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# FINANCIAL REPORT

# 2020

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**European Cancer Patient Coalition**  
Avenue des Arts 6,  
1210 Brussels

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## INTRODUCTION

### Amended Financial statements for the year ended 31 December 2020

We present the amended financial statements of ECPC for the year ended 31 December 2020. Amended because we asked RL-audit to do an independent audit of both 2020 and 2021. This has led to some changes and thus the amended report we are presenting.

#### **Board members**

Our board members are responsible in law for the running of our organisation. All board members, except where otherwise stated, served for the whole year:

Ken Mastris – President (Appointed on 25<sup>th</sup> November 2020)

Pietro Presti – Vice President

Jacqueline Daly – Secretary

Maude Andersson

Kathi Apostolidis – Immediate past-president (Outgoing on 25<sup>th</sup> November 2020)

Robert Greene

Vasile Ianovici

#### **Advisers**

To help us in our work we retain a number of professional advisers:

Accountants: STUYTS Accounting & Tax

Jonathan Stuyts – Certified Tax Accountant

Bank: ING Belgique S.A., avenue Marnix 24 – 1000 Brussels

Solicitor: Kadrant Law – Giulia Mauri, Partner

#### **Board responsibilities in relation to the financial statements**

The board is responsible for preparing the financial statements in accordance with standard accounting practices.

The board is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the organisation at all times. They are also responsible for safeguarding the assets of ECPC and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Comments on the financial statements**

The Financial Year 2020 was a challenging year for ECPC as the covid19 pandemic impacted on its activities, however the association managed to implement most of its planned activities and carry on even with delays the ongoing cancer research programs.

A new accounting system was planned aiming to align it with the requirements of the Code of Companies and Associations in validity as of 2019, to serve ECPC's growth and provide an

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accurate image of its finances.

The Board of Directors is recognizant of the dedication of the Secretariat and of its efforts to support the Board and assure the scrupulous financial reporting of the organization.

**Approved and signed on behalf of the Board of Directors**

Kathi Apostolidis, President and Treasurer



Matti Jarvinen, Secretary



**Date: 19th May 2022**

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	€	€	€	€
<b><u>INCOME</u></b>				
Income		1.749.953		1.305.423
<b><u>EXPENDITURE</u></b>				
Project costs	77.495		349.592	
Staff costs	400.883		292.318	
Securex	14.935		8.078	
Office rent & maintenance	43.937		43.127	
Energy consumption	2.391		1.346	
Office supplies & maintenance	5.535		18.722	
IT and website	28.180		22.963	
Communications	36.967		45.329	
Legal costs	44.987		6.475	
Accountancy costs	19.237		-	
Telecoms expenses	5.852		9.320	
External consultants	111.705		119.513	
Travel & accommodation	7.132		28.042	
Bank charges	591		610	
Insurance	1.858		238	
Board costs	10.785		54.731	
Scientific committee costs	2.393		6.872	
Exchange differences	11.807		706	
Depreciation	12.205		9.029	
Provisions	307.334			
Sundry expenses	10.367		4.016	
		1.156.576		1.021.027
<b><u>SURPLUS FOR THE YEAR</u></b>		<b>593.377</b>		<b>284.396</b>

## BALANCE SHEET AS AT 31 DECEMBER 2020

	<u>2020</u>		<u>2019</u>	
	€	€	€	€
<b><u>FIXED ASSETS</u></b>				
Website		15.382		18.057
<b><u>CURRENT ASSETS</u></b>				
Accounts receivable	119.853		5.159	
Bank - Euro account	1.147.075		393.001	
Bank - US \$ account	91.047		12.896	
		1.357.975		411.056
<b><u>CURRENT LIABILITIES</u></b>				
Accounts payable	18.358		594	
Provision holiday pay	34.621			
Deferred income	105.448		33.893	
		158.427		34.487
		<b><u>1.321.193</u></b>		
<b><u>NET ASSETS</u></b>		<b><u>988.003</u></b>	<b><u>394.626</u></b>	
Reserves brought forward		394.626		110.230
Surplus for the year		593.377		284.396
Provisions		307.334		
<b><u>RESERVES AT 31 DECEMBER</u></b>		<b><u>988.003</u></b>	<b><u>394.626</u></b>	

<b><u>PROJECT COSTS</u></b>	<b>2020</b>	<b>2019</b>
	<b>€</b>	<b>€</b>
EU Project - DIAdIC	6,560	3,650
EU Project - PREFER	-	885
EU Project - IMMUNEImage	437	-
EU Project - QUALITOP	297	-
EU Project - LifeChamps	1,033	-
EU Project - PREDICT	1,500	-
EU project - LEGACY	30	-
EU Project - ERN EURACAN	847	42
EU Project - ELBA	2,000	236
EU project - iPAAC	395	409
EU Project - Palliative Sedation	134	199
EU Project - Instand-NGS4P	1,668	-
BD4BO Do-IT EU project	-	527
Bladder Cancer	-	29,361
Annual Congress	-	142,166
eSMART	6,334	40,759
JARC	-	701
ESMO	-	22,010
EAPM Congress	-	8,374
Social disparities	9,898	
HTA Project	5,420	12,354
PMAM	813	-
CECOG	1,808	-
COVID-19 Support Project	10,271	-
EU Project - EURACAN	-	273
Immuno-Oncology Project	6,516	54,963
The Right to Be Forgotten Project	15,557	-
Project Nutrition	3,600	32,682
NMSC Project	2,377	-
	<u>77,495</u>	<u>349,592</u>

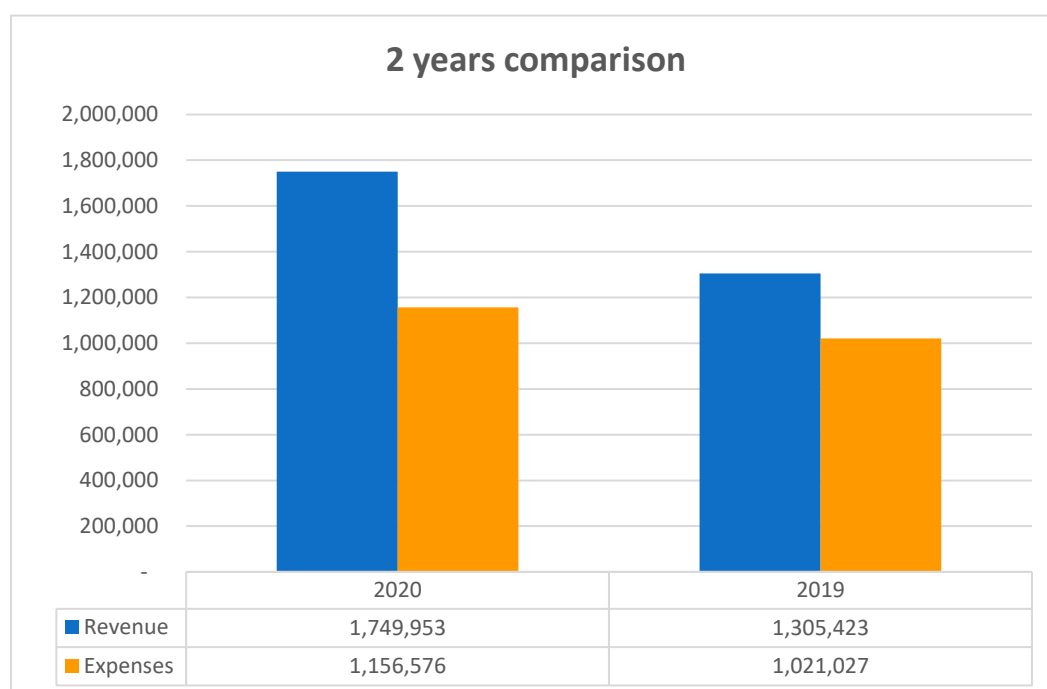
## 2020 FINANCIAL OVERVIEW

REVENUES	2020	2019	variance
EU-Funded Projects	322.509	290.839	
Grants from Pharmaceutical Companies	1.081.554	958.413	
Grants from non-Pharmaceutical Companies	344.222	43.553	
Other Revenues	1.667	12.618	
<b>TOTAL</b>	<b>1.749.953</b>	<b>1.305.423</b>	<b>34%</b>

EXPENSES	2020	2019	%
Staff costs and consultants	512.588	411.831	
Mgmt and Running Costs	553.315	198.001	
Board and Scientific Cttee	13.178	61.603	
AGM	-	142.166	
Advocacy & Awareness	-	-	
Projects	56.260	160.445	
EU-Funded Projects	21.235	46.980	
<b>TOTAL</b>	<b>1.156.576</b>	<b>1.021.027</b>	<b>13%</b>

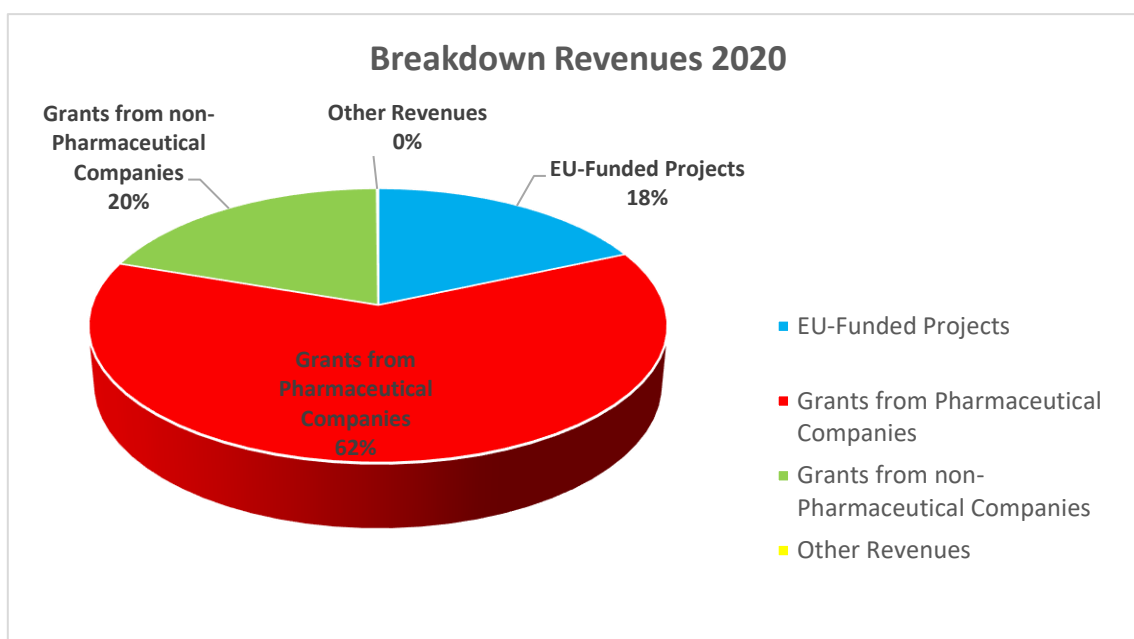
BALANCE	593.377	284.396

For the financial year 2020, the revenue from different sources amounts to a total of **1 747 423 EUR**. Running costs, HR, operational costs, and implementation of projects during 2020 came to a total of **1 156 576 EUR**, leaving a positive balance of **593 377 EUR**





## 2020 REVENUE BREAKDOWN



### Source of ECPC funding in 2020

For 2020 ECPC managed to keep the diversification the revenue stream in comparison to 2019 while registering a total revenue increase of 34% .

- Pharma contribution decreased from 73,42% in 2019 to 61.83% in 2020
- Non-pharma contributions increased from 3.34% in 2019 to 19.67% in 2020
- EU Projects decreased from 22,28% in 2019 to 18,43% in 2020
- Other sources (such as fundraising and Advisory Board requests) decreased from 0,97% in 2019 to 0.10% in 2020

Pharma industry financial contributions correspond mainly to grants to support the implementation of short to medium term projects. All the projects funded by the industry are one-year projects. The industry does not fund ECPC by itself, but all the grants received are finalized to specific projects.

Public funding from the European Union derives from the 3<sup>rd</sup> Health Programme (IMI and Horizon2020). All the projects last from 3 to 5 years, and the grant instalments are provided by the European Commission regularly during the lifetime of the projects.

In 2020 ECPC was awarded 6 new EU projects allowing the organisation to rely on a predictable, solid cash flow:

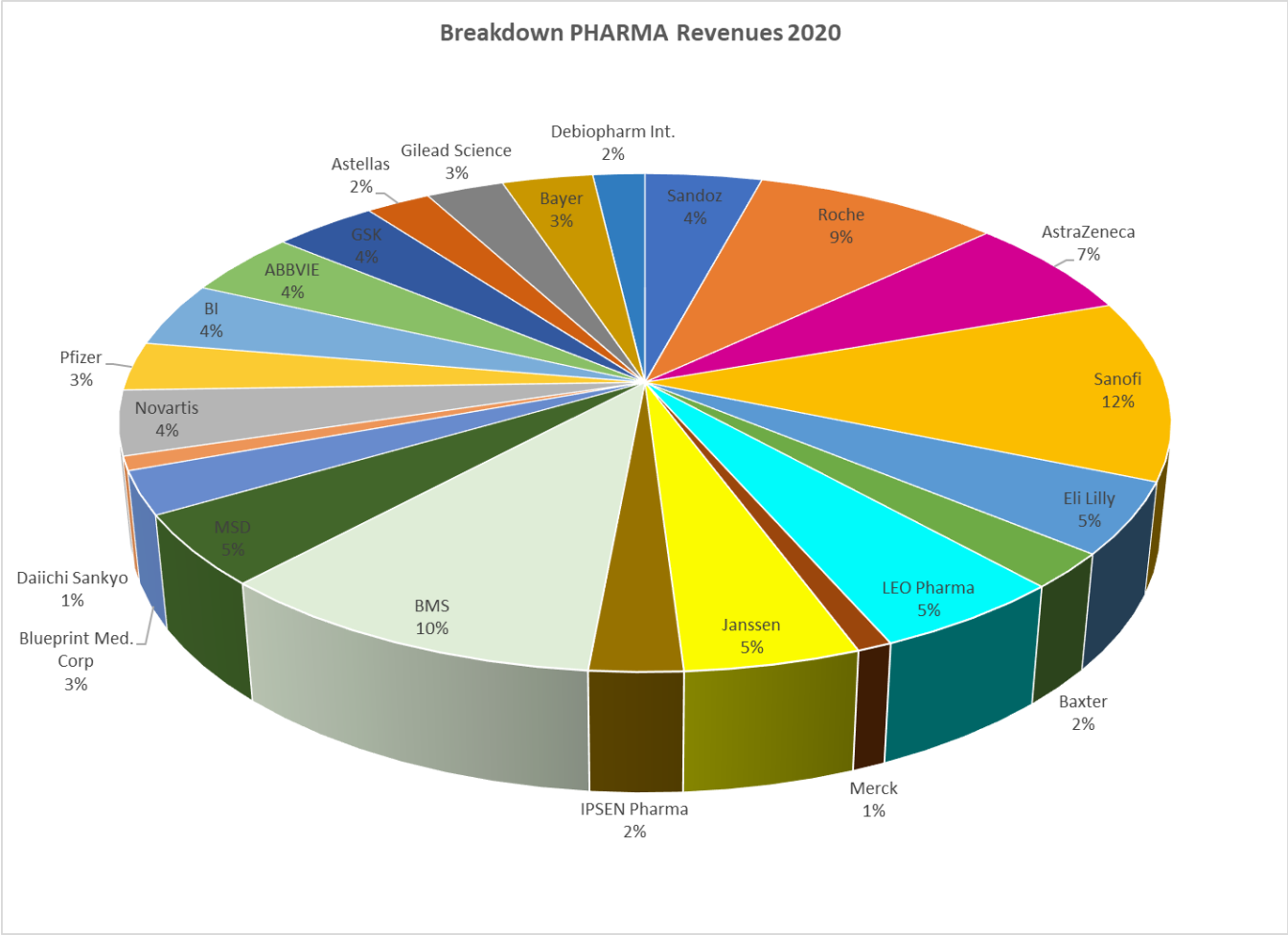
- **Instand-NGS** (Jan 2020 – June 2024) – 136,087.50 EUR
- **QUALITOP** (H2020, Jan 2020 - Dec 2023) – 272,625.00 EUR
- **Immune-Image** (H2020, Jan 2020 - Dec 2024) – 100,000.00 EUR
- **INTERVENE** (Jan 2021 – Dec 2026) – 250,000.00 EUR
- **T2EVOLVE** (Jan 2021 – Dec 2025) – 144,000.00 EUR
- **TIGER** (Feb 2021 – July 2026) – 223,125.00 EUR

## Revenues from EU funded projects in 2020

<b>EU Projects Revenue</b>	
QUALITOP	95.419
LEGACY	31.777
INSTAND	25.721
ImmunoSABR	2.431
Diadic	10.696
PIONEER	18.669
LIFECHAMPS	97.969
imSAVAR	10.000
iPAAC WP 7 and WP8	25.000
EIT Health	2.500
Deferrals EU projects	2.328
<b>TOTAL</b>	<b>322.509</b>

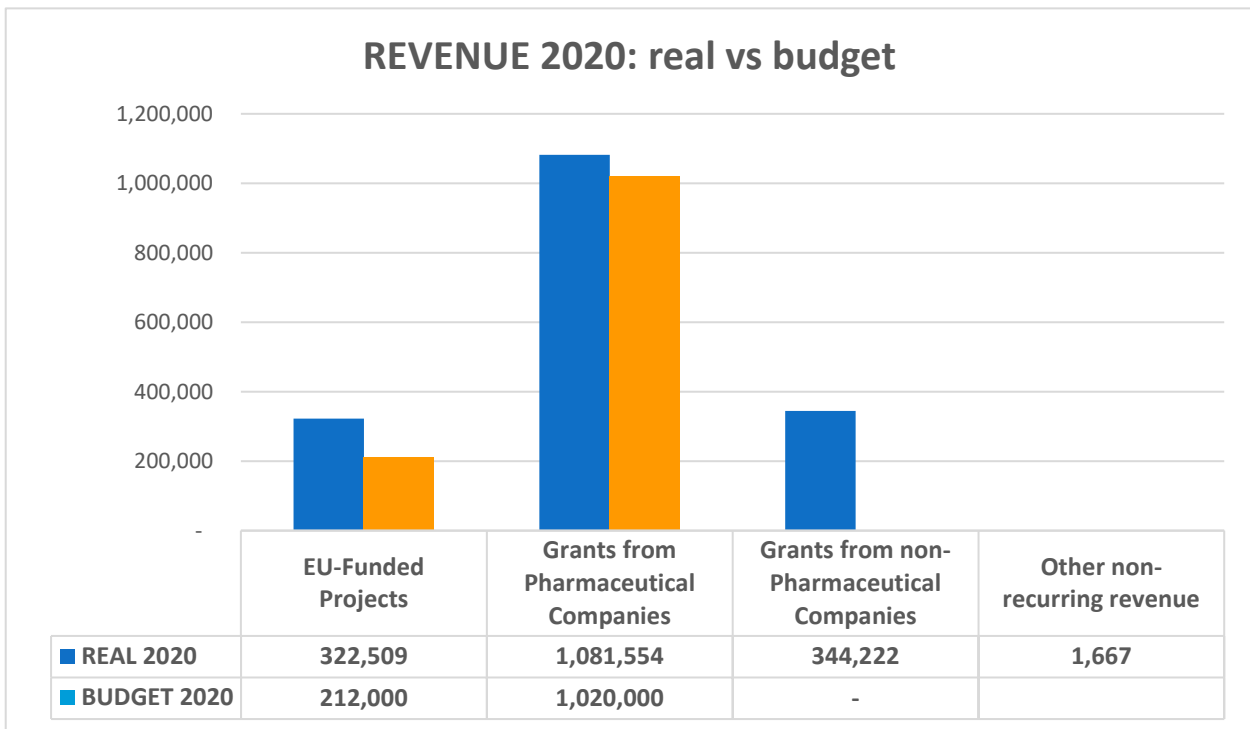
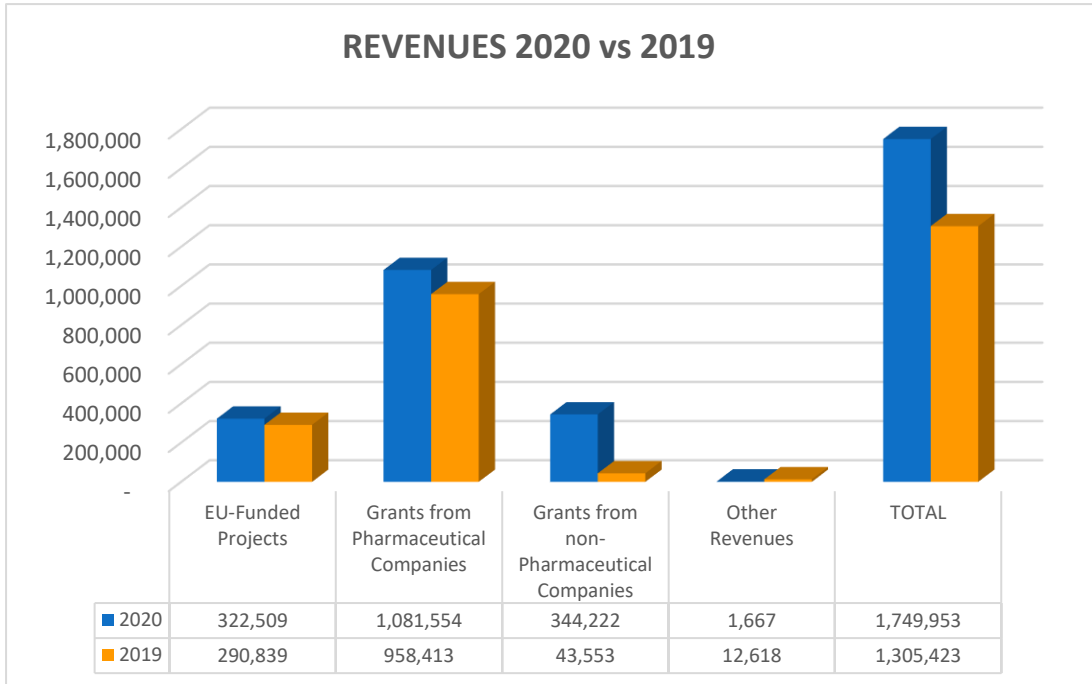
## Revenues from Pharmaceutical Companies in 2020

<b>Pharma Industry Revenue breakdown</b>		
Sandoz	45.000,00	4,2%
Roche	95.000,00	8,8%
AstraZeneca	70.000,00	6,5%
Sanofi	126.000,00	11,7%
Eli Lilly	50.000,00	4,7%
Baxter	25.000,00	2,3%
LEO Pharma	55.000,00	5,1%
Merck	10.000,00	0,9%
Janssen	50.000,00	4,7%
IPSEN Pharma	26.500,00	2,5%
BMS	112.582,42	10,5%
MSD	50.000,00	4,7%
Blueprint Med. Corp	30.000,00	2,8%
Daiichi Sankyo	9.743,30	0,9%
Novartis	45.000,00	4,2%
Pfizer	33.749,47	3,1%
BI	45.000,00	4,2%
ABBVIE	45.000,00	4,2%
GSK	40.000,00	3,7%
Astellas	25.000,00	2,3%
Gilead Science	30.000,00	2,8%
Bayer	35.000,00	3,3%
Debiopharm Int.	20.000,00	1,9%
<b>Total:</b>	<b>1.081.554</b>	



Revenues from non Pharmaceutical Companies in 2020

<b>Grants from non-Pharma Companies</b>		<b>344.222</b>
FOCA		150.000
Genzyme Sanosi Corporation		75.000
e-cancer		29.659
ARES Trading (Merck)		12.500
Danone Trading Medical		12.500
EFPIA		10.000
MNI		10.000
Precisionhear		10.000
UICC		19.880
Edelman		1.183
Syneos Health Global Headquarters		7.500
OncoDNA		6.000



## 2020 EXPENSE BREAKDOWN

	2019	2020	variance
<b>Staff Costs</b>	<b>411.831</b>	<b>512.588</b>	<b>+24,5%</b>
Staff and Employer contributions	292.318	400.883	
External consultants	119.513	111.705	

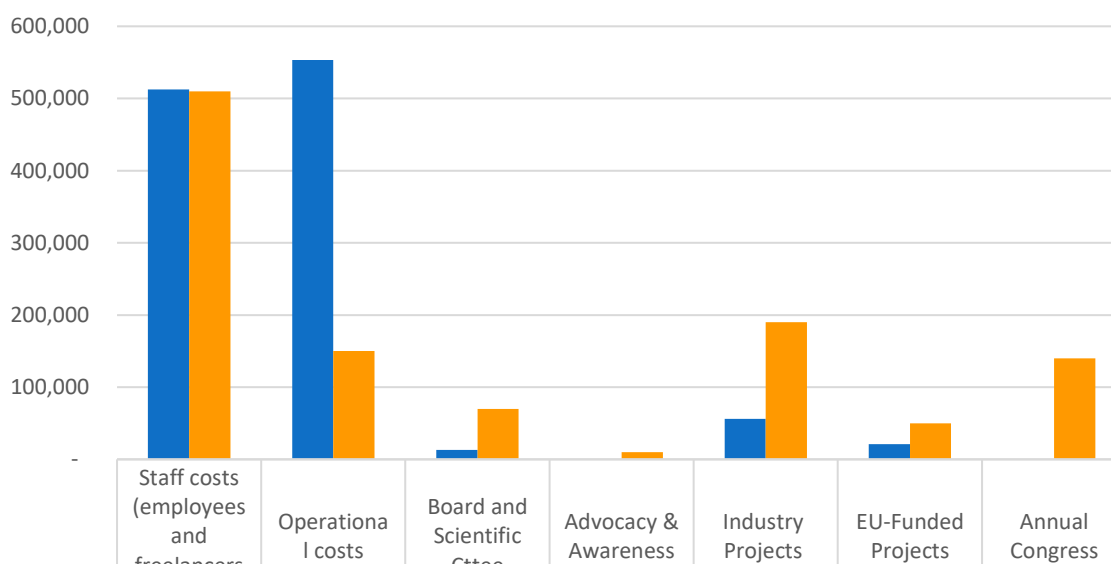
<b>Management and Running Costs</b>	<b>198.001</b>	<b>553.315</b>	<b>+24,2%</b>
Office rent & maintenance	42.127	43.937	
Energy consumption	1.346	2.391	
Office supplies & maintenance	18.722	5.535	
IT web site, maintenance & costs	22.963	28.180	
Telecom expenses	9.320	5.852	
Sundry expenses	4.016	10.367	
Payroll processing fees Securex	8.078	14.935	
Legal / Notary costs	6.475	44.987	
Communications	45.329	36.967	
Travel and accommodation	28.042	7.132	
Accountancy	-	19.237	
Bank charges	610	591	
Exchange differences	706	11.807	
Depreciation	9.029	12.205	
Insurance costs	238	1.858	
Provisions		307.334	

<b>Board and Scientific Committee</b>	<b>61.603</b>	<b>13.178</b>	<b>-78,6%</b>
Board Institutional costs	54.731	10.785	
Scientific Committee Institutional Costs	6.872	2.393	

<b>Projects</b>	<b>160.445</b>	<b>56.260</b>	<b>-64,9%</b>
Social Disparities Project	0	9.898	
HTA Project	12.354	5.420	
PMAM	0	813	
CECOG	0	1.808	
COVID-19	0	10.271	
Immuno-Oncology	54.963	6.516	
The Right to Be Forgotten	0	15.557	
Nutrition	32.682	3.600	
Non-Melanoma Skin Cancer	0	2.377	
Bladder Cancer	29.361	0	
JARC	702	0	
ESMO	22.010	0	

<b>EU-funded Projects</b>	<b>46.980</b>	<b>21.235</b>	<b>-54.8%</b>
DIAdIC	3.650	6.560	
Immune-Image	0	437	
QUALITOP	0	297	
LifeChamps	0	1.033	
PREDICT	0	1.500	
LEGACY	0	30	
EURACAN	0	847	
iPAAC	409	395	
Palliative Sedation	199	134	
INSTAND-NGS4P	0	1.668	
ELBA	236	2.000	
E-Smart	40.759	6.334	
PREFER	885	0	
EURACAN	315	0	
DO-IT	527	0	

### EXPENSES 2020: real vs budget



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## Staff Costs

Belgium has one of the highest rates of taxation for average salaries out of all EU and OECD countries. This means that almost half of the expenses for staff consists of social security, insurance and other social security taxes.

More information on the Belgian social security legislation can be found here: [www.socialsecurity.be](http://www.socialsecurity.be)

In 2020, ECPC employed a total of 10 full time employees, 3 stagiaires and 1 external Financial Officer (till end of July 2020). The 20,4 % increase on staff costs compared to 2019 is due to several aspects:

- We hired new employees to sustain the increased workload due to EU - project implementation (which increased by 10% compared to 2019: [see revenue breakdown](#))
- We had to correct several mistakes done in 2018 and 2019 linked to ONSS (Belgian Social Security for employees) and we had to pay fines in several cases.
- We also had to correct mistakes made in 2019 regarding the extra-legal benefits for the employees (KBC hospital insurance, Group Insurance, CCT90 Bonus scheme). Retroactive payments for these benefits belonging to 2019 were actually paid in 2020.
- We increased the salary of some employees in December 2020.

## Management and Running Costs

These costs cover the overall office management and overheads, including office rent & maintenance, energy consumption, telephone, internet, IT, office supplies, subscriptions to journals, Notary, Insurance and bank costs.

In 2020 the costs for Novabee (IT maintenance and support) increased, as we:

- set up a company Dropbox for sharing documents internally,
- had more requests of assistance, as the staff and the board worked from home
- hired new staff and they needed to be set up by Novabee and additional IT subscriptions needed to be bought

The GL code “Communications” on the balance sheet refers to all types of costs that allow us to carry on the activities for dissemination and various campaigns or webinars for EU and non-EU Projects like membership to different social media platforms, Euractiv, Politico, Twitter, MailChimp, UICC, FEAM etc. Most of these costs are allocated to EU and non-EU Projects, so entirely recuperated.

## Board Costs

Board costs are exclusively related to travel and accommodation costs for board members attending institutional meetings (board meetings) or meetings and events organized by stakeholders. All travel costs both for staff and board members are normally covered by the organisers of the events or meetings or by the projects. Part of these costs are related to credit card charges from December 2019 which were debited on our bank account only in January 2020 and to travel costs from January and February 2020 related to Board Meetings

As of March 2020 due to COVID 19 all meetings moved online, hence travel in 2020 was only limited to 3 months.

## Legal Fees

Legal fees are related to general legal services, such as the organization of the General Assembly and some to establishing the procedure for GDPR.

Most of the legal fee cost incurred in dealing with disagreements within the board and with Francesco de Lorenzo, other costs related to advice on the ECPC general regulations, the statute, and advice on the conduct of board meetings.

## Accountancy

In 2020 we realized that the increase of the scale of ECPC activities (linked to EU-Projects and to ECPC Action Plan projects) was not translated in accounting practices according to Belgian Law and EU Accountancy Regulations. In 2020 we appointed an external certified accountant (Stuyts Accounting & Tax BV). Therefore, the new accountant was also in charge of filing the 2019 accounts under double entry bookkeeping system, so that we could produce a balance sheet also for 2019.

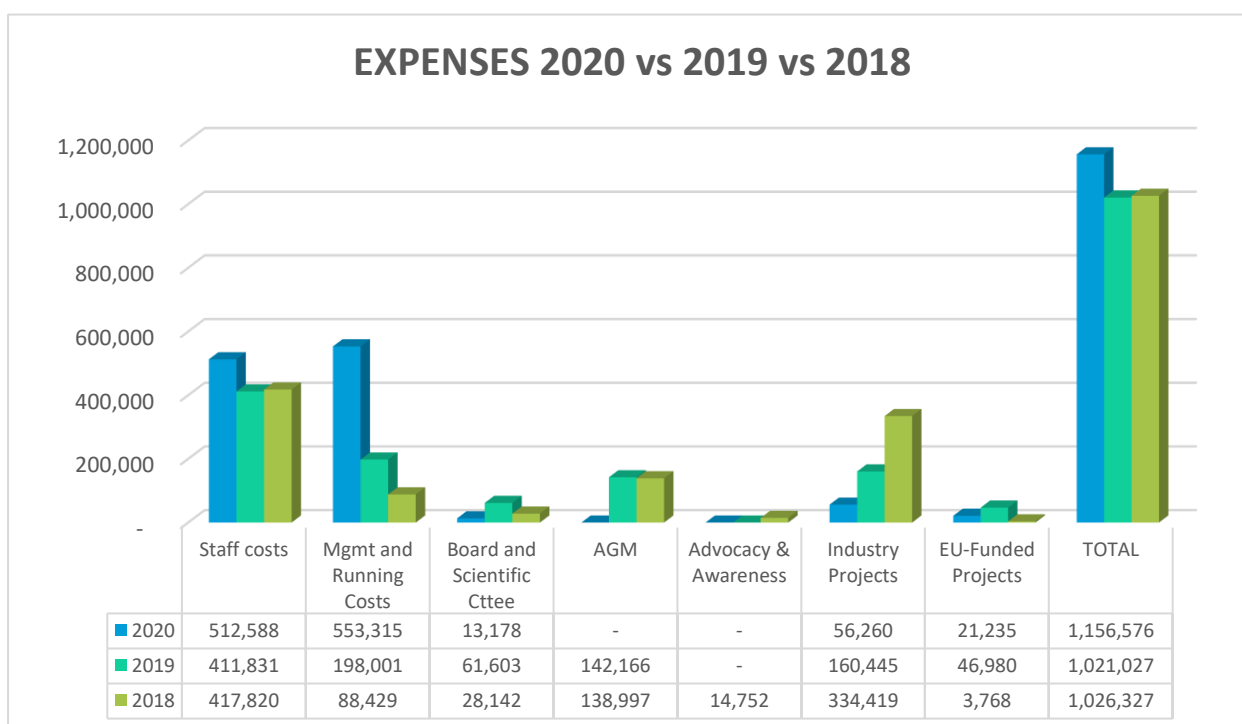
## EU Projects

Since 2011, ECPC's Secretariat in Brussels has been working on several projects financed by the European Commission.

A significant percentage of payroll costs incurred in 2020 are covered by EU funded projects. EU funded projects, if managed properly and following the rules of the European Commission present very limited financial risks. This is why the secretariat put in place a sound management control system with detailed time sheets starting as of January 2021.

## Foreign currencies

The ECPC accounting system is in Euro. Transactions to other currencies have been converted into Euro, at the exchange rate indicated on the day of the transaction. In this respect we need to consider 11.807 € as difference among USD and EUR exchange rates.





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## *Explanation for “Provision for the potential repayment of EU grants*

ECPC has undertaken EU funded projects for many years. The record keeping requirements in respect of project costs to be reclaimed from the EU are strict and onerous.

Prior to 2020, the financial controls in ECPC and the record keeping were poor and would not meet the strict EU grant reclaim threshold nor was accrual accounting in place. EU project claims may be audited for up to five years following the end of a project (and sometimes longer depending on the date of the final grant payment). Given that many of the costs could be rejected by the EU if audited, it is necessary to make a provision in the 2020 accounts to reflect the risk of having to repay EU project grants.

The 2019 accounts had to be reconstructed from incomplete records. An external firm of accountants have prepared the accounts for 2020 and 2021 and both years have been audited.

The auditors consider that there should be a provision of €307,333.71 made in the 2020 accounts to reflect a potential liability to repay EU grants. It should be made clear that this provision relates entirely to periods PRIOR TO 2020.

The provision will be reassessed every year and adjusted as necessary

## FORECAST REVENUES 2021

<b>TOTAL request of funds to Pharma</b>	<b>980.000</b>
Annual Congress	50.000
HTA	130.000
Personalised Medicine	100.000
Rare Cancers	20.000
Cancer Related Complications and Comorbidities Initiative	120.0000
Car-T	100.000
Non Melanoma Skin Cancer	100.000
MCC Awareness Campaign	25.000
Nutrition	15.000
Make Sense Campaign (Head & Neck)	50.000
COVID-19	100.000
Biosimilar	10.000
RTBF	50.000
Digital Health	60.000
Cancer and Inequalities	50.000

<b>EU Projects</b>	<b>243.500</b>
INTERVENE	87.500
TIGER	78.000
Immune Image	7.000
T2EVOLVE	66.000
iPAAC	5.000

TOTAL Forecast 2021 revenues: 1.223.500 EUR

## FORECAST EXPENSES 2021

	<b>2020</b>	<b>2021</b>	<b>variance</b>
<b>Staff</b>	495.679	560.000	11%
<b>Operations costs</b>	234.706	300.000	22%
<b>Board</b>	13.178	25.000	-32%
<b>AGM</b>	-	40.000	
<b>Industry Projects</b>	56.260	60.000	6%
<b>EU Funded Projects</b>	21.235	30.000	29%
<b>Advocacy &amp; Awareness</b>	-	10.000	
<b>Election of the Board</b>	-		
	<b>821.058</b>	<b>1.010.000</b>	<b>19%</b>