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***Financial report 2020***  
Stichting European Journalism  
Centre  
Maastricht

25 March 2021

Compilation report issued 25 March 2021

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***Management Board's report***

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

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## ***Financial statements***

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**Balance sheet as at 31 December 2020**

(After proposal distribution of result)

**Assets**

		<u>31 December 2020</u>		<u>31 December 2019</u>	
		€	€	€	€
<i>Fixed assets</i>					
<b>Property, plant and equipment</b>	<b>1</b>				
Leasehold improvements		98,962		131,949	
Other fixed assets		14,608		41,283	
			113,570		173,232
<i>Current assets</i>					
<b>Receivables</b>	<b>2</b>				
Trade receivables	3	60,315		80,000	
Taxes and social security charges	4	9,988		8,519	
Other receivables, prepayments and accrued income	5	49,903		213,503	
			120,206		302,022
<b>Cash and cash equivalents</b>	<b>6</b>		3,342,157		3,159,072
<b>Total assets</b>			<u>3,575,933</u>		<u>3,634,326</u>

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**Reserves and liabilities**

		<u>31 December 2020</u>		<u>31 December 2019</u>	
		€	€	€	€
<b>Reserves</b>	7		917,929		1,089,142
<b>Provisions</b>	8				
Provision for dismantling costs		5,913		3,942	
Provision for value added taxes payable	9	38,077		61,103	
			43,990		65,045
<b>Current liabilities</b>	10				
Trade payables		787,484		294,350	
Value added tax		0		22,798	
Wage tax		48,613		24,578	
Projects in progress	11	1,656,837		1,917,642	
Other liabilities and accrued expenses	12	121,080		220,771	
			2,614,014		2,480,139
<b>Total equity and liabilities</b>			<u>3,575,933</u>		<u>3,634,326</u>

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***Income statement for the year 2020***

	<u>€</u>	<u>2020</u> €	<u>€</u>	<u>2019</u> €
<b><i>Net Turnover</i></b>				
	6,530,444		6,036,172	
Changes in projects in progress	260,804		(1,390,719)	
<b><i>Total operating income</i></b>		<u>6,791,248</u>		<u>4,645,453</u>
Cost of projects	4,907,165		2,621,741	
Wages and salaries	1,246,000		1,276,206	
Social security charges	308,242		223,810	
Pension contributions	112,493		86,136	
Depreciation of property, plant and e- equipment	59,662		61,399	
Other operating expenses	13 303,015		406,732	
<b><i>Total of sum of expenses</i></b>		<u>6,936,577</u>		<u>4,676,024</u>
<b><i>Total of operating result</i></b>		(145,329)		(30,571)
Interest and similar expenses	14	(25,884)		(238)
<b><i>Total of result after tax</i></b>		<u>(171,213)</u>		<u>(30,809)</u>

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## ***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 Petrus Regoutplein 1 F 02, 6211 XX in Maastricht. Stichting European Journalism Centre is registered at the Chamber of Commerce 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 going concern*

As a result of the ongoing COVID-19 pandemic, Stichting European Journalism Centre faces some uncertainty as a going concern. The exact effect of the pandemic is not yet quantifiable, however it could prevent the Centre from performing its core activities. Stichting European Journalism Centre is highly dependent on project grants, especially long-term grants. As funders' strategies change, the Centre must adapt to work on different projects and find alternative sources of funding. In order to maintain the Stichting European Journalism Centre as a going concern, and to continue core activities while new revenue is found, the organisation started to decrease overhead costs in 2020. The effects of this decrease will be visible in the financial result of 2021. Part of this plan is to increase efficiency and adapt new methods of digital and remote work. The development of journalism in the European Union and the European continent are two of the most important goals of Stichting European Journalism Centre. The ability to travel and cross borders is a very important part of developing journalism abroad. In line with the plan of decreasing fixed costs, the board is planning new ways of working through digital meetings and remote learning courses. This decreases travel costs and helps the environment. Accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the foundation.

#### *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 statements are 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.

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### *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 valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments. Impairments expected on the balance sheet date are taken into account.

For obligations to restore the asset after use (dismantling cost) a provision is recognised for the expected amount at the time of capitalisation. This amount is recognised as part of the carrying amount of the asset against which a provision is formed for the full amount.

### *Impairment of non-current assets*

On each balance sheet date, Stichting European Journalism Centre assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use. An impairment loss is directly recognised in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill is not reversed.

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### *Construction contracts*

Projects in progress consist of long term projects which are performed for clients. The 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.

### *Provisions*

Provisions are measured at the best estimate of the amount that is necessary to settle the obligation as per the balance sheet date. The other provisions are carried at the nominal value of the expenditure that is expected to be necessary in order to settle the obligation, unless stated otherwise.

### *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.

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### *Revenue recognition*

Net turnover comprises the income from projects in progress. When progression is made on a project the revenue and also these cost are taken into account.

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.

The zero profit method is applied as profit is not a goal neither an expectation. 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*

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 expenses and related expenses*

Interest expenses are recognised on a pro rata basis, taking account of the effective interest rate of the liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

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## Notes to the balance sheet

### 1 Property, plant and equipment

	<i>Leasehold improve- ments</i>	<i>Other fixed assets</i>	<i>Total</i>
	€	€	€
<b>Balance as at 1 January 2020</b>			
Cost or manufacturing price	164,936	276,533	441,469
Accumulated depreciation	(32,987)	(235,250)	(268,237)
	<b>131,949</b>	<b>41,283</b>	<b>173,232</b>
<b>Movements</b>			
Depreciation	(32,987)	(26,675)	(59,662)
Disposals	0	(195,653)	(195,653)
Depreciation on disposals	0	195,653	195,653
	<b>(32,987)</b>	<b>(26,675)</b>	<b>(59,662)</b>
<b>Balance as at 31 December 2020</b>			
Cost or manufacturing price	164,936	80,879	245,815
Accumulated depreciation	(65,974)	(66,271)	(132,245)
	<b>98,962</b>	<b>14,608</b>	<b>113,570</b>

### 2 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.

### 3 Trade receivables

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Trade receivables	60,315	80,000

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**4 Taxes and social security charges**

	<u><b>31-12-2020</b></u>	<u><b>31-12-2019</b></u>
	€	€
Value added tax	1,969	0
Social security contributions	8,019	8,519
	<u>9,988</u>	<u>8,519</u>

**5 Other receivables, prepayments and accrued income**

	<u><b>31-12-2020</b></u>	<u><b>31-12-2019</b></u>
	€	€
Grants receivable	0	144,517
Retention money	36,334	31,832
Prepaid cost on projects	0	4,195
Other receivables and prepaid expenses	13,569	32,959
	<u>49,903</u>	<u>213,503</u>

**6 Cash and cash equivalents**

	<u><b>31-12-2020</b></u>	<u><b>31-12-2019</b></u>
	€	€
Triodos Bank	3,326,458	3,142,675
ING Bank N.V.	14,411	14,605
Cash in hand	1,288	1,792
	<u>3,342,157</u>	<u>3,159,072</u>

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

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**7 Reserves****Other reserve**

	<u>2020</u>	<u>2019</u>
	€	€
Balance as at 1 January	1,089,142	1,119,951
Appropriation of result	(171,213)	(30,809)
<b>Balance as at 31 December</b>	<u>917,929</u>	<u>1,089,142</u>

**8 Provisions****Other provisions**

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Provision for dismantling costs	5,913	3,942
Provision for value added taxes payable	38,077	61,103
	<u>43,990</u>	<u>65,045</u>

**Provision for dismantling costs**

	<u>2020</u>	<u>2019</u>
	€	€
Balance as at 1 January	3,942	1,971
Increase taken to result	1,971	1,971
<b>Balance as at 31 December</b>	<u>5,913</u>	<u>3,942</u>

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### ***Provision for value added taxes payable***

	<u>2020</u>	<u>2019</u>
	€	€
Balance as at 1 January	61,103	0
Allocation chargeable to result of the provision	0	61,103
	<u>61,103</u>	<u>61,103</u>
Decrease other provision	(23,026)	0
<b><i>Balance as at 31 December</i></b>	<u>38,077</u>	<u>61,103</u>

The provision for the value added taxes payable is taken into account for the expected payment to the Tax Authorities regarding the value added taxes investigation. The Tax Authorities have claimed € 177,828, however Stichting European Journalism Centre has prepared a report with support of the tax advisors of Mazars to recognize the amount for the provision.

### ***10 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.

### ***11 Projects in progress***

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Advances received for construction contracts	5,257,882	5,959,351
Capitalised expenses for not yet provided services of construction contracts	(3,601,045)	(4,041,709)
	<u>1,656,837</u>	<u>1,917,642</u>

The constructions contracts where the work performed exceeds the recognised progress billings (positive value) is EUR 124,720 (2019: EUR EUR 81,619). The constructions contracts where the performed work is lower then the recognised progress billings (negative value) is EUR 1,781,557 (2019: EUR 1,999,261).

### ***12 Other liabilities and accrued expenses***

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
Holiday allowance	53,378	126,230
Prepayments for projects	0	45,000
Repayment obligation NOW-subsidy	42,366	0
Other payables	25,336	20,749
Grants payable	0	28,792
	<u>121,080</u>	<u>220,771</u>

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## ***Contingent assets and liabilities***

### ***Disclosure of off-balance sheet commitments***

The management has started an investigation after the high result in 2017 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 2021 amount to EUR 27,183 for the Maastricht office and EUR 5,921 for the Brussels office. The rental commitment for the Maastricht office at 31 December 2020 amounts to EUR 72,991 and has an average remaining maturity of 2 years and 8 months. The rental commitment for the Brussels office at 31 December 2020 amounts to EUR 9,375 and has an average remaining maturity of 1 years and 7 months.

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## Notes to the profit and loss account

### Average number of employees

2020

Average number of employees

Number

24.00

2019

Average number of employees

Number

24.00

### 13 Other operating expenses

	<u>2020</u>	<u>2019</u>
	€	€
Other expenses of employee benefits	36,352	57,058
Housing expenses	97,056	101,367
Office expenses	41,185	59,076
General expenses	86,964	114,056
Board costs	6,070	20,448
Business development	30,646	(16,696)
Other expenses	4,742	71,423
	<u>303,015</u>	<u>406,732</u>

### 14 Interest and similar expenses

	<u>2020</u>	<u>2019</u>
	€	€
Other interest expenses	<u>25,884</u>	<u>238</u>

Maastricht, 25 March 2021

Stichting European Journalism Centre

V. Partal Montesinos  
Chairman

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C.H. Beckett  
V. Partal Montesinos  
Boardmember  
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A. Thomas  
Charlie Beckett  
Director  
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Adam Thomas  
Adam Thomas  
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V. Kaimaki  
Vice-chairwoman

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A. Kuusk  
Vasiliki Kaimaki  
Boardmember  
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M. Riederer  
Annes Kuusk  
Boardmember  
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L. Johansson  
Boardmember

DocuSigned by:  
J. van Havere  
Lars Ove Johansson  
Finance Director  
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John van Havere  
John van Havere  
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## ***Accountant's compilation report***

***To: The Board of Stichting European Journalism Centre***

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 2020 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.

The Coronavirus Covid-19 also affected Stichting European Journalism Centre. In the notes to the financial statement you have explained how the virus has already affected Stichting European Journalism Centre and what other implications you still expect.

You have also explained the actions you have already taken and still plan to take, in which it is also stated which amenities made available by the government you expect to use. The notes state there are still great uncertainties. You state there is a serious uncertainty regarding the continuity of the company. We agree that, based on the rules set in the financial reporting framework, the financial statements can be prepared based on a going-concern basis. However this does not invalidate the uncertainties that remain.

Utrecht The Netherlands, 25 March 2021

PricewaterhouseCoopers Compliance Services B.V.

De document is elektronisch ondertekend door:

*Richard M.J. Kraan*

R.M.J. Kraan RA

*PricewaterhouseCoopers Compliance Services B.V., Newtonlaan 205, 3584 BH Utrecht, P.O. Box 85096, 3508 AB Utrecht, the Netherlands*

*T: +31 (0) 88 792 00 30, F: +31 (0) 88 792 94 87, [www.pwc.nl](http://www.pwc.nl)*

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