

# Stichting ARQ Consolidated Annual Report 2020

# Table of Contents

1. Report of the Board of Trustees .....	4
1.1 Annual report of the Board of Trustees.....	4
1.1.1 Objectives.....	4
1.1.2 Legal structure and group relations.....	4
1.1.3 Development of the strategic model.....	5
1.1.4 Activities of ARQ National Psychotrauma Centre and its units.....	5
1.1.5 Financial .....	6
1.1.6 Risks and uncertainties .....	10
1.1.7 Members of the Board of Trustees.....	11
1.1.8 Word of thanks .....	12
1.2 Annual report of the Supervisory Board.....	13
1.2.1 Members of the Supervisory Board in 2020.....	13
1.2.2 General.....	13
1.2.3 Other positions .....	15
2. Consolidated annual financial statements 2020.....	16
2.1 Consolidated balance sheet as at 31 December 2020.....	16
2.2 Consolidated income statement for 2020 .....	18
2.3 Consolidated cash flow statement for 2020.....	19
2.4 General notes to the 2020 consolidated financial statements .....	21
2.4.1 General accounting policies .....	21
2.4.2 Accounting policies for the measurement of assets and liabilities .....	25
2.4.3 Accounting policies for determination of the result .....	28
2.5 Notes to the consolidated balance sheet as at 31 December 2020 .....	33
2.6 Notes to the consolidated income statement for 2020 .....	44
2.7 Segment income statement for 2020.....	55
3. Stichting ARQ - company financial statements 2020 .....	63
3.1 Separate balance sheet as at 31 December 2020 .....	63
3.2 Company income statement for 2020.....	65
3.3 Separate cash flow statement for 2020 .....	66
3.4 General notes to the company financial statements 2020.....	67

3.5 Notes to the Company balance sheet as at 31 December 2020 .....	68
3.6 Notes to the 2020 company income statement .....	75
4. Adoption and approval.....	81
4.1 Adoption by the Board of Trustees .....	81
4.2 Approval of the Supervisory Board .....	81
5. Other information.....	82
5.1 Statutory rules for profit appropriation .....	82
5.2 Independent auditor's report .....	82

# 1. Report of the Board of Trustees

## 1.1 Annual report of the Board of Trustees

### 1.1.1 Objectives

#### Stichting ARQ

The aim of the Stichting ARQ (*ARQ Foundation*), as an institution providing general social benefits, is to promote and facilitate mutual cooperation among affiliated care, knowledge and interest groups and organisations in the (national and international) field of the consequences of persecution, war and violence, as well as to develop and determine strategic (group) policy and to manage or ensure the management of affiliated legal entities, and furthermore everything that is directly or indirectly related to the above or that may be conducive to it, all in the broadest sense.

The mission of ARQ Nationaal Psychotrauma Centrum (*ARQ National Psychotrauma Centre*) is to be the leading international institute of experts in the field of shocking events and psychological traumatology for individuals, organisations and society.

### 1.1.2 Legal structure and group relations

On 1 January 2020, the legal simplification of the group around Stichting ARQ will be completed. External stakeholders experienced the old group structure of Stichting ARQ as complex and, due to far-reaching integration of activities, it no longer matched the actual way of working. As of 1 January 2020, the group will continue under the name ARQ Nationaal Psychologische trauma Centrum. The number of legal entities forming part of Stichting ARQ's organisational structure was reduced from twelve to seven. The Articles of Association of the individual legal entities were harmonised and, where necessary, aligned with the healthcare Governance Code. As of 1 January 2020, the group consists of the following legal entities, which are also included in the financial consolidation.

#### Stichting ARQ

Stichting Vrienden van Stichting ARQ

Stichting ARQ Centrum '45

ARQ IVP B.V.

Stichting ARQ Wetenschappelijk onderzoek

Stichting 1940-1945

Stichting Pelita

The foundations and the B.V. are managed by a single Board of Trustees / management, under the supervision of a Regulatory Board / Supervisory Board. The members are the same persons for each organisation and foundation.

Stichting ARQ applies the healthcare Governance Code for the entire group.

The cooperating parties in Stichting ARQ carry out their activities at the following locations:

- *Location Nienoord 5, 1112 XE Diemen:*

Stichting ARQ, Stichting ARQ Centrum '45 (day clinic and outpatient clinic), Stichting 1940-1945, Stichting ARQ Wetenschappelijk Onderzoek, ARQ IVP B.V. and Stichting Pelita.

- *Location Oegstgeest: Rijnzichtweg 35, 2342 AX Oegstgeest:*

Stichting ARQ Centrum '45 (clinic, day clinic and outpatient clinic).

### 1.1.3 Development of the strategic model

In the new structure, the treatment activities and related knowledge tasks in the field of psychological trauma are bundled in the WTZi institution ARQ Centrum '45. Direct support for companies, governments and other organisations in the field of shocking events has been bundled in ARQ IVP B.V.

Stichting ARQ comprises of various profit centres making the knowledge or expertise available within Stichting ARQ relevant to specific stakeholders, working with them to achieve their objectives. These centres include:

- ARQ Knowledge Centre Impact of Disasters and Crises
- ARQ Knowledge Centre War, Persecution and Violence
- ARQ Knowledge Centre for Child, Family and Trauma
- ARQ Knowledge Centre Migration
- ARQ Knowledge Centre for Traumatic Grief
- ARQ Academy
- ARQ International

In the course of 2020, these tasks and the coordination and further development of activities with stakeholders were further specified.

### 1.1.4 Activities of ARQ National Psychotrauma Centre and its units

These consolidated financial statements provide an overview of ARQ National Psychotrauma Centre. A more specific account of the activities of the ARQ National Psychotrauma Centre units is set out in the Board reports and annual financial statements of the individual legal entities.

The COVID-19 crisis (hereafter: covid crisis) has clearly had a great impact on the activities in 2020. The demand for support from society, organisations and patients became immediately apparent in March 2020 and led to a large number of initiatives and actions, many of which stem from our tasks.

In close coordination with RIVM (*National Institute for Public Health and the Environment*), Nivel (*Netherlands Institute for Health Services Research*) and GGD GHOR Nederland (*association for public health and safety*), various initiatives have been developed to improve the mental well-being of all Dutch residents, such as Steunpunt Coronazorgen (*Covid healthcare Support Centre*) and the help line for mental support for healthcare workers. Furthermore, initiatives have been set up to provide support in the aftermath of the covid crisis, aimed at recovery and a return to normal. Together with RIVM, Nivel and Instituut Fysieke Veiligheid (*Institute of Physical Safety*), the collaboration has led, among others, to a joint chair of 'Crises, safety and health' at Groningen National University, to be held by Michel Dückers as of 1 December 2020.

The continuity of patient healthcare required a high degree of commitment and adaptability from our staff. On the other hand, the covid crisis also initiated a lot of energy and creativity from the employees and this enabled us to migrate all healthcare to online within a week. We were able to capitalise on the pioneering work done in the field of e-health, including the development of the PGO Quli, the VIPP project, our e-Poli and the protocols developed there for online treatment.

The EU project eMEN, initiated by Stichting ARQ, in which locally developed eHealth tools were scaled up and knowledge was exchanged in an international consortium, received a Regio Star Award in 2020. The policy recommendations for the further scale-up of eHealth were presented to a member of the European Commission and part of the EU Parliament.

ARQ International has coped well in 2020. A number of non-current projects have contributed to the development and dissemination of knowledge. This is also the exact focus of ARQ International for the future. Providing training in the field of psychosocial help in (post-) conflict areas has been greatly reduced by the impossibility to travel due to the covid crisis, but we did manage to provide the first trainings online. The visitor

numbers of the online magazine Intervention has again increased, also due to giving public access, and the articles have been read more often.

The covid crisis necessitated internal focus more than usual in order to be able to continue the business activities in spite of the restrictive measures. Attention to our own staff, in the same way as we advise high-risk organisations, through the use of the Resilience Monitor developed by Stichting ARQ, deployment of coaches and increased attention by management and colleagues to the mental wellbeing of colleagues, has been widely deployed within ARQ. We are proud of the great effort, adaptability, creativity and commitment of our employees to our patients and clients. The latter is also reflected in the relatively low level of sick leave that occurred during 2020.

## 1.1.5 Financial

### Achieved result and revenue

#### Result

For the year 2020, the negative consolidation result amounted to € 223,007 (2019: € 1,496,297 positive)

The consolidation result can be broken down as follows

	2020	2019
	€	€
Stichting ARQ (separate)	-252,275	-127,361
Result on investees	239,035	514,417
Stichting ARQ (including investees)	-13,240	387,056
Stichting Vrienden van Stichting ARQ ( <i>Friends of Stichting ARQ Foundation</i> )	-6,616	30,218
Stichting Centrum '45 ( <i>Foundation Centre 1945</i> )	-412,188	177,805
Stichting ARQ Wetenschappelijk Onderzoek ( <i>ARQ Scientific Research Foundation</i> )	2,417	-2,417
	<b>-429,627</b>	<b>592,662</b>
Stichting 1940-1945 ( <i>1940-1945 Foundation</i> )	-1,828	488,642
Stichting Pelita ( <i>Pelita Foundation</i> )	208,448	414,993
<b>Total</b>	<b>-223,007</b>	<b>1,496,297</b>

#### Notes

The Netherlands and the rest of the world were faced with the outbreak of the covid virus in 2020. The government has taken strict measures during 2020 to prevent the spread of the virus. These measures have had a considerable impact on the activities of Stichting ARQ. This mainly concerns lower revenues due to a decrease in bed occupancy in the clinic. Furthermore, lower revenues were achieved due to a decrease in requests for training and courses. The underproduction in the clinic has occurred because of the emergency vacancy designated to avoid contamination risks. The expectation is that covid compensation will be granted for healthcare and youth healthcare in the form of a continuity contribution. A best estimate of such a contribution is recognised in the annual figures.

Various expenses that are directly related to the covid crisis were incurred during the past tax year. This expenditure includes the purchase of protective items and disinfectants, and hardware such as laptops, headsets and accessories to enable working from home. Some of these additional costs (€ 32,500) are reimbursed by the healthcare insurers and a partial subsidy has been granted by the government (€ 50,000). These additional expenses, amounting to € 300,000, have been accounted for in ARQ's annual statements.

The impact of the covid crisis is most evident in the result of ARQ Centrum '45. The clinic has been hit hard by the lockdown measures, which consequently operated at a loss. The hardship clause will be invoked with the major insurers to compensate for understaffing of the clinic, particularly during the first lockdown period in 2020.

In late 2019, Equator merged with ARQ Centrum'45. The operations, assets and liabilities were transferred to ARQ Centrum '45 on 1 January 2020.

The result of ARQ IVP B.V. is recognised as the result on investees of Stichting ARQ. Up to and including 2019, the result from investments consisted of the result of ARQ Beheer B.V., which included its investees ARQ Vastgoed Beheer B.V. (*ARQ Property Management limited liability company*) and ARQ IVP B.V. Due to the liquidation of ARQ Beheer B.V. (and earlier ARQ Vastgoed Beheer B.V.), all operations, assets and liabilities of both companies were transferred to Stichting ARQ, after which Stichting ARQ became the holding company of ARQ IVP B.V.

The result of ARQ IVP B.V. has also been under pressure due to the covid crisis, in particular due to a decrease in requests for training and courses. However, this was compensated by an additional contribution from the Ministry of Health, Welfare and Sport for the crisis service.

ARQ International merged with Stichting ARQ in the beginning of 2020 and is presented as the profit centre within Stichting ARQ. The result of ARQ International is recognised in the result of Stichting ARQ and is therefore not separately visible. ARQ International's result for 2020 amounts to € 62,000, which is significantly improved compared to the previous financial year. This is in part due to the expansion of the project portfolio.

Stichting 1940-1945 has achieved a result of virtually zero. The negative result on operations is covered by the positive share price results on investments.

Stichting Pelita has received a large bequest furthermore to positive share price results, as in 2018 and 2019. Both factors contributed to the positive result in 2020.

The difference in result between 2019 and 2020 can be explained in broad terms as follows:

<b>Consolidated result 2019</b>		<b>1,496,297</b>
<b><i>Covid related:</i></b>		
Clinic underproduction	-800,000	
Compensation schemes	400,000	
Lower revenue ARQ IVP B.V.	-200,000	
Additional resources for crisis service	300,000	
Lower patient-related costs	400,000	
Covid related costs	<u>-300,000</u>	
		-200,000
<b><i>Other causes:</i></b>		
Higher availability contributions	700,000	
Overproduction ZvW ( <i>healthcare insurance Act</i> )	200,000	
Expansion of the workforce	-600,000	
Indexation salaries	-1,000,000	
Lower price result on investments	-500,000	
Corporate income tax settlement FE ARQ Beheer B.V.	-400,000	
Other items	<u>80,696</u>	
		<u>-1,519,304</u>
<b>Consolidated result 2020</b>		<b><u>-223,007</u></b>

## Revenue

The total revenue for 2020 amounts to € 34.1 million and has increased by € 0.8 million compared to the previous financial year. At € 19.8 million, revenue from healthcare services accounted for the largest share of revenue.

Compared to 2020, these have increased very slightly, by 0.1%. This includes the covid compensation of € 0.3 million. Excluding this compensation, the revenue from healthcare services would have declined by 1.6%. Income from subsidies increased by 7.7% to € 8.4 million. The higher income from subsidies is due to the increase in the availability contribution for follow-up courses and healthcare bonuses received for staff. These will be paid out in 2021 and have been recognised as an expense for the same amount in the relevant annual financial statements.

Other revenues increased by € 0.1 million (2.6%) to € 5.9 million. This was mainly due to the increase in revenues from ARQ IVP B.V. Revenue from training and courses has decreased, but requests in the area of outreach and MCU calls have continued to increase in 2020. Furthermore, the additional income from the crisis service is an important factor.



Revenue (after eliminations) is as follows:

	2020	2019
	€	€
Stichting ARQ (separate)	5,670,399	5,419,308
Revenue of investees	4,556,067	4,464,304
Stichting ARQ (including investees)	10,226,466	9,883,612
Stichting Vrienden van Stichting ARQ ( <i>Friends of Stichting ARQ Foundation</i> )	35,917	8,891
Stichting Centrum '45 ( <i>Foundation Centre 1945</i> )	22,875,573	22,354,267
	<b>33,137,956</b>	<b>32,246,770</b>
Stichting 1940-1945 ( <i>1940-1945 Foundation</i> )	124,074	111,905
Stichting Pelita ( <i>Pelita Foundation</i> )	886,323	1,019,115
<b>Total</b>	<b>34,148,353</b>	<b>33,377,790</b>

#### Situation at the balance sheet date

The negative result of € 223,000 led to a decrease in the consolidated capital. At the same time, the loan capital decreased by approximately € 2.27 million as a result of the reduction in the loan from Van Lanschot Bankiers. This results in an increase in solvency from 45.5% in 2019 to 48.8% at year-end 2020. This is well above the standard of 25%.

The liquidity position decreased slightly in 2020 compared to the 2019 level. Because of the lower credit, the current liabilities are lower than in the previous financial year. On the other hand, current assets have also decreased due to a lower Work in progress position and a decrease in Accounts receivable and outstanding invoices. This resulted in a negative net working capital (current assets including cash and cash equivalents minus current liabilities) of € 0.17 million, which is approximately € 0.4 million lower than in the previous year. As a result, the liquidity ratio has slightly decreased to 0.99 in 2020 (2019: 1.02), which is just below the norm. If net working capital is adjusted for short-term borrowing, the liquidity ratio is 1.28 (2019: 1.79). In both cases, it is above the norm of 1.0.

#### Cash flows and financing requirement

The existing credit facility with main banker Van Lanschot Bankiers was reduced from € 10.6 million to € 8 million in mid-2019 due to reduced financing requirements. At the end of 2021, it will be reduced by a further €1 million. The reduced credit limit is expected to offer sufficient scope to absorb any future dip in the liquidity position. The reduction coincides with the introduction of the new Healthcare Performance Model. The government has decided to introduce this model effective as of 1 January 2022. This has a positive impact on the liquidity position, as it means that in January 2022, all DBCs (diagnosis-treatment combination) started in 2020 and 2021 will be closed and invoiced. From the start in 2022, the work in progress can then be invoiced on a monthly basis.

At year-end 2020, the withdrawals are € 3.2 million lower than at year-end 2019. This is mainly due to receiving subsidies for some projects at the end of 2019, the supplement to the VWS subsidy for the crisis services, and some of the covid-related healthcare bonus.

Stichting ARQ is exploring the real estate market to find new accommodation for the entire group. Upon finding a suitable property that can lead to actual new housing, the financing requirement and the related financing arrangement will be reassessed.

### 1.1.6 Risks and uncertainties

Previous annual reports have referred extensively to the lack of clarity in the mental healthcare sector due to the inherent shortcomings in the DBC regulations. The discussions between NZa, healthcare insurers and healthcare providers culminated in the 2013 to 2015 self-assessments and are still ongoing. Recognising that the cost of the self-assessment, including audit fees, far exceeded the deficiencies demonstrated in the 2013 and 2014 self-assessment, ARQ Centrum '45 withdrew from this system at that time. However, this means that there is a possibility that irregularities can be demonstrated by individual healthcare insurers through material surveys based on progressing standards on which no consensus has been reached. Furthermore, risks arise from the contracts with healthcare insurers in relation to claims limits and average costs. These are risks that cannot be adequately managed by a mental healthcare provider with long-term healthcare processes and a large variation in the potential costs per patient per healthcare insurer. The risks of overproduction and potential losses from physical inspections have been estimated and recognised in the provisions created.

The receipt of continuity contributions for healthcare providers was anticipated in the financial statements. This is still uncertain to some extent. Although the healthcare insurers and municipalities are fulfilling their responsibilities with the support of the Ministry of Health, Welfare and Sport, the final yield depends on the extent of underproduction within the agreed healthcare budgets. We were astonished that the Medical Expenses Scheme for Asylum Seekers does not provide continuity contributions intended to compensate to some extent for the loss of revenue resulting from the restrictive measures. This is still being discussed with the Ministry of Health, Welfare and Sport, the Ministry of Justice and Security and COA.

Credit risk is limited, as much of the revenue is generated through large healthcare insurers, which must meet set solvency standards that are subject to professional supervision. Another large share of the revenue comes from state subsidies. The liquidity risk is adequately managed through periodic reports on current liabilities and the corresponding cash and bank facilities available.

#### Financial instruments

Stichting ARQ has a conservative policy regarding the use of financial instruments. No financial derivatives are used, nor are there plans to do so in the near future. The securities portfolios of Stichting 1940-1945 and Stichting Pelita have a neutral investment mandate, which is dictated by the long period over which the investments are expected to be held. The financial risks are therefore limited.

#### Future developments

During 2021, the transition to the new Healthcare Performance Model (Zorgprestatie model) for healthcare financing will be rolled out, replacing the current DBC model as of 1 January 2022. Although the government's aim is to reduce the regulatory burden and discussions about standards as a result of this transition, experience has shown that every transition has its own risks. Stichting ARQ started early with the implementation plan for the healthcare Performance Model and actively participates within the branch on this subject.

The covid crisis is not over yet. Stichting ARQ does not only anticipate financial risks, but also anticipates the required deployment of employees for the benefit of our stakeholders and actively gives input about the measures to be taken.

## 1.1.7 Members of the Board of Trustees

Stichting ARQ's Board of Trustees in 2020 was comprised of:

J.W. Reerds (MBA, drs.)	Chairman of the Board of Trustees
G.E.T. van Bellen (drs.)	Member of the Board of Trustees, Operations
A. Osinga (drs.)	Member of the Board of Trustees, Finance

### Other positions of J.W. Reerds (MBA, drs.)

Chairman	Council of Curators, Special Chair Prof. M. Olf, University of Amsterdam
Member	Curatorium Special Chair Prof. H.G.J.M. Vermetten, Leiden University
Member	Curatorium Special Chair Prof. G.E. Smid, University for Humanistics
Member	Curatorium Special Chair Prof. M.L.A. Duckers - as from 1 December 2020
Chairman	Supervisory Board of Quli B.V.
Member	Board of Trustees Bloemendaal memorial cemetery
Member	Board of Trustees TOPGGz - until 24 June 2020

### Other positions of G.E.T. van Bellen (drs.)

Chairman	Supervisory Board of Curilion Clinics Foundation
Member	Curatorium, Special Chair Prof. G.T.M. Mooren, University of Utrecht - as of 1 February 2020
Member	Board of Trustees Bloemendaal Cemetery - as of September 2020
Member	Members Council TOPGGz - from June 2020
Member	Board of Trustees of the Medimo user association

### Other positions of A. Osinga (drs.)

Member	Board of Trustees 'User' User Association
Member	General Board of Trustees a.i. Stichting Koppeltaal ( <i>Couple Talk Foundation</i> )

The duties, responsibilities and powers of the Board of Trustees and the Supervisory Board are set out in regulations amended and adopted in 2018. The gross annual salary and expense allowance of the Board of Trustees was established by the Supervisory Board in accordance with the guidelines of the NVZD/NVZT and the WNT 2 standards.

### Statement of expense allowance by cost category of the Board of Trustees

The members of the Board of Trustees received the following expense allowances in 2020:

Fixed expense allowances	0
Other expense allowances	0
Domestic travel costs	1,435
Foreign travel costs	599
Training cost	215
Representation expenses	208
Other costs	2,334
<b>Total</b>	<b>4,791</b>

### 1.1.8 Word of thanks

We thank the Works Council and the Patient Council for their involvement and for providing input relating to the developments within our organisation. We also thank the Advisory Boards of the Stichting 1940-1945 and Stichting Pelita for their advice and support. Finally, we thank the Supervisory Board for their trust and advice.

We are grateful to all the employees of partners in Stichting ARQ for their great efforts during this period. Together, we step into the future with confidence and remain committed to excellent psychological trauma healthcare in the Netherlands and abroad.

The Board of Trustees

*Mr Reerds (Chairman), Ms Van Bellen and Mr Osinga*

## 1.2 Annual report of the Supervisory Board

### 1.2.1 Members of the Supervisory Board in 2020

G.R. Peetoom (drs.)	Chairman	(from 20 May 2020)
R.J. van der Kluit (mr.)	member	(Chairman a.i. until 20 May 2020)
J.J.M. Goderie (drs.)	member	
A.F.J. van Overmeire (RA)	member	
M.J. Jongmans (Prof. Dr.)	member	

The Supervisory Board met seven times in 2020 in (online) meetings. In connection with the covid crisis and the national measures from March 2020, there have been extra meetings and several interim coordination moments.

### 1.2.2 General

The tasks, responsibilities and powers of the Supervisory Board, as laid down in regulations based on the Healthcare Governance Code, are decisive factors to the actions of the Supervisory Board and the consultations held with the Board of Trustees.

#### Members of the Supervisory Board

In 2019, the term of office of the Chairman of the Supervisory Board, Mr. Weisglas, expired. For this reason, the Supervisory Board has reconsidered the Supervisory Board profiles and opened up the vacancy. In connection with the vacancy, Mr Van der Kluit assumed the chairmanship until May 2020. In May 2020, a new chairman was appointed: Ms Peetoom. The Patient Council and the Works Council have issued a positive advice regarding this proposed appointment.

#### Finance and property

The audit committee of the Supervisory Board consisted of Mr van Overmeire and Mr Goderie, and met four times in 2020. Furthermore to its financial duties, the Audit Committee has real estate in its portfolio as a focal point for the Supervisory Board. On a few occasions, ad hoc consultations were held concerning a property development. The Audit Committee reports to the members of the Supervisory Board during the meeting. In connection with the covid crisis, the financial consequences and risks were subject to extra monitoring using scenarios. The use of compensation measures was also discussed.

As in previous years, real estate was a recurring topic in 2020. The goal is to eventually house all organisations at a single location. The Board explored whether temporary expansion of the current accommodation was an option in order to provide patient healthcare within national guidelines.

At the meeting of 20 May 2020 meeting, the 2019 financial statements were discussed with the auditor and the Supervisory Board approved the adoption of 2019 financial statements.

The adopted 2021 budgets were approved accordingly. The Audit Committee discussed the 2020 management letter with the auditor.

### Specific points

Covid crisis:

- each meeting discussed the consequences of the covid crisis for patients/clients/stakeholders, employees, the organisation and finances.
- Furthermore, Stichting ARQ has a national task in the event of disasters and crises, and the Supervisory Board has been informed accordingly: launching Steunpunt Coronazorgen (*support point Covid Care*), acute support/intake for healthcare professionals, contact point for healthcare professionals

The Supervisory Board annually spends time completing training, which, depending on the subject, is provided by an external or internal expert. The following topics were addressed in 2020:

- Governance
- Management review

The annual strategy day was held in two sessions and online. The first half of the day was devoted to governance and specifically the roles of the Supervisory Board and the Board of Trustees. The Supervisory Board also evaluated its own performance and cooperation.

During the second half of the day, the Supervisory Board was taken through the history of Stichting ARQ and the strategic objectives for the next five years.

The annual evaluation interviews with the Chairman and members of the Board of Trustees were held in September.

The Supervisory Board thanks the Board of Trustees for their cooperation and commitment. Due to the circumstances, collaboration has been more intense and closer than ever, despite the online communication. Finally, the Supervisory Board would like to thank all employees for their impressive commitment and dedication to our patients, clients, the organisation and society.

Ruth Peetoom  
Chairman of the Supervisory Board  
May 2021

### 1.2.3 Other positions

The members of the Supervisory Board held various other positions in 2020.

#### Other positions of G.R. Peetoom (drs.)

Publisher	Friesch Dagblad and Het Goede Leven at NDC Mediagroep
Member	Supervisory Board SBI Doorn - as of 1 September 2020
Member	Supervisory Board Cordaid - from 15 December 2020
Member	Advisory Board SKLO (Student Pastorate) Groningen

#### Other positions of R.J. van der Kluit (mr.)

Chairman	Advisory Board Delta Academy HZ Vlissingen
Chairman	Supervisory Board Regional Public Broadcasting
Chairman	J.P. Sweelinck Award Foundation
Chairman	International Organ Festival Haarlem
Chairman	Hofje onder den Toren Foundation - until 1 May 2020
Chair	Policy Learning Group Building with Nature (RWS) - until June 2020
Vice-Chairman	Stichting Civo (Certification Institute for Organ Consultants)
Member	Board of Trustees 1953 Flooding Museum in Ouwerkerk
Member	General Assembly of the Scheldestromen Water Board

#### Other positions of J.J.M. Goderie (drs.)

Senior managing partner	Communication Infrastructure Partners
Board member	EdgeInfra
Board member	Fletcher Hotels
Network Ambassador	War Child Netherlands
Non-Executive Board Member	Eurofiber

#### Other positions of A.F.J. van Overmeire (RA)

Supervisory Board member	Van Lanschot Kempen
Chairman	Audit Advisory Committee Centrum Indicatiestelling Zorg (CIZ)

#### Other positions of Prof. Jongmans (prof. dr.)

Member	Scientific Council 's Heeren Loo
Member	Board Post-Master course Orthopedagogue-Generalist (PDBO-Randstad)
Member	Board Member Stichting Postdoctorale Opleidingen Geestelijke Gezondheidszorg Utrecht (PDO-GGZ) ( <i>Post-Doctoral Training &amp; Education Mental Healthcare Foundation Utrecht</i> )

## 2. Consolidated annual financial statements 2020

### 2.1 Consolidated balance sheet as at 31 December 2020

(after proposed profit appropriation)

<u>Assets</u>	<u>Ref.</u>	<u>31-12-2020</u>		<u>31-12-2019</u>	
		€	€	€	€
<b>Fixed assets</b>					
Tangible fixed assets	1	7,301,400		7,243,339	
Financial fixed assets	2	6,450,198		6,201,569	
		13,751,598		13,444,908	
<b>Current assets</b>					
Work in progress pursuant to DBCs	3	4,449,831		5,008,812	
Accounts receivable and other receivables	4	6,142,658		7,505,393	
Cash and cash equivalents	5	716,933		1,389,635	
		11,309,422		13,903,840	
		25,061,020		27,348,748	



<u>Liabilities</u>	<u>Ref.</u>	<u>31-12-2020</u>		<u>31-12-2019</u>	
		€	€	€	€
<b>Group equity</b>	6				
Capital		781		781	
Special-purpose reserves		560,206		666,985	
Appropriated funds		406,719		326,911	
General and other reserves		11,253,058		11,449,094	
		<hr/>		<hr/>	
			<b>12,220,764</b>		<b>12,443,771</b>
<b>Provisions</b>	7		<b>859,388</b>		<b>644,598</b>
<b>Non-current debt</b>	8		<b>500,000</b>		<b>600,000</b>
<b>Current liabilities</b>					
Other current liabilities	9	11,480,868		13,660,379	
		<hr/>		<hr/>	
			<b>11,480,868</b>		<b>13,660,379</b>
			<hr/>		<hr/>
			<b>25,061,020</b>		<b>27,348,748</b>
			<hr/> <hr/>		<hr/> <hr/>

## 2.2 Consolidated income statement for 2020

	Ref.	2020		2019	
		€	€	€	€
<b>Operating income</b>					
Revenues from healthcare services	11	19,834,398		19,812,767	
Subsidies	12	8,384,579		7,785,053	
Other operating income	13	<u>5,929,376</u>		<u>5,779,970</u>	
<b>Total Operating income</b>			<b>34,148,353</b>		<b>33,377,790</b>
<b>Operating expenses</b>					
Personnel costs	14	26,156,849		24,092,215	
Depreciation on Property, plant and equipment and amortisation on intangible non-current assets	15	329,019		366,043	
Other operating expenses	16	<u>7,672,074</u>		<u>8,080,765</u>	
<b>Total of operating expenses</b>			<b>34,157,942</b>		<b>32,539,023</b>
<b>Operating result</b>			<b>-9,589</b>		<b>838,767</b>
Financial income and expenses	17		<b>229,582</b>		<b>716,030</b>
<b>Result from operations</b>			<b>219,993</b>		<b>1,554,797</b>
Taxes on income from operations	18		<u>-443,000</u>		<u>-58,500</u>
<b>RESULT AFTER TAX</b>			<b>-223,007</b>		<b>1,496,297</b>
<b>Proposal for profit appropriation</b>					
Addition/(withdrawal):					
General and other reserves		-196,036		1,728,822	
Special-purpose reserves		-106,779		-71,754	
Appropriated funds		<u>79,808</u>		<u>-160,771</u>	
			<b>-223,007</b>		<b>1,496,297</b>

## 2.3 Consolidated cash flow statement for 2020

	Ref.	2020		2019	
		€	€	€	€
<b>Operating cash flow</b>					
Operating result			-9,589		838,768
Adjustments for:					
- depreciations / amortisations	15	329,019		366,043	
- corporate income tax		-443,000		-58,500	
- movements in provisions	7	<u>214,790</u>		<u>225,795</u>	
			<b>100,809</b>		<b>533,338</b>
Movements in current assets:					
- work in progress	3	558,981		-1,163,603	
- other receivables	4	1,362,736		-483,636	
- current liabilities (excl. debts to credit institutions)	9	<u>1,099,176</u>		<u>-29,371</u>	
			<b>3,020,893</b>		<b>-1,676,610</b>
Cash flow from operations			<b>3,112,113</b>		<b>-304,505</b>
Interest income and similar revenue	17	11,393		25,331	
Interest expenses and similar expenses	17	-103,767		-170,854	
Interest charges on non-current loans	17	-28,898		-33,120	
Received bond coupons -/- fees	17	<u>10,093</u>		<u>10,619</u>	
			<b>-111,179</b>		<b>-168,024</b>
Operating cash flow			<b>3,000,934</b>		<b>-472,529</b>
<b>Cash flows from investment activities</b>					
Investments in tangible fixed assets	1	-410,435		-149,740	
Disposals of Property, plant and equipment items	1	23,355		7,393	
Movement in financial fixed assets (excl. depreciation)	2	<u>92,132</u>		<u>141,361</u>	
<b>Total</b>			<b>-294,948</b>		<b>-987</b>
<b>Cash flow from financing activities</b>					
Repayment of non-current debts	8	<u>-100,000</u>		<u>-100,000</u>	
<b>Total</b>			<b>-100,000</b>		<b>-100,000</b>
Movement in cash and cash equivalents (including current debts to credit institutions)			<u><b>2,605,986</b></u>		<u><b>-573,516</b></u>

	31-12-2020		31-12-2019	
	€	€	€	€
<b>Cash position as at 1 January</b>				
Cash and cash equivalents	1,389,635		1,244,205	
Borrowings from credit institutions	<u>-5,891,601</u>		<u>-5,172,655</u>	
		-4,501,966		-3,928,450
<b>Cash position as at 31 December</b>				
Cash and cash equivalents	716,933		1,389,635	
Borrowings from credit institutions	<u>-2,612,913</u>		<u>-5,891,601</u>	
		-1,895,980		-4,501,966
Movement in cash and cash equivalents		<u><u>2,605,986</u></u>		<u><u>-573,516</u></u>

## 2.4 General notes to the 2020 consolidated financial statements

### 2.4.1 General accounting policies

#### 2.4.1.1 General data

Stichting ARQ has its registered office at Nienoord 5, 1112 XE in Diemen. Stichting ARQ is registered under Chamber of Commerce number 27310568.

Stichting ARQ was founded on 24 December 2007. The main activities consist of promoting and facilitating mutual cooperation between the affiliated healthcare, knowledge and interest groups in the area of the consequences of persecution, war and violence, as well as developing and determining strategic policy and managing affiliated legal entities.

#### 2.4.1.2 Reporting period

These financial statements are for the 2020 financial year, which ended on the balance sheet date of 31 December.

#### 2.4.1.3 Accounting policies for the preparation of the annual financial statements

The financial statements have been prepared in accordance with the WTZi Reporting Regulations, the Guidelines for Annual Reporting, and in particular RJ655 on the reporting requirements for healthcare institutions, and Title 9, Book 2 of the Dutch Civil Code. The policy rules for the WNT, the Law on Standardisation of Top Income in the Public and Semi-Public Sector, also apply.

The accounting policies applied for the measurement of assets and liabilities and the result are based on historical costs, unless otherwise stated in the further policies.

#### 2.4.1.4 Going concern assumption

The covid crisis will continue to have a major impact on our clients, employees and business operations in the period ahead. However, the uncertainties regarding financial continuity are limited. As was the case for 2020, the expectation for 2021 is that appropriate financial arrangements will be made with the various financiers, including a financial safety net. An important point in this respect is that in 2020, specific actions and efforts have shown that the loss of revenue for Stichting ARQ has been relatively limited, which means that the impact of the agreements on the continuity is de facto less significant.

Considering our own financial position and prospects, there is no material uncertainty that could cast serious doubt on the ability of Stichting ARQ to continue as a going concern, and therefore the 2020 financial statements have been prepared under the going concern assumption.

Below is a brief explanation of each institution.

#### ARQ consolidated

The result for 2020 after tax is € 223,007 negative, which has reduced consolidated equity. Solvency in 2020 has increased compared with the previous financial year, to 48.8% (2019: 45.5%). The liquidity has slightly decreased compared to the previous financial year, to 0.99. The purchased property has been financed with a short-term credit facility. If the liquidity (current ratio) is normalised with this credit, it comes out at 1.28, which means that Stichting ARQ has sufficient liquidity.

At the end of 2019, the Equator and PDC foundations merged with the foundation Stichting Centrum '45 to form Stichting ARQ Centrum '45. ARQ Beheer B.V., like ARQ International, merged with Stichting ARQ at the end of 2019. All activities of the entities involved in the merger will be continued by Stichting ARQ Centrum '45 and Stichting ARQ respectively. For the financial year 2020, we have applied the assumption that the liquidated units were already merged before the end of the previous financial year, as a result of which the comparative figures in the 2020 financial statements have been adjusted as if they were part of Stichting ARQ and ARQ Centrum '45 respectively. This improves the comparability of the figures in the separate annual financial statements. This makes no difference to the consolidated financial statements. For the acquiring entities, the healthy financial position ensures that the going concern assumption may be applied.

Foundation ARQ separate statement has a positive equity, which decreased slightly compared to last tax year, despite the positive result of the investee in 2020. Stichting ARQ itself had a negative result after tax. Part of the result will be added to the equalisation reserve. This concerns the institutional subsidies from the Ministry of Health, Welfare and Sport for the performance of legally recognised tasks.

At balance sheet date, the current account credit with Van Lanschot Bankiers amounted to a maximum of € 8,000,000. The balance of current account credit withdrawn as at the balance sheet date amounted to € 2,600,000.

#### **ARQ Centrum '45**

The financial statements have been prepared on a going concern basis. Despite the covid crisis, ARQ Centrum '45 was able to continue its primary functions in treatment, research and training, and largely achieved its objectives.

The covid crisis led to a loss of revenue of approximately € 0.8 million at the clinic. This is partly compensated by the Continuity Contribution for healthcare insurance Act and youth care. Of this amount, approximately € 0.3 million has been recognised in the financial statements. Because of the uncertainty about the exact amount, which can only be determined with the final determination of the depletion of the healthcare budgets, approximately € 0.05 million of continuity contribution has not been recognised in the result.

#### **ARQ IVP B.V.**

The company has positive equity, as a result of the good results in recent years. The upward trend that started in the previous years has continued into 2020, despite the adverse effects of the covid crisis. The positive result for 2020 is higher than expected due to increasing demand for assistance. Furthermore, the demand for MCU calls has also continued to increase. The provision of training and education, on the other hand, has declined. As a result of the measures taken with respect to the covid crisis, such as the lockdown, fewer training sessions could take place or took place online. The expectation for 2021 is that demand for training in particular will continue to be adversely affected by the continuation of restrictive measures.

#### **Stichting 1940-1945**

The foundation achieved a slightly negative result in 2020. Via the appropriation of results, an amount was withdrawn from the special-purpose reserves and approximately € 0.08 million was added to the general reserve. Compared to budget, the result is over € 0.2 million higher, mainly due to positive investment results and lower expenses, because fewer target group activities could be supported due to the covid measures.

#### **Stichting Pelita**

The positive € 0.2 million result for 2020 is largely due to the legacies received. In 2020, the third and final instalment was received from a bequest for Pelita, from which advances had been received in 2018 and 2019. Like Stichting 1940-1945, Stichting Pelita has achieved a high positive return on the investment portfolio, which contributes to the higher than expected result for 2020.

#### **2.4.1.5 Comparison with previous year**

The accounting policies for the measurement and determination of the result have remained unchanged from the previous year.

ARQ Beheer B.V. and ARQ International have merged into Stichting ARQ on 1 January 2020. Stichting Equator has merged with Stichting ARQ Centrum '45 effective 1 January 2020. In order to increase comparability, the comparative figures for the previous financial year in the company financial statements of Stichting ARQ and Stichting ARQ Centrum '45 have been adjusted in accordance with RJ 216.302 as if the merger of ARQ Beheer B.V. and ARQ International in Stichting ARQ and Equator in Stichting ARQ Centrum '45 had already taken place before 1 January 2020.

#### **2.4.1.6 Group relations**

The consolidation includes the financial data of Stichting ARQ, together with its group companies and other legal entities in which it can exercise dominant control or of which it conducts the central management. Group companies are legal entities in which Stichting ARQ can directly or indirectly exercise dominant control by

holding the majority of the voting rights or can in any other way control the financial and operational activities. Potential voting rights that can be exercised directly on the balance sheet date are also taken into account. The group companies and other legal entities in which it can exercise dominant control or of which it conducts the central management are fully consolidated. The shares of third parties in the Group's equity and result are separately stated. Where there is an interest in a joint venture, the relevant interest is proportionally consolidated. A joint venture exists where, as a result of an agreement to cooperate, the participants exercise joint control. Intercompany transactions and debts between group companies and other consolidated legal entities are eliminated insofar as the results have not been achieved through transactions with third parties outside the group. Unrealised losses on intercompany transactions are also eliminated unless there is an impairment. Accounting policies of group companies and other legal entities included in the consolidation have been updated where necessary to ensure consistency with the policies adopted by the group.

The consolidated entities are:

Stichting ARQ (100%)	with its office at Nienoord 5, 1112 XE in Diemen
Stichting Vrienden van Stichting ARQ (100%)	with its office at Nienoord 5, 1112 XE in Diemen
Stichting ARQ Centrum '45 (100%)	with its office at Nienoord 5, 1112 XE in Diemen
ARQ IVP B.V. ( <i>limited liability company</i> ) (100%)	with its office at Nienoord 5, 1112 XE in Diemen
Stichting 1940-1945 (100%)	with its office at Nienoord 5, 1112 XE in Diemen
Stichting ARQ Wetenschappelijk Onderzoek (100%)	with its office at Nienoord 5, 1112 XE in Diemen
Stichting Pelita (100%)	with its office at Nienoord 5, 1112 XE in Diemen

At the end of 2019, ARQ Beheer B.V. and ARQ International merged into Stichting ARQ. Stichting Equator and PDC merged with Stichting ARQ Centrum '45 at the end of 2019.

At year-end 2020, Stichting ARQ includes the investments in:

ARQ IVP B.V. (*limited liability company*) (100%) with its office at Nienoord 5, 1112 XE in Diemen.

#### 2.4.1.7 System changes

There are no changes in the accounting system compared to last year.

#### 2.4.1.8 Changes in estimates

There were no changes in estimates in 2020.

#### 2.4.1.9 Use of estimates

Preparing financial statements requires the Board of Trustees to make judgements, estimates and assumptions that affect the application of accounting policies, the reported value of assets and liabilities, and the income and expenses.

Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods affected by the revision.

#### 2.4.1.10 Specific estimates

The financial statements were prepared with due regard for agreements made and regulations prepared in connection with the covid crisis, such as the CB scheme (continuity contribution) and the hardship clause, the Covid Crisis Healthcare bonus Scheme and the various applicable policy rules of the NZa. The objectives and scope of all these schemes are clear. However, the further detailing, accounting method and decision basis has not yet been specified for all schemes. Uncertainties, if any, have been recognised and disclosed in the financial statements, consistent with the recognition and disclosure of significant estimates that are normally applied in the preparation of the financial statements.

Stichting ARQ makes an annual estimate to translate regular healthcare contracts with healthcare insurers based on claim years into fiscal years. This estimate is largely based on experience. For the regular revenue interpretation, we have also chosen the same way as in 2019 for the unusual year 2020. The CB scheme also

requires a translation from claim years into financial years. In the 2020 financial statements, the allocation of this scheme was applied to the financial year 2020.

#### **2.4.1.11 Related parties**

Related parties are all legal entities over which dominant control, joint control or significant influence can be exercised. Legal entities that can exercise predominant control are also designated as related parties. The statutory members of the Board of Trustees, management officers, other key officials in the board and/or management of the Foundation or the parent company of the foundations are also related parties. Significant transactions with related parties are disclosed in the Notes if not at arm's length. The nature and extent of the transaction and other information necessary to provide the insight are disclosed.

#### **2.4.1.12 Acquisitions and disposals of group companies**

From the acquisition date onwards, the results and identifiable assets and liabilities of the acquired company are recognised in the consolidated financial statements. The acquisition date is the time at which dominant control can be exercised over the company concerned. The acquisition price consists of the monetary amount or its equivalent that has been negotiated for the acquisition of the acquired company plus any directly attributable costs. If the acquisition price is higher than the net amount of the fair value of the identifiable assets and liabilities, the excess is capitalised as goodwill in the intangible fixed assets. If the acquisition price is lower than the net amount of the fair value of the identifiable assets and liabilities, the difference (negative goodwill) is recognised as an accrued liability (see also section 2.4.3.1). The consolidated entities remain in the consolidation until they are sold; deconsolidation takes place at the time when decisive control is transferred.



## 2.4.2 Accounting policies for the measurement of assets and liabilities

Assets and liabilities are carried at cost or production cost, unless otherwise stated in the accounting policies. Notes to items in the balance sheet, income statement and cash flow statement have been numbered in the annual financial statements. The annual financial statements are presented in euros, which is also the functional currency of Stichting ARQ.

### 2.4.2.1 Tangible fixed assets

Unless where indicated otherwise, land and buildings are measured at acquisition cost, including additional costs or manufacturing cost, less straight-line depreciation over the expected future useful life and impairments. Land is not subject to depreciation. Impairments expected on the balance sheet date are taken into account. To determine whether a tangible fixed asset is subject to impairment, reference is made to the relevant section.

Other fixed assets are carried at acquisition cost or production cost, including directly attributable costs, less straight-line depreciation over the expected future useful life and impairments.

### Impairment of fixed assets

Stichting ARQ assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount recoverable amount; the recoverable amount is the higher of the net realisable value and the value in use.

An impairment loss is recognised as a direct expense in the income statement with a simultaneous reduction of the carrying amount of the relevant asset.

### 2.4.2.2 Financial fixed assets

#### Investees

Investments in group companies and other investees in which significant influence can be exercised are measured according to the net asset value method. When 20% or more of the voting rights can be exercised, one can assume that this concerns significant influence.

The net asset value is calculated according to the accounting policies applicable to these financial statements; for investees for which insufficient data is available for adjustment according to these principles, the accounting policies of the respective associate are used.

If the measurement of an investee is negative based on the net asset value, it is measured at nil. If and insofar as Stichting ARQ guarantees all or some of the investee's debts in this situation, or has the firm intention of enabling the investee to pay its debts, a provision will be created. The initial measurement of acquired associates is based on the fair value of the identifiable assets and liabilities at the moment of acquisition. Based on the values of the initial recognition, the accounting policies applicable to these financial statements will be applied to the subsequent measurements. Investees in which no significant influence can be exercised are measured at acquisition price. If there is an impairment, the asset is carried at this lower value; any impairments are charged to the income statement.

#### Receivables from investees

The receivables recognised in financial fixed assets are in principle measured at the fair value, less any impairments deemed necessary.

#### Securities

Listed securities are carried at market value (fair value). The fair value of listed securities is equal to their market value. Securities other than listed securities are measured at the lower of acquisition price or market (fair) value. In the latter case, the fair value is approximated with generally accepted measurement models and methods.

Gains on securities carried at market value are taken directly to the income statement. Impairments of securities carried at market value are also taken directly to the income statement. Transaction fees that are directly attributable to the acquisition of the securities are recognised directly in the income statement.

#### **2.4.2.3 Work in progress in connection with DBCs / DBC healthcare products**

Work in progress in respect of DBCs/DBC healthcare products is carried at the net realisable value or the cost of production, being the derived sales value of the services already provided. The production of work in progress is determined by linking the outstanding transactions to the DBCs / DBC healthcare products that were outstanding at the closing date of the financial year. Advances received from insurers are deducted from work in progress.

#### **2.4.2.4 Receivables**

Receivables are measured at the fair value of the consideration upon initial recognition. After their initial recognition, trade receivables are measured at their amortised cost. If the receipt of the receivable is deferred on the grounds of an extended agreed payment period, the fair value is determined on the basis of the present value of the expected income, and any interest income is added to the income statement on the basis of the effective interest rate.

Bad debt provisions are deducted from the carrying amount of the receivable.

All receivables have a term of less than one year.

#### **2.4.2.5 Liquid assets**

Cash and cash equivalents consist of cash, bank balances and deposits with a term of less than one year. Current account debts at banks are recognised in debts to credit institutions under current debts. Cash and cash equivalents are measured at nominal value.

#### **2.4.2.6 Shareholders' equity**

Equity is presented in such a way that it shows which part is freely at the organisation's disposal and which part is not. If part of the equity is allocated on a more restricted basis than would be acceptable in view of the organisation's objectives, this part is accounted for as tied-up capital. This allocation restriction may be imposed by the Foundation's Board or by third parties. If this restriction is imposed by third parties, then this part is regarded as an appropriated fund. The notes explain the amount and the limited purpose of each appropriated fund mentioned.

The reason for this restriction and any other conditions imposed by the third party are also mentioned. If the restriction referred to in the previous paragraph is imposed by the management rather than third parties, the part of the equity thus set aside is designated as a special-purpose reserve (rather than as an appropriated fund). The notes specify the amount and limited specification of each special-purpose reserve. The notes also set out the fact that the Board of Trustees implemented this restriction.

All movements in equity are recognised in the income statement. Expenditures covered by special-purpose reserves and appropriated funds are also recognised in the income statement.

#### **2.4.2.7 Provisions**

##### **General**

Provisions are created for legally enforceable or constructive obligations existing on the balance sheet date and resulting from a past event, if it is probable that an outflow of resources will be necessary and if the amount can be reliably estimated.

The provisions are measured at the best estimate of the amounts required to settle the relevant liabilities and losses on the balance sheet date. Provisions are stated at the nominal value of the expected expenses required to fulfil the payment obligations and settle the losses, unless where stated otherwise. When a third party can be expected to reimburse the liabilities and it is probable that the reimbursement will be received upon settlement of the liability, the reimbursement is recognised as an asset in the balance sheet.

##### **Provision for major maintenance**

A provision is created for major maintenance expenditure in order to spread the costs evenly over a number of future years. This specific provision is determined on the basis of its nominal value.

#### **Provision for service anniversary obligations**

The service anniversary provision is a provision for future service anniversary payments. The provision concerns the present value of the service anniversary payments to be paid in the future. The discount rate in 2020 is 2% (2019: 2%). The calculation is based on pledges, retention probability and age.

#### **2.4.2.8 Debts**

Non-current liabilities include debts with a remaining term of more than one year. Current liabilities have an expected term of one year or less. Debts are initially measured at their fair value and subsequently measured at amortised cost. The repayment obligations for the coming year of the non-current debt are presented in Current debt.

## 2.4.3 Accounting policies for determination of the result

### 2.4.3.1 General

The result is determined as the difference between the income and expenses for the year under review, taking into account the accounting policies referred to above. Income is recognised in the income statement when an increase in the economic potential, associated with an increase in an asset or a decrease in a liability, has occurred, the extent of which can be reliably determined. Expenses are recognised if a decrease in the economic potential, associated with a decrease in an asset or an increase in a liability, has occurred and can be reliably determined.

Income is recognised in the year in which it is earned. Expenses are taken into account in the year in which they are foreseen. Other income and expenses are allocated to the reporting period to which they relate. Income (including postponed budget adjustments) and expenses from previous years that have been identified in this financial year are attributed to this financial year. In the event of an error detected in previous financial years, error correction is applied. Income for which a special purpose has been designated is shown separately in the (notes to the) income statement, stating the nature of the purpose; if this income is not fully spent during the reporting year, the unspent funds will be reserved in the relevant special-purpose reserve(s) or appropriated fund(s). A withdrawal from a special-purpose reserve or appropriated fund is recognised as an expenditure/ expense in the income statement.

If an appropriation is made to or from the special-purpose reserve(s) or appropriated fund(s), the movement is recognised as follows: the balance of the income statement is determined including the surplus or deficit arising from the appropriated income and expenses. The income statement then includes a specification of the recognition of this balance in the various items of shareholders' equity.

### 2.4.3.2 Revenue recognition

Revenue from the delivery of goods is recognised once all significant rights and risks relating to the ownership of the goods have been transferred to the buyer. Revenues from the provision of services are prorated based on the services provided up to the balance sheet date in relation to the total services to be provided. For projects in progress for which the results can be reliably determined, contract revenue and contract costs are recognised in the income statement in accordance with the completion rate of the contract at the balance sheet date (percentage of completion (PoC) method).

The progress of the work carried out is determined on the basis of the project costs incurred up to the balance sheet date in relation to the estimated total project costs. If the outcome cannot (yet) be reliably estimated, revenue is recognised to the extent of contract costs incurred that will probably be recovered; in which case, contract costs are recognised in the income statement in the period in which they are incurred. As soon as the result can be reliably determined, revenue is recognised in accordance with the PoC method in proportion to the services provided as at the balance sheet date.

As soon as the total contract costs are likely to exceed total contract revenue, the expected loss is recognised immediately in the income statement. This loss is recognised in the cost of sales. The provision for the loss is part of the Projects in progress item.

### Government subsidies

Government subsidies are recognised initially in the balance sheet as deferred income as soon as there is reasonable assurance that these will actually be received and that the Group will comply with the conditions associated with the subsidy. Subsidies that compensate the Group for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same period in which the expenses are incurred. Subsidies that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset. A loan contracted at an interest rate below the market rate is recognised as a debt in the balance sheet and measurement is subject to the policies set out under Financial Instruments. The difference between the higher amount of the credit received and the carrying amount upon initial recognition is the benefit resulting from the lower interest rate. This benefit is accounted for as a government subsidy.

### **Income from donations, contributions and legacies**

Income from donations, contributions and legacies is recognised as income in the income statement in the year in which these donations, contributions and legacies were received.

### **General accounting policies relating to revenue**

Revenue from services and projects is recognised in proportion to the services performed, based on the services performed until the balance sheet date and in proportion to the total services to be performed (subject to the condition that the result can be reliably estimated, and if the following conditions are met:

- a. the amount can be reliably determined;
- b. probable economic benefits;
- c. the extent to which the services have been performed at the balance sheet date can be reliably determined; and
- d. costs incurred and costs to be incurred can be reliably determined; if this is not possible, then revenue is only recognised up to the amount of the cost of the service).

The expenses associated with the revenue are allocated to the period in which the income is recognised.

#### **2.4.3.3 Personnel costs**

Wages, salaries and social insurance charges are recognised in the income statement on the basis of the employment conditions insofar as these are payable to employees or the tax authority, respectively.

Personnel costs are recognised as an expense in the income statement in the period in which the service is rendered and, to the extent that they have not yet been paid, as a liability on the balance sheet. If amounts already paid exceed the personnel costs due, the excess is recognised as an accrued asset to the extent that there will be a repayment by staff or an amount to be offset against future payments by the institution.

For remunerations with accrued rights (sabbatical leave, bonuses, etc.), the expected expenses are taken into account during the period of employment. An expected payment as a result of gratuities is recognised if the obligation to pay this amount arose on or before the balance sheet date and a reliable estimate of the liabilities can be made. Contributions received from Life Cycle savings schemes are taken into account in the period in which these contributions are due. Additions to and releases from liabilities are charged or credited to the income statement.

If a remuneration is paid without accrual of any rights (e.g. continued payment of wages in the event of long-term sick leave or disability), the expected expenses are recognised in the period in which this amount is payable. A provision is recognised for obligations recognised as at the balance sheet date to continue to pay benefits (including severance payments) to employees who are expected to be fully or to some extent unable to perform their work as at the balance sheet date for long periods because of sick leave or disability. The recognised liability is the best estimate of the amounts required to settle the obligation concerned as at the balance sheet date. The best estimate is based on contractual agreements with employees (collective labour agreement and individual employment contracts). Additions to and releases from liabilities are charged or credited to the income statement.

#### **2.4.3.4 Pensions**

Stichting ARQ, Stichting ARQ Centrum '45, Stichting Pelita and ARQ IVP B.V. offer their employees a defined benefit plan. Eligible employees are entitled to a pension at retirement age based on their average wages during the years the employee accrued pension with the employer. The obligations arising from these rights of its employees are administered by Zorg en Welzijn Pension Fund (PFZW). The entity concerned pays premiums for accrual of such pensions, half of which are covered by the employer contribution and half by the employee contribution. The pension rights are granted annual indexation, if and insofar as the Pension Fund's funding ratio (the Pension Fund's assets divided by its financial commitments) allows. At year-end 2020, the funding ratio was 91%. The required funding ratio is 121.4%. PFZW has prepared a recovery plan for De Nederlandsche Bank in January 2020. This recovery plan is based on the assumption that the funding ratio will recover sufficiently by year-end 2027.

The recovery of the funding ratio is achieved by:

- an increase in the premium with a premium mark-up of 2 percentage points during the recovery period. This supplement is intended to allow the funding ratio to recover more quickly and, in time, to return to a financial position where it is once again possible to subsidise indexations on the pensions.
- no full indexations on pensions during the implementation of the recovery plan. According to the legal requirements, (gradual) increases are only possible if the funding ratio exceeds 110%. PFZW can grant full indexation if the funding ratio reaches approximately 130%. Indexation of pensions does, however, mean that recovery will be slower. If PFZW does not recover in time, it can still adjust its indexation policy (e.g. by indexing later).

According to official rules, PFZW has to reduce pensions if the funding ratio as at 31 December 2020 falls below 104.3%. In connection with the covid crisis, this standard has been lowered to 90%. This standard was met as at 31 December 2020.

PFZW does not anticipate any need for member institutions to make additional contributions. The aforementioned entities have no obligation to make additional contributions in the event of a deficit at the pension fund, other than the effect of higher future contributions. The entities have therefore only recognised the premiums due up to the end of the financial year in the financial statements.

Stichting 1940-1945 has a defined benefit pension plan for its employees. At retirement age, eligible employees are entitled to a pension that is dependent on their age, salary and years of service. The scheme is administered by the sector-wide ABP pension fund. Stichting 1940-1945 has no obligation to pay additional contributions in the event of a deficit at ABP, other than the effect of higher future contributions. Stichting 1940-1945 has accounted for the defined benefit plan at the industry pension fund using the liability method.

#### **2.4.3.5 Depreciations and amortisations on intangible and tangible fixed assets**

Tangible fixed assets are depreciated on a straight-line basis over the expected future useful life of the asset from the moment it is in use. Land and investment properties are not depreciated.

Intangible fixed assets including goodwill are amortised over their expected useful lives from the moment they are in use. If there is a change in the estimate of the economic life, future depreciation/amortisation is adjusted.

#### **2.4.3.6 Other operating expenses**

The costs are determined on a historical basis and allocated to the reporting year to which they relate.

#### **2.4.3.7 Financial income and expenses**

Interest income and interest expenses are recognised prorated for time, taking into account the effective interest rate of the relevant assets and liabilities. When recognising interest expense, the recognised transaction fees on loans received are taken into account as part of the calculation of the effective interest rate.

#### **Exchange rate differences**

Exchange rate differences arising from the settlement of monetary items are recognised in the income statement in the period in which these arise.

#### **2.4.3.8 Taxes on result from operations**

The tax on the result is calculated on the pre-tax result in the income statement, taking into account available, offsettable losses from previous financial years (to the extent not recognised in the deferred tax assets) and exempted profit components, and after addition of non-deductible costs. The movements in the deferred tax assets and deferred tax liabilities pursuant to changes in the tax rate to be applied are also taken into account.

#### **2.4.3.9 Accounting policies for subsequent events**

Events that provide additional information about the actual situation at the balance sheet date and that have occurred up to the date of preparation of the financial statements are included in the financial statements. Events that do not give more information about the actual situation on the balance sheet date are not included in the annual financial statements.

If such events are significant to the judgement of the users of the financial statements, their nature and estimated financial impact are disclosed in the financial statements.

#### **2.4.3.10 Accounting policies WNT**

To implement the WNT (Act on the standardisation of top income earners), Stichting ARQ has complied with the legislation and regulations concerning the WNT, including the institution-specific (sector) rules.

#### **2.4.4 Notes to the cash flow statement**

The cash flow statement is prepared on the basis of the indirect method. The cash in the cash flow statement consists of the balance of cash and borrowings from credit institutions. Cash flows in foreign currencies are converted at an estimated average exchange rate.

Interest income and expenses, dividends received and taxes on result are shown separately in the cash flow statement. Dividends paid out are recognised in the cash flow from financing activities. Transactions involving no cash inflow or outflow, including finance leases, are not recognised in the cash flow statement.

The investments in tangible fixed assets only include investments to which cash has been transferred in the financial year.

#### **2.4.5 Accounting policies regarding segmentation**

In accordance with the Guideline for Healthcare Institutions, a segmentation of the income statement is applied in the annual financial statements. Stichting ARQ has chosen to class the individual legal entities in the group as segments because they each focus separately on the various stakeholders in the psychological trauma field and are associated with different revenue flows.



## 2.5 Notes to the consolidated balance sheet as at 31 December 2020

### 1. Tangible fixed assets

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
Land and buildings	6,635,777	6,690,273
Other non-current assets	665,623	553,067
Total	<u><b>7,301,400</b></u>	<u><b>7,243,339</b></u>

Movements in tangible fixed assets were as follows

	<u>2020</u>	<u>2019</u>
	€	€
Carrying amount as at 1 January	7,243,340	7,467,035
Added:		
investments	410,436	149,740
Less:		
depreciations	329,019	366,043
less: disposals	23,355	7,393
Book value as at 31 December	<u><b>7,301,400</b></u>	<u><b>7,243,340</b></u>

The investments mainly concern the purchase of computer equipment (laptops) for staff working from home, as a result of the covid crisis and the restrictive measures imposed as a consequence.

Because of the investment in laptops, desktops have mostly become superfluous and have been discarded. This has been treated as a disposal in the financial statements.

For further information, see note 23 in the notes to the financial statements.

The tangible fixed assets include the accommodation in Diemen and Oegstgeest. Stichting ARQ intends to dispose of both the Oegstgeest and the Diemen locations in due course. The expected net realisable value is higher than the capitalised value and there is therefore no reason to apply an additional depreciation on the book value.

The WOZ (property) value (*tax base amount*) of the buildings in Diemen and Oegstgeest in 2020 are € 6,025,000 and € 4,326,000 respectively (value reference date 1 January 2020)

### 2. Financial fixed assets

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
<b>Other securities</b>		
Securities/investment funds	6,450,198	6,201,569
Total	<u><b>6,450,198</b></u>	<u><b>6,201,569</b></u>

### Securities/investment funds

The shares/investment funds are recognised at their fair value as at year-end of the year under review. The movement is as follows:

	<u>2020</u>	<u>2019</u>
	€	€
Market value as at 1 January	6,201,569	5,458,876
Added: purchasing		
- deposit	125,000	300,000
- reinvestment	2,834,249	5,253,399
Less: sell		
- withdrawal	-250,000	-450,000
- reinvestment	-2,845,289	-5,273,414
Gains and losses on share price	384,669	912,708
Market value as at 31 December	<u><b>6,450,198</b></u>	<u><b>6,201,569</b></u>

The securities are at the free disposal of Stichting 1940-1945 and Stichting Pelita.

Since 2016, the assets of both Stichting 1940-1945 and Stichting Pelita have been fully managed externally by Van Lanschot Bankiers. Asset management is based on a neutral risk profile

### 3. Work in progress pursuant to DBCs (diagnosis-treatment combination)

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
Projects in progress DBCs	6,421,145	6,639,958
Less: Advances received from healthcare insurers for financing Projects in progress	-1,971,314	-1,631,146
Total	<u><b>4,449,831</b></u>	<u><b>5,008,812</b></u>

#### Notes

The Projects in progress are measured by Stichting ARQ Centrum '45 at the rates agreed with each healthcare insurer.

#### 4. Accounts receivable and other receivables

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
Accounts receivable	2,541,404	2,707,544
DBC revenue to be invoiced	1,205,622	1,961,936
Subsidy to be received, healthcare bonus	167,400	0
Covid compensation ZvW to be received	196,838	0
Other receivables	1,260,160	1,717,465
Prepayments and accrued income	771,234	1,118,448
Total	<u><u>6,142,658</u></u>	<u><u>7,505,393</u></u>

##### Accounts receivable

Accounts receivable mainly concern receivables from insurers for completed patient treatments. Furthermore, claims on companies and other institutions for projects carried out, courses, training, assistance and research conducted

The provision for bad debt amounts to € 78,994 (2019: € 45,010)

##### DBC (diagnosis-treatment combination) revenue to be invoiced

Refers to revenue on DBCs to be invoiced for 2019 and 2020. Compared to the previous financial year, this has decreased significantly. Due to additional efforts in the administrative processing of DBCs, these are invoiced more promptly.

##### Subsidy to be received healthcare bonus

The healthcare bonus to be received (including final levy) is the part of the healthcare bonus that was allocated and paid out by the Ministry of VWS (*Health, Welfare and Sport*) at the start of 2021. As this will be paid out to staff in 2021, it is offset by a payable item on the liabilities side of the balance sheet.

##### Covid compensation ZvW to be received

The covid compensation ZvW (*Healthcare Insurance Act*) is an estimate of the expected continuity contribution. Part of this amount (€ 60,992) relates to 2019 and is more or less certain. The part relating to 2020 is uncertain. A percentage of completion was applied to the work in progress, resulting in an amount of € 135,846.

##### Other receivables

This relates in particular to claims against the Netherlands Healthcare Institute for patients who have been transported but are uninsured, as well as claims against Ministries and companies for activities that have been performed.

##### Prepayments and accrued income

Relates to items recorded in 2020 due to the matching policy for related costs and revenues in the same tax year. A combination of prepaid amounts for services related to 2020 as well as recorded receivables from Ministries that will be realised in 2021 but are related to services/activities performed in tax year 2020

All receivables have a term of less than one year.

## 5. Cash and cash equivalents

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
Cash and cash equivalents	309	321
Balances in bank accounts	716,624	1,389,314
Total of cash and cash equivalents	<u><b>716,933</b></u>	<u><b>1,389,635</b></u>

Of the balances on bank accounts, €352,985 (2019: €431,954) relates to disbursement obligations for the pension task.

The remaining cash and cash equivalents are entirely at the free disposal of Stichting ARQ.

## 6. Group equity

Group equity consists of the following components:

	<b>Position 1 January 2020</b>	<b>Result allocation</b>	<b>Other movement s</b>	<b>Position 31 December 2020</b>
	€	€	€	
Capital	781	0	0	781
Special-purpose reserves	666,985	-106,779	0	560,206
Appropriated funds	326,911	79,808	0	406,719
General and other reserves	11,449,094	-196,036	0	11,253,058
Total	<u><b>12,443,771</b></u>	<u><b>-223,007</b></u>	<u><b>0</b></u>	<u><b>12,220,764</b></u>

This overview shows that the equity of Stichting 1940-1945 and Stichting Pelita is restricted to the objectives stated in the Articles of Association.

### Capital

The movements were as follows:

	<b>Position 1 January 2020</b>	<b>Result allocation</b>	<b>Other movement s</b>	<b>Position 31 December 2020</b>
	€	€	€	€
Incorporation capital Stichting 1940-1945	100	0	0	100
Incorporation capital Stichting Pelita	681	0	0	681
Total	<u><b>781</b></u>	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>781</b></u>

### Special-purpose reserves

This concerns tied-up capital that is allocated on a more restricted basis than would be acceptable in view of the organisation's objectives. This restriction is imposed by the Board or by applicable laws and regulations.

The movement in the special-purpose reserves is as follows:

		Position 1 January 2020	Result allocation	Other movements	Position 31 December 2020
		€	€	€	€
ARQ	Future studies	60,000	-24,000	0	36,000
Stichting 40-45	Supplementary social policy	172,959	-25,619	0	147,340
	Wbp payment task	193,861	-25,724	0	168,137
	Special chair	184,613	-31,436	0	153,177
Special-purpose reserve Stichting 40-45:		551,433	-82,779	0	468,654
Pelita	Special-purpose reserves	55,552	0	0	55,552
<b>Total</b>		<b>666,985</b>	<b>-106,779</b>	<b>0</b>	<b>560,206</b>

### Future studies

This reserve is intended to fund future innovative research for which no or insufficient external resources are available. In 2020, as in 2019 and 2018, part of the reserve was spent on staffing for scientific research.

### Special-purpose reserve for supplementary social policy

The following principles apply to this special-purpose reserve:

- The special-purpose reserve is intended solely for employees who have an employment contract with Stichting 1940-1945 as at 1 January 2018.
- The reserve was created based on the assumption that there will be no compulsory redundancies; if redundancies should occur, the employees concerned will be redeployed within or outside Stichting ARQ.
- The calculation is based on the benefit offered by Stichting 1940-1945 to employees who wish to terminate their employment contract at their own initiative (whether or not based on the early retirement option offered by ABP) at least one year prior to their retirement date, the opportunity to be released from work for a maximum of six months with continued salary including VT, EJU and pension. This is subject to consultation with employees at an individual level on this subject.

The special-purpose reserve is created on the basis of the forecast expenses, taking into account indexation of payroll costs, and is discounted at a 2% actuarial interest rate. There is no need for adjustment at year-end 2020. In 2020, one employee of Stichting 1940-1945 made use of this scheme.

### Payment task WBP (Extraordinary pension Act)

The Payments Task WBP serves to secure the performance of the task in the future as well. The amount of the special-purpose reserve has been calculated on the basis of continuation of the task up to and including 2030. This is based on the assumption that the number of people entitled to benefits will decrease by 12.0% annually. The present value of the special-purpose reserve calculated in this way was determined on the basis of an actuarial interest rate of 2.0% (2019: 2.0%).

There is no need to adjust the reserve at year-end 2020.

### Special Chair Stichting 1940-1945

In 2015, on the occasion of the seventieth anniversary of Stichting 1940-1945, the special chair 'Stichting 1940-1945: history and meaning of resistance to oppression and persecution' was established at the Faculty of Humanities of Utrecht University. The endowed chair was established on 1 July 2015 for a period of five years. The agreement with the University of Utrecht has been extended for another five years on the same terms after expiry. In this context, this reserve was recalculated in 2019. The special-purpose reserve is created on the basis of the forecast expenses, taking into account indexation of payroll costs, and is discounted at a 2% actuarial interest rate.

### Special-purpose reserves Pelita

Stichting Pelita's special-purpose reserves consist of freely disposable funds designated by the Board of Trustees for ongoing projects:

#### a. Target group meetings

This special-purpose reserve was created in 2009 from an inheritance received, whereby the testator stipulated that it was intended for '...activities for the Indian target group, particularly social gatherings for the elderly.' The amounts added to and/or withdrawn from this special-purpose reserve since then have all been related to this objective.

#### b. ex-KJBB

As of 2010 Pelita will continue the (social) activities of the disbanded Association of Children from the Japanese Occupation and Bersiap (KJBB). The agreement of 16 December 2009 establishing the former KJBB commission, sets out that "the funds obtained for the activities of ex-KJBB (.....) shall be used exclusively for the benefit of such activities".

For the benefit of the group of donors who were members of the KJBB Association, several regional meetings and a national day are organised annually. These are funded from the contributions received from this group of donors.

### Appropriated funds

These are assets to which a more restricted spending range has been applied than would be permitted in view of the organisation's objective. This restriction is imposed by third parties.

The specification of the appropriated funds is as follows:

	Position 1 January 2020	Result allocation	Other movements	Position 31 December 2020
	€	€	€	€
Equalisation reserves Ministry of Health, Welfare and Sport	326,911	79,808	0	406,719
Total	<b>326,911</b>	<b>79,808</b>	<b>0</b>	<b>406,719</b>

The equalisation reserves of the Ministry of Health, Welfare and Sport of Stichting ARQ are recognised in the appropriated funds. The equalisation reserves for statutory and recognised tasks are created by obtaining fees in excess of the actual expenditure on these tasks. The funds can be used for years in which the actual expenses exceed the amounts received, in accordance with the provisions of the Ministry of Health, Welfare and Sport. Since 2016, the separate applications for institutional subsidies from ARQ Knowledge Centre for War, Persecution and Violence, Stichting 1940-1945 and Stichting Pelita have been combined into a single application from Stichting ARQ. This has resulted in a single joint equalisation reserve, which is accounted for in Stichting ARQ.

At year-end of 2019, the balance of the appropriated funds of ARQ International (formerly WarTrauma Foundation) was recognised (amount: € 69,936). Due to the merger with Stichting ARQ, these project funds

received in advance from clients with a special purpose as of 1 January 2020 are recognised in the current liabilities. This is in line with the system applied to process other project funds received in advance by Stichting ARQ.

### General and other reserves

The movements were as follows:

	Closing position as at 31 December 2019	Movements in opening balance sheet	Opening position 1 January 2020	Result appropriation	Closing position as at 31 December 2020
	€	€	€	€	€
General reserve ARQ	3,653,492	-4,363,246	-709,754	-308,083	-1,017,837
General reserve ARQ Beheer B.V.	-4,289,353	4,289,353	0	0	0
General reserve ARQ IVP B.V.	1,361,912	0	1,361,912	239,035	1,600,947
General reserve ARQ incl. inv.	726,051	-73,893	652,158	-69,048	583,110
General reserve Vrienden van ARQ	1,036,599	0	1,036,599	-6,614	1,029,985
General reserve ARQ Centrum '45	4,290,379	-133,261	4,157,118	-412,189	3,744,929
General reserve Equator	-133,261	133,261	0	0	0
General reserve Stichting 1940-1945	4,245,305	0	4,245,305	80,950	4,326,255
General reserve AWO	0	0	0	2,417	2,417
General reserve ARQ International	-73,893	73,893	0	0	0
General reserve Stichting Pelita	1,357,914	0	1,357,914	208,448	1,566,362
<b>Total</b>	<b>11,449,094</b>	<b>0</b>	<b>11,449,094</b>	<b>-196,036</b>	<b>11,253,058</b>

The equity of the foundations and companies liquidated at year-end 2019 has been incorporated into the equity of the acquiring entities as at 1 January.

### 7. Provisions

	Opening position 1 January 2020	Transfers	Withdrawals	Opening position 31 December 2020
	€	€	€	€
Major maintenance	256,760	350,000	96,106	510,654
Gratuities for service anniversaries, etc.	330,440	34,756	27,363	337,833
Fund for periodic payments	13,084	0	2,183	10,901
Other provisions	44,314	0	44,314	0
<b>Total</b>	<b>644,598</b>	<b>384,756</b>	<b>169,966</b>	<b>859,388</b>

*Explanation of the extent to which (the total of) provisions are to be classed as non-current:*

**31 December 2020**

€

Current portion of provisions (< 1 year)	300,011
Non-current portion of provisions (> 1 year)	559,377
Of which non-current (> 5 years)	84,458

#### Provision for major maintenance

The provision for major maintenance is created for forecast expenses relating to periodic maintenance of buildings, systems, etc., based on a non-current maintenance plan. This concerns a provision for major maintenance of the Diemen and Oegstgeest locations.

#### Provision for service anniversary obligations

The service anniversary provision is a provision for future service anniversary payments. The provision concerns the present value of the service anniversary payments to be paid in the future. The calculation is based on pledges, retention probability and age. The discount rate applied is 2%.

#### Fund for periodic payments

The fund for periodic payments is designed to cover individual payments that have been granted by or on behalf of the Approval Committee and are at the expense of Stichting 1940-1945.

The present value of the provision for periodic benefits is based on a 2.0% actuarial interest rate (2019: 2.0%). There is no need for recalculation as at 31 December 2020. In 2020, there were two beneficiaries entitled to such a benefit. The withdrawal in 2020 amounts to € 2,183.

#### Other provisions

The other provisions concern the provision for the archives project. The preservation of the persons archive was fully completed in 2018. This archive was transferred to the National Archives in December 2018. The end of 2018 saw the kick-off of the project for preservation of the organisational archive. A project subsidy from the Ministry of VWS (Health, Welfare and Sport) is available for this purpose for the period 2018 to 2022. The implementation of the work was accelerated and fully completed by 2020. Now that both archive projects have been completed, the rationale behind the provision has disappeared and the provision has been eliminated. The remaining balance was released to the general reserve.

### 8. Non-current debt

Movements in non-current borrowings were as follows

	2020	2019
	€	€
Opening balance as at 1 January	700,000	800,000
Less: Repayments	100,000	100,000
Closing position as at 31 December	<b>600,000</b>	<b>700,000</b>
Repayment commitment for next financial year	100,000	100,000
Closing balance as at 31 December	<b>500,000</b>	<b>600,000</b>

Debt as at                      Term                      Term                      Term                      Debt as at



	1/1	> 5 years	1 to 5 years	< 1 year	31/12
Waterschapsbank 4%	700,000	100,000	400,000	100,000	600,000
Total	<b>700,000</b>	<b>100,000</b>	<b>400,000</b>	<b>100,000</b>	<b>600,000</b>

#### Notes

For further information, please refer to Overview of non-current debt in section 24. The repayment obligations are recognised under current liabilities. The non-current loan is guaranteed by the Guarantee Fund for healthcare Institutions. In 2015, the WfZ established a mortgage on the Oegstgeest property as part of the guarantee. Van Lanschot Bankiers has established a second mortgage.

## 9. Current liabilities

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
Borrowings from credit institutions	2,612,913	5,891,601
Accounts payable	773,420	782,452
Accrued holiday pay and holiday time (including LFB and 55-plus days)	3,083,535	2,987,104
Taxes and social insurance contributions payable	1,559,453	1,537,324
Corporate income tax due	449,696	6,697
Repayment obligations healthcare insurers	179,594	350,329
Liabilities in respect of pensions	87,768	4,471
Loan repayment obligations	100,000	100,000
<u>Other debts</u>		
Accrued expenses	1,001,207	844,919
Healthcare bonus still to be paid, including final levy	615,600	0
<u>Other accrued liabilities</u>		
Other amounts received in advance	1,022,682	1,155,482
Total	<u><b>11,480,868</b></u>	<u><b>13,660,379</b></u>

The aforementioned debts have a term of less than one year.

### Borrowings from credit institutions

As at 31 December 2020, the current account credit facility with Van Lanschot Bankiers amounts to € 8 million (2019: € 8 million) and the interest rate is equal to EURIBOR plus 1.5%. The credit facility will be reduced by 1 million on 31 December 2021.

The collateral provided for the current account credit facility taken out with Van Lanschot Bankiers is a mortgage on the property in Diemen.

### Accounts payable

This relates in particular to amounts to be refunded to insurers following the final determination of the revenue settlement GGZ and debts to suppliers for services rendered.

### Accrued holiday pay and holiday time (including LFB and 55-plus days)

The increase is related to the annual accrual of life cycle budget hours for employees.

### Taxes and social insurance contributions payable

The taxes and social insurance contributions payable are at the same level as in the previous financial year.

### Corporate income tax due

This concerns the amount of corporate income tax payable as a result of the merger of Stichting ARQ and ARQ Beheer B.V., and the subsequent liquidation of the ARQ Beheer B.V. tax group for corporate income tax.

### Loan repayment obligations

For further explanation, see section 2.4.2.8. 'Non-current liabilities'.

### Other debts

The other debts concern payment obligations for 2020 that will be settled in the coming financial year. These are above the level of the previous financial year.

### Accrued liabilities

This mainly concerns project subsidies received in advance to be implemented in 2021 and later.

## 10. Off-balance sheet commitments and off-balance sheet assets

### Tax group

Stichting ARQ forms a tax group for VAT together with Stichting ARQ Centrum '45, ARQ IVP B.V., Stichting Pelita and Stichting 1940-1945. Each of the companies is jointly and severally liable for the tax payable by all the companies involved in the tax group. At year-end 2020, the debts of the tax group amount to € 87,177.

### Collateral provided

As collateral for the repayment of debts to credit institutions, an (undisclosed) pledge has been established on all book receivables. Furthermore, mortgage rights have been granted to credit institutions on the real estate in Oegstgeest and Diemen.

### Revenue accounting uncertainties

As a result of material follow-up inspections of the healthcare performances claimed by healthcare administration offices, healthcare insurers and municipalities, corrections may be necessary to the claimed production. The effects of any material follow-up checks are as yet uncertain. Based on a risk analysis, Stichting ARQ has estimated the resulting risks and liabilities as accurately as possible. The results of internal and external audits have been taken into account.

The same uncertainty applies to the final determination of subsidies. For the year 2020, this uncertainty focuses specifically on the healthcare bonus subsidy and covid compensation. Here too, the most accurate estimate possible of the revenue to be processed was made on the basis of national and local guidelines and agreements. It is impossible to rule out the possibility that the processed amounts will be substantially adjusted in the final settlement. These adjustments will then be incorporated in the result of the financial year in which the adjustment becomes sufficiently plausible.

Based on the aforementioned follow-up audits, ARQ does not expect any substantial corrections to the revenue stated in the claims pursuant to the subsidy settlements and covid compensation.

### Liabilities pursuant to the macro management instrument

At the time the 2020 financial statements were prepared, there was no insight into the realisation of the MDG revenue ceiling for 2019 to 2020. ARQ Foundation is not able to make a reliable estimate of the liability arising from the macro management instrument nor to quantify it. As a result, this liability is not reflected in the foundation's balance sheet at December 31, 2020.

### Guarantee commitments by WFZ

If the WFZ (Care-sector guarantee fund) is no longer able to comply with its guarantee obligations, the WFZ will claim the 'obligo' ('exposure fee') from the affiliated participants. This compulsory contribution paid by the participants amounts to a maximum of 3% of the outstanding guarantees of the institution. If the proceeds from these bonds are not enough to meet the guarantee obligations, WFZ will apply to the central government, which provides unlimited guarantees.

The bond amount for ARQ Centrum '45 at year-end 2020 is €18,000 (2019: €21,000).

## 2.6 Notes to the consolidated income statement for 2020

### 11. Revenues from healthcare services

	2020	2019
	€	€
Revenues from the Healthcare Insurance Act (excluding subsidies)	10,577,077	10,313,164
Revenue from the Youth Act	1,137,765	1,223,003
Healthcare-related covid compensation	331,990	0
Availability contributions healthcare (excluding Education)	4,368,026	4,237,367
Other healthcare services	3,419,540	4,039,233
<b>Total</b>	<b>19,834,398</b>	<b>19,812,767</b>

#### Notes

Healthcare revenue did not decline despite the covid crisis. Due to lower provisions made for overproduction and an increase in outpatient revenue, the revenue from healthcare increased slightly compared to 2019. The underproduction in the clinic, caused by the necessary vacancy to prevent contamination risks, amounted to no less than € 800,000 in 2020 and forms the main basis for the determination of the continuity contribution for healthcare and youth welfare. Clinical underproduction was most pronounced in the healthcare financing arrangements recognised in 'other healthcare services'. Revenues from the RMA (*Regeling Medische kosten Asielzoekers; Regulation medical costs asylum seekers*) were € 443,835 lower than in 2019, and from the ROVZK (*Regeling Onverzekerbare Vreemdelingen (non-insurable aliens scheme) and the Ziektelasten krijgsmacht -Medical Expenses for the Armed Forces*) the decline in revenues for both regimes together was approximately € 280,000. Unlike in the case of the ZvW (health-care Act) and youth care, these three schemes do not provide a continuity contribution. The implementation of the central government's commitment to compensate healthcare providers for additional costs or loss of revenue was therefore not fully implemented for Stichting ARQ Centrum '45.

#### Healthcare-related covid compensation

The above revenue includes a total of € 331,990 in covid compensation. This compensation broadly covers the following areas of care:

- Healthcare Insurance Act € 196,838
- Social domain € 135,152

There is not yet full agreement on the level of covid compensation 2020. The covid compensation recognised in the revenues is therefore based on an estimate. This takes account of the calculated loss of revenue (less the cost reduction), the extra (covid) costs incurred, applicable legislation and regulations for compensation thereof and (provisional) agreements with healthcare financiers regarding compensation. It is possible that the covid compensation is set higher or lower than taken into account in these financial statements. These differences will be recognised in the 2021 financial statements. It is expected that the settlement difference at total level will be limited.

## 12. Subsidies

The structure is as follows:

	2020	2019
	€	€
Contributions fundraising	32,477	45,456
Availability contributions Training	1,113,705	547,338
Bonus healthcare professionals COVID-19	615,600	0
Government subsidy from the Ministry of Health, Welfare and Sport	3,609,454	4,015,234
Other subsidies and contributions	3,013,343	3,177,025
<b>Total</b>	<b>8,384,579</b>	<b>7,785,053</b>

### Contributions fundraising

ARQ International receives contributions from companies, funds, foundations and individuals for the implementation of the (project) activities ARQ International has set itself as an objective. Compared to the previous financial year, the revenues fell slightly. In 2020, with the help of external expertise, a new strategy was developed aimed at fundraising, which will be deployed in 2021.

### Availability contributions Training

Stichting ARQ Centrum '45 receives a reimbursement from the Ministry of Health, Welfare and Sport for training Aio's (doctors/psychiatrists in training).

### Bonus healthcare professionals COVID-19

The amount for the Bonus for Healthcare Professionals was based on the submitted subsidy application and its the provisional allocation, and adjusted to the level of the eligible healthcare bonuses paid out and the associated tax due. The healthcare bonuses are paid out in April 2021. The subsidy has not yet been determined. Based on the considerations in awarding the healthcare bonuses and the subsidy application for them, no special settlement differences are expected. The amount of bonuses paid, including taxation, is € 615,600 and is recognised under personnel costs.

For ARQ IVP B.V., the application was rejected. An objection procedure has been initiated against this decision.

### Government subsidy from the Ministry of Health, Welfare and Sport

Stichting ARQ receives an annual institutional subsidy from the Ministry of Health, Welfare and Sport for the Expertise Centre on War, Persecution and Violence and for social services for war victims of World War II ("recognised tasks"). Furthermore, Stichting ARQ receives a subsidy from the Ministry of Health, Welfare and Sport for the objective agreed by Kenniscentrum Impact with the Ministry of Health, Welfare and Sport. Stichting Centrum '45 receives an annual subsidy from the Ministry of Health, Welfare and Sport regarding its own contribution and transport costs.

### Other subsidies and contributions

The Impact knowledge centre receives subsidies from governments and other organisations for carrying out projects in the field of (medical) disaster relief, psychosocial healthcare and psychological traumatology, to promote the reduction of problems associated with disasters or calamities and to prevent pathological developments in those affected, their relatives and relief and rescue workers.

ARQ International receives contributions from co-financing organisations (MFOs) for the implementation of the (project) activities ARQ International has set itself as an objective.

Stichting ARQ receives subsidies to reimburse costs incurred for ongoing projects. In 2020, these included VIPP3, Sustainable Better, eMEN, Evaluation of Adaptation Programme and Focus on Dutchbat III. These projects started in the years 2017 - 2020.

### 13. Other operating income

Other income can be specified as follows:

	<u>2020</u>	<u>2019</u>
	€	€
Personnel costs recharged to third parties	137,117	104,531
Revenue from training	893,714	1,150,814
Other revenues	4,898,545	4,524,625
<b>Total</b>	<b><u>5,929,376</u></b>	<b><u>5,779,970</u></b>

#### Other revenues

This can be specified as follows:

	<u>2020</u>	<u>2019</u>
	€	€
Revenue aid ARQ IVP B.V.	3,999,374	3,382,269
Gifts and legacies	256,014	395,163
Income from recharged costs	126,601	58,733
Other revenue	516,556	688,460
<b>Total</b>	<b><u>4,898,545</u></b>	<b><u>4,524,625</u></b>

### 14. Personnel costs

This can be specified as follows:

	<u>2020</u>	<u>2019</u>
	€	€
Wages and salaries	18,923,845	17,652,763
Social insurance	2,685,366	2,494,399
Pension premiums	1,691,725	1,601,167
Other personnel costs:		
- Training cost	430,058	438,265
- Travel and lodging expenses	333,634	329,308
- Healthcare bonus, including final levy	615,600	0
- Other employees expenses	307,340	245,383
<b>Subtotal</b>	<b><u>24,987,568</u></b>	<b><u>22,761,285</u></b>
Personnel not on payroll		
- Costs of temporary staff	148,088	28,513
- Costs of employing specialists	532,415	961,187
- Costs of subcontractors	488,778	341,230
<b>Total staff costs</b>	<b><u>26,156,849</u></b>	<b><u>24,092,215</u></b>

During the year 2020, an average of 296.1 employees were employed on a full time basis (2019: 289.8).

The average number of employees at the consolidated entities is as follows:

	<b>2020</b>	<b>2019</b>
ARQ	74.05	74.20
ARQ International (from 2020 part of Stichting ARQ)	3.62	3.83
ARQ Academy (until 2020 part of ARQ IVP B.V.)	1.83	0.00
	<b>79.50</b>	<b>78.03</b>
ARQ Centrum '45	172.20	158.80
Equator (from 2020 part of ARQ Centrum '45)	0.00	17.20
	<b>172.20</b>	<b>150.80</b>
ARQ IVP B.V. ( <i>limited liability company</i> )	18.50	14.38
ARQ Academy	0.00	1.78
	<b>18.50</b>	<b>16.16</b>
Stichting 1940-1945 ( <i>1940-1945 Foundation</i> )	6.70	6.40
Stichting Pelita ( <i>Pelita Foundation</i> )	19.20	21.23
<b>TOTAL</b>	<b>296.10</b>	<b>289.82</b>

As in the previous financial year, no staff members were employed outside the Netherlands in 2020.

Due to an increase in headcount, salaries and wages increased in 2020 compared to last fiscal year. In accordance with the new collective labour agreement effective July 1, 2019, salaries were first indexed effective 1 October 2019 and then again effective 1 August 2020. Both indexations affect the higher salary costs.

Another cause of the higher expenses is the healthcare bonus (including final levy) that will be paid to staff in 2021. See the notes on subsidy income for more information

The item 'Personnel not on payroll' concerns the costs of professors, hired therapists, and contract staff in the field of ICT, finance, facilities and communication.

## 15. Depreciation and Amortisation

	<b>2020</b>	<b>2019</b>
	€	€
Depreciation of land and buildings	54,496	111,677
Depreciation of other fixed assets	274,523	254,366
<b>Total</b>	<b>329,019</b>	<b>366,043</b>

The depreciation charge on buildings and land has decreased as a result of full depreciation during 2020 on building-related investments (renovations, land provisions). Investments in computer equipment (laptops) increased the depreciation on other fixed operating assets.

## 16. Other operating expenses

Other operating expenses break down as follows:

	<u>2020</u>	<u>2019</u>
	€	€
Food and lodging expenses	675,141	738,154
Overheads	5,700,586	5,940,853
Expenses relating to patients and residents	451,069	890,663
Building-related costs	845,278	706,444
Leases	0	4,650
<b>Total</b>	<b><u>7,672,074</u></b>	<b><u>8,080,764</u></b>

### Food and lodging expenses

The food and lodging expenses relate to both patients and staff.

Due to the covid crisis and subsequent lockdowns, office occupancy in 2020 has been minimal, which was a factor in decreased food purchases.

### Overheads

The overheads are at the same level as last year. This includes IT costs, consultancy fees, office costs and project-related costs.

### Expenses relating to patients and residents

The decrease in patient and resident related costs compared to 2019 is explained by lower costs regarding patient transportation, hotel costs and interpreter services due to the covid crisis.

### Building-related costs

This includes the costs of the addition to the provision for major maintenance. In 2020, this was €350,000 (2019: €200,000).

## 17. Financial income and expenses

	<u>2020</u>	<u>2019</u>
	€	€
Net return on bonds	10,093	10,619
Return on investments	340,761	884,054
Interest earned	11,393	25,331
<b>Subtotal financial income</b>	<b>362,247</b>	<b>920,004</b>
Interest on non-current loans	28,898	33,120
Other interest charges	103,767	170,854
<b>Subtotal financial expenses</b>	<b>132,665</b>	<b>203,974</b>
<b>Total</b>	<b><u>229,582</u></b>	<b><u>716,030</u></b>

The result of the financial income and expenses has decreased considerably compared to 2019. Great share price results were achieved on the investment portfolios in 2020, although lower than in 2019. The interest



expenses are lower than in the previous financial year as a result of the reduction in the interest rate on the loan provided by Van Lanschot Bankiers at the beginning of 2020.

#### 18. Taxes on result from operations

	<u>2020</u>	<u>2019</u>
	€	€
Corporate income tax	443,000	58,500
Total	<u><u>443,000</u></u>	<u><u>58,500</u></u>

The corporate income tax is determined on the basis of ARQ IVP B.V.'s annual result, less offsettable losses, as well as the corporate income tax due as a result of the merger of ARQ Beheer B.V. and Stichting ARQ, whereby the property in Diemen was transferred to Stichting ARQ, among other things. Corporate income tax must be paid on the excess value (market value minus book value) of the property when the tax group is dissolved.

## 19. Top Income Standards Act (WNT)

The remuneration of the members of the Board of Trustees [and other senior staff] for the year 2020 is as follows:

### Executive officers on the payroll and executive officers not on the payroll from the 13th month of fulfilling the position

	<b>J-W. Reerds MBA (drs.)</b>	<b>A. Osinga (drs.)</b>	<b>G.E.T. van Bellen (drs.)</b>
Position (job title)	Trustee	Trustee	Trustee
Employed from (date of commencing duties)	1-Apr-03	1-Jan-18	1-Sep-18
Employed until (end date of fulfilling duties)	To date	To date	To date
(Fictitious) employment?	Yes	Yes	Yes
Part-time factor (minimum 0.025 FTE)	100%	100%	100%
Remuneration plus taxable expense allowances	173,182	142,023	140,884
Provisions for remuneration payable in the future	11,818	11,735	11,735
<b>Total remuneration</b>	<b>185,000</b>	<b>153,758</b>	<b>152,619</b>
Individual applicable remuneration ceiling	185,000	185,000	185,000
<i>Comparative figures 2019</i>			
(Fictitious) employment?	Yes	Yes	Yes
Part-time factor (minimum 0.025 FTE)	100%	100%	100%
Remuneration plus taxable expense allowances	167,376	136,762	135,552
Provisions for remuneration payable in the future	11,624	11,528	11,528
<b>Total remuneration</b>	<b>179,000</b>	<b>148,290</b>	<b>147,080</b>
Individual applicable remuneration ceiling	179,000	179,000	179,000

## Supervisory executives

	<b>G.R. Peetoom (drs.)</b>	<b>R.J. van der Kluit</b>	<b>J.J.M. Goderie (drs.)</b>
Position (job title)	Chairman of the Supervisory Board	Chairman a.i. / Member Supervisory Board	Member Supervisory Board
Employed from (date of commencing duties)	20-May-20	23-Sep-14	27-May-14
Employed until (end date of fulfilling duties)	To date	To date	To date
Total remuneration under the WNT	<b>13,655</b>	<b>15,039</b>	<b>14,800</b>
Individual applicable remuneration ceiling	17,135	22,038	18,500
<i>Comparative figures 2019</i>			
Total remuneration under the WNT	<b>n.a.</b>	<b>14,907</b>	<b>14,320</b>
Individual applicable remuneration ceiling	n.a.	17,900	17,900
	<b>A.F.J. van Overmeire RA</b>	<b>M.J. Jongmans (prof. dr.)</b>	
Position (job title)	Member Supervisory Board	Member Supervisory Board	
Employed from (date of commencing duties)	1-Dec-18	1-Jun-19	
Employed until (end date of fulfilling duties)	To date	To date	
Total remuneration under the WNT	<b>14,800</b>	<b>14,800</b>	
Individual applicable remuneration ceiling	18,500	18,500	
<i>Comparative figures 2019</i>			
Total remuneration under the WNT	<b>14,320</b>	<b>8,396</b>	
Individual applicable remuneration ceiling	17,900	10,495	

## Other reporting requirements under the WNT

Furthermore to the senior executives listed above, there are no other employed executives who received remuneration above the individually applicable threshold amount in 2020.

## Notes

The Supervisory Board has awarded Stichting ARQ a total score of 10 points, in accordance with the Regulation on Remuneration Limits for Top Officials in Healthcare and Youth Care. The resulting classification is Class IV, with a maximum remuneration for the Board of Trustees of €185,000. This maximum is not exceeded by the Board of Trustees.

The corresponding remuneration maximum for the Chairman of the Supervisory Board and other members of the Supervisory Board amounts to €27,750 and €18,500 respectively. These limits are not exceeded.

## 20. Independent auditor fees

The independent auditor fees are as follows (including value added tax):

	<b>2020</b>	<b>2019</b>
	€	€
1. Audit of the annual financial statements	81,383	79,709
2. Other audit procedures / special statements and reports	26,252	25,713
3. Tax advice and work relating to tax returns	17,956	0
4. Non-audit services	0	0
<b>Total fees of the independent auditor</b>	<b>125,591</b>	<b>105,422</b>

The above fees concern the work carried out at the Foundation and the consolidated group companies by audit firms and external auditors as referred to in Section 1(1) of the Audit Firms (Supervision) Act (Wta) and the fees charged by the entire network to which the audit firm belongs. These fees relate to the audit of the annual financial statements and other accounts for the financial year 2020, irrespective of whether the work has already been carried out during the financial year.

## 21. Appropriation of result

The appropriation of the result is arranged per legal entity. The allocation of the result is explained in section 2.2 of the financial statements and section 2.7.

## 22. Subsequent events

The effects of the covid virus outbreak and the resulting measures are expected to continue into 2021. This will have the necessary consequences for the financial situation.

No events relevant to the determination of the result for 2020 or the balance sheet at the end of 2020 occurred after the balance sheet date.

### 23. Statement of movements in tangible fixed assets

	Buildings and land	Machinery and installations	Other fixed operating assets, technical and administrative equipment	Total
	€	€	€	€
<b>Balance as at 1 January 2020</b>				
- acquisition value	13,770,116	512,930	2,511,130	16,794,176
- cumulative depreciations	7,079,843	463,493	2,007,500	9,550,836
Carrying amount as at 1 January 2020	<u>6,690,273</u>	<u>49,437</u>	<u>503,630</u>	<u>7,243,340</u>
<b>Movements during the year</b>				
- investments	-	-	410,436	410,436
- depreciations	54,496	-	274,523	329,019
- <i>reversal of fully depreciated assets</i>				
.acquisition cost	-	-	-	-
.cumulative depreciation	-	-	-	-
- <i>disposals</i>				
.acquisition cost	-	-	60,298	60,298
.cumulative depreciation	-	-	36,943	36,943
on balance	-	-	23,355	23,355
Movements in book value (on balance)	<u>-54,496</u>	<u>-</u>	<u>112,558</u>	<u>58,062</u>
<b>Balance as at 31 December 2020</b>				
- acquisition value	13,770,116	512,930	2,861,268	17,144,314
- cumulative depreciations	7,134,339	463,493	2,245,080	9,842,912
Carrying amount as at 31 December 2020	<u>6,635,777</u>	<u>49,437</u>	<u>616,188</u>	<u>7,301,402</u>
<i>Depreciation rate</i>	0.0% - 10.0%	5.0%	20.0%	

#### 24. Overview of non-current liabilities at year-end 2020

Leninggever	Datum	Hoofdsom	Totale looptijd	Soort lening	Werkelijke rente	Restschuld 31 december 2019	Nieuwe leningen in 2020	Aflossing in 2020	Restschuld 31 december 2020	Restschuld over 5 jaar	Resterende looptijd in jaren eind 2020	Aflossingswijze	Aflossing 2021	Gestelde zekerheden
		€			%	€	€	€	€	€			€	
Waterschapsbank*	1-09-06	2.000.000	20	Garantie Wfz	4,29%	700.000	-	100.000	600.000	100.000	6	lineair	100.000	Hypotheek
<b>Totaal</b>						<b>700.000</b>	<b>-</b>	<b>100.000</b>	<b>600.000</b>	<b>100.000</b>			<b>100.000</b>	

\* NWB Bank, Nederlandse Waterschapsbank

## 2.7 Segment income statement for 2020

### 2.7.1 Stichting ARQ

	2020		2019	
	€	€	€	€
Subsidies	5,235,333		5,112,602	
Other operating income	8,108,241		7,721,553	
<b>Total Operating income</b>		<b>13,343,574</b>		<b>12,834,155</b>
Personnel costs	8,313,257		7,848,738	
Depreciation on Property, plant and equipment and amortisation on intangible non-current assets	290,430		317,464	
Other operating expenses	4,453,312		4,502,150	
<b>Total of operating expenses</b>		<b>13,057,000</b>		<b>12,668,351</b>
<b>Result from operations</b>		<b>286,574</b>		<b>165,804</b>
Financial income and expenses		-153,850		-234,665
<b>Result from investees*</b>		-		-
<b>Result from operations</b>		<b>132,725</b>		<b>-68,861</b>
Taxes on result from operations		-385,000		-58,500
<b>Result after tax</b>		<b>-252,275</b>		<b>-127,361</b>
<b>Proposal for profit appropriation</b>				
Addition/(withdrawal):				
General and other reserves	-308,083		-118,858	
Special-purpose reserves	79,808		11,897	
Appropriated funds	-24,000		-20,400	
		<b>-252,275</b>		<b>-127,361</b>

\* The income statement of Stichting ARQ presented here excludes the result of the investees in ARQ Beheer B.V. and ARQ Vastgoed Beheer B.V. (until 2019) and ARQ IVP B.V. The results of these segments are shown separately below for ease of reference. The company financial statements of Stichting ARQ include the result of investees.

## 2.7.2 ARQ Centrum '45

	2020		2019	
	€	€	€	€
Revenues from healthcare services	19,834,398		19,812,767	
Subsidies	2,610,247		1,930,933	
Other operating income	<u>471,977</u>		<u>501,969</u>	
<b>Total Operating income</b>		<b>22,916,622</b>		<b>22,245,669</b>
Personnel costs	15,598,906		14,756,716	
Depreciations and amortisations				
	38,589		38,589	
Other operating expenses	<u>7,691,316</u>		<u>7,268,496</u>	
<b>Total of operating expenses</b>		<b>23,328,811</b>		<b>22,063,801</b>
<b>Result from operations</b>		<b>-412,189</b>		<b>181,868</b>
<b>Financial income and expenses</b>		<b>-</b>		<b>-</b>
<b>RESULT</b>		<b><u>-412,189</u></b>		<b><u>181,868</u></b>
<b>Proposal for profit appropriation</b>				
Addition/(withdrawal):				
General and other reserves	-412,189		181,868	
Special-purpose reserves	0		0	
Appropriated funds	<u>0</u>		<u>0</u>	
		<b>-412,189</b>		<b>181,868</b>



### 2.7.3 Stichting 1940-1945

	<u>2020</u>		<u>2019</u>	
	€	€	€	€
Subsidies and contributions	93,974		79,073	
Other operating income	<u>30,280</u>		<u>32,832</u>	
<b>Total Operating income</b>		<b>124,074</b>		<b>111,905</b>
Personnel costs	165,620		183,144	
Other operating expenses	<u>225,932</u>		<u>190,666</u>	
<b>Total of operating expenses</b>		<b><u>391,552</u></b>		<b><u>373,810</u></b>
<b>Result from operations</b>		<b>-267,478</b>		<b>-261,905</b>
<b>Financial income and expenses</b>		<b>265,650</b>		<b>750,548</b>
<b>Non-recurring income and expenses</b>		<b>-</b>		<b>-</b>
<b>RESULT</b>		<b><u>-1,828</u></b>		<b><u>488,643</u></b>
 <b>Proposal for profit appropriation</b>				
Addition/(withdrawal):				
General and other reserves	80,950		543,539	
Special-purpose reserves	-82,778		-54,896	
Appropriated funds	<u>0</u>		<u>0</u>	
		<b>-1,828</b>		<b>488,643</b>

## 2.7.4 Stichting ARQ Wetenschappelijk Onderzoek

	2020		2019	
	€	€	€	€
Other operating income	0		0	
<b>Total Operating income</b>		<b>0</b>		<b>0</b>
Depreciation costs	0		0	
Other operating expenses	-2,417		2,417	
<b>Total of operating expenses</b>		<b>-2,417</b>		<b>2,417</b>
<b>Result from operations</b>		<b>2,417</b>		<b>-2,417</b>
<b>Financial income and expenses</b>		<b>0</b>		<b>0</b>
<b>RESULT</b>		<b>2,417</b>		<b>-2,417</b>
<b>Proposal for profit appropriation</b>				
Addition/(withdrawal):				
General and other reserves	2,417		-2,417	
Special-purpose reserves	0		0	
Appropriated funds	0		0	
		<b>2,417</b>		<b>-2,417</b>

## 2.7.5 ARQ IVP B.V.

	2020		2019	
	€	€	€	€
Other operating income	4,626,706		4,533,083	
<b>Total Operating income</b>	<b>4,626,706</b>		<b>4,533,083</b>	
Personnel costs	1,580,178		1,357,543	
Other operating expenses	2,758,214		2,667,808	
<b>Total of operating expenses</b>	<b>4,338,392</b>		<b>4,025,351</b>	
<b>Result from operations</b>	<b>288,314</b>		<b>507,732</b>	
Financial income and expenses	8,721		6,685	
<b>Result from operations</b>	<b>297,035</b>		<b>514,417</b>	
Taxes on result from operations	-58,000		0	
<b>RESULT</b>	<b>239,035</b>		<b>514,417</b>	
<b>Proposal for profit appropriation</b>				
Addition/(withdrawal):				
General and other reserves	239,035		514,417	
Special-purpose reserves	0		0	
Appropriated funds	0		0	
	<b>239,035</b>		<b>514,417</b>	

## 2.7.6 Stichting Vrienden van Stichting ARQ

	2020		2019	
	€	€	€	€
Other operating income	35,917		8,891	
<b>Total Operating income</b>		<b>35,917</b>		<b>8,891</b>
Personnel costs	-		-	
Other operating expenses	51,490		-	
<b>Total of operating expenses</b>		<b>51,490</b>		<b>-</b>
<b>Result from operations</b>		<b>-15,573</b>		<b>8,891</b>
<b>Financial income and expenses</b>		<b>8,957</b>		<b>21,327</b>
<b>RESULT</b>		<b>-6,616</b>		<b>30,218</b>
<b>Proposal for profit appropriation</b>				
Addition/(withdrawal):				
General and other reserves	-6,616		30,218	
Special-purpose reserves	0		0	
Appropriated funds	0		0	
		<b>-6,616</b>		<b>30,218</b>

## 2.7.7 Stichting Pelita

	2020		2019	
	€	€	€	€
Subsidies and contributions	579,042		592,319	
Other operating income	<u>307,281</u>		<u>426,796</u>	
<b>Total Operating income</b>	<b>886,323</b>		<b>1,019,115</b>	
Personnel costs	605,854		516,496	
Depreciation of Property, plant and equipment	-		9990	
Other operating expenses	<u>172,125</u>		<u>249,791</u>	
<b>Total of operating expenses</b>		<u><b>777,979</b></u>		<u><b>776,277</b></u>
<b>Result from operations</b>		<b>108,344</b>		<b>242,838</b>
<b>Financial income and expenses</b>		<b>100,104</b>		<b>172,157</b>
<b>RESULT</b>		<u><b>208,448</b></u>		<u><b>414,995</b></u>
<b>Proposal for profit appropriation</b>				
Addition/(withdrawal):				
General and other reserves	208,448		411,450	
Special-purpose reserves	0		3,545	
Appropriated funds	<u>0</u>		<u>0</u>	
		<u><b>208,448</b></u>		<u><b>414,995</b></u>

## 2.7.8 Results according to segmented income statements:

	<u>2020</u>	<u>2019</u>
	€	€
Stichting ARQ (excluding investees)	-252,275	-127,361
Stichting ARQ Centrum '45 (ARQ Centre 1945 Foundation)	-412,188	177,806
Stichting ARQ Wetenschappelijk Onderzoek (ARQ Scientific Research Foundation)	2,417	-2,417
ARQ IVP B.V. (limited liability company)	239,035	514,417
Stichting Vrienden van Stichting ARQ (Friends of Stichting ARQ Foundation)	-6,616	30,218
	<b>-429,627</b>	<b>592,660</b>
Stichting 1940-1945 (1940-1945 Foundation)	-1,828	488,642
Stichting Pelita (Pelita Foundation)	208,448	414,995
	<b>-223,007</b>	<b>1,496,297</b>

## 3. Stichting ARQ - company financial statements 2020

### 3.1 Separate balance sheet as at 31 December 2020

(after proposed profit appropriation)

<b>Assets</b>	<b>Ref.</b>	<b>31-12-2020</b>		<b>31-12-2019</b>	
		€	€	€	€
<b>Fixed assets</b>					
Tangible fixed assets	1		6,291,887		6,195,235
Financial fixed assets	2		1,619,097		1,380,062
<b>Current assets</b>					
Receivables and prepayments and accrued income	3	1,314,428		1,169,480	
Cash and cash equivalents	4	77,964		191,731	
		1,392,392		1,361,211	
		9,303,376		8,936,508	

<u>Liabilities</u>	<u>Ref.</u>	<u>31-12-2020</u>		<u>31-12-2019</u>	
		€	€	€	€
<b>Equity capital</b>	5				
Other freely disposable capital		583,114		652,162	
Equalisation reserve		406,720		326,911	
Special-purpose reserve		36,000		60,000	
		<hr/>		<hr/>	
			<b>1,025,834</b>		<b>1,039,073</b>
<b>Provisions</b>	6		<b>604,875</b>		<b>345,187</b>
<b>Current liabilities and accrued liabilities</b>	7		<b>7,672,667</b>		<b>7,552,248</b>
			<hr/>		<hr/>
			<b>9,303,376</b>		<b>8,936,508</b>
			<hr/> <hr/>		<hr/> <hr/>



## 3.2 Company income statement for 2020

	Ref.	2020	2019
		€	€
Subsidies	9	5,235,333	5,112,602
Other operating income	10	8,108,241	7,721,553
<b>Total revenue</b>		<b>13,343,574</b>	<b>12,834,155</b>
Personnel costs	11	8,313,257	7,848,737
Depreciation costs	12	290,430	317,464
Other operating expenses	13	4,453,312	4,502,150
<b>Total operating expenses</b>		<b>13,056,999</b>	<b>12,668,351</b>
<b>Result before financial income and expenses</b>		<b>286,575</b>	<b>165,804</b>
Financial income and expenses	14	-153,850	-234,665
Share in result of investees	15	239,035	514,417
<b>Result from operations</b>		<b>371,760</b>	<b>445,556</b>
Tax on result from operations 16		-385,000	-58,500
<b>Result after tax</b>		<b>-13,240</b>	<b>387,056</b>
<b>Proposal for profit appropriation</b>			
Addition/(withdrawal):			
General reserve		-69,048	395,559
Equalisation reserve		79,808	11,897
Special-purpose reserve for future research		-24,000	-20,400
		<b>-13,240</b>	<b>387,056</b>

### 3.3 Separate cash flow statement for 2020

	Ref.	2020		2019	
		€	€	€	€
<b>Operating cash flow</b>					
Operating result before financial income and expenses			286,574		165,804
Adjustments for:					
- depreciations / amortisations	12	290,430		317,464	
- movements in provisions	6	259,688		-178,586	
			550,118		138,878
Movements in current assets:					
- other receivables	3	-239,949		536,384	
- taxes on operations	3	-385,000		-58,500	
- current liabilities (excl. debts to credit institutions)	7	120,421		-90,295	
			-409,528		387,589
Cash flow from operations			427,164		692,271
Interest income and similar revenue	14	1,196		6,741	
Interest expenses and similar expenses	14	-126,148		-208,286	
Interest charges on non-current loans	14	-28,898		-33,120	
			-153,850		-234,665
Operating cash flow			273,315		457,606
<b>Cash flows from investment activities</b>					
Investments/acquisition of tangible assets	1	-410,436		-149,740	
Disposals of Property, plant and equipment items	1	23,354		7,393	
<b>Total</b>			-387,082		-142,347
<b>Cash flow from financing activities</b>					
Other movements in equity	5	0		-218,328	
<b>Total</b>			0		-218,328
Movement in cash and cash equivalents (including current debts to credit institutions)					
			-113,767		96,931
		2020		2019	
		€	€	€	€
<b>Cash position as at 1 January</b>					
Cash and cash equivalents		191,731		94,800	
Borrowings from credit institutions		0		0	
			191,731		94,800
<b>Cash position as at 31 December</b>					
Cash and cash equivalents		77,964		191,731	
Borrowings from credit institutions		0		0	
			77,964		191,731

Movement in cash and cash equivalents

-113,767

96,931

## 3.4 General notes to the company financial statements 2020

### 3.4.1 General

The separate financial statements are part of the 2020 consolidated financial statements. Insofar as items in the balance sheet and income statement are not explained in more detail below, please refer to the notes to the consolidated balance sheet and income statement in section 2.4.

### 3.4.2 Accounting policies for measurement and determination of the result

The accounting policies for the measurement and determination of the result applied in the company financial statements and the consolidated financial statements (section 2.4.2) are the same. Investments in group companies are stated at net asset value in accordance with the accounting policies set out in the consolidated financial statements.

### Result on investees

The share in the result of investees includes the Company's share in the results of these companies. Results on transactions involving the transfer of assets and liabilities between the company and its investees and mutually between investees, are not recognised insofar as they can be considered as not realised.

### 3.4.3 Comparison with previous year

ARQ Beheer B.V. and ARQ International have merged into Stichting ARQ on 1 January 2020. To increase comparability, the comparative figures for the previous financial year in the company financial statements of Stichting ARQ have been adjusted in accordance with RJ 216.302 as if the merger of ARQ Beheer B.V. and ARQ International into Stichting ARQ had already taken place before 1 January 2020.

## 3.5 Notes to the Company balance sheet as at 31 December 2020

### 1. Tangible fixed assets

This can be specified as follows:

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
Buildings and land	5,649,800	5,665,707
Other non-current assets	642,087	529,528
<b>Total</b>	<b><u>6,291,887</u></b>	<b><u>6,195,235</u></b>

*Movements in tangible fixed assets were as follows*

	<u>2020</u>	<u>2019</u>
	€	€
Carrying amount as at 1 January	6,195,235	553,278
Added: transfer of land from ARQ Beheer B.V. after liquidation	0	5,665,707
Added: acquisition of other fixed operating assets from ARQ Beheer B.V. after liquidation	0	57,228
Added: investments	410,436	133,215
Less: depreciations	290,430	206,800
Less: disposals	23,354	7,393
<b>Book value as at 31 December</b>	<b><u>6,291,887</u></b>	<b><u>6,195,235</u></b>

As a result of the liquidation of ARQ Beheer B.V. and the ensuing merger with Stichting ARQ, the land and other fixed operating assets were transferred to Stichting ARQ by operation of law at the end of 2019. This eliminated the current account claim of Stichting ARQ against ARQ Beheer B.V.

The investments mainly concern the purchase of computer equipment (laptops) for staff working from home, as a result of the covid crisis and the restrictive measures imposed as a consequence. Because of the investment in laptops, desktops have mostly become superfluous and have been discarded. This has been treated as a disposal in the financial statements.

A statement of movements in tangible fixed assets is set out in note 23 to these company financial statements.

## 2. Financial fixed assets

The specification is as follows:

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
Investees	1,619,097	1,380,062
<b>Total financial fixed assets</b>	<b><u>1,619,097</u></b>	<b><u>1,380,062</u></b>

Stichting ARQ has the following capital interests:

Name	Place of business	Share in issued capital
ARQ IVP B.V. ( <i>limited liability company</i> )	Diemen	100%
Coöperatieve Quli U.A.	Diemen	9%

The movements in the item Investees can be summarised as follows:

	<u>2020</u>	<u>2019</u>
	€	€
Opening balance as at 1 January	1,380,062	865,645
Add: share in result of investees	239,035	514,417
<b>Closing position as at 31 December</b>	<b><u>1,619,097</u></b>	<b><u>1,380,062</u></b>

At year-end 2019, ARQ Beheer B.V. was liquidated and merged with Stichting ARQ. The 100% share held by ARQ Beheer B.V. concerned the investment in ARQ IVP B.V. Following the merger, the share was transferred to the new parent company Stichting ARQ by operation of law.

In 2020, the investee ARQ IVP B.V. achieved a result after tax of € 239,035.

## 3. Receivables and prepayments and accrued income

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
Accounts receivable	317,592	261,754
Amounts receivable from group companies	13,253	19,486
Subsidy to be received, healthcare bonus	167,400	0
Other receivables	610,301	355,533
Prepayments and accrued income	205,882	532,707

**Total receivables, prepayments and accrued income**

**1,314,428**      **1,169,480**

The receivables from group companies concern the receivable from Stichting 1940-1945.

The healthcare bonus to be received (including final levy) was allocated and received by VWS in early 2021. As this will be paid out to staff in 2021, it is offset by a liability on the credit side of the balance sheet for the same amount.

The other receivables and prepayments and accrued income together equal the level of the previous financial year.

#### 4. Cash and cash equivalents

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
Banks	77,964	191,731
<b>Total cash and cash equivalents</b>	<b><u>77,964</u></b>	<b><u>191,731</u></b>

The cash and cash equivalents are at the free disposal of the Foundation.

#### 5. Equity capital

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
Other freely disposable capital	583,114	652,162
Equalisation reserve	406,720	326,912
Special-purpose reserve for future research	36,000	60,000
	<b><u>1,025,834</u></b>	<b><u>1,039,074</u></b>

The movements were as follows:

	<b>Balance as at 1-Jan-2020</b>	<b>Result allocation</b>	<b>Other movements</b>	<b>Balance as at 31-Dec-2020</b>
	€	€	€	€
Other freely disposable capital	652,162	-69,048	0	583,114
Equalisation reserve	326,912	79,808	0	406,720
Special-purpose reserve	60,000	-24,000	0	36,000

<b>1,039,074</b>	<b>-13,240</b>	<b>0</b>	<b>1,025,834</b>
------------------	----------------	----------	------------------

For a specification of equity, please refer to the consolidated financial statements.

Since no capital interest in a Foundation can be expressed in the separate financial statements of Stichting ARQ, elimination of such a capital interest against the Foundation's equity is not possible. The consolidation of the annual financial statements of the consolidated foundations therefore amounts to merging the annual financial statements concerned, after elimination of the mutual receivables and payables, and mutual income and expenses.

The group's consolidated equity therefore differs from the equity of the group head (Stichting ARQ).

This difference can be specified as follows:

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	€	€
Equity of Stichting ARQ, separate	1,025,834	1,039,073
Equity of Vrienden van Stichting ARQ	1,029,983	1,036,599
Equity of ARQ Centrum '45	3,744,929	4,157,118
Equity of Stichting ARQ Wetenschappelijk Onderzoek	2,417	0
	<b>5,803,163</b>	<b>6,232,786</b>
Equity Stichting 1940-1945	4,795,009	4,796,838
Equity Stichting Pelita	1,622,595	1,414,147
Consolidated equity as at 31 December	<b>12,220,767</b>	<b>12,443,771</b>

This overview shows that the use of the equity of Stichting 1940-1945 and Stichting Pelita is restricted to the objectives stated in the Articles of Association.

The consolidation result can be broken down as follows

	<b>2020</b>	<b>2019</b>
	€	€
Stichting ARQ	-13,240	387,056
Stichting Vrienden van ARQ	-6,616	30,218
Stichting ARQ Centrum '45	-412,188	177,805
Stichting ARQ Wetenschappelijk Onderzoek (ARQ Scientific Research Foundation)	2,417	-2,417
	<b>-429,627</b>	<b>592,662</b>
Stichting 1940-1945 (1940-1945 Foundation)	-1,828	488,642
Stichting Pelita (Pelita Foundation)	208,448	414,993
	<b>-223,007</b>	<b>1,496,297</b>

### Equalisation reserve

The equalisation reserve is created by transferring any operating surpluses on the performance of activities for which an institutional subsidy has been obtained from the Ministry of VWS (Health, Welfare and Sport).

Any amounts gained or lost on the performance of those activities in subsequent years are transferred to the equalisation reserve.

**Special-purpose reserve for future research**

This reserve is intended to fund future innovative research for which no or insufficient external resources are available.



## 6. Provisions

The movement is as follows:

	Balance as at 1-Jan-2020	Transfer	Withdrawal	Balance as at 31-Dec- 2020
	€	€	€	€
Provision for service anniversaries	88,427	12,981	-7,187	94,221
Maintenance provision	256,760	350,000	-96,106	510,654
	<b>345,187</b>	<b>362,981</b>	<b>-103,293</b>	<b>604,875</b>

## 7. Current liabilities and accruals

	31-Dec-20	31-Dec-19
	€	€
The current liabilities can be specified as follows:		
Accounts payable	374,251	396,297
Amounts payable to group companies	4,841,937	5,461,925
Corporate income tax due	391,696	6,696
Healthcare bonus still to be paid, including final levy	167,400	0
Other debts	1,897,383	1,687,330
Total	<b>7,672,667</b>	<b>7,552,248</b>

### Amounts payable to group companies

The debts to group companies have decreased compared to the previous financial year. The main reason is the decreased current account debt to Stichting ARQ Centrum '45.

### Corporate income tax due

This concerns the amount of corporate income tax payable as a result of the merger of Stichting ARQ and ARQ Beheer B.V., and the subsequent liquidation of the ARQ Beheer B.V. tax group for corporate income tax.

### Healthcare bonus still to be paid, including final levy

This relates to the healthcare bonus received in 2021, relating to 2020, which will be paid out to staff in 2021. The final levy relates to wage tax on exceeding the tax-free margin within the WKR (work-related expense allowance), as a result of paying out the healthcare bonus. The final levy will be imposed in 2022.

	<u>31-Dec-20</u>	<u>31-Dec-19</u>
	€	€
The other debts can be specified as follows:		
Provision holiday allowance	199,422	187,891
Provision holiday time	121,973	84,432
Provision life phase budget employees and 55+ days	353,858	346,207
Wage tax and national insurance contributions payable	284,973	268,967
VAT to be paid	87,177	46,855
Pension premiums payable	74,407	0
Amounts received in advance	465,863	486,752
Audit fees payable	79,724	62,710
Non-current interest payable Waterschapsbank	11,668	12,800
Amounts payable	218,316	190,716
	<u><b>1,897,383</b></u>	<u><b>1,687,330</b></u>

## 8. Off-balance sheet commitments and off-balance sheet assets

### Tax group

Stichting ARQ forms a tax group for VAT together with Stichting ARQ Centrum '45, ARQ IVP B.V., Stichting Pelita and Stichting 1940-1945. Each of the companies is jointly and severally liable for the tax payable by all the companies involved in the tax group. At year-end 2020, the debts of the tax group amount to € 87,177.

### Other liabilities

Stichting ARQ has no other off-balance sheet assets and liabilities.

## 3.6 Notes to the 2020 company income statement

### 9. Subsidies

	<u>2020</u>	<u>2019</u>
	€	€
Subsidies received for ongoing projects	2,113,197	2,040,143
Bonus healthcare professionals COVID-19	167,400	0
VWS institutional subsidy and SVB fee for statutory tasks	2,922,259	3,027,003
Contributions fundraising	32,477	45,456
	<u><b>5,235,333</b></u>	<u><b>5,112,602</b></u>

The subsidy income relates to reimbursements for costs incurred in connection with ongoing projects. In 2020, this will include the IVC Support Centre for Covid Care, eMEN, MSF Staff Health Research, Evaluation Study Adaptation Programme and Strengths.

A subsidy income of € 50,000 for SET-Covid 19 is recognised in the subsidy income. This subsidy was awarded for activities relating to the implementation of e-health applications that contribute to the continuity of remote support or healthcare provided to clients living at home at the time of the covid crisis outbreak. In 2020, the Resilience II, Pericles and Cohesion projects, among others, were completed.

The amount for the Bonus for Healthcare Professionals was based on the submitted subsidy application and its the provisional allocation, and adjusted to the level of the eligible healthcare bonuses paid out and the associated tax due. The healthcare bonuses are paid out in April 2021. The subsidy has not yet been determined. Based on the considerations in awarding the healthcare bonuses and the subsidy application for them, no special settlement differences are expected. The amount of bonuses paid, including the relevant tax due, is € 167,400 and is recognised under personnel costs.

### 10. Other operating income

Other operating income can be specified as follows:

	<u>2020</u>	<u>2019</u>
	€	€
Revenues from funding contributions ARQ costs	7,433,591	7,279,405
Other revenues	674,650	442,148
	<u><b>8,108,241</b></u>	<u><b>7,721,553</b></u>

The other revenues can be broken down as follows:

	<u>2020</u>	<u>2019</u>
	€	€
- Revenue from recharged salary costs	126,601	58,733
- Revenue from training courses	266,382	0
- Other revenues	281,667	383,415
	<u><b>674,650</b></u>	<u><b>442,148</b></u>

The income from training concern the revenue from training and courses provided by ARQ Academy. Until 2020, this was recognised in the financial statements of ARQ IVP B.V. The activities of ARQ Academy are charged to ARQ Centrum '45 and are carried out by Stichting ARQ. At year-end of the financial year, all revenues and costs are recharged to ARQ Centrum '45.

## 11. Personnel costs

	<u>2020</u>	<u>2019</u>
	€	€
Salaries	5,842,289	5,538,917
Social insurance	847,836	885,484
Pensions	502,632	499,603
Other personnel costs:		
– Training cost	77,772	90,531
– Travel and lodging expenses	138,441	146,096
– Healthcare bonus for payroll employees, including final levy	167,400	0
– Other employees expenses	<u>202,916</u>	<u>150,523</u>
<b>Subtotal</b>	<b><u>7,779,285</u></b>	<b><u>7,311,154</u></b>
Personnel not on the payroll:		
– Costs of temporary staff	45,378	26,611
– Cost of employing external specialists	180,945	182,984
– Costs of subcontractors	<u>307,649</u>	<u>327,989</u>
	<u><b>8,313,257</b></u>	<u><b>7,848,738</b></u>

In 2020, personnel costs have increased by approximately €0.5 million compared to 2019. This is due to the increase in the number of staff at Stichting ARQ (approx. 3 fte). Furthermore, as of 2020, the staff of ARQ Academy will be housed in Stichting ARQ (approx. 1.8 fte). The healthcare bonus, including final levy, has been recognised both as subsidy income and in personnel costs for 2020.

During the year 2020, an average of 79.5 employees were employed on a full-time basis (2019: 78.0). As in the previous financial year, no staff members were employed outside the Netherlands in 2020.

## 12. Depreciation costs

	<u>2020</u>	<u>2019</u>
	€	€
Provisions for land and premises	4,989	0
Buildings and renovations	10,918	0
Computer equipment	110,630	74,801
Software	31,509	34,277
Automation	49,941	49,695
Other operating assets	5,933	74,501
Inventories	61,130	68,537
Copiers	15,381	15,653
	<u><b>290,430</b></u>	<u><b>317,464</b></u>

## 13. Other operating expenses

	<u>2020</u>	<u>2019</u>
	€	€
Recharged costs ARQ Vastgoed B.V.	0	92,000
Food and lodging expenses	674,100	735,924
Overheads	2,926,332	2,959,284
Maintenance and energy costs	845,278	706,444
Other income and expenses	7,602	8,498
	<u><b>4,453,312</b></u>	<u><b>4,502,150</b></u>

### Recharged costs ARQ Vastgoed B.V.

The costs recharged to ARQ Vastgoed B.V. concern the contribution of Stichting ARQ, specifically the knowledge centres in Stichting ARQ, to the operating result of ARQ Vastgoed B.V. Since the liquidation of ARQ Vastgoed B.V. at year-end 2019, the real estate costs are accounted for at Stichting ARQ, eliminating recharges.

### Food and lodging expenses

The food and lodging expenses relate to both patients and staff. As a result of the covid crisis and resulting lockdowns, fewer staff came to the office and fewer patients were in the clinic due to vacancies in the first lockdown period and lower occupancy thereafter. As a result, the cost of foodstuffs has fallen compared with the previous financial year

### Overheads

General expenses for 2020 are similar to the 2019 level. Automation and telephone costs are higher than last year. Some of this is covid-related, such as the costs of peripherals for working from home, and licences for video calls.

### Maintenance and energy costs

The maintenance costs recognise a transfer to the provision for major maintenance to cover future maintenance and renovation work on the buildings in Diemen and Oegstgeest. In 2020, this allocation amounted to € 350,000 (2019: € 200,000).

#### 14. Financial income and expenses

	<u>2020</u>	<u>2019</u>
	€	€
Interest income on current intercompany receivables	1,196	6,741
<b>Total interest income</b>	<b>1,196</b>	<b>6,741</b>
Interest expenses current liabilities	92,467	173,432
Interest charges on non-current liabilities	28,898	33,120
Interest expenses on current intercompany loans	24,888	0
Bank fees	8,793	34,854
<b>Total interest expenses</b>	<b>155,046</b>	<b>241,406</b>
	<u><b>-153,850</b></u>	<u><b>-234,665</b></u>

##### Interest income on current intercompany receivables

Interest income relates to the interest charged by Stichting ARQ to partners within ARQ National Psychotrauma Centre on the average current account balance outstanding during the financial year.

##### Interest expenses current liabilities

The interest expense for current liabilities relates to the interest paid to Van Lanschot Bankiers in the year under review, including the commitment fee paid. In early 2020, a new agreement was concluded with Van Lanschot Bankiers, reducing the interest rate. As a result, interest costs have decreased.

##### Interest charges on non-current liabilities

This relates to the interest recharged by Stichting Centrum '45 on a non-current loan granted by Nederlandse Waterschapsbank NV. This non-current loan has been registered in the guarantee file of WFZ (*Guarantee Fund for the Healthcare sector*). The interest rate is 4.29% and the remaining debt at year-end of 2020 is € 600,000. This loan is recognised in the financial statements of Stichting ARQ Centrum '45

##### Interest expenses on intercompany loans

This relates to the interest paid by Stichting ARQ on the intercompany debt payable to the other ARQ partners. The expenses are mainly determined by the loan for the acquisition of the land in Diemen, which ARQ Centrum '45 contracted with the bank and which has been transferred to Stichting ARQ.

#### 15. Share in result of investees

This concerns the Foundation's share in the results of ARQ IVP B.V. after tax.

	<u>2020</u>	<u>2019</u>
	€	€
Share in result of investees	239,035	386,474
	<u><b>239,035</b></u>	<u><b>386,474</b></u>

The share in the result of investees related to ARQ Beheer B.V. up to and including the financial year 2019. This included the results of the subsidiaries ARQ IVP B.V. and ARQ Vastgoed Beheer B.V. At the end of

2019, both ARQ Beheer B.V. and ARQ Vastgoed Beheer B.V. were liquidated and the share in ARQ IVP B.V. was transferred to Stichting ARQ.

## 16. Taxes on result from operations

	<u>2020</u>	<u>2019</u>
	€	€
Corporate income tax	385,000	58,500
	<u><b>385,000</b></u>	<u><b>58,500</b></u>

This concerns the corporate income tax payable as a result of the merger of ARQ Beheer B.V. and Stichting ARQ, in which the property in Diemen and other assets were transferred to Stichting ARQ. Corporate income tax must be paid on the excess value (market value minus book value) of the property when the tax group is dissolved.

## 17. Remuneration of trustees and supervisory directors

	<u>2020</u>	<u>2019</u>
	€	€
Trustees and former trustees	491,377	474,370
Supervisors and former supervisors	73,094	84,341
	<u><b>564,471</b></u>	<u><b>558,711</b></u>

The remuneration of trustees and supervisors includes periodical payments such as salaries, holiday allowances and social insurance charges, payments to be made in the future, such as pension costs, and severance pay, in so far as these items are charged to the Foundation.

## 18. Statement of movements in tangible fixed assets

	Corporate buildings and land	Other fixed operating assets, technical and administrative equipment	Total
	€	€	€
<b>Balance as at 1 January 2020</b>			
- acquisition value	6,644,747	2,177,753	8,822,500
- cumulative depreciations	979,040	1,648,225	2,627,265
Carrying amount as at 1 January 2020	<u>5,665,707</u>	<u>529,528</u>	<u>6,195,235</u>
<b>Movements during the year</b>			
- investments	-	410,436	410,436
- depreciations	15,907	274,523	290,430
- <i>reversal of fully depreciated assets</i>			
.acquisition cost	-	-	-
.cumulative depreciation	-	-	-
- <i>disposals</i>			
.acquisition cost	-	60,297	60,297
.cumulative depreciation	-	36,943	36,943
on balance	-	23,354	23,354
Movements in book value (on balance)	<u>-15,907</u>	<u>112,559</u>	<u>96,652</u>
<b>Balance as at 31 December 2020</b>			
- acquisition value	6,644,747	2,527,892	9,172,639
- cumulative depreciations	994,947	1,885,805	2,880,752
Carrying amount as at 31 December 2020	<u>5,649,800</u>	<u>642,087</u>	<u>6,291,887</u>
<i>Depreciation rate</i>	0.0% - 10.0%	20.0%	



## 4. Adoption and approval

### 4.1 Adoption by the Board of Trustees

The Board of Trustees adopted the 2020 financial statements on May 26, 2021.

J.W. Reerds (MBA, drs.)	
Chairman of the Board	
G.E.T. van Bellen (drs.)	A. Osinga (drs.)
member	member

### 4.2 Approval of the Supervisory Board

The Supervisory Board approved the 2020 financial statements at its meeting on 26 May 2021.

G.R. Peetoom	
Chairman of the Board	
R.J. van der Kluit	J.J.M. Goderie (drs.)
member	member
A.F.J. van Overmeire RA	M.J. Jongmans (prof. dr.)
member	member

## 5. Other information

### 5.1 Statutory rules for profit appropriation

In accordance with Article 6 of the Articles of Association, Stichting ARQ's Board of Trustees has decided to charge the result achieved for 2020 to the Foundation's equity.

The profit appropriation has already been incorporated in the financial statements.

### 5.2 Independent auditor's report

The auditor's statement is included on the next page.