

Verwertungs-
gesellschaft
der Filmschaffenden
VdFS GenmbH

Collecting
Society
of Audiovisual
Authors

**Vd
FS**

Transparency report 2018

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That we finally arrived in the digital age, is indeed undeniable. The European Parliament has taken this fact into account and adopted the important Copyright Directive

in an intensive and long democratic process in which all stake-holders were heard and countless amendments have been discussed and voted on. Now it is about the transposition of this directive into national law.

Although the directive describes a very wide range of topics and certainly is not perfect, it is not only important for us creators and performers. So far, we've had to watch big corporations make money from our creations and not even pay taxes over here. For the users, the directive above all means legal certainty and the rule of law, because for the first time it allows them to defend themselves against the arbitrariness of the big internet corporations by legal means, if these censor postings, as they have done for a long time.

In any case, the technical means with which our works are identified in the flood of data and subsequently remunerated do not threaten the freedom of expression. Our freedom is threatened only by the filters and algorithms that companies such as Google and Facebook have been using for years, manipulating elections around the world.

A fair payment of artists has never threatened anyone's freedom – quite the contrary!

Fabian Eder
(Chairman of the Executive Board)



It is almost a habit in the foreword to the Transparency Report 2018, formerly Annual Report, to point out that all collecting societies and, of course, VdFS are subject to

comprehensive controls by the competent bodies!

Both the annual financial statements and this transparency report are audited annually by an independent auditor. In addition, VdFS is audited by the cooperative audit department every two years. In addition, VdFS is subject to constant scrutiny by the supervisory authority for collecting societies, to which all essential documents (contracts, distribution agreements, etc.) are to be transmitted and which regularly participates in all board meetings of the society (external control).

The internal control of VdFS is carried out by the Supervisory Board, and focuses above all on monitoring the activities of the Board of Directors and the General Manager (CEO). The Supervisory Board duly fulfilled its internal control function in the financial year 2018, received information about the activities of the Board of Directors and the General Manager (CEO) at its meetings and thoroughly reviewed these.

There was no reason for an intervention by the Supervisory Board in the year under review.

In 2018, we were able to exceed the economically pleasing result of 2017, and again it is the best result in the history of the society for the benefit of all beneficiaries and the many activities we support!

The intensive efforts of VdFS and other stakeholders for almost three years have finally paid off: the European copyright reform was decided in the European Parliament despite great opposition, thereby ensuring the right to intellectual property and fair remuneration, including on the Internet.

Copyright prevailing over network freedom is a commitment to democracy!

Erwin Steinbauer
(Chairman of the Supervisory Board)



Revenues by VdFS amounted to around EUR 14 million in the financial year 2018 and almost doubled compared to the previous year. A historical result, which is mainly

due to additional payments for several years from the blank storage media remuneration (SMR) and extraordinary payments of our German sister society VG-Bild Kunst (one-off effects).

In the year under review, several new contracts with debtors were concluded. Furthermore, social and cultural subsidies in the (also historical) amount of around EUR 1.5 million were awarded.

The system MyVdFS has been comprehensively expanded and offers our members an attractive and modern online service (download of credits, administration of master and bank data, registration of works and broadcasting data, etc.).

On the European level, an important interest policy success was achieved: In March 2019, the European Parliament finally adopted the copyright directive developed since September 2016. In addition to the urgent need for an obligation for major online platforms (such as YouTube/Google and Facebook) to conclude appropriate licensing agreements – with other liability – with rights holders, Chapter 3 of the directive on the fair remuneration of authors and performers in exploitation contracts is an important achievement in European law. Among other things, it established, for the first time, a general principle of appropriate and proportionate remuneration for each use of a work – i.e. also online. Furthermore, the directive provides for comprehensive information obligations on the exploitation of works and thus creates the same transparency, to which collecting societies such as VdFS have long been obliged by law (CMO Directive 2014, VerwGesG 2016), also to those who exploit the primary market. A bestseller paragraph and a right of revocation ensure that the often-unequal bargaining power between authors, performers and exploiters is compensated and that for the first time provisions on contractual law are implemented at European level. The transposition of the directive into national law will intensively engage all stakeholders over the next two years.

In addition to the comprehensive agendas of the representation of interests, VdFS successfully completed its core business again in the year under review: one main settlement, three supplementary settlements, special settlements and various settlements from abroad were carried out.

This transparency report is the expression and testimony of an economically pleasing business year in every respect. We look to the future with confidence and are already rolling up our sleeves for the upcoming tasks, which are to be performed in the best possible way in the interests of our beneficiaries.

Mag. Gernot Schödl, LL.M.
(Managing Director)

Activity report

Chapter

Information
about income
and revenues

Costs of rights
management and
other services

Information about
distribution

Information
about payments
from and to
other collecting
societies

SKE report -
report about
deductions for
social and
cultural
institutions

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III.

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Collecting societies have to prepare annual transparency reports which include the annual accounts (including the balance sheet, the income statement as well as the cash flow statement, see Annex), reports concerning the activities in the previous financial year (see Point 1.5), reports concerning the deductions for social and cultural institutions (see Point 6), and information about the items referred to in Points 1.1 to 1.4 of this report.

1.1. Rejection of usage authorisations

According to VdFS's currently collection authorisation, the society's collection area is limited to so-called "secondary uses" of film-works. VdFS only grants usage authorisations to users (cable network operators) in the area of integral cable retransmission (cable TV, IP-TV and mobile TV). In the financial year 2018, there were no refusals of usage authorisations.

1.2. Legal form and organisational structure

1.2.1. Legal Form

Founded:	04 March 1992
Legal Form:	Genossenschaft mit beschränkter Haftung (Cooperative with limited liability)
Headquarters of the society:	Vienna
Commercial register:	Commercial Court Vienna FN 97743 s
Member of the cooperative association Schulze-Delitzsch	

The current *collection authorisation* of VdFS (notification from the supervisory authority for collecting societies), AVW 9.119/16-013 dated 11 May 2016 can be downloaded at vdfs.at/files/license_to_operate.pdf.

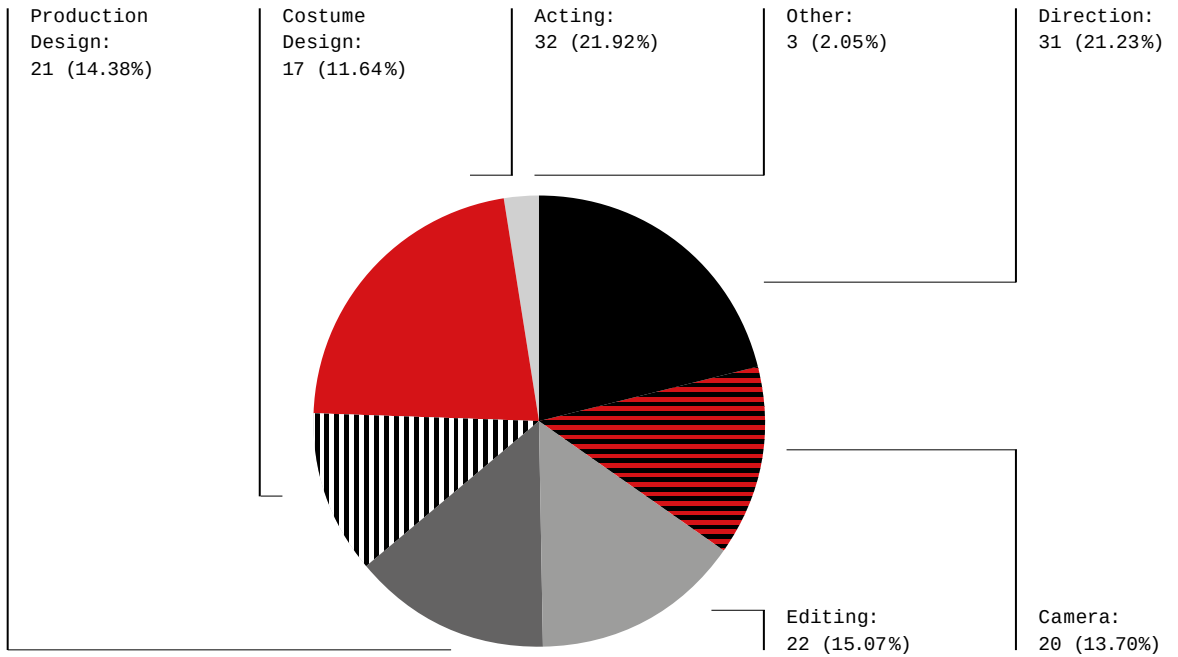
The *Articles of Association* of VdFS GesmbH were last comprehensively amended on June 21st 2016 due to the entry into force of the VerwGesG 2016 and can be downloaded from vdfs.at/files/statutes_2016.pdf.

Membership development

In 2018, the annual general meeting of VdFS consisted of 146 members of the cooperative (7 members were newly accepted in the reporting year):

Members of the cooperative of VdFs as of 31st of December 2018:

146 Persons

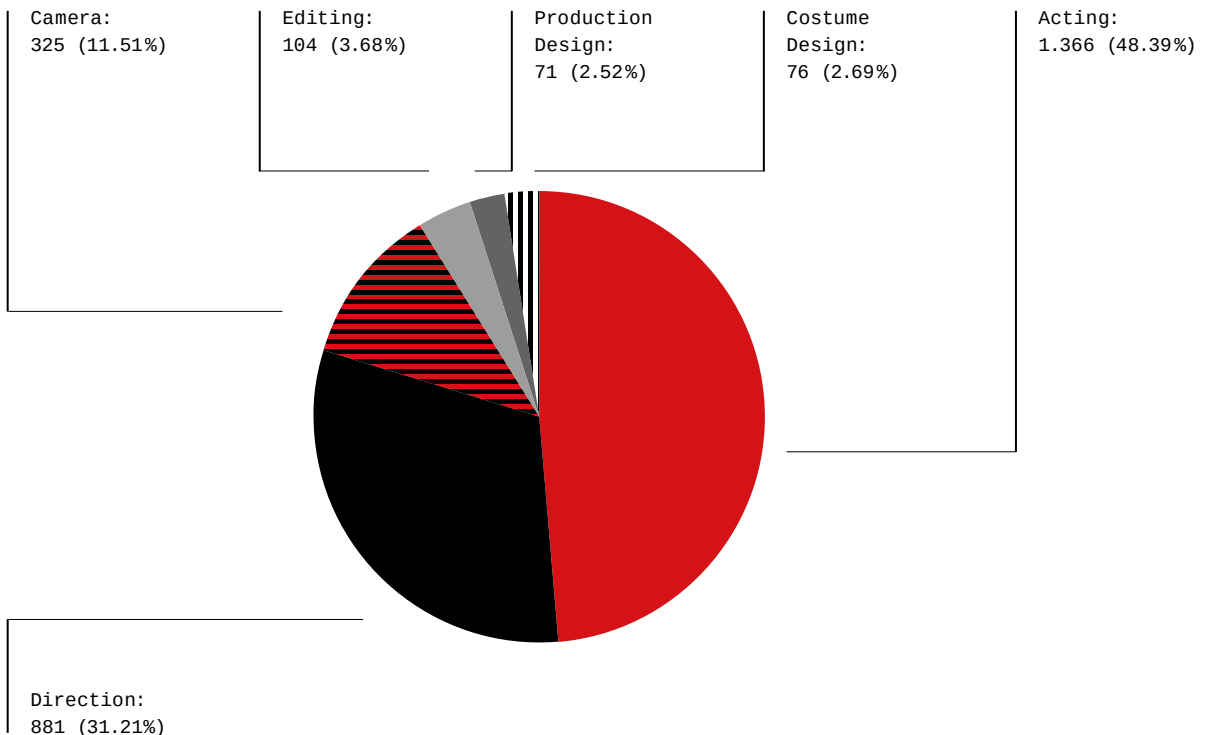


Development of the beneficiaries

As of 31 December 2018, VdFS counted a total of 2,823 beneficiaries*.

Beneficiaries according to film function (main role) as of 31st of December 2018:

2,823 Persons



* New beneficiaries in 2018: 128; Departures due to the change of the society and termination of membership: 11.

Organisational structure

Business purpose of VdFS

Collective and custodial management of the copyright and neighbouring rights of film makers and performing artists in the audiovisual field pursuant to the Copyright Act (UrhG).

Categories of the managed rights

VdFS distinguishes between the following categories of managed rights:

a. Copyright

All rights and claims of the film authors of the professional groups of directing, camera, editing, costume design and production design pursuant to UrhG.

b. Neighbouring rights

All rights and claims of the performing artists in the audiovisual field (film actors, dubbing actors, speakers) pursuant to UrhG.

Types of usage

In the year under review, VdFS paid remuneration for the following types of usage:

a. Blank tape remuneration/storage media remuneration (BTR/SMR)

— Private copying remuneration pursuant to Section 42b para. 1 UrhG

b. Cable (CAB)

— Participation claims pursuant to Section 38 para. 1a UrhG (Cabel TV)
 — Right of the integral cable transmission pursuant to Section 59a para. 1 UrhG

c. Public transmission (PT)

— Remuneration for public screen transmission (of authors/in-house films) pursuant to Section 18 UrhG
 — Remuneration for the use of picture or sound carriers pursuant to Section 56b Para. 1 UrhG
 — Remuneration for public transmission for educational purposes pursuant to Section 56c para. 2 UrhG
 — Remuneration for public transmission in accommodation facilities pursuant to Section 56d para. 2 UrhG

d. Other (O)

— Lending remuneration (library royalties) pursuant to Section 16a para. 2 UrhG
 — Remuneration for uses by people with disabilities pursuant to Section 42d para. 4 UrhG
 — Remuneration for educational film uses in schools and universities pursuant to Section 42g para. 3 UrhG.

The categories of perceived rights and types of use can be found in the *membership contract* of VdFS at vdfs.at/files/membership_contract.pdf. Further rights and claims included in VdFS's licence to operate were not exercised during the year under review.

Debt collection

In the year under review, VdFS did not perform independent debt collection.

This was conducted by domestic affiliates for VdFS as follows:

- Cable TV (incl. IP TV and Mobile-TV): Literar-Mechana
- Blank tape/storage media remuneration: AKM/Austro-Mechana
- Public transmission in education: AKM (Federal schools, technical colleges and universities) and Literar-Mechana (community and rural schools)
- Lending remuneration (library royalties): Literar-Mechana
- Public transmission in accommodation facilities and usage of picture or sound carriers: VAM

General assembly

The 2017 annual financial statements were resolved by the Board of Directors, approved by the Supervisory Board, passed to the general assembly on 14th of June 2018 for adoption and approved by the general assembly by unanimous resolution with abstention of voting from the Board of Directors and the Supervisory Board. It has been provided with an unqualified auditors report by the auditor Bernardini & Co. Wirtschaftsprüfung GmbH. The general assembly unanimously approved the discharge of the Board of Directors, the Supervisory Board and the Managing Director (CEO).

Board of Directors

In the financial year 2018, the Executive Board of VdFS was composed of the following people:

Chairman	Fabian Eder
Vice Chairman	Florian Reichmann
Members	Carl Achleitner
	Paul Harather
	Michael Kreihsl
	Ingrid Leibezeder
	Daniela Padalewski-Gerber

The Board of Directors was elected in the general assembly on 28th of June 2017 for a term of 4 years.

The Board of Directors met four times during the reporting period. It was responsible for all the activities foreseen under the Statutes of VdFS and the Rules of Procedure of the Board of Directors.

The current function period of the Board of Directors ends with the adoption of the resolution concerning the annual financial statement and the 2020 transparency report in the 2021 general assembly.

Supervisory Board

The Supervisory Board was composed as follows in the financial year 2018:

Chairman

Vice Chairman

Members

Erwin Steinhauer
Norbert Arnsteiner
Thomas Oláh
Sonja Lesowsky-List
Thomas Roth
Thomas Vögel

The Supervisory Board was elected in the general assembly on 28th of June 2017 for a term of 4 years.

In the year under review, the Supervisory Board convened for four meetings. It was responsible for all (supervising) activities provided for in the Statutes of VdFS and the Rules of Procedure of the Supervisory Board.

The current function period of the Supervisory Board ends with the adoption of the resolution on the annual financial statement and the 2020 transparency report in the 2021 general assembly.

Management

Mr. Gernot Schödl, M.A., LL.M. has been serving as Managing Director (CEO) of VdFS since 1st of January 2012 within the meaning of Section 5 VerwGesG 2016 and has been registered as a joint signatory in the company register. The responsibilities of the Managing Director (CEO) are established in the Statutes as well as in his employment contract.

Office

Four staff members (full-time) as well as the Managing Director (CEO) were employed on 31st of December 2018 at the office of VdFS. As in the past, services for data processing, data management, tax-related consulting, homepage, graphics, PR etc. were outsourced.

Supervision

VdFS is supervised by several authorities. On one hand, by the Supervisory Board as an internal supervision body, by the auditor regarding business practices and every two years by the revision of the Austrian Cooperative Association (ÖGV).

The audit of the 2016 and 2017 financial years by the cooperative review took place in October 2018.

Furthermore, VdFS is under the permanent supervision of the Supervisory Authority for Collecting Societies: [justiz.gv.at/avg](https://www.justiz.gv.at/avg). Representatives of the Supervisory Board attended the Board of Directors and Supervisory Board meetings and the general assembly in the financial year 2018.

Distribution Rules

In accordance with Section 34 para. 1 VerwGesG 2016, VdFS is obliged, on the basis of the general principles adopted by its general assembly, to draw up fixed rules for the distribution which exclude an arbitrary approach (distribution rules).

The current version of the *distribution rules* of VdFS can be downloaded at vdfs.at/files/distribution_rules_2019.pdf.

International umbrella organisations

VdFS is a member of CISAC, the international umbrella organisation of the collecting societies based in Paris. Furthermore, VdFS is a member of the SAA (Société des Auteurs Audiovisuels) and SCAPR (The Societies' Council for the Collective Management of Performers' Rights) based in Brussels.

Domestic contractual partners

VdFS maintains contractual relationships with numerous affiliates (AKM/Austro-Mechana, Bildrecht, Literar-Mechana, LSG, VAM and VGR), user organisations (departments within the Austrian chamber of commerce, organisers associations) as well as other contractual partners (federal government, states, municipalities, technical colleges, universities, etc.).

Foreign contractual partners

VdFS has concluded mutual agreements with numerous foreign affiliates. As a result, VdFS's beneficiaries are also represented in foreign countries; conversely, the foreign repertoire is also represented in Austria. In the year under review, VdFS was again able to conclude new reciprocity agreements with foreign authors and performers societies in the audiovisual field. A current list of the *reciprocal agreements* concluded by VdFS can be downloaded at VdFS homepage at vdfs.at/files/contracts_of_mutual_representations_2019.pdf.

1.3. Participation report

The liquidation of the VGFF Verwertungsgesellschaft der Filmurheber und Filmdarsteller GmbH – with regard to shareholder status, there was a personal identity with the members of the Board of Directors of VdFS – which was resolved at the ordinary General Assembly on 16/05/2017, has been completed. By order of 17/12/2018, the Commercial Court in Vienna deleted VGFF GmbH in the commercial register as a result of the liquidation being terminated.

Other facilities that are directly or indirectly, wholly or partly, owned by VdFS or are governed by it directly or indirectly, in whole or in part do not exist.

1.4. Remuneration and other benefits

In the financial year 2018, a total of EUR 126,523.78 in remuneration and other benefits were paid to members of the Supervisory Board, members of the Board of Directors and the Managing Director (CEO). This amount includes meeting fees, allowances, salaries including special payments, travel expenses and contributions to pension provisions.

1.5. Activity report

VerwGesG 2016

The requirements of the VerwGesG 2016 were fully implemented in the year under review. The General Assembly on 14/06/2018 was streamed on MyVdFS and the members of the cooperative society were given the opportunity to vote online. *Fundamental questions of business policy* (strategy paper) were resolved at the beginning of the year and a forecast for the year 2018 was drafted. The financial statements for 2018, which are now available, show that the budgeted statement has been met with pinpoint accuracy.

Amendment of the Copyright Act

The amendment of the Austrian Copyright Act (UrhGNov 2018) transposing the Marrakech Directive and the Marrakech Regulation into Austrian Copyright Law entered into force on 12/10/2018. VdFS has sent a statement to the Federal Ministry for Constitution, Reforms, Deregulation and Justice.

Data protection (GDPR)

The requirements of the General Data Protection Regulation (GDPR) were fully implemented in the year under review. A comprehensive processing directory has been compiled and is available at VdFS for information. The contracts with the service providers of the VdFS have been renewed and a data protection officer has been appointed. The website has its own privacy section, which is available at vdfs.at/53-1-Data-Protection.html. The privacy policy of VdFS can be found at vdfs.at/53-1-Data-Protection.html. The information on data protection according to articles 13 and 14 GDPR is available at vdfs.at/files/information_Data-Protection_gdpr.pdf.

VfGH proceedings

In January 2019, VdFS initiated proceedings at the Constitutional Court (VfGH) for reviewing the statutory provisions in § 38 and § 69 UrhG regarding constitutional conformity. The verdict of the VfGH is expected to be available in the year 2020.

Agreement with VGR (Cable-TV)

After expiration of the settlement with Verwertungsgesellschaft Rundfunk (VGR) on the participation of VdFS in the cable revenues of the (primarily German) broadcasters by

the end of 2017, an interim succession arrangement could be agreed (until the VfGH verdict is released), which provides for a reduction of the administration fee rate and retroactively enters into force by 01/01/2018.

Infringement proceedings (European Commission)

The European Commission has examined the complaint of the umbrella organisation of filmmakers, their member associations and VdFS and stated that, in their view, there is no adequate violation of EU law justifying the follow-up of the complaint. The infringement proceedings against the Republic of Austria – which were jointly initiated in 2010 to examine § 38 and § 69 of the Austrian Copyright Act, which were considered to be violating EU-law in several respects by the filmmakers, and interrupted by the Commission in 2011 and continued in 2016 – were therefore discontinued.

Division of the storage media remuneration (SMR)

Following the settlement of Austro-Mechana on the basis of the split agreement concluded in 2018, distribution budgets for SMR follow-up 2012 – 2017 were prepared in consultation with the auditor of VdFS. These will be distributed in the coming years as surcharges to the beneficiaries.

Negotiations are underway with Amazon on the royalties to be paid to collecting societies (CMOs) for the years 2002 – 2018 to be completed in 2019.

VdFS supports the (model-) proceedings initiated by AKM/Austro Mechana both in content and financially. The 6%-limit (statutory limitation of SMR-tariffs with a maximum of 6% of the typical price level of the storage medium) was brought down by the Constitutional Court (VfGH) in the year under review.

VdFS actively participates in the initiation of a judicial (model) proceeding for the implementation of a compensation obligation for cloud storage and is also in favor of a compensation obligation for the virtual private video recorder (nPVR), either under the private copy remuneration scheme (storage media compensation) or as licensing in the field of secondary exploitation.

The tax consequences of the ECJ ruling of 18/01/2017 in the case “SAWP” were implemented in the year under review. According to the judgment, revenues from the SMR are not (anymore) taxable, i.e. that no VAT has to be charged. However, the service of the society to the copyright holder is not affected, i.e. the expenses attributable to SMR are subject to VAT. This new regulation will affect all proceeds from the private copying remuneration from 01/01/2018, no matter from which period they originate (i.e. also old LKV amounts). In the year under review, therefore, a corresponding conversion of the VdFS settlement system and the credits was made.

Negotiations on remuneration in accordance with § 42g UrhG

The negotiations with the Universities Conference (UNICO) on remuneration for the use of films for teaching and educational purposes (intranet platforms, § 42g UrhG) were completed in the year under review. Appropriate contracts were signed with all public universities.

Negotiations were held with the Austrian Private University Conference (ÖPUC), the University of Applied Sciences Conference and the Federal Schools in the year under review, which should be concluded in 2019.

Negotiations on a distribution agreement were conducted between the eligible collecting societies (CMOs). It should also be completed in 2019.

Revision of the distribution rules

The broadcasting factors were – as regulated in the distribution rules – adjusted on basis of the AGTT/GfK Teletest-Data per 31st of December 2018 (weighting of relevant TV-stations by market share, range, reception potential and a cultural factor). In the year under review, a working group was distributed, in which the categories of works for performers, the billing-relevant stations, the broadcasting and work factors, the time factors and the distribution ratios among the occupational groups were subjected to a comprehensive evaluation. The recommendations of the working group were taken into account by the committees of the VdFS and adopted in the form of new distribution regulations. Among other things, a new work category “Scenic Documentation/ Documentary Play” was created.

Revision of the SKE guidelines

The SKE guidelines were revised in the year under review, particularly in the area of fostering training skills and further education. The submitted training and education applications were sent to the professional associations of filmmakers for assessment with regard to quality criteria, whose recommendations are to be taken into account in the future in decisions by the Board of Directors.

The chapter on training and further education was restructured (events, participation in an artistic competition, travel to festivals, measures of the professional associations, evaluation and evidence) and a new chapter on the promotion of young talents (the offspring) was decided.

The income thresholds and amounts of the old-age allowance were adjusted on the basis of the consumer price index (CPI 2015) as per the SKE guidelines as of 01/01/2019. The current version of the SKE guidelines is available at vdfs.at/files/2019_ske_guidelines_en.pdf.

Investments

VdFS's investments continued to be very conservative in the year under review. Investments were made in fixed-term deposits and securities (funds, bonds) in compliance with the *General Principles for Investment Policy* adopted by the general assembly. Due to the low or negative interest rate level, only relatively low financial income – as in the previous years – could be achieved in the reporting year.

Commission for work classifications

In November 2018, the Commission, which is mentioned in the distribution rules, held meetings and made decisions regarding unclear or disputed classification of works.

Committees, extraordinary meetings and working groups

During the year under review, VdFS held multiple committees, extraordinary meetings

and working groups in addition to the regular meetings of the bodies. Representatives of the Board of Directors and the Supervisory Board, representatives of the associations of filmmakers as well as external experts took part in the working groups.

Information exchange

In the year under review, an exchange of information with representatives of the beneficiaries (BBV) and the professional associations took place again in VdFS. The current activities in VdFS, in the umbrella organization of filmmakers and in the professional associations were discussed and mutual wishes and concerns were deposited. As in previous years, the informal exchange was very well received and will therefore be continued in the future.

80s Celebration / Univ. Prof. Dr. Michel Walter

In November 2018, a festival in honour of RA Univ. Prof. Dr. Walter, the longstanding syndic of VdFS, took place in the Metro cinema. This was organized by the publishing house Medien & Recht, Literar-Mechana and VdFS and financed by all Austrian collecting societies (CMOs). Around 150 guests, including renowned domestic and international experts in copyright law, participated. In addition to lighting the education and the artistic, scientific and legal work of the jubilee, a commemorative publication with contributions by numerous scientific authors on copyright was presented.

Revision of the Financial Years 2016 and 2017

The audit of the financial years 2016 and 2017 by the auditing department of the Austrian Cooperative Association (ÖGV) took place in October 2018 in VdFS. The revision did not reveal any significant complaints. The audit report was discussed in detail in a joint meeting of the Board of Directors and the Supervisory Board in December 2018.

KSVF (Artists' Social Insurance Fund)-Curiae

In the year under review, VdFS sent again representatives to the curiae of the Artists' Social Insurance Fund (KSVF). The Managing Director (CEO) and a few board members of VdFS are represented in the film curia and participated in several meetings of the curia (general curia, appeals curia, etc.) during the reporting year.

The new appointments to the twelve mandates prescribed by VdFS in the Curia of the Artists' Social Insurance Fund were announced to the KSVF for the period of 2019 – 2024.

Developments at EU-level

Following the adoption of the new EU-Copyright-Directive in the European Parliament in September 2018, the Trialogue, i.e. Negotiations between the Commission, Parliament and Council (or the Member States) under the Austrian Presidency, was launched. This was successfully completed in January 2019. Thus, for the first time, the copyright responsibility of the major online platform operators (Google/YouTube, Facebook, etc.) was regulated at European level, and a general entitlement for authors and performers to appropriate and proportionate remuneration, also online, as well as provisions for contractual law were envisaged. The directive was approved by the Council in April 2019. Member States have two years to transpose the Directive into national law.

The Sat / Cab-Directive was also adopted by the European Parliament in March 2019 and approved by the Council in April 2019. It provides facilities for broadcasters regarding the acquisition of online licenses (libraries) in relation to certain formats. Member States have two years to transpose the Directive into national law.

The revised Audiovisual Media Services Directive (AVMSD) was adopted by the Council in November 2018. The scope of the original 2010 directive has been extended to online services and has set a minimum quota of 30% of European content. This obligation also applies to Netflix, Amazon and Co. Furthermore, the directive contains above all provisions on advertising restrictions on television, product placement, etc. The Austrian Audiovisual Media Services Act (AMD-G) is to be adapted to the amended directive.

Through its representation on the Board of the European Society of Audiovisual Authors (SAA), based in Brussels, VdFS actively participated in the design and positioning of topics at European level during the year under review. At the SAA General Assembly in March 2019, VdFS was re-elected to the "Board of Directors" by 32 companies from 24 countries for a further three years, which ensures that the interests of Austrian filmmakers in all European copyright agendas continue to be represented. The Board is composed of representatives from the following collecting societies (CMOs): AIPA (Slovenia), ALCS (UK), Kopiosto (Finland), SACD (France), SGAE (Spain), VdFS (Austria), VG Wort (Germany) and ZAPA (Poland). In cooperation with the Austrian Film Academy, six prominent Austrian filmmakers from Austria were nominated for the "Board of Patrons" of the SAA (<https://www.saa-authors.eu/en/mosaic/20-board-of-patrons#.XLb9KDh7m70>).

Media and public relations

VdFS's cooperation with an external PR was extended in the reporting year. The tried and tested "quote campaign" and "video clip series" have been further developed. In the year under review, seven newsletters were sent to the beneficiaries, press contacts and various stakeholders. The transparency report was translated into English, uploaded on the English website and sent to all foreign sister societies with which reciprocal agreements have been concluded. The social media channels were continuously filled with content and the media co-operations continued with film-specific industry magazines.

Corporate governance code

In the financial year 2018, the Board of Directors of VdFS complied with the provisions of the Austrian "Corporate governance code for goods, services and productive cooperatives under the Schulze-Delitzsch system" (compliance rules for cooperative societies). A corresponding written declaration will be submitted to the general assembly and published on the VdFS website.

MyVdFS and IT-projects

The online system MyVdFS has been extended by several functions. In the "My Works" section, as usual, all works registered at VdFS can be viewed and new works / broadcast data can be registered. The list of works has now been expanded to include a search function with which the works stored in the VdFS database can be searched for and their contributions can be announced. This should simplify the registration of new works. In the new MyVdFS system it is now also possible to view and change all

stored “master data” online. Completely new is the “My Documents” section, in which credit notes and information letters will now be transmitted electronically (upload) in accordance with VerwGesG 2016. As soon as a new document can be retrieved, the beneficiaries receive a notification to their VdFS stored email address. In this way, the documents are available anytime, anywhere and are available for download and/or printout. A postal dispatch of these documents does not take place anymore. All online data and documents are secured and individually encrypted. The MyVdFS login will continue to be done using the VdFS-ID (found on each credit) and personal password. VdFS members who have not yet used the MyVdFS system or forgot their password can use the “Forgot your password?” function on the homepage to set a new password.

The new MyVdFS system was released in November 2018 at www.vdfs.at. The beneficiaries were informed via a special newsletter and an information text was published on the homepage.

MyVdFS will be further expanded in 2019. A login area for foreign affiliates will be implemented and the development of a MyVdFS app will be prepared. The SKE database was further developed in the year under review and is expected to be implemented in 2019.

VdFS enables its beneficiaries a modern electronic communication within the meaning of the guidelines of the EU-Directive for Collecting Societies (CMO-directive 2014) and the VerwGesG 2016.

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The following chapter provides an overview of revenue from the rights, broken down according to category of the managed rights and type of use (Point 2.1.), the income from the investment of the revenue (Point 2.2.) and the use of these revenues broken down according to distribution to rights holders, distributions to other collecting societies or other uses (Point 2.3.).

2.1. Income from rights

In the year under review, domestic revenues totalling EUR 10,744,317.22 were generated from the exploitation of copyrights by the film authors and neighbouring rights of the performing artists in the audiovisual sector.

These are broken down as follows:

Cable-TV (CAB)

Remuneration for the integral cable retransmission of films by cable network operators via cable networks pursuant to Section 38 para. 1a UrhG and Section 59a UrhG.

Storage media remuneration (SMR)

Remuneration from private copies on storage media (PCs, tablets, smart phones, external hard disks, DVDs, etc.) pursuant to Section 42b para. 1 UrhG.

Public transmission (PT)

Remuneration for the public transmission of films in the area of secondary exploitation (teaching and educational use, libraries, etc.) and the public screening of authors/in-house films.

OTHER (O)

Remuneration for the lending of films in public libraries (public lending right pursuant to Section 16a para. 2 UrhG).

Income from
rights:
Stated in EUR

Cable TV (CAB) total		2,761,037.81
Traditional cable TV	1,532,005.40	
IP TV	624,830.50	
Mobile TV	23,734.17	
Participation in VGR revenues	473,073.61	
Revenues from ARGE cable	107,344.13	
Storage media remuneration (SMR) total		7,835,053.41
Public transmission (PT) total		144,951.96
PT - Screen transmission (Section 18 UrhG)	2,543.55	
PT in instruction (Section 56c UrhG)	142,408.41	
other (0) total		3,274.04
Library royalties (Section 16a para. 2 UrhG)	3,274.04	
Σ		10,744,317.22

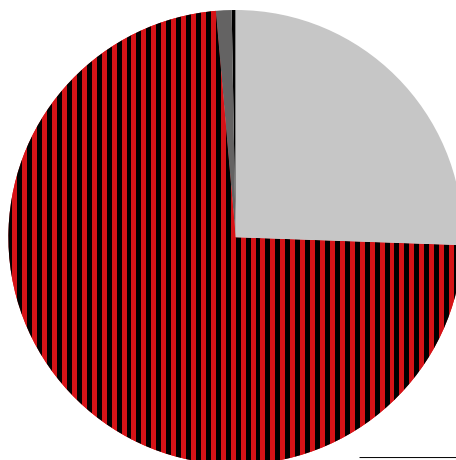
Income from
rights total:
EUR 10,744,317.22
Stated in EUR

Storage media
remuneration:
7,835,053.41
(72.92%)

Public
Transmission:
144,951.96
(1.35%)

Other:
3,274.04
(0.03%)

Cable TV:
2,761,037.81
(25.70%)



2.2. Revenues from the investment of income

In the collection and management of revenues from rights VdFS proceeds with due care. Collecting societies have to distribute the proceeds from the rights and the income from the investments of these revenues to the rights holders or use them for the purposes decided by the general assembly.

If a collecting society invests the proceeds of the rights or the income from the investment of those proceeds, it must do so in the best interest of the right holders, whose rights they exercise, and in accordance with their general investment policy and risk management principles.

VdFS ensures that

- the investment solely takes place in the interest of the right holders,
- the assets are so invested, that the safety, quality, liquidity and return of the portfolio as a whole is guaranteed and
- the investment is diversified in a reasonable manner, so that an excessive dependency of a specific asset and its risk concentration in the portfolio is avoided.

The assessment of revenues in the reporting year was made based on the *General principles for investment policy* adopted by the general assembly in accordance with Section 14 para. 2 Item 4 VerwGesG 2016.

Pursuant thereto, the investment policy of VdFS always has to follow the overriding objectives of the greatest possible security of the investment of custodial managed funds, which are mostly provisions for future royalties, liabilities and unconsumed SKE-funds, in conjunction with the greatest possible caution. In order to achieve as much risk diversification as possible, VdFS funds have to be allocated to different financial institutions and the investment volume per institution may not exceed EUR 1 million.

Outsourcing of investment activities to professionally managed asset management is permissible and, in the financial year 2018, occurred in the area of securities investments (funds, bonds).

Investments are performed based on recommendations from the Managing Director by resolution of the Executive Board and approval by the Supervisory Board.

In the year under review, VdFS invested funds at nine different banks (five fixed deposits, four securities deposits) within the meaning of the above-mentioned risk diversification.

In the 2018 financial year, financial income totalling EUR 51,545.87 was generated from investments.

These are broken down as follows:

Interest income

Interest income from the investment of fixed deposits (time deposits): EUR 2,613.40.

Securities

Income from securities and from the disposal and write-ups on financial securities and current assets:

— Interest income securities: EUR 48,932.47

— Income from write-ups on securities: EUR EUR 0.00

The following expenses from financial investments were incurred in financial year 2018:

Expenses from financial investments

Revenue from the disposal of other financial assets, the carrying value of other financial assets, the amortisation of financial assets: EUR 28,623.17.

Financial result

Financial income less expenses from financial investments: EUR 22,922.70.

2.3. Use of these revenues

Financial income can either be allocated to the distribution budget and distributed to the domestic beneficiaries and foreign affiliates, or used for other purposes – particularly social and cultural purposes – or to cover expenses.

The financial income generated by VdFS in the year under review totalling EUR 51,545.87 was used as a whole to cover expenses (“*other use*”) as in the past.

Through the deduction of the financial income from the expenses, the beneficiaries benefit proportionally/indirectly from the investments of VdFS.

It must not be that the budgets for the production of creative work are constantly sinking, but the profits of the rights-exploiters, even through digitization, are exorbitantly increasing. VdFS helps us to stay in the game as a community.





A calculation of royalties makes my heart beat faster, because it means recognition and cash flow.

Evi Romen

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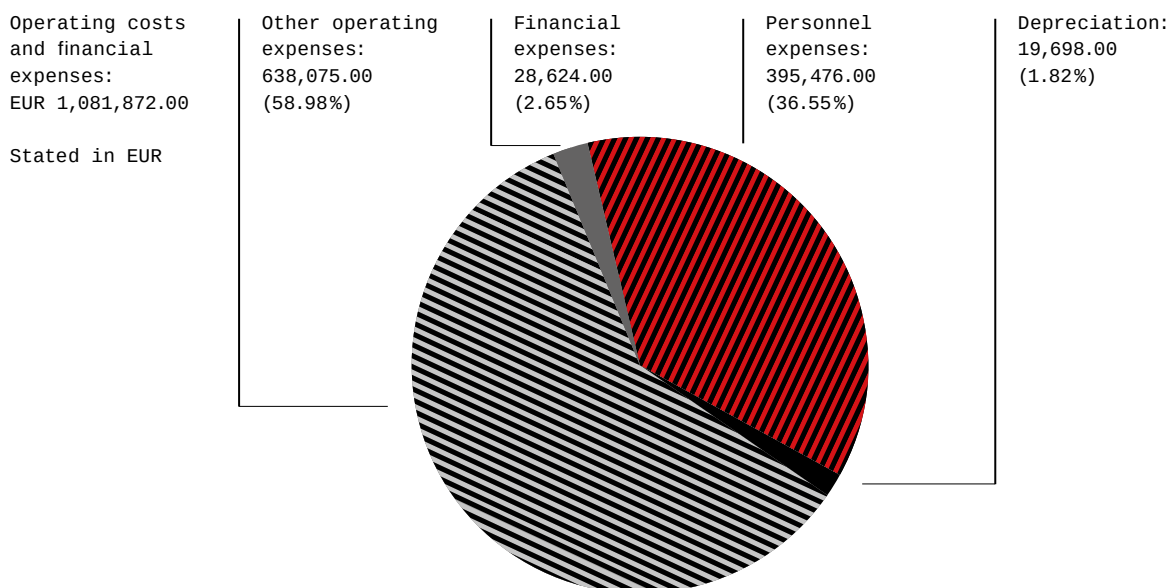
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3.1. Operating costs and financial expenses overall

Due to its operational structure, VdFS does not perform cost centre accounting. A direct allocation of operating costs and financial expenses to individual cost centres is therefore as impractical as is their break down according to category of exercised rights.

The business areas of VdFS can basically be divided into rights management (see Point 3.2) and management of social and cultural institutions (see Point 3.3.).

In financial year 2018, VdFS has generally performed deductions for social and cultural institutions (SKE) amounting to 10 % of the domestic income from the rights. The only exception is the deduction of 50 % of the revenues from storage media remuneration (SMR), as required by law in accordance with Section 33 para. 2 Verw-GesG 2016. The deduction of max. 10 % for SKE is equivalent to that agreed in the reciprocal agreements with foreign sister societies and the usance agreed with the international umbrella organisation CISAC. The calculation of the indirect costs has therefore involved the amount of the basic SKE-deductions from the income resulting from the rights. This results in a ratio of 90 % for the rights management (RM) at 10 % for SKE



The expense (incl. financial expenses) amounts to a total of EUR 1,081,872.00 and is broken down as follows:

RM = Rights management
SKE = Social and cultural institutions

Administration expenses	total	RM	RM	SKE	SKE
	EUR	%	EUR	%	EUR
Wages	309,734.00	90.00	278,761.00	10.00	30,973.00
Severance payments contributions	4,543.00	90.00	4,089.00	10.00	454.00
Retirement benefits	1,500.00	90.00	1,350.00	10.00	150.00
Statutory social security contributions	77,345.00	90.00	69,611.00	10.00	7,735.00
Other social expenses	2,353.00	90.00	2,118.00	10.00	235.00
Σ Total Personnel expenses	395,476.00		355,928.00		39,548.00
Σ Total Depreciation	19,698.00	90.00	17,728.00	10.00	1,970.00
Operating taxes	782.00	90.00	704.00	10.00	78.00
Fees and contributions	27,948.00	90.00	25,153.00	10.00	2,795.00
Membership fees	4,475.00	90.00	4,028.00	10.00	448.00
Maintenance	617.00	90.00	555.00	10.00	62.00
Operating costs	1,134.00	90.00	1,021.00	10.00	113.00
Insurance	3,464.00	90.00	3,118.00	10.00	346.00
Transport expenses	174.00	90.00	157.00	10.00	17.00
Travel expenses	3,897.00	90.00	3,507.00	10.00	390.00
Communication expenses	13,978.00	90.00	12,580.00	10.00	1,398.00
Rental and leasing expenses	33,655.00	90.00	30,290.00	10.00	3,366.00
Education and professional training	2,783.00	90.00	2,505.00	10.00	278.00
Office and administration expenses	5,655.00	90.00	5,090.00	10.00	566.00
Charges for money transactions	13,659.00	90.00	12,293.00	10.00	1,366.00
Advertising expenses	21,149.00	90.00	19,034.00	10.00	2,115.00
Legal and consulting expenses	101,291.00	90.00	91,162.00	10.00	10,129.00
Expense to the provision SMR	305,000.00	90.00	274,500.00	10.00	30,500.00
Meeting fees	12,755.00	90.00	11,498.00	10.00	1,278.00
IT expenses	65,126.00	90.00	58,613.00	10.00	6,513.00
External labour	6,000.00	90.00	5,400.00	10.00	600.00
Incidental	14,514.00	90.00	13,063.00	10.00	1,451.00
Σ Total other operating expenses	638,075.00		574,268.00		63,808.00
Σ Total Expenditure	1,053,248.00		947,924.00		105,325.00
Depreciation of financial assets	26,900.00	90.00	24,210.00	10.00	2,690.00
Interest and related expenses	1,724.00	90.00	1,552.00	10.00	172.00
Σ Total Financial expenses	28,624.00		25,762.00		2,862.00
Σ Total expenses	1,081,872.00		973,686.00		108,187.00

3.2. Operating costs and financial expenses for rights management

Rights management

In particular, the area of rights management includes tasks such as royalties management (repartition), legal agendas (contracts, procedures), economic and financial agendas (investments), internal relations (bodies, meetings, working groups), external relationships (supervisory authority for collecting societies, the Austrian cooperative association (ÖGV), ministries, the artistic social insurance funds (KSVF), other collecting societies), European and international relations (SAA, SCAPR, CISAC, affiliates), interest representation (studies, expert opinions, statements), media and public relations (PR, website, public relations, newsletters, social media), reporting, IT, data management (work and broadcasting data, international data-bases) and member organisations (ÖTAF).

The costs indirectly allocated to this area are shown under “RM” in the figure on page 31 and totalled EUR 973,686.00 in the financial year 2018.

Administrative costs

The general assembly of VdFS has already decided in the year 2016 upon *General principles for administrative costs* in accordance with Section 14 para. 2 Item 3 VerwGesG 2016. These were published on VdFS website in accordance with Section 44 Item 11 VerwGesG 2016 and can be downloaded at vdfs.at/files/general_principles_of_administrative_costs.pdf.

As administrative expenses, a general interest rate of 15 % was deducted from the income resulting from the rights. The deduction of expenses for financial year 2018 totalled EUR 1,577,241.49.

3.3. Operating costs and financial expenses for other services

In addition to rights management, VdFS also manages social and cultural institutions (SKE).

The costs indirectly allocated to this area are shown under “SKE” in the figure on page 31 and amounted to EUR 108,187.00 in financial year 2018.

Services other than SKE (with directly or indirectly attributable costs) were not provided by VdFS during the year under review.

3.4. Means to cover costs

The following resources were used to cover costs in the year under review:

Description	Amount in Euro (rounded off)
15% Expenses pursuant to royalties table	716,000.00
Expenses SMV after billing	860,000.00
Revenue RST image right	305,000.00
Other revenues pursuant to G&V	8,000.00
Interest income from bank	2,000.00
Liquidation of profit provision	49,000.00
Σ	1,940,000.00
The surplus was transferred to the profit appropriation (the profit surplus) in order to achieve a balanced result	-858,000.00
Cover of administrative costs	1,082,000.00

The result surplus is an amount of 600,000.00 supplied to the distribution budget 2018.

3.5. Deduction of income from rights

The general assembly of VdFS decided upon *General principles for other deductions (as administrative costs) including deductions for social and cultural institutions (SKE)* pursuant to Section 14 para. 2 Item 3 VerwGesG 2016. These were published on the website of VdFS pursuant to Section 44 Item 12 VerwGesG 2016 and are available for download at vdfs.at/files/general_principles_for_other_deductions.pdf.

In financial year 2018, the following deductions were made from the income resulting from the rights (domestic income):

- 15 % Expenses (general expenses rate)
- 10 % SKE (with the exception of 50 % for SMR, due to legal obligation)
- 20 % Reserves (RES)

This results in the following deductions according to type of use in EUR:

	Expenses	SKE	RES
BTR/SMR	302,846.20	978,600.05	200,630.68
CAB	392,353.91	236,868.39	355,725.40
PT	21,361.26	12,104.71	21,788.49
0	0.00	0.00	0.00
Σ	716,561.38	1,227,573.15	578,144.56

Deductions were not performed according to category of managed rights (copyrights vs. neighbouring rights), which is why a breakdown is not possible.

3.6. Share of expenses for rights management and other services for income from rights

The percentage share of total expenses for total domestic and foreign revenues in financial year 2018 is as follows:

- Total expenses EUR 1,081,872.00
- Total revenue from rights (domestic and foreign): EUR 13,898,589.79.

The share of the expenses for revenue in financial year 2018 is 7.78 %.

A breakdown by category of managed rights (copyrights vs. neighbouring rights) is not possible.



It is poached, stolen and faked in intellectual property. Therefore, I am very grateful that VdFS protects and furthers our rights. In fact, tireless.

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This chapter deals with the distributions (accounts) made to VdFS's rights holders based on income from the rights of VdFS and performed using VdFS distribution rules. The allocation and distribution of this income to other (foreign) collecting societies is presented in Chapter 5.

The *General principles for the distribution* as well as the *Distribution rules of VdFS* were published on the website of VdFS pursuant to Section 44 Item 9 VerwGesG 2016 and are available for download at the following links:

vdfs.at/files/general_principles_of_distribution.pdf

vdfs.at/files/distribution_rules_2019.pdf

The terms used in the following sub-capitals are explained as follows:

The amounts assigned to the rights holders are amounts allocated to the respective rights holders in the course of a distribution (accounting). The right holder is known. These amounts form the basis for a distribution.

Amounts distributed to the rights holders are amounts which were actually paid to rights holders in financial year 2018. Reimbursements (such as due to the incorrect statement of bank details) are not taken into account here.

Revenues collected but not yet allocated to the rights holders corresponds to all receipts received in fin. year 2018 (Chapter 2) after deduction which will form the basis for the main, supplementary and special distributions of VdFS in the following years.

Assigned but not yet distributed to the rights holders are amounts of which the rights owner is known, but which could not be allocated (distributed) in the financial year (such as due to unexplained legal successions, missing information about the current bank details, or the like).

The **median** of a listing of numbers is the value that is at the middle (central) position when the values are sorted according to size. An important feature of the median is the sturdiness in relation to outliers that affect the mean (average). The calculation of the median in the following presentations was based on the respective individual amounts from VdFS's royalties' management database (ÖTAF).

For each, participation in a work, a royalty amount is generated in the main settlement for each broadcast. These amounts are also included in the supplementary sheets, which are attached to the credits for the distribution of the main settlement. For the calculation of the median value, however, the total amounts (transfer sums) from the credits are not used, but rather the respective individual amounts. For example, 24,391 individual amounts were used for the main settlement of the median value of the authors in 2017.

In financial year 2018, the following settlements were made for authors and actors:

- Main distribution of the broadcasting data for 2017
- 1. Supplementary distribution for broadcasting year 2016
- 2. Supplementary distribution for broadcasting year 2015
- 3. Supplementary distribution (final calculation) for broadcasting year 2014

Within the framework of the main billing of the broadcasting data 2017, the 1st subsequent billing of the broadcasting data 2016 and the SMR back payments for the years 2012 to 2014 EUR 1,129,616.19 were assigned to VdFS as follows according to the category of the perceived rights and usage:

Allocated amounts: Stated in EUR	Legal category	Copyright	Neighbouring right
	Type of use		
BTR/SMR		360,983.02	195,463.48
CAB		343,833.58	168,974.96
PT		22,314.38	8,598.92
0		2,270.58	1,298.98
Released reserves		18,741.51	10,136.78
Σ		745,143.07	384,473.12
Median value*		9.914	2.455

Moreover, in the course of the 2017 main distribution, rights holders of foreign affiliates (including US) were assigned EUR 1,647,563.61 in the rights category of copyright and EUR 278,931.16 in the rights category of neighbouring (performance) rights.

4.2. Total and median value of the distributed amounts

Below are presented the total amount and the median value of the amounts distributed to VdFS's rights holders, broken down as far as possible by category of managed rights and type of use.

4.2.1. Total of all distributed domestic royalties

A total of EUR 1,207,075.34 was distributed to VdFS's rights holders in financial year 2018, irrespective of the year of allocation or the creation of the entitlement. This sum is composed as follows:

Total distributed amounts: Stated in EUR	Legal category	Σ	Median value*
	Copyright		778,732.94
Neighbouring right		428,342.40	2.431

* The median value refers to one broadcast one involvement in one work.

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Of these, EUR 1,116,624.28 were distributed from the allocations of the main statement of the broadcasting data 2017, the 1st post calibration of the broadcasting data 2016 and the SMR additional payments for the years 2012 to 2014 according to the category of the perceived rights and type of use to entitled persons of the VdFS:

Distributed amounts: Stated in EUR	Legal category	Copyright	Neighbouring right
	Type of use		
	BTR/SMR	355,534.15	189,761.33
	CAB	399,500.73	168,537.12
	PT	22,269.89	8,586.93
	0	2,363.57	1,343.82
	Released reserves	18,682.70	10,044.04
	Σ	738,351.04	378,273.24
	Median value*	9.961	2.496

4.2.2. Allocations and distributions 2018

Of the total EUR 1,215,769.43 transferred to rights holders of VdFS in financial year 2018 as a result of the distribution (allocation) stated under 4.1, EUR 1,193,104.86 were distributed to authors and actors as follows:

Allocations and distributions: Stated in EUR	Legal category	Σ	Median value*
	Copyright	770,732.71	9.697
	Neighbouring right	422,372.15	2.455

4.2.3. Distribution of claims from previous years

During the 2018 financial year, EUR 13,970.48 were distributed to VdFS rights holders, of which EUR 8,000.23 went to authors and EUR 5,970.25 to actors.

These are distributions of amounts allocated to VdFS's rights holders before the 2018 financial year. These actual payments are based, for example, on the clarification of legal successions or contested claims resp. shares in the financial year 2018.

* | The median value refers to one broadcast one involvement in one work.

4.3. Dates and number of payments

The following numbers of payments were made to VdFS beneficiaries on the following main dates during financial year 2018:

Dates and number of payments:

Date	Number
06/03/18	36
26/03/18	37
13/06/18	586
19/06/18	748
31/10/18	1,533
19/12/17	1,852
Σ	4,792

A breakdown according to “category of managed rights” and “type of use” is not possible for the financial year 2018. There are, for example, rights holders who are beneficiaries of VdFS as both authors and actors and who have, in some circumstances, received a “collective settlement”. Apart from the main distribution of the respective broadcasting year, VdFS performed “mixed settlements” (domestic royalties and transfer of foreign royalties) for reasons of efficiency and cost. Individual payments, such as on the basis of clarified legal successions, are not listed here.

4.4. Amounts collected but not yet allocated

In Chapter 2, the income from the rights in 2018 was shown. These form the basis for the distribution budgets for the following financial year.

An amount of EUR 2,639,567.06 was allocated to the distribution budget of 2018 after deduction of the US-share, expenses, SKE and reserves (see Chapter 3.5.).

This amount is broken down as follows according to category of managed rights:

- Copyright: EUR 2,049,433.32
- Neighbouring right: EUR 590,133.74.

The breakdown of the distribution budget of 2018 by type of use is as follows:

Amounts collected but not yet allocated: Stated in EUR	Type of use	Copyright	Neighbouring right
	BTR/SMR	418,018.16	104,504.54
	CAB	1,076,100.94	346,800.64
	PT	71,758.00	17,939.50
	0	3,556.22	889.05
	Return result surplus*	480,000.00	120,000.00
	Σ	2,049,433.32	590,133.74

In addition, in 2018, the following amounts have been recovered but have not yet been assigned to the rights holders:

— **Replenishment of Austro-Mechana** for Storage Medium Remuneration (SMR) for old and new media (after deductions):

— 2015: EUR 285,052.60

— 2016: EUR 132,096.76

— 2017: EUR 63,808.23

These amounts were deducted following the conclusion of a new distribution agreement between the collecting societies in the financial year 2018 and will be allocated and distributed aliquot (as a surcharge) under SMR special allocations after the completion of all subsequent billing for the respective broadcasting years.

— **Reserves**

The following amounts from reserves (20 %) for supplementary distributions were covered as of 31st of December 2018 but not yet assigned to the rights holders:

Reserves: Stated in EUR	Year	Amount
	2014	-53,828.64
	2015	158,260.96
	SMR additional payment 2015	122,165.40
	2016	315,351.16
	SMR additional payment 2016	33,024.19
	2017	475,243.73
	SMR additional payment 2017	15,952.06
	2018	508.144.56

* The 15% flat fees retained in 2018 resulted in a profit surplus due to the exceptionally high revenues. This surplus is in part fed to the distribution budget 2018.

Unused reserves are transferred to the current distribution budget after the last supplementary distribution of the respective broadcasting year. Negative amounts result from subsequent claims of foreign collecting societies.

4.5. Amounts that have been allocated but not yet distributed

The sum of the amounts allocated but not yet distributed to the rights holders of VdFS from distributions (settlements) of VdFS totals EUR 32,454.44 as of 31st of December 2018. Broken down according to category of managed rights, these amounts were allocated in the following years:

Allocated but not yet distributed amounts:	Year	Copyright	Neighbouring right
	1996	0.00	0.84
	1997	7.69	0.00
	1998	5.01	0.00
	2001	1.03	5.59
	2003	0.00	0.78
	2004	2.13	0.00
	2006	2.85	0.61
	2008	145.34	22.80
	2009	40.93	423.78
	2010	0.00	278.03
	2011	0.00	117.58
	2012	0.00	16.39
	2014	52.66	927.34
	2015	-9.39	874.23
	2016	454.34	1,875.50
	2017	1,355.49	3,695.38
	2018	11,225.91	10,931.60
	Σ	13,283.99	19,170.45
Stated in EUR			

Of these, the following amounts from the main distribution of broadcasting year 2017, the 1st post calculation of the transmission dates 2016 and the SMR additional payments for the years 2012 to 2014 could not be distributed as of 31st of December 2018:

Allocated but not yet distributed amounts:

Stated in EUR

Legal category	Copyright	Neighbouring right
Type of use		
BTR/SMR	6,172.17	6,328.01
CAB	4,054.13	3,583.89
PT	266.24	181.75
0	619.53	1,018.70
Closing provision	220.82	219.34
Σ	11,332.89	11,331.69

4.6. Obstacles

The assigned but not yet distributed amounts per 31st of December 2018 could not be distributed because of open legal successions resp. unclear affiliations to collecting societies (clashing claims). Other reasons are disputed claims and shares among the rights holders, lacking account information or amounts per rights holders below the threshold value of EUR 10.00.

4.7. Non-distributable amounts

The general assembly decided upon *General principles for the use of non-distributable amounts* in accordance with Section 14 para. 2 Item 3 VerwGesG 2016. These were published on the VdFS website in accordance with Section 44 Item 10 VerwGesG 2016 and can be downloaded at vdfs.at/files/general_principles_for_the_use_of_non-distributable_funds.pdf.

As of the reporting date of 31st of December 2018, EUR 6,580.34 were classified as non-distributable. These are “old stocks” of royalties from the year 2018 which could not be distributed for reasons such as the following:

- No legal successions resp. heir not traceable
- No representation by a collecting society
- Rights holder untraceable (neither address nor collecting society known)

Section 35 VerwGesG 2016 provides for a statutory procedure for “non-distributable amounts” (research and publication obligations, deadlines, etc.). Following that procedure, all as non-distributable classified royalties from the year 2018 will be made accessible for the general public on the webpage of VdFS at vdfs.at/1-1-About.html#MandatoryPublications. The "undistributable royalties" list is regularly updated in the newsletters, in MyVdFS and on all credits to all beneficiaries of VdFS and its foreign affiliates.



As an individual, you would hardly have a chance to receive copyright royalties for your works. For this there is VdFS, which does this for us with great bravery, dedication and skill.

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Chapter

SKE report -
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This chapter presents all payments made to and from other (foreign) sister societies in financial year 2018. This item does not cover payments resulting from collections of domestic sister societies. The explanations given in Chapter 2 concerning “categories of rights” and “types of use” also apply to this chapter as well as to the explanations and definitions presented in Chapter 4.

5.1. Payments from and to other collecting societies

5.1.1. Payments to other collecting societies

In financial year 2018, EUR 3,759,857.16 were distributed from settlements of VdFS in 2018 from the main distribution of the 2017 broadcasting data, supplementary distributions and special distributions (cf. 4.1) as well as any open balances from previous periods which, for example, were distributed due to rights conflicts which had only been resolved in 2018.

In detail, in 2018, the following payments from VdFS's accounts were made to other (foreign) collecting societies:

Legal category copyright

EUR 3,377,643.93 were distributed to the following sister societies:

Payments to
affiliates
copyright:

Stated in EUR

Country	Society	Amount
AR	DAC	312.78
AU	ASDACS	2,786.12
CAN	DRCC	2,736.76
CH	SSA	4,308.14
CH	SUISSIMAGE	81,645.97
CZ	DILIA	536.28
DE	VGBK	1,544,841.69
DK	COPYDAN	7,818.16
ES	DAMA	601.06
ES	SGAE	6,071.73
EE	EAÜ	421.83
FI	KOPIOSTO	1,864.52
FR	SACD	75,718.45
		50

FR	SCAM	5,444.87
GB	DIRECTORS UK	35,282.47
GB	SCREEN CRAFT RIGHTS	31,449.93
HU	FILMJUS	1,598.39
IT	SIAE	21,702.46
NL	VEVAM	1,707.94
NO	NORWACO	1,422.97
PL	ZAPA	3,839.20
PT	SPA	308.52
RU	RUR	186.86
SE	COPYSWEDE	23,155.59
SK	LITA	529.41
USA*	DGA	1,521,351.42

Legal category neighbouring rights

EUR 382,213.23 were distributed to the following sister societies:

Payments to
affiliates neigh-
bouring rights

Stated in EUR

Country	Society	Amount
BE	PLAYRIGHT	1,919.22
CH	SWISSPERFORM	13,506.79
DE	GVL	260,737.42
ES	AISGE	8,982.68
FR	ADAMI	84,326.13
IT	NUOVOIMAIE	10,237.09
NL	NORMA	1,561.58
PT	GDA	942.31

* The payment to the DGA includes all subsequent billings from revenues of the storage media fee for the years 2012-2016 as well as the share from the main billing of the broadcasting data 2017.

Legal category copyright

* In the context of the main distribution of the 2017 broadcasting data the 1st post calculation of the transmission dates 2016 and the SMV additional payments for the years 2012 to 2014, EUR 3,293,697.78 were distributed to other (foreign) author societies as follows according to the “categories of managed rights” and “type of use”:

Payments to affiliates copyright:

Stated in EUR

Society	AR - DAC	AU - ASDACS	CAN - DRCC
Type of use			
BTR/SMR	10.62	585.13	809.99
CAB	40.00	1,815.62	1,644.65
PT	2.89	118.28	107.15
O	1.18	10.12	9.20
Resol. RES.	1.60	101.15	91.63
Σ	56.29	2,630.30	2,662.62
Society	CH - SSA	CH - SUISSIMAGE	CZ - DILIA
Type of use			
BTR/SMR	2,293.38	48,015.02	145.98
CAB	1,606.61	25,337.82	318.11
PT	108.21	1,669.64	20.62
O	21.22	207.03	1.58
Resol. RES.	81.49	1,368.49	17.81
Σ	4,110.91	76,598.00	504.10
Society	DE - VGBK	DK - COPYDAN	EE - EAÜ
Type of use			
BTR/SMR	823,555.80	1,622.52	93.84
CAB	578,344.47	4,855.78	291.15
PT	37,67.08	317.51	18.98
O	3,241.51	30.99	1.63
Resol. RES.	32,228.42	267.96	16.22
Σ	1,475,049.28	7,094.76	421.82
Society	ES - DAMA	ES - SGAE	FI - KOPIOSTO
Type of use			
BTR/SMR	97.81	2,169.32	530.28
CAB	303.38	3,322.91	1,147.10
PT	19.77	217.01	74.72
O	1.71	20.26	6.37
Resol. RES.	16.93	184.66	63.90
Σ	439.60	5,914.16	1,822.37
* Due to technical reasons, a breakdown by use type is only possible for all settlements from the year 2016 onwards.			52

Society	FR – SACD	FR – SCAM	GB – DIRECTORS UK
Type of use			
BTR/SMR	22,220.00	1,369.70	14,524.90
CAB	44,965.87	3,572.65	16,828.73
PT	2,936.73	233.99	1,102.28
0	276.84	24.56	115.13
Resol. RES.	2,488.10	196.04	924.03
Σ	72,887.54	5,396.94	33,495.07
Society	GB – SCREEN CRAFT RIGHTS	HU – FILMJUS	IT – SIAE
Type of use			
BTR/SMR	11,574.58	342.72	7,851.23
CAB	16,109.12	1,077.55	11,852.30
PT	1,058.00	70.75	781.29
0	119.82	7.89	97.74
Resol. RES.	879.49	58.80	639.50
Σ	29,741.01	1,557.71	21,222.06
Society	NL – VEVAM	NO – NORWACO	PL – ZAPA
Type of use			
BTR/SMR	471.47	316.59	1,233.77
CAB	1,065.13	982.24	2,234.24
PT	69.99	63.97	145.59
0	8.12	5.45	12.37
Resol. RES.	57.91	54.71	124.50
Σ	1,672.62	1,422.96	3,750.47
Society	PT – SPA	SE – COPYSWEDE	SK – LITA
Type of use			
BTR/SMR	68.63	5,175.43	95.73
CAB	212.96	15,953.50	304.90
PT	13.87	1,039.97	20.17
0	1.18	91.53	2.76
Resol. RES.	11.87	886.98	16.29
Σ	308.51	23,147.41	439.85
Society	USA – DGA*		
Type of use			
BTR/SMR	1,188,614.66		
CAB	332,736.76		
PT			
0			
Resol. RES.			
Σ	1,521,351.42		

* The payment to the DGA includes all subsequent billings from revenues of the storage media fee for the years 2012-2016 as well as the share from the main billing of the broadcast data 2017.

Legal category neighbouring rights

* Of these, in the context of the main distribution of broadcasting year 2017, the 1st post calculation of the broadcasting dates 2016 and the SMR additional payments for the years 2012 to 2014 EUR 354,734.06 were distributed to other (foreign) actor societies in the “categories of managed rights” and “type of use”, as follows:

Payments to affiliates neighbouring right:

Stated in EUR

Society	BE – PLAYRIGHT	CH – SWISSPERFORM	DE – GVL
Type of use			
BTR/SMR	421.04	4,072.20	102,228.01
CAB	1,212.39	7,941.20	124,261.56
PT	61.07	407.92	6,249.47
0	6.24	80.61	587.30
Resol. RES.	76.87	449.41	7,949.32
Σ	1,777.61	12,951.34	241,275.66
Society	ES – AISGE	FR – ADAMI	IT – NUOVOIMAIE
Type of use			
BTR/SMR	2,033.20	17,150.62	2,047.16
CAB	5,976.23	54,286.38	6,938.46
PT	300.91	2,755.88	349.91
0	30.28	385.05	38.33
Resol. RES.	382.39	3,296.85	436.48
Σ	8,723.01	77,874.78	9,810.34
Society	NL – NORMA	PT – GDA	
Type of use			
BTR/SMR	244.89	164.45	
CAB	1,013.82	695.56	
PT	51.41	35.49	
0	6.73	5.89	
Resol. RES.	62.17	40.94	
Σ	1,379.02	942.33	
<p>* For technical reasons, a breakdown according to usage type is only possible for all settlements from 2016 onwards.</p>			

5.1.2.

Payments from other collecting societies

In financial year 2018, VdFS received payments from other (foreign) collecting societies in the amount of EUR 3,548,351.85.

In detail, the following payments from other (foreign) collecting societies have been made:

Legal category copyright

EUR 2,747,237.81 were received from the following sister societies:

	Society	Amount
Payments from other collecting societies copy- right: Stated in EUR	ARG - DAC	3,936.82
	AUS - ASDACS	140.95
	CH - SSA	442.10
	CH - SUISSIMAGE	209,697.22
	CZ - DILIA	2,867.99
	DE - VGBK	2,429,951.11
	EE - EAÜ	1,004.84
	FI - KOPIOSTO	966.87
	FR - SACD	7,786.14
	FR - SCAM	2,171.33
	HU - FILMJUS	10,776.56
	IT - SIAE	44,390.62
	LT - AKKA/LAA	918.81
	LT - LATGA	1,694.06
	NL - VEVAM	14,576.52
	NO - NORWACO	621.44
	PL - ZAPA	9,087.93
	PT - SPA	3,979.50
	SE - COPYSWEDE	1,080.03
	SK - LITA	964.44
SLO - AIPA	182.53	

Due to the data from foreign sister societies for the financial year 2018 which, in many cases, has not been provided in detailed form, a presentation according to "type of use" is not possible.

Legal category neighbouring right

EUR 801,114.04 were received from the following sister societies:

	Society	Amount
Payments from other collecting societies neighbouring right: Stated in EUR	AL - AKDIE	38.84
	BE - PLAYRIGHT	1,572.31
	CH - SWISSPERFORM	33,764.46
	DE - GVL	497,120.28
	ES - AISGE	107,517.04
	FR - ADAMI	124,167.70
	IT - NUOVOIMAIE	35,071.51
	NL - NORMA	1,861.90

Due to the data from foreign sister societies for the financial year 2018 which, in many cases, has not been provided in detailed form, a presentation according to “type of use” is not possible.

5.1.3. Repayments and transfers (“third-party funds”)

In financial year 2018, VdFS could not allocate EUR 11,288.48 from payments of other collecting societies to any rights holder. For this reason, these amounts, referred to as “third-party funds”, were either returned to the foreign sister societies or transferred to the collecting society that actually represents the respective rights holder(s).

5.2. Administrative costs and other deductions

The deductions relate exclusively to the amounts allocated in financial year 2018 in the course of the main and supplementary distributions and any special distributions.

VdFS calculates the claims of domestic and foreign beneficiaries as follows: A contractually agreed deduction for the claims of the DGA (US) is initially made from the domestic revenues from BTR/SMR and cable. After deducting expenses, SKE and reserves, the claims of domestic and other foreign beneficiaries are calculated. The administrative costs and other deductions from the revenue of foreign beneficiaries therefore correspond to those of the revenue of domestic beneficiaries and are as follows:

Administrative costs: 15 % (general tax rate for Austria and foreign countries)

Other deductions (for Austria and foreign countries):

— SKE 10 % (with the exception of 50 % of ECR/SMR due to statutory Obligation in Section 33 para. 2 VerwGesG 2016).

— Reserves (RES): 20 %.

With respect to the main distribution of the 2018 broadcasting data performed in financial year 2017, the 1st post-invoicing of the broadcasting data 2016 as well as the SMR additional payments for the years 2012 to 2014 in total the administrative costs and other deductions are broken down according to “category of rights” and “types of use” as follows:

Legal category copyright:*

Type of use	Collecting society	Expenses	SKE	Reserves
BTR/SMR	ASDACS	258.15	731.41	146.28
	COPYDAN	666.96	1,889.73	377.95
	COPYSWEDE	2,252.91	6,383.25	1,276.65
	DAMA	43.15	122.27	24.45
	DILIA	45.15	127.93	25.59
	DIRECTORS UK	2,266.31	6,421.21	1,284.24
	DRCC	233.83	662.52	132.50
	EAÜ	41.40	117.29	23.46
	FILMJUS	141.86	401.95	80.39
	KOPIOSTO	163.10	462.12	92.42
	LITA	37.00	104.82	20.96
	NORWACO	139.67	395.74	79.15
	SACD	6,236.94	17,671.34	3,534.27
	SCAM	480.93	1,362.65	272.53
	SCREEN CRAFT RIGHTS	2,117.90	6,000.71	1,200.14
	SGAE	463.15	1,312.26	262.45
	SIAE	1,497.19	4,242.04	848.41
	SPA	30.28	85.79	17.16
	SSA	156.04	442.10	88.42
	SUISSIMAGE	3,212.30	9,101.51	1,820.30
VEVAM	138.46	392.29	78.46	
VGBK	82,194.96	232,885.72	46,577.14	
ZAPA	317.65	900.01	180.00	
CAB	ASDACS	445.01	252.17	453.91
	COPYDAN	1,149.70	651.50	1,172.70
	COPYSWEDE	3,883.39	2,200.59	3,961.06
	DAMA	74.36	42.14	75.85
	DILIA	77.97	44.18	79.53
	DIRECTORS UK	3,907.66	2,214.34	3,985.81
	DRCC	403.10	228.42	411.16
	EAÜ	71.36	40.44	72.79
	FILMJUS	244.56	138.59	249.46
	KOPIOSTO	281.15	159.32	286.78
	LITA	63.77	36.14	65.05
	NORWACO	240.75	136.42	245.56
	SACD	10,751.58	6,092.56	10,966.61
	SCAM	829.40	469.99	845.99
	SCREEN CRAFT RIGHTS	3,651.53	2,069.20	3,724.56
SGAE	797.97	452.18	813.93	
SIAE	2,580.93	1,462.53	2,632.55	
SPA	52.20	29.58	53.24	

* The calculation basis for administrative costs and other deductions consists of the domestic revenue after calculation of the US-share.

Type of use	Collecting society	Expenses	SKE	Reserves
	SSA	268.99	152.43	274.37
	SUISSIMAGE	5,537.85	3,138.11	5,648.61
	VEVAM	238.68	135.25	243.45
	VGBK	141,695.58	80,294.16	144,529.49
	ZAPA	547.61	310.31	558.56
PT	ASDACS	28.99	16.43	29.57
	COPYDAN	74.90	42.45	76.40
	COPYSWEDE	252.96	143.35	258.02
	DAMA	4.84	2.75	4.94
	DILIA	5.05	2.86	5.15
	DIRECTORS UK	254.52	144.23	259.61
	DRCC	26.26	14.88	26.79
	EAÜ	4.65	2.64	4.75
	FILMJUS	15.93	9.03	16.25
	KOPIOSTO	18.31	10.38	18.68
	LITA	4.16	2.35	4.24
	NORWACO	15.68	8.88	15.99
	SACD	700.36	396.87	714.37
	SCAM	54.02	30.61	55.10
	SCREEN CRAFT RIGHTS	237.93	134.82	242.68
	SGAE	52.01	29.47	53.05
	SIAE	168.14	95.28	171.51
	SPA	3.40	1.93	3.47
	SSA	17.53	9.93	17.88
	SUISSIMAGE	360.77	204.44	367.99
	VEVAM	15.54	8.81	15.85
	VGBK	9,231.07	5,230.94	9,415.69
	ZAPA	35.68	20.22	36.40

Rechtekategorie Leistungsschutzrecht:*

Type of use	Collecting society	Expenses	SKE	Reserves
BTR/SMR	ADAMI	5,006.01	14,183.69	2,836.74
	AISGE	635.10	1,799.44	359.89
	GDA	58.20	164.91	32.98
	GVL	13,285.21	37,641.43	7,528.29
	NORMA	96.16	272.44	54.49
	NUOVOIMAIE	708.66	2,007.87	401.57
	PLAYRIGHT	126.43	358.21	71.64
	SWISSPERFORM	583.61	1,653.56	330.71
CAB	ADAMI	11,199.15	6,346.19	11,423.14
	AISGE	1,420.67	805.05	1,449.09
	GDA	130.22	73.79	132.82
	GVL	29,720.40	16,841.56	30,314.81
	NORMA	215.14	121.91	219.44
	NUOVOIMAIE	1,585.43	898.41	1,617.14
	PLAYRIGHT	282.84	160.28	288.50
	SWISSPERFORM	1,305.53	739.80	1,331.64
PT	ADAMI	562.17	318.56	573.41
	AISGE	71.38	40.45	72.81
	GDA	6.53	3.70	6.66
	GVL	1,492.16	845.56	1,522.00
	NORMA	10.81	6.12	11.02
	NUOVOIMAIE	79.57	45.09	81.16
	PLAYRIGHT	14.20	8.05	14.48
	SWISSPERFORM	65.51	37.12	66.82

5.3. Administrative costs and other deductions for payments from other collecting societies

VdFS transfers payments from foreign collecting societies directly to its beneficiaries, without deducting administrative costs or making any other deductions.

5.4. Distribution of payments from other collecting societies

In financial year 2018, EUR 3,336,696.55 were distributed to VdFS's rights holders from payments by foreign sister societies, irrespective of the year of receipt and the occurrence of the claim. The payments are broken down as follows:

Legal category copyright

In financial year 2018, EUR 2,738,868.43 were transferred to film authors without any deduction of administrative costs or other deductions.

* The calculation basis for administrative costs and other deductions consists of the domestic revenue after calculation of the US-share.

Distributions of foreign payments:

Stated in EUR

Origin	Amount
ARG - DAC	2.04
CH - SSA	113.12
CH - SUISSIMAGE	193,135.96
CZ - DILIA	2.867.99
DE - VGBK	2,418,072.99
DK - COPYDAN	272.42
EE - EAÜ	701.98
FI - KOPIOSTO	1,479.01
FR - SACD	8,336.91
FR - SCAM	362.28
HU - FILMJUS	20,580.01
IT - SIAE	72,593.76
LT - AKKA/LAA	865.33
NL - VEVAM	183.99
NO - NORWACO	1,444.02
PL - ZAPA	9,337.84
PT - SPA	3,093.52
SE - COPYSWEDE	4,448.44
SLO - AIPA	167.11
SK - LITA	809.71

Legal category neighbouring rights

In financial year 2018, EUR 597,828.12 were transferred to performing artists in the audiovisual field who were entitled to neighbouring rights without the deduction of administrative costs or other deductions.

Distributions of foreign payments:

Stated in EUR

Origin	Amount
BE - PLAYRIGHT	8,226.59
CH - SWISSPERFORM	1,651.31
DE - GVL	308,109.04
ES - AISGE	77,222.62
FR - ADAMI	123,103.61
IT - NUOVOIMAIE	75,795.61
NL - NORMA	3,719.34
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We offer the all-round service of a professional representation of interests for filmmakers. We fight for respect and protection of copyright, we promote the socially weak as well as professional associations and festivals.



SKE report – report about deductions for social and cultural institutions

Activity report

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Since VdFS claims storage media remuneration (SMR) pursuant to Section 42b para. 1 UrhG, it is obliged, pursuant to Section 33 para. 2 VerwGesG 2016, to create social and cultural institutions ("SKE") for its beneficiaries and to provide these with 50 % of the total income from this remuneration, minus the resulting administrative costs.

In addition to this legal obligation, 10 % of VdFS's other domestic royalty income is reserved for SKE within the framework of a solidarity and voluntary deduction.

Collecting societies have to establish firm rules for grants from their social and cultural institutions based on fair criteria, particularly with regard to access to such services and their scope.

The *SKE-Guidelines* of VdFS (current version is available at vdfs.at/files/2019_ske_guidelines_en.pdf) are based on the *General principles of the distribution* adopted by the 2016 general assembly (available at vdfs.at/files/general_principles_of_distribution.pdf) and form the basis for the management and allocation of the funds. The *SKE-Guidelines* were last amended by resolutions of the Executive Board of 19th of February 2019 and by the Supervisory Board on 26th of February 2019.

The *SKE-Guidelines* to be published on VdFS website pursuant to Article 44, Item 9 VerwGesG 2016 are agreed upon by the Executive Board and approved by the Supervisory Board. Amendments to these guidelines can only be made by unanimous decisions of the Executive Board and the Supervisory Board.

The Executive Board decides on the allocation of the funds. In order to prepare its decisions, the Executive Board has established a committee ("the SKE-Committee"), which reviews the submitted applications and makes non-binding recommendations for their implementation. The Supervisory Board has to approve the grants which have been agreed upon by the Executive Board.

In the financial year 2018, four meetings of the SKE-Committee and four meetings of the Executive Board took place concerning the awarding of SKE-grants.

Detailed information concerning prerequisites, application, allocation and settlement are summarised and explained for applicants in the service area of vdfs.at.

6.1. SKE-deductions

In financial year 2018, a total of EUR 1,227,573.15 were deducted for SKE from the revenues from rights shown in Chapter 2. These previously annotated deductions can be broken down pursuant to “type of use” as in the following table.

At the time of the deduction for SKE-purposes (statutory obligation/voluntary deduction based on decisions of the committees), no dedication for a specific purpose has yet occurred. A breakdown of the deductions pursuant to purpose is therefore not possible.

The deductions were made pursuant to the “type of use” as follows:

SKE Deductions: Stated in EUR	Type of use	SKE Deduction
	BTR/SMR	978,600.05
	CAB	236,868.39
	PT	12,104.71
	0	0.00
	Σ	1,227,573.15

A breakdown according to “category of managed rights” (copyright vs. neighbouring rights) is not possible.

6.2. Use of the SKE-amounts

The status of the SKE-Fund (liability from the dedication for SKE) as of 1st of January 2018 amounted to EUR 2,243,955.74. EUR 1,511,675.11 were distributed as follows for social and cultural purposes:

Social purposes

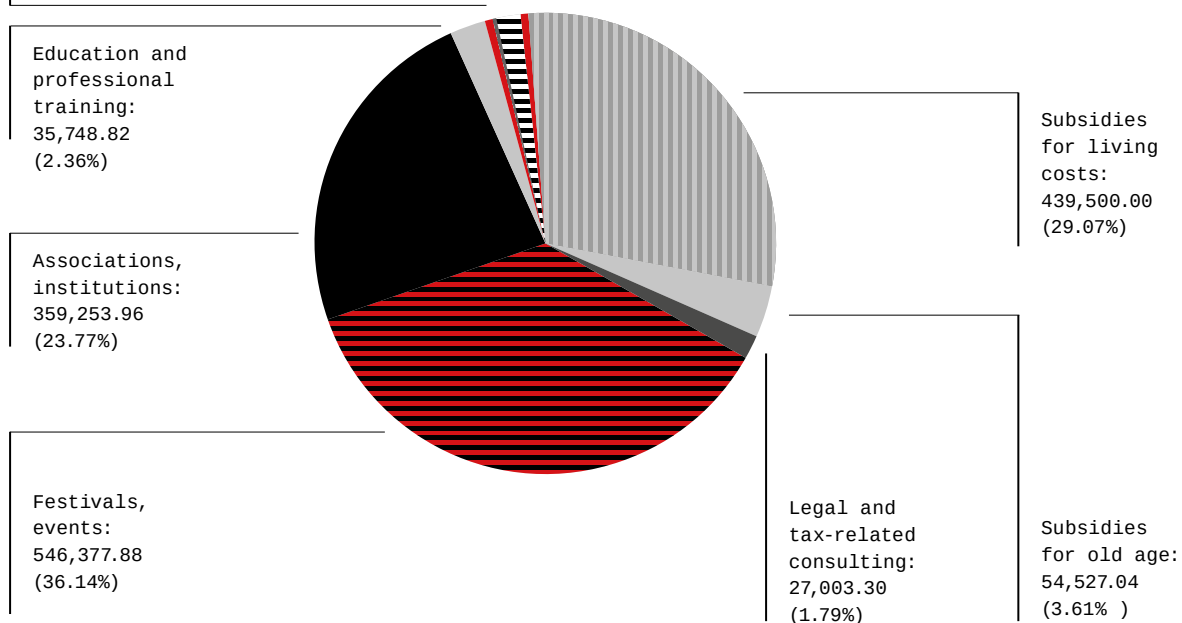
Use of social purposes: Stated in EUR	Subsidies for living costs	439,500.00
	Subsidies for old age	54,527.04
	Subsidies for legal and tax-related consultation	27,003.30
	Σ	521,030.34

Cultural purposes

Use of cultural purposes: Stated in EUR	Liabilities from festivals and events	546,377.88
	Liabilities from associations and institutions	359,253.96
	Education and professional training	35,748.82
	Printing subsidies	8,350.00
	Legal specialist literature	1,636.11
	Web/PR	30,278.00
	Cultural special projects (infrastructural measures)	9,000.00
	Σ	990,644.77

The status of the SKE-fund (liability from the dedication for SKE) as of 31st of December 2018 amounts to EUR 4,741,006.69.

Use of the 2018 SKE report: EUR 1,511,675.11 Stated in EUR	Printing subsidies: 8,350.00 (0.55%)	Legal specialist literature: 1,636.11 (0.11%)	Web/PR: 30,278.00 (2.00%)	Cultural special projects: 9,000.00 (0.60%)



Costs for the administration of deductions

The cost for the administration of deductions during the reference year corresponds to the costs for other services totalling EUR 108,187.00 as stated in Chapter 3.3. No additional (special) costs for administrating the SKE have been deducted.

Seperate amounts

This chapter also includes separate amounts used for social and cultural institutions (SKE). In the 2018 financial year, as in the previous year, VdFS received royalties because of a testamentary decision by a beneficiary reserved for SKE-purposes. This payment was linked with the requirement to use the estate solely for the “support of actors who, through no fault of their own, are in social distress”. Financial authorities of the federal state review the designated use. In the reporting year no payments were made.



By the support of the SKE fund of VdFS as DREHÜBUNG | WIEN we have the possibility to

build up a unique platform for further education of filmmakers.

Drehübung | Wien

Anja Štruc
Katharina Haudum
Lukas Strasser

Annex

Cash flow
statement as of
31st December
2018:

Stated in EUR

	2018	2017
1. Earnings before taxes	12,876,098.64	6,583,472.58
2. Appropriation of earnings	-12,876,098.64	-6,583,472.58
3. Reconciliation to net cash flow from earnings before tax		
a. Loss from the disposal of investment assets	1,723.67	13,006.61
b. Depreciation/write-ups on fixed assets as well as securities held as current assets	46,597.46	72.53
Cash flow from earnings	48,321.13	13,079.14
c. De-/Increase in inventories, trade receivables and other assets	-873,778.88	813,027.11
d. In-/Decrease in provisions, except for taxes on income	308,579.00	81,515.00
e. Increase in trade payables and other liabilities	3,189,086.61	860,406.79
	2,672,207.86	1,768,028.04
4. Net cash flow from profit before tax	2,672,207.86	1,768,028.04
5. Net cash flow from operating activities	2,672,207.86	1,768,028.04
6. Net cash flow from investing activities		
a. Proceeds from asset disposal (excluding financial assets)	0.00	150.00
b. Proceeds from the disposal of financial assets and other financial investments	166,584.44	451,231.35
c. Asset additions pursuant to statement of movements in fixed assets (excluding financial assets)	-32,268.56	-8,333.30
d. Additions to financial assets and other financial investments	-196,091.56	-476,442.63
	-61,775.68	-33,394.58
7. Net cash flow from financing activities		
a. Deposits/withdrawals from equity	700.00	500.00
b. Deposits/withdrawals for the taking out/repayment of other financial loans	0.00	-17.70
	700.00	482.30
8. Change in cash and cash equivalents	2,611,132.18	1,735,115.76
9. Cash and cash equivalents at the beginning of the period	4,256,718.91	2,521,603.15
10. Cash and cash equivalents at the end of the period	6,867,851.09	4,256,718.91

Balance sheet
as of 31st
December 2018:

Stated in EUR

Assets	31. Dec 2018	31. Dec. 2017
A. Investment assets		
I. Intangible assets		
1. Software	30,162.47	14,352.66
II. Property, plant and equipment		
1. Operating and office equipment	7,342.80	10,582.01
III. Financial assets		
1. Investments	1,239.47	1,239.47
2. Securities (value rights) held as fixed assets	3,705,844.24	3,704,960.29
	3,707,083.71	3,706,199.76
	3,744,588.98	3,731,134.43
B. Current assets		
I. Receivables and other assets		
1. Trade receivables	143,480.73	0.00
2. Other receivables and assets	1,884,385.01	1,153,927.28
	2,027,865.74	1,153,927.28
II. Cash on hand, balances with credit institutions	6,867,851.09	4,256,718.91
	8,895,716.83	5,410,646.19
C. Prepaid expenses	3,084.25	3,243.83
Total assets	12,643,390.06	9,145,024.45

Balance sheet
as of 31st
December 2018:

Stated in EUR

Liabilities	31. Dec 2018	31. Dec. 2017
A. Equity		
I. Total nominal amount of corporate shares		
1. Remaining members	14,600.00	13,900.00
2. Outgoing members	0.00	0.00
	14,600.00	13,900.00
B. Provisions		
1. Other provisions	470,018.00	161,439.00
C. Liabilities		
1. Liabilities towards credit institutions	0.00	0.00
2. Trade payables	44,887.09	14,992.64
3. Liabilities from the dedication for SKE	4,741,006.69	2,243,955.74
4. Liabilities from royalties of which royalties are below threshold of which royalties are indivisible	7,043,107.74 3,908.35 6,580.34	6,495,832.07 2,094.43 2,432.11
5. Other liabilities of which from taxes of which in the context of social security	329,770.54 100,582.64 7,475.37	214,905.00 245.59 7,122.03
	12,158,772.06	8,969,685.45
Total liabilities	12,643,390.06	9,145,024.45

Income
statement
01st of Jan.
2018 - 31st of
Dec. 2018

Stated in EUR

	2018	2017
1. Revenue	13,898,589.79	7,259,822.87
2. Other operating income	7,834.25	8,496.38
3. Personnel expenses		
a. Salaries	309,734.42	285,702.84
b. Social security expenses <i>of which expenses for retirement benefits</i>	85,741.13 1,500.00	80,372.24 1,800.00
	395,475.55	366,075.08
4. Amortisation		
a. of intangible assets and depreciation of property, plant and equipment	19,697.96	16,614.56
5. Other operating expenses	638,074.59	357,861.44
6. Subtotal from Lines 1 to 5 (operating results)	12,853,175.94	6,527,768.17
7. Income from other securities	48,932.47	46,784.01
8. Other interest and similar income	2,613.40	5,534.98
9. Income from the disposal of and write-ups on financial assets	0.00	32,696.71
10. Expenses from financial investments	28,623.17	29,311.29
11. Interest and similar expenses	0.00	0.00
12. Subtotal from Lines 7 to 11 (financial results)	22,922.70	55,704.41
13. Earnings before taxes	12,876,098.64	6,583,472.58
14. Earnings after taxes	12,876,098.64	6,583,472.58
15. Net income for the year	12,876,098.64	6,583,472.58
16. Profit appropriation	-12,876,098.64	-6,583,472.58
17. Profit of the year	0.00	0.00

Auditor's report for the 2018 transparency report

Auditor's report

Report on the transparency report pursuant to Section 45 VerwGesG 2016

Audit opinion

We have audited the transparency report of

VdFS – Verwertungsgesellschaft d. Filmschaffenden reg. GenmbH, Vienna

consisting of the balance sheet as of 31st of December 2018, the income statement for the financial year ending on that date, the cash flow statement and the disclosures pursuant to Section 45 para. 2 to 6 VerwGesG 2016, pursuant to the regulations in Section 46 VerwGesG 2016.

In our opinion, the current transparency report complies with the legal requirements.

Pursuant 4 para. 2 VerwGesG 2016, we have not identified any facts which indicate that the collecting society cannot meet its obligations or that the collecting society will not be able to fulfil its obligations.

The annual financial statements as of 31st of December 2018 (consisting of the balance sheet as of 31st of December 2018, the income statement for the financial year ending on this date and the cash flow statement) provide a true and fair view of the assets and financial position as of 31st of December 2018 as well as of the collecting society's income position for the financial year ending on that date in accordance with Austrian corporate law.

The transparency report contains the minimum content required pursuant to Section 45 VerwGesG 2016. The statements and representations contained in the transparency report pursuant to Section 45 para. 2 to 6 VerwGesG 2016 are not in any apparent contradiction to our other perceptions about the collection society.

Basis for the audit opinion

We conducted our audit and the audit of the disclosures pursuant to Section 45 para. 2 to 6 VerwGesG 2016 in accordance with the Austrian principles of proper auditing. These principles require the application of International Standards on Auditing (ISA). Our responsibilities pursuant to these regulations and standards are described further in the section "Responsibilities of the auditor for the audit of the annual financial statements" of our audit certificate. We are – in accordance with Austrian company law and professional regulations – independent of the collecting society and have fulfilled our other professional duties in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinion.

Our responsibility and liability towards the collecting society as well as towards third parties is limited to a total of EUR 2 million, in accordance with Section 275 para. 2 UGB (Austrian Commercial Code – liability regulations for the auditing of a small or medium-sized company).

Responsibilities of the legal representatives for the transparency report

The legal representatives are responsible for the preparation of the transparency report pursuant to Section 45 VerwGesG 2016. They are responsible for ensuring that the annual financial statements provide a true and fair view of the situation of the company assets, finances and earnings in accordance with Austrian corporate law.

In addition, the legal representatives are responsible for the internal controls that they consider necessary to enable the preparation of a financial statement that is free of material misstatements, whether intentional or unintentional.

In the preparation of the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue the business activity, to specify matters relating to the continuation of the business activity, if applicable, and to apply the accounting principle for the continuation of the business activity, unless the legal representatives intend to either liquidate the company or cease business or have no realistic alternative.

Responsibilities of the auditor for the audit of the transparency report

Our objectives are to obtain reasonable assurance as to whether the annual financial statements contained in the transparency report as a whole are free from intentional or unintentional material misrepresentations and to issue an audit certificate which includes our audit opinion. Sufficient security is a high degree of security, but it does not guarantee that a final audit performed in accordance with the Austrian principles of proper auditing (which requires the application of the ISA) will always reveal a material misrepresentation, if any exists. Incorrect representations may result from premeditated actions or errors and are deemed to be material if they individually or collectively could reasonably be expected to affect the economic decisions made by users on the basis of these annual financial statements.

With regard to the disclosures pursuant to Section 45 para. 2 to 6 VerwGesG 2016, we examine whether the statements and representations contained in the transparency report pursuant to Section 45 para. 2 to 6 VerwGesG 2016 are in any apparent contradiction to our other perceptions about the collecting society. We also examine whether there are any facts that indicate that the collecting society will not be able to meet current or future obligations.

As part of a final audit in accordance with the Austrian principles of proper auditing, which require the application of the ISA, we exercise due discretion and maintain a critical fundamental attitude throughout the final audit.

In addition:

— We identify and assess the risks of material misrepresentations – intentional or unintentional – in the financial statements, plan audit procedures in response to these risks, perform them and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

The risk that material misrepresentations resulting from premeditated actions will not be revealed is higher than one resulting from errors, since premeditated actions may include fraudulent co-operation, counterfeiting, intentional incompleteness, misleading representation or the abolition of internal controls.

— We gain an understanding of the internal control system relevant to the final audit in order to plan audit procedures that are appropriate in the circumstances, but not with the objective of issuing an opinion as to the effectiveness of the company's internal control system.

— We assess the appropriateness of the accounting policies used by the legal representatives as well as the reasonableness of the accounting estimates presented by the legal representatives and related information.

— We draw conclusions concerning the appropriateness of the application of the accounting principle of the continuation of the business activities by the legal representatives as well as, on the basis of the audit evidence obtained, whether there is substantial uncertainty in connection with events or circumstances which cast seriously doubt as to the company's ability to continue its business activity. If we conclude that there is material uncertainty, we are obliged to draw attention in our audit certificate to the related disclosures in the annual financial statements or, if these disclosures are inappropriate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained as of the date of our audit certificate. However, future events or circumstances may result in the company's departure from the continuation of the company's activities.

— We assess the overall presentation, structure and content of the annual financial statements as of 31st of December 2018, including the disclosures as well as whether the annual financial statements reflect the underlying transactions and events in such a way as to achieve the most accurate picture possible.

Vienna, 13th of May 2019

Bernardini & Co Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Dr. Martin Bernardini e.h.
Auditor

The publication or disclosure of the transparency report with our audit certificate may only take place in the version which we have confirmed. This auditor's report relates exclusively to the German Language and the complete transparency report. In the case of deviating versions, the provisions of Section 281 para. 2 UGB are to be observed.

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