%	49	12%
Hungary	MAHASZ	12	-	4%	-	12%
Ireland	PPI	-	-	4%	3	12%
Italy	SCF	13	-	4%	10	12%
Japan	RIAJ	124	-	6%	-	12%
Latvia	Laipa	-	-	4%	-	12%
Lithuania	Agata	7	-	4%	-	12%
New Zealand	Recorded Music NZ	3	-	6%	-	12%
Norway	Gramo	7	-	4%	-	12%
Spain	Agedi	-	-	4%	-	12%
Sweden	IFPI Svenska	5	-	4%	-	12%
United Kingdom	PPL	88	-	4%	472	12%
United States	SoundExchange	285	-	6%	13	12%
Total producers		1,280	-		574	
Total		6,764	(33)		8,836	

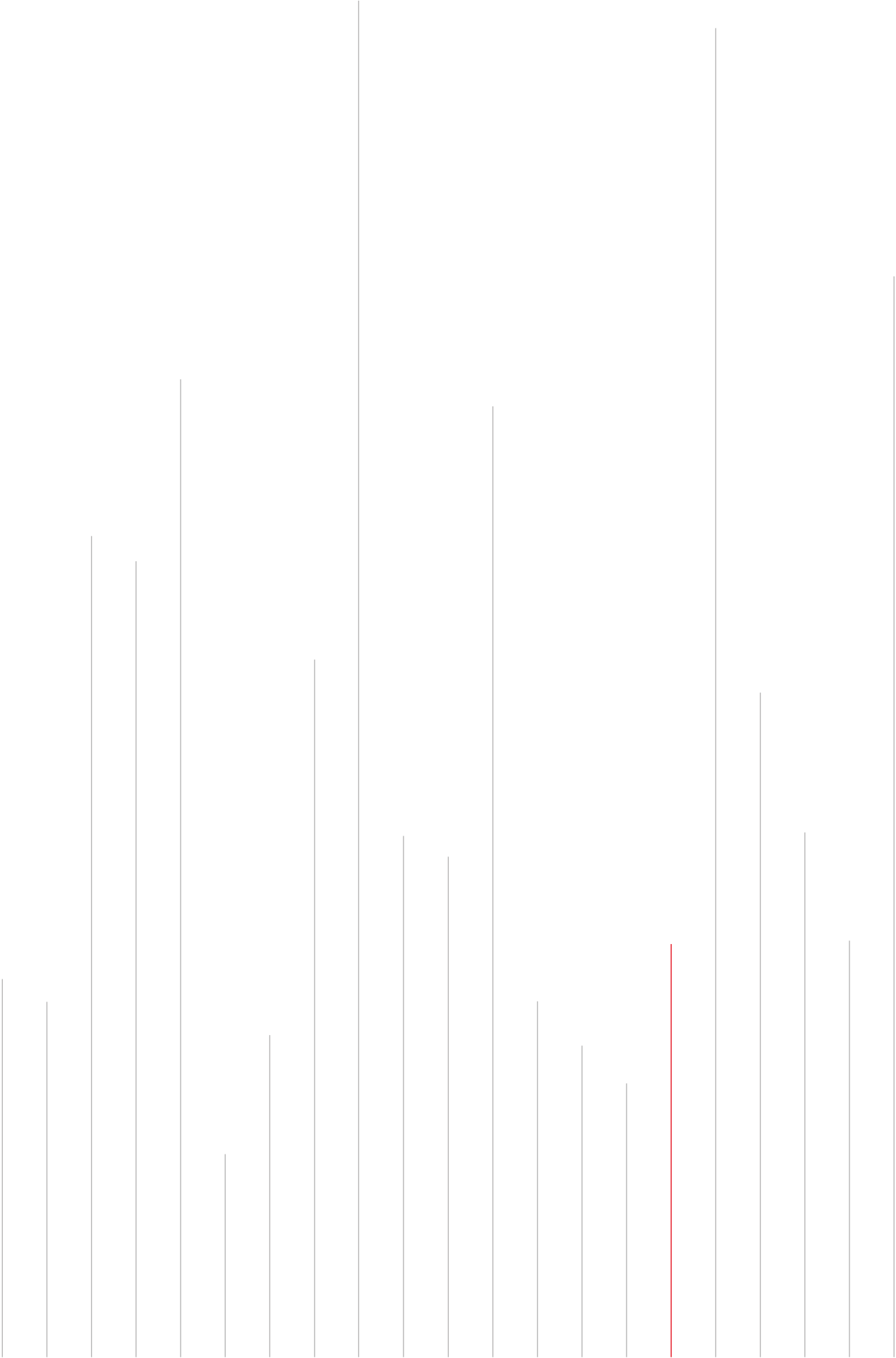
From music year 2015 onwards, we will apply a withholding percentage of 12%. If a reimbursement is continued over older years, we will apply a withholding percentage of 16%. This situation can occur, for example, in the event of a double claim being resolved or an after-claim being honoured.

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 2020, we were able to collect €443,000 in private copying audio fees from abroad. In 2020 Sena was able to pass on a total of €377,000 in audio rights (Dutch debt collection) to Sena.

Country	Organization	Received licence fee income international	Gross distribution to right-holders	Cost percentage withheld
Austria	LSG	48	9	4%
Belgium	PLAYRIGHT	-	252	4%
Belgium	SIMIM	-	25	4%
France	ADAMI	26	48	4%
France	SCPP	20	(2)	4%
Germany	GVL	-	13	4%
Greece	ERATO	50	-	4%
Hungary	MAHASZ	1	2	4%
Italy	NUOVO IMAIE	7	-	4%
Italy	SCF	19	1	4%
Japan	Geidankyo	7	-	4%
Japan	RIAJ	1	-	4%
Norway	Norwaco	-	1	4%
Poland	SAWP	-	4	4%
Portugal	GDA	6	-	4%
Russia	RUR	18	2	6%
Spain	AIE	85	14	4%
Sweden	IFPI Svenska	3	-	4%
Sweden	SAMI	5	3	4%
Switzerland	SWISSPERFORM	4	5	4%
United States	AARC	143	-	6%
Total		443	377	



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.

	Description	Part of annual report	Page number
Section 2	a cash flow statement;	Cash flow statement	37
	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;	Appendix 5, Transparency report	82
	c description of the statutory and administrative structure of the collective management organization;	Personal details and relevant activities, Appendices 1 and 2	63,72,73
	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	58
	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	55,56,63
	f the financial information referred to in Section 3 of this Decrees;	See Section 3	80
	g a special report on the use of amounts that have been withheld for social cultural, and educational services, in whichthe information as referred to in Section 3 of this Decree is included;	See Section 3	80
	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 2020 results, Appendix 5, Transparency report	4,22,82
	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:		
Section 3	1 operating expenses and financial costs for services other than rights management, including social, cultural and educational services;	Appendix 5, Transparency report	82
	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 otherthan rights management, including social, cultural andeducational services;	Social and cultural projects	48
	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	38,50
	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 2020	28,74

	Description	Part of annual report	Page number
Section 3	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	50
	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	59,50
	3 the frequency of the payments, specified by category of managed rights and type of use;	Notes to the cash flow statement	59
	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	50
	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	50
	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	50
	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	50
	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 collectivemanagement organizations, specified by category of managed rights, type of use and organization;	Transparency report and Appendix 3, Agreements with international organizations as at December 2020	82,74
Section 4	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 2020	74
	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 2020	74
	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	59
	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	28,38,50
	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 projects	48

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		2020		2019	
		€	€	€	€
RIGHTS CATEGORY	TYPE OF USE				
Neighbouring rights	Netherlands		53,579		64,455
Dutch licence fees			53,579		64,455
RIGHTS CATEGORY	TYPE OF USE				
Neighbouring rights	International	6,391		7,139	
Other rights	International private copy	443		544	
International licence fees			6,834		7,683
Total rights revenue			60,413		72,138
Income from investment* of rights revenue			(99)		48
Total rights fees including Income from investment			60,314		72,186

* Rights revenue that is not yet payable will be held at banks (that fit with the ratings under the investment status) on savings accounts that yield the highest possible interest. The income from investment outlined here exclusively relates to revenue from interest. .

Costs		2020	2019
		€	€
Rights category – type of use *			
Dutch collection	Operating expenses (gross)	7,298	7,729
International collection	Operating expenses (gross)	389	363
Total cost allocation		7,687	8,092

* 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.

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

dexercising 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 fees under Article 7 of 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.

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Concept and realisation
Fellows

We thank Anne Sophie Gersdorff, Bas van Wageningen, Bob Vos, Eric van der Ploeg, Esmée Hilhorst and Udo Delfgou for looking back with us on a special year in this annual report.

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