

Society of Authors **ZAiKS**

ANNUAL REPORT 2015

BASIC INFORMATION ABOUT SOCIETY OF AUTHORS ZAIKS

The Society of Authors ZAiKS protects the works of its members and the works entrusted to the Society for protection by their authors. On the basis of reciprocal representation agreements, the Society manages the rights of international authors. The Society serves the authors and users of works.

ACCORDING TO THE SOCIETY'S STATUTES, § 1:

The Society of Authors ZAiKS shall bring together authors in order to:

- protect author's rights,
- act in support of developing creative works
- organize social activity for the benefit of its members

In 2015 the Statutes of the Society of Authors ZAiKS were not amended.

Three main domains of the Society's activity

- granting permissions to the users of creative works for their exploitation on behalf of thousands of authors,,
- collection of royalties from users,
- distribution of royalties and their transfer to authors/rightholders.

ZAiKS collectively manages the author's rights in the following fields of exploitation:

- fixation, reproduction and placement on the market
- public performance, broadcast
- screening
- radio and television broadcasts
- retransmission
- making the work publically available in such a manner that anyone could access it at a place and time selected thereby.

Authorities of the Society were:

- 1) the Assembly of Delegates
- 2) the Council of the Society
- 3) the Management Board of the Society and its Presidium
- 4) the Audit Committee
- 5) the Arbitration Board

On 31 December 2015, the Presidium comprised:

Janusz Fogler – president
Michał Komar – vice-president
Andrzej Wojtaś – secretary
Marcin Błażewicz – treasurer
Ryszard Ulicki – deputy treasurer
Eustachy Ryłski – deputy treasurer

Members of the Council:

Edward Pałasz – chairman
Ilona Łepkowska – vice-chairman
Rafał Marszałek – secretary
Krzysztof Choiński
Krzysztof Dzikowski
Maria Etienne
Robert Jarocki (deceased on 16 June 2015)
Andrzej Jaroszewicz
Eugeniusz Kabat
Jan Kidawa-Błoński
Krzysztof Knittel
Romuald Lipko
Grzegorz Moryciński (until 15 March 2015)
Józef Skrzek
Stanisław Sojka
Józef Tejchma
Janina Zając-Trońska

Head Office composed of departments

GENERAL MANAGER

Krzysztof Lewandowski

DEPUTY GENERAL MANAGER

Krzysztof Szuster

DEPUTY GENERAL MANAGER

Jerzy Badowski (retired since 1 June 2016)

DEPUTY GENERAL MANAGER & CHIEF FINANCIAL OFFICER

Piotr Wąsaty

CHIEF ACCOUNTANT

Dorota Kukuć

On 31 December 2015, the Society numbered 2336 members, including 1605 ordinary members and 731 extraordinary members. Only in 2015, 140 persons gained membership, of which 89 became extraordinary members, and 51 extraordinary members gained the status of ordinary members.

THE WORKS PROTECTED BY ZAIKS

dramatic and stage works
pantomime poems translations of literature
musical and opera librettos cabaret
performances skits scripts for radio broadcasts
song lyrics scripts and dialogues for films
choreographic works adaptations
musical works (classical and popular)

THE NUMBER OF WORKS DIRECTLY
ENTRUSTED TO ZAIKS AS ON 31 DECEMBER
2015 WAS 417 348.



UNDER 126 RECIPROCAL REPRESENTATION
AGREEMENTS CONCLUDED WITH SISTER
SOCIETIES AROUND THE WORLD, ZAIKS
PROTECTS OVER 3 MILLION FOREIGN AUTHORS
AND, AS A RESULT, CA. 50 MILLION WORKS.



INTERNATIONAL ACTIVITY

The Society is a member of the following umbrella organizations, its representatives participate in the regular meetings and working groups of those three organizations and they improve their knowledge and skills in the course of trainings and seminars organized by those organizations.

The representatives of ZAiKS have for years participated in the international meetings, discussions and symposia during which (i) rules and decisions are adopted, which result in a more efficient and effective collection and distribution of author's royalties (ii) new authorities of committees, working groups and CISAC, BIEM and GESAC boards are elected.



CISAC (Confédération Internationale des Sociétés d'Auteurs et Compositeurs) from 1926



BIEM (Bureau International des Sociétés Gérant des Droits d'Enregistrement et de Reproduction Mécanique) from 1929



GESAC (Groupement Européen des Sociétés d'Auteurs et Compositeurs) from 2004

ZAiKS's authors elected to the new boards of authors' councils of CISAC, GESAC

- **SIENA, 14-15 OCTOBER**

CIAM, vice-president of the Presidium, Marek Hojda elected to ExCo

- **BEIJING, 5-6 NOVEMBER**

Writers & Directors Worldwide Congress
– the representative of ZAiKS Małgorzata Semil elected to the Executive Committee;

- **BRUSSELS, 18 NOVEMBER 2015**










Under the aegis of GESAC and ECSA the first Meet the Authors forum took place; held under the banner of „Play Fair”, it dealt with the fair distribution of profits from the reception and use of cultural content online. The forum gathers main representatives of the groups engaged in EU policy-making in the domain of culture and copyright. Polish authors associated with ZAiKS along with representatives of the Society and the Polish MEPs talked about the transfer of value during formal and informal meetings.

LEGAL ASPECTS

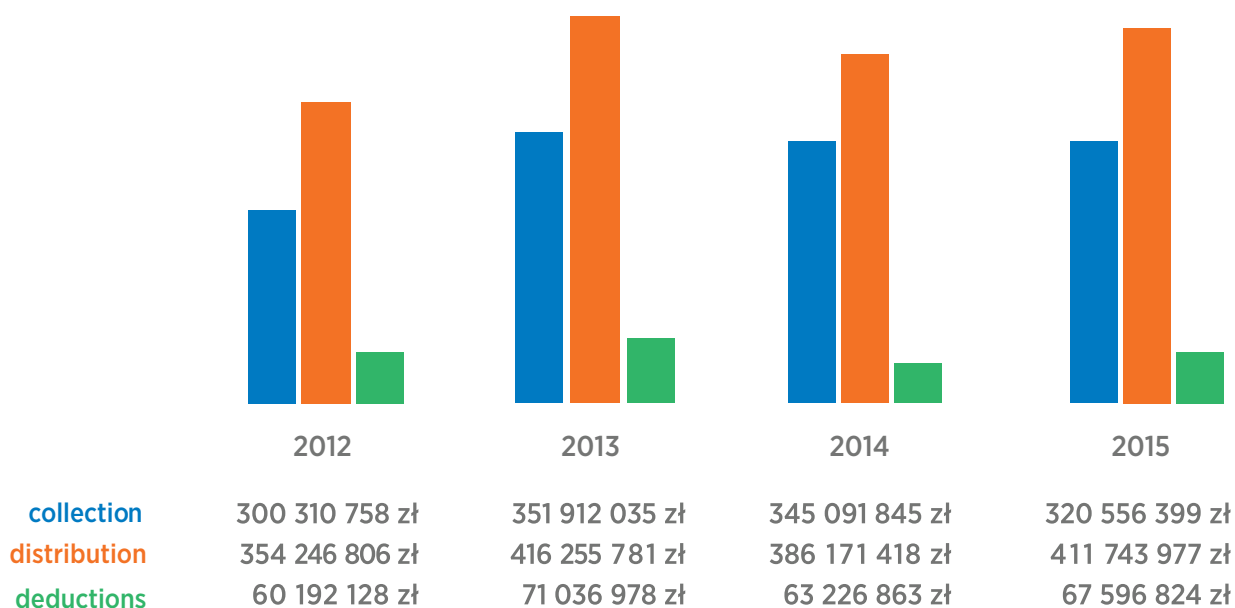
In 2015 the Society of Authors ZAiKS took part in the parliamentary works on the government's draft act aiming to implement the Directive 2012/28/EU of the European Parliament and the Council of 25 October 2012 on certain permitted uses of orphan works, Directive 2006/115/EU of the European Parliament and the Council of 12 December 2006 on rental right and lending right and on certain rights related to copyright in the field of intellectual property, and the adjustment of the Polish act on copyright to the provisions of the Directive 2001/29/EC of 22 May 2001 on the harmonization of certain aspects of copyright and related rights in the information society. The new act - which introduced inter alia the remuneration right for public lending into the Polish legal system, regulations concerning the use of orphan works and works which are commercially unavailable, and provisions that broaden the scope of permitted public use and eliminate fees related to the publication of works which entered the public domain - was adopted on 11 September 2015.

During the year, the Society also issued its opinions on four draft regulations to the Act.

FINANCIAL ISSUES

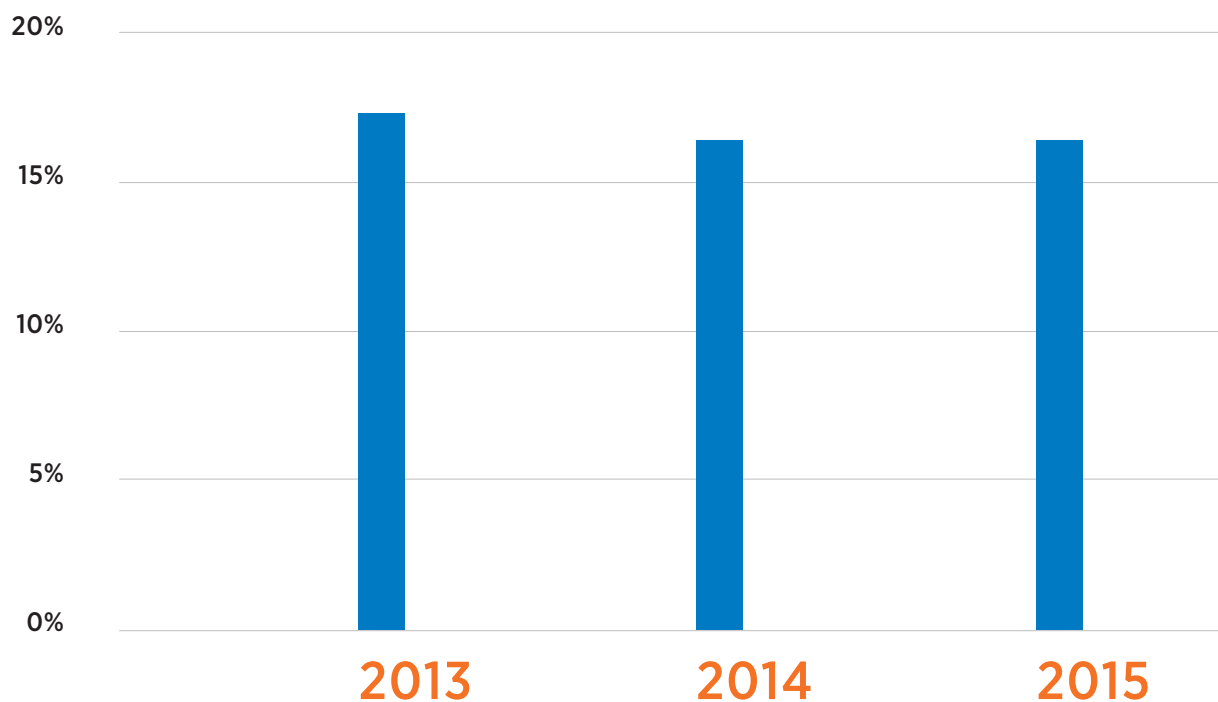
	Phonography and videography	20 538 283 PLN
	Public performances and retransmission	87 694 778 PLN
	Screening in cinemas	9 771 619 PLN
	Stage performances	16 077 420 PLN
	Radio and TV broadcasts	128 725 023 PLN
	Retransmissions	50 629 329 PLN
	Internet	4 460 269 PLN
	Private copying	2 071 132 PLN
	Other	588 546 PLN
		 320 556 399 PLN in total

In 2015, a total of 411 743 977 PLN was distributed. Deductions of collection costs in 2015 amounted to 67 596 824,17 PLN and were higher as compared to 2014 by 6,91%. This year the distribution of collected royalties increased by 6,62% as compared to 2014, which was the reason for such an increase.



COLLECTION COSTS

The average collection cost in 2015 was 16,42%. This includes the costs of collecting royalties and their distribution. ZAiKS does not separately deduct costs associated with the distribution procedures.



AUDIT

According to the opinion of KPMG's certified auditor, the financial statement of the Society of Authors ZAiKS give an honest and clear view of the property and financial condition of the Society as on 31 December 2015. The financial result and cash-flow for the financial year 2015 have been prepared, in all material respects, in accordance with the accounting principles valid in the territory of the Republic of Poland defined in the Accounting Act and the implementing regulations adopted on its basis. It also complies with the legal provisions influencing the final shape of the financial statement's contents and is in line with the Society's Statutes. Moreover, it has been prepared on the basis of properly kept and maintained, in all material respects, books and records.

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2015 (PLN)

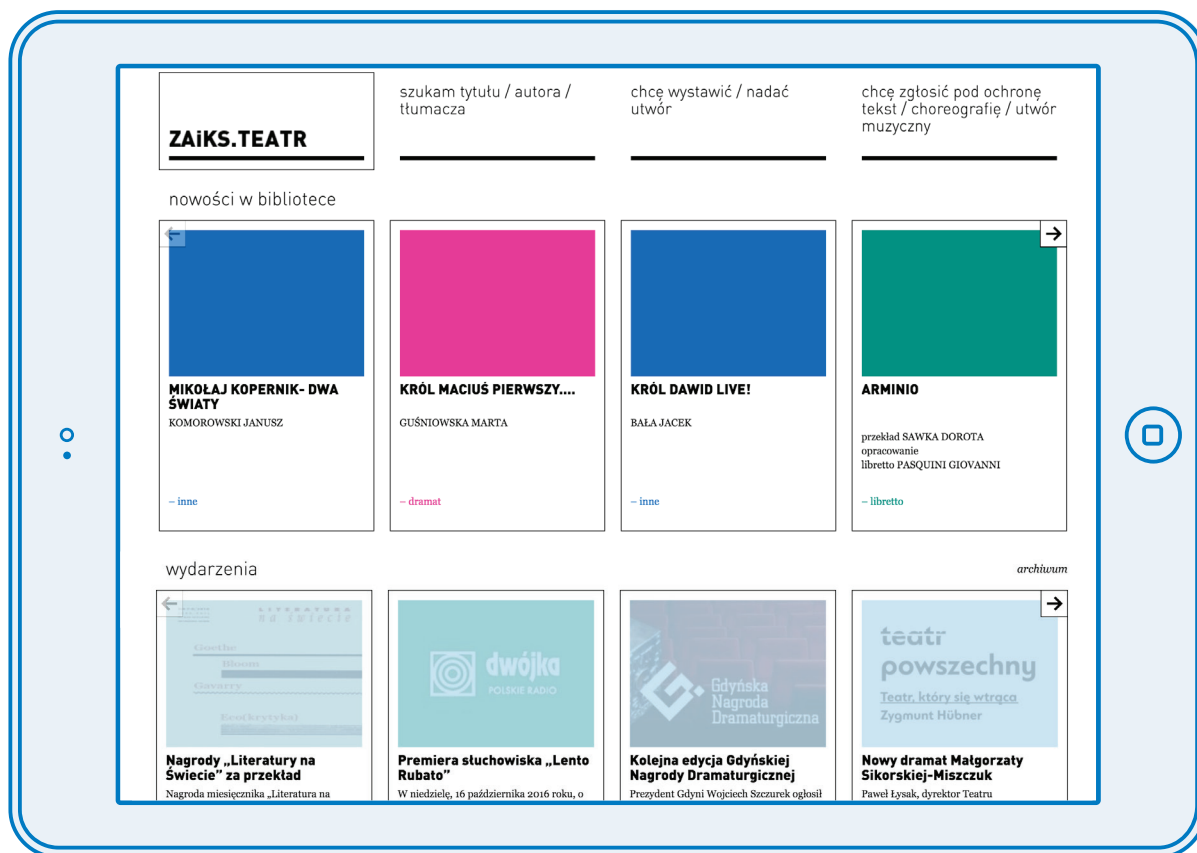
A.	Net sales revenue	84 381 314,04
B.	Cost of products sold	14 615 210,37
C.	Gross profit or loss from sales (A-B)	69 766 103,67
D.	Sales cost	626 234,50
E.	General management costs	71 380 933,87
F.	Profit (loss) from sales (C-D-E)	-2 241 064,70
G.	Other operating revenues	7 028 789,94
H.	Other operating costs	1 898 034,42
I.	Operating profit (loss) (F+G-H)	2 889 690,82
J.	Financial revenues	23 359 701,80
K.	Financial costs	13 260,71
L.	Profit (loss) on business activities (I+J-K)	26 236 131,91
M.	Extraordinary results	0,00
N.	Gross profit (loss) (L+M)	26 236 131,91
O.	Income tax	107 437,00
P.	Other mandatory profit reductions (increase of loss)	0,00
R.	Net profit/loss (N-O-P)	26 128 694,91

AUDIT

BALANCE SHEET AT THE END OF 2015 (PLN)

A	Fixed assets	47 777 212,34
I.	Intangible and legal assets	38 732,86
II.	Tangible fixed assets	47 738 479,48
1.	Land and buildings	46 249 332,01
2.	Technical devices and machinery and other	1 489 147,47
3.	Prepayments for tangible assets under construction	0,00
B.	Current assets	1 017 811 283,01
I.	Inventories	35 856,66
II.	Short-term receivables	7 698 751,32
1.	Payables arising from the purchase of goods and services	12 403,13
2.	Taxation, donation, duty and social security receivables	22 827,91
3.	Other receivables	7 663 520,28
III	Short-term investments	1 006 882 263,46
1.	Short-term financial assets in related entities	597 792 095,79
2.	Cash and cash equivalents	409 090 167,67
IV.	Short-term accruals and prepayments	3 194 411,57
Total assets		1 065 588 495,35
A	Own funds	370 340 980,78
B	Liabilities and provisions for liabilities	695 247 514,57
I	Provisions for liabilities	57 228 367,99
II	Long-term liabilities	0,00
III	Short-term liabilities	637 661 365,69
IV	Accruals and deferred income	357 780,89
Total liabilities		1 065 588 495,35

ZAIKS ON-LINE



ZAIKS launched WWW.ZAIKSTEATR.PL, a website dedicated to Polish and foreign dramatic works and their authors, adaptors, authors of musical and choreographic illustrations, and other authors associated with stage performances. The meticulously designed, user-friendly and intuitive website helps the users – e.g. theatre or broadcasting station employees – to quickly access the catalogue of works protected by ZAIKS, with possibility of carrying out searches on the basis of various search criteria. The website also gives access to full details and forms for those who wish to stage or broadcast a play, or register the work to be protected by ZAIKS. Information is also provided on the new items in our library, achievements of authors and interviews with the authors associated with and protected by ZAIKS.



ZAIKS continuously develops and improves ZAIKS's online services; in 2015, the functionality [REPORT A CONCERT](#), a tool addressed to the authors whose works had been performed during concerts, was added. The functionality makes it possible to verify whether the concert promoter pays due authors' fees for the works from their repertoire.

EDUCATION AND TRAINING

In 2015, 10 trainings sessions, as part of the cycle Mondays at the Mansion under the Kings, took place. The meetings were open to the public and attended not only by the authors but also third parties (including representatives of foundations, associations, NGOs, and students). The issues related to the copyright, collective management, ZAiKS's activities and, in a broad sense, social communication were discussed. The Society also organized trainings copyright attended by the third parties. Also in 2015, 20 meetings in schools and several training sessions for the young authors and representatives of cultural sectors, police and the prosecution service took place.

Moreover, the Society co-organized and was involved in several conferences and seminars pertaining to copyright, such as VII Conference Forum for the Copyright of the Minister of Culture and National Heritage about the system of Extended Collective Licensing, or the scientific Conference on Collective Management of Copyright and Related Rights on the eve of implementation of the Directive of the European Parliament and of the Council of 26 February 2014.