



## **R E P O R T**

on the Audit of

Activities in 2006 and the Profit and Loss Account  
for the Period from January 1 to December 31, 2006

of

**European Cancer Patient Coalition (ECPC)**

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January 1 to December 31, 2006

## A. Commission and Discharge of Commission

The Board of Directors of the

**European Cancer Patient Coalition, Utrecht,**

- abbreviated: ECPC - represented by Ms. Michaela Geissler, ECPC Administrator, has commissioned me to audit the activities of the Association in the year of 2006 including the resulting profit and loss account, and to draw up a respective report.

The work was carried through in March/April 2007, with interruptions, in my office.

The required information and supporting documents were supplied to me by Ms. Michaela Geissler.

## B. Legal and Economic Bases

### I. Legal Bases

ECPC was founded in the year of 2003 informally and initially existed in Utrecht/Netherlands as an association without legal personality. One of the foundation members of ECPC, viz., the Dutch Federation of Cancer Patient's Organisations, had provided the office and a managing director for ECPC until July 2005. In the middle of 2005, the administrative office of the Association was transferred to Riemerling/Germany.

By notarial instrument dated December 21, 2005, ECPC was founded as an association with full legal personality under Netherlands law. The registered office is Utrecht/Netherlands. The entry in the commercial register for Utrecht was effected on January 26, 2006.

The purpose of the Association is to foster cooperation between the cancer patients' organisations in Europe and the development of a common policy as well as all subjects related to such purpose in the broadest sense, either directly or indirectly.

Among other things, the Association is to achieve this object by:

Providing an opportunity to all cancer patient organisations to exchange information on health policy within the EU and on all other EU initiatives concerning cancer patients; the sharing of experience in order to strengthen the role and voice of cancer patient organisations in Europe; cooperation with other pan-European organisations in order to address issues and concerns of all European cancer patients; becoming the first natural point of reference for the European Commission and other European institutions, if the latter seek the opinions of cancer patients or wish to consult cancer patient organisations.

The aim of the Association is non-profit.

The Association has been formed for an indefinite period of time. The financial year of the Association is the calendar year, the first financial year commencing upon the foundation of the Association and ending on December 31 of the following year.

The Association has full and associate members. Full members are cancer patient organisations whose application to become members was accepted by the Board of Directors and which recognize certain criteria set by the Association. Associate members are cancer organisations whose application was accepted by the Board of Directors but which do not fulfill all criteria for a membership set up by the Association.

The Board of Directors consists of not less than five and not more than nine persons. They are elected by the General Assembly upon nomination by full members. Each full-member organisation shall be entitled to be represented by one representative in the Board of Directors. Elections shall be carried through for a period of two years, with the possibility of being re-elected twice. Not less than half of the Board of Directors shall consist of persons who have or have had cancer. After the election, the members of the Board of Directors elect, from amongst themselves, a President, one or more Vice-Presidents, a Secretary and a Treasurer. The Board of Directors represents the Association. The President jointly with one other member of the Board of Directors or a

Vice-President jointly with one other member of the Board of Directors shall be entitled to represent the Association. In 2006, the following persons were members of the Board of Directors:

Lynn Faulds Wood, Twickenham/Great Britain, President

Tom Hudson, Dublin/Ireland, Vice-President

Jan Geissler, Riemerling/Germany, Vice-President

Elisabetta Iannelli, Rome/Italy, Secretary

Panayiotis Mallis, Nikosia/Cyprus, Treasurer

Harm Jan Roelants, Amsterdam/Netherlands

Cornelis Franz Rudolf Maria van Bezooijen, Breda/Netherlands

Jesme Wison Fox, Glasgow/Great Britain

Heide Maria Preuss, Selm/Germany.

## **II. Economic Bases**

ECPC was founded in order to represent the opinions of cancer patients in the European health discussion and to establish a forum for all European cancer patients to exchange information on chances of healing. In this connection, the Association wishes to be a mouthpiece for its member organisations and for innumerable cancer patients and their family members who otherwise have no opportunity to make themselves heard in Europe.

The foundation sponsor of ECPC is the European School of Oncology which offers training and retraining of doctors in the environment of cancer and in whose programs „patient advocacy“ occupies an ever increasing importance. The additional financing at present is provided by the so-called „sustaining partners“ – commercial companies who build up a long-term relationship with the Association and wish to show their commitment to cancer patients. These „sustaining partners“ annually provide an unrestricted financial contribution without any counter-performance for the purpose of the activities of the Association. With each partner, an individual „Memorandum of Agreement“ was drawn up which regulates the cooperation and, at the same time, secures the independence of ECPC from the sponsor. It is an aim for the next years to

base further financing also on non-commercial sponsors, such as foundations and also on financing means from the EU.

The financial means are employed by ECPC for personnel costs and costs of material of the daily business activity which is carried through in an administrative office in Riemerling/Germany and a policy office in Brussels/Belgium. In addition, ECPC organizes an annual masterclass for member organisations.

### **C. Organisation of Accounting**

The processing of the accounting material is carried through in accordance with a standard form of accounts/system individually developed for the requirements of the Association which employs a numerical system for the diverse receipt and expense items. Since the latter is subdivided into main groups and subgroups arranged according to subjects, the profit and loss account resulting from the receipt and expense items provides a sufficient survey of the business transactions of the year under report.

All expenditure has been proved by documentary evidence. The documentary evidence has been filed properly and is easily to be surveyed. Any follow-up from an individual impersonal account to a documentary evidence and to the bank account, respectively, over which the respective payments were effected, is therefore possible without difficulty. The same applies if, for an entry in the bank account, the documentary evidence and its processing in accounting is to be followed up.

On principle, receipts and expenses are allocated to the accounting period in which they accrued. A deviation from this practice was only made to the extent that expenses which represent expenditure of the next year (e.g. advance payments with respect to hotel costs for a later event) were charged to the subsequent accounting year in the internal balance sheet. Expenses of the current year which will only be reflected in the next year as expenditure are shown as liabilities in the internal balance sheet.

ECPC has two banking connections. An account over which the daily business transactions are handled exists with Kreissparkasse München Starnberg, an additional one for payments and refund of expenses in GBP with Lloyds TSB in London. In a further account with Lloyds TSB, deposits not required at present were invested on an interest-bearing basis by ECPC. The business transactions on the GBP account were converted, for entry in the books, at a GBP rate of exchange of 1.46 into EUR, the bank deposits at the rate applying on December 29, 2006, at a rate of exchange of 1.489. For this reason, a separate foreign currency accounting is not required.

The bank statements of both banks were available to me. They were reconciled with the appertaining documentary evidence in extensive samples.

Risk management was taken into account by ECPC inter alia by establishing a so-called Financial Committee consisting of three persons, including the Treasurer. The daily business transactions (up to EUR 500) can be handled by the ECPC Administrator in the latter's own competence. Greater payments have to approved either by the Financial Committee or the President (between EUR 500.00 and 1,500.00) or by simple majority of the Board of Directors (over EUR 1,500.00).

A monthly report is drawn up by the ECPC Office for the Financial Committee containing the following information: Present status of all bank accounts, expenditure account, income account, and payments.

For the quarterly meeting of the Board of Directors, a comprehensive report is drawn up which gives a survey on the status of the financial means and the consumption of the budget.

#### **D. Business Activity in 2006**

The Association holds regular meetings of the Board of Directors and informs its

members by the annual General Assembly, a website, letters, discussion panels and annual master classes. In 2006, two such master classes were organized. In May, the third ECPC conference with the subject of „Representation of Patient Interests“ took place in Milan with 130 participants – primarily member organisations of ECPC – from more than 30 countries. Lectures and discussions were held, amongst others, regarding subjects of patient information, early cancer diagnosis and cancer screening, clinical studies and cancer registry as well as cancer in politics.

The first ECPC conference for patient groups from Eastern Europe, health policy makers, politicians and the oncological community were held with 120 participants in Ljubljana/Slovenia in November 2006 under the designation of „Slovenian Summit 2006“ and with the motto „Together Against Cancer“. Protectors of the event were the President of Slovenia and the EU Commissioner for Science and Research.

ECPC keeps in touch with diverse EU institutions, such as the Commission, the European Parliament, the Council of Ministers of the 27 Member States and the European Medicine Agency (EMA), in order to observe political developments at EU level and to identify influences and effects on cancer patients. On the other hand, ECPC is the voice of the cancer patients and the persons concerned and imparts their views with respect to European health subjects.

## **E. Elucidations to the 2006 Annual Account**

### **I. Financial Position**

In its statement of net assets as per December 31, 2006, the Association only reports current assets on the asset side, viz., non-recurrent advance payments effected for hotel costs in 2007 (Masterclass 2007) in the amount of EUR 3,166.50, and additionally the cash and bank deposits in the total amount of EUR 310,664.25.

EUR 15,556.49 of the said amount are to be allotted to the UK account with



Lloyds TSB, EUR 173,676.05 to a fixed-term deposit, likewise with Lloyds TSB in which non-required monies are invested to earn interest. The conversion of the UK accounts was effected at a middle rate of EUR 1.489/GBP as per December 29, 2006.

On the liabilities side, own funds in the amount of EUR 310,241.07 result if the business transactions of 2006 are taken into account. The accounts payable for goods and services amounting to EUR 3,589.68 concern suppliers' invoices in 2006 which were paid in 2007.

## **II. Profit Position**

In the past year, ECPC has achieved receipts of a total amount EUR 306,055.98 of which EU 293,500.00 are attributable to sponsors' contributions, the remaining amount of EUR 3,899.31 to interest from fixed-term deposits, EUR 4,321.77 to refunds of expenses, and EUR 4,334.90 to proceeds from differences in exchange rates.

On the part of expenses, a total of Eur 75,251.76 had been required for the two ECPC events of Masterclass 2006 and Slovenian Summit 2006 as well as for further projects. In the way of personnel costs and costs of materials for the Brussels office, EUR 141,777.02 have accrued. The remaining administration costs, in particular personnel costs and costs of materials of the Riemerling office, amounted to EUR 87,846.97. The expenses shown in this item under 406 Diverse amounting to EUR 6,513.74 predominantly consist of foundation and registration costs of ECPC. For the Board of Directors, expenses of EUR 13,434.35 accrued.

If the receipts and expenses in 2006 are balanced against each other, the surplus of expenses over receipts is - EU 12,254.12.

## **F. Audit Findings**

In compliance with generally accepted auditing standards, the Annual Account, as

a whole, conveys a picture of the asset, financial and profit situation of the Association as per December 31, 2006 which reflects the actual situation.

By the drawing up of a budget for the oncoming business year, it is also guaranteed that the intended expenses will keep within the margin of the receipts to be expected. A minor excess over the earnings in 2006 was only caused by the fact that sponsors' monies whose receipt ECPC had still expected in the year of 2006 were remitted only in 2007.

With own funds of EUR 310,241.07 as per balance sheet closing date, the Association has a solid financial basis since, with the funds available, the work of ECPC in the oncoming year will be largely safeguarded also without the inflow of further sponsors' monies.

Riemerling, April 5, 2007

Bernhard Betz  
Dipl.-Volkswirt<sup>1</sup>  
Auditor  
Tax Consultant

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# **ANNEXES**

## EUROPEAN CANCER PATIENT COALITION

### Profit and Loss Account

for the Period From January 1 to December 31, 2006

<u>Income</u>	EUR
Sponsors' monies	293,500.00
Interest earnings	3,899.31
Refunds of expenses	4,321.77
Proceeds from differences in exchange rates	<u>4,334.90</u>
	<u>306,055.98</u>
<u>Expenditure</u>	EUR
200 ECPC Projects (MAC, Masterclass, Slovenian Summit)	75,251.76
300 Brussels Office (Office and Staff)	141,777.02
400 Administrative and Operating Costs	87,846.97
500 Costs of Board of Directors	<u>13,434.35</u>
	<u>318,310.10</u>
<u>Excess of Expenses Over Earnings</u>	- 12,254.12 =====

## EUROPEAN CANCER PATIENT COALITION

Statement of Net Assets as per December 31, 2006

<u>Asset side</u>			<u>Liabilities side</u>
	EUR	EUR	EUR
<b>A. <u>Current assets</u></b>			<b>A. <u>Own funds</u></b>
I. <u>Other assets</u>			Status as per 1/1/2006
Advance payments made		3,166.50	Receipts
			Expenses
			Standing as per 31/12/2006
			322,495.19
			306,055.98
			- 318,310.10
			310,241.07
II. <u>Cash assets, bank deposits</u>			<b>B. <u>Liabilities</u></b>
Cash assets	248.37		Accounts payable for goods and services
Kreissparkasse München	121,185.34		
Lloyds TSB	15,556.49		
Lloyds TSB fixed-term deposit	173,676.05		
		310,664.25	
		313,830.75	
		313,830.75	3,589.68
			313,830.75