



koda[®]

Transparency Report 2018

Introduction

Koda's 2018 transparency report is the third of its kind in Koda's history. The transparency report contains all the information required by the Danish Act on Collective Rights Management, which was adopted in 2016, and is based on the accounting information stated in Koda's audited financial statements for 2018.

The report contains an activity report for 2018 reviewing key events of the year. This is followed by two sections detailing how Koda's revenues, generated by the public performance of music, are distributed amongst rightsholders in Denmark and abroad. Koda's distribution of cultural contributions is described in section four. Section five and six provide descriptions of when and how Koda can refuse to license a musical work as well as a brief description of Koda's legal set-up and the context wherein Koda operates. The final section of the report consists of Koda's financial statements for 2018.

Koda, April 2019

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1. Activity report

Strategy

Upholding rights and digitalization were two major strategic focus areas for Koda in 2018. Throughout the year, Koda undertook projects and initiatives aimed at strengthening and securing Koda's business in the long term, regardless of whether the specific focus was on greater efficiency, business development or improved service. Information Technology was a particular focus, and Koda has also been working closely with our partners in Polaris (TONO and Teosto) to lay down the framework for further cooperation.

Finances

For the second year in a row, the turnover exceeded one billion Danish kroner. Overall, this year's result will yield 121 million EUR for distribution among rightsholders, partly in the form of individual distributions and partly in the form of cultural contributions.

Within the Broadcast and Online section, the total turnover was 98 million EUR. This high level of revenue is due partly to arrears from TV distribution for 2014 to 2017, but even so, 2018 was, overall, a good year within all Media sections. Revenues generated by Video-On-Demand services in particular continued to grow massively, showing an 18 percent increase from 2017 to 2018. Local and regional radio proved a positive surprise, showing 7 percent growth. As regards music streaming, Koda, as in previous years, direct licensors, such as music publishers and collective rights management societies abroad, thereby also losing turnover.

Within the General Licensing section, revenues increased from 28.2 to 28.5 million EUR. As has also been seen in past years, live events contributed the greatest growth in 2018.

Koda's revenues from abroad ended up totalling 9.9 million EUR in 2018. The decrease compared to the previous year is due, among other things, to the fact that a substantial outstanding amount held by the German collective rights management society GEMA, withheld due to a case against the tax German authorities concerning double taxation, was not distributed in 2018 as expected. Koda has appealed the case, which means that the court proceedings will continue in 2019.

In addition to this, the results for 2018 are also affected by a decrease in the number of significant Koda hits abroad compared to the previous year, as well as by a general decrease in revenues from Koda concerts abroad.

Once again, the largest contributors were the geographically adjacent markets in the Nordic countries, Germany and the UK, which together accounted for 63 per cent of the total foreign revenues generated. Of course, the 20 per cent drop in the value of the British pound as a result of Brexit had an adverse impact on Koda's foreign revenues from abroad.

Financial key results:

- Total turnover amounted to 136 million EUR
- Amount to be distributed to rightsholders, after deductions for administration costs: 121 million EUR
- Administration costs came to 14.6 million EUR
- The admin rate was 10.7 per cent

Continuing major negotiations

Like the year before, 2018 was characterised by several major media negotiations and cases brought before the Copyright License Tribunal, Ophavsretslicensnævnet.

Within the field of TV, Koda and fellow rightsholders representatives Copydan and UBOD continued the negotiations with TDC on a new general agreement concerning TDC's TV distribution. The radio area continued to see extensive activity. Negotiations with the major regional radios were completed, successfully achieving a result which reflects the new opportunities for broadcast on the FM bands. The renegotiations with Bauer Media concerning levels of payment for nationwide FM band did not reach a conclusion and will continue in 2019.

The autumn saw the Copyright License Tribunal make its ruling in the HBO case. The central theme of the case was whether HBO should pay a fixed price per minute of music viewed, or whether HBO should pay a share of their turnover to Koda at a rate depending on the music percentage, a so-called turnover-based fee. HBO demanded a fixed price per minute. Koda wanted a turnover based model, which is the payment model used for almost all media that use music. The Copyright License Tribunal chose to base its decision on a compromise where the payment is set on the basis of various elements that include the number of minutes of music streamed and a fixed price per minute.

The correspondence and preparations associated with Koda's case against DR (Danish Broadcasting Corporation) before the Copyright License Tribunal continued throughout 2018. The case concerns the issue of how much DR should pay Koda and how those rates should be calculated in the future. Koda expects the case to be resolved in the second half of 2019.

New members – more distributions

Koda distributed a total of 109.6 million EUR to rightsholders in 2018. Of these, 41.6 million EUR were paid to Koda members. A total of 101 million EUR was distributed for performances in Denmark in 2018, an increase compared to the 96 million EUR seen in 2017.

Koda received no less than 1,600 new members in 2018, of which 1,568 are composers and songwriters. The remaining 32 are music publishers. This brought Koda's total membership up to 47,503 members. Of these, a total of 22,891 members received distributions in 2018.

More music – and more stakeholders to share the revenues

In 2018, Koda had 22.6 million works registered in the ICE work database. This represents an increase of 4.2 million works in just one year. As far as Koda members' works are concerned, a total of 1.3 million were registered in the database in 2018, an increase of 109,000 compared to 2017.

Looking at the significant increase in Koda's revenue seen in the last 10 years, the overall tendency among composers, songwriters and music publishers alike is still that the total increase is driven mainly by the repertoires of a few, but high-earning members. For example, welcoming several larger publishers has almost tripled Koda's publishing revenues within the last 10 years.

Among the distributions made in 2018 to Koda members, two-thirds of the amount went to members with an annual income of more than DKK 150,000 (20,088 EUR) from distributions in Denmark and abroad. They number 354 rightsholders in total, of which 56 publishers.

Approximately 20,000 Koda members – corresponding to 89% of the 22,485 rightsholders to whom Koda has made distributions – received less than DKK 10,000 (1339 EUR) in 2018.

Efficiency measures and developing new technology

Greater efficiency and quality within Koda's systems and processes for data processing as well as within its services to customers and members remained a focus area in 2018.

Major efforts sustained throughout 2018 made Koda ready to transition from quarterly to monthly distributions in 2019. Adjustments to a number of internal processes have enabled Koda to significantly reduce the time elapsing from performance to distribution. Before, up to seven months typically elapsed from the time the music was performed until the relevant rightsholder received their money, but from February 2019 less than two months will go by between performance and distribution. Initially, the change encompasses those sections where distributions have been quarterly until now, such as DR radio and TV, TV2, commercial radios and the largest concerts. Later in 2019, more sections and TV stations will be included in the loop. At the same time, a range of new features developed for the members' site 'My Koda' in 2018 mean that concurrently with the fast distributions, Koda members will be able to track their earnings day by day as their works are processed and identified by Koda.

In terms of digital developments, work was done to identify the need for modernising Koda's overall technology and data platform (Enterprise Architecture). Koda launched a collaborative effort with IBM on the implementation of a Machine Learning solution to improve existing matching routines. And under the auspices of the joint Nordic collaborative scheme Polaris Future Lab, the year's efforts focused on collecting lessons learnt to support the future implementation of new technology such as artificial intelligence (AI). A specific project realised in 2018 was the development of a Chatbot, which will initially be implemented in Koda's General Licensing department.

Political framework

In 2018, Koda's international and political work remained mainly focused on the EU's Copyright Reform, with particular emphasis on the Copyright Directive and the Broadcasting Directive. Various delays associated with the Copyright Directive meant that trilogue negotiations between the Council of the EU, the European Parliament and the European Commission could not be initiated until the end of the year. In particular, Article 13 of the Directive was, for the whole of 2018, the subject of widespread dispute between rightsholders and the music industry on one

side, and the tech industry and its advocates of a 'free' internet on the other. That, coupled with extensive lobbying from both camps, created great political uncertainty, and right up until the turn of the year it was impossible to predict the outcome. However, the at times very aggressive campaign activities seen throughout the year made it clear that the stakes were high, and that the tech giants would go far to avoid any changes to the exemptions from both liability and payment they had enjoyed thus far.

As regards the Broadcasting Directive, the trilogue reached an agreement in the autumn of 2018. Instead of a regulation as originally foreseen, it was decided to implement the adjustments as a directive, thereby facilitating greater national flexibility. Among other things, the Broadcasting Directive regulates what is known as Direct Injection, which was a key issue for many GESAC societies.

CRM Directive and Data Protection Regulation

The work on implementing the CRM Directive continued in 2018. According to the new rules, Koda had to publish, before the end of the year, an overview of all so-called undistributable funds, meaning works and rightsholders for which, for various reasons, no distribution can be made. This information is now one of the permanent elements available on Koda's website. In addition to making data available to the members, allowing them to search the data themselves, Koda also made great efforts in 2018 to actively contact members whose works are not fully or sufficiently documented for distributions to be made for the use of their music.

In addition, Koda also allocated considerable resources to ensuring that the data protection rules required by the new Data Protection Regulation (GDPR) are complied with. The regulation came into force in May 2018.

Economic value and consumption of music

Two recurring major surveys were conducted in 2018: 'Dansk Musikomsætning' (Turnover in the Danish Music Sector) – an analysis of the economic value of the music industry within the Danish society, executed by Rambøll on behalf of Koda, IFPI, Dansk Live, MXD, Gramex and Musikforlæggerne. And the 'Polaris Nordic Survey' – a study of digital music consumption patterns in the four Nordic countries, carried out by YouGov in collaboration with Teosto (FI) and TONO (N).

Awareness and reputation

In 2018, we asked the Danes about their general awareness of and attitude towards Koda. The study shows general support for and understanding of Koda's work, and that a very great proportion of Danes agree that composers and songwriters should receive payment if others use their music in public or as part of their business. As regards our customers, Koda launched a major customer satisfaction survey in 2018. It showed that customer satisfaction among Koda's customers has gone up from 43 per cent to 53 per cent in just two years.

Koda Kultur / Koda Culture

Finally, 2018 saw the final planning of the transition to having Koda's cultural contributions managed as a unified unit under the common heading 'Koda Kultur' (Koda Culture). This means that in future, all Koda members will be able to submit applications to – and do so via a common portal.

2. Revenues and deductions 2018

The table below lists Koda's revenues by rights category and area of use, relating them directly to the areas in which they are paid out. The table displays Koda's revenues in 2018, which, after deductions and applied interest rates, result in the net amounts to be distributed amongst rightsholders. The methods and principles behind the table are described on page 10.

Table 2.1 Revenues and deductions 2018

In thousand EUR

Area of use	Revenue	Inter- est	Deduction for administration	For distribution after deduction of administra- tion	Deduction for cultural contributions	Contributions to subsidised concert	Distribu- tion of interest	For individu- al distribu- tion	For individual distribution 2017
General public performance									
Background - with reporting	5,310		-1,060	4,249	-425	-76	-3	3,745	3,697
Background - no reporting	8,110		-1,582	6,528	-653	-117	-4	5,754	5,620
Cinemas and film screenings	1,449		-289	1,160	-116	-21	-1	1,022	1,192
*Concert	12,572		-2,299	10,273	-1,027	-184	-7	9,054	8,423
Major Live Concert	982		-55	927	-93	-13		822	901
Subsidised concert	59			59	-6	843		896	736
Total	28,482		-5,286	23,196	-2,320	432	-15	21,293	21,104
Broadcast									
Radio	10,575		-1,760	8,815	-882	-158	-6	7,770	9,301
TV	15,448		-2,556	12,893	-1,289	-232	-9	11,363	11,129
TV Distribution	28,863		-660	28,203	-2,821		-15	25,367	29,331
TV Distribution - separate distribution basis	3,771		-531	3,240	-324	-42	-2	2,872	3,369
Danish TV channels uplinked from the UK									61
Danish TV channels abroad	527		-18	509				509	584
Total	59,185		-5,524	53,660	-5,316	-432	-32	47,881	54,713
Online									
Background music on websites	521		-90	431	-38		0	393	406
Interactive TV services	22,596		-2,260	20,337	-1,529		-12	18,795	11,711
Streaming of TV, film and series	6,788		-530	6,258	-563		-4	5,691	4,872
Music streaming and download**	8,465		-884	7,581	-595			6,985	9,403
Total	38,371		-3,764	34,607	-2,725		-16	31,865	26,392
Abroad									
Koda works performed abroad	9,372			9,372				9,372	10,539
Total	9,372			9,372				9,372	10,539
Out of category									
KulturPlus - Blank Tape Levy (individual)	374		-9	365				365	1,109
KulturPlus - Blank Tape Levy (collective)	191			191				191	571
Interest		-70		-70	7		63		
Total	565	-70	-9	486	7		63	556	1,680
Grand total	135,975	-70	-14,584	121,321	-10,354		0	110,967	114,428

* First performance award 2017 is included in the amount under each area of use, so that they are comparable to the 2018 amounts.

** This deduction is specified in 'Methods and principles behind 'Revenues and deductions 2018'' on page 10.

Table 2.2 is a variation of table 2.1 in which deductions and contributions have been listed as percentages. The methods and principles behind the table are described on page 10.

Revenues and deductions 2018
Table 2.2 - with deductions and contributions listed as percentages

In thousand EUR

Area of use	Revenue	Interest	Deduction for administration	For distribution after deduction of administration	Deduction for cultural contributions	Contributions to subsidised concert	Distribution of interest	For individual distribution	For individual distribution 2017
General public performance									
Background - with reporting	5,310		20.0%	4,249	10.0%	1.4%	-3	3,745	3,697
Background - no reporting	8,110		19.5%	6,528	10.0%	1.4%	-4	5,754	5,620
Cinemas and film screenings	1,449		20.0%	1,160	10.0%	1.4%	-1	1,022	1,192
Concert	12,572		18.3%	10,273	10.0%	1.5%	-7	9,054	8,423
Major Live Concert	982		5.6%	927	10.0%	1.3%		822	901
Subsidised concert	59			59	10.0%			896	736
Total	28,482		18.6%	23,196	10.0%		-15	21,293	21,104
Broadcast									
Radio	10,575		16.6%	8,815	10.0%	1.5%	-6	7,770	9,301
TV	15,448		16.5%	12,893	10.0%	1.5%	-9	11,363	11,129
TV Distribution	28,863		2.3%	28,203	10.0%		-15	25,367	29,331
TV Distribution - separate distribution basis	3,771		14.1%	3,240	10.0%	1.1%	-2	2,872	3,369
Danish TV channels uplinked from the UK									61
Danish TV channels abroad	527		3.5%	509				509	584
Total	59,185		9.3%	53,660	9.9%		-32	47,881	54,713
Online									
Background music on websites	521		17.3%	431	8.7%		0	393	406
Interactive TV services	22,596		10.0%	20,337	7.5%		-12	18,795	11,711
Streaming of TV, film and series	6,788		7.8%	6,258	9.0%		-4	5,691	4,872
Music streaming and download**	8,465		10.4%	7,581	7.9%			6,985	9,403
Total	38,371		9.8%	34,607	7.9%		-16	31,865	26,392
Abroad									
Koda works performed abroad	9,372			9,372				9,372	10,539
Total	9,372			9,372				9,372	10,539
Out of category									
KulturPlus - Blank Tape Levy (individual)	374		2.5%	365				365	1,109
KulturPlus - Blank Tape Levy (collective)	191			191				191	571
Interest		-70		-70	10.0%		63		
Total	565	-70	1.7%	486	-1.5%		63	556	1,680
Grand total	135,975	-70	10.7%	121,321	8.5%		0	110,967	114,428

* First performance award 2017 is included in the amount under each area of use, so that they are comparable to the 2018 amounts.

** This deduction is specified in 'Methods and principles behind 'Revenues and deductions 2018' on page 10.

Methods and principles behind ‘Revenues and deductions 2018’

The following is a description of the method and assumptions underlying table 2.1 on page 8 and table 2.2 on page 9. Koda’s revenues are divided into rights categories, which are further subdivided into a number of areas of use. The breakdown is based on the registration of income in Koda’s account plan and follows the order of presentation provided in note 1 of the financial statements in Koda’s annual report.

Like the financial statements, the accounting period follows the calendar year.

For each area of use, a deduction is made to cover administrative costs. The deduction for each area is calculated on the basis of the actual resource consumption associated with that individual area. For example, this may involve resources associated with collecting licensing fees, processing music report data and distribution processing. The deductions also cover the resources demanded by each area in terms of joint functions and staff functions. No deductions for administration costs are made from revenue received by Koda from abroad for performances of Koda members’ music. This is due to the fact that these revenues have already been subject to deductions to cover the administrative costs of their relevant foreign society.

For each area of use, a deduction is made for Koda’s cultural contributions. In accordance with Koda’s Articles of Association, the deduction is calculated on the basis of the total income for public performance per type of use after the deduction for administration costs has been made. No deductions for cultural contributions are made from payments regarding mechanical rights, from income from abroad, or from KulturPlus income. For certain areas of use, a deduction has also been made to cover the cost of the subsidised concert reserve and of first performance awards for performances within the subsidised concert reserve. These deductions follow Koda’s general distribution policy. First performance awards within other sections (TV, radio and concert) are calculated within the section where the relevant amount is charged and included in the same way as other parameters within the individual areas.

The deductions for administration and cultural contributions associated with the section ‘Streaming and downloading of music’ are accrued according to a different principle than the deductions for administration and cultural contributions in all other areas. Hence, the calculated deductions for administration of 10.4 per cent and for cultural contributions of 7.9 per cent do not reflect the actual deduction rates within the field, but are the combined result of timing differences and adjusted invoicing principles. In actual fact, for ‘Streaming and downloading of music’ a total of 10 per cent is deducted for administration costs, and out of the amount left after deduction for administration costs, 10 per cent is deducted for cultural contributions from that part of the amount that can be attributed to performance rights.

The table ‘Distributed in 2018’ on page 16 also lists the amounts ‘For individual distribution’ distributed in 2018, and the table ‘For distribution as of 31 December 2018’ on page 18 lists the share for the distribution as per 31 December 2018.

Correlations between Financial Statements and Transparency Report

The grand totals listed in Tables 2.1. and 2.2., 'Revenues and deductions 2018', on pages 8 and 9 have been calculated and reconciled with Koda's Financial Statements for 2018. The correlations are shown in this overview:

Table 2.3 **Correlations between definitions in Financial Statements and Transparency Report**

Financial Statements for 2018 - Note 1	Transparency Report - Revenues and deductions 2018
Income Statement - Total music revenue	= Revenue
Income Statement - Net financial income and expenses	= Interest
Administrative expenses + Depreciation, amortisation and impairment losses	= Deduction for administration
Note 2 - Distribution to rights holders	= For distribution after deduction of administration
Note 2 - Calculated funds for cultural contributions for the year	= Deduction for cultural contributions
Note 11 - Provision for distribution for the year	= For individual distribution (except KulturPlus (collective distribution) TEUR 191)

The adjustment of provision for bad debts stated in the financial statements in Koda's annual report for 2018 is not specified by individual areas of revenue, but can be broken down as shown in the second column of Table 2.4.

- The individual areas of use under 'Revenues and deductions 2018' comprise the categories 'Broadcast', 'General public performance', 'Online', 'Abroad' and finally 'Out of category'.
- The category 'Broadcast' under 'Revenues and deductions 2018' includes all revenues from 'Primary transmission on radio and TV and retransmission' in note 1 to the financial statements as well as an amount listed under 'Abroad' in note 1 of the financial statements, covering amounts distributed by Koda on behalf of foreign collective rights management societies for performances on Danish TV channels retransmitted abroad.
- The category 'General public performance' under 'Revenues and deductions 2018' includes all revenues listed in note 1 to the financial statements regarding 'Hotels and restaurants', 'Background music' and 'Concerts, events, etc'. In addition to this, 'Cinemas and films' from note 1 to the financial statements is also considered part of 'Other public performance'.
- Amounts listed as 'Online' in the table 'Revenues and deductions 2018' are the amounts listed as 'Internet and On Demand' in note 1 to the financial statements.
- The category 'Abroad' in the table 'Revenues and deductions 2018' comprises the part of the revenues listed under 'Abroad' in note 1 to the financial statements which concerns Danish performances abroad. A minor part of the revenues listed under 'Abroad' in note 1 pertain to 'Broadcast', see table 2.3.
- The category 'Out of category' under 'Revenues and deductions 2018' covers revenues from KulturPlus (collective and individual distribution)

Table 2.4

Correlations between amounts in Financial Statement and Transparency Report

In thousand EUR

FINANCIAL STATEMENTS				TRANSPARENCY REPORT		
Note 1	Amount - Note 1	Adjustment of provision for bad debts	Revenue	Rights category from Revenues and deductions	Area of use - Revenues and deductions	Revenue
Primary transmission on radio and TV and retransmission	58,759	-101	58,658			58,658
				Broadcast	Radio	10,575
				Broadcast	TV	15,448
				Broadcast	TV Distribution	28,863
				Broadcast	TV Distribution - separate distribution basis	3,771
Kulturplus	565	0	565			565
				Out of category	KulturPlus (individual distribution)	374
				Out of category	KulturPlus (collective distribution)	191
Internet and On Demand	38,384	-13	38,371			38,371
				Online	Background music on websites	521
				Online	Interactive TV services	22,596
				Online	Streaming of TV, films and series	6,788
				Online	Music streaming and download	8,465
Cinemas and films	1,436	13	1,449			1,449
				General public performance	Cinemas and film screenings	1,449
Concert and Background Total	27,062	-30	27,033			27,033
Hotels and restaurants	7,223			General public performance	Background - with reporting	5,310
Background music	6,811			General public performance	Background - no reporting	8,110
Concerts, events, etc.	13,028			General public performance	Concert	12,572
				General public performance	Major Live Concert	982
				General public performance	Subsidised concert	59
Abroad	9,899		9,899			9,899
				Broadcast	Danish TV channels uplinked from the UK	0
				Broadcast	Danish TV channels abroad	527
				Abroad	Koda works performed abroad	9,372
Adjustment of provision for bad debts Total	-131	131	0			
Total	135,975	0	135,975			135,975

Revenues from other collective rights management societies in 2018

The table below displays the part of Koda's total revenue in 2018 received from other collective rights management societies. The table adheres to the same method and principles as tables 2.1 and 2.2, described in 'Methods and principles behind 'Revenues and deductions Koda 2018'' on page 10.

Revenues from other collective rights management societies in 2018

In thousand EUR

Received from	Revenue	Deduction for administration	For distribution after deduction of administration	Deduction for cultural contributions	Contributions to first performance award and subsidised concert	For distribution
Copydan						
AVU Medier*						
General public performance						
Background - no reporting	116	-23	93	-9	-2	82
Total	116	-23	93	-9	-2	82
Online						
Interactive TV services	883	-88	795	-60		735
Total	883	-88	795	-60		735
Total - AVU Medier	999	-111	888	-69	-2	818
Kulturplus						
Out of category						
Private copying levy (collective distribution)	183		183			183
Private copying levy (individual distribution)	358	-9	349			349
Total	540	-9	532			532
Total - Kulturplus	540	-9	532			532
Verdens TV						
Broadcast						
TV	377	-62	314	-31	-6	277
TV Distribution	28,863	-660	28,203	-2,821		25,383
TV Distribution - separate distribution basis	3,771	-531	3,240	-324	-42	2,874
Total	33,011	-1,253	31,758	-3,176	-48	28,534
Online						
Interactive TV services	20,653	-2,065	18,588	-1,394		17,193
Total	20,653	-2,065	18,588	-1,394		17,193
Total - Verdens TV	53,664	-3,318	50,346	-4,570	-48	45,727
Total - Copydan	55,203	-3,438	51,765	-4,639	-49	47,077

* NCB has entrusted Koda with the task of receiving and distributing amounts from Copydan AVU-medier. Koda includes such amounts in table 2.5.

Continued on next page

Table 2.5 Continued

In thousand EUR

Received from	Revenue	Deduction for administration	For distribution after deduction of administration	Deduction for cultural contributions	Contributions to first performance award and subsidised concert	For distribution
Producer Rights Denmark						
Private copying levy (collective distribution)	8		8			8
Private copying levy (individual distribution)	17	-1	16			16
Total - Producer Rights Denmark	25	-1	24			24
Abroad						
Broadcast						
Danish TV channels uplinked from the UK						
Danish TV channels abroad	527	-18	509			509
Total	527	-18	509			509
Koda works performed abroad						
Koda works performed abroad	9,372		9,372			9,372
Total	9,372		9,372			9,372
Total - Abroad	9,899	-18	9,881			9,881
Grand total	65,127	-3,457	61,670	-4,639	-49	56,982

3. Distributions from Koda

Distribution frequency and speed

Koda made four distributions in 2018: in March, June, September and December.

The majority of Koda's distribution areas were paid out quarterly and included all areas where quarterly payment was possible. The distributions were carried out two quarters after the music was used, meaning that rightsholders received payment in September for performances made in the first quarter of the year. The final payment of outstanding amounts was carried out in September in the year following the relevant performance.

Annual distributions were carried out within certain areas. This concerned areas where it was not possible to obtain data quarterly, and areas with limited income where distributions only happen once a year due to costs. Revenues generated by the use of Koda's members music abroad were distributed as soon as possible after being received from the relevant collective rights management society.

In some situations, distributions were delayed due to agreement disputes, lack of reporting or incomplete rightsholder documentation or work documentation. The reasons for such delays are described in greater detail and the amounts specified in table 3.8 on page 19 and table 3.9 on page 20.

Beginning in February 2019, Koda will transition from quarterly to monthly distributions. Up until this point, a period of up to seven months have typically elapsed from the time of performance until the relevant rightsholders receives their payment, but from February 2019 less than two months will elapse between performance and payment. Initially, the new scheme will cover the areas that have hitherto been paid quarterly, such as DR radio and TV, TV2, commercial radios and the largest concerts. More areas and TV stations will join the loop later in 2019.

Distributed in 2018

The table below displays the amounts that Koda distributed¹ in 2018 and which, after any adjustment in the provision for subsequent years, constitute the total amount paid to rightsholders.

Table 3.1 Distributed in 2018

In thousand EUR

Rights category	Revenue from 2018	Revenue from 2017 and before	Total	Total 2017
General public performance	-3,047	-17,047	-20,094	-22,243
Broadcast	-14,494	-34,981	-49,475	-58,163
Online	-5,522	-23,841	-29,363	-15,440
Out of category		-1,992	-1,992	-586
Total - Denmark	-23,063	-77,861	-100,923	-96,433
Abroad	-6,849	-1,822	-8,671	-11,631
Total - Abroad	-6,849	-1,822	-8,671	-11,631
Total	-29,912	-79,683	-109,595	-108,064

Table 3.2 Adjustment in provisions in 2018

In thousand EUR

Provision type	Total	Total 2017
Profits from property sale	-	-
Undocumented works and rightsholders, double claims, etc.	480	1,604
Returned shares - adjustment in provisions	-798	117
Total	-318	1,721

Table 3.3 Other adjustments in 2018

In thousand EUR

Other adjustments 2018	Total	Total 2017
Undistributable funds - incomplete work information	543	
Undistributable funds - incomplete rightsholder information	271	
Returned from PRS	169	
Adjustment of cultural contributions	1	
Koda Dramatik - amounts from TV distribution	-23	
Returned shares - distributed in 2018	875	
Total	1,835	0*

*In Koda's Transparency Report 2017 this amount was accounted for under table 3.2 'Adjustment in provisions 2017'.

¹ 'Distributed' amounts are amounts which have been processed in Koda's reporting and distribution system, and hence ready for payment. The majority of these amounts will be paid out at the next coming distribution, but a small part will be temporarily withheld from actual distribution due to insufficient documentation concerning the relevant work or rightsholder. In this report, such amounts are listed as 'provisions'

Table 3.4 Paid to rightsholders in 2018

In thousand EUR

Type	Total	Total 2017
Distributed in 2018	-109,595	-108,064
Adjustment in provisions in 2018	-318	1,721
Other adjustments in 2018	1,835	-
Total	-108,078	-106,344

Table 3.1 specifies the revenue distributed in 2018. The amounts are classified by rights category corresponding to table 2.1 on page 8, and distinguish between distributed revenues from 2018 and from 2017 and earlier. The only revenues accounted for under 'Out of category' are income from 'KulturPlus' and interests. Figures pertaining to abroad are specified in table 3.10 on page 21.

Table 3.2 shows the adjustments in Koda's provisions in 2018.

Table 3.3 'Other adjustments' comprise funds that have already been distributed by Koda , but which have, for some reason, not been paid out or been returned to Koda. A few adjustments pertaining to Koda's amount for distribution are also included here. The amount also appears in Table 3.5, listed by category of rights.

Table 3.4 shows the total amount paid to rightsholders in 2018. This is calculated by deducting the provisions from the total amount due for distribution.

For distribution as of 31 December 2018

The table below displays the revenue which as per 31 December 2018 had not yet been distributed. The amounts have been specified on the basis of the amounts due for distribution and those set aside for provisions.

Table 3.5 For distribution as of 31 December 2018

In thousand EUR

Rights category	Revenue from 2018	Revenue from 2017 and before	Other adjustments in 2018	Total	Total 2017
General public performance	18,261	275	-253	18,283	17,322
Broadcast	33,419	1,382	1,094	35,895	36,363
Online	26,306	7,975	119	34,400	31,762
Out of category	301	-885	875	291	1,107
Total - Denmark	78,288	8,747	1,835	88,870	86,555
Abroad	2,522	2,121		4,644	3,943
Total - Abroad	2,522	2,121		4,644	3,943
Total	80,810		12,703*	93,513	90,498

* This amount is the total of the columns 'Revenue from 2017 and before' and 'Other adjustments in 2018'. This amount is specified in table 3.8

Table 3.6 Provisions as of 31 December 2018

In thousand EUR

Provision type	Provision	Undistributable funds	Total	Total 2017
Profit from sale of property	1,713		1,713	1,713
Undocumented works and rightsholders, double claims, etc.	9,600	138	9,738	9,253
Returned shares etc.	367		367	1,169
Total	11,679		11,817**	12,136

** This amount is specified in table 3.9

Table 3.7 For distribution as of 31 December 2018 - incl. provisions

In thousand EUR

Type	Total	Total 2017
For distribution as of 31 December 2018	93,513	90,498
Provisions as of 31 December 2018	11,817	12,136
Total	105,331	102,633

Table 3.5 shows the amounts still due for distribution at the time of calculation. The amounts are listed by rights category in accordance with table 2.1 on page 8 and distinguish between distributed revenue from 2018 and distributed revenue from 2017 and earlier. The only revenues accounted for under 'Out of category' are income from 'KulturPlus' and interest.

Table 3.6 shows amounts that were set aside for provisions at the time of calculation, listed by type of provision. It also specifies the amounts classified as undistributable at the time of calculation and thus encompassed by the decision concerning the use of undistributable funds at the general meeting. These amounts are funds that have been held back in member accounts for three years, either due to a lack of work documentation or lack of rightsholder documentation.

Table 3.7 sums up the total amount due for distribution (including provisions) as of 31 December 2018.

Reasons for delayed distributions

Table 3.5 on page 18 display the revenues which as per 31 December 2018 was not distributed. The majority of these are 2018 revenues, which follows Koda's quarterly and annual payment terms and will therefore be distributed in 2019 within the applicable deadlines for distributions laid down in the Danish Act on Collective Rights Management (section 15(2)). Additionally, the table includes unsettled income from 2017 and before, which, according to the statutory deadlines for distribution, is delayed. The reasons why these revenues were not distributed at the time of calculation are stated in table 3.8 below. Revenues from abroad that Koda receives from foreign collective rights management societies are subject to other deadlines than revenue collected by Koda (The Danish Act on Collective Rights Management, section 18(4)). This means that undistributed revenues from abroad received within the first half of 2018 are also defined as delayed according to law.

Table 3.8 For distributions as of 31 December 2018

In thousand EUR

Reason for delayed distribution	2017 and before	Undistributable funds - included in the proposal for use presented at the April 2019 general assembly	Total	Total 2017
Denmark				
Interim amount that cannot be distributed:				
• Awaiting contractual clarification with music user	699		699	5,608
Koda has yet to receive the data necessary for distribution, wholly or in part				
• Music user reporting is delayed for technical/practical reasons.	2,745		2,745	2,212
• Music user reporting is incomplete; Koda awaits supplementary reporting.				
Other undistributed amounts				
• Remaining amount transferred, in accordance with established practice, to the next year's pool within the same distribution area - including amounts where Koda does not expect the relevant distribution basis information to be received at a later date.	322		322	0*
Amounts not yet distributed from retransmission of TV and radio channels with uplinks abroad				
• Cannot be sent on because the affiliated society in the relevant uplink country does not license or process reporting for primary transmissions.**	377	477	854	1,498
From distribution areas managed by NMP/NCB				
• Funds where NMP awaits information on the distribution basis, wholly or in part	4,053		4,053	3,532
• Amounts accumulated from tracks of very low value that have not been processed				
• Reported tracks that cannot be matched to an ICE work or which await payment from music user.	1,908		1,908	430
Total	10,105	477	10,582	13,280
Abroad				
Reason for delayed distribution				
• Awaiting processing of reporting	2,121***			699
• Awaiting work documentation				
Total	2,121		2,121	699
Grand total	12,226	477	12,703	13,979

* In Transparency Report 2017 this amount was included under the category "Koda has yet to receive the data necessary for distribution, wholly or in part"

** Koda does not pass on these revenues until the foreign affiliated society has received a suitable basis for distribution. If this fails to happen within three years (pursuant to the Act on Collective Rights Management) the funds are categorized as undistributable.

*** In addition to this revenue from 2017 and before, revenue received from abroad before 30 June 2018 is also delayed compared to the deadline stipulated in the Act on Collective Rights Management. This figure amounts to 474 thousand EUR.

Reasons for Koda's provisions

The reasons for Koda's provisions are explained and quantified below. The majority of these consist of revenues that have been processed through Koda's distribution system, however, they cannot be paid to rightsholders due to lack of or unresolved work or rightsholder documentation. These amounts are posted to different accounts, depending on the type of documentation involved.

Table 3.9 Provisions as of 31 December 2018

In thousand EUR

Reason for provision	Provisions, Koda	Provisions, NMP/NCB	Undistributable funds - included in the proposal for use presented at the April 2019 general assembly	Total	Total 2017
Profits from property sale			1,713	1,713	1,713
Incomplete work information The work has not been clearly and correctly notified with Koda.	2,442	964		3,406	3,663
Incomplete rightsholder information The rightsholder cannot be identified or located, or Koda does not have their account information.	2,328	674		3,002	2,198
Classified as 'Undistributable funds' in 2018			138	138	17
Reserved due to dispute between rightsholders Reserved indefinitely until the dispute is resolved.	1,716	186		1,901	1,884
Various corrections and blocked accounts E.g. regarding distributions to and from societies abroad	68			68	206
Returned shares Funds distributed to affiliated societies, but returned to Koda due to differences in work documentation.	367			367	1,169
Amounts blocked prior to distribution This includes matches with repertoires that are not managed by Koda. Awaits return payment to online provider.		1,223		1,223	1,286
Total	6,920	3,046	1,851	11,817	12,136

Revenues from foreign collective rights management societies distributed in 2018

The table below displays the revenues for 2018 and earlier years that Koda received from foreign collective rights management societies and distributed to Koda members in 2018 for use of their music outside of Denmark. Amounts are listed by society and classified by rights category.

Revenues from foreign collective rights management societies distributed in 2018

In thousand EUR

Country	Society	General public performance	Broadcast	Online	Unknown category	Total
Argentina	SADAIC	9	16	2	20	47
Australia	APRA	2	39	46	15	102
Austria	AKM	14	82	5	16	118
Barbados	COSCAP	0	0		0	0
Belgium	SABAM	20	94	5	48	166
Brazil	UBC	6	37	12	21	77
Bulgaria	MUSICAUTOR	0	5	0	0	5
Canada	SOCAN	26	39		56	121
Chile	SCD	0	7		1	8
China	MCSC	1	2		23	26
Colombia	SAYCO		1	0	0	1
Costa rica	ACAM	0	0		0	0
Croatia	HDS-ZAMP		1		7	8
Czech Republic	OSA	3	12	2	8	25
Ecuador	SAYCE			0	0	1
Estonia	EAU	3	12		0	15
Finland	TEOSTO	32	1,009	91	82	1,213
France	SACEM	54	268	12	112	446
Georgia	GCA	0	2		0	2
Germany	GEMA	181	451	53	77	762
Greece	AEPI	0	0	0	0	0
Hong Kong	CASH		5	2	3	11
Hungary	ARTISJUS	8	6	0	17	31
Iceland	STEF	0			0	0
Indonesia	KCI (BUMA)			0	0	0
Indonesia	WAMI		0		3	3
Ireland	IMRO	3	14	4	5	25
Israel	ACUM	1	19	2	6	28
Italy	SIAE	221	170	129	-70	450
Jamaica	JACAP	0			0	0
Japan	JASRAC	30	107	48	9	194
Kazakhstan	KAZAK		1	0	0	1
Korea, Republic of	KOMCA	4	15	25	7	50
Latvia	AKKA/LAA	10	14	0	5	29
Lithuania	LATGA-A	4	44		0	48
Macedonia	ZAMP		1		0	1
Malaysia	MACP	0	1	3	2	7
Mexico	SACM	3	14	11	1	29
Montenegro	PAM Cg (Montenegro)		0		0	0
Netherlands	BUMA	11	16	82	3	112

Table 3.10 Continued

In thousand EUR

Country	Society	General public performance	Broadcast	Online	Unknown category	Total
Netherlands	STEMRA		1		0	1
Norway	TONO	219	594	77	13	903
Peru	APDAYC	0	1	0	2	3
Philippines	FILSCAP	0	0		6	7
Poland	ZAIS	16	27	4	24	72
Portugal	SPA	2	12	0	16	31
Romania	UCMR - DDA	6	19	1	18	44
Russia	RAO	2	7		6	15
Saint Lucia	ECCO	0	0		0	0
Serbia	SOKOJ	0	3	0	0	3
Singapore	COMPASS	3	4	0	12	20
Slovakia	SOZA	2	7	0	0	9
Slovenia	SAZAS	1	3	0	3	7
South Africa	SAMRO	1	14	0	1	17
Spain	SGAE	18	53	17	22	110
Sweden	STIM	168	879	503	60	1,610
Switzerland	SUISA	52	93	12	15	172
Thailand	MCT	1	1	0	2	4
Trinidad and Tobago	COTT	0	0		0	0
Turkey	MESAM		3	0	1	3
Ukraine	SCAU		0		0	1
United Kingdom	PRS	29	473	217	103	822
United States	ASCAP	47	255	90	3	396
United States	BMI	5	132		100	236
United States	SESAC	0	9	4	3	16
Uruguay	AGADU		1		1	2
Vietnam	VCPMC	1	1	0	0	2
Total		1,225	5,094	1,462	891	8,671

Distributions to foreign collective rights management societies

The table below shows the amounts that Koda distributed to foreign collective rights management societies in 2018 for use of their members' music in Denmark. Amounts are listed by society and classified by rights category.

Table 3.11 Distributions to other collective rights management societies abroad in 2018 In thousand EUR

Country	Society	General public performance	Broadcast	Online*	Out of category	Distributed on behalf of Koda	Total
Albania	ALBAUTOR	0		0			0
Algeria	ONDA	0	0	0			0
Argentina	SADAIC	7	10	7	0		25
Armenia	ARMAUTHOR	0	0	0	0		0
Australia	APRA	144	1,169	104			1,417
Australia	AMCOS	0		13	0		13
Austria	AKM	39	128	19	2		188
Austria	AUME	0		5	0		5
Barbados	COSCAP	0	0	0			0
Belgium	SABAM	20	34	12	0	3	70
Benin	BUBEDRA (SACEM)	0	0	0			0
Bolivia	SOBODAYCOM	0	0	0			0
Bosnia and Herzegovina	SQN	0	0				0
Bosnia and Herzegovina	AMUS	0					0
Brazil	ADDAF	0		0			0
Brazil	AMAR	1	2	0	0		3
Brazil	SADEMBRA	0	0	0			0
Brazil	SBACEM	0	1	0	0		1
Brazil	SICAM	0	0	0			0
Brazil	UBC	6	8	1			15
Brazil	SOCINPRO	0	0	0			0
Brazil	ABRAMUS	1	1	0			3
Brazil	ASSIM	0	0	0			0
Bulgaria	MUSICAUTOR	0	0	0	0		1
Burkina Faso	BBDA	0	0	0			0
Canada	SODRAC	0		4	0		4
Canada	SOCAN	176	733	108	4	3	1,024
Chile	SCD	2	0	0			3
China	MCSC	0	2	0			3
Colombia	SAYCO	2	18	1	0		21
Congo	BCDA (SACEM)	0		0			0
Costa Rica	ACAM	0	0	0	0		0
Cote d'Ivoire	BURIDA (SACEM)	0	0	0			0
Croatia	HDS-ZAMP	2	6	0	0		8
Cuba	ACDAM	0	0	0			0
Czech Republic	OSA	4	6	1	0		12
Denmark	NCB	0		0	0		0
Dominican Republic	SGACEDOM	0	0	0			0
Ecuador	SAYCE	0		0			0
Egypt	SACERAU (SACEM)	0		0			0

Table 3.11 Continued

In thousand EUR

Country	Society	General public performance	Broadcast	Online*	Out of category	Distributed on behalf of Koda	Total
Estonia	EAU	3	5	2	0		10
France	SACEM	353	993	194	14	154	1,708
Georgia	GCA	0	1	0	0		1
Germany	GEMA	266	712	158	12	1,743	2,891
Ghana	COSGA	0	0	0			0
Greece	AEPI	0	2	1	0		3
Guatemala	AGAYC	0		0			0
Guinea	BGDA (SACEM)	0	0	0	0		0
Hong kong	CASH	0	1	1			2
Hungary	ARTISJUS	3	2	1	0		7
Iceland	STEF	15	28	17	0		60
India	IPRS (PRS)	0	1	0			1
Indonesia	KCI (BUMA)	0	0	0			0
Ireland	IMRO	42	126	17	1		187
Israel	ACUM	7	13	10	0		30
Italy	SIAE	58	164	37	3	4	265
Jamaica	JACAP	0	1	0	0		1
Japan	JASRAC	10	19	11	0		40
Kazakhstan	KAZAK	0	0	0			0
Kenya	MCSK (PRS)	0	0	0			0
Korea, Republic of	KOMCA	0	1	1	0		3
Latvia	AKKA/LAA	1	10	0	0		11
Lithuania	LATGA-A	0	1	1	0		2
Macedonia	ZAMP	0	0	0	0		0
Madagascar	OMDA (SACEM)	0	0				0
Malaysia	MACP	0	0	0			0
Mali	BUMDA (SACEM)	0	0	0			1
Mauritius	MASA	0	0	0			0
Mexico	SACM	1	6	1	0		8
Montenegro	PAM	0	0	0	0		0
Netherlands	BUMA	81	118	95	1		294
Netherlands	STEMRA	0		41	0		41
Nigeria	MCSN (PRS)	0	0	0			0
Nigeria	COSON	0	0	0			0
Norway	TONO	206	306	221	5	516	1,253
Panama	SPAC	0	0	0			0
Paraguay	APA	0	0	0			0
Peru	APDAYC	0	0	0			0
Philippines	FILSCAP	0	0	0			0
Poland	ZAIS	4	10	5	0		20
Portugal	SPA	3	2	1	0		6
Puerto rico	SPACEM	0	0	0			0
Romania	UCMR - DDA	1	1	0	0		1
Russia	RAO	3	5	1	0		9
Saint Lucia	ECCO	0	0	0			0
Senegal	BSDA (SACEM)	0	1	0	0		1

Table 3.11 Continued

In thousand EUR

Country	Society	General public performance	Broadcast	Online*	Out of category	Distributed on behalf of Koda	Total
Serbia	SOKOJ	0	1	2	0		3
Singapore	COMPASS	0	0	0			1
Slovakia	SOZA	0	0	0	0		0
Slovenia	SAZAS	0	1	0	0		2
South Africa	SAMRO	2	12	3	0		16
South Africa	SARRAL	0		0			0
Spain	SGAE	28	84	24	1	5	142
Sweden	STIM	4,976	14,289	4,022	201	1,286	24,774
Switzerland	SUISA	30	32	9	0	22	95
Taiwan	MUST	0	0	0			0
Thailand	MCT	0	0	0			0
Trinidad and Tobago	COTT	0	0	0			1
Turkey	MESAM	1	1	0		0	2
Turkey	MSG	0	0	6			6
Uganda	UPRS	0	0	0			0
Ukraine	SCAU	0	0	0			0
United Kingdom	MCPS	0		114	2		116
United Kingdom	PRS	1,743	6,583	988	53	5,603	14,970
United States	ASCAP	1,281	3,935	996	38	86	6,336
United States	AMRA	53	83	26	0		162
United States	BMI	1,123	4,127	1,155	28		6,433
United States	FOX	0		0	0		0
United States	SESAC	94	361	97	2		553
Uruguay	AGADU	0	0	0			1
Venezuela	SACVEN	0	0	0			0
Vietnam	VCPMC	0	0	0			0
Zaire	SONECA (SACEM)	0	1	0			1
Zambia	ZAMCOPS	0	0	0			0
Zimbabwe	ZIMRA (PRS)	0	0	0			0
Total		10,849	34,209	8,564	369	9,427	63,417

* The Online entry includes amounts distributed by NMP/NCB on behalf of Koda

4. Koda's cultural contributions

In 2018, the Koda Board of Directors continued working on adjusting the cultural contributions system. This has included decisions to introduce a shared administration system and launch a range of new funds to be gradually implemented in 2019.

As shown in table 4.1, the cultural contributions allocated in 2018 came to a total of 9.5 million EUR. The funds used for these cultural contributions were accrued in 2017 and preceding years. The distributions pertained to a range of different objectives; details are provided in tables 4.1 and 4.2.

The text following the table accounts for the most important activities undertaken by Dansk Komponistforening (DKF – Danish Composers' Society), Musikforlæggerne i Danmark (MiD – Danish Music Publishers' Association), Danske Populærautører (DPA – Danish Songwriters' Guild), Danske Jazz-, Beat- og Folk Autører (DJBFA – Composers and Songwriters) and Koda. It has been agreed that no more than 15 per cent may be spent on administration, no more than 20 per cent on Culture/Business Policy Activities, and that the remainder, up to 75 per cent, must be used for support (grants/funds).

Table 4.1 Distribution of Koda's cultural contributions

In thousand EUR

Purpose	Total
Support for original Danish music	1,193
Production, publication and/or distribution of phonograms/videograms	1,809
Production of sheet music	60
Working grants, study grants and travel grants	2,452
Properties to be used by members	311
Concert activities	121
Honorary grants, awards and similar distributions	110
Courses and similar activities	119
PR and similar activities	1,088
Cultural policy activities	903
Legal assistance, copyright issues	254
Specific projects pursuant to section 1(1)	67
Administration of cultural contributions (maximum 15 per cent)	1,033
Total	9,521

In 2018, the cultural contributions were shared between Koda, DKF, DJBFA, DPA and Musikforlæggerne, and a shared funds as shown in Table 4.2.

Table 4.2 Distributions, as distributed by individual associations and Koda In thousand EUR

	Usage in 2018	Percentage of total distribution
Musikforlæggerne	1,148	12.1%
DPA	2,352	24.7%
DKF	1,563	16.4%
DJBFA	3,425	36%
Total – distributed by associations	8,488	89.1%
Koda	999	10.5%
Greenland	32	0.3%
Faroe Islands	56	0.6%
Non associations	-54	-0.6%
Total – distributed by Koda	1,033	10.9%
Total	9,521	100%

Below, a number of selected examples will provide an overall idea of the allocation and purpose of the cultural contributions in 2018.

Koda

Koda allocated 0.9 million EUR of the cultural contributions to a wide range of activities aimed at benefiting rightsholders in Denmark and abroad.

0.2 million EUR was allocated for legal assistance in connection with a number of cases at the Danish courts and at the Copyright License Tribunal – Ophavsretslicensnævnet. These are cases of fundamental and financial significance for all rightsholders.

A total of 0.4 million EUR was allocated to various events, festivals and organisations that support the Danish music scene. These include MXD, SPOT, Radio Days and others. The support is provided with only demands for exposure in connection with the relevant event; the main focus is on stimulating the Danish music scene and helping it grow. The amount also covers Koda's funding of Koda Skolekontakt and contributions to Spil Dansk.

0.1 million EUR was allocated to PR activities that help raise awareness of Koda in the wider world – including the general population, the press, politicians and customers. The efforts are assessed to ascertain whether the desired effect is achieved.

0.2 million EUR was allocated to initiatives and events aimed at members – including the building of the new joint grant system which will gather all application options under the cultural contributions system in one place. Approximately 0.1 million EUR was spent on various administrative tasks, including the general meeting, member events and the operation of Koda Skolekontakt.

Beginning in 2019, Koda's allocations of cultural contributions will be categorised in the same way as for the composers' associations and music publishers: In the three main groups Administration, Culture/Business Policy Activities, and Support.

Musikforlæggerne

In their allocation of Koda's cultural contributions in 2018, Musikforlæggerne (The Danish Music Publishers' Association) particularly wished to support the music publishers' focus on national and international collaborative schemes for publishers and authors, improve production conditions for recording works by songwriters and composers, and generate greater awareness in connection with the publication and performance of works.

Musikforlæggerne allocated 1.2 million EUR out of Koda's cultural contributions. In connection with the three annual application rounds, support was granted to 430 projects, totalling 0.9 million EUR, while 103 applications were rejected (19 per cent). 98 of the projects funded were submitted by music publishers who are not members of Musikforlæggerne. The funds allocated went to 197 publications of music, 25 publications of sheet music, 88 travel/working grants, 12 concerts, one honorary award, seven courses, 98 PR projects, and two cases of legal assistance.

In their political work, Musikforlæggerne seek to improve the structural conditions for music publishers and authors and to promote political overstanding of not only the cultural value of music, but also and especially the great importance and potential of music as a driver of growth in the Danish business community.

Musikforlæggerne allocated 86,243 EUR to cultural policy activities, 98,831 EUR to administration of the cultural contributions, and 28,524 EUR to wages associated with projects.

DJBFA

DJBFA strives to exercise the greatest possible influence on Danish and international cultural policymaking, thereby influencing and improving conditions for its members. At the same time, the association supports professional composers and songwriters directly through the allocation of grants, intense working residences, and by making a number of houses and flat throughout the world available to members.

In 2018, DJBFA allocated 3.4 million EUR of Koda's cultural contributions. The majority of these funds was distributed through DJBFA's two large reserves: The Grant Reserve (Legatpuljen) and the Production Reserve (Produktionspuljen).

The Grant Reserve handed out 1.2 million EUR; a total of 802 applied for support, and of these,

425 applicants received grants (53 per cent). The Production Reserve had 0.7 million EUR available for distribution. A total of 1,417 applicants applied for funds from the reserve, and of these 532 received a grant (37 per cent).

In 2018, DJBFA allocated funds for six retreats and nine working residencies, totalling 0.4 million EUR. A total of 869 people applied to stay at the retreats or for a working residency. A total of 339 applicants (39 percent) were successful.

Cultural policymaking accounted for 0.3 million EUR. DJBFA used the funds to make its mark on several fronts, including the political festival Folkemødet on Bornholm, Kulturmødet, SPOT, and various Nordic and EU collaborations. DJBFA's administration costs came to 3.7 million EUR, of which wages accounted for 0.2 million EUR.

DKF

Dansk Komponistforening (DKF – Danish Composers' Society) works towards developing and strengthening the art of music. In 2018, DKF distributed a total of 1.6 million EUR out of Koda's cultural contributions. Of these, 0.9 million EUR were spent directly on the creation, production and presentation of new Danish music, mainly via the association's own reserves, the Composers' Funds (Komponistmidlerne) and the Production Reserve (Produktionspuljen).

In 2018, DKF received a total of 1,086 applications. Of these, 572 applied for funds from the Composer's Funds; 202 applicants (35 per cent) were successful. 514 applications were submitted to the Production Reserve; 207 (40 per cent) were successful. 0.1 million EUR went towards commissions of new Danish music, comprising 47 commission fees for Danish composers. A total of 0.1 million EUR went towards strategic work targeted at audiences at Danish festivals, thereby accommodating 11 applicants.

In 2018, DKF's political work focused on three special areas: diversity on the classical music scene, work targeted at audiences at Danish festivals, as well as composition and music education. Activities included the preparation of comprehensive repertoire statistics for classical music concerts in Denmark, workshops for festival organisers, music camps for children, and networking meetings in Denmark and Finland for composers teaching students how to create music.

The cultural contributions also went towards art salons at the popular political festival Folkemødet on Bornholm – involving talks between artists and politicians about creating art and cultural policy – as well as a debate at the Kulturmødet Mors festival about diversity on the music scene, and a hearing in the Danish Parliament about ensembles and orchestras in Denmark.

DKF's cultural policy activities accounted for a total expenditure of just over 0.1 million EUR in 2018.

In addition to this, DKF spent just over 0.2 million EUR of its cultural contributions on administration and 0.3 million EUR on wages and fees.

DPA

DPA distributed 2.3 million EUR. Of these, 1.5 million EUR went directly towards support for composers and the Danish music scene, corresponding to 64.5 per cent of the cultural contribution funds allocated to the association.

Having received a total of 1,231 applications, DPA allocated 1.1 million EUR to a total of 658 (53 per cent) project grants. Project grants accounted for 45.4 percent of the association's total cultural contribution funds. In addition to this, 428 composers out of a total of 583 applicants (73 per cent) were awarded a travel grant or residency in DPA's properties, representing a total expenditure of 0.3 million EUR, corresponding to 11.4 percent of the association's allocated cultural contribution funds.

In 2018, DPA handed out grants to a total value of 0.2 million EUR to 49 projects on the Danish music scene, including Spil Dansk. In addition to this, the association handed out a number of awards to Danish music creators, corresponding to a total value of 12,000 EUR. The awards were: Årets Vækstlagspris (Grassroots Award of the Year), Årets Kommercielle Musikskaber (Commercial Music Creator of the Year), Årets Nye Jazznavn (Best New Jazz Act).

32 composers received support for course activities, and DPA held courses aimed at young/child musicians for a total of 16,000 EUR. In 2018, the association offered courses and activities aimed at music professionals, including camps and network meetings, to a total value of 0.1 million EUR, corresponding to 4.5 percent.

The association spent a total of 0.2 million EUR on political work to the benefit of songwriters, producers, composers and lyricists, with particular focus on the popular and commercial field.

A total of 58,000 EUR was spent on communication and marketing of the association's activities, including a magazine, and 0.1 million EUR went towards the association's residency properties in LA and London. A total of 65,000 EUR was spent on committees and project managers within the association's support schemes and projects, and 31,000 EUR went towards the associations' shared legal office. The association spent 0.2 million EUR, corresponding to 10.5 per cent, on administration.

5. Information on refusal to license

In accordance with firmly established practice, Koda only refuses to issue a licence in three specific cases:

1. In situations where Koda deems that the performance of music cannot be regarded as public, meaning that there is no reason to license such performance.
2. In situations where the publicly performed music is not protected under copyright.
3. In situations where Koda does not have the rightsholder's permission to manage the rights pertaining to the music performed.

However, Koda may, in specific cases where a music user repeatedly fails to meet the terms of their agreement, including payment, refuse to issue a licence as long as the terms of the agreement are not honoured.

In 2018 Koda has only refused to issue licences in cases that belong to one of the three categories listed above.

6. Legal structure of Koda

Koda's legal structure and management structure

Koda is a non-profit members' society. As specified in Koda's articles of association, the main objective of Koda is to manage the rights pertaining to musical works on behalf of composers, songwriters and music publishers. Koda has a board of directors who monitor Koda's overall operation. The board of directors appoint a managing director to whom all other employees within Koda's administrative organisation refer.

Entities owned, directly or indirectly, wholly or partly by Koda at the end of the year

- Nordisk Copyright Bureau
- Network of Music Partners A/S ("NMP")
- Polaris Nordic A/S
- Polaris Hub

At the end of the year, Koda was represented on the boards of the following entities

- CISAC (observer)
- Copydan Arkiv
- Copydan AVU Medier
- Copydan KulturPlus
- Copydan Fællesforeningen
- Copydan Verdens TV (observer)
- GESAC
- Rettighedsalliancen
- Spil Dansk

7. Koda's Financial Statements for 2018

Koda

Financial Statements for 2018

CVR No 64 08 69 28

The Financial Statements have been translated from the original in Danish. In case of discrepancy, the Danish version shall prevail.

When translating from DKK into EUR, the exchange rate at the balance sheet date, ie 746.73, has been used for both income statement and balance sheet items.

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Management's Statement

The Executive Board and the Board of Directors have today considered and adopted the Financial Statements of Koda for the financial year 1 January to 31 December 2018.

The Financial Statements are prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class A, the By-laws of Koda as well as section 23(5) of the Danish Act on Collective Management of Copyright. We consider the accounting policies applied appropriate and the estimates made reasonable. Moreover, we consider the overall financial statements presentation true and fair.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Society and of the results of the Society operations for 2018.

We recommend that the Financial Statements be adopted at the Ordinary General Meeting of the Society.

Copenhagen, 19 March 2019

Executive Board

Anders Lassen

Board of Directors

Niels Mosumgaard
(Chairman)

Ole Dreyer Wogensen
(Deputy Chairman)

Niels Rønsholdt
(Deputy Chairman)

Susi Hyldgaard

Frans Bak

Niels Marthinsen

Peter Littauer

Søren Winding

Bent Sørensen

Jens Visby
(Employee Representative)

The Financial Statements were presented at the Annual General Meeting of the Society,
/ 2019

Chairman



Independent Auditor's Report

To the Board of Directors of Koda

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Society at 31 December 2018, and of the results of the Society's operations for the financial year 1 January - 31 December 2018 in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class A, the By-laws of Koda as well as section 23(5) of the Danish Act on Collective Management of Copyright.

We have audited the Financial Statements of Koda for the financial year 1 January - 31 December 2018, which comprise summary of significant accounting policies, income statement, balance sheet, cash flow statement and notes ("Financial Statements").

Basis for Opinion

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

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class A and the By-laws of Koda and which fulfil the requirements of section 23(5) of the Danish Act on Collective Management of Copyright, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, Management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Independent Auditor's Report

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Independent Auditor's Report

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

Copenhagen, 19 March 2019

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Ulrik Ræbild
State Authorised Public Accountant
mne33262

Anders Røjleskov
State Authorised Public Accountant
mne28699

Accounting Policies

The Financial Statements of Koda for 2018 are prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class A and under the following accounting policies which remain unchanged from last year.

The Financial Statements for 2018 are presented in EUR thousands.

Recognition and measurement

Music revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Society, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Society, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Accounting Policies

Income Statement

Music revenue

Koda's music revenue is recognised in the income statement under the completed-contract method when music has been used before the balance sheet date, and Koda has acquired the right to the revenue on behalf of its members, and the revenue can be reliably measured.

Administrative expenses

Administrative expenses comprise expenses for staff, premises, office supplies, etc with deduction of reimbursements received. Staff expenses comprise salaries and payroll related expenses.

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of projects and operating equipment.

Income from investments in group enterprise

The item "Income from investment in subsidiary" includes the profit/loss for the year.

Financial income and expenses

Financial income and expenses comprise return on portfolios etc and are recognised in the income statement at the amounts relating to the financial year.

Tax

Tax on profit for the year is recognised in the Financial Statements of the Society under the provisions applying to trade associations.

Balance Sheet

Receivables

Receivables are recognised at market value, usually corresponding to the invoiced amount. Other receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. The value is reduced by provisions for bad debts according to principles determined on the basis of the Society's experience from past years and of an individual assessment of each receivable.

Accounting Policies

Securities

Securities are measured at market value at the balance sheet date. Unrealised price gains/losses at the balance sheet date and realised price gains/losses from sale are included in the item "Net financial income" in the income statement.

Works database and K-lean (development project)

Development projects are recognised at Koda's share of internal and external project costs.

Development projects comprise external consultant assistance, salaries and other expenses directly and indirectly related to the development activities of the Society.

Development projects that are clearly defined and identifiable and in respect of which the utilisation in the Society can be demonstrated, and where it is the intention to use the project, are recognised as assets. This applies if sufficient certainty exists that the value in use of future earnings can cover operating expenses as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount.

Development projects are amortised systematically over their useful lives which are assessed at five years.

Operating equipment and leasehold improvements

Operating equipment and leasehold improvements are recognised at cost less accumulated depreciation and any impairment losses. Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives which are 3-5 years for operating equipment and 10 years for leasehold improvements.

Accounting Policies

Investment in associate

Investment in associate is recognised at cost. An associate with a negative net asset value is recognised at EUR 0. Any legal or constructive obligation of the Society to cover the negative balance of the enterprise is recognised as a liability.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums and subscriptions, etc.

Financial debts

Loans are measured at amortised cost which substantially corresponds to nominal value.

Cash flow statement

The cash flow statement shows the Society's cash flows for the year broken down by payments received, operating and investing activities, payments made and changes for the year in cash and cash equivalents and securities at the beginning and end of the year.

Income Statement 1 January - 31 December

	Note	2018 EUR 'ooo	2017 EUR 'ooo
Performing rights		117.539	119.959
Mechanical rights		8.537	6.861
Music revenue, abroad		9.899	11.246
Total music revenue	1	135.975	138.066
Distribution to rights holders for the year	2	-121.321	-125.201
Profit before expenses etc		14.654	12.865
Administrative expenses	3	-13.526	-12.626
Profit before depreciation, amortisation and other items		1.128	238
Depreciation, amortisation and impairment losses		-1.058	-1.043
Profit before interest		70	-805
Net financial income and expenses	4	-70	805
Profit before tax		0	0
Corporation tax		0	0
Net profit for the year		0	0

Balance Sheet at 31 December

Assets

	Note	2018 EUR 'ooo	2017 EUR 'ooo
Investment in associate, Polaris Nordic A/S		22	22
Fixed asset investments		22	22
Works database and K-lean	5	736	1.327
Fixtures and fittings, operating equipment and leasehold improvements	6	1.730	1.475
Property, plant, equipment and intangible assets		2.466	2.802
Receivables		2.191	889
Prepayments		213	215
Deposits		498	490
Other receivables		12.204	13.622
Cash at bank and in hand		28.355	12.033
Securities	7	77.362	87.969
Current assets		120.823	115.218
Assets		123.312	118.043

Capital and liabilities

Funds for cultural contributions	8	11.272	10.742
Collective blank media funds	9	765	822
Other payables and debt	10	5.944	3.537
Provision for distribution	11	105.331	102.942
Capital and liabilities		123.312	118.043
Contingent liabilities	12		

Cash Flow Statement

	2018 EUR '000	2017 EUR '000
Music revenue received, Denmark		
Music revenue for the year (performing rights and mechanical rights)	126.076	126.820
Change in trade receivables	-1.305	26
Change in other receivables	1.377	-2.584
	126.148	124.262
Music revenue received, abroad		
Music revenue for the year, abroad	9.899	11.246
	9.899	11.246
Operating expenses		
Administrative expenses for the year	-13.526	-12.626
Change in payables	2.417	625
Change in prepayments	2	-67
	-11.108	-12.068
Financial expenses		
Interest expenses for the year	-70	805
Change in deposits	-10	-10
	-80	795
Investments		
Development projects and operating equipment	-730	-561
	-730	-561
Funds for cultural contributions and collective blank media funds		
Funds for cultural contributions and collective blank media funds for the year	-10.545	-11.001
Change in funds for cultural contributions and collective blank media funds	508	1.620
	-10.037	-9.382
Individual contributions		
Individual contributions for the year	-110.776	-114.200
Change in individual contributions	2.697	7.405
	-108.078	-106.795
Change in cash and cash equivalents for the year	6.014	7.497
Securities and cash and cash equivalents, beginning of year	100.002	92.505
Securities and cash and cash equivalents, end of year	106.016	100.002

Notes to the Financial Statements

	2018	2017
	EUR '000	EUR '000
1 Music revenue		
Primary transmission on radio and TV and retransmission	58.759	65.833
KulturPlus	566	1.713
Internet and On Demand	38.384	31.027
Cinemas and films	1.436	1.730
Hotels and restaurants	7.223	7.279
Background music	6.811	6.818
Concerts, events, etc	13.028	12.562
Adjustment of provision for bad debts	-131	-142
Abroad	9.899	11.246
	135.975	138.066
2 Distribution to rights holders for the year		
Distribution to rights holders for the year is allocated as follows:		
Funds for cultural contributions	10.354	10.429
Collective blank media funds	191	572
Provision for distribution for the year	110.776	114.200
Distribution to rights holders	121.321	125.201
Calculation of funds for cultural contributions		
Profit according to the income statement	121.321	125.201
Net public performance rights, abroad	-9.881	-11.217
Net KulturPlus	-556	-1.685
Net mechanical rights	-7.685	-6.354
Online public performance, already provided	-5.613	-7.451
	97.586	98.494
Funds for cultural contributions, 10% provided	9.759	9.849
Online public performance, provided	595	580
Calculated funds for cultural contributions for the year	10.354	10.429

Notes to the Financial Statements

	2018	2017
	EUR 'ooo	EUR 'ooo
3 Administrative expenses		
Staff expenses	-10.269	-9.885
Refunded administrative expenses	1.243	1.058
Fees and comission	-2.326	-2.338
Marketing and PR	-730	-690
Travelling, meetings and entertainment	-357	-394
Rental income	150	149
Rental expenses	-1.225	-1.107
Property expenses	-294	-331
Office supplies	-482	-410
IT expenses	-1.381	-616
Membership fees etc	203	202
Refund of administrative expenses	1.943	1.736
	-13.526	-12.626
Remuneration to the Executive Board and the Board of Directors	564	410
4 Net financial income		
Return on portfolio	-189	670
Bank and giro accounts	-72	-51
Receivables etc	190	186
	-70	805

Notes to the Financial Statements

	2018	2017
5 Works database and K-lean		
Cost at 1 January	2.956	2.965
Additions	0	0
Cost at 31 December	2.956	2.965
Amortisation and impairment losses at 1 January	-1.633	-1.023
Amortisation for the year	-588	-615
Amortisation and impairment losses at 31 December	-2.221	-1.638
Carrying amount at 31 December	736	1.327

6 Fixtures and fittings, operating equipment and leasehold improvements

	Fixtures and fittings DKK '000	IT equipment DKK '000	IT software DKK '000	Leasehold improvements DKK '000	Total DKK '000
Cost at 1 January	532	1.721	545	1.306	4.104
Additions for the year	0	0	730	0	730
Disposals for the year	0	0	0	0	0
Cost at 31 December	532	1.721	1.275	1.306	4.833
Depreciation, amortisation and impairment at 1 January	-444	-1.525	-163	-502	-2.633
Impairment losses for the year	0	0	0	0	0
Depreciation and amortisation for the year	-72	-108	-153	-131	-470
Depreciation, amortisation and impairment at 31 December	-516	-1.632	-322	-633	-3.103
Carrying amount at 31 December	16	88	953	673	1.730

7 Securities

The portfolio comprises bonds, corporate bonds and investment fund certificates in distributing investment funds where the underlying portfolios comprise bonds.

Notes to the Financial Statements

	2018	2017
	EUR 'ooo	EUR 'ooo
8 Funds for cultural contributions		
Funds for cultural contributions for the year	10.354	8.829
Funds for cultural contributions, transferred from previous years	919	626
	11.272	9.455
9 Collective blank media funds		
Collective blank media funds for the year	191	200
Collective blank media funds, transferred from previous years	574	303
	765	503
10 Payables and other debt		
Koda-Dramatik	102	121
Polaris Nordic A/S	134	112
Accrued expenses	1.399	1.369
Accrued holiday pay	1.360	856
Collective blank media funds	13	13
Prepayments	2.936	445
	5.944	2.916
11 Provision for distribution		
For distribution, beginning of year	102.633	95.541
Provision for distribution for the year	110.776	114.772
Distribution for the year	-108.078	-107.371
	105.331	102.942
Music revenue to the Executive Board and the Board of Directors of Koda	262	410

Notes to the Financial Statements

12 Contingent liabilities

Rental obligation:

The Society has entered into a rental obligation which is non-cancellable until 1 March 2024. The obligation amounts to EUR 5,479k at 31 December 2018 and part of the lease has been sub-leased on non-cancellable leases totalling EUR 641k.

Lease obligation:

At 31 December 2018, the obligation amounts to EUR 43k.

EG:

Koda has entered into a contractual obligation with EG which is non-cancellable until 1 July 2020. The obligation amounts to EUR 534k at 31 December 2018.

Polaris Nordic A/S

Together with Tono, Norway, and Teosto, Finland, Koda participates in the jointly owned company Polaris Nordic A/S that has entered into a five-year operating agreement with ICE. At 31 December 2018, the future estimated expense for Koda in the contract period amounts to EUR 798k.