
Financial report 2017
Stichting European Journalism
Centre
Maastricht

6 April 2018

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Management Board's report

The management board's report is available at the foundation's office.

Financial statements

Balance sheet as at 31 December 2017

(After proposal distribution of result)

Assets

		<u>31 December 2017</u>		<u>31 December 2016</u>	
		€	€	€	€
<i>Fixed assets</i>					
Tangible fixed assets					
Other fixed assets	1		56,051		18,115
<i>Current assets</i>					
Projects in progress					
	2		12,600		0
Receivables					
Trade receivables	3				
Other receivables, prepayments and accrued income	4	439,937		420,022	
	5	93,053		141,138	
			532,990		561,160
Cash at banks and in hand	6		2,718,963		4,035,245
Total assets			<u>3,320,604</u>		<u>4,614,520</u>
Equity and liabilities					
Equity					
	7		1,095,415		674,634
Current liabilities					
Accounts payable	8	1,178,414		952,180	
Taxes and social security charges	9	23,893		41,659	
Projects in progress	10	0		1,064,077	
Other liabilities and accrued expenses	11	1,022,882		1,881,970	
			2,225,189		3,939,886
Total equity and liabilities			<u>3,320,604</u>		<u>4,614,520</u>

Income statement for the year 2017

	2017		2016	
	€	€	€	€
<i>Net Turnover</i>				
	4,315,407		4,994,522	
Movements in projects in progress	1,076,676		(1,218,161)	
<i>Total operating income</i>		5,392,083		3,776,361
Cost of projects	3,682,499		2,419,724	
Wages and salaries	738,446		771,403	
Social security charges	129,564		119,493	
Pension contributions	59,424		70,026	
Depreciation of tangible fixed assets	7,539		4,068	
Other operating expenses	12 354,902		322,448	
<i>Total operating expenses</i>		4,972,374		3,707,162
<i>Operating result</i>		419,709		69,199
Financial income and expense		1,072		5,131
		420,781		74,330

Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Stichting European Journalism Centre is Oranjeplein 106, 6224 KV in Maastricht. Stichting European Journalism Centre is registered at the trade register under number 41078390.

General notes

The most important activities of the entity

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.

Disclosure of 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.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statement is drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Disclosure of changes in accounting policies

Compared with previous year, there have been no changes in the accounting policies applied.

Conversion of amounts denominated in foreign currency

The financial statement is presented in euros, which is the functional and presentation currency of Stichting European Journalism Centre.

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Operating leases

The corporation has lease contracts whereby a large part of the risks and rewards associated with ownership are not for the benefit of or incurred by the corporation. The lease contracts are recognised as operational leasing. Lease payments are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the income statement for the duration of the contract.

Accounting principles

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.

Impairment of property, plant and equipment

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.

Construction contracts

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

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from construction contracts.

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.

Wages and salaries

The benefits payable to personnel are recorded in the income statement on the basis of the employment conditions.

Applied policy of pension costs

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 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.

Depreciation of property, plant and equipment

Tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset. Future depreciation is adjusted if there is a change in estimated future useful life. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Interest income and related income

Interest income are recognised on a pro rata basis, taking account of the effective interest rate of the assets to which they relate.

Notes to the balance sheet

1 Tangible fixed assets

	<u>Other fixed assets</u> €
Balance as at 1 January 2017	
Acquisition costs	198,326
Cumulative depreciation	(180,211)
Book value as at 1 January 2017	<u>18,115</u>
Movements	
Investments	45,475
Depreciation	(7,539)
Balance movements	<u>37,936</u>
Balance as at 31 December 2017	
Acquisition costs	243,801
Cumulative depreciation	(187,750)
Book value as at 31 December 2017	<u>56,051</u>
Depreciation percentages	<u>20 - 33,33</u>

2 Projects in progress

	<u>31-12-2017</u> €	<u>31-12-2016</u> €
Capitalized expenses project contracts	2,068,332	0
Progress billings	(2,055,732)	0
	<u>12,600</u>	<u>0</u>

The constructions contracts where the generated contract revenue exceeds the recognised progress billings (positive value) is EUR 356,843 (2016: EUR 67,346). The constructions contracts where the generated contract revenue is lower then the recognised progress billings (negative value) is EUR 344,243 (2016: EUR 1,131,423).

3 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.

4 Trade receivables

	<u>31-12-2017</u> €	<u>31-12-2016</u> €
Trade receivables	439,937	420,022

5 Other receivables, prepayments and accrued income

	<u>31-12-2017</u> €	<u>31-12-2016</u> €
Taxes and social security charges	6,349	3,152
Accruals and prepaid expenses	86,704	137,986
	<u>93,053</u>	<u>141,138</u>

Taxes and social security charges

	<u>31-12-2017</u> €	<u>31-12-2016</u> €
Social security contributions	4,214	2,290
Pension contributions	2,135	862
	<u>6,349</u>	<u>3,152</u>

Accruals and prepaid expenses

	<u>31-12-2017</u> €	<u>31-12-2016</u> €
Retention money	33,386	33,386
Prepaid cost on projects	29,348	37,205
Other receivables and prepaid expenses	23,970	67,395
	<u>86,704</u>	<u>137,986</u>

6 Cash at banks and in hand

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

7 Equity

Other reserve

	<u>2017</u>	<u>2016</u>
	€	€
Balance as at 1 January	674,634	600,304
Appropriated of result	410,281	74,330
Balance as at 31 December	1,084,915	674,634

8 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.

9 Taxes and social security charges

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Wage tax	23,893	41,659

10 Projects in progress

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Capitalized expenses project contracts	0	(2,628,381)
Progress billings	0	3,692,458
	0	1,064,077

The constructions contracts where the generated contract revenue exceeds the recognised progress billings (positive value) is EUR 356,843 (2016: EUR 67,346). The constructions contracts where the generated contract revenue is lower then the recognised progress billings (negative value) is EUR 344,243 (2016: EUR 1,131,423).

11 Other liabilities and accrued expenses

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Prepayments for projects	935,088	1,801,495
Holiday allowance	65,434	55,098
Other payables	22,360	25,377
	1,022,882	1,881,970

Contingent assets and liabilities

Disclosure of off-balance sheet commitments

The management has started an investigation on its own initiative into the possible tax liability for the corporate income tax. The results of this investigation are not yet known at the time of the finalization of the annual accounts. Any tax liability may have a negative effect on the capital and result, with a maximum impact of approximately EUR 100,000.

The opinion of the management is that there is no tax liability and that the high result of 2017 is exceptional.

Disclosure of operating leases

The property rental commitments for 2018 amount to € 34,420 for the Maastricht office and € 41,100 for the Brussels office.

The rental commitment for the Maastricht office at 31 December 2017 amounts to € 34,420 and has an average remaining maturity of 9 months.

The rental commitment for the Brussels office at 31 December 2017 amounts to € 189,000 and has an average remaining maturity of 4 years and 7 months.

Notes to the profit and loss account

Average number of employees

2017

Average number of employees

Number
14.00

2016

Average number of employees

Number
14.50

Depreciation

Other fixed assets

	<u>2017</u>	<u>2016</u>
	€	€
	7,539	4,068

12 Other operating expenses

	<u>2017</u>	<u>2016</u>
	€	€
Other staff expenses	65,641	62,873
Housing expenses	96,170	92,835
Selling expenses	0	849
Office expenses	47,861	39,788
General expenses	82,995	43,466
Board costs	16,657	16,186
Business development	44,517	58,503
Other expenses	1,061	7,948
	<u>354,902</u>	<u>322,448</u>

Other interest and similar income

	<u>2017</u>	<u>2016</u>
	€	€
Other interest received	1,072	5,131

Maastricht,
Stichting European Journalism Centre

L.O. Johansson
Management

V. Partal Montesinos
Management

V. Kaimaki
Management

A. Kuusk
Management

M.M.E.F.T. Riederer
Management

C.H. Beckett
Management



Accountant's compilation report

The financial statements of Stichting European Journalism Centre, Maastricht, have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2017 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 The Netherlands, 6 April 2018
PricewaterhouseCoopers Compliance Services B.V.

R.M.J. Kraan RA
Signed

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