

**S T E F**

**The Performing Rights  
Society in Iceland**

**Annual Report 2013**  
(English translation)

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Laufásvegi 40  
101 Reykjavík

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## **The Performing Rights Society in Iceland**

### **Annual Report 2013** (English translation)

#### **Contents**

The board's and manger's report.....	Page	2
Auditors report.....	"	3
Income statement.....	"	4
Balance sheet.....	"	5 - 6

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

We the board of directors and manager of STEF hereby confirm STEF's Annual Report 2013.

**Reykjavík, 16. maí 2014.**

**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> 2013, 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> 2013 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, 16. may 2014.**

**Deloitte hf.**

**Einar Hafliði Einarsson**  
State Authorized Public Accountant

We, the appointed auditors of STEF's general meeting, have reviewed this Annual report of 2013. It is our opinion that it is in conformity to the organizations act and suggest that it will be approved.

**Reykjavík , 16. may 2014.**

**Eyjólfur Kristjánsson**

**Tryggvi M. Baldvinsson**

## Income statement 2013

	<b>2013</b>	<b>2012</b>
<b>Operating income</b>		
Performance licences, domestic income .....	412.576.907	389.840.855
Performance licences, foreign income .....	51.612.617	59.016.336
Mechanical rights .....	73.137.879	74.297.903
Other revenue .....	13.973.809	15.095.131
Music Fund's income .....	26.376.349	27.826.074
	<u>577.677.561</u>	<u>566.076.299</u>
<b>Operating expenditure</b>		
Personnel cost .....	73.836.828	63.356.787
Other operating cost .....	36.246.919	46.605.485
	<u>110.083.747</u>	<u>109.962.272</u>
<b>Net revenue, operating revenue less operating cost .....</b>	<b>467.593.814</b>	<b>456.114.027</b>
Charge for losses on receivables .....	4.444.720	11.215.347
Pension- and retirement payments .....	2.567.224	2.485.927
Depreciations and charged operational assets .....	1.171.692	1.864.143
	<u>459.410.178</u>	<u>440.548.610</u>
<b>Finance revenue and (-expense)</b>		
Interest revenue .....	9.631.802	10.088.476
Interes expense .....	(1.174.784)	(1.483.781)
	<u>8.457.018</u>	<u>8.604.695</u>
<b>Net income for the year .....</b>	<b>467.867.196</b>	<b>449.153.305</b>

## Balance sheet

	31.12.2013	31.12.2012
<b>Assets</b>		
<b>Fixed assets</b>		
<b>Fixed tangible assets</b>		
Real estate .....	77.000.000	73.300.000
Fixtures and equipment .....	2.949.000	3.545.000
	<u>79.949.000</u>	<u>76.845.000</u>
<b>Investments</b>		
Bonds, investment funds .....	50.138.341	49.970.211
Long term receivables .....	6.742.234	7.045.255
	<u>56.880.575</u>	<u>57.015.466</u>
<b>Fixed assets</b>	<u>136.829.575</u>	<u>133.860.466</u>
<b>Current assets</b>		
<b>Current receivables</b>		
Accounts receivables .....	209.388.260	149.759.337
Other receivables and prepayments .....	12.508.840	6.083.278
Current maturities of long-term receivables .....	546.815	253.800
	<u>222.443.915</u>	<u>156.096.415</u>
<b>Cash</b>		
Bank deposits .....	138.500.772	111.793.311
	<u>138.500.772</u>	<u>111.793.311</u>
<b>Current assets</b>	<u>360.944.687</u>	<u>267.889.726</u>
<b>Total assets</b>	<u><u>497.774.262</u></u>	<u><u>401.750.192</u></u>

# 31st December 2013

## Equity capital and liabilities

	31.12.2013	31.12.2012
<b>Equity</b>		
<b>Undistributed revenue and reserves</b>		
Revaluation reserve .....	74.162.322	71.058.322
Reserves .....	30.163.570	31.288.570
Undistributed revenue .....	262.332.902	212.293.915
	<u>366.658.794</u>	<u>314.640.807</u>
<b>Restricted equity of STEF's Music-Funds</b>		
Music-Fund I .....	1.300.514	838.102
Music-Fund II .....	2.205.408	585.590
Music-Fund III .....	1.233.988	627.187
Music-Fund IV .....	4.603.692	4.181.673
Music-fund V .....	1.130.000	530.000
	<u>10.473.602</u>	<u>6.762.552</u>
<b>Total equity capital</b>	<u>377.132.396</u>	<u>321.403.359</u>
<b>Liabilities</b>		
<b>Long-term liabilities and obligations</b>		
Memorial-Fund .....	5.816.133	7.851.433
Pension obligation .....	6.500.000	6.500.000
	<u>12.316.133</u>	<u>14.351.433</u>
<b>Short-term liabilities</b>		
Unpaid distribution.....	97.009.468	54.052.405
Other liabilities.....	8.816.265	9.442.995
Pension obligation.....	2.500.000	2.500.000
	<u>108.325.733</u>	<u>65.995.400</u>
<b>Liabilities</b>	<u>120.641.866</u>	<u>80.346.833</u>
<b>Total equity and liabilities</b>	<u>497.774.262</u>	<u>401.750.192</u>