



ANNUAL REPORT 2021

**AIPA**  
ANNUAL REPORT 2021

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Q GL. STIKALO

Q1 FIA STIKALO

1 ZASILNA ✓

2 LUC PREDPROSTOR

3 LUC SEJNA SOBA

4 LUC PISARNA DIA

5 LUC HODNIK ✓

6 LUC LUC ✓

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7 KLIMA ✓

8 KLIMA ✓

9 KLIMA ✓

10 KLIMA ✓

11 4 PREDPROSTOR ✓

12 4 PISARNA 1X T.D

13 4 PISARNA 2X T.D

14 4 TU SEJ. SOBA ✓

15 4 PISARNA T. D DIA

16 4 HODNIK ✓

17 4 KOMU. OMBRA ✓

18 4 FULT ✓

19 PMS ✓

20 MIKROVALOURA ✓

21 HLADILNIK ✓

22 STEDILNIK ✓

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# 1. LETTER FROM THE MANAGING DIRECTOR

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We will remember 2021 especially because of two “series”, namely the pandemic and the process of the implementation of the EU directives <sup>1</sup> into our legal system.

The catastrophically bad financial and social position of performers and other creators in the audiovisual sector, caused by COVID-19 pandemic, was also brought to the attention of the European legislators by actors Katarina Čas and Sebastian Cavazza, as ambassadors of the #PayPerformers campaign, and by Klemen Dvornik, as the chairman of the executive committee of FERA. Too many have lost practically all engagements and been forced to live off savings and various types of assistance. On the other hand, internet platforms using audiovisual works have been used during the lockdowns en masse, registering record-high viewership and forging record-high profits.

Abiding by its mission and social responsibility, AIPA posted multiple notices for the distribution of SCE funds in February, November and December as well as the extraordinary funds provided for in PKP7 (*Act Determining the Intervention Measures to Mitigate the Consequences of the Second Wave of COVID-19 Epidemic*) in May and August. In this way, to the best of its ability, AIPA helped its members through the hardest times.

The circumstances could have been entirely different had the legislators implemented the EU directives on time. AIPA has prepared the “Manual for the implementation of the Directive on copyright and related rights in

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<sup>1</sup> The Directive (EU) 2019/790 on copyright and related rights in the Digital Single Market (so-called Copyright 1 directive) and the Directive (EU) 2019/789 laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes (so-called SatCab 2 directive).



the Digital Single Market”,<sup>2</sup> which clearly sets out how the copyright system (particularly collective management) should be organised in the audiovisual sector. The result would be more remuneration for all, particularly resident creators. With appropriate implementation, Slovenia could have finally properly organised the audiovisual sector, which, in contrast to the music and literary sectors, has been neglected (since 1995).

The deadline expired on 7 June 2021. At that time, the legislation proposals (Copyright and Related Rights Act – CRRA and Collective Management of Copyright and Related Rights Act – CMCRRA) were still in the phase of public debate. The European Commission had first warned about this delay and subsequently (in August) opened a procedure against Slovenia and 22 other EU members. The European umbrella organisations representing actors, co-authors and producers, as well as national associations from the audiovisual sector, warned that the implementation procedure was too slow. These warnings had a clear common denominator: the need for an appropriate transposition of Article 18 of the Copyright Directive.

For audiovisual creators, there is only one goal: to implement the unwaivable and inalienable rights to remuneration for performers and co-authors and to define as many producers’ rights as possible in a way that they can be managed through collective management organisations if the producers so wish (collective licencing with an extended effect).

Since there was no public debate regarding the implementation in the second half of the year, the stakeholders and members of the expert public turned this delay into an opportunity for the legislator to look carefully into how other

countries have dealt with the implementation (Germany, Netherlands, France) and to review the successful system of management of audiovisual rights in Poland and Spain.

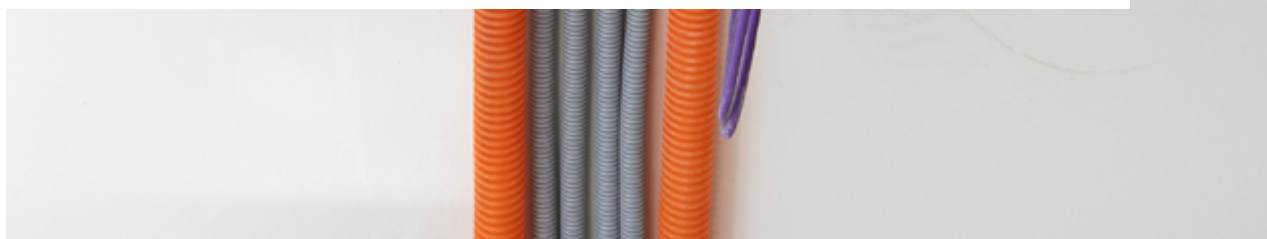
We will also remember 2021 due to two of our own achievements. The first is a new event: the Orion Award Ceremony, with which we wish to bring the importance and role of audiovisual creators to the attention of the general public. And the second is exceeding the financial plan of 6 million EUR in collections. The major part of this growth is due to the successful operations of Društvo Kopriva, k.o., which collects private copying remuneration in the name and for the account of actors, co-authors and producers of audiovisual works.

Business success brings us back to the implementation of the EU directives, the tasks of the decision-makers, the role of the expert public and a cooperative and inclusive public debate. It is time for Slovenia to recognise the audiovisual sector as a constituent part of the national economy, turned towards the future, and to set up a system that will be most beneficial to the right holders when seen through the prism of collective management.

AIPA’s path is clear: to be an active part in realising the expectations of the over 1,000 right holders joined in AIPA, which are expressed in the aforementioned proposals of legislative improvements, and to help build a social and business environment in which creators are adequately and fairly rewarded for their accomplishments.

Gregor Štibernik

<sup>2</sup> The manual was published on 26 April 2021 in a special edition of *Megafon: Več za vse, več za domače!, posebna izdaja Megafona. May 2021*. available online at <https://aipa.si/sl/Dokumenti/Publikacije>.



## 2. BASIC INFORMATION ON AIPA ORGANISATION

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### 2.1 THE ORGANISATIONAL STRUCTURE AND MANNER OF MANAGING AND SUPERVISING THE COLLECTIVE MANAGEMENT ORGANISATION



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**AIPA, K. O.**  
COLLECTING SOCIETY OF AUTHORS,  
PERFORMERS AND FILM PRODUCERS OF  
AUDIOVISUAL WORKS OF SLOVENIA, K.O.

On the basis of the Copyright and Related Rights Act, the Slovenian Intellectual Property Office (SIPO) granted AIPA, k.o. the **Licence No. 31227-1/2008-129** dated on 11 October 2010.

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Established on  
**22 June 2007**

Entered into the Court Registry  
**31 December 2007**

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**AIPA, k. o.**

Seat: **Ljubljana**

Business address:  
**Dvořakova ulica 5, Ljubljana**

Registration No.: **2346907000**

Tax ID: **SI93521812**

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STANDARD CLASSIFICATION  
OF ACTIVITIES

**94.990**

activities of otherwise  
unclassified membership  
organisations

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## THE MAIN GOAL AND ACTIVITY

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**the collective management and protection of rights** of co-authors, performers and producers of audiovisual works

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## AIPA COLLECTIVELY MANAGES THE FOLLOWING RIGHTS FOR:

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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:**

- a the right to equitable remuneration for making sound or visual fixations of audiovisual works done within the scope of private or other internal use
  - b the right of broadcasting retransmission in case of cable retransmission of audiovisual works
- 

2. **performers whose performances are used in audiovisual works:** the right to equitable remuneration for making sound or visual fixations of their performances in audiovisual works done within the scope of private or other internal use

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3. **film producers:**

the right to equitable remuneration for making sound or visual fixations of audiovisual works on videograms done within the scope of private or other internal use

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## AIPA'S TASKS

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grants permission for the use of works from the repertoire of protected works under similar conditions for similar types of use

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informs users about tariffs and enters into agreements with them as to the conditions of use for protected works

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enters into agreements with international collective organisations

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publishes tariffs for payment of remunerations

---

oversees the use of works from the repertoire

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collects remuneration payments

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disburses the collected funds to right holders in accordance with the previously determined rules of disbursement

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enters into contracts for the management of copyright and related rights with co-authors of AV works, performers whose performances have been used in AV works, and film producers

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defends copyright and related rights of AV works in courts of law and other state agencies, whereby it must report on the enforcement of such rights to the right holders

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## THE MANAGEMENT BODIES OF AIPA



Members of the Supervisory Board, from left to right: Danijel Hočevar, Ludvik Bagari, Katarina Čas, Tina Smrekar, Klemen Dvornik, Matevž Luzar





Ort 64-237  
SUTTA - SILE  
PIERA - SPASICA 3

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85

117  
22

70

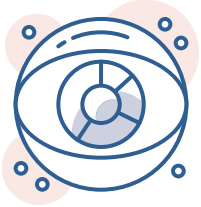
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130

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250

## 2.2 THE MANAGEMENT MODEL OF THE COLLECTIVE MANAGEMENT



### VISION

the most effective organisation in the region

a driving force in unifying regional organisations

setting up a shared regional office for processing data



### VALUES

respect for the rule of law

legality of business operations

operational transparency

cost-effective management

open-minded thinking

fairness

commitment



### MISSION

to pay remunerations to the highest number of right holders in the most timely and cost-effective manner after the end of the financial year

### Vision

As the most successful collective management organisation in Slovenia, we will enhance our international, particularly regional, role with innovative business-organisational development projects managed in a cooperative and inclusive spirit. We will grow into a regional administrative-technical provider for specific collective management services and a driving force of modern collective management on audiovisual rights in the region and beyond.

### Mission statement

AIPA ensures excellence in business and the effective management of rights. By continually implementing new knowledge, we develop and optimise our working processes, designed

explicitly for the benefit of right holders. Cooperating with the membership and the local and international audiovisual community, we strive for the wholesome organisation of the audiovisual sector and the implementation of a system that will be most beneficial to the right holders when looked through the prism of collective management.

### Business model

AIPA is the only Slovenian collective management organisation of audiovisual creators authorised to collect and distribute remuneration for the use of protected audiovisual works in the name and the account of the right holders. It distributes, specifies and pays out the entitled remuneration in the shortest possible time after the end of the financial year.

Our business model is founded on European *acquis*, implemented into the national legislation. We follow the main goals of AIPA according to the strategic guidelines, plans and decisions of our members, i.e. the General Assembly, which are:

- ensuring a transparent system based on equality and the right of all members to participate in decision-making;
- managing optimal relationships with users and effectively collecting remuneration;
- precise analysis of data;
- caring for the interests of the right holders and paying out the due remuneration for the use of their works.

As employees, we respect the legislation and ensure the legality of business operations and are guided by open-minded thinking, respect and inclusivity towards all stakeholders, fairness, dedication and commitment. We wish to share these values within our organisation, with every one of our members, as well as outwardly, in our business partnerships, since they are a constituent part of our social responsibility.

### **Social responsibility**

AIPA is not just a “counter at a bank”. We are more than just an intermediary between users and right holders. As a collective management organisation, we are especially aware of how interrelated and enveloping the fundamental social responsibility principles are.

Care for employees starts with ensuring an enticing working environment, i.e., ethical, fair and equality-based relationships, as well as modern equipment and tools. Since we have only one basic goal – the excellent and timely execution of work tasks – we have implemented the possibility of teleworking and flexible

office hours. We are constantly educating and developing our knowledge in fruitful cooperation with experts and institutions working in IT, (copyright) law, and management, enabling AIPA permanent innovative development, also internationally. We share and exchange novelties with our business partners and, above all, with our membership since we can only develop and realise AIPA’s long-term goals with quality, expert-based relationships.

Since we wish to build a cooperative social (and political) environment and an inclusive, wider audiovisual community, we give a lot of attention to education. Alongside the expert meetings and events that we either (co-)organise or participate in as experts, we also build the confidence of the audiovisual creators with events such as the Orion Award Ceremony. We also effectively use our website, social media and publications. (For more, see 2.3.)

A working system of SCE funds is of particular importance to the membership. Among all the collective management organisations in Slovenia, AIPA has the most developed system of distributing social, educational, cultural and artistic funds to the right holder members. Thanks to a transparent and inventive mechanism, in which our members play a key role, a substantial part of the funds finds its way to those who need them most. (For more, see 5.)

## 2.3 REPORT ON EXECUTED ACTIVITIES IN THE FINANCIAL YEAR

### Extraordinary assistance to right holders - PKP7

Based on Article 67 of *the Act Determining the Intervention Measures to Mitigate the Consequences of the Second Wave of COVID-19 Epidemic* (PKP7), effective 31 December 2020, AIPA prepared the relevant rules and put out a notice to right holders in May and August to submit the request for extraordinary assistance under PKP7. (For more, see 6.)

### Implementation of the EU directives<sup>3</sup>

Jointly with the company Deloitte Slovenia, AIPA intensely cooperated in preparing the proposal for the implementation of the EU directives, which bring many changes into the EU acquis as well as the legislation of its members. Of particular importance, not only in Slovenia, are:

- a clear obligation for users who use the direct injection of their signal into the cable system to pay remuneration,
- the unwaivable of copyright, performance and production rights and the obligation for them to receive equitable and proportional remuneration for the use of audiovisual works and videograms,
- provisions defining the obligations of internet platforms for the use of copyright works,
- introduction of collective licencing with extended effect, and
- obligation of users for transparent reporting on their income from using copyright works.

### MARCH

Round table: Only collective management can ensure an appropriate level of rights  
SAA and AEPO-ARTIS organised an international internet conference on what collective management organisations do and why they are important for co-authors and performers. AIPA's managing director, Gregor Štibernik, moderated the round table.

### APRIL/MAY



Megafon: More for all, more for locals!<sup>4</sup>

A special edition of Megafon presented the manual for implementing both EU directives with an emphasis on the audiovisual sector. It was prepared by all major national representatives of the audiovisual sector in cooperation with Deloitte Slovenia.

### AUGUST

Press conference: The implementation of directives

The forum FOKUS organised a live debate (also streamed online) due to the delay in

<sup>3</sup> The Directive (EU) 2019/790 on copyright and related rights in the Digital Single Market (so-called Copyright 1 directive) and the Directive (EU) 2019/789 laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes (so-called SatCab 2 directive).

<sup>4</sup> *Več za vse, več za domače!* - posebna izdaja, Megafon, May 2021, <https://aipa.si/sl/Dokumenti/Publikacije>.

implementing the directives into Slovenian legislation and due to the lack of any kind of expert public debate. The speakers were Boštjan Dermol (member of KUD Zlata piščal, member of the Supervisory Board of IPF, k.o.), Brane Završan (member of the Management Board of DSI), Nikola Sekulović (managing director of Društvo Kopriva, k. o.) and Gregor Štibernik (managing director of AIPA and a member of the Management Boards of SAA, SCAPR and AEPO-ARTIS).

## SEPTEMBER

Consultation on copyright and related rights in the National Council of the Republic of Slovenia

The consultation, organised by the National Council and the Copyright Law Institute, was attended by experts in copyright law. Among other topics, they discussed the meaning of the implementation delay and how the directives should be implemented if we wish to follow their main goal – protecting rights in the digital environment.

## OCTOBER

Consultation: A welcome delay

As one of the accompanying events of the Festival of Slovenian Film, AIPA organised a consultation regarding the amendment process of two acts, which are the foundation for material rights from the exploitation of audiovisual works. It was moderated by Peter Kep, head of administrative services at AIPA. The speakers were Brane Završan (member of the Management Board of DSI), Klemen Dvornik (president of the Supervisory Boards of AIPA and ZDSFU), Danijel Hočevar (FPS) and Gregor Štibernik (managing director of AIPA and a board member of SAA, SCAPR and AEPO-ARTIS).

## DECEMBER

Round table: Opportunities for a fresh start

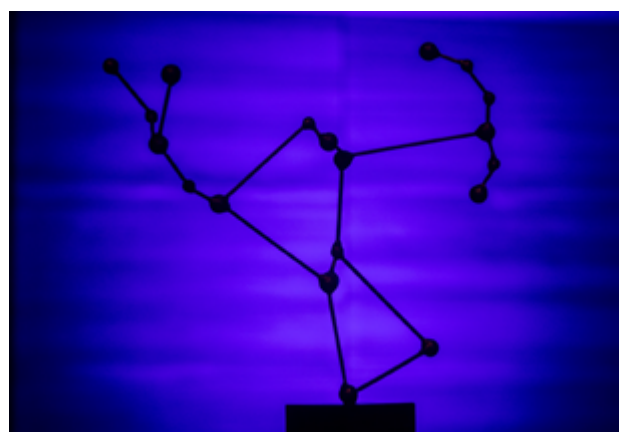
The topics were the position of the audiovisual industry in Slovenia, the leverages needed for it to become more competitive and sustainable

and the mechanisms successfully used in neighbouring countries. The speakers were Nika Gričar (SFC), Robert Kordić (CMS Slovenija), Danijel Hočevar (FPS), Hrvoje Hribar (FERA), Urban Tarman (moderator).



Megafon: Directives here and now<sup>5</sup>

In a special edition of Megafon, we collected materials from internationally renowned experts from the consultation held in the National Council in September. The topic was the implementation of the EU directives into our legislation and other necessary amendments to the Slovenian copyright laws, which should be included in the amendments of the CRRA and the CMCRRRA.



Orion<sup>6</sup>

We have established an annual event as one of our social responsibility projects – the

<sup>5</sup> *Direktivi tu in zdaj, Megafon*, December 2021, <https://aipa.si/sl/Dokumenti/Publikacije>.

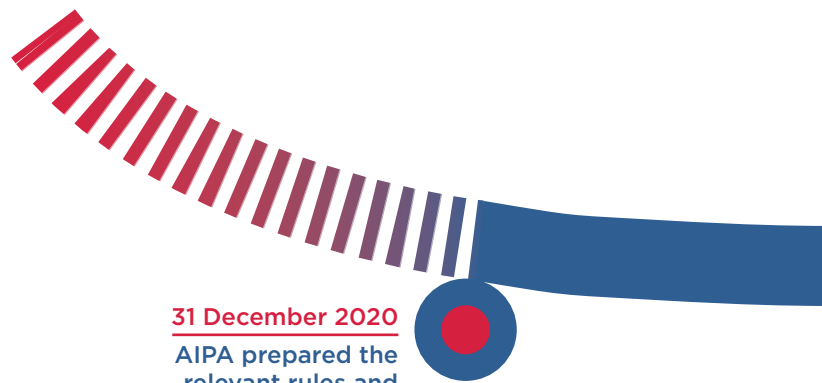
<sup>6</sup> <https://aipa.si/sl/Novice/2021/Julij/Nagrada-orion>.

Orion Award Ceremony. It is meant to raise awareness of the role and importance of national audiovisual creators. The awards are given out for the previous year: the Stars of Orion to local audiovisual works, which have the highest viewership ratings on cable, the Brightest Star for Acting, and Butnskala for daring authorship and original creativity.

The viewership data shows that local audiovisual works are very popular: 10 of them are among the 50 most viewed, 3 of them are among the 5 most viewed. The most viewed work is also local.

### Expansion of the premises

In line with our vision, AIPA must continue growing its role in the region and the EU. At the same time, it must also actively co-create the national audiovisual sector as a socially responsible company. In the next few years, we expect an increase in the scope of work, particularly the future development and optimisation of the collective management system and strengthening the presence of AIPA in international organisations. All of the above has led us to lease additional offices.



**31 December 2020**  
AIPA prepared the relevant rules and put out a notice to right holders



### Expansion of the media presence

An important part of social responsibility is the transparent and timely informing of the membership, the wider audiovisual community and its stakeholders. Therefore, in addition to classically printed publications, the website and e-mail, we have added profiles on the following social networks: Facebook (@zavod.aipa), Instagram (@aipa\_ko) and LinkedIn (AIPA, k.o.). Thus, we have built another, for some, easier way of addressing various issues. At the same time, social networks have proven to be a good means of informing the wider community of the news and various content that partner and umbrella organisations in Europe and the world are also currently communicating.

Implementation of the EU directives

March

Round table:  
Only collective  
management can ensure an  
appropriate level of rights

April/May

Megafon:  
More for all,  
more for locals!

AIPA on social networks

8 July 2021

Orion Award  
Ceremony

August

Press conference:  
The implementation of directives

September

Consultation on  
copyright and  
related rights in the  
National Council of  
the Republic of  
Slovenia

October

Consultation:  
A welcome delay

leasing additional offices

December

Megafon:  
Directives  
here and now

December

Round table:  
Opportunities for a  
fresh start



## 2.4 REVENUE AND COSTS

**Revenue in 2021** (in EUR)

6,100,118

The right of rebroadcasting  
in case of cable retransmission  
of AV works (CR)

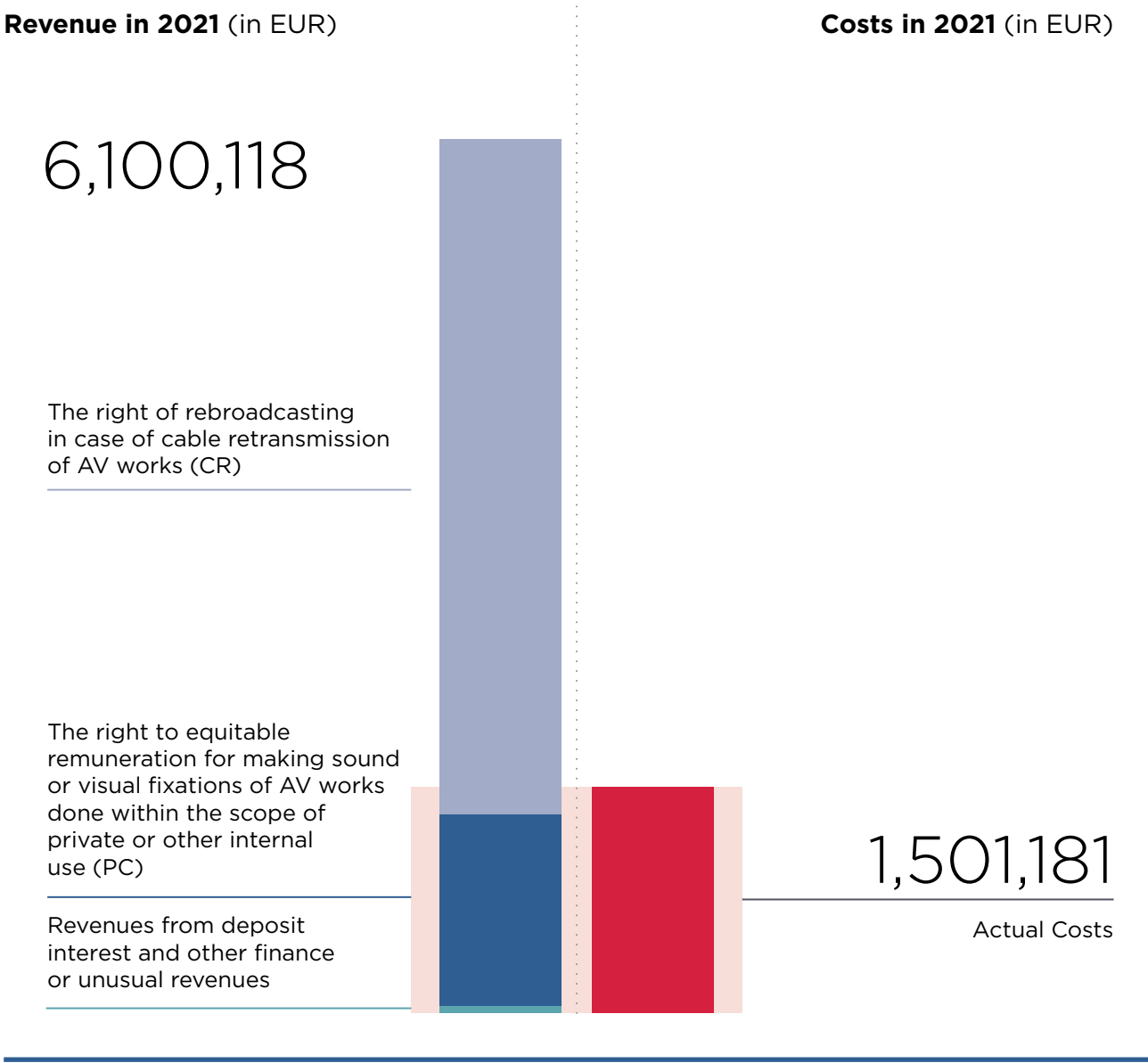
The right to equitable  
remuneration for making sound  
or visual fixations of AV works  
done within the scope of  
private or other internal  
use (PC)

Revenues from deposit  
interest and other finance  
or unusual revenues

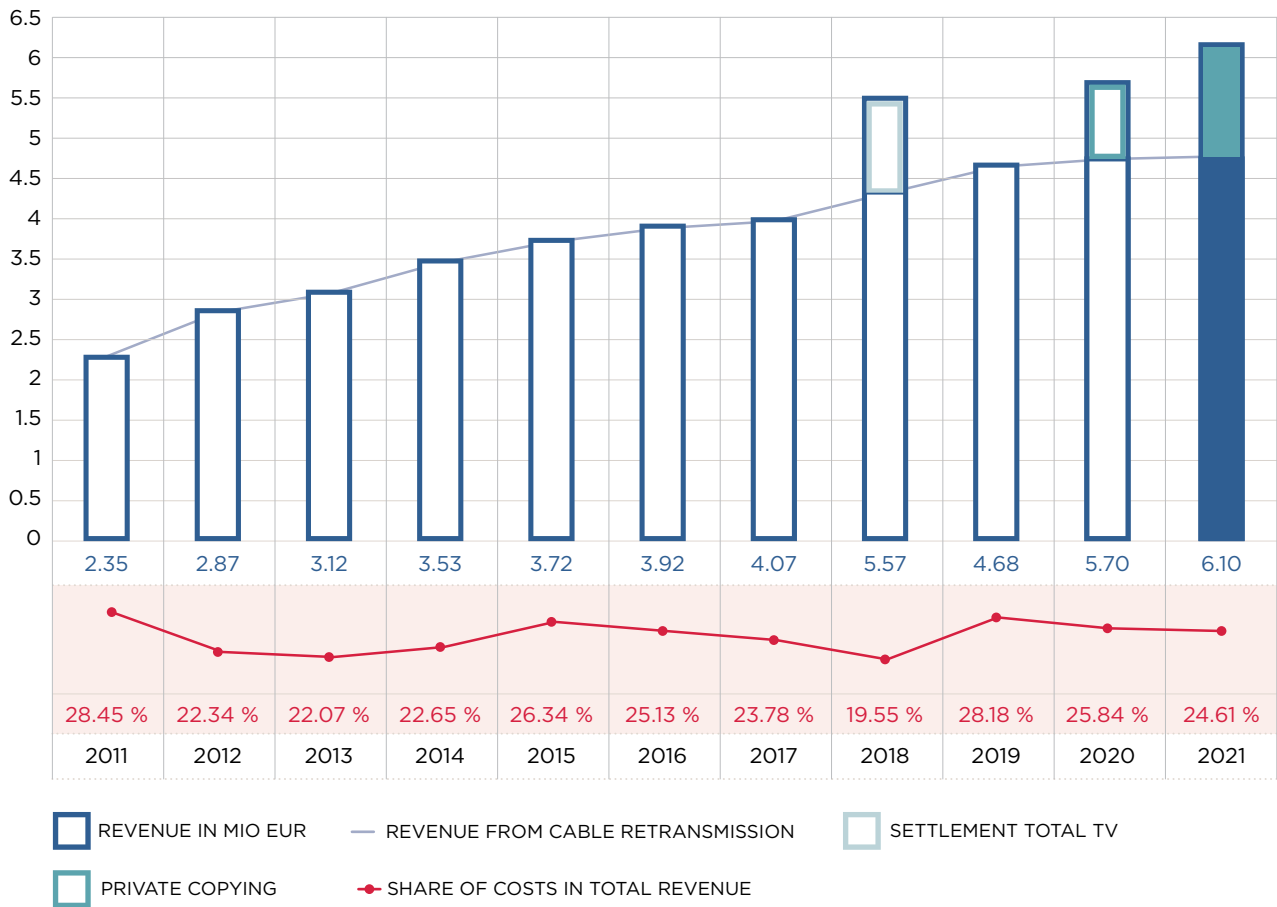
**Costs in 2021** (in EUR)

1,501,181

Actual Costs



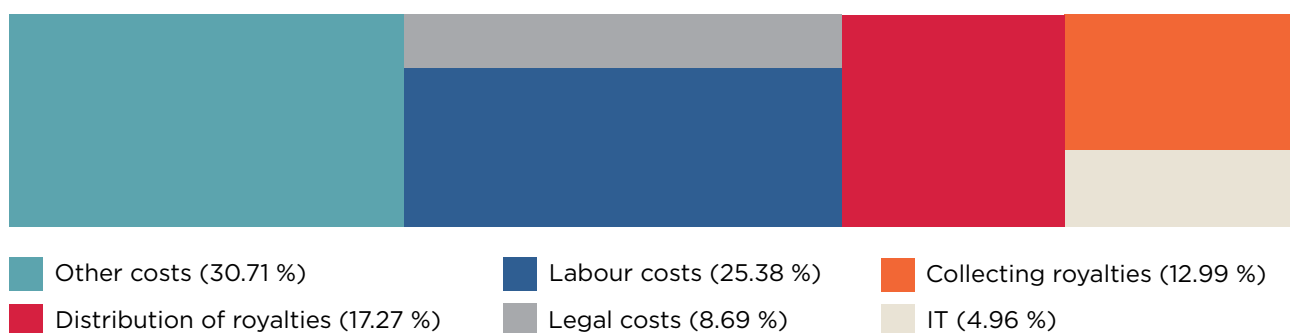
**Total revenue and the share of costs in total revenue in the period from 2011-2021**



## Costs breakdown for 2021 according to the Collective Management of Copyright and Related Rights Act

Type of right					in EUR	in %
	The right to rebroadcasting in the case of cable retransmission of AV works	The right to equitable remuneration for making sound or visual fixations of AV works done within the scope of private or other internal use				
Type of use/cost	CR	PC Co-authors	PC Performers	PC Film producers		
Costs related to collecting royalties	165,754	9,739	9,739	9,739	194,971	12.99
Costs relating to distribution of royalties	215,348	14,599	17,625	11,688	259,260	17.27
Legal costs	121,890	2,841	2,841	2,841	130,413	8.69
Costs of (IT) technologies	63,350	3,727	3,727	3,726	74,530	4.96
Labour costs	323,816	19,048	19,048	19,048	380,960	25.38
Costs of outsourcing to contractors	0	0	0	0	0	0.00
Other operating costs of the CMO	407,235	17,938	17,938	17,936	461,047	30.71
Total	1,297,393	67,892	70,918	64,978	1,501,181	100.00

### Business costs by type in 2021



## 3. FINANCIAL STATEMENTS

### 3.1 BALANCE SHEET AS AT 31 DECEMBER 2021

Item	in EUR	
	Amount	
	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>	<b>15,138,457</b>	<b>15,113,898</b>
A. LONG-TERM ASSETS	2,204,510	3,699,057
I. Intangible assets and long-term deferred expenses	28,437	42,214
1. Long-term property rights	0	445
2. Long-term deferred expenses	28,437	41,769
II. Property, plant and equipment	174,834	155,604
1. Real estate	80,939	92,552
2. Other equipment, small inventory and other tangible fixed assets	54,636	63,052
3. Tangible fixed assets in building or production	5,230	0
4. Advances to obtain tangible fixed assets	34,029	0
IV. Long-term financial investments	2,001,239	3,501,239
1. Long-term financial investments excluding loans	1,239	1,239
2. Long-term loans	2,000,000	3,500,000
B. SHORT-TERM ASSETS	12,918,277	11,396,285
III. Short-term financial investments	9,900,000	6,605,880
1. Short-term financial investments excluding loans	0	0
2. Short-term loans	9,900,000	6,605,880
IV. Short-term operating receivables	1,387,697	1,404,732
V. Cash	1,630,580	3,385,673
C. SHORT-TERM DEFERRED EXPENSES AND ACCRUED REVENUES	15,670	18,556
<b>LIABILITIES</b>	<b>15,138,457</b>	<b>15,113,898</b>
B. PROVISIONS AND LONG-TERM ACCRUED EXPENSES AND DEFERRED REVENUES	50,000	50,000
1. Provisions	50,000	50,000
C. LONG-TERM LIABILITIES	0	0
II. Long-term operating liabilities	0	0
Č. SHORT-TERM LIABILITIES	1,989,125	2,063,635
III. Short-term operating liabilities	1,989,125	2,063,635
D. SHORT-TERM ACCRUED EXPENSES AND DEFERRED REVENUES	13,099,332	13,000,263

Accounting guidelines and notes are a constituent part of the financial statements and should be considered alongside them.

## 3.2 INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2021

Item	in EUR	
	Amount	
	2021	2020
A. NET SALES REVENUE	6,064,296	5,687,732
D. GRANTS, ENDOWMENTS, RECOURSE, COMPENSATIONS AND OTHER BUSINESS RELATED REVENUE	5,804	14,973
E. OTHER OPERATING REVENUE	33,471	0
F. GROSS OPERATING INCOME	6,103,571	5,702,705
G. OPERATING EXPENSES	6,106,581	5,712,978
I. Costs of goods, materials and services	5,583,698	5,161,607
2. Costs of material	19,188	16,810
3. Costs of services	5,564,510	5,144,797
II. Labour costs	378,491	347,982
1. Wages and salaries	300,705	272,381
2. Pension security costs	26,616	24,438
3. Other social security costs	21,850	20,077
4. Other labour costs	29,320	31,086
III. Write downs	114,721	167,955
1. Depreciation	40,358	44,363
2. Revaluation operating expenses related to intangible assets and intangible fixed assets	770	0
3. Revaluation operating expenses related to current assets	73,593	123,592
IV. Other operating expenses	29,671	35,434
1. Provisions	0	0
2. Other expenses	29,671	35,434
I. SURPLUS OF OPERATING EXPENSES	3,010	10,273
J. FINANCE INCOME	3,743	10,395
II. Finance income from loans	3,738	10,366
III. Finance income from operating receivables	5	29
K. FINANCE EXPENSES	732	122
III. Finance expenses from operating liabilities	732	122
L. OTHER INCOME	2	2
M. OTHER EXPENSES	3	2
N. SURPLUS OF INCOME	0	0
O. SURPLUS OF EXPENSES	0	0
P. CURRENT INCOME TAX	2	22
R. DEFERRED INCOME TAX	0	0
S. NET SURPLUS OF INCOME FOR THE YEAR	0	0
Š. NET SURPLUS OF EXPENSES FOR THE YEAR	2	22

Accounting guidelines and notes are a constituent part of the financial statements and should be considered alongside them.

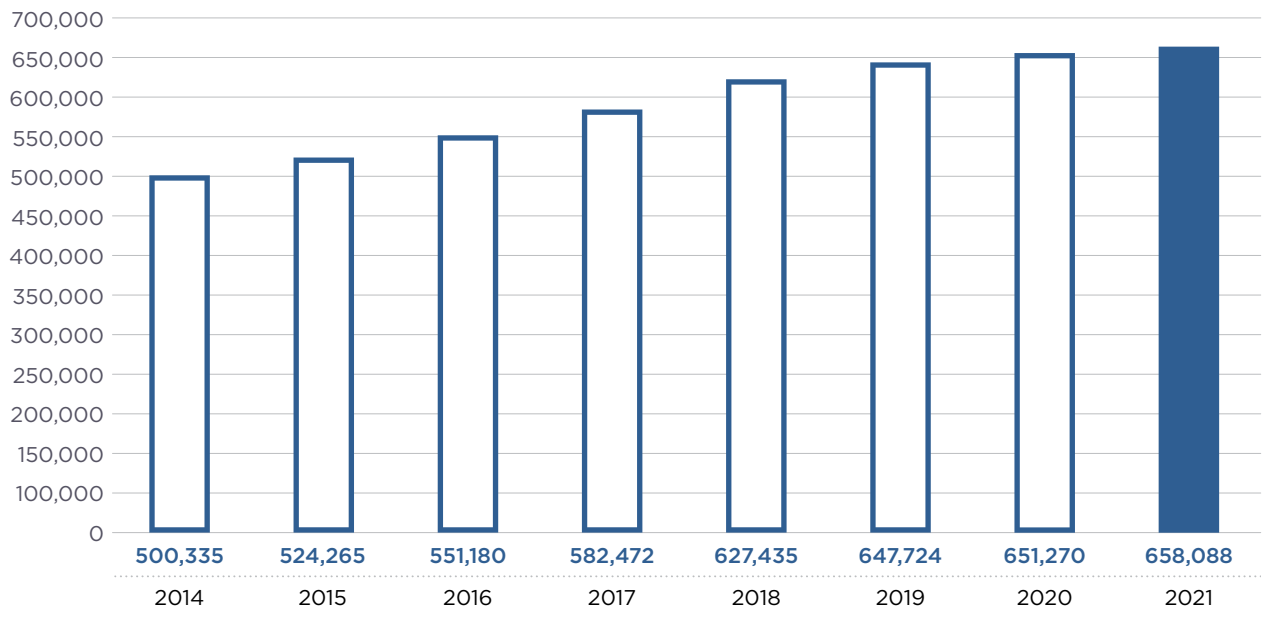
## 4. TOTAL AMOUNT OF ROYALTIES COLLECTED BY THE COLLECTIVE MANAGEMENT ORGANISATION

Type of right	Type of usage	Business year	Amount of royalties (in EUR)
The right of rebroadcasting in case of cable retransmission of AV works	Cable retransmission (CR)	2021	4,709,908
The right to equitable remuneration for making sound or visual fixations of AV works done within the scope of private or other internal use	Making sound or visual fixations of AV works done within the scope of private or other internal use (PC)	2021	1,347,190
<b>Total</b>		<b>2021</b>	<b>6,057,098</b>

In 2021, AIPA collected royalties from an average of 30 cable operators for an average of 658,088 individual active subscribers (AURs), namely households, hotels, hospitality venues, medical facilities, etc.

The revalued tariff from item III of the agreement for the year 2021 was 0.58 EUR per month per AUR with a choice of up to 100 TV programmes and 0.61 EUR per month per AUR with a choice of more than 100 TV programmes.

In March, AIPA published "Information on the amount of remuneration charged in hotel rooms and similar venues" in the Official Gazette of the Republic of Slovenia. The revalued tariff from item III/a of the agreement for 2021 was 0.1601 EUR per month per AUR with a choice of up to 100 TV programmes and 0.1684 EUR per month per AUR with a choice of more than 100 TV programmes.

**Average No. of active subscriptions (AUR)/month**

## 5. DISTRIBUTIONS OF ROYALTIES

In 2021, AIPA made the following regular distributions:

1. royalties relating to the right of rebroadcasting in the case of the cable retransmission (CR) of AV works for 2020. The entitled persons are the co-authors of AV works and (after the transfer of rights) the film producers;

2. remuneration relating to the right to equitable remuneration for making sound or visual fixations of AV works done within the scope of private or other internal use (PC) for 2019 and 2020. Društvo Kopriva, k.o collected these remunerations.

The distribution was performed for all three right holder categories at AIPA: co-authors, performers and film producers.

In order to carry out the distribution, we took the total collected royalties, income from bank deposits and other income; we then deducted the operating expenses and the SCE funds (in accordance with the General Assembly decision made on 20 July 2021), and the funds for the extraordinary assistance to right holders in line with Article 67 of the PKP7, effective from 31 December 2020.

### Calculating the distribution fund

								in EUR
Financial year	2020	2020	2019	2019	2019	2020	2020	2020
Type of right		The right of rebroadcasting in the case of cable retransmission of AV works	The right to equitable remuneration for making sound or visual fixations of AV works done within the scope of private or other internal use					
Type of use		CR	PC Co-authors	PC Performers	PC Film producers	PC Co-authors	PC Performers	PC Film producers
Revenue from collected royalties and remunerations	5,681,731	4,751,222	171,998	158,281	158,281	155,589	143,180	143,180
Financial and other income	25,370	20,804	799	799	799	723	723	723
<b>Total income</b>	<b>5,707,101</b>	<b>4,772,026</b>	<b>172,797</b>	<b>159,080</b>	<b>159,080</b>	<b>156,312</b>	<b>143,903</b>	<b>143,903</b>
Operating expenses	1,474,644	1,298,037	30,909	30,909	30,909	27,960	27,960	27,960
Income tax	22	22	0	0	0	0	0	0
SCE funds	440,000	350,000	15,000	15,800	15,800	15,000	14,200	14,200
PKP7 funds	1,410,000	1,179,081	42,684	39,280	39,280	38,611	35,532	35,532
<b>Distribution funds</b>	<b>2,382,435</b>	<b>1,944,886</b>	<b>84,204</b>	<b>73,091</b>	<b>73,091</b>	<b>74,741</b>	<b>66,211</b>	<b>66,211</b>



**Distribution of royalties (R)**

				in EUR
The financial year for which the R have been collected	2017	2018	2019	2020
Type of right	The right of rebroadcasting in case of cable retransmission of AV works			
Type of use	CR			
Income after operating expenses	3,105,127	3,436,650	3,359,026	3,473,989
Income tax	/	/	/	22
Total amount allocated to SCE funds (decision of AIPA's General Assembly)	300,000	405,000	400,000	350,000
Provisions for subsequent payments to unknown beneficiaries	90,000	90,000	/	/
Total amount of extraordinary assistance in 2021 (PKP7)	/	/	/	1,179,081
Total amount of R for distribution - cable retransmission of AV works	2,715,127	2,941,650	2,959,026	1,944,886
R 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	2,676,902	2,692,714	1,769,844
R for short music videos	135,756	147,082	147,951	97,246
R for advertising films	108,605	117,666	118,361	77,796
Total amount allocated to right holders	1,582,019*	2,024,846	2,103,228	1,433,143
Total amount allocated to right holders - paid	1,281,099	1,649,400	1,618,537	1,377,821
Total amount allocated to right holders - not yet paid	300,920	375,446	484,691	55,322
Total amount unallocated to right holders (R allocated at the level of each co-author for each individual broadcast of an AV work and provisions for subsequent payments to unknown beneficiaries)	1,223,108**	1,006,804***	855,798	511,743

\* Includes 5,810 EUR allocated and paid from provisions for subsequent payments.

\*\* Includes provisions for subsequent payments to unknown beneficiaries in the amount of 84,190 EUR.

\*\*\* Includes provisions for subsequent payments to unknown beneficiaries in the amount of 90,000 EUR.

## Distribution of remuneration (RE)

in EUR						
The financial year for which RE has been collected (received from Društvo Kopriva, k. o. during the financial year 2021)	2019	2019	2019	2020	2020	2020
Type of right	The right to equitable remuneration for making sound or visual fixations of AV works done within the scope of private or other internal use					
Type of use	PC Co-authors	PC Performers	PC Film producers	PC Co-authors	PC Performers	PC Film producers
Income after operating expenses	141,888	128,171	128,171	128,352	115,943	115,943
Total amount allocated to SCE funds (decision of AIPA's General Assembly)	15,000	15,800	15,800	15,000	14,200	14,200
Total sum for extraordinary assistance in 2021 (PKP7)	42,684	39,280	39,280	38,611	35,532	35,532
Total amount of RE for distribution	84,204	73,091	73,091	74,741	66,211	66,211
Total amount allocated to right holders	71,793	62,318	61,690	57,832	51,232	52,730
Total amount allocated to right holders - paid	34,724	23,380	50,008	42,171	35,133	43,988
Total amount allocated to right holders - not yet paid	37,069	38,937	11,682	15,661	16,098	8,742
Total amount unallocated to right holders	12,411	10,773	11,401	16,909	14,979	13,481

## 6. REPORT ON THE USE OF SCE FUNDS

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The sum of payments from the royalties collected for the right of rebroadcasting in the case of cable retransmission and from the received remuneration into the SCE funds was decided by the members at the General Assembly session on 20 July 2021.

There were not any pay-outs from the SCE funds of performers and of film producers in 2021. However, on 13 December 2021, AIPA put out a call for requests for the SCE funds of performers for partial reimbursement of tuition in 2021/22 for education abroad. The call was open until 13 January 2022 and will therefore be presented in the annual report for 2022.

### SCE funds of co-authors

	Funds (in EUR) for		
	Cultural and artistic purposes	Social purposes	Educational purposes
Balance 1 January 2021	167,185	60,121	137,565
Contributions			
• from collected R for 2020 (General Assembly decision dated 20 July 2021)	0	235,000	115,000
• from received RE for 2019 and 2020 (General Assembly decision dated 20 July 2021)	0	15,000	15,000
Pay-outs	16,236	900	153,783
Administration costs	0	0	0
Balance 31 December 2021	150,949	309,221	113,782

## SCE funds of performers

	Funds (in EUR) for		
	Cultural and artistic purposes	Social purposes	Educational purposes
Balance 1 January 2021	0	1,195*	0
Contributions			
• from received RE for 2019 and 2020 (General Assembly decision dated 20 July 2021)	5,000	5,000	20,000
Pay-outs	0	0	0
Administration costs	0	0	0
Balance 31 December 2021	5,000	6,195	20,000

\* During the epidemic, the general manager of AIPA contributed funds in the amount of 1,195 EUR. They were credited in the financial year 2021 to the account of the SCE funds of performers for social purposes.

## SCE funds of film producers

	Funds (in EUR) for		
	Cultural and artistic purposes	Social purposes	Educational purposes
Balance 1 January 2021	0	0	0
Contributions			
• from received RE for 2019 and 2020 (General Assembly decision dated 20 July 2021)	2,000	8,000	20,000
Pay-outs	0	0	0
Administration costs	0	0	0
Balance 31 December 2021	2,000	8,000	20,000

## Pay-outs from the SCE funds in 2021



■ Cultural Fund (9.5 %)
 ■ Social Fund (0.5 %)
 ■ Educational Fund (90 %)

## 7. REPORT ON THE USE OF FUNDS IN ACCORDANCE WITH ARTICLE 67 OF THE ACT DETERMINING THE INTERVENTION MEASURES TO MITIGATE THE CONSEQUENCES OF THE SECOND WAVE OF COVID-19 EPIDEMIC (PKP7)

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in line with Article 67 of the Act Determining the Intervention Measures to Mitigate the Consequences of the Second Wave of COVID-19 Epidemic (PKP7), effective from 31 December 2020.<sup>7</sup>

The above act allows the collective management organisation to pay out extraordinary assistance to mitigate the consequences of the epidemic of COVID-19 in the sum of 25% of collected royalties in 2020 to its right holders with permanent residence or the seat in the Republic of Slovenia. The extraordinary assistance is to be distributed and paid out according to the rules adopted by the management in concord with the supervisory board. The rules must define, in particular, the following: the criteria for entitlement to extraordinary assistance, the procedure of distribution and pay-out, the maximum sum per individual recipient, rules on using the

extraordinary assistance, rules on supervising the use, rules on reimbursing incorrectly distributed and paid-out extraordinary assistance.

AIPA adopted the rules according to the aforementioned provision and sent out a call for requests of extraordinary assistance in the gross sum of 1,410,000 EUR. The entitled right holders could apply for a lump sum and an additional general and/or variable bonus.

The amount of the extraordinary assistance depended on which type of assistance the candidate applied for and on the conditions detailed in the rules.

The assistance was paid-out in two parts to all entitled right holders in the financial year of 2021, except a part of the funds in the gross sum of 111,521 EUR, which was paid out at the beginning of January 2022 due to reasons on the side of recipients.

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<sup>7</sup> Official Gazette of the Republic of Slovenia, no. 23/2020, 30 December 2020. <https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2020-01-3772/zakon-o-interventnih-ukrepih-za-pomoc-pri-omilitvi-posledic-drugega-vala-epidemije-covid-19-ziupopdve?h=drugega%20vala>.

## 8. AUDITOR'S REPORT

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### INDEPENDENT AUDITOR'S REPORT to the members of the Organization AIPA, k.o.

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of the AIPA, k.o. (hereinafter 'the Organization'), which comprise the statement of financial position as at 31 December 2021, 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 2021, and its financial performance and cash flows for the year then ended in accordance with Slovenian Accounting Standards (hereinafter 'SAS').

##### 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 Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for 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 information, included in Annual report, other than the 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.



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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.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with SAS, 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.

Those charged with governance are 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE REVIZIJA d.o.o.

Katarina Kadunc  
Certified auditor

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

Ljubljana, 19.5.2022

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**AIPA Annual Report 2021**

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