

Tax number: 18084764-2-41
Company Registration Court: Budapest Regional Court
Order on registration: Pk.61.344/1996/2
Registration number: 7375

HUNGART

Vizuális Művészek Közös Jogkezelő Társasága Egyesület (HUNGART VMKJT EGYESÜLET)

1055 Budapest, Falk Miksa utca 30.

Notes on the Annual Accounts for 2021

31 December 2021

22 May 2022

CORPORATE PROFILE OF HUNGART ASSOCIATION

HUNGART Visual Artists' Association for the Collective Management of Rights was founded by private individuals in accordance with Government Decree no. 146/1996.(19 September).

The registered seat of the Association is at 1055 Budapest, Falk Miksa utca 30.

The Government Decree referred to above states that copyright and related rights may only be managed by registered non-profit associations, established pursuant to Sections 61-64 of the Civil Code.

In its ruling no. 01.Pk.61344/1996/2, which became final on 27 February 1997, the Metropolitan Court of Budapest registered the Association under registration number 7375.

With a decision passed on 19 April 1997, the Minister for Culture and Public Education registered HUNGART Visual Artists' Society as an association for the collective management of rights in accordance with Decree no. 5/1997. (II.12.) of the Minister of Culture and Public Education.

The purpose of the Association is to collect royalties on behalf of and pay them to its members, i.e. artists active in visual and applied arts, photo artists as well as their legal successors, collectively: rights holders, and to enhance the protection of their copyright both in Hungary and abroad.

At a meeting of 23 May 2006, the meeting of delegates decided to terminate the public benefit status of the Society because, although the activities of the Society according to its objectives comply with the terms and conditions laid down in Act CLVI of 1997, the public benefit status does not generate any major advantage for the Society. Ruling 16.pk.61.344/1996/9 adopted by the Budapest-Capital Regional Court on 5 July, which took effect on 28 July 2006, deleted the public benefit status of the Society.

The rules governing the activities of the Society have been laid down in Sections 85–92 of Chapter XII of Act LXXVI of 1999 on Copyright. In addition to the collective management of copyright and related rights as the Association's fundamental purpose, sponsorship for other artist associations and the improvement of the living conditions of artists in need also feature among the causes promoted by the Association.

The European Parliament and the Council approved Directive 2014/26/EU on copyright and related rights on 26 February 2014. The collective rights management directive was transposed into the Hungarian legislation through the adoption of Act XCIII of 2016, which entered into force on 28 July 2016; accordingly, the provisions of collective rights management have been removed from the Act on Copyright. The detailed rules of the operation of collective and independent rights management organisations and those of rights management procedures are included in Government Decree 216/2016 (22 July) effective from 22 August 2016.

Due to changes in law, all the regulations of HUNGART have been modified. The law stipulates that reports be prepared for the National Intellectual Property Office responsible for HUNGART's supervision.

With effect from 2017, transparency reports must be prepared and disclosed.

Credible written information must be provided for right holders on the terms and conditions of rights management, trends in royalties, management fees, deductions for the benefit of the artist community and the use of such deductions. Considering that there is also an obligations to supply

data abroad, these legislative changes and requirements cause continuous and increasing administration work, which impedes the actual and relevant rights management.

THE MOST IMPORTANT FACTORS IN THE FUNCTIONING OF THE ASSOCIATION

The Association has no founder's or initial assets; such was not a condition for incorporation. The operating costs were to be covered by the management costs rate set out in the Distribution Regulations for royalties and contributions collected, at the rate of 25% and 19% from July 2020 and 22% and 15% from 1 June 2021.

HUNGART has not been engaged in any business activity since its foundation.

The supreme decision-making body of the Association is the members' meeting. The Association is governed by an eight-member management committee presided by a chairperson and two vice chairpersons elected from among its members. HUNGART's lawful operation and business management are supervised by a 3-member supervisory board.

Daily duties are performed by members, who are also the employees of the Association. In areas where employment is not economically reasonable (e.g. legal, accounting and IT services (IT and software supervision)) outside organisations and private individuals are contracted for work.

All the members of the organisation performing accounting services (book-keeping, income settlement, tax returns, mandatory provision of statistical data) are registered certified accountants and certified auditors.

The annual accounts of the HUNGART Association are audited by T-Audit Könyvvizsgáló Kft, the auditor in charge is Imre Sándor Tóth, Chamber CoHA membership number 002553.

ACCOUNTING POLICY

The balance sheet compilation date is the last day of March in the year immediately following the reporting year because such seems to be justified by past years' experience. The reason underlying the selection of this date is that it makes accounting for the economic events that affect the reporting year and become known between the 31 December balance sheet date and the balance sheet compilation date possible.

The Association uses double-entry bookkeeping to keep its books. Its chart of accounts has been developed on the basis of the recommendations disclosed in financial and accounting journals.

With effect from 2012, the Association prepares annual accounts in keeping with the new act and decree pertaining to the collective management of rights. We continue to ensure consistency in order to be able to comply with the requirements set forth in Government Decree no. 479/2016. (28 December) on the specifics of reporting and accounting obligations of CSOs under the Accounting Act and Government Decree no. 350/2011. (30 December) on Certain Issues of the Financial Management, Fund-raising, and Public Benefit Status of CSOs.

In compiling the annual accounts, HUNGART Visual Artists' Association for the Collective Management of Rights observed the applicable accounting principles and complied with the requirement of providing a fair picture. Neither audit inspecting nor self-revision revising previous years' book-keeping was conducted.

There was no significant change in the valuation procedures compared with the previous year. The data are comparable to the previous year as specified in the accounting regulations even though some restatements were made among the items of the liability side due to the clarification of the accounting records in order to enforce the principles of clarity and comparison to the highest possible extent.

Regarding the Association's business management and annual accounts, materiality and substantiality are governed by the Accounting Act.

The Association's revenues comprise all the income that is realised in the reporting year and is linked to the Association's principal activity and gainful activity including sponsorship. The costs incurred by the Association are direct costs incurred in connection with the Association's principal activity, gainful activity and its operating costs.

Fixed assets, tangible and intangible assets are carried at their net value in the balance sheet. Historical costs are purchase prices, which comprise the costs incurred before capitalisation and attributable to the assets individually.

The Association uses the straight-line method to depreciate its assets taking account of the expected useful life of the assets concerned, the depreciation rates stipulated in the Corporate Tax Act and the number of the days during which the assets have been in operation. The Association recognises the historical cost of tangible assets with an individual value of below HUF 100,000 as lump sum depreciation when such assets are put to service.

The value of the inventories is stated at actual, direct production cost.

Purchased securities are stated as fixed assets if we do not intend to sell them within one year. When securities recognised as fixed assets are sold after the balance sheet date, they are stated as current assets in the balance sheet.

When securities are sold, we derecognise them using the FIFO (First In First Out) method, i.e. we always derecognise the securities held for the longest period of time (i.e. those purchased first).

The carrying value of interest-bearing securities may not comprise the interest paid upon purchase, i.e. such securities are stated at face value.

The Association accounts for deferrals and accruals in accordance with the general provisions of the Accounting Act and the guidance of the supervisory authority. The assets and liabilities other than those above are also stated in accordance with the Accounting Act.

The Association has an accounting policy as well as inventory-taking, scrapping, cash management and valuation regulations in conformity with the requirements set out in Act C of 2000 on Accounting and the government decree referred to.

SUPERVISORY REPORT AND CHANGES IN THE ACCOUNTING POLICY

The Hungarian Intellectual Property Office supervising rights management proposed the introduction of a standard supervisory report developed by PwC in the spring of 2014 and the use of enhanced accounting reports, which affected the accounting policy of rights management organisations. The draft documents were finalised after several rounds of discussions. The use of the finalised document has been mandatory since 2016 on the basis of the relevant statutory regulations.

Changes target mainly the recognition of royalties in respect of both revenues and expenses as well as their entry into the books.

In line with the final decision, we first had to apply the changes affecting the accounting policy and the accounting records on 1 January 2015 and those affecting reporting in the 2014 annual accounts with special regard to the supervisory report that had to be provided in addition to the standard balance sheet. Adopted in 2016, Act XCIII of 2016 on collective management of copyright and related rights (the CRM Act) and Government Decree no 216/2016. (VII.22.) codified earlier authority requirements.

Pursuant to the new requirements, HUNGART only accounts for royalties actually paid in the reporting year. The royalties which affect the reporting year, which are, however, only due early in the following year are now presented only when actually paid. We used to state them as accruals and deferrals under the Accounting Act.

We recognise all royalties due to the rights holders on the revenues collected as expenses in the reporting year. In conformity with the relevant requirements, expenses on royalties are stated as mediated services. The royalties that we used to present as accruals and deferred income and that are payable the following year are presented as current liabilities. In 2015, we accounted for the management fees that we had not included in the royalties on the books for over five years. We accounted for such fees after the lapse of the time bar, concurrently with the re-allocation of royalties. Such fees were recognised as long-term liabilities, current liabilities or accrued and deferred income in the previous year. We settled the HUNGART monographs financed by contributions (Section 100 of the Copyright Act paying public property) and their respective items on the liability side, which made our records even more transparent.

Relative to the previous years, the following changes occurred in the accounting for, the recognition and measurement of operating costs: Pursuant to the decision of the management committee of 12 March 2019, the costs indirectly associated with the publication of monographs must be charged to the contributions generated in the previous year and distributed in the reporting year so that the annual budget can be balanced. In keeping with the planned utilisation rates, at the end of the year we adjusted (reduced) the cost items by charging them to the contribution liability.

In summary, in light of the foregoing, all data are comparable (including items in the income statement) in the annual accounts.

A Transparency Report as of the last day of the eighth month following the balance sheet date of the reporting year must be prepared in connection with and on the basis of the annual accounts. The audited version of the Report must be published in the template contained in the relevant government decree.

The 2020 Transparency Report was adopted by the meeting of the delegates in an voting procedure in August 2021 (the deadline), and subsequently published at the Association's website.

THE GENERAL ECONOMIC AND LEGAL CONTEXT OF RIGHTS MANAGEMENT

The impact on rights management of the financial crisis that broke out before 2010 and the economic crisis that followed it had petered out. However, the COVID-19 epidemic left its mark on 2020–2021. Based on data from the planning period, an increase in revenue could be expected compared to 2021. Overall, the actual data showed an increase of almost 3% compared to the draft, a significant increase of 22% compared to 2020. 33% of revenues came from royalties of 4% and 16% from blank carriers.

With effect from 2012, only 4% (instead of 5%) can be charged in royalties on the works of art sold. In order that EU legislation could be transposed into Hungarian legislation, the regulatory environment was changed as a result of the adoption of the new act on the collective management of rights in 2016. Rights holders are adversely affected by the fact that, in addition to an increase in the number of administrative and data reporting tasks, 90% (*rather than 25% as used to be the case*) of the royalties of unknown persons or persons whose whereabouts is unknown must be transferred to NKA (National Cultural Fund) after three years (general time bar 5 years). Such transfer first occurred at the closing of the 2019 financial year. However, the law permits the application of this rule only to the royalties collected after the entry into force of the law. Taking the interests of the right holders into account, and based on the decision of the meeting of delegates, the Association has adopted a more favourable distribution procedure.

Interest on investments can also be used to cover operating expenses; therefore, the Association has been adversely affected by the government measure that banned, with effect from April 2018, non-profit organisations from purchasing of interest-bearing treasury bills.

Interest on securities is low anyway; however, the approximately 0.2% return on discount treasury bills, available for us for purchase as the least risky securities, is only a fragment of the previously realised interest income. The epidemic brought about a change in this respect because treasury bills with a yield of 2–3% were available on the market, with an interest rate premium for some securities. However, the planned securities income for 2021 was lower than expected due to the exchange losses on securities sold, which amounted to HUF 2.3 m in the reporting year.

Owing to the recognition of accruals management fees and other available revenues could not cover operating expenses in 2019. The annual 22–24% ratio of operating costs to total revenues could no longer be covered with interest income and other revenues. The cost impact of the increase in administrative burdens

the decision was made by the management committee on 12 March 2019 which changed the method of recognition of the costs indirectly associated with the publication of monographs and designated a part of the arts ratio of the distributed contribution as the source of funding.

The application of the EU rules exempting royalty revenues from reprographics and blank carriers from VAT liability with effect from the beginning of 2018 generates some extra work. In order to apply that the royalty registration programme had to be modified and the IT staff had to be doubled. In 2020 the government's measures aimed at ensuring the transparency of companies' VAT accounting, and the reporting obligations related to invoices generated unforeseeable tasks for all economic operators including the Association. The accounting programme had to be modified again; the application of good invoicing practices had to be brought to the attention of the right holders and organisations issuing invoices. Regulatory uncertainties posed a particularly serious problem.

Administrative burden has increased consistently and to an increasingly large extent over the last 3 to 5 years.

The fact that the earlier 27% healthcare contribution liability had decreased over the past years affected right holders favourably. Social contribution liability was reduced from 22% p.a. in 2017 to 19% p.a. in 2018 and 17.5% p.a. with effect from 1 July 2019. The individual settlement of management fees funding health contribution must be maintained because the HUF 11-14 million public dues depending on royalty revenues cannot be funded from the currently effective management fee rates.

With effect from 1 July 2020, contribution liability was further reduced to 15.5%, owing partly to the economic impact of the COVID-19 epidemic. From 2022, the tax will be reduced by a further 2.5%.

The Association's art sponsorship for community purposes was similar to those in the past years. Since 2012, HUNGART has been transferring amounts for cultural purposes to NKA. (7% of the received royalties subject to secondary distribution and 12.5% of the royalties redistributed and kept on the books for over 5 years had to be transferred to NKA). The use of the amounts thus transferred was not transparent, as NKA did not provide any information on it.

The entry into force of the Act on Collective Management of Rights in 2016, provided an opportunity to rethink sponsorship policy. Income received from partner organisation for distribution after the entry into force of the law is not used for cultural and community purposes. 5% is earmarked for social purposes.

Under the law, 90% of the collected but not paid out royalties due to unknown persons or persons whose whereabouts is unknown must be transferred to NKA (National Cultural Fund) after three years. (only 10% can be redistributed among eligible beneficiaries or earmarked for social purposes)

10% of the royalties set aside from the items to be paid are distributed among the beneficiaries.

We apply the general limitation rules to the royalties of identified right holders that have not been paid for any reason but are otherwise payable (e.g. tax return, lack of proof of residence; protracted probate proceedings, etc.).

The royalties received before 29 June 2016 are redistributed in accordance with earlier practice. The royalty remaining after the settlement of 20% sponsorship to arts organisations and 5% social sponsorship is paid out to those who received royalties over the preceding five years.

A SUMMARY ANALYSIS OF BUSINESS ACTIVITIES AND ANNUAL ACCOUNTS DATA

After a loss of HUF 5,825 th and HUF 2,347 th in the previous years, the accounting result of the Association's rights management activities for 2021 is HUF -3,020 th; this was largely due to the delayed invoicing of the TV broadcasting royalty income to 2022. In terms of expenditure, the cost of accounting and financial services has increased and, together with the increase in royalties invoiced to galleries, the processing fees for these have also led to additional costs. The operating budget of the rights management for the current year is a balanced budget on the basis of the HUF -146 thousand result.

The operating budget is prepared with the expense-revenue approach and the accounting report is prepared with the cost (expense) revenue approach. That explains the discrepancies in the statement figures.

Total revenues were HUF 9.6 million higher than planned, which was higher for all types of royalties except for broadcasting (TV) royalties, which did not meet the planned figure due to the delayed invoicing to 2022. The revenue, which can also be used for management costs, was HUF 4.6 million lower than planned; of which the planned securities revenue was not achieved as planned due to unforeseen exchange losses. Revenues from management costs were higher than budgeted, with the exception of ArtisJus blank data carriers. Management fees had to be increase for justifiable reasons. A higher revenue from foreign partner organisations (the management fee of that royalty is accounted by the partner organisation) enabled us to distribute a higher amount of royalty.

There were additional costs in expenditure. The change of accountant during the year has increased operating expenses, and the increase in royalty income from the galleries has also increased the cost of processing these. For other expenditure, there was a difference of 100-200 HUF compared to the planned costs.

We complied with the decision of the management committee of 12 March 2019 which changed the method of recognition of the costs indirectly associated with the publication of monographs and designated part of the arts ratio of the distributed contribution as the source of funding. This year, HUF 6.135 th of costs were transferred.

RIGHTS MANAGEMENT ACTIVITIES

The 2017–2021 royalty data are stated in accordance with the cash accounting principle. These data no longer contain the deferred royalty income which was not yet recognised in the previous years.

Based on that, it can be established that overall, and in terms of royalty types, income fluctuated. Though royalties from abroad rose again in 2021, we have no influence on them. In 2016 we received HUF 14 million in reprography royalty on years from 2009 to 2013 from a foreign partner organisation; in 2018 we received HUF 45 million on 16 years ex post from 2001.

The 4% follow-up royalty and levy increased strongly in 2021, which could be more favourable than in 2020 due to the improvement in the COVID situation.

Income from licensing (reproduction) was also higher than expected. Despite the unresolved issues, owing to the fact that the epidemic and the approval of a few key fine arts exhibitions affect income, we posted income in an amount that exceeded the previous year's.

Owing to the theme-based restructuring of the MTVA channels and programmes, revenues from broadcasting depend on the contract renewed periodically. Income from secondary royalties (empty

data carriers, cable, reprography) depends on the activities of partner organisations and is subject to the performance of the contract concerned.

Gross revenues (including management fee) by royalty type

	<u>Year 2017</u>	<u>Year 2018</u>	<u>Year 2019</u>	<u>Year 2020</u>	<u>Year 2021</u>
4 % follow-up royalties	90,483	86,926	80,509	76,475	141,590
(of which, taxes)	- 38,611	- 42,789	- 31,158	- 23,197	- 39,550
Licensing (reproduction)	15,521	18,901	14,774	16,219	17,069
Blank carriers	31,669	25,348	33,058	36,688	48,063
Reprography fee	27,152	28,074	27,680	27,762	26,440
Broadcasting royalties /TV	16,923	17,693	19,321	17,979	7,755
Cable	17,393	22,075	26,167	30,959	28,788
Royalties from abroad	9,639	57,471	16,286	21,553	22,070
<i>Total:</i>	208,780	256,488	217,795	227,635	291,775

Breakdown of total royalties paid	<u>Year 2017</u>	<u>Year 2018</u>	<u>Year 2019</u>	<u>Year 2020</u>	<u>Year 2021</u>
Private individual right holders	120,521	112,816	131,482	97,335	90,477
Those subject to invoicing	-	-	-	16,564	20,534
Hungarian and foreign firms	11,666	11,617	11,832	14,459	14,147
Foreign partner organisations	10,736	12,517	13,959	12,870	15,476

Mandatory transfer to NKA HUF 23,565 thousand

<i>Number of private individual rights holders</i>	<i>748 persons</i>	<i>814 persons</i>	<i>1506 persons</i>	<i>810 persons</i>	<i>530 persons</i>
--	--------------------	--------------------	---------------------	--------------------	--------------------

Royalty disbursements in 2021 comprised HUF 100,148 thousand received and distributed in the reporting year. This amount consisted of royalty from Hungarian partner organisations in the amount HUF 41,780 thousand and HUF 7,292 thousand from foreign organisations. From the reallocated royalties over 3 and 5 years (general limitation period), we were able to pay out HUF 19,103 th. An increasingly large number of individual rights holders request that registered royalties be recognised in respect of and transferred to the organisation operated by them (limited liability company, limited partnership, foundation, etc.) as beneficiary. The number of Hungarian organisations was 76 in 2021.

(The details of the recognition of royalties are contained in Annex 1 to the profit and loss account.)

Sponsorship policy, royalty use for community purposes

On the basis of the Association's approved funding policy for 2021, the management committee meeting decided to publish three monographs. The ambitious books presenting artists who had been awarded stipends in recognition of their artistic achievement were finally published in 2022. Thus, the number of the books in a series presenting contemporary artists has risen to 50.

Income from the sale of monographs only amounted to HUF 820 thousand. It is not the primary objective of the publication of books to increase the revenues of the association significantly; the primary objective of the activity is to support arts and present the works of art produced by contemporary artists. For the publication of the three monographs for the year under review, we spent HUF 3,957 th in 2021 and HUF 6,691 th in 2022.

Monographs are financed from the amount approved for the cultural portion of income from contributions.

Of the amount of the levy collected in 2021, HUF 6,135 th has been recharged from the costs related to the book expenditure calculated on the basis of adjusted rates.

Preparatory work for the publication of the books planned to be published in 2022 has begun. We intend to publish three monographs this year as well, with the necessary funds already available.

Based on the Association's sponsorship policy, only royalties on the books for over 5 years (i.e. 'archival' royalties) can be used for granting cultural and social sponsorship.

As regards distributions for sponsorship to the artist community, the management committee approved the granting of HUF 8,525 thousand for supporting art organisations and HUF 7,782 thousand for social sponsorship. (An itemised list of the amounts approved and used for sponsorship to the artist community in 2021 is contained in Annex 2 to the profit and loss account.) The NKA (National Cultural Fund of Hungary) had to transfer HUF 23,565 th to cover 90% of the unpaid royalties over three years.

(On average, we transferred HUF 10 million p.a. to NKA between 2012 and 2016.)

OPERATING BUDGET

Compliance with HUNGART's 2021 operating budget is presented in Annex 1, and as part of such presentation, the costs stated in the 5th class of accounts of the general ledger has been attached. At the time of planning, the operating revenue was estimated at HUF 65,750 th, the accrual-adjusted revenue was HUF 61,153 th - HUF 4.6 th (7%) less than expected.

The lower income is due to an unforeseeable exchange rate loss on the investment of temporarily 'free funds'.

Annual operating expenditure of HUF 67,435 th was 3% higher than planned. The total increase of HUF 1,685 th in operating expenses was due to an increase in royalty processing and accounting costs. The loss was HUF 6,281 th due to increased expenditure and revenue shortfalls. The expenditure for the acquisition of assets was HUF 1,711 th. As an annex to the budget outturn, we present the HUF 6,135 th of costs charged to the contribution.

Owing to the application of the individual management fee, the HUF 11,024 thousand health contribution on royalties did not cause a loss because the invoiced revenue covered the payment liabilities.

Key expense items: 2021 audit fee HUF 800,000

SZTNH (Hungarian Intellectual Property Office) supervisory fee: Royalties and financial income HUF 307,702,625

0.5 % supervisory fee HUF 1,538,513

Other income HUF 11,853,681

0.3 % supervisory fee HUF 35,561
2021 supervisory fee HUF 1,574,074

DETAILED DATA INCLUDED IN THE ACCOUNTING REPORT

1.1 Changes in the balance sheet data

	HUF 1,000	Previous period	Reporting period	Absolute changes
	ASSETS			
01.	A. Non-current assets	296,215	297,685	1,470
02.	I. Intangible assets	0	0	0
10.	II. Property, plant and equipment	81,351	80,497	-854
18.	III. Financial investments	214,864	217,188	2,324
27.	B. Current assets	233,205	238,699	5,494
28.	I. Inventories	65,471	64,114	-1,357
35.	II. Receivables	912	19,438	18,526
43.	III. Securities	126,939	126,157	-782
49.	IV. Cash and cash equivalents	14,398	28,990	14,592
52.	C. Prepaid expenses and accrued income	2,940	3,435	495
56.	TOTAL ASSETS	506,875	539,819	32,944
	Equity and liabilities			
57.	D. Equity	73,296	70,266	-3,030
58.	I. Registered capital	0	0	0
60.	II. Issued but not paid capital (-)	0	0	0
61.	III. Change in capital/result	75,633	73,286	-2,347
62.	IV. Retained earnings	0	0	0
63.	V. Tied-up reserves	0	0	0
64.	VI. Revaluation reserve	0	0	0
67.	VII. Net profit (loss) for the year	-2,347	-3,020	-673
68.	E. Provisions	0	0	0
72.	F. Liabilities	426,913	448,073	21,160
73.	I. Subordinated liabilities	0	0	0
77.	II. Long-term liabilities	0	0	0
86.	III. Short term liabilities	426,913	448,073	21,160
98.	G. Accruals	6,676	21,480	14,804
102.	TOTAL EQUITY AND LIABILITIES	506,875	539,819	32,944

Assets

The net balance sheet value of the real property purchased in Sun Palace, Óbuda, and renovated was HUF 78,140 thousand.

The residual value of company cars to be renovated was carried at HUF 629 thousand. Other assets, furniture, office furniture, fax machines, telephones, laptops, servers and computers are mostly carried at HUF 0.

The software developed for the royalty system before 2010 is carried at HUF 0. Software updates are warranted by the amount of depreciation charges and an obsolete programming language.

The chart of investment accounts attached shows trends in the purchase of assets.

(See: Annex 2: Assets and depreciation and a table of investments.)

Hungarian government bonds are shown as non-current assets (HUF 217 million). The discounted treasury note (HUF 126 million) is shown under current assets - part of which may also be used to cover expected royalty payments depending on the evolution of revenues. Hopefully, in 2022, too, we will be able to make investments in the open market into high-yield government securities that have been off-limits for organisations including non-profit associations since April 2018. Such could obviate the need for making willy-nilly investments into low-yield discount Treasury bills.

Stock of existing copies of the "HUNGART book series" (HUF 64,114 th).

Trade receivables are the invoiced amount of the licensing applications granted in December and the TV broadcasting royalty (HUF 19,217 th).

Of other receivables, HUF 117 th is the overpayment of domestic royalties.

The closing value of the BB settlement deposit account was HUF 26,367 th The TREASURY bank account closed with a balance of HUF 4 th. The closing balance of the CIB securities hedging account is HUF 2.499 th.

The cash flow has been reduced to a minimum, the closing balance of the house cash desk is HUF 120 th.

The costs and charges are deferred in conformity with the applicable law (insurance covering the following period, GPS fees and program updates). (insurance premium covering the next period, GPS fee, programme updates) Interest earned on securities in 2021 represents deferred income.

Liabilities

Current liabilities *HUF 448,073 thousand*

details:

Supplier	HUF 1,623 th
VAT settlement	HUF 5,446 th
PIT liability	HUF 2,119 thousand
Royalties and wages, membership fee social contribution	HUF 1,760 thousand
Company car tax	HUF 25 thousand
Other short term liabilities	HUF 18 thousand
Social security tax	HUF 303 thousand
Taxes allocated, to be allocated	HUF 126,537 thousand
Pending and payable royalties	HUF 308,668 thousand
	<i>2021 supervisory fee</i>

HUF 1,574 thousand

Items of accruals and deferred income ***HUF 2,100 thousand***

Sun Palace public utility charges	HUF 11 thousand
Postal charges (December)	HUF 25 thousand
Phone charges	HUF 60 thousand
Courier services (December)	HUF 7 thousand
Bookkeeping and payroll administration	HUF 522 thousand
-legal fees (December)	HUF 675 thousand
- 2021 audit fee	HUF 800 th

Invoiced, uncollected, undistributed broadcasting (TV) royalties (HUF 14,544 th), invoiced but undistributed trailer royalties (HUF 3,465 th) and the reclassified amount of royalty management

over five years (HUF 1,371 th), which was recognised as a non-current liability in prior years, are recognised as *deferred income*.

1.2 Changes in the data of the profit and loss account

	HUF 1,000	Previous period	Reporting period	% of changes
I.	Net sales revenues	227,380	291,775	28.32%
	<i>of which, net revenue from management of Hungarian rights</i>	<i>206,027</i>	<i>269,705</i>	<i>30.91%</i>
	<i>- revenues received from royalties from abroad</i>	<i>21,353</i>	<i>22,070</i>	<i>3.36%</i>
II.	Capitalised value of own performance	0	0	0
III.	Other revenues	19,593	13,473	-31.24%
IV.	Material type expenditures	213,431	266,394	24.82%
V.	Payments to personnel	39,001	36,114	-7.4%
VI.	Depreciation and amortisation charge	2,350	2,563	9.06%
VII.	Other expenses	138	5,444	3844.93%
A.	OPERATING PROFIT	-7,947	-5,267	33.72%
VIII.	Revenues from financial transactions	5,642	2,304	-59.16%
IX.	Expenditures of financial transactions	42	57	35.71%
B.	FINANCIAL PROFIT	5,601	5,601	0.00%
C.	NET PROFIT BEFORE TAXATION	-2,347	-3,020	28.67%
X.	Tax liability	0	0	0
D.	NET PROFIT (LOSS) FOR THE YEAR	-2,347	-3,020	28.67%

An assessment of the rights management revenues and income statement figures presented above (pages 8-9) shows that the more than 30% increase in domestic revenues was due to the increase in tracking royalties and 'secondary' royalty revenues (blank carriers), which offset the decrease in 'primary' royalty revenues (broadcasting and cable royalties). For royalties received from abroad, there were no retroactive - large - royalty transfers for earlier periods in 2021.

Although, for accounting purposes, income from reprography and blank data carriers should be stated as other income, owing to the calculation of the SZTNH (Hungarian Intellectual Property Office) supervisory fee and report, it should continue to be accounted for as net sales. A similar, though opposite rationale underlies the statement of formerly unrealised archiving management fees (distribution after five years). Amounting to HUF 7,880 thousand, 8,699 thousand and 1,619 thousand respectively over the past three years, they are stated as "Other revenues". Other income items are invoiced individual management fees (HUF 14,633 thousand, HUF 10,433 thousand and HUF 11,026 thousand, respectively) counterbalancing social contribution liability on royalties and income from the ad hoc sale of monographs (HUF 229 thousand, HUF 451 thousand and HUF 986 thousand, respectively).

Income from financial operations comprises reporting year yields on various Treasury bills in the amount of HUF 2,193 thousand as opposed to HUF 5,634 th in the previous year. Exchange rate difference was HUF 54 thousand in losses arising from exchange rate fluctuations. Other expenses – total annual amount of company car tax (HUF 132 thousand)

Compared with the previous years, in line with the new accounting policy, community-purpose sponsorship was stated as mediated services and from the distribution of former contributions the difference in the inventory value of sold monographs was charged to the contribution liabilities.

Annex 1 to the profit and loss account presents royalty disbursements. For the sake of transparency, the individual items of royalties are stated in the corresponding lines of the profit and loss account.

What follows is the presentation of changes in the composition of the key balance sheet items and a few indicators applied by businesses and also interpretable in respect of the activities of the Association.

1.1. Key balance sheet items

Assets (data in %)	Previous period	Reporting period
Non-current assets	58.44	55.15
Intangible assets	0.00	0.00
Property, plant and equipment	16.05	14.91
Financial investments	42.39	40.23
Current assets	40.98	44.22
Inventories	12.92	11.88
Receivables	0.18	3.60
Securities	25.04	23.37
Cash and cash equivalents	2.84	5.37
Prepaid expenses and accrued income	0.58	0.64
TOTAL ASSETS	100.00	100.00

Liabilities (data in %)	Previous period	Reporting period
Equity	14.46	13.02
Registered capital	0.00	0.00
Registered capital unpaid	0.00	0.00
Capital reserves/from changes in capital profit/loss	14.92	13.58
Retained earnings	0.00	0.00
Tied-up reserves	0.00	0.00
Revaluation reserve	0.00	0.00
Net profit (loss) for the year	- 0.46	- 0.56
Provisions	0.00	0.00
Liabilities	84.22	83.00
Subordinated liabilities	0.00	0.00
Long-term liabilities	0.00	0.00
Short term liabilities	84.22	83.00
- Of which, royalty liability	(60.53)	(57.18)
- Of which, tax liability	(21.93)	(23.44)
Accruals	1.32	3.98
TOTAL LIABILITIES	100.00	100.00

On the asset side of the balance sheet financial investments, inventories and shares increased in absolute terms. The proportion of liquid assets changed in favour of securities.

On the liabilities side, (approx. 2–3%) changes in equity and changes in current liabilities experienced were each other's opposite. Consequently, the liabilities were restructured for former years.

Based on the inventory, the production value of the monographs funded from contributions is shown as inventories; changes in the inventory were only charged to liabilities after 2014.

In the accruals and deferred income the decreasing archiving management fee causes changes.

1.2. Equity position

Usability of fixed tangible assets

The net value (i.e. the usability) of tangible accounted for 73.7% of their gross value in the previous year and for 71.7% in the reporting year.

The net value ratio of office machinery and equipment is practically '0' (zero). It has a net value of the amount of the ten-year residual value of the car, the amount spent on renovation and the assets purchased in the last two years.

Coverage of financial investments

Internal funds exceeding equity covered the closing balance of fixed assets: 42.16% in the previous year and 40.23% in the reporting year.

Securities states as assets (fixed and current assets in the balance sheet) provide full coverage for recognised royalty liability. In light of the items to be distributed and not yet utilised, the asset side of contribution liability constitutes, in part, inventories.

Capitalisation

The share of the equity of HUNGART VAACMR ASSOCIATION in the total liabilities was 14.46% in the previous year and 13.02% in the reporting year. Reduction was attributable to the recognition of losses and asset side settlements.

Debt/Leverage ratio

Short term liabilities accounted for 582.53% of equity in the previous year and 637.68 % in the reporting year.

The ratio of current liabilities to total liabilities was 60.53% (2020) and 57.18% for royalty liabilities and 21.93% (2020) and 23.44% for contribution liabilities.

1.3. Liquidity and solvency

Current ratio

The quick liquidity ratio, indicating short-term liquidity (receivables + securities + liquid assets/short-term liabilities) was 33.32% in the previous year and 38.96% in the current year.

Ratio of liquid assets

The share of the assets affecting short-term liquidity in total assets was 28.1% in the previous year and 32.34% in the reporting year.

Long-term liquidity

The long-term liquidity ratio (the proportion of current assets to liabilities) was 48.66% in the previous year and 53.27% in the reporting year.

Liabilities and liquid assets

As at the balance sheet date, liquid assets (receivables, securities and cash) covered 39% of all liabilities. With liquid fixed financial assets taken into account, the ratio is 87.44%, which is an acceptable indicator.

1.4. Profitability

Revenues

The Association's total income for the entire calendar year grew from HUF 252,615,000 in the previous year to HUF 307,552,000 in the reporting year. Revenues increased by HUF 54,937 th (21.75%).

Net profit (loss) for the year

The accounting result for the current year (loss of HUF -HUF 3,020 th) is HUF 673 th lower than the previous year (loss of HUF 2,347 th).

1.5. Cash-flow

	Designation (HUF 1,000)	Previous year	Reporting year
I.	Changes in liquid assets from ordinary operation (Operating cash flow, Rows 1-13)	-62,570	18,625
1	Net profit before taxation (+-)	- 2,347	- 3,020
2	Amortisation recognised (+)	2,350	2,563
3	Recognised impairment and reversals (+-)	0	0
4	Provisions generated and released (+-)	0	0
5	Gains/Losses on the sale of fixed assets (+-)	0	0
6	Changes in accounts payable (+-)	-1,464	1,623
7	Changes in other current liabilities (+-)	17,788	19,537
8	Changes in accruals and deferred income (+-)	-7,945	14,804
9	Changes in accounts receivable (+-)	5,922	-18,836
10	Changes in current assets (less accounts receivable and liquid assets) (+-)	- 75,238	2,449
11	Changes in prepayments and accrued income (+-)	-1,636	-495
12	Taxes paid or payable (on profits) (-)	0	0
13	Dividends/profit-sharing paid or payable (-)	0	0
II.	Changes in investment cash flow (Cash flow from investments, Rows 14-16)	-27,741	-4,033
14	Non-current assets acquisition (-)	-27,741	-4,033
15	Disposal of non-current assets (+)	0	0
16	Dividends/profit-sharing received (+)	0	0
III.	Changes in cash flow from financial transactions (Financing cash flow, Rows 17-27)	- 4,490	
17	Income from the issue of shares and investments (+)	0	0
18	Income from the issue of bonds and debt securities (+)	0	0
19	Borrowings of credit and loans (+)	0	0
20	Repayment, termination or redemption of long-term loans and bank deposits (+)	0	0
21	Cash and cash equivalents received permanently (+)	0	0
22	Withdrawal of shares and capital (capital and fund restatements) (-)	-4,490	
23	Repayment of bonds and debt securities (-)	0	0
24	Credit and loan amortisation and repayment (-)	0	0

	Designation (HUF 1,000)	Previous year	Reporting year
25	Long-term loans granted and long-term bank deposits made (-)	0	0
26	Cash and cash equivalents transferred free of charge (-)	0	0
27	Changes in payables to founders and in other long-term liabilities (+-)	0	0
IV.	Variation in cash and cash equivalents (lines I+II+III)	-94,801	14,592

When assessing changes in liquid assets, it is important that the Association's business consideration, namely that temporarily available liquid assets are invested into income generating securities must be taken into due account. Data in Line IV must be assessed accordingly.

2021 Operating budget of HUNGART Visual Artists' Association for the Collective Management of Rights

Revenues (HUF th)		Royalty items (net)
2021 budget	2021 actual	
15,000	22,070	Royalties received from abroad in foreign currencies/ <i>assigned income</i>
90,000	102,040	Income from 4% royalty
30,000	39,550	Income from 4% royalty/ <i>community purposes</i>
16,000	17,070	Reproduction royalty/ <i>licensing</i>
20,000	7,756	TV broadcasting royalty/ <i>assigned income</i>
26,439	26,439	Reprography association/ <i>reprography royalty</i>
48,063	48,063	Artisjus / <i>blank data carrier</i>
28,788	28,788	Artisjus / <i>cable TV royalty</i>
1,000	829	Other income/Sale of monographs
30	-	Late payment penalty on royalties, cost reimbursement
12,241	2,304	Interest on securities and bank deposits (<i>INCOME FROM FINANCIAL OPERATIONS</i>)
9,000	11,025	Invoiced net individual management fees
1,371	1,619	Prepayments and deferrals and management fee of redistribution
297,932	307,552	Total

Available for covering costs			Royalty management fee
2021 budget	for 2020	2021 actual	
300			Foreign partner organisations (management % difference)
20,370		23,533	Follow-up royalty (4%) received 22; 25%
6,550		8,943	Contribution (4%) received/22; 25%
3,390		3,969	Reproduction (licensing) fee received/22, 25%
4,330	3,450	4,461	TV broadcasting fees /22; 25%
3,966		3,966	Reprography fee due on 2021/15%
7,910		7,209	ArtisJus (blank data carriers 2021)/15%
4,318		4,318	ArtisJus (cable TV 2021)/15%
1,375		1,619	<i>Deferred reallocation management costs</i>

1,000		829	Other income (Costs, monographs)
12,241		2,304	Recognised interest (income from securities and financial operations)
65,750	3450	61,153	Total

Expenses January–December 2021/net costs	Expenses (HUF thousand)	
PERSONNEL COSTS	2021 budget	2021 actual
Wages and salaries	20,155	20,752
Remuneration/chair, deputy chair, supervisory board chair	5,400	5,400
Contribution for personal payments SZOCHO	3,900	3,217
Representation	25	3
Benefits in kind (private use of telephone)	-	52
Tax on telephone communication	50	38
A/Total personnel costs	29,530	29,462
Expenses January–December 2021/net costs	Expenses (HUF thousand)	
MATERIAL EXPENSES	2021 budget	2021 actual
Sun Palace overheads (heating, electricity, water, common costs)	800	697
Office and maintenance supply	500	319
Company car (fuel, repairs and maintenance, insurance)	800	725
Postal charges	1,080	869
Telephone, Internet	800	843
Courier services, taxi fares	150	128
Lease fees (rent) (office, post office box, general meetings)	1,208	1,207
Machinery and other repairs and maintenance	100	93
Advertising, marketing and market research	50	61
Website + domain name, programme updates, interface	200	167
Translation	160	177
Membership fees (MIE, GESAC, SUIA, EVA, Jogdíj Szöv.)	2,000	1,923
Accounting and audit, payroll administration	6,600	7,663
IT surveillance, software maintenance	2,352	2,520
Education, training	-	-
Legal representation	8,100	8,100
Royalty processing fee	6,000	7,186
Security management fee	200	-
Bank charges	1,900	2,011
Duties and authority fees, forced collection	20	-
Exchange rate losses, late payment penalty interest	50	-
<i>SZTNH (Hungarian Intellectual Property Office) supervisory fee</i>	1,440	1,574
B/Total material costs	34,510	36,262
A+B TOTAL OPERATING EXPENSES	64,040	65,724

IT development - programmes		-
Purchase of assets, low-value assets	88	88
Sun Palace technical and asset upgrades	1622	1,622
C/Development costs	1710	1,711
D/TOTAL EXPENSES /A+B+C/	65,750	67,435
E/INCOME COVERING EXPENSES	65,750	61,153
PROFIT/LOSS (E-D)	-	- 6,281
<i>Adjustments linked to book publishing</i>	<i>9,248</i>	<i>6,135</i>
ADJUSTED OPERATING PROFIT/LOSS	9,248	- 146
<i>EXPENSES recovered in income</i>		
<i>Royalty 19.5;17.5 % Social contribution = Individual costs</i>	<i>9,000</i>	<i>11,024</i>

Monthly average of costs: HUF 5,477 thousand; cost-to-total income: 21%

BASIC TASKS

Royalty paid to private individual right holders: HUF 90,477 thousand
 Royalty to private individual right holders obliged to issue invoices HUF 20,534 thousand
 Hungarian organisations/right holders/royalty: HUF 14,147 thousand
 Foreign PARTNER ORGANISATIONS: HUF 15,476 thousand
IN TOTAL: HUF 140,634 thousand

SPONSORSHIP FOR ARTS ORGANISATIONS HUF 2,00 thousand covered by 4% contribution

/based on the decision of 23 May 2021 (four organisations, HUF 500 th each)

20% of ARCHIVING HUF 3,524 th MAOE + three organisations HUF 1 m each;

For the three new monographs published and the book launch; for the reprinting of previous volumes.

In 2021, a budget of HUF 13.853 th was available. (decision of 23 May 2021)

Use in 2021: HUF 3.957 th three new monographs, printed in 2022

Contributions must be used to cover both the direct costs of book publishing and those of the items linked to book publishing (decision dated 12 March 2019).

Planned amount of related costs: HUF 9,248 thousand.

Actual amount of passed-on costs: HUF 6,135 thousand (see the annex)

In keeping with the sponsorship policy, there was no distribution for cultural purposes; however, HUF 23,565,433 due on 2017 had to be transferred to NCF.

Archiving and other organisational sponsorship for cultural purposes: HUF 5,525 thousand

Expenses for social purposes based on the sponsorship policy (transfer to MAOE):

10% of contributions over 70 years HUF 1,761,458

Cable TV 5% HUF 1,223,475

Blank carrier 5 % HUF 2,042,686

Reprography 5 % HUF 1,123,658

Archiving 5 % HUF 1,631,188

TOTAL SOCIAL PURPOSE HUF 7,782,465**LIABILITIES AND asset items****Bank account, cash in hand****HUF 28,990 th****Securities portfolio at year end****HUF 243,345 th /Expected interest**

approx. HUF 6 million – in 2022

Buyer account debt**HUF 19,217 th****Claim for incorrect accounting****HUF 117 th****LIABILITIES****Supplier invoices****HUF 1,525 th****Settled, 2021, retransferred royalty****HUF 11 th****VAT, contributions, 12th month****HUF 9,647 th****Current year deferred expenditure****HUF 2,100 th***SZTNH supervisory fee payable for total revenues HUF 1,574 th***The regular monthly cost was HUF 5,477 th*****STATEMENT OF EXPENDITURE RELATED TO BOOK PUBLISHING FOR THE YEAR
2021******The planned operating loss (- HUF 8,161 th); to be compensated from the contribution allocation.******Based on the decision of the management committee of 12 March 2019, in order for the budget to be balanced, items linked to book publishing to be charged and actually charged to contributions received in 2019:***

Data in HUF thousand EXPENDITURE ITEM	2021 budget	% share	4% recognised as contribution BUDGET	2021 expenditure	% share	Costs according to % ratio
Sun Palace wage	3,192	90%	2,873	3,193	60%	1,916
Sun Palace contribution	487	90%	438	495	60%	297
Sun Palace contract/Simplified		90%	-	-	0%	0
Work performed by staff at the office in Falk Miksa Street in connection with books	750	100%	750	800	100%	800
Remuneration due to chairperson	5,400	40%	2,160	5,400	40%	2,160
Contribution on remuneration	824	40%	330	-	10%	0
Sun Palace overheads	800	75%	600	692	50%	346
Sun Palace telephones	375	75%	281	228	60%	137
Company cars	800	75%	600	800	60%	480
Depreciation on vehicle refurbishment	1,622	75%	1,217	1,622	0%	0
Sun Palace technical upgrades		100%	-	-	100%	0

TOTAL	14,250	9,248	13,230	6,135
-------	--------	-------	--------	-------

BRIEF SUMMARY

In 2021, the organisation achieved savings of HUF 68 th in personnel expenses and HUF 1,685 th in operating expenses compared to the planned budget.

As regards material expenses a higher amount of the 4% royalty processing fee was attributable to a revenue from the galleries that was higher than planned and higher compared with earlier years' revenues. For expenditure items, the accounting and audit fees have increased compared to the budget due to the change of accountant during the year. Other expenses were in line with the corresponding plan, with differences well within the HUF 100–200 th margin of error.

Realised revenue was HUF 4.6 million lower than budgeted, due to significantly lower than budgeted securities yields (HUF -10 million), partly offset by higher trailing royalty income (HUF +3.2 million) and higher 4% gallery income (HUF +2.4 million).

A lower amount of the planned passed-on costs related to book publishing was attributable fundamentally to the situation (the home office scheme) brought about by the COVID 19 epidemic.

Presentation of HUNGART costs stated in the 5th class of accounts

FKV	DESCRIPTION	Amount HUF thousand		
		Year 2019	Year 2020	Year 2021
5110	Fuel	45	68	77
5111	Energy costs (electricity, gas, heating)	126	184	88
5112	Common costs (Sun Palace)	118	482	257
5113	Materials needed for repairs and maintenance (e.g. vehicles)	101	244	11
5114	Office supplies and stationery	333	460	233
520	Postal charges (notification of right holders)	1,406	795	869
5200	Telephone, Internet	364	627	91
521	Transport (e.g courier services)	47	114	60
522	Rents	1,216	1,202	1,206
523	Cost of maintenance and repairs	86	200	75
524	Advertising and market research	196	30	61
526	Travel and secondment costs	140	0	0
527	Accounting services	6,340	6,630	8103
528	Membership fees (CISAC, GESAC, EVA, SUISA)	1,982	1,953	1,923
5293	Legal fees, litigation	7,960	8,100	8,100
52930	Data processing/4–5% royalty	4,004	3,901	7,187
5297	IT surveillance, software maintenance	2,305	2,421	2,520
5299	Other services purchased	312	252	345
531	Duties and forced collection fees	5	8	0
532	Securities management fee	165	196	
532	Insurance premia	59	237	95
535	SZTNH (Hungarian Intellectual Property Office) supervisory fee	1,171	1,224	1,574
5337	Bank charges	2,414	1,798	2,011
541	Wages and salaries, sick leave	14,062	18,752	18,837
543	Contractor fees	17	300	0
5521	Benefits in kind for employees			52
555	Remuneration	4,006	5,452	3,240
5590	Telephone bills PIT	10	13	38
5591	Telephone bills Social contribution Health care contribution	12	15	0
558	Entertainment	54	13	3
560	Social contribution tax / sick pay 1/3	3,528	3,637	2,920
571	Depreciation charge	2,281	2,350	2,475
572	Small amount depreciation charge	0	0	88

IN TOTAL:

54,816

61,645

62,539

0

HUNGART Visual Artists' Association for the Collective Management of Rights 1055 Budapest, Falk Miksa utca 30.							
2021 Depreciation ANNUAL AGGREGATED							
Assets	Procurement	Gross value	Depreciation %	Depreciation under the Tax Act	Depreciation under the Accounting Act	Total depreciation	Net value
<i>Intangible assets</i>							
Royalty development	01.08.2006	835,000	20.00	0	0	835,000	0
Repro programme	02.08.2005	510,000	20.00	0	0	510,000	0
Blank cassette programme	29.05.2006	100,000	20.00	0	0	100,000	0
ABEV-e programme	29.05.2006	200,000	20.00	0	0	200,000	0
Right holder name programme	29.05.2006	60,000	20.00	0	0	60,000	0
Bank connection software	15.06.2012	400,000	20.00	0	0	400,000	0
Archiving software	01.11.2012	1,100,000	20.00	0	0	1,100,000	0
CISAC data supply	01.11.2012	500,000	20.00	0	0	500,000	0
Reprography extension	01.11.2012	240,000	20.00	0	0	240,000	0
Costume programme	05.08.2013	160,000	20.00	0	0	160,000	0
Total		4,105,000		0	0	4,105,000	0
<i>Real estate (123,124)</i>							
SunPalace reconstruction 07.03	01.06.2009	104,949,937	2.00	2,098,998	2,098,998	29,698,081	75,251,856
SunPalace garage	23.03.2007	2,500,000	2.00	50,000	50,000	738,630	1,761,370
Sun Palace storage	29.04.2007	1,595,000	2.00	31,900	31,900	468,012	1,126,988
Total		109,044,937		2,180,899	2,180,898	30,904,723	78,140,214
BMW car (10%)	20.07.2007	7,913,404	20.00	93,260	93,260	5,755,324	2,158,080
<i>Machinery and equipment (143)</i>							
GPS system	17.07.2007	233,880	14.50	0	0	233,880	0
Kitchenette	31.03.2009	462,000	14.50	0	0	462,000	0
W-DECO furniture	31.03.2009	13,353,600	14.50	0	0	13,353,600	0
Witmann furniture	30.04.2009	1,352,680	14.50	0	0	1,352,680	0
CANON video recorder	01.06.2009	249,917	14.50	0	0	249,917	0
NIKON digital camera	01.06.2009	294,500	14.50	0	0	294,500	0
Philips TV	01.06.2009	333,333	14.50	0	0	333,333	0
HUNGART board	10.07.2009	134,000	14.50	0	0	134,000	0
HUNGART molino	01.09.2009	1,360,000	14.50	0	0	1,360,000	0
DELL server	24.09.2014	568,600	33.00	0	0	568,600	0
MacBook pro "15	19.11.2014	350,000	33.00	0	0	350,000	0
DELL network/FALK	14.04.2016	565,000	33.00	0	0	565,000	0
DELL Optiplex	18.09.2019	276,000	33.00	91,080	91,080	208,360	67,640
HP Color Laserjet	23.09.2019	164,490	33.00	54,280	54,280	123,471	41,019
EPSON/A4 Rips printer	31.07.2020	169,900	33.00	56,070	56,070	79,570	90330
Total		19,867,900		201,430	201,430	19,668,911	198,989
In total		145,016,311		2,475,589	2,475,589	63,665,661	80,497,283
In 2021, the following intangible and tangible assets were scrapped: - website development 2008 - invoicing programme - leopard server program - boneco humidifier							

-iMac work machines - iPhone 6s plus				
HUNGART Visual Artists' Association for the Collective Management of Rights 1055 Budapest, Falk Miksa utca 30.				
LOW VALUE ASSETS 2016			LOW VALUE ASSETS 2018	
Adapter	20.01.2016	20,000	Western H	09.07.2018 25,000
Desk, chair	15.12.2016	135,250	Back-ups	02.08.2018 32,000
		155,250	Kyocera printer	19.12.2018 20,000
				77,000
LOW VALUE ASSETS 2015			LOW VALUE ASSETS 2019	
HDD	20.02.2015	17,000	Apple TV	23.09.2019 70,500
Laptop batteries	19.02.2015	27,350		
Hand-held calculator	31.05.2015	4,899		
		49,249		
LOW VALUE ASSETS 2014				
Számla Kompakt 2015	18.12.2014	6,000		
Easus Backup	08.11.2014	49,160		
		127,320		
LOW VALUE ASSETS 2010				
APC UPS, 2 pcs	20.04.2010	45,810		
		45,810		
LOW VALUE ASSETS 2011			OLD SOFTWARES	
DAHLE paper shredder	02.02.2011	18,848	TV royalty p	01.12.2003 200,000
Roller chairs, 2 pcs	02.08.2011	95,108	First WEB	01.10.2004 504,000
Spektra lamp	11.11.2011	6,698	SQL	18.10.2004 156,000
				860,000
LOW VALUE ASSETS 2012				
Pulleys	16.05.2012	4,961		
Airport Extreme Base St.	05.06.2012	45,000		
Samsung CLT-R409	01.06.2012	29,004		
Ikea desk	15.06.2012	8,346		
		87,311		

ASSETS STATED AT HUF 0

KX-FM fax	12.03.2001	79,992
MIELE nat.	14.01.2010	43,992
Shrubbery	30.08.2010	45,600

LOW VALUE ASSETS in 2021

2/Samsung G	08.02.2021	88,346
-------------	------------	--------

**HUNGART Visual Artists' Association for the Collective
Management of Rights
Chart of investments**

Gross value of intangible and tangible assets by balance sheet item:

Changes in gross value

Balance sheet entry (HUF 1,000)	Opening	Increase	Decrease	Reclassification	Closing
Intellectual property	7,402	0	3,297	0	4,105
Total intangible assets	7,402	0	3,297	0	4,105
Land and buildings and related rights	109,045	0	0	0	109,045
Other fixtures and fittings, vehicles	28,570	1,710	1,949	0	28,331
Total property, plant and equipment	137,615	1,710	1,949	0	13,737,61

*Accumulated depreciation of tangible and intangible assets
by balance sheet item*

Accumulated depreciation					
Balance sheet entry (HUF 1,000)	Opening	Increase	Decrease	Reclassification	Closing
Intellectual property	7,402	0	3,297	0	4,105
Total intangible assets	7,402	0	0	0	4,105
Real estate and rights	28,724	2,181	0	0	30,905
Other fixtures and fittings, vehicles	27,540	383	1,949	0	25,974
Construction in progress	0	0	0	0	0
Total property, plant and equipment	56,264	2,564	1,949	0	56,879

Reporting year's depreciation charge by balance sheet item

Reporting year's depreciation					
Balance sheet entry (HUF 1,000)	Straight line	Degressive	Total ratio	Other	Total
Intellectual property	0	0	0	0	0
Total intangible assets	0	0	0	0	0
Land and buildings and related rights	2,181	0	0	0	2,181

Other fixtures and fittings, vehicles	383	0	0	0	383
Total property, plant and equipment	2,564	0	0	0	2,564

HUNGART Collecting Society of Hungarian Visual Artists, 2021*INDICATORS pursuant to Act CLXXV of 2011 (Civil Act)*

Remuneration of executive officers (HUF thousand)		
Position	Previous year /2020/ (2)	Current year /2021/ (2)
Chair, deputy chair, supervisory board chair	5,738	5,400
Taxes on remuneration to executive officers	547	
A. Total remuneration of executive officers	6,285	5,400
Indicators substantiating public benefit status (HUF thousand)		
	Previous year (1)	Current year (2)
B. Annual total revenues	252,615	307,552
Of which:		
C. Amount transferred on the basis of Act CXXX of 1996 on the Use of a Specified Amount of Personal Income Tax	0	0
D. Income from public services	0	0
E. Statutory support	0	0
F. Support from the structural funds of the European Union and the Cohesion Fund	0	0
G. Adjusted income (B-C-D-E-F)	252,615	307,552
H. Total expenses (costs)	254,962	310,572
I. Of which payments to personnel	39,001	36,114
J. Expenses on public benefit activities	254,962	310,572
K. Net profit (loss) for the year	-2,347	- 3,020
L. Number of persons carrying out voluntary public benefit activities in the organisation (in accordance with Act LXXXVIII of 2005)	0	0

Staffing level indicators	Indicator	Indicator delivered
Civil Act, Section 32 (4) a) $[(B1+B2)/2 > \text{HUF } 1,000,000]$	HUF 280,084 thousand	YES
Civil Act, Section 32 (4) b) $[K1+K2 \geq 0]$	0.00	No
Civil Act, Section 32 (4) c) $[(I1+I2-A1-A2)/(H1+H2) \geq 0.25]$	0.11	No
Social support indicators		
Civil Act, Section 32 (5) a) $[(C1+C2)/(G1+G2) \geq 0.02]$	0.00	No
Civil Act, Section 32 (5) b) $[(J1+J2)/(H1+H2) \geq 0.5]$	1.00	YES
Civil Act, Section 32 (5) c) $[(L1+L2)/2 \geq 10 \text{ persons}]$	0	No

Based on the data in the table, it can be concluded that in 2020 and 2021, the Hungart Collecting Society of Hungarian Visual Artists will have sufficient resources (Civil Act, Section 32 (4)) and

with sufficient social support (Civil Act, Section 32 (5)) regardless of the fact that it does not have a public benefit status.

HUNGART Association, Notes to the Financial Statements, 2021



SZAKFORDÍTÁS

Készítette az Országos Fordító
és Fordításhitelesítő Iroda Zrt.

A hiteles fordítást nem helyettesíti!
