

**REPORT**  
**on**  
**„Elta-kabel“ d.o.o. DOBOJ -**  
**Company for cable transmission of sound, picture or other information**  
**for the period 2005 – 2010**

**I. Legal Basis**

The Institute of Standards, Metrology, and Intellectual Property of Bosnia and Herzegovina (predecessor of the Institute for Intellectual Property of B&H) granted to Elta-kabel d.o.o. Doboj – Company for Cable Transmission of Sound, Picture, and Other Information, by the Decision No. IP-3905/06-04VL of 06/05/2006, the authorization for the management of copyright and rights of broadcast organizations (hereinafter: «Elta-kabel»).

Elta-kabel was entered in the Company Register of the First-Instance Court in Srpsko Sarajevo on 23/03/2001, and the change of registered office and name was recorded in the Register of the First-Instance Court in Doboj.

The founder and owner of Elta-kabel is Aco Kabanica, and the Director is Danka Jovović.

**II. Statute and organization**

According to the Statute, the bodies of the company Elta-kabel are the Board of Directors and the Assembly. The founder carries out the activities within the competence of the Assembly in accordance with the provisions of the Company Law of Republika Srpska. The Director is appointed by the founder. The responsibilities of the Director are: the organization and management of company affairs, representing the Company, ensuring adherence to the law.

**III. Property acquisition and management**

The revenue of Elta-kabel is determined and distributed according to applicable regulations. Upon settling the liabilities, the remaining amount is used for capital increase, reserve fund, gross wages, utilities, and investments.

The loss of Elta-kabel is covered by the funds intended for such purpose according to regulations. The loss is covered from the reserve fund, claim write-off, and permanent sources of funding.

The risks of Elta-kabel are: failure to make a planned turnover, failure to collect outstanding receivables, partial or untimely collection of outstanding receivables, uneconomical use of labour and means of labour in carrying out business activities, other unpredicted events causing a work stoppage.

The company secures its liabilities by the entire property, and the founder by his contribution.

The original capital of the limited liability company in cash is KM 5.000,00. The instruments of labour are ensured by the founder. The contribution to the original capital in things amounts to Km 20.000,00.

#### **IV. Operating Report for the period 2005-2010**

Within its responsibility for supervising the work of collective organizations, the Institute for Intellectual Property of B&H requested Elta-kabel to produce the work report for the period 2005-2010, and instructed it to furnish:

- information on the right/rights it manages;
- copies of powers of attorney granted by authors and authors' associations to the company for the management of their rights;
- copies of contracts concluded with users per year;
- income derived from users from B&H per year;
- income derived abroad on the basis of contracts on reciprocal representation;
- amounts distributed to authors and related right holders per year;
- amounts distributed to the authors from other countries through foreign collective organizations;
- operating expenses per year;
- operating plans per year;
- decisions of the responsible body of the company on the adoption of operating plans per year;
- financial reports per year adopted by the responsible body;
- audit reports along with the assessment of a licensed auditor of the correctness of company operations and harmonization thereof with laws, company's acts, and contracts concluded with third parties per year;
- copies of judicial and administrative decisions involving the company as a party to proceedings.

The requested report was received on 29/03/2011. The copies of agreements with AGICOA EBU (the European Broadcasting Union) and VG Media Gesellschaft on exclusive representation of TV channels for the territory of Bosnia and Herzegovina were furnished with the request. According to the report, Elta-kabel signed in 2004 general licensing agreements for cable redistribution for the channels represented by said organizations with 31 cable operators in B&H.

The agreement with AGICOA was renewed in 2005 for the 2-year period. Subsequently, agreements with AKOP – Association of Cable Operators of B&H and 46 cable operators were renewed. In addition to general licensing agreement, Elta-kabel entered into licensing agreement on the rebroadcasting of commercial channels with AGICOA. In 2008, Elta-kabel signed new 2-year contracts with AGICOA and AKOP.

#### **V. Financial transactions**

On the basis of **general licensing agreement**, in the period 2005-2009, total outstanding receivables amounted to **KM 2.683.000,50**, and the amount of revenue was **KM 1.975.130,20**.

On the basis of **licensing agreement**, in the period 2005-2009, total outstanding receivables amounted to **1.053.913,63 KM**, and the amount of revenue was **KM 557.340,67 KM**.

## Revenue per year:

**Table 1.** Total outstanding receivables and revenue on the basis of **general licensing agreement**

COLLECTIVE ORGANIZATION	YEAR	OUTSTANDING RECEIVABLES	REVENUE GENERATED
„Elta-kabel” d.o.o. Doboj	2005.	224.791,43	224.782,10
	2006.	557.535,07	513.977,14
	2007.	635.339,14	555.278,63
	2008.	588.702,64	550.502,57
	2009.	676.630,22	130.589,70
	2010.		
	<b>Total</b>	<b>2.683.000,50</b>	<b>1.975.130,20</b>

**Table 2.** Total outstanding receivables and revenue on the basis of **licensing agreement**

COLLECTIVE ORGANIZATION	YEAR	OUTSTANDING RECEIVABLES	REVENUE GENERATED
„Elta-kabel” d.o.o. Doboj	2005.	4.882,27	4.877,77
	2006.	22.216,89	20.483,70
	2007.	183.127,34	138.164,81
	2008.	475.777,62	288.838,38
	2009.	367.909,51	104.976,01
	2010.		
	<b>Total</b>	<b>1.053.913,63</b>	<b>557.340,67</b>

Financial indicators for 2010 have not been provided.

The distributed amount reported is **1.883.069,74 KM**. Out of that amount, AGICOA paid Elta-kabel the amount of **247.246,66 KM** on the basis of agreement.

In the same period Elta-kabel paid the amount of **36.100,00 KM** to UZUS.

Due to incomplete data and documents, the Institute requested again an amendment to the report with relevant data on:

- balance sheet for the reporting period per year;
- amounts distributed to authors and right holders per year;
- amounts for covering operating expenses of the Company per year (total and percentage in relation to revenue);
- operating plan per year;
- decision of the responsible body to adopt the operating plan per year;
- financial report adopted by the responsible body of the Company per year;

- audit reports along with the assessment of a licensed auditor of the correctness of company operations and harmonization thereof with laws, company's acts, and contracts concluded with third parties per year;
- copies of judicial and administrative decisions involving the company as a party to proceedings.

Elta-kabel furnished on 25/05/2011 a letter (No. UP-05517/11) informing that the Company, **as the representative of AGICOA for B&H**, worked on technical issues of the implementation of the agreement signed for B&H, and that AGICOA service directly managed financial affairs for the Company from their non-resident account. Therefore, save commission defined by the Agreement, in the requested financial reports of Elta-kabel, there are no items related to the activities under AGICOA Agreement or other agreements for the management of copyright.

### **Conclusion**

1. The analysis of the work of Elta-kabel shows that this Company worked as an agent – representative of foreign organizations that are not required to have the authorization for the collective management of copyright and related rights.
2. Elta-kabel did not carry out the activities related to the collective management of rights for which it was authorized by the Institute, and it is not possible to appraise its work by applying the standards regulating the collective management of copyright and related rights.
3. Taking into account the work of Elta-kabel heretofore, and the new legislation, it is necessary to reexamine if there is a need that the Company performs the activities of the collective management of copyright.

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