

European Society for Paediatric Anaesthesiology
Na Packráci 17
140 21 PRAHA 4

Annual Accounts 2019/2020

Oisterwijk, 28 October 2020

31070-1 July 2019 until 30 June 2020

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1. AUDITOR'S REPORT

To the Management of
European Society for Paediatric Anaesthesiology
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Oisterwijk, 28 October 2020

Dear Sirs ,

1.1 Accountant's compilation report

To: The management of European Society for Paediatric Anaesthesiology

The financial statements of European Society for Paediatric Anaesthesiology, Praha 4, have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 30 June 2020 and the statement of activities for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of European Society for Paediatric Anaesthesiology. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

1.2 General

The society

The financial year of the society runs from 1st July until 30th June of the following year. The first financial year of the society started on 1st September 2009 and ended on 30th June 2010.

The European Society for Paediatric Anaesthesiology is registered in Amsterdam and is registered with the Trade Register of the Chamber of Commerce of Amsterdam, under number 34356216.

Activities

The activities of European Society for Paediatric Anaesthesiology, having its legal seat at Praha 4, primarily consist of: To facilitate contact and cooperation between paediatric anaesthesiologists in Europe and elsewhere with the main goals of raising the standards of their specialty and providing the best possible care to children.

Adoption of the annual accounts

The Annual General Meeting of Shareholders had adopted the 1 July 2018 until 30 June 2019 financial statements on December 23th. The net result after taxation for the year ending 1 July 2018 until 30 June 2019 was € 29.269.

Personnel

During the whole year 2019/2020 the non-profit society had no employees.

1.3 Results

Analysis of the result

	01-07-2019 / 30-06-2020	01-07-2018 / 30-06-2019	Movement	
	€	€	€	%
Benefits	41.688	42.860	-1.172	-2,7
Other operating expenses	44.308	18.336	25.972	141,6
Total operating expenses	<u>44.308</u>	<u>18.336</u>	<u>25.972</u>	141,6
Operating result	-2.620	24.524	-27.144	-110,7
Financial income and expense	-5.913	4.745	-10.658	-224,6
Net result	<u>-8.533</u>	<u>29.269</u>	<u>-37.802</u>	-129,2

Analysis of the results

	01-07-2019 / 30-06-2020
	€
Decrease in result	
Lower benefits	1.172
Higher other operating expenses	25.972
Lower financial income and expense	<u>10.658</u>
Decrease of the result	<u>37.802</u>

1.4 Financial position

To provide insight in the development of the financial position of the Company we provide you with the following statements. These are based on the information from the annual report. Hereafter we provide you with the balance sheet as at 30 June 2020 in an abridged form.

Financial structure

	30-06-2020		30-06-2019	
	€	%	€	%
Assets				
Securities	141.169	40,0	151.128	42,6
Liquid assets	211.612	60,0	203.634	57,4
	<u>352.781</u>	<u>100,0</u>	<u>354.762</u>	<u>100,0</u>
Liabilities				
Net assets	344.955	97,8	353.488	99,6
Current liabilities	7.826	2,2	1.274	0,4
	<u>352.781</u>	<u>100,0</u>	<u>354.762</u>	<u>100,0</u>

Analysis of the financial position

	<u>30-06-2020</u>	<u>30-06-2019</u>
	€	€
Available on short term		
Securities	141.169	151.128
Liquid assets	<u>211.612</u>	<u>203.634</u>
	352.781	354.762
Current liabilities	<u>-7.826</u>	<u>-1.274</u>
Liquidity surplus = working capital	344.955	353.488
Established for the long term		
Financed with on the long term available assets	<u>344.955</u>	<u>353.488</u>
Financing		
Net assets	<u>344.955</u>	<u>353.488</u>

1.5 Fiscal position

Fiscal position

European Society for Paediatric Anaesthesiology is not liable to pay company tax or turnover tax.

We trust to have been of service. We are available to provide further explanation should you have questions or comments.

De Beer Accountants & Belastingadviseurs B.V.

Drs. J.O.F.H. Huls RA

2. PRESIDENTIAL REPORT ESPA 2019-2020

This document reports the activities of the European Society for Paediatric Anaesthesiology (ESPA) between July 1st, 2019 and June 30th, 2020. Part of this report also includes some activities that have already been reported in the previous President's report describing ESPA activities between October 1st, 2018 and September 30th, 2019. The reason for this redundancy is that we now have to align the yearly presidential report with that of our financial report, the latter extending from July 1st of any given year to June 30th of the next year. Therefore, and after consultation with competent authorities, the ESPA Executive Board has decided to align the period of exercise for the (i) financial report; (ii) presidential report; and (iii) membership fees accordingly.

1. ESPA Executive Board Meetings

Communication and concerted actions between members of the Executive Board was achieved via (i) two face-to-face Executive Board Meetings (September 18th, 2019, Rotterdam and January 11th, 2020, Prague), (ii) bimonthly teleconferences and (iii) regular emails. This constant and dynamic interaction allowed to discuss regular housekeeping issues related to running our Society as well as to organize our Annual Meeting, collaboration with other Scientific Societies and other important issues which are listed below in this document.

2. ESPA General Assembly

Two General Assemblies were organized during the period of exercise. The first one took place on September 20th, 2019, during the ESPA2019 Annual Meeting in Rotterdam. During this Assembly, ESPA members have accepted and validated the "President's Report" for the period of exercise 2018-2019. Since our Financial Report for the same period was not ready by the time of this General Assembly, members could not vote/accept it. The second General Assembly was motivated by two reasons: (i) a need to validate the 2018-2019 financial report; and (ii) to validate the revised version of the "Deed of Formation of an Association" document of our Society (see Point 5 of this document). This second General Assembly took place on April 21st 2020. Originally, the event was scheduled in Prague but, due to the COVID-19 pandemic, it was finally organized in an electronic format. During this General Assembly, both the 2018-2019 Financial Report and the revised "Deed of Formation of an Association" document were approved by our members.

3. ESPA2019 Annual Meeting: Rotterdam (September 19-21, 2019)

The attendance to the Congress in Rotterdam was excellent: 504 participants from 63 countries, despite the fact that many German and Dutch colleagues were unable to attend due to the unfortunate of the National Congress of the German and French national societies of anesthesia and Intensive Care. The pre-congress workshops at Sophia's Children Hospital were very successful and attended by many international participants. The experience of using paper posters was very positive and will be continued with in Porto. Dr Jurgen de Graaff and all the Local Organizing Committee have to be congratulated for the excellent organization of this Congress and for choosing a nice and easily accessible venue. Dr Anneke Meursing was offered an Honorary Membership to ESPA during the opening ceremony. The financial details (expenses and gains) of the Meeting are detailed in the 2019-2020 Financial Report.

A Charity run was organized on Friday 20th at 7.30. More than 50 people participated and 530 euros were collected. The ESPA doubled the benefit and a cheque of 1060 Euro was given by Lonneke Staels and Jurgen de Graaff during the closing ceremony to the representative of the Stichting Harapan Paya association, Indonesia.

4. Report of the annual ACORNS meeting of September 19th 2019, Rotterdam

The annual ACORNS meeting took place on September 19th 2019 and was chaired by Dr. Peter Frykholm. The meeting was very well attended as only a few members were missing. Some representatives shared their difficulties obtaining the permission to obtain associate membership to the ESPA via their National Societies. It seems that many Societies are afraid to recognize a paediatric anaesthesia group in their respective country. The President of the ESPA encouraged these members to contact the ExBo of the ESPA to help solve any misunderstanding by contacting the President of the Societies concerned.

This was followed by an open discussion on the creation of registries in ESPA in order to share experience and to get big numbers usable for quality improvement issues. The possible topics were: anaesthesia for oesophageal atresia and duration of preoperative fasting times (as already started in Germany, Swiss and Sweden). This will be discussed by mail during the next weeks.

5. Revision of ESPA “Deed of Formation of an Association” document

The ESPA is registered as a society in the Netherlands, so Dutch laws are applicable to the society. The legal “Deed of Formation of an Association” document describing the rules of how ESPA operates was established more than 10 years ago by the founders of our Society. As per legal requirements, this document should be revised at least every 10 years. The ESPA Board, together with former Presidents, put a substantial effort into the revision of this document. The proposed major changes were discussed with our members during the General Assembly on September 20th 2019 and concern the simplification of membership statutes and the election of the Executive Board. This revised version was distributed to all ESPA members in March 2020 and was voted/accepted during our virtual General Assembly on April 21st 2020. This new document is now available on our website (euroespa.com) to all members.

6. ESPA2020 Annual Meeting

The ESPA2020 Annual Meeting was scheduled between October 22nd and 24th in Porto, Portugal. A substantial amount of effort was devoted to the organization of this meeting, including site visits, reservation and the establishment of an appealing scientific program (including the invitation of a large number of speakers). Unfortunately, due to the unforeseen COVID-19 pandemic, we had to take the sad decision to cancel the Annual Meeting. After careful consideration, the Executive Board has decided to organize a virtual ESPA2020 meeting. This e-event will be scheduled in the late afternoon on three consecutive days between the 21st and the 23rd of October from 17.00 – 18.30. (CET). On each day, during a 90-minutes-long session, 6 speakers will provide us insights into a large variety of interesting topics in the field of paediatric anaesthesia. During the talk, congress participants will have the opportunity to ask questions via a chat forum to which the speaker will have the opportunity to respond on-line. The scientific program of this e-meeting is now established and is posted on our website.

7. Membership

Following the proposal of Ehrenfried Schindler, it was decided in 2018 to create the associate membership of ESPA. The main principle is to enable the members of paediatric or national associations or societies members of the ACORNS to register to ESPA via their national group for a reduced fee while getting the same rights as normal active members. As this decision could have financial consequences for the ESPA, it was also decided to try this proposal for 2 years period starting in 2019. Scandinavia, Serbia, Estonia, France and The Netherlands proposed the associate membership to their members.

The natural evolution of ESPA Membership options over the past 10 years has led to a complex membership payment system that prompted confusion amongst many of our members. The introduction of the dual membership, where it is the national society who pays its members' contribution to ESPA, further complicated the system (over 30 potential membership categories).

Therefore, for the sake of simplicity, the ESPA Executive Board has decided the following changes:

- 1) There will be two membership categories for annual fee payments: (i) regular membership and (ii) dual membership. The two membership categories have the same rights within ESPA.
- 2) Regular membership is paid by those members whose national societies do not pay for dual membership. The cost of regular membership is 50 Euros per financial year. Low income countries have a reduced rate of regular membership (please consult our website).
- 3) Dual membership is paid by the national societies. "Dual members" should pay their annual cotisation for their respective national societies or associations and it is the national society or association who pays the contribution of its "dual members" directly to ESPA. The cost of dual membership is 15 Euros per financial year.

An important change concerns the period of membership. Membership can now be paid on an annual basis and covers the period of the financial year of the society (July 1st to June 30th). This means that a one year membership extends from July 1st of a given year until June 30th of the next year. Practically, for members who paid their membership fee for 2019, this means we will extend their membership until June 30th 2020. For members who have already paid their membership for 2020, their membership will be valid until June 30th 2021.

8. Collaboration with Guarant International and Association House

ESPA has a longstanding collaboration for its annual meetings with Guarant International and for its day-to-day management with Association House. The current contract with these organizations will reach to an end by the end of December 2020. Members of the Executive Board agreed to prolong these contracts. This decision should be validated by the newly-elected Executive Board in October 2020.

9. ESA (now ESAIC) Associate membership for ESPA members

The European Society of Anaesthesiology (now European Society of Anaesthesiology and Intensive Care) is keen to offer an associate membership for free to all ESPA members. The Executive Board agreed to support this initiative and as of October 2020, all ESPA members will automatically become associate members of ESAIC.

10. Collaboration with other Societies

In addition to its close collaboration with ESA (now ESAIC), ESPA continued ongoing work with other

major paediatric anaesthesia societies, including, amongst others, APAGBI, ASA, ESPNIC, SPANZA and SPA. These collaborations include(ed) elaboration of common perioperative guidelines as well providing speakers for the annual conferences/meetings of these Societies.

11. Other achievements:

The website of our Society has been entirely re-designed, and the new format is available from February 2020.

Members of the Executive Board have agreed upon the new mission statement of ESPA that now reads as: "The purpose of ESPA is to promote education and research amongst practitioners of paediatric anesthesia in Europe in order to provide safe and high-quality perioperative care and pain management in children."

Education - The four E-learning modules set up by the Scandinavian Societies of Anaesthesia (T Lauristen and M Johansen) are freely accessible on the euroespa website for one year thanks to the help of E Schaffrath. A common agreement was found with the APAGBI to fund the creation of new modules, but none has been set up so far. New projects on education in paediatric anaesthesia are in discussion. To this regard, Primex is keen to sponsor Educational Talks in the field of paediatric anesthesia (short, TED Talk-like format). We have recorded 3 "ESPATalks" in January and several other recordings were scheduled this year – they had to be postponed due to the COVID-19 Pandemic.

Laszlo Vutskits
October 2020

3. FINANCIAL STATEMENTS

3.1 Balance sheet as at 30 June 2020

(After proposal distribution of profit)

		30-06-2020		30-06-2019	
		€	€	€	€
ASSETS					
Current assets					
<i>Securities</i>	1		141.169		151.128
<i>Liquid assets</i>	2		211.612		203.634
Total assets			<u>352.781</u>		<u>354.762</u>

		30-06-2020		30-06-2019	
		€	€	€	€
LIABILITIES					
Net assets	3				
Other reserve			344.955		353.488
Current liabilities					
Current liabilities	4		7.826		1.274
Total liabilities			<u>352.781</u>		<u>354.762</u>

3.2 Statement of activities for the period 1-7-2019 until 30-6-2020

		01-07-2019 / 30-06-2020		01-07-2018 / 30-06-2019	
		€	€	€	€
Benefits	5				
Membership fees			13.199		13.614
Donation following congress			28.489		29.246
			<u>41.688</u>		<u>42.860</u>
Expenses					
Other operating expenses	6		44.308		18.336
Operating result			-2.620		24.524
Revenues of receivables from fixed as- 7					
sets and securities		4.168		4.724	
Value changes of receivables from fixed 8					
assets and securities		-9.959		112	
Interest and similar expenses	9	<u>-122</u>		<u>-91</u>	
Financial income and expense			<u>-5.913</u>		<u>4.745</u>
Net result			<u><u>-8.533</u></u>		<u><u>29.269</u></u>
Appropriation of result					
Other reserve			<u><u>-8.533</u></u>		<u><u>29.269</u></u>

3.3 Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of European Society for Paediatric Anaesthesiology is Na Packráci 17, 140 21 in Praha 4. European Society for Paediatric Anaesthesiology is registered at the Chamber of Commerce under number 34356216.

General notes

The most important activities of the entity

The activities of European Society for Paediatric Anaesthesiology consist mainly of: To facilitate contact and cooperation between paediatric anaesthesiologists in Europe and elsewhere with the main goals of raising the standards of their specialty and providing the best possible care to children.

The location of the actual activities

The actual address of European Society for Paediatric Anaesthesiology is Na Packráci 17, 140 21 in Praha 4.

General accounting principles

The accounting standards used to prepare the financial statements

The general principle for the valuation of the capital and reserves and the calculation of the result is based on the historical costs. Unless stated otherwise assets and liabilities have been entered at nominal value.

The policies used for the valuation and determination of the result have not changed compared to the previous year.

Amounts shown in brackets are negative.

Accounting principles

Current securities

Securities are recognised initially at fair value. Securities can, for the subsequent valuation, be divided into securities that are held for trading and securities that are not held for trading, being equity instruments or bonds.

Securities which are held for trading are carried at fair value after initial recognition. Changes in the fair value are recognised directly in the statement of activities.

The equity instruments included under securities (not listed), which are not held for trading, are carried at cost. If the fair value of an individual security should drop below its cost price, the impairment is recognised in the statement of activities. The equity instruments included under securities that are listed, and which are not held for trading, are carried at fair value. An increase in value of these kind of securities is added to the revaluation reserve. When these securities are derecognised, the accumulated fair value adjustments previously recognised in the revaluation reserve are included in the statement of activities.

Purchased bonds which are not held for trading are stated at amortised cost. If the fair value of an individual security should drop below the amortised cost value, it is measured at its impaired value; any write-offs are disclosed in the statement of activities. With regard to interest-bearing securities, the interest gains are accounted for using the effective interest method.

Transaction costs are expensed in the statement of activities if these are related to financial assets carried at fair value through profit or loss.

Transaction costs related to securities carried at fair value with changes in equity, are recognised in the initial valuation. The transaction costs are presented in the statement of activities when the securities are sold to a third party.

Transaction costs related to securities that are carried at amortised cost are included in the initial valuation of the security.

Securities classified under the current assets have a maturity of less than twelve months.

Current assets

Current assets are initially valued at the fair value of the consideration to be received. Trade receivables are subsequently valued at the amortised cost price. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Other reserves

Continuity reserve functions as a buffer to ensure continuity.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

Exchange differences that arise from the settlement or translation of monetary items are recorded in the profit and loss account in the period in which they occur, unless hedge-accounting is applied.

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as European Society for Paediatric Anaesthesiology has acquired the right to them.

Changes in the value of financial instruments recognised at fair value are recorded in the statement of activities.

3.4 Notes to the balance sheet

Current assets

	<u>30-06-2020</u>	<u>30-06-2019</u>
	€	€
1 Current Assets		
Securities	<u>141.169</u>	<u>151.128</u>
2 Liquid assets		
Deutsche bank (DE73 2707 0024 0312 0326 00)	211.407	203.429
Deutsche Bank (DE46 2707 0024 0312 0326 01)	<u>205</u>	<u>205</u>
	<u>211.612</u>	<u>203.634</u>

3 Net assets

Movements in equity were as follows:

	Other reser- ve
	€
Balance as at 1 July 2019	353.488
Appropriation of result	-8.533
Balance as at 30 June 2020	<u>344.955</u>

Current liabilities

	<u>30-06-2020</u>	<u>30-06-2019</u>
	€	€
4 Current liabilities		
Advance payments fees 2019/2020	-	1.274
Advance payments fees 2020/2021	3.900	-
Advance payments fees 2021/2022	200	-
Other liabilities and accrued expenses	3.726	-
	<u>7.826</u>	<u>1.274</u>

3.5 Notes to the statement of activities

	01-07-2019 / 30-06-2020	01-07-2018 / 30-06-2019
	€	€
5 Benefits		
Donation following congress	28.489	29.246
Membership fees	13.199	13.614
	<u>41.688</u>	<u>42.860</u>
6 Other operating expenses		
Selling expenses	550	-
Office expenses	348	311
General expenses	43.410	18.025
	<u>44.308</u>	<u>18.336</u>
Selling expenses		
Sponsoring expenses	<u>550</u>	<u>-</u>
Office expenses		
Automation expenses	<u>348</u>	<u>311</u>
General expenses		
Services Guarant	18.000	12.185
Other services Guarant	6.865	-
Services Guarant 2018 - 2019	5.972	-
Meeting costs	3.826	408
Consultancy expenses	4.832	417
Costs accountant	3.907	4.328
Other general expenses	8	687
	<u>43.410</u>	<u>18.025</u>

	01-07-2019 / 30-06-2020 €	01-07-2018 / 30-06-2019 €
7 Revenues of receivables from fixed assets and securities		
Gross earnings	<u>4.168</u>	<u>4.724</u>
8 Value changes of receivables from fixed assets and securities		
Value changes securities	<u>-9.959</u>	<u>112</u>
9 Interest and similar expenses		
Paid bank interest	<u>122</u>	<u>91</u>

Praha 4, 28 October 2020
European Society for Paediatric Anaesthesiology

Laszlo Vutskits
President ESPA

Claudia Hoehne
Honorary Treasurer ESPA