



Nationaal
Psychotrauma
Centrum

Stichting ARQ Consolidated

Annual Report 2021

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1. Report of the Board of Trustees

1.1 Annual Report of the Board of Trustees

1.1.1 Objective

Stichting ARQ

The aim of the Stichting ARQ (ARQ National Psychotrauma Centre), as an institution with a general social purpose, is to promote and facilitate mutual cooperation between the affiliated care, knowledge and interest groups in the field of the consequences of persecution, war and violence, as well as to develop and determine the strategic (group) policy and to manage affiliated legal entities (or have them managed), and furthermore everything that is directly or indirectly related or conducive to the above, all in the broadest sense.

ARQ National Psychotrauma Centre helps people, organisations and societies minimise the psychosocial impact of major events. We provide specialised care and advise on policy and prevention. We develop and share knowledge. We connect and we give hope.

1.1.2 Legal structure and group relations

As of 1 January 2020, the Group consists of the legal entities listed below. These are all 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 BV are managed by a single Board of Trustees under the supervision of a Supervisory Board. Stichting ARQ applies the Healthcare Governance Code across the entire group.

The cooperating parties in Stichting ARQ conduct their operations in two locations:

Nienoord 5, 1112 XE Diemen:

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

Rijnzichtweg 35, 2342 AX Oegstgeest:

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

1.1.3 Organisational structure

In the organisational structure, the treatment activities and related knowledge tasks in the field of psychological trauma are combined in the WTZi institution ARQ Centrum '45. Direct support for businesses, governmental bodies and other organisations in the field of shocking events, is combined in ARQ IVP BV. The effective date of the Wtza is 1 January 2022. This applies to both ARQ Centrum'45 and ARQ IVP.

Stichting ARQ integrates various centres and departments with units responsible for the result. These units make the knowledge or expertise available within Stichting ARQ relevant for specific stakeholders, working with them to achieve their objectives.

These units include:

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

Finally, the Stichting 1940-1945 (1940-1945 Foundation) and Stichting Pelita (Pelita Foundation) are also part of the group. The 1940-1945 Foundation supports resistance participants, persecution victims and civilian war victims of the Second World War (1940-1945). The Pelita Foundation supports victims from the former Dutch East Indies in many ways.

1.1.4 Activities of ARQ National Psychotrauma Centre and its units

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

As in the previous year, the COVID-19 pandemic in 2021 left a significant mark on activities. For healthcare, this meant, among other things, that it was not possible to use the clinic to its full capacity. Additionally, the sick leave rate increased among employees due to COVID-19, particularly in the last quarter of 2021, and patients were forced more often to cancel visits at the last minute. This had a strong impact on the realised revenue in 2021. For ARQ IVP, the surge in restrictive measures meant that many training sessions were postponed and mental check-up interviews had to be rescheduled. In part due to high demand for services, ARQ IVP nevertheless more than achieved the budgeted revenue.

The Point of Contact for Healthcare Professionals established in 2020 specifically for the pandemic remained active in 2021. After intensive consultation with all parties, and in collaboration with the Foundation for Care after Working in Corona Care (ZWIC), pursuant to the guideline for mental and social support for healthcare professionals, a steering committee was appointed and met with all representatives from the field, consisting of employee and employer organisations and representatives of the professional groups. At the end of 2021,

ARQ published an essay looking back at the psychosocial impact of COVID-19 on individuals and society with a number of experts, presenting cohesive potential solution paths.

After all the delays caused by COVID-19, we managed to start phase 2 research on the application of MDMA in psychotrauma therapy in 2021. The initial results confirm the added value demonstrated by the studies for therapy-resistant patients from the United States, Canada and Israel. We look forward to being able to continue this research in 2022. In terms of e-health, several steps have been taken. In May 2021, ARQ Centrum'45 was the first institution to go fully live with the exchange of patient data from the EPF to the PHE Quli. In terms of technology, this is a big step. The true added value is enabling self-direction by patients. Using Quli, the patient is able to contact the practitioner and has access to his or her data and specific e-health modules and, for example, the GGZ app guide.

1.1.5 Finance

Earnings and sales

Result

For the year 2021, the profitable consolidation result amounted to € 590,812 (2020: € 223,007 negative)

The consolidation result is as follows:

	2021	2020
	€	€
Stichting ARQ (separate)	-136.306	-252.275
Result of investee	105,930	239,035
Stichting ARQ (including investee)	-30,376	-13,240
Stichting Vrienden van Stichting ARQ (Friends of ARQ Foundation)	56,172	-6,616
Stichting ARQ Centrum'45	23,763	-412,188
Stichting ARQ Wetenschappelijk Onderzoek	0	2,417
	49.559	-429,627
Stichting 1940-1945 (1940-1945 Foundation)	344,589	-1,828
Stichting Pelita (Pelita Foundation)	196,664	208,448
Total	590.812	-223,007

Notes

The financial result showed significant recovery in 2021, after 2020 was closed with a negative result, partly due to COVID-19. Said recovery is owed partly due to the appeal to the hardship clause regarding healthcare services provided for by the ZvW healthcare insurance act, which was granted (ad € 338k). In addition, a one-

off subsequent income item was received pursuant to the continuity contribution, amounting to € 74k. This sets off the loss in ARQ Centrum'45 in 2020 (ad €412k). As mentioned earlier in the activity report, COVID-19 also has negative revenue implications in 2021. Unlike in 2020, no compensation was available in 2021.

Stichting ARQ (separately) incurred higher expenses during 2021, including substantially higher municipal taxes resulting from a zoning change of the site in Diemen. Higher operating costs due to IT infrastructure for healthcare, partly resulting from the VIPP project, also affected the income statement. Regarding our international activities, we have faced cuts to projects that had already been awarded.

The results for the investee ARQ IVP decreased, but contain two large incidental items compared to 2020. For administrative reasons, the healthcare bonus was not awarded to ARQ IVP employees, although they were very active in the COVID crisis. This is why the Board paid this bonus from the equity. In addition, ARQ IVP donated to the Friends of Stichting ARQ in order to ensure these funds will be used for realisation of the Foundation's goals.

Stichting ARQ Centrum'45, as stated, has been greatly affected by the COVID crisis. This effect amounted to approximately €300k for the clinic and approximately €600k for the outpatient activities. The latter also includes an effect due to the implementation of the Care Performance Model. Despite the loss of sales, it was necessary to allocate approximately €180k to the provision for overproduction. These are risks that are difficult to manage partly because of the DBC system. This is expected to improve under the new Care Performance Model.

Both the 1940-1945 Foundation and Pelita Foundation have achieved extraordinary returns on their investment portfolios of approximately 13% by 2021. In parallel, the 1940-1945 Foundation in particular has had to deal with many cancellations of activities for the target group due to COVID-19, which unfortunately prevented the use of available resources.

The difference in results between 2020 and 2021 can be explained generally as follows:

Consolidated result 2020		-223,007
Main causes:		
Higher revenues from ZVW, JHO and other care	950,000	
Healthcare-related covid compensation	400,000	
Higher availability contributions	200,000	
Lower grant revenues	-400,000	
Higher sales ARQ IVP/ARQ Academy	500,000	
No bequests received	-250,000	
Expansion of formation	-400,000	
Indexation salaries	-800,000	
One-off pay-out	-200,000	
Lower costs PNIL	400,000	
New website costs	-100,000	
Higher cost of sales ARQ IVP/AA	-300,000	
Higher share price result on investments	450,000	
Lower corporate income tax	400,000	
Other items	-36,181	
		<u>813,819</u>
Consolidated result 2021		<u>590,812</u>

Revenue

Total sales for 2021 amount to € 34.9 million and increased by € 0.75 million compared to the previous financial year. Health care revenue made up the largest part of revenue at €21.3 million. Compared to 2021, this figure has increased by 7.7%. In 2020, the expected €0.3 million COVID-19 compensation was recognised. In 2021, €0.4 million is recognised in this item, which was indeed granted. Excluding this compensation, revenue from healthcare services would have increased by 7.4%. For the 2021 financial year, no compensation for COVID-19 costs and/or loss of sales has been recognised at this time due to uncertainties in this regard.

Revenue from grants decreased by 10.5% to €7.5 million. The main cause of the decrease is the healthcare bonuses amounting to €0.6 million received in 2020, to be paid out to staff. These bonuses were paid out in 2021 and had been recognised as an expense in the financial statements by the same amount in 2020. Other revenues increased by €0.1 million (2.0%) to €6.0 million. Causes include increases in revenue from training and education and from outreach, including MCUs. No bequests were received in 2021.

Sales (after eliminations) can be specified as follows:

	2021	2020
	€	€
Stichting ARQ (separate)	5,443,710	5,670,399
Sales investee	4,793,293	4,556,067
Stichting ARQ (including investee)	10,237,003	10,226,466
Stichting Vrienden van Stichting ARQ (Friends of ARQ Foundation)	68,449	35,917
Centrum'45 Foundation	24,056,846	22,875,573
	34.362.298	33.137.956
Stichting 1940-1945 (1940-1945 Foundation)	32,682	124,074
Stichting Pelita (Pelita Foundation)	511,132	886,323
Total	34.906.112	34.148.353

Situation at the balance sheet date

The positive result of € 591,000 led to an increase in consolidated equity. Part of the appropriated result is deducted from the earmarked reserve and earmarked fund. As a result, an amount of €0.75 million is added to general and other reserves. At the same time, loan capital decreased by approximately €0.25 million. This is due in part to the healthcare bonus and corporate income tax paid in 2021, which were on the balance sheet as a liability at year-end 2020. In contrast, the overdraft at Van Lanschot Bankiers increased compared to the previous financial year. This results in an increase in solvency from 48.8% in 2020 to 50.4% at year-end 2021. This is well above the standard of 25%.

The liquidity position increased slightly in 2021 compared to the 2020 level. Despite the higher credit, current debt is lower than in the previous financial year. On the other hand, current assets increased, partly due to a higher cash balance. The work in progress position has been set to nil and has been shifted to care products yet to be billed. This change was implemented due to the transition to the new Care Performance Model. On balance, this position has increased compared to the previous financial year. Combined, this results in a positive net working capital (current assets including cash and cash equivalents minus current debt) of € 0.26 million, which is approximately € 0.43 million higher than the previous year. As a result, the liquidity ratio increased to 1.02 in 2021 (2020: 0.99 If net working capital is adjusted for short-term overdraft, the liquidity ratio is 1.44 (2020: 1.28 In both cases, it is well above the standard of 1.0).

Cash flows and financing needs

Due to reduced financing needs, the existing credit facility with main bank Van Lanschot Bankiers has been reduced by €1 million, from €8 million to €7 million, as at 31 December 2021. In terms of timing, this reduction coincides with the implementation of the new Care Performance Model, effective 1 January 2022. This has a positive impact on the liquidity position, as it means that in early 2022 all DBCs started in 2020 and 2021 will be closed and billed. Subsequently, from the launch in 2022 onwards, work in progress can be invoiced monthly. The expectation is that this feature will not be ready for launch until mid-2022, as it is related to the IT implementation of the Care Performance Model.

At the end of 2021, funds withdrawn were €0.6 million higher than at year-end 2020. At the end of 2020, the balance was low due to receiving the supplement to the VWS grant for the purpose of crisis services and receiving the COVID-19 related healthcare bonus. The balance at year-end 2021 is more normalised. Stichting ARQ is exploring the property market to find new accommodation for the entire group. As soon as a property is found that is an actual candidate, the financing requirement and the associated financing arrangement will be redetermined.

1.1.6 Risks and Uncertainties

Previous annual reports have made extensive reference to the standard ambiguities in the mental health sector related to the inherent shortcomings in the DBC regulations. The discussions between NZa, health insurers and healthcare providers culminated in the 2013 to 2015 self-assessments and are still ongoing. Realising 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 through material assessments by individual health insurers, irregularities may be demonstrated based on progressive standards on which no consensus has been reached. In addition, there are risks pursuant to the contracts with health insurers regarding claims ceilings and average costs. These are risks that are not adequately manageable for a mental health provider with lengthy care programmes and wide spread in potential cost per patient per health insurer. The risks of non-reimbursed overproduction and potential losses pursuant to material assessments have been estimated and recognised in the provisions created.

Credit risks are limited, as much of the revenue is generated through large healthcare insurers, which are required to meet set solvency standards that are professionally supervised. Another large portion of the revenue comes from government grants. The liquidity risk is adequately managed by means of periodic reports on current liabilities and available cash and banking facilities.

Financial instruments

Stichting ARQ maintains a conservative policy regarding the use of financial instruments. No financial derivatives are used and there is no intention of using such instruments 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

As of 1 January 2022, the Care Performance Model will be applied to the funding of adult care. Abandoning Diagnosis Treatment Combinations solves a number of structural problems in funding. From now on, it is possible to invoice the work in progress on care pathways on a monthly basis; under the DBCs, care pathways had to be prefinanced for up to a year. At year-end 2022, the volume of work in progress will therefore be significantly lower, as will the required credit facility with the main banker. As a result, solvency and liquidity will increase substantially.

The COVID crisis is not over yet. It is affecting sick leave and necessary cancellations of patient appointments or patient admissions. The options for compensation from the government are nil for the time being. 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. Finally, at the time of writing this Board report, war has broken out in Ukraine. The impact of this development on ARQ's operations is impossible to forecast as of yet, except for sharply increased inflation and a negative return of about 8% on the securities portfolio. On the other hand, this crisis also offers ARQ the opportunity to provide professional support for psychosocial counseling in disasters and crises. We are involved in various initiatives in Ukraine and in sheltering refugees in the Netherlands.

Because of substantial pressure on available capacity and the desire to scale up clinically, it is necessary to create temporary space. In this context, in early 2022, the Supervisory Board approved the Board of Trustees' intended decision to temporarily rent a second location in Oegstgeest.

1.1.7 Members of the Board of Trustees

Stichting ARQ's Board of Trustees had the following members in 2021:

J.W. Reerds MBA (drs.)	Chair of Executive Board
G.E.T. van Bellen (drs.)	Member of the Board of Trustees, operations
A. Osinga (drs.)	Member of the Board of Trustees, financial

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, University of Groningen
Member Curatorium Special Chair Prof. W. Tol (dr.), Vrije Universiteit Amsterdam - from November 2021
Chairman of the Supervisory Board of Quli B.V.

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 (dr.), University of Utrecht
Member Board of Trustees Bloemendaal memorial cemetery
Member TOPGGz Members' Council
Member Board of Trustees of the Medimo user association

Other positions of A. Osinga (drs.)

Chairman User Association Board of Trustees - from November 26, 2021 (previously a member)
Member General Board of Trustees Stichting Koppeltaal (Couple Talk Foundation) until 31 December 2021

The duties, responsibilities and powers of the Board of Trustees and the Supervisory Board are set out in regulations amended and adopted in 2021. 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 2021:

Fixed expense allowances	0
Other expense allowances	0
Domestic travel costs	1,163
Foreign travel costs	0
Training cost	2,736
Representation expenses	2,031
Other costs	9,750
Total	15.680

The other costs mainly concern accreditations and memberships to the Dutch Association of Health Care Trustees (NVZD).

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 2021

G.R. Peetoom (drs.)	Chair (until 1 September 2021)
R.J. van der Kluit (mr.)	member (interim Chair from 1 September 2021)
J.J.M. Goderie (drs.)	member
A.F.J. van Overmeire RA	member
M.J. Jongmans (prof. dr.)	member

On 1 January 2022, Ms K. Arib (drs.) was appointed Chair of the Supervisory Board.

The Supervisory Board met seven times in 2021 in (online) meetings.

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.

In May 2021, the regulations of both the Supervisory Board and Board of Trustees were amended and adopted.

Members of the Supervisory Board:

As of 1 September 2021, Ms Peetoom has been appointed as the new Chair of GGZ, the Dutch Mental Health Association. Because this new role is incompatible with her role as Chair of the ARQ Supervisory Board, she has resigned that position.

For this reason, the Supervisory Board has reconsidered the Supervisory Board profiles and opened up the vacancy. In addition, in 2022, two more vacancies will arise on the Supervisory Board due to the expiration of terms of office. The Supervisory Board prepared to fill these vacancies in 2021.

In connection with the vacant position of Chair, Mr Van der Kluit served as the Chair from September until December 2021. In December 2021, the Supervisory Board appointed a new Chair effective 1 January 2022, Ms. Arib. The Patient Council and the Works Council have issued a positive recommendation regarding this proposed appointment.

Finance and property

In 2021, the audit committee of the Supervisory Board consisted of Mr van Overmeire and Mr Goderie, and met five times in 2021. In addition 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 Supervisory Board members in its meeting. Related to the pandemic, the financial consequences and risks were subject to extra monitoring, as was the introduction of the Care Performance Model. As in previous years, real estate was a recurring topic in 2021. The Board of Trustees submitted the dividend policy to the Supervisory Board for approval and agreed that a dividend payment would be submitted to the Supervisory Board for approval annually.

At the meeting of 26 May 2021, the 2020 financial statements were discussed with the auditor and the Supervisory Board approved the adoption of the 2020 financial statements.

The adopted 2022 budgets were approved accordingly. The Audit Committee discussed the 2021 management letter with the auditor.

Co-determination bodies

Mr Van der Kluit attended a meeting of the Works Council with the Board of Trustees in April 2021.

In September 2021, Ms Jongmans attended the Patient Council consultation meeting with the Board of Trustees.

Specific points

- Each meeting revolved around the consequences of the pandemic for patients/clients/stakeholders, employees, the organisation and the financial situation.
- introduction of WTZa and the consequences for ARQ IVP bv, including the amendment of the articles of association;
- Supervisory Vision and Framework for Good Governance;
- Introduction of new Trustees.

The Supervisory Board spends a portion of time annually on training, given by an external or internal expert depending on the subject. In 2021, the Care Performance Model was addressed.

The Annual Strategy Day was postponed to February 2022 due to the pandemic.

The annual evaluation interviews with the Chair and the Trustees were held in October.

The Supervisory Board thanks the Board of Trustees for their cooperation.

Finally, the Supervisory Board would like to thank all employees for their impressive commitment and dedication to our patients, clients, the organisation and society.

Khadija Arib

Chair of the Supervisory Board (as from January 2022)

1.2.3 Other positions

The members of the Supervisory Board held various external positions in 2021.

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

Publisher Friesch Dagblad and Het Goede Leven at NDC Mediagroep
Member Supervisory Board SBI Doorn
Member Supervisory Board Cordaid
Member Advisory Board SKLO (Student Pastorate) Groningen
Member Advisory Board Restructuring of Ter Apel Monastery
Member Programme Board Met Gezond Verstand, University of Groningen

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

Chairman Stichting J.P. Sweelinck Award
Chairman International Organ Festival Haarlem
Chairman Association of Mentors of Klinkend Erfgoed
Chairman RO Delta Corridor Coordination Group
Chairman Stay Tuned Foundation
Vice Chairman Civo Foundation (Certification Institute for Organ Consultants)
Member Board of Trustees 1953 Flood Museum in Ouwerkerk
Member HRM committee CDA (political party)

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

Senior Managing Partner Communication Infrastructure Partners
Board member CFO Microcos
Chairman Board of directors Quin
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, Chair of Audit and Compliance Committee
Chairman of the Audit Advisory Committee Centrum Indicatiestelling Zorg (CIZ)
Supervisory Board Member Nederlandse Waterschapsbank N.V., Chair Audit Committee - as of 10 september 2021

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

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

2. Consolidated annual financial statements 2021

2.1 Consolidated balance sheet as at 31 December 2021

(after proposed profit appropriation)

Assets	Ref.	31-12-2021		31-12-2020	
		€	€	€	€
Fixed assets					
Tangible fixed assets	1	7,059,584		7,301,400	
Financial fixed assets	2	6,932,480		6,450,198	
		<hr/>		<hr/>	
			13.992.064		13.751.598
Current assets					
Work in progress pursuant to DBCs (diagnosis-treatment combination)	3	0		4,449,831	
Accounts receivable and other receivables	4	10,423,520		6,142,658	
Cash and cash equivalents	5	991,094		716,933	
		<hr/>		<hr/>	
			11.414.615		11.309.422
		<hr/>		<hr/>	
			25.406.679		25.061.020
		<hr/> <hr/>		<hr/> <hr/>	

<u>Liabilities</u>	<u>Ref.</u>	<u>31-12-2021</u>	<u>31-12-2020</u>
		€	€
Group equity	6		
Capital		781	781
Special-purpose reserves		393,178	560,206
Appropriated funds		399,248	406,719
General and other reserves		12,018,368	11,253,058
		<hr/>	<hr/>
		12.811.575	12.220.764
Provisions	7	1.039.941	859.388
Non-current debt	8	400.000	500.000
Current Liabilities			
Other current liabilities	9	11.155.164	11.480.868
		<hr/>	<hr/>
		25.406.679	25.061.020
		<hr/> <hr/>	<hr/> <hr/>

2.2 Consolidated income statement for 2021

	Ref.	2021		2020	
		€	€	€	€
Operating Income					
Revenues from healthcare services	11	21,351,786		19,834,398	
Subsidies	12	7,507,016		8,384,579	
Other operating income	13	<u>6,047,310</u>		<u>5,929,376</u>	
Sum of operating income			34.906.112		34.148.353
Operating expenses					
Personnel costs	14	26,597,867		26,156,849	
Depreciation on Property, plant and equipment and amortisation on intangible non-current assets	15	363,378		329,019	
Other operating expenses	16	<u>8,060,727</u>		<u>7,672,074</u>	
Sum of operating expenses			35.021.972		34.157.942
Operating result			-115.860		-9.589
Financial income and expenses	17		725.365		229.582
Result from operations			609.505		219.993
Taxes on income from operations	18		<u>-18.693</u>		<u>-443.000</u>
RESULT AFTER TAX			590.812		-223,007
Proposal for profit appropriation					
Addition/(withdrawal):					
General and other reserves		751,769		-196.036	
Special-purpose reserves		-153.486		-106.779	
Appropriated funds		<u>-7,471</u>		<u>79,808</u>	
			590.812		-223,007

2.3 Consolidated cash flow statement for 2021

	Ref.	2021		2020	
		€	€	€	€
Cash flow from operational activities					
Operating result			-115.861		-9.589
Adjustments for:					
- depreciations / amortisations	15	363,378		329,019	
- corporate income tax		-18.693		-443.000	
- movements in provisions	7	<u>180,553</u>		<u>214,790</u>	
			525.238		100.809
Movements in current assets:					
- work in progress	3	4,449,831		558,981	
- other receivables	4	-4.280.862		1,362,736	
- current liabilities (excl. debts to credit institutions)	9	<u>-918.806</u>		<u>1,099,176</u>	
			-749.837		3.020.893
Cash flow from operations			-340.460		3.112.113
Interest income and similar revenue	17	0		11,393	
Interest expenses and similar expenses	17	-98.012		-103.767	
Interest charges on non-current loans	17	-21.672		-28.898	
Received bond coupons -/- fees	17	<u>58,975</u>		<u>10,093</u>	
			60.709		-111.179
Operating cash flow			401.169		3.000.934
Cash flows from investment activities					
Investments in tangible fixed assets	1	-131.201		-410.435	
Disposals of Property, plant and equipment items	1	9,639		23,355	
Movement in financial fixed assets (excl. depreciation)	2	<u>303,792</u>		<u>92,132</u>	
Total			182.230		-294.948
Cash flow from financing activities					
Repayment of non-current debts	8		-100.000		-100.000
Movement in cash and cash equivalents (including current debts to credit institutions)			<u>-318.939</u>		<u>2.605.986</u>

	31-12-2021		31-12-2020	
	€	€	€	€
Cash position as at 1 January				
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
Cash position as at 31 December				
Cash and cash equivalents	991,094		716,933	
Borrowings from credit institutions	<u>-3.206.014</u>		<u>-2.612.913</u>	
		-2.214.920		-1.895.980
Movement in cash and cash equivalents		<u><u>-318.939</u></u>		<u><u>2.605.986</u></u>

2.4 General notes to the 2021 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 2021 financial year, which closed 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 has had a major impact on our clients, employees and business operations in both the closed financial year and the current period. However, the uncertainties regarding financial continuity are limited, in spite of not having the safety net we could rely on in 2020.

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 2021 financial statements have been prepared under the going concern assumption.

The following is a brief explanation for each institution.

ARQ consolidated

The 2021 result after tax is € 591,812 positive, which has increased consolidated equity. Solvency in 2021 has increased compared with the previous financial year, to 50.4% (2020: 48,8%). The liquidity has slightly decreased compared to the previous financial year, to 1.02. 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 1.44, which means that Stichting ARQ has sufficient liquidity.

Stichting ARQ's separate statement shows positive equity, which decreased slightly compared to last reporting year, despite the positive result of the investee in 2021. Stichting ARQ separately achieved a minor

negative result in 2021. Part of the result will be withdrawn from the equalisation reserve. This applies to the institutional subsidies from the Ministry of Health, Welfare and Sport for the performance of legally recognised tasks.

As at balance sheet date, the current account credit with Van Lanschot Bankiers amounted to a maximum of € 7,000,000. The balance of current account credit withdrawn as at the balance sheet date amounted to € 3,200,000.

ARQ Centrum'45

The financial statements have been prepared on a going concern basis. Despite the COVID-19 crisis, ARQ Centrum'45 was able to continue its primary functions of treatment, research and training, and largely achieved its objectives.

In 2021, the COVID-19 crisis led to a loss of revenue of approximately € 0.3 million for the clinic and outpatient units. In 2021, this loss of revenue was not offset by continuity contributions such as those applied in 2020.

ARQ IVP BV

The company has positive equity, as a result of the good results in recent years. The growth seen in recent years is continuing and, combined with investments in product development and employees, a satisfactory result has been achieved.

Stichting 1940-1945 (1940-1945 Foundation)

The foundation achieved a positive result in 2021. Compared to budget, the result is over € 0.4 million higher, mainly due to positive investment results and lower expenses, because fewer target group activities could be supported due to the COVID-19 measures.

Stichting Pelita (Pelita Foundation)

The positive € 0.2 million result for 2021 is largely due to the value development in the investment portfolio.

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.

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 stated separately. 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 BV (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 year-end 2021, Stichting ARQ includes the following investee:

ARQ IVP BV (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 the previous year.

2.4.1.8 Changes in estimates

There were no changes in estimates in 2020.

2.4.1.9 Use of estimates

Drawing up the financial statement 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

Every year, stichting ARQ creates an 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 unusual year of 2021, we chose the regular revenue interpretation as applied for 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 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 from 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; 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 constitutes 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 stated. The reason for this restriction and any other conditions imposed by the third party are also stated. 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. This provision concerns the present value of the service anniversary payments to be paid in the future. The discount rate in 2021 is 2% (2020: 2%). The calculation is based on pledges, retention probability and age.

2.4.2.8 Debts

Non-current liabilities recognises 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 included 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 determined, and if the following conditions are met: the amount can be reliably determined; probable economic benefits; the extent to which the services have been performed at the balance sheet date can be reliably determined; and 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. As at year-end 2021, the funding ratio was 106.6%. 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).

PFZW does not anticipate any need for member institutions to make additional contributions. The aforementioned entities have no obligation to make supplementary 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 supplementary 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

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 recognised in the annual financial statements. 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 2021

1. Tangible fixed assets

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
Land and buildings	6,601,169	6,635,777
Other non-current assets	458,415	665,623
Total	<u>7.059.584</u>	<u>7.301.400</u>

Movements in tangible fixed assets were as follows

	<u>2021</u>	<u>2020</u>
	€	€
Carrying amount as at 1 January	7,301,400	7,243,340
Added:		
investments	131,201	410,434
Less:		
depreciations	363,378	329,019
Less: disposals	9,639	23,355
Book value as at 31 December	<u>7.059.584</u>	<u>7.301.400</u>

The investments mainly concern the purchase of computer equipment (laptops) for staff working from home, and of mobile phones. In addition, we invested in video conferencing equipment in meeting rooms. 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 value (property tax base amount) of the buildings in Diemen and Oegstgeest in 2021 are € 11,250,000 and € 4,465,000 respectively (value reference date 1 January 2021).

2. Financial fixed assets

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
Other securities		
Securities/investment funds	6,932,480	6,450,198
Total	<u>6.932.480</u>	<u>6.450.198</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>2021</u>	<u>2020</u>
	€	€
Market value as at 1 January	6,450,198	6,201,569
Added: purchasing		
- deposit	0	125,000
- reinvestment	738,480	2,834,249
Less: sell		
- withdrawal	-350.000	-250.000
- reinvestment	-732.795	-2.845.289
Gains and losses on share price	826,597	384,669
Market value as at 31 December	<u>6.932.480</u>	<u>6.450.198</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-21</u>	<u>31-dec-20</u>
	€	€
Projects in progress DBCs	0	6,421,145
Less: Advances received from healthcare insurers for financing Projects in progress	0	-1.971.314
Total	<u>0</u>	<u>4.449.831</u>

Notes

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

Due to the introduction of the Care Performance Model effective 1 January 2022, there will no longer be any work-in-progress DBCs as of 31 December 2021. The Advances received from healthcare insurers for financing Projects in progress were settled against DBCs to be invoiced as at 31-12-2021 in these annual financial statements.

4. Accounts receivable and other receivables

	31-dec-21	31-dec-20
	€	€
Accounts receivable	1,448,758	2,541,404
DBC (diagnosis-treatment combination) revenue to be invoiced	6,241,599	1,205,622
Healthcare bonus subsidy to be received	0	167,400
Covid compensation ZvW to be received	398,316	196,838
Corporate tax to be claimed	30,615	0
Other receivables	1,435,709	1,260,160
Prepayments and accrued income	868,523	771,234
Total	10.423.520	6.142.658

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 € 48,043 (2020: € 78,994).

DBC (diagnosis-treatment combination) revenue to be invoiced

Refers to revenue on DBCs to be invoiced for 2020 and 2021. Compared to the previous financial year, this has increased significantly. Due to the implementation of the Care Performance Model, there is no longer a work in progress position. The DBCs with start year 2020 and 2021 will be invoiced in early 2022.

Healthcare bonus subsidy to be received

The 2020 healthcare bonus to be received (including final levy) at year-end 2020 was allocated by VWS in early 2021, and was received and paid out to staff in April 2021.

Covid compensation ZvW to be received

The covid compensation ZvW to be received deals with the outcome of the hardship clause of the continuity contribution for ZvW for 2020. The majority of this amount is yet to be received.

Corporate tax to be claimed

The expected corporate income tax to be remitted on ARQ IVP's earnings has been deducted from the advance corporate income tax previously remitted in 2021. Subsequently, a balance of corporate income tax can be reclaimed.

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. This includes an amount for the efforts on behalf of the IVC Corona Care support point, which was invoiced to the Ministry of Health, Welfare and Sport in early 2022

Prepayments and accrued income

Relates to items recorded in 2021 due to the matching policy for related costs and revenues in the same reporting year. A combination of prepaid amounts for services related to 2021 as well as recorded receivables from Ministries that will be realised in 2022 but are related to services/activities performed in the financial year 2021.

All receivables have a term of less than one year.

5. Cash and cash equivalents

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
Cash and cash equivalents	0	309
Balances in bank accounts	991,094	716,624
Total of cash and cash equivalents	<u>991.094</u>	<u>716.933</u>

Of the balances in bank accounts, €298,152 (2020: €352,985) 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:

	Balance 1 January 2021	Result- allocation	Other movement s	Balance 31 December 2021
	€	€	€	
Capital	781	0	0	781
Special-purpose reserves	560,206	-153.486	-13.542	393,178
Appropriated funds	406,719	-7,471	0	399,248
General and other reserves	11,253,058	751,769	13,542	12,018,368
Total	<u>12.220.764</u>	<u>590.812</u>	<u>0</u>	<u>12.811.575</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:

	Balance 1 January 2021	Result- allocation	Other movement s	Balance 31 December 2021
	€	€	€	€
Incorporation capital Stichting 1940-1945	100	0	0	100
Incorporation capital Stichting Pelita	681	0	0	681
Total	781	0	0	781

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:

	Balance 1 January 2021	Result- allocation	Other movements	Balance 31 December 2021
	€	€	€	€
ARQ Future studies	36,000	-22,000	0	14,000
Stichting 40-45 Supplementary social policy	147,340	-76.580	-13.542	57,218
Wbp payment task	168,137	-23.470	0	144,667
Special chair	153,177	-31.436	0	121,741
Special-purpose reserve Stichting 40-45:	468,654	-131.486	-13.542	323,626
Pelita Special-purpose reserves	55,552	0	0	55,552
Total	560.206	-153.486	-13.542	393.178

Future studies

This reserve is intended to fund future innovative research for which no or insufficient external resources are available. In 2021, part of the provision was spent on the creation of the ARQ essay.

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 payment of wages including VT, EJU and pension. This topic is subject to consultation with employees at an individual level.

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. In 2021, two employees of Foundation 1940-1945 took advantage of this arrangement.

A recalculation of the reserve at year-end 2021 indicates that the amount is too high in relation to the costs still to be expected. The surplus, calculated at €13,542, was added to the general reserve.

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 assumes an annual 12.0% decrease in the number of beneficiaries. 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% (2020: 2.0%).

There is no need to adjust the reserve at year-end 2021.

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:

1. 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 Indonesian 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 dissolved Association of Children of 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:

	Balance 1 January 2021	Result- allocation	Other movements	Balance 31 December 2021
	€	€	€	€
Equalisation reserves Ministry of Health, Welfare and Sport	406,719	-7,471	0	399,248
Total	406.719	-7.471	0	399.248

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.

General and other reserves

The movements were as follows:

	Balance as at 1 January 2021	Result allocation	Other movements	Balance 31 December 2021
	€	€	€	€
General reserve ARQ	-1.017.837	-106.835	0	-1.124.672
General Reserve ARQ IVP B.V.	1,600,947	105,930	0	1,706,877
General reserve ARQ incl. inv.	583,110	-905	0	582,205
General reserve Vrienden van ARQ	1,029,985	56,172	0	1,086,155

General reserve ARQ	3,744,929			
Centrum'45		23,763	0	3,768,691
Gen. reserve Stg. 1940-1945	4,326,255	476,074	13,542	4,815,877
General reserve AWO	2,417	0	0	2,417
Gen. reserve Stg. Pelita	1,566,362	196,664	0	1,763,026
Total	11.253.058	751.769	13.542	12.018.368

7. Provisions

	Balance 1 January 2021	Transferred in	Transferred out	Balance 31 December 2021
	€	€	€	€
Major maintenance	510,654	290,000	136,996	663,658
Gratuities for service anniversaries, etc.	337,833	58,640	28,908	367,565
Fund for periodic payments	10,901	0	2,183	8,718
Total	859.388	348.640	168.087	1.039.941

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

	31 December 2021
	€
Current portion of provisions (< 1 year)	377,303
Non-current portion of provisions (> 1 year)	662,637
Of which non-current (> 5 years)	91,891

Provision for major maintenance

The provision for major maintenance is created for expected costs relating to periodic maintenance of buildings, installations, etc., based on a long-term 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. This 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 pay-outs is based on a 2.0% actuarial interest rate (2020: 2.0%). There is no need for recalculation as at 31 December 2021. In 2021, there were two beneficiaries entitled to such a benefit. The withdrawal in 2021 amounts to € 2,183.

8. Non-current debt

Movements in non-current borrowings were as follows

	<u>2021</u>	<u>2020</u>
	€	€
Opening balance as at 1 January	600,000	700,000
Less: Repayments	100,000	100,000
Closing position as at 31 December	500.000	600.000
Repayment commitment for next financial year	100,000	100,000
Closing balance as at 31 December	400.000	500.000

	Debt as at 1/1	Term > 5 years	Term 1 to 5 years	Term < 1 year	Debt as at 31/12
Waterschapsbank 4%	600,000	0	400,000	100,000	500,000
Total	600.000	0	400.000	100.000	500.000

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 vested a second mortgage.

9. Current liabilities

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
Borrowings from credit institutions	3,206,014	2,612,913
Accounts payable	646,570	773,420
Accrued holiday pay and holiday time (including LFB and 55-plus days)	3,285,026	3,083,535
Taxes and social insurance contributions payable	1,542,543	1,559,453
Corporate income tax due	0	449,696
Repayment obligations healthcare insurers	215,440	179,594
Liabilities in respect of pensions	19,257	82,768
Loan repayment obligations	100,000	100,000
<u>Other payables</u>		

Accrued expenses	773,905	1,001,207
Healthcare bonus and final levy to be paid/repaid	291,600	615,600
<u>Other accrued liabilities</u>		
Other amounts received in advance	1,074,812	1,022,682
Total	11.155.167	11.480.868

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

Borrowings from credit institutions

The current account credit facility with Van Lanschot Bankiers as at 31 December 2021 amounts to €7 million (2020: €8 million) and the interest rate is equal to EURIBOR plus 1.5%. The credit facility was reduced by 1 million as at 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

In 2020, 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 completed in 2020. Payment was made in mid-2021.

Loan repayment obligations

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

Healthcare bonus and final levy to be paid/repaid

At year-end 2021, this concerns the final levy on exceeding the tax-free margin within the WKR (work-related expense allowance), as a result of paying out the healthcare bonus. This final levy of € 259,200, is part of the healthcare bonus received and will be settled in 2022. Another part of this amount is the overpayment of healthcare bonuses, including the final levy that will be repaid to the Ministry of Health, Welfare and Sport in 2022 (€32,400).

Other debts

The other debts concern payment obligations for 2021 that will be settled in the coming financial year. These are below the level of the previous financial year.

Accrued liabilities

This mainly concerns project subsidies received in advance to be implemented in 2022 and later.

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

Tax group

Stichting ARQ, together with ARQ Centrum'45, ARQ IVP B.V., Stichting Pelita and Stichting 1940-1945, form a tax group for VAT purposes. 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 2021, the debts of the tax group amount to € 87,129.

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 to the claimed production may be necessary. 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 FY 2021, this uncertainty specifically focuses on the healthcare bonus subsidy and COVID-19 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-19 compensation.

Liabilities pursuant to the macro management instrument

At the time the 2021 financial statements were prepared, there was no insight into the realisation of the MMI revenue ceiling for 2020 to 2021. Stichting ARQ 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 31 December 2021.

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 so-called '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 appeal to the central government, which provides unlimited guarantees.



The bond amount for ARQ Centrum'45 at year-end 2021 is €15,000 (2020: €18,000).

2.6 Notes to the consolidated income statement for 2021

11. Revenues from healthcare services

	<u>2021</u>	<u>2020</u>
	€	€
Revenues from the Healthcare Insurance Act (excluding subsidies)	10,990,138	10,577,077
Revenue from the Youth Act	1,550,126	1,137,765
Healthcare-related covid compensation	412,189	331,990
Availability contributions healthcare (excluding Education)	4,454,251	4,368,026
Other healthcare services	3,945,082	3,419,540
Total	<u>21.351.786</u>	<u>19.834.398</u>

Notes

As in 2020, healthcare revenue was negatively impacted by the Covid-19 pandemic. Unavoidable vacancies in the clinic initially caused a loss of revenue in 2021. In the last quarter, higher sick leave combined with an increase in cancelled appointments reduced the realised revenue.

As for healthcare revenue, an increase in revenue from interpreter fees was realised in 2021. This is incorporated as a mark-up on the DBCs and the hourly rate for the Youth Act. Under the Care-related corona compensation, the outcome of the hardship clause is recognised in 2021. This compensation relates to 2020. For 2021, VWS has not provided for revenue compensation.

12. Subsidies

The structure is as follows:

	<u>2021</u>	<u>2020</u>
	€	€
Contributions fundraising	90,152	32,477
Availability contributions for training	1,231,093	1,113,705
Bonus healthcare professionals COVID-19	0	615,600
Government subsidy from the Ministry of Health, Welfare and Sport	3,447,660	3,609,454
Other subsidies and contributions	2,738,111	3,013,343
Total	<u>7.507.016</u>	<u>8.384.579</u>

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 reporting year, revenues increased. In 2020 and 2021, a new strategy focused on fundraising was developed with external expertise. This was applied starting in 2021.

Availability contributions for training

ARQ Centrum'45 receives a reimbursement from the Ministry of VWS (Health, Welfare and Sport) for training AIOs (doctors/psychiatrists in training). The increase is mainly an item concerning previous years.

Bonus healthcare professionals COVID-19

The amount for the Bonus for Healthcare Professionals was based on the submitted subsidy application and its 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 grant will be determined during 2022.

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 employer 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 2021, these included IVC Support Centre covid care, eMEN, Care Professionals Directive, Edinburgh Displacement and VVT research. These projects started in the years 2017 - 2021.

13. Other operating income

Other income can be specified as follows:

	<u>2021</u>	<u>2020</u>
	€	€
Personnel costs recharged to third parties	131,337	137,117
Revenue from training	1,238,926	893,714
Other revenues	4,677,047	4,898,545
Total	<u>6.047.310</u>	<u>5.929.376</u>

Other revenues

This can be specified as follows:

	<u>2021</u>	<u>2020</u>
	€	€
Revenue aid ARQ IVP B.V.	4,141,817	3,999,374
Gifts and legacies	0	256,014
Income from recharged costs	61,899	126,601
Other revenue	473,331	516,556
Total	<u>4.677.047</u>	<u>4.898.545</u>

14. Personnel costs

This can be specified as follows:

	<u>2021</u>	<u>2020</u>
	€	€
Wages and salaries	20,288,531	18,923,845
Social insurance	2,689,043	2,685,366
Pension premiums	1,891,722	1,691,725
Other personnel costs:		
- Training cost	459,949	430,058
- Travel and lodging expenses	335,989	333,634
- Healthcare bonus, including final levy	0	615,600
- Other employees expenses	274,224	307,340
Subtotal	<u>25.939.458</u>	<u>24.987.568</u>
Personnel not on payroll		
- Costs of temporary staff	73,972	148,088
- Costs of employing specialists	427,397	532,415
- Costs of subcontractors	157,040	488,778
Total personnel costs	<u>26.597.867</u>	<u>26.156.849</u>

During the year 2021, an average of 301.0 employees were employed on a full time basis (2020: 296.1).

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

	2021	2020
ARQ	85.30	79.50
ARQ Centrum'45	173.55	172.20
ARQ IVP BV	20.93	18.50
Stichting 1940-1945 (1940-1945 Foundation)	2.40	6.70
Stichting Pelita (Pelita Foundation)	18.80	19.20
TOTAL	300,98	296,10

As in the previous financial year, no staff members were employed outside the Netherlands in 2021.

Due to an increase in headcount, salaries and wages increased in 2021 compared to last reporting year. In accordance with the new collective labour agreement effective 1 July 2019, salaries were indexed again effective 1 June 2021. This 2.1% indexation is also a factor in the higher salary costs. In addition, a one-off amount was paid out to staff in November in accordance with the CLA.

The item 'Non-payroll staff' concerns the costs of professors and hired staff services in the fields of IT, information security, finance, facilities and communication. As of 2021, costs not related to the deployment of individuals are recognised in Overheads.

15. Depreciation and Amortisation

	2021	2020
	€	€
Depreciation of buildings and land	38,257	54,496
Depreciation of other fixed assets	325,121	274,523
Total	363.378	329.019

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:

	2021	2020
	€	€
Food and lodging expenses	690,407	675,141
Overheads	6,089,610	5,700,586
Expenses relating to patients and residents	492,307	451,069
Building-related costs	788,403	845,278
Total	8.060.727	7.672.074

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, just as in 2020, and fewer patients came to the clinic due to vacancies in the first lockdown period and subsequent lower occupancy. Food costs are similar to last year's level, but lower compared to previous financial years.

Overheads

The overheads are higher than in the previous financial year. Overheads includes IT costs, consultancy fees, office costs and project-related costs, and the fees of hired therapists and trainers. This category in particular caused the higher costs compared to the previous financial year.

Expenses relating to patients and residents

Expenses relating to patients and residents are at the same level as in 2020. Compared to previous financial years, these are lower due to the covid crisis. As a result, there were fewer expenses incurred relating to patient transportation and hotel costs and deployment of interpreters.

Building-related costs

This includes the costs of the addition to the provision for major maintenance. In 2021, the endowment amounted to € 290,000 and was therefore lower than in 2020 (€ 350,000). This explains the lower building-related costs.

17. Financial income and expenses

	<u>2021</u>	<u>2020</u>
	€	€
Net proceeds from bonds and dividends	58,975	10,093
Return on investments	786,074	340,761
Interest earned	0	11,393
Subtotal financial income	<u>845,049</u>	<u>362,247</u>
Interest on non-current loans	21,672	28,898
Other interest charges	98,012	103,767
Subtotal financial expenses	<u>119,684</u>	<u>132,665</u>
Total	<u><u>725.365</u></u>	<u><u>229.582</u></u>

The result of financial income and expenses increased substantially compared to 2020 due to higher results on the investment portfolios. In 2021, a return of 13% was achieved compared to 6% in 2020. 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>2021</u>	<u>2020</u>
	€	€
Corporate income tax	18,693	443,000
Total	<u>18.693</u>	<u>443.000</u>

Corporate income tax was determined based on ARQ IVP B.V.'s annual results.

In 2020, 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 was paid on the excess value (market value less book value) of the property when the tax group was dissolved.

19. Exceptional income:

Supplementary covid compensation contribution for 2020, awarded in 2021	74,003
Hardship clause continuity contribution 2020, applied for and awarded in 2021	<u>338,186</u>
Total one-off income previous financial year	<u>412.189</u>

The above items are recognised in the income statement under the item Revenue from care services (note 11).

20. Top Income Standards Act (WNT)

The remuneration of the members of the Board of Trustees [and other senior staff] for the year 2021 is as follows:

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

	drs. J-W. Reerds MBA	drs. A. Osinga	drs. G.E.T. van Bellen
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 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	180,222	160,442	160,324
Provisions for remuneration payable in the future	12,778	12,726	12,726
Total remuneration	193.000	173.168	173.050
Individual applicable remuneration ceiling	193,000	193,000	193,000
<i>Comparative figures 2020</i>			
(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
Total remuneration	185.000	153.758	152.619
Individual applicable remuneration ceiling	185,000	185,000	185,000

Supervisory executives

	G.R. Peetoom (drs.)	R.J. van der Kluit (mr.)	J.J.M. Goderie (drs.)
Position (job title)	Chair of the Supervisory Board	Chair (interim) 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 duties)	31-Aug-21	To date	To date
Total remuneration under the WNT	15.440	15.554	15.440
Individual applicable remuneration ceiling	19,274	19,300	19,300
<i>Comparative figures 2020</i>			
Total remuneration under the WNT	13.655	15.039	14.800
Individual applicable remuneration ceiling	17,135	22,038	18,500
	A.F.J. van Overmeire RA	M.J. Jongmans (prof. dr.)	
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 duties)	To date	To date	
Total remuneration under the WNT	15.440	15.440	
Individual applicable remuneration ceiling	19,300	19,300	
<i>Comparative figures 2020</i>			
Total remuneration under the WNT	14.800	14.800	
Individual applicable remuneration ceiling	18,500	18,500	

Other reporting requirements under the WNT

Other than the senior executives listed above, there are no employed executives who received remuneration above the individually applicable threshold amount in 2021.

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 €193,000. This maximum is not exceeded by the Board of Trustees.

The corresponding remuneration maximum for the Chair of the Supervisory Board and other members of the Supervisory Board amounts to €28,950 and €19,300 respectively. These limits are not exceeded.

21. Independent auditor fees

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

	<u>2021</u>	<u>2020</u>
	€	€
1. Audit of the annual financial statements	87,100	81,383
2. Other audit procedures / special statements and reports	28,097	26,252
3. Tax advice and work relating to tax returns	17,178	17,956
4. Non-audit services	0	0
Total fees of the independent auditor	<u>132.375</u>	<u>125.591</u>

The above fees concern the work carried out at Stichting ARQ 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 auditing the financial statements and other statements for the financial year 2021, regardless of whether the work has already been done during the relevant financial year.

22. 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.

23. Subsequent events

At the time of preparing the annual report, war has broken out in Ukraine. The impact of this development on ARQ's operations is as yet impossible to forecast, except for sharply increased inflation and a negative return on the securities portfolio. This crisis, like the current pandemic, puts pressure on our organisation and we are involved in various activities both in Ukraine and in the reception of refugees in the Netherlands.

Because of substantial pressure on available capacity and the desire to scale up clinically, it is necessary to create temporary space. In this context, in early 2022, the Supervisory Board approved the Board of Trustees' proposed decision to temporarily rent an additional location in Oegstgeest.

24. Statement of movements in tangible fixed assets

	Operational buildings and buildings and land	Machines and Installations	Other fixed operating assets, technical and administrative equipment	Total
	€	€	€	€
Balance as at 1 January 2021				
- acquisition value	13,770,116	512,930	2,861,266	17,144,312
- cumulative depreciations	7,134,339	463,493	2,245,080	9,842,912
Carrying amount as at 1 January 2021	<u>6,635,777</u>	<u>49,437</u>	<u>616,186</u>	<u>7,301,400</u>
Changes in the financial year				
- investments	-	-	131,201	131,201
- depreciations	34,608	-	328,770	363,378
- <i>reversal fully depreciated assets</i>				
.acquisition cost	-	-	-	-
.cumulative depreciation	-	-	-	-
- <i>divestments</i>				
.acquisition cost	-	-	27,155	27,155
.cumulative depreciation	-	-	17,516	17,516
on balance	-	-	9,639	9,639
Movements in book value (on balance)	<u>-34.608</u>	<u>-</u>	<u>-207.208</u>	<u>-241.816</u>
Balance as at 31 December 2021				
- acquisition value	13,770,116	512,930	2,965,312	17,248,358
- cumulative depreciations	7,168,947	463,493	2,556,334	10,188,774
Book value as at 31 December 2021	<u>6,601,169</u>	<u>49,437</u>	<u>408,978</u>	<u>7,059,584</u>
<i>Depreciation rate</i>	0.0% - 10.0%	5,0%	20.0%	

25. Overview of non-current liabilities at year-end 2021

Leninggever	Datum	Hoofdsom	Totale looptijd	Soort lening	Werkelijke rente	Restschuld 31 december 2020	Nieuwe leningen in 2021	Aflossing in 2021	Restschuld 31 december 2021	Restschuld over 5 jaar	Resterende looptijd in jaren eind 2020	Aflossingswijze	Aflossing 2022	Gestelde zekerheden
		€			%	€	€	€	€	€			€	
NWB	1-09-06	2.000.000	20	Garantie Wfz	4,29%	600.000	-	100.000	500.000	0	5	lineair	100.000	Hypotheek
Totaal						600.000	-	100.000	500.000	0			100.000	

* NWB Bank, Nederlandse Waterschapsbank

2.7 Segmented income statement for 2021

2.7.1 Stichting ARQ

	2021		2020	
	€	€	€	€
Subsidies	4,961,897		5,235,333	
Other operating income	<u>8,445,900</u>		<u>8,108,241</u>	
Sum of operating income		13.407.797		13.343.574
Personnel costs	8,560,006		8,313,257	
Depreciation on Property, plant and equipment and amortisation on intangible non-current assets	325,121		290,430	
Other operating expenses	<u>4,522,869</u>		<u>4,453,312</u>	
Sum of operating expenses		13.407.996		13.057.000
Result from operations		-199		286.574
Financial income and expenses		-136.107		-153.850
Income from investees*		<u>-</u>		<u>-</u>
Result from operations		-136.306		132.725
Taxes on result from operations		<u>0</u>		<u>-385.000</u>
Result after tax		<u>-136.306</u>		<u>-252.275</u>
Proposed appropriation of the result				
Addition/(withdrawal):				
General and other reserves	-106.835		-308.083	
Special-purpose reserves	-7,471		79,808	
Appropriated funds	<u>-22,000</u>		<u>-24.000</u>	
		<u>-136.306</u>		<u>-252.275</u>

* The income statement of Stichting ARQ presented here excludes the result of the investee ARQ IVP B.V. The result of this segment is stated separately below to provide clear insight. The separate financial statements of Stichting ARQ show the result including the result on the investee.

2.7.2 ARQ Centrum'45

	2021		2020	
	€	€	€	€
Revenues from healthcare services	21,351,786		19,834,398	
Subsidies	2,176,304		2,610,247	
Other operating income	605,756		471,977	
Sum of operating income		24.133.846		22.916.622
Personnel costs	16,276,004		15,598,906	
Depreciation of intangible tangible fixed assets	38,257		38,589	
Other operating expenses	7,795,822		7,691,316	
Sum of operating expenses		24.110.083		23.328.811
Result from operations		23.763		-412.189
Financial income and expenses		-		-
RESULT		23.763		-412.189
Proposed appropriation of the result				
Addition/(withdrawal):				
General and other reserves	23,763		-412.189	
Special-purpose reserves	0		0	
Appropriated funds	0		0	
		23.763		-412.189

2.7.3 Stichting 1940-1945

	2021		2020	
	€	€	€	€
Subsidies and contributions	1,084		93,974	
Other operating income	<u>31,598</u>		<u>30,280</u>	
Sum of operating income		32.682		124.074
Personnel costs	100,448		165,620	
Other operating expenses	<u>221,444</u>		<u>225,932</u>	
Sum of operating expenses		321.892		391.552
Result from operations		-289.210		-267.478
Financial income and expenses		633.799		265.650
RESULT		344.589		-1.828
Proposed appropriation of the result				
Addition/(withdrawal):				
General and other reserves	476,075		80,950	
Special-purpose reserves	-131.486		-82.778	
Appropriated funds	<u>0</u>		<u>0</u>	
		344.589		-1.828

2.7.4 Stichting ARQ Wetenschappelijk Onderzoek

	2021		2020	
	€	€	€	€
Other operating income	0		0	
Sum of operating income		0		0
Depreciation costs	0		0	
Other operating expenses	0		-2.417	
Sum of operating expenses		0		-2.417
Result from operations		0		2.417
Financial income and expenses		0		0
RESULT		0		2.417
Proposed appropriation of the result				
Addition/(withdrawal):				
General and other reserves	0		-2.417	
Special-purpose reserves	0		0	
Appropriated funds	0		0	
		0		2.417

2.7.5 ARQ IVP B.V.

	<u>2021</u>		<u>2020</u>	
	€	€	€	€
Other operating income	4,977,263		4,626,706	
Sum of operating income		4.977.263		4.626.706
Personnel costs	1,832,896		1,580,178	
Other operating expenses	3,028,625		2,758,214	
Sum of operating expenses		4.861.521		4.338.392
Result from operations		115.742		288.314
Financial income and expenses		8,881		8,721
Result from operations		124.623		297.035
Taxes on result from operations		-18.693		-58.000
RESULT		105.930		239.035
Proposed appropriation of the result				
Addition/(withdrawal):				
General and other reserves	105,930		239,035	
Special-purpose reserves	0		0	
Appropriated funds	0		0	
		105.930		239.035

2.7.6 Stichting Vrienden van Stichting ARQ

	2021		2020	
	€	€	€	€
Other operating income	168,449		35,917	
Sum of operating income		168.449		35.917
Personnel costs	34,045		-	
Other operating expenses	85,304		51,490	
Sum of operating expenses		119.349		51.490
Result from operations		49.100		-15.573
Financial income and expenses		7.072		8.957
RESULT		56.172		-6.616
		=====		=====
Proposed appropriation of the result				
Addition/(withdrawal):				
General and other reserves	56,172		-6,616	
Special-purpose reserves	0		0	
Appropriated funds	0		0	
		56.172		-6.616
		=====		=====

2.7.7 Stichting Pelita

	2021		2020	
	€	€	€	€
Subsidies and contributions	446,023		579,042	
Other operating income	65,109		307,281	
Sum of operating income		511.132		886.323
Personnel costs	372,587		605,854	
Other operating expenses	153,602		172,125	
Sum of operating expenses		526.189		777.979
Result from operations		-15.057		108.344
Financial income and expenses		211.721		100.104
RESULT		196.664		208.448
 Proposed appropriation of the result				
Addition/(withdrawal):				
General and other reserves	196,664		208,448	
Special-purpose reserves	0		0	
Appropriated funds	0		0	
		196.664		208.448

2.7.8 Results according to segmented income statements:

	<u>2021</u>	<u>2020</u>
	€	€
Stichting ARQ (excl. investee)	-136.306	-252.275
ARQ Centrum'45	23,763	-412,188
Stichting ARQ Wetenschappelijk Onderzoek (ARQ Scientific Research Foundation)	0	2,417
ARQ IVP BV	105,930	239,035
Stichting Vrienden van Stichting ARQ (Friends of ARQ Foundation)	56,172	-6,616
	<u>49.559</u>	<u>-429,627</u>
Stichting 1940-1945 (1940-1945 Foundation)	344,589	-1,828
Stichting Pelita (Pelita Foundation)	196,664	208,448
	<u><u>590.812</u></u>	<u><u>-223,007</u></u>

3. Stichting ARQ - separate financial statements 2021

3.1 Separate balance sheet as at 31 December 2021

(after proposed profit appropriation)

Assets	Ref.	31-12-2021		31-12-2020	
		€	€	€	€
Fixed assets					
Tangible fixed assets	1	6.088.328		6.291.887	
Financial fixed assets	2	1.725.027		1.619.097	
Current assets					
Receivables and prepayments and accrued income	3	1,407,542		1,314,428	
Cash and cash equivalents	4	405,098		77,964	
		1.812.640		1.392.392	
		9.625.995		9.303.376	

<u>Liabilities</u>	<u>Ref.</u>	<u>31-12-2021</u>		<u>31-12-2020</u>	
		€	€	€	€
Equity	5				
Other freely disposable capital		582,209		583,114	
Equalisation reserve		399,249		406,720	
Special-purpose reserve		14,000		36,000	
		<hr/>		<hr/>	
			995.458		1.025.834
Provisions	6		772.267		604.875
Current Liabilities and accrued liabilities	7		7.858.272		7.672.667
			<hr/>		<hr/>
			9.625.995		9.303.376
			<hr/> <hr/>		<hr/> <hr/>

3.2 Company income statement for 2021

	Ref.	2021	2020
		€	€
Subsidies	9	4,961,897	5,235,333
Other operating income	10	8,445,900	8,108,241
Total revenue		13.407.797	13.343.574
Personnel costs	11	8,560,006	8,313,257
Depreciation costs	12	325,121	290,430
Other operating expenses	13	4,522,869	4,453,312
Total operating expenses		13.407.996	13.056.999
Earnings before financial income and expenses		-199	286.575
Financial income and expenses	14	-136.108	-153.850
Share in result of investees	15	105,930	239,035
Result from operations		-30.376	371.760
Tax on result from operations 16		0	-385.000
Result after tax		-30.376	-13.240
Proposed appropriation of the result			
Addition/(withdrawal):			
General reserve		-905	-69.048
Equalisation reserve		-7,471	79,808
Special-purpose reserve for future research		-22,000	-24.000
		-30.376	-13.240

3.3 Separate cash flow statement for 2021

	Ref.	2021		2020	
		€	€	€	€
Cash flow from operational activities					
Operating result before financial income and expenses			-199		286.574
Adjustments for:					
- depreciations / amortisations	12	325,121		290,430	
- movements in provisions	6	167,392		259,688	
			492.512		550.118
Movements in current assets:					
- other receivables	3	-93.113		-239.949	
- taxes on operations	3	0		-385.000	
- current liabilities (excl. debts to credit institutions)	7	185,603		120,421	
			92.491		-409.528
Cash flow from operations			584.805		427.164
Interest income and similar revenue	14	1,496		1,196	
Interest expenses and similar expenses	14	-115.932		-126.148	
Interest charges on non-current loans	14	-21.672		-28.898	
			-136.108		-153.850
Operating cash flow			448.697		273.315
Cash flows from investment activities					
Investments/acquisition of tangible assets	1	-131.201		-410.436	
Disposals of Property, plant and equipment items	1	9,639		23,354	
Total			-121.562		-387.082
Cash flow from financing activities					
Other movements in equity	5	0		0	
Total			0		0
Movement in cash and cash equivalents (including current debts to credit institutions)			327.134		-113.767
		2021		2020	
		€	€	€	€
Cash position as at 1 January					
Cash and cash equivalents		77,964		191,731	
Borrowings from credit institutions		0		0	
			77,964		191,731
Cash position as at 31 December					
Cash and cash equivalents		405,098		77,964	
Borrowings from credit institutions		0		0	
			405,098		77,964

Movement in cash and cash equivalents

327.134

-113.767

3.4 General notes to the company financial statements 2021

3.4.1 General

The separate financial statements are part of the 2021 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.

3.5 NOTES TO THE SEPARATE COMPANY BALANCE SHEET AS AT 31 DECEMBER 2021

1. Tangible fixed assets

This can be specified as follows:

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
Buildings and land	5,649,800	5,649,800
Other non-current assets	438,528	642,087
Total	<u>6.088.328</u>	<u>6.291.887</u>

Movements in tangible fixed assets are as follows:

	<u>2021</u>	<u>2020</u>
	€	€
Carrying amount as at 1 January	6,291,887	6,195,235
Added: investments	131,201	410,436
Less: depreciations	325,121	290,430
Less: disposals	9,639	23,354
Book value as at 31 December	<u>6.088.328</u>	<u>6.291.887</u>

Buildings and land concerns the buildings of Stichting ARQ in Diemen. The intention is to eventually dispose of the buildings and land and move into a new building. The expected net realisable carrying amount is higher than the capitalised value and there is therefore no reason to apply an additional depreciation on the book value.

The WOZ value of the buildings in Diemen in 2021 is € 11,250,000 (value reference date 1 January 2021).

The investments mainly concern the purchase of computer equipment (laptops) for staff working from home, and of mobile phones. In addition, we invested in video conferencing equipment in meeting rooms. 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

This can be specified as follows:

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
Investees	1,725,027	1,619,097
Total financial fixed assets	<u>1.725.027</u>	<u>1.619.097</u>

Stichting ARQ has the following capital interests:

Name	Location	Share of issued capital
ARQ IVP BV	Diemen	100%
Coöperatieve Quli U.A.	Diemen	9%

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

	<u>2021</u>	<u>2020</u>
	€	€
Opening balance as at 1 January	1,619,097	1,380,062
Add: share in result of investees	105,930	239,035
Balance as at 31 December	<u>1.725.027</u>	<u>1.619.097</u>

The investee concerns the 100% participation in ARQ IVP B.V. In 2021, the investee achieved an after-tax result of €105,930.

3. Receivables and prepayments and accrued income

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
Accounts receivable	293,099	317,592
Amounts receivable from group companies	35,288	13,253
Healthcare bonus subsidy to be received	0	167,400
Other receivables	832,971	610,301
Prepayments and accrued income	246,184	205,882
Total Receivables and Accruals	<u>1.407.542</u>	<u>1.314.428</u>

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

The 2020 healthcare bonus to be received (including final levy) at year-end 2020 was allocated by VWS in early 2021, and was received and paid out to staff in April 2021.

The item Other receivables includes an amount for the efforts on behalf of the IVC Corona Care support point, which was invoiced to the Ministry of Health, Welfare and Sport in early 2022.

4. Cash and cash equivalents

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
Banks	405,098	77,964
	<hr/>	<hr/>
Total cash and cash equivalents	<u>405.098</u>	<u>77.964</u>

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

5. Equity capital

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
Other freely disposable capital	582,209	583,114
Equalisation reserve	399,249	406,720
Special-purpose reserve for future research	14,000	36,000
	<hr/>	<hr/>
	<u>995.458</u>	<u>1.025.834</u>

The movements were as follows:

	Balance as at 1-Jan-2021	Result- allocation	Other movements	Balance as at 31-dec-2021
	€	€	€	€
Other freely disposable capital	583,114	-905	0	582,209
Equalisation reserve	406,720	-7,471	0	399,249
Special-purpose reserve	36,000	-22,000	0	14,000
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1.025.834</u>	<u>-30.376</u>	<u>0</u>	<u>995.458</u>

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:

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
Equity of Stichting ARQ, separate	995,455	1,025,834
Equity of Vrienden van Stichting ARQ	1,086,155	1,029,983
Equity of ARQ Centrum'45	3,768,691	3,744,929
Equity of Stichting ARQ Wetenschappelijk Onderzoek	2,417	2,417
	5.852.718	5.803.163
Equity Stichting 1940-1945	5,139,598	4,795,009
Equity Stichting Pelita	1,819,259	1,622,595
Consolidated equity as at 31 December	<u>12.811.575</u>	<u>12.220.767</u>

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 is as follows:

	<u>2021</u>	<u>2020</u>
	€	€
Stichting ARQ (ARQ Foundation)	-30,376	-13,240
Stichting Vrienden van ARQ	56,172	-6,616
Stichting ARQ Centrum'45	23,763	-412,188
Stichting ARQ Wetenschappelijk Onderzoek	0	2,417
	49.559	-429,627
Stichting 1940-1945 (1940-1945 Foundation)	344,589	-1,828
Stichting Pelita (Pelita Foundation)	196,664	208,448
	<u>590.812</u>	<u>-223,007</u>

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-2021	Transferred in	Transferred out	Balance as at 31-dec-2021
	€	€	€	€
Provision for service anniversaries	94,221	20,296	-5,908	108,609
Maintenance provision	510,654	290,000	-136,996	663,658
	604.875	310.296	-142,904	772.267

7. Current liabilities and accruals

	31-dec-21	31-dec-20
	€	€
The current liabilities can be specified as follows:		
Accounts payable	277,279	374,251
Amounts payable to group companies	5,564,290	4,841,937
Corporate income tax due	0	391,696
Healthcare bonus and final levy to be paid/repaid	81,179	167,400
Other debts	1,935,524	1,897,383
Total	7.858.272	7.672.667

Amounts payable to group companies

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

Corporate income tax due

In 2020, 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 completed in 2020. Payment was made in mid-2021.

Healthcare bonus and final levy to be paid/repaid

At year-end 2021, this concerns the final levy on exceeding the tax-free margin within the WKR (work-related expense allowance), as a result of paying out the healthcare bonus. This final levy is part of the healthcare bonus received and will be settled in 2022. Another part of this amount is the overpayment of healthcare bonuses including the final levy that will be repaid to the Ministry of Health, Welfare and Sport in 2022.

	<u>31-dec-21</u>	<u>31-dec-20</u>
	€	€
The other debts can be specified as follows:		
Provision holiday allowance	222,807	199,422
Provision holiday time	132,587	121,973
Provision life phase budget employees and 55+ days	421,449	353,858
Wage tax and national insurance contributions payable	294,528	284,973
VAT to be paid	87,129	87,177
Pension premiums payable	1,261	74,407
Amounts received in advance	451,173	465,863
Audit fees payable	73,576	79,724
Energy costs due	33,978	26,889
Non-current interest payable Waterschapsbank	7,600	11,668
Amounts payable	209,437	191,427
	<u>1.935.524</u>	<u>1.897.383</u>

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

Tax group

Stichting ARQ, together with ARQ Centrum'45, ARQ IVP B.V., Stichting Pelita and Stichting 1940-1945, form a tax group for VAT purposes. 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 2021, the debts of the tax group amount to € 87,129.

Other liabilities

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

3.6 Notes to the 2021 separate income statement

9. Subsidies

	<u>2021</u>	<u>2020</u>
	€	€
Subsidies received for ongoing projects	2,106,919	2,113,197
Bonus healthcare professionals COVID-19	0	167,400
VWS institutional subsidy and SVB fee for statutory tasks	2,830,926	2,922,259
Contributions fundraising	24,052	32,477
	<u>4.961.897</u>	<u>5.235.333</u>

The subsidy income relates to reimbursements for costs incurred in connection with ongoing projects. In 2021, these included IVC Support Centre corona care, eMEN, Care Professionals Directive, Edinburgh Displacement and VVT research.

By 2021, the projects include VIPP 3 and eGGZ.

The amount for the Bonus for Healthcare Professionals was based on the submitted subsidy application and its 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 grant will be determined during 2022.

10. Other operating income

Other operating income can be specified as follows:

	<u>2021</u>	<u>2020</u>
	€	€
Revenues from funding contributions ARQ costs	7,739,236	7,433,591
Other revenues	706,664	674,650
	<u>8.445.900</u>	<u>8.108.241</u>

The other revenues can be broken down as follows:

	<u>2021</u>	<u>2020</u>
	€	€
- Revenue from recharged salary costs	49,245	126,601
- Revenue from training courses	403,480	266,382
- Other revenues	253,939	281,667
	<u>706.664</u>	<u>674.650</u>

The income from training concern the revenue from training and courses provided by ARQ Academy. The activities of ARQ Academy are charged to ARQ Centrum'45 and are conducted by Stichting ARQ. At year-end of the financial year, all revenues and costs are recharged to ARQ Centrum'45.

11. Personnel costs

	<u>2021</u>	<u>2020</u>
	€	€
Salaries	6,280,537	5,842,289
Social insurance	862,783	847,836
Pensions	580,137	502,632
Other personnel costs:		
- Training cost	85,353	77,772
- Travel and lodging expenses	127,355	138,441
- Healthcare bonus for payroll employees, including final levy	0	167,400
- Other employees expenses	175,307	202,916
Subtotal	<u>8.111.471</u>	<u>7.779.285</u>
Personnel not on the payroll:		
- Costs of temporary staff	47,056	45,378
- Cost of employing external specialists	244,439	180,945
- Costs of subcontractors	157,040	307,649
	<u>8.560.006</u>	<u>8.313.257</u>

In 2021, personnel costs have increased by approximately €0.25 million compared to 2020. This is mainly due to the increase of the headcount of Stichting ARQ (approx. 6 FTE) and indexation of wages based on the collective labour agreement. A one-off amount was paid out to staff in November.

During the year 2021, an average of 85.3 employees were employed on a full time basis (2020: 79.5). As in the previous financial year, no staff members were employed outside the Netherlands in 2021.

12. Depreciation costs

	<u>2021</u>	<u>2020</u>
	€	€
Provisions for land and premises	0	4,989
Buildings and renovations	0	10,918
Computer equipment	149,161	110,630
Software	26,040	31,509
Automation	49,941	49,941
Other operating assets	4,098	5,933
Inventories	84,062	61,130
Copiers	11,818	15,381
	<u>325.121</u>	<u>290.430</u>

13. Other operating expenses

	<u>2021</u>	<u>2020</u>
	€	€
Food and lodging expenses	690,182	674,100
Overheads	3,036,239	2,926,332
Maintenance and energy costs	788,403	845,278
Other income and expenses	8,045	7,602
	<u>4.522.869</u>	<u>4.453.312</u>

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, as in 2020, fewer staff came to the office and fewer patients came to the clinic due to vacancies in the first lockdown period and lower occupancy thereafter. Food costs are similar to last year's level, but lower compared to previous financial years.

Overheads

The 2021 overheads are about €100,000 higher than in 2020. This includes costs related to the development of the new website.

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 2021, an amount of €290,000 was transferred in, which is lower than in 2020 (€350,000). This explains the lower costs of maintenance and energy.

14. Financial income and expenses

	<u>2021</u>	<u>2020</u>
	€	€
Interest income on current intercompany receivables	1,496	1,196
Total interest income	1,496	1,196
Interest expenses current liabilities	73,075	92,467
Interest charges on non-current liabilities	21,672	28,898
Interest expenses on current intercompany loans	18,004	24,888
Tax interest	11,932	0
Bank fees	12,920	8,793
Total interest expense	137,604	155,046
	<u>-136,108</u>	<u>-153,850</u>

Interest income on current intercompany receivables

Interest income relates to the interest charged by Stichting ARQ to partners within ARQ National Psychotrauma Center 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 expense is lower since the higher interest rate was still applied for part of the year in 2020.

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 2021 is € 500,000. This loan is included in the financial statements of 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.

Tax interest

This refers to the interest on tax charged by the tax authorities that relates to the 2019 corporate tax assessment for the period that the return was filed after 1 July 2020 through the date of filing.

15. Share in result of investees

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

	<u>2021</u>	<u>2020</u>
	€	€
Share in result of investees	105,930	239,035
	<u>105.930</u>	<u>239.035</u>

The share in the result of investees relates to ARQ IVP B.V. as of financial year 2020.

16. Taxes on result from operations

	<u>2021</u>	<u>2020</u>
	€	€
Corporate income tax	0	385,000
	<u>0</u>	<u>385.000</u>

In 2020, 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 was paid on the excess value (market value less book value) of the property when the tax group was dissolved.

17. Remuneration of Trustees and Supervisory Board members

	<u>2021</u>	<u>2020</u>
	€	€
Trustees and former Trustees	539,218	491,377
Supervisors and former supervisors	77,314	73,094
	<u>616,532</u>	<u>564,471</u>

The remuneration of Trustees and Supervisory Board members 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

	Operational buildings and buildings and land	Other fixed operating assets, technical and administrative equipment	Total
	€	€	€
Balance as at 1 January 2021			
- 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 1 January 2021	<u>5,649,800</u>	<u>642,087</u>	<u>6,291,887</u>
Changes in the financial year			
- investments	-	131,201	131,201
- depreciations	-	325,121	325,121
- <i>reversal fully depreciated assets</i>			
.acquisition cost	-	-	-
.cumulative depreciation	-	-	-
- <i>divestments</i>			
.acquisition cost	-	27,155	27,155
.cumulative depreciation	-	17,516	17,516
on balance	-	9,639	9,639
Movements in book value (on balance)	<u>-</u>	<u>-203,559</u>	<u>-203,559</u>
Balance as at 31 December 2021			
- acquisition value	6,644,747	2,631,938	9,276,685
- cumulative depreciations	994,947	2,193,410	3,188,357
Book value as at 31 December 2021	<u>5,649,800</u>	<u>438,528</u>	<u>6,088,328</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 2021 financial statements on 23 May 2022.

J.W. Reerds MBA (drs.)	
Chair	
G.E.T. van Bellen (drs.)	A. Osinga (drs.)
member	member

4.2 Approval of the Supervisory Board

The Supervisory Board approved the 2021 financial statements at its meeting on 23 May 2022.

K. Arib (drs.)	
Chair	
R.J. van der Kluit (mr.)	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 2021 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.