Dear Members,
Dear Readers,

The 2021 financial year sees the second year of the pandemic coming to an end. I am therefore delighted that VG Bild-Kunst has once again succeeded in increasing its own payouts compared to the first year of the crisis and has made 69.7m EUR of urgently needed funds available to its beneficiaries. VG Bild-Kunst’s Kulturwerk has also made its contribution, by allocating funding of 14.5 m EUR from the Federal Government’s NEUSTART Kultur programme to 2,912 scholarship-holders.

However, 2021 will also be remembered positively by us, as the year in which the German legislators laid the foundations for copyright liability of social media platforms. Since 2019, together with the BVPA (Bundesverband professioneller Bildanbieter, the Federal association of professional stock photography suppliers), VG Bild-Kunst has been preparing a social media licence for frozen images. Work on licensing solutions for audiovisual content is also ongoing. We are confident that we can expand and diversify our service to our beneficiaries in future, using these new tools.

Dr. Urban Pappi
Chief Executive Officer
69,723
k EUR were distributed by VG Bild-Kunst to its members and their beneficiaries from abroad in 2021 financial year.

That’s a Plus of 3.5 % comparing to 2020.
In the 2021 financial year, proceeds from the management of copyright totalled 67,614k* EUR, representing a decline compared with the previous year. However, this was to be expected due to significant one-off proceeds in the 2020 financial year. Total costs fell by 973k EUR to a total of 4,379k EUR, which was due to high other operating income lowering costs. Payouts totalling 69,723k EUR were made from the distribution provisions, representing an increase of 2,466k EUR compared to 2020. An amount of 62,681k EUR was allocated to the distribution provisions. Despite the challenges of the pandemic, VG Bild-Kunst can look back on a good 2021 financial year, which in terms of figures was in line with normal levels.

* Note: All figures have been rounded to the nearest thousand euros. This may result in differences in presentation.
1. Total income

During the 2021 financial year, VG Bild-Kunst achieved total income of 67,614k EUR, which corresponds to 42,085k EUR less than the previous year. The decline is largely attributable to the fact that in 2020 the ZPÜ (Zentralstelle für private Überspielungsrechte, the central organisation for private copying rights) paid out proceeds from private copying for the entertainment electronics product group for the first time. In addition, there were further back payments by the device industry for all product groups from 2008 in that year. The drop in income for VG Bild-Kunst in 2021 was mitigated by the receipt of back payments for intranet use for educational purposes. Accordingly, the drop in income in 2021 is solely attributable to one-off effects.

In other administration areas, the income evolved inconsistently, but within explainable ranges of fluctuation. The 2021 financial year, with total proceeds of 67,614k EUR, should nevertheless be seen as a slightly above-average financial year.

2. Payouts

A total of 69,723k EUR was paid out in the 2021 financial year, compared to 67,257k EUR in the previous year. Thus, the distribution figures were again on a good level in 2021. Of the 69,723k EUR, 7,528k EUR was distributed for first rights fine arts, 44,490k EUR to the fine arts/image beneficiaries, and 17,304k EUR to film beneficiaries. In addition, 1,697k EUR was distributed to Stiftung Sozialwerk and 1,899k EUR to Stiftung Kulturwerk.
The 2021 financial year at a glance | Key events

Payouts of VG Bild-Kunst in k EUR

<table>
<thead>
<tr>
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<th>2019</th>
<th>2020</th>
<th>2021</th>
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</thead>
<tbody>
<tr>
<td>Total distribution amount</td>
<td>57,346</td>
<td>67,257</td>
<td>69,723</td>
</tr>
<tr>
<td>Therof first rights fine arts</td>
<td>8,804</td>
<td>8,760</td>
<td>7,528</td>
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<tr>
<td>Therof fine arts/image</td>
<td>27,171</td>
<td>23,851</td>
<td>44,490</td>
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<tr>
<td>Therof film</td>
<td>19,109</td>
<td>31,122</td>
<td>17,304</td>
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3. Key events

The 2021 financial year was, like the previous year, determined by the influences of the global COVID-19 pandemic. The Assembly of the professional groups was postponed from April to the start of September and the General Assembly accordingly from end of July to the start of December 2021. VG Bild-Kunst organised both Assemblies as an attended event where, as usual, members had the opportunity to cast an electronic vote for the General Assembly in advance. Assemblies as online meetings were not organised, because at the time of planning in March 2021 it was considered likely that the pandemic would have subsided by the second half of 2021. This forecast proved true for the Professional Group Assembly at the start of September, as it had in the previous year. The General Assembly at the start of December was then again conducted under heightened safety measures.

Work in the VG Bild-Kunst office in Bonn had already switched to hybrid working in 2020. In the 2021 financial year, the framing technical conditions were further improved, with the result that around 85 percent of the staff worked from home in alternating shifts. A full switch to home working was not necessary, due to the hygiene concepts agreed internally at the company.

At legislative level, VG Bild-Kunst continued to face challenges in 2021 in asserting the interests of its beneficiaries, notably regarding implementation of the 2019 Directive for the digital domestic market into German law. The particularly important rules on the new liability of social media platforms came into force on 01 August 2021.

In the 2021 financial year, VG Bild-Kunst was able to implement a major reform of its distribution plan for professional groups I (fine arts) and II (image): the distribution of collective proceeds is now no longer being undertaken separately by professional groups, but in a consistent approach. The same rules therefore apply for beneficiaries in both professional groups. VG Bild-Kunst is thus responding to the increasing blending of the activities of creative artists, photographers, illustrators and designers in their day-to-day working. The reform also brings a significant simplification of the reporting procedure, which will have a positive effect on the administrative costs. In addition, on the basis of the new § 63a UrhG, a publisher share was again included in the distribution plan, after the old publisher share was overturned by a judgement of the Federal Supreme Court in 2016.

VG Bild-Kunst also thoroughly reviewed its mandates in all areas in the 2021 financial year. The mandates were fundamentally redesigned for picture agencies, film producers and publishers. For originators, the new contracts (professional groups I/II and professional group III) include a number of new features: amongst others, VG Bild-Kunst can now be granted the rights for licensing of social media platforms under UrhDaG (Urheberrechts-Diensteanbieter-Gesetz) by its members.
14.5 m

EUR NEUSTART Kultur: 14.5m EUR were allocated to 2,912 scholarship-holders in 2021.
4. Administrative costs

Administrative costs for the 2021 financial year totalled 4,379 k EUR, which corresponds to a decrease of 973 k EUR compared to the previous year. The costs essentially comprise the following items:

- Staffing costs totalling 3,774 k EUR (+199 k EUR compared to 2020),
- Other operating expenses totalling 2,451 k EUR (+237 k EUR compared to 2020),
- Depreciation totalling 697 k EUR (+583 k EUR compared to 2020),
- Taxes and negative interest totalling 565 k EUR (+155 k EUR compared to 2020).

The costs were reduced by other operating income totalling 2,554 k EUR. This relates partly to reimbursements for services provided to third parties by VG Bild-Kunst, and partly to allocations of proceeds that cannot be paid out under the distribution plan.

Depreciation has increased significantly because in the 2021 financial year a part of the new IT infrastructure for VG Bild-Kunst (financial accounting) went live for the first time. Regrettably, negative interest also increased in 2021. The VG Bild-Kunst investment guidelines only allow for gilt-edged investments. Therefore, it is currently not yet foreseeable whether the situation will change in a positive sense.

The average ratio for administrative costs for the 2021 financial year is 6.48 percent, which has risen to a normal level compared to the previous year (4.88 percent) due to the fall in income.

The cost structure is stable compared to the previous year. In addition, advance payments of 1,917 k EUR were made for new IT systems and operating and office equipment. Once the new software has been put into operation, these costs will be charged to subsequent financial years, spread over the operating life of the software. Thus, administrative costs will likely be higher for subsequent financial years.

-18.1%

which is a saving of 18% compared to financial year 2020.
5. Members and committees

In the 2021 financial year, the number of members rose again. In total, the number rose by 2,303 to 67,475 members. The rate of increase is 3.53 percent.

The number of members in each professional group therefore also increases, i.e. professional group I by 865 to a total of 15,698 members, professional group II by 898 to a total of 38,648 members and professional group III by 540 to a total of 13,129 members.

Normally, the General Assembly regularly takes place at the end of July each year. In the 2021 financial year, the committee meetings were again postponed due to the pandemic: The General Assembly was held in Bonn on 04 December 2021. Electronic voting was again offered in the run-up to the meeting, and the General Assembly was also broadcast live on the Internet for registered members. Despite the pandemic, the online broadcasting offerings were only used to a limited extent. Fewer than 150 members took up the offer of electronic voting in advance.

The assemblies of the Administrative Council were held on 25 February and 20 April 2021 (both virtual) and on 01 September and 03 December 2021 in Bonn. The Professional Group Assemblies were held on 02 September 2021 in Bonn.

Number of members of VG Bild-Kunst 2021 split up

- members BG I: 15,698
- members BG II: 38,648
- members BG III: 13,129

number of members in total 2021: 67,475
6. Offices

In the 2021 financial year, the Bonn office of VG Bild-Kunst employed an average of 31 full-time and 26 part-time staff members. Thus, the total number of staff members increased by four people.

The lease on the office runs until 31 December 2024, but could be terminated on an annual basis. The office in Bonn is located at Weberstraße 61 in the “Haus der Kultur”.

In addition, VG Bild-Kunst has a joint share in an office in Berlin with VG Wort, which is located at Köthener Straße 44, right around the corner to the Potsdamer Platz.

Staff members of the Bonn office 2021

- Number of men full-time: 9
- Number of men part-time: 0
- Number of women full-time: 24
- Number of women part-time: 25

Average full-time staff members: 31
Average part-time staff members: 26
67,475

members in total in 2021.

+3.5%

is the usual increase similar to the last years.
B. Revenue results in 2021 in detail

The income shown in section 1 relates exclusively to the frozen image sector (professional groups I and II), while the income shown in section 3 relates exclusively to the film sector (professional group III). The income shown in section 2 relates to both sectors and thus benefits all members of VG Bild-Kunst.
1. Income for works of fine art

The income presented in this section comprises the resale right (1.1), the reproduction and online right (1.2) and the broadcasting right (1.3), i.e. primary rights (exclusive rights) that VG Bild-Kunst administers for works of fine art. The resale right is a claim to a participation, which is also asserted for photographic works. Furthermore, income is generated under section 1.4 applying exclusively to frozen images and therefore benefiting right holders in professional groups I and II. This encompasses the statutory claims to remuneration for the reprography device levy (1.4.1), for operator levies (1.4.2) and for press review royalties (1.4.3) and the reading club royalties (1.4.4).

1.1 Resale rights

When a work of fine art, a work of applied art or a photographic work is resold by an art dealer or auctioneer, the artist acquires a statutory claim to a participation in the proceeds of sale. In Germany, this resale right (§ 26 UrhG) is administered by VG Bild-Kunst. General agreements exist with professional organisations BVDG, BDK, KD and VDA, via which the reporting and settlement procedures are regulated.

Mandate

Mandate professional groups I and II: § 1 no. 1.4

Collection sources

By its own resale right administration VG Bild-Kunst generated income in Germany for its members and for beneficiaries of its foreign sister societies. For foreign resales, it received fees for its members from its sister societies operating in countries that recognise a resale right.

6,376

k EUR total income for resale rights were generated in the financial year 2021.

+1,108

k EUR more than the previous year which results from increased domestic sales.
Basis of distribution

Resale proceeds are distributed via the “Resale” distribution line, cf. § 22 of the distribution plan. Since the name of the beneficiary or beneficiaries in every type of transaction giving entitlement to payment is known, a direct distribution takes place in accordance with § 4 sentence 2 of the distribution plan. Hence, normally no non-distributable income arises.

2021 income

The income for the resale right for 2021 totals 6,376k EUR and is thus 1,108k EUR higher than in the previous year. This increase results overwhelmingly from increased domestic sales.

Domestic income is 4,963k EUR, which is 1,648k EUR more than in the previous year. Conversely, foreign revenues decreased by 540k EUR to a total of 1,413k EUR.

Netting (interest, deductions, allocations)

The deductions for administrative costs on intrayear proceeds for 2021 are set at 15 percent for direct and 5 percent for indirect proceeds. The regular average cost rate for the fiscal year is 13.64 percent for direct and indirect proceeds.

Administrative costs of 870k EUR are to be deducted, as well as a pro rata amount of 52k EUR for negative interest.

Of the distributions made in 2021, 212k EUR was allocated to Stiftung Sozialwerk and 170k EUR to Stiftung Kulturwerk. An amount of 5,454k EUR was allocated to the distribution provisions.

1.2 Reproduction & online rights

With regard to works of fine art, VG Bild-Kunst grants reproduction, distribution, online and performance rights to users, notably publishers and museums.

Mandate

Mandate professional groups I and II: § 1 nos. 1.1, 1.8, 1.10, 1.12, 1.17, 1.18, 1.22 and no. 2

Collection sources

VG Bild-Kunst has published tariffs for reproduction and online rights. On this basis, VG Bild-Kunst licenses uses in Germany itself. Alongside this, general agreements exist, notably with the Börsenverein des Deutschen Buchhandels (German book trade association) and the Deutscher Museumsbund (German museum association). Further general agreements from other areas also partially include online rights in addition (e.g. in connection with resale rights or broadcasting rights).

Uses abroad are administered by the sister societies of VG Bild-Kunst, who forward remunerations for VG Bild-Kunst members to VG Bild-Kunst.

Basis of distribution

Proceeds are paid out to beneficiaries via the “Fine arts/image Individual” distribution line, see § 23 of the distribution plan. When granting licenses, the name of the right holder is known. Hence, usually no non-distributable income arises.

2021 income

A total of 3,626k EUR was received in 2021, i.e. 625k EUR less than in the previous year. Domestic proceeds decreased by 91k EUR, and the proceeds VG Bild-Kunst receives from abroad decreased by 535k EUR. There were also slight changes due to the value adjustments for outstanding receivables.

Media control supplements were not realised due to the pandemic, whereas in the previous year these were 87k EUR.

Netting (interest, deductions, allocations)

The deductions for administrative costs on intrayear proceeds for 2021 are set at 18 percent for direct and 15 percent
for indirect proceeds. The regular average cost rate for the fiscal year is 13.64 percent for direct and indirect proceeds.

The total revenues of 4,239k EUR are offset by administrative costs of 578k EUR. The allocation from the distributions to Stiftung Sozialwerk amounts to 113k EUR and to Stiftung Kulturwerk 29k EUR. In addition, pro rata negative interest in the amount of 35k EUR is to be deducted. An amount of 3,626k EUR was allocated to distribution provisions.

1.3 Broadcasting rights
VG Bild-Kunst grants German public television broadcasting companies the broadcasting rights for the use of works of fine art on a flat-rate basis. Usages by private broadcasters are licensed according to the published tariff.

Mandate
Mandate professional groups I and II: § 1 no. 1.22

Collection sources
VG Bild-Kunst has concluded a general agreement with ARD, valid from 2020, and an individual flat-rate contract with ZDF is in place, effective from 2019. The contract with Deutsche Welle has not been terminated and continues in place.

Basis of distribution
§ 24 of the distribution plan applies, which governs the distribution line “Fine arts broadcasting”. Usages of the works on television and in media libraries are determined by VG Bild-Kunst independently from representing rights. For works by unknown artists, an individual, three-year maximum research is carried out, in conjunction with the offer of retroactive payment. Non-distributable income increases the distribution sum for the year in question after a period of five years.

2021 income
On the basis of the flat-rate agreements concluded, income amounts to 748k EUR and is thus unchanged compared to the previous year.

Netting (interest, deductions, allocations)
The deductions for administrative costs on intrayear proceeds for 2021 are set at 18 percent for direct and 15 percent for indirect proceeds. The regular average cost rate for the fiscal year is 13.64 percent for all proceeds. Negative interest amounts to 6k EUR, proportionate administrative costs to 102k EUR. In addition, there were allocations to Stiftung Sozialwerk of 30k EUR and to Stiftung Kulturwerk of 5k EUR. An amount of 640k EUR was allocated to distribution provisions.
1.4 Income for frozen images

This section covers proceeds relating to frozen images, i.e. works of fine art, photography, illustration and design, along with photographic images. These proceeds are based on the one hand on statutory claims to remuneration and on the other – for the reading clubs – on licenses.

The trend in proceeds is shown in the following sections 1.4.1 to 1.4.4 and 1.4.6. Since the incomes from the various areas are processed together and paid out together in accordance with the distribution lines defined in the distribution plan, the cost accounting results in total values, shown in Section 1.4.5.

1.4.1 Reprography device levy

Since the amendment of the law of 01 January 2008, the reprography device levy follows from the general statutory permission for private copying pursuant to §§ 54 ff. UrhG. It relates to devices that exclusively copy text and images, such as printers and multifunction printers.

Mandate

Mandate professional groups I and II: § 1 no. 1.6

Collection sources

VG Bild-Kunst maintains a representation agreement with VG Wort and the CMOs VG Wort and VG Bild-Kunst have concluded a collection agreement with BITKOM. The collection managed by VG Wort is divided between VG Wort and VG Bild-Kunst on the basis of empirical studies on individual device types.

In addition, VG Bild-Kunst receives funds from reprography levies from abroad.

Basis of distribution

The income from the reprography levy for the usage year 2021 is divided up in accordance with § 21 of the distribution plan to the distribution lines “Book copyright”, “Book publisher”, “Periodical copyright”, “Periodical publisher” and “Websites”. In each case, device-specific distribution quotas are defined, based on the results of empirical studies.

Income for the usage year 2020 and earlier years are divided up in accordance with §§ 28, 29, 32 and 33 of the distribution plan in the version applicable until 31 December 2020, to the distribution lines “Fine arts analogue”, “Fine arts digital”, “Image analogue” and “Image digital”.

The distributions for all usage years are made on the basis of beneficiary claims. For works of fine art, they are additionally made on the basis of own VG Bild-Kunst data, which it has obtained through its issuing of licences. A share of the distribution is paid as a lump sum transferred to the sister societies for copies of foreign publications in Germany and of foreign websites.

Because of the notification-based distribution system, there is no non-distributable income.
2021 income

The total proceeds for reprography device levies in the 2021 financial year totals 8,850k EUR, compared to 13,095k EUR in the previous year. It should be noted here, however, that in the previous year it was possible to repay liabilities of 5,960k EUR, and that this resulted in a one-off effect. With this effect stripped out, the 2021 financial year produces an increase of 1,714k EUR for the actual device levies. A total of 6,394k EUR was realised for multifunction devices (+1,098k EUR), 9k EUR for fax devices (+/− 0k EUR), 444k EUR for scanners (+149k EUR) and 896k EUR for printers (−119k EUR). As in the previous year, VG Wort realised back payments for PCs for usage years 2001–2007, of 1,107k EUR (+586k EUR).

1.4.2 Operator levy

As a compensation for the permission-free copying of text and images, and in addition to the reprography device levy, pursuant to § 54c UrhG beneficiaries also receive remuneration from institutions such as universities, libraries or copy shops that provide such devices.

Mandate

Mandate professional groups I and II: § 1 nos. 1.6, 1.8, 1.9, 1.14, 1.15 and 1.16

Collection sources

The collection for the operator levy is similarly operated for VG Bild-Kunst via VG Wort. The two CMOs have concluded various general agreements with user associations, and contracts with the adult education centres and the Catholic and Protestant churches. In respect of schools, the ZFS (Zentralstelle Fotokopieren an Schulen) collects the levies; this is a consortium involving VG Bild-Kunst, VG Musikedition and VG Wort (the lead partner). In addition, VG Bild-Kunst receives monies from abroad from the operator levy.

Basis of distribution

The proceeds from the operator levy for the usage year 2021 are divided up in accordance with § 21 of the distribution plan to the distribution lines “Book copyright”, “Book publisher”, “Periodical copyright”, “Periodical publisher” and “Websites”.

Income for the usage year 2020 and earlier years are divided up in accordance with §§ 28, 29, 32 and 33 of the distribution plan in the version applicable until 31 December 2020, to the distribution lines “Fine arts analogue”, “Fine arts digital”, “Image analogue” and “Image digital”.

The distributions for all usage years are made on the basis of beneficiary claims. For works of fine art, they are additionally made on the basis of own VG Bild-Kunst data, which it has obtained through its issuing of licences. A share of the distribution is paid as a lump sum transferred to the sister societies for copies of foreign publications in Germany and of foreign websites.

Because of the notification-based distribution system, there is no non-distributable income.
2021 income

For operator levies, a total of 712k EUR was received, which corresponds to 93k EUR more than in the previous year. The revenue that VG Bild-Kunst received through the major operator levy in 2021 included 58k EUR from universities, 194k EUR from copy shops, 129k EUR from retailers and 154k EUR from other educational institutions. For the first time, proceeds of 67k EUR were realised from the churches sector. Under these items, a total of 602k EUR was realised.

The income for copies on demand has been declining for years and amounted to 64k EUR in the 2021 financial year, which corresponds to 14k EUR less than in the previous year. The account is similarly settled by VG Wort.

Foreign sister societies have transferred a total of 46k EUR, compared to 126k EUR in the previous year. These proceeds are posted against the operator levy, even if in part they originate from foreign device levies. The reason for this lies in the lack of differentiation by the sister societies. However, this does not affect the distribution by VG Bild-Kunst.

ZFS, operated by VG Wort, administers the school copying revenue. In 2021 VG Bild-Kunst received 1,314k EUR, i.e. 65k EUR more compared to the previous year.

1.4.3 Press review royalties

For analogue or digital press reviews, the reproduction and distribution of images is possible without permission. However, the beneficiaries must be paid a compensation for this in accordance with § 49 no. 1 UrhG.

Mandate

Mandate professional groups I and II: § 1 no. 1.7

Collection sources

For paper press review royalties, collection is operated for VG Bild-Kunst by VG Wort. The claim to remuneration for electronic press review royalties is asserted by VG Bild-Kunst itself.

Basis of distribution

The proceeds for press review royalties for the usage year 2021 are allocated entirely to the distribution line "Periodicals copyright", in accordance with § 21 no. 7 of the distribution plan.

Proceeds for the usage year 2020 or earlier are divided up in accordance with §§ 30 and 34 of the distribution plan in the version applicable up to 31 December 2020 to the distribution lines “Press review royalties fine arts” and “Press review royalties image”.

The distributions for all usage years are made on the basis of beneficiary claims. Because of the notification-based distribution system, there is no non-distributable income.

2021 income

In the 2021 financial year, a total of 371k EUR was generated, which corresponds to 19k EUR more compared to the previous year. The use of analogue press review royalties has been declining for years. Noting that proceeds from digital press review royalties have been increasing in recent years, they increased again in the 2021 financial year, by 19k EUR.

A total of 11k EUR was generated for print products, compared to 17k EUR in the previous year.

For digital products by individual agreement, agreements are in place with Presse-Monitor Deutschland GmbH and Landau Media. The proceeds in 2021 amount to a total of 360k EUR, compared to 335k EUR in the previous year.
1.4.4 Reading clubs

The rental right is regulated in § 17 no. 3 UrhG. As a right of prohibition, in the image sector, it is available either to the creator of the work or to an exploiter, e.g. a publisher, if the creator has transferred it to the latter.

Mandate

Mandate professional groups I and II: § 1 no. 1.5 Alt. 1

Collection sources

VG Bild-Kunst and VG Wort have concluded a general agreement with Verband Deutscher Lesezirkel e.V. (VDL), via which the settlement of portfolios of magazines is regulated. VG Bild-Kunst handles collection here for VG Wort, with VDL collecting the royalties from those due to pay them and forwarding them to VG Bild-Kunst.

Basis of distribution

The proceeds for the usage year 2021 are allocated entirely to the distribution line "Periodicals copyright", in accordance with § 21 no. 7 of the distribution plan. Proceeds for the usage year 2020 and earlier years are distributed similarly to the proceeds for press review royalties. The distributions for all usage years are made on the basis of beneficiary claims. Because of the notification-based distribution system, there is no non-distributable income.

2021 income

The proceeds for the 2021 financial year were 45k EUR, which is down 17k EUR on the previous year.

1.4.5 Netting (interest, deductions, allocations)

Since the proceeds for the frozen image are distributed in various distribution lines, no consistent deduction rates can be presented for the revenue sources shown in the preceding sections. Rather, these are shown for each distribution line.

The administrative cost deductions are set at 7 percent for intrayear direct and 5 percent for intrayear indirect proceeds. The regular average cost rate for the fiscal year is 4.84 percent for all stated proceeds. Allocations to the Stiftung Sozialwerk and Stiftung Kulturwerk from the proceeds for 2021 will only be made when these are distributed in 2022.

2021 proceeds: Book copyright line

Total proceeds for the Book copyright line total 1,653k EUR. The deductible negative interest amounts to 14k EUR, and proportionate administrative costs to 80k EUR. An amount of 1,560k EUR is allocated to the distribution provisions.

2021 proceeds: Book publisher line

Total proceeds for the Book publisher line total 453k EUR. This is offset by administrative costs of 22k EUR and negative interest of 4k EUR. The allocation to the distribution provisions is 764k EUR.

2021 proceeds: Periodicals copyright line

The proceeds for the Periodicals copyright line for 2021 are 1,530k EUR. This is offset by 74k EUR for administrative costs and 13k EUR for negative interest, with the result that 1,443k EUR is transferred to the distribution provisions.

2021 proceeds: Periodicals publisher line

For the Periodicals publisher sector, 65k EUR was realised. After deducting 22k EUR for administrative costs and 4k EUR for interest, 62k EUR is left for distribution.

2021 proceeds: Websites copyright line

The proceeds for the Websites copyright line for 2021 are 1,931k EUR. This is offset by 93k EUR for administrative costs and 16k EUR for negative interest, with the result that 1,822k EUR is transferred to the distribution provisions.
1.4.6 Other income

Currently VG Bild-Kunst earns no income for the rights and claims to remuneration for the rights governed by § 1 nos. 1.11 and 1.13 of the Mandate professional groups I and II.

A collection is actively in preparation for the rights and claims to remuneration governed by § 1 nos. 1.19 to 1.21 and is anticipated in future.

Proceeds for 2020 and earlier: Art distribution line

Proceeds for earlier usage years were realised in the 2021 financial year. Of these, 814k EUR relates to the fine arts distribution lines. This is offset by negative interest of 7k EUR and administrative costs of 43k EUR. As a result, 764k EUR is allocated to distribution provisions.

Proceeds for 2020 and earlier: Image distribution line

For the image sector, 3,740k EUR was collected for usage years prior to 2021. After deducting 181k EUR for administrative costs and 31k EUR for interest, 3,528k EUR remains as distribution provisions.

Proceeds 2001–2007 – Distribution plans VP 6 and VP 7 as amended on 11 July 2018

The income results from negotiations by VG Wort for the PC, and total 1,107k EUR for usage years 2001 to 2007. Administrative costs of 54k EUR and 9k EUR for negative interest are to be deducted from these proceeds. The remaining sum, of 1,044k EUR, is allocated 50%–50% to the distribution provisions for distribution plans 6 – Copying royalties and 7 – Reprographics remuneration digital.
2. Income for the whole visual sector

This section describes income mainly from statutory remuneration claims which relate to both image and film and thus benefit members of all professional groups of VG Bild-Kunst. This refers to public lending rights (2.1), income from intranet use for educational purposes (2.2), cable retransmission (2.3), and the private copying levy (2.4).

2.1 Public lending royalties

According to § 17 no. 2 UrhG, it is permitted to lend works after these have been put on the market. If the lending is carried out by an institution accessible to the public, beneficiaries shall be entitled to a claim to remuneration pursuant to § 27 no. 2 UrhG. This and the claim to remuneration for electronic reading stations in libraries (§§ 60e no. 4, 60h UrhG) are summarised here under “Public lending rights”.

Mandate

Mandate professional groups I and II: § 1 nos. 1.5 Alt. 2 and 1.8

Mandate professional group III: § 1 nos. 1.3 and 1.12

Collection sources

Collection is handled by the ZBT (Zentralstelle Bibliotheksstandorte), a consortium of eight collecting societies with VG Wort as the lead partner. VG Bild-Kunst has transferred the collection for electronic reading stations to VG Wort.

Basis of distribution

The proceeds of the public lending rights for the usage year 2021 are divided up in accordance with § 21 of the distribution plan to the distribution lines “Book copyright”, “Book publisher”, “Periodicals copyright”, “Periodicals publisher” and “Collective rights film (TV)”.

Proceeds for the 2020 usage year and for earlier years are divided up in accordance with §§ 25, 26 and 38 of the distribution plan in the version applicable up to 31 December 2020 to the distribution lines “Public lending rights fine arts”, “Public lending rights image” and “Private copying royalties film”.

In the frozen image distribution lines, the payout is entirely based on claims. Therefore no non-distributable income arises. In the film distribution lines, the payout is partly based on use, and for that reason non-distributable income may arise for film works for which VG Bild-Kunst is unable to research the beneficiaries. At the end of five years, this income is paid out in a final distribution to the beneficiaries who had received a payout.
2021 income

In the 2021 financial year, total revenue decreased by 104k EUR to 936k EUR. Proceeds from Germany were 921k EUR, compared to 923k EUR in the previous year. The domestic revenue is made up of income from the image sector of 576k EUR and of income from the film sector of 345k EUR. A total of 15k EUR was received from abroad, which is fully attributable to the audiovisual sector; in the previous year, that figure was 117k EUR. VG Bild-Kunst has no influence on the timing and amount of these payments.

2.2 Intranet use for educational purposes

§§ 60a, 60c UrhG permit the use of protected works to a limited extent, including on digital learning/teaching platforms in the educational sector (e-learning). § 60a UrhG provides for a claim to remuneration as compensation for beneficiaries.

Mandate

Mandate professional groups I and II: § 1 nos. 1.8 and 1.15
Mandate professional group III: § 1 nos. 1.12 and 1.13

Collection sources

The ZBT administers the claim to remuneration for digital learning/teaching platforms in schools and has concluded a general agreement with the Federal states. For learning platforms at universities, VG Bild-Kunst has concluded a remuneration agreement with the Federal states, including on behalf of six collecting societies (not including VG Wort).

Basis of distribution

The proceeds for intranet use for educational purposes for the usage year 2021 are divided up in accordance with § 21 of the distribution plan to the distribution lines “Book copyright”, “Book publisher”, “Periodicals copyright”, “Periodicals publisher”, “Websites” and “Collective rights film (TV)”. Proceeds for the 2020 usage year and for earlier years are divided up in accordance with §§ 29, 33 and 38 of the distribution plan in the version applicable up to 31 December 2020 to the distribution lines “Fine arts digital”, “Image digital” and “Private copying royalties film”.

In the frozen image distribution lines, the payout is entirely based on claims. Therefore no non-distributable income arises. In the film distribution lines, the payout is partly based on use, and for that reason non-distributable income may arise for film works for which VG Bild-Kunst is unable to research the beneficiaries. At the end of five years, this income is paid out in a final distribution to the beneficiaries who had received a payout.

2021 income

In the 2021 financial year, a total of 9,297k EUR was generated for the education sector, which corresponds to 7,048k
EUR more compared to the previous year. This increase is due to new ZBT contracts for the schools sector.

VG Bild-Kunst is responsible for the processing in relation to the universities sector, including for all other participating collecting societies, except for VG Wort, for which only the screenplay sector is taken into account. In the 2021 financial year, VG Bild-Kunst received proceeds of 1,406k EUR in total, compared to 2,249k EUR in the previous year. The decrease is due to the fact that the figure for the previous year includes additional income for earlier years.

For learning/teaching platforms for schools, the execution is administered by ZBT. In the 2020 financial year, VG Bild-Kunst did not receive any payments because ZBT shareholders had not yet approved a distribution scheme for the collection generated under a new contract. This was achieved in the 2021 financial year, and income totalling 7,892k EUR was realised for all "open earlier years".

2.3 Cable retransmission

VG Bild-Kunst exercises the cable retransmission right for its members of professional groups I and II pursuant to § 20b no. 1 UrhG, and for its members of the professional group III the corresponding claim to remuneration pursuant to § 20b no. 2 UrhG. (Cable) retransmission is the simultaneous, unaltered and complete retransmission of a radio programme by cable companies or retransmission services.

Mandate

Mandate professional groups I and II: § 1 nos. 1.2 and 1.23
Mandate professional group III: § 1 nos. 1.2, 1.6, 1.16 and 2.2

Collection sources

VG Bild-Kunst, as a member of the "Munich Group", a consortium of nine collecting societies with GEMA as the lead partner, and as part of the ARGE Kabel cable working group, asserts its rights and claims regarding (cable) retransmission in Germany to private households.

VG Bild-Kunst permits (cable) retransmission in Germany to certain establishments (notably hotels, hospitals and old people’s homes) to be licensed via the ZWF (Zentralstelle für die Wiedergabe von Fernsehsendungen, the central organization for the reproduction of television broadcasts), of which VG Bild-Kunst is the current lead partner.

VG Bild-Kunst receives proceeds from foreign cable retransmission from its sister societies.

Basis of distribution

The proceeds for cable retransmission for the usage year 2021 are divided up in accordance with § 21 of the distribution plan to the distribution lines “Retransmission fine arts/image” and “Collective rights film (TV)”. Proceeds for the 2020 usage year and for earlier years are divided up in accordance with §§ 31, 35 and 37 of the distribution plan in the version applicable up to 31 December 2020 to the distribution lines “Cable retransmission fine arts”, “Cable retransmission image” and “Cable retransmission film”.

In the frozen image distribution lines, the payout is entirely based on claims. Therefore no non-distributable income arises. In the film distribution lines, the payout is partly based on use, and for that reason non-distributable income may
arise for film works for which VG Bild-Kunst is unable to research the beneficiaries. At the end of five years, this income is paid out in a final distribution to the beneficiaries who had received a payout.

2021 income
VG Bild-Kunst generated a total of 10,498k EUR for cable retransmission in 2021, with 788k EUR for fine arts and image, and 9,710k EUR for film. Total income has increased by 2,630k EUR compared to the previous year.

A total of 5,879k EUR was received from Germany, which is 958k EUR more compared to the previous year’s figure of 4,921k EUR. For 2021, the share for frozen image amounts to 520k EUR, which is a slight increase of 75k EUR compared to the previous year. The share for film in 2021 amounts to 5,360k EUR and is thus 883k EUR more than in the previous year.

VG Bild-Kunst receives income for retransmission to private households via GEMA and ARGE Kabel. In the 2021 financial year, proceeds were 4,099k EUR, which is 241k EUR more than the previous year. Of this amount, 380k EUR relate to frozen image and 3,719k EUR to film.

VG Bild-Kunst receives the income for retransmission by establishments via the ZWF. In 2021, total proceeds via ZWF total 1,781k EUR, compared to 1,065k EUR in the previous year, in which additional revenues for past periods were contributed. The image share is 140k EUR and the film share is 1,641k EUR.

In addition, VG Bild-Kunst receives proceeds from abroad. A total of 4,619k EUR was allocated to VG Bild-Kunst from abroad, i.e. 1,672k EUR more compared to the previous year. Proceeds in the image sector increased by 136k EUR to 268k EUR. VG Bild-Kunst received most of the 2021 proceeds from the Netherlands, Belgium and Austria.

For film, foreign revenues increased by 1,536k EUR to a total of 4,350k EUR. However, the income reaches VG Bild-Kunst on an irregular basis. VG Bild-Kunst similarly receives the highest payments for film from neighbouring countries, e.g. Denmark (1,346k EUR), Switzerland (1,128k EUR), Austria (557k EUR) and France (568k EUR). Differences in the incoming payments are due to differences in the invoiced periods of usage.

2.4 Private copying levy
Before the amendment of the law on 01 January 2008, the law historically distinguished between a “reprography levy” to compensate for the copying of images and text and a levy to compensate for the copying of music and film. Today, all claims fall under § 54 UrhG. There are still pure reprographic devices (see section 1.4.1 above), but no devices that can only copy music and films. All devices and storage media that are not reprographic devices can be used to copy frozen images and frozen text, music and films.

Mandate
Mandate professional groups I and II: § 1 no. 1.6
Mandate professional group III: § 1 nos. 1.4, 1.5 and 1.11

Collection sources
The claims for copying images, text, music and films using devices and storage media are administered by the ZPÜ (Zentralstelle für private Überspielungsrechte, the central organisation for private copying rights), a consortium of nine collecting societies.

Up until 2016, proceeds could only be realised via general agreements with manufacturer associations for PCs, tablets and mobile phones. In the years after that, further general agreements were concluded for external burners, blank CD/DVDs, hard disks, USB sticks / memory cards, blank media, entertainment electronics devices and smart watches. For all devices, the usage years from 2008 onwards were remunerated and resulted in corresponding one-off effects, depending on the timing of the relevant general agreements.

Basis of distribution
The proceeds for the private copying levy for the usage year 2021 are divided up in accordance with § 21 of the distribution plan to the distribution lines “Book copyright”, “Book publisher”, “Periodicals copyright”, “Periodicals publisher”, “Websites” and “Collective rights film (TV)”.

Proceeds for the 2020 usage year and for earlier years are divided up in accordance with §§ 28, 29, 32, 33 and 38 of the distribution plan in the version applicable up to 31 December 2020 to the distribution lines “Fine arts analogue”, “Fine arts digital”, “Image analogue”, “Image digital” and “Private copying royalties film”.


The payouts for all years of usage in the frozen image sector are made on the basis of claims by the beneficiaries. For works of fine art, they are additionally made on the basis of own VG Bild-Kunst data, which it has obtained through its issuing of licences. A share of the distribution is transferred to the foreign sister societies for copies of foreign publications in Germany and of foreign websites. There is no non-distributable income.

In the film distribution lines, the payout is partly based on use, and for that reason non-distributable income may arise for film works for which VG Bild-Kunst is unable to research the beneficiaries. At the end of five years, this income is paid out in a final distribution to the beneficiaries who had received a payout.

2021 income

Total income for 2021 totals 23,755k EUR and is thus 47,481k EUR lower than in the previous year. The background to this is that in the previous year significant payments by the ZPÜ for new devices and usages for 2008–2018 were received, as a one-off effect. Conversely, the proceeds via the ZPÜ for the 2021 financial year relate exclusively to the usage year 2020.

Domestic proceeds comprise the stated income contributed via the ZPÜ, totalling 22,097k EUR in the 2021 financial year. The proceeds for the fine arts and image sector amount to a total of 11,787k EUR and consist of proceeds for PCs (5,611k EUR), mobile communications (4,268k EUR), tablets (744k EUR), burners, blank disks and hard disks (467k EUR) and for USB sticks and memory cards (697k EUR).

Revenue in the film sector totalled 10,310k EUR, including 3,853k EUR for PCs, 2,250k EUR for mobile communications, 997k EUR for tablets, 558k EUR for burners, blank disks and hard disks, 256k EUR for USB sticks and memory cards, 1k EUR for MP4 players and 2,397k EUR for TV recording devices. Additional income for advertising film authors totalling 331k EUR was generated and contributed via the TWF.

With the private copying levy, VG Bild-Kunst only receives foreign income for film. In 2021, this amounted to 1,327k EUR, compared to 2,727k EUR in the previous year. We receive payments from abroad irregularly and for different years of usage. Notable payments were received from Austria (462k EUR), Switzerland (316k EUR) and France (184k EUR). Total proceeds are divided into payments for authors of 3,116k EUR (2,644k EUR in the previous year), and for producers of 13k EUR (84k EUR in the previous year).

2.5 Netting (interest, deductions, allocations)

Since the proceeds for the frozen image are distributed in various distribution lines, no consistent deduction rates can be presented for the revenue sources shown in the preceding sections. Rather, these are shown for each distribution line.

The deductions for administrative costs for intrayear proceeds are currently set at 7 percent for direct proceeds and 5 percent for indirect proceeds. The regular average cost rate for the 2021 financial year for all named proceeds in the fine arts and image sector is 4.84 percent and for the film sector 5.18 percent. It is only in the fine arts/image retransmission sector that the average rate is 7.87 percent. Allocations to the Stiftung Sozialwerk and Stiftung Kulturwerk from the 2021 proceeds will only be made with their payout in 2022.

2021 proceeds: Book copyright line

Total proceeds for the Book copyright line are 1,560k EUR. The attributable negative interest amounts to 13k EUR, proportionate administrative costs to 75k EUR. An amount of 1,472k EUR was allocated to the distribution provisions.

2021 proceeds: Book publisher line

Total proceeds of 427k EUR were realised for the Book publisher line. Administrative costs of 21k EUR and negative interest of 4k EUR are to be deducted. The allocation to the distribution provisions is 403k EUR.

2021 proceeds: Periodicals copyright line

Proceeds for the Periodicals copyright line for 2021 total 1,008k EUR. From this, 49k EUR is deducted for administrative costs and 8k EUR for negative interest, leaving 951k EUR to be allocated to the distribution provisions.

2021 proceedings: Periodicals publisher line

121k EUR was realised for the Periodicals publisher sector. After deducting 6k EUR for administrative costs and 1k EUR for negative interest, 115k EUR remains for distribution.

2021 proceeds: Websites copyright line

The proceeds for 2021 for the Websites copyright line are 1,368k EUR. Administrative costs of 66k EUR and negative
interest of 11k EUR are to be deducted, leaving 1,291k EUR to be allocated to the distribution provisions.

2021 proceeds: Fine arts/image retransmission line
788K EUR was realised for the fine arts/image retransmission line. After deducting 62k EUR for administrative costs and 6k EUR for negative interest, 720k EUR is allocated to the distribution provisions.

2021 proceeds: Collective rights film (TV) line
Total proceeds for the film sector were 764k EUR. From this 6k EUR is deducted for negative interest and 50k EUR for administrative costs, leaving 718k EUR for the distribution provisions.

Proceeds for 2020 and earlier: Fine arts distribution line
For the fine arts sector prior to 2021, 6,049k EUR was realised. From this 293k EUR is to be deducted for administrative costs and 50k EUR for negative interest. This leaves 5,707k EUR for the distribution provisions.

Proceeds for 2020 and earlier: Image distribution lines
For usages years prior to 2021, 10,057k EUR was collected for the image sector. After deducting 486k EUR for administrative costs and 83k EUR for negative interest, 9,488k EUR is left as the distribution provisions.

Proceeds for 2020 and earlier: Film distribution lines
The proceeds for the film distribution lines total 22,344k EUR. From this, negative interest of 181k EUR is deducted, along with administrative costs of 1,157k EUR. That leaves 21,005k EUR for the distribution reserves.
3. Proceeds for film works

This section relates to income that exclusively refers to the film industry and thus the members of professional group III, i.e. video rental (3.1), foreign proceeds (3.2), revenues from § 137 i no. 5 UrhG (3.3) and other proceeds (3.4).

3.1 Video rental

§ 27 no. 1 UrhG provides for a claim to remuneration for the rental of audiovisual media.

Mandate

Mandate professional group III: § 1 no. 1.3

Collection sources

VG Bild-Kunst has transferred collection to the ZVV (Zentralstelle für Videovermietung, central office for video rental), where GEMA is the lead partner.

Basis of distribution

The proceeds for video rental for the usage year 2021 are divided up in accordance with § 21 of the distribution plan to the distribution lines “Collective rights film (TV)” and “Cable retransmission fine arts/image”.

Proceeds for the 2020 usage year and for earlier years are divided up in accordance with §§ 31, 35 and 38 of the distribution plan in the version applicable up to 31 December 2020 to the distribution lines “Cable retransmission fine arts”, “Cable retransmission image” and “Private copying remuneration film”.

19 k EUR total income for the rental of audiovisual media, an increase of 8 k EUR compared to the previous financial year 2020 although this revenue stream exhibits a negative trend overall.
The payouts for all years of usage in the frozen image sector are made on the basis of claims by the beneficiaries. There is no non-distributable income.

In the film distribution lines, the payout is partly based on use, and for that reason non-distributable income may arise for film works for which VG Bild-Kunst is unable to research the beneficiaries. At the end of five years, this income is paid out in a final distribution to the beneficiaries who had received a payout.

2021 income

In the 2021 financial year, VG Bild-Kunst generated total proceeds of 19k EUR, which corresponds to an increase of 8k EUR compared to the previous year although this revenue stream exhibits a negative trend overall.

Netting (interest, deductions, allocations)

The administrative costs amount to 1k EUR, with effectively no negative interest charges. There are no deductions for the foundations. An amount of 18k EUR is allocated to the distribution provisions.

3.2 Foreign proceeds

The film authors in professional group III generally transfer their primary rights to the film producers, with the result that VG Bild-Kunst only asserts certain statutory claims to remuneration, notably for private copying and (cable) retransmission. In other countries, e.g. in France, Italy or Spain, there are more extensive (direct) claims to remuneration benefiting film authors, particularly in the broadcasting sector. VG Bild-Kunst therefore allows these claims to be transferred by its beneficiaries for asserting via its sister companies. When film works of the members of VG Bild-Kunst are used abroad, the corresponding royalties can therefore be passed on to the beneficiaries via VG Bild-Kunst.

Mandate

Mandate professional group III: § 1 no. 2

Collection sources

VG Bild-Kunst receives income from abroad from its sister societies, mainly from its Italian sister society SIAE.

Basis of distribution

Proceeds are distributed to beneficiaries via the distribution line “Film Individual”, see § 25 of the distribution plan. When granting licenses, the name of the right holder is known. Hence, usually no non-distributable income arises.

2021 income

In the 2021 financial year, VG Bild-Kunst received a total of 402k EUR via foreign sister societies, i.e. 575k EUR less compared to the previous year. The fluctuations result from different accounting cycles and the combination of different usage periods by the sister societies.

VG Bild-Kunst received 301k EUR from Italy (SIAE) (927k EUR in the previous year), 97k EUR from France (SCAM) in 2021 (43k EUR in 2020). In addition, further smaller sums totalling 4k EUR were received.

Netting (interest, deductions, allocations)

Negative interest of 3k EUR and administrative costs of 21k EUR are deductible. 378k EUR in total is allocated to the distribution provisions.
3.3 Revenues from § 137 I no. 5 UrhG

For film works produced between 1966 and 2008, the film authors could not transfer primary rights for unknown types of usage to the producers. In 2008, the law ordered a statutory subsequent acquisition by the respective exploiter and in return granted the authors a claim to remuneration, administered by VG Bild-Kunst for film authors.

3.4 Other proceeds

Currently, VG Bild-Kunst realises no proceeds for the rights and claims to remuneration set out in § 1 nos. 1.7, 1.8 and 1.10 of the mandate professional group III.

Collection is in active preparation for the rights and claims to remuneration detailed in § 1 nos. 1.9, 1.14 and 1.15 and is expected in future.
4. Other non-copyright-related income

VG Bild-Kunst manages the business of the ZWF (Zentralstelle für die Wiedergabe von Fernsehsendungen, the central organisation for the reproduction of television broadcasts) and receives a remuneration for this. In 2021, this commission amounted to 291k EUR, compared to 174k EUR in the previous year.

The same applies to the administration of income under §§ 60a, 60c, 60h UrhG with regard to digital learning platforms at universities. The commission in the 2021 financial year was 26k EUR, compared to 19k EUR in the previous year.

VG Bild-Kunst receives cost reimbursements from Stiftung Sozialwerk and Stiftung Kulturwerk due to shared-use office space and the joint use of equipment, but also for internal invoicing of mutual services. VG Bild-Kunst received 73k EUR from Stiftung Sozialwerk, compared to 75k EUR in the previous year. The figure for Stiftung Kulturwerk is 117k EUR, compared to 118k EUR in the previous year. In the 2021 financial year, Stiftung Kulturwerk awarded Federal funding as part of the “NEUSTART Kultur” programme. For that reason, additional services for a total of 136k EUR were procured from VG Bild-Kunst.

Due to the extremely unfavourable finance market situation and the obligation to keep income gilt-edged and available, it was again no longer possible to achieve a positive interest rate in the 2021 financial year. The interest result in 2021, including interest on pension provisions, amounts to −554k EUR.

VG Bild-Kunst did not generate any other income in the broader sense that is not related to non-copyright-related income in the 2021 financial year.

The fees for services to third parties are netted with the costs arising for this. Interest increases and negative interest lowers the revenues arising for them.
C. Deductions and administrative costs

−1,000

k EUR cost reduction compared to the previous year.
Administrative costs in the 2021 financial year amount to a total of 4,379k EUR, compared with 5,352k EUR in the previous year. Despite this reduction in costs, the average rate for administrative costs rose from 4.88 percent in 2020 to 6.48 percent in 2021, an effect of the strong downturn in proceeds.

1. Cost breakdown

The costs in the individual lines developed as shown in the 2021 financial year (figures for the previous year in brackets):
- Staff costs: 3,774k EUR (3,574k EUR)
- Cost of materials: 2,451k EUR (2,214k EUR)
- Depreciation: 697k EUR (114k EUR)
- Interest, taxes, other operating expenses: 565k EUR (410k EUR)

The depreciation figure has increased notably, by 583k EUR. The background to this is that the investments made in the past in IT and software are being used live on a modular basis and are carried as assets, spread over five years. The changes in the other expense items are moderate in scale. The key aspect for the overall reduction in administrative costs is that a total of 1,727k EUR of non-distributable claims was able to be used to reduce costs, as a one-off effect.

<table>
<thead>
<tr>
<th>Other income</th>
<th>2020</th>
<th>2021</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>- 3,574</td>
<td>- 3,774</td>
<td>+ 200</td>
</tr>
<tr>
<td>Cost of materials (other expenses)</td>
<td>- 2,214</td>
<td>- 2,461</td>
<td>+ 237</td>
</tr>
<tr>
<td>Depreciation</td>
<td>- 114</td>
<td>- 697</td>
<td>+ 583</td>
</tr>
<tr>
<td>Total costs</td>
<td>- 5,352</td>
<td>- 4,379</td>
<td>+ 973</td>
</tr>
</tbody>
</table>
Stiftung Kulturwerk was able to award a total of 1,397k EUR in grants, which is a plus of 15.75 % compared to the previous year.
The foundation council is identical to the honorary Executive Board of VG Bild-Kunst and consisted of Frauke Ancker, Werner Schaub and Jobst Christian Oetzmann in 2021. The speaker of the Executive Board was Werner Schaub.

The foundation capital at the beginning of 2021 amounts to 9,301k EUR, and no donations were made in the 2021 financial year. The foundation capital therefore remains unchanged at the end of the 2021 financial year.

In 2021, Stiftung Kulturwerk was able to award a total of 1,397k EUR in grants, i.e. 220k EUR more compared to the previous year. In this context, the coronavirus pandemic made it more difficult to hold meetings of the Advisory Committees, as in the previous year, and meetings were largely held as “virtual” meetings.

449k EUR of the total amount of 1,397k EUR is accounted for by 17 funding projects in professional group I, while an additional 66k EUR was awarded for 10 publication funding projects. In the case of professional group II, 517k EUR was awarded for 129 funding projects and an additional 98k EUR for 16 publication funding projects. For professional group III, 26 projects were funded for a total of 268k EUR.

At 220k EUR, operating expenses increased slightly, by 27k EUR. These include 25k EUR for statutory expenses, 5k EUR for third-party services and 146k EUR for office operations. In addition, 44k EUR is incurred as interest expense.

The expenses are divided between professional group I (50k EUR), professional group II (140k EUR) and professional group III (31k EUR).

The allocation received from VG Bild-Kunst to the reserves under the articles of the statute, i.e. the grants, increased by 21k EUR to 1,899k EUR in 2021 (compared to 1,878k EUR in 2020). The allocations are a result of distributions for the 2021 financial year. The respective effective percentages apply, determined by the General Assembly. In addition, 2k EUR in other operating income, notably from donations, was collected.

In addition to the normal activities of the Stiftung Kulturwerk, as part of the Federal government’s “NEUSTART Kultur” programme, in this case via the Federal Government’s Commissioner for Culture and the Media (BKM), grants totalling 14,560k EUR to 2,912 applicants were approved. The costs for granting the Federal funds are netted as part of the project.
a total of 566k EUR was approved for payments to persons in need in 2021 by the Stiftung Sozialwerk, that is a plus of 8% compared to the previous year.
As for the Stiftung Kulturwerk, the foundation council of Stiftung Sozialwerk is identical to the honorary Executive Board of VG Bild-Kunst and consisted of Frauke Ancker, Werner Schaub and Jobst Christian Oetzmann in 2021. The speaker of the Executive Board was Werner Schaub.

The foundation capital at the beginning of 2020 amounts to 14,700k EUR. No donations were made to Sozialwerk in the 2021 financial year. The foundation capital therefore also remains unchanged at the end of the 2021 financial year.

Meetings of the Awarding Committees were made difficult due to the coronavirus pandemic, as in the previous year. Accordingly, the meetings of the Awarding Committees were held as “virtual” meetings. Nevertheless, a total of 556k EUR was approved for payments to persons in need in 2021, compared to 511k EUR in the previous year. Once again in 2021, the application process for the “Christmas cheques”, as amended the previous year, was applied. For professional group I no Christmas campaign was carried out again in 2021.

For professional group I, 55 recurrent benefits were funded, for a total of 119k EUR.

For professional group II, 3 one-off payments for a total of 4k EUR and 41 recurring payments for a total of 197k EUR were organised.

For professional group III, two recipients received one-off subsidies totalling 1k EUR and 11 recipients were promised recurring payments totalling 54k EUR.

For the Christmas cheque campaign, for which members in need from the age of 65 are entitled to apply, a total of 654 grants were allocated. In the previous year there were 657 recipients. The payments in 2021 were made to 514 members of professional group II and 140 members of professional group III. The total value of the funds paid for this purpose is 180k EUR.

A total of 178k EUR was spent on administrative services in the 2021 financial year, i.e. 20k EUR more compared to the previous year. 2k EUR of this amount was spent on statutory expenses, 6k EUR on third-party services and 107k EUR on office operations. In addition, interest expense of 63k EUR was incurred.

The income from VG Bild-Kunst increased by 35k EUR to a total of 1,697k EUR in 2021. In addition, 1k EUR was collected from other subsidies.

As in the case of Stiftung Kulturwerk, the allocations result from the distributions for the 2021 financial year. The respective effective percentages apply, determined by the General Assembly.
Annual Report 2021

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Imprint

Publisher Verwertungsgesellschaft VG Bild-Kunst
Responsible Dr. Urban Pappi
Design and typesetting Rosendahl Borngräber GmbH
Illustrations Damien Cauzard
Photo page 1 Heiko Preller