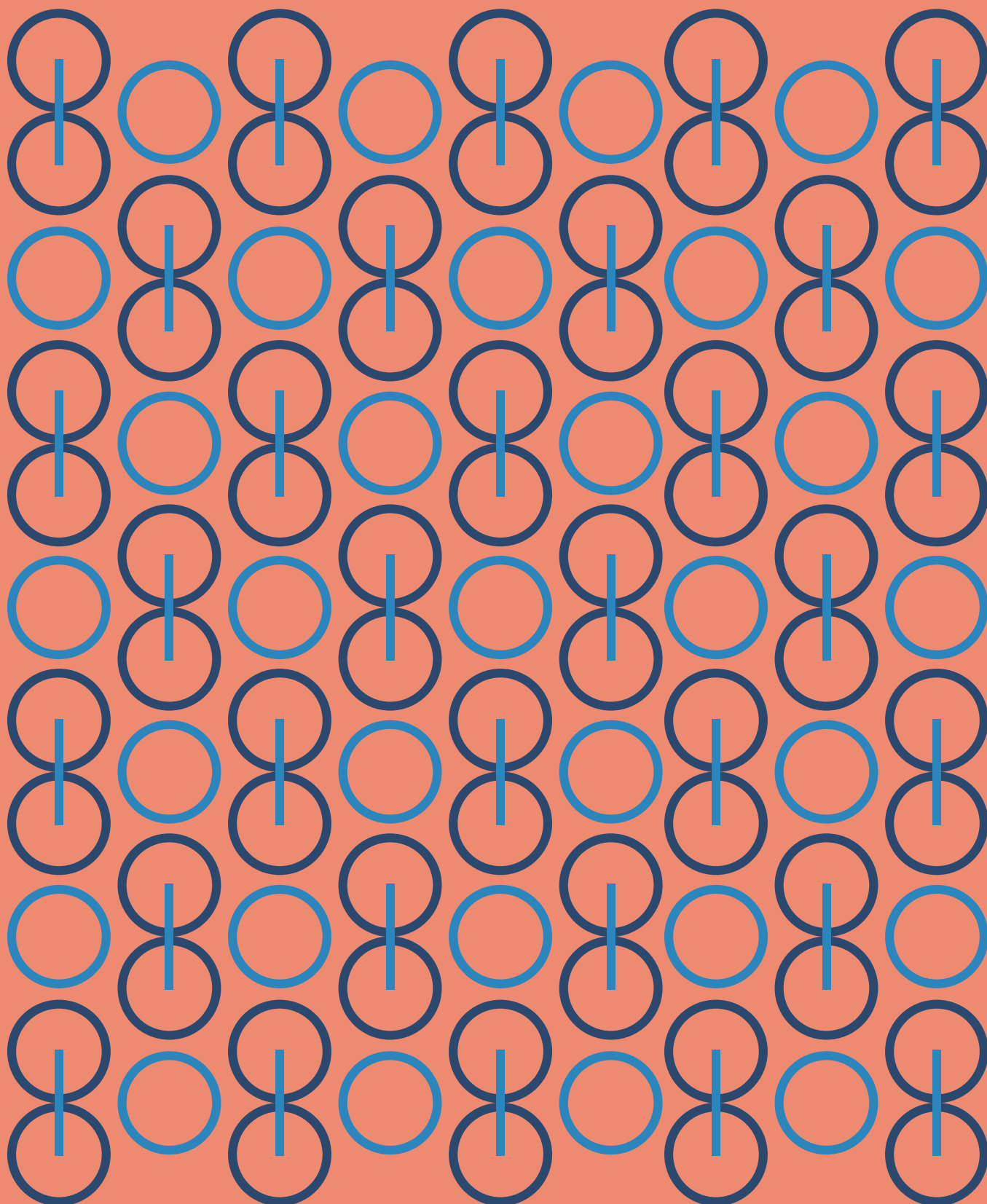


**AIPA**

**ANNUAL REPORT 2018**





**AIPA**

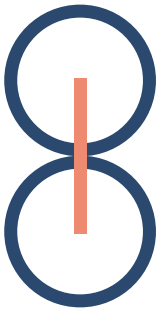
ANNUAL REPORT

2018



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# 1. LETTER FROM THE MANAGING DIRECTOR

Along with our regular activities in collecting and distributing royalties, the two events that definitely left a mark on 2018 were moving to our new business premises and adopting new EU legislature ...

## The move

AIPA has surely come a long way in nine years. We have literally set up a collective management system on audiovisual (AV) works from scratch. At first, we did not even have our own business premises, so we “took shelter” at a sister organisation. Later, we had a “temporary” office in BTC Ljubljana.

Today, AIPA is a member of numerous international umbrella organisations, a renowned and respected expert business partner at home and abroad. Representing its members in over 40 countries and the consequential increase in workload brought about the need for new business premises.

We spent a few years looking for the most suitable location in the city centre, since our main objective as a right holder organisation was to be as close to our members as possible. Therefore, we are particularly pleased to now be residing under the same roof as some of the associations of right holders in the AV field.

## The directive

The directive with a rather protracted title, namely the Directive of the European Parliament and of the Council on Copyright in the Digital Single Market, has not only left a mark on 2018, but will surely resonate for several years to come.

### Why this directive in the first place?

The simple fact is that the advancement of digital technologies has also brought new ways of distribution and usage of AV and other protected works. Cross-border usage has grown stronger since it has become much easier for users to access the works. Hence, the goals and principles of the EU regarding copyright have had to be adapted. At the same time, it's necessary to prevent fragmentation of the internal market and reduce the differences in national legislative practices.

From the very beginning, the proposal of the Directive has been supported by the AV creators (who are relatively underprivileged in comparison with literary and music

authors), since it promises (at least on paper) much fairer conditions on the market, which should allow a continued development of talents and more creativity. By establishing the principle of proportional remuneration, the Directive sets new standards of remuneration in the EU. It is now up to right holder organisations, such as AIPA, to help to assure that the adoption of the Directive into national legislations results in right holders being able to participate in the financial success of their work. We will certainly emphasise an implementation of effective mechanisms with which the right holders will indeed achieve fair remuneration ...

... and set a solid foundation for the continuation of a successful story that we can only write together with the right holders.

Gregor Štibernik, *managing director*

## 2. BASIC INFORMATION ON AIPA

### 2.1 The organisational structure and manner of managing and supervising the collective management organisation

<p>THE COLLECTING SOCIETY OF AUTHORS, PERFORMERS AND FILM PRODUCERS OF AUDIOVISUAL WORKS OF SLOVENIA, K.O.</p>	<p><b>AIPA, k. o.</b></p>	<p>is an organisation, whose main mission is the collective management and protection of the rights of authors, performers and film producers of audiovisual works.</p>
<p><b>AIPA, k. o.</b> based: <b>Ljubljana</b> business address: <b>Dvořakova ulica 5, Ljubljana</b> registration number: <b>2346907000</b> Identification No. for VAT and tax: <b>SI93521812</b></p>	<p><b>Established on 22 June 2007</b> initiative of right holders and registered with the court <b>on 31 December 2007</b></p>	<p>THE ACTIVITIES OF AIPA: <b>94.990</b> activities of otherwise unclassified membership organisations.</p>

The license for the collective management of rights (**License No. 31227-1/2008-129**) was issued to AIPA by the Slovenian Intellectual Property Office (SIPO) **on 11 October 2010 for:**

<p><b>1. co-authors of audiovisual works, that is, the author of the adaptation, the author of the screenplay, the author of the dialogues, the director of photography, the principal director, the composer of the film music especially created for use in the audiovisual work, and the principal animator, if animation is an essential element in the audiovisual work:</b></p> <ul style="list-style-type: none"> <li>• the right to the fair remuneration for the sound or visual recording of audiovisual works carried out under conditions of private or other own use;* and</li> <li>• rights of broadcasting retransmission in the case of cable retransmission of audiovisual works;</li> </ul>	<p><b>2. performers whose performances are used in audiovisual works:</b></p> <ul style="list-style-type: none"> <li>• the right to the fair remuneration for the sound or visual recording of their performances used in audiovisual works carried out under conditions of private or other own use;*</li> </ul>	<p><b>3. film producers:</b></p> <ul style="list-style-type: none"> <li>• the right to the fair remuneration for the sound or visual recording of audiovisual works on videograms carried out under conditions of private or other own use.*</li> </ul>
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\* The authorisation for the collective management of the rights of co-authors of audiovisual works, performers in audiovisual works and film producers in relation to the sound or visual recording of audiovisual works carried out under conditions of private or other own use applies only to the distribution of allowances between eligible right holders.



## WHAT DOES THE AIPA DO?

licenses the use of the works from the repertoire of copyright works under similar conditions for similar types of use

informs the users of suggested tariffs and concludes joint agreements with them on the conditions of the use of protected works

publishes tariffs of remunerations

concludes agreements with foreign collective management organisations

supervises the use of copyright works from its repertoire

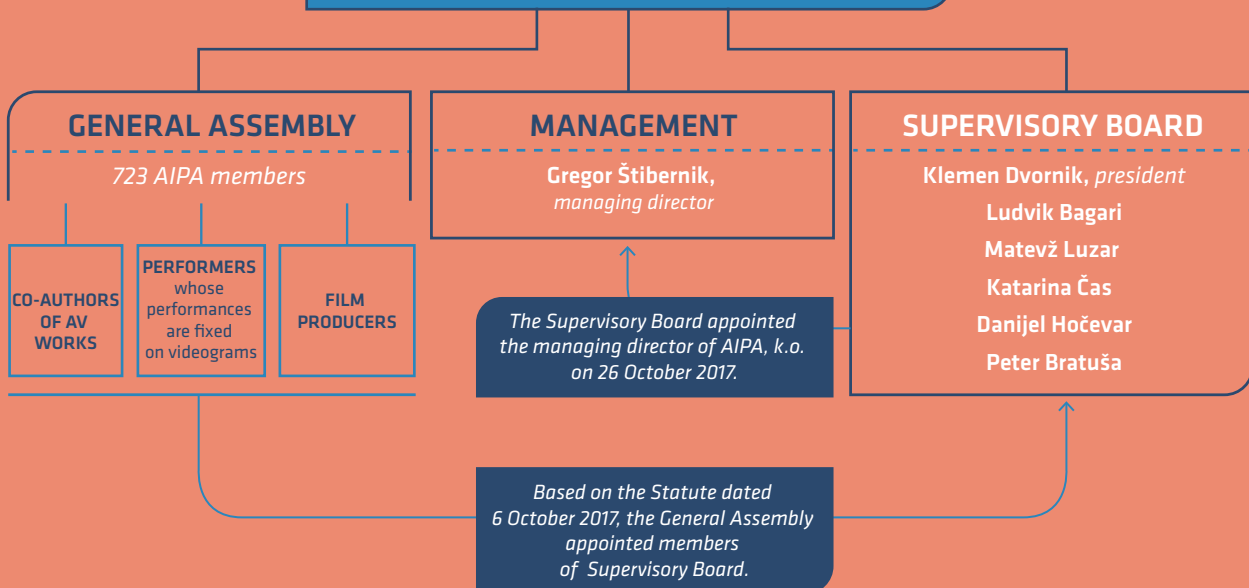
allocates and distributes collected royalties to entitled right holders in accordance with predetermined royalty distribution and pay-out rules

accepts mandates for the management of copyright and related rights from the co-authors of audiovisual works, performers, whose performances are used in audiovisual works, and film producers

enforces the protection of copyright and related rights before the courts and other government bodies

collects royalties and recovers debt from past due invoices

## THE AIPA'S GOVERNING BODIES





## SUPERVISORY BOARD MEMBERS

(from left to right) ↻

**Ludvik Bagari**

**Danijel Hočevar**

**Klemen Dvornik**

*President*

**Matevž Luzar**

**Katarina Čas**

**Peter Bratuša**

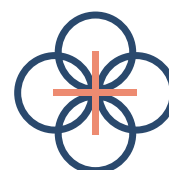




photo: Peter Škrlep

## EMPLOYEES

(from left to right) 📍

**Andreja Kralj**

*Head of distribution*

**Simon Bergant**

*IT solutions developer*

**Špela Plazonik**

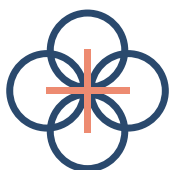
*Head of collection*

**Gregor Štibernik**

*Managing director*

**Peter Kep**

*Head of operations*



## 2.2 Report on business activities in the financial year

### The DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on copyright in the Digital Single Market

As mentioned in the introduction, the financial year 2018 was most visibly marked by the adoption of the Directive of the European Parliament and of the Council on Copyright in the Digital Single Market. AIPA is a so-called joint society and as such a member of multiple umbrella organisations: CISAC, SCAPR, AEPO-ARTIS, AGICOA Alliance ...

Each of the aforementioned organisations has led numerous activities at each step of the way towards the adoption of the Directive. And there were many. Beside a vast electronic correspondence there was a need to harmonise common suggestions and initiatives at the EU level. We have participated in numerous conferences, workshops and meetings, conducted talks with EU parliamentarians, and presented our views energetically at home as well. The most resounding effort was a joint presentation of collective management organisations in support of the Directive in August 2018.

That being said, we need to remain aware of the fact that even a very carefully written and well-meaning Directive is only worth something if it is also correctly implemented in the national legislations, and moreover, correctly interpreted by the relevant responsible authorities.

### Private copying

In 2018, AIPA joined the association KOPRIVA, which was established following an explicit demand of the Slovenian Intellectual Property Office (SIPO) which requested a separate collective management organisation for private copying. KOPRIVA's application is currently being processed by SIPO. The commencement of collecting private copying levies is paramount to AIPA, because this segment has not been systematically set up for a quarter of a century. The assessment of damages in the last decade, based on international research data, is upwards of 10 million EUR for the AV creators alone.

The situation is hard to grasp, particularly for two reasons:

1. AV authors are entitled to a fair remuneration from private copying both by local law as well as international agreements, co-signed by the Republic of Slovenia.
2. Most Slovene authors are only entitled to remuneration from private copying and not from cable retransmission due to the provisions of our law, which presumes a transfer of all material rights of co-authors to the film producer. Therefore, the AV authors are not remunerated for this type of usage, unlike literary and music authors or AV authors in other EU member states.

The intensity of the situation was further shown by a study conducted by CISAC on the system of private copying levies in the AV sector. Slovenia has put in place legislation which it is not exercising. By doing so, it is not performing its obligations according to

the EU legislation. The result: again in 2018, thousands of Slovene and foreign authors did not receive their due remunerations.

## AIPA becomes a member of AGICOA ALLIANCE

The board of the Association for the International Collective Management of Audiovisual Works (AGICOA) has unanimously supported AIPA's membership application. AIPA is now a full-fledged member of this over 30-year-old non-profit association, whose primary mission is to monitor the usage of AV works and distribute remunerations from cable retransmission.

AIPA unites various categories of right holders and, as such, co-operates with collective management organisations from various sectors in Europe as well as throughout the world. In addition to that, it is a full-fledged member of all important umbrella organisations, such as the Society of Audiovisual Authors (SAA), the Societies' Council for the Collective Management of Performers' Rights (SCAPR), the Association of European Performers' Organisations (AEPO-ARTIS), the Federation of European Film Directors

(FERA) and the International Confederation of Societies of Authors and Composers (CISAC). The membership in AGICOA thus fills the last major void in the international relations arena and is additional proof of being on the right proactive and pro-European path.



photo: Aleš Benčič

*The Award for the Best Annual Report in the category other organisations. The award was accepted by Ludvik Bagari, member of the AIPA Supervisory Board.*

## The best annual report

In November 2018, the newspaper Finance published the list of winners of the competition for the best annual report. The experts have always given high grades for AIPA's annual reports, however, this year, our annual report was awarded best in the category "other organisations". This is another way by which AIPA has joined the company of respected Slovene enterprises, such as Petrol d.d., and ELES d.o.o., both awarded in their own categories.

The best annual report award is above all a recognition of past performance. It is also proof that we are working well and developing our organisation in the right direction, which we envisage as the continuation of the achievements of the previous years. Accordingly, we were the first collective management organisation to enlist in the state business registry in 2017 after the legislative change in collective management (the adoption of the new Collective Management of Copyright and Related Rights Act). We are also one of the first collective management

organisations in Slovenia to obtain an internationally adopted ISO 9001:2015 certificate. All these achieved recognitions confirm that we are a well-run, systematic organisation that follows both the legislation as well as good practices.

AIPA is a sustainable and transparent organisation that reports clearly of all business events to its members and supervisors as well as the wider expert and general public. The membership in the umbrella organisations (CISAC, SCAPR, SAA, FERA ...) are an additional reason to uphold the strict standards of reporting. Our annual reports are proof that we are conducting business and operating transparently. Not only that, we are confident to say that we are also setting high standards to other collective management organisations, which is that much more important in today's global digital world.

This award also bound us to preparing an even better report for 2018.

## 2.3 Legal affairs

The Directive 2014/26/EU of the European Parliament and of the Council on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market from 26 February 2014 provided the basis for the Collective Management of Copyright and Related Rights Act (CMCRR) that was adopted into the Slovene legislation in 2016.

Nevertheless, the criteria for assessing the applications for new collective management authorisations (and expanding current ones) have still not been set. The last authorisation in Slovenia was issued no less than ten years ago. Therefore, after receiving a negative decision of SIPO in this regard, AIPA was forced to file a lawsuit in 2018 with the relevant body (the Administrative Court).

### The case of expanding the authorisation

Due to the administrative silence, AIPA filed a lawsuit against SIPO on 14 December 2017. As a reminder: this was in regard to the application which AIPA filed with SIPO back in 2011. The administrative dispute was filed with the Administrative Court under case No. I U 2752/2017.

After the lawsuit was filed, SIPO issued a partial decision No. 31227-19/2011-102 and a partial procedural decision No. 31227-19/2011-103 by which they turned down the application to expand AIPA's authorisation.

Consequently, from the procedural point of view, the already filed lawsuit had to be supplemented due to these new decisions. In accordance with a notice from the Administrative Court, AIPA has sent a reply and the supplement to the lawsuit in which AIPA requests from the court to decide in this dispute with full jurisdiction, since this is the last possibility to attain effective legal protection.

We must bear in mind that from 2011 until 2018, no decision was made by SIPO in this regard. Following a court judgement regarding the administrative silence complaint on 14 February 2017 (case No. I U 1357/2015), SIPO issued two partial decisions almost eight

months after the deadline set in the judgement, whereby the court explicitly stated that such an incomprehensible delay in deciding was irresponsible.

Subsequently, AIPA has supplemented the lawsuit once again stating the findings of the Commission for the Prevention of Corruption in case No. 06210-135/2018-12, dated 15 November 2018, in which the commission warns that the lack of a set of criteria for assessing the applications for new collective management authorisations presents a risk of corruption by possibly discriminating against certain applicants, which in turn poses a question whether the legal provisions are in fact being executed in practice.

The case has not been concluded in 2018.

### **The case regarding the amendment of internal acts**

On 10 September 2018, AIPA filed a lawsuit with the Administrative Court in which it contests SIPO's decision No. 31227-41/2017-6/102 dated 6 July 2018. The case is filed under No. I U 1889/2018.

In the contested decision, SIPO ordered AIPA to eliminate violations of the CMCRRRA. In AIPA's opinion, SIPO has overstepped the boundary of its jurisdiction by interfering with the decision-making of AIPA's highest governing body, namely, the General Assembly.

In the written submission to the court, AIPA claims that SIPO has disregarded the principle of material truth, has insufficiently explained the decision, has decided arbitrarily, is not performing the duties of a body affiliated to the Ministry and thus violating provisions of Article 8 of the State Administration Act (ZDU-1), has not decided according to the law as a result of not co-operating with AIPA during the procedure, and has violated several of the provisions of the General Administrative Procedure Act (ZUP). In this case, AIPA has also supplemented the lawsuit with the findings of the Commission for the Prevention of Corruption in case No. 06210-135/2018-12, dated 15 November 2018, in which the commission warns that the lack of a set of criteria for assessing the applications for new collective management authorisations presents a risk of corruption by possibly discriminating against certain applicants, which in turn poses a question whether the legal provisions are in fact being executed in practice.

The case has not been concluded in 2018.

### **The case regarding the request for insight**

Produkcijska skupina Mangart d.o.o., filed a lawsuit against AIPA on 12 March 2018 with the District Court in Ljubljana (Case No. IV Pg 547/2018) in which it demanded insight into various documents and data, namely, the dates of applications of AV works, the names of the applicants on works presumably owned by Produkcijska skupina Mangart d.o.o., and the names of persons listed as right holders on individual AV works, particularly the AV works entitled *Ena žlahtna štorija*, *Čokoladne sanje*, *Swingerji* and *Okrog sveta do srca*.

During the procedure, AIPA substantiated why it denied the request, namely, because (1) procedural conditions were not met, (2) the plaintiff has not proven that the condi-

tions for insight were met, and (3) the plaintiff has not proven ownership of the rights, which is a fundamental condition for such an insight. AIPA furthermore warned about the protection of personal information of the applicants and the relationship between members and non-members regarding their respective rights based on CMCRRA and AIPA internal acts.

On 11 December 2018, the court issued a judgement in which it demanded AIPA to allow the insight into the following documents and data:

- a) the date of applications of AV works entitled *Ena žlahtna štorija, Čokoladne sanje, Swingerji* and *Okrog sveta do srca*;
- b) the names of the persons listed on the applications for AV works entitled *Ena žlahtna štorija, Čokoladne sanje, Swingerji* and *Okrog sveta do srca*;
- c) the names of the persons listed as the right holders on AV works entitled *Ena žlahtna štorija, Čokoladne sanje, Swingerji* and *Okrog sveta do srca*.

The court denied AIPA's request in the part which is explicitly connected to the AV works entitled *Ena žlahtna štorija, Čokoladne sanje, Swingerji* and *Okrog sveta do srca*.

AIPA has filed an appeal against this judgement.

## 2.4 AIPA General Assembly

### Report of the General Assembly session in 2018

In 2018, there was one session of AIPA's General Assembly on 10 July 2018 at the B&B Slamič on Kersnikova 1 in Ljubljana.

The members adopted the Annual Report for 2017 and were presented with the report of the Supervisory Board on their work and their evaluation of the Annual Report for 2017. The members adopted several amendments of the Statute and the following acts: the General Assembly Procedure Manual, the Rules on investing royalties into bank deposits and the use of these funds, the Rules on risk management, the Rules on the distribution of the royalties collected for the right of rebroadcasting in case of cable retransmission of copyright works, the Rules on the distribution of remunerations for making sound and visual fixations of copyright works done under the scope of private or other internal use, the Rules on the distribution of non-distributable royalties and remunerations, and the Rules on the SCE (Social, Cultural-artistic and Educational) funds. Additionally, the right holders of the right to remuneration for rebroadcasting in the case of cable retransmission decided to put a certain amount of royalties from 2017 into the particular SCE funds.

The members have mandated the management to apply with SIPO for an authorisation for collective management of the following rights:

- with regard to the authors of contributions, namely the animator, who is not considered a co-author of an AV work according to Article 105 of the Copyright and Related Rights Act (CRRRA), The Official Gazette of the Republic of Slovenia No. 16/07 – UPB3, 68/08, 110/13, 56/15 and 63/16 – CMCRRA), the scenographer, the



costume designer, the make-up artist, and the editor; the right of making a contribution to an AV work available to the public; the right to a fair remuneration from Article 50 of the CRRA for making sound and visual fixations of contributions to an AV work done under the scope of private or other internal use (authorisation for distribution only); and the right of rebroadcasting in case of cable retransmission of contributions to an AV work;

- the right of performers of making available to the public the videograms containing their performance;
- the right of film producers of making available to the public their videograms;
- regarding the co-authors of an AV work, i.e., the author of the adaptation, the author of the screenplay, the author of the dialogue, the director of photography, the principal director, the composer of music specifically created for use in the audiovisual work, and the principal animator, if animation represents an essential element of the audiovisual work, their right to secondary broadcasting and making available to the public of an AV work.

Right holder Mr. Ludvik Bagari, presented a report on the issues with and consequences of not collecting private copying levies in Slovenia. The managing director Mr Gregor Štibernik concluded the session by informing the attendees about the procedure of obtaining additional authorisations and about the content of the partial decision of SIPO with which SIPO has denied AIPA's request to issue an authorisation.

## 2.5 The report of the Supervisory Board

The Supervisory Board of AIPA in accordance with Paragraph 7 of Article 27 of the Collective Management of Copyright and Related Rights Act (CMCRRRA) gives the following report.

### The report of the Supervisory Board

The Supervisory Board has performed its duties in accordance with the mandates and competences provided by the law, the Statute and the Supervisory Board Procedure Manual.

In 2018, the members of the board were:

- film producers: Danijel Hočevar and Peter Bratuša;
- performers: Ludvik Bagari and Katarina Čas;
- co-authors (directors, screenwriters, etc.): Klemen Dvornik (president) and Matevž Luzar.

### **The manner and scope of the supervision of the collective management organisation in 2018**

The Supervisory Board maintained a responsible supervision over the managing of the collective management organisation and the execution of the General Assembly decisions throughout 2018.

The board met in 12 sessions (one of them by correspondence) on which it dealt with and controlled the current state of business affairs in line with the provisions of the CMCRRRA and AIPA internal acts regarding the competences of the Supervisory Board.

At its meetings in 2018 the board adopted AIPA's Annual Report for 2017.

Among other issues, the board was informed regularly with:

- the current state of business of AIPA;
- the state of legal affairs (cases regarding the expansion of the authorisation, the state of supervisory cases by SIPO, etc.);
- the distribution plans for remunerations from cable retransmission;
- international cooperation;
- the tax audit;
- the preparations of the financial plan for 2019; and
- other current affairs.

Ljubljana, 31 May 2019

Klemen Dvornik,  
*President of AIPA's Supervisory Board*



## 2.6 Revenue and Costs

### Revenue in 2018

	Planned 2018	Actual 2018	Actual 2017	Ratio Actual 2018/17
in EUR				
<b>Revenue</b>				
Total revenues	5,513,000	5,570,131	4,073,869	1.37
Revenues from collected royalties for cable retransmission	5,500,000	5,545,059	4,046,288	1.37
Revenue from deposit interest and other finance income	13,000	25,072	27,581	0.91
in %				
<b>Share of cost in revenue</b>				
Share of cost in total revenue	20.07	20.06	23.78	
Share of costs excluding the costs of SCE funds in total revenue		19.55		

In 2018, the total revenue of AIPA amounted to 5,570,131 EUR, an increase of 1,496,262 EUR or 36.73 % from 2017.

The interest income from deposits was lower in 2018 than in 2017 by 2,509 EUR, which is a 9.1 % drop from the previous year.

### Total costs in 2018

Planned 2018	Actual 2018 (in EUR)	Actual 2017 (in EUR)	Ratio Actual 2018/17
1,106,200	1,117,409	968,742	1.15

### Costs in 2018 – costs of SCE funds

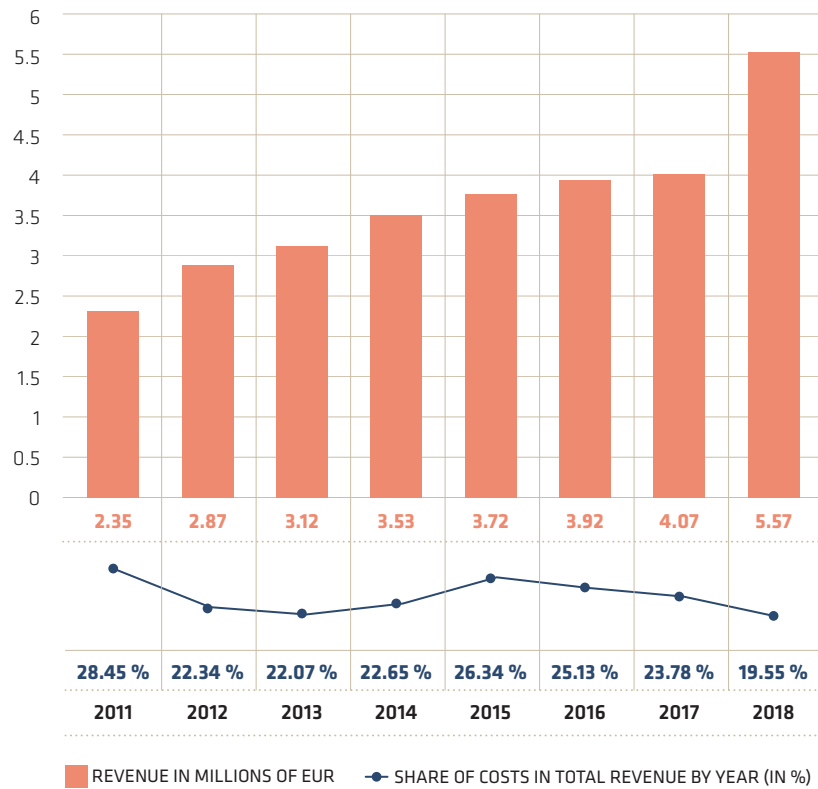
Planned 2018	Actual 2018 (in EUR)	Actual 2017 (in EUR)	Ratio Actual/Planned 2018
30,000	28,262	0	0.94

### Costs in 2018 – business costs

Planned 2018	Actual 2018 (in EUR)	Actual 2017 (in EUR)	Ratio Actual 2018/17
1,106,200	1,089,147	968,742	1.12

The business costs of AIPA (excluding the SCE funds) in 2018 amounted to 1,089,147 EUR, a 12 % increase over 2017. The share of the costs in total revenue was 19.55 %.

**Total revenue from 2011-18 (in millions of EUR) and the share of costs in total revenue**



## 3. FINANCIAL STATEMENTS

### 3.1 Balance sheet as at 31 December 2018

in EUR

Item	Note	Amount	
		31 Dec. 2018	31 Dec. 2017
<b>ASSETS</b>		<b>11,667,733</b>	<b>8,218,583</b>
<b>A. LONG-TERM ASSETS</b>		<b>187,205</b>	<b>58,235</b>
I. Intangible assets and long-term deferred expenses	3.4.2.1	16,351	23,371
1. Long-term property rights		10,414	16,763
2. Long-term deferred expenses		5,937	6,608
II. Property, plant and equipment	3.4.2.2	169,615	33,625
IV. Long-term financial investments	3.4.2.3	1,239	1,239
1. Long-term financial investments excluding loans		1,239	1,239
<b>B. SHORT-TERM ASSETS</b>		<b>11,470,153</b>	<b>8,159,810</b>
III. Short-term financial investments	3.4.2.4	6,983,578	4,987,524
1. Short-term financial investments excluding loans		6,983,578	4,987,524
IV. Short-term operating receivables	3.4.2.5	1,219,022	763,827
V. Cash	3.4.2.6	3,267,553	2,408,459
<b>C. SHORT-TERM DEFERRED EXPENSES AND ACCRUED REVENUES</b>	<b>3.4.2.7</b>	<b>10,375</b>	<b>538</b>
<b>LIABILITIES</b>		<b>11,667,733</b>	<b>8,218,583</b>
<b>C. LONG-TERM LIABILITIES</b>		<b>428</b>	<b>0</b>
II. Long-term operating liabilities	3.4.2.8	428	0
<b>Č. SHORT-TERM LIABILITIES</b>		<b>366,138</b>	<b>97,506</b>
III. Short-term operating liabilities	3.4.2.8	366,138	97,506
<b>D. SHORT-TERM ACCRUED EXPENSES AND DEFERRED REVENUES</b>	<b>3.4.2.9</b>	<b>11,301,167</b>	<b>8,121,077</b>

The accompanying notes are an integral part of the financial statements and should be read in conjunction with them.

## 3.2 Income Statement for the period from 1 January 2018 to 31 December 2018

Item	Note	in EUR	
		2018	2017
<b>A. NET SALES REVENUE</b>	<b>3.4.3.1</b>	<b>5,549,301</b>	<b>4,049,141</b>
<b>E. OTHER OPERATING REVENUE</b>		<b>1,556</b>	<b>696</b>
<b>F. GROSS OPERATING INCOME</b>	<b>3.4.3.1</b>	<b>5,550,857</b>	<b>4,049,837</b>
<b>G. OPERATING EXPENSES</b>		<b>5,574,264</b>	<b>4,076,678</b>
I. Costs of goods, materials and services		5,207,516	3,728,223
2. Costs of material	3.4.3.3	11,702	6,483
3. Costs of services	3.4.3.4	5,195,814	3,721,740
II. Labour costs	3.4.3.5	312,412	278,959
1. Wages and salaries		252,258	221,644
2. Pension security costs		22,325	19,615
3. Other social security costs		18,206	16,235
4. Other labour costs		19,623	21,465
III. Write downs		23,480	19,988
1. Depreciation	3.4.3.6	23,442	19,988
3. Revaluation operating expenses related to current assets		38	0
IV. Other operating expenses	3.4.3.7	30,856	49,508
2. Other expenses		30,856	49,508
<b>I. SURPLUS OF OPERATING EXPENSES</b>		<b>23,407</b>	<b>26,841</b>
<b>J. FINANCE INCOME</b>	<b>3.4.3.2</b>	<b>23,512</b>	<b>26,882</b>
II. Finance income from loans		23,458	26,836
III. Finance income from operating receivables		54	46
<b>K. FINANCE EXPENSES</b>		<b>107</b>	<b>42</b>
III. Finance expenses from operating liabilities		107	42
<b>L. OTHER INCOME</b>		<b>4</b>	<b>3</b>
<b>M. OTHER EXPENSES</b>		<b>2</b>	<b>2</b>
<b>N. SURPLUS OF INCOME</b>		<b>0</b>	<b>0</b>
<b>O. SURPLUS OF EXPENSES</b>		<b>0</b>	<b>0</b>
<b>P. CURRENT INCOME TAX</b>		<b>0</b>	<b>0</b>
<b>R. DEFERRED INCOME TAX</b>		<b>0</b>	<b>0</b>
<b>S. NET SURPLUS OF INCOME FOR THE YEAR</b>		<b>0</b>	<b>0</b>
<b>Š. NET SURPLUS OF EXPENSES FOR THE YEAR</b>		<b>0</b>	<b>0</b>

The accompanying notes are an integral part of the financial statements and should be read in conjunction with them.

### 3.3 Cash flow Statement for the period from 1 January 2018 to 31 December 2018

in EUR

Item	Amount	
	2018	2017
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
a. Operating cash flows (Income Statement)	22	-6,848
Operating income (excl. revaluation) and finance income from operating receivables	5,550,915	4,049,886
Operating expenses (excl. impairments) and finance expenses from operating liabilities	-5,574,335	-4,076,722
Depreciation	23,442	19,988
b. Operating cash flows (Balance Sheet)	2,984,751	-3,352,890
Change in operating receivables	-455,233	136,725
Change in short-term deferred expenses and accrued revenues	-9,165	3,015
Change in inventories	0	0
Change in operating liabilities	269,059	30,784
Change in short-term accrued expenses and deferred revenues	3,180,090	-3,523,414
c. Cash from operating activities (a+b)	2,984,773	-3,359,738
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
a. Interest received	23,458	26,836
b. Acquisition of intangible assets and property, plant and equipment	-153,083	-12,673
c. Cash flow from investing activities (a+b)	-129,625	14,163
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
c. Cash flow from financing activities (a+b)	0	0
1. NET INCREASE / (DECREASE) IN CASH (A+B+C)	2,855,148	-3,345,575
2. CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	7,395,983	10,741,558
Č. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	10,251,131	7,395,983

The accompanying notes are an integral part of the financial statements and should be read in conjunction with them.



📍 **Špela Rozin**

Bert Lifetime Achievement Award to  
an Actor (2018)

*Presented by the Directors Guild of Slovenia*



## 3.4 Accounting policies and notes to the financial statements

### 3.4.1 Accounting policies

#### *Basis of preparation*

The financial statements and notes to the financial statements included in this report have been prepared in accordance with the Slovene Accounting Standards 2016, SAS 34 – Accounting solutions in non-for-profit organisations – legal entities of private law in accordance with Article 41 of the CMCRRRA. These financial statements have been prepared based on two main assumptions being the assumption of occurrence of transactions and going concern assumption.

The financial statements are presented in EUR.

#### *Foreign currency translation*

Transactions in foreign currencies are translated to EUR at the reference exchange rate of ECB published by the Bank of Slovenia. Positive or negative foreign exchange differences resulting from these transactions are presented in the statement of income and expenses as financial income or other expenses.

#### *Accounting policies*

The presentation and valuation principles are directly based in the requirements of Slovene accounting standards, except in the case of valuation where these standards permit different accounting policy choices. AIPA has elected for the accounting policy choices as described below.

#### *Intangible assets*

Intangible assets consist of long-term property rights.

At initial recognition intangible assets are recognised at cost (cost includes import and other non-refundable duties).

Intangible assets are not revalued.

#### *Property, plant and equipment (tangible assets)*

At initial recognition items of property, plant and equipment are recognised at cost (cost includes import and other non-refundable duties). After initial recognition these items are valued at cost less accumulated depreciation based on the straight-line depreciation method.

Cost includes purchase price and all expenditure directly attributable to bringing the asset to the location and condition necessary for its intended use.

Items of property, plant and equipment are no longer included on the accounting books when they are disposed of or written off because it is no longer expected that future economic benefits will flow to the organisation.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that the future economic benefits from this asset will flow to the organisation.

Servicing and maintenance activities are performed with the purpose of maintaining or renewal of future economic benefits initially estimated based on the efficiency level of assets. These are recognised as expenses as incurred.

### *Depreciation*

The residual value of items of property, plant and equipment and intangible assets is reduced by depreciation.

Both the depreciation of equipment and the depreciation of an intangible asset begin on the first day of the next month after it is available for use.

Intangible and tangible assets are depreciated on an individual basis using the straight-line depreciation method.

The depreciation rates are based in the useful life of the assets and are as follows:

Asset	Useful life (in years)	Rate (in %)
Furniture and other equipment	5	20
Computer hardware – server	5	20
Software – RepLA and other	4	25
Computer hardware	2	50
Computer hardware – second hand, less than 500 EUR	1	100

### *Investments*

All investments are initially recognised at transaction price. Investments are classified as financial assets available for sale and are presented separately as short-term and long-term investments.

### *Receivables*

Receivables are initially recognised based on the amounts that are derived from the relevant documents and based on the assumption that they will be recovered. Receivables in foreign currencies are translated to EUR at the reference exchange rate published by the Bank of Slovenia at the end of the period. The difference is recognised as financial income or expense.

Subsequent increase or decrease in receivables is recognised as operating or financial income or expenses. Every increase or decrease shall be justified with the relevant document.

Impairments of receivables from domestic and foreign customers are determined individually when bankruptcy procedures, compulsory settlements or other liquidation procedures are initiated or when it is expected that the receivables will not be recovered.

When a write-off of a receivable is justified with the relevant document it is recorded to the corresponding allowance account.

### *Cash*

Cash comprises cash on hand, cash at bank and cash in transit. Cash on hand is cash in the cash-register in the form of bank notes, coins and cheques. Cash at bank is cash on the bank account or other financial institution which can be used for payments. Cash in transit is cash that is being transferred from the cashier to the relevant bank's or other financial institution's account and has not been credited to this account yet.

Cash in domestic currency is presented at nominal value. Foreign currencies are translated to domestic currency at the reference exchange rate published by the Bank of Slovenia at the date of receipt. The difference is recognised as financial income or expense.

### *Liabilities*

Liabilities include financial, operating, short-term and long-term liabilities.

Short-term and long-term liabilities of all kinds are initially recognised based on the amounts that are derived from the relevant document and based on the assumption that the creditors require their repayment.

Subsequent charges (interest, other) which are agreed with the creditors increase the initial amount of liabilities. Interest arising from liabilities are presented as financial expenses. Subsequent repayments and other settlements agreed with the creditor reduce the initial amount of liabilities. Long-term liabilities are reduced also by short-term part of the liability which is presented among short-term liabilities.

Liabilities to companies or individuals abroad are translated to domestic currency on the date of the transaction. The foreign exchange rate that occurred until the settlement date of these liabilities or until reporting date is presented as financial income or expense.

### *Short-term deferred expenses and accrued revenues, short-term accrued expenses and deferred revenues*


Short-term deferred expenses and accrued revenues include deferred costs and unrecognised future income.

Short-term deferred expenses include costs that on their occurrence cannot be charged to the AIPA's operations and as such have not yet impacted the result. Short-term accrued revenues are recognised when they are included in the result of the organisation, but for which payment has not yet been received and invoices have not yet been issued.

Short-term accrued expenses and deferred revenues include deferred revenues and accrued costs. Accrued costs include costs that are expected but have not yet occurred and relate to the period for which the financial statements are prepared. Deferred revenues are recognised when the services of AIPA are already invoiced but have not yet been performed. Revenues can also be deferred when at the moment of sale their recognition is still doubtful.

ISKEGA F  
IEMA SL

FILMA  
OVENO

**Urša Menart (*My Last Year as a Loser*)** 

Vesna Award for Best Feature Film  
and Best Screenplay  
21st Festival of Slovenian Film

### *Revenue recognition*

Revenue is recognised if the increase in economic benefits in the accounting period is connected to the increase of the asset or decrease of the liability and can be measured reliably.

Revenues are recognised when it is reasonably expected that they will lead to receipts if the receipts have not yet been received.

### *Operating income*

Revenues from services, except for services that result in finance income, are measured at selling prices of completed services or selling prices of uncompleted services based on the stage of their completion.

### *Finance income*

Finance income represents income from investing activities and occurs in case of long-term and short-term investments as well as receivables.

Finance income is recognised, regardless of receipts, when no material doubt exists regarding their amount, maturity and recoverability.

Interest is accounted based on the passage of time, unpaid principle and valid interest rate.

Revaluation financial income relates to disposal of long-term and short-term investments.

### *Other income*

Other income includes unusual items. They are measured as incurred.

### *Recognition of expenses*

Expenses are recognised if the decrease in economic benefits in the accounting period is connected to the decrease of the asset or increase of the liability and can be measured reliably.

### *Operating expenses*

Operating expenses are recognised when materials are used, or services performed.

Operating expenses are recognised in the period to which they relate.

Impairments are recognised based on the relevant valuations regardless of the impact on the result. Impairment charges relate to items of property, plant and equipment, intangible assets, and current assets.

### *Finance expenses*

Finance expenses relate to investing activities. Finance expenses are recognised regardless of receipts.

Impairment charges relate to short-term and long-term investments.

### Other expenses

Other expenses include unusual items and are recognised as incurred.

### Risk exposure and risk management

AIPA is not exposed to significant risks and uncertainties that would impact the assessment of its assets and liabilities, financial position and operating results. All receivables from and liabilities to foreign entities are due in euros and therefore AIPA is not exposed to foreign currency risks. AIPA is not indebted and therefore not exposed to interest rate risk.

Management of other risks are presented below.

### Credit risk

Credit risk represents the possibility that the receivables from customers and other legal entities will not be paid in full or not at all. The organisation's exposure to credit risk depends primarily on the characteristics of individual clients as well as liquidity of the clients with whom the organisation operates. These are larger companies in telecommunications activities, which are well-established companies and regularly pay their obligations. AIPA has no major problems with recovery of receivables, so credit risk is assessed as insignificant.

### Liquidity risk

Liquidity risk is the risk that the organisation will encounter difficulties in fulfilling its financial obligations. AIPA does not have major liquidity problems. It plans its cash inflows and outflows on a monthly basis, deposits surplus cash in bank accounts, carefully monitors the past due receivables and actively works on their recovery. The organisation assesses liquidity risk as insignificant.

## 3.4.2 Notes to the balance sheet

All assets and liabilities relate to AIPA's own operations.

### 3.4.2.1 Intangible assets and long-term deferred expenses

	in EUR	
	31 Dec. 2018	31 Dec. 2017
Long-term property rights	10,414	16,763
Long-term deferred expenses	5,937	6,608

There were no acquisitions of new intangible assets in 2018. Their value has been reduced due to depreciation.



#### 2018 IRIS Awards

(from left to right) ↻

**Darko Herič**

for the documentary film *How Much Do You Love Yourself?*

**Lev Predan Kowarski**

for the TV series *President*

**Simon Tanšek**

secretary of ZFS

**Karpo Godina**

lifetime achievement award

**Jure Černec**

president of ZFS

**Gaja Möderndorfer**

**(on behalf of Dejan Ulaga)**

for the student film *Nežka*

**Mitja Ličen**

for the feature film *History of Love*

**Marko Brdar**

for the short film *The Final Day of Rudolf Nietzsche*

*The award is presented by the Slovene Association of Cinematographers ZFS.*

in EUR	
<b>Long-term property rights</b>	
<b>Cost</b>	
Balance 31 Dec. 2017	57,396
Additions	0
Disposals	0
Balance 31 Dec. 2018	57,396
<b>Accumulated depreciation</b>	
Balance 31 Dec. 2017	40,633
Disposals	0
Depreciation	6,349
Balance 31 Dec. 2018	46,982
<b>Net carrying amount</b>	
Balance 31 Dec. 2017	16,763
Balance 31 Dec. 2018	10,414

Long-term deferred expenses increased in 2018 as a result of a new lease of license for three years and decreased due to membership and licensing costs related to the year 2018.

in EUR	
<b>Long-term deferred expenses</b>	
Balance 31 Dec. 2017	6,608
Increase	2,483
Decrease	3,154
Balance 31 Dec. 2018	5,937

### 3.4.2.2 Property, plant and equipment

in EUR		
	31 Dec. 2018	31 Dec. 2017
Investment into 3rd-party real estate	80,676	
Equipment	79,150	33,625
Investment into 3rd-party real estate project	8,215	
Advances for tangible fixed assets	1,574	
Total Property, plant and equipment	169,615	33,625

In 2018, AIPA rented business premises in the centre of the town and relocated there during the last quarter of the year. The premises needed to be refurbished and adapted for AIPA's business purposes. A part of the renovation was still ongoing on 31 December 2018. AIPA has used the existing equipment as much as possible, some of it has had to be bought and the unusable equipment has been disposed of.



	in EUR	
	Investment into 3rd-party real estate	Equipment
<b>Cost</b>		
Balance 31 Dec. 2017	0	79,543
Additions	82,043	61,251
Disposals	0	21,465
Balance 31 Dec. 2018	82,043	119,329
<b>Accumulated depreciation</b>		
Balance 31 Dec. 2017	0	45,918
Disposals	0	21,465
Depreciation	1,367	15,726
Balance 31 Dec. 2018	1,367	40,179
<b>Net carrying amount</b>		
Balance 31 Dec. 2017	0	33,625
Balance 31 Dec. 2018	80,676	79,150

### 3.4.2.3 Long-term financial investments

	in EUR	
	31 Dec. 2018	31 Dec. 2017
Long-term financial investments - SAA SCRL securities	1,239	1,239

### 3.4.2.4 Short-term financial investments

	in EUR	
	31 Dec. 2018	31 Dec. 2017
Short-term financial investments excluding loans	6,983,578	4,987,524

The short-term financial investments are AIPA's short-term bank deposits (one-year maturity).

### 3.4.2.5 Short-term operating receivables

	in EUR	
	31 Dec. 2018	31 Dec. 2017
Short-term operating receivables from customers	765,311	384,207
Advances paid and amounts given as security	448,630	350,000
Other short-term receivables	5,081	29,620
Total	1,219,022	763,827

### Age analysis of short-term operating receivables as at 31 December 2018

in EUR

Segment	Past due receivables				Not past due receivables	Total receivables	Impairment allowance
	Less than 30 days	30 to 90 days	90 to 270 days	More than 1 year			
Receivables from customers	161,721	0	0	33,401	603,590	798,712	33,401
Advances and securities paid	5	0	0	0	448,625	448,630	0
Other short-term operating receivables	0	0	0	0	5,081	5,081	0
<b>Total</b>	<b>161,726</b>	<b>0</b>	<b>0</b>	<b>33,401</b>	<b>1,057,296</b>	<b>1,252,423</b>	<b>33,401</b>

### Changes of impairment allowance in 2018

in EUR

Segment	Balance 1 Jan.	Impairments	Write offs	Recoveries	Balance 31 Dec.
Receivables from customers	33,401	0	0	0	33,401
Advances and securities paid	0	0	0	0	0
Other short-term operating receivables	0	0	0	0	0
<b>Total</b>	<b>33,401</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,401</b>

AIPA estimates that the receivables to customers in the amount of 798,712 EUR will be recovered. The receivable from the company T-2 d.o.o. from the compulsory settlement in the year 2011 in the amount of 33,401 EUR is 100 % impaired. Based on the terms of the compulsory settlement this receivable is due in 2021.

Receivables are not secured with collateral.

Short-term advances and amounts given as security include security in the amount of 247,185 EUR, an advance for rent of business premises in the amount of 103,500 EUR, an advance for legal fees in the amount of 97,715 EUR and other advances in the amount of 230 EUR.

AIPA does not have advances or loans to management, members of the Supervisory Board and other employees.

AIPA does not have receivables from its founders.

**3.4.2.6 Cash**

	in EUR	
	31 Dec. 2018	31 Dec. 2017
Cash on bank accounts	3,267,553	2,408,459

**3.4.2.7 Short-term deferred expenses and accrued revenues**

	v EUR	
	31 Dec. 2018	31 Dec. 2017
Short-term deferred expenses	251	538
Short-term accrued revenues – interest from deposits	10,124	0
Total	10,375	538

**3.4.2.8 Operating liabilities**

	in EUR	
	31 Dec. 2018	31 Dec. 2017
Long-term liabilities to suppliers	428	0
Short-term liabilities to suppliers	36,873	62,942
Short-term liabilities to individuals (salaries, remunerations, royalties, meeting and attendance fees)	32,523	34,509
Other short-term liabilities (VAT, other liabilities)	25,004	55
Other short-term liabilities (SCE funds)	271,738	0
Total	366,566	97,506

AIPA has designated 300,000 EUR of the collected royalties for 2017 to the SCE funds according to the decision of the General Assembly. More on that in Chapter 5. Report on the use of the SCE funds.

AIPA does not have liabilities insured with collateral of property nor liabilities with maturity longer than 5 years.

AIPA does not have liabilities for prepayments or loans to members of management or the Supervisory Board and other employees.

**3.4.2.9 Short-term accrued expenses and deferred revenues**

	in EUR	
	31 Dec. 2018	31 Dec. 2017
Royalties to authors, performers and film producers of AV works	11,283,546	8,117,341
VAT on paid advances	17,621	0
Other accrued expenses	0	3,736
Total	11,301,167	8,121,077

At the end of 2018, AIPA has 11,283,546 EUR of accrued expenses for royalties belonging to authors, performers and film producers of AV works.

Changes of accrued expenses in 2018 are presented below:

	in EUR
Balance of accrued expenses 31 Dec. 2017	8,117,341
Recognition in 2018	4,501,786
Paid in 2018	1,035,581
Transfer to the SCE funds	300,000
Balance of accrued expenses 31 Dec. 2018	11,283,546

### 3.4.3 Notes to the income statement

All income and expenses are the result of own operations of AIPA.

#### 3.4.3.1 Operating income

	in EUR	
	2018	2017
Revenue from users on the domestic market	5,545,059	4,046,288
Revenue from users on the foreign market (EU)	4,242	789
Revenue from users on the foreign market (non-EU)	0	2,064
Other operating revenue	1,556	696
Total	5,550,857	4,049,837

#### 3.4.3.2 Finance income

	in EUR	
	2018	2017
Interest income (deposits, a vista)	23,479	26,871
Other finance income	33	11
Total	23,512	26,882

#### 3.4.3.3 Costs of material

	in EUR	
	2018	2017
Costs of material used	11,702	6,483

#### 3.4.3.4 Costs of services

	in EUR	
	2018	2017
Royalties to authors, performers and film producers of AV works - Slovenia	4,501,786	3,125,928
Royalties to right holders - EU	4,242	789
Royalties to right holders - non-EU	0	2,064
Costs of services related to organisation's business	689,786	592,959
Total	5,195,814	3,721,740

**3.4.3.5 Labour costs**

	in EUR	
	2018	2017
Salaries	252,258	221,644
Costs of pension insurance	22,325	19,615
Costs of other social insurance	18,206	16,235
Other labour costs	19,623	21,465
<b>Total</b>	<b>312,412</b>	<b>278,959</b>

AIPA had 7 employees as at 31 December 2018. The average number of employees based on hours was 5.96.

**3.4.3.6 Depreciation**

	in EUR	
	2018	2017
Depreciation of intangible assets	6,349	5,905
Depreciation of property – investment into 3rd-party real estate	1,367	0
Depreciation of equipment	15,726	14,083
<b>Total</b>	<b>23,442</b>	<b>19,988</b>

**3.4.3.7 Other operating expenses**

	in EUR	
	2018	2017
Other expenses	30,856	49,508

Other expenses in 2018 relate mostly to membership fees in international organisations.

**3.4.4 Events after the reporting date**

There were no events after the reporting date that would affect the financial statement for the year ended 31 December 2018.

## 3.5 Statements of management's responsibility

The management of AIPA approves the financial statements for the year ended 31 December 2018 together with accounting policies and notes to the financial statements included in this report.

The management is responsible for the preparation of the annual report which gives a true and fair view of the financial position of AIPA and the results of its operations in the year 2018.

The management confirms that the appropriate accounting policies have been applied consistently in the preparation of the financial statements and that the accounting estimates were prepared based on the principal of prudence and sound management. The management confirms that the financial statements, together with the notes thereto, have been prepared on the going concern assumption and in accordance with applicable legislation and Slovene Accounting Standards.

The management is responsible for appropriate accounting and for taking adequate measures to protect the property, and for prevention and detection of fraud and other irregularities or illegal actions.

AIPA is not aware of any circumstances, which may give rise to any material liabilities in this regard.

Gregor Štibernik  
*Managing director AIPA*



In Ljubljana on 29 March 2019

ADSR

SKIH REŽISERJEV

AL  
MEGA



DSR DRUŠTVO SLOVENSKIH REŽISERJEV



**PETRA TRAMPUŽ**

**NAGRADA KOSBRIN  
ZA DRAGOCENE  
FILMSKE SODELAVCE**

**ZA IZJEMEN PRISPEVEK K SLOVENSKI  
KINEMATOGRAFIJI IN TV USTVARJANJU**

vortoroča, 15. september 2018

*Handwritten signature and DSR logo*

📍 **Petra Trampuž**

*Kosobrin Award to Valuable Film  
Co-workers (2018)*

*Presented by the Directors Guild of Slovenia*

## 4. APPENDIX WITH NOTES TO THE FINANCIAL STATEMENTS (Article 41 of the CMCRRA)

### 4.1 Total amount of royalties (R) collected by the collective management organisation

Type of right	Type of use	Financial year	Amount of R (in EUR)
Copyright	Cable retransmission	2018	5,545,059

AIPA collected royalties from cable retransmission in 2018, which are normally harmonised with the growth of the index of consumer goods in January each year. It follows that in 2018 the tariff from Item II. of the Agreement between AIPA and the Association of Cable Operators amounted to 0.83 EUR per month for every active user (AUR), which can select among up to 50 TV programmes, and a further 0.01 EUR per month per AUR for every additional TV programme above 50 TV programmes in the programme scheme.

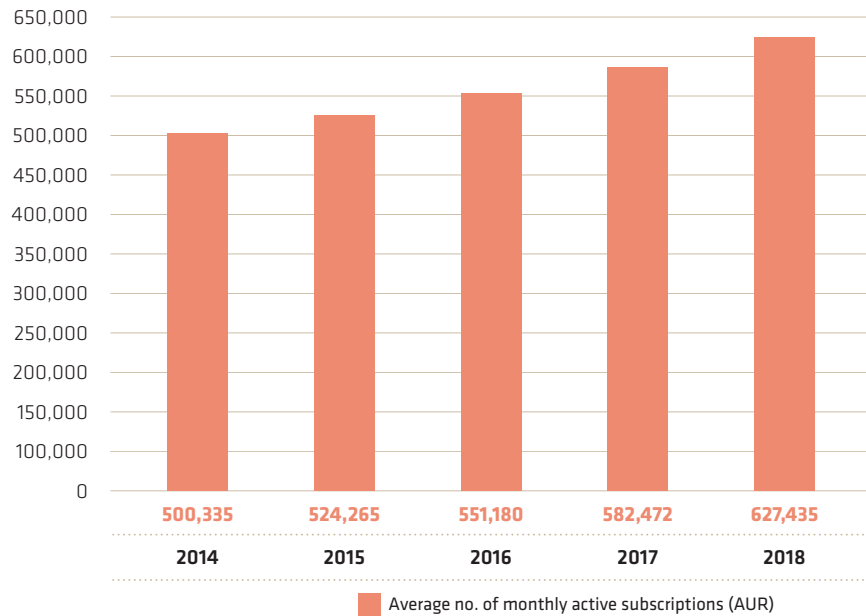
The revalorised tariff from Item III. of the aforementioned Agreement in 2018 amounted to 0.57 EUR per month per AUR, which allows the end-user to choose from up to 100 TV programmes, and 0.60 EUR per month per EUR, which allows the end-user to choose from more than 100 TV programmes.

In 2018, AIPA collected royalties from 44 cable operators for more than 640,000 individual subscribers, namely private homes, hotels, restaurants and bars, health care institutions etc.

AIPA estimates that the payment discipline in 2018 was satisfactory. All obligations were settled within the set deadlines.

The growth of the collected royalties was heavily influenced by a settlement with the company Telemach d.o.o. for its acquired system Total TV.



**Average no. of monthly active subscriptions (AUR) in the period 2014–18**

## 4.2 The amount of total costs of the collective management organisation and their percentage in relation to the total collected royalties (R)

Type of right	Type of use	Financial year	Amount of R (in EUR)	Total costs (in EUR)	Percentage of costs in relation to the total collected R
Copyright	Cable retransmission	2018	5,545,059	1,117,409	20.15

The total costs include the operating costs in the amount of 1,089,147 EUR (see Item 4.3) and the costs of the SCE funds in the amount of 28,262 EUR (see Item 4.4).

## 4.3 The amount of operating costs and their percentage in relation to the total collected royalties (R)

Type of right	Type of use	Financial year	Amount of R (in EUR)	Total operating costs (in EUR)	Percentage of operating costs in relation to the total collected R (in %)
Copyright	Cable retransmission	2018	5,545,059	1,089,147	19.64

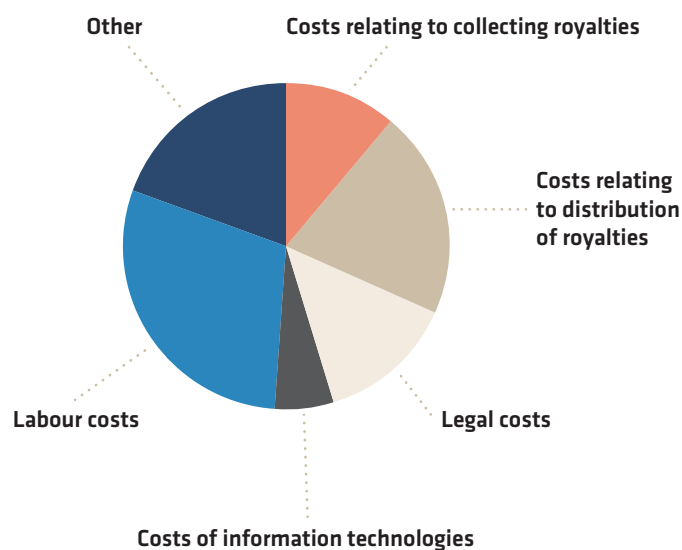
The table includes the operating costs excluding the costs of the SCE funds (see Item 4.4).

### Breakdown of costs by type:

Type of costs	in EUR	in %
Costs relating to collecting royalties	122,566	10.97
Costs relating to distribution of royalties	225,249	20.16
Legal costs	146,463	13.45
Costs of information technologies	65,259	5.84
Labour costs	318,937	29.28
Costs of outsourcing to contractors	0	0.00
Other operating costs of the collective management organisation	210,673	19.34
Total	1,089,147	100.00

The table includes the operating costs excluding the costs of the SCE funds (see Item 4.4).

### Breakdown of costs for 2018 by type:





Štigličev pogled Award for the Best Directing (2018)

🕒 **Rok Biček**

for Best Documentary Feature Film  
*Family*

Presented by the Directors Guild of  
Slovenia

🕒 **Matjaž Ivanišin**

for Best Documentary Feature  
Film *Playing Men*

Presented by the Directors Guild of  
Slovenia

🕒 **Karpo Godina**

for Lifetime Achievement

Presented by the Directors Guild  
of Slovenia



🕒 **Nerina T. Kocjančič**  
**(on behalf of Hanna Slak)**  
for Best Feature Film *The Miner*  
Presented by the Directors Guild of  
Slovenia

🕒 **Janez Burger**  
for Best Feature Film *Ivan*  
Presented by the Directors Guild of  
Slovenia

🕒 **Miha Knific**  
for Best Feature Film  
*Perseverance*  
Presented by the Directors Guild  
of Slovenia

## 4.4 The amount of costs relating to the SCE funds and their percentage in relation to the total collected royalties (R)

### Breakdown of costs by type:

Type of costs	in EUR	in %
Legal costs (preparing the internal acts and notices)	10,970	38.82
Costs of the work of commissions and the employees	17,292	61.18
Total	28,262	100.00

The percentage of the SCE funds costs in relation to the total collected royalties in 2018 amounted to 0.51 %.

## 4.5 Resources used to cover the costs of the collective management organisation

In the financial year 2018, AIPA covered its costs from royalties which are collected on the basis of its authorisation.

## 4.6 Distribution of royalties

In the financial year 2018, we made one distribution of royalties for cable retransmission of AV works in 2017.

In order to carry out the distribution, we took the total amount for distribution in the amount of 4,073,869 EUR (collected royalties and income from bank deposits) and deducted operating expenses in 2017 in the amount of 968,743 EUR, reservations for subsequent payments to unknown beneficiaries in the amount of 90,000 EUR, and the SCE funds in accordance with the General Assembly decision on 10 July 2018 in the amount of 300,000 EUR.

Financial year for which royalties have been collected	2017
Type of right	Copyright
Type of use	Cable retransmission
<b>Income after operating expenses</b>	<b>3,105,127 EUR</b>
Total amount allocated to SCE funds	300,000 EUR
Reservations for subsequent payments to unknown beneficiaries	90,000 EUR
<b>Total amount of royalties for distribution – cable retransmission of AV works in 2017</b>	<b>2,715,127 EUR</b>
Royalties for cinematographic films, television films, AV works for television 1, AV works for television 2, AV works for television 3 and other AV works	2,470,766 EUR
Royalties for short music videos	135,756 EUR
Royalties for advertising films	108,605 EUR
<b>Total amount allocated to right holders</b>	<b>1,541,349 EUR</b>
Total amount allocated to right holders – paid	292,783 EUR
Total amount allocated to right holders – not yet paid	1,248,566 EUR *
Total amount unallocated to right holders (includes royalties allocated based on the level of each co-author for each individual transmission of AV works and reservations for subsequent payments to unknown beneficiaries in the amount of 90,000 EUR)	<b>1,263,778 EUR</b>

\*the pay-outs will be executed in 2019 after the claims of foreign collective management organisations are processed

The detailed individual data used for allocating the royalties are available at <http://www.aipa.si>, on the tab "Obračuni", to all beneficiaries to whom the royalties were allocated.

## 4.7 The explanation of reasons as to why allocation and payment to the right holders were not carried out within the deadlines set out in Article 34 of the CMCRRA

AIPA performed the allocation and pay-out in the deadlines set out in Article 34 of the CMCRRA.

## 4.8 The amount of non-distributable amounts and an explanation of their use

In the financial year 2018, AIPA does not yet have any non-distributable amounts as defined in Paragraph 6 of Article 35 of the CMCRRA.

## 4.9 Explanation of the amount received and paid to other collective management organisations

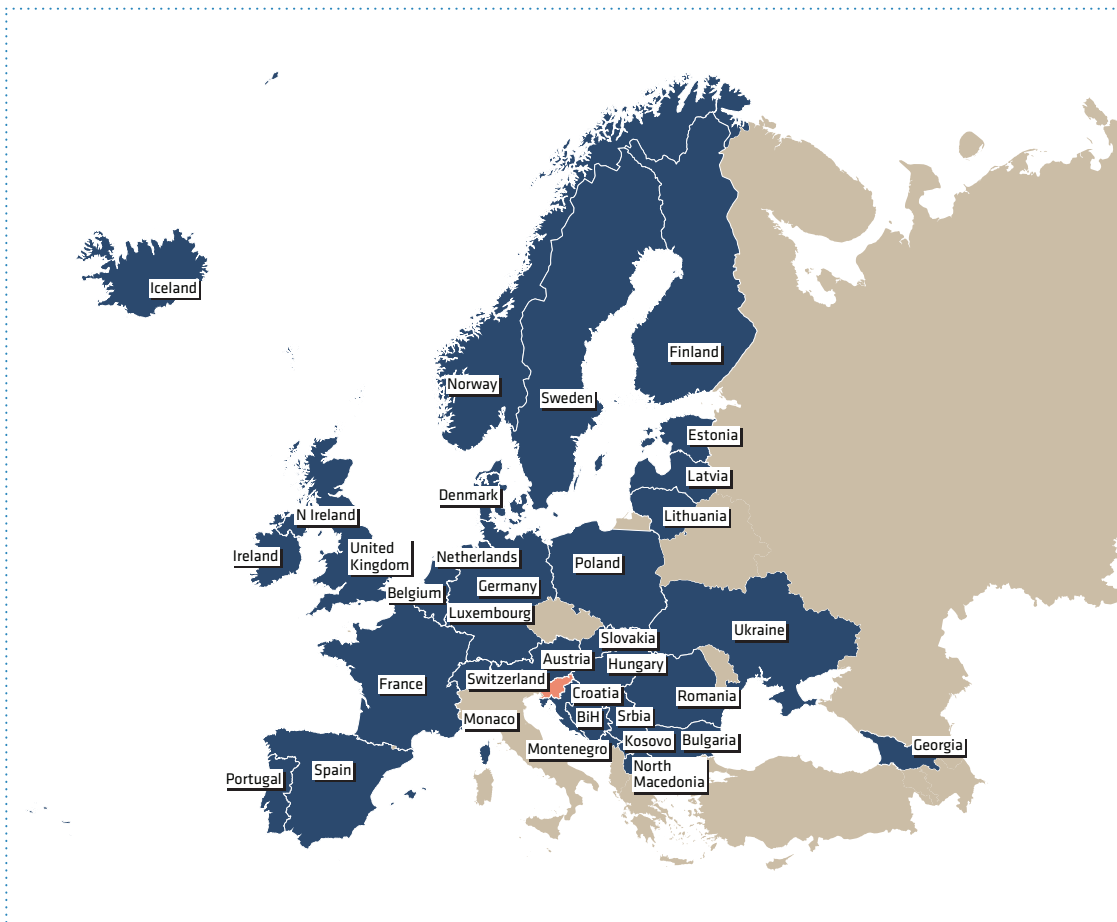
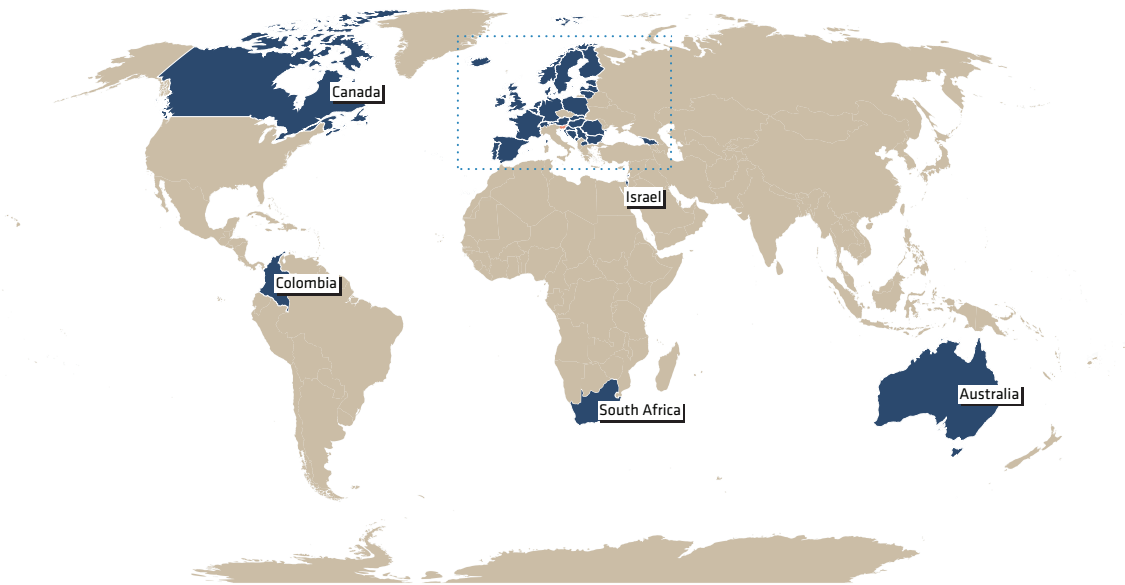
In the financial year 2018, we paid out the following royalties to other collective management organisations (CMOs):

Name of the CMO	Type of right	Type of use	Amount of royalties (in EUR)
VDFS (Austria)	Copyright	Cable retransmission	192
SACD (France)	Copyright	Cable retransmission	441
DHFR (Croatia)	Copyright	Cable retransmission	1,658
UFRBIH (Bosnia and Herzegovina)	Copyright	Cable retransmission	61

## 4.10 Explanation of the amount of operating costs charged to other collective management organisations

In the financial year 2018, AIPA did not charge any operating costs to other collective management organisations.

## Bilateral agreements





## 4.11 The amount of operating costs paid to other collective management organisations

In the financial year 2018, AIPA did not pay any operating costs to other collective management organisations.

## 4.12 The amount of royalties distributed directly to right holders arising from another collective management organisation (CMO)

In the financial year 2018, we received the following royalties from foreign collective management organisations on the basis of a bilateral agreement:

Name of the CMO	Amount of royalties (in EUR)
VG BILDKUNST (Germany)	1,742
SACD (France)	2,369
DHFR (Croatia)	131

## 4.13 All transactions with related parties

In 2018, AIPA did not have any transactions with related parties as defined in Item 5 of Article 3 of the CMCRRRA.

## 4.14 Average no. of employees in the financial year

This information is disclosed in the Notes to the Income Statement.

## 5. REPORT ON THE USE OF THE SCE FUNDS

In the financial year 2018, AIPA established the SCE funds according to the Rules on the SCE (Social, Cultural and artistic, Educational) funds, adopted at the General Assembly on 10 July 2018. At the same assembly, the amount of contributions from collected royalties in 2017 to be paid into individual SCE funds was also determined.

### Amount of contributions to the SCE funds

	in EUR
Cultural and artistic	100,000
Social	100,000
Educational	100,000

In the financial year 2018, AIPA had not yet paid out any of the SCE funds, however, it prepared notices for distribution from individual SCE funds according to the Rules on the SCE funds. The notices were published on 24 December 2018 at <http://www.aipa.si/si/Clani/Namenski-skladi>.

The costs related to the SCE funds (see Item 4.4) amounted to 28,262 EUR and were charged to the individual funds in 2018 as follows:

### Breakdown of costs according to the type of SCE fund

	in EUR
Cultural and artistic	9,421
Social	9,420
Educational	9,421

## 6. REPORT ON THE COOPERATION WITH EXTERNAL CONTRACTORS

In 2018, AIPA did not cooperate with any external contractors as defined in Article 17 of the CMCRR.

## 7. REPORT ON REFUSED LICENCES FOR THE USE OF COPYRIGHT WORKS FROM THE REPERTOIRE OF THE COLLECTIVE MANAGEMENT ORGANISATION

In 2018, AIPA did not refuse any licences for the use of copyright works from the repertoire of the collective management organisation.

## 8. COMPANY NAME AND ADDRESS OF RELATED PARTIES AND EXTERNAL CONTRACTORS

In 2018, AIPA did not work with any external contractors as defined in Article 17 of the CMCRRA and did not have any related parties.

## 9. EXPLANATION OF THE TOTAL AMOUNT OF PAYMENTS – MANAGEMENT AND SUPERVISORY BOARD

Total amount of payments received by the management from the collective management organisation in 2018:

in EUR

	Salary		Holiday allowance		Meals and transportation	Reimbursement of costs		
	Net	Gross	Net	Gross		Travel expenses*	Supplementary pension insurance	Other benefits
Management	57,993	111,583	575	843	1,777	4,417	0	0

\* Reimbursement of travel expenses includes reimbursement of kilometric and daily allowances.

Total amount of payments received by the members of the Supervisory Board from the collective management organisation in 2018:

in EUR

	Attendance fees		Travel expenses*	Reimbursement of costs	
	Net	Gross		Supplementary pension insurance	Other benefits
Supervisory Board	67,300	92,534	88	0	0

\* Reimbursement of travel expenses includes reimbursement of kilometric and daily allowances.

## 10. STATEMENTS OF CONFLICT OF INTEREST IN ACCORDANCE WITH ARTICLE 29 OF THE CMCRRA

## STATEMENT

### IN ACCORDANCE WITH ARTICLE 29 OF THE CMCRR

I, Gregor Štibernik, Za gasilskim domom 6A, 1290 Grosuplje,

as the managing director of the collective organisation – **Collecting Society of Authors, Performers and Film Producers of Audiovisual Works of Slovenia, k.o. (AIPA, k.o.)**, Dvorakova ulica 5, 1000 Ljubljana, registration number: 2346907000

hereby declare,

- that other than performing the function of the managing director of AIPA, k.o., I do not have any personal or other interests in AIPA, k.o. which would constitute a conflict in the exercise of my function as the managing director;
- that in the financial year 2018 I received from the collective organisation, including payments for supplementary pension insurance, and any other benefits in any form, the following receipts (in EUR):

Salary		Holiday bonus		Reimbursement of costs			
Net receipt	Gross	Net receipt	Gross	Meals and transportation	Travel costs*	Supplementary pension insurance	Other benefits
57,993	111,583	575	843	1,777	4,417	0	0

\*Reimbursement of travel costs includes reimbursement of kilometric and daily allowances.

- that I did not receive any funds from an external contractor;
- that in the financial year 2018 I received the following royalties from the collective organisation (in EUR):

Royalties	
Net	Gross
0	0

- that there is no actual or potential conflict between my personal interests and the interests of the collective organisation, or between any of my obligations to the collective organisation and the obligations towards any other entity or person.

Ljubljana, 29/3/2019

Signature: 

## STATEMENT

### IN ACCORDANCE WITH ARTICLE 29 OF THE CMCRR

I, Klemen Dvornik, Za gradom 6, 1000 Ljubljana,

as a president of the Supervisory Board of the collective organisation – **Collecting Society of Authors, Performers and Film Producers of Audiovisual Works of Slovenia, k.o. (AIPA, k.o.)**, Dvorakova ulica 5, 1000 Ljubljana, registration number: 2346907000

hereby declare,

- that other than performing the function of a president of the Supervisory Board of AIPA, k.o., I do not have any personal or other interests in the AIPA, k.o. which would constitute a conflict in the exercise of my function as a member of the Supervisory Board;
- that in the financial year 2018 I received from the collective organisation, including payments for supplementary pension insurance, and any other benefits in any form, the following receipts (in EUR):

As a member of SB		
Net	Gross	Travel expenses
13,200	18,149	88

- that I did not receive any funds from an external contractor;
- that in the financial year 2018 I received the following royalties from the collective organisation (in EUR):

Royalties	
Net	Gross
0	0

- that there is no actual or potential conflict between my personal interests and the interests of the collective organisation, or between any of my obligations to the collective organisation and the obligations towards any other entity or person.

Ljubljana, 19.3.2019

Signature: \_\_\_\_\_



## STATEMENT

### IN ACCORDANCE WITH ARTICLE 29 OF THE CMCRR

I, Matevž Luzar, Dolenja vas 16, 1410 Zagorje ob Savi,

as a member of the Supervisory Board of the collective organisation – **Collecting Society of Authors, Performers and Film Producers of Audiovisual Works of Slovenia, k.o. (AIPA, k.o.)**, Dvorakova ulica 5, 1000 Ljubljana, registration number: 2346907000

hereby declare,

- that other than performing the function of a member of the Supervisory Board of AIPA, k.o., I do not have any personal or other interests in AIPA, k.o. which would constitute a conflict in the exercise of my function as a member of the Supervisory Board;
- that in the financial year 2018 I received from the collective organisation, including payments for supplementary pension insurance, and any other benefits in any form, the following receipts (in EUR):

As a member of SB		
Net	Gross	Travel expenses
10,600	14,575	0

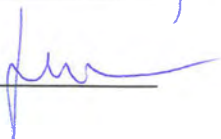
- that I did not receive any funds from an external contractor;
- that in the financial year 2018 I received the following royalties from the collective organisation (in EUR):

Royalties	
Net	Gross
0	0

- that there is no actual or potential conflict between my personal interests and the interests of the collective organisation, or between any of my obligations to the collective organisation and the obligations towards any other entity or person.

Ljubljana, 15.3.2019

Signature: \_\_\_\_\_





**STATEMENT**  
**IN ACCORDANCE WITH ARTICLE 29 OF THE CMCRR**

I, Katarina Čas, Rožna dolina Cesta XV/20, 1000 Ljubljana,

as a member of the Supervisory Board of the collective organisation – **Collecting Society of Authors, Performers and Film Producers of Audiovisual Works of Slovenia, k.o. (AIPA, k.o.)**, Dvorakova ulica 5, 1000 Ljubljana, registration number: 2346907000

hereby declare,

- that other than performing the function of a member of the Supervisory Board of AIPA, k.o., I do not have any personal or other interests in AIPA, k.o. which would constitute a conflict in the exercise of my function as a member of the Supervisory Board;
- that in the financial year 2018 I received from the collective organisation, including payments for supplementary pension insurance, and any other benefits in any form, the following receipts (in EUR):

As a member of SB		
Net	Gross	Travel expenses
10,300	14,162	0

- that I did not receive any funds from an external contractor;
- that in the financial year 2018 I received the following royalties from the collective organisation (in EUR):

Royalties	
Net	Gross
0	0

- that there is no actual or potential conflict between my personal interests and the interests of the collective organisation, or between any of my obligations to the collective organisation and the obligations towards any other entity or person.

Ljubljana, 19.3.2019 ✓

Signature: Katarina Čas

## STATEMENT

### IN ACCORDANCE WITH ARTICLE 29 OF THE CMCRRRA

I, Ludvik Bagari, Dalmatinova 2, 1000 Ljubljana,

as a member of the Supervisory Board of the collective organisation – **Collecting Society of Authors, Performers and Film Producers of Audiovisual Works of Slovenia, k.o. (AIPA, k.o.)**, Dvorakova ulica 5, 1000 Ljubljana, registration number: 2346907000

hereby declare,

- that other than performing the function of a member of the Supervisory Board of AIPA, k.o., I do not have any personal or other interests in AIPA, k.o. which would constitute a conflict in the exercise of my function as a member of the Supervisory Board;
- that in the financial year 2018 I received from the collective organisation, including payments for supplementary pension insurance, and any other benefits in any form, the following receipts (in EUR):

As a member of SB		
Net	Gross	Travel expenses
12,000	16,499	0

- that I did not receive any funds from an external contractor;
- that in the financial year 2018 I received the following royalties from the collective organisation (in EUR):

Royalties	
Net	Gross
0	0

- that there is no actual or potential conflict between my personal interests and the interests of the collective organisation, or between any of my obligations to the collective organisation and the obligations towards any other entity or person.

Ljubljana, 13.3.2018

Signature: 

## STATEMENT

### IN ACCORDANCE WITH ARTICLE 29 OF THE CMCRR

I, Danijel Hočevar, Vogelna ulica 10, 1000 Ljubljana,

as a member of the Supervisory Board of the collective organisation – **Collecting Society of Authors, Performers and Film Producers of Audiovisual Works of Slovenia, k.o. (AIPA, k.o.)**, Dvorakova ulica 5, 1000 Ljubljana, registration number: 2346907000

hereby declare,

- that other than performing the function of a member of the Supervisory Board of AIPA, k.o., I do not have any personal or other interests in the AIPA, k.o. which would constitute a conflict in the exercise of my function as a member of the Supervisory Board;
- that in the financial year 2018 I received from the collective organisation, including payments for supplementary pension insurance, and any other benefits in any form, the following receipts (in EUR):

As a member of SB		
Net	Gross	Travel expenses
10,400	14,300	0

- that I did not receive any funds from an external contractor;
- that in the financial year 2018 I received the following royalties from the collective organisation (in EUR):

Royalties	
Net	Gross
0	0

- that there is no actual or potential conflict between my personal interests and the interests of the collective organisation, or between any of my obligations to the collective organisation and the obligations towards any other entity or person.

Ljubljana, 15.3.2019

Signature: 

**STATEMENT**  
**IN ACCORDANCE WITH ARTICLE 29 OF THE CMCRR**

I, Peter Bratuša, Celovška cesta 103, 1000 Ljubljana,

as a member of the Supervisory Board of the collective organisation – **Collecting Society of Authors, Performers and Film Producers of Audiovisual Works of Slovenia, k.o. (AIPA, k.o.)**, Dvorakova ulica 5, 1000 Ljubljana, registration number: 2346907000

hereby declare,

- that other than performing the function of a member of the Supervisory Board of AIPA, k.o., I do not have any personal or other interests in AIPA, k.o. which would constitute a conflict in the exercise of my function as a member of the Supervisory Board;
- that in the financial year 2018 I received from the collective organisation, including payments for supplementary pension insurance, and any other benefits in any form, the following receipts (in EUR):

As a member of SB		
Net	Gross	Travel expenses
10,800	14,849	0

- that I did not receive any funds from an external contractor;
- that in the financial year 2018 I received the following royalties from the collective organisation (in EUR):

Royalties	
Net	Gross
0	0

- that there is no actual or potential conflict between my personal interests and the interests of the collective organisation, or between any of my obligations to the collective organisation and the obligations towards any other entity or person.

Ljubljana, 19.3.2019

Signature: \_\_\_\_\_



# 11. TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT

## **INDEPENDENT AUDITOR'S REPORT to the founders of the organization AIPA, k.o.**

### **Opinion**

We have audited the financial statements of the organization AIPA, k.o. (hereinafter 'the Organization'), which comprise the balance sheet as at 31 December 2018, and the income statement, and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at 31 December 2018, and its financial performance and cash flow statement for the year then ended in accordance with Slovene accounting standards (hereinafter 'SRS').

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other ethical requirements that are relevant to our audit of the financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Other information**

Management is responsible for the other information. The other information comprises the business report which is integral part of Annual report, but they do not include financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, assess whether the other information is materially inconsistent with the financial statements, legal requirements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work performed we conclude that other information include material misstatement we need to report such circumstances. In relation to this and based on our procedures performed, we report that:

- Other information are, in all material respects, consistent with the financial statements;
- Other information are prepared in compliance with applicable law or regulation; and
- Based on our knowledge and understanding of the Organization and its environment obtained in the audit, we did not identify any material misstatement of fact related to the other information.

Ime Deloitte se nanaša na Deloitte Touche Tohmatsu Limited, pravno osebo, ustanovljeno v skladu z zakonodajo Združenega kraljestva Velike Britanije in Severne Irske (v izvorniku »UK private company limited by guarantee«), in mrežo njenih članic, od katerih je vsaka ločena in samostojna pravna oseba. Podroben opis pravne organiziranosti združenja Deloitte Touche Tohmatsu Limited in njenih družb članic je na voljo na <http://www.deloitte.com/si>.

V Sloveniji storitve zagotavlja Deloitte revizija d.o.o. in Deloitte svetovanje d.o.o. (pod skupnim imenom Deloitte Slovenija), ki sta članici Deloitte Central Europe Holdings Limited. Deloitte Slovenija sodi med vodilne družbe za strokovne storitve v Sloveniji, ki nudi storitve revizije, davčnega, poslovnega, finančnega in pravnega svetovanja ter svetovanja na področju tveganj, ki jih zagotavlja več kot 100 domačih in tujih strokovnjakov.

Deloitte revizija d.o.o. - Družba vpisana pri Okrožnem sodišču v Ljubljani - Matična številka: 1647105 - ID št. za DDV: SI62560085 - Osnovni kapital: 74.214,30 EUR.

## **Responsibilities of Management and Supervisory board for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with SRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Organization, management is responsible for assessing its ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so

Supervisory board is responsible for overseeing the Organization's financial reporting process and for approving audited annual report.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing rules will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing rules, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

With Supervisory board we communicate the planned scope and timing of the audit and significant findings from the audit, including deficiencies in internal control we have identified during our audit.

DELOITTE REVIZIJA d.o.o.

Aleš Grm  
Certified auditor

*For signature please refer to the original Slovenian version.*

**Deloitte.**  
DELOITTE REVIZIJA D.O.O.  
Ljubljana, Slovenija 3

Ljubljana, 10 May 2019

**TRANSLATION ONLY, SLOVENE ORIGINAL PREVAILS**



## 12. REPORT OF THE SUPERVISORY BOARD ON REVIEWING THE ANNUAL REPORT

The Supervisory Board of AIPA hereby reports on reviewing the Annual Report of AIPA for the financial year 2018 according to Paragraph 6 of Article 40 of the CMCRR.

At its session on 14 May 2019 the Supervisory Board reviewed the audited version of the Annual Report of AIPA for the financial year 2018.

The Supervisory Board determined that the annual report has been prepared before the legal deadline and submitted to the chosen auditor. The audit was performed by the audit firm Deloitte Revizija d.o.o., which gave a favourable opinion on 10 May 2019.

Upon careful inspection, the Supervisory Board has determined that the Annual Report of AIPA for the financial year 2018 has been prepared clearly and transparently and that it gives a true and fair view of the financial position of AIPA and the results of its operations in the year 2018.

According to the above conclusions, the Supervisory Board has no objections to the Annual Report of AIPA for the financial year 2018.

The Supervisory Board confirms the audited Annual Report of AIPA for the financial year 2018.

In Ljubljana on 31 May 2019

Klemen Dvornik,  
*President of the Supervisory Board of AIPA*







**AIPA Annual Report 2018**

Ljubljana, May 2019

Publisher: AIPA, k.o.

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