

AUDITOR'S REPORT

for the Fiscal Year 2017
(Reporting Period 01.01. – 31.12.2017)

European AIDS Treatment Group e.V.

Copy-Nr. 1

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GENERAL PART

1. Assignment

The assignment for preparation of the statement 2017 and for auditing the bookkeeping was given by the chairman of the association „European AIDS Treatment Group e.V. (EATG), Mr. Nikos Dedes. The assignment is based on the "General Terms of Engagement" of the „Wirtschaftsprüferinstitut“ in the version from January, 1st 2017. The amount of our liability is provided by § 323 Abs. 2 HGB. In relation to third parties Nr. 1 Abs. 2 and Nr. 9 of the "General Terms of Engagement" are authoritative.

My order for the preparation of the statement 2017 covers after this all activities which are required to prepare the engaged statement 2017 due to the books presented to me and stock proofs as well as the information sought to the accounting methods to be used under making of the closing entries. The bookkeeping is the responsibility of the company's management.

Furthermore, I also had to judge the bookkeeping underlying the statement 2017 and the inventory by suitable measures on her order moderation.

Object of my order was neither the uncovering and clearing up of criminal facts of the matter, order adversities done such as acts of perfidy or embezzlements and offences made outside the accounting, nor the judgement of the effectiveness and efficiency of the organisation's leadership. I have laid out planning and execution, however, so that those irregularities which are essential for the accounting are uncovered with an adequate safety. The responsibility for the avoidance and the uncovering of irregularities lies with the legal representatives of the organization.

The professional general representation letter was handed over to me without any limitation or supplement and was taken to the records.

The leadership of the organisation confirms that the bookkeeping and the statement 2017 contains each assets, liabilities and delimitation such as all expenditure and profits and necessary information have been given.

2. Execution of Assignment

The finance accounting, led by the organization by means of personal computer with the help of the program "Kanzlei-Rechnungswesen" of the DATEV e.G., was starting point of the work. For the construction the organization presented the bookkeeping 2017 with pieces of evidence and supplementary documents from which I have derived the annual invoice (according to annex 1).

The preparation of the annual invoice was carried out considering the accounting regulations applying to it including the supplementary principles of order-like bookkeeping.

All information, asked for clearings up and proofs have been furnished by the organisation leadership and the employees named for the information willingly. As informers the organisation leadership named Mr Koen Block (Excecutive Director) and Mrs Marie McLeod (Financial Manager).

Type, size and result of the construction actions carried out by me are held tight in our working papers as far as not documented in this construction report.

The local auditing works have been done with interruptions in March 2018 by Mr Hans-Joachim Wuttke, Dipl.-Bw., and Mr Carsten Köhring, lawyer, Specialist of Tax Law, at the office of the association at Place Raymond Blyckaerts 13 in Brussels, as well as in my office in Düsseldorf.

All effort and revenue accounts got a critical examination, subjected to piece of evidence-like samples connectedly.

The transfers posting required by the preparations works were included in a list and submitted to the organization for the own booking.

3. Lawful Standards

– Generals

Association:	European AIDS Treatment Group e.V.
Legal Form:	Registered association
Association Register:	The association is registered in the association register at the official court Düsseldorf under the no. 8542. The first entry was August, 9 th 1993.
Association Constitution:	The constitution was adopted February, 23 rd 1992, changed on June 13 th , 14 th 1998 and last changed on September, 23 rd 2017.
Office:	Düsseldorf
Chair:	Until September 24 th 2017 Jacqueline Morton, Scarborough, United Kingdom Since September 24 th 2017 Nikos Dedes, Athen / Greece
Tax Office:	Düsseldorf-Mitte Tax. no. 133/5906/3920

Association Bodies:

Association bodies are according to § 3 of the association constitution the assembly of members and the directors.

a) Assembly of Members:

The last ordinary General Assembly took place in Kiev/Ukraine in September, 22nd – 24th 2017.

The assembly's protocol was inspected. The size of the association membership increased to 179 members.

b) Board of Directors:

Referring to § 7 association constitution, the directors must have to be association members.

Chairperson:

Nikos Dedes, Director
Athen / Greece

Directors:

Mario Cascio, Director
Palermo / Italy

Brian West, Treasurer
Edinburgh / UK

Esther Dixon-Williams, Director
London / UK

Bryan Teixeira, Secretary
Carcassonne / France

Internal-Auditor:

For the position of internal auditors IA in 2017 were elected at the general assembly 22nd – 24th September 2017

Peter Wiessner, Berlin / Germany
Jens Wilhelmsberg, Copenhagen / Denmark

The internal audit took place in November 2016, February, May and June/July 2017. The report on the findings of the internal audit as of August 2017 were given to the external auditors before completion of this report including a discussion about with IA on 20th March 2018.

4. Economical Basics

The European AIDS Treatment Group is a network of nationally-based volunteer activists from different countries in Europe. This non-profit association is only carrying out charity work, regarding the prevention and combatting of the communicable disease aids.

There is confirmation given to the association by the tax office Düsseldorf-Mitte, dated February 17th 2017, to be free of corporate tax and trade tax and allowed to take donations for charity work and to certify it to the donors.

5. Bookkeeping and Records System

The bookkeeping system is the „Kanzlei-Rechnungswesen“ and the „Kostenrechnungsprogramm“ by the DATEV e.G. The records system was controlled by samples for their formal and material regularity. Bookkeeping and records system are in the right business form.

6. Explanations to positions of the inventory of property and the account for 2017

The schemes are sufficiently jointed so that further-reaching explanations can be renounced. Only the positions with whom it is in combination with different positions or an explanation is required are explained in the following.

The **member stock** of the organization has raised from 168 to 179. The contribution was € 4.650,00.

The **demands** are expelled to nominal values concerning membership subscriptions as well as advances on travelling expenses, salary payments and designed costs on projects.

The **credits at credit institutions** proved by bank statements are judged to the nominal value.

Costs for event rooms as well as travelling expenses invoices from the year 2017 are essentially the **liabilities** of the organization in the amount of € 366.406,58 (PY: € 226.572,80). Furthermore, there are tied donations as received deposit in the amount of € 298.446,63 (PY: € 158.777,34) expelled here. Running time of the projects is up to 5 years.

The capital contribution amounts to € 291.569,65. The surplus of the cash over the expenses receipts is € + 109.211,05 (Previous Year € ./ 85.914,77).

The sum of all donations received in 2017 amounted to € 1.426.413,09 (PY 1.488.489,63), of more than 6 large donators.

The **accounting** is made by the organization itself since the year 2006. The costs being allocated to it of one's own are contained in the areas of personnel expenses and office costs.

The profit of 2017 raises the reserve. A proposal of the Board will be presented to the general assembly.

7. Result of Audit

Referring to the preparation works I am of the conviction that the statement 2017 includes all cash receipts and expenditures.

Therefore, I have certified the account 2017 of the association with the following statement:

"The account (cash based accounting) for 2017 was set up by obeying to the law and the statute referring to the principles of accounting."

Düsseldorf, 20th April 2018



Klaus Malenke
Wirtschaftsprüfer / Steuerberater



Account
for the Fiscal Year 2017

	2017	2016
Income		
1. Donations, different	€ 1.426.413,09	€ 1.328.489,63
2. CAF Charities Aid Foundation	€ 0,00	€ 160.000,00
3. Membership fees	€ 4.650,00	€ 4.400,00
4. Interest	€ 419,80	€ 490,97
5. Recoverable costs	€ 7.785,30	€ 11.087,20
6. Other income	€ 42.126,94	€ 32.491,80
	<u>€ 1.481.395,13</u>	<u>€ 1.536.959,60</u>
Expenses		
1. Depreciation and amortisation of tangible and intangible assets	€ 5.073,62	€ 5.054,60
2. Outside services	€ 197.555,29	€ 224.165,88
3. Rent and associated costs	€ 69.841,55	€ 97.941,19
4. Personnel expenses	€ 343.020,11	€ 305.186,04
5. Event expenses	€ 336.499,30	€ 501.702,84
6. Insurances	€ 12.556,28	€ 2.557,58
7. Postage / courier service	€ 677,82	€ 604,59
8. Telephone / Internet / IT / Website	€ 43.722,16	€ 61.813,35
9. Legal and professional fees	€ 111.510,94	€ 120.378,39
10. Product leasing	€ 3.132,87	€ 3.202,64
11. Audit fee	€ 14.399,00	€ 8.925,00
12. Additional costs for money transactions	€ 4.012,80	€ 4.216,20
13. Office expenses	€ 5.909,62	€ 6.066,63
14. Travelling expenses	€ 204.797,54	€ 266.745,93
15. Contributions	€ 7.810,71	€ 9.118,00
16. Other expenses	€ 10.271,84	€ 3.575,21
17. Tax on investment income	€ 61,72	€ 72,95
18. Difference in the exchange rates	€ 502,91	€ 99,35
19. Retirement of fixed assets	€ 828,00	€ 1.448,00
	<u>€ 1.372.184,08</u>	<u>€ 1.622.874,37</u>
Surplus of the cash over the expenses receipts	<u>€ 109.211,05</u>	<u>– € 85.914,77</u>
(previous year: loss)		

Transition Statement 2017

**from the profit and loss statement to the receipts and expenditures statement
referring § 4 (3) EStG**

	€	€
loss by fiscal for the account year 2017		+ 109.211,05
+ receivable debts correction 2016		+ 35.941,79
		+ 145.152,84
– receivable debts correction 2017		
– by trade accounts	17.575,11	
– by advance payments and other receivables	13.762,57	
– by other income	6.347,51	– 37.685,19
		+ 107.467,65
– liabilities correction 2016		– 226.572,80
– liabilities correction 2017		
– by payable trade accounts	56.668,47	
– by member expenses	2.408,30	
– by other liabilities	8.883,18	
– by received advance payment	298.446,63	+ 366.406,58
Surplus in the legal sense of § 4 Abs. 3 EStG		+ 247.301,43

State and Utilisation of Funds 2017

	<u>€</u>	<u>€</u>
State January, 1st 2017		+ 334.181,68
+ Cash Receipts	+ 1.481.395,13	
- Expenses	- <u>1.372.184,08</u>	- 109.211,05
+ depreciation 2017		+ 5.073,62
- minus of asset additions		- 2.904,62
+ plus of asset disposals		+ 828,00
+ debts as per January 1 st 2017	+ 63.068,22	
- debts as per December 31 st 2017	- <u>37.685,19</u>	+ 25.383,03
- liabilities as per January 1 st 2017	- 226.572,80	
+ liabilities as per December 31 st 2017	+ <u>366.406,58</u>	+ 139.833,78
Utilisation of Funds December, 31st 2017		<u>611.606,54</u>
 Balance other deposit, December, 31st 2017		
ING Bank deposit		+ 601.296,85
APO Bank e.G. deposit		+ 1.870,52
petty cash		+ <u>8.439,17</u>
		<u>611.606,54</u>

ANALYSIS OF ASSETS FOR THE FISCAL YEAR 2017

	2017	historical year	historical costs	asset disposals	asset additions	end of 2017	end of 2016	depreciation fiscal year
I	Immaterial assets							
1	03.12.2012	Windows 2007 incl. Server	Dez. 12	1.167,52 €		1,00 €	1,00 €	0,00 €
		Subtotal		1.167,52 €	0,00 €	0,00 €	1,00 €	1,00 €
II	Fixtures furniture and office equipment							
2	01.05.2002	Safe	Mai. 02	810,84 €		0,50 €	0,50 €	0,00 €
3	01.10.2008	Lightening office	Okt. 08	4.436,47 €		1,00 €	1,00 €	0,00 €
4	01.03.2011	PC ntel Core & MS MM	Mrz. 11	1.128,90 €		1,00 €	1,00 €	0,00 €
5	17.04.2012	NoteB+PC+Zubehör Thinkcentre	Apr. 12	792,88 €		1,00 €	1,00 €	0,00 €
6	07.12.2012	Ultrabook	Dez. 12	999,00 €		1,00 €	1,00 €	0,00 €
7	16.04.2013	Sonic WALL	Apr. 13	600,10 €	-1,00 €	0,00 €	1,00 €	0,00 €
8	31.05.2013	8 office chairs	Mai. 13	2.797,52 €		1.830,00 €	2.045,00 €	-215,00 €
9	04.07.2013	PC ACER DT.SLJEH	Jul. 13	499,00 €		-82,00 €	1,00 €	-83,00 €
10	16.12.2013	Apple MacBook Pro Retina 13.3.	Dez. 13	1.352,70 €	-1,00 €	0,00 €	1,00 €	0,00 €
11	30.01.2014	SAM.NP 905 S3G (AIVL)	Jan. 14	699,00 €		1,00 €	19,00 €	-18,00 €
12	30.01.2014	ACE DT SR 3 EH (GB)	Jan. 14	499,00 €		1,00 €	15,00 €	-14,00 €
13	31.01.2014	Applw Mc Pro 13" (DMAG)	Jan. 14	1.329,00 €		1,00 €	37,00 €	-36,00 €
14	09.04.2014	Packard Bell DT U81 (PC-Office)	Apr. 14	399,00 €		1,00 €	33,00 €	-32,00 €
15	09.04.2014	Packard Bell DT U81 (PC-Office)	Apr. 14	399,00 €		1,00 €	33,00 €	-32,00 €
16	02.03.2015	MAC Apple MD7608 B Laptop	Mrz 15	1.000,00 €		56,00 €	389,00 €	-333,00 €
17	07.07.2015	DELL InspironLaptop 7000 S 2 in 1	Jul 15	1.049,01 €		174,00 €	524,00 €	-350,00 €
18	26.08.2015	S Samsung S 22C 22Zoll	Aug 15	813,16 €		181,00 €	452,00 €	-271,00 €
19	26.08.2015	lenovo think centre E 73 PC	Aug 15	1.109,44 €		246,00 €	616,00 €	-370,00 €
20	26.08.2015	lenovo think pad E550 Laptop	Aug 15	1.127,07 €		250,00 €	626,00 €	-376,00 €
21	07.12.2015	Macbook air 11,6 Zoll	Dez 15	999,00 €		305,00 €	638,00 €	-333,00 €
22	09.01.2016	Ipad pro 12	Jan 16	1.000,00 €		334,00 €	667,00 €	-333,00 €
23	15.03.2016	Lenovo thinkpad e550	Mrz 16	1.477,43 €		618,00 €	1.108,00 €	-490,00 €
24	07.06.2016	ASUS UX 303 + 2y maintenance	Jun 16	1.026,90 €	-826,00 €	0,00 €	826,00 €	0,00 €
25	24.08.2016	DELL inspiron 13"	Aug 16	923,23 €		512,00 €	820,00 €	-308,00 €
26	08.11.2016	Apple ipad pro	Nov 16	1.000,00 €		611,00 €	944,00 €	-333,00 €
27	01.12.2016	NTB Apple Air 13" CTO	Dez 16	1.000,00 €		639,00 €	972,00 €	-333,00 €
28	12.12.2016	Apple Ipad Pro 9.7	Dez 16	934,04 €		597,00 €	908,00 €	-311,00 €
29	07.03.2017	LENOVO Convertible Yoga 700-14 iSK	Mrz 17	904,62 €		904,62 €	653,00 €	0,00 €
30	27.04.2017	Istyle MacBook Air 13"	Apr 17	1.000,00 €		1.000,00 €	777,00 €	0,00 €
31	31.12.2017	Mac Monitor	Dez 17	1.000,00 €		1.000,00 €	972,00 €	0,00 €
		Subtotal		33.106,31 €	-828,00 €	2.904,62 €	8.682,50 €	11.679,50 €
III	GWG	Low value assts		1,00 €	0,00 €	0,00 €	1,00 €	1,00 €
		Total: II + III		33.107,31 €	-828,00 €	2.904,62 €	8.683,50 €	11.680,50 €
		Total amount		34.274,83 €	-828,00 €	2.904,62 €	8.684,50 €	11.681,50 €

Inventory of Property 2017

	End of year 31.12.2017 €	End of year 31.12.2016 €
A. Property		
1. Intangible assets	1,00	1,00
2. Fixed assets	8.683,50	11.680,50
3. Demand of contribution, offsettings, other deposit	17.575,11	29.599,58
4. Security deposit for office rooms	6.347,51	6.342,21
5. Liquidity	611.606,54	334.181,68
6. Other Claim	13.762,57	27.126,43
December 31st 2017	657.976,23	408.931,40
B. Liabilities		
1. Amounts due to suppliers	56.668,47	53.923,99
2. Liabilities of expense accounts	2.408,30	7.441,78
3. Other liabilities	8.883,18	6.429,69
4. Prepaid donations	298.446,63	158.777,34
December 31st 2017	366.406,58	226.572,80
C. One's own funds (A – B)		
1. Association's assets	18.766,10	18.766,10
2. Reserves before use	163.592,50	249.507,27
3. Surplus (previous year: Deficit)	+ 109.211,05	– 85.914,77
	291.569,65	182.358,60
Total amount of capital assets	657.976,23	408.931,40
Development of Reserves		
Surplus (previous year: Deficit)	+ 109.211,05	– 85.914,77
Initial reserves	+ 163.592,50	+ 249.507,27
Remaining reserves	+ 272.803,55	+ 163.592,50

BASIC - Budget 2018

The profit of the year 2017 should be fully added to reserve. Subsequent the budget 2018 created and submitted by the Association GA is presented.

Income

€

- core funding by expected donations (estimated)	1.370.100,00
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Total:

1.370.100,00

Expenses

€

Scientific and Research

- ECAB meetings, Protocol Reviews & Representation	180.812,00
- Hepatitis Coordinator	3.480,00
- Remission of HIV infection	10.000,00
- TB portfolio	7.308,00
- EHVA project	12.875,00
<i>Subtotal</i>	<u>214.475,00</u>

Policy and Advocacy

- General working group: Policy	7.480,00
- Access Portfolio	3.000,00
- Drug Policy	1.250,00
- HIV in Europe initiative	5.580,00
<i>Subtotal</i>	<u>17.310,00</u>

Projects and Partnerships

Projects: Living positively with HIV	132.381,00
METRODORA	31.575,00
HAND	3.000,00
HIVACAR	29.125,00
ESTICOM	5.821,00
EMERGE	96.475,00
EUROPEAN	480,00
EUROPEAN HIV Health Survey	1.200,00
Cost action shortages	2.160,00
External representation	32.500,00
Partner organisation-contribution	9.416,00
<i>Subtotal</i>	<u>344.133,00</u>

Capacity Building

- Step up - Training Academy	265.000,00
- General working group: Training	7.480,00
- Training Staff	3.500,00
- Membership Development	5.440,00
<i>Subtotal</i>	<u>281.420,00</u>

	€
Communication Coordinator	
- website, Publications, TB online, IT support	19.900,00
<i>Subtotal</i>	19.900,00
Governance	
- Ombudspersons	680,00
- GA General Assembly	68.000,00
- BOD Board of Directors	27.200,00
- DMAG	8.160,00
- Internal auditors	8.160,00
- Strategy-building	17.000,00
- Stakeholders meeting	9.520,00
- External Advisory Board	680,00
- External Auditors	17.680,00
<i>Subtotal</i>	157.080,00
Administration	
- Staff salaries and office costs	325.535,00
- Fund-raising and Finance Committee	10.200,00
<i>Subtotal</i>	335.735,00
Total:	1.370.053,00
Surplus 2018 (provisionally)	47,00

Volunteer time Recap 2017

The European AIDS Treatment Group is a European network of nationally-based volunteer activists from different countries in Europe. This non-profit association is only carrying out charity work, in regards to access to medical products and devices, and diagnostic tests that prevent or treat HIV infection or improve the quality of life for people living with HIV, or at risk of HIV infection. We subsequently describe the voluntary service in EATG.

The voluntary work was featured by the members of the

- Board of Directors (BOD),
- the internal auditors (IA),
- the Working Groups (e.g. DMAG) and
- different members of the association.

The volunteer hours executed were listed since 2011 up to now in timesheets and then combined in a time table. Note, not all members of the EATG listed their voluntary hours. In 2015 and 2016 volunteer time was no longer regularly registered. One of the reasons for this was that meetings, projects and administration already took up lots of time. The voluntary work up to then was subdivided into

- TRAVEL
- INTERNAL MEETINGS
- EXTERNAL REPRESENTATION
- REPORT
- ADMINISTRATION
- COMMUNICATION
- OTHER

In order to get an idea of the real value of the performance, we must have to compare it with the expenses presented in our "Account for the fiscal year" – Annex 1, whereas the price of the voluntary engagement has to be regarded as a fictitious number. It has no market price, no official wage, - as this is the idea of voluntary service.

The average amount of voluntary work per person in one year was round about 500 hours, whereas the minimum was about 50 hours and the maximum round about 1.000 hours a year.

The figures of 2015 and 2016 are estimated at the same or even higher level.

According to the calculations as well as the registration by EATG members, EATG had 14.240 volunteer hours in 2017. There is no split as in the past, according to type of activity.

The summaries were created by EATG.

Volunteer time Recap 2017

The quantity of time spent, is listed in the detailed statement below.

Year Voluntary hours executed by members of EATG

2011	11.158 hours
2012	9.071 hours
2013	8.999 hours
2014	7.724 hours
2015	7.000 hours*
2016	7.000 hours*
2017	14.240 hours

hours* = estimated

