

Financial accounts - December 31, 2018

European Neuro Muscular Centre
(a foundation under Dutch Law)

Lt. Gen. van Heutszlaan 6
3743 JN Baarn

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Activity report

The annual impact report is available at the office of the foundation.

A PDF version of this report can be downloaded from the ENMC website (www.enmc.org).

Balance sheet as at December 31, 2018*After proposal profit appropriation*

		<u>31-12-2018</u>	<u>31-12-2017</u>
		€	€
ASSETS			
Current assets			
Other receivables	1	11.860	1.525
Cash at banks	2	<u>507.136</u>	<u>491.595</u>
		<u>518.996</u>	<u>493.120</u>
EQUITY AND LIABILITIES			
Equity	3	294.234	353.690
Provisions			
Workshop provisions	4	176.212	82.152
Current liabilities			
Other payables	5	<u>48.550</u>	<u>57.278</u>
		<u>518.996</u>	<u>493.120</u>

Statement of income and expenses for the year 2018

	2018	<i>Budget</i> 2018	2017
	€	€	€
Income			
Member contributions	210.000	210.000	210.000
Associated member contributions	5.000	5.000	5.000
Company Forum contributions	77.425	72.436	63.957
Other contributions	3.724	15.000	32.792
Total income	<u>296.149</u>	<u>302.436</u>	<u>311.749</u>
Expenses			
Personnel expenses	143.436	137.000	149.034
Housing expenses	11.300	11.500	11.997
Activity expenses	157.814	155.000	87.114
Organizational expenses	43.248	50.000	40.274
Total operating expenses	<u>355.798</u>	<u>353.500</u>	<u>288.419</u>
Operating result	-59.649	-51.064	23.330
Interest income	193	500	502
Net result	<u>-59.456</u>	<u>-50.564</u>	<u>23.832</u>
Appropriation of result			
Continuity reserve	-	-	-
Reserve for 25th anniversary	-14.848	-20.000	-8.009
Reserve for additional workshop costs	-48.000	-31.000	-15.155
Other free reserves	3.392	436	46.996
	<u>-59.456</u>	<u>-50.564</u>	<u>23.832</u>

Cashflow statement for the year 2018

	2018		2017	
	€	€	€	€
Operating result		-59.649		23.330
Adjustment for:				
Movement in provisions		94.060		-48.507
Changes in working capital:				
Other accounts receivable	-10.335		2.915	
Current liabilities	<u>-8.728</u>		<u>27.742</u>	
		<u>-19.063</u>		<u>30.657</u>
Cash flow from operating activities		15.348		5.480
Interest received		<u>193</u>		<u>502</u>
Cash movement		<u>15.541</u>		<u>5.982</u>
Balance as at beginning of the financial year		491.595		485.613
Movement during the financial year		<u>15.541</u>		<u>5.982</u>
Balance at the end to the financial year		<u>507.136</u>		<u>491.595</u>

Notes to the financial accounts

Registered address and registration number trade register

The registered and actual address of The European Neuro Muscular Centre is Lt. Gen. Van Heutszlaan 6, 3743 JN in Baarn. The foundation is registered at the trade register under number 41190058.

General

This report was prepared in accordance with Guideline C1 for the reporting of Small sized non-profit organizations as published by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

The financial accounts are drawn up in Euros.

Activities

The European Neuro Muscular Centre (ENMC) in Baarn was founded on 24 November, 1992 under Dutch Law. The objective of the foundation is to promote research in the field of diagnosis and treatment of neuromuscular diseases and to collect and distribute useful and reliable information about these diseases. To meet this objective, the foundation mainly organizes workshops which are its core business. The workshops are held in the Netherlands.

The foundation is financed and steered by a number of National Patient Associations for neuromuscular diseases in Europe. In addition, it receives co-support from other neuromuscular organizations and from multiple companies developing treatments and diagnostic tools for patients with neuromuscular conditions.

The foundation has its statutory seat in Baarn and holds its office in the building of Spierziekten Nederland.

Accounting policies in respect of the valuation of assets and liabilities

General

Assets and liabilities are accounted at historical costs and unless stated otherwise are shown at their nominal value.

Accounts receivable

The accounts receivable are valued at amortised cost price which generally equals the nominal value. Provisions deemed necessary for possible bad losses are deducted. These provisions are determined by individual assessment of receivables.

Provisions

Unless stated otherwise the other provisions are valued at the face value of the expenditures that are expected to be necessary for settling the related obligations.

Current liabilities

The current liabilities are valued at amortised cost price which generally equals the nominal value.

Accounting policies in respect of result determination

General

The result represents the difference between the contributions received and the expenses and other charges for the year. The results on transactions are recognized in the year in which they are realized and/or approved. The approved transactions concern the estimated expenses of workshops approved in this year and of the committed contributions of new co-sponsors.

Other operating expenses

Expenses are taken into account under the historical cost convention and allocated to the period concerned.

Activity expenses

Expenses are taken into account at the historical cost. Provisions (best estimate of the expected costs) are made for workshops that are approved but not yet completed at the end of the year. The workshops expenses consist of actually paid expenses as well as of approved costs for workshops.

Principles of the cash flow summary

The cash flow statement is prepared according to the indirect method.

The funds in the cash flow statement consist of cash.

Interest received is entered under the cash flow from operating activities.

Notes to the balance sheet**Current assets****1 Other receivables**

	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
Other receivables and accrued assets		
Contributions	11.667	1.023
Bank interest	<u>193</u>	<u>502</u>
	<u><u>11.860</u></u>	<u><u>1.525</u></u>

2 Cash at banks

ING Top rente 68.44.14.880	130.590	45.551
ING RC 68.44.14.880	<u>376.546</u>	<u>446.044</u>
	<u><u>507.136</u></u>	<u><u>491.595</u></u>

3 Equity

Continuity reserve	200.000	200.000
Reserve for 25th anniversary	7.143	21.991
Reserve for additional workshop costs	29.845	77.845
Other free reserves	<u>57.246</u>	<u>53.854</u>
	<u><u>294.234</u></u>	<u><u>353.690</u></u>

	<u>2018</u>	<u>2017</u>
	€	€
Continuity reserve		
Balance as at January 1	200.000	200.000
Appropriation of result	<u>-</u>	<u>-</u>
Balance as at December 31	<u><u>200.000</u></u>	<u><u>200.000</u></u>

The continuity reserve is established to be able to execute approved workshops, in case of a shortfall in raising the necessary funds. The level is set on € 200.000 by the Executive Committee (April 14, 2016), which is the amount necessary to keep the office running and perform the approved workshops for one year.

	<u>2018</u>	<u>2017</u>
	€	€
Reserve for 25th anniversary		
Balance as at January 1	21.991	30.000
Appropriation of result: Expenses paid in the bookyear	-14.848	-16.536
Appropriation of result: Co-sponsorship Audentes Therapeutics	-	8.527
Appropriation of result	-	-
	<u>7.143</u>	<u>21.991</u>
Balance as at December 31	<u>7.143</u>	<u>21.991</u>

This specific purpose reserve of € 30.000 for the 25th anniversary is established by the Executive Committee (October 28, 2016) to pay for different events in 2017 and 2018 organised by the ENMC to celebrate the 25th anniversary of the ENMC. Extra income was generated by Audentes Therapeutics. In total, € 31.384 was spent on these 25th anniversary events, which created a positive net result of € 7.143. This 25th anniversary provision ends at 31-12-2019; then the remaining amount of this reserve of € 7.143 will be released and transferred to Other Free Reserves.

The 25th anniversary reserve was used for three special events:

- 1) An ENMC symposium at the ICNMD meeting in Vienna, 2018. The estimated budget for this symposium was € 3.000 (cumulative actual costs at 31-12-18: € 3.556).
- 2) A Special ENMC Workshop on a patient-oriented topic in Milan, 2018. The estimated costs for this workshop amounted € 20.000 (cumulative actual costs at 31-12-18: € 25.310 of which €8.527 will be covered by the co-sponsorship by Audentes Therapeutics, see page 19).
- 3) A joined evening meeting in St-Malo, 2017, reflecting on 25 years ENMC with both Executive Committee and Research Committee members. Costs were estimated at € 7.000 (cumulative actual costs at 31-12-18: € 2.518).

	<u>2018</u>	<u>2017</u>
	€	€
Reserve for additional workshop costs		
Balance as at January 1	77.845	93.000
Appropriation of result: Expenses paid in the bookyear	-	-5.155
Appropriation of result: Release in favor of provision workshops (extra costs: 11 workshops x € 2.000)	-22.000	-10.000
Appropriation of result: Ninth workshop	-13.000	-
Appropriation of result: One of the three extra-budgetary workshops approved in 2018 (see minutes ExC meeting November 2018) of € 13.000	-13.000	-
	<u>29.845</u>	<u>77.845</u>
Balance as at December 31	<u>29.845</u>	<u>77.845</u>

This workshop related reserve is created to approve 9 workshops per year instead of the budgeted 8 workshops and to allocate an extra € 2.000 per workshop to improve the meeting venue facilities, to cover wheelchair accessible facility costs and costs of travel for participants who have no funding possibilities.

The specific purpose reserve of € 93.000 for additional workshop costs was established by the Executive Committee on October 28, 2016.

At 31 December 2019 this reserve will be closed and any remainings will be released to the Other Free Reserves.

Release in favor of provision workshops

In 2018, on top of the regular nine workshops three extra workshops were approved in 2018. For 11 out of these 12 workshops (239, 240, 241, 242, 243, 244, 246, 247, 248, 249 and 250) a total amount of € 22.000,- (11 x € 2.000,-) will be released from the "Reserve for additional workshop costs". Workshop 245 is a one-day ENMC-ERN workshop with estimated costs of € 5.000 which did not require these extra € 2.000 workshop costs. According to the decision made by the Executive Committee on 15 November 2018 (see minutes), one extra workshop can be paid out of the specific purpose reserve 'additional workshop costs', the other two workshops can be paid out of the 'other free reserves'.

	<u>2018</u>	<u>2017</u>
	€	€
Other free reserves		
Balance as at January 1	53.854	6.858
Appropriation of result: Two extra workshops	-18.000	-
Appropriation of result	<u>21.392</u>	<u>46.996</u>
Balance as at December 31	<u><u>57.246</u></u>	<u><u>53.854</u></u>
	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
4 Workshop provisions		
Workshop 226	-	3.794
Workshop 227	-	2.488
Workshop 228	-	3.760
Workshop 229	-	3.841
Workshop 230	-	3.250
Workshop 231	-	3.000
Workshop 232	-	1.254
Workshop 233	-	4.772
Workshop 234	-	10.993
Workshop 236	1.653	15.000
Workshop 237	1.200	15.000
Workshop 238	4.179	15.000
Workshop 239	14.780	-
Workshop 240	15.000	-
Workshop 241	15.000	-
Workshop 242	15.000	-
Workshop 243	15.000	-
Workshop 244	15.000	-
Workshop 245	4.400	-
Workshop 246	15.000	-
Workshop 247	15.000	-
Workshop 248	15.000	-
Workshop 249	15.000	-
Workshop 250	<u>15.000</u>	<u>-</u>
	<u><u>176.212</u></u>	<u><u>82.152</u></u>

	2018	2017
	€	€
Workshop 226 (administratively closed)		
Balance as at January 1	3.794	13.000
Provision	-	-
Expenses paid in the bookyear	-	-9.206
Not declared	-3.794	-
	<u>-</u>	<u>3.794</u>
Balance as at December 31	<u>-</u>	<u>3.794</u>
Workshop 227 (administratively closed)		
Balance as at January 1	2.488	13.000
Provision	-	-
Expenses paid in the bookyear	-48	-10.512
Not declared	-2.440	-
	<u>-</u>	<u>2.488</u>
Balance as at December 31	<u>-</u>	<u>2.488</u>
Workshop 228 (administratively closed)		
Balance as at January 1	3.760	13.000
Expenses paid in the bookyear	-	-9.240
Not declared	-3.760	-
	<u>-</u>	<u>3.760</u>
Balance as at December 31	<u>-</u>	<u>3.760</u>
Workshop 229 (administratively closed)		
Balance as at January 1	3.841	13.000
Expenses paid in the bookyear	-479	-9.159
Not declared	-3.362	-
	<u>-</u>	<u>3.841</u>
Balance as at December 31	<u>-</u>	<u>3.841</u>
Workshop 230 (administratively closed)		
Balance as at January 1	3.250	13.000
Expenses paid in the bookyear	-	-12.509
Additional provision	-	2.759
Not declared	-3.250	-
	<u>-</u>	<u>3.250</u>
Balance as at December 31	<u>-</u>	<u>3.250</u>
Workshop 231 (administratively closed)		
Balance as at January 1	3.000	13.000
Expenses paid in the bookyear	-301	-13.711
Additional provision	-	3.711
Not declared	-2.699	-
	<u>-</u>	<u>3.000</u>
Balance as at December 31	<u>-</u>	<u>3.000</u>

	<u>2018</u>	<u>2017</u>
	€	€
Workshop 232 (administratively closed)		
Balance as at January 1	1.254	13.000
Expenses paid in the bookyear	-	-11.746
Not declared	-1.254	-
	<u>-</u>	<u>-</u>
Balance as at December 31	<u>-</u>	<u>1.254</u>
Workshop 233 (administratively closed)		
Balance as at January 1	4.772	-
Provision	-	15.000
Expenses paid in the bookyear	-302	-10.228
Not declared	-4.470	-
	<u>-</u>	<u>-</u>
Balance as at December 31	<u>-</u>	<u>4.772</u>
Workshop 234 (administratively closed)		
Balance as at January 1	10.993	-
Provision	-	15.000
Expenses paid in the bookyear	-9.988	-4.007
Not declared	-1.005	-
	<u>-</u>	<u>-</u>
Balance as at December 31	<u>-</u>	<u>10.993</u>
Workshop 236		
Balance as at January 1	15.000	-
Provision	-	15.000
Expenses paid in the bookyear	-13.347	-
	<u>-</u>	<u>-</u>
Balance as at December 31	<u>1.653</u>	<u>15.000</u>
Workshop 237		
Balance as at January 1	15.000	-
Provision	-	15.000
Additional provision	265	-
Expenses paid in the bookyear	-14.065	-
	<u>-</u>	<u>-</u>
Balance as at December 31	<u>1.200</u>	<u>15.000</u>
Workshop 238		
Balance as at January 1	15.000	-
Provision	-	15.000
Expenses paid in the bookyear	-10.821	-
	<u>-</u>	<u>-</u>
Balance as at December 31	<u>4.179</u>	<u>15.000</u>

	<u>2018</u>	<u>2017</u>
	€	€
Workshop 239		
Balance as at January 1	-	-
Provision	15.000	-
Expenses paid in the bookyear	<u>-220</u>	<u>-</u>
Balance as at December 31	<u><u>14.780</u></u>	<u><u>-</u></u>
Workshop 240		
Balance as at January 1	-	-
Provision	<u>15.000</u>	<u>-</u>
Balance as at December 31	<u><u>15.000</u></u>	<u><u>-</u></u>
Workshop 241		
Balance as at January 1	-	-
Provision	<u>15.000</u>	<u>-</u>
Balance as at December 31	<u><u>15.000</u></u>	<u><u>-</u></u>
Workshop 242		
Balance as at January 1	-	-
Provision	<u>15.000</u>	<u>-</u>
Balance as at December 31	<u><u>15.000</u></u>	<u><u>-</u></u>
Workshop 243		
Balance as at January 1	-	-
Provision	<u>15.000</u>	<u>-</u>
Balance as at December 31	<u><u>15.000</u></u>	<u><u>-</u></u>
Workshop 244		
Balance as at January 1	-	-
Provision	<u>15.000</u>	<u>-</u>
Balance as at December 31	<u><u>15.000</u></u>	<u><u>-</u></u>
Workshop 245		
Balance as at January 1	-	-
Provision	5.000	-
Expenses paid in the bookyear	<u>-600</u>	<u>-</u>
Balance as at December 31	<u><u>4.400</u></u>	<u><u>-</u></u>
Workshop 246		
Balance as at January 1	-	-
Provision	<u>15.000</u>	<u>-</u>
Balance as at December 31	<u><u>15.000</u></u>	<u><u>-</u></u>

	<u>2018</u>	<u>2017</u>
	€	€
Workshop 247		
Balance as at January 1	-	-
Provision	<u>15.000</u>	<u>-</u>
Balance as at December 31	<u><u>15.000</u></u>	<u><u>-</u></u>
Workshop 248		
Balance as at January 1	-	-
Provision	<u>15.000</u>	<u>-</u>
Balance as at December 31	<u><u>15.000</u></u>	<u><u>-</u></u>
Workshop 249		
Balance as at January 1	-	-
Provision	<u>15.000</u>	<u>-</u>
Balance as at December 31	<u><u>15.000</u></u>	<u><u>-</u></u>
Workshop 250		
Balance as at January 1	-	-
Provision	<u>15.000</u>	<u>-</u>
Balance as at December 31	<u><u>15.000</u></u>	<u><u>-</u></u>
Current liabilities		
	<u>31-12-2018</u>	<u>31-12-2017</u>
	€	€
5 Other payables		
Payable for literature analysis	-	15.000
Payable for glossy	2.000	-
Rental and service charges SN	11.300	11.297
Creditors	17.913	8.842
Accounting and audit fees	4.616	6.050
Wage tax	8.920	9.358
Pension premium	-	671
Accrued holiday allowance	3.801	4.233
Office costs	-	949
Payables to organisers of workshop administratively closed	<u>-</u>	<u>878</u>
	<u><u>48.550</u></u>	<u><u>57.278</u></u>

The difference in wage tax, accrued holidays and pension premium between 2017 and 2018 results from a temporarily increase in parttime percentage of A. Breukel in 2017 to 85% to enable execution of all 25th anniversary events. From 1-1-2018 this parttime percentage is being reset to 65%, hence wage tax, accrued holidays and pension premium costs reduced again to normal levels.

Notes to the statements of activities

	<u>2018</u>	<i>Budget</i> <u>2018</u>	<u>2017</u>
	€	€	€
6 Member contributions			
Deutsche Gesellschaft für Muskelkranke (Germany)	30.000	-	30.000
Muscular Dystrophy UK (United Kingdom)	30.000	-	30.000
Muskelsvindfondene (Denmark)	30.000	-	30.000
Telethon Foundation (Italy)	30.000	-	30.000
Association Française contre les Myopathies (France)	30.000	-	30.000
Schweizerische Stiftung für die Erforschung der Muskelkrankheiten (Switzerland)	30.000	-	30.000
Prinses Beatrix Spierfonds (The Netherlands)	15.000	-	15.000
Spierziekten Nederland (The Netherlands)	15.000	-	15.000
Total budget member contributions	<u>-</u>	<u>210.000</u>	<u>-</u>
	<u>210.000</u>	<u>210.000</u>	<u>210.000</u>
7 Associated member contributions			
Finnish Neuromuscular Association (Finland)	<u>5.000</u>	<u>5.000</u>	<u>5.000</u>
8 Company Forum contributions			
Sanofi Genzyme	20.000	-	20.000
Santhera Pharmaceuticals	15.000	-	15.000
CSL Behring	19.990	-	19.985
Amicus Therapeutics	5.000	-	3.333
Sanquin	1.500	-	1.500
Ionis Pharmaceuticals	4.268	-	4.139
Biogen	6.667		
AveXis	5.000		
Total budget Company Forum	<u>-</u>	<u>72.436</u>	<u>-</u>
	<u>77.425</u>	<u>72.436</u>	<u>63.957</u>

	2018	<i>Budget</i> 2018	2017
	€	€	€
9 Other contributions			
Grifols (workshop 230)	-	-	10.000
Grifols (workshop 231)	-	-	7.000
Muscular Dystrophy Association	-	-	4.449
Parent Project Muscular Dystrophy	-	-	2.389
Audentes Therapeutics (workshop 235)	-	-	8.527
Alexander's Way Research Fund Inc	-	-	427
ZonMw	3.724	-	-
Total budget other contributions	<u>-</u>	<u>15.000</u>	<u>-</u>
	<u>3.724</u>	<u>15.000</u>	<u>32.792</u>

ZonMw, a research health organisation in the Netherlands, requested incidental training and advise from ENMC. ENMC was exempted from paying tax over the amount received.

In 2018, 26% of the total income was received from companies and 74% from non-companies (neuromuscular patient organisations and fundraising organisations). The ENMC aims to maximize the level of income from companies to 30% of the total income.

10 Personnel expenses

Salaries	91.519	-	99.978
Social charges	18.700	-	17.740
Pensions	15.899	-	16.764
Movement to accrual holiday allowance	6.717	-	7.401
Insurance sickleave current year	5.694	-	3.283
Total budget salaries	-	133.000	-
Other personnel expenses	<u>4.907</u>	<u>4.000</u>	<u>3.868</u>
	<u>143.436</u>	<u>137.000</u>	<u>149.034</u>

The difference between the 2018 budget and actual personnel expenses can be explained by the additional costs of hiring a management assistant since September 2018. In the April 2018 Executive Committee meeting it was approved that this function was created to support the team in Baarn for 4 months for 14 hours per week.

Average numbers of employees

During the year 2018 ENMC employed, converted to full-time equivalents, on average 1,5 employees (2017: average 1,6).

11 Housing expenses

Office rental and services	<u>11.300</u>	<u>11.500</u>	<u>11.997</u>
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	<u>2018</u>	<i>Budget</i> <u>2018</u>	<u>2017</u>
	€	€	€
12 Activity expenses			
Workshop 225	-		1.510
Workshop 230	-		2.759
Workshop 231	-		3.711
Workshop 233	-		15.000
Workshop 234	-		15.000
Workshop 235	11.292	20.000	14.018
Workshop 236	-		15.000
Workshop 237	265		15.000
Workshop 238	-		15.000
Workshop 239	15.000	15.000	
Workshop 240	15.000	15.000	
Workshop 241	15.000	15.000	
Workshop 242	15.000	15.000	
Workshop 243	15.000	15.000	
Workshop 244	15.000	15.000	
Workshop 245	5.000	15.000	
Workshop 246	15.000	15.000	
Workshop 247	15.000	15.000	
Workshop 248	15.000		
Workshop 249	15.000		
Workshop 250	15.000		
Literature analysis	-1.085		15.000
Expenses joint evening meeting (St-Malo)	-	-	2.518
Expenses for ENMC symposium at ICNMD	3.556	-	-
Expenses for additional workshop costs	-	-	5.155
Additional amounts previous workshops	134	-	878
Non-declared amounts previous years	-26.348	-	-33.435
	<u>157.814</u>	<u>155.000</u>	<u>87.114</u>

In 2018, ENMC made a budget provision for nine workshops to be approved in the two review rounds. Since the number of submitted applications was a record high number (n=22), three additional workshops which were highly recommended by the Research Committee, were approved by the Executive Committee on the 15th of November 2018. Budget for two workshops will be allocated from Other Free Reserves (€ 18.000) and budget for one workshop will be allocated from Provision Additional Workshop Costs (€ 13.000). The literature analysis was performed and finalized in 2018 and was fully paid out of the activity expenses.

	<u>2018</u>	<i>Budget</i> <u>2018</u>	<u>2017</u>
	€	€	€
13 Organizational expenses			
Research committee/ director	16.550	17.000	13.320
Audit costs and payroll accounting	8.870	8.000	7.489
Website and IT	4.159	7.000	1.345
Executive Committee	2.370	3.000	2.563
Marketing	3.738	5.500	2.662
Congress expenses	1.273	4.000	7.398
Office costs - Baarn	2.366	3.000	2.257
Bank expenses	1.024	-	1.039
Travelling expenses	2.371	-	510
Insurance premium	527	-	722
Telephone expenses		-	969
Other	-	2.500	-
	<u>43.248</u>	<u>50.000</u>	<u>40.274</u>

Baarn, June 20, 2019
European Neuro Muscular Centre

Dr. A.I.M. Breukel-van der Kooi
Managing Director

Stichting European Neuro Muscular Centre
Lt. Gen. Van Heutszlaan 6
3743 JN Baarn

INDEPENDENT AUDITOR'S REPORT

To: The management and board of European Neuro Muscular Centre

A. Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the financial statements 2018 of European Neuro Muscular Centre, based in Baarn.

In our opinion the accompanying financial statements give a true and fair view of the financial position of European Neuro Muscular Centre as at 31 December 2018, and of its result for 2018 in accordance with the Guideline for annual reporting C1 'Small- sized-not-for-profit organisations' of the Dutch Accounting Standards Board.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2018;
- 2 the profit and loss account for 2018;
- 3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of European Neuro Muscular Centre in accordance with the *Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)*, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the *Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics)*.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The Impact report.



Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Impact report in accordance with the Guideline for annual reporting C1 'Small-sized-not-for-profit organisations' of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with *the Guideline for annual reporting C1 'Small-sized-not-for-profit organisations' of the Dutch Accounting Standards Board*. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



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- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Volendam, June 20, 2019

NBC Audit Services B.V.

W.J.T. Jonk RA