

FINANCIAL REPORT 2022

European Cancer Patient Coalition

Avenue des Arts 6, 1210 Brussels

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INTRODUCTION

Financial statements for the year ended 31 December 2022

We present the financial statements of ECPC for the year ended 31 December 2022.

Board members

During 2022 the board changed.

The board until May 28, 2022:

- Kathi Apostolidis – President and Treasurer (elected by the Board on March 17, 2022)
- Matti Jarvinen – Secretary (elected by the Board on March 17, 2022)
- Maude Andersson - Board Member
- Maria Begona Barragan – Board Member
- Alina Comanescu – Board Member
- Ken Mastris – President (appointed on November 25, 2020 and resigned on March 14, 2022)
- Jacqueline Daly – Secretary (resigned on February 22, 2022)
- Robert Greene – Board Member (resigned on March 1, 2022)
- Vasile Ianovici – Board Member (resigned on February 16, 2022)

The board as from June 2022:

- Francesco De Lorenzo – President
- George Kapetanakis – Secretary
- Evgenia Dimitrova Aleksandrova – Treasurer
- Maria Begona Barragan-Garcia – Board Member
- Alin Bujan – Board Member
- Georgia Orphanou – Board Member (appointed June 19, 2023)
- Jacob Landsmann Hansen (deceased May 21, 2023)
- Jana Pelouchova (resigned March 1, 2023)

Advisers

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

Accountants: FIDIAZ
Kristof Kennis – Director Accountancy & Tax
Arnaud Geerts – Junior Advisor Tax & Accountancy

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

Solicitor: Kadrant Law – Giulia Mauri, Partner
Margaux Conil-Séon - Avocate au Barreau de Bruxelles

To review the 2022 accounts, the Board of Director and the ECPC Audit Committee, elected in June 2022, decided to propose to the Annual General Meeting (AGM) for voting the external statutory audit of its accounts to insure adherence to the requirements of the Code of Companies and Associations and transparency. The AGM 2022 nominated as External Statutory Auditor L&S Bedrijfsrevisoren - <https://www.lsaudit.eu/>. The head of mission is Ms. Saskia Luteijn.

The 2022 accounts were initially prepared by STUYTS Accounting & Tax. that has been providing accounting services to ECPC since 2020. In April 2022, STUYTS Accounting & Tax terminated its services as they no longer had accountants specialized in associative matters to support ECPC. As of May 2022, FIDIAZ Finance and Business Support (<https://fidiaz.be/nl>) have been appointed as ECPC external accounting service provider.

In this context, the closing of the 2022 accounts has been conducted by FIDIAZ Finance and Business Support.

The accounts review by the ECPC team, in close collaboration with the external accountants FIDIAZ, was made under the supervision and on the recommendation of the Statutory Auditor that every ongoing EU funded project should be analyzed to better reconcile the payment of projects prefinancing with the project's costs, incurred as of 31 December 2022, including the time sheets certifying the time spent by staff.

Accordingly, depending on the projects prefinancing received, the balance, after deduction of annual project costs, should be carried forward to the following financial year or a revenue receivable should be booked, if the costs incurred during the financial year, are higher than the prefinancing. This ongoing exercise, for the duration of each project, will give a correct view of what the association's actual result is.

The Statutory Auditor estimates that it is possible that prefinancing was not always accurately represented in the past. As such, the ECPC Accounts 2022 results will be affected by correct recording of the 2022 income, based on the previously mentioned recommendations for proper recording of prefinancing and costs incurred per year for the duration of the projects.

In this context, the unexpected delay in closing the 2022 accounts was due to the fact that accounts presented by STUYTS Accounting & Tax were not conform with changing accounting requirements and not in line with the above recommendation of the Statutory Auditors.

Additionally, the closure of the 2022 accounts was affected by the lack of handover from the previous Directors and Heads of Finance and HR, that have left ECPC in 2022. Indeed, Director, Ms. Antonella Cardone left ECPC in February 2022 and was replaced by Ms. Charis Girvalaki, acting as Interim Director, since February 2022 and nominated Director as of July 2022. Due to external reasons, Ms. Charis Girvalaki resigned early January 2023. Concerning the Head of Finance and HR, this position was covered by Ms. Monica De Vetter until June 2022. Her replacement was insured by Ms. Ancuta Bruma that left ECPC end of December 2022 without providing any handover.

Considering the foregoing, it is to be noted that the fundraising activities were not pursued and as a result the 2022 and 2023 activities have been largely affected. Nevertheless, the resilience of the ECPC staff managed to make the sustainability of the Association its mission, thus proudly, increased the number of approved EU projects proposals securing additional EU projects.

Approved and signed on behalf of the Board of Directors

Francesco De Lorenzo, President



George Kapetanakis, Secretary



Date : 26 September 2023

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	2021		2022	
	€	€	€	€
INCOME				
Income		1,128,980		344,233
EXPENDITURE				
Project costs	90,741		40,047	
Staff costs	613,866		692,478	
Securex Payroll admin costs	19,602		19,957	
Office rent, maintenance & Energy	73,846		104,940	
Office supplies & maintenance & city taxes	12,121		22,006	
IT maintenance, computers, web and subscriptions	18,232		24,399	
Communications & membership (org., platforms etc)	63,325		16,207	
Legal costs & publications	74,511		36,301	
Accountancy costs	14,202		41,737	
Telecoms expenses	3,896		940	
External consultants/freelancers	132,000		85,013	
Travel & accommodation	1,303		29,095	
Bank fees & charges	3,477			
Insurances (office, fire, legal)	3,331		4,921	
Board costs	0		8,788	
AGM			95,589	
Scientific committee costs	0		6,481	
Exchange differences	0			
Depreciation	13,571		6,477	
Provisions	0		-93,096	
External review on governance	29,905		1,027	
Other costs (job ads, Sodexo, move office)	7,685		15,266	
Training and Professional Education, Team Building	2,941		844	
Non deductible VAT			27,535	
		1,178,555		1,186,951
SURPLUS FOR THE YEAR		-49,575		-842,718

* The bases of the accounting have been changed as well as the takeover

INCOME STATEMENT AS AT 31 DECEMBER 2022

	2021		2022	
	€	€	€	€
INCOME				
Income		1,128,980		371,523
EXPENDITURE				
Total Expenditures		1,178,555		1,239,783
SURPLUS FOR THE YEAR		-49,575		-868,260

2022 FINANCIAL OVERVIEW

REVENUES	2020	2021	2022
EU-Funded Projects	€ 322,509.00	€ 265,398.00	€ 254,226.63
Grants from Pharmaceutical Companies	€ 1,081,544.00	€ 759,067.00	
Grants from non-Pharmaceutical Companies	€ 344,222.00	€ 100,525.00	
Other Revenues	€ 1,667.00	€ 3,990.00	€ 90,006.49
Financial Income			€ 27,290.21
TOTAL	€ 1,749,942.00	€ 1,128,980.00	€ 371,523.33
EXPENSES	2020	2021	2022
Staff costs and consultants	€ 512,588.00	€ 745,866.00	€ 797,447.56
Mgmt and Running Costs	€ 553,315.00	€ 341,948.00	€ 222,392.74
Board and Scientific Cttee	€ 13,178.00	€ -	€ 15,268.38
AGM	€ -	€ 9,625.00	€ 95,588.69
Advocacy & Awareness	€ -	€ -	€ 16,207.03
Projects	€ 58,395.00	€ 81,116.00	€ 40,047.06
Financial Charges			€ 52,831.64
TOTAL	€ 1,137,476.00	€ 1,178,555.00	€ 1,239,783.10
BALANCE	€ 612,466.00	€ (49,575.00)	€ (868,259.77)

The result of 2022 is a loss of 868.260 EUR. This loss was aggravated by two external factors that are the legal indemnity linked to the resignation in early 2022 of ECPC Director and a potential irregularity that are under investigation. The change of management and staff resignation that followed, slowed-down the expected fundraising activities and the significant EU projects prefinancing received during the second half of 2022, concerns mostly EU projects start in 2023 and 2024 and not supporting the year of 2022.

It is also to be noted that a provision for loss of 307.334 EUR, made in 2020, has now been revised to 214.237,41 EUR. This reduction of some 93 thousand EUR is significant proof of increased trust in ECPC accounts management.

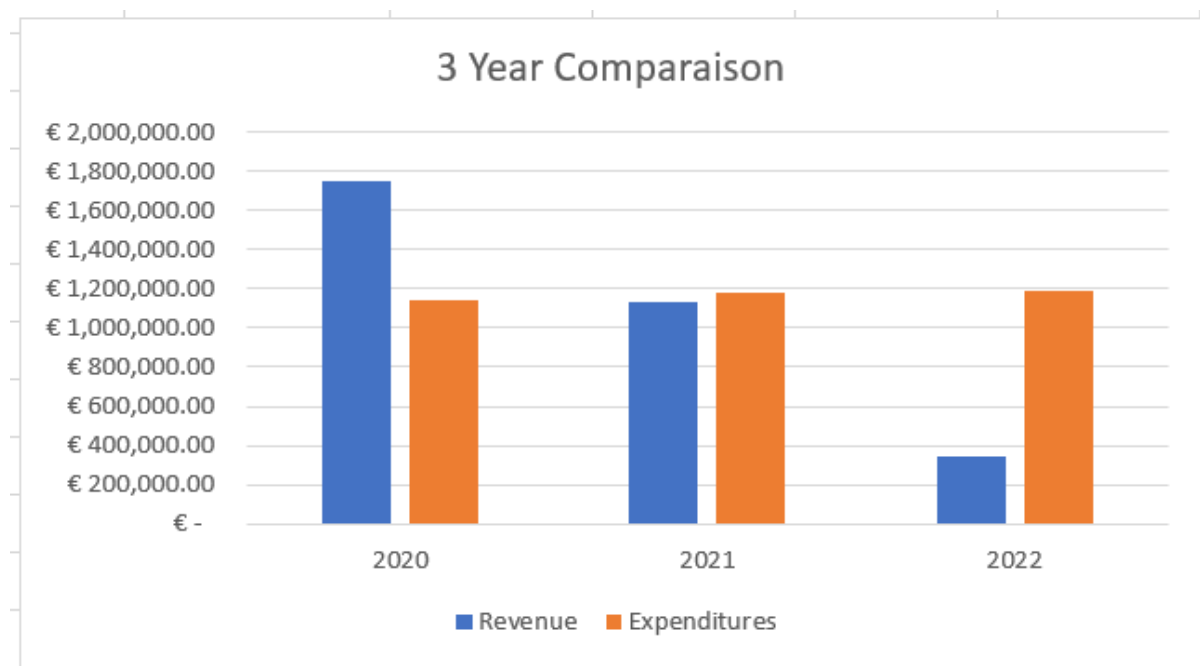
Indeed, in 2023, under the management guidance of the ECPC Board and of the Audit Committee, the transition to a more sophisticated accounting system and time recording of work on EU funded projects by ECPC experts and staff have, considerably improved transparency. This new system appreciated by the ongoing Statutory Audit became essential considering the lack of handover from previous management of the Secretariat.

It is to be noted that ECPC Administration and HR department is now strengthened with four staff members, including 2 seniors and a bridging position with operational skills, backed by a greater involvement of the ECPC Audit Committee. Additionally, the decision to establish a yearly Statutory Audit review was a strategic choice as it provides greater transparency and insurance level.

Concerning the 2022 result, and except for the two factors described above, the operational deficit is almost entirely the result of accruals and deferrals for accounting the revenue and cost of EU Funded Projects (EU grants). EU prefinancing is paid well ahead of the project start and in great part, it is transferred to following years due to the nature of multi-year projects. This was the case as well for 2021 but on a different scale. Indeed, after the election of the board in June 2022, the second semester of 2022 saw a substantial increase of the number of awarded EU funded projects. This success has nevertheless multiplied the accruals and deferrals leaving a better perspective for 2023.

Balance in the bank at 31/12/2022:

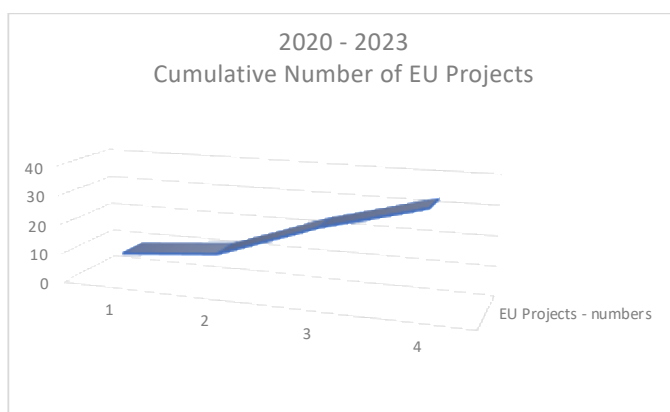
- EUR account : 1.058.494,76 EUR
- USD account in EUR: 171.479,00 EUR
- GBP account in EUR : 25,43 EUR



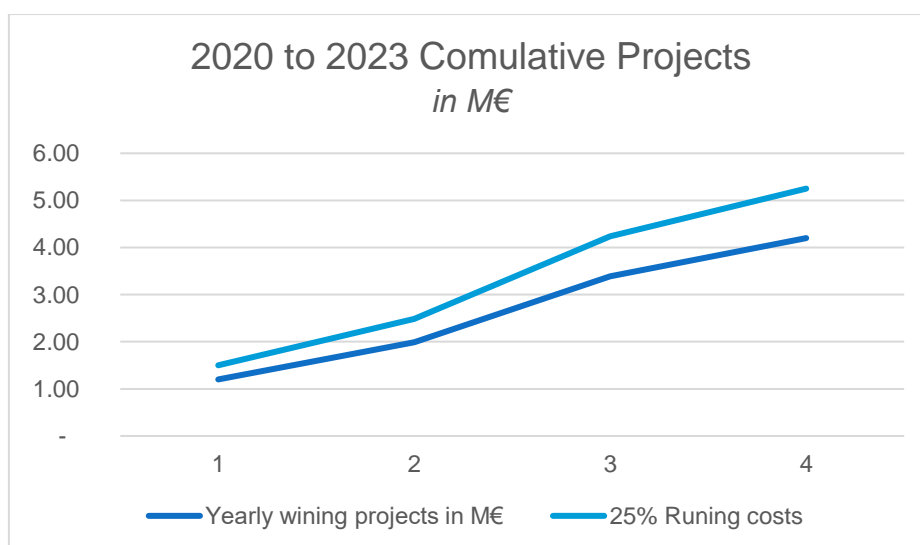


Source of ECPC funding in 2022

In 2022, ECPC did not manage to keep the diversification of revenue stream in comparison to 2021. Revenue was limited to ongoing contributions from ECPC Supporters, ending during the period. Accordingly, ECPC registers a total revenue decrease of over 70% for the year 2022, given the lack of support, but projects accruals and deferrals funds for 2023, guarantee a swift future.

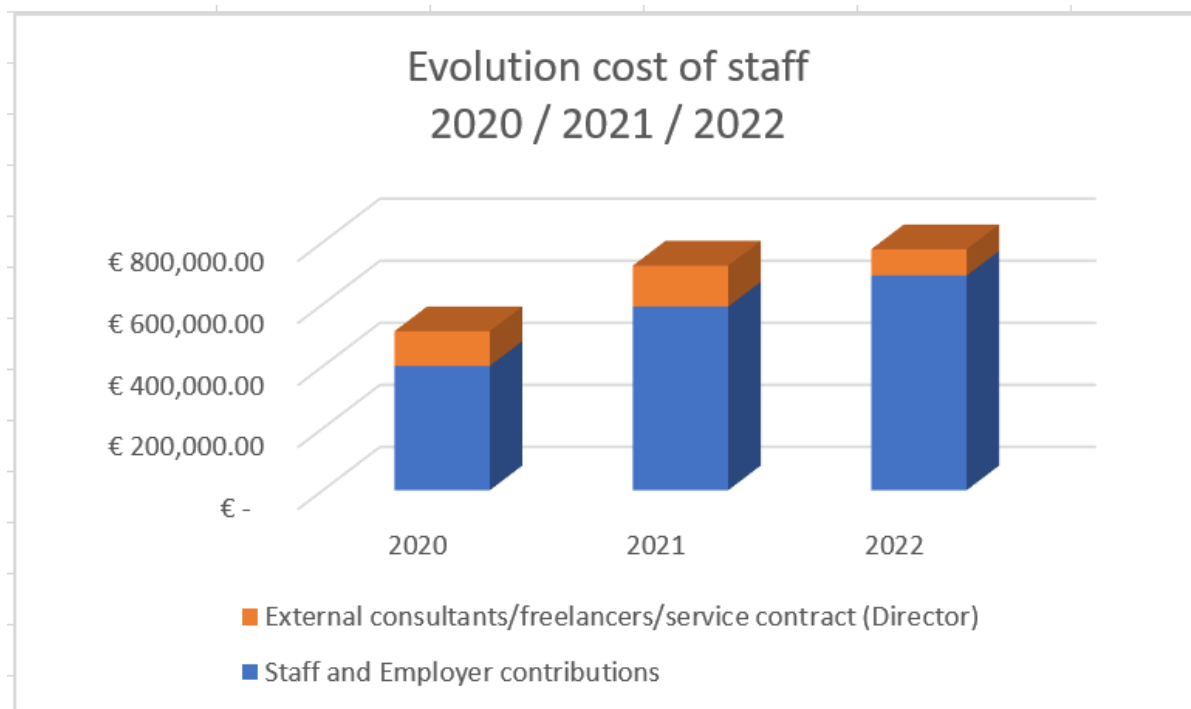


As follows, the cumulative number of projects awarded as of mid-2022 was important and in 2023 the trend has accelerated. This was accompanied by increasing individual totals of the grants contracts as referred to in the chart presented.



ECPC 2022 Human Resources

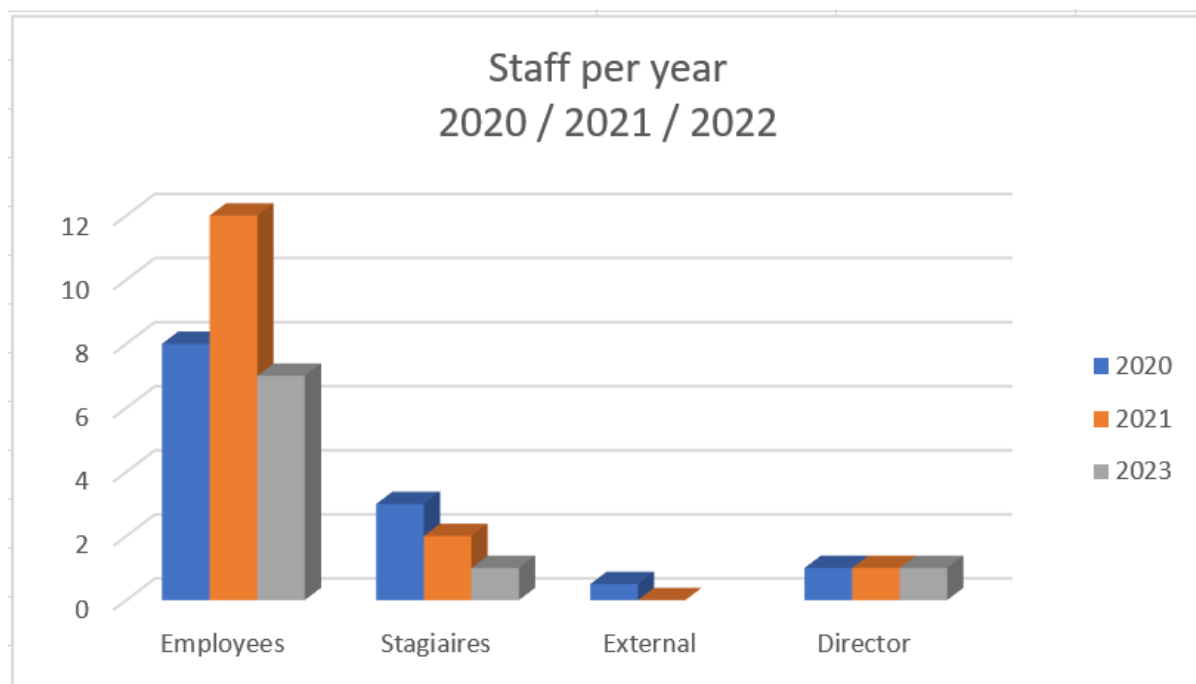
Year	2020	2021	2022
Staff Costs	€ 512,588.00	€ 724,202.00	€ 777,107.73
Staff and Employer contributions	€ 400,883.00	€ 592,202.00	€ 692,094.73
External consultants/freelancers/service contract (Director)	€ 111,705.00	€ 132,000.00	€ 85,013.00



Staff	2020	2021	2022
Employees	8	12	8.8
Stagiaires	3	2	1
External	0.5	0	
Director	1	1	1
TOTAL	12.5	15	10.8

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



In December 2022, ECPC effective staffing was of 8,8 full time employees, 1 stagiaire and 1 Director. The position of director was assumed by 2 persons during the period. In February 2022, the Director position that was insured by Ms. Antonella Cardone, who resigned, was covered by an Interim Director. Ms. Charis Girvalaki, till then Health and Research Manager, was nominated as Acting Interim Director, and nominated Director as of July 2022. Due to external reasons, Ms. Charis Girvalaki resigned early January 2023.

It is to be noted that the exercise of 2022 was marked by the resignation of the Director Ms. Antonella Cardone in February 2022, as approved by the then President of the Board Mr. Ken Mastris. A termination indemnity of 55.000 EUR was paid to Ms. Antonella Cardone.





EU funded Projects and Industry Projects:

A significant percentage of payroll costs incurred in 2022 is covered by EU funded projects. EU funded projects, if managed properly and following the rules of the European Commission present very limited financial risks.

The Secretariat has pursued its efforts to put in place a sound management control system with detailed time sheets which was implemented, as of January 2022. This system succeeded the simplistic use of excel timesheets that were prepared monthly by the staff and monitored by the Director and HR responsible.



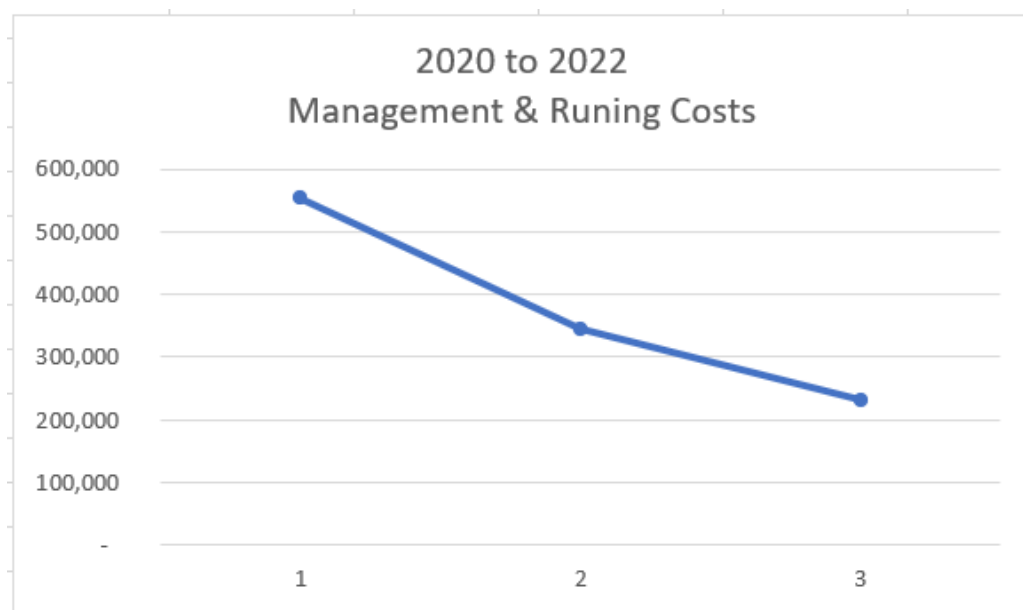
Management and Running costs

The following table presents the trend pursued by the ECPC Management.

Management and Running costs	2020	2021	2022
Securex Payroll admin costs	€ 14,935.00	€ 19,602.00	€ 19,956.99
Office rent & maintenance	€ 43,937.00	€ 72,953.00	€ 104,939.83
Energy consumption	€ 2,391.00	€ 893.00	€ -
Office supplies, services, city taxes, postage	€ 5,535.00	€ 12,121.00	€ 22,006.12
IT maintenance, computers, website and IT subscriptions	€ 28,180.00	€ 18,232.00	€ 24,399.37
Communications & membership (organisations, platforms etc)	€ 36,967.00	€ 63,325.00	€ 16,207.03
Legal costs & publications	€ 44,987.00	€ 74,511.00	€ 36,300.69
Accountancy costs	€ 19,237.00	€ 14,202.00	€ 41,737.32
Telecoms expenses	€ 5,852.00	€ 3,896.00	€ 939.74
Travel & accommodation	€ 7,132.00	€ 1,303.00	€ 29,094.58
Bank fees & charges	€ 591.00	€ 3,477.00	€ -
Insurances (office, fire, legal)	€ 1,858.00	€ 3,331.00	€ 4,921.29
Exchange differences	€ 11,807.00		€ -
Depreciation	€ 12,205.00	€ 14,763.00	€ 6,477.48
External review on governance		€ 29,905.00	€ 1,027.14
Other costs (job ads, Sodexo fees, relationship,)	€ 10,367.00	€ 9,592.00	€ 15,265.86
Training and Professional Education		€ 2,941.00	€ 844.16
Provisions	€ 307,334.00		€ (93,096.30)
TOTAL	€ 553,315.00	€ 345,047.00	€ 231,021.30

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

As shown on the graph, during the last few years, the cost of management and running cost of ECPC have been decreasing. This is linked to the fact that under the ongoing management, priority is given to the rationalization of costs and to ensuring that staff mobilization is made in a more gradual manner. New hires are made against needs identified to implement funded activities.





Budget 2023

BUDGET 2023	
EXPENSES	2023
Staff costs and consultants	€ 1,250,000.00
Costs of Office Operations	€ 205,000.00
Board and Scientific Cttee	€ -
Advocacy & Awareness	
Cost of travel / Events	€ 125,000.00
TOTAL	€ 1,580,000.00
REVENUES	2023
EU-Funded Projects	€ 1,060,000.00
Grants from ECPC Supporters	€ 300,000.00
Other Revenues	€ -
TOTAL	€ 1,360,000.00
Balance: € (220,000.00)	

