




GRAMEX
FINLAND
ANNUAL
REVIEW
2018



Historic change: remunerations distributed twice as fast.

In 2018, Gramex was, for the first time in its history, able to both collect and distribute remunerations during the same year. Remunerations collected in the beginning of the year were distributed already in December. This constituted final distribution, not advance.

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A woman's profile is shown in a three-quarter view, looking towards the right. Her hair and the right side of her face are filled with a detailed, semi-transparent image of a forest scene, including trees and foliage. The background is a solid, deep purple color. The text "Year 2018 in numbers" is centered over the image in a white, sans-serif font.

Year 2018 in numbers

	Change from previous year
54 000	
Rightsholder client agreements	+ 1 930 pcs
31 000 +	
Locations using music	As before
23,5 milj €	
Remunerations collected during the business year	- 0,4 milj €
16,7 %	
Effective administrative expense percentage	- 0,6 percentage points
1,4 milj	
Phonograms in Gramex's phonogram database	+ 0,1 milj
22 milj €	
Remunerations paid to rightsholders	+ 6,5 milj €
▶ 10,3 million to performers	+ 3,8 milj €
▶ 11,7 million to producers	+ 2,7 milj €
13 561	
Rightsholders receiving direct remunerations.	+ 2 284 pcs
20 000 +	
Also over 20 000 payments to performers through foreign organisations	+ 8 000 pcs

MANAGING DIRECTOR'S REVIEW



Riding the Wave of change

The year 2018 was a time for adopting Gramex's approach to constant change. Our operating environment is changing so fast that it is no longer enough to aim for a certain goal or a certain level. We must develop constantly and maintain our flexibility while the world around us changes at a pace and in ways which have already set new change in motion before the previous change has even taken effect.

Our rightsholder management system Apollon plays a central role, spurring us on to an even better performance. Apollon has meant a big leap in our ability to speed up the distribution and make it more efficient and to serve our rightsholders in even more ways, meeting the needs and requirements of today and tomorrow. Increase in the frequency of our distributions is a direct result of this development.

The implementation of the Act on Collective Management of Copyright and the Collective Rights Management Directive as part of our operation boosts, in its part, our ability to describe our operations in a transparent and understandable manner. All development we make will be sorely needed in a world where copyrights make frequent headlines and the related decision-making is subjected to international and sometimes even misleading lobbying campaigns. Developing international co-operation in support of phonogram rights-holders is slower than we would hope, but it is the right – and only – way to go.

ILMO LAEVUO
Managing Director
Gramex Finland



“We’ll continue for as long as people like us and come to our gigs. That’s our job. It’s not like you can just tell your boss that you’ll take a year off from a regular job, either, just because you don’t feel like working.”

Jare Brand of JVG
Gramexpress 1/2018



Even though the world changes,
the value of music remains.

Facing the challenges of the digital world

2018 was a year of great reforms for Gramex, with some developments having been prepared for years. Gramex also actively participated in significant lobbying, the majority of this relating to the changes in the way music is consumed and to the digitalization of the world.

Money distributed twice as fast. Gramex increased the speed of distribution, with a part of the remunerations reaching recipients twice as fast. Remunerations collected in early 2018 were already distributed in December of the same year thanks to the new rightsholder management system Apollon. This constituted final distribution, not advance. Because of the transition, eighteen months' worth of remunerations were distributed in 2018.

Record-high distribution. Gramex distributed a staggering EUR 22 million in remunerations, with performers receiving 10.3 million and producers receiving 11.7 million. The distribution in December contained around EUR 6.2 million in remuneration collected in the first half of 2018, as well as remunerations collected mainly in 2017.

EUR 23.5 million collected. Remunerations are collected for the use of phonogram music in media and events and as background music, among others. They totalled EUR 23.5 million (2017: 23.9 million). The largest remunerations came from the following: radio and television use, 8.6 mil-

lion; background music, 9.5 million; internet and network use, 3.1 million; private copying compensation, 1.3 million; and remunerations from abroad, 0.7 million.

Nearly 90 000 clients. In the end of the financial year, Gramex had 54 118 rightsholder client agreements. Out of these clients, more than 37 000 are performers, around 3 500 producers and just under 13 000 are both. There are a little under 500 music video producers among the clients as well.

Gramex has approximately 31 000 user customers, who are partly served directly and partly through GT Music Licences Ltd.

New online shop and website. Gramex also opened a new online shop for audiovisual products and renewed its website, renewing the vast majority of the audiovisual products.

Transparency report. Gramex issued its first transparency report in compliance with the Act on Collective Management of Copyright, introduced a financial administration programme which enhances efficiency of operations and the transparency of processes, and developed its communication with the rightsholder customers.

Digital newsletter. Gramex launched a digital newsletter for informing customers about e.g. distributions.

Service portal. Gramex continued the introduction of the new MyGramex service portal to rightsholder clients. The number of registered users tripled during the year.

Value gap and copying compensation.

Gramex's lobbying focused on the value gap problem associated with platform services, compensation for private copying, and drawing up goals for the government programme together with other creative sector operators and presenting them to the members and parties of the Education and Culture Committee of the parliament.

Expenses. The costs of Gramex's operations amounted to EUR 3.9 million in 2018. This constituted 16.7% of the remunerations collected by Gramex. Compared to the 17.3 per cent of the previous year, the figure improved by 0.6 percentage points.

In accordance with international agreements concluded by copyright organisations, Gramex's expenses are directed at remunerations collected in Finland, which consequently have an administration expenses deduction of 17.2%. In the end of the year, Gramex employed 22 persons.

Gramex helps protect the value of music while the world and the ways of using music are changing.

Because Gramex wants to make it easy to use music, both the online shop and nearly all media and audiovisual products were renewed.

Development, development, development

Focus on development. Gramex wants to make it easy to use music. This is why 2018 saw the renewal of nearly all of the media and audiovisual products as well as Gramex's own online shop.

For the purposes of this renewal, Gramex acquired more rights. Gramex continued gathering proxies from phonogram producers in order to facilitate the use of Finnish music in TV productions. This enables more extensive display of Finnish TV productions in such On Demand services as Elisa Viihde and Netflix.

Music licences. The sales organisation of GT Music Licences Ltd, responsible for Gramex's and Teosto's joint licence sales, was renewed. The team was joined by new regional representatives and a communications specialist. The sales design and monitoring procedures were developed at the same time.

The use of "free music" as background music continued to grow. This presented additional challenges to increasing the sales. In response to this trend, GT Music Licences commissions studies on the benefits of real music to business and has actively presented the findings to potential users.

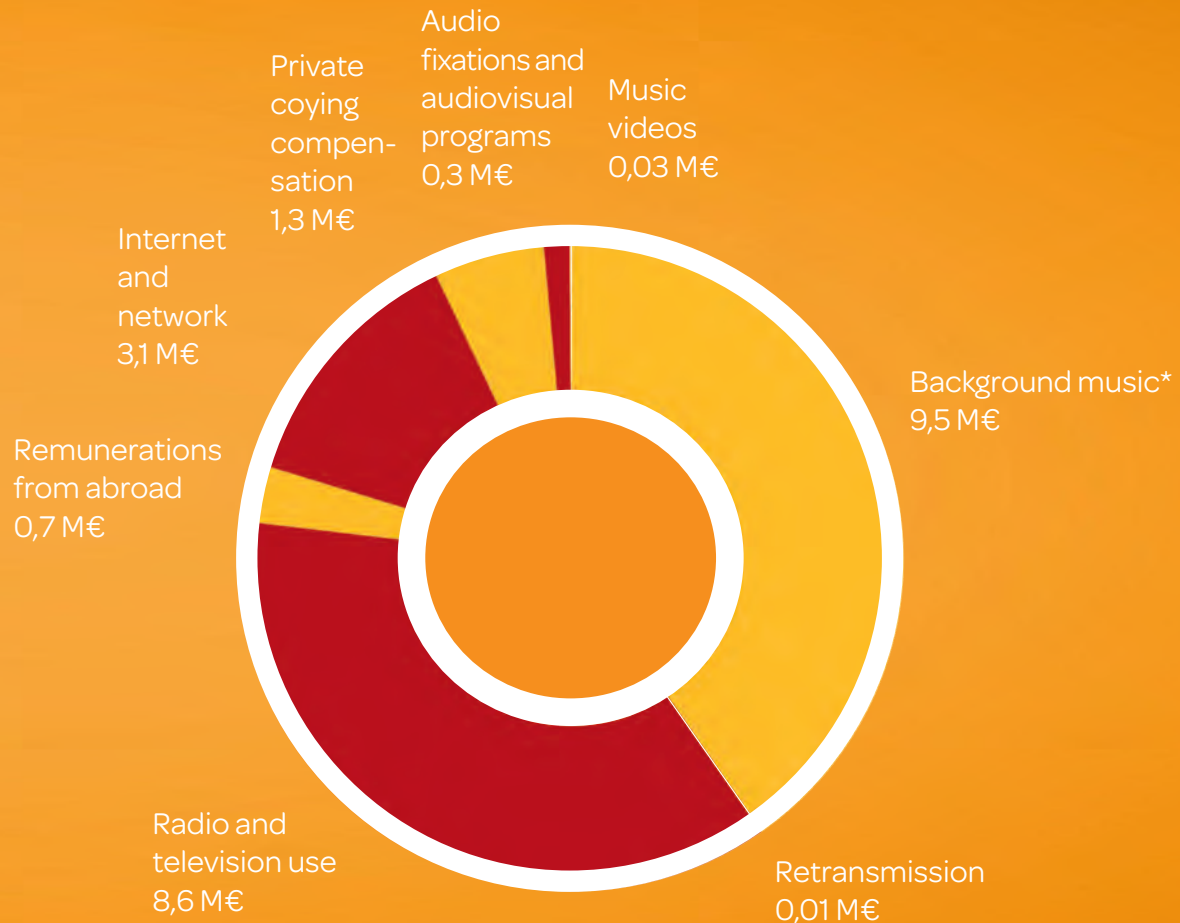
Licensing revenue. Licensing revenue as a whole accrued almost according to budget. A total of EUR 23.5 was collected in remuneration, while the same figure was EUR 23.9 in 2017. The renewed audiovisual products did best, with their sales nearly doubling, while background music experienced a decrease.

“Music is food for the soul –
it cleanses and empowers.”

Mira Luoti
Gramexpress 1/2018



Copyright revenue 2018



Copyright revenues 2018 by sector:

Background music *	9 469 866 €
Retransmission	9 520 €
Radio and television use	8 592 768 €
Remuneration from abroad	672 246 €
Internet and network	3 098 256 €
Private copying compensation	1 327 921 €
Audio fixations and audiovisual programs	315 229 €
Music videos	27 206 €
Total	23 513 012 €

* Background music here refers to the entire field of background music, containing remunerations for both public performance and dubbing for public performance.



Year 2018 was historic: distributions included remunerations collected the same year and were record high.

Faster, higher, better

Remunerations moving. A historic change was made in 2018. Gramex was able to distribute remunerations collected during the same year – not as an advance but as the final distribution. Remunerations collected between January and June were distributed to clients in December, and Gramex switched to having three main distributions per year. Remunerations for background music and radio use were paid in June and in December. Furthermore, dubbing and on demand remunerations were paid out in September.


Record-breaking distribution. Gramex distributed a total of approximately EUR 22 million to rightsholders. The figure reached a record high. This was primarily due to the distribution including the remunerations for eighteen months: first remunerations collected in 2017 as per the normal schedule and then remunerations collected during 2018 as per the new schedule.

Transparency. In the end of the year, the listings of unknown ‘placeholder phonograms’ for the collection year 2016 were for the first time published on Gramex’s website as required under the Act on Collective Management of Copyright.

Gramex’s system sells. Copyright organisations around the world have been interested in the distribution system developed by Gramex together with the Austrian BiConcepts. The system has been presented to several organisations, and four other organisations have either already taken it into use or have decided to take it into use.

Service portal. Active adoption of the MyGramex portal continued during 2018. The number of the portal's registered users tripled during the year.

Metadata. Gramex has taken part in the phonogram metadata portal project coordinated by IFPI and WIM. Gramex has expressed its interest in being among the first organisations to use the service. Gramex has continued making internal plans to prepare for the introduction of VRDB2.



"Nothing can stand
between me and
music."

Jenni Vartiainen
Gramexpress
3/2018

Apollon distribution system developed by Gramex sells around the world

The distribution and management system Apollon, developed by Gramex together with an Austrian partner, is being sold to several countries.

“We set out to create a distribution system, but somewhere along the way Apollon grew into a comprehensive rights management system,” says Tuomas Talonpoika, head of Gramex’s rightsholders unit.

“Apollon is used to manage and process for example rightsholder and phonogram data and to calculate and pay out remunerations.”

“The system is also capable of generating precise reports, both for rightsholders and for Gramex’s own internal purposes.”

“Apollon is a full-service application for MLCs and CMOs,” says Thomas Gfall, CEO of BICConcepts.

“It covers all workflows of such organisation including rightsholder information and repertoire management databases, distribution, accounting, reporting, performer and producer management, web portal and full data integration.”

Full-service system

What makes Apollon so good? The answer is that it is a full-service system which makes the allocation, payment and reporting of remunerations automatic and more

efficient. Data is also transferred directly to accounting from Apollon.

Apollon incorporates various functions and features into one system, which makes it fast and practical.

“Apollon currently encompasses all of the features which an organisation of the type and size of Gramex needs to process the accrued remunerations. Apollon is particularly cost-efficient.”

According to Talonpoika, Apollon includes, among other features, a brand-new automated function enabling recalculation of remunerations if any relevant data is changed or new data received. It additionally boasts a comprehensive and versatile reporting function. Moreover, it contains nearly automatic functions for exchanging information with foreign organisations in the case of foreign distributions. It is also quick and easy to use and has a real-time connection to the MyGramex portal.

Interest around the world

“Apollon is an application designed from the ground up to fulfill the needs of a modern MLC/CMO. It adheres closely to the MLC reference model for IT and back office processes as published and maintained by the IFPI. Apollon also integrates well with all SCAPR projects like SDEG, IPD and VRDB2,” Gfall adds.

Through Apollon, Gramex ventured into the world of software development – and even sales. Apollon has so far aroused serious interest in about 10 countries!

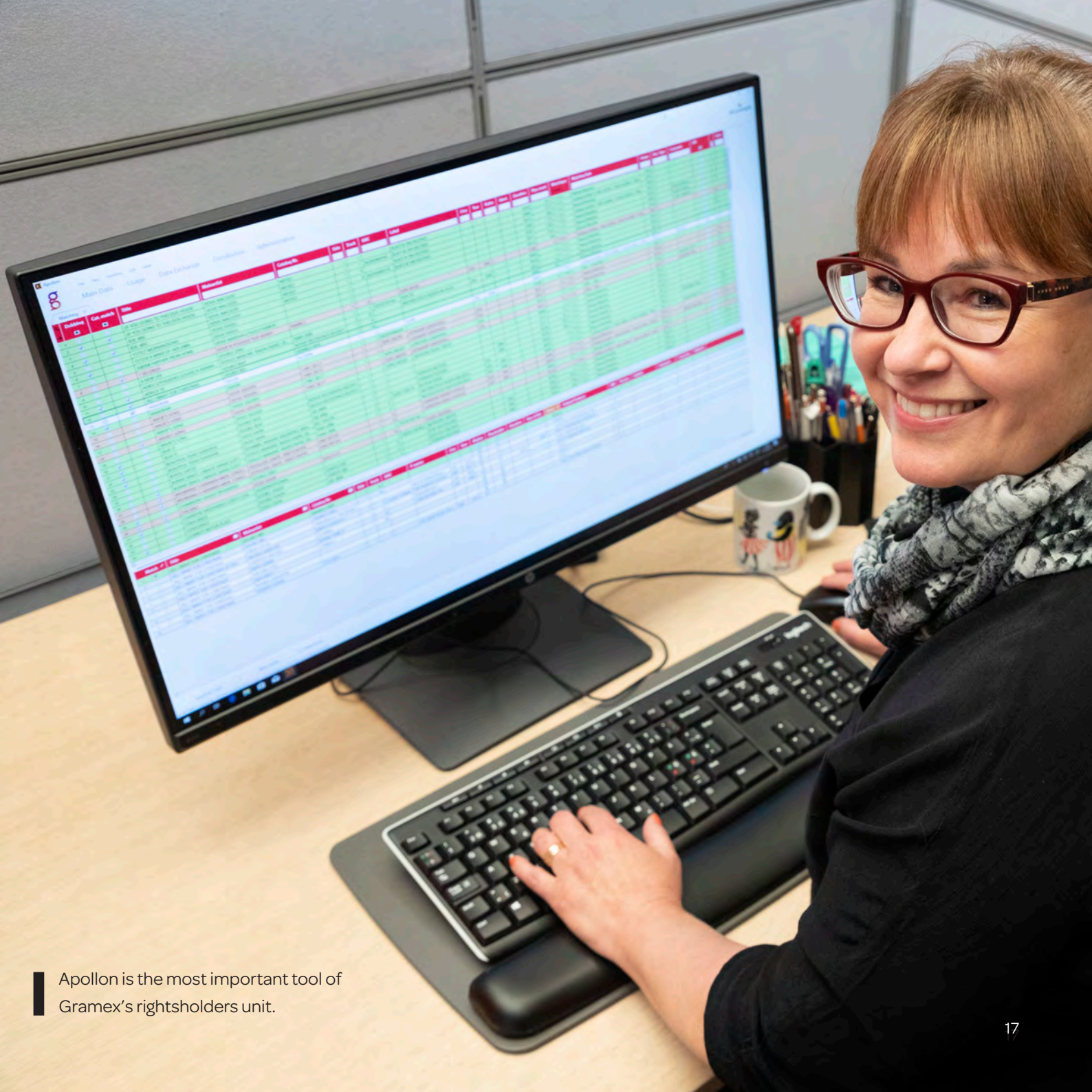
“We now have five Apollon customers in four countries and are in negotiations with another eight MLCs in seven more countries,” Thomas Gfall remarks.

Joint effort

Gramex and the Austrian BICConcepts co-created the Apollon in a project lasting around three years. “Gramex’s input into the project was know-how on collective management in general and management of performer and producer matters and work practices in particular,” Talonpoika explains.

“The development was carried out in close cooperation between Gramex and BICConcepts”, Gfall says. “BICConcepts contributed its years of experience in software development, management of large quantities of data, and working with other copyright organisations to the project.”

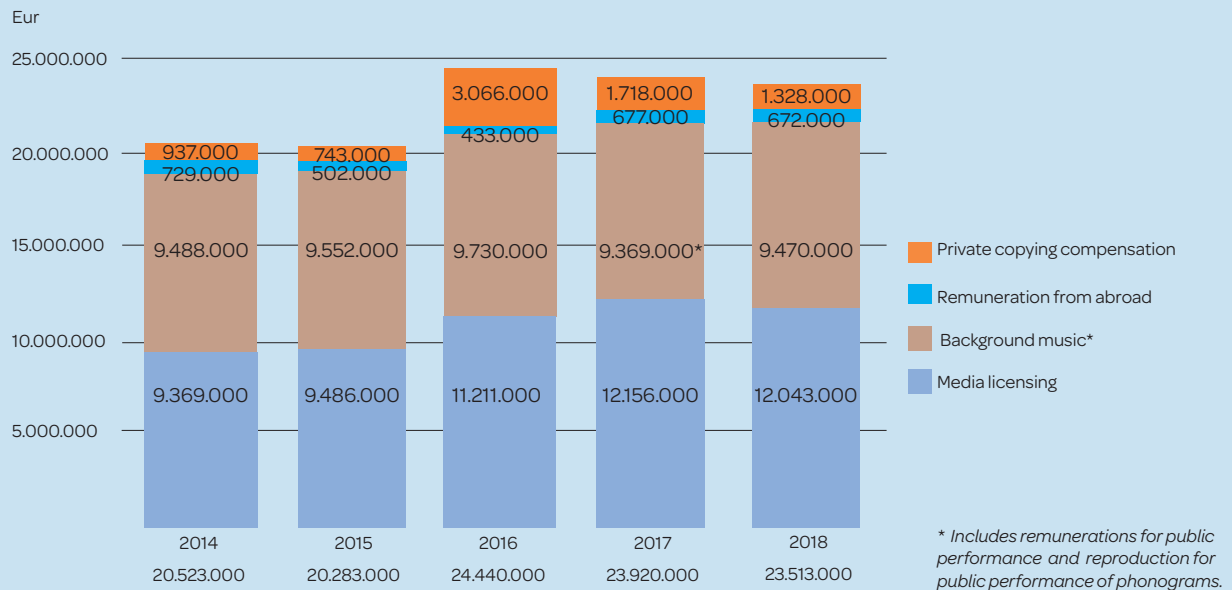
Gfall says that development still continues. “We are also looking forward to the IFPI’s new Data Portal, and will be integrating that as an important source of information for our Apollon users. All of these enhancements will be done in cooperation with Gramex. Gramex is a very open, modern society, and therefore a very important partner in the continued improvement of Apollon.”




Apollon is the most important tool of Gramex's rightsholders unit.

Gramex's remunerations collected 2014-2018

The amount of remuneration proceeds collected by Gramex has varied over the years. Two years are competing for the position of the year with the most remuneration collected: 2016 and 2017. In 2018, Gramex collected EUR 23.5 million in remunerations. This constituted a drop of approximately 0.4 million compared to the previous year.





“The thing that matters most is still
genuineness and a passion for making
music. That has not changed.”

Kaija Koo
Gramexpress 3/2018

In 2018, Gramex issued its first transparency report under the Act on Collective Management of Copyright.

Efficiency, data security and transparency

New financial administration system. The new financial administration system was taken into use in the beginning of the year. This enabled the financial administration's full transition to electronic accounting and filing. The system also assists in the automation of data processing and in making more accurate forecasts.

Transparency report. The first transparency report was made in 2018 in accordance with the Act on Collective Management of Copyright.

Online shop project. The online shop project spearheaded by the IT department was finished and the shop taken into use. The shop offers both old radio products and new audiovisual products. Another new feature is that the sale of rights to individual pieces of music makes use of the database of the Apollon distribution system.

Website. IT and communications joined forces to renew Gramex's website. Gramex took over the website from an external service provider and updated the website's publishing platform, content and technology.

Miscellaneous. Investments didn't yield any profits in 2018. Data protection, data security and risk management were developed jointly by different departments.

"I've never been humble. I know I'm the best Finnish rapper and I'm not afraid to say it. I'm not bothered about whether people think I'm a prick. I couldn't care less."

Mikael Gabriel
Gramexpress 2/2018





A yellow Post-it Note on the cover of Gramexpres indicates that the magazine contains information which is particularly important to rightsholder clients.

Communication, cooperation and lobbying

Website renewed. Gramex's home page and the related shop functions were renewed. The renewal was carried out within Gramex, as joint project of communications and IT units.

Compensation for private copying. Together with other copyright organisations, the Lyhty project and the MES foundation, Gramex managed to block a cut in the compensation for private copying. Gramex's representative appeared before the Education and Culture Committee and the Finance Committee's Subcommittee for Education and Science and participated in several meetings with the policy-makers.

Cooperation and lobbying. Gramex participated in drafting the creative sector's goals for the government programme and presenting them to the parliament's Education and Culture Committee and took part in a campaign to tackle the value gap. Gramex partnered with and sponsored Emma Gala, Radio Gala and Musiikki & Media and took part in organising a panel discussion in the Suomi Areena event.

Gramexpress and customer communication developed. With a circulation of 48 000 copies, Gramexpress is one of the largest music magazines in Finland. The magazine's content, advertising sales and digital version were developed. Digital communication towards rightsholder customers was developed. Gramex also took part in, inter alia, creating the online shop for audiovisual products and developing the transparency report.

Blank tape levy in the digital age: what is “fair”?

Compensation for private copying sparked quite a thriller in the Finnish parliament.

The government proposed slashing the compensation from today’s EUR 11 million to EUR 9 million. The parliament voted down the cutback, however, when the MPs found out what harmful effects it would have had on, inter alia, the operation of foundations promoting culture.

Recipients of the compensation joined forces to stop the proposed cut to the compensation, with a representative of the copyright organisation Gramex at the helm of the project.

Cooperation across party lines

The parliament’s decision was preceded by the work of several committees and MPs across party lines. The parliament’s committees consulted several copyright organisations and LYHTY, which extensively represents the creative sector.

Mikko Alatalo, Raija Vahasalo and Pia Viitanen, respectively representing the Centre Party, the National Coalition Party and the Social Democratic Party, were the first to initiate the cross-party budgetary motion upon learning about the government’s proposal to cut the compensation.

“We believed strongly from the start that our motion would be approved. The compensation funds and the grants paid from them are essential for the diversity



and regional outreach of Finnish culture. What constituted a small investment to the state leads to a large payoff,” Raija Vahasalo commented in the magazine Gramexpress.

Key committees involved

The Education and Culture Committee made the compensation for private copying one of the focus areas in its budget debate.

“The Education and Culture Committee has stated previously that if the level of compensation is not sufficient, the matter must be addressed again. We considered it important to address not only the amount of compensation but also

the development needs of the system,” comments Tuomo Puumala, who acted as the Chairperson of the Committee.

From the Education and Culture Committee, the matter proceeded to the Finance Committee's Subcommittee for Education and Science, led by Pia Viitanen, which took a positive view on the matter.

“Artists and authors need their livelihood and appreciation of their work. A reasonable level of compensation must be guaranteed. This supports the creative economy; it is wise to promote it and provide it with the opportunity to grow,” says Viitanen.

Legal private copying now has a far greater effect on the market since today files are sold instead of physical recordings.

In the era of cassettes, it was only possible to make a scratchy recording of an existing record. Now it is possible to clone the very product which is sold: the audio file.

Parliament wants an assessment

The final decision was made by the Finance Committee. Headed by the Chairperson Timo Kalli (Centre Party) and the representatives of the other government parties, Timo Heinonen (National Coalition Party) and Matti Torvinen (Blue Reform), the Committee proposed maintaining the same level of compensation.

The parliament also passed a resolution to have the Ministry of Education and Culture consider the options of reforming the compensation system.

“It is important for authors and creators that the budget-based system is up-

dated to meet the requirements of the digital age regarding reasonable compensation. The new government will still have a lot to do,” MP Timo Heinonen summarises.

From recordings to clones

Private copying has different effects in the digital age than it had in the past. Instead of objects, it is files which change hands.

Music consumers no longer buy records but the right to save or stream music files.

This constitutes a fundamental shift. In the olden days, a low-quality recording was made on a cassette tape, and listening to that recording also required a specific kind of device. Nowadays, the exact same file can be both copied and bought.

Instead of recordings, we now have clones. This means that legislation which permits making free copies has a far greater impact on the market than could ever have been predicted in the era of cassettes and phonograph records.

It now remains for the legislators to decide on what constitutes fair compensation for this.

What is fair?

An EU directive states that “fair compensation” must be provided for private copying.

What is fair compensation for cloning the actual product? Is it the price of the product, the loss of sales resulting from the cloning, or something else?

An independent study conducted by Research Insight Finland gives some insight into the scale we are dealing with. According to the study, copying decreased revenue from streaming and sales in the music and audiovisual sector by EUR 32-45 million.

If the compensation was to cover the deficit arising from legal copying, it should be 3-4 times the size it is now.

Ministry proposes an increase

The copying compensation is vital to the Finnish creative sector. It is distributed to both individual performers and companies in the sector. It is also a significant source of funding to foundations which promote culture, supporting diverse culture regionally across Finland.

The Ministry of Culture also proposes fixing the issue in its own goals for the government programme. It considers that the current level of compensation “does not correspond to the harm and loss of sales suffered by the authors and creators as a result of the copying.”

Quotations from Gramexpress 1/2019

FINANCIAL STATEMENTS

1.1. - 31.12.2018

PROFIT AND

LOSS STATEMENT (EUR)

	2018	2017
Revenue		
Other revenue	19 597,90	250 000,00
Total revenue	19 597,90	250 000,00
Expenses		
Personnel expenses	-1 818 335,29	-1 688 701,96
Depreciations	-204 873,61	-191 418,87
Other expenses	-1 914 683,36	-2 251 494,17
Total expenses	-3 937 892,26	-4 131 615,00
Administration expenses deduction	3 918 294,36	3 881 615,00
Promotion activities		
Transfer from investments and financing activities	-1 762,87	33 719,14
Statute-barred remuneration liabilities	2 019 068,02	1 690 588,63
Other expenses related to promotion activities	-2 072 982,90	-1 757 016,09
Total expenses for promotion activities	-55 677,75	-32 708,32
Covered by promotion activities reserve	55 677,75	32 708,32
SURPLUS/DEFICIT	0,00	0,00
Investment and financing activities		
Revenue / Expenses	-117 002,08	1 978 545,74
Transfer to remuneration payments	67 644,24	-1 260 608,62
Transfer to later conclusion	47 594,97	-684 217,97
Transfer to the promotion activities reserve	1 762,87	-33 719,14
	0,00	0,00
SURPLUS (DEFICIT) FOR THE FINANCIAL PERIOD	0,00	0,00

BALANCE SHEET (EUR)

	31.12.18	31.12.17		31.12.18	31.12.17
ASSETS			EQUITY AND LIABILITIES		
FIXED ASSETS			EQUITY		
Intangible assets			Promotion activities reserves		
IT systems	354 715,85	315 873,47	Promotion activities reserves	566 527,70	622 205,44
Major improvements	34 223,33	48 609,36	Total promotion activities reserves	566 527,70	622 205,44
Intangible assets total	388 939,18	364 482,83	TOTAL EQUITY	566 527,70	622 205,44
Tangible assets			LIABILITIES		
Machinery and equipment	153 290,87	199 275,83	Short-term liabilities		
Other tangible assets	550,00	550,00	Remuneration liabilities (Invoiced, investment income)	20 010 442,86	28 621 560,93
Tangible assets total	153 840,87	199 825,83	Remuneration liabilities in payment process	15 335 955,39	12 138 101,22
Investments			Accounts payable	59 400,67	88 451,54
Shares and equity	483 100,03	483 100,03	Other liabilities	938 091,19	763 166,12
Investment portfolios	24 694 013,21	27 243 909,47	Accrued expenses and liabilities	279 772,30	334 643,52
Real estate funds	2 127 635,09	2 119 210,34	Total short-term liabilities	36 623 662,41	41 945 923,33
Total investments	27 304 748,33	29 846 219,84	TOTAL LIABILITIES	36 623 662,41	41 945 923,33
TOTAL FIXED ASSETS	27 847 528,38	30 410 528,50	TOTAL EQUITY AND LIABILITIES	37 190 190,11	42 568 128,77
CURRENT ASSETS					
Long-term receivables					
Loan receivables	1 250 000,00	1 250 000,00			
Total long-term receivables	1 250 000,00	1 250 000,00			
Short-term receivables					
Accounts receivable	2 499 249,97	3 362 077,51			
Short-term investments	501 336,00	149 191,50			
Other receivables	20 157,83	14 581,15			
Accrued income	2 032 139,36	3 405 869,98			
Total short-term receivables	5 052 883,16	6 931 720,14			
Bank and cash	3 039 778,57	3 975 880,13			
TOTAL CURRENT ASSETS	9 342 661,73	42 568 128,77			
TOTAL ASSETS	37 190 190,11	42 568 128,77			

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles:

The financial statements have been drawn up in accordance with the provisions of Government Decree (1753/2015) on the information presented in the financial statements of a small undertaking and micro-undertaking.

1) Valuation of tangible and intangible assets. Fixed assets are capitalised on balance sheet at direct acquisition cost less planned depreciation. Planned depreciation for tangible assets has been calculated as reducing balance depreciation and depreciation for intellectual property rights has been calculated as straight-line depreciation. Planned depreciation is calculated in accordance with the legislation on taxation of income of business activity.

2) Reserves. The promotion activities reserves are made up of statute-barred remuneration liabilities and the proportion of investment income that has been transferred to the reserves. The use of funds in reserves and their realised yield are allocated to the capital of the reserve. Transfers to reserves and the use of reserves are presented in the financial statements as a separate line item before the line item for surplus/deficit for the financial period.

3) Remuneration liabilities. The accrued and paid remunerations have been entered directly as an increase or decrease in short term liabilities.

Notes to the profit and loss statement

Revenue and expenses in profit and loss statement and transfer of funds

	2018	2017
Total revenue	3 820 890,18	6 110 160,74
Total expenditure	-3 993 570,01	-4 164 323,32
Use of the promotion activities reserve	55 677,75	32 708,32
Transfers of investment income to remuneration payments, reserves and later closed items	117 002,08	-1 978 545,74
	0,00	0,00

1. Personnel expenses

Wages and salaries	1 547 318,04	1 420 662,35
Pension expenses	240 875,28	236 020,35
Other social security expenses	30 141,97	32 019,26
Total	1 818 335,29	1 688 701,96

Average number of employees

Office	23	23
Total	23	23

2. Material items in other expenses

Voluntary social security expenses	95 256,11	81 611,82
Professional services and other outsourced services	1 157 952,88	1 367 212,42
Travel costs and car expenses	53 171,89	69 350,54
Communication activities	198 883,28	196 371,29
ICT expenses	125 505,46	93 449,86
Rents	166 660,90	164 940,00
Other expenses	117 252,84	278 558,24
Total	1 914 683,36	2 251 494,17

3. Revenue and expenses related to special purpose activities

3.1 Promotion activities

Other promotion activities total	-55 677,75	-32 708,32
Covered by promotion activities reserve	55 677,75	32 708,32
	0,00	0,00

4. Investment and financing activities

Income/expenses	224 085,18	1 960 274,79
Increase/decrease in value	-341 087,26	18 270,95
Transfer to remuneration payments	67 644,24	-1 260 608,62
Transfer to later conclusion	47 594,97	-684 217,97
Transfer to the promotion activities reserve	1 762,87	-33 719,14
	0,00	0,00

Notes on balance sheet items	2018	2017	2018	2017
5. Intangible and tangible assets				
5.1. Long-term IT expenses				
Straight-line depreciation				
Acquisition cost 1 January	2 188 900,60	2 065 122,60		
increase	178 233,00	123 778,00		
Acquisition cost 31 December	2 367 133,60	2 188 900,60		
Accumulated depreciation	-1 873 027,13	-1 762 419,57		
	494 106,47	426 481,03		
Depreciation 31 December	-139 390,62	-110 607,56		
Balance sheet value 31 December	354 715,85	315 873,47		
5.2. Major improvements				
Straight-line depreciation (5 years)				
Acquisition cost 1 January	149 777,29	122 520,86		
increase	0,00	27 256,43		
Acquisition cost 31 December	149 777,29	149 777,29		
Accumulated depreciation	-101 167,93	-86 781,90		
	48 609,36	62 995,39		
Depreciation 31 December	-14 386,03	-14 386,03		
Balance sheet value 31 December	34 223,33	48 609,36		
5.3. Machinery and equipment				
Reducing balance depreciation 25%				
Acquisition cost 1 January	1 125 827,64	1 064 110,23		
increase	5 112,00	61 717,41		
Acquisition cost 31 December	1 130 939,64	1 125 827,64		
Accumulated depreciation	-926 551,81	-860 126,53		
	204 387,83	265 701,11		
Depreciation 31 December	-51 096,96	-66 425,28		
Balance sheet value 31 December	153 290,87	199 275,83		
5.4. Other tangible assets				
No depreciation				
Acquisition cost 1 January	0,00	0,00		
increase	550,00	550,00		
Acquisition cost 31 December.	550,00	550,00		
5.5 Depreciation for the financial period				
Equipment	-51 096,96	-66 425,28		
Major improvements and long-term expenditure	-153 776,65	-124 993,59		
	-204 873,61	-191 418,87		
6. Investments				
6.1. Investments in fixed assets				
Shares in real estate companies	433 100,03	433 100,03		
Shares in holdings	50 000,00	50 000,00		
Equity funds	5 592 217,96	4 333 911,22		
Bond funds	15 156 362,40	21 712 770,25		
Bonds	3 945 432,85	1 197 228,00		
Real estate funds	2 127 635,09	2 119 210,34		
	27 304 748,33	29 846 219,84		
6.2. Short-term investments				
Short-term investments			501 336,00	149 191,50
			501 336,00	149 191,50
6.3. Total investment securities				
Replacement cost			27 877 999,57	30 727 180,05
Book value			27 322 984,30	29 512 311,31
Difference			555 015,27	1 214 868,74
6.4. Other holdings				
GT Music Licences Ltd, Helsinki			Share of ownership in company 50%	Share of ownership in company 50%
7. Loan receivables				
Partnership loan receivable			1 250 000,00	1 250 000,00
8. Material items in accrued income				
Interest receivables			19 941,40	29 741,96
Administration expenses deduction			1 955 838,38	2 938 527,80
Other accrued income			56 359,58	437 600,22
			2 032 139,36	3 405 869,98
9. Promotion activities reserves				
Balance 1 January			622 205,44	654 913,76
Statute-barred remuneration liabilities			2 019 068,02	1 690 588,63
Transfer from investment income reimbursement provisions			684 217,97	682 990,16
Transfer to remuneration payments			-955 585,90	-539 461,94
Transfer from investment income			-1 762,86	33 719,14
Donations to music promotion activities			-1 726 809,46	-1 783 974,28
Other promotion activities			-74 805,51	-116 570,03
			566 527,70	622 205,44
10. Material items in accrued charges and deferred credits				
Holiday pay liabilities			194 913,16	209 867,00
Other accrued charges and deferred credits			84 859,14	124 776,52
			279 772,30	334 643,52
11. Liabilities (voucher 1 for notes to financial statements)				
Rent liabilities				
Payments to be made in the next financial period			168 839,52	166 660,80
To be paid later			168 839,52	333 321,60
Total			337 679,04	499 982,40



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