



ASOCIJACIJA KOMPOZITORA
MUZIČKIH STVARALACA
АСОЦИЈАЦИЈА КОМПОЗИТОРА
МУЗИЧКИХ СТВАРАЛАЦА
ASOCIJACIJA SKLADATELJA
GLAZBENIH STVARALACA

2016



ANNUAL
REPORT

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Annex:

An audit of the financial statements of the independent auditor with the Balance Sheet and Income statement of independent society for bookkeeping and accounting services.

INTRODUCTORY REMARKS BY THE PRESIDENT OF THE ASSEMBLY

Once again, AMUS has ended the year on a high note. A total of 829 members and over 30,000 registered works are evidence of a steady growth.

We have adopted a new statute according to which all members of AMUS are also members of the assembly. Introducing this new provision ensured a bigger turnout at our next assembly meeting, proving that our association has made a very big step forward. Also, the year past marked the first time that members of the assembly decided on an issue through electronic and postal voting. We hope our joint efforts will help AMUS grow further.

We have gained a solid regional and international reputation, concluding more reciprocal agreements (a total of 18) than in previous years, the most significant being the agreements with partners from Croatia (HDS), Serbia (SOKOJ), Montenegro (PAM CG) and Macedonia (ZAMP Macedonia), as well as those from the US (BMI) and Germany (GEMA). This also strengthens our position in the International Confederation of Societies of Authors and Composers (CISAC). In its first assessment of the work of AMUS, CISAC noticed significant progress. AMUS' application for full membership in CISAC will be reviewed at the General Assembly of CISAC scheduled for 8th June 2017.

Last year we opened two branch offices - in Banjaluka and Mostar - making it easier for authors from all over the country to register their work and for users to apply for licenses. At the last general meeting we adopted the Decision to Initiate Purchase of Business Premises. The General Assembly of AMUS is set to make the final decision on this issue. We will continue to support projects that contribute to local music production. We also plan to finalize the assessment of the financial standing of our members and provide help to the socially and medically disadvantaged. In 2016, 10% of our revenue was allocated to cultural activities and social welfare.

Raising awareness on copyright is a key element of improving collective management of authors' rights. Recent trainings organized by AMUS in Banjaluka, Brčko, Mostar and Sarajevo were of the utmost importance both for the authors and the licensees.

The relationship between AMUS and the licensees is constantly improving, as more and more of them are starting to realize that by obtaining licenses from AMUS they are fulfilling a legal obligation and contributing to the quality and creativity of the local music scene. I commend the cooperation between AMUS and electronic media, especially since the latter submitted a record number of broadcasting records in 2016 to the Administrative and Professional Service of AMUS and were very responsive to our calls for greater representation of local authors. On the other hand, cooperation with public radio and television broadcasters still leaves much to be desired and we hope to address this issue in the forthcoming period.

The past year also saw the first-ever awards ceremony honouring notable achievements in the field of music and culture. Awards given out posthumously to AMUS members, Jadranka Stojaković and Esad Arnautalić, prove that AMUS will forever cherish the memory of those we have lost.

Our work continues. We press onwards with courage and determination, for the good of all authors.

President of the Assembly of AMUS,
Edin Dervišhalidović

SUPERVISORY BOARD 2016 REPORT

A total of 7 (seven) Supervisory Board meetings were held in 2016 for the purpose of analysing the materials delivered by AMUS and evaluating the work of the association.

1. GOVERNANCE OVERSIGHT AND MANAGEMENT CONTROL

The purpose of governance oversight and management control was to review the process of adopting and implementing managerial, financial and operational decisions of the Assembly and the Management Board. The Supervisory Board reviewed the implementation of 53 decisions of the Management Board adopted in 2016.

Opinion of the Supervisory Board: Having reviewed the adoption of decisions related to the managerial, financial and operational policies of AMUS, the Supervisory Board has found that all decisions have been adopted in compliance with regulatory documents and the established adoption procedures.

CONCLUSION

Having completed the process of reviewing the adoption of Management Board's decisions related to managerial, financial and operational policies, the Supervisory Board has found no irregularities in the adoption and implementation of such decisions.

2. FINANCIAL AND ACCOUNTING CONTROL AND OVERSIGHT

We have reviewed the following documentation delivered by the Administrative and Professional Service:

1. Expenditure Overview
2. Permitted Expenditure
3. Expenditure Executed from 1st January through 31st December 2016
4. Expenditure Subledger for the period from 1st January through 31st December 2016
5. Analytical Review of Income for the Period from 1st January through 31st December 2016
6. Procurement Planning and Execution in 2016
7. Summary of Monthly Payroll Calculation for the Period from 1st January through 31st December 2016
8. Review of Payments to Contractors for the Period from 1st January through 31st December 2016
9. Review of Reimbursements for Participation in Legal, Supervisory and Other Bodies and Working Groups
10. Analytical Review of Collection and Distribution of Revenue
11. Analytical Review of Revenue and Expenses
12. Analytical Review of Revenue
13. Financial Data on Revenue Realized During the Financial Year, disaggregated by type of rights and manner of using copyright or other related rights (communication to the public, public performance, broadcasting, rebroadcasting, special remuneration, etc.)

Opinion of the Supervisory Board: Having completed the process of reviewing financial and accounting operations, the Supervisory Board has found that all financial and accounting operations have been conducted in compliance with regulatory documents and the established adoption procedures.

CONCLUSION

Having completed the process of reviewing the financial and accounting operations of AMUS, the Supervisory Board has found no irregularities. All operations have been conducted in compliance with relevant laws, by-laws and internal documents.

3. ADMINISTRATIVE CONTROL AND OVERSIGHT

The Supervisory Board has conducted an administrative review of internal documents and regulations.

Opinion of the Supervisory Board: Having completed the process of reviewing administrative operations, the Supervisory Board has found that all administrative operations have been performed in compliance with internal regulatory documents and the established adoption procedures.

CONCLUSION

Having completed the process of reviewing administrative operations, the Supervisory Board has found no irregularities in this segment of AMUS' work in 2016.

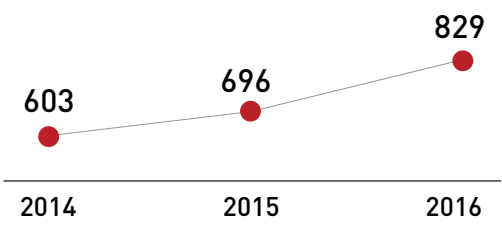
Supervisory Board President
Hamza Ražnatović

MANAGEMENT BOARD REPORT 2016

STATISTICAL DATA FOR 2016

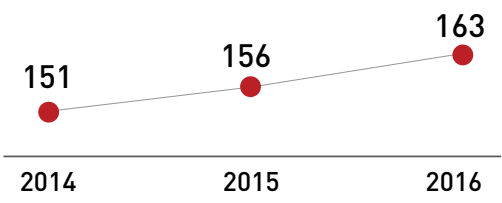
Increasing AMUS' membership:

AMUS' membership rose by 19.1% in 2016, as 133 new authors joined the Association, bumping the total number of members from 696 to 829.



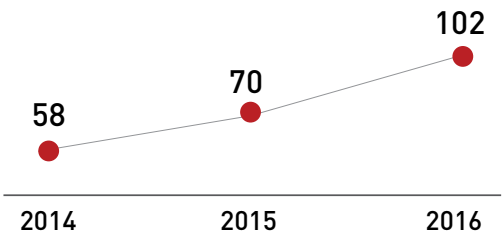
New broadcasting agreements:

In 2016 AMUS concluded 163 agreements with broadcasters, 7 or 4.48% more than in 2015.



Broadcasting records delivered by broadcasters:

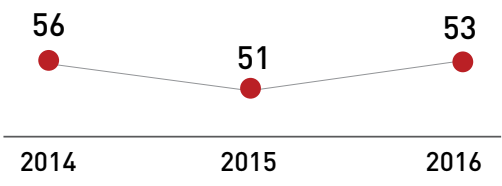
Cooperation between AMUS and broadcasters in 2016 was marked by a rise in the number of delivered broadcasting records. In 2015, payments were made based on records delivered by 58 broadcasters, while in 2016 the number rose to 70 broadcasters. This number further rose to a total of 102 for the new accounting period encompassing the second half of 2016 for which payments were made at the start of 2017.



In 2016, representatives of AMUS continued paying visits to broadcasters on the territory of Bosnia and Herzegovina, as this group of licensees is very important when it comes to distributing royalties. We visited 25 broadcasters in the following places: Sarajevo, Banjaluka, Prijedor, Mostar, Travnik, Živince, Konjic and Jablanica. We also talked with representatives of other broadcasters and scheduled future visits.

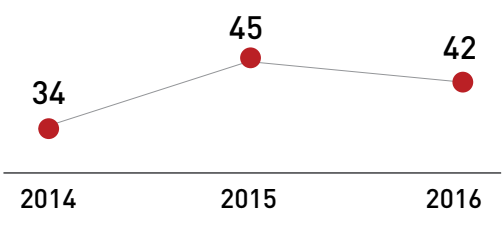
Decisions adopted:

The Management Board adopted 53 decisions in 2016, which amounts to 1.26 per meeting or 4.4 per month. There has been a 5% increase in comparison to 2015 when 31 decisions were made.



Meetings:

The Management Board held 42 meetings in 2016, i.e. 3.5 per month. There has been a 10.5% decrease in comparison to 2015 when a total of 47 meetings was held.



A TOTAL OF 185,175.89 BAM WAS ALLOCATED TO 45 CULTURAL PROJECTS THROUGH TWO OPEN CALLS TO APPLY FOR FUNDS FROM THE CULTURAL AND SOCIAL WELFARE FUND IN 2016

Two open calls were published in February and July 2016 to apply for funds from the Cultural and Social Welfare Fund. A total of 71 applicants delivered over 1100 pages of culture-related project documentation. Having examined all the applications, the Management Board of AMUS decided to finance 16 projects with a total of 57,375 BAM in March, and 29 projects with a total of 127,800 BAM in September 2016, thereby supporting 45 projects through its Cultural and Social Welfare Fund. By supporting the organization of various music events in BiH, AMUS has greatly contributed to the development and sustainability of the local music scene as well as culture in general. A special case among project applicants was the band HALKA who received 4000 BAM for a trip to Portugal where they were supposed to take part in the WOMEX festival. Unfortunately, the project fell through and they ended up returning the full amount awarded to them.

The results of the two open calls were published on AMUS' website, with a list of all applicants.

March 2016 open call results:

APPLICANT	PROJECT TITLE	CITY/TOWN	FUNDS
ZORANA GUJA	„PJESMOM BEZ GRANICA“	PALE	7,500.00 BAM
SENAD BOSTANDŽIĆ	„BJELAVKO“	SARAJEVO	2,000.00 BAM
ART KUĆA ASSOCIATION	„BARIMATANGO“	MOSTAR	5,714.00 BAM
SERBIAN SINGERS' SOCIETY "IVA"	„MUZIČKI KARA VAN“	DOBOJ	5,000.00 BAM
MUZIKOLOŠKO DRUŠTVO REPUBLIKE SRPSKE	„DANI VLADE S. MILOŠEVIĆA“	BANJA LUKA	5,000.00 BAM
NERMIN RAMIĆ	ALBUM RELEASE TO COMMEMORATE 25TH ANNIVERSARY OF "CAMINO	BIHAĆ	1,000.00 BAM
"MUZIKA SRCA" ASSOCIATION	RADIO SHOW "DOMAĆI ZA DOMAĆE"	BIHAĆ	1,000.00 BAM
"ALKATMERI" ASSOCIATION	„TEŠANJ SEVDAH FEST“	TEŠANJ	1,000.00 BAM
SEMKA TORLAK	„NA IZVORU LJUBAVI“	SARAJEVO	2,291,89 BAM
TAIK GANIĆ	CHILDREN'S ALBUM	TRAVNIK	4,500.00 BAM
"ZONA MUZIKE" ASSOCIATION	„DOKUMFEST 2016“	ZENICA	1,500.00 BAM
ANSAMBL HALKA	„ANSAMBL HALKA NA WOMEX SAJMU 2016“	SARAJEVO	4,000.00 BAM
HOR ZA MLADE I MALE „SUNCOKRETI“	KONCERT „DAN PLANETE ZEMLJE“	SARAJEVO	3,870.00 BAM
AMIR MISIRLIĆ	„50 GODINE POP ROCKA U BIH“	VOGOŠĆA	3,000.00 BAM
ALMIR AJANOVIĆ	"PARTICIPATION IN THE EUROVISION SONG CONTEST - EUROSONG 2016"	VOGOŠĆA	5,000.00 BAM
JASMIN FAZLIĆ	"PARTICIPATION IN THE EUROVISION SONG CONTEST - EUROSONG 2016"	VOGOŠĆA	5,000.00 BAM
TOTAL			57,375,89 KM

APPLICANT	PROJECT TITLE	CITY/TOWN	FUNDS GRANTED
MAID MIROJEVIĆ	“PJEVAM PJESNIKE” CONCERT	SARAJEVO	1,500 BAM
“QUEEN ESTRADA” ASSOCIATION	“BANJALUČKA GITARIJADA”	BANJALUKA	3,500 BAM
SAMIR FEJZIĆ	RECORDING NEW MATERIAL	SARAJEVO	3,000 BAM
DINO MANGAFIĆ	INSTRUMENTAL ALBUM “INSPIRATION”	SARAJEVO	2,500 BAM
JAKOV JAKŠA JURJEVIĆ	SERENADE LUNERE	SARAJEVO	1,000 BAM
ALEN EKMEČIĆ	NEW GAME	SARAJEVO	2,500 BAM
BRANKA RADOŠEVIĆ MITROVIĆ	“KARNEVAL ŽIVOTINJA” DIDACTIC CONCERT	BANJALUKA	6,700 BAM
AMIRA LUKOVAC	ADI LUKOVAC “IN MEMORIAM”	SARAJEVO	6,000 BAM
ASSOCIATION OF MUSICIANS “ALKATMERI” TEŠANJ	“COMMEMORATING 30 YEARS OF ALKATMERI”	TEŠANJ	2,000 BAM
“MAXIMUM POWER” ASSOCIATION	NEW YEAR’S CHILDREN’S CONCERT “I DJECA ZNAJU PJEVATI”	SARAJEVO	8,000 BAM
“ART KUĆA” ASSOCIATION	“MOSTAR GIPSY FESTIVAL”	MOSTAR	3,500 BAM
NAZIF GLJIVA	PROMOTING THE MUSIC BOOK “TUGA I SREĆA ZLATNIH KOČIJA”	SARAJEVO	1,000 BAM
“JAZZ FEST” ASSOCIATION	20TH JAZZ FEST	SARAJEVO	15,000 BAM
“ARTZ PRODUKCIJA” ORGANISATION	“ARTZ” FESTIVAL OF CONTEMPORARY ARTS	TUZLA	10,000 BAM
ADAM SUBAŠIĆ CUPI	“MUZIČKI ČOKOLEND”	SARAJEVO	5,000 BAM
FOLK ENSEMBLE “SLAVKO MANDIĆ/ FOL GROUP “TRAG”	“ZAVJEŠTANJE (II-FORIS)”	LAKTAŠI	4,600 BAM
FOLK ENSEMBLE “BIJELO POLJE”	54TH FESTIVAL OF AMATEUR SINGERS OF BIH “PRVI GLAS BIJELOG POLJA – MOSTAR 2016”	MOSTAR	6,000 BAM
YOUTH COMMUNICATION CENTRE “URBAN ART” “MUZIČKI	URBAN WINTER FEST	JABLANICA	2,500 BAM
ATELJE U BOSNI I HERCEGOVINI” ASSOCIATION	“LION KING” MUSICAL	ISTOČNO SARAJEVO	5,000 BAM
CHILDREN’S CHOIR “VRAPČIĆI” ASSOCIATION	NEW ALBUM “LJUBAV SPASIĆE SVIJET”	BANJALUKA	4,000 BAM
MARINKO PEJIĆ	SEMINAR “POPULAR MUSIC AND MUSICAL EDUCATION”	SARAJEVO	2,000 BAM
VAHIDIN NINO PRŠEŠ	“SEVDAH KONCEPT”	SARAJEVO	2,500 BAM
DRAŠKO SPASOJEVIĆ	“IZVORNIJA”	RUDO	2,500 BAM
JOSIP DUJMOVIĆ	ILLUSTRATED AND NOVELIZED BIOGRAPHY OF INDEX “U INAT GODINAMA”	ZENICA	2,500 BAM
CROATIAN MUSIC UNION ŠIROKI BRIJEG	WEST HERZEGOWINA FEST	ŠIROKI BRIJEG	10,000 BAM
BANJALUKA FILHARMONICS	“MUZIČKI SUSRETI”	BANJALUKA	10,000 BAM
“UBUNTU” THEATRE	DEMODAYS 2016	BIJELJINA	2,000 BAM
“SEKVENCA” ASSOCIATION	“ODJECI”	BANJALUKA	3,000 BAM
ASSOCIATION OF MUSIC ATRTISTS AND AUTHORS	PUBLIC LECTURE “SEVDALINKA- CULTURAL, HISTORICAL AND SPIRITUAL TREASURE OF BIH”	TUZLA	3,000 BAM
		TOTAL	127,800.00 BAM

ASSISTANCE TO AMUS MEMBERS THROUGH THE SOCIAL WELFARE FUND

Through the Cultural and Social Welfare Fund AMUS provided help to its financially and medically disadvantaged members. We also provided scholarships and financial support to children and family of deceased AMUS members, in accordance with the regulations of the Cultural and Social Welfare Fund.

In 2016, AMUS allocated 136,283.69 BAM from the Cultural and Social Welfare Fund to social protection of AMUS members. This included providing financial support to members suffering from medical, social and financial problems, children and family of deceased AMUS members, as well as offering scholarships to underage children of deceased members.

MINISTRY OF JUSTICE APPROVES NEW AMUS STATUTE

On 21/3/2016 the Ministry of Justice of BiH delivered the Decision on Amending the Entry in Registry of Associations.

The Ministry entered the new statute of AMUS, which was adopted on 15/2/2016 during a meeting of the Assembly, and approved all bodies of the Association. This was the result of prolonged efforts on behalf of the President, Management Board members and employees in the Administrative and Professional Service who succeeded in coming up with viable solutions and overcoming the often contradictory demands of the Ministry of Justice and the Institute, caused by discrepancies in the Law on Collective Management of Copyright and Related Rights and the Law on Associations and Foundations of BiH.

Representatives of the abovementioned institutions provided immense support to the management of AMUS in solving this issue – a sign of a very good cooperation that we will continue to nurture.

The document issued by the Ministry of Justice is a crucial step in the development of AMUS as an association and an organization for collective management and protection of copyright. Approval of the new statute has enabled AMUS to open branch offices in Banjaluka and Mostar.

PROJECT “SUPPORT LOCAL MUSIC” AIRS ON 17 TV STATIONS

One of the key strategic projects focused on increasing the presence of local artists in media outlets in BiH. AMUS signed agreements with 17 TV stations from all around the country that agreed to broadcast the show “Portret autora” (Author’s Portrait). The first episode in the series dedicated to Kemal Monteno garnered positive reactions both from viewers and TV editors. Episodes dedicated to Jadranka Stojaković, Indexi and Zaim Imamović aired by the end of the year.



ANNUAL AMUS AWARDS CEREMONY

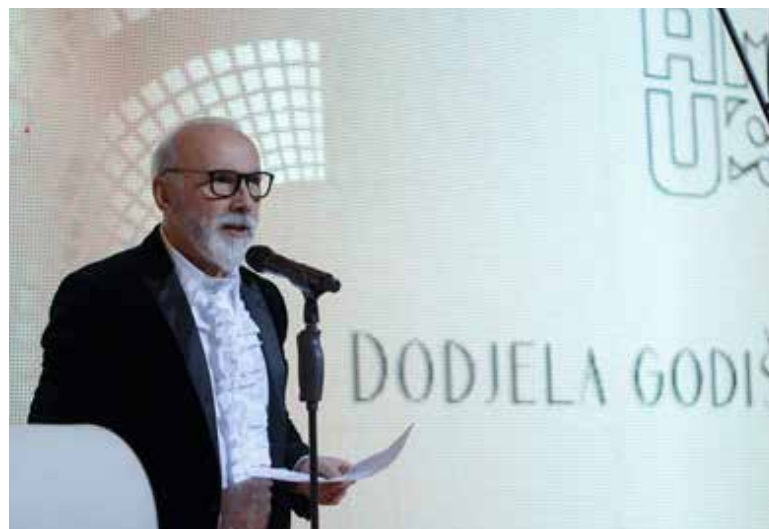
The annual AMUS awards ceremony was held on 14/12/2016 in the breathtaking interior of the City Hall in Sarajevo. It was an opportunity for AMUS to celebrate notable artistic achievements of its members whose works were produced, broadcast or published in 2016. Numerous members of AMUS, representatives of domestic and international institutions and other guests attended the ceremony.

The “Avdo Smailović” Award (for outstanding achievement in classical music) was awarded to Asim Horozić; Damir Imamović received the “Fra Grgo Martić” Award (for promoting the vernacular music of peoples of BiH), while professor Ivan Čavlović received the “Vlado Milošević” Award (for music journalism and musicology). The “Kemal Monteno” Award was awarded to Edin Dervišhalidović (for outstanding artistic achievement in popular music); Saša Pavlović and Miodrag Milekić received the “Ismet Alajbegović Šerbo” Award (for outstanding artistic achievement incorporating traditional music); Muris Varajić received the “Slobodan Bodo Kovačević” Award (for outstanding artistic achievement in instrumental music), while the “Dražen Ričl” Award (for best young author) was awarded to Dorđe Jovančić.

The Lifetime Achievement Award was posthumously awarded to: Esad Arnautalić, Zaim Imamović, Ismet Alajbegović Šerbo, Duško Trifunović, Jozo Penava, Rade Jovanović, Safet Kafedžić, Jovica Petković, Spaso Berak, Kemal Monteno and Jadranka Stojaković.

Celebrating the work of these artists was the emotional highlight of the evening, especially when it came to the recently deceased maestro Esad Arnataulić whose daughter and son were met with a standing ovation when they came up to receive the award on their father's behalf. The famed author and distinguished member of AMUS Nazif Gljiva also received a Lifetime Achievement Award. The “Cvjetko Rihtman” Award (for best students from music academies in BiH) was awarded to: Hanan Hadžajlić (Music Academy in Sarajevo), Leonora Bajramoski (Music Academy in Istočno Sarajevo), Marta Čolak (Music Academy in Mostar) and David Mastikosa (Music Academy in Banjaluka).

Mitko Chatalbashev, director of CISAC (International Confederation of Societies of Authors and Composers) sent a letter of support, congratulating AMUS on the awards ceremony which he recognized as a brilliant initiative to honour and encourage excellence in Bosnian-Herzegovinian music.

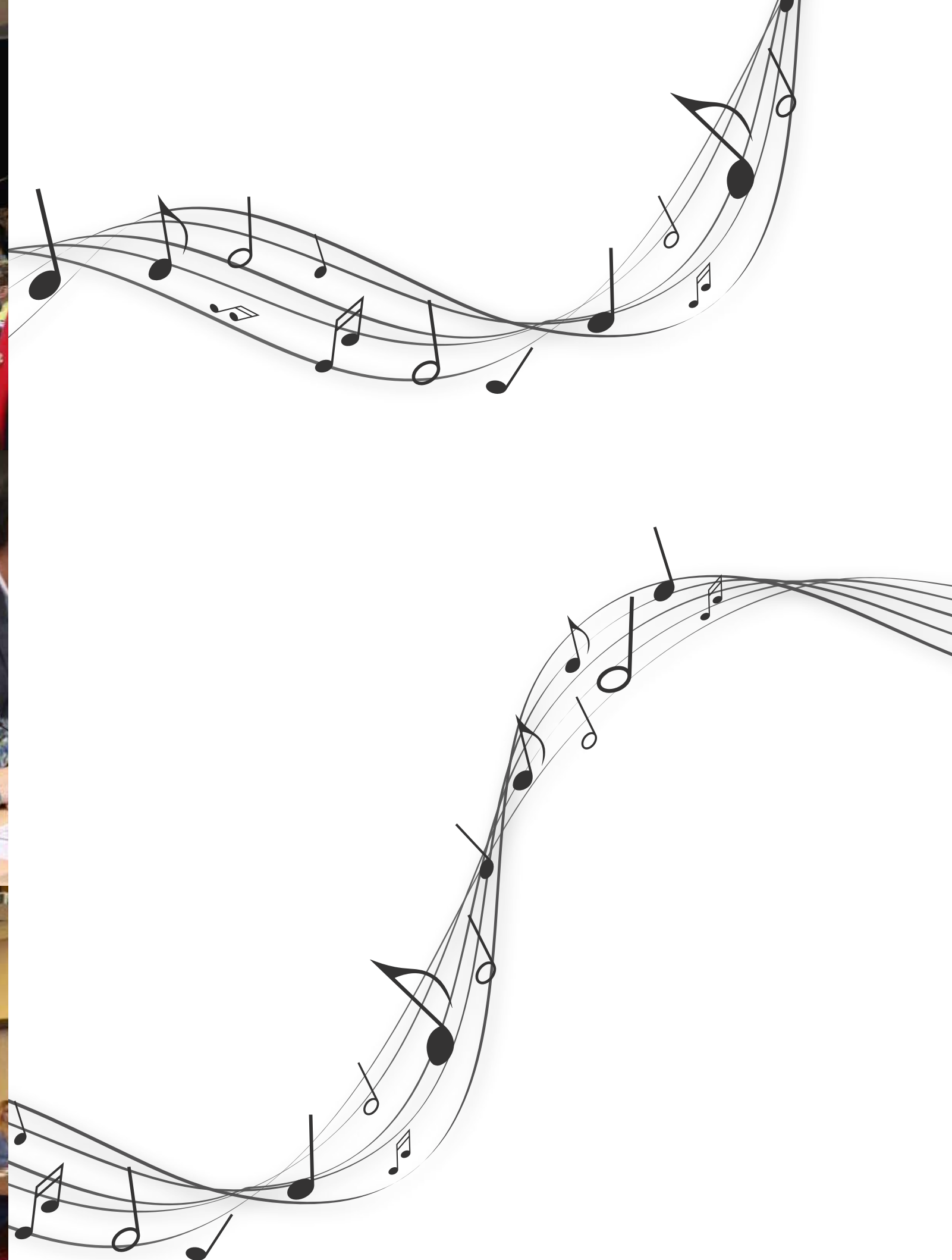




SERIES OF TRAININGS ON COPYRIGHT PROTECTION ORGANISED BY AMUS

Association of Authors and Music Composers AMUS organized a series of trainings on copyright protection in Banjaluka, Mostar, Sarajevo and Brčko. Authors, licensees and other participants had the opportunity to learn more about collective management of rights as well as the work of AMUS as the main collective management organization in BiH.

Numerous authors, AMUS members, licensees, representatives of institutions in charge of implementing laws on copyright and related rights as well as representatives and students of law and art schools attended the trainings.



REPORT BY THE MANAGING DIRECTOR OF THE ADMINISTRATIVE AND PROFESSIONAL SERVICE

Behind us is the most successful year of AMUS as a collective management organization. The Administrative and Professional Service of AMUS faced numerous challenges in 2016 but managed to overcome them through increased activity in all areas.

The total revenue of AMUS in 2016 was 4,037,734 BAM, which represents a 28.26% increase (889,814 BAM) from the previous year.

Total expenses in 2016 amounted to 1,206,479 BAM, i.e. 29.8% of total revenue.

In 2016 we concluded 2,089 licensing agreements, 134.97% more than the previous year when we concluded 858 agreements. Successful organization and job classification, developing a network of authorized representatives of AMUS, numerous meetings with various user associations (Association of Hospitality and Tourism Workers of RS, Association of Directors of Radio and TV Broadcasters...), as well as individual users and an improved cooperation with police and inspection bodies, especially in Republika Srpska, all contributed to the increase in the number of licensing agreements. AMUS concluded licensing agreements with several major users in 2016 and also ensured collection of license fees through court settlements with some users. Agreements with the biggest retail chains and several renowned hotels are especially important.

Opening branch offices in Banjaluka and Mostar also improved AMUS' business results and garnered positive reactions from both authors and licensees. However, the most important indicator are distribution payments to authors.

The Legal Department of AMUS initiated several lawsuits, a great number of which were resolved in AMUS' favour.

In 2016 we sent out two rounds of invitations for negotiations with user associations that have not yet concluded a collective agreement with AMUS. We were unsuccessful in negotiating a deal with the Association of Hotel Managers and Restaurateurs (UHR). Although both sides came very close to agreeing on major issue, representatives of UHR demanded additional concessions to which AMUS simply could not agree. Furthermore, the establishment of the Copyright Council still hangs in the balance. We hope to reach an agreement with this group of users in 2017.

As for new tariffs, concluding the agreement with the Railways of the Federation of BiH also led to the introduction of a new tariff for the category of "Trains". In 2016 AMUS and the electronic media associations concluded Annex 3 of the Collective Agreement on Broadcasting Works of Music.

The Annex is the result of the Agreement on Introducing and Distributing Tariffs for Public and Private Radio and TV Broadcasters in Bosnia and Herzegovina that was concluded between three collective management organisations (AMUS, AIS, FONOGRAM) and three electronic media associations in Bosnia and Herzegovina.

In 2016 the Administrative and Professional Service of AMUS worked on harmonizing the statute of AMUS with statutory regulations, which resulted in entering the new statute into the Registry of Associations of the Ministry of Justice of BiH. The Administrative and Professional Service also drew up several new regulations and amendments that were adopted by the Assembly of AMUS.

The Administrative and Professional Service of AMUS allocated a significant portion of its resources to improving the international standing of AMUS, especially within CISAC. The huge increase in reciprocal agreements in 2016 (especially with collective management organisations from neighbouring countries), as well as our efforts to comply with strict regulations of CISAC, has brought AMUS to the brink of obtaining full membership. AMUS' application will be considered at the annual general meeting of CISAC in 2017. We are hopeful of becoming a full CISAC member. We are also very invested in strengthening regional and international cooperation. To that end we organized a meeting with regional collective management organisations in May 2016.

In 2016 AMUS also established cooperation with the European Grouping of Societies of Authors and Composers (GESAC) by supporting GESAC's makeinternetfair petition for a fair distribution of profit generated by sharing creative content online. On the other side, GESAC acknowledged the progress AMUS has made.

The Administrative and Professional Service of AMUS increased its efforts to obtain broadcasting records from broadcasters. In 2016, payments were made based on records delivered by 70 broadcasters – 12 more than in 2015. The results were even more impressive in the new accounting period encompassing the second half of 2016 for which payments were made at the start of 2017, based on records submitted by 102 broadcasters.

In order to ensure transparency, all relevant information about the work of the Administrative and Professional Service were posted on our website www.amus.ba and our Facebook page.

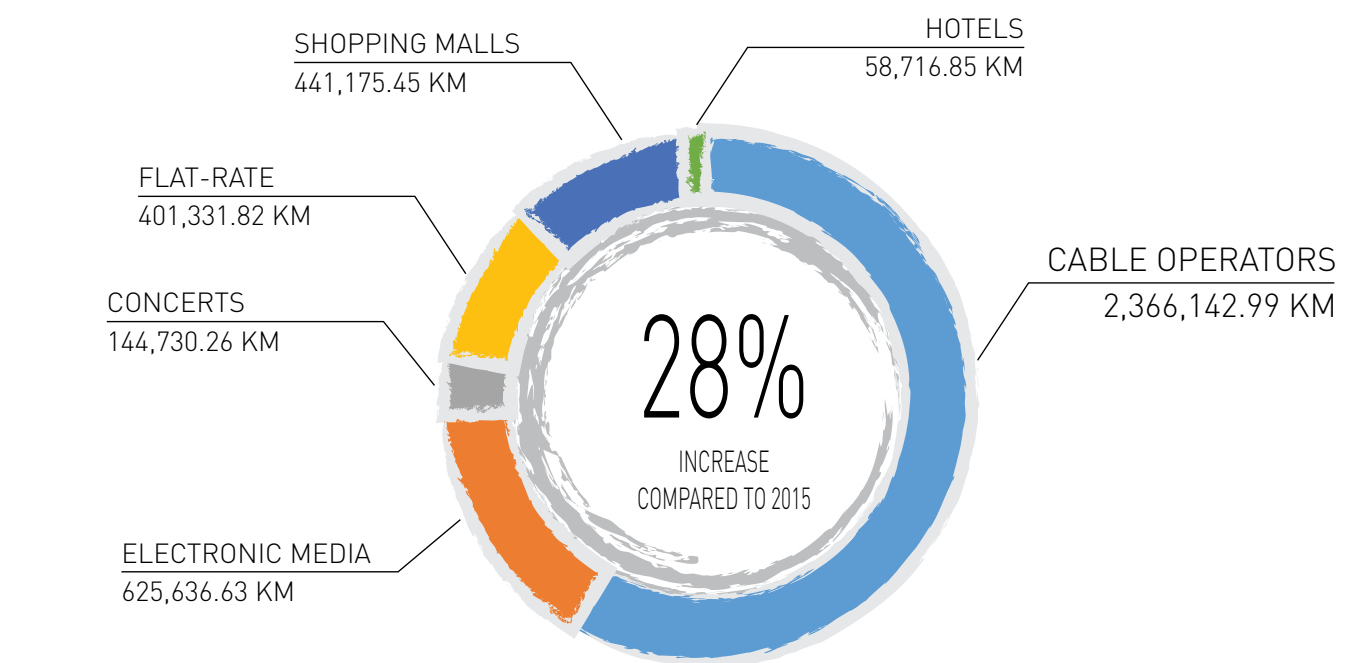
The Administrative and Professional Service plans to work even more vigorously on ensuring efficient protection of authors' rights.

Kind regards,

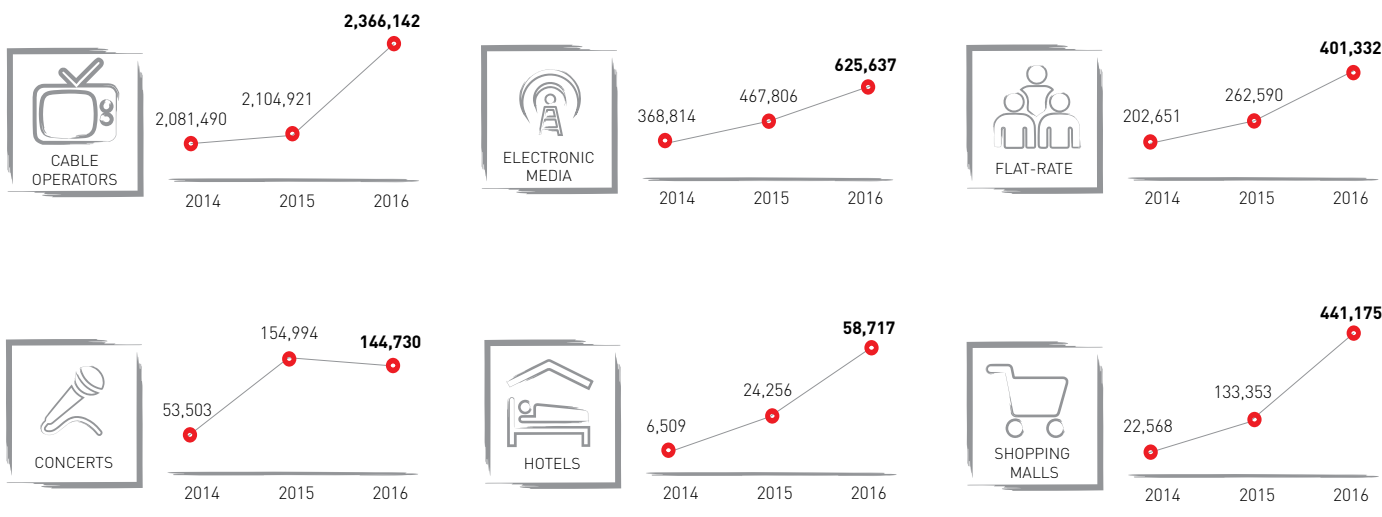
M.Sc. Lejla Trnčić,
Administrative and Professional Service
Managing Director

REVENUE OVERVIEW // 2016

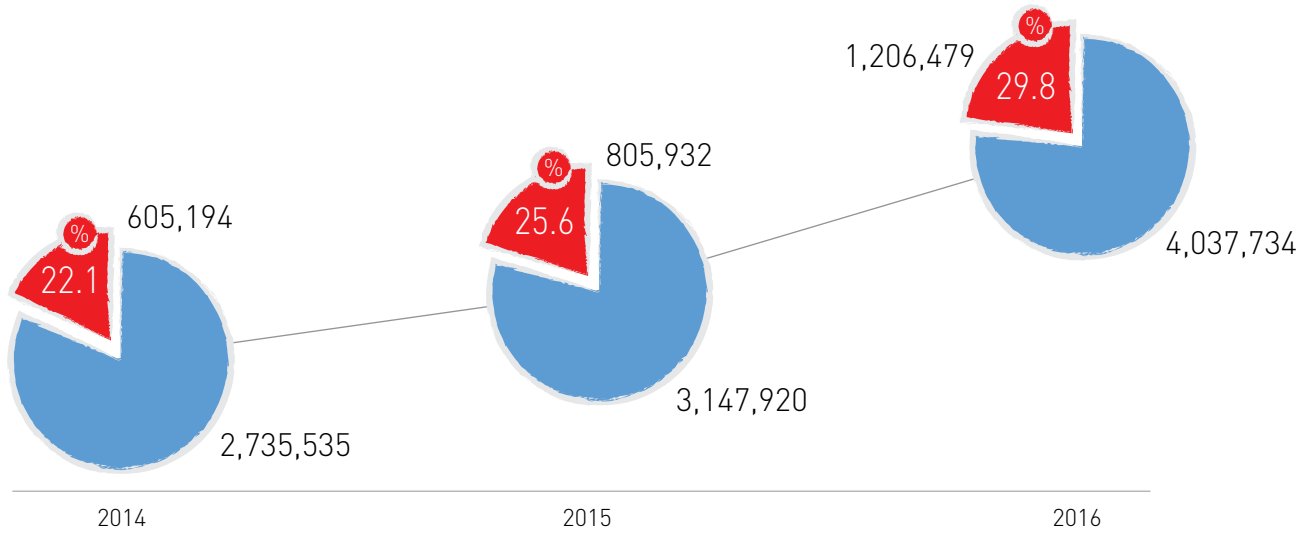
Collected revenue in 2016 amounted to 4,037,734.00 BAM, which represents a 28.26% (889,814.00 BAM) increase compared to 2015.



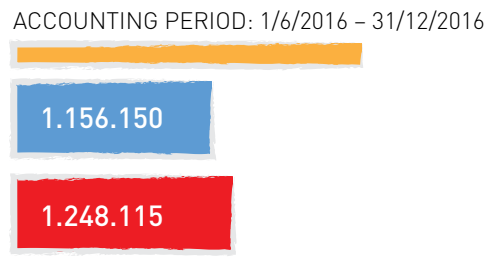
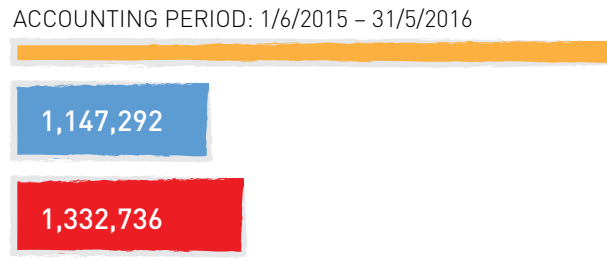
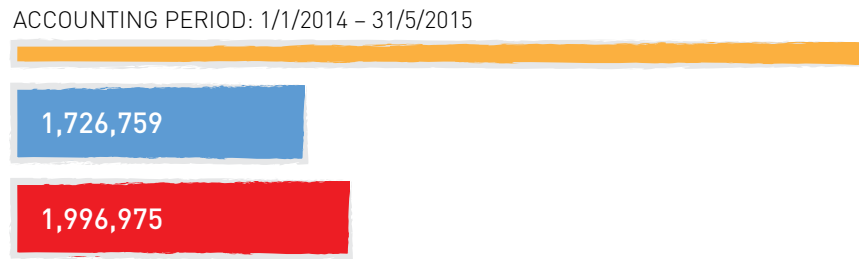
REVENUE TRENDS AND SOURCES



REVENUE AND EXPENDITURE TRENDS // 2014-2016



DISTRIBUTION PAYMENTS // 2014 - 2016



ACCOUNTING PERIOD
NET AMOUNT (BAM)
GROSS AMOUNT (BAM)

INTERNATIONAL COOPERATION

In 2013, AMUS had just one reciprocal agreement with a foreign collective management organization. Six more reciprocal agreements were signed in 2014, and 5 more in 2015. By the end of 2015, AMUS had concluded 12 reciprocal agreements, whereas in 2016 alone 18 new agreements were conclude. By 21st December 2016, AMUS had concluded a total of 30 reciprocal agreements.

The most important of these agreements concern regional sister organisations HDS ZAMP, SOKOJ, PAM CG, ZAMP Macedonia, as well as agreements with BMI (USA) and GEMA (Germany). A list of all agreements is given in the table on the right.

INTERNATIONAL DISTRIBUTION

In accordance with agreements concluded in 2016, royalties were distributed among AMUS, HDS ZAMP and SOKOJ as shown below:

DISTRIBUTION FROM AMUS TO PARTNERS ABROAD	Payment
HDS ZAMP / Croatia	96,619.00 BAM
Total	96,619.00 BAM

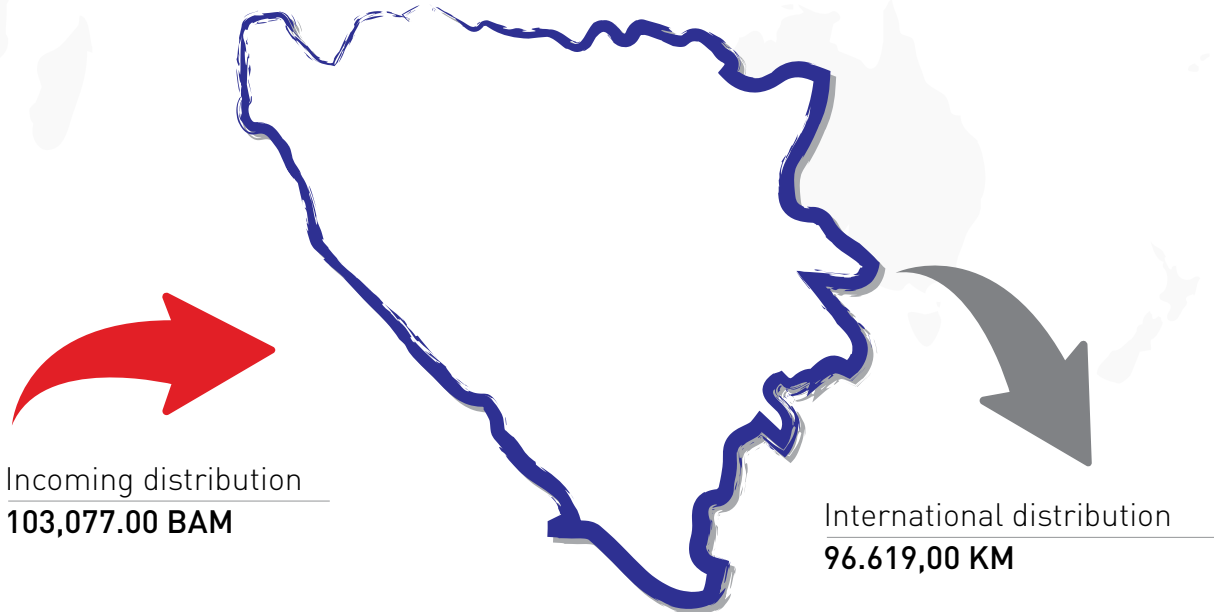
DISTRIBUTION TO AMUS FROM PARTNERS ABROAD:	Payment
* HDS ZAMP / Croatia	23,871.00
** SOKOJ / Srbija	79.206,00
Total	103,077.00 KM

Notes:
* Payments for 2014
** Payments for 2014 and 2015
*** The significant discrepancy between incoming and outgoing payments is due to the fact that many members of AMUS have entrusted collective management of their rights abroad to other collective management organisations, especially those from neighbouring countries. Therefore, they receive payments directly from said organisations and not through AMUS.

OVERVIEW OF INTERNATIONAL AGREEMENTS

So far, AMUS has concluded bilateral agreements based on principles of reciprocal broadcasting/ performance and communication of works of music with the following societies of authors:

Organisation	Country	Country	Država
AAS	Azerbaijan	MSG	Turkey
ABRAMUS	Brazil	MUSICAUTOR	Bulgaria
ACAM	Costa Rica	OSA	Czech Republic
AKKA/LAA	Latvia	PAM CG	Montenegro
ARMAUTHOR	Armenia	SACM	Mexico
ARTISJUS	Hungary	SGAE	Spain
ASDAC	Moldavia	SOCAN	Canada
BMI	US	SOKOJ	Serbia
EAU	Estonia	SPAUTOIRES	Portugal
GCA	Georgia	STEF	Iceland
GEMA	Germany	SUISA	Switzerland
HDS ZAMP	Croatia	UACRR	Ukraine
KazaK	Kazakhstan	UCMR – ADA	Romania
KODA	Denmark	ZaiKS	Poland
LATGA	Lithuania	ZAMP	Macedonia



FINANCIAL REPORT FOR 2016

In accordance with Article 20 (Annual Report and Audit) Paragraph (1) Item a. of the Law on Collective Management of Copyright and Related Rights ("Official Gazette of BiH", no. 63 issued on 3/8/2010), below you can find the annual report of management and supervisory bodies on collected fees, fee distribution, business results of the collective organization and the execution of collective agreements defined by Article 24 of the Law.

Amounts cited in the balance sheet and profit and loss statement are cumulative amounts reflecting the overall business results of the Association.

Revenue and Expenses from 1/1/2016 through 31/12/2016	
Starting balance on 1/1/2016	1,530,261 BAM
Total invoiced value	3,552,263 BAM
Total collected revenue *	4,037,734 BAM
Total outstanding payments	1,330,497 BAM

Note: * Total collected revenue is higher than the total invoiced value because in 2016 we settled several outstanding payments from before.

PROFIT AND LOSS STATEMENT AS AT 31/12/2016

A. REVENUE		4,046,304 BAM
Revenue consists of:		
- Total collected revenue:		4,037,734 BAM
- Interests and extraordinary gains:		3,570 BAM
- Budget revenue		5,000 BAM
B. TOTAL EXPENSES		4,046,304 BAM
Total expenses consist of:		
- Royalties paid to authors + concerts + provision*		2,456,320 BAM
- Reimbursement for President, Management Board and Supervisory Board		115,038 BAM
- Other contracts		138,396 BAM
- Employee expenses for employees in the Administrative and Professional Service with benefits and other liabilities		483,117 BAM
- Material and energy		21,029 BAM
- Services		
(court and legal expenses, accounting, fees, equipment maintenance, rent and use of premises, petty cash, bank commissions, phone bills, Centrex, internet, domain, licensing costs, software (SUISA), cost of advertising in daily newspapers and the Official Gazette. Other costs (fee for postal services, FIA, verification of documents, copying materials for meetings of the General Assembly and other purposes, modernization of infrastructure to support the electronic/intraweb system, etc.). Other services (data entry and processing, software for entering and processing user data, as well as keeping track of invoiced and collected amounts). Printing (brochures, leaflets, banners, promotional products, etc.)		327,900 BAM
- Amortization		10,224 BAM
- Financial expenses (insurance policy)		591 BAM
- Travel costs (within the country and abroad)		61307 BAM
- Humanitarian costs + scholarships		136,284 BAM
- Other expenses – write-offs		4,468 BAM
- Expenses related to cultural activities		246,630 BAM
- Previously cancelled invoices		0
- Expenses		45,000 BAM
C. RESULT: surplus revenue		0

The result of the difference between A) revenue and B) expenses

Expenses of the Association amount to 1,206,479 BAM, which is 29.80% of total collected revenue.



Direct Tax Identification Number: 4200960120004
Indirect Tax Identification Number: 200960120004
Activity Code according to
Business Classification of BiH 2006: 74110
Activity Code according to
Business Classification of BiH 2010: 0000
Municipality Code: 109

Name of Legal Person: AMUS Association
Activity: 74.110
Seat and Address: Sarajevo, Obala Kulina bana 23-2
Transaction Account (name of bank and number of account): UniCredit Bank

| 3 | 3 | 8 | 9 | 0 | 0 | 2 | 2 | 0 | 5 | 8 | 6 | 2 | 1 | 6 | 9 |

BALANCE SHEET
as at 31/12/2016

in BAM				
Account Group	DESCRIPTION	AOP	Amount after Depreciation Deduction	
			Previous years	Current year
1	2	3	4	5
	ASSETS			
	A. FIXED ASSETS (102 to 108)	101	27,232	48,538
00	Real estate, machines and equipment	102	27,232	48,538
01	Intangible assets	103	-	-
02, 03	Long-term investments and claims	104	-	-
04	Biological assets	105	-	-
05	Real estate investment	106	-	-
06	Assets intended for sale	107	-	-
08	Long-term accruals	108	-	-
	B. CURRENT ASSETS (110 to 114)	109	2,212,542	3,067,442
10	Cash and cash equivalents	110	832,257	1,641,192
11, 12	Short-term investments and claims	111	1,226,538	1,426,250

13	Stock	112	-	-
14	Input VAT	113	-	-
18	Short-term accruals	114	153,747	-
	TOTAL ASSETS (101+109)	115	2,239,774	3,115,980

Account Group	DESCRIPTION	AOP	Amount after Depreciation Deduction	
			Previous years	Current year
1	2	3	4	5
	LIABILITIES			
	A. EQUITY (117 to 119-120+121)	116	-	-
200	Equity	117	-	-
201	Reserves	118	-	-
202	Profit surplus	119	-	-
203	Loss surplus	120	-	-
204	Revaluation reserve	121	-	-
	B. LONG-TERM LIABILITIES (123 + 124)	122	-	-
21	Long-term financial liabilities	123	-	-
28	Long-term accruals and liabilities	124	-	-
13	C. SHORT-TERM LIABILITIES (126 to 129)	125	2,239,774	3,115,980
30	Current liabilities	126	3,652	36,676
31,32	Short-term financial liabilities	127	3,000	-
34	VAT	128	41,031	38,428
38	Short-term accruals and provisions	129	2,192,091	3,040,876
	TOTAL LIABILITIES (116+122+125)	130	2,239,774	3,115,980

Sarajevo
Date: 28/2/2017

Director: /signature/

AUTHORIZED ACCOUNTANT
/signature and stamp/
License number: 0
Phone number: 033/668912

PROFIT AND LOSS STATEMENT
for the period from 1/1 through 31/12/2016

Account Group	DESCRIPTION	AOP	BAM	
			Amount	
			Previous year	Current year
1	2	3	4	5
	A. REVENUE			
410	Membership fees	131	-	-
411	Budget revenue	132	5,000	5,000
412	Humanitarian revenue	133	-	-
417	Self-generated revenue	134	2,778,694	3,555,833
418	Other revenue	135	88,322	-
	Total revenue (131 to 135)	136	2,872,016	3,560,833

1	2	3	4	5
	A. EXPENSES			
400	Materials and energy	137	65,660	25,497
401	Services	138	198,457	327,265
402	Salaries, wages and other employee contributions	139	578,509	736,551
403	Amortization	140	7,469	10,224
404	Financial expenses	141	-	-
405	Travel expenses	142	17,343	61,095
406	Humanitarian expenses	143	136,318	45,850
407	Taxes and contributions non-dependent on results	144	2,527	-
408	Other expenses	145	1,865,733	2,354,351
	Total expenses (137 to 145)	146	2,872,016	3,560,833
	C. RESULTS			
	Profit (136 minus 146)	147	-	-
	Loss (146 minus 136)	148	-	-

AMUS
SUPERVISORY BOARD
Obala Kulina bana 22/II

14/3/2017
Number: M-02/03-17

In accordance with Article 33 of the Statute of the Association of Authors and Music Composers of Bosnia and Herzegovina, the Supervisory Board hereby adopts

DECISION
on the Independent Auditor's Report

The Supervisory Board has approved the report delivered by the independent auditing agency Recons Ltd. from Sarajevo.
The report shall be forwarded to the General Assembly of AMUS for adoption.

Hamza Ražnatović
President of the Supervisory Board
/signature and stamp/

Sarajevo
Date: 28/2/2017

Director: /signature/

AUTHORIZED ACCOUNTANT
/signature and stamp/
License number: 0
Phone number: 033/668912

INDEPENDENT AUDITOR'S REPORT
To the members of AMUS

We have audited the accompanying financial statements of the Association of Authors and Music Composers (AMUS), which comprise the balance sheet as of 31 December 2016, the statement of profit and loss, the cash flow statement for the year then ended, statement on changes in equity, as well as compliance with the Law on Collective Management of Copyright and Related Rights, other relevant legislation and contract provisions, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility

The Management Board of AMUS is responsible for keeping accounting records in accordance with the International Financial Reporting Standards and establishing and maintaining an effective system of internal control designed to provide reliable and fair financial statements, free of material misstatement whether caused by fraud or error.

Auditor's Responsibility

The objective of an independent audit is to express opinion on the presented financial statements. The audit was carried out in accordance with International Financial Reporting Standards. The standards require the auditor to comply with ethical standards and to plan and perform the audit so as to obtain reasonable assurance on whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, as well as the assessment of risk of material misstatement in the financial statements, whether caused by fraud or error. When assessing the risk, the auditor considers internal control procedures relevant to AMUS' preparation and fair presentation of financial statements in order to choose audit procedures that are appropriate for the given circumstances and assess the efficiency of internal control. An audit also includes evaluating the adequacy of accounting policies and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of financial statements. We believe the audit evidence obtained is sufficient enough to provide a basis for an independent audit opinion on financial statements.

AMUS SARAJEVO
Audit of Financial Statements for 2016

Opinion on Financial Statements of AMUS

In our opinion, the financial statements of AMUS give a fair view, in all significant aspects, of the state of affairs of AMUS as at 31 December 2016, annual results, changes in equity and cash flows for the period beginning with 1 January 2016 and ending with 31 December 2016, in accordance with International Financial Reporting Standards.

Opinion on Financial Management of AMUS

In our opinion, financial management of AMUS in all its significant aspects for the year 2016 was in compliance with the Law on Collective Management of Copyright and Related Rights, the official documents of AMUS and concluded agreements.

Without prejudice to our opinion on the financial statements for the year ended on 31 December 2016, nor the opinion on the financial management of AMUS during 2016, we call attention to the implications of the Tax Administration's Decision no. 13-09-02-15-11-480/15 adopted on 3 June 2016 for the financial position of AMUS (more information in comment no. 9 on Tax Inspection by Tax Administration of FBiH starting on page 34 of the audit report).

RECONS Ltd Sarajevo

Nedžad Grcić, director

Authorised auditors:

Damir Nurkić, licence no. 3090029129

Enver Beganović, licence no. 3030162105

Sarajevo, 14/3/2017

II GENERAL INFORMATION ABOUT AMUS

The Association of Authors and Music Composers AMUS was founded in 1946. Throughout the years, thousands of members have joined the Association. AMUS renewed its work after the war and was registered in the Registry of Associations of the Ministry of Justice of Bosnia and Herzegovina. Amendments and harmonization of the statute with provisions of the new Law on Collective Management of Copyright and Related Rights have been approved by Decision no. 01/6-67-RS/02 adopted on 12/1/2012 by the Ministry of Justice. Latest amendments, including the entry of the statute of AMUS into the registry of Associations of the Ministry of Justice of Bosnia and Herzegovina were made on 8/3/2016.

AMUS' main office is located in Sarajevo, Obala Kulina bana 22. Its branch offices are located at the following addresses: Banjaluka, Kralja Petra I Karađorđevića 85 and Mostar, Kneza Branimira bb.

AMUS' main business activity is collective management of authors' rights.

President of the Assembly of AMUS is Edin Dervišhalidović, while Julio Marić is the vice president (until 15/2/2016), i.e. Mladen Matović (starting from 15/2/2016).

Members of the Management Board are:

Davor Sučić, president starting from 3/11/2015
Nedim Babović, vice president starting from 29/3/2016
Igor Vukojević, vice president until 29/3/2016
Amir Šehić, member
Ibro Mangafić, member
Maja Sarihodžić, member
Nedžad Imamović, member

Members of the Supervisory Board are:

Hamza Ražnatović, president
Almas Smajlović, member
Zijo Rizvanbegović, member

Lejla Trnčić is the Managing Director of the Administrative and Professional Service (acting managing director starting from 15/12/2015, after which she got a 5-year mandate to perform this function, starting from 5/1/2016).

AMUS' direct tax registration number is 4200960120004, while its indirect tax registration number is 200960120004.

Transaction account no. 3389002205862169 (UniCredit Bank) is used for all payment operations. A foreign currency account was set up in 2015 with UniCredit Bank.

The average number of employees in 2016 was 16 (compared to 11 in 2015).

III APPLIED ACCOUNTING POLICIES

Financial reports for 2016 were prepared in accordance with provisions of the Law on Accounting and Auditing, International Standards on Auditing (ISA) and the accounting policies of AMUS Sarajevo. The convertible mark was used as the reporting currency (1 EUR = 1.9558 BAM). The financial report was drawn up under the accrual basis, except for the Cash Flow Statement that was done under cash basis. Applied accounting policies of AMUS Sarajevo are in compliance with International Standards of Auditing (ISA).

Revenue and Expenses

Service revenue was recognized upon completion of service and invoicing, which the buyer did not contest.

Expenses were recognized in the profit and loss statement using the principle of matching incurred costs to revenue items. Expense recognition is related to an increase in liabilities or decrease in assets.

Fixed Assets

Value of fixed asset was initially measured at its cost and subsequently measured using a cost or revaluation model, and depreciated so that its depreciable amount was allocated on a systematic basis over its useful life.

Accounts Receivables and Accounts Payable

Accounts receivable were recorded at their net realizable value, i.e. invoiced value adjusted for impairment loss (write-off).

Accounts payable were recorded based on invoiced amounts.

Provision for Authors' Fees

Provision for authors' fees (liabilities deferred) were recorded on the balance sheet as the difference between total assets of AMUS and current liabilities on that day.

Provision for authors' fees during for the accounting period equalled the difference in fees at the beginning and end of the accounting period.

Results

Before preparing a financial report, profit was distributed so as to ensure provision for authors’ fees, i.e. total revenue and total expenses were recorded in equal amount on the profit and loss statement so that the final result amounted to zero.

Before preparing a financial report, profit was set aside as provision for authors’ fees, total revenue and total expenses were recorded in equal amount on the profit and loss statement so that the final result amounted to zero.

Equity

Once current liabilities were settled, assets of AMUS were set aside for future payments of authors’ fees to members of AMUS. Therefore, equity was recorded as zero on the balance sheet.

IV FINANCIAL REPORTS

PROFIT AND LOSS STATEMENT
the period from 1/1/2016 through 31/12/2016

Description	Amount	
	2016	2015
Service revenue	3,552,263	2,778,145
Budget revenue	5,000	5,000
Other revenue	3,570	88,871
Total revenue	3,560,833	2,872,016
Authors’ fees	1,970,849	1,865,733
Employees’ salaries	799,306	597,929
Services	325,603	198,457
Material costs	21,029	13,827
Amortization	10,224	7,469
Other expenses	433,822	188,601
Total expenses	3,560,833	2,872,016
Result	0	0

BALANCE SHEET
as at 31/12/2016

Description	Amount	
	31/12/2016	31/12/2015
Equipment and Inventory	48,538	27,232
Fixed Assets	48,538	27,232
Cash	1,641,192	832,257
Operating receivables	1,330,497	1,226,538
Other receivables	10,006	68,000
Accruals	85,747	85,747
Current assets	3,067,442	2,212,542
Assets	3,115,980	
2,239,774		

Undistributed profit	0	0
Equity	0	0
Authors' fees (provision)	3,040,876	2,192,091
Current liabilities	72,104	44,683
Loans	3,000	3,000
Liabilities	3,115,980	2,239,774

Liabilities	3,115,980
2,239,774	

CASH FLOW REPORT
the period from 1/1/2016 through 31/12/2016

Description	Amount	
	2016	2015
Profit/loss	0	0
Amortization	10,224	7,469
Decrease (increase) in receivables	-45,964	-142,297
Decrease (increase) in accruals	0	-
Decrease (increase) in current liabilities	27,420	2,535
Decrease (increase) in provisions	848,785	-467,020
A) Operating cash flow	840,465	-
599,313		
Acquisition of fixed assets	-31,530	-
4,499		
B) Cash flow from investing activities	-31,530	-4,499
Received (paid) loans	0	0
C) Cash flow from financial activities	0	0
Net cash flow from all activities		
(A+B+C)	808,935	-603,812
Cash at the start of period	832,257	1,436,069
Cash at the end of period	1,641,192	832,257

REPORT ON CHANGES IN EQUITY
for 2016

Description	Amount
Undistributed profit as at 31/12/2014	0
Result for period from 1/1/2015 through 31/12/2015	0
Undistributed profit as at 31/12/2015	0
Result for period from 1/1/2016 through 31/12/2016	0
Undistributed profit as at 31/12/2016	0



ASOCIJACIJA KOMPOZITORA
MUZIČKIH STVARALACA
АСОЦИЈАЦИЈА КОМПОЗИТОРА
МУЗИЧКИХ СТВАРАЛАЦА
ASOCIJACIJA SKLADATELJA
GLAZBENIH STVARALACA

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