

**Annual report 2019**  
**of**  
**Stichting EAU**  
**Foundation for Urological Research**  
seated in Arnhem, the Netherlands

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## 1. General

The foundation was founded by deed on November 29th, 2006.

The Board members are Prof. Dr. A. Bjartell and Drs. M.G.B.T. Schlieff.

## 2. Previous year's financial statements

The financial reports for the years 2017 and 2018 have been approved. This is done in a meeting at the EAU Annual Congress in Barcelona.

## 3. Results

The financial result of 2019 is a loss of € 421.650. In 2018 a loss of € 753.195 was achieved. This means that the result of the foundation increased by € 331.545.

This year's and last year's result can be summarized as follows:

	2019		2018	
<i>(amounts in euro's)</i>				
Gross margin	(129.716)	100,0%	(470.115)	100,0%
Expenses	<u>(261.867)</u>	-201,9%	<u>(262.160)</u>	-55,8%
<b>Operating result</b>	<b>(391.583)</b>	<b>-301,9%</b>	<b>(732.275)</b>	<b>155,8%</b>
Financial result	<u>(30.067)</u>	-23,2%	<u>(20.920)</u>	-4,4%
<b>Result before taxation</b>	<b><u>(421.650)</u></b>	<b>-325,1%</b>	<b><u>(753.195)</u></b>	<b>-160,2%</b>

#### 4. Cash flow

amounts in euro's

	<u>2019</u>	<u>2018</u>
Operational result	(391.583)	(732.275)
Changes in working capital:		
Debtors	(135.508)	21.421
Affiliated companies	123.224	688
Other receivables and prepayments	(440)	(474)
Creditors	(65.325)	77.870
Work in progress	129.097	(1.689)
Taxes and social securities	(3.452)	(212)
Other payables and accrued expenses	<u>(134.865)</u>	<u>11.578</u>
	(87.270)	109.183
Paid interest	<u>(30.067)</u>	(20.920)
	<u>(30.067)</u>	<u>(20.920)</u>
<b>Cash flow from operational activities</b>	<b>(508.919)</b>	<b>(644.012)</b>
<b>Financial activities</b>		
Capital	-	-
Subordinated loan	<u>700.000</u>	<u>100.000</u>
<b>Cash flow from financial activities</b>	<u>700.000</u>	<u>100.000</u>
Nett cash flow	<u><b>191.081</b></u>	<u><b>(544.012)</b></u>
Cash position as per December, 31	422.098	231.017
Cash position as per January, 1	<u>231.017</u>	<u>775.029</u>
<b>Nett cash flow</b>	<u><b>191.081</b></u>	<u><b>(544.012)</b></u>

The cash flow statement has been prepared in accordance with the indirect method. Cash and cash equivalents consists of cash at bank and in hand. Interest received and paid and profit tax are included under cash flow from operational activities.

## 5. BALANCE SHEET AS AT DECEMBER 31, 2019

(after appropriation of the result)

<b>Assets</b>	<b>31 december 2019</b>	<b>31 december 2018</b>
<i>(amounts in euro's)</i>		
<b>Current assets</b>		
Debtors	135.508	-
Due from affiliated companies	7.014	-
Taxation and social security	5.330	2.048
Other receivables and prepayments	3.401	2.961
	<u>151.253</u>	<u>5.009</u>
<b>Liquidity</b>	<u>422.098</u>	<u>231.017</u>
Total assets	<u><u>573.351</u></u>	<u><u>236.026</u></u>

<b>Equity and liabilities</b>	<b>31 december 2019</b>	<b>31 december 2018</b>
<i>(amounts in euro's)</i>		
<b>Shareholder's equity</b>		
Capital	1.000.000	1.000.000
Retained earnings	(2.859.944)	(2.438.294)
	<u>(1.859.944)</u>	<u>(1.438.294)</u>
Subordinated loan	1.600.000	900.000
<b>Current liabilities</b>		
Creditors	28.942	94.267
Due to affiliated companies	303.396	173.157
Taxation and social securities	5.853	6.024
Work in progress	297.935	168.838
Other liabilities and accrued expenses	197.169	332.033
	<u>833.295</u>	<u>774.320</u>
Total equity and liabilities	<u><u>573.351</u></u>	<u><u>236.026</u></u>

## 6. Profit and loss statement

	2019	2018
<i>(amounts in euro's)</i>		
Turnover	125.000	7.145.201
Change of position Work in Progress	221.904	(7.130.329)
Costs related to turnover trials	<u>(476.620)</u>	<u>(484.987)</u>
Gross margin	(129.716)	(470.115)
Wages and salaries	189.299	187.134
Social security charges	27.259	25.788
Pension costs	20.326	17.988
Other personnel expenses	335	656
Office expenses	2.293	4.416
Travel expenses	5.099	9.651
Housing	9.970	9.576
General and administrative expenses	<u>7.286</u>	<u>6.951</u>
Total expenses	<u>261.867</u>	<u>262.160</u>
Operating result	(391.583)	(732.275)
Interest expenses and related charges	<u>(30.067)</u>	<u>(20.920)</u>
Result in ordinary activities before taxation	<u>(421.650)</u>	<u>(753.195)</u>
Tax on profit	<u>-</u>	<u>-</u>
	<u>(421.650)</u>	<u>(753.195)</u>

## 7. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### General

The financial statements have been prepared in accordance with the accounting policies selected and disclosed as set out below.

The objective of the foundation is to improve the science and research in the medical field of Urology and encourage all activities, directly and indirectly, that contribute to this objective. The Foundation is located at the Mr. E.N. van Kleffensstraat 5, 6842 CV Arnhem and registered at the Chamber of Commerce with number 09165573.

As Stichting EAU Foundation for Urological Research has a negative equity and working capital primary there could be doubt about the going concern assumption in the financial statements. By loan agreement with European Association of Urology currently sufficient funding is available for going concern. Accordingly the financial statements have been prepared on the basis of continuity.

The financial statements are prepared on 23 March 2020.

### Adjustment of comparative figures

The comparative figures in the financial statements 2019 have been adjusted for comparative purposes. The following adjustments have been made:

- In order to better align the presentation of costs with the nature of these costs, several shifts have been made between other personnel expenses, office expenses, travel expenses and general and administrative expenses; These adjustments do not impact the equity or result of the entity.

### Translation of foreign currencies

Transactions arising in foreign currencies are translated into the local currency at the approximate rate ruling at the date of the transaction. At the balance sheet date, assets and liabilities denominated in foreign currencies are translated into the year-end rates of exchange. The resulting net profits or losses are recognised in the profit and loss account.

### Work in Progress

Work in progress is carried at realized costs plus attributable profit - provided this can be reliably measured - and less a provision for expected losses and installments invoiced.

If the outcome of a contract can be reliably estimated, contract revenue and contract costs from the construction contract are taken to the profit and loss account pro rata to the extent of the work performed at the balance sheet date (percentage of completion method). The percentage of completion is determined on the basis of the contract costs incurred in proportion to the estimated total contract costs.

If the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred that are probable to be recoverable, and contract costs are recognized as an expense in the period in which they are incurred (percentage of completion with zero profit method).

If it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Expenses relating to contract costs resulting in work to be performed after the balance sheet date are recognized under Inventories (work in progress or prepayments on inventories) or Prepayments and accrued income, if it is probable that they will give rise to revenue in the subsequent period.

The net amount for work in progress is recognized as a current asset or a current liability where the balance of the construction contract is positive or negative.

### **Current assets**

Current assets are initially recognized at fair value plus transaction costs and subsequently stated at amortized cost based on the effective interest method net of a provision for doubtful debts when necessary.

### **Liquidity**

Liquid assets are stated at face value.

### **Long term liabilities**

On initial recognition, long-term liabilities are carried at fair value less directly attributable transaction costs. After initial recognition, long-term liabilities are carried at amortized cost.

### **Current Liabilities**

On initial recognition, current liabilities are carried at fair value less directly attributable transaction costs. After initial recognition, current liabilities are carried at amortized cost. This is usually the face value for current liabilities.

### **Income and expenses**

Income, costs and expenses are allocated to the year to which they relate. Losses are taken into account in the year in which they are foreseeable.

### **Personnel**

Wages, salaries and social securities are recognized in the profit and loss statement according to the terms of employment to the extent they are due to either employees or the tax authorities.

### **Pension**

The company's pension plan is a defined contribution based plan. All the costs arising from the pension plan are allocated to the year in which the costs are incurred.

### **Interest income and expenses**

Income is recognized pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned.

Expenses are allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognized in the profit and loss account, with the amortized cost of the liabilities being recognized in the balance sheet. Period interest charges and similar charges are recognized in the year in which they fall due.



## 8. NOTES TO THE BALANCE SHEETS

amounts in euro's

### Current assets

	<u>2019</u>	<u>2018</u>
<b>Debtors</b>		
Debtors	135.508	-
	<u>135.508</u>	<u>-</u>

### Due from affiliated companies

Current account Stichting European Urological Foundation	7.014	-
	<u>7.014</u>	<u>-</u>

The current accounts with the affiliated companies bear no interest (2018: 0%).

### Taxation and social security

V.A.T.	2.998	-
Pension plan	2.332	2.048
	<u>5.330</u>	<u>2.048</u>

### Other receivables and prepayments

Other receivables and prepayments	<u>3.401</u>	<u>2.961</u>
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### Total current assets

	<u><b>151.253</b></u>	<u><b>5.009</b></u>
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### Liquidity

Bank	422.099	231.017
	<u>422.099</u>	<u>231.017</u>

### Funding

Capital	1.000.000	1.000.000
	<u>1.000.000</u>	<u>1.000.000</u>

### Retained earnings

Retained earnings as at January 1	(2.438.294)	(1.685.099)
Add/(deduct): result for the year	<u>(421.650)</u>	<u>(753.195)</u>
Retained earnings as at December 31	(2.859.944)	(2.438.294)

### Subordinated loan

	1.600.000	900.000
	<u>1.600.000</u>	<u>900.000</u>

### Total Funding

	<u><b>(259.944)</b></u>	<u><b>(538.294)</b></u>
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## Current liabilities

### Creditors

Creditors	28.942	94.267
	<u>28.942</u>	<u>94.267</u>

### Due to affiliated companies

Current account Stichting European Urological Foundation	-	22.359
Current account European Association of Urology	82.291	52.396
Current account Congress Consultants B.V.	100.137	-
Current account Trentt B.V.	975	1.612
Current account Curatrial SMO & Research B.V.	<u>119.994</u>	<u>96.790</u>
	303.396	173.157

An interest of 2,5% is calculated on the current account with European Association of Urology (2018: 2,5%).

### Taxation and social securities

Payroll tax	5.853	5.781
V.A.T.	-	243
	<u>5.853</u>	<u>6.024</u>

### Work in progress

	297.935	168.838
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### Other liabilities and accrued expenses

Holiday allowance	11.777	11.504
Accounting fees	6.300	6.300
Invoices to be received	177.206	314.197
Other liabilities	<u>1.886</u>	<u>32</u>
	<u>197.169</u>	<u>332.034</u>

### Total current liabilities

	<u><b>833.295</b></u>	<u><b>774.320</b></u>
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## Commitments and contingencies

### Security

Several liability has been provided for the mortgages in Uro Stone B.V.

### Rental payments

Since 2017 the Foundation is renting a building and parking lots. The contract ends at January 1, 2022. The annual rent is EUR 9.516. The contract will automatically be renewed, unless a written notice will be send to the lessor.

### Fiscal unity for VAT purposes

The group is part of the fiscal unity for VAT purposes with Stichting European Urological Foundation, Congress Consultants BV, Curatrial SMO & Research BV and Stichting EAU Foundation for Urological Research, which makes the group jointly and severally liable for tax liabilities concerned of the fiscal unity.

## Subsequent events

In 2020 the company is confronted with the consequences of the corona virus. Although the consequences of the corona virus are uncertain in the long term, the company does not expect any consequences for the continuation of

## **9. NOTES TO THE PROFIT AND LOSS STATEMENT**

### **Tax on profit**

The foundation is an ANBI registered organization and therefore exempted for Corporate Income Tax.

### **Interest expense and related charges**

Of the amount of € 29.995 (2018: € 20.417) for interest expenses and related charges an amount of € 29.895 is charged by group companies (2018: € 20.417).

### **Personnel**

The Foundation employed 2,4 persons on an average (2018: 2,4).

### **Autographs of the Board Members:**

Amsterdam, .....

Prof. Dr. A. Bjartell

Drs. M.G.B.T. Schlieff