



Annual Report 2016



SOZA

SLOVAK PERFORMING
AND MECHANICAL RIGHTS
SOCIETY

Content

SOZA – Slovak Performing and Mechanical Rights Society	5
How SOZA operates	6
SOZA Organisational Structure – until July 21, 2016	7
SOZA Organisational Structure – as of July 21, 2016	8
Contacts	9
SOZA Elected Bodies	10
Represented rights holders	13
2016 SOZA Awards	14
SOZA Social and Cultural Fund	16
Supervisory Board Report on SOZA financial results and conduct to the General Assembly	18
SOZA as part of international copyright protection system	22
SOZA revenues and costs distribution according to areas of collective management of rights	28
Auditor’s Report	31

Since
1922

Protecting rights
of domestic and
international authors
of musical works
for more than
95 years

SOZA Slovak Performing and Mechanical Rights Society

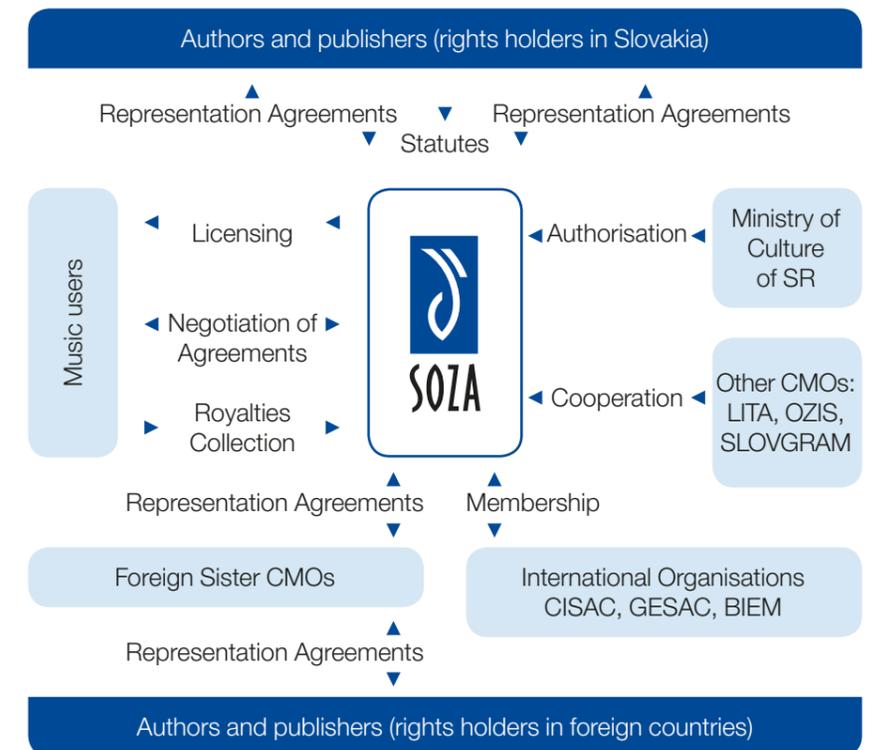
SOZA – Slovak Performing and Mechanical Rights Society is a collective rights management organisation of authors of musical works, their heirs and publishers. SOZA manages copyrights to music works in accordance under the Authorisation granted by the Ministry of Culture of SR No. MK-1639/2016-232/6420,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



For what types of use of musical works does SOZA grant licenses?
SOZA grants consent – license for the following types of use of musical 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),

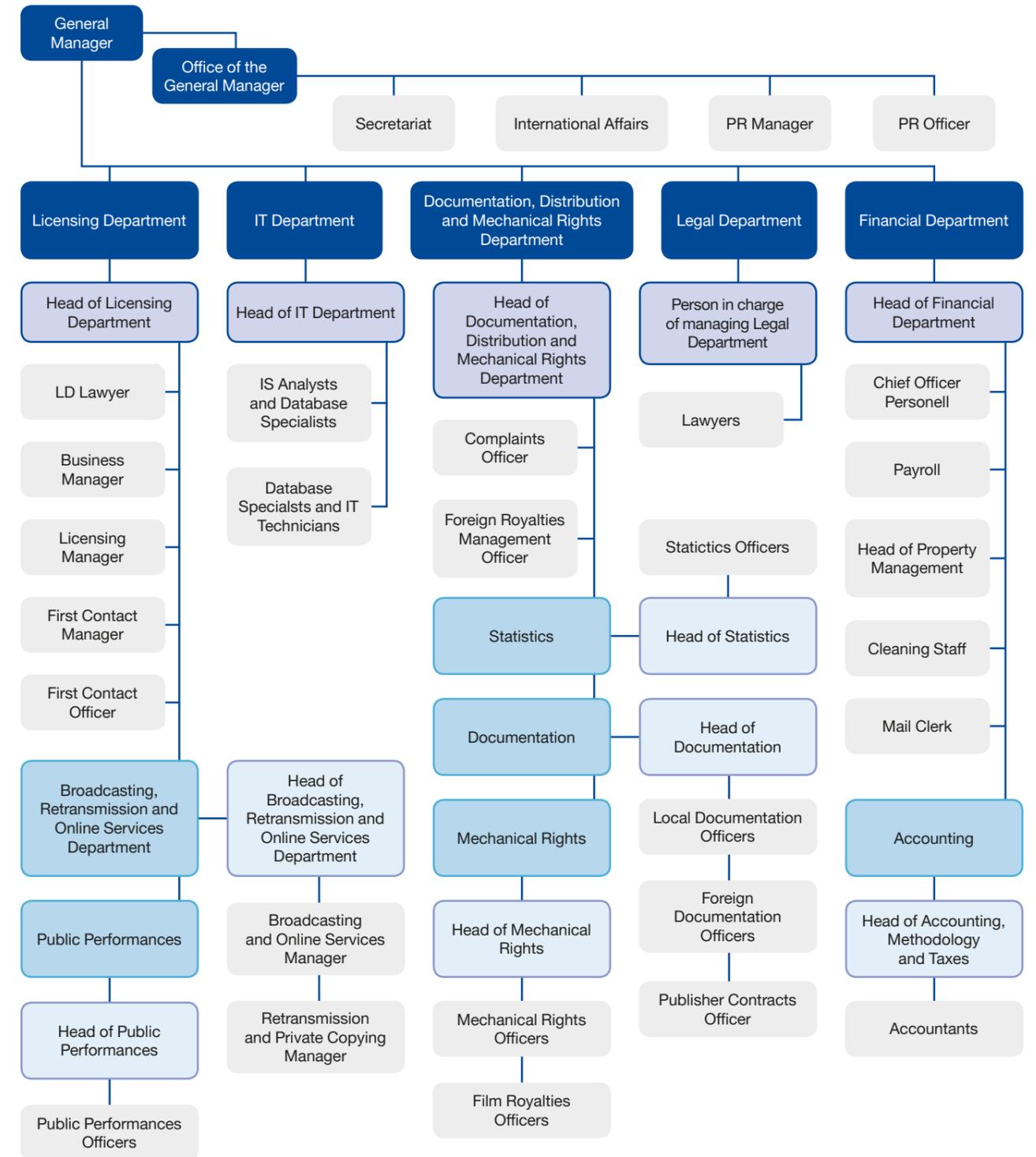
- ◆ production and making copies of audio, audio-visual and multimedia carriers,
- ◆ format transfers used by DJs.

SOZA collects royalties for production of carriers and private copying 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

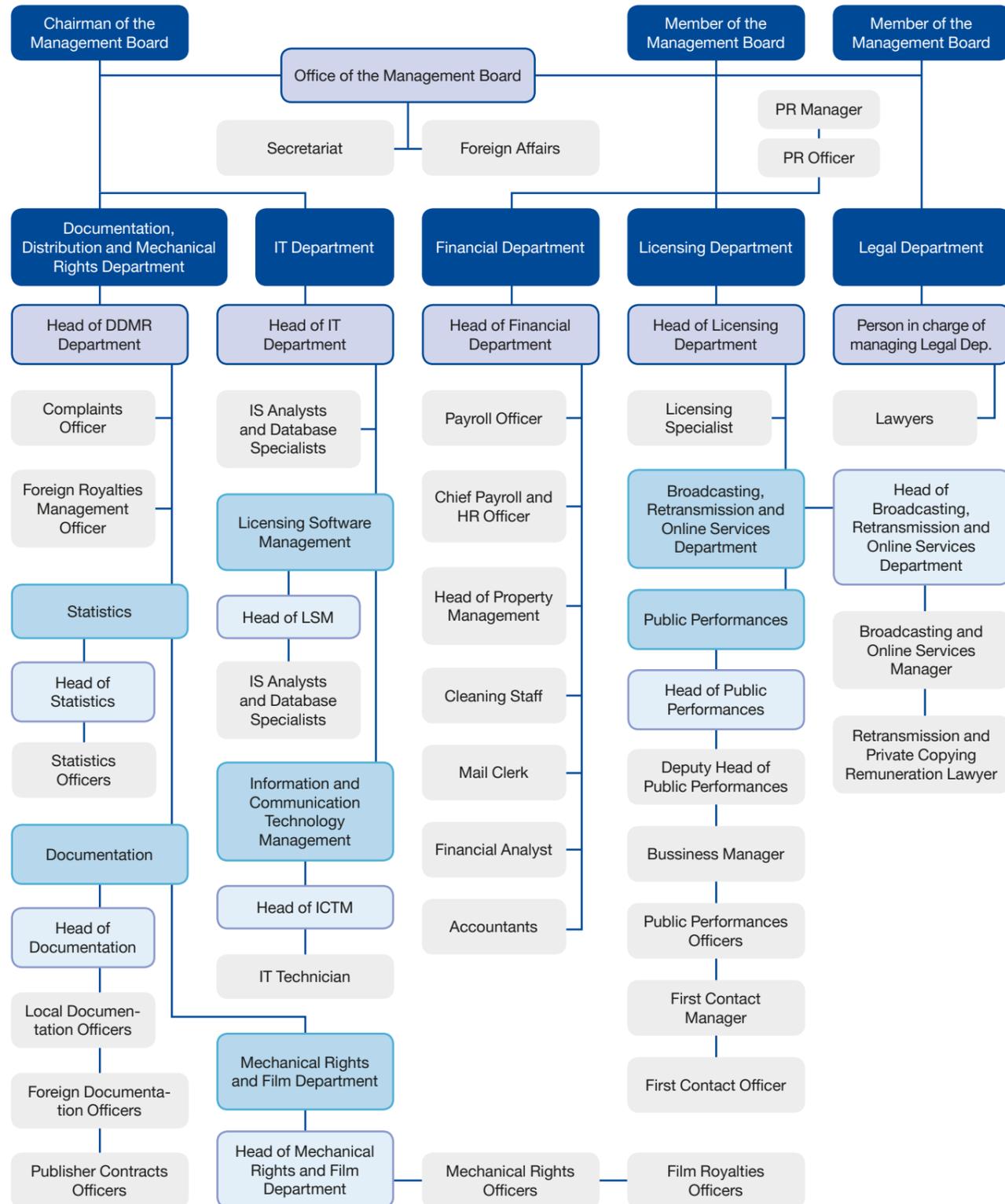


SOZA Organisational Structure – until July 21, 2016



SOZA Organisational Structure

– as of July 21, 2016



Contacts



Slovak Performing and Mechanical Rights Society
Rastislavova 3, 821 08 Bratislava
Branch office: Tekovská 4, 821 09 Bratislava

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Public Performances

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Broadcasting, Retransmission and Online Services

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Financial Department

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Head of Department

Ing. Erika Mináčová
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Foreign Royalties

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Property Management

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IT Department

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Head of Department

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Legal Department

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Responsible for the management of Legal Department

JUDr. PhDr. Silvester Danóczy, PhD.
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Membership

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Disputes and Lawsuits

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Documentation, Distribution and Mechanical Rights Department

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Head of Department

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Registration of New Musical Works

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Royalties from Abroad

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Complaints

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reklamacie@soza.sk

Production of Audio and Audio-visual Media

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mechanika@soza.sk

Movie Royalties

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SOZA Elected Bodies

In accordance with the new Copyright Act No. 185/2015 Coll. and the subsequently approved Articles of Association of SOZA, there was a change in the management of Slovak Performing and Mechanical Rights Society. Until July 21, 2016, the organisation was led by the General Manager, after this date, the new management and statutory body has been the SOZA Management Board.

Structure of the Elected Bodies under Copyright Act No. 618/2003 Coll. (effective until 31.12.2015)

The Board

The Board acted as the chief governing body of SOZA for the period between the meetings of the General Assembly. It consisted of 18 members appointed by the General Assembly.

The Board Elected for the term 2012 – 2016

Matúš Jakabčič, Chairman
Lubomír Burgr, Vice-Chairman
Ondrej Demo
Rastislav Dubovský
Miroslav Dudík
Juraj Hatrík / since 2015
Luboš Bernáth
Peter Horák, A – TEMPO VERLAG SLOVAKIA
Adam Hudec
Richard Jajcay
Katarína Jarušková, HUDOBNÝ FOND
Lucia Jurgová, STUDIO LUX
Miroslav Jurika
Miroslav Žbirka
Jela Kersenbaum, MUSICA
Slavomír Kopec, OPUS
Daniel Matej
Martin Nedvěd, ŠTÚDIO FONTÁNA / since 2015
Jan Nedvěd, ŠTÚDIO FONTÁNA
Ján Štrasser

Supervisory Committee

Supervisory Committee was the highest supervisory body of SOZA with generally determined supervisory authority (it had control over the whole operation as well as all other elements of the structure). It consisted of 7 members appointed by the General Assembly.

Supervisory Committee for the term 2012 – 2016

Anikó Dušíková, Chairwoman
Stanislav Hochel
Marián Brezáni
Martin Čorej
Ľtibor Kolinský
Ján Jamriška
Tomáš Zubák

Works Classification Committee

Works Classification Committee was a specialised elected body whose objective was to classify musical works in respected categories as specified in SOZA Distribution Rules. It consisted of 5 members appointed by the General Assembly.

Works Classification Committee for the term 2014 – 2018

Pavel Zajáček, Chairman
Miloš Betko
Ondrej Demo
Adam Hudec
Pavol Kvassay

Arbitration Committee

Arbitration Committee served as a conciliation body in membership-related issues, i.e. disputes relating to the exercise of economic rights between SOZA members themselves and between individual members and SOZA. It consisted 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.

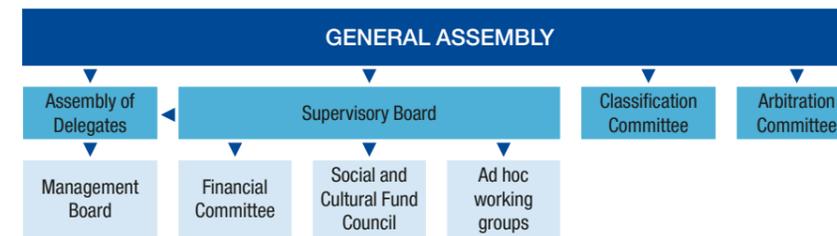
Arbitration Committee elected for the term 2014 – 2018

Egon Krák
Martin Gašpar
Zuzana Homolová
Tomáš Janovic
Peter Lipa

Panel of Members of Elected Bodies

The members of all the four elected bodies represented the Panel which had a decision-making authority with respect to essential issues: changes to the Distribution Rules and Directive on Public Access to Information, selecting candidates for all elected bodies from among the individual members and co-optation of individual members to all elected bodies. The Panel also endorsed the decisions of the Board on change of the General Manager and reviewed the decisions of the Board regarding the conditions of new memberships.

Structure of the Elected Bodies under the new Copyright Act No. 185/2015 Coll. (effective as of 1.1.2016)



Management Board



Lubomír Burgr



Silvester Danóczy



Richard Jajcay



Matúš Jakabčič



Rastislav Dubovský



Adam Hudec



Slavomír Kopec



Ján Štrasser



Luboš Bernáth



Miroslav Dudík



Katarína Jarušková



Peter Lipa



Lubomír Zeman



Pavol Danišovič



Peter Horák



Miroslav Jurika



Daniel Matej



Tomáš Zubák

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.

Mgr. art. Lubomír Burgr – Chairman
JUDr. PhDr. Silvester Danóczy, PhD. – Member
Ing. Richard Jajcay, MBA – Member

Supervisory Board

Supervisory Board is a supervisory 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, publisher
Miroslav Jurika, STUDIO LUX, publisher
Slavomír Kopec, OPUS, publisher
Peter Lipa, pop music composer
Daniel Matej, classical music composer
Ján Štrasser, lyricist
Lubomír Zeman, lyricist
Tomáš Zubák, composer of special functions' music



Classification Committee

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.

Members of SOZA Classification Committee:

Pavel Zajíček (Chairman), pop music composer
 Miloš Betko, classical music composer
 Ondrej Demo, folk music composer - editor
 Pavol Kvassay, composer of special functions' music
 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 rights holders. 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.

Members of SOZA Arbitration Committee:

Martin Gašpar
 Zuzana Homolová
 Tomáš Janovic
 Egon Krák
 Juraj Kupec

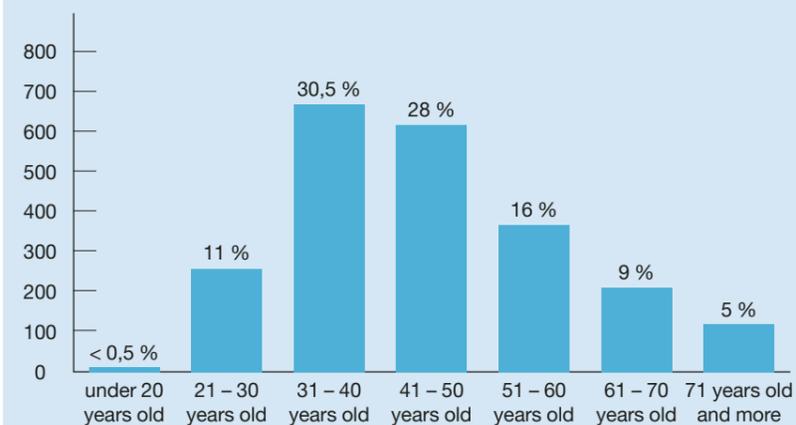
Represented rights holders

SOZA represents rights holders based on representation agreements. SOZA currently manages the economic rights of **2670** rights holders. They are local composers, lyricists, arrangers and publishers from of all music genres. Under the Copy-

right Act, SOZA protects economic copyright to works for the entire term of the copyright, i.e. 70 years after the author's death. That is the reason SOZA also manages economic rights of legal successors – heirs.

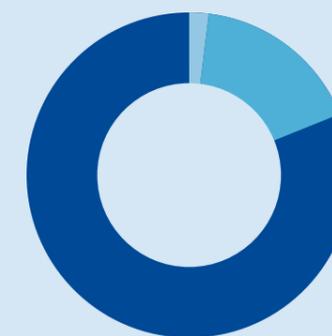
The youngest rights holder represented by SOZA is 18, the oldest is 93. The biggest group in terms of age is comprised of members between 31 and 40 years old. It represents almost 31 % of all the represented rights holders.

Age structure of authors represented by SOZA in 2016



Composition of SOZA membership base in 2016

■ Publishers – 2 %
 ■ Heirs – 17%
 ■ Authors – 81%



2016 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
Kamil Peteraj

SOZA Award for most performed musical work

Nelutujem – music composed by Adam Ďurica; lyrics by Vladimír Krausz; edited by Peter Dudák

SOZA Award for audio recording
S láskou - No Name; (P) NN music, s. r. o

SOZA Award for audio-visual recording
Podhradská a Čanaky
Spievankovo 5; (2 DVD); (P) Tonada, s. r. o.

SOZA Award for the highest share of local repertoire within the broadcast
Rádio SiTy (SiTy radio station)



Kamil Peteraj



Adam Ďurica



The band No Name



Ivan Tásler



Spievankovo



Mikuláš Schneider-Trnavský
NESEDAJ SLÁVIČEK a VTEDY SA MI PRISNEJÚ
EVA ŠUŠKOVÁ, PETER PAŽICKÝ

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 production abroad
(awarded to an author for significant and representative presenting of music works outside the territory of the Slovak Republic)
Slavomír Solovic

Entry in the SOZA Golden Book
(awarded in memoriam to an author for a significant contribution to the development of the Slovak music culture)

Mikuláš Schneider Trnavský (1881-1958)
Peter Kliment (1937-2012)

SOZA Grand Prix
Vladimír Godár

Bratislava, Mestské divadlo Pavla Országha Hviezdoslava
(City Theatre of Pavol Országh Hviezdoslav),
November 10, 2016

photo: © René Miko



Silvayovci



Vladimír Godár
EMMELEIA PRE SLÁČIKOVÉ KVARTETO
MUCHA QUARTET

SOZA Social and Cultural Fund

SOZA's Social and Cultural Fund has been established as a standard redistribution fund based on reciprocal agreements SOZA concluded with foreign sister CMOs.

In 2016, applications for financial contributions were reviewed and use of the Fund resources was proposed by the Social and Cultural Fund Council of six appointed by the Board from among its members for a term of two years. Member of the Supervisory Board is entitled to attend the Council meetings as well and has an advisory vote. The use of the Fund resources was approved by the Board. In the course of 2016, SOZA went through some organisational changes based on which rights and powers of the Board of SOZA were transferred to the Supervisory Board of SOZA.

In 2016, two grant rounds took place in course of which Social and Cultural

Fund Council reviewed 108 applications for contribution. 70 applications were approved in the total amount of € 54 950.

Benefit Schemes of SOZA Social and Cultural Fund

- ◆ Immediate Distress Benefit Programme (Pomoc v náhlej núdzi)
- ◆ Severe Financial Hardship Benefit Programme (Príspevok v sociálne zhoršených pomeroch)
- ◆ SOZA Awards Ceremony Programme (Príspevok na podujatie Ceny SOZA)
- ◆ Film Music Authors' Programme (Podpora tvorcov filmovej hudby)
- ◆ Special Events and Performances Programme (Príspevok na významné projekty a tvorbu)
- ◆ Music Partner Support Programme (Príspevok na činnosť partnerovi podporujúceho autorov hudobných diel)

- ◆ Cultural Awareness Programme (Príspevok na marketingové aktivity v oblasti kultúry)

Members of the Social and Cultural Fund Council in 2016:

Daniel Matej (Chairman)

Lubomír Burgr

Pavol Danišovič

Rastislav Dubovský

Adam Hudec

Matúš Jakabčič

Miroslav Jurika

Ctibor Kolínsky (member of SOZA Supervisory Committee)

Ján Štrasser

Pavel Zajáček



Supervisory Board Report on SOZA financial results and conduct to the General Assembly



organizers of cultural events and owners of business and other premises. As far as expanding the exercise of members' rights in compliance with the requirements of the new Copyright Act is concerned, it is crucial to mention the possibility of electronic voting also at the General Assembly. This instrument is expected to strengthen the possibility of the society's members to decide on general direction of SOZA and thus contribute to better transparency.

2016 ECONOMIC RESULTS

The results are presented according to the standard methodology introduced in 2002.

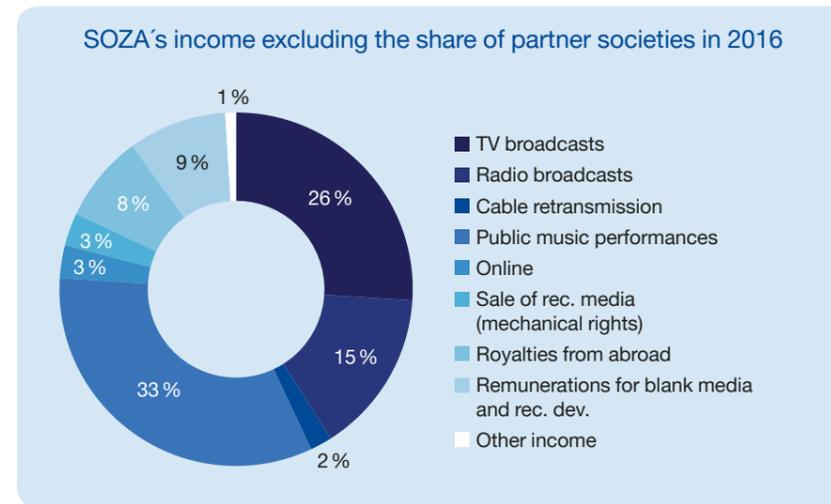
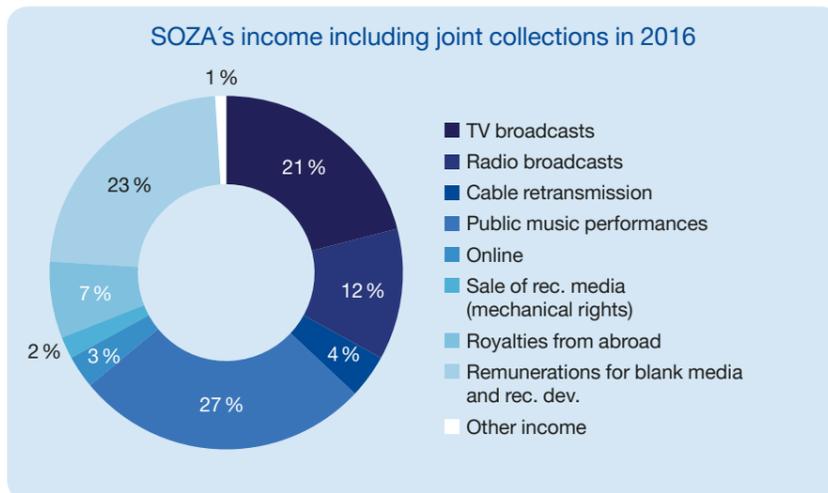
SOZA's revenue in 2016 amounted to **€10,356,926.41**, representing an increase of **€133,660.87** or **1.31 %** compared to 2015. SOZA's own revenue excluding the share of partner societies participating in so called joint collections amounted to **€8,422,132.21**, representing an increase of **€295,109.71** or **3.63 %**

Year 2016 in Slovak Performing and Mechanical Rights Society was one of changes and stabilisation. New Copyright Act, effective as of January 1, 2016, has had a major impact on the operation of collective management organizations in Slovakia. Major changes also occurred within SOZA, new legislation conditioned the creation of new management and supervisory bodies. These changes also brought efforts to stabilise and initiate the process of regaining the trust of membership base in SOZA and optimizing Slovak Performing and Mechanical Rights Society's operation.

The first and most important changes that kick-started the processes within the organisation were changes in management and operation of the organisation. In compliance with the new Copyright Act, Supervisory Board of SOZA, Assembly of Delegates of SOZA as well as Management Board, that replaced General Manager as SOZA managing body as of July 21, 2016, were elected. The smooth transition in regards to the society's man-

agement was possible also thanks to timely receipt of the documents that ensured seamless process of changes within the society.

Significant changes occurred also in the IT area as in autumn 2016 a year long process was concluded of creating an on-line platform for users that makes co-operation and communication with SOZA more comfortable for



compared to 2015. The total value of assets, i.e. tangible, intangible and financial assets, represents €12,183,136.06, which is €352,362.51 less than in 2015. Interest revenue, current account interest, amounted to €625.84 in 2016.

The total revenue for the use of music works in television and radio broadcast amounted to €3,408,006.40 (€2,140,607.75 for television broadcast, €1,267,398.65 for radio broadcast). Once again, it should be noted that royalties from independent radio broadcast represent revenue for SOZA that is not possible to exactly determine in advance due to the licensing model based on the share from a broadcaster's total annual revenue. The amount of royalties these companies pay is directly dependent on the amount of their advertising revenue.

The total revenue for cable retransmission amounted to €455,137.55 in 2016. The major decrease, of €1,271,917.65, compared to 2015 was due to negotiations on the new form of contractual relations. Revenue in this area in 2017 is expected to reach the level from 2015, in addition, the intermission in 2016 shall be paid for. In 2016, we managed to achieve record increase in collection of compensation of remuneration (private copying remuneration) for the blank carriers and recording devices (ISNA) which amounted to €2,413,657.67, representing 167.36 % of the 2015 revenue. Also due to this fact, despite the fallout in the area of cable

retransmission, the originally established plan was exceeded. Moreover, the record result of total revenue from 2015 was exceeded. Revenue for the on-line use of music works amounted to €259,397.83.

In 2016, too, the revenue from the use of music works by public performance retained the upward trend. In 2016, licenses in total amount of €2,806,066.65 were granted, representing an increase by €132,673.13 compared to 2015 and increase by €272,725.21 compared to 2014.

COSTS

In 2016, the total costs of the company amounted to €2,403,619.07, representing a year-on-year decrease of €5,402.97. Cost-to-income ratio in

2016 reached the level of 23,21 %. Primary costs, including mainly labour and operational costs, amounted to €2,241,063.81. In 2016, the amount of €219,703.54 was paid out to the members of managing body and supervisory body for their service in these bodies. Inherent costs, including international organizations membership fees, remunerations for members of SOZA bodies, costs relating to the General Assembly and marketing, amounted to €162,555.26.

The level of costs for providing the service of collective management, apart from the agreements on joint collection, for individual areas of collective management and for individual collective management organizations is not possible to exactly determine as foreign collective management organizations currently do not provide Slovak Performing and Mechanical Rights Society with these data.

In 2016, SOZA supported through its Social and Cultural Fund 70 applications for financial contribution for operation, major projects and production in the total amount of €54,950. Council of the Social and Cultural Fund reviewed the total of 108 applications sent by the applicants within two grant rounds. Operational and financial costs to support social, cultural and educational needs including the amount of contribution from the revenue from the exercise of collective management of rights for these needs amounted to €724.98 in 2016.





RELATIONS WITH AUTHORS AND USERS

SOZA membership base expanded continued to expand in 2016. As of December 31, 2016, SOZA administered property rights of 2 550 domestic composers, music arrangers and publishers of all music genres. At the end of 2016, 636 authors and publishers were registered in the ISpA information system, compared to previous year when 423 authors and publishers used it. Detailed information on SOZA membership base are stated in SOZA 2016 Annual Report.

In 2016, SOZA distributed the total amount of €7,633,908.63, including joint collections, to the rights holders. Royalties for broadcasting and cable retransmission, public performance, royalties distributed per analogy, royalties for making works available to the public, as well as royalties for rights holders not represented by SOZA who did not exclude collective management 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 accounts for remuneration for the production and sale of audio and audio-visual carriers including central licensing. Every quarter, in average, it distributes for so called major concerts. Royalties from abroad are distributed to authors irregularly, immediately after they are reviewed, in average, it is on weekly basis. The same irregularity applies to royalties SOZA pays out based on

claims by domestic as well as foreign right holders.

Currently, SOZA does not pay out royalties and payments according to areas of collective management of rights, therefore, it is not possible to state distribution according to the individual areas of collective management of rights. In course of 2016, the delay only occurred in distribution and payment of individual royalties and was caused by two main reasons.



The first were disputes over authorship of which SOZA was notified by foreign partner societies and SOZA cannot distribute the royalties among rights holders in dispute until final decision of foreign courts. The second reason was the delay in submission of distribution statements from abroad which was urged by SOZA. There were not any non-distributable royalties resulting from the resources received in 2016 and also distributed in the same year (major concerts and sale of carriers).

Information on number of granted and rejected licenses

The department of Public Performances Licensing granted 47 369 licenses for the use of music works by their public performance, 11 requests for license were rejected. The reason for rejection or not granting a license was an effort to maintain the required level of due professional care in cases where the user stated inaccurate, incorrect, incomplete or false data.

The department of Broadcasting, Retransmission and On-line Services granted total of 41 licenses in course



of 2016, 21 of them to radio and television broadcasters and 20 to the users of music works by means of internet and mobile networks. The department of Broadcasting, Retransmission and On-line Services did not reject any request for license in 2016.

Mechanical Rights and Film Department granted 279 licenses for the use of music works by making its copy and use of music work by public distribution of its original or copy by transfer of title. In 2016, there were also 282 licenses granted for the use of music work by making its copy, the type of use that is mostly requested by DJs. Mechanical Rights Department did not reject any request for license in 2016.



INTERNATIONAL RELATIONS

International co-operation between Slovak Performing and Mechanical Rights Society and foreign partner organizations has continued also in 2016. Based on 104 international agreements with 67 foreign partner organisations, SOZA has ensured the exercise of foreign authors' rights within the territory of the Slovak Republic equally to the rights domestic authors, as well as exercise of domestic music authors' rights in all the countries of the world where copyright protection is in place.

In autumn 2016, the European Commission introduced so called "copy-

right package" of measures aimed at creating the digital single market with a significant impact on rights holders, which also means authors and publishers represented by SOZA. One of the most important goals presented by the European Commission is looking for the solution to the problem SOZA as well as other partner societies associated in European organization GESAC have been pointing out for a long time, and that is to define obligation to conclude license agreements with rights holders for on-line platforms storing and providing access to protected works to the public. These currently exploit gaps in the existing EU copyright law in order to avoid payment of copyright royalties or minimize them. Petition to remedy the situation that causes distortions to the market among on-line services providers and thus leads to lower royalties was also signed by 350 authors represented by SOZA in July. The results of negotiations between the European Commission, European Parliament and member states representatives on the final form of proposed legislative measures should be known at the end of 2017.

SOZA as part of international copyright protection system

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

CISAC – International Confederation of Societies of Authors and Composers representing more than 3 million authors from all areas of art (music, drama, literature, audio-visual, graphic and visual arts). SOZA has been a member since 1970.

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

GESAC – a European organisation representing authors' societies from the European Union member states, Norway and Switzerland. 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 SOZA's management continuously monitor the development on a European as well as international level attending important meetings and participating in trainings and seminars

organised by GESAC and CISAC. This way SOZA gains experience from an international practice and overview of the international development.

Based on **104 international representation agreements with 76 foreign partner societies** (data as of December 31, 2016) SOZA ensures the exercise of foreign authors' rights within the territory of the Slovak Republic equally to the rights of local authors and the exercise of local authors' rights 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 31, 2016

SOCIETY	COUNTRY	TERRITORY
AAS	Azerbaijan	Azerbaijan
ABRAMUS	Brazil	Brazil
ACDAM	Cuba	Cuba
ACUM	Israel	Israel
AEPI	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 of America, Virgin Islands, Puerto Rico
AUSTRO MECHANA	Austria	Austria
BMI	United States of America	United States of America, Puerto Rico
BUMA/STEMRA	The Netherlands	The Netherlands, Sint Maarten, Curaçao, Indonesia, Surinam
CASH	Hongkong	Hongkong
EAU	Estonia	Estonia
FILSCAP	Philippines	Philippines
GEMA	Federal Republic of Germany	Federal Republic of Germany, Turkey, Philippines
GCA	Georgia	Georgia
HARRY FOX AGENCY	United States of America	United States of America
HDS-ZAMP	Croatia	Croatia

SOCIETY	COUNTRY	TERRITORY
IMRO	Ireland	Ireland
JASRAC	Japan	Japan
KAZAK	Kazakhstan	Kazakhstan
KODA	Denmark	Denmark
KOMCA	South Korea	South Korea
LATGA-A	Lithuania	Lithuania
MACP	Malaysia	Malaysia
MCPS	United Kingdom of Great Britain	The Commonwealth of Nations (except Canada), Ireland, Republic of South Africa
MCSC	People's Republic of China	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
PRS	United Kingdom of Great Britain	United Kingdom of Great Britain and Northern Ireland, The Commonwealth of Nations (except Canada and Hong Kong)
RAO	Russia	Russia
SABAM	Belgium	Belgium, Zaire, Rwanda, Burundi
SACEM/SDRM	France	France, Martinique, Guadeloupe, Guyana, Reunion, Comoro Islands, Somalia, Polynesia, New Caledonia, Saint Pierre a Miquelon, Algeria and Sahara, Mauritania, Niger, Ivory Coast, Burkina Faso, Benin, Senegal, Mali, Chad, Central African Republic, Congo, Gabon, Togo, Cameroon, Guinea, Tunis, Morocco, Lebanon, Egypt, Monaco, Andorra, Syria, Luxembourg, Turkey, Madagascar, Djibouti, Gambia, Zaire
SACM	Mexico	Mexico
SADAIC	Argentina	Argentina
SAMRO	Republic of South Africa	Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland
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, Salvador, Guatemala, Haiti, Honduras, Nicaragua, Panama, Paraguay, Peru, Venezuela
SIAE	Italy	Italy, Vatican, San Marino, Ethiopia, Libya, Somalia
SOCAN	Canada	Canada
SOCINPRO	Brazil	Brazil
SODRAC	Canada	Canada
SOKOJ	Yugoslavia	Yugoslavia
SPA	Portugal	Portugal, Madeira, Azores, Angola, Mozambique, Guinea, Cape Verde, São Tomé a Príncipe, Macao, Timor
SQN	Bosnia and Herzegovina	Bosnia and Herzegovina
STEF	Iceland	Iceland
STIM	Sweden	Sweden
SUISA	Switzerland	Switzerland, Lichtenstein
TEOSTO	Finland	Finland
TONO	Norway	Norway
UACRR	Ukraine	Ukraine
UBC	Brazil	Brazil
UCMR/ADA	Romania	Romania
VCPMC	Vietnam	Vietnam
ZAIS	Poland	Poland
ZAMP / SOCOM	Macedonia	Macedonia

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
ABRAMUS	Brazil	28,25
ACDAM	Cuba	5,24
ACUM	Israel	92,85
AEPI	Greece	19,45
AGADU	Uruguay	—
AKKA/LAA	Latvia	14,94
AKM	Austria	1 963,92
AMRA	United States of America	692,61
APRA	Australia	1 781,30
ARTISJUS	Hungary	4 568,66
ASCAP	United States of America	25 171,39
AUSTROMECHANA	Austria	584,87
BMI	United States of America	22 621,52
BUMA	The Netherlands	1 764,04
CASH	Hongkong	16,34
EAU	Estonia	58,71
FILSCAP	Philippines	8,97
HARRY FOX AGENCY	United States of America	21,15
GCA	Georgia	0,42
GEMA	Germany	12 458,16
HDS-ZAMP	Croatia	596,56
IMRO	Ireland	674,39
JASRAC	Japan	61,75
KAZAK	Kazakhstan	6,73
KODA	Denmark	548,79
KOMCA	South Korea	16,34
LATGA-A	Lithuania	9,71
MACP	Malaysia	0,03
MCPS	United Kingdom of Great Britain	142,86
MCSC	China	1,54
MESAM	Turkey	309,76
MSG	Turkey	2,71
MUSICAUTOR	Bulgaria	1,64
NCB	Denmark	13,64
OSA	Czech Republic	28 153,52
PRS	United Kingdom of Great Britain	33 708,15
RAO	Russia	403,59
SABAM	Belgium	469,77
SACEM	France	8 313,45
SACM	Mexico	75,65
SADAIC	Argentina	57,74
SAMRO	Republic of South Africa	23,17
SAYCO	Colombia	11,39
SAZAS	Slovenia	368,52
SBACEM	Brazil	2,28
SESAC	United States of America	1 966,92
SGAE	Spain	1 354,23
SIAE	Italy	4 794,95
SOCAN	Canada	2 260,02

SOCIETY	COUNTRY	EUR
SOCINPRO	Brazil	1,89
SODRAC	Canada	651,78
SOKOJ	Serbia	90,20
SPA	Portugal	22,66
SQN	Bosnia and Herzegovina	0,01
STEF	Iceland	71,14
STEMRA	The Netherlands	13,47
STIM	Sweden	4 097,23
SUISA	Switzerland	909,74
TEOSTO	Finland	724,36
TONO	Norway	383,38
UBC	Brazil	78,40
UCMR-ADA	Romania	80,56
UACRR	Ukraine	42,68
VCPMC	Vietnam	0,13
ZAIS	Poland	1 084,92
ZAMP	Macedonia	2,22



Royalties received from foreign collective management organisations in 2016

SOCIETY	COUNTRY	EUR
AKM	Austria	37 969,28
APRA	Australia	5 450,28
ARTISJUS	Hungary	38 816,04
ASCAP	United States of America	497,16
AUSTROMECHANA	Austria	2 376,74
BMI	United States of America	—
BUMA	The Netherlands	11 710,65
CASH	Hongkong	288,97
EAU	Estonia	1 004,08
GEMA	Germany	18 314,89
HDS-ZAMP	Croatia	155,57
IMRO	Ireland	215,24
JASRAC	Japan	3 838,48
KODA	Denmark	3 212,19
LATGA-A	Lithuania	353,65
MCPS	United Kingdom of Great Britain	—
NCB	Croatia	1 571,39
OSA	Czech Republic	491 330,11
PRS	United Kingdom of Great Britain	20 964,27
RAO	Russia	562,05
SABAM	Belgium	1 318,31
SACEM	France	4 807,94
SADAIC	Argentina	—
SAMRO	Republic of South Africa	—
SAZAS	Slovenia	1 679,40
SDRM	France	5 585,37
SIAE	Italy	4 067,75
SOCAN	Canada	2 519,89
SODRAC	Canada	319,21
SOKOJ	Serbia	—
SPA	Portugal	—
STEMRA	The Netherlands	59,20
STIM	Sweden	5 517,31
SUISA	Switzerland	18 100,64
TEOSTO	Finland	2 577,01
TONO	Norway	768,98
UBC	Brazil	—
UCMR-ADA	Romania	9 153,12
ZAIKS	Poland	13 787,54

Royalties paid to foreign collective management organisations in 2016

SOCIETY	COUNTRY	EUR
ABRAMUS	Brazil	337,08
ACDAM	Cuba	62,55
ACUM	Israel	1 107,91
AEPI	Greece	232,03
AGADU	Uruguay	—
AKKA/LAA	Latvia	178,28
AKM	Austria	23 433,58
AMRA	United States of America	8 264,21
APRA	Australia	21 254,47
ARTISJUS	Hungary	54 513,35
ASCAP	United States of America	300 345,71
AUSTROMECHANA	Austria	6 978,67
BMI	United States of America	269 920,50
BUMA	The Netherlands	21 048,58
CASH	Hongkong	194,91
EAU	Estonia	700,58
FILSCAP	Philippines	106,98
HARRY FOX AGENCY	United States of America	252,35
GCA	Georgia	5,05
GEMA	Germany	148 651,02
HDS-ZAMP	Croatia	7 118,22
IMRO	Ireland	8 046,81
JASRAC	Japan	736,86
KAZAK	Kazakhstan	80,29
KODA	Denmark	6 548,13
KOMCA	South Korea	194,99
LATGA-A	Lithuania	115,83
MACP	Malaysia	0,40
MCPS	United Kingdom of Great Britain	1 704,55
MCSC	China	18,37
MESAM	Turkey	3 696,05
MSG	Turkey	32,36
MUSICAUTOR	Bulgaria	19,56
NCB	Denmark	162,79
OSA	Czech Republic	335 928,49
PRS	United Kingdom of Great Britain	402 206,53
RAO	Russia	4 815,70
SABAM	Belgium	5 605,33
SACEM	France	99 196,35
SACM	Mexico	902,71
SADAIC	Argentina	688,94
SAMRO	Republic of South Africa	276,52
SAYCO	Colombia	135,88
SAZAS	Slovenia	4 397,14
SBACEM	Brazil	27,23
SESAC	United States of America	23 469,29
SGAE	Spain	16 158,72
SIAE	Italy	57 213,43
SOCAN	Canada	26 966,56
SOCINPRO	Brazil	22,54
SODRAC	Canada	7 777,03
SOKOJ	Serbia	1 076,21

SOCIETY	COUNTRY	EUR
SPA	Portugal	270,41
SQN	Bosnia and Herzegovina	0,09
STEF	Iceland	848,80
STEMRA	The Netherlands	160,77
STIM	Sweden	48 888,27
SUISA	Switzerland	10 855,05
TEOSTO	Finland	8 643,04
TONO	Norway	4 574,53
UBC	Brazil	935,44
UCMR-ADA	Romania	961,26
UACRR	Ukraine	509,29
VCPMC	Vietnam	1,57
ZAIKS	Poland	12 945,32
ZAMP	Macedonia	26,48

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

Slovak Performing and Mechanical Rights Society revenues distributed according to areas of collective management of rights were as follows in 2016 – revenues for using of protected subject-matter by making its copy €1,311,551.05, for using of protected subject-matter by public distribution of its original or copy by transfer of title €92,635.21, for using of protected subject-matter through public performance in form of live performance of protected subject-matter €609,539.32, for using of protected subject-matter through public performance in form of technical performance of protected subject-matter €1,317,452.18, using of protected subject-matter by its communication to the public by means of broadcasting €2,288,259.05, using of protected subject-matter for communication to the public by making it available to the public €261,253.60, using of protected subject-matter by using other means of communication to the public €877,817.00. There were no revenues for using of protected subject-matter by public distribution

of original or copy by rental, lending, by public disclosure through public exhibition and by communication to the public through retransmission. Collection of compensation for remuneration (private copying remuneration) for making a copy of protected subject-matter for private purposes pursuant to Sec. 42 of Copyright Act was in the amount of €2,430,925.89 and for using of work by its communication to the public through cable retransmission in the amount of €458,393.78.

Share of the costs in relation to the revenues was 23,21 % in 2016. According to the areas of collective management of rights were costs for using of protected subject-matter by making its copy €304,382.69, for using of protected subject-matter by public distribution of its original or copy by transfer of title €21,498.63, for using of protected subject-matter through public performance in form of live performance of protected subject-matter €141,460.92, for using of protected subject-matter through public per-

formance in form of technical performance of protected subject-matter €305,752.21, using of protected subject-matter by its communication to the public by means of broadcasting €531,055.53, using of protected subject-matter for communication to the public by making it available to the public €60,631.32, using of protected subject-matter by its public disclosure by other means of communications to the public €203,722.38. There were no revenues for using of protected subject-matter by public distribution of its original or copy by rental, lending, by communication to the public through public exhibition and communication to the public by retransmission. Costs for collection of compensation for remuneration for making a copy of protected subject-matter for private purposes pursuant to Sec. 42 of Copyright Act was in the amount of €564,179.45 and for using of work by its communication to the public through cable retransmission in the amount of €106,458.87.

SPRÁVA AUDÍTORA

o audite ročnej účtovnej závierky k 31. decembru 2016 za občianske združenie

**Slovenský ochranný zväz autorský
pre práva k hudobným dielam**

v Bratislave dňa 28.04.2017

SPRÁVA NEZÁVISLÉHO AUDÍTORA

pre členov, 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 2016, 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 2016 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 Spoločnosti 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 Spoločnosti 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 Spoločnosť zlikvidovať alebo ukončiť jej činnosť, alebo by nemal inú realistickú možnosť než tak urobiť.

Zodpovednosť audítora 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 jednotlivito 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 zachováваме 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 Spoločnosti.
- 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 Spoločnosti 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 Spoločnosť 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 28.04.2017


Z+M k.s.
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