

# **S T E F**

**The Performing Rights  
Society in Iceland**

**Annual Report 2012**  
(English translation)

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# STEF

## The Performing Rights Society in Iceland

### Annual Report 2012 (English translation)

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## **THE BOARD OF DIRECTORS AND MANAGER CONFIRMATION**

We the board of directors and manager of STEF hereby confirm STEF's Annual Report 2012.

**Reykjavík, 10. maí 2013.**

**Board members:**

**Jakob Frímann Magnússon**

**Kjartan Ólafsson**

**Atli Heimir Sveinsson**

**Áskell Másson**

**Sigurður Flosason**

**Óttarr Ó. Proppé**

**Sigvaldi Snær Kaldalóns**

**Framkvæmdastjóri:**

**Guðrún Björk Bjarnadóttir**

## **AUDITOR'S REPORT**

**To the board of directors and members of STEF**

We have audited the accompanying balance sheet of STEF as of December 31<sup>st</sup> 2012, and the related statement of income for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Iceland. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of STEF as of December 31<sup>st</sup> 2012 and of the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles in Iceland applied on a consistent basis.

**Reykjavík, 10. may 2013.**

**Deloitte hf.**

**Einar Hafliði Einarsson**  
State Authorized Public Accountant

We, the appointed auditors of STEF's general meeting, have reviewed this Annual report of 2012. It is our opinion that it is in conformity to the organizations act and suggest that it will be approved.

**Reykjavík, 10. may 2013.**

**Eyjólfur Kristjánsson**

**Tryggvi M. Baldvinsson**

## Income statement 2012

	2012	2011
<b>Operating income</b>		
Performance licences, domestic income .....	389.840.855	362.495.310
Performance licences, foreign income .....	59.016.336	68.465.897
Mechanical rights .....	74.297.903	68.099.031
Other revenue .....	15.095.131	6.226.217
Music Fund's income .....	27.826.074	33.486.773
	<u>566.076.299</u>	<u>538.773.228</u>
<b>Operating expenditure</b>		
Personnel cost .....	63.356.787	69.204.930
Direct debt collection cost .....	16.337.875	15.593.375
Other operating cost .....	30.267.610	30.792.745
	<u>109.962.272</u>	<u>115.591.050</u>
<b>Net revenue, operating revenue less operating cost .....</b>	456.114.027	423.182.178
Charge for losses on receivables .....	11.215.347	(2.402.445)
Pension- and retirement payments .....	2.485.927	11.677.470
Depreciations and charged operational assets .....	1.864.143	4.551.405
	440.548.610	409.355.748
<b>Finance revenue and (-expense)</b>		
Interest revenue.....	10.088.476	8.500.129
Interest expense.....	(1.483.781)	(4.419.614)
	<u>8.604.695</u>	<u>4.080.515</u>
<b>Net income for the year .....</b>	<u>449.153.305</u>	<u>413.436.263</u>

# Balance sheet

	31.12.2012	31.12.2011
<b>Assets</b>		
<b>Fixed assets</b>		
<b>Fixed tangible assets</b>		
Real estate .....	73.300.000	67.300.000
Fixtures and equipment .....	3.545.000	4.462.000
	<u>76.845.000</u>	<u>71.762.000</u>
<b>Investments</b>		
Bonds, investment funds .....	49.970.211	35.232.687
Long term receivables .....	7.045.255	6.746.565
	<u>57.015.466</u>	<u>41.979.252</u>
<b>Fixed assets</b>	<u>133.860.466</u>	<u>113.741.252</u>
<b>Current assets</b>		
<b>Current receivables</b>		
Accounts receivables .....	149.759.337	136.609.481
Other receivables and prepayments .....	6.083.278	7.086.601
Current maturities of long-term receivables .....	253.800	470.800
	<u>156.096.415</u>	<u>144.166.882</u>
<b>Cash</b>		
Bank deposits .....	111.793.311	92.200.072
	<u>111.793.311</u>	<u>92.200.072</u>
<b>Current assets</b>	<u>267.889.726</u>	<u>236.366.954</u>
<b>Total assets</b>	<u>401.750.192</u>	<u>350.108.206</u>

# 31st December 2012

## Equity capital and liabilities

	31.12.2012	31.12.2011
<b>Equity</b>		
<b>Undistributed revenue and reserves</b>		
Revaluation reserve .....	71.058.322	65.975.322
Reserves .....	31.288.570	16.459.880
Undistributed revenue .....	212.293.915	168.869.037
	<u>314.640.807</u>	<u>251.304.239</u>
<b>Restricted equity of STEF's Music-Funds</b>		
Music-Fund I .....	838.102	30.884
Music-Fund II .....	585.590	745.950
Music-Fund III .....	627.187	3.122.845
Music-Fund IV .....	4.181.673	2.746.832
Music-fund V .....	530.000	830.000
	<u>6.762.552</u>	<u>7.476.511</u>
<b>Total equity capital</b>	<u>321.403.359</u>	<u>258.780.750</u>
<b>Liabilities</b>		
<b>Long-term liabilities and obligations</b>		
Memorial-Fund .....	7.851.433	9.218.290
Pension obligation .....	6.500.000	6.600.000
	<u>14.351.433</u>	<u>15.818.290</u>
<b>Short-term liabilities</b>		
Current maturities of long-term liabilities.....	0	0
Unpaid distribution.....	54.052.405	57.116.267
Other liabilities.....	9.442.995	15.992.899
Pension obligation.....	2.500.000	2.400.000
	<u>65.995.400</u>	<u>75.509.166</u>
<b>Liabilities</b>	<u>80.346.833</u>	<u>91.327.456</u>
<b>Total equity and liabilities</b>	<u><u>401.750.192</u></u>	<u><u>350.108.206</u></u>