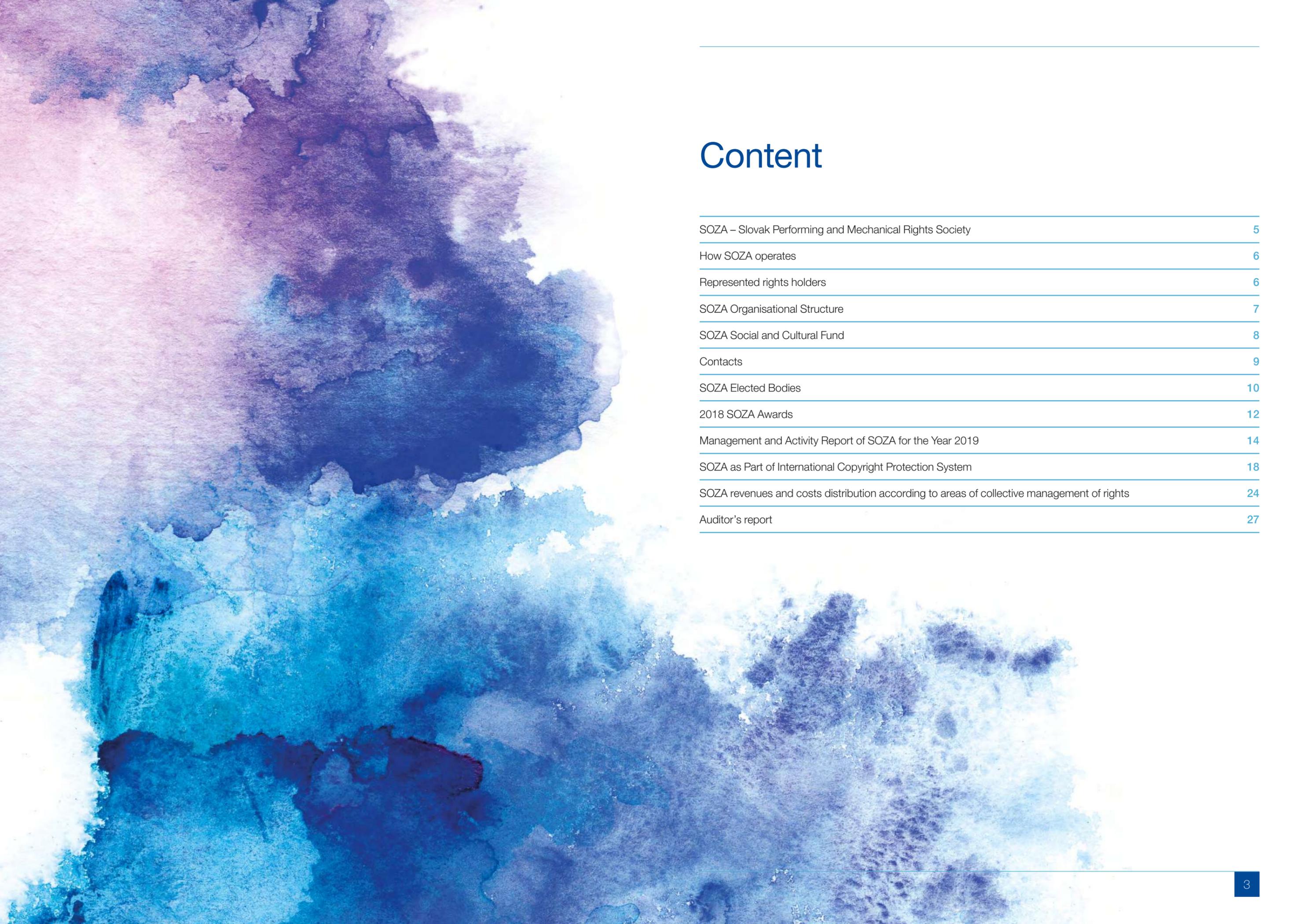


Annual Report 2019



SOZA

SLOVAK PERFORMING
AND MECHANICAL RIGHTS
SOCIETY



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SOZA

Slovak Performing and Mechanical Rights Society

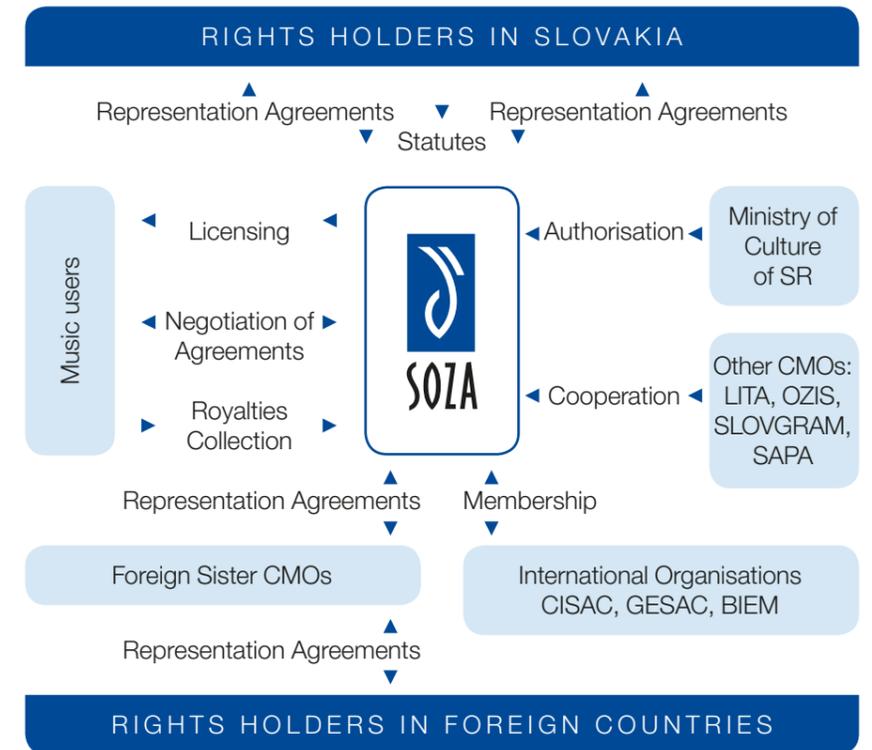
SOZA – Slovak Performing and Mechanical Rights Society is a collective rights management organisation of authors of musical works, their heirs and publishers. SOZA manages copyright to music works in accordance under the Authorisation granted by the Ministry of Culture of SR No. MK-1639/2016-232/6420, that came into force on August 5, 2016. SOZA as a collective rights management organisation (under Sec. 144 et seq., Sec. 65 et seq. Copyright Act) concludes license agreements with users of music works based on the specific use they are entitled for such music works. SOZA collects and distributes royalties to the entitled rights holders.

SOZA is a legal entity, a civic association under act No. 83/1990 Coll. exercising collective management of rights without purpose of gaining profit. It is an interest self-administration of authors and publishers of music works who as economic rights holders manage their economic interests through the bodies they elected.

Based on representation agreements, SOZA manages economic rights of local rights holders. Based on reciprocal representation agreements with foreign partner organisations, SOZA represents foreign rights holders within the territory of the Slovak Republic and sister organisations represent Slovak rights holders abroad.

SOZA does not own, directly or indirectly, any other entity, nor does it control any other entity (neither fully nor partially).

SOZA Basic Relations Scheme



SOZA Basic Relations Scheme For what types of use of music works does SOZA grant licenses?

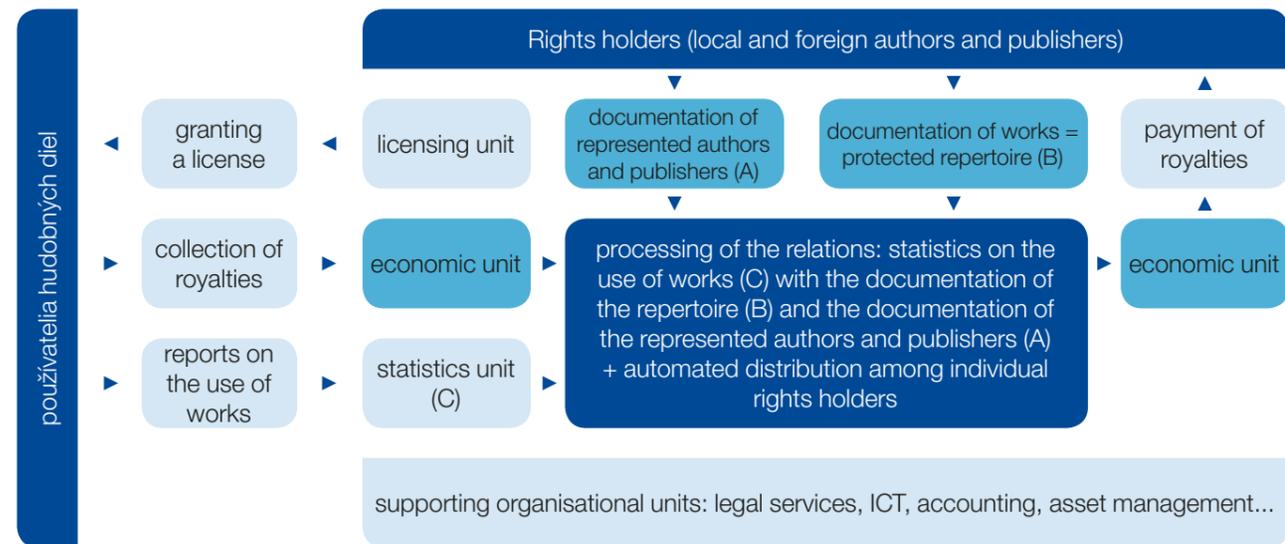
SOZA grants consent (in a form of a license) for the following types of use of music works:

- ◆ public non-theatrical performances,
- ◆ by means of technical equipment,
- ◆ by means of jukeboxes,
- ◆ radio and TV broadcasting,
- ◆ cable retransmission,
- ◆ theatres (archive music),
- ◆ public cinema screenings,
- ◆ dissemination by means of electronic communications

- networks (Internet, mobile networks),
- ◆ production and making copies of audio, audio-visual and multimedia carriers,
- ◆ work copies of music works used by DJs.

SOZA collects royalties for production of carriers and compensation of remuneration for blank carriers and technical equipment enabling creation of copies of audio and audio-visual recordings that were placed on the market in the Slovak Republic for sale for the first time.

How SOZA operates



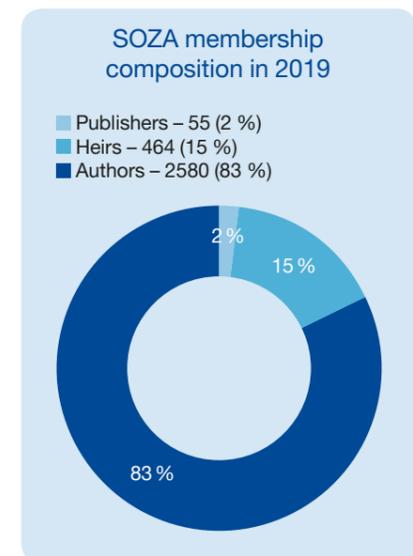
Represented rights holders

SOZA protects rights holders' economic rights under the Copyright Act. The rights holders include composers, lyricists, producers, and publishers of all music genres. As at December 31st 2019, SOZA adminis-

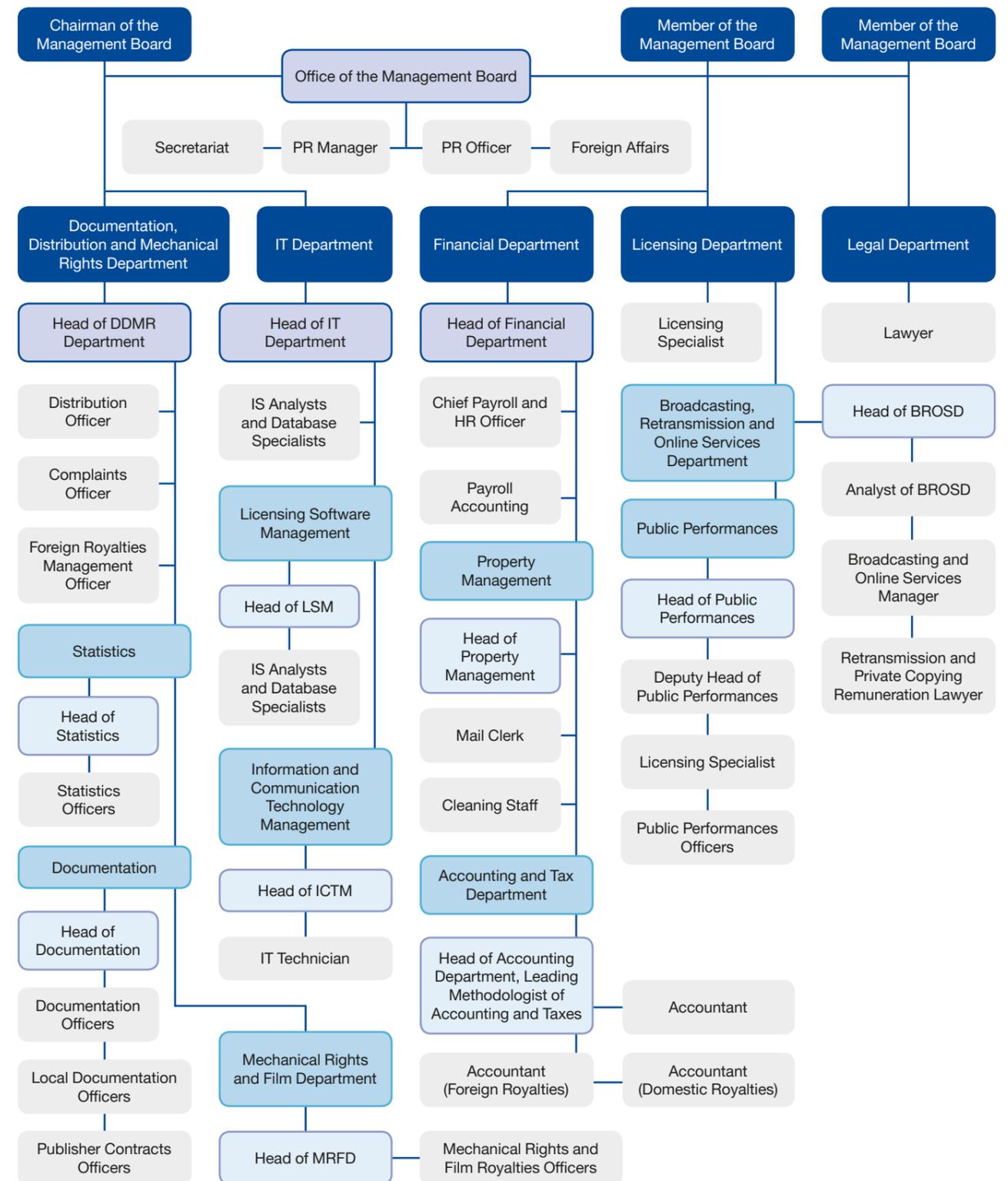
tered economic rights of **3 099** rights holders based on representation agreements.

SOZA protects economic copyrights over a work for the entire life of an

author and 70 years after his/her death. That is the reason SOZA also manages copyrights of legal successors – heirs. SOZA administers copyrights of 464 heirs to non-living authors.



SOZA Organisational Structure



SOZA Social and Cultural Fund

SOZA Social and Cultural Fund programmes

- ◆ Assistance in immediate distress
- ◆ Assistance in severe financial hardship
- ◆ Contribution for SOZA Awards ceremony
- ◆ Film music authors support
- ◆ Support for important projects and artistic production
- ◆ Operating aid to a partner supporting music authors
- ◆ Contribution for raising cultural awareness

In 2019, the Supervisory Board announced two rounds of submission of applications for financial support within the cultural programmes of the Social and Cultural Fund. Within the two rounds, the Social and Cultural Fund Council assessed a record number of **217** applications and approved financial contributions for **145** of them

in the total amount of **EUR 58,950**, either in form of operating aid or financial support of important projects and artistic production. 7 contributions were granted within the social programmes of SOZA in the total amount of **EUR 12,800**.

Operational and financial costs in support of social, cultural, and educational programmes including a contribution from the income derived from the exercise of collective management of rights intended for these purposes represented 0.01% of the income derived from the exercise of the collective management of rights in 2019 and amounted to **EUR 1,910.80**.

In 2019, the Statute of the Social and Cultural Fund was amended with the part concerning the cultural programmes introducing a single deadline for submission of applications – 30 April of a calendar year. The

Members of the Social and Cultural Fund Council in 2019:

Adam Hudec
Ľibor Kolínsky
Jaroslav Konečný
Peter Lipa
Daniel Matej (Chairman)
Martin Sarvaš
Jozef Šebo
Pavel Zajíček

reason being that the total resources available from the budget for these purposes are already known based on economic results of a previous calendar year at that time. In 2019, the logo of the Social and Cultural Fund was also created to be used for the Fund's presentation within the supported projects.



Contacts



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Memberships

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Public Performances Head of Department

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Head of Department

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Domestic Royalties

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Foreign Royalties

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Documentation, Distribution and Mechanical Rights Department

dramp@soza.sk

Head of Department

Róbert Osvald
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Registration of New Musical Works

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domace@soza.sk

Royalties from Abroad

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zahranicne@soza.sk

Complaints

+421-2-50 20 27 17
reklamacie@soza.sk

Production of Audio and Audio-visual Media

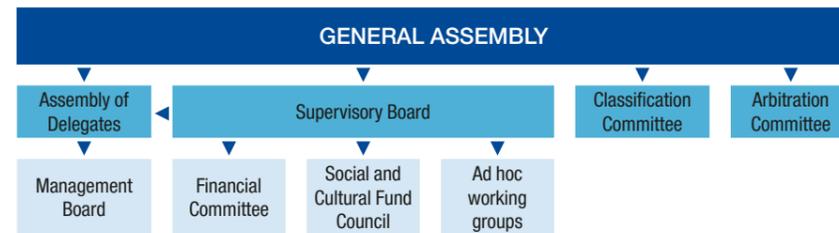
+421-2-50 20 27 13
mechanika@soza.sk

Movie Royalties

+421-2-50 20 27 16
film@soza.sk

SOZA Elected Bodies

Structure of the Elected Bodies under the new Copyright Act No. 185/2015 Coll.



Management Board

Management Board is a managing body under the Copyright Act provisions and is also a statutory body. It manages the operation of SOZA internally as well as externally. It consists of 3 members whose term of office is not time-limited. Members of the Executive Board are persons appointed regardless of whether they are or are not SOZA members.

MANAGEMENT BOARD

Lubomír Burgr – Chairman
Silvester Danóczy – Member
Tomáš Mikš – Member

Supervisory Board

Supervisory Board is a managing body under the Copyright Act provisions. Its role is to control SOZA management and financial results on regular basis. It consists of 15 members appointed according to their professional focus:

SUPERVISORY BOARD

Matúš Jakabčič (Chairman), jazz music composer
Luboš Bernáth, classical music composer
Pavol Danišovič, pop music composer
Rastislav Dubovský, film score composer
Miroslav Dudík, folk music composer – editor
Peter Horák, A – TEMPO VERLAG SLOVAKIA, publisher
Adam Hudec, brass music composer
Katarína Jarušková, HUDOBNÝ FOND, producer
Miroslav Jurika, STUDIO LUX (Vice-chairman), producer
Slavomír Kopec, OPUS, producer
Peter Lipa, pop music composer
Daniel Matej, classical music composer
Ján Štrasser, lyricist
Luboš Zeman, lyricist
Tomáš Zubák, composer of music for special purposes

Works Classification Committee

Works Classification Committee is a specialised elected body whose objective is to classify musical works in respected categories as specified in SOZA Distribution Rules. It consists of 5 members appointed by the General Assembly according to their professional focus.

WORK CLASSIFICATION COMMITTEE

Pavel Zajáček (Chairman), pop music composer
Jaroslav Konečný, classical music composer
Peter Parničan, folk music composer – editor
Pavol Kvassay, composer of music for special purposes
Marián Vlado, brass music composer

Arbitration Committee

Arbitration Committee reviews disputes arising between a SOZA member and SOZA elected body and serves as a conciliation body in disputes relating to the exercise of economic rights among represented rightsholders. It consists of 5 members appointed by the General Assembly from among the authors who given their ethical status and experience are a guarantee of a fair judgment in the disputes.

ARBITRATION COMMITTEE

Martin Gašpar
Dobromila Baloghová
Tomáš Janovic
Egon Krák
Juraj Kupec

MANAGEMENT BOARD



Lubomír Burgr



Silvester Danóczy



Tomáš Mikš

SUPERVISORY BOARD



Matúš Jakabčič



Luboš Bernáth



Pavol Danišovič



Rastislav Dubovský



Miroslav Dudík



Peter Horák



Adam Hudec



Katarína Jarušková



Miroslav Jurika



Slavomír Kopec



Peter Lipa



Daniel Matej



Ján Štrasser



Luboš Zeman



Tomáš Zubák

2018 SOZA Awards

STATISTICAL AWARDS

Nominations are based on objective statistics regarding broadcasting and public performances of music works within the territory of Slovakia

SOZA Award for composer of most performed musical works
Ivan Tásler

SOZA Award for lyricist of most performed musical works
Vladimír Krausz

SOZA Award for Young Author of Most Played Musical Works
Celeste Buckingham

SOZA Award for most performed musical work
Words (Emma Drobná)
authors Emma Drobná, Peter Graus, Tomáš Zubák

SOZA Award for audio recording
Dovi dopo (Kali) Kali Records

SOZA Award for the highest share of local repertoire within the broadcast
Rádio SiTy

HONORARY AWARDS

Awards that are reflection of a person's contribution to the Slovak music culture.

SOZA Award for a significant contribution in presenting local productio abroad
(awarded to an author for significant and representative presenting of music works outside the territory of the Slovak Republic)
Richard Müller

Entry in the SOZA Golden Book
(awarded in memoriam to an author for a significant contribution to the development of the Slovak music culture)
Marek Brezovský (1974-1994)
Frico Kafenda (1883-1963)

SOZA Grand Prix
Vladimír Bokes

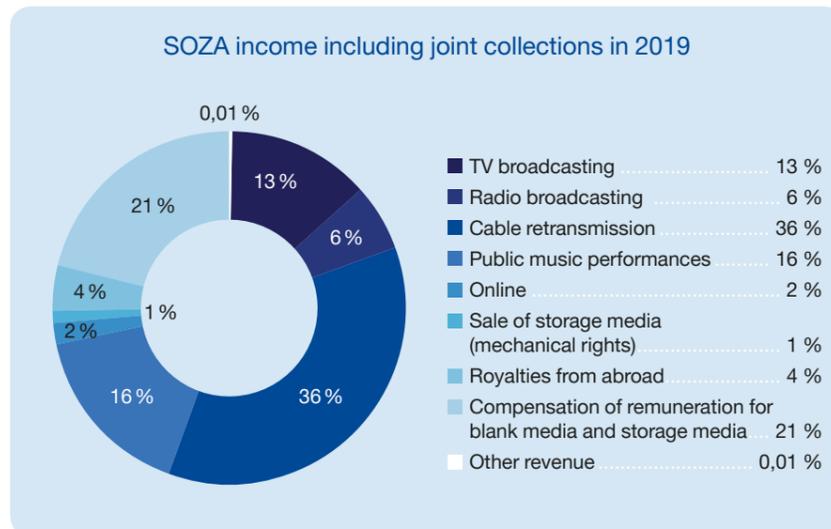
Bratislava, Mestské divadlo P. O. Hviezdoslava
(City Theatre of Pavol Orságh Hviezdoslav), October 1st, 2019
photo: © Oleš Cheresko

SOZA Activity and Financial Management Report for 2019

Year 2019 brought several particularly positive results in terms of economy. New record values of key indicators (own income, total income, remuneration paid to local authors) were reached. Significant income growth contributed to reduction of costs in the total economic result compared to the previous year. It is even more encouraging as it happened despite the ongoing fallout caused by the lawsuit against the Slovak Association of Hotels and Restaurants. Conclusion of a long-term contract with TV Markíza as well as out-of-court dispute settlement with MAC TV s.r.o. associated with conclusion of another long-term contract were key in securing the future income of SOZA.

In terms of international relations, adoption of the Directive on Copyright in the Digital Single Market by the European Parliament has turned out to be key. SOZA participated in the process by actively communicating with the Slovak MEPs. Now, it is crucial how the directive is going to be transposed within the Slovak legislation. We consider it an international success that SOZA was elected a member of the **BIEM** Management Committee.

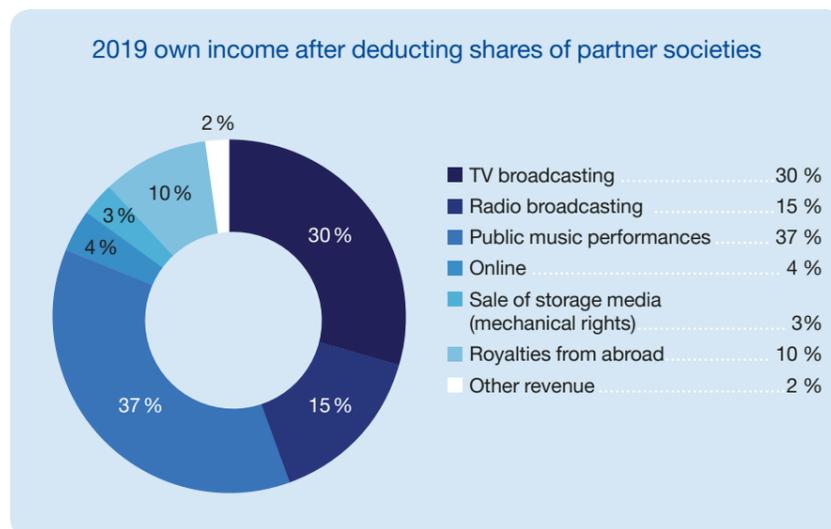
Based on the contract effective as of October 2019, Swiss collecting society **SUISA Digital Licensing** will conduct negotiations on behalf of SOZA with international providers of online services, such as streaming platforms, as well as other services enabling the download of works, and integrate the SOZA repertoire into its existing licensing agreements. For SOZA, this cooperation means that online rights will be processed, licensed and the income will be distributed from one source instead of SOZA having to individually address the issue with several CMOs in other countries. Administration of the online rights will be done by **Mint Digi-**



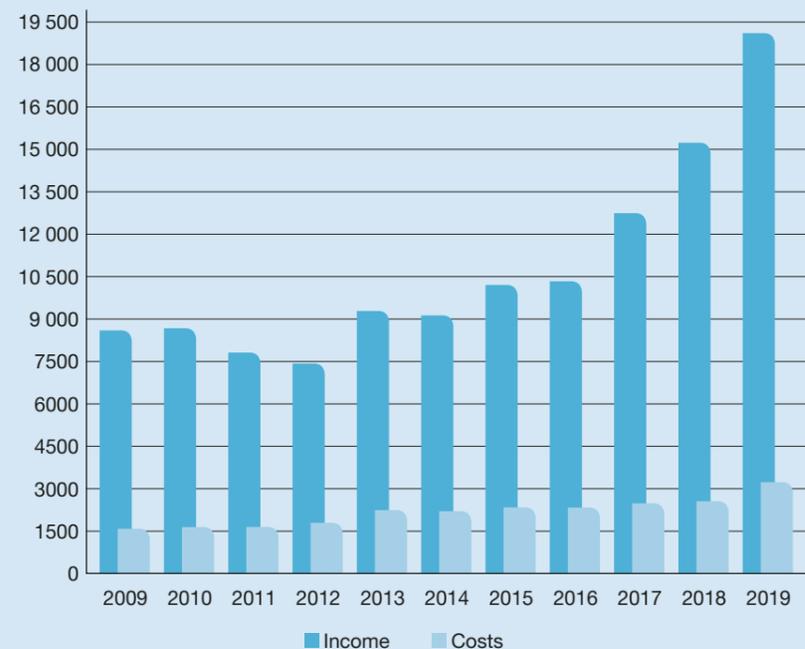
tal Services, a joint venture of SUI-SA and the American CMO SESAC.

Symbolically, on the day of adoption of the Directive on Copyright in the Digital Single Market in the European Parliament, SOZA presented the Slovak Music Industry Report to the public. Preparation of this report took more than four years and, for the first time in history, it explores the field of music as part of culture, or music creative industry, from the economic point of view. In seven

chapters, it explores the Slovak music industry and Slovak market from several angles and provides numerous exact statistical data on purchasing power, demand for culture, music production of new music records, or production of Slovak live music, as well as on employment in the music industry. Another unique feature is the data on the income generated by the Slovak authors and performers, whether it is through public performance of musical works or distribution of physical or digital recordings.



SOZA income and costs development in 2009 – 2019 in EUR thousands



The report is permanently available for download on the SOZA website and was also published in book form in a limited number of copies. SOZA will continuously promote the data and conclusions contained in this report and bring them to the attention of the widest possible audience – from the active cultural community to the state and public administration representatives involved in the formation of respective cultural policies.

2019 ECONOMIC RESULTS

We present the economic results according to the standard methodology introduced in 2002.

In 2019, SOZA's own income, excluding the share pertaining to the partner societies involved in the so-called joint collections, reached a record level of **EUR 11,569,201.12**, which is an increase of **EUR 2,009,687.74** (21.02%) compared to 2018. SOZA total income amounted to **EUR 19,108,042.92**, which is an increase of **EUR 3,932,638.90** (25.91%) compared to 2018. Total value of assets, i.e. of tangible, intangible and financial assets, is **EUR 17,418,235.93**, an increase of **EUR 3,474,602.04**

compared to 2018. Evaluated income from the exercise of collective management of rights amounted to **EUR 51,350** in 2019.

SOZA's total costs amounted to **EUR 3,265,266.99** in 2019, which is a year-to-year increase of **EUR 550,296.31** (20.27%). Primary costs, which include namely salary costs and other personnel costs, amounted to **EUR 3,003,014.40**, i.e. an increase of **EUR 568,973.74** (23.38%) compared to 2018. Personnel costs increased in the item of remuneration, material costs increased the most in the reserve created by SOZA for future risks and losses in the area of IT, in the items of depreciation and administrative fees, also, a renewal of the outdated faulty hardware of insufficient capacity was carried out. In total, the material costs increased by EUR 462,868.46.

Cost/income ratio in 2019 (SOZA overhead costs) reached **17.09%**, which is a decrease by **0.80%** compared to 2018.

Remuneration paid to the members of the management body and members of the supervisory body for performance of their duties was in the amount of **EUR 303,028.84**.

Total auxiliary costs, which include membership fees to international organisations, bonuses, and overtime compensation to the elected bodies of SOZA, costs of the General Meeting and marketing costs, decreased by **EUR 18,677.43** (6.65%) to **EUR 262,252.59**.

In 2019, operational and financial costs of supporting social, cultural and educational needs including the contribution from the exercise of collective management of rights allocated for these purposes were in the amount of 0.01% of the income from the exercise of collective management of rights, representing **EUR 1,910.80**. In 2019, 7 contributions were provided within the SOZA social programmes in the total amount of EUR 12,800 (decrease of 28.9%). 145 (29 / 21.8% more than in 2018) applications for operating aid, financial support for important events and artistic production in the total amount of EUR 58,950 (EUR 9,400 / 13.7% increase compared to 2018) were approved within the cultural programmes of SOZA Social and Cultural Fund in 2019. Social and Cultural Fund Council assessed the total of 217 applications sent by applicants within two application rounds.

RELATIONSHIPS WITH AUTHORS

As at December 31st 2019, SOZA administered property rights of **3,099** rights holders based on representation agreements, which is **128** (4.31%) more than in 2018. **1,407** authors, heirs and publishers were registered in the ISpA information system at the end of 2019, which is **225** (**19.03%**) more than in the previous year.

SOZA distributed **EUR 7,311,991.42** (13.7% more than in the previous year) to the respective holders of rights over musical works. Local authors received **EUR 4,637,344.80** (10.3% increase) for the use of their works in the Slovak Republic as well as abroad. Foreign authors received **EUR 2,674,646.62** (20.2% increase). In 2019, SOZA distributed the total of **EUR 14,690,523.08** (23.0% increase) to all rights holders, including joint collections for other CMOs.

In 2019, 203 licences were granted for the use of a musical work by making its copy and the use of a musical work by public distribution of its original or copy by transfer of title. Also, 326 licences were granted for the use of a musical work by making its copy, the type of use mostly requested by DJs. No request for licence was rejected in 2019.

Royalties are distributed in compliance with the SOZA Distribution Rules. Timely payment of remuneration can only be hindered by missing or incorrect data on part of a rights holder, or the fact that the amount of remuneration is lower than bank charges or postal money order fees. However, such cases occur rarely, they are addressed in cooperation with the rights holder and the royalty is paid out. Royalties for broadcasting and cable retransmission, public performance of works in the form of a live performance, unaddressed remuneration, remuneration for making works available to the public, as well as remuneration intended for rights holders not represented by SOZA who did not exclude collective managements of rights and requested royalties to be paid out, are paid out once a year by SOZA. Twice a year, usually in May and November, SOZA distributes royalties for production and sale of audio and audio-visual carriers including central licensing. On a quarterly basis, in average, SOZA distributed royalties for so-called big concerts (major live events). Royalties received from abroad are distributed to authors irregularly, immediately after they are reviewed, it is usually on weekly basis. The same irregularity applies to royalties paid out by SOZA based on claims by local as well as foreign represented persons.

Currently, SOZA does not distribute remuneration and payments according to the areas of collective management of rights, therefore, it is not possible to provide distribution according to individual areas of collective management of rights. In course of 2019, the delay only occurred in distribution and payment of individual royalties, there were two reasons for that. The first were disputes over authorship of which SOZA was notified by foreign

partner societies, SOZA cannot distribute royalties among rights holders in dispute until foreign courts reach a final decision. The second reason was the delay in submission of background documents necessary for distribution of royalties on part of foreign partner organisations, SOZA is working on and urging the submission of these documents.

Unidentified royalties paid from the fund of unidentified remuneration based on requests made by rights holders amounted to **EUR 151,562.76**.

Balance of the fund of unidentified remuneration was **EUR 138,634.60** as at December 31st 2019.

RELATIONSHIPS WITH USERS

As far as relationships with users are concerned, income from the use of music collectively known as public performance of musical works exceeded EUR 3,000,000 for the first time in history. Licences in the total amount of **EUR 3,059,272.42** were granted in 2019. It is an increase of **10.63%** compared to 2018, despite the continuous fallout in the hotel and restaurant segment caused by an unresolved situation with the Slovak Association of Hotels and Restaurants.

Music Performances Department granted **43,067** licences for the use of music works by public performance, **2** requests for licence were rejected. The reason for rejecting or not granting a licence was an effort to maintain the required level of professional care in cases where the user stated inaccurate, incorrect, incomplete, or false data.

Total income from the use of musical works in television and radio broadcasting amounted to **EUR 3,646,655.35**, which is **EUR 781,565.32** more than in 2018. Television broadcasting represent **EUR 2,448,102.06** and radio broadcasting **EUR 1,198,553.29**. It should be noted, however, that remuneration for independent radio broadcasting represents an income for SOZA, which is directly dependent on the income

relating to production and broadcasting of programmes. In the area of television broadcasting, an out-of-court settlement was reached with MAC TV s.r.o., an operator of TV channels JOJ, PLUS, WAU, TV SENZI, JOJKO and Ľuki TV, which reflected in the said income increase.

Cable retransmission income reached its highest level yet, amounting to **EUR 6,940,106.22**, an increase of **EUR 1,948,813.21** compared to the previous year. The significant increase was caused by an out-of-court settlement with M7 Group S.A. and UPC DTH S. à r.l. with respect to the use of works by satellite retransmission, which is a historic success. Cable and satellite retransmission income increased by **39.04%** compared to 2018 and by **262.62%** compared to 2017.

Compensation of remuneration income increased as well in 2019, due to acquisition of new clients and CMO SAPA joining the joint collection of the compensation of remuneration, reaching **EUR 3,980,763.78**, which is a year-to-year increase of **EUR 621,577.95**.

In the area of the use of musical works via Internet and mobile networks, SOZA has achieved significant progress in negotiations with international providers of online services and licensing agreements were concluded with several major online services providers such as Facebook and Amazon. However, income-wise, this will not reflect until 2020. The income in this area amounted to **EUR 301,417.03**. Last year, SOZA entrusted societies MINT and SUIISA Digital Licensing with a part of the licensing and administration of SOZA members' rights in the global online environment, which should result in higher income and more effective administration of online rights of the members of SOZA in the following years.

In 2019, Broadcasting, Retransmission and Online Services Department granted the total of **268** licences, out of which **24** to radio broadcasters, **54** to television broadcasters, **123** to cable operators and **67** to users of musical works via Internet and mobile net-

works. The department did not reject a single request for licence in 2019.

In relation to users, the Legal Department continued to address the issue of illegal use of musical works and unpaid remuneration for the use of musical works, i.e. licences within cumulative licensing agreements, whether in court or out of court. The Legal Department cooperated with external law firms in recovery of outstanding receivables and exercised outstanding receivables in liquidations, bankruptcy or restructuring proceedings.

PUBLIC RELATIONS

Apart from the usual agenda such as organising SOZA Awards or General Meeting, website management, provision of printed materials for individual departments or full administration of the cultural programmes of SOZA Social and Cultural Fund, Public Relations Department continued to organise educational events and lectures in cooperation with partner organisations.

In collaboration with LaLa Slovak Music Export, SOZA participated in four lectures of a Hungarian expert on digital marketing András Bodrogi whose target audience were current as well as

potential new members of SOZA. The lectures in the form of an interview in the video format are available on the SOZA website and social media.

As part of a continuous presentation of the Slovak Music Industry Report, a special presentation of the report took place in V-klub attended by parliament and government representatives as well as representatives of several cultural institutions and initiatives. Two working breakfasts took place within the premises of SOZA attended by journalists and members of the SOZA Board of Directors who could present several important topics: apart from the already mentioned report also conclusion of the agreement with SUIISA on collaboration in online licensing.

INTERNATIONAL RELATIONS

International co-operation between Slovak Performing and Mechanical Rights Society and foreign partner organisations has also continued in 2019. Based on 106 international agreements with 68 foreign partner organisations, SOZA has ensured the exercise of the rights of foreign authors within the territory of the Slovak Republic equally to the rights of local

authors and the exercise of the rights of the local authors in all the countries of the world where copyright regulations corresponding to the standards set by the international organisation CISAC are in place.

As far as international agenda is concerned, year 2019 was important in several aspects. Currently, transposition of the Directive on Copyright in the Digital Single Market is under way across the European Union whose wording should be implemented in our national legislation. SOZA also participated in several meetings organised by CISAC, BIEM and GESAC, discussing and coordinating with foreign partners how to proceed with the challenges in the field of copyright such as buy-out of rights holders' rights or the role of artificial intelligence within the music industry. SOZA actively participated in the successful conference Meet the Authors 2019 in Brussels, also attended by our member Celeste Buckingham, where the need for better protection of copyright in the European Union was communicated to MEPs.

Another international success for SOZA was that it was elected a member of the Management Committee of BIEM (international organisation associating mechanical rights societies).

SOZA as Part of International Copyright Protection System

SOZA is a member of the following international organisations dedicated to copyright protection:

CISAC – International Confederation of Societies of Authors and Composers representing more than 4 million authors from all the artistic fields (music, drama, literature, audio-visual, graphic and visual arts). SOZA has been a member since 1970.

BIEM – is an international organisation associating mechanical rights societies, with the mechanical rights being the rights to mechanical recording and reproduction of musical works. SOZA has been a member since 1973.

GESAC – a European organisation representing 33 societies of authors from the European Union member states, Norway, Switzerland, and Iceland. It represents authors from the music, graphic, literary, drama and audio-visual field as well as music publishers. SOZA has been a member since 2005.

As a member of these international organisations SOZA participates in the development of the international collective copyright protection system. Members of the SOZA management continuously monitor the development on the European as well as international level attending important meet-

ings and participating in trainings and seminars organised by GESAC and CISAC. This way SOZA gains experience from an international practice and an overview of the international development.

Based on **106 international agreements with 68 foreign partner societies** (data as at December 31st 2019) SOZA ensures the exercise of the rights of foreign authors within the territory of the Slovak Republic equally to the rights of local authors and the exercise of the rights of the local authors in all the countries of the world where the system of copyright protection is in place.

List of societies that concluded reciprocal representation agreements with SOZA and territories in which they exercise collective management of entrusted rights – as of December 31st 2019.

SOCIETY	COUNTRY	TERRITORY
AAS	Azerbaijan	Azerbaijan
ABRAMUS	Brazil	Brazil
ACDAM	Cuba	Cuba
ACUM	Israel	Israel
AUTODIA	Greece	Greece
AGADU	Uruguay	Uruguay
AKKA / LAA	Latvia	Latvia
AKM	Austria	Austria
AMRA	United States of America	United States of America
APRA	Australia	Ashmore Island, Australia, Australian Antarctic Territory, Cartier Island, Christmas Island, Cocos Islands, Fiji, Heard Island, Macquarie Islands, McDonald Island, Nauru Island, Papua New Guinea, New Zealand, Niue Island, Norfolk Islands, Ross Dependency, Tokelau Islands, Samoa
ARTISJUS	Hungary	Hungary
ASCAP	United States of America	United States, Virgin Islands, Puerto Rico
AUSTRO MECHANA	Austria	Austria
BMI	United States of America	United States, Puerto Rico
BUMA / STEMRA	Netherlands	Netherlands, Sint Maarten, Curaçao, Indonesia, Suriname
CASH	Hong Kong	Hong Kong
EAU	Estonia	Estonia
FILSCAP	Philippines	Philippines
GEMA	Germany	Germany, Turkey, Philippines
HARRY FOX AGENCY	United States of America	United States of America
HDS-ZAMP	Croatia	Croatia
IMRO	Ireland	Ireland

SOCIETY	COUNTRY	TERRITORY
JASRAC	Japan	Japan
KAZAK	Kazakhstan	Kazakhstan
KODA	Denmark	Denmark
LATGA	Lithuania	Lithuania
MACP	Malaysia	Malaysia
MCPS	United Kingdom	British Commonwealth (excluding Canada), Ireland, South Africa
MCSC	People's Republic of China	People's Republic of China
MESAM	Turkey	Turkey
MSG	Turkey	Turkey
MUSICAUTOR	Bulgaria	Bulgaria
NCB	Denmark	Denmark, Norway, Sweden, Finland, Iceland, Lithuania
NCIP	Belarus	Belarus
OSA	Czech Republic	Czech Republic
PAM CG	Montenegro	Montenegro
PRS for Music	United Kingdom	United Kingdom of Great Britain and Northern Ireland, the British Commonwealth (excluding Canada and Hong Kong)
RAO	Russia	Russia
SABAM	Belgium	Belgium, Congo, Rwanda, Burundi
SACEM / SDRM	France	France, Martinique, Guadeloupe, Guyana, Reunion, Comoros, Somalia, Polynesia, New Caledonia, Saint Pierre and Miquelon, Algeria and the Sahara, Mauritania, Niger, Ivory Coast, Burkina Faso, Benin, Senegal, Mali, Chad, Central African Republic, Gabon, Togo, Cameroon, Guinea, Tunisia, Morocco, Lebanon, Egypt, Monaco, Andorra, Syria, Luxembourg, Turkey, Madagascar, Djibouti, Gambia, Congo
SACM	Mexican Republic	Mexican Republic
SADAIC	Argentine Republic	Argentine Republic
SAMRO	Republic of South Africa	South Africa, Namibia, Botswana, Lesotho, Swaziland
SAS	Georgia	Georgia
SAYCO	Colombia	Colombia
SAZAS	Slovenia	Slovenia
SBACEM	Brazil	Brazil
SESAC	United States of America	United States of America, Virgin Islands, Guam, Puerto Rico
SGAE	Spain	Spain, Bolivia, Costa Rica, Colombia, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru, Venezuela
SIAE	Italy	Italy, Vatican, San Marino, Ethiopia, Libya, Somalia
SOCAN	Canada	Canada
SOCINPRO	Brazil	Brazil
ZAMP Macedonia	North Macedonia	North Macedonia
SODRAC	Canada	Canada
SOKOJ	Serbia	Serbia
SPA	Portugal	Portugal, Madeira, the Azores, Angola, Mozambique, Guinea, Cape Verde, São Tomé and Príncipe, Macao, Timor
SQN	Bosnia and Herzegovina	Bosnia and Herzegovina
STEF	Iceland	Iceland
STIM	Sweden	Sweden
SUISA	Switzerland	Switzerland, Liechtenstein
TEOSTO	Finland	Finland
TONO	Norway	Norway
UACRR	Ukraine	Ukraine
UBC	Brazil	Brazil
UCMR-ADA	Romania	Romania
VCPMC	Vietnam	Vietnam
ZAIS	Poland	Poland

Costs for providing service of collective management of rights and other deductions from revenue from collective management of rights belonging to other collective management organisations

SOCIETY	COUNTRY	EUR
OSA	Czech Republic	96,782.56
PRS	United Kingdom of Great Britain and Northern Ireland	85,279.49
BMI	United States of America	57,130.31
ASCAP	United States of America	56,759.51
GEMA	Germany	38,876.51
SACEM	France	23,456.77
ARTISJUS	Hungary	13,833.39
SIAE	Italy	8,823.33
STIM	Sweden	8,775.92
SOCAN	Canada	7,578.43
APRA	Australia	6,982.70
AKM	Austria	6,583.03
SESAC	United States of America	5,788.93
ZAIS	Poland	4,538.52
RAO	Russia	3,335.06
BUMA	Netherlands	3,231.60
TEOSTO	Finland	3,031.04
SGAE	Spain	2,673.63
SAZAS	Slovenia	2,463.46
SUISA	Switzerland	2,377.29
MCPS	United Kingdom of Great Britain and Northern Ireland	1,802.14
AMRA	United States of America	1,777.89
IMRO	Ireland	1,721.93
AUSTROMECHANA	Austria	1,705.15
SABAM	Belgium	1,651.47
TONO	Norway	1,431.25
KODA	Denmark	1,391.92
HDS-ZAMP	Croatia	1,208.98
NCB	Denmark	1,126.55
ACUM	Israel	866.03
STEMRA	Netherlands	668.98
JASRAC	Japan	379.70
UCMR	Romania	327.20
STEF	Iceland	323.71
SOKOJ	Serbia	239.47
SADAIC	Argentine Republic	237.11
UBC	Brazil	216.76
SPA	Portugal	209.51
SODRAC	Canada	185.52
SACM	Mexican Republic	169.19
SAMRO	Republic of South Africa	159.51
EAU	Estonia	132.76
ABRAMUS	Brazil	128.45
AKKA/LAA	Latvia	73.76
KOMCA	South Korea	72.62
MESAM	Turkey	70.06
SAYCO	Colombia	67.24
MUSICAUTOR	Bulgaria	58.47

SOCIETY	COUNTRY	EUR
KAZAK	Kazakhstan	48.59
SOCINPRO	Brazil	26.40
CASH	Hong Kong	25.98
MCSC	People's Republic of China	25.53
MSG	Turkey	23.79
ACDAM	Cuba	22.24
COSON	Nigeria	12.93
UACRR	Ukraine	12.82
LATGA	Lithuania	9.44
COMPASS	Singapore	8.89
JACAP	Jamaica	7.24
COTT	Trinidad and Tobago	4.65
TOTAL		456,933.31

Royalties received from foreign collective management organisations in 2019

SOCIETY	COUNTRY	EUR
OSA	Czech Republic	599,022.34
ARTISJUS	Hungary	69,121.72
AKM	Austria	37,725.05
GEMA	Germany	19,331.90
SUISA	Switzerland	18,224.64
PRS	United Kingdom of Great Britain and Northern Ireland	13,700.92
STIM	Sweden	10,293.26
EAU	Estonia	9,112.68
ZAIS	Poland	4,612.06
SACEM	France	4,225.11
AKKA/LAA	Latvia	2,442.08
JASRAC	Japan	2,009.82
AUSTROMECHANA	Austria	2,008.06
MCPS	United Kingdom of Great Britain and Northern Ireland	1,745.27
SOKOJ	Serbia	1,672.39
PAM CG	Montenegro	1,432.10
TEOSTO	Finland	955.25
TONO	Norway	909.09
BUMA	Netherlands	835.64
KODA	Denmark	690.38
SADAIC	Argentine Republic	521.91
BMI	United States of America	518.46
APRA	Australia, New Zealand	389.06
LATGA	Lithuania	194.68
IMRO	Ireland	149.47
STEMRA	Netherlands	93.69
SOCAN	Canada	73.14
NCB	Denmark	70.55
TOTAL		802,080.72

Royalties paid to foreign collective management organisations in 2019

SOCIETY	COUNTRY	EUR
OSA	Czech Republic	566,310.32
PRS	United Kingdom of Great Britain and Northern Ireland	499,002.26
BMI	United States of America	334,290.89
ASCAP	United States of America	332,121.18
GEMA	Germany	227,481.04
SACEM	France	137,254.36
ARTISJUS	Hungary	80,988.85
SIAE	Italy	51,628.60
STIM	Sweden	51,351.19
SOCAN	Canada	44,344.22
APRA	Australia	40,858.40
AKM	Austria	38,546.04
SESAC	United States of America	33,834.65
ZAIS	Poland	26,573.22
RAO	Russia	19,512.18
BUMA	Netherlands	18,914.76
TEOSTO	Finland	17,738.10
SGAE	Spain	15,663.94
SAZAS	Slovenia	14,418.40
SUISA	Switzerland	13,910.44
MCPS	United Kingdom of Great Britain and Northern Ireland	10,544.98
AMRA	United States of America	10,397.81
IMRO	Ireland	10,075.68
AUSTROMECHANA	Austria	9,977.49
SABAM	Belgium	9,663.37
TONO	Norway	8,391.61
KODA	Denmark	8,122.37
HDS-ZAMP	Croatia	7,074.17
NCB	Denmark	6,591.89
ACUM	Israel	5,075.03
STEMRA	Netherlands	3,914.43
JASRAC	Japan	2,218.05
UCMR	Romania	1,912.04
STEF	Iceland	1,894.15
SOKOJ	Serbia	1,450.85
SADAIC	Argentine Republic	1,369.28
UBC	Brazil	1,268.37
SPA	Portugal	1,226.98
SODRAC	Canada	1,091.17
SACM	Mexican Republic	983.06
SAMRO	Republic of South Africa	933.33
AUTODIA	Greece	793.58
EAU	Estonia	780.11
ABRAMUS	Brazil	751.62
AKKA/LAA	Latvia	455.71
KOMCA	South Korea	425.42
MESAM	Turkey	409.97
SAYCO	Colombia	392.70
MUSICAUTOR	Bulgaria	350.75
KAZAK	Kazakhstan	284.33
SOCINPRO	Brazil	154.47

SOCIETY	COUNTRY	EUR
CASH	Hong Kong	152.03
MCSC	People's Republic of China	144.61
MSG	Turkey	130.22
ACDAM	Cuba	130.14
UACRR	Ukraine	74.44
COSON	Nigeria	65.43
COMPASS	Singapore	48.10
JACAP	Jamaica	42.36
LATGA	Lithuania	39.15
ZAMP	North Macedonia	30.72
IPRS	India	29.47
COTT	Trinidad and Tobago	27.22
GCA	Georgia	6.79
MACP	Malaysia	3.30
FOX	United States of America	2.51
SBACEM	Brazil	1.34
AGADU	Uruguay	0.52
VCPMC	Vietnam	0.31
FILSCAP	Philippines	0.15
TOTAL		2,674,646.62

SOZA revenues and costs distribution according to areas of collective management of rights

Total income from the exercise of collective rights management, including the distribution of this income by individual collective management sections

Sections of collective rights management in 2019		Income per section
Section 145 (2)	a) using of subject of protection by making a copy	1,393,240.05
	b) using of subject of protection by public distribution of its original or copy by transfer of title	97,424.84
	c) 1. using of subject of protection by public distribution of its original or copy by rental	0.00
	c) 2. using of subject of protection by public distribution of its original or copy by lending	0.00
	d) using of subject of protection by public disclosure through public exhibition	0.00
	e) 1. using of subject of protection by public disclosure through public performance in form of live performance of subject of protection	930,513.49
	e) 2. using of subject of protection by public disclosure through public performance in form of technical performance of subject of protection	1,322,793.60
	f) 1. using of subject of protection by its public disclosure by broadcasting	2,447,829.80
	f) 2. using of subject of protection by its public disclosure by retransmission	0.00
	f) 3. using of subject of protection by its public disclosure by making available to the public	303,490.81
	f) 4. using of subject of protection by its public disclosure by other means of communication to the public	813,958.68
	Section 146 (2)	a) collection of compensation for remuneration for making a copy of subject of protection for private purposes pursuant to Section 42
f) using of work by its public disclosure through cable retransmission		6,988,381.46
Royalties from abroad		802,080.72
INCOME TOTAL		19,108,042.92

Costs of providing collective rights management services

Sections of collective rights management in 2019		Costs per section
Section 145 (2)	a) using of subject of protection by making a copy	238,083.03
	b) using of subject of protection by public distribution of its original or copy by transfer of title	16,648.39
	c) 1. using of subject of protection by public distribution of its original or copy by rental	0.00
	c) 2. using of subject of protection by public distribution of its original or copy by lending	0.00
	d) using of subject of protection by public disclosure through public exhibition	0.00
	e) 1. using of subject of protection by public disclosure through public performance in form of live performance of subject of protection	159,010.27
	e) 2. using of subject of protection by public disclosure through public performance in form of technical performance of subject of protection	226,044.83
	f) 1. using of subject of protection by its public disclosure by broadcasting	418,296.00
	f) 2. using of subject of protection by its public disclosure by retransmission	0.00
	f) 3. using of subject of protection by its public disclosure by making available to the public	51,861.85
	f) 4. using of subject of protection by its public disclosure by other means of communication to the public	139,092.86
	Section 146 (2)	a) collection of compensation for remuneration for making a copy of subject of protection for private purposes pursuant to Section 42
f) using of work by its public disclosure through cable retransmission		1,194,205.57
Royalties from abroad		137,063.11
COSTS TOTAL		3,265,266.99



Auditor's report

SPRÁVA NEZÁVISLÉHO AUDÍTORA

pre predstavenstvo a dozornú radu občianskeho združenia Slovenský ochranný zväz autorský pre práva k hudobným dielam

Správa z auditu účtovnej závierky

Názor

Uskutočnili sme audit účtovnej závierky občianskeho združenia Slovenský ochranný zväz autorský pre práva k hudobným dielam („Združenie“), ktorá obsahuje súvahu k 31. decembru 2019, výkaz ziskov a strát za rok končiaci sa k uvedenému dátumu, a poznámky, ktoré obsahujú súhrn významných účtovných zásad a účtovných metód.

Podľa nášho názoru, priložená účtovná závierka poskytuje pravdivý a verný obraz finančnej situácie Združenia k 31. decembru 2019 a výsledku jeho hospodárenia za rok končiaci sa k uvedenému dátumu podľa zákona č. 431/2002 Z.z. o účtovníctve v znení neskorších predpisov (ďalej len „zákon o účtovníctve“).

Základ pre názor

Audit sme vykonali podľa medzinárodných audítorských štandardov (International Standards on Auditing, ISA). Naša zodpovednosť podľa týchto štandardov je uvedená v odseku Zodpovednosť audítora za audit účtovnej závierky. Od Združenia sme nezávislí podľa ustanovení zákona č. 423/2015 o štatutárnom audite a o zmene a doplnení zákona č. 431/2002 Z. z. o účtovníctve v znení neskorších predpisov (ďalej len „zákon o štatutárnom audite“) týkajúcich sa etiky, vrátane Etického kódexu audítora, relevantných pre náš audit účtovnej závierky a splnili sme aj ostatné požiadavky týchto ustanovení týkajúcich sa etiky. Sme presvedčení, že audítorské dôkazy, ktoré sme získali, poskytujú dostatočný a vhodný základ pre náš názor.

Zodpovednosť štatutárneho orgánu za účtovnú závierku

Štatutárny orgán je zodpovedný za zostavenie tejto účtovnej závierky tak, aby poskytovala pravdivý a verný obraz podľa zákona o účtovníctve a za tie interné kontroly, ktoré považuje za potrebné na zostavenie účtovnej závierky, ktorá neobsahuje významné nesprávnosti, či už v dôsledku podvodu alebo chyby.

Pri zostavovaní účtovnej závierky je štatutárny orgán zodpovedný za zhodnotenie schopnosti Združenia nepretržite pokračovať vo svojej činnosti, za opísanie skutočností týkajúcich sa nepretržitého pokračovania v činnosti, ak je to potrebné, a za použitie predpokladu nepretržitého pokračovania v činnosti v účtovníctve, ibaže by mal v úmysle Združenie zlikvidovať alebo ukončiť jeho činnosť, alebo by nemal inú realistickú možnosť než tak urobiť.

Zodpovednosť audítorskej spoločnosti za audit účtovnej závierky

Našou zodpovednosťou je získať primerané uistenie, či účtovná závierka ako celok neobsahuje významné nesprávnosti, či už v dôsledku podvodu alebo chyby, a vydať správu audítora, vrátane názoru. Primerané uistenie je uistenie vysokého stupňa, ale nie je zárukou toho, že audit vykonaný podľa medzinárodných audítorských štandardov vždy odhalí významné nesprávnosti, ak také existujú. Nesprávnosti môžu vzniknúť v dôsledku podvodu alebo chyby a za významné sa považujú vtedy, ak by sa dalo odôvodnene očakávať, že jednotlivo alebo v súhrne by mohli ovplyvniť ekonomické rozhodnutia používateľov, uskutočnené na základe tejto účtovnej závierky.

V rámci auditu uskutočneného podľa medzinárodných audítorských štandardov, počas celého auditu uplatňujeme odborný úsudok a zachovávame profesionálny skepticizmus. Okrem toho:

- *Identifikujeme a posudzujeme riziká významnej nesprávnosti účtovnej závierky, či už v dôsledku podvodu alebo chyby, navrhujeme a uskutočňujeme audítorské postupy reagujúce na tieto riziká a získavame audítorské dôkazy, ktoré sú dostatočné a vhodné na poskytnutie základu pre náš názor. Riziko neodhalenia významnej nesprávnosti v dôsledku podvodu je vyššie ako toto riziko v dôsledku chyby, pretože podvod môže zahŕňať tajnú dohodu, falšovanie, úmyselné vynechanie, nepravdivé vyhlásenie alebo obídenie internej kontroly.*
- *Oboznamujeme sa s internými kontrolami relevantnými pre audit, aby sme mohli navrhnúť audítorské postupy vhodné za daných okolností, ale nie za účelom vyjadrenia názoru na efektívnosť interných kontrol Združenia.*
- *Hodnotíme vhodnosť použitých účtovných zásad a účtovných metód a primeranosť účtovných odhadov a uvedenie s nimi súvisiacich informácií, uskutočnené štatutárnym orgánom.*
- *Robíme záver o tom, či štatutárny orgán vhodne v účtovníctve používa predpoklad nepretržitého pokračovania v činnosti a na základe získaných audítorských dôkazov záver o tom, či existuje významná neistota v súvislosti s udalosťami alebo okolnosťami, ktoré by mohli významne spochybniť schopnosť Združenia nepretržite pokračovať v činnosti. Ak dospejeme k záveru, že významná neistota existuje, sme povinní upozorniť v našej správe audítora na súvisiace informácie uvedené v účtovnej závierke alebo, ak sú tieto informácie nedostatočné, modifikovať náš názor. Naše závery vychádzajú z audítorských dôkazov získaných do dátumu vydania našej správy audítora. Budúce udalosti alebo okolnosti však môžu spôsobiť, že Združenie prestane pokračovať v nepretržitej činnosti.*
- *Hodnotíme celkovú prezentáciu, štruktúru a obsah účtovnej závierky vrátane informácií v nej uvedených, ako aj to, či účtovná závierka zachytáva uskutočnené transakcie a udalosti spôsobom, ktorý vedie k ich vernému zobrazeniu.*

V Bratislave
dňa 04.05.2020


Z+M k.s.
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