
Financial report 2016
Stichting European Journalism Centre
Maastricht

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26 April 2017

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Financial statements

Balance sheet as at 31 December 2016

(after proposed appropriation of result)

Assets	Note	31 December 2016		31 December 2015	
		EUR	EUR	EUR	EUR
<i>Fixed assets</i>					
Property, plant and equipment	5.				
Other fixed assets			18,115		8,594
<i>Current assets</i>					
Construction contracts	6.		0		234,036
Receivables					
Trade debtors	8.	420,022		302,805	
Taxes and social security contributions	9.	2,290		2,169	
Pension contributions	10.	862		42	
Other debtors, prepayments and accrued income	11.	137,986		151,831	
			561,160		456,847
Cash and cash equivalents	12.		4,035,245		2,251,283
			4,614,520		2,950,760

Equity and liabilities		31 December 2016		31 December 2015	
		Note	EUR	EUR	EUR
Equity					
Other reserves	13.		674,634		600,304
Current liabilities					
Trade creditors	14.		952,180		986,263
Construction contracts negative balance	15.		1,064,077		0
Taxes and social security contributions	16.		41,659		21,860
Other liabilities, accruals and deferred income	17.		1,881,970		1,342,333
			<u>3,939,886</u>		<u>2,350,456</u>
			<u>4,614,520</u>		<u>2,950,760</u>

Income statement for the year ended 31 December 2016

	Note	2016		2015	
		EUR	EUR	EUR	EUR
Net turnover		4,994,522		3,970,218	
Movements in construction contracts		(1,218,161)		378,288	
Total operating income			3,776,361		4,348,506
Cost of sales		2,419,724		2,903,191	
Salaries and wages		771,403		675,538	
Social security contributions		119,493		108,430	
Pension contributions		70,026		51,802	
Depreciation	19.	4,068		8,486	
Other operating expenses	20.	322,448		423,365	
Total operating expenses			3,707,162		4,170,812
Operating result			69,199		177,694
Interest and similar income	21.		5,131		7,859
Result before taxation			74,330		185,553
Income tax expense			0		0
Result after taxation			74,330		185,553

Notes to the balance sheet and income statement

1. General notes

1.1. Activities

The operations of Stichting European Journalism Centre are mainly comprised of:

- the presentation of a European Meeting place for journalists, fostering the exchange of experiences and opinions and developing projects of common interest;
- the providing of a further education institute for working journalists, editors and proprietors as well as specialization centre for advanced students;
- the providing of services and expertise to third parties in the media world.

1.2. Registered office, legal form and registration number Chamber of Commerce

Stichting European Journalism Centre has its registered office at Oranjeplein 106, 6224 KV Maastricht. The registration number of the Chamber of Commerce is 41078390.

1.3. Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Stichting European Journalism Centre make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

2. General policies

2.1. General

The foundation does not have an obligation to prepare the financial statements in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code. However the financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the Guidelines for Annual Reporting in the Netherlands for small legal entities as issued by the Dutch Accounting Standards Board.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

2.2. Comparative figures

The accounting policies have been consistently applied to all the years presented.

2.3. Foreign currencies

2.3.1. Functional currency

Items included in the financial statements of Stichting European Journalism Centre are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in euro, which is the functional and presentation currency of Stichting European Journalism Centre.

2.3.2. Transactions, assets and liabilities

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions.

2.4. Lease

2.4.1. Operating lease

Lease contracts for which a large part of the risks and rewards incidental to ownership of the assets does not lie with the Company, are recognised as operating leases. Lease payments are recognised on a straight-line basis in the income statement over the term of the contract, taking into account reimbursements received from the lessor.

3. Accounting policies for the balance sheet

3.1. Property, plant and equipment

Property, plant and equipment are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated useful lives. Allowance is made for any impairment losses expected at the balance sheet date. For details on how to determine whether property, plant or equipment is impaired, please refer to the respective note.

3.2. Impairment of non-current assets

As at each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

Fair value less costs to sell is determined based on the active market. For the purposes of determining value in use, cash flows are discounted. An impairment loss is directly expensed in the income statement.

If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognised.

3.3. Construction contracts

Construction contracts are carried at contract revenue generated, which is comprised of contract costs incurred. Where appropriate, recognised losses and progress billings are deducted from construction contracts. Construction contracts are recognised as a current liability where progress billings exceed contract revenue.

3.4. Receivables

Trade receivables are recognised initially at fair value including transaction costs, if material and subsequently measured at amortised cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

3.5. Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

3.6. Current liabilities

Short-term borrowings are initially recognised at fair value, net of transaction costs incurred. Short-term borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

4. Accounting policies for the income statement

4.1. Result

Profit or loss is determined as the difference between the realisable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognised in the year in which they are realised.

4.2. Revenue recognition

4.2.1. General

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

4.2.2. Sales of services

Revenue from sales of services is recognised under the percentage-of-completion method based on the services performed to the balance sheet date as a percentage of the total services to be performed.

4.2.3. Contract revenue and costs

When the outcome of a contract can be estimated reliably, contract revenue and costs are recognised as revenue and costs in the income statement under the percentage-of-completion method.

The stage of completion is measured by reference to the contract costs incurred up to the balance sheet date as a percentage of total estimated costs for each contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised as revenue in the income statement only to the extent of contract costs incurred that are likely to be recoverable; contract costs are recognised as expenses in the period in which they were incurred. When the outcome of a contract can be estimated reliably, revenue is recognised using the percentage-of-completion method by reference to the services provided up to the balance sheet date.

Profit or loss is determined as the difference between contract revenue and contract costs. Contract revenue comprises the initial amount agreed in the contract; variations in contract work, claims and incentive payments are also included in contract revenue to the extent that they may have been agreed with the customer and are capable of being reliably measured. Contract costs comprise costs that relate directly to the specific contract, costs that are attributable to contract activity in general and can be allocated to the contract, and such other costs as are specifically chargeable to the customer under the terms of the contract.

If it is probable that total contract costs will exceed total contract revenue, any expected excess of total contract costs over total contract revenue for the contract is recognised as an expense immediately within cost of sales. The provision for the loss is recognised within construction contracts.

4.3. *Exchange rate differences*

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise, unless they are hedged.

4.4. *Cost of sales*

Cost of sales represents the direct and indirect expenses attributable to revenue.

4.5. *Costs*

Costs are recognised based on the historical cost convention and are allocated to the reporting year to which they relate.

4.6. *Employee benefits*

4.6.1. *Short-term employee benefits*

The benefits payable to personnel are recorded in the profit and loss account on the basis of the employment conditions.

4.6.2. *Pensions*

Stichting European Journalism Centre applies the liability approach to account for all pension schemes. The premium payable during the reporting year is recorded as an expense.

The provisions of the Netherlands Pensions Act ('Pensioenwet') apply to the Dutch pension schemes and Stichting European Journalism Centre pays compulsory, contractual or voluntary contributions to pension funds and insurance companies. The contributions are recorded as personnel costs from the date that they become payable. Prepaid contributions are reported as accrual if this results in a repayment or a reduction in future payments. Contributions that are not yet paid are included as a liability in the balance sheet.

4.7. *Depreciation*

Property, plant and equipment has been depreciated over their estimated useful lives as from the inception of their use. Future depreciation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of tangible fixed assets are included in depreciation.

4.8. *Financial income and expense*

4.8.1. *Interest paid and received*

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

4.9. *Income tax expense*

No income tax is calculated because no activities according to the corporate income tax are executed.

5. **Property, plant and equipment**

Movements in tangible fixed assets are broken down as follows:

	<i>Other fixed assets</i>
	EUR
<i>Balance as at 1 January 2016</i>	
Cost	184,737
Accumulated impairments and depreciation	(176,143)
Book value	<u>8,594</u>
<i>Movements in book value</i>	
Additions	13,589
Depreciation	(4,068)
Balance	<u>9,521</u>
<i>Balance as at 31 December 2016</i>	
Cost	198,326
Accumulated impairments and depreciation	(180,211)
Book value	<u>18,115</u>
Depreciation rates	<u>20 - 33,33</u>

6. **Construction contracts**

	<i>31-12-2016</i>	<i>31-12-2015</i>
	EUR	EUR
Generated contract revenue	2,628,381	1,410,220
Progress billings	(3,692,458)	(1,176,184)
	<u>(1,064,077)</u>	<u>234,036</u>

The constructions contracts where the generated contract revenue exceeds the recognised progress billings (positive value) is EUR 67,346 (2015: EUR 323,999). The constructions contracts where the generated contract revenue is lower then the recognised progress billings (negative value) is EUR 1,131,423 (2015: EUR 89,963).

7. **Receivables**

Accounts receivable all have a remaining term to maturity of less than one year, unless stated otherwise. The fair value of the accounts receivable is close to the carrying amount, given the current nature of the accounts receivable and the fact that, where necessary, provisions for bad debt have been recognised.

8. Trade debtors

	<u>31-12-2016</u>	<u>31-12-2015</u>
	EUR	EUR
Trade debtors	420,022	411,352
Provision for bad debts	0	(108,547)
	<u>420,022</u>	<u>302,805</u>

9. Taxes and social security contributions

	<u>31-12-2016</u>	<u>31-12-2015</u>
	EUR	EUR
Social security contributions	2,290	2,169

10. Pension contributions

	<u>31-12-2016</u>	<u>31-12-2015</u>
	EUR	EUR
Pension contributions	862	42

11. Other debtors, prepayments and accrued income

	<u>31-12-2016</u>	<u>31-12-2015</u>
	EUR	EUR
Retention money	33,386	35,736
Prepaid cost on projects	37,205	0
Subventions to be invoiced	0	100,652
Other receivables and prepaid expenses	67,395	15,443
	<u>137,986</u>	<u>151,831</u>

The retention money has a remaining maturity of more than one year.

12. Cash and cash equivalents

The cash and cash equivalents are at the Foundation's free disposal.

13. Other reserves

	<u>2016</u>	<u>2015</u>
	EUR	EUR
Balance as at 1 January	600,304	414,751
Result for the year	74,330	185,553
Balance as at 31 December	<u>674,634</u>	<u>600,304</u>

14. Current liabilities

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

15. Construction contracts negative balance

	<u>31-12-2016</u>	<u>31-12-2015</u>
	EUR	EUR
Construction contracts negative balance	1,064,077	0

For more details we refer to note 6.

16. Taxes and social security contributions

	<u>31-12-2016</u>	<u>31-12-2015</u>
	EUR	EUR
Wage taxes	41,659	21,860

17. Other liabilities, accruals and deferred income

	<u>31-12-2016</u>	<u>31-12-2015</u>
	EUR	EUR
Prepayments for projects	1,801,495	1,247,240
Holiday allowance	55,098	58,058
Payables to employees	634	17,611
Other accruals and deferred income	24,743	19,424
	<u>1,881,970</u>	<u>1,342,333</u>

18. Arrangements not included in the balance sheet

The property rental commitments for 2017 amount to € 45,000 for the Maastricht office and € 28,150 for the Brussels office. The rent for the Maastricht office at 31 December 2016 amounts to € 79,000 and has an average remaining maturity of 1 year and 9 months. The rent for the Brussels office at 31 December 2016 from 1 till 5 years amounts to € 112,500 and the obligation longer then 5 years amounts to € 16,500. The obligation has an average remaining maturity of 5 years and 7 months.

19. Depreciation

	<u>2016</u>	<u>2015</u>
	EUR	EUR
Depreciation	4,068	8,486

20. Other operating expenses

	<u>2016</u>	<u>2015</u>
	EUR	EUR
Other personnel expenses	62,873	42,057
Housing expenses	92,835	91,060
Selling expenses	849	849
Office expenses	44,413	43,354
General expenses	38,841	66,113
Board costs	16,186	17,492
Business development	58,503	153,344
Other expenses	7,948	9,096
	<u>322,448</u>	<u>423,365</u>

21. Interest and similar income

	<u>2016</u>	<u>2015</u>
	EUR	EUR
Interest income on bank balances	<u>5,131</u>	<u>7,859</u>

22. Average number of employees

During the year 2016, the average number of employees calculated on a full-time-equivalent basis was 14.5 (2015: 12.0).

Maastricht, 26 April 2017
Stichting European Journalism Centre

The Board of Governors

L.O. Johansson (President)

V. Partal Montesinos (Vice-President)

V. Kaimaki

A. Kuusk

M.M.E.F.T. Riederer

C.H. Beckett

Accountant's compilation report



Accountant's compilation report

To: the Board of Directors of Stichting European Journalism Centre

The financial statements of Stichting European Journalism Centre at Maastricht have been compiled by us using the information provided by you. The financial statements comprise the balance sheet for the year ended 31 december 2016 and the income statement for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Stichting European Journalism Centre. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening Gedrags- en Beroepsregels Accountants" (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Utrecht, 26 april 2017
PricewaterhouseCoopers Compliance Services B.V.

drs. R.M.J. Kraan RA

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