

**Sena  
Annual report**

2022

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## LIST OF ABBREVIATIONS AND TERMS

### CCBO

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. It is a computer programme that can learn from people's data, input and decisions. In other words, self-learning computers.

### MLC

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

### POR

Personal Recording Registration Form.

### Producer

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

### RDx

RDx stands for Repertoire Data Exchange. It is a portal where record companies (producers) and MLCs can uniformly submit, register and retrieve producer repertoire data. All parties involved will be able to work with the same producer data in the future. This is more efficient, and results in fewer disputes over claims and faster distribution payments.

### SCAN

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

### SCAPR

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

### SKO

This stands for Stichting Kijkonderzoek. Its duties include coding programmes on television.

### 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 is 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 and is an initiative from SCAPR, the international trade association for neighbouring rights organizations. This global recording database is intended to improve the exchange between international sister organizations. Sena plays a very active role in VRDB.

### WIN

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

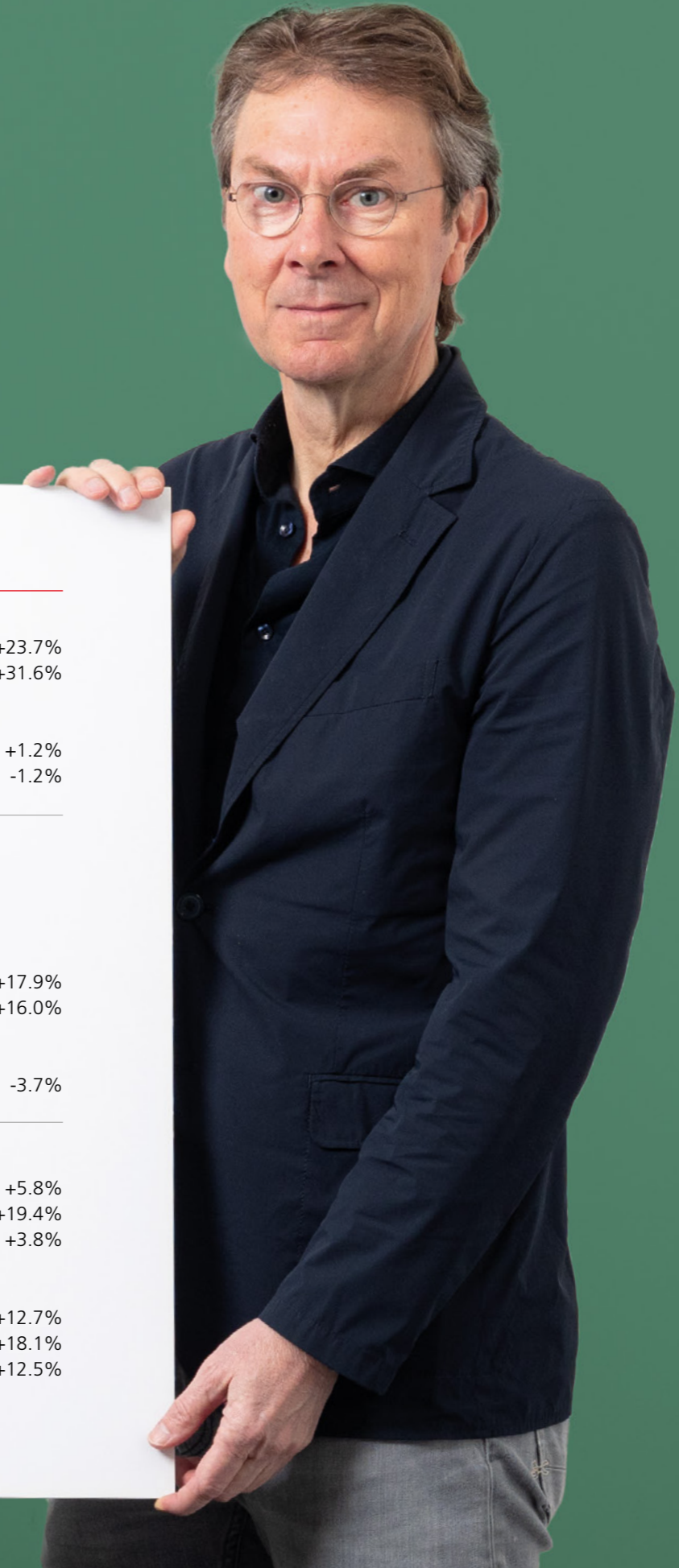
### WTCBO

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

### W, R and I members

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 through an international sister organization.

# KEY FIGURES



| <i>amounts in thousands of euros</i>         | 2022     | 2021     |          |
|--|----------|----------|----------|
| <b>Licence fee income Domestic</b>           |          |          |          |
| Invoiced                                     | € 73,690 | € 59,551 | ^ +23.7% |
| Received                                     | € 69,477 | € 52,812 | ^ +31.6% |
| <b>Licence fee income International</b>      |          |          |          |
| Invoiced                                     | € 6,541  | € 6,463  | ^ +1.2%  |
| Received                                     | € 6,432  | € 6,511  | ^ -1.2%  |
| <b>Cost withholding percentage</b>           |          |          |          |
| Actual <sup>1</sup>                          | 10.5%    | 11.2%    |          |
| Applied                                      | 14.5%    | 14.5%    |          |
| <b>Operating expenses</b>                    |          |          |          |
| Gross  | € 8,270  | € 7,016  | +17.9%   |
| Net  | € 7,739  | € 6,670  | +16.0%   |
| <b>Staff</b>                                 |          |          |          |
| FTE (average)                                | 41.2     | 42.8     | -3.7%    |
| <b>Distribution Domestic collection</b>      |          |          |          |
| Gross  | € 55,408 | € 52,395 | ^ +5.8%  |
| Cost deductions from distribution            | € 7,917  | € 6,631  | +19.4%   |
| Net  | € 47,491 | € 45,764 | ^ +3.8%  |
| <b>Distribution International collection</b> |          |          |          |
| Gross  | € 6,857  | € 6,084  | ^ +12.7% |
| Cost deductions from distribution            | € 320    | € 271    | +18.1%   |
| Net  | € 6,537  | € 5,813  | ^ +12.5% |

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

# EXECUTIVE BOARD REPORT

After two years of living with several periods of COVID-19 restrictions, normal life seemed to slowly return at the beginning of the year. Lifting the last lockdown measures in February brought an end to a difficult period for our performer and producer rightsholders, as well as our music user customers. Venues and theatres reopened, while festivals and shows returned to full capacity. Restaurants, shops and other public places also opened their doors again. This gave us the opportunity to meet our rightsholders and visit our clients. Even though we are all used to Teams meetings, Zoom calls and Facetime, seeing each other in person gives us a much better understanding of the issues affecting our rightsholders and customers.

It has been a good year for Sena, partly due to the Netherlands reopening, and also thanks to the RAAP surcharge. We achieved the highest (invoiced) licence fee income ever, which partly resulted in an increase in distribution to rightsholders too. This income is desperately needed to create and support new music again. Music that has value for our customers.

Unfortunately, 2022 had a downside too. Russia's invasion of Ukraine created great uncertainty, especially in the economic sector. Rising inflation and a looming recession are weighing on the optimism that prevailed at the beginning of the year. Sena has been working with two sister organizations in Ukraine for several years, namely UMA (for media exploitation) and ULCCR (for general licence fee income). Some colleagues from both organizations have joined the army, while others have fled the country to Western Europe. The umbrella organizations under which Sena operates, IFPI and SCAPR, have raised funds to financially support rightsholders and staff of CMOs in Ukraine. It is much appreciated that our Board of Affiliates approved the request to contribute to this from the SoCu funds.

Despite the unprecedented crisis in Eastern Europe, we look to the future with confidence. We have prepared a new policy plan for the period 2023-2025 which will continue to implement enhanced personalisation of our services. Aside from further process improvements, we want to listen to and understand our stakeholders even more and intensify our contact with them. Only by providing a first-class service can we successfully build on the valuable work we are privileged to do on behalf of our rightsholders. This is something that is in the DNA of every Sena employee, and we continue to strive to improve.

## Financial results

Partly due to the end of the lockdowns and lifting restrictive measures at the beginning of the year, 2022 turned out to be a good year for Sena in financial terms. Record income levels were recorded in terms of (invoiced) licence fee income and received licence fee income. However, the main factor that boosted licence fee income was the RAAP-PPI surcharge introduced in 2021, which increased to 26.6%.

Our total (invoiced) licence fee income increased by 22% to €80.2 million in 2022. Dutch licence fee income rose 24% to €73.7 million. International licence fee income amounted to €6.5 million in the year under review. This represented a 1% increase compared to the previous year.

Licence fee income received increased by a massive 28% to €75.9 million in 2022 which also represents a record revenue amount in the past 30 years. Of this, €69.5 million came from the Netherlands and €6.4 million from international.

The gross distribution of the Dutch collection rose by 6% to €55.4 million. Gross distribution of the international collection also increased in 2022. It increased by 13% to €6.9 million. The 2022 revenue growth is only marginally reflected in the distribution growth in this calendar year. This is partly due to the 2022 ongoing talks on operating arrangements with television channels and cable distributors. Consequently, this results in an item yet to be invoiced. In addition, we are being conservative about releasing reservations to avoid decreases in minute values as far as possible. A sum of €1 million also went to SoCu from the producers undistributed funds. Therefore, this item is not shown as distribution. With effect from 2022, the minimum amount for net distribution has been reduced from €12 to €5. This has resulted in a large increase in the number of rightsholders receiving payment.

Net operating expenses in 2022 were €7.7 million. This is a 16% increase from 2021. This shows a distorted picture because some large, one-off releases were reported in 2021.

Our liquidity position increased by €11.7 million in 2022. This is mainly due to higher revenue because of increased invoicing. Some of this revenue will not be distributed until 2023. Financial fixed assets decreased this year. This relates to advance payments, which were partly settled for the first time in 2022 and partly classified as short-term receivables from 2022 onwards. This short-term component is shown under 'accrued receivables and income'. This also partly explains the increase in this item. In addition, a reserve was included for licence fee income yet to be invoiced. The Social-Cultural Fund decreased by €1.8 million in 2022. This is partly because from music year 2022, we will calculate the addition to this fund on a distribution basis rather than on a collection basis. This has delayed the addition compared to previous music years. The 'outstanding amount' item increased by €2.5 million. This is mainly because the applied withholding percentage of 14.5% on the distribution of funds for music year 2022 is higher than the actual cost percentage of 10.5%.

## Legal

The effects of the RAAP-PPI ruling and the Atresmedia ruling, both delivered by the European Court of Justice, were keenly felt in 2022, as they were in 2021. In July 2021, we reached an agreement with the Copyright Committee (CAR) of VNO-NCW and MKB-Nederland on a surcharge for 2021 and 2022 following the RAAP-PPI ruling. For 2022, this surcharge is 26.6%. In 2021, the surcharge was 12.5%. In coordination with both VNO-NCW and MKB-Nederland and the broadcasters, we have been lobbying the European Commission to resolve the RAAP situation. If this lobbying achieves the desired result, it will lead to a significant drop in Sena licence fee income. However, the minute values of recordings from the 'Rome countries' will rise again.

Discussions were also held with television channels and cable operators in 2022 to reach operating agreements to resolve the Atresmedia situation. These negotiations were still ongoing at the end of 2022. That was also the case for the necessary approval procedure at the Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) for the adaptation of the exploitation agreements with rightsholders. Legal proceedings will be inevitable with parties where agreement cannot be reached in negotiations. A decrease in media licence fee income as a result, cannot be ruled out.

The end of the year also saw clarity in the long-running legal proceedings with Dagelijks Leven Zorg (DLZ). In December, the Supreme Court rejected DLZ's request for cassation.

## Services

At the beginning of 2022, COVID-19 was still affecting our services. Due to the lockdowns and other restrictive measures, there was uncertainty among our rightsholders as to how this year would unfold.

After most measures were lifted in February, normal life quickly resumed. We answered questions from rightsholders quickly and effectively. There was a clear shift in the type of queries received by the Service Desk. Rightsholders had lots more questions that needed a customised answer rather than the standard information requests. Good information provision on our website, including the FAQs, has addressed many standard questions.

Last year, we had to ask our rightsholders to enter their Citizen Service Number (BSN) in MySena as requested by the Dutch Tax Authorities. We are required by the Tax Authorities to forward the amounts paid to our rightsholders. While the BSN numbers required for this initially had to be removed from April 2018 due to the General Data Protection Regulation, we now have to request our rightsholders' BSN numbers again.

The Rights Sector Support Fund expired in 2022. Funds were available from the Ministry of Education, Culture and Science for musicians to receive extra support for music production during Covid times. We have been busy collecting all EPs, LPs and singles as evidence for audit purposes and to use them as promotion for our rightsholders if required, including through the website [Cultuurexplisie.nl](https://www.cultuurexplisie.nl).

2022 was also a positive year for Relationship Management. Key account interviews were initially done online, but during the year these increasingly took place face-to-face. Events and festivals such as BumaNL, ADE and No Man's Land were able to take place again, so we had 'live' contact with our rightsholders here too. Events included sessions and masterclasses by Music Rights on Tour and our own in-house Sena Sessions, where we exchange ideas with our rightsholders about possible improvements to our services. Last year, we organised several Sena Sessions at our offices as well as a meeting during ADE where we connected rightsholders and music users.

The year 2022 also marked our collaboration with NORMA, a fellow CMO that has been based in our offices since March. Both Sena and NORMA collect fees for artists and musicians. Sena has been distributing private copying audio fees to these rightsholders on behalf of NORMA for many years. NORMA also represents actors for their performances in audiovisual works. On paper, standardising the application process for performers and integrating IT systems should bring efficiency benefits. In practice, progress has proved more difficult than anticipated. This prompted us to take a breather in December and assess the previous period.

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November

# Pianoduo Festival Amsterdam

The Pianoduo Festival Amsterdam is one of the festivals supported by SoCu.



## Music users

In mid-December 2021, the Netherlands went into lockdown. All non-essential shops, health clubs/ gyms, hairdressers and contact-based professions had to shut until mid-January 2022. Cafes, restaurants, sports bars and music venues stayed closed until the third week of January. And nightlife remained closed until the end of February. Needless to say, little music was played in public during that time. Together with Buma and Videma, Sena has again applied the compensation agreements, laid down in the covenant from the Copyright Committee (CAR) of VNO-NCW and MKB-Nederland, to the 2022 music licence fee.

The implications of the RAAP-PPI and Atresmedia rulings have been widely discussed in talks with music users across the media industry. Working jointly with the national commercial and public television broadcasters, we also tried to find a solution for the Atresmedia situation that allows broadcasters, within the frameworks of the licence and at SKO code level, to claim for music in audiovisual content where they have already arranged the synchronisation with rightsholders themselves.

This has been a long process in which the interests of fee payers and rightsholders have had to be balanced. Sena is still in discussions with the television broadcasters about the licence fee implications related to these agreements, which are expected to take effect retroactively from 1 January 2022 in the first quarter of 2023.

After the end of the long-running dance events procedure in November 2021, a lot of energy has been put into marketing activities in this sector. By adopting a customer-oriented and personalised approach, we were able to get in touch with many organisers and clearly explain the message about the value of music and the requirement to pay a fair remuneration. By doing so, we managed to build support. Mindful of the difficult financial position for some organisers due to the COVID-19 crisis, we were able to agree concrete deals with a large number of parties to catch up on overdue payments.

## Technological innovation

In terms of efficiency, a lot of time has been spent modernising and improving IRIS Web. This is our distribution system that matches airplay data and repertoire metadata from our rightsholders. We pay out fees to the rightsholders based on this matching. In addition, there has been further integration with the IPD, VRDB and RDx international databases. This has ensured that the data exchange between these systems requires less manual action and that our claims with overseas sister organizations are registered more accurately and quickly, so we can also collect and pay out to rightsholders more quickly and accurately.

New features have been introduced in MySena. Examples include push notifications on repertoire, allowing rightsholders to choose to track specific repertoire for changes and new claims from other musicians, and showing amounts in case of duplicate claims. MySena now also has the option of gender-neutral registration.

The Sena app has new features too. These are related to our POR campaign. If you have played on a title as a musician and it is also registered with Sena, you can send fellow musicians a POR to easily register for this same title with a few clicks. Since 2022, you can send and create a POR link from the Sena app. In addition, a POR link sent from MySena can be opened in the app and the repertoire can be created from there.

## Complaints and disputes

There were 37 comments outstanding at the beginning of 2022. This included 10 from 2020 and 27 from 2021. In 2022, 101 comments were received. There were 105 comments handled in 2022. At the end of 2022, a total of 33 comments were still outstanding, one comment from 2020, three from 2021 and 29 from 2022. From 1 January of the reporting year, we have made it a requirement that comments which are about payouts, always include a sound file. This is to simplify and speed up the resolution of the comment.

Two cases went to the Complaints and Disputes Committee this year. In the first case, the complaint was dismissed as unfounded by the Complaints and Disputes Committee. The second case was between two rightsholders. The ruling of the Disputes and Complaints Committee did not result in a change in the completed distribution payment.

In November 2022, Ms Jacqueline Seignette was appointed as chair of the Disputes and Complaints Committee. She replaced Prof. Willem Grosheide who held this position for a long time. We are very grateful to Prof. Grosheide for his contribution.

Following an order of the District Court in The Hague, a number of questions were submitted to the Copyright Dispute Business Committee in the case between Sena and the Commercial Radio Association. The file has been made available to the Business Disputes Committee. The hearing took place in January 2023.

## External developments

The number of bankruptcies in 2022 was the second lowest level since statistics began in 1981: 2,144 companies were declared bankrupt. Compared to 2021, the number of bankruptcies was 18% higher this year (CBS January 2023). This raises the question of what impact the removal of the COVID-19 support measures will have.

## Organization

In the policy plan for the period 2023–2025, we continue to focus on operational excellence, but it is also our ambition to focus more on getting to know our customers better. We want to understand and communicate with the different groups of rightsholders and enhance our contact with them. We will also target the "Music Works" message even more to the different categories of music users. One aspect not considered in this policy plan is a possible role for us in (mandatory) collective management for on-demand exploitations. We take a neutral position on this. But if our rightsholders call on Sena, we are ready to play this role.

Like all other sectors, we were also affected by the lockdown and restrictive measures around COVID-19 in the first month and a half of this year. As a result, all employees had to work from home. After all measures were lifted, Sena developed a hybrid homeworking policy, whereby employees can work at home or in the office.

During the year under review, ISAE 3402 certificate was issued without findings. The same applies to the VOI@E Quality Mark, with this being the last in its current form. The Control Board has indicated in the performance of its statutory duties it is committed to not be able to rely (in part) on the Quality Mark, provided by VOI@E after an audit by the Hallmark Institute. This prompted members of industry association VOI@E to stop the Quality Mark audit required for membership.

The risk matrix was updated in 2022. This is an annual process to identify internal and external risks to our operations. In addition to the uncertainties associated with the impact of the RAAP and Atresmedia rulings, the war in Ukraine and the related inflation and impending recession also left their mark on this risk analysis. Overall, the audit has a greater focus on fraud risks. These risks and the planned control measures for them are also included in the risk matrix.

We are aware, however, that external circumstances may affect our operations. We also draw up a policy plan every three years that outlines our future development plans. The undeniable value of music for both music creators and music users, combined with the Neighbouring Rights Act, form the basis of what we do at Sena.

29 September 2022 was a special day for us. This marked the 30th anniversary of Sena's registration with the Chamber of Commerce. Almost a year later, on 1 July 1993, the Neighbouring Rights Act came into force. Based on this act, Sena was mandated to manage the remuneration rights for the broadcasting, rebroadcasting and publication of commercial phonograms on behalf of all rightsholders such as artists, musicians and producers in the Netherlands. Our 30th anniversary will be commemorated on several occasions in 2023.

## Future

Music continues to be widely used in a business environment, which makes sense because it adds so much value to Dutch businesses.

We expect radical changes to take place in the coming years. However, recent years have also shown us that things like progress on (international) collaborations and the decline of linear radio and television are developing much more slowly than previously estimated.

What remains is our focus to provide as many licences in the Netherlands as efficiently as possible to the business community, radio and television stations and event organisers. And our aim to distribute the resulting revenue, together with international fees collected, as accurately and quickly as possible at a reasonable cost. Combined with continuously improving our service levels.

To the best of our ability, we foresee two uncertainties which could potentially put pressure on income in the coming years: the possible loss of the RAAP surcharge and legal proceedings following the Atresmedia ruling.

Nevertheless, we look forward to the coming years with full confidence and continue to work enthusiastically to achieve the future ambitions in the new policy plan. We will work together with all our colleagues at Sena who have also shown great commitment in providing services to our customers and rightsholders in the past year.

M.J. Bos  
CEO

J.A. Moolhuijsen  
CFO

Hilversum, 5 April 2023

# SUPERVISORY BOARD REPORT

After two years of lockdowns and restrictive measures during COVID-19, 2022 was a year of recovery for both our rightsholders and music users. This was reflected in Sena's operations. This year saw record (invoiced) licence fee income, and more was distributed to rightsholders than last year.

## Supervisory Board composition

The year 2022 marked Hendrik-Jan de Mooij's first year as independent chair of the Supervisory Board. Otherwise, no changes took place in the Supervisory Board.

## Meetings in 2022

The Supervisory Board met eight times in 2022. A joint seminar was also held with the Board of Affiliates. Halfway through the year, the Supervisory Board evaluated its own performance, this time with external guidance.

## Regular topics

The Supervisory Board approved the annual report, the 2021 financial statements and the 2023 budget. The Supervisory Board discharged the Executive Board for its policies. The Supervisory Board also approved the new policy plan 'Your Song' for the period 2023–2025. During the year under review, the Executive Board frequently informed the Supervisory Board about the ongoing legal proceedings and the financial and legal implications of the 2020 European Court of Justice rulings on RAAP-PPI and Atresmedia. The possible strengthening of cooperation with NORMA has been on the agenda at every Supervisory Board meeting.

## Decisions

The Supervisory Board approved the formulated Supervisory Vision and the Code of Conduct on Integrity. In addition, approval was given to the Reporting Scheme for suspected abuse or integrity violations within Sena. The Supervisory Board also approved the clarification of the threshold regulations.

## European legislation

As in 2021, the RAAP-PPI ruling and the 2020 Atresmedia ruling had a major impact on Sena's business. The agreement reached with the Copyright Committee of VNO-NCW and MKB Nederland on the RAAP surcharge entered its second year. There has been active European lobbying to encourage the European Commission to initiate the (possibility of) reintroducing reciprocity. Final agreements with television stations regarding the implementation of the Atresmedia ruling were not yet reached in 2022. The amendment to the exploitation agreements required for this purpose was approved by the Copyright and Neighbouring Rights Collective Management Organizations Control Board just before the end of the year. The Executive Board has indicated that legal action with (a single) cable distributor is likely inevitable.

## Collaboration with NORMA

During 2022, the Supervisory Board was kept informed by the Executive Board on the progress of the collaboration with Stichting NORMA. A far-reaching collaboration with this sister organization contributes to an efficient service for our performer rightsholders. The first step in that process was NORMA's move to Sena's offices in Hilversum. During 2022, efforts were also made to work out the transfer of staff and related work from NORMA to Sena. However, this process did not go as smoothly as initially expected. This prompted the Executive Board to take a step back at the end of 2022 and evaluate whether expectations about the way forward between the two organizations were still in sync.

## Sector issues

Since 2021, the Good Governance and Integrity Guidelines for CMOs have been replaced by the VOI©E Governance Code. VOI©E members have committed themselves to abide by the provisions of the Code. All provisions are above the statutory requirements.

Sena complied with the guidelines of the Code in 2022. Meetings are held with the auditor at least once a year by the Audit Committee without the presence of the Executive Board. The Executive Board keeps regulators informed of discussions with rightsholders, music users, the Supervisory Board and VOI©E. The terms of office for supervisors are laid down in the articles of association, and Sena organises an induction programme and training for new supervisors to broaden their knowledge.



# 19-23

October

## Amsterdam Dance Event

After the COVID-19 pandemic, the Amsterdam Dance Event could go back to 'normal' again. We invited music creators and music users to connect with each other during ADE.



### Committee meetings and working groups

The Supervisory Board has two committees: the Audit Committee and the Remuneration Committee. All committee recommendations were submitted to the Supervisory Board, which then decided to implement the opinions into decisions where applicable.

The Audit Committee met three times in 2022. The 2021 financial statements, the 2022 audit plan and management letter and 2023 budget were discussed by the Audit Committee.

Members of the Remuneration Committee met twice during the year under review. During these meetings, topics discussed included organizational developments within Sena, the Executive Board's assessment cycle, succession planning and expense arrangements.

Partly with a view to the Management and Supervision of Legal Entities Act, a working group was set up within Sena with representatives from both the Board of Affiliates and the Supervisory Board. This group carried out an evaluation of the articles of association and all (distribution) regulations. The proposed changes were introduced into the decision-making process in the first quarter of 2023.

### In conclusion

We look back on 2022 with a positive feeling. The end of the lockdowns gave our rightsholders the opportunity to practice their profession with no more restrictions. Music users could also return to full operation. However, the relief at getting through the effects of COVID-19 was replaced in February 2022 by deep concern for the consequences of the war in Ukraine. High inflation, soaring energy costs and fears of recession affected consumer and business spending in 2022. This could impact Sena's business operations in the coming period. It is therefore important to keep a watchful eye on these developments and to anticipate them wherever possible. Given the organization's demonstrated adaptability in the recent past and the way it has responded to many unexpected developments, we look to the future with caution but also with confidence. The Supervisory Board therefore expresses its appreciation and heartfelt thanks for the tremendous efforts of Sena's staff in the past year.

On behalf of the Supervisory Board

Hendrik-Jan de Mooij  
Chair

Hilversum, 5 April 2023

# BOARD OF AFFILIATES REPORT

Although 2022 was a year of optimism due to the end of the COVID-19 pandemic, it was also a year of uncertainty due to the war in Ukraine. High inflation and a looming recession dampened hopes at the beginning of the year. However, the good feeling about 2022 continues to prevail. The end of lockdown and restrictive measures has allowed our rightsholders to get back to their passion of recording and producing music. Once again, the Board of Affiliates fulfilled its role as internal supervisor from an advocacy perspective to the best of its ability.

## Changes to the Board of Affiliates

In 2022, five members of the Board of Affiliates reached the maximum term of office. On 1 July, Marius Beets, Rolf Delfos (both Performers section representatives), Michiel ten Veen, Peter Boertje and Berry van Sandwijk (all Producers section representatives) stepped down from the Board of Affiliates. To mark the occasion, they were awarded the Sena Icon for their outstanding service to Sena. Liesbeth Steffens, Coen Witteveen, (both Performers section representatives) Floris Janssen and Sebastiaan van Welie (both Producers section representatives) joined the Board of Affiliates in 2022. Voting for the appointments of Steffens and Witteveen took place at the Meeting of Affiliates on 9 May 2022, because several candidates had applied for these positions in the Performers section. In the Producers section, there were no opposing candidates. In this meeting, one other person was elected, however, he later withdrew. Jan Favié succeeded Peter Boertje as chair of the Producers section in 2022. Fons Merkies and Eric Jan Loon were reappointed.

## Distribution sounding board group

The distribution sounding board group allows rightsholders to provide section representatives with input on self-proposed or proposed changes to the distribution rules. This makes the sounding board group an informal advisory body to the Board of Affiliates.

In 2022, this group met once through Teams, for each section individually. During the meeting for the Producers section, Sena gave an explanation about how to solve the

Atresmedia situation and the corresponding adjustment to the exploitation agreements. The score for conductor's role in the distribution for performers has been put on the Performers section agenda. There was also discussion about the playlist criteria.

## Allocation of undistributed fees

On 18 March 2022, the section representatives from the Producers and Performers sections decided on the allocation of the undistributed fees from music year 2018. The remaining balance from the undistributed fees was distributed in accordance with the decision of the section representatives as follows: the producer part was distributed to the producers (€651,000 gross) with an addition made to the Social-Cultural Fund (€1 million gross). The performers' part was distributed 50% (€1.3 million gross) to the performers, provided that the respective performer received at least €100 gross over the applicable music year, and 50% was added to the Social-Cultural Fund (€1.1 million after deduction of costs and VAT). The decision was also made for 3% of the Social-Cultural deduction to be visible on the performers' statements.

## Rulings

In 2022, the implications of the RAAP-PPI and Atresmedia rulings again featured frequently. The Board of Affiliates supports the lobby to introduce material reciprocity as a solution to the RAAP ruling at European level. This would allow a return in the Netherlands to the situation as it was before 1 January 2021. Material reciprocity is equivalent to reciprocity, meaning that 'Rome' rightsholders have the same rights as WPPT rightsholders.

Regarding the solution to the Atresmedia ruling, Sena's exploitation agreements needed to be amended. There has been a lengthy process to obtain the necessary approval from the Copyright and Neighbouring Rights Collective Management Organizations Control Board for this amendment. This was partly caused by appeal procedures initiated by concerned licence fee payers.

## Decisions 2022

The Board of Affiliates took a number of decisions during 2022. The Board of Affiliates approved the annual report, the 2021 financial statements and the 2023 budget. It also advised on the policy plan 2023–2025. In addition, the Supervisory Vision, the Code of Conduct on Integrity and the Reporting of suspected wrongdoing or integrity violations were adopted. With regard to the funding of BREIN, the Board of Affiliates took the position that there is a willingness to continue unchanged as part of the collective spending of the Dutch Copyright Federation (Federatie Auteursrechtbelangen).

Both the Performers and Producers sections decided to allocate the collection of the closed music years, excluding the dance fees, to the after-claims provision item. Following a note from the Executive Board, the Board of Affiliates agreed not to make any changes to the current playlist criteria.

For several years, the Board of Affiliates has applied a minimum wages standard for performing artists in projects co-financed by SoCu funds. It is pleasing to note that this wages standard is now also more widely used in the sector. However, there has been no indexation of this standard since its introduction. Hence, it was decided to adjust the wages standard for musicians. As of 1 January 2023, the wages standard is now € 290 per musician per performance.

### Collaboration with NORMA

The Board of Affiliates was kept informed by the Executive Board on progress on the project to intensify collaboration with Stichting NORMA during all meetings in 2022. A far-reaching collaboration with this sister organization contributes to an efficient service for our performer rightsholders. The first step in that process was NORMA's move to Sena's offices in Hilversum. Service desk staff started an intensive knowledge-sharing programme. During 2022, efforts were also made to work out the transfer of staff and related work from NORMA to Sena. However, this process did not go as smoothly as initially expected. This prompted the Executive Board to take a step back at the end of 2022 and evaluate whether expectations about the way forward between the two organizations were still in sync.

### Social, cultural and educational projects The Rights Sector

Support Fund from the Dutch Copyright Federation received a third instalment of €3.1 million from the Ministry of Education, Culture and Science in 2022. Of this, €680,000 was made available to our rightsholders. This has been used to provide financial support for production-related projects.

In 2022, 786 musicians and producers applied for a contribution from the Music Production Fund (total €3.5 million). Of these, 528 applications were granted by an advisory committee for a total value of €1.6 million. Two-thirds of this amount is a donation. This part was partly financed with funds received from the Rights Sector Support Fund. Applicants must repay the remaining part to the Sena Music Production Fund after two years. Although initially started by the Performers section, it is now a joint fund from Performers and Producers.

The Producers and Performers sections jointly supported the following projects in 2022: the Gouden Notekraker (Golden Nutcracker awards), BREIN, SCAPR Fund for Ukraine support, Jazz and Classical AFAS EDISONS and the Upstream: Music pop investment fund.

In 2022, Performers Magazine changed its name to Sena Magazine becoming a joint publication for both Producers and Performers.

The past year has been another turbulent one for Sena. Significant events in the world around us have had a major impact on Sena's operations. The organization managed to respond well to this, while also bringing the quality of service up to a higher level. We would like to express our thanks for these efforts.

Matthijs van Duijvenbode  
Chair of the Board of Affiliates

Jan Favié  
Vice-Chair of the Board of Affiliates  
Hilversum, 5 April 2023



March

# Sena magazine

The Performers Magazine changed its name to Sena Magazine this year.

# 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, keeps it up to date and ensures that it is communicated to employees. The strategic risk analysis is part of the policy plan. The Supervisory Board has approved the risk management framework. Sena has a low-risk appetite.

#### 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.
- › There is a formal organizational structure that reflects the hierarchical and functional relationship between the different positions. Sena's organizational model is guided by the competencies needed to carry out the primary and supported processes (process orientation).
- › The processes described show the necessary distinction between functions. A key issue here is the separation between licensing, registering rightsholders, registering playlist data, distribution activities and administration activities.
- › The organization must comply with applicable laws and regulations. The Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) supervises compliance.

##### Desired culture

- › 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 by all performers and producers in the Netherlands. 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 geared towards represent 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 and reliability of general and management information and commercial drive. Our 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 for the last time in 2022 as it has been decided to stop following an audit by an independent certification body (Keurmerkinstituut) – 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. Our goal is to make the international exchange between CMOs even more professional.

##### VOI@E Governance Code

The VOI@E Governance Code came into effect on 1 January 2021. The Code replaces the 2011 Good Governance and Integrity Guidelines and is part of the CMO Quality Mark. The Supervisory Board, the Board of Affiliates and Sena's Executive Board have explained in their Supervisory Vision how the Code will be implemented. In addition to the Supervisory Vision, Sena has drawn up a code of conduct for integrity, a reporting regulation for suspected wrongdoing or integrity violations and regulations for the avoidance of conflicts of interest.

### Required competencies

- › The competencies required by employees are detailed in job profiles. These profiles are linked to a salary scale and remuneration system which is administrated by the office manager and adjusted to accommodate changes by the Executive Board;
- › The quality and reliable implementation of the distribution process is crucial to ensure the quality of our data, and we want to provide assurance for our rightsholders. Therefore, this process is independently audited, resulting in an ISAE 3402 Type 2 compliance statement. This statement indicates that the management measures put in place were designed and operated effectively with regard to the distribution process for the year under review. This is subject to an annual independent audit by the auditor.

### Technology (IT)

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

### Fraud

Fraud is a major concern and is safeguarded in various ways. The risk matrix explicitly examines various types of fraud. This is proactively addressed by the control measures in place. The fraud risks are overcome by system monitoring and the separation of functions, as well as using trend analysis during the operation of distributing of funds. Examples include the unauthorised use of personal data or the misappropriation of personal sensitive information. Control measures have been developed within Sena to reduce the risk of fraud (such as the design of the separation of functions and the four-eyes principle and the secure back-up of data). The structure, existence and operation of the measures are reviewed annually by the auditor. Sena's Executive Board also chose to take out cyber security insurance to cover any residual IT risk.

### General Data Protection Regulation (GDPR)

- › As of May 2018, we carefully apply the GDPR to our work processes;
- › A privacy officer is employed 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 during this period. In 2022, we drew up a multiyear policy plan for the period 2023–2025.

### Budget

Every year, we prepare a budget that provides insight into the income and costs for the following year. Throughout the calendar year, we compare the actual results against this and account for any deviations.

### Annual plans at departmental level

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

### Operational risk management

The control measures per operational risk and per operational process are defined in the risk management matrix and the control framework respectively. 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

The 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 purposes) and for providing advice on the structure and adjustment of control measures within processes.

As an additional safeguard for the adequate functioning of internal controls, external auditors and supervisors act as a third line of defence to 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 Part 9 Book 2 of the Dutch Civil Code, and Directive 640 relating to annual reporting for non-profit making organizations) and reviews the annual report;
- › An external 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 IT infrastructure;
- › CMO Quality Mark audit;
- › Annual review by the CvTA.

The Supervisory Board oversees the Executive Board and is responsible for aspects such as approving the policy, the budget and the strategy (coupled with the proposed strategic risk control measures) and the annual report (including the financial statements), which describes 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 financial statements. The Code of Conduct - Communication Protocol sets out how the various bodies handle issues in which they have different interests in terms of communication.

The main strategic risks are defined as follows:

- › Changing legislation could impact our exclusive position. Government involvement could extend further to the setting of rates. In addition, the government could force CMOs to intensify their mutual collaboration. This risk category also includes unfavourable legal precedents in other EU Member States;
- › 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, are also of great concern. This also applies to the growing demands from licensees regarding streamlining the distribution process and discussions about equitable remuneration.

Identified risks regarding the relationship with rightsholders include:

- › The loss of international mandates to agents and/or international sister organizations could put pressure on international licence revenue;
- › Efforts to safeguard privacy and GDPR compliance (through adequate data protection measures) could impede Sena's efforts to comply with legislation in this area;
- › The impact of RAAP-PPI and Atresmedia on both revenue and work processes;
- › 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, given the large volume of financial transactions. The loss of key personnel for the organization also falls into this risk category;
- › Finally, technological risks may involve 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 supervisors.

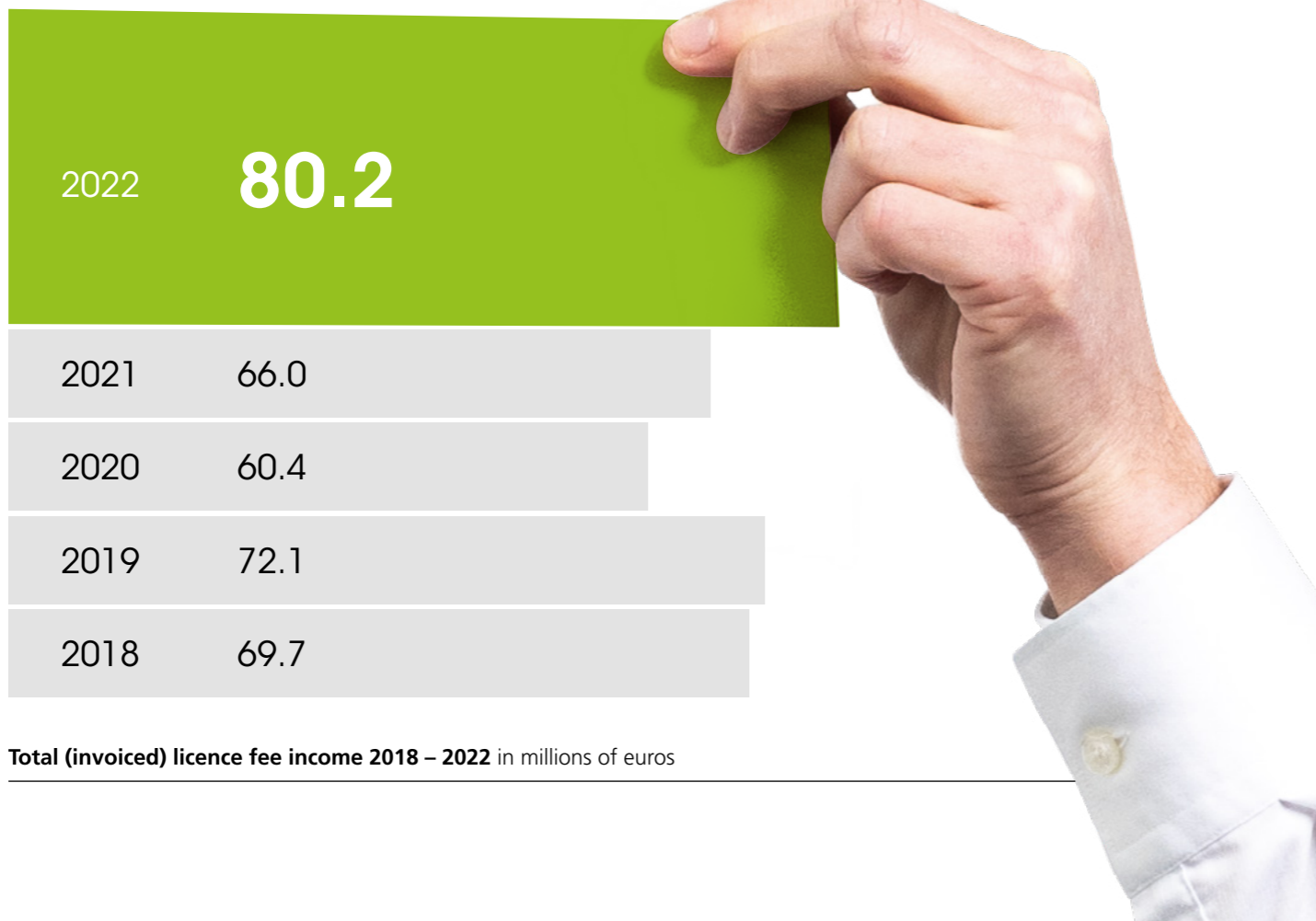
### COVID-19

With the end of the lockdown and restrictive measures, the impact of COVID-19 on our operations has been substantially reduced. All areas are catching up, so 2022 can be considered a 'normal' year.

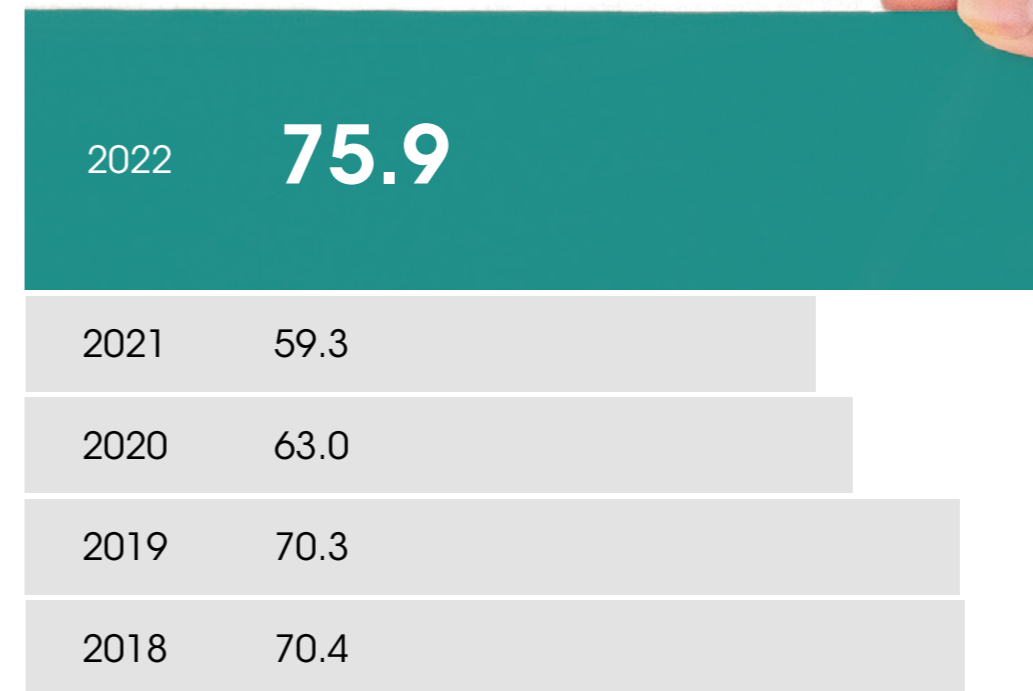
### Ukraine

Russia's invasion of Ukraine in February 2022 has brought uncertainty to the global economy. This also affects economic conditions in our country. This has been reflected in rising inflation and a looming recession in the year under review.

# NOTES TO RESULTS 2022



Total (invoiced) licence fee income 2018 – 2022 in millions of euros



Total licence fee income received 2018 – 2022 in millions of euros

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

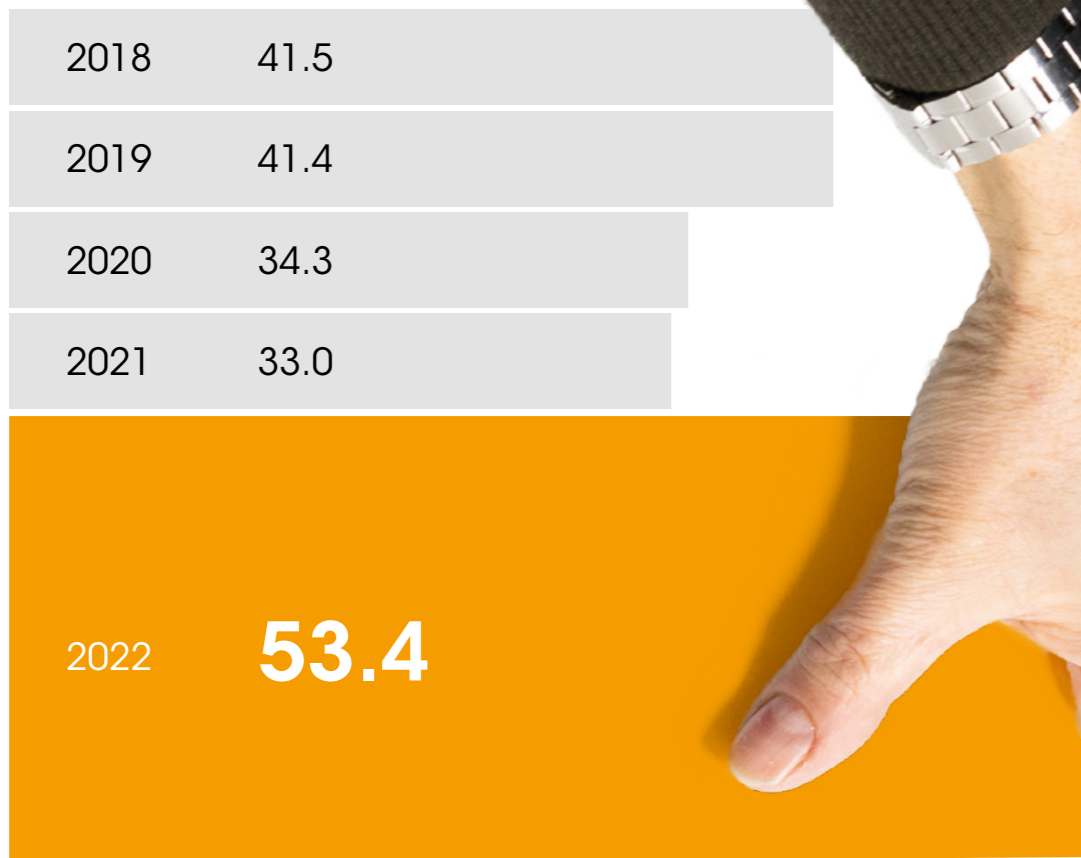
In 2022, the total (invoiced) licence fee income was €80.2 million, €14.2 million more than in 2021. The Dutch (invoiced) licence fee income increased by €14.1 million to a total of €73.7 million. International (invoiced) licence fee income remained stable at €6.5 million.

In 2022, we received a total of €75.9 million in licence fee income. Of this, €69.5 million came from the Netherlands and €6.4 million came from overseas.

Net distributions of Dutch and international income increased by €1.7 million and €724,000, respectively, compared to 2021. The total net distribution amounted to €54.0 million. This is an increase of 4.8% on the previous year.

Our net operating expenses reached €7.7 million in 2022. This corresponds to 10.5% of the Dutch (invoiced) licence fee income.

We maintained the withholding percentage at 14.5% in 2022, the same as the previous year.



Received licence fee income general licences 2018 – 2022 in millions of euros

**General Licences**

General licences consist of individual and collective licences. The Service Centre for Copyright and Neighbouring Rights (SCAN) handles licensing administration on our behalf. SCAN invoices music users based on agreements made with trade organizations. On 18 December 2021, the cabinet again announced a strict lockdown. All non-essential shops, health clubs/ gyms, hairdressers and contact-based professions had to shut until 14 January 2022. Cafes, restaurants, sports bars, music venues stayed shut until 25 January. Nightlife remained closed until 24 February. As a result, slittle music was played in public. Together with Buma and Videma, Sena has again applied the compensation agreements, laid down in the covenant from the Copyright Committee (CAR) of VNO-NCW and MKB Nederland, to the 2022 music licence fee.

In July 2021, we reached a commercial agreement with CAR for 2021 and 2022 on the implications of the RAAP-PPI ruling that led to a change in Dutch law from 1 January 2021. In 2022, there was a 26.6% surcharge on the applicable general licence fees. We received €53.4 million from the General Licences segment; €20.4 million more than in 2021. Collective licences increased by €11.7 million. Individual licence fee income increased by €8.7 million. The indexation of licence fees was 1.9% based on the derivative consumer price index (CPI).

**Media**

The implications of the RAAP-PPI and Atresmedia rulings have been widely discussed with music users within the media segment. Together with the national commercial and public television broadcasters, we also worked on a solution to the Atresmedia ruling. This has been a lengthy process. Negotiations on the implications for the licence fee had not been concluded by the end of 2022.

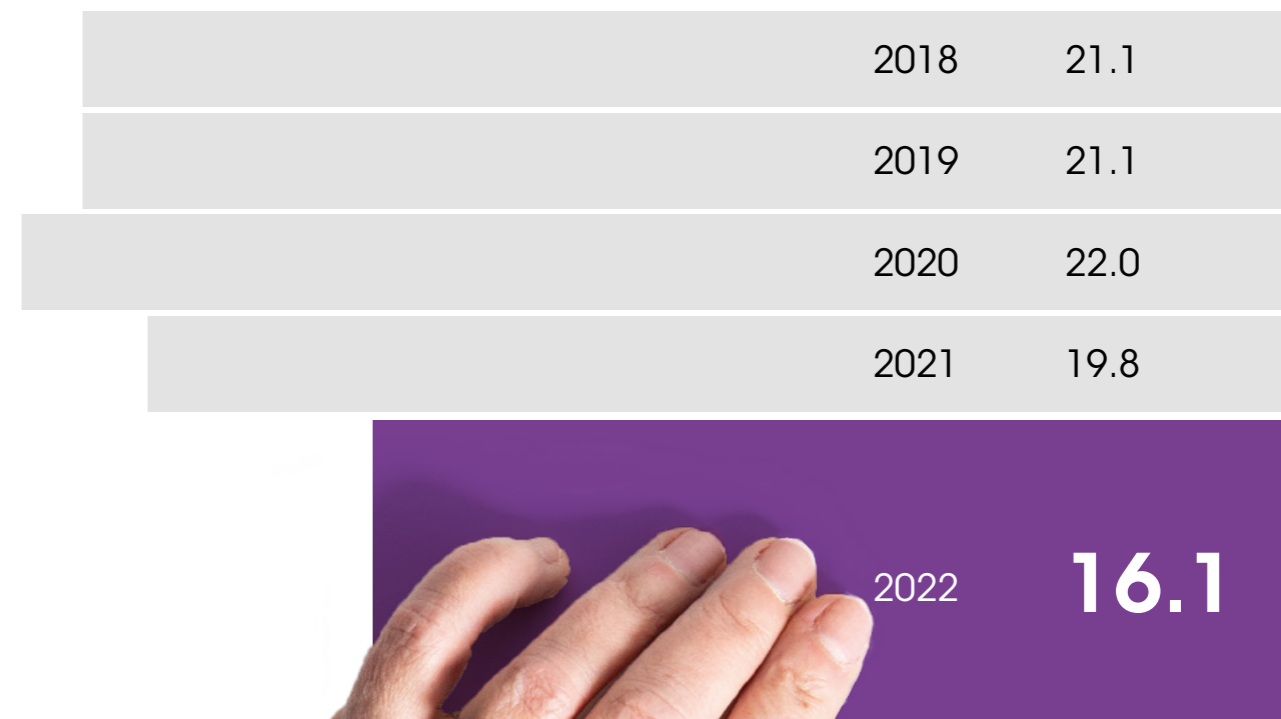
Advertising spend for commercial national radio has recovered well after the COVID-19 crisis and has resulted in an 11% increase in (invoiced) licence fee income in this segment. Both the 2022 advance payments and the 2021 payments were higher as a result.

Invoiced revenue in the dance sector for 2022 shows a nominal decrease because 2021 contained a one-off release of €4.5 million for past revenues bookable after the court ruling. When adjusted for this, dance income is rising sharply. This is entirely related to the removal of the COVID-19 restrictions.

Discussions with television stations regarding working arrangements relating to Atresmedia have not yet been formalised through signed agreements. However, given the nature of the talks, we have decided to reserve licence fee income in 2022.

The Atresmedia ruling also affects revenue from cable operators. The impact cannot yet be determined. Legal action seems inevitable. No revenue has been set aside for this category for security reasons. This therefore also explains the decrease in licence fee income received in this segment.

Overall, licence fee income received within the media segment amounted to €16.1 million. This represents a 19% decrease compared to 2021.



Received licence fee income received Media 2018 – 2022 in millions of euros

**International**

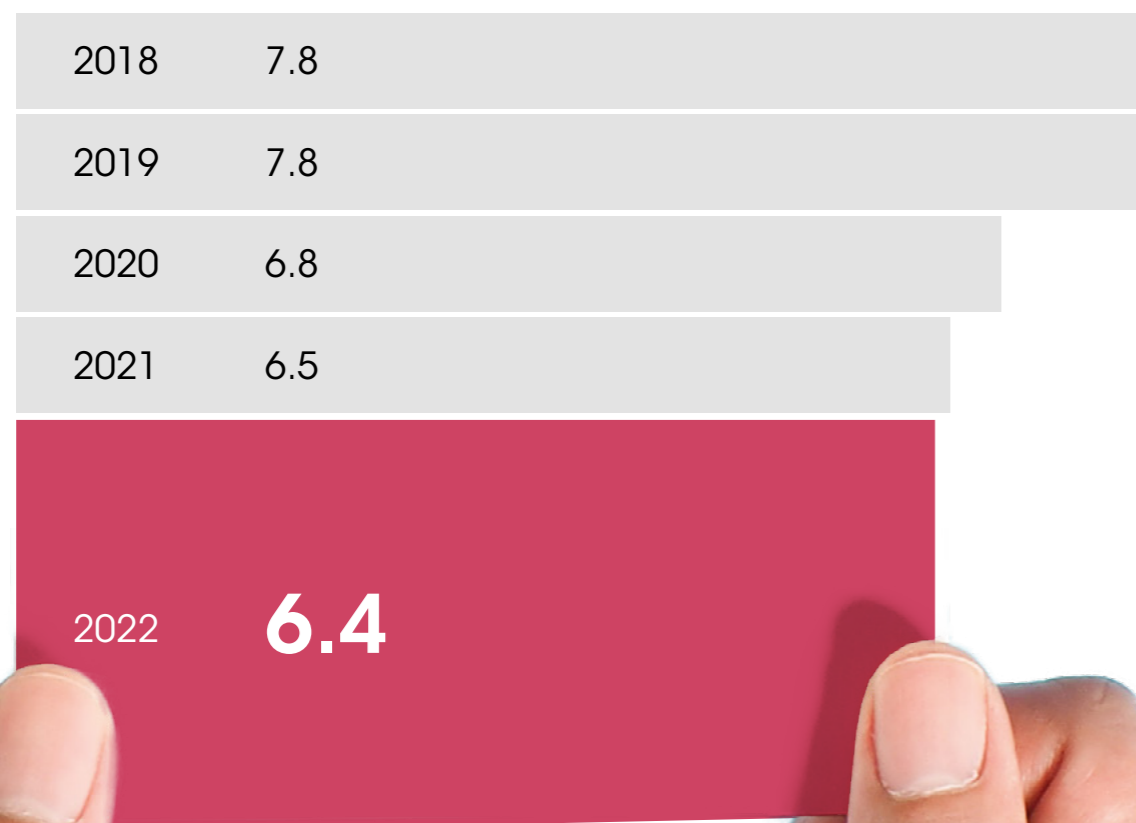
Our licence fee income received from overseas decreased from €6.5 million in 2021 to a total of €6.4 million. This is a decrease of 1%.

**Distribution**

We distributed €62.3 million gross to rightsholders in 2022. This is €3.8 million more than in 2021. Net distributions also increased by €2.5 million to €54.0 million.

As a result of the Atresmedia ruling, no distribution was made in the 2022 calendar year for music year 2022 for playlists from television stations. This money has been reserved. Once the negotiations with the television stations are completed and the agreements are signed, this money will be distributed in 2023.

Received licence fee income International 2018 – 2022 in millions of euros



Net distribution 2018 – 2022 in millions of euros





### Private Copying

We handle the international collection of private copying audio fees for Stichting NORMA. We distribute these together with the private copying audio fees collected in the Netherlands to the performer rightsholders registered with Sena. In 2022, we distributed €454,000 in private copying fees.

### Exploitation

Our gross operating expenses were €8.3 million in 2022. This is an increase of 17.9%. Net operating expenses increased by 16% to a total of €7.7 million.

The increase is partly explained by the release of a significant legal expense reserve in 2021, due to the conclusion of two legal proceedings. In addition, mailing and collection costs increased, partly due to a one-off credit in 2021 and partly because regular market processing activities resumed. This was understandably a lot lower in 2021 due to COVID-19.

### Control Board

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

Our gross operating expenses, expressed as a percentage of total (invoiced) licence fee income, were at the level of 10.3% in 2022. Expressed as a percentage of the distribution, including the addition from the Social-Cultural Fund, the gross operating expenses were 12.8%. This meets the criterion of the Governmental Decree (AMvB) dated 12 December 2016. This stipulates that the percentage of costs based on fees and distribution may not exceed 15%.

A second 'comply or explain' criterion is that the gross operating expenses may not increase by more than the consumer price index (CPI 2022: 10%). However, the gross operating costs are up by 18%.

This increase is distorted by a substantial release in 2021 following the conclusion of two legal proceedings and a one-off credit at SCAN.

When adjusted for these items, costs increased by 5.9% and are therefore below the limit.

A third criterion is that investments that exceed 5% of the (invoiced) licence fee income require prior approval from the Control Board. Our investment in 2022 was €154,000. Expressed as a percentage of (invoiced) licence fee income, investment is 0.2% and thus falls below the norm.

### 2023 Budget

In 2022, we drafted a new policy plan for the period 2023–2025. The gross budget for operating expenses in 2023 is €10.2 million. We foresee an increase in personnel costs in 2023 and additional costs for further refinement of our distribution, including installing music metres in the General Licence segment.

Our withholding percentage has been set at 13% for 2023. This is a decrease of 1.5% compared to 2022.



Gross operating expenses 2018 – 2022 in millions of euros

# KEY FIGURES

## 2022 – 2018

| amounts in thousands of euros                               | 2022          |               | 2021          | 2020          | 2019          | 2018          |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>(INVOICED) LICENCE FEE INCOME</b>                        |               |               |               |               |               |               |
| Dutch use   | 73,690        | +23.7%        | 59,551        | 53,579        | 64,455        | 62,356        |
| International CMOs  | 6,541         | +1.2%         | 6,463         | 6,834         | 7,683         | 7,311         |
| <b>TOTAL</b>  | <b>80,231</b> | <b>+21.5%</b> | <b>66,014</b> | <b>60,413</b> | <b>72,138</b> | <b>69,667</b> |
| <b>DISTRIBUTION</b>   |               |               |               |               |               |               |
| Rightsholders   | 51,589        | +4.0%         | 49,580        | 51,299        | 55,227        | 57,981        |
| International CMOs  | 10,676        | +20.0%        | 8,899         | 8,803         | 10,629        | 9,956         |
| <b>SUBTOTAL</b>   | <b>62,265</b> | <b>+6.5%</b>  | <b>58,479</b> | <b>60,102</b> | <b>65,856</b> | <b>67,937</b> |
| Cost deductions from distribution                           | (8,237)       | +19.3%        | (6,902)       | (6,631)       | (7,326)       | (7,498)       |
| <b>TOTAL</b>  | <b>54,028</b> | <b>+4.8%</b>  | <b>51,577</b> | <b>53,471</b> | <b>58,530</b> | <b>60,439</b> |
| <b>DISTRIBUTABLE LICENCE FEE INCOME</b>                     | <b>83,378</b> | <b>+24.5%</b> | <b>66,975</b> | <b>61,931</b> | <b>67,485</b> | <b>65,053</b> |
| <b>SOCIAL-CULTURAL FUND</b>                                 |               |               |               |               |               |               |
| Addition  | 2,383         | -13.6%        | 2,758         | 4,072         | 2,936         | 3,552         |
| Expenditure   | (3,893)       | +18.6%        | (3,282)       | (4,434)       | (3,193)       | (2,906)       |
| Available for distribution at the end of the financial year | 1,999         | -43.0%        | 3,509         | 4,033         | 4,395         | 4,652         |
| <b>STATEMENT OF INCOME AND EXPENDITURE</b>                  |               |               |               |               |               |               |
| Dutch income  | 7,739         | +16.0%        | 6,670         | 7,047         | 7,440         | 7,047         |
| International income  | 321           | +18.0%        | 272           | 342           | 321           | 450           |
| Miscellaneous income  | 408           | +40.7%        | 290           | 397           | 283           | 266           |
| <b>SUBTOTAL</b>   | <b>8,468</b>  | <b>+17.1%</b> | <b>7,232</b>  | <b>7,786</b>  | <b>8,044</b>  | <b>7,763</b>  |
| Operating expenses (gross)                                  | (8,270)       | +17.9%        | (7,016)       | (7,687)       | (8,092)       | (7,813)       |
| <b>SUBTOTAL</b>   | <b>198</b>    | <b>-8.3%</b>  | <b>216</b>    | <b>99</b>     | <b>(48)</b>   | <b>(50)</b>   |
| Financial result  | (198)         | -8.3%         | (216)         | (99)          | 48            | 50            |
| <b>OPERATING RESULT</b>                                     | <b>-</b>      |               | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      |

|   | 2022    |                         | 2021   | 2020   | 2019    | 2018    |
|---|---------|-------------------------|--------|--------|---------|---------|
| <b>KEY FIGURES</b>  |         |                         |        |        |         |         |
| Dutch licence fee income received   | 69,477  | +31.6%                  | 52,812 | 56,212 | 62,553  | 62,568  |
| International licence fee income received                                     | 6,432   | -1.2%                   | 6,511  | 6,764  | 7,777   | 7,828   |
| Percentage of actual costs withheld   | 14.5%   | 0.0% <sub>punt</sub>    | 14.5%  | 12.0%  | 12.0%   | 12.0%   |
| <b>Net operating expenses expressed as a percentage of:</b>                   |         |                         |        |        |         |         |
| Total licence fee income  | 9.6%    | -0.5% <sub>point</sub>  | 10.1%  | 11.7%  | 10.3%   | 10.1%   |
| Dutch licence fee income  | 10.5%   | -0.7% <sub>point</sub>  | 11.2%  | 13.2%  | 11.5%   | 11.3%   |
| <b>Gross operating expenses expressed as a percentage of:</b>                 |         |                         |        |        |         |         |
| total licence fee income  | 10.3%   | -0.3% <sub>point</sub>  | 10.6%  | 12.7%  | 11.2%   | 11.2%   |
| total gross distribution<br>(including addition to Social-Cultural Fund)      | 12.8%   | +1.3% <sub>point</sub>  | 11.5%  | 12.0%  | 11.8%   | 10.9%   |
| Annual movements in operating expenses (gross)                                | 1,254   | -                       | (671)  | (405)  | 279     | 330     |
| Decrease/increase in operating expenses (gross)                               | 17.9%   | +26.6% <sub>point</sub> | (8.7)% | -5.0%  | 3.6%    | 4.4%    |
| Derivative consumer price index   | +1.9%   | +0.5% <sub>point</sub>  | +1.4%  | +1.6%  | +1.3%   | +1.1%   |
| Representation of rightsholders   | >90%    | 0.0% <sub>punt</sub>    | >90%   | >90%   | >90%    | >90%    |
| Number of rightsholders with distributions up to and including reporting year | 100,793 | +13.6%                  | 88,717 | 67,005 | 66,145  | 62,401  |
| Number of rightsholders with distributions up to and including reporting year | 65,212  | +30.9%                  | 49,813 | 35,512 | 33,512  | 30,971  |
| Number of invoiced users  | 88,936  | -0.8%                   | 89,693 | 95,641 | 100,029 | 101,913 |
| Number of employees FTE (average)   | 41.2    | -3.7%                   | 42.8   | 42.4   | 42.0    | 41.7    |

# 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 producers for the broadcasting and rebroadcasting of commercially released music in accordance with the Neighbouring Rights Act. We do this on an exclusive basis in the Netherlands, which means that no other parties are authorised to collect and distribute these fees. We represent almost all Dutch performers and producers internationally as well as some international artists. Our mission is to create greater awareness of the value of music among music users, to collect fair remuneration 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

Sena distributes the collected fees according to the distribution rules. Sena uses fingerprinting, a technology that automatically identifies a piece of music from radio and television based on unique audio recognition. Until music year 2021, Sena processed the playlists from national radio stations with a market share of at least 0.3%, provided they are members of the National Listening Survey (NLO). Playlists from regional radio stations are processed if they pay Sena €30,000 or more on an annual basis. From music year 2022, Sena will process all national and non-national radio stations if they pay a minimum of €22,689 (this being the minimum fee). The calculation of whether a station meets this is based on the previous year's forecast.

Sena processes playlists from national television stations if they pay a minimum of €60,000, provided they are reported to Stichting Kijkonderzoek (SKO). We also process playlists from background music suppliers such as Mood Media, DJ Matic and Xenox. These playlists report the music use of hospitality venues and other business music users in the Netherlands.

For public use, the playlist data is processed if a user pays 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 national television stations and a 25% reduction is applied to the distribution of tracks used as design music.

The definition of design music is: a track used to identify\* and/or to frame radio and television programmes and/or channels. When submitting their repertoire claims in MySena, Sena rightsholders should indicate at title level whether the track is design music. This repertoire is then eligible for distribution with effect from the year in which the repertoire in question is fully registered in MySena

\* tunes, jingles, promos, leaders, bumpers, filters, stations, underscores etc.

# 20

September

## Zilveren Notekraker

ger Froukje won this year's Zilveren Notekraker



Photo: ANP Photo

Rik Kunnekes, Account Manager General Licences



December

# MUSIC RIGHTS on tour

Music Rights on Tour was able to regain its presence at various festivals after the COVID-19 pandemic. So did No Man's Land with Son Mieux.



Photo: Menno Ridderhof

Sander Teekens, Manager Data & IT

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

Fees are then distributed to rightsholders of this music based on a distribution key specified in the distribution rules: Half of the reserved fees per title are paid to producers, the other half to performers. The allocation of fees per phonogram/title is as follows:

- a) The total amount available for distribution to the performers and/or producers is divided by the total units (i.e. minutes or clicks) of actual use of repertoire liable for compensation;
- b) This amount per unit is multiplied by the number of units played per title. This creates an amount available per title for distribution to performers who have contributed to the title in question, and to producers.

For popular repertoire, 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;
- › 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, performers share the amount available for the title(s) they have contributed to 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 fixed withholding percentage is deducted from the collected fees. The withholding percentage for Dutch licence fee income has been set at 14.5% from the year 2021. In addition, from 2022, we reserve 3% of the funds intended for performers at the time of distribution for social-cultural purposes. The remaining additions for the Social-Cultural Fund come from undistributed fees. The Meeting of Affiliates votes on both the SoCu expenditure and the SoCu policy in the previous financial year.

## Management model and review of distribution regulations

In accordance with the CMO Quality Mark and the VOI@E Governance Code, 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 associations and distribution regulations started in 2021 and will be completed in 2023.

Our current management model, articles of association and distribution regulations also comply with the VOI@E Governance Code for CMOs which is part of the CMO Quality Mark.

# ANNUAL AC- COUNTS 2022

## BALANCE SHEET AS OF DECEMBER 31 (after appropriation of results)

| ACTIVA                                      | 31 December 2022 |               | 31 December 2021 |               |
|---|------------------|---------------|------------------|---------------|
| in thousands of euros                       | €                | €             | €                | €             |
| <b>Vaste activa</b>                         |                  |               |                  |               |
| Intangible fixed assets <sup>1</sup>        | 202              |               | 177              |               |
| Tangible fixed assets <sup>2</sup>          | 142              |               | 224              |               |
| Financial fixed assets <sup>3</sup>         | 2,176            |               | 10,500           |               |
|   |                  | <b>2,520</b>  |                  | <b>10,901</b> |
| <b>Current assets</b>                       |                  |               |                  |               |
| Accounts receivable <sup>4</sup>            | 9,303            |               | 11,947           |               |
| Accrued receivables and assets <sup>5</sup> | 14,472           |               | 876              |               |
|   |                  | <b>23,775</b> |                  | <b>12,823</b> |
| Cash and cash equivalents <sup>6</sup>      |                  | <b>66,556</b> |                  | <b>54,855</b> |
| <b>TOTAL ASSETS</b>                         |                  | <b>92,851</b> |                  | <b>78,579</b> |

| LIABILITIES                                   | 31 December 2022 |               | 31 December 2021 |               |
|---|------------------|---------------|------------------|---------------|
| in thousands of euros                         | €                | €             | €                | €             |
| <b>Equity capital</b>                         |                  | -             |                  | -             |
| <b>Provisions <sup>7</sup></b>                |                  | <b>635</b>    |                  | <b>392</b>    |
| <b>Non-current liabilities</b>                |                  |               |                  |               |
| Social-Cultural Fund <sup>8</sup>             |                  | <b>1,999</b>  |                  | <b>3,753</b>  |
| <b>Current liabilities</b>                    |                  |               |                  |               |
| Liability regarding distribution <sup>9</sup> |                  |               |                  |               |
| Payable                                       | 67,707           |               | 58,302           |               |
| Not yet payable                               | 10,863           |               | 6,315            |               |
| Outstanding amounts                           | 4,808            |               | 2,358            |               |
|   |                  | <b>83,378</b> |                  | <b>66,975</b> |
| <b>Other current liabilities</b>              |                  |               |                  |               |
| Accounts payable                              | 513              |               | 541              |               |
| Tax and social security contributions         | 161              |               | 46               |               |
| Accrued liabilities <sup>10</sup>             | 6,165            |               | 6,872            |               |
|   |                  | <b>6,839</b>  |                  | <b>7,459</b>  |
| <b>TOTAL LIABILITIES</b>                      |                  | <b>92,851</b> |                  | <b>78,579</b> |

## STATEMENT OF INCOME AND EXPENDITURE

| in thousands of euros  | 2022    |                | 2021    |                |
|--|---------|----------------|---------|----------------|
|  | €       | €              | €       | €              |
| <b>Income</b>  |         |                |         |                |
| Dutch income   | 7,739   |                | 6,670   |                |
| International income   | 321     |                | 272     |                |
| Miscellaneous income <sup>11</sup>                                 | 408     |                | 290     |                |
|  |         | <b>8,468</b>   |         | <b>7,232</b>   |
| <b>Operating expenses (gross)</b>                                  |         |                |         |                |
| Salaries <sup>12</sup>   | (3,341) |                | (3,350) |                |
| Mailing and collection costs <sup>13</sup>                         | (2,057) |                | (1,868) |                |
| Other operating expenses <sup>14</sup>                             | (2,468) |                | (1,406) |                |
| Depreciation of tangible and intangible fixed assets <sup>15</sup> | (211)   |                | (218)   |                |
| Supervisory costs <sup>16</sup>                                    | (193)   |                | (174)   |                |
|  |         | <b>(8,270)</b> |         | <b>(7,016)</b> |
| <b>Financial result <sup>17</sup></b>                              |         | <b>(198)</b>   |         | <b>(216)</b>   |
| <b>OPERATING RESULT</b>  |         | <b>-</b>       |         | <b>-</b>       |
| <b>BUDGET OPERATING EXPENSES <sup>18</sup></b>                     |         | <b>(9,044)</b> |         | <b>(8,844)</b> |
| <b>OPERATING EXPENSES (NET)</b>                                    |         | <b>(7,739)</b> |         | <b>(6,670)</b> |

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

For a comparison with the prepared Budget 2022, please refer to page 64 of this annual report.

## CASH FLOW STATEMENT

| in thousands of euros   | 2022     |                 | 2021     |                 |
|---|----------|-----------------|----------|-----------------|
|   | €        | €               | €        | €               |
| <b>CASH FLOW FROM LICENCE FEE INCOME AND DISTRIBUTION AND SOCIAL-CULTURAL FUND EXPENDITURE</b>    |          |                 |          |                 |
| <b>LICENCE FEE INCOME</b>   |          |                 |          |                 |
| NETHERLANDS   | 69,477   |                 | 52,812   |                 |
| International   | 6,432    |                 | 6,511    |                 |
| <b>TOTAL LICENCE FEE INCOME RECEIVED</b>  |          | <b>75,909</b>   |          | <b>59,323</b>   |
| <b>DISTRIBUTION (NET)</b>   |          |                 |          |                 |
| Netherlands   | (47,492) |                 | (45,764) |                 |
| International   | (6,536)  |                 | (5,813)  |                 |
| <b>TOTAL DISTRIBUTION <sup>18</sup></b>   |          | <b>(54,028)</b> |          | <b>(51,577)</b> |
| <b>SOCIAL-CULTURAL FUND EXPENDITURE</b>   |          | <b>(3,893)</b>  |          | <b>(3,282)</b>  |
| <b>TOTAL CASH FLOW FROM LICENCE FEE INCOME, DISTRIBUTION AND SOCIAL-CULTURAL FUND EXPENDITURE</b> |          | <b>17,988</b>   |          | <b>4,464</b>    |
| Operating result  | (7,541)  |                 | (6,454)  |                 |
| Depreciation of tangible and intangible fixed assets  | 211      |                 | 218      |                 |
| Movements in working capital  | 1,395    |                 | 117      |                 |
| <b>CASH FLOW FROM OPERATIONAL ACTIVITIES</b>  |          | <b>(5,935)</b>  |          | <b>(6,119)</b>  |
| <b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>   |          | <b>(154)</b>    |          | <b>(142)</b>    |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>  |          | <b>(198)</b>    |          | <b>(216)</b>    |
| <b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>  |          | <b>11,701</b>   |          | <b>(2,013)</b>  |
| Cash and cash equivalents as at December 31   | 66,556   |                 | 54,855   |                 |
| Cash and cash equivalents as at January 1   | 54,855   |                 | 56,868   |                 |
| <b>MOVEMENT IN CASH AND CASH EQUIVALENTS</b>  |          | <b>11,701</b>   |          | <b>(2,013)</b>  |

**STATEMENT OF MOVEMENTS IN DISTRIBUTABLE LICENCE FEE INCOME**

| <i>in thousands of euros</i>                                    | <b>2022</b> |                 | <b>2021</b> |                 |
|---|-------------|-----------------|-------------|-----------------|
|   | €           | €               | €           | €               |
| <b>Balance as at January 1</b>                                  |             | <b>66,975</b>   |             | <b>61,931</b>   |
| <b>(INVOICED) LICENCE FEE INCOME</b>                            |             |                 |             |                 |
| Dutch use   | 73,690      |                 | 59,551      |                 |
| International CMOs  | 6,541       |                 | 6,463       |                 |
| <b>SUBTOTAL</b>   |             | <b>80,231</b>   |             | <b>66,014</b>   |
| <b>DISTRIBUTION (GROSS)</b>                                     |             |                 |             |                 |
| Rightholders  | (51,589)    |                 | (49,580)    |                 |
| International CMOs  | (10,676)    |                 | (8,899)     |                 |
| <b>SUBTOTAL</b>   |             | <b>(62,265)</b> |             | <b>(58,479)</b> |
| <b>OTHER MOVEMENTS</b>  |             |                 |             |                 |
| <b>Additions</b>  |             |                 |             |                 |
| International income  | 321         |                 | 272         |                 |
| Miscellaneous income  | 408         |                 | 290         |                 |
| Deduction of costs from distribution                            | 8,237       |                 | 6,902       |                 |
| Deduction of costs from distribution provision for after-claims | 12          |                 | 3           |                 |
| Release of bad debt provision                                   | 217         |                 | 217         |                 |
| Distribution payables   | 9           |                 | 6           |                 |
| Performers Fund   | 804         |                 | 214         |                 |
| <b>SUBTOTAL</b>   |             | <b>10,008</b>   |             | <b>7,904</b>    |
| <b>Deductions</b>   |             |                 |             |                 |
| Operating expenses (gross)                                      | (8,270)     |                 | (7,016)     |                 |
| Financial result  | (198)       |                 | (216)       |                 |
| Withholding tax   | -           |                 | (1)         |                 |
| Distributable fees  | -           |                 | (44)        |                 |
| Allocation to bad debt provision                                | (30)        |                 | (36)        |                 |
| Withdrawal for the provision of after-claims (gross)            | (315)       |                 | (79)        |                 |
| Social-Cultural Fund  | (2,438)     |                 | (2,482)     |                 |
| Deduction of international costs                                | (320)       |                 | (271)       |                 |
| Withdrawal SoCu music year write-off                            | -           |                 | (250)       |                 |
| <b>SUBTOTAL</b>   |             | <b>(11,571)</b> |             | <b>(10,395)</b> |
| <b>BALANCE AS OF 31 DECEMBER</b>                                |             | <b>83,378</b>   |             | <b>66,975</b>   |

December



# Sena Icoon Award

Sena CEO Markus Bos awarded Paul Solleveld with a Sena Icon for his great services for Sena



# CONSO- LIDATED ACCOUNTING PRINCIPLES

## General

Amounts are in thousands of euros unless otherwise indicated. The general principle for valuing assets and liabilities, as well as for determining earnings, is the acquisition price or the manufacturing price. Unless otherwise stated, assets and liabilities are shown at face value. We prepare our financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. We prepare our financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and Guideline RJ640 of the Dutch Accounting Standards Board.

## Comparison with previous year

The accounting policies remained unchanged from the previous year.

## 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 prepared in euros; this is Sena's functional and presentation currency.

### Transactions, receivables and liabilities

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

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

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

## Operational leases

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

## VALUATION PRINCIPLES FOR ASSETS AND LIABILITIES

### Intangible and tangible fixed assets

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 carried at fair value less transaction costs (if material). These receivables are subsequently measured at amortised cost. The valuation takes into account any impairment losses.

### Impairment of fixed assets

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

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

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

### Receivables

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

## Financial instruments

Financial instruments include both primary financial instruments, such as receivables and liabilities, as well as derivative financial instruments (derivatives). 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, bank balances and deposits with a maturity term 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 administered by an insurance company. Premiums payable for the financial year are recognised as an operating expense. We include a reserve for contributions not yet paid by the balance sheet date. There are no other obligations apart from the contribution payments. As the contributions owed 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 recognised at the time of invoicing and/or if there is certainty of mutual agreement on the invoiced amounts. The 'liabilities regarding distribution' item is carried at nominal value.



### Outstanding amounts

The 'outstanding amounts' item is carried at nominal value. This item is created because of the balance between the withholding percentage and the actual cost percentage. This item is calculated by multiplying the applicable cost withholding percentage by the received licence 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 five years, it can be allocated by the Board of Affiliates as follows:

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

### PRINCIPLES FOR DETERMINING 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 take place in a year other than the collection year. Since the result of these services cannot be estimated with reasonable accuracy in the interim, the revenue is recognised at the level of the costs incurred.

The difference between the fee deduction and the actual operating expenses is credited or debited directly to the liability regarding distribution.

#### International income

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

#### Miscellaneous income

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

#### Costs

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

### Periodically payable remunerations

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

### Depreciation

Depreciation is related to the acquisition value of the 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 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

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

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September

## Gouden Notekraker

Major winners at the Gouden Notekraker were DIRECT (Gouden Notekraker), Froukje (Zilveren Notekraker) and Tessa Boomkamp (Humble Heroes Award).



# NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER

## INTANGIBLE FIXED ASSETS (1)

Movements in this item are as follows:

|                                | 2022       | 2021       |
|--------------------------------|------------|------------|
|                                | Software   | Software   |
| <b>BOOK VALUE 1 JANUARY</b>    | <b>177</b> | <b>177</b> |
| Investments                    | 100        | 67         |
| Disinvestments                 | (10)       | (74)       |
| Depreciation                   | (75)       | (67)       |
| Depreciation of disinvestments | 10         | 74         |
| <b>BOOK VALUE 31 DECEMBER</b>  | <b>202</b> | <b>177</b> |

Investments in 2022 were mainly in building a data warehouse and transitioning from Qlikview to PowerBI. Disinvestments relate to software no longer in use.

Total acquisition value and depreciation are:

|                               | 2022       | 2021       |
|-------------------------------|------------|------------|
| Acquisition value             | 4,832      | 4,741      |
| Cumulative depreciation       | (4,630)    | (4,564)    |
| <b>BOOK VALUE 31 DECEMBER</b> | <b>202</b> | <b>177</b> |

### Depreciation rates

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

## TANGIBLE FIXED ASSETS (2)

Movements in this item are as follows:

|                                | Refurbishment | Fixture and fittings | Hardware   | 2022       | 2021       |
|--------------------------------|---------------|----------------------|------------|------------|------------|
| <b>BOOK VALUE 1 JANUARY</b>    | <b>11</b>     | <b>87</b>            | <b>126</b> | <b>224</b> | <b>300</b> |
| Investments                    | 14            | 18                   | 22         | 54         | 75         |
| Disinvestments                 | -             | -                    | (19)       | (19)       | (23)       |
| Depreciation                   | (6)           | (33)                 | (97)       | (136)      | (151)      |
| Depreciation of disinvestments | -             | -                    | 19         | 19         | 23         |
| <b>BOOK VALUE 31 DECEMBER</b>  | <b>19</b>     | <b>72</b>            | <b>51</b>  | <b>142</b> | <b>224</b> |

NORMA moved into our premises in 2022, therefore adjustments were made to the premises and additional fixtures and fittings were purchased. These costs have been charged to NORMA. In addition, investments included replacing laptops. The old laptops have been disinvested.

Total acquisition values and depreciation are:

|                               | Refurbishment | Fixture and fittings | Hardware  | 2022       | 2021       |
|-------------------------------|---------------|----------------------|-----------|------------|------------|
| Acquisition value             | 178           | 258                  | 599       | 1,035      | 1,000      |
| Cumulative depreciation       | (159)         | (186)                | (548)     | (893)      | (776)      |
| <b>BOOK VALUE 31 DECEMBER</b> | <b>19</b>     | <b>72</b>            | <b>51</b> | <b>142</b> | <b>224</b> |

### Depreciation rates

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

## FINANCIAL FIXED ASSETS (3)

The movement in financial fixed assets is specified as follows:

|   | 2022          | 2021          |
|---|---------------|---------------|
| <b>BALANCE 1 JANUARY</b>                        | <b>10,500</b> | -             |
| Advance payment issued                          | 300           | 10,500        |
| Settlement of advance with distribution payment | (1,728)       | -             |
| Reclassification to accrued income              | (6,896)       | -             |
| <b>BALANCE AS OF 31 DECEMBER</b>                | <b>2,176</b>  | <b>10,500</b> |

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

- › Repayment takes place once Sena no longer pays interest on its outstanding balances (the interest rate is greater than or equal to 0%);
- › The advance amount will be set-off against distribution whereby this takes precedence over the distribution payment;
- › Sena has the right, in exceptional situations, to settle the advance amount earlier;
- › No securities have been given for the advance amount paid;
- › 0% interest will be charged on the advance amount and is intended to reduce the balance of Sena's holdings with financial institutions.

Advance payments were previously reported in full under financial fixed assets because the maturity was longer than one year. With repayment starting in 2022, this is no longer the case for the entire value of advance payments. As a result, part of the outstanding balances should be reported under accrued income. This then concerns the expected distribution funds that can be settled next year. We have calculated this to be four times the December 2022 payment

**ACCOUNTS RECEIVABLE (4)**

|                                  | 2022         | 2021          |
|----------------------------------|--------------|---------------|
| Receivables                      | 9,903        | 12,798        |
| Bad debt provision               | (600)        | (851)         |
| <b>BALANCE AS OF 31 DECEMBER</b> | <b>9,303</b> | <b>11,947</b> |

## Accounts receivable and provision for bad debts

|                                  | 2022          | 2021          |
|----------------------------------|---------------|---------------|
| <b>RECEIVABLES</b>               |               |               |
| <b>BALANCE 1 JANUARY</b>         | <b>12,798</b> | <b>8,927</b>  |
| (Invoiced) licence fee income    | 80,231        | 66,014        |
| Revenue                          | (75,908)      | (59,323)      |
| Debts written off                | (35)          | (33)          |
| Other                            | (7,183)       | (2,787)       |
| <b>BALANCE AS OF 31 DECEMBER</b> | <b>9,903</b>  | <b>12,798</b> |

|                                  | 2022         | 2021           |
|----------------------------------|--------------|----------------|
| <b>BAD DEBT PROVISION</b>        |              |                |
| <b>BALANCE 1 JANUARY</b>         | <b>(851)</b> | <b>(1,101)</b> |
| Debts written off                | 35           | 33             |
| Additions/Release                | 216          | 217            |
| <b>BALANCE AS OF 31 DECEMBER</b> | <b>(600)</b> | <b>(851)</b>   |

Accounts receivable decreased by €2.6 million in 2022. Last year, this item was higher because part of the invoicing had taken place later in the year. This year, invoicing was generally done earlier.

The 'other' item mainly consists of the change in the 'unrealised licence fee income' item. In 2022, provisions were made for television revenue, which have not yet been invoiced due to ongoing negotiations in relation to the Atresmedia ruling.

This item is also included under '(invoiced) licence fee income'.

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

**ACCRUED RECEIVABLES AND INCOME (5)**

|  | 2022          | 2021       |
|--|---------------|------------|
| Prepaid expenses   | 150           | 193        |
| Distribution payables  | 382           | 374        |
| Provision for distribution payables                                | (62)          | (32)       |
| Unallocated share Ministry of Education, Culture and Science (OCW) | -             | 244        |
| Current portion of advance payment                                 | 6,896         | -          |
| Other  | 7,106         | 97         |
| <b>BALANCE AS OF 31 DECEMBER</b>                                   | <b>14,472</b> | <b>876</b> |

Receivables from rightsholders are classified under the 'distribution payables' item and are €382,000 as at 2022. As of 2022, the current portion of the advance payment made has been included in the 'current portion of advance payment' item.

The 'other' item mainly consists of television revenue yet to be invoiced and fingerprint fees yet to be invoiced.

**CASH AND CASH EQUIVALENTS (6)**

|                                  | 2022          | 2021          |
|----------------------------------|---------------|---------------|
| Savings account/deposit          | 18,780        | 18,822        |
| Current account                  | 47,776        | 36,033        |
| <b>BALANCE AS OF 31 DECEMBER</b> | <b>66,556</b> | <b>54,855</b> |

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

**PROVISIONS (7)**

|   | 2022       | 2021       |
|---|------------|------------|
| Staff provisions                            | 89         | 77         |
| Provision for claims, disputes and lawsuits | 245        | 234        |
| Provision for after-claims                  | 301        | 81         |
| <b>BALANCE AS OF 31 DECEMBER</b>            | <b>635</b> | <b>392</b> |

## Staff provisions

|                                  | 2022      | 2021      |
|----------------------------------|-----------|-----------|
| <b>ANNIVERSARY PROVISION</b>     |           |           |
| <b>BALANCE 1 JANUARY</b>         | <b>77</b> | <b>57</b> |
| Additions/Release                | 12        | 20        |
| <b>BALANCE AS OF 31 DECEMBER</b> | <b>89</b> | <b>77</b> |

In relation to ongoing legal proceedings, a provision has been made for expected costs for legal advice and litigation expenses.

## Provision for claims, disputes and lawsuits

|  | 2022       | 2021       |
|--|------------|------------|
| <b>LEGAL ADVICE AND LITIGATION COSTS</b> |            |            |
| <b>BALANCE 1 JANUARY</b>                 | <b>234</b> | <b>479</b> |
| Additions/Release                        | 11         | (245)      |
| <b>BALANCE AS OF 31 DECEMBER</b>         | <b>245</b> | <b>234</b> |

In relation to ongoing legal proceedings, a provision has been made for expected costs for legal advice and litigation expenses.

## Provision for after-claims

Following a decision by the Performers and Producers sections on 17 March 2017, the 'provision for after-claims' item was created. Claims granted that relate to closed music years can be paid from this item. On 10 March 2021, both sections decided to add an additional allocation totalling €79,000 to this provision. In addition, an allocation of €315,000 was made this year consisting of licence fee income received from closed years. By 2022, a total of €95,000 was paid out for old claims.

|                                  | Performers  | Producers   | 2022        | 2021        |
|----------------------------------|-------------|-------------|-------------|-------------|
| <b>BALANCE 1 JANUARY</b>         | <b>43</b>   | <b>38</b>   | <b>81</b>   | <b>21</b>   |
| Additions                        | 158         | 157         | 315         | 79          |
| <b>SUBTOTAL ADDITIONS</b>        | <b>158</b>  | <b>157</b>  | <b>315</b>  | <b>79</b>   |
| Payment                          | (58)        | (37)        | (95)        | (19)        |
| Releases                         | -           | -           | -           | -           |
| <b>SUBTOTAL WITHDRAWALS</b>      | <b>(58)</b> | <b>(37)</b> | <b>(95)</b> | <b>(19)</b> |
| <b>BALANCE AS OF 31 DECEMBER</b> | <b>143</b>  | <b>158</b>  | <b>301</b>  | <b>81</b>   |

| Specifications per year  | Balance as at January 1 | Addition   | Withdrawal  | Balance as at 31 December |
|--------------------------|-------------------------|------------|-------------|---------------------------|
| up to and including 2020 | 2                       | -          | (2)         | -                         |
| 2021                     | 79                      | -          | (79)        | -                         |
| 2022                     | -                       | 315        | (14)        | 301                       |
| <b>TOTAL</b>             | <b>81</b>               | <b>315</b> | <b>(95)</b> | <b>301</b>                |

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

## SOCIAL-CULTURAL FUND (8)

This item is based on decisions by the respective sections and relates to expenses and/or reserves for social, cultural and/or educational projects. For performers, the additions are based on 3% of the distribution. This addition is visible on statements from June 2022. The addition is paid from the undistributed funds. Half of the undistributed funds from the Dutch performers collection for music year 2018 has been added to the Social-Cultural Fund in 2022. In addition, half of the undistributed international performers fees for music year 2012 were also added to the Social-Cultural Fund. For the producers, the addition is paid entirely from undistributed funds. Producers added a gross amount of €1 million to the Social-Cultural Fund. The reserves are intended for social, cultural and/or educational projects where the section representatives are responsible for the expenditure.

|   | Performers     | Producers    | 2022           | 2021           |
|---|----------------|--------------|----------------|----------------|
| <b>BALANCE 1 JANUARY</b>  | <b>3,753</b>   | <b>-</b>     | <b>3,753</b>   | <b>4,033</b>   |
| Additions for joint projects  | 25             | 25           | 50             | 542            |
| Additions in financial year   | 355            | -            | 355            | 857            |
| Additions of undistributed fees   | 1,123          | 855          | 1,978          | 1,359          |
| <b>SUBTOTAL ADDITIONS</b>   | <b>1,503</b>   | <b>880</b>   | <b>2,383</b>   | <b>2,758</b>   |
| Expenditure on joint projects   | (25)           | (25)         | (50)           | (542)          |
| Expenditure in financial year   | (3,197)        | (646)        | (3,843)        | (2,740)        |
| <b>Subtotal expenditure</b>   | <b>(3,222)</b> | <b>(671)</b> | <b>(3,893)</b> | <b>(3,282)</b> |
| <b>BALANCE AS OF 31 DECEMBER</b>  | <b>2,034</b>   | <b>209</b>   | <b>2,513</b>   | <b>3,509</b>   |
| Unallocated share Ministry of Education, Culture and Science (OCW) from the Music Production Fund | (244)          | -            | (244)          | 244            |
| <b>BALANCE AS OF 31 DECEMBER</b>  | <b>1,790</b>   | <b>209</b>   | <b>1,999</b>   | <b>3,753</b>   |

| SPECIFICATIONS PER JAAR                                      | Balance as at January 1 | Addition     | Withdrawal     | Balance as at 31 December |
|--|-------------------------|--------------|----------------|---------------------------|
| up to and including 2010                                     | 2,457                   | -            | (458)          | 1,999                     |
| 2021   | 1,052                   | -            | (1,052)        | -                         |
| 2022   | -                       | 405          | (405)          | -                         |
| 2022 (addition for music year 2018)                          | -                       | 1,954        | (1,954)        | -                         |
| 2022 (addition for music year 2011 international collection) | -                       | 24           | (24)           | -                         |
| <b>TOTAL</b>   | <b>3,509</b>            | <b>2,383</b> | <b>(3,893)</b> | <b>1,999</b>              |

This item is mainly long-term as the balance up to and including 2010, being €2.0 million as at 2022, 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

|  | 2022         | 2021         |
|--|--------------|--------------|
| <b>EXPENDITURE (USE)</b>                                       |              |              |
| Social-Cultural projects                                       | 3,204        | 2,578        |
| Sena magazine  | 116          | 87           |
| Grants by Sena (Performers) Music Production Fund <sup>1</sup> | 500          | 550          |
| <b>TOTAL USE</b>   | <b>3,820</b> | <b>3,215</b> |
| <b>EXPENDITURE (MANAGEMENT)</b>                                |              |              |
| Social-Cultural projects                                       | 54           | 51           |
| Sena Music Production Fund                                     | 19           | 16           |
| <b>TOTAL MANAGEMENT COSTS</b>                                  | <b>73</b>    | <b>67</b>    |
| <b>TOTAL</b>   | <b>3,893</b> | <b>3,282</b> |

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.

<sup>1</sup> The total budget for the Sena Performers Music Production Fund was €1,861,000 in 2022. There was €300,000 allocated from the Performers section, €200,000 allocated from Producers section, €642,000 available in repaid loan instalments from the Sena Performers Music Production Fund in this year and €300,000 from previous years. There was also a balance from the Ministry of Education, Culture and Science (OCW) from 2021 of €244,000 and a balance of repaid loans from awards up to 2021 of €175,000. Of the total amount available, €1,639,000 was awarded to new applications in 2022 (2021: €2.1 million).

## MUSIC PRODUCTION FUND

|   | Social-Cultural Fund | OCW        | 2022         | 2021         |
|---|----------------------|------------|--------------|--------------|
| <b>BALANCE 1 JANUARY</b>                  | <b>175</b>           | <b>244</b> | <b>419</b>   | <b>346</b>   |
| Performers                                | 300                  | -          | 300          | 300          |
| Producers                                 | 200                  | -          | 200          | 250          |
| OCW                                       | -                    | -          | -            | 1,353        |
| Repayment of loan instalments             | 642                  | -          | 642          | 283          |
| Balance of repaid loan instalments < 2021 | 300                  | -          | 300          | -            |
| <b>TOTAL ADDITIONS</b>                    | <b>1,442</b>         |            | <b>1,442</b> | <b>2,186</b> |
| Tranche 1                                 | 342                  | 244        | 586          | 687          |
| Tranche 2                                 | 363                  | -          | 363          | 680          |
| Tranche 3                                 | 690                  | -          | 690          | 746          |
| Tranche 4                                 | -                    | -          | -            | -            |
| <b>TOTAL EXPENDITURE</b>                  | <b>1,395</b>         | <b>244</b> | <b>1,639</b> | <b>2,113</b> |
| <b>TOTAL</b>                              | <b>222</b>           | <b>-</b>   | <b>222</b>   | <b>419</b>   |

**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 progress made in distribution to rightsholders. Distribution depends on the status of the distribution process (the point of processing the rightsholders claims and processing the playlists). The 'Not yet payable' item relates to the receivables position. From 2015 up to and including 2020, Sena has applied differentiated withholding percentages: 12% on domestic licence fee income, 4% on income from EU and EFTA countries and 6% on income from other countries. From music year 2021, we applied 14.5% for domestic licence fee income and 5.5% for international licence fee income.

|   | Nether-lands    | Inter-national | Total 2022      | Nether-lands    | Inter-national | Total 2021      |
|---|-----------------|----------------|-----------------|-----------------|----------------|-----------------|
| <b>PAYABLE</b>                                    |                 |                |                 |                 |                |                 |
| <b>BALANCE 1 JANUARY</b>                          | <b>56,065</b>   | <b>2,237</b>   | <b>58,302</b>   | <b>57,049</b>   | <b>1,839</b>   | <b>58,888</b>   |
| <b>DISTRIBUTION</b>                               |                 |                |                 |                 |                |                 |
| Gross distribution                                | (55,408)        | (6,857)        | (62,265)        | (52,395)        | (6,084)        | (58,479)        |
| Cost deduction                                    | 7,917           | 320            | 8,237           | 6,631           | 271            | 6,902           |
| <b>NET DISTRIBUTION</b>                           | <b>(47,491)</b> | <b>(6,537)</b> | <b>(54,028)</b> | <b>(45,764)</b> | <b>(5,813)</b> | <b>(51,577)</b> |
| <b>SOCIAL-CULTURAL FUND</b>                       |                 |                |                 |                 |                |                 |
| Gross distribution                                | (2,711)         | (25)           | (2,736)         | (2,850)         | (11)           | (2,861)         |
| Cost deduction                                    | 297             | 1              | 298             | 378             | 1              | 379             |
| <b>NET DEDUCTION</b>                              | <b>(2,414)</b>  | <b>(24)</b>    | <b>(2,438)</b>  | <b>(2,472)</b>  | <b>(10)</b>    | <b>(2,482)</b>  |
| <b>(INVOICED) LICENCE FEE INCOME</b>              |                 |                |                 |                 |                |                 |
| (Invoiced) licence fee income                     | 73,690          | 6,541          | 80,231          | 59,551          | 6,463          | 66,014          |
| Movement in receivables                           | (4,213)         | (109)          | (4,322)         | (6,739)         | 48             | (6,691)         |
| <b>TOTAL LICENCE FEE INCOME RECEIVED</b>          | <b>69,477</b>   | <b>6,432</b>   | <b>75,909</b>   | <b>52,812</b>   | <b>6,511</b>   | <b>59,323</b>   |
| Movement in receivable licence fee                | 7,191           | -              | 7,191           | 2,851           | -              | 2,851           |
| Movement in other receivables items               | (9)             | -              | (9)             | (64)            | -              | (64)            |
| Movement in outstanding amounts                   | (2,450)         | -              | (2,450)         | (1,386)         | -              | (1,386)         |
| Operating expenses (net)                          | (7,739)         | -              | (7,739)         | (6,670)         | -              | (6,670)         |
| Deduction of withholding tax                      | -               | -              | -               | -               | (1)            | (1)             |
| Deduction of international costs                  | -               | (320)          | (320)           | -               | (271)          | (271)           |
| Deduction of costs for provision of after-claims  | 12              | -              | 12              | 3               | -              | 3               |
| Withdrawal provision of after-claims              | (315)           | -              | (315)           | (79)            | -              | (79)            |
| Addition to Performers Fund                       | 804             | -              | 804             | 214             | -              | 214             |
| Distributable fees                                | -               | -              | -               | (44)            | -              | (44)            |
| Write-off BTL music year to uplift                | 22              | (22)           | -               | 18              | (18)           | -               |
| Withdrawal SoCu music year write-off              | -               | -              | -               | (250)           | -              | -               |
| Movement in distribution payables                 | 9               | -              | 9               | 6               | -              | 6               |
| Addition of provision for distribution payables   | (30)            | -              | (30)            | (36)            | -              | (36)            |
| Received payment for ruling settlement**          | -               | -              | -               | 200             | -              | 200             |
| Distributed payment for ruling settlement**       | -               | -              | -               | (200)           | -              | (200)           |
| Reclassification of unrealised licence fee income | (7,191)         | -              | (7,191)         | (123)           | -              | (123)           |
| <b>OTHER MOVEMENTS</b>                            | <b>(9,696)</b>  | <b>(342)</b>   | <b>(10,038)</b> | <b>(5,560)</b>  | <b>(290)</b>   | <b>(5,850)</b>  |
| <b>Balance as at 31 December</b>                  | <b>65,941</b>   | <b>1,766</b>   | <b>67,707</b>   | <b>56,065</b>   | <b>2,237</b>   | <b>58,302</b>   |

\*\* Following the settlement of a long-running case, an additional payment took place.

|   | Nether-lands  | Inter-national | Total 2022    | Nether-lands  | Inter-national | Total 2021    |
|---|---------------|----------------|---------------|---------------|----------------|---------------|
| <b>NOT YET PAYABLE</b>  |               |                |               |               |                |               |
| <b>BALANCE 1 JANUARY</b>  | <b>6,289</b>  | <b>26</b>      | <b>6,315</b>  | <b>1,997</b>  | <b>74</b>      | <b>2,071</b>  |
| Movement in receivables   | (2,752)       | 109            | (2,643)       | 4,169         | (48)           | 4,121         |
| Reclassification of unrealised licence fee income               | 7,191         | -              | 4,191         | 123           | -              | 123           |
| <b>BALANCE AS OF 31 DECEMBER</b>                                | <b>10,728</b> | <b>135</b>     | <b>10,863</b> | <b>6,289</b>  | <b>26</b>      | <b>6,315</b>  |
| <b>OUTSTANDING AMOUNTS</b>                                      |               |                |               |               |                |               |
| <b>BALANCE 1 JANUARY</b>  | <b>2,358</b>  | <b>-</b>       | <b>2,358</b>  | <b>972</b>    | <b>-</b>       | <b>972</b>    |
| 6% deduction of costs from Dutch licence fee income received    | 43            | -              | 43            | 2             | -              | 2             |
| 12% deduction of costs from Dutch licence fee income received   | 186           | -              | 186           | 395           | -              | 395           |
| 14.5% deduction of costs from Dutch licence fee income received | 9,810         | -              | 9,810         | 7,179         | -              | 7,179         |
| Operating expenses (net)  | (7,739)       | -              | (7,739)       | (6,670)       | -              | (6,670)       |
| After-claim   | (10)          | -              | (10)          | 22            | -              | 22            |
| Other movements   | 160           | -              | 160           | 458           | -              | 458           |
| <b>BALANCE AS OF 31 DECEMBER</b>                                | <b>4,808</b>  | <b>-</b>       | <b>4,808</b>  | <b>2,358</b>  | <b>-</b>       | <b>2,358</b>  |
| <b>LIABILITY REGARDING DISTRIBUTION</b>                         | <b>81,477</b> | <b>1,901</b>   | <b>83,378</b> | <b>64,712</b> | <b>2,263</b>   | <b>66,975</b> |

The distribution and payment of the fees took place based on the distribution regulations (see explanation in the chapter 'About us'). Due to the difference in music years, three different cost deductions have also been used above. The 'Netherlands' column also includes the addition (€804,000) and the distribution (€625,000) from the Performers Fund. This brings the ongoing work item to €379,000 at the end of 2022.

The 'other movements' item relates to the withholding costs for movement in receivables (€490,000), the movement in the balance of double claims from closed years (€1,000), the movement in other receivables (€312,000) and the movement in the reserve for the Social-Cultural Fund (€333,000).

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             | licence fee income | Double claims | Total         |
|-------------------------------------|-----------------|--------------------|---------------|---------------|
| Up to and including 2017            | ≥5 years        | 2,752              | 402           | 3,154         |
| 2018                                | <5 and ≥3 years | 1,100              | 239           | 1,339         |
| 2019                                | <3 years        | 7,402              | -             | 7,402         |
| 2020                                | <3 years        | 9,038              | -             | 9,038         |
| 2021                                | <3 years        | 13,998             | -             | 13,998        |
| 2022                                | <1 year         | 31,010             | -             | 31,010        |
| <b>TOTAL NET DISTRIBUTABLE FEES</b> |                 | <b>65,300</b>      | <b>641</b>    | <b>65,941</b> |

Since 2009, the reservation period has been three years after the end of a music year. Music year 2018 was closed in 2022. The remaining balance of undistributed fees has been distributed in accordance with the decision by the section representatives as follows: the producers share was distributed to the producers (€651,000 gross) with an extra payment made to the Social-Cultural Fund (€1 million gross). 50% (€1.3 million gross) of the performers' share was paid to the performers and 50% was added to the Social-Cultural Fund (€1.1 million after deduction of costs and VAT). The remaining balance up to and including music year 2018 in the table above consists of double claims and reservations for licence fee income yet to be realised. We will process the final claims for music year 2019 in the first quarter of 2023) so that this music year can be closed during 2023.

Our mission statement states that we aim to distribute fees as quickly, accurately and efficiently as possible. The law states that in accordance with Section 2i (3) of the Copyright and Neighbouring Rights Supervision and Dispute Settlement Act, we must distribute fees within nine months of the end of the collection year, unless there are reasonable grounds for not doing so. We more than fulfil this requirement for most of our distribution activities as we are one of the few collective management organizations that are able to distribute licence fees to rightsholders in the year of collection. On 30 September 2022, the balance from 2021 was €16.4 million, taking into account the distribution period of nine months after the collection year. Objective reasons for the part that we are unable to pay within the stipulated time include delayed delivery of playlists, repertoire played but not (yet) claimed and rightsholders who have not (yet) registered. These rightsholders have the opportunity to register and/or claim repertoire within a three-year period after the end of the collection year. We make every effort to trace rightful rightsholders. We do this through internet searches, enquiries with rightsholders known to us and suggestions on our online portal MySena and the Sena app. We also actively participate in VDRB and RDx. Despite these efforts, it is not always possible to find the rightsholders within three years. After this period has expired, the fees not paid out are designated as undistributed fees and submitted for a decision by the section representatives of the Producers and Performers sections.

## INTERNATIONAL

There is great divergence in the breakdown of the payments received from international sister organizations partly due to differences in national distribution rules. This can slow down the lead time of processing distributions. Section 2k (5) of the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCB) stipulates that the collected fees must be distributed within six months of collection. Furthermore, the settlements usually relate to multiple years, making it difficult to distinguish collection years from music years. For this reason, the outstanding international distributable fees have been shown separately. At the end of 2022, the total amount of international collection still to be distributed is €1.8 million.

|                      | Age             | Collection year | Music year |
|----------------------|-----------------|-----------------|------------|
| 2013                 | >5 years        | -               | (28)       |
| 2014                 | >5 years        | -               | 3          |
| 2015                 | >5 years        | -               | 13         |
| 2016                 | >5 years        | -               | 49         |
| 2017                 | >5 years        | -               | 66         |
| 2018                 | >3 and ≤5 years | -               | 64         |
| 2019                 | >1 and ≤3 years | -               | 69         |
| 2020                 | >1 and ≤3 years | -               | 49         |
| 2021                 | >1 and ≤3 years | -               | 60         |
| 2022                 | ≤1 year         | 1,411           | 10         |
| <b>Total payable</b> |                 | <b>1,411</b>    | <b>355</b> |

A small part of all income cannot be distributed in full within six months of receipt. A major reason for this is that we do not always receive the necessary information for relatively old years correctly and/or completely. As a result, 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 2022, the year 2012 was closed for international collection. The resulting balance has been partly offset against old balances. The balance of €47,000 was partly added to the distribution and partly to the Social-Cultural Fund. The balance shown under collection year 2022 mainly relates to the fees received in November and December 2022.

**OTHER CURRENT LIABILITIES (10)**

|                            | 2022         | 2021         |
|----------------------------|--------------|--------------|
| <b>Accrued liabilities</b> | <b>6,165</b> | <b>6,872</b> |

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

**LIABILITIES AND RIGHTS NOT SHOWN ON BALANCE SHEET**

As of 31 December 2021, the following off-balance sheet liabilities have been made:

|  | < 1 jaar   | 1-5 jaar     | > 5 jaar |
|--|------------|--------------|----------|
| Rent (term up to and including 04-2026)    | 244        | 570          | -        |
| Lease contracts for cars                   | 61         | 110          | -        |
| Copiers (term up to and including 01-2027) | 4          | 13           | -        |
| Lessor's bank guarantee                    | -          | 25           | -        |
| Guarantee to SCAN                          | -          | 1,000        | -        |
| <b>TOTAL</b>                               | <b>309</b> | <b>1,718</b> | <b>-</b> |

At the end of 2021, a dispute arose with a music user following the European Court of Justice ruling concerning Atresmedia/ AGEDI and AIE in 2020. Sena will have to defend itself and incur legal costs. Based on legal advice received to date, there is no reason to establish a provision for this in the financial statements.

**EVENT AFTER THE BALANCE SHEET DATE**

After the balance sheet date on 17 March 2023, the section delegates of the Producers and Performers sections decided on the undistributed funds from 2019 for the Dutch collection and from 2013 for the international collection. The Producers section decided to add the undistributed funds in full to the Social Cultural Fund. The Performing Artists section has decided that one-fourth of their share will be added to the funds earmarked for distribution and the remainder will be added to the Social Cultural Fund.

# NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

**OTHER INCOME (11)**

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

**SALARIES (12)**

|                               | 2022         | 2021         |
|-------------------------------|--------------|--------------|
| Wages and salaries            | 2,546        | 2,574        |
| Social security contributions | 567          | 558          |
| Pension costs                 | 228          | 218          |
| <b>TOTAL</b>                  | <b>3,341</b> | <b>3,350</b> |

In 2022, Sena employed an average of 45.5 people (2021: 47.5), with 41.2 FTEs (2021: 42.8). This can be broken down as follows: 5.1 FTE Executive Board and office management, 7.3 FTE commercial, 11.5 FTE distribution, 1.8 FTE legal positions and 15.5 FTE IT, data analysis, communication and finance.

Sena had a decrease in staff turnover in 2022 compared to the previous year. Five employees left during 2022 which represents a staff turnover rate of 11.1%. In 2021, this figure was seven employees with a turnover rate of 14.9%. The vacancy for Application Developer has been unfilled for a long time, and the other vacancies were filled within a reasonable time. The sick leave rate rose from 1% in 2021 to 3.6% in 2022. The sick leave frequency has also increased: from an average of 0.75 in 2021 to 1.16 in 2022.

Salary costs were €28,000 lower in 2022 than in 2021. This is mainly due to the decrease in FTEs. In addition, more sick pay was received, as well as an additional payment made to staff due to sharply increased living costs.

There was also a release in the reserve for holidays, and social security and pension costs increased slightly compared to last year.

## EXECUTIVE BOARD REMUNERATION

| amount in euros                            | 2022  | 2022  | 2021           | 2021             |
|--|---|---|----------------|------------------|
| Name                                       | M.J. Bos  | J.A. Moolhuijsen                                | M.J. Bos       | J.A. Moolhuijsen |
| Position                                   | CEO   | CFO   | CEO            | CFO              |
| Employment                                 | Yes   | Yes   | Yes            | Yes              |
| Length of service                          | 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              |
| emeration plus taxable expense allowances  | 194,308   | 192,061   | 202,667        | 180,992          |
| Remuneration payable in the future         | 23,545  | 18,692  | 22,976         | 18,240           |
| <b>TOTAL</b>                               | <b>217,853</b>                                  | <b>210,753</b>                                  | <b>225,643</b> | <b>199,232</b>   |
| Individually applicable remuneration cap   | 216,000   | 216,000   | 209,000        | 209,000          |
| Reason for possible exceeding of this cap* | Transitional scheme under Executives' Pay Act I | Transitional scheme under Executives' Pay Act I |                |                  |

\* Based on the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act, a number of sections of the Executives' Pay (Standards) Act (WNT) apply to Sena. The remuneration cap applicable to Sena in 2022 is €216,000 the general remuneration cap). The amount of €1,853 exceeding the individually applicable remuneration cap by the CEO is due to transitional rules based on the 'Transitional Scheme Executives' Pay (Standards) Act I'.

## SUPERVISORY BOARD REMUNERATION

| amount in euros                     | 2022                                | 2022                     | 2021                    | 2021                                 |                          |             |                                      |
|-------------------------------------|-------------------------------------|--------------------------|-------------------------|--------------------------------------|--------------------------|-------------|--------------------------------------|
| Position                            | Chair                               | Member                   | Chair                   | Member                               |                          |             |                                      |
| <b>Remuneration</b>                 | <b>20,000</b>                       | <b>15,000</b>            | <b>20,000</b>           | <b>15,000</b>                        |                          |             |                                      |
| General applicable remuneration cap | 32,400                              | 21,600                   | 31,350                  | 20,900                               |                          |             |                                      |
| Position                            | Financial expert member             |                          | Financial expert member |                                      |                          |             |                                      |
| <b>Remuneration</b>                 | <b>17,500</b>                       |                          | <b>17,500</b>           |                                      |                          |             |                                      |
| General applicable remuneration cap | 21,600                              |                          | 20,900                  |                                      |                          |             |                                      |
| <b>Member</b>                       | <b>Position</b>                     | <b>Length of service</b> | <b>2022</b>             | <b>Remuneration cap maximum 2022</b> | <b>Length of service</b> | <b>2021</b> | <b>Remuneration cap maximum 2021</b> |
| <i>bedragen in euro's</i>           |                                     |                          |                         |                                      |                          |             |                                      |
| Mr A. Wolfsen MPA                   | Independent chair                   | -                        | -                       | -                                    | 01/01 – 31/12            | 20,000      | 31,350                               |
| Mr H.J. de Mooij                    | Independent chair                   | 01/01 – 31/12            | 20,000                  | 32,400                               | -                        | -           | -                                    |
| Ms P.K. van Olphen RA               | Independent financial expert member | 01/01 – 31/12            | 17,500                  | 21,600                               | 01/01 – 31/12            | 17,500      | 20,900                               |
| Mr E.R. Angad-Gaur                  | Member                              | 01/01 – 31/12            | 15,000                  | 21,600                               | 01/07 – 31/12            | 7,500       | 10,536                               |
| Mr R.A. Gruschke                    | Member                              | 01/01 – 31/12            | 15,000                  | 21,600                               | 01/01 – 31/12            | 15,000      | 20,900                               |
| Mr M.R. Jessurun                    | Member                              | 01/01 – 31/12            | 15,000                  | 21,600                               | 01/01 – 31/12            | 15,000      | 20,900                               |
| Mr W.A.Q. Wanrooij                  | Member                              | -                        | -                       | -                                    | 01/01 – 30/06            | 7,500       | 10,364                               |
| Ms C.L. Westbroek RC                | Member                              | 01/01 – 31/12            | 15,000                  | 21,600                               | 01/01 – 31/12            | 15,000      | 20,900                               |

There are no undue payments. The individual remuneration cap for the position of chair is €32,400 for 2022 and €31,350 for 2021. The individual remuneration cap for the positions of independent financial expert member and member are €21,600 for 2022 and €20,900 for 2021. If the position is held for part of the calendar year, the compensation will be allocated pro rata.

For the sake of transparency, the remuneration paid 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 REMUNERATION RECEIVED FROM NEIGHBOURING RIGHTS

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



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

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

## BOARD OF AFFILIATES REMUNERATION

| <i>amount in euros</i>              | 2022          | 2022         | 2021          | 2021         |
|-------------------------------------|---------------|--------------|---------------|--------------|
| Position                            | (Vice-) Chair | Member       | (Vice-) Chair | Member       |
| <b>REMUNERATION</b>                 | <b>6,000</b>  | <b>4,000</b> | <b>6,000</b>  | <b>4,000</b> |
| General applicable remuneration cap | 21,600        | 21,600       | 20,900        | 20,900       |

| Member                    | Position | Length of service | 2022  | Remuneration cap maximum 2022 | Length of service | 2021  | Remuneration cap maximum 2021 |
|---------------------------|----------|-------------------|-------|-------------------------------|-------------------|-------|-------------------------------|
| <i>bedragen in euro's</i> |          |                   |       |                               |                   |       |                               |
| Mr E.R. Angad-Gaur        | Chair    | -                 | -     | -                             | 01/01 – 30/06     | 3,000 | 10,364                        |
| Mr M. Beets               | Member   | 01/01 – 30/06     | 2,000 | 10,711                        | 01/01 – 31/12     | 4,000 | 20,900                        |
| Mr G. Bleijerveld         | Member   | 01/01 – 31/12     | 4,000 | 21,600                        | 01/01 – 31/12     | 4,000 | 20,900                        |
| Mr P. Boertje             | Chair    | 01/01 – 30/06     | 3,000 | 10,711                        | 01/01 – 31/12     | 6,000 | 20,900                        |
| Mr R.P. Delfos            | Member   | 01/01 – 30/06     | 2,000 | 10,711                        | 01/01 – 31/12     | 4,000 | 20,900                        |
| Mr M.J.T. van Duijvenbode | Member   | -                 | -     | -                             | 01/01 – 30/06     | 2,000 | 10,364                        |
| Mr M.J.T. van Duijvenbode | Chair    | 01/01 – 31/12     | 6,000 | 21,600                        | 01/07 – 31/12     | 3,000 | 10,536                        |
| Mr J.N. Favié CFM EMFC RC | Member   | 01/01 – 30/06     | 2,000 | 10,711                        | 01/01 – 31/12     | 4,000 | 20,900                        |
| Mr J.N. Favié CFM EMFC RC | Chair    | 01/07 – 31/12     | 3,000 | 10,889                        | -                 | -     | -                             |
| Mr F. Janssen             | Member   | 01/07 – 31/12     | 2,000 | 10,889                        | -                 | -     | -                             |
| Mr E.J. Loon RA           | Member   | 01/01 – 31/12     | 4,000 | 21,600                        | 01/01 – 31/12     | 4,000 | 20,900                        |
| Mr M. Maas                | Member   | 01/01 – 31/12     | 4,000 | 21,600                        | 01/07 – 31/12     | 2,000 | 10,536                        |
| Mr F. Merkies             | Member   | 01/01 – 31/12     | 4,000 | 21,600                        | 01/01 – 31/12     | 4,000 | 20,900                        |
| Mr C. Muyres              | Member   | 01/01 – 31/12     | 4,000 | 21,600                        | 10/05 – 31/12     | 2,500 | 13,513                        |
| Mr B. van Sandwijk        | Member   | 01/01 – 30/06     | 2,000 | 10,711                        | 01/01 – 31/12     | 4,000 | 20,900                        |
| Ms L. Steffens            | Member   | 01/07 – 31/12     | 2,000 | 10,889                        | -                 | -     | -                             |
| Mr M.C.J. ten Veen LLB    | Member   | 01/01 – 30/06     | 2,000 | 10,711                        | 01/01 – 31/12     | 4,000 | 20,900                        |
| Ms A. Verheggen           | Member   | 01/01 – 31/12     | 4,000 | 21,600                        | 01/01 – 31/12     | 4,000 | 20,900                        |
| Mr S. van Welie           | Member   | 01/07 – 31/12     | 2,000 | 10,889                        | -                 | -     | -                             |
| Mr E. Winkelmann          | Member   | 01/01 – 31/12     | 4,000 | 21,600                        | 01/01 – 31/12     | 4,000 | 20,900                        |
| Mr C. Witteveen           | Member   | 01/07 – 31/12     | 2,000 | 10,889                        | -                 | -     | -                             |

There are no undue payments. The individual remuneration cap for the positions of chair and member is €21,600 for 2022 and €20,900 for 2021. If the position is held for part of the calendar year, the compensation will be allocated pro rata.

More information about the appointment of positions can be found in the 'Personal details and relevant activities' on pages 69 to 72.

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

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

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

## MAILING AND COLLECTION COSTS (13)

The Service Centre for Copyright and Neighbouring Rights (SCAN) handles the invoicing and collection processes on our behalf for general licences (individual and collective) and online radio stations up to 100 channels. In 2022, SCAN costs were €189,000 higher than the previous year. This is mainly because there was a one-off income accounted for in 2021. We also increased marketing activities during 2022, which was pretty much at a standstill during the COVID period.

**OTHER OPERATING EXPENSES (14)**

|                                 | 2022         | 2021         |
|---------------------------------|--------------|--------------|
| Other personnel costs           | 430          | 282          |
| Accommodation costs             | 268          | 255          |
| IT costs                        | 242          | 235          |
| Office costs                    | 58           | 52           |
| Publicity costs                 | 135          | 69           |
| Third-party advice and services | 336          | (234)        |
| Overheads                       | 999          | 747          |
| <b>TOTAL</b>                    | <b>2,468</b> | <b>1,406</b> |

Other personnel costs increased by €148,000 in 2022 compared to 2021. This is mainly because a lot of work was done at home during COVID, and more work was done in the office again in 2022. This resulted in higher costs for mileage allowances, lunch and courses. In addition, more costs were incurred for hiring external staff and recruiting new staff. Accommodation costs have increased partly due to indexation. In 2022, IT costs were higher due to increased maintenance and software acquisition costs. Publicity costs increased by €66,000 in 2022 compared to last year. This is mainly because fewer activities took place in 2021 and this returned to more normal levels in 2022. Third-party consultancy and services costs were €570,000 higher in 2022 than in 2021. The main reason for this is that last year we received compensation on the ruling for legal costs incurred in previous years and the provision for future legal costs was released at that time. In 2022, overheads were €251,000 higher than last year. Higher costs were incurred for obtaining dance playlists, the disputes committee and subscriptions and fees. In addition, travel and accommodation, and staff-related expenses were increased again.

**DEPRECIATION OF TANGIBLE AND INTANGIBLE FIXED ASSETS AND SUPERVISOR COSTS (15)**

Other operating expenses consist of depreciation on tangible and intangible fixed assets, supervisor costs and the financial result. Depreciation was slightly lower in 2022 than in 2021. Supervisor costs were €20,000 higher in 2022 which is mainly due to more activities such as training days for Supervisory Board and Board of Affiliates. The financial result consists almost entirely of interest costs. Interest rates were negative throughout 2022. On balance, the financial result was €198,000.

**BUDGETED OPERATING EXPENSES (16)**

|  | 2022         | Budget       |
|--|--------------|--------------|
| <b>Operating expenses (gross)</b>                    |              |              |
| Salaries   | 3,341        | 3,511        |
| Mailing and collection costs                         | 2,057        | 2,064        |
| Other operating expenses                             | 2,468        | 2,987        |
| Depreciation of tangible and intangible fixed assets | 211          | 317          |
| Supervisor costs                                     | 193          | 165          |
| <b>TOTAAL EXPLOITATIELASTEN</b>                      | <b>8,270</b> | <b>9,044</b> |

Gross operating expenses in 2022 were €774,000 lower than budgeted. Salary costs are lower which is mainly because the actual number of FTEs (3.4) was less than budgeted.

Other operating expenses were €519 lower than budgeted. This is mainly due to lower legal costs, the shift of Power BI costs to investments and a number of projects that have been carried forward to 2023. Depreciation is also lower due to the postponement or cancellation of investments. Cost for supervisors were higher than budgeted because the budgeted cost consisted mainly of fixed remuneration, and other costs were also incurred for training days for the Supervisory Board and Board of Affiliates.

**AFFILIATED PARTIES**

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

# NOTES TO THE CASH FLOW STATEMENT

**DISTRIBUTION (17)**

The gross and net distribution for 2022 and 2021 are shown in the tables below. Sena makes a distribution four times a year, at the end of each quarter. The gross and net distribution of the Dutch collection both increased compared to the previous year (+5.8% and +3.8%). In 2022, €18.7 million was distributed from Dutch collection for the current music year. In addition, €650,000 was transferred from the Performers Fund (2020: €170,000). The distribution of the Performers Fund is included in the Dutch collection. No cost deductions will be made from this for the time being.

Gross and net distribution of the international collection increased by +12.7% and +12.5% respectively in 2022. In 2022, we were able to process more money received at the end of the year compared to the previous year, so this does not carry over to the next year.

|                         | Netherlands   | International | 2022          |
|-------------------------|---------------|---------------|---------------|
| Gross distribution      | 55,408        | 6,857         | 62,265        |
| Cost deduction          | (7,917)       | (320)         | (8,237)       |
| <b>NET DISTRIBUTION</b> | <b>47,491</b> | <b>6,537</b>  | <b>54,028</b> |

|                         | Netherlands   | International | 2021          |
|-------------------------|---------------|---------------|---------------|
| Gross distribution      | 52,395        | 6,084         | 58,479        |
| Cost deduction          | (6,631)       | (271)         | (6,902)       |
| <b>NET DISTRIBUTION</b> | <b>45,764</b> | <b>5,813</b>  | <b>51,577</b> |

Hilversum, 5 April 2023

**Executive Board**

M.J. Bos  
CEO

J.A. Moolhuijsen  
CFO

**Supervisory Board**

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

# INDEPENDENT AUDITOR'S REPORT

To: the Executive Board and Supervisory Board of the  
Foundation for the Exploitation of Neighbouring Rights  
(Sena) Statement on financial statements 2022

## Statement on financial statements 2022

### Our opinion

In our opinion, the financial statements of Stichting ter Exploitatie van Naburige Rechten (Sena) ('the foundation') give a true and fair view of the financial position of the foundation as at 31 December 2022 and of its results for 2022 in accordance with Part 9 Book 2 of the Dutch Civil Code in force in the Netherlands, Guideline 640 'Not-for-profit organizations' of the Dutch Accounting Standards Board (RJ 640) and the provisions by and under the Executives' Pay (Standards) Act ('WNT').

### What we have audited

We have audited the financial statements 2022 of Stichting ter Exploitatie van Naburige Rechten (Sena), Hilversum, as included in this annual report.

The financial statements comprise:

- › balance sheet as at 31 December;
- › statement of income and expenditure;
- › cash flow statement;
- › statement of movements in licence fee to be distributed;
- › accounting policies;
- › notes to the balance sheet as at 31 December;
- › notes to the statement of income and expenditure; and
- › notes to the cash flow statement.

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

### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Auditing standards and the WNT Audit protocol 2022. Our responsibilities on this basis are described in the paragraph 'Our responsibilities for the audit of the financial statements'.

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

### Independent

We are independent of Stichting ter Exploitatie van Naburige Rechten (Sena) in accordance with the Dutch Wet toezicht accountantsorganisaties (Wta), de Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Code of Ethics for Professional Accountants (VGBA).

### Compliance with anti-cumulation provision WNT not audited

In accordance with the WNT 2022 Audit protocol, we have not audited the anti-cumulation provision referred to in section 1.6a of the WNT and section 5(1), subsections n and o, Implementation regulations WNT. This means that we did not check whether or not a senior executive officer had exceeded standards due to any employment as a senior executive officer at other institutions subject to the WNT, and whether the disclosures required in this context were accurate and complete.

### Report on other information included in the annual report

The annual report includes other information. This covers all information in the annual report other than the financial statements and our audit opinion thereon. Based on the activities below, we consider that the other information:

- › is consistent with the financial statements and contains no material discrepancies;
- › contains all the information required by Part 9 Book 2 of the Dutch Civil Code and RJ 640 for the management report;
- › contains all information required under sections 2b to to 3.d.4 of the "besluit transparantieverlag richtlijn collectief beheer".

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

With these procedures, we have complied with the requirements in the Dutch Standard 720. These procedures do not have the same scope as our audit procedures on the financial statements.

The Executive Board is responsible for preparing other information, including the executive report in accordance with Part 9 Book 2 of the Dutch Civil Code and RJ 640.

### Responsibilities regarding the financial statements and the audit

#### Responsibilities of the Executive Board and Supervisory Board for the financial statements

The Executive Board is responsible for:

- › the preparation and fair presentation of the annual accounts in accordance with Part 9 of Book 2 of the Dutch Civil Code, RJ 640 and the provisions under and pursuant to the WNT; and for
- › such internal control as the board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to error or fraud.

When preparing the financial statements, the Executive Board must assess whether the foundation is able to continue its operations as a going concern. Based on the financial reporting framework mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the company or to cease operations or has no realistic alternative but to do so. The Executive Board must disclose in the financial statements events and circumstances that may cast significant doubt on the company's ability to continue as a going concern.

### The Supervisory Board is responsible for overseeing the foundation's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an audit opinion that includes our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

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

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

Utrecht, 5 April 2023 PricewaterhouseCoopers Accountants N.V. Originally signed by Mr J.W. Middelweerd RA

## Appendix to our audit report on the 2022 financial statements of Stichting ter Exploitatie van Naburige Rechten (Sena)

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

### Auditor's responsibilities for auditing the financial statements

We conducted this audit in a professional-critical manner and, where relevant, applied professional judgement in accordance with Dutch auditing standards, the Audit Protocol WNT 2022, ethical regulations and independence requirements.

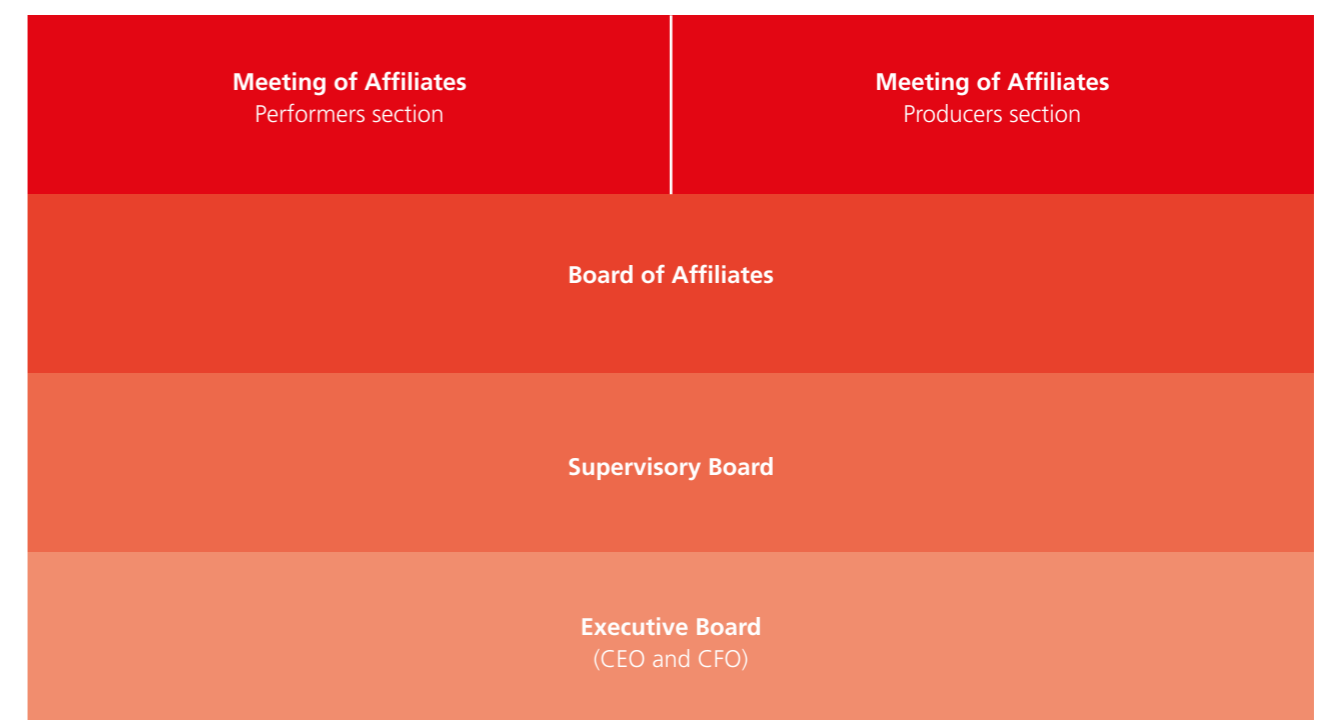
Our audit included:

- › Identifying and assessing the risks that the financial statements contain material misstatements due to error or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. With fraud, the risk of not detecting a material misstatement is higher than with errors. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the breach of internal control;
- › Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. The purpose of this work is not to express an opinion on the effectiveness of the foundation's internal controls.
- › Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board;
- › Determining that the going concern assumption used by the Executive Board is acceptable. Also, based on the audit evidence obtained, determine whether there are events and circumstances that might cast reasonable doubt on whether the foundation can continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements. If the disclosures are inadequate, we must amend our statement. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the company ceasing to continue as a going concern;
- › Evaluating the overall presentation, structure and content of the financial statements, including the disclosures contained therein and evaluating whether the financial statements give a true and fair view of the underlying transactions and events.

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

# PERSONAL DETAILS AND RELEVANT ACTIVITIES

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



## BOARD OF AFFILIATES

All members of the Board of Affiliates were members throughout 2022 unless otherwise indicated. As of 31 December 2022, the Board of Affiliates comprised the following members:

### Mr G. Bleijerveld

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

Additional positions:

- › Musician (paid)
- › Lecturer at Inholland Media Entertainment Management / International Music Management / Creative Business Hogeschool Inholland (paid)
- › Lecturer in Music Publishing course for NMUV/VMN
- › 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) of Buma Social Fund (in liquidation) (paid)
- › Board member of Stichting de Thuis kopie (paid)
- › Board member (treasurer/secretary) of Stichting Leenrecht (paid)
- › Vice-Chair of Audio section at Stichting Leenrecht (paid)
- › Board Member (secretary) of BAM Popauteurs.nl (paid)
- › Consultant at BAM Popauteurs (paid)
- › Board member of Platform Makers (paid)
- › Board Member of music committee/Ntb Kunstenbond

### Mr M.J.T. van Duijvenbode

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

Additional positions:

- › Paloma Music - owner (paid)
- › Via Paloma Music working for:
- › Songwriter (paid)
- › Freelance artist manager (paid)
- › Freelance session musician (paid)
- › Freelance producer (paid)
- › Board member of Stichting Dutch Performers House (paid)
- › Editor of Sena Performers Magazine (paid)
- › Freelance A&R at Spark Records BV (paid)

### Mr J.N. Favié CFM EMFC RC

Vice-Chair of Board of Affiliates/ Chair of the Producers section

Additional positions:

- › Managing Director of Promogroup BV (paid)
- › Managing Director of Pragmax Holding BV (paid)
- › Interim Director of U2 Limited (paid)

### Mr F. Janssen (in office since 1 July 2022)

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

- › General Manager of 8ball Music (paid)
- › Board member of IMPALA (unpaid)
- › Board Member of STOMP (paid)

### Mr E.J. Loon

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

Additional positions:

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

### Mr W. Maas

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

Additional positions:

- › Musician, composer, producer and columnist (paid)
- › Teacher at Fontys Rockacademie (paid)
- › Chair of the music section Ntb/ Kunstenbond (paid)
- › Chair of VCTN (paid)
- › Member of the Popprijs jury (paid)

### 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 of Dutch Film Composers
- › Board Member of BCMM (paid)

### Mr C. Muyres

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

Additional positions:

- › Artist manager (paid)
- › Owner of Snowstar Records (paid)
- › Board member of MMF NL (Music Managers Forum Nederland)
- › Programmer and head of PR at LIFF (Leiden International Film Festival) (paid)
- › Founder and programmer at Chasing Reels (paid)

### Ms L. Steffens (in office since 1 July 2022)

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

Additional positions:

- › Viola player AskolSchönberg (paid)
- › Freelance viola player (paid)
- › Lecturer at the Royal Conservatoire in The Hague (paid)
- › Private violin and viola teacher (paid)
- › Co-owner of Muziekwinkel Zeist (paid)
- › Co-owner of Beets-Steffens Property Management (paid)
- › Secretary of Stichting Amersfoort Jazz (paid)
- › Treasurer of Stichting Lotz of Music (unpaid)

### Ms A. Verheggen

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

Additional positions:

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

### Mr E. Winkelmann

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

Additional positions:

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

### Mr S. van Welie (in office since 1 July 2022)

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

Additional positions:

- › CFO of Warner Music Benelux (paid)
- › Member of the Advisory Board of The Young Digitals (unpaid)

### Mr C. Witteveen (in office since 1 July 2022)

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

Additional positions:

- › Director of KOSMIK production house (paid)
- › Lecturer profiling at ArtEZ (paid)
- › Project leader at #Musicrevolution ArtEZ (paid)
- › Adviser at Fonds Podiumkunsten (paid)
- › Board member of Kunstbende Utrecht (unpaid)
- › Presenter of Humble Heroes (paid)
- › Musician and producer for various artists (including Typhoon) (paid)
- › Board member of Stichting Dutch Performers House (paid)

## SUPERVISORY BOARD

### Mr H.J. de Mooij

Independent chair of the Supervisory Board (paid)

Additional positions:

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

### Ms P.K. van Olphen RA

Independent financial expert member of the Supervisory Board (paid)

Additional positions:

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

### Mr R.A. Gruschke

Member of the Supervisory Board, Producers section (paid)

Additional positions:

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

### Mr M.R. Jessurun

Member of the Supervisory Board, Producers section (paid)

Additional positions:

- › President of Warner Music Benelux (paid) - until 1 November 2022
- › Board member of NVPI Audio - until 1 November 2022
- › Board member of De Edison Stichting - until 1 November 2022

### Mr E.R. Angad-Gaur

Member of the Supervisory Board, Performers section (paid)

Additional positions:

- › Musician / composer / lyricist / publicist (paid)
- › CEO of VCTN (paid)
- › Chair of Platform Makers (paid)
- › Senior adviser at 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)
- › Board Member of Federatie Auteursrechtbelangen (paid)
- › Member of the Advisory Board of the National Theme Department D66 Culture & Media
- › Member of Participants Council of Platform ACCT (paid)
- › Board member (treasurer) of Creatieve Coalitie (paid)
- › Member of Taskforce Go! (paid)

**Ms C.L. Westbroek RC**

Member of the Supervisory Board, Performers section (paid)

Additional positions:

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

**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 of SCAPR
- › Chair of Stichting Podium de Vorstin board
- › Board Member of Federatie Auteursrechtbelangen

**Mr J.A. Moolhuijsen**

CFO (paid)

Additional positions:

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

**Copyright and Neighbouring Rights Collective Management Organizations Control Board****Chair**

Mr A. Koppejan

**Members**

Ms N. Loonen-van Es RA  
Mr M.R. de Zwaan

**Director and secretary**

Ms W.E. Hoge

Distribution Disputes Committee

**Chair**

Ms J. Seignette

**Members**

Mr B.J. Lenselink  
Mr R. Dijkstra

**Secretary**

Mr H.W. Roerdink

**RESIGNATION ROSTER FOR BOARD OF AFFILIATES AND SUPERVISORY BOARD**

| Name                      | Body   | End of current term |
|---------------------------|--|---------------------|
| Mr G. Bleijveld           | Board of Affiliates, Performers section                | 30 June 2025        |
| Mr M.J.T. van Duijvenbode | Board of Affiliates, Performers section                | 30 June 2025        |
| Mr J.N. Favié CFM EMFC RC | Board of Affiliates, Producers section                 | 30 June 2024        |
| Mr F. Janssen             | Board of Affiliates, Producers section                 | 30 June 2026        |
| Mr E.J. Loon              | Board of Affiliates, Producers section                 | 30 June 2026        |
| Mr W. Maas                | Board of Affiliates, Performers section                | 30 June 2025        |
| Mr F. Merkies             | Board of Affiliates, Producers section                 | 30 June 2026        |
| Mr C. Muyres              | Board of Affiliates, Producers section                 | 30 June 2024        |
| Ms L. Steffens            | Board of Affiliates, Performers section                | 30 June 2026        |
| Ms A. Verheggen           | Board of Affiliates, Performers section                | 30 June 2024        |
| Mr E. Winkelmann          | Board of Affiliates, Performers section                | 30 June 2024        |
| Mr S. van Welie           | Board of Affiliates, Producers section                 | 30 June 2026        |
| Mr C. Witteveen           | Board of Affiliates, Performers section                | 30 June 2026        |
| Mr H.J. de Mooij          | Supervisory Board, independent chair                   | 31 December 2025    |
| Ms P.K. van Olphen RA     | Supervisory Board, independent financial expert member | 19 November 2025    |
| Mr E.R. Angad-Gaur        | Supervisory Board, Performers section                  | 30 June 2025        |
| Mr R.A. Gruschke          | Supervisory Board, Producers section                   | 30 June 2026        |
| Mr M.R. Jessurun          | Supervisory Board, Producers section                   | 30 June 2024        |
| Ms C.L. Westbroek RC      | Supervisory Board, Producers section                   | 30 June 2024        |



# Sena Sessions

Once again this year, we invited music creators and music users to talk to each other during our Sena Sessions.



# 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 includes the use of music in shops, supermarkets, bars and clubs as well as music broadcast on radio and television stations. Sena was appointed by the Ministry of Security and Justice to implement the Neighbouring Rights Act and has performed this task since 1 July 1993. The income is paid to rightsholder performers and producers in the Netherlands and overseas at the lowest possible cost based on playlists from radio and television stations and in accordance with legally approved regulations.

### Size and composition of the Supervisory Board

The Supervisory Board consists of six members, including an independent chair and an independent financial expert. Members are appointed for a term of four years and can be reappointed twice, provided that the maximum term of office does not exceed eight years. Members of the Supervisory Board cannot be members 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 policies and their implementation by the Executive Board as well as Sena's day-to-day running, with a focus on results, performance and risks;
- › 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 for CMOs;
- › Ensuring compliance with all financial reporting, internal control and risk management requirements;
- › Appointing the independent chair and independent financial expert member of the Supervisory Board;
- › Appointing, suspending and dismissing the Executive Board, as well as acting as the Executive Board's authorised employer.

### Job requirements for Supervisory Board members

- › Administrative and supervisory qualities and administrative understanding;
- › A keen sense of political and managerial relations;
- › Being able to act as a sounding board for the Executive Board;
- › Knowledge and experience of administrative decision-making processes;
- › Ability to assess overall business results in an independent way;
- › Administrative knowledge and experience;
- › Understanding of strategic considerations;
- › Being able to work in a team;
- › Possess qualities such as discussion, consultation, decision-making skills;
- › Communication skills;
- › Interest in the music industry and in copyright and neighbouring rights in general;
- › Experience with (administrative) organisations involving large-scale data processing;
- › Affinity with business operations in a (clear) job demarcation between the Supervisory Board and the Executive Board;
- › Academic degree level, or equivalent professional and intellectual ability;
- › Broad social interests;
- › Integrity and independence;
- › Possess (helicopter view) qualities for 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 section representatives from the Performers and Producers sections. Each section has a minimum of five and maximum of seven section representatives; the number of representatives of both sections should be equal at all times. The current Board of Affiliates consists of 14 section representatives.

Members of the Board of Affiliates are appointed by the 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 can also nominate candidates for vacant seats and/or as opposing candidates.

In order for candidates and opposing candidates to get an understanding of the Board of Affiliates' most important fields of activity, the following profile has been prepared, containing the most desirable competencies and experience. Members of the Board of Affiliates cannot be part of the Executive Board or the Supervisory Board. The Board of Affiliates meets at least four times a year.

### Fields of activity of the Board of Affiliates

- › Overseeing the overall policy on matters of specific importance to the sections;
- › Amending and adopting the distribution regulations;
- › Approving the annual financial statements, annual plan and budget;
- › Providing solicited and unsolicited advice to the Executive Board;
- › Appointing, suspending and dismissing four members of the Supervisory Board (two section representatives from the Performers section and two section representatives from the Producers section).

### Desired competencies for Board of Affiliates members

- › Knowledge and experience of administrative decision-making processes;
- › Ability to assess overall business results in an independent way;
- › Understanding of strategic considerations;
- › Being able to work in a team;
- › Possess qualities such as discussion, consultation, decision-making and communication skills.

### 3. AGREEMENTS WITH INTERNATIONAL ORGANIZATIONS AS AT DECEMBER 2022

For **performers**, we have reciprocal 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   |
| India          | ISRA  |
| Indonesia      | SELMI   |
| Ireland        | RAAP  |
| Italy          | NUOVO IMAIE   |
| Japan          | Geidankyo   |
| Kazakhstan     | AMANAT  |
| Latvia         | Laipa   |
| Lithuania      | Agata   |
| Norway         | Gramo   |
| Norway         | Norwaco (Thuiskopie)                                  |
| Poland         | SAWP  |
| Poland         | STOART  |
| Portugal       | GDA   |
| Romania        | Credidam  |
| Russia         | VOIS<br><i>[terminated 15 March 2022]</i>             |
| Russia         | RUR (Thuiskopie)<br><i>[terminated 15 March 2022]</i> |
| Serbia         | PI  |
| Slovakia       | SLOVGRAM  |
| Slovenia       | IPF   |
| South Africa   | SAMPRA  |
| South Korea    | FKMP  |
| Spain          | AIE   |
| Sweden         | SAMI  |
| Switzerland    | SWISSPERFORM  |
| Ukraine        | ULCRR/ULASP   |
| Ukraine        | UMA   |
| United Kingdom | PPL   |
| United States  | AFM & SAG-AFTRA                                       |
| United States  | Sound Exchange  |

| Country                 | Organization    | Received licence fee income international | Gross distribution licence fee income international | Cost percentage withheld | Gross distribution licence fee income the Netherlands | Cost percentage withheld |
|-------------------------|-----------------|---|---|--------------------------|---|--------------------------|
| Austria                 | LSG             | 91  | -   | 5,5%                     | 21  | 14,5%                    |
| Belgium                 | Playright       | 493                                       | -   | 5,5%                     | 134   | 14,5%                    |
| Brazil                  | Abramus         | 69  | -   | 5,5%                     | 10  | 14,5%                    |
| Brazil                  | UBC             | -   | -   | 5,5%                     | 4   | 14,5%                    |
| Bulgaria                | Prophon         | 9   | -   | 5,5%                     | -   | 14,5%                    |
| Canada                  | ACTRA-RACS      | 41  | -   | 5,5%                     | 144   | 14,5%                    |
| Canada                  | ARTISTI         | -   | -   | 5,5%                     | 13  | 14,5%                    |
| Canada                  | MROC            | -   | -   | 5,5%                     | 71  | 14,5%                    |
| Croatia                 | Huzip           | 17  | -   | 5,5%                     | -   | 14,5%                    |
| Czech Republic          | Intergram       | -   | -   | 5,5%                     | 5   | 14,5%                    |
| Denmark                 | GRAMEX DK       | 88  | -   | 5,5%                     | 84  | 14,5%                    |
| Estonia                 | EEL             | 5   | -   | 5,5%                     | -   | 14,5%                    |
| Finland                 | GRAMEX FI       | 77  | -   | 5,5%                     | 9   | 14,5%                    |
| France                  | ADAMI           | 208                                       | -   | 5,5%                     | 328   | 14,5%                    |
| France                  | Spedidam        | 157                                       | -   | 5,5%                     | 123   | 14,5%                    |
| Germany                 | GVL             | 1,561                                     | 3   | 5,5%                     | 433   | 14,5%                    |
| Greece                  | Apollon         | -   | -   | 5,5%                     | 1   | 14,5%                    |
| Hungary                 | EJI             | 10  | -   | 5,5%                     | 1   | 14,5%                    |
| Ireland                 | RAAP            | 9   | -   | 5,5%                     | 111   | 14,5%                    |
| Iceland                 | SFH             | -   | -   | 5,5%                     | 1   | 14,5%                    |
| Italy                   | ITSRIGHT        | -   | -   | 5,5%                     | 51  | 14,5%                    |
| Italy                   | NUOVO IMAIE     | 127                                       | -   | 5,5%                     | 57  | 14,5%                    |
| Japan                   | Geidankyo       | 99  | -   | 5,5%                     | 15  | 14,5%                    |
| Korea                   | FKMP            | 1   | -   | 5,5%                     | 25  | 14,5%                    |
| Latvia                  | Laipa           | -   | -   | 5,5%                     | 1   | 14,5%                    |
| Lithuania               | Agata           | 11  | -   | 5,5%                     | -   | 14,5%                    |
| Norway                  | GRAMO           | 64  | -   | 5,5%                     | 71  | 14,5%                    |
| Poland                  | STOART          | 164                                       | -   | 5,5%                     | 2   | 14,5%                    |
| Portugal                | GDA             | 16  | -   | 5,5%                     | 4   | 14,5%                    |
| Romania                 | Credidam        | -   | -   | 5,5%                     | 4   | 14,5%                    |
| Serbia                  | PI              | 12  | -   | 5,5%                     | -   | 14,5%                    |
| Slovenia                | IPF             | 16  | -   | 5,5%                     | 5   | 14,5%                    |
| Slovakia                | Slovgram        | 7   | -   | 5,5%                     | -   | 14,5%                    |
| Spain                   | AIE             | 108                                       | -   | 5,5%                     | 243   | 14,5%                    |
| South Africa            | SAMPRA          | 48  | -   | 5,5%                     | 2   | 14,5%                    |
| Sweden                  | SAMI            | 85  | -   | 5,5%                     | 422   | 14,5%                    |
| Switzerland             | SWISSPERFORM    | 51  | -   | 5,5%                     | 7   | 14,5%                    |
| United Kingdom          | PPL             | 335                                       | (5)   | 5,5%                     | 5,171   | 14,5%                    |
| United States           | AFM & SAG-AFTRA | 103                                       | -   | 5,5%                     | 1.139   | 14,5%                    |
| United States           | Sound Exchange  | 533                                       | -   | 5,5%                     | 1,145   | 14,5%                    |
| <b>TOTAL PERFORMERS</b> |                 | <b>4,615</b>                              | <b>(2)</b>  |                          | <b>9,857</b>  |                          |

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

For performers, we have unilateral agreements with SBACEM (Brazil), UBC (Brazil), ARTISTI (Canada), MROC (Canada) and ITSRIGHT (Italy).



For **producers**, we have reciprocal agreements with the following international organizations:

| Country        | Organization                              |
|----------------|---|
| Austria        | LSG                                       |
| Argentina      | CAPIF                                     |
| Australia      | PPCA                                      |
| Belgium        | SIMIM                                     |
| Brazil         | Abramus                                   |
| Bulgaria       | Prophon                                   |
| Canada         | Re:Sound                                  |
| Denmark        | GRAMEX Denmark                            |
| Estonia        | EFÜ                                       |
| Germany        | GVL                                       |
| Finland        | GRAMEX Finland                            |
| France         | SCPP                                      |
| Georgia        | GCA                                       |
| Greece         | GRAMMO                                    |
| Hungary        | MAHASZ                                    |
| Ireland        | PPI                                       |
| Indonesia      | SELMI                                     |
| Italy          | SCF                                       |
| Jamaica        | JAMMS                                     |
| Japan          | RIAJ                                      |
| Kazakhstan     | AMANAT                                    |
| Latvia         | Laipa                                     |
| Lithuania      | Agata                                     |
| New Zealand    | Recorded Music NZ                         |
| Norway         | Gramo                                     |
| Poland         | ZPAV                                      |
| Russia         | VOIS<br><i>[terminated 15 March 2022]</i> |
| Serbia         | OFPS                                      |
| Slovenia       | IPF                                       |
| Spain          | Agedi                                     |
| Czech Republic | Intergram                                 |
| United Kingdom | PPL                                       |
| United States  | Sound Exchange                            |
| South Africa   | SAMPRA                                    |
| Sweden         | IFPI Svenska                              |

| 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               | 16  | -   | 5,5%                     | -   | 14,5%                    |
| Australia              | PPCA              | 47  | -   | 5,5%                     | -   | 14,5%                    |
| Belgium                | SIMIM             | 388                                       | -   | 5,5%                     | 21  | 14,5%                    |
| Brazil                 | Abramus           | 4   | -   | 5,5%                     | -   | 14,5%                    |
| Czech Republic         | Intergram         | 38  | -   | 5,5%                     | 1   | 14,5%                    |
| Denmark                | GRAMEX DK         | 33  | -   | 5,5%                     | 1   | 14,5%                    |
| Estonia                | EFÜ               | (1)                                       | -   | 5,5%                     | -   | 14,5%                    |
| Finland                | GRAMEX FI         | 13  | -   | 5,5%                     | 1   | 14,5%                    |
| France                 | SCPP              | 55  | -   | 5,5%                     | -   | 14,5%                    |
| Germany                | GVL               | 137                                       | -   | 5,5%                     | 44  | 14,5%                    |
| Hungary                | MAHASZ            | 18  | -   | 5,5%                     | -   | 14,5%                    |
| Ireland                | PPI               | 3   | -   | 5,5%                     | 1   | 14,5%                    |
| Italy                  | SCF               | 16  | -   | 5,5%                     | 3   | 14,5%                    |
| Japan                  | RIAJ              | 52  | -   | 5,5%                     | -   | 14,5%                    |
| Lithuania              | Agata             | 1   | -   | 5,5%                     | -   | 14,5%                    |
| New Zealand            | Recorded Music NZ | 5   | -   | 5,5%                     | -   | 14,5%                    |
| Norway                 | Gramo             | 5   | -   | 5,5%                     | -   | 14,5%                    |
| Spain                  | Agedi             | 79  | -   | 5,5%                     | 10  | 14,5%                    |
| Sweden                 | IFPI Svenska      | 5   | -   | 5,5%                     | 21  | 14,5%                    |
| United Kingdom         | PPL               | 135                                       | -   | 5,5%                     | 638   | 14,5%                    |
| United States          | Sound Exchange    | 281                                       | -   | 5,5%                     | 80  | 14,5%                    |
| <b>TOTAL PRODUCERS</b> |                   | <b>1,330</b>                              | <b>-</b>  |                          | <b>821</b>  |                          |
| <b>TOTAL</b>           |                   | <b>5,945</b>                              | <b>(2)</b>  |                          | <b>10,678</b>   |                          |

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

### Private copying

Stichting NORMA has mandated us to collect international private copying audio fees from its affiliates and to distribute them directly to all rightsholder performers, to the extent known to Sena. In 2022, we collected €487,000 in private copying audio fees from overseas. In total, Sena distributed a total of €454,000 in private copying audio fees (Dutch collection) in 2022.

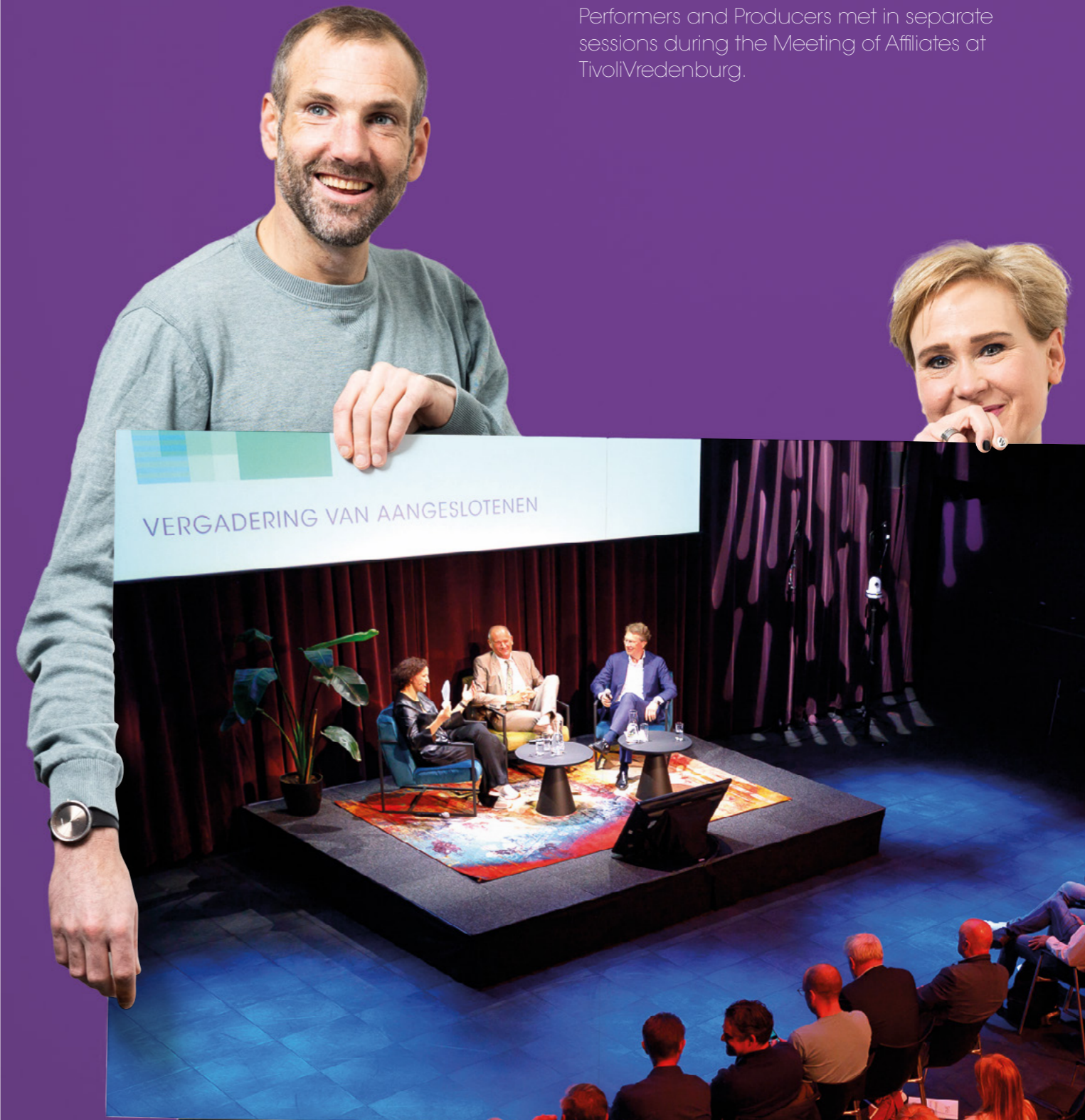
| Country      | Organization | Received licence fee<br>income international | Gross distribution<br>to rightsholders | Cost percentage<br>withheld |
|--------------|--------------|--|--|-----------------------------|
| Austria      | LSG          | 2  | -                                      | 5,5%                        |
| Belgium      | PlayRight    | 125  | 138                                    | 5,5%                        |
| Belgium      | SIMIM        | 30   | 30                                     | 5,5%                        |
| Denmark      | GRAMEX DK    | 1  | 1                                      | 5,5%                        |
| Estonia      | EFÜ          | 4  | 8                                      | 5,5%                        |
| Finland      | GRAMEX FI    | 2  | 2                                      | 5,5%                        |
| France       | ADAMI        | 80   | 78                                     | 5,5%                        |
| France       | SCPP         | 2  | -                                      | 5,5%                        |
| Germany      | GVL          | 178  | 167                                    | 5,5%                        |
| Hungary      | MAHASZ       | 3  | 4                                      | 5,5%                        |
| Italy        | NUOVO IMAIE  | 31   | 12                                     | 5,5%                        |
| Italy        | SCF          | 3  | 1                                      | 5,5%                        |
| Japan        | Geidankyo    | 2  | -                                      | 5,5%                        |
| Poland       | SAWP         | 1  | 1                                      | 5,5%                        |
| Portugal     | GDA          | 2  | 1                                      | 5,5%                        |
| Russia       | RUR          | -  | 1                                      | 5,5%                        |
| Spain        | AIE          | 12   | 2                                      | 5,5%                        |
| Sweden       | SAMI         | 2  | 1                                      | 5,5%                        |
| Switzerland  | SWISSPERFORM | 7  | 7                                      | 5,5%                        |
| <b>TOTAL</b> |              | <b>487</b>                                   | <b>454</b>                             |                             |

Photo: Richard Tas



## Meeting of Affiliates

Performers and Producers met in separate sessions during the Meeting of Affiliates at TivoliVredenburg.



#### 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 allow readers to easily find the required elements of the transparency report in this annual report.

|           | Description   | Annual report section  | Page number        |
|-----------|---|--|--------------------|
| Section 2 | a cash flow statement   | Cash flow statement  | 41                 |
|           | b information on refusals to grant a licence under Section 2l(3) of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act;   | Transparency report  | 84                 |
|           | c description of the statutory and administrative structure of the collective management organization;  | Personal details and relevant activities, Appendices 1 and 2   | 69, 74, 75         |
|           | d information on entities directly or indirectly owned, or controlled in whole or in part, by the collective management organisation;   | Notes to the statement of income and expenditure; affiliated parties   | 64                 |
|           | 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 them;   | Notes to the statement of income and expenditure; Executive Board and Supervisory Board remuneration, Personal details and relevant activities | 64, 60, 61, 62, 63 |
|           | f the financial information referred to in Section 3 of this decree;  | See Section 3  | 82                 |
|           | g a special report on the use of amounts that have been withheld for social, cultural and educational services, including the information referred to in Section 3 of this decree;  | See Section 3  | 82                 |
| Section 3 | 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 this income;   | Executive Board report, Notes to the 2022 results, Appendix 5, Transparency report   | 6, 24, 84          |
|           | b financial information on the costs of rights management and services provided by the collective management organization to rightsholders, with a full description of at least the following items:  |  |                    |
|           | 1 all operating expenses and financial costs, specified by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs;   | Appendix 5, Transparency report  | 84                 |
|           | 2 operating expenses and financial costs, specified by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs, to the extent that these costs relate to rights management. Including the management costs that have been withheld on or compensated with rights revenue or income arising from the investment of rights revenue under Section 2g(4) and Section 2h(1–3) of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act; | N/A  |                    |
|           | 3 operating expenses and financial costs for services other than rights management, including social, cultural and educational services;  | Social-cultural projects   | 52                 |
|           | 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 withholding;   | Statement of movements in distributable licence fee income. See also; Notes to the balance sheet, Liability regarding distribution             | 42, 54             |
|           | 6 the percentages of the costs of the rights management and other services provided by the collective management organization to rightsholders in respect of the rights revenue in the relevant financial year, by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs;   | Key figures and Appendix 3, Agreements with international organizations as at December 2022  | 32, 76             |

|           | Description   | Annual report section   | Page number |
|-----------|---|---|-------------|
| Section 3 | c financial information on amounts owed to rightsholders, 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  | 54          |
|           | 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  | 65, 54      |
|           | 3 the frequency of the payments, specified by category of managed rights and type of use;   | Notes to the cash flow statement  | 65          |
|           | 4 the total amount collected but not yet allocated to rightsholders, specified by category of managed rights and type of use, and an indication of the financial year in which these amounts were collected;  | Notes to the balance sheet; liability regarding distribution  | 54          |
|           | 5 the total amount allocated but not yet distributed to rightsholders, specified by category of managed rights and type of use, and an indication of the financial year in which these amounts were collected;  | Notes to the balance sheet; liability regarding distribution  | 54          |
|           | 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  | 54          |
| Section 3 | 7 the total of non-distributable amounts, with an explanatory note on the use of those amounts;   | Notes to the balance sheet; liability regarding distribution  | 54          |
|           | d information on the financial relationship with other collective management organizations, with a description of at least the following items:   |   |             |
|           | 1 amounts received from other collective management organizations and amounts paid to other collective management organizations, specified by category of managed rights, type of use and organization;   | Transparency report and Appendix 3, Agreements with international organizations as at December 2022                                   | 84, 76      |
|           | 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 2022   | 76          |
|           | 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 2022   | 76          |
| Section 4 | 4 the amounts directly distributed to rightsholders that derive from other collective management organizations, specified by category of rights and by organization;  | Notes to the cash flow statement  | 65          |
|           | 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 | 32, 42, 54  |
|           | b an explanation 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-cultural projects  | 52          |

## 5. TRANSPARENCY REPORT

### Information on refusal to grant a licence

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

| <b>RIGHTS REVENUE</b>  |                       | <b>2022</b>   |   | <b>2021</b>   |   |
|--|-----------------------|---------------|---|---------------|---|
|  |                       | €             | € | €             | € |
| <b>Rights category</b>   | <b>Soort gebruik</b>  |               |   |               |   |
| Neighbouring rights  | Nederland             | 73,690        |   | 59,551        |   |
| <b>DUTCH RIGHTS REVENUE</b>                                      |                       | <b>73,690</b> |   | <b>59,551</b> |   |
| <b>Rights category</b>   | <b>Soort gebruik</b>  |               |   |               |   |
| Neighbouring rights  | Buitenland            | 6,054         |   | 5,536         |   |
| Other rights   | Buitenland Thuiskopie | 487           |   | 927           |   |
| <b>INTERNATIONAL RIGHTS REVENUE</b>                              |                       | <b>6,541</b>  |   | <b>6,463</b>  |   |
| <b>TOTAL RIGHTS REVENUE</b>                                      |                       | <b>80,231</b> |   | <b>66,014</b> |   |
| Income from investment* of rights revenue                        |                       | (198)         |   | (216)         |   |
| <b>TOTAAL RECHTENINKOMSTEN INCLUSIEF INKOMSTEN UIT BELEGGING</b> |                       | <b>80,033</b> |   | <b>65,798</b> |   |

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

| <b>COSTS</b>                         |                            | <b>2022</b>  |   | <b>2021</b>  |   |
|--------------------------------------|----------------------------|--------------|---|--------------|---|
|                                      |                            | €            | € | €            | € |
| <b>Rights category – type of use</b> |                            |              |   |              |   |
| Dutch collection                     | Operating expenses (gross) | 7,908        |   | 6,744        |   |
| International collection             | Operating expenses (gross) | 362          |   | 272          |   |
| <b>TOTAL COST ALLOCATION</b>         |                            | <b>8,270</b> |   | <b>7,016</b> |   |

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

## 6 GENERAL INFORMATION SENA

On 29 September 1992, 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 and operates under Chamber of Commerce number 41194330. The articles of association were last amended on 24 November 2017. The foundation has included the following statement of purpose in its articles of association:

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

1. The foundation will try to achieve this objective by:
  - a. exercising and enforcing the rights and claims entrusted to the foundation, including the collection and distribution of equitable remuneration within the meaning of Article 7 of the Neighbouring Rights Act;
  - b. aiming to maintain and improve the protection of the neighbouring rights, in the broadest sense, both nationally and internationally, for performers and producers.
2. With respect to the provisions referred to in Paragraph 1a, the foundation can take legal action in its own name, regardless of the legal basis on which it exploits and enforces the rights and claims entrusted to it.
3. To achieve its objective, the foundation is authorised 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 purpose;
  - 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. 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 authorised to operate both inside and outside the Netherlands to achieve its objective.
5. The foundation is authorised to enter into agreements with organizations of a similar nature in other countries.
6. The foundation is authorised 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 came into force by Royal Decree. 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 the Neighbouring Rights Act.

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

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