

issued to:
the management of
Exarc
Boutenslaan 161 B
5644 TV Eindhoven

Re:
financial report 2013

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Reference number: 97.00699.0

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To: Exarc

1 **Compilation report**

Introduction

In accordance with your instructions we have compiled the financial statements 2013 of Exarc in Eindhoven, which comprise the balance sheet as at 31 December 2013, statement of revenue and expenditure for the year then ended 2013 and the notes.

Management's responsibility

The distinctive feature of a compilation engagement is that we compile financial information based on information provided by management of the entity. Management is responsible for the accuracy and completeness of the information provided and the financial statements based thereon .

Accountants' responsibility

Our responsibility as accountant is to perform our engagement in accordance with Dutch Law, including the professional and ethical requirements applying to accountants.

In accordance with the professional standard applicable to compilation engagements, our procedures were limited primarily to gathering, processing, classifying and summarizing financial information. Furthermore we have evaluated the appropriateness of the accounting policies which are used to compile the financial statements, based on the information provided by management. The nature of our procedures does not enable us to express any assurance on the true and fair view of the financial statements.

Confirmation

Based on the information provided to us, we have compiled the financial statements using the accounting policies as included in Part 9 of Book 2 of the Dutch Civil Code.

2 General data

2.1 Business data of the corporation

legal form	vereniging
company address	Boutenslaan 161 B, 5644 TV Eindhoven
statutory name	Exarc
Chamber of Commerce	Eindhoven under number 17279629
	J. Reschreiter
	J.J. Baena Preysler
	B.M. Buttler Jakobsen
	L.L.M. Eekhout
	M. Schmidt
Directors	W. Schindler III

If you need any further information, please do not hesitate to contact us.

Veldhoven, 23th February 2014

Yours sincerely,

ABAB Accountants B.V.



Drs. E.T.M. Gilden
Registeraccountant

Exarc in Eindhoven

1 Balance sheet as at 31 December 2013

(after processing of proposal for appropriation of result)

ASSETS

	31 December 2013		31 December 2012	
	€	€	€	€
Fixed assets				
Tangible fixed assets				
furniture and fixtures		-		180
Current assets				
Receivables, prepayments and accrued income				
debtors	280		-	
other receivables	-		104	
		280		104
Cash and cash equivalents		14,903		24,268
		<u>15,183</u>		<u>24,552</u>

EQUITY AND LIABILITIES

	31 December 2013		31 December 2012	
	€	€	€	€
Net equity				
funds for special purposes	8,017		21,701	
other reserves	4,816		-889	
		12,833		20,812
Current liabilities				
<i>non-interest bearing liabilities</i>				
accruals and deferred income		2,350		3,740
		15,183		24,552

Exarc in Eindhoven

2 Statement of revenue and expenditure for 2013

	<u>2013</u>
	€
<i>Revenues</i>	
net turnover	30,462
<i>Expenses</i>	
spent on openarch (cc)	13,674
spent on openarch (own)	5,128
general expenses	14,879
	<u>33,681</u>
Operating result	-3,219
<i>Financial income and expenses</i>	
interest receivable and similar income	285
interest payable and similar charges	280
	<u>5</u>
Deficit	<u><u>-3,214</u></u>
Appropriation of the result	
<i>Addition to / withdrawal from:</i>	<u>2013</u>
Destination funds OpenArch (Including correction 2012 as supplied by the administrator mrs. M. Zielinska)	-8,919
Profit appropriation include other reserves	5,705
Total	<u><u>-3,214</u></u>

3 Notes to the financial statements

3.1 General accounting principles for the preparation of the financial statements

Applicable reporting system

In terms of the provisions in the Dutch Civil Code (Part 9 of book 2), the legal entity is not a association to which the provisions in Part 9 of book 2 of the Dutch Civil Code apply.

Financial instruments

General

Certain financial instruments are used in the normal business operations of the company. Those instruments are accounted for in the balance sheet as assets and liabilities. The financial instruments incorporated in the balance sheet mainly consist of accounts receivable and cash items. Based on the aforementioned financial instruments, the company will be exposed to interest and credit risks.

In principle, the control of the interest rate risk is based on the financing of fixed assets and part of the cash items with equity capital, provisions and long-term debts.

The rest of the current assets are financed with short-term debt, including bank overdrafts, with variable interest rates. Given the interest rate risk to which the company is exposed, the company did not use financial instruments to hedge the risks over the current financial year (or in the previous financial year).

3.2 Principles of valuation for assets and liabilities

General

The valuation of assets and liabilities takes place under the historical cost convention, unless presented otherwise. Assets and liabilities that are not mentioned hereinafter are presented in the balance sheet at face value.

Financial instruments

Financial instruments included in the balance sheet are valued at fair value when first processed and at amortized cost price for subsequent valuations.

The amortized costs included the cost of the transaction in the valuation, with any surplus or discount when the contract or transaction was entered into, is entered as a credit or debit in the statement of income and expenditure for the duration of the contract. This means that the reserve or discount is not presented as a separate asset or liability.

The allocation to statement of income and expenditure of the transaction costs, interest, surplus or discount is calculated on the basis of the effective interest method. Use of the effective interest method means that the interest income and charges are allocated to the relevant period, based on the effective interest rate, by means of an annuity calculation. If the linear amortization does not result in significant differences as regards the application of the effective interest method, linear amortization is applied.

Tangible fixed assets

Tangible fixed assets are valued at the purchase price, less accumulated depreciation. Generally, the depreciation is calculated with the linear system and is related to the estimated economic useful life, taking into account its residual value.

Receivables, prepayments and accrued income

Debtors

Debtors are valued at fair value, which is equal to the cost on the date the transaction is first processed on the balance sheet. After this first processing, they are valued at amortized cost. The amortized cost is equal to the nominal value of the receivable. Provisions for potential bad debts are deducted from the value of the claim established in this way.

Long-term and short-term liabilities

All long- and short-term liabilities are valued at fair value, which is equal to the cost on the date the transaction, is first processed on the balance sheet. After this first processing, they are valued at amortized cost. The amortized cost is equal to the nominal value of the liabilities.

3.3 Principles for the determination of revenue and expenditure

Determination of revenue and expenditure

General

The result is determined as the difference between the realizable value of the proceeds of goods and services supplied in the financial year and the costs and other charges based on acquisition prices. Profits on transactions are accounted for in the year of realization; losses are accounted for in the year in which they become predictable, with due observance of the principles for provisions.

Revenue

The revenues contain all revenues from deliveries of goods and services to third parties, minus deductions and levied taxes. Income from the sale of goods is recorded in the statement of revenue and expenditure once all the important rights to economic benefits, as well as all important risks with respect to the goods have been transferred to the buyer. The cost prices of said goods are allocated to the same period. Income from services is included at such time as the services have been provided or pro rata based on the extent to which they have been provided. The cost prices of the services are allocated to the same period.

Expenses

The expenses are determined on the basis of purchase prices. Depreciations are calculated according to the principles described under the fixed assets.

Interest income and charges

The interest income concerns the amount of interest received and to be received from third parties in the financial year. Interest charges concern the amount of interest paid and to be paid in the financial year.

4 Additional notes to the items of the annual accounts

4.1 Fixed assets

Tangible fixed assets

The movements in furniture and fixtures can be summarized as follows:

	€
<i>Balance at beginning financial year</i>	
purchase price	180
accumulated depreciations	-
Book value	180
<i>Movements</i>	
disposals (purchase price)	180
<i>Balance at close of financial year</i>	
purchase price	-
accumulated depreciations	-
Book value	-

4.2 Current assets

Receivables, prepayments and accrued income

All accounts receivable have a term of less than one year.

Cash and cash equivalents

Cash and cash equivalents are at the free disposal of the company and payable on demand.

4.3 Net equity

Funds for special purposes

The movements in the funds for special purposes are as follows:

	Destination funds OpenArch €
balance at beginning financial year	21,701
movement in reserve of result of income and expenditures	7,500
correction OpenArch 2012	-4,764
paid costs	-16,420
balance at close of financial year	8,017

Other reserves

The following movements have taken place in the other reserves:

	<u>31/12/2013</u>
	€
balance at beginning financial year	-889
from profit appropriation	5,705
	<hr/>
balance at close of financial year	4,816
	<hr/> <hr/>

The other reserves regard the retained profits.

Eindhoven,2014

Directors board

J. Reschreiter

J.J. Baena Preysler

B.M. Buttler Jakobsen

L.L.M. Eekhout

M. Schmidt

W. Schindler III

Other information

Statement on the absence of the auditor's report

Within the limits of article 2:396 paragraph 1 of the Dutch Civil Code, the company/professional practice is regarded as a small entity. Under the exemption provisions of paragraph 6 of Article 2:396 BW a financial audit by Article 2:393 BW is not required.

Therefore no audit has been performed on these financial statements aimed at providing a certificate on their fairness.

1 Specifications balance sheet at 31 December 2013

1.1 Current assets

Receivables, prepayments and accrued income

Debtors

The balance can be specified as follows:

	<u>31/12/2013</u>
	€
debtors' balance at year-end financial year	280
minus: provision for possible bad debts	-
	<u>280</u>

Cash and cash equivalents

The cash and cash equivalents are specified as follows:

	<u>31/12/2013</u>
	€
Rabobank 1515.84.133	624
Rabobank 3179.899.298	14,000
PayPal	279
	<u>14,903</u>

1.2 Current liabilities

Other liabilities

The other liabilities can be specified as follows:

	<u>31/12/2013</u>
	€
Contribution received in advance	1,350
Accountant	1,000
	<u>2,350</u>

2 Specifications to the statement of revenue and expenditure for the year ended 2013

	<u>2013</u>
	€
<i>Net turnover</i>	
Donations	339
Contribution current year	12,701
Added transaction costs	170
Journal Digest advertise current year	1,000
Journal (EuroREA) sales current year	59
OpenArch EU funds	3,250
OpenArch common costs	4,250
Correction OpenArch 2012	4,764
Conferences and seminars	3,674
Others	255
	<u>30,462</u>
	<u><u>30,462</u></u>
 <i>Spent on OpenArch (cc)</i>	
OpenArch communication manager (cc)	5,078
OpenArch hosting, domains and SOLR (cc)	1,038
OpenArch websites (cc)	6,100
OpenArch PR material (cc)	995
OpenArch external contacts (cc)	463
	<u>13,674</u>
	<u><u>13,674</u></u>
 <i>Spent on OpenArch (own)</i>	
OpenArch audits (own)	2,038
OpenArch hosting, domains and SOLR (own)	140
OpenArch journal digest (own)	2,133
OpenArch PR material (own)	231
OpenArch steering committee (own)	444
OpenArch meetings and workshops (own)	142
	<u>5,128</u>
	<u><u>5,128</u></u>

	2013
	€
<i>General expenses</i>	
Secretariat volunteers	3,000
EXARC journal volunteers	1,200
Conferences and seminars	3,532
PR website	10
PR material	566
Postage journal orders	19
Postage journal members	784
Postage journal authors and editors etc.	217
Postage journal as PR (free)	72
Postage new members	339
Postage PR other	389
Postage administration and other	66
Office costs supplies	6
Office costs administration	177
Office costs gifts	125
Accountant	1,610
Staff travel	680
Staff subsistence	590
External / board travel	729
External / board subsistence	591
Other costs	177
	<hr/> 14,879 <hr/> <hr/>
 <i>Interest receivable and similar income</i>	
Interest banks	 285 <hr/> <hr/>
 <i>Interest payable and similar charges</i>	
Bank costs Rabobank	 172
Bank costs PayPal	108
	<hr/> 280 <hr/> <hr/>