

**Stichting European Institute of  
Innovation and Technology Foundation**

Annual report 2012

Rotterdam, 28 May 2013  
*This report contains 13 pages*

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## Balance sheet as at 31 December 2012

		31 December 2012		31 December 2011	
		EUR	EUR	EUR	EUR
<b>Current Assets</b>					
Cash and cash equivalents	1	21,316		10,599	
			21,316		10,599
<b>Net equity</b>					
General reserve	2	-70,060		-45,161	
			-70,060		-45,161
<b>Non-Current Liabilities</b>					
Debts to credit institutions	3	0		50,000	
			0		50,000
<b>Current Liabilities</b>					
Debts to credit institutions	3	75,000		-	
Accruals	4	16,376		5,760	
			91,376		5,760
			21,316		10,599

## Statement of income and expenditure 2012

	2012		2012 Budget		2011	
	EUR	EUR	EUR	EUR	EUR	EUR
<b>Income</b>						
Income from fundraising	-				-	
<b>Total income</b>		-		-		-
<b>Expenditures</b>						
Wages and salaries	-				-	
Social security and pension charges	-				-	
Amortisation and depreciation	-				-	
Other operating expenses 5	24,899		119,000		45,161	
		24,899		119,000		45,161
<b>Result</b>		-24,899		-119,900		-45,161

## Notes to the financial statements

### General

Stichting European Institute of Innovation and Technology Foundation ('the EIT Foundation') was established on 31 December 2010 in the Hague, The Netherlands, to grow and capitalise on the innovation capacity and capability of the key parties in higher education, research, business and knowledge-intensive entrepreneurship, both in the EU and beyond.

The EIT Foundation is established under Dutch law.

### Financial Reporting period

These financial statements have been prepared for the reporting period ending 31 December 2012.

### Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. The applied accounting policies are based on the historical cost convention.

### Going concern

These financial statements have been prepared on the basis of the going concern assumption.

The foundation incurred a net loss of EUR 24,899 during the year ended 31 December, 2012 and, as of that date, the foundation's current liabilities exceeded its total assets by EUR 70,060. These conditions, along with the repayment of the loan (EUR 75,000) from European Institute of Innovation and Technology (the EIT) before 15 December 2013, indicate the existence of a material uncertainty to continue as a going concern.

To ensure the continuation of the foundation the Board has prepared a new sustainability model based on four pillars/principles:

1. In-kind support: EITF members provide in-kind support and actively participate in the Working Groups. At the same time, three companies assume the lead in the implementation of the Foundation activities.
2. "Paid service model": for the participation in the Foundation activities, which should become self-financially supported activities.
3. A voluntary membership fee, implemented to cover operational costs.
4. Donation and sponsorship remain a possibility.

The Board proposed this new sustainability model to the members of the EIT Foundation community by letter dated 15 May 2013 and asked to share any comments before the 31 May 2013 as well as a final decision before 21 June 2013. Based on discussions held with the members, the Board expects that the voluntary membership fees (in total budgeted for EUR 167,500 per year) will be received and will be sufficient for the repayment of the loan and other ongoing costs. For this reason the Board continue to adopt the going concern basis in preparing the financial statements.

## **Accounting policies**

### **General**

Unless stated otherwise, assets and liabilities are shown at nominal value.

An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognised in the statement of income and expenditure when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Income and expenses are allocated to the period to which they relate. Income from donations and contributions are accounted for in the year they are received, with the exception of receivables that can be attributed to a period in which a certain activity took place.

The financial statements are presented in euros, the functional currency.

### **Use of estimates**

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates.

The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

### **Financial instruments**

Financial instruments include other receivables, cash items, loans and other payables.

Financial instruments, are initially recognised at fair value. If instruments are not measured at fair value through profit and loss, then any directly attributable transaction costs are included in the initial measurement.

### **Current Assets**

The valuation of other receivables is explained described under the heading 'Financial instruments'.

### **Non-current liabilities**

The valuation of non-current liabilities is explained under the heading 'Financial instruments'.

### **Current liabilities**

The valuation of current liabilities is explained under the heading 'Financial instruments'.

### **Determination of fair value**

A number of accounting policies and disclosures in the financial statements require the determination of the fair value for both financial and non-financial assets and liabilities. For measurement and disclosure purposes, fair value is determined on the basis of the following methods. Where applicable, detailed information concerning the principles for determining fair value are included in the section that specifically relates to the relevant asset or liability.

### **Trade and other receivables**

The fair value of trade and other receivables is estimated at the present value of future cash flows.

### **Corporate income tax**

Stichting European Institute of Innovation and Technology Foundation is not liable for Dutch corporate income tax.

## Balance sheet as at 31 December 2012

### 1. Cash and cash equivalents

The cash and cash equivalents represent the current bank balances with Rabobank in the Hague, The Netherlands. The cash and cash equivalents are available on demand.

### 2. Net equity

General reserve	2012 EUR	2011 EUR
Balance as at 1 January	-45,161	-
Result for the year	-24,899	-45,161
Balance as at 31 December	<u>-70,060</u>	<u>-45,161</u>

### 3. Non-current liabilities

	2012 EUR	2011 EUR
Debts to the EIT	<u>0</u>	<u>50,000</u>
	<u>0</u>	<u>50,000</u>

Debts to the European Institute of Innovation and Technology (the EIT) relates to a loan issued by the EIT for the amount of EUR 75,000 (2011: EUR 50,000). The total amount of the loan shall be up to EUR 150,000 and shall be disbursed by the EIT in one or more instalments. The interest rate is 0% per annum. Repayment takes place as soon as the EIT Foundation has the necessary available financial resources, but in any case no later than 15 December 2013. Because the final date of the repayment is within 1 year the debt to EIT changed from non-current liabilities to current liabilities (see note 4).



#### 4. Current liabilities

	2012 EUR	2011 EUR
Debts to the EIT	75,000	-
Accruals		
Audit fee	4,840	5,712
Tax advice	10,400	-
Travel expenses	1,069	-
Bank charges	67	48
	<hr/>	<hr/>
	91,376	5,760
	<hr/>	<hr/>

All amounts included in the current liabilities fall due with 1 year.

See note 3 concerning the debts to the EIT.

## Statement of income and expenditures 2012

### 5. Other costs

	2012 EUR	2012 Budget EUR	2011 EUR
Organisation of Board Meetings	6,981	26,000	8,572
Fundraising meeting in different member states	-	20,000	-
Staff costs	-	45,000	-
Audit and Accounting support*	4,840	8,000	5,712
Communication, equipment and other administrative costs	10,400	10,000	
Legal and Notary Support	-	-	14,949
Consultant for fundraising	-	-	15,156
Other costs*	2,678	10,000	772
	<hr/>	<hr/>	<hr/>
Balance as at 31 December	24,899	119,000	45,161
	<hr/>	<hr/>	<hr/>

\* 2011 realisation adjusted for comparison purposes

The costs for organisation of Board meetings exists of EUR 2,010 (2011: EUR 4,019) Board member fee and EUR 4,971 (2011: EUR 4,553) travel and accommodation expenses.

The costs for communication, equipment and other administrative costs exists of EUR 10,400 for external consultants VAT advise. The administrative services are provided by ERBS as a contribution in kind.

Other costs exist mainly of EUR 2,326 (2011: EUR 0) travel cost of the Young Leaders Group, EUR 234 Bank costs (2011: EUR 142), EUR 24 Chamber of Commerce contribution, EUR 94 Webcreating IT services.

### Employee information

The EIT Foundation has no employees.

Rotterdam, 28 May 2013

C. Jourquin  
(Chairman)

J. van der Veer  
(member)

Sir C. Lucas  
(member)

Prof. Peter Olessen  
(member)

Prof. Dr. F. van Vught  
(Treasurer)

J.F. Dehem  
(Secretary general)

## **Other information**

### **Independent auditor's report**

To: the Board of Stichting European Institute of Innovation and Technology Foundation

We have audited the accompanying financial statements 2012 of Stichting European Institute of Innovation and Technology Foundation, The Hague, which comprise the balance sheet as at 31 December 2012, the statement of income and expenditure for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

#### **The Board's responsibility**

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the Board is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Stichting European Institute of Innovation and Technology Foundation as at 31 December 2012 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

### **Emphasis of uncertainty with respect to the going concern assumption**

We draw attention to the paragraph Going concern on page 4 of the financial statements which indicates that the foundation incurred a net loss of EUR 24,899 during the year ended 31 December, 2012 and, as of that date, the foundation's current liabilities exceeded its total assets by EUR 70,060. These conditions, along with other matters as set forth the paragraph Going concern on page 4, indicate the existence of a material uncertainty which may cast significant doubt about the foundation's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

The Hague, 28 June 2013

KPMG Accountants N.V.

G.A. Maranus RA

### **Proposal for loss appropriation**

The 2012 loss of EUR 24,899 is deducted of the general reserves.

### **Subsequent events**

There are no subsequent events.