

AUDIT REPORT

2016



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The Annual Report over the work of the Musical Copyright Society of Macedonia ZAMP comprises the main activities that were realized in the preceding year 2016.

1. ACTIVITIES RELATED WITH THE DECISION FOR GRANTING LICENSE FOR COLLECTIVE MANAGEMENT BY THE MINISTRY OF CULTURE TO ANOTHER COLLECTIVE ORGANIZATION

The Ministry of Culture of the Republic of Macedonia, beside the decision for collective management license issued to ZAMP on 23.02.2016, also issued a Decision for giving license for collective management of the same rights to SOKOM – MAP. The Decision was published on 19.04.2016 in the Official Gazette of R. Macedonia, no. 79/16.

In compliance with art.149, par (3) of the Law on copyright and related rights, hereinafter referred to as LCRR (Official Gazette of R. Macedonia, no. 115/10,140/10, 51/11,147/13,154/15 and 27/16), in the prescribed period of sixty (60) days, when two or more collective organizations, assigned for the same kind of rights, have provided licenses for collective management, they are obliged within sixty (60) days from the day of issue of the last license for collective management, to sign a mutual Agreement. It is necessary by that mutual Agreement to regulate the way how the collective management of the rights will be “mutually” carried out. In the law, when talking about the way in which something will be “mutually” done, it means that it is important “all rights” to be managed by both parties. The proposal submitted by SOKOM MAP was that the management should be either divided by categories, or as a second proposal – one organization to collect the compensations, and the other one to make their distribution.

ZAMP as a serious collective organization, established and operating since 1947, realized that the intention of SOKOM MAP is not a sincere approach for consultation, so even before receiving their proposal, prepared Draft Agreements which were submitted to SOKOM MAP. The above mentioned Draft Agreements, which were rejected by SOKOM MAP for reasons unknown to us, was containing regulations related to the common management of rights. During all that time, we took into consideration the fact that in ZAMP, as a collective organization, 1559 authors from the R. of Macedonia are members of ZAMP, and by the force of the law, 5944 authors are protected by ZAMP. At the same time, ZAMP has signed 53 bilateral agreements for reciprocity on the base of classified rights and 16 agreements for mechanical rights. In addition, ZAMP is a regular member of CISAC and BIEM. The new collective organization, SOKOM MAP, which had a license for more than sixty (60) days, neither then, nor today, although they have a legal obligation for transparency in compliance with art.158 of ZAPSP, they have not published the members of the association on their web site. Until now, the number of members they have is unknown, they have never given a reply regarding the membership they represent and whose rights they protect, they have not signed international agreements and they are not a member of CISAC. In reference to LCRR, it is significant to mention that SOKOM MAP has not issued a Regulative with tariff to charge royalties, as well as a Regulative for distribution of the royalties. Exactly, the failure to make these acts, beside the remaining reasons prescribed with LCRR, and which referred to the mutual collective management, were a reason for non-acceptance of their proposals. Taking into account that in the proscribed period, both collective organizations have not reached an agreement, ZAMP informed the Ministry of Culture of Macedonia with a complete documentation, as well as the Commission for mediation in the field of royalties and related rights and the Ministry of Information Society.

On 27.06.2016, on the web site of SOKOM MAP, which was just launched, a public call was published upon the Rules Tariff proposal. If a comparison is made with the Proposal Tariff of ZAMP, published on our web site, it can be found out that the proposed compensations by SOKOM MAP are for 50% - 100% less than those proposed by ZAMP.

It was not clear to us whether SOKOM MAP made any analysis on the base of which they gave proposals for decrease of the compensations, whether they provided the Rules Tariff from the neighboring countries, or wider, by means of which it could be comparatively found out that the present Tariff of ZAMP (Official Gazette of RM, no. 154/15) with its extent of compensations falls short behind the other Tariffs in the Region.

According to the proposed Draft Rules Tariff of SOKOM MAP, the compensation for the use should be determined depending on the duration of the broadcasting from 2-3 denars per minute, which actually one more time returns the extent of the compensations which have been requested by the broadcasting organizations – to pay compensations on an annual level not more than 3000 – 4000 Eur.

In reference to the occurred situation, ZAMP with appropriate documentation informed the sister societies of the region (SOKOJ-Serbia, HDS – ZAMP – Croatia, PAM – Monte Negro, AMUS – Bosnia and Herzegovina, SAZAS – Slovenia, RICOM Publishing and ICMP) which sent their reactions to the authorized state bodies. Their requests were unique and in line to avoid giving consent for the Draft Tariff of SOKOM MAP, since that opens possibility the copyright works to be more devalued if the above mentioned is accepted by the authorized bodies.

As support to the efforts of ZAMP to endure in the defense of the copyright fees, established in the Tariff in reference to the given license for operation, with its requests addressed to the Prime Minister of the Government of the R. of Macedonia, Mr. Emil Dimitriev and the Minister of Culture, Ms. Elizabeta Kancevska Milevska, CISAC expressed its concern for the occurred situation and appealed to the authorized parties in the authorized state bodies **urgently** to return the **one stop shop**, as well as the European standards in relation to the protection of the copyrights. In addition, CISAC asked the state bodies to give higher support to ZAMP, including stronger measures against violation of copyrights for the benefit of the Macedonian authors.

Taking into consideration that the authorized state bodies ignored again the requirements of ZAMP, as well as the appeals by the foreign organizations, on 17.09.2016 at the meeting of all authors – members of ZAMP, the Macedonian authors with unanimous acclamation made a Decision for Prohibition of broadcasting musical copyright works from the repertoire of ZAMP. The Decision for Prohibition came into force on 20.09.2016 and the authorized state bodies and all broadcasting organizations of the R. of Macedonia were properly informed about it.

As a sign of support to ZAMP, the collective organizations from the region: SOKOJ-Serbia, HDS - ZAMP – Croatia, PAM – Monte Negro, AMUS – Bosnia and Herzegovina, SAZAS – Slovenia also joined ZAMP with a ban for broadcasting from their repertoire. All this, with aim to avoid the worst scenario - to be given a consent for the Tariff to SOKOM MAP, and to revoke the license for collective management of ZAMP, that would be detrimental for all authors.

The Ministry of Culture owed and has not replied to ZAMP on various significant issues:

- Why the Ministry of Culture did not determine an organization which will be considered as an authorized one for collecting compensation for use of copyright works;
- Why no opinion was given in reference to the absence of consent between ZAMP and SOKOM MAP for maintenance of the System for electronic evidence, bought with the money of the authors of ZAMP?;
- Why no Rule Book was made, which would cover the description and the technical features of the System for electronic evidence?;
- Why no decision was made for revoking the license for collective management of the organization SOKOM MAP, since in the proscribed period of six (6) months from the day of effectiveness of the decision for giving a license for work, SOKOM MAP did not publish a Tariff Rules for charging royalties?;
- Why no decision was made for revoking the license for collective management of the organization SOKOM MAP, since in the definite period of eight (8) months from the day of effectiveness of the decision for giving a license for work, SOKOM MAP did not provide and did not install System for electronic evidence of broadcasted copyrights.

The Ministry of Culture was obliged to do that in the proscribed legal deadline, in compliance with the articles 135-b, 135-d, 149par.5 and 150 par.3 and 5 of the Law on Copyrights and Related rights.

The Assembly of ZAMP made a Decision **TO FILE** criminal charges for misuse of the official position and authorization, namely negligence of duty, against authorized persons in the Ministry of Culture and authorized state bodies. Basis for filing criminal charges against authorized persons in the Ministry of Culture and the authorized state bodies, is that they with intention to achieve property benefit in the interest of third parties, caused damage to the authors in the R. of Macedonia, as well as to the collective management, in whole.

The Assembly of ZAMP made a Decision for filing criminal charges to the competent Public Prosecutor's Office for criminal offense – copyright and related rights infringement, as to art. 157 of the Criminal Law against all commercial broadcasting societies which did not respect the Decision no. 493-1-0201 dated 19.09.2016 for ban on broadcasting of musical copyright works by broadcasting from the repertoire of ZAMP, as well as the Decisions of the organizations for protection of musical copyrights of SOKOJ-Serbia, the Decision of SAZAS – Slovenia, the Decision of PAM Monte Negro, the Decision of HDS ZAMP – Croatia and the Decision of AMUS – Bosnia and Herzegovina, and they publicly broadcasted copyright musical works from the repertoire of the collective organizations.

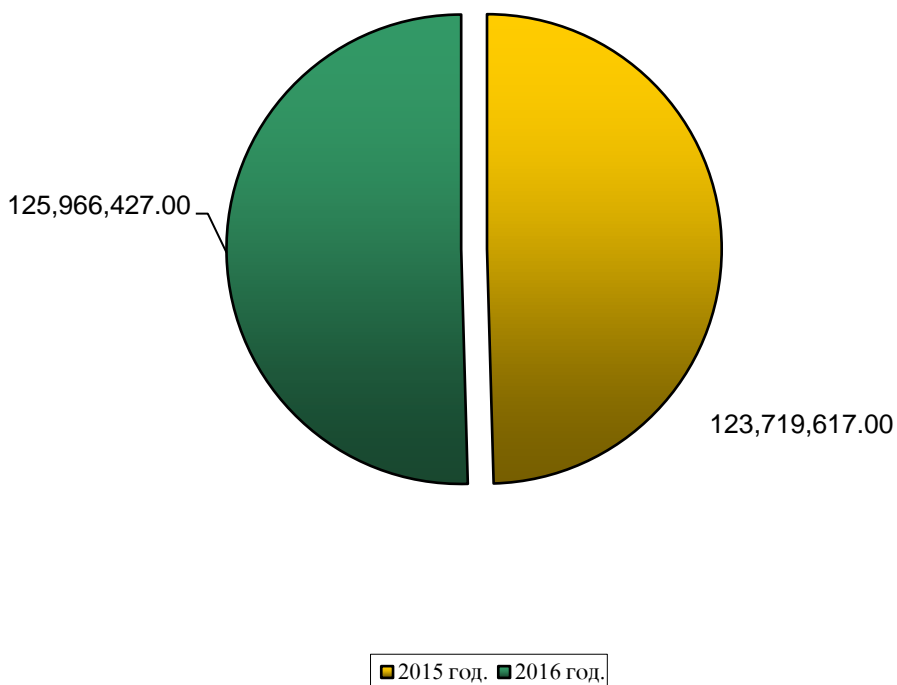
Taking into consideration that all legal deadlines for the start of the work of the newly established association SOKOM MAP expired, and all dangers threatening to devalue the author's work were overcome, the Assembly of ZAMP on 01.02.2017 made a Decision, by which **THE BAN FOR PUBLIC BROADCASTING OF ORIGINAL MUSIC WAS PUT OUT OF FORCE** by the authors of Macedonia, which was made by Decision of the Assembly of ZAMP on 17.09.2017. ZAMP properly informed the commercial broadcasting companies that from 03.02.2017 they can continue with broadcasting of the musical works from the repertoire of ZAMP.

With their decisions made by their management bodies, **THE BANS FOR PUBLICLY BROADCASTING OF ORIGINAL MUSIC WAS PUT OUT OF FORCE**, from the repertoire of the collective organizations of SOKOJ-Serbia, the Decision of SAZAS – Slovenia, the Decision of PAM

Monte Negro, the Decision of HDS ZAMP – Croatia and the Decision of AMUS – Bosnia and Herzegovina. Musical copyright Society ZAMP Macedonia expresses its gratitude to the collective organizations from the region for their unreserved support in the protection of their guaranteed constitutional and legal rights, as well as to RICOM publishing, licensed partner of the Group Universal Music Publishing, ICMP (International Confederation of Music Publishers) established in Brussels, and specially to CISAC.

2. FINANCIAL DEPARTMENT

The total collection for year 2016 amounts 125.966.427,00 den. which in accordance with year 2015 is decreased for 2.246.810,00 den. or 1.82%.



The collection per categories of payment in year 2016 in accordance with year 2015 amounts as follows:

Num.	Cathegories of payment	Collection 2,014.00	Collection 2,015.00
1	Concerts of serious music	329.024,00	238.200,00
2	Concerts of popular music	4.203.732,00	4.208.100,00
3	Entertainments	11.394.518,00	8.639.653,00
4	Live music	427.442,00	483.900,00
5	Mechanical music	16.131.995,00	16.657.529,00
6	Radio and TV Stations	12.637.438,00	11.123.824,00
	Total (1-6):	45.124.149,00	41.351.206,00

7	MRTV	6.314.990,00	7.037.030,00
	Total (1-7):	51.439.139,00	48.388.236,00

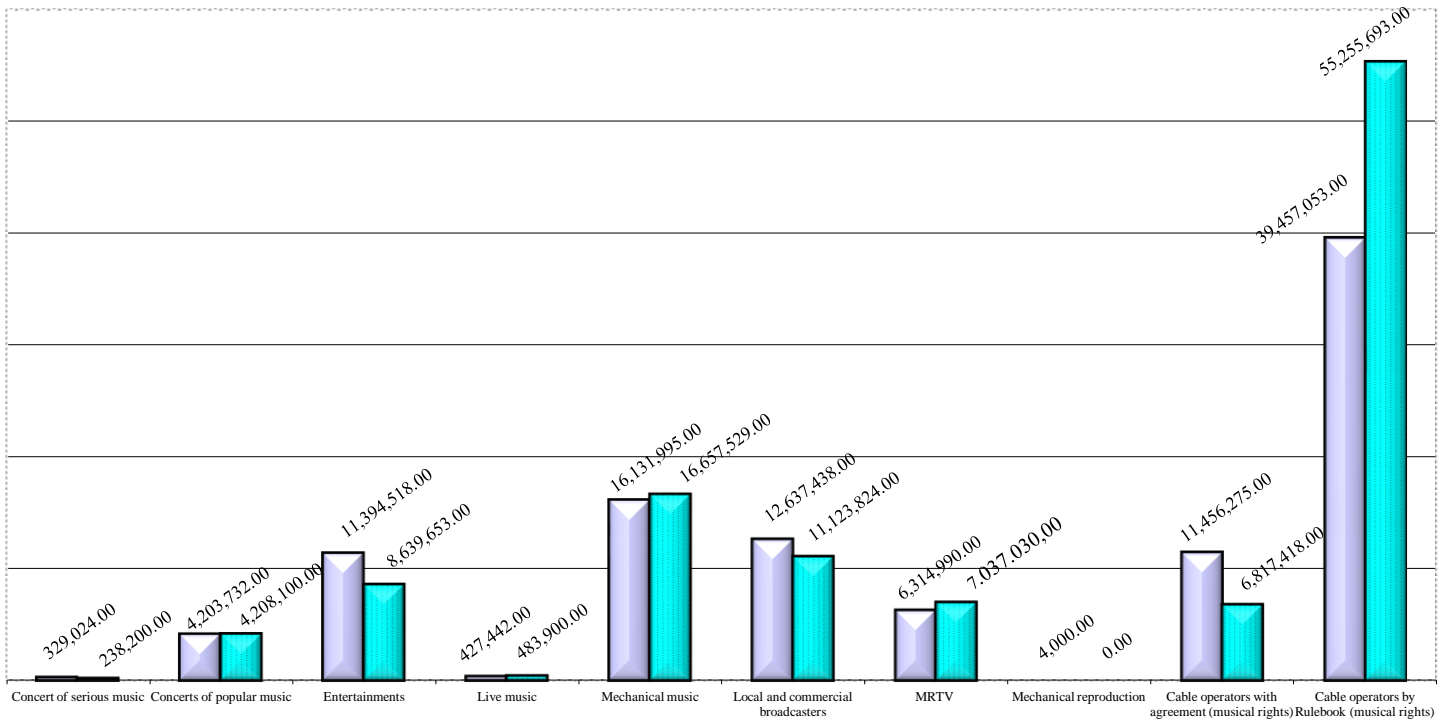
8	Mechanical Reproduction	4,000.00	0,00
	Total (1-8):	51.443.139,00	48.388.236,00

9	Cable operators with Agreement and by Tariff Rulebook	72.276.478,00	77.578.191,00
	Total (1-9):	123.719.617,00	125.966.427,00

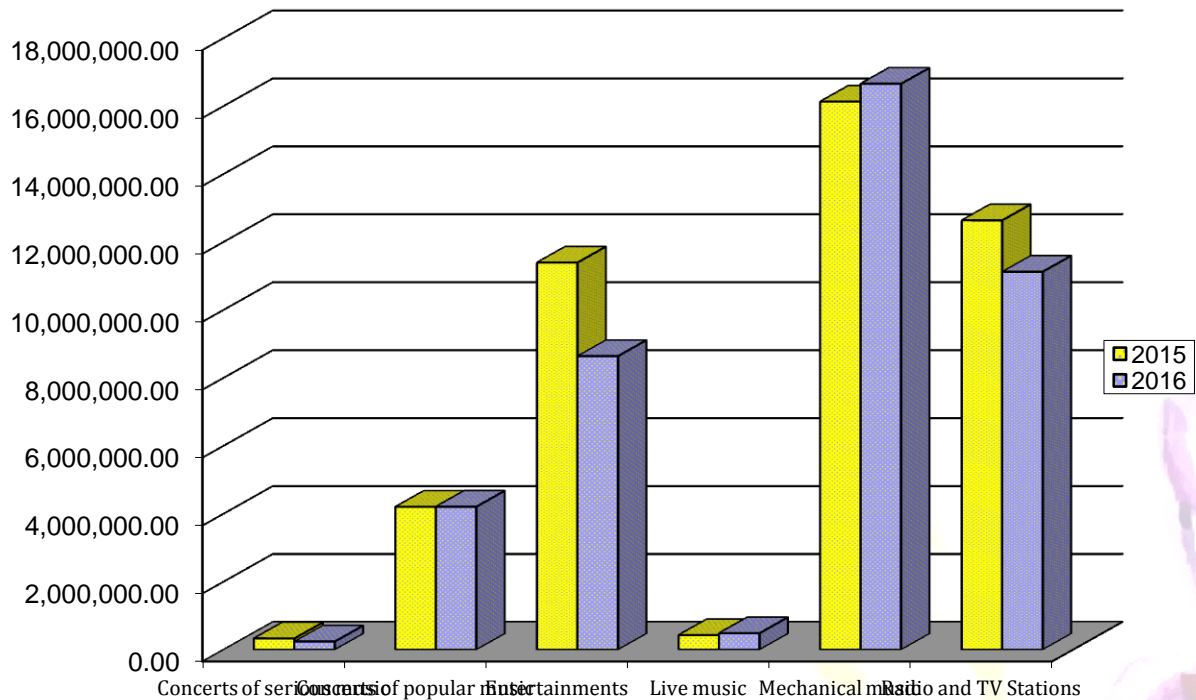
Reimbursements collected due to the cable retransmission expressed as total sum in the table above with amount of 77.578.191,00 den. are collected on the basis of GLA and LA, as well as according to the Rulebook with Tariff from the cable operators that have not signed Agreement.

From the payment from the cable operators that have signed GLA and LA, in accordance with the percentage for music rights determined by Agreement ZAMP has 22% from GLA and 38.60% from LA. The rest of the payment belongs to the foreign rightsholders (EBU, AGICOA, VG Media and RTL) as it is listed below:

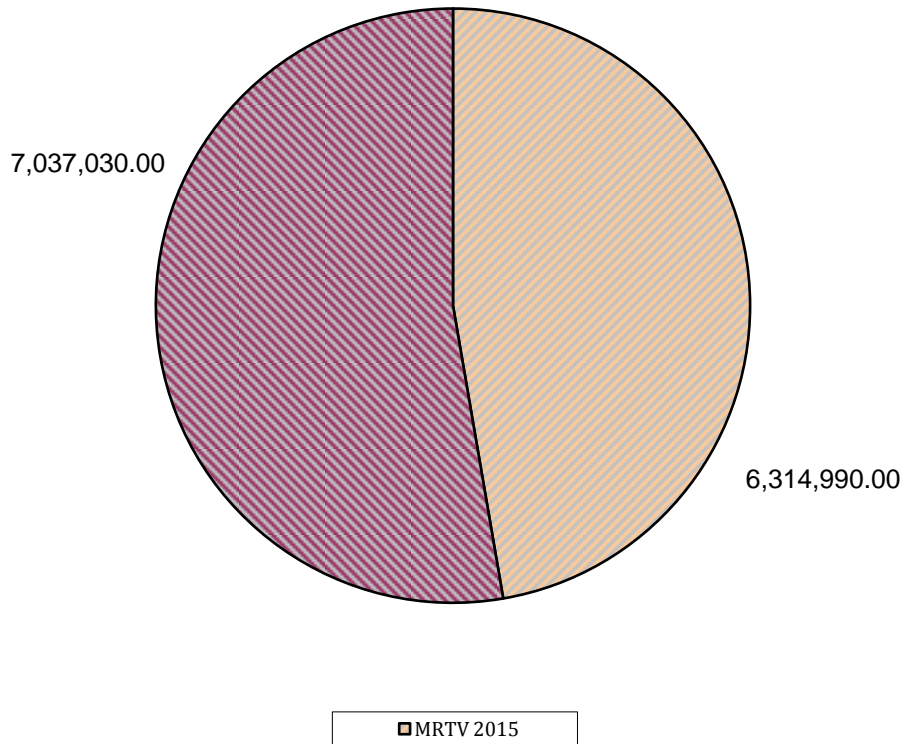
Num.	Cathegories of payment	Collection 2015	Collection 2016
1	Cable operators with Agreement	32.819.425,00	22.322.498,00
1a	Provision for ZAMP according to Service Agreement 10%	3.281.943,00	2.232.250,00
1b	Cable operators with Agreement (musical rights) 22%	11.456.275,00	6.817.418,00
1c	Cable operators with Agreement (other rights of the foreign rightsholders)-78%	18.081.207,00	13.272.830,00
2	Cable operators by Tariff Rulebook (musical rights)	39.457.053,00	55.255.693,00
	TOTAL:	72.276.478,00	77.578.191,00



The collection per categories of payment from 1-6 amounts 41.351.206,00 den. which in accordance with year 2015 decreased for 3.772.943,00 den. or decrease for 8.36%.

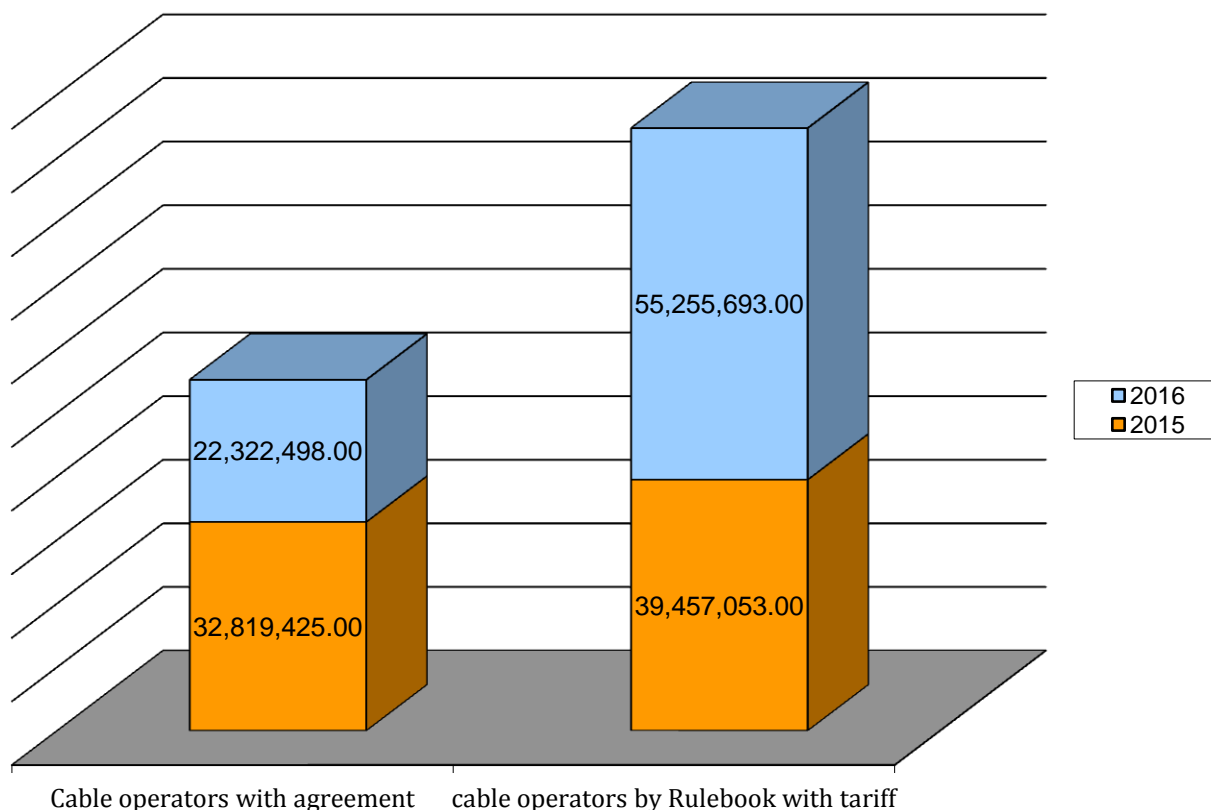


In year 2016 the payment from the national Broadcaster MRTV amounts 7.037.030,00 den.



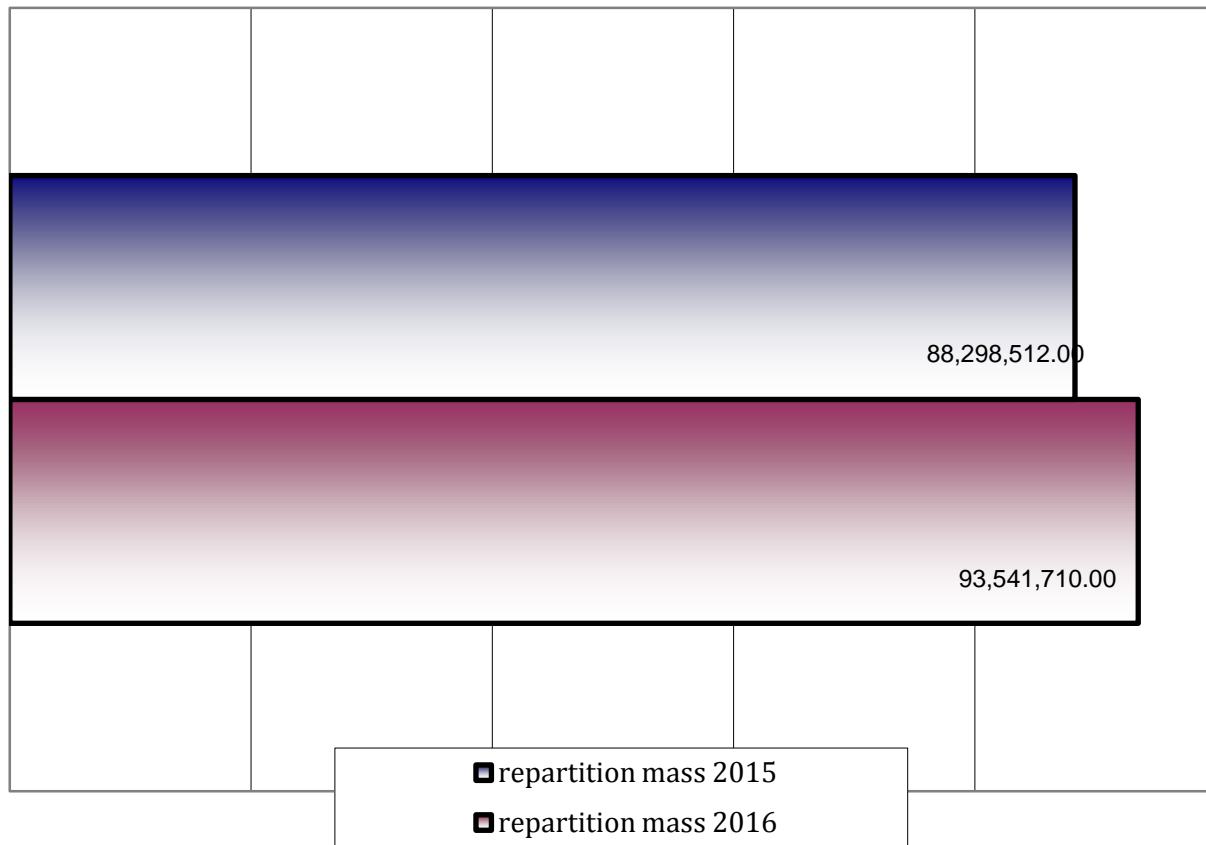
Concerning the above mentioned, the total payment in the categories 1-7 is 48.388.236,00 den. and it is decreased for 3.050.903,00 den. or 5.93% according to the collection per categories of payment from 1-7 in the previous year.

The payment from the cable operators in 2016 in accordance with the GLA, LA as well as the Rulebook with Tariff amounts 77.578.191,00 den. which in accordance with year 2015 with payment of 72.276.478,00,00 den. increased for 5.301.713,00 den or 7.34%.



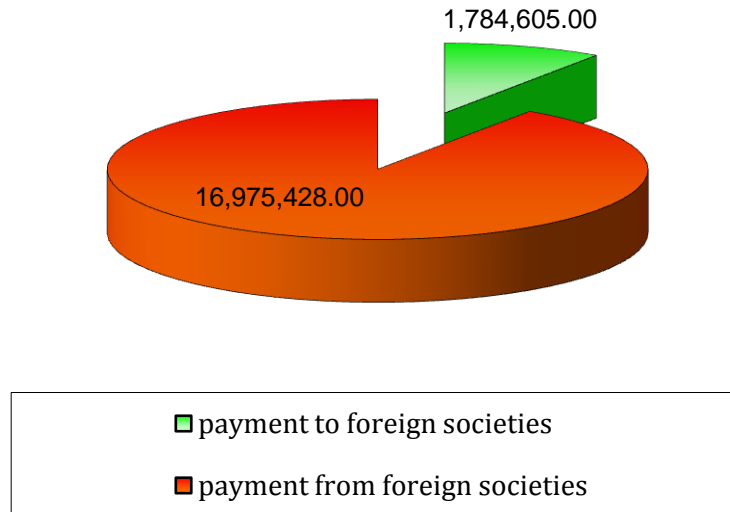
From the payment referring category 1-6 with amount of 41.351.206,00 den., the part that belongs to the authors with 85% amounts 35.148.523,00 den. This part is increased with the part from MRTV with amount of 5.981.478,00 den. This fund is also increased with the collection from cable operators with amount with divided part of 22% that belongs to CISAC in accordance with the signed Service Agreement between ZAMP and the rightsholders and the Tariff Rulebook for usage of copyright works with amount of 52.762.143,00 den.; the returned funds in 2016 due to the closed judicial cases with amount of 2.410.906,00 and incomes from interest of time deposits for 2016 with amount of 1.999.225,00; incomes due to cable retransmission of Macedonian TV channels abroad with amount of 4.433,00 den., incomes derived from exchange rate differences and disposal of fixed assets which forms the total amount for distribution for the repartition year 2016 with amount of 98.306.708,00 denars.

The total amount for distribution for the repartition year 2016 after the deduction according to the Decisions of the Bodies of ZAMP in accordance with all grounds (investments, legal fees for started court procedures, expenditures for Central registry of Macedonia, expert evidences, executors, etc.) amounts 93.541.710,00 which in accordance to year 2015 with amount of 88.298.512, den. is increase of 5.243.198,00 den. or 5.94%.



In 2016 by the related authors societies (Google, PRS, SUIISA, BUMA, STIM, EAU, TEOSTO, SOCAN, SOKOJ, APRA, KODA, ACUM, TONO, LATGA, BMI, GEMA, HDS-ZAMP, JASRAC, SAZAS, ARTISJUS, SOZA, SGAE and MUSICAUTOR) due to the use of copyright work ZAMP received 1.784.605,00 den. ZAMP for use of copyright works of foreign authors to its sister societies (PRS, ARTISJUS, BUMA, TEOSTO, SIAE, SACEM, SOKOJ, SOCAN, APRA, MUSICAUTOR, SABAM, KODA, BMI, SPA, MESAM, RAO, SAZAS, UCMR-ADA, JASRAC, HDS-ZAMP, STIM, IMRO, SACM, AKM, SADAIC, AEPI and OSA) for two repartition years paid 16.975.428,00 den.

In accordance with the signed bilateral Agreements with the foreign Collective Management Societies, ZAMP collected reimbursements with amount of 1.784.605,00 den. from: Google-Ireland, PRS-UK, SUIISA-Switzerland, BUMA-Netherlands, STIM-Sweden, EAU-Estonia, TEOSTO-Finland, SOCAN-Canada, SOKOJ-Serbia, APRA-Australia, KODA-Denmark, ACUM-Israel, TONO-Norway, LATGA-Lithuania, BMI-USA, GEMA-Germany, HDS-ZAMP-Croatia, JASRAC-Japan, SAZAS-Slovenia, ARTISJUS-Hungary, SOZA-Slovakia, SGAE-Spain and MUSICAUTOR-Bulgaria. To the foreign Societies ZAMP has made distribution with amount of 16.975.428,00 den.



The amount of abstracted 10% reimbursements on 31.12.2015 was 2.035.350,00 den. This amount was increased in accordance with the Decision of the Assembly for abstraction of reimbursements from Repartition fund on behalf of the domestic authors for 2015 of 2% and with amount of 1.765.902,00 den. These reimbursements were decreased for the expenses that were made during the year 2016 in accordance with the approved plan and the Decisions by the Assembly of ZAMP with total amount of 942.489,00 den. The rest of the reimbursement on this ground, on 31 December 2016 with amount of 2.858.763,00 den. in accordance with the Decision of the Ministry of culture of Macedonia num. UP1 52-108 of 06.06.2016 was returned as reimbursement for distribution.

Concerning the Service Agreements GLA and LA for cable retransmission in 2016, ZAMP has made the payment for previous year to the rightsholders AGICOA, EBU and VG Media with amount of 7.866.509,00.

The reimbursements on the above mentioned ground derived from year 2016 that will be subject of payment in 2017 are amounting 13.509.305,00 den.

3. PERCEPTION DEPARTMENT

In accordance with the Law on copyright and related rights, ZAMP is determining the remuneration for usage of the works primary by signed Agreements with corresponding Societies of users, i.e. their Chambers that are representing the majority of users from certain activity or gathered activities.

In case when the remuneration can not be determined by signed Agreement with the users, it is calculated in compliance with the Rulebook with Tariff for usage of copyright works. The Rulebook with Tariff is defining the conditions for users (physical or legal entity) to communicate, i.e. publish musical works that are protected by ZAMP on the territory of Macedonia. The Perception department is the impelling force for the work of the Society in the process of collection of reimbursements and programs of performed works from the users.

The perception department issues Licenses to the users (for concerts, dances and interpretations) that have signed the Agreement for exerting activities from the field of culture and in relation with the collective management with the musical copyrights.

There are many users against which in accordance with the secured evidences there are submitted 402 Proposals for drawing Decision for enforcement on the basis of credible document to authorized enforcement agents in Macedonia, in accordance with the territory and the competence of the Appellate Courts in Macedonia:

- On the territory of the Appellate Court in Bitola there are 182 cases (from the Primary Court of Bitola, Ohrid, Struga, Resen, Prilep, Makedonski Brod and Krusevo)
- On the territory of the Appellate Court in Stip there are 2 cases from the primary Courts of Stip, Kocani, Vinica, Berovo, Delcevo and Makedonska Kamenica.
- On the territory of the Appellate Court in Skopje there are 199 cases from Primary Court Skopje 2 Skopje, Kumanovo, Tetovo and Veles.
- On the territory of the Appellate Court in Gostivar there are 19 cases from Kicevo, Gostivar and Debar.

During its daily activities, ZAMP is facing with the fact that certain number of users fail to fulfill their obligations, and besides the notices for unpaid reimbursements they are showing extreme disobedience, so ZAMP is forced to collect royalties through court proceedings.

In 2016 ZAMP submitted proposals for drawing Decision that allows enforcement based on valid document to authorized notary for users that failed to fulfill their obligations, such as: organizers of concerts, cable operators, broadcasters (radio and TV), catering objects (hotels, restaurants, pizza shops, pastry shops, coffee bars etc.). Due to expenses for court taxes, Central Registry of Macedonia, lawyers, notaries, expert evidences and executors, ZAMP spent 4.108.026,00 denars from which one part with amount of 2.410.906,00 denars was refunded in 2016 after the closing of the court procedures.

In accordance with the Decision brought by the Assembly of ZAMP on 23.09.2016, ZAMP filed two criminal charges to the Public Prosecutor's Office against suspects for exerted criminal act – Abuse of power and authority concerning art.353 of the Criminal Code, and the criminal act – malpractice under art. 35-a of the Criminal Code. The investigation procedures are still pending.

Concerning the Initiative from the Ministry of culture of Macedonia submitted to the Constitutional Court of Macedonia to take legal action for revision of the constitutionality and legitimacy of the Decision 493-1-0201 of 19.09.2016 adopted by the Assembly of ZAMP on the meeting held on 17.09.2016. The Constitutional Court of Macedonia is still without answer on this issue.

ZAMP filed 6 complaints in front of the Administrative Court, as reaction of 2 complaints against ZAMP in front of the Administrative Court of Macedonia.

4. REPARTITION DEPARTMENT

The 1st half of 2016 noted intensive activities related to the import of the data gained from the users, the update of the database, as well as the necessary changes in the scripts.

The Department exerted the data import of the foreign copyright works exploited on the territory of Macedonia in 2015 and had regulated royalties. The payment of the reimbursements to the foreign

Societies lead to the realization of the obligation that ZAMP owes to the foreign Societies with which it has concluded bilateral Agreements.

In the running year 2016, the Repartition Department also made the Repartitions for the domestic authors whose works were performed abroad and which had regulated the rights for their performances. In December 2016 ZAMP realized the payments to the following Societies: ACUM – Israel, APRA-Australia, ARTISJUS-Hungary, BMI-USA, BUMA-Netherlands, GEMA-Germany, HDS ZAMP-Croatia, JASRAC-Japan, MUSICAUTOR-Bulgaria, SAZAS-Slovenia, SGAE-Spain, SOCAN-Canada, STIM-Sweden, SUISA-Switzerland, TEOSTO-Finland and UCMR ADA-Romania.

The software solutions that enable to send and receive reports from/to foreign societies with electronic format E4 and CRD, were applied and actively used.

From 13-14 April, 2016, Lisbon (Portugal) was the host of the annual *Business Technical Committee*. On the Committee took place around 150 representatives from 66 Societies from all over the world, and two representatives of ZAMP.

In accordance with the changes and amendments of the Law on copyright and related rights, in year 2015 ZAMP fulfilled its obligation to obtain and install the Software for monitoring and evidence of the broadcasted musical works in all of the Radio and TV Organizations on the territory of Macedonia. The software of the company *Vertex - Broadcast Solutions* was put in function in the broadcasting organizations, and there was constantly work on the corrections of specific cases, adaptation in accordance with the working environment, and generally optimizing the whole System. The National Broadcaster MRTV was also connected with 5 Mini PC that were obtained by ZAMP.

For the purposes of the System for electronic evidence, ZAMP obtained new IBM server with capacity and performances that are corresponding with the hardware demands of the Software for electronic evidence, as well as Storage Synology DS1515 in order to save and backup the audio tracks and reports from the System, and in accordance with the Law obligations to save the data of the System for electronic evidence. In addition ZAMP also obtained 4 more PC Lenovo for data import.

Taking into consideration the need of unabridged and perfect function of the working process, ZAMP made changes in the web infrastructure, isolating the servers in separate functional space, independent from the other web clients.

In order to increase the security of the computer web, the Department installed new security appliance Firewall Cisco Meraki which enables control of the internet access to inner resources, as well as control of the access between different segments in the net. It also included the protection Advanced Malware Protection for HTTP traffic and IPS protection of each part of the net.

Looking forward to increase the security as whole, the Department installed new antivirus Symantec Endpoint Protection.

In December 2016, the sector made reconstruction of the website on WP platform with enriching and supplying the content of the website, increased the functionality and turned on the Respond Mode (readability on mobile devices, tablets etc.). Also, the website was added with separate link for registration and access of the authors so they could have preview over the broadcasting of their works.

5. DOCUMENTATION AND INTERNATIONAL AFFAIRS DEPARTMENT

In 2016 the Documentation Department registered 107 new authors and rightsholders that signed Agreement and became members of ZAMP. In the database of ZAMP new 1786 works were received and recorded.

It has to be mentioned that the only way to realize precise distribution of royalties is obtaining valid documentation. It is communicated on international level, through editing of our data in the world base of authors IPI and the world database of copyright works CIS-Net, for which ZAMP has direct access (on-line).

1. Cooperation with foreign collecting societies

ZAMP already 20 years is successfully working on the reciprocal representation of the authors with sister societies. This year on the list of 53 bilateral agreements of ZAMP with foreign societies for small rights, instead Sine Qua Non-Bosnia and Herzegovina, entered AMUS-Bosnia and Herzegovina. On the list of agreements for mechanical rights there are still 16 societies.

2. European Committee

The European Committee of the Societies-members of CISAC this year was held in Sofia (Bulgaria) on 06-07 April, 2016. This year's hosts were the two collecting societies in Bulgaria MUSICAUTOR and FILMAUTOR. On the Committee there were 105 representatives from 48 societies – members of CISAC, as well as organizations that have direct influence over the work of CISAC.

3. Regional meetings

The 13th Regional meeting took place in Belgrade on 21 April, 2016 in SOKOJ (Serbia) with representatives from AMUS, HDS ZAMP, PAM, SAZAS, ZAMP and SOKOJ.

The main subjects were the mutual cooperation in the field of the online services, as well as the cooperation regarding the distribution and the actual situation in the region concerning the changes in the Law on copyright and related rights.

On 16 May 2016 in Sarajevo (Bosnia and Herzegovina) there was urgent regional meeting with all the societies from the region. This visit of Sarajevo was appointed during the meeting in Belgrade and the main goal was the presentation of AMUS concerning the implementation of CISAC rules, so it could conclude the reciprocal agreement with the societies from the region.

The 14th regional meeting took place in Podgorica (Montenegro) on 11 October 2016. The six collective societies from the territory of ex Yugoslavia adopted decision in which they once again urge to return the collective management with copyrights in Macedonia to only one Society and that is ZAMP Macedonia. Such suggestion and urgency was also sent to CISAC to which belong all above mentioned societies from the region.

ZAMP
General Manager
Zoran Vaskovski



AUDIT REPORT

2016





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To:
The Management of the
Musical Copyrights Society of Macedonia - ZAMP
Skopje

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Musical Copyrights Society of Macedonia - ZAMP, Skopje (in the following text "the Association"), which comprise the Balance Sheet as of 31 December 2016 and the Statement of Revenues and Expenses for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Law for Non-profit Organizations and the standards for reporting under the cash basis of accounting. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards accepted in the Republic of Macedonia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



To:
The Management of the
Musical Copyrights Society of Macedonia - ZAMP
Skopje

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's opinion

In our opinion, the financial statements of Musical Copyright Society of Macedonia - ZAMP, give a true and fair view, in all material aspects, of the financial position of the Association as of 31 December 2015, as well as the operating results and the changes in the funds for the year than ended, in accordance with the Accounting Law for Non-profit Organizations and standards for reporting under the cash basis of accounting.

Skopje, 5 May 2017

Zvonko Kocovski
Certified Auditor



Dragan Dimitrov
Manager

ZAMP

Musical copyright society of Macedonia

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