

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

Re:
financial report 2014

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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 2014 of Exarc in Eindhoven, which comprise the balance sheet as at 31 december 2014, statement of revenue and expenditure for the year then ended 2014 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 |
| trade name | Exarc |
| Chamber of Commerce | Eindhoven under number 17279629 |
| | J. Reschreiter |
| | J.J. Baena Preysler |
| | .L.M. Eekhout |
| | M. Schmidt |
| | W. Schindler III |
| | M. Stefani |
| director | A. Pdraig Joseph O'Sullivan |

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

Veldhoven, 31st January 2015

Yours sincerely,

ABAB Accountants B.V.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Drs. E.T.M. Gilden
Registeraccountant

Exarc in Eindhoven

1 Balance sheet as at 31 december 2014

(after processing of proposal for appropriation of result)

ASSETS

| | 31 december 2014 | | 31 december 2013 | |
|---|------------------|---------------|------------------|---------------|
| | € | € | € | € |
| Current assets | | | | |
| Receivables, prepayments and accrued income | | | | |
| debtors | 945 | | 280 | |
| other receivables | 1.086 | | - | |
| | | 2.031 | | 280 |
| Cash and cash equivalents | | 22.898 | | 14.903 |
| | | <u>24.929</u> | | <u>15.183</u> |

EQUITY AND LIABILITIES

| | 31 december 2014 | | 31 december 2013 | |
|---|------------------|--------|------------------|--------|
| | € | € | € | € |
| Net equity | | | | |
| funds for special purposes | 17.824 | | 8.070 | |
| other reserves | 6.156 | | 4.763 | |
| | | 23.980 | | 12.833 |
| Current liabilities | | | | |
| <i>non-interest bearing liabilities</i> | | | | |
| creditors | 70 | | - | |
| accruals and deferred income | 879 | | 2.350 | |
| | | 949 | | 2.350 |
| | | 24.929 | | 15.183 |

Exarc in Eindhoven

2 Statement of revenue and expenditure for 2014

| | 2014 | | 2013 | |
|---|--------|---------------|--------|---------------|
| | € | € | € | € |
| <i>Revenues</i> | | | | |
| net turnover | | 31.080 | | 30.292 |
| <i>Expenses</i> | | | | |
| spent on openarch (cc) | 6.596 | | 13.674 | |
| spent on openarch (own) | 8.284 | | 5.128 | |
| general expenses | 14.951 | | 14.879 | |
| | | <u>29.831</u> | | <u>33.681</u> |
| Operating result | | <u>1.249</u> | | <u>-3.389</u> |
| <i>Financial income and expenses</i> | | | | |
| interest receivable and similar income | 403 | | 455 | |
| interest payable and similar charges | 259 | | 280 | |
| | | <u>144</u> | | <u>175</u> |
| Surplus | | <u>1.393</u> | | <u>-3.214</u> |
| Appropriation of the result | | | | |
| <i>Addition to / withdrawal from:</i> | | <u>2014</u> | | <u>2013</u> |
| Destination funds OpenArch | | 8.070 | | -8.919 |
| Profit appropriation include other reserves | | -6.677 | | 5.705 |
| Total | | <u>1.393</u> | | <u>-3.214</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.

The principles have remained unchanged in comparison to the preceding year.

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.

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 financial statements

4.1 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.

4.2 Net equity

Funds for special purposes

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

| | Funds for special purposes 1 € |
|-------------------------------------|---|
| balance at beginning financial year | 8.070 |
| subsidies received in advance | 17.824 |
| correction OpenArch | -8.070 |
| balance at close of financial year | <u>17.824</u> |

Other reserves

The following movements have taken place in the other reserves:

| | 31-12-2014 € |
|-------------------------------------|-----------------|
| balance at beginning financial year | 4.763 |
| from profit appropriation | 1.393 |
| balance at close of financial year | <u>6.156</u> |

The other reserves regard the retained profits.

Eindhoven, 26 May.....2015

Directors board

J. Reschreiter

J.J. Baena Preysler

L.L.M. Eekhout

M. Schmidt

W. Schindler III

M. Stefani

A. Pdraig Joseph O'Sullivan

Other information

Statement on the absence of the auditor's report

Within the boundaries set by article 2:396 paragraph 1 of the Dutch Civil Code, the company can be regarded as a small legal person. Under the exemption provisions of article 2:396 paragraph 7 of the Dutch Civil Code the audit as referred to in article 2:393 of the Dutch Civil Code is not mandatory. Therefore, no audit has been carried out aimed at issuing an opinion on the truth and fairness of the financial statements.

1 Specifications balance sheet at 31 december 2014

1.1 Current assets

Receivables, prepayments and accrued income

Debtors

The balance can be specified as follows:

| | <u>31-12-2014</u> | <u>31-12-2013</u> |
|---|-------------------|-------------------|
| | € | € |
| debtors' balance at year-end financial year | 945 | 280 |
| minus: provision for possible bad debts | - | - |
| | <u>945</u> | <u>280</u> |

Other receivables, prepayments and accrued income

The other receivables, prepayments and accrued income can be specified as follows:

| | <u>31-12-2014</u> | <u>31-12-2013</u> |
|------------------|-------------------|-------------------|
| | € | € |
| Prepaid expenses | 1.086 | - |

Cash and cash equivalents

The cash and cash equivalents are specified as follows:

| | <u>31-12-2014</u> | <u>31-12-2013</u> |
|-----------------------|-------------------|-------------------|
| | € | € |
| Rabobank 1515.84.133 | 107 | 624 |
| Rabobank 3179.899.298 | 22.500 | 14.000 |
| PayPal | 291 | 279 |
| | <u>22.898</u> | <u>14.903</u> |

1.2 Current liabilities

Creditors

The balance of the creditors is composed as follows:

| | <u>31-12-2014</u> | <u>31-12-2013</u> |
|-----------|-------------------|-------------------|
| | € | € |
| Creditors | 70 | - |

Other liabilities

The other liabilities can be specified as follows:

| | <u>31-12-2014</u> | <u>31-12-2013</u> |
|----------------------------------|-------------------|-------------------|
| | € | € |
| Contribution received in advance | 485 | 1.350 |
| Accountant | 394 | 1.000 |
| | <u>879</u> | <u>2.350</u> |

2 Specifications to the statement of revenue and expenditure for the year ended 2014

| | 2014 | 2013 |
|--|---------------|---------------|
| | € | € |
| <i>Net turnover</i> | | |
| Donations | 1.862 | 339 |
| Contribution current year | 17.373 | 12.701 |
| Journal Digest advertise current year | 1.492 | 1.000 |
| Journal (EuroREA) sales current year | 111 | 59 |
| Publications Income | 30 | - |
| OpenArch EU funds | 1.173 | 3.250 |
| OpenArch common costs | 969 | 4.250 |
| Correction OpenArch 2012 | - | 4.764 |
| OpenArch Destination funds | 8.070 | - |
| Conferences and seminars | - | 3.674 |
| Others | - | 255 |
| | <u>31.080</u> | <u>30.292</u> |
| <i>Spent on OpenArch (cc)</i> | | |
| OpenArch communication manager (cc) | 5.082 | 5.078 |
| OpenArch hosting, domains and SOLR (cc) | 855 | 1.038 |
| OpenArch websites (cc) | - | 6.100 |
| OpenArch PR material (cc) | - | 995 |
| OpenArch external contacts (cc) | 659 | 463 |
| | <u>6.596</u> | <u>13.674</u> |
| <i>Spent on OpenArch (own)</i> | | |
| OpenArch audits (own) | - | 2.038 |
| OpenArch hosting, domains and SOLR (own) | 484 | 140 |
| OpenArch journal digest (own) | 4.860 | 2.133 |
| OpenArch PR material (own) | 1.816 | 231 |
| OpenArch Flat Fee (own) | 346 | - |
| OpenArch steering committee (own) | 207 | 444 |
| OpenArch meetings and workshops (own) | 571 | 142 |
| | <u>8.284</u> | <u>5.128</u> |

| | 2014 | 2013 |
|---|---------------|---------------|
| | € | € |
| <i>General expenses</i> | | |
| Secretariat volunteers | 4.500 | 3.000 |
| EXARC journal volunteers | 1.647 | 1.200 |
| Conferences and seminars | - | 3.532 |
| PR website | 30 | 10 |
| PR material | 213 | 566 |
| Publications Costs | 2.756 | - |
| Postage journal orders | - | 19 |
| Postage journal members | 691 | 784 |
| Postage journal authors and editors etc. | 133 | 217 |
| Postage journal as PR (free) | - | 72 |
| Postage new members | 184 | 339 |
| Postage PR other | 287 | 389 |
| Postage administration and other | 218 | 66 |
| Office costs supplies | 173 | 6 |
| Office costs administration | 117 | 177 |
| Office costs gifts | 54 | 125 |
| Accountant | 1.553 | 1.610 |
| Accountant previous year | 401 | - |
| Staff travel | 228 | 680 |
| Staff subsistence | 368 | 590 |
| External / board travel | 493 | 729 |
| External / board subsistence | 905 | 591 |
| Other costs | - | 177 |
| | <u>14.951</u> | <u>14.879</u> |
| <i>Interest receivable and similar income</i> | | |
| Interest banks | 222 | 285 |
| Added transaction costs | 181 | 170 |
| | <u>403</u> | <u>455</u> |
| <i>Interest payable and similar charges</i> | | |
| Bank costs Rabobank | 176 | 172 |
| Bank costs PayPal | 83 | 108 |
| | <u>259</u> | <u>280</u> |