



## **LIFEWATCH**

**European Research Infrastructure Consortium (ERIC)**

**Abridged Financial Statements of Special Purpose for the year  
ended December 31, 2019**



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## LIFEWATCH ERIC

### Abridged Balance Sheet as of December 31, 2019

(in euros)

<b>ASSETS</b>	<b>Notes</b>	<b>2019</b>	<b>2018</b>
<b>Non-current assets</b>		<b>58.621,36</b>	<b>53.419,66</b>
Intangible assets	5	13.859,96	26.519,73
Tangible assets	6	44.761,40	26.899,93
<b>Current assets</b>		<b>4.400.312,89</b>	<b>2.863.130,04</b>
Users and others accounts receivables for the Association's own activity	7	351.003,00	108.676,00
Current investments	7	244,19	-
Prepayments for current assets		5.773,08	-
Cash and cash equivalents	8	4.043.292,62	2.754.454,04
<b>TOTAL ASSETS</b>		<b>4.458.934,25</b>	<b>2.916.549,70</b>
<b>EQUITY AND LIABILITIES</b>	<b>Notes</b>	<b>2019</b>	<b>2018</b>
<b>Equity</b>	<b>9</b>	<b>3.862.445,16</b>	<b>2.833.710,74</b>
Profit / (Losses) from previous years and other		2.833.710,74	1.531.048,50
Profit/(loss) for the period	3	1.028.734,42	1.302.662,24
<b>TOTAL EQUITY</b>		<b>3.862.445,16</b>	<b>2.833.710,74</b>
<b>Non-current liabilities</b>		<b>508.012,09</b>	<b>-</b>
Other long-term debts	10 y 13.4	508.012,09	-
<b>Current liabilities</b>		<b>88.477,00</b>	<b>82.838,96</b>
<b>Trade and other payables</b>		<b>88.477,00</b>	<b>82.838,96</b>
Other trade payables	10	19.568,36	38.651,16
Personnel (salaries payable)	10	2.840,25	3.093,98
Accounts payable to Public Administrations	11	66.068,39	41.093,82
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4.458.934,25</b>	<b>2.916.549,70</b>



## LIFEWATCH ERIC

### Abridged Profit and Loss Account as of December 31, 2019

(in euros)

	Notes	2019	2018
<b>Association's own activity income</b>		<b>2.411.313,33</b>	<b>1.735.592,80</b>
Operating grants taken to income	12.1 y 13.4	2.411.313,33	1.735.592,80
<b>Operating expenses</b>		<b>(1.380.714,72)</b>	<b>(432.930,56)</b>
Personnel expenses	12.2	(865.440,03)	(272.418,77)
Depreciation and amortization	5 y 6	(22.968,08)	(1.045,29)
Other operating expenses	12.3	(492.306,61)	(159.466,50)
<b>Other Results</b>		<b>(1.864,19)</b>	-
<b>OPERATING PROFIT/(LOSS)</b>		<b>1.028.734,42</b>	<b>1.302.662,24</b>
<b>CONSOLIDATED PROFIT/(LOSS) BEFORE TAX</b>		<b>1.028.734,42</b>	<b>1.302.662,24</b>
Income tax	11	-	-
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>1.028.734,42</b>	<b>1.302.662,24</b>



## **LIFEWATCH ERIC**

### **Notes to Abridged Financial Statements of Special Purpose for the financial year ended December 31, 2019**

#### **1. PURPOSE OF EUROPEAN RESEARCH INFRASTRUCTURE CONSORTIUM**

LifeWatch, the European E-Science Research Infrastructure for Biodiversity and Ecosystem Research, is a particularly relevant case of ESFRI environmental landmarks. In March 2017, the European Commission granted the legal status of European Research Infrastructure Consortium (ERIC) to LifeWatch, providing the facility with many administrative advantages enjoyed by international organisations and therefore helping to successfully implement the infrastructure development and operation.

Since March 2017, all efforts have been focused on laying solid foundations to the construction, operation and maintenance of the distributed e-Infrastructure in the coming years, starting from key e-infrastructure requirements and components, which need to be addressed with the highest priority.

In this regard and on these bases a strategic plan has been designed focusing on concrete implementing actions descending from the Vision of LifeWatch ERIC, its mission and related priorities for the organisation, construction, operation and management of the e-infrastructure in three-year period. The plan, with its associated budget, is synthetically described in the following sections.

LifeWatch ERIC overall vision is to design, construct and deploy a distributed Research e-Infrastructure allowing scientists, decision makers and citizens (science) to integrate the huge amount of data and knowledge, which is already existing and is continuously growing, in order to:



- I. Address and understand the complex and multilateral interactions of individuals, populations and species, i.e. the fundamental living units of the Biosphere, with all abiotic and biotic components of the ecosystems where they live;
- II. Address and decode ecosystem processes and services resulting from the biological activities into roles, properties and traits of single individuals, population and species involved in the interactions;
- III. Run frontier studies crossing boundaries among ecosystems and ecosystem categories (i.e., from the poles to the equator, from the deepest ocean areas to the highest mountain regions), among scientific disciplines and between scientific and humanistic disciplines;
- IV. Produce nature and science-based knowledge supporting institutional, public and private stakeholders in defining and implementing plans and measures to reinforce, protection, conservation and sustainable exploitation of biodiversity and ecosystem resources in the globally changing Biosphere and proposing affordable solutions to major environmental challenges, starting from the local scale.

In other words, the LifeWatch ERIC vision is to use and further develop the most advanced digital technologies and the existing data and knowledge to bring scientists, administrators and managers, politicians and common people inside the Biosphere giving them the knowledge to understand the functioning of 'Our Live Supporting System' and allowing them to develop the actions to allow its sustainability for the next decades. This highly ambitious vision is sustained by the impressive and continuously growing mass of data on components and characteristics of the Biosphere, on the rapid technological improvement allowing to increase the types of data we are able to collect and their accuracy in describing species occurrence, biodiversity and ecosystem functioning and by the High-Performance, Grid, Big and Long tail Data, and Blockchain computing systems and the development of complex modelling tools to implement management measures to help preserve life on Earth.

The vision of LifeWatch ERIC requires an e-Infrastructure fully implemented, developed, operational and supported by centralised services allowing to respond to the requests of the users and working continuously to maintain the highest standard of digital technologies



implemented and to enlarge the types of data findable, accessible and interoperable in LifeWatch ERIC e-infrastructure and reusable by its users.

The Mission and Priority actions defined for the next years directly descend on this vision and on the need to boost as much as possible the basic organisation and the full operation of the LifeWatch ERIC Common Facilities and the construction and operation of the distributed e-Infrastructure.

LifeWatch ERIC comprises; the Statutory Seat and ICT e-Infrastructure offices located in Seville, Region of Andalusia, Kingdom of Spain. Concretely in Plaza España SN, SECTOR II-III 41013 Seville (Spain); The Service Centre, located in Italy (organisation and coordination of LifeWatch services for the biodiversity community) and the Virtual Laboratory and Innovation Center based in the Netherlands (coordination of virtual laboratories and innovations).

Furthermore, LifeWatch ERIC Distributed Centres established in Belgium, Greece, Portugal and Slovenia jointly assist the functioning of the infrastructure.

The working currency of Lifewatch is the euro.

## **2. BASIS OF PRESENTATION OF THE ABRIDGED FINANCIAL STATEMENTS OF SPECIAL PURPOSE**

### **2.1 Statement of significant accounting policies**

These Abridged Financial Statements of Special Purpose have been formulated by the Executive Board in order to comply with the obligations assigned to it in its bylaws:

- (a) ensure that true and accurate accounts are kept of all income and expenditure.
- (b) establish internal controls, including internal audits, to enhance the effective and efficient use of the resources.
- (c) have the accounts of LifeWatch ERIC examined every year by auditors appointed by the General Assembly and their written report circulated to all members accompanied by comments of the CEO and by any of the members of the Executive Board.

As we can see, LifeWatch statutes establish that the accounts must be examined annually by auditors. Additionally, these statutes establish a system of cash and in-kind contributions by

its members, although it has not been possible to reach an agreement among them for the valuation of contributions in-kind.

For this reason, Executive Board has decided to prepare these Abridged Financial Statements of Special Purpose, where only cash contributions will be recognized; not considering or quantifying in-kind contributions.

## **2.2. Applicable financial reporting framework**

Regarding the applicable regulatory framework, Article 13 of Council Regulation (EC) No. 723/2009 of the European Union, of June 25, 2009, regarding the Community legal framework for a European Research Infrastructures Consortiums (ERIC), states that:

- The members of an ERIC shall ensure that the appropriations are used in accordance with the principles of sound financial management.
- The budget shall be established and implemented, and the accounts presented in compliance with the principle of transparency.
- The accounts of an ERIC shall be accompanied by a report on budgetary and financial management of the financial year.
- An ERIC shall be subject to the requirements of the applicable law as regards preparation, filing, auditing and publication of accounts.

As there is no specific accounting regulation regarding ERICs in Spain, the members of the Execution Board have decided to prepare these Abridged Financial Statements of Special Purpose in accordance with the following regulatory financial reporting framework:

1. Spanish General Accounting Plan approved by Royal Decree 1491/2011 of October 24, approving the rules for adapting the General Accounting Plan to non-profit entities and the model action plan for entities without lucrative purposes (abridged model).
2. The General Accounting Plan approved by Royal Decree 1514/2007 of November 16, in everything that has not been specifically modified by the adaptation rules of Royal Decree 1491/2011 of October 24.
3. Law 10/2005, of May 31, on Foundations of the Autonomous Community of Andalusia.



4. Compulsory regulations approved by the Institute of Accounting and Audit of Accounts in development of the General Accounting Plan and its complementary regulations.
5. The rest of the Spanish accounting regulations that may be applicable.

This regulation will apply in all its aspects except for the in-kind contributions that has to be made by its members, for which members have not agreed about its valuation, and it will not be considered when preparing these Abridged Financial Statements of Special Purpose.

### **2.3 Fair presentation**

These Abridged Financial Statements of Special Purpose have been obtained from the LifeWatch accounting records, which are presented in accordance with the regulatory framework of financial information applicable to it and, in particular, the accounting principles and criteria indicated in note 2.2.

These Abridged Financial Statements of Special Purpose have been formulated by the LifeWatch Executive Board and will be submitted to the General Assembly for approval, it being estimated that they will be approved without any modification.

### **2.4 Comparability**

Information for 2018 is presented for comparative purposes. There are no changes in criteria between 2019 and 2018.

### **2.5 Relevant accounting estimates, assumptions and judgements used when applying accounting principles**

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the Group's accounting principles to prepare the Abridged Financial Statements of Special Purpose in conformity with applicable accounting framework.

At the closing date, there are no key assumptions about the future, nor other relevant data on the estimation of the uncertainty associated with a significant risk of assuming significant changes in the value of assets or liabilities in the next financial year.



## 2.6 Items included in several entries

There are no elements of the Assets or Liabilities that appear in more than one item of the abridged balance sheet.

## 2.7 Changes in accounting policies

There have been no changes in accounting policies.

## 3. APPLICATION OF THE SURPLUS OF THE EXERCISE

The distribution of the surplus for 2019 that the Executive Board of LifeWatch will propose to the General Assembly at the General Assembly Meeting for their approval is as follows:

(Euros)	2019
Basis of distribution	
Surplus of the year	1.028.734,42
	<b>1.028.734,42</b>
Distribution	
Profit reserves	1.028.734,42
	<b>1.028.734,42</b>

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main registration and valuation criteria used by LifeWatch in preparing these Abridged Financial Statements of Special Purpose are the following:

### 4.1 Intangible assets

Intangible assets are initially valued at their cost, in this case the acquisition price. The cost of intangible assets acquired through business combinations is their fair value at the acquisition date.

After the initial recognition, intangible assets are valued at cost, less accumulated amortization and, if applicable, the accumulated amount of the impairment corrections recorded.

For each intangible asset, it is analysed and determines whether the useful life is defined or indefinite.



Intangible assets with a defined useful life are systematically amortized on a straight-line basis based on the estimated useful life of the assets and their residual value.

The methods and amortization periods applied are reviewed at each year-end and, if applicable, adjusted prospectively. At least at the end of the year, is evaluated the existence of impairment, in which case the recoverable amounts are estimated, registering the related valuation adjustments.

#### 4.2 Property, plant and equipment

Tangible fixed assets are initially valued at their cost, in this case the acquisition price. The cost of property, plant and equipment acquired through business combinations is its fair value at the acquisition date.

After the initial recognition, the tangible fixed assets are valued at cost, less the accumulated amortization and, if applicable, the accumulated impairment corrections.

Repairs that do not lead an extension of the useful life and maintenance expenses are charged to the profit and loss account in the year in which they are incurred. The costs of renewal, expansion or improvement that result in an increase in productive capacity or a lengthening of the useful life of the assets, are incorporated into the asset as a higher value of the same, deregulating, where appropriate, the book value of the replaced elements.

The depreciation of the items of property, plant and equipment is carried out linearly during their estimated useful life, from the moment they are available for commissioning.

At each year-end, LifeWatch reviews residual values, useful lives and depreciation methods for property, plant and equipment and, if applicable, adjusts them prospectively.

The amortization coefficients of the items of property, plant and equipment according to their useful life would be the following:

	Annual depreciation rate
Furniture	10%
Information technology equipment	25%

#### 4.3 Impairment losses on non-financial assets

At each closing date LifeWatch assesses whether there is any indication that any of the assets may have become impaired. Whenever there are indications of impairment, LifeWatch



estimates the recoverable amount of the asset, which is understood to be the higher of fair value less costs to sell and value in use.

In assessing the recoverable amount of an asset, the estimated future cash inflows are discounted to their present value using a discount rate that reflects the long-term time value of money and the risks specific to the asset and, where applicable, any costs to sell.

Where the asset itself does not generate cash flows that are independent from other assets (the case of goodwill), LifeWatch estimates the recoverable amount of the cash-generating unit (the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets) to which the asset belongs. If a cash-generating unit becomes impaired, the carrying amount of any goodwill assigned to it is written down first, followed by that of the other assets in proportion to each asset's carrying amount with respect to the total carrying amount of the cash-generating unit.

Impairment losses (carrying amount of the asset higher than its recoverable amount) are recognised in the statement of profit or loss for the year.

With the exception of goodwill, the impairment losses on which are irreversible, at each reporting date, if LifeWatch has recognised impairment losses on assets in prior years, it is assessed whether there are indications that such losses have ceased to exist or have been reduced, and, where appropriate, the recoverable amount of the impaired asset is estimated.

An impairment loss recognised in prior periods is only reversed if there has been a change in the estimates used to determine the recoverable amount of an asset since the most recent impairment loss was recognised. If this is so, the carrying amount of the asset is increased to its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the statement of profit or loss for the year.

#### **4.4 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases:



*a) Operating leases*

Expenses resulting from operating leases are charged to income in the year in which they are incurred.

A payment made on entering into or acquiring a leasehold that is accounted for as an operating lease represents prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

**4.5 Financial assets**

In general terms, financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

The financial assets held by LifeWatch are classified as:

*a) Loans and receivables*

Loans and receivables are financial assets arising from the sale of goods or the rendering of services in the ordinary course of LifeWatch, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

"Loans and Receivables" relates mainly to:

- Loans granted to members, associates or related parties and cash contributions, which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.
- Deposits and guarantees, which are recognised at their nominal value, which does not differ significantly from their fair value.
- Trade receivables, which are measured at their face value, which approximates their fair value on initial recognition. This value is reduced, where necessary, by the corresponding allowance for doubtful debts (impairment loss on the asset) whenever there is objective evidence that the amount owed will only be partially collected or will not be collected at all, and this amount is charged to the statement of profit or loss for the year.

At each closing date the necessary impairment losses are recognised if there is objective evidence that not all the amounts receivable will be collected.



LifeWatch derecognises a financial asset when the rights to the cash flows from the financial asset expire or have been transferred and substantially all the risks and rewards of ownership of the financial asset have also been transferred.

The assets designated as hedged items are subject to hedge accounting measurement requirements.

#### **4.6 Impairment of financial assets**

Book value of financial assets is corrected by LifeWatch with a charge to the Profit and loss account when there is objective evidence that an impairment loss has occurred.

To determine the impairment losses on financial assets, LifeWatch evaluates the possible losses of both individual assets and groups of assets with similar risk characteristics.

#### **4.7 Financial liabilities**

This category includes trade and non-trade payables. These payables are classified as current liabilities unless LifeWatch has the unconditional right to defer repayment of the debt for at least twelve months from the reporting date.

Trade payables maturing within twelve months where there is no contractual interest rate are stated, on both initial recognition and subsequent measurement, at face value when the effect of not discounting the cash flows is not material.

Borrowings are recognised initially at fair value, including the costs incurred in obtaining them. In subsequent periods, they are measured at amortised cost, i.e., any difference between the funds obtained (net of the costs required to obtain them) and the repayment value, if any and if material, is recognised in the statement of profit or loss over the term to maturity of the debt using the effective interest rate.

If existing debts are renegotiated, it is considered that there is no substantial modification of the terms of the financial liability when the lender in the new loan is the same as that which granted the initial loan, the characteristics of the financial liability do not differ significantly from those of the initial loan and the present value of the cash flows, including net commissions and fees, does not differ by more than 10% from the discounted present value of the remaining cash flows of the original financial liability calculated using that same method.



LifeWatch derecognises financial liabilities when the obligations giving rise to them cease to exist.

#### **4.8 Cash and cash equivalents**

For the purposes of determining the statement of cash flows, "Cash and Cash Equivalents" includes LifeWatch's cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

#### **4.9 Taxation**

The annual tax is calculated on the amount of salaries paid to employees, the amount of fees paid to collaborators and the costs of contracts for temporary employment.

LifeWatch, in the context of purchases realized and within the limits following from the Statute, may use VAT exemptions granted on the basis of Article 143(1)(g) and Article 151(1)(b) of Council Directive 2006/112/EC, and in accordance with Articles 50 and 51 of Implementing Regulation (EU) No. 282/2011 of the Council, and on the basis of Article 12 of Directive 2008/118 /EC.

At the date of preparation of these Abridged Financial Statements of Special Purpose, there is no specific regulation in Spain about Income Tax applicable to ERICs. Executive Board considers that LifeWatch is partially exempt according to the article 9.3 of the Spanish Corporate Income Tax Law.

#### **4.10 Classification of financial assets and liabilities as current or non-current items**

In the balance sheet, financial assets and liabilities maturing within no more than twelve months from the reporting date are classified as current items and those maturing within more than twelve months are classified as noncurrent items.

#### **4.11 Revenue and expense recognition**

Expenses incurred by LifeWatch will be recorded in the income statement for the year in which they are incurred, regardless of the date on which the financial flow occurs. In particular, the aid granted by LifeWatch will be recognized at the moment its concession is approved.

Sometimes, the recognition of these expenses is deferred pending the completion of some circumstances necessary for their accrual, which allow their definitive consideration in the income statement. These rules are applicable in the following cases:



- a) When the financial flow occurs before the actual flow, the operation in question will give rise to an asset, which will be recognized as an expense when the fact that determines this real flow is perfected.
- b) When the actual flow extends for periods longer than the fiscal year, each of the periods must recognize the corresponding expense, calculated with reasonable criteria, without prejudice to what is indicated for multi-year expenses.

The aid granted in firm by LifeWatch and other committed expenses of a multi-year nature will be recorded in the income statement of the year in which its concession is approved with a credit to a liability account, for the current value of the assumed commitment.

Likewise, the disbursements related to the organization of future events (expositions, congresses, conferences, etc.) will be recognized in the income statement of the LifeWatch as an expense on the date they are incurred, unless they were related to the acquisition of fixed assets, rights to organize the aforementioned event or any other concept that meets the definition of assets.

Regarding the accounting of income, in compliance with the purposes of the entity, the following rules will be taken into account:

- a) Revenue from deliveries of goods or services will be valued at the agreed amount.
- b) Member or affiliate fees will be recognized as income in the period to which they correspond.

Revenue from promotions to attract resources, sponsors and collaborations will be recognized when the campaigns and events take place.

The rest of the income is charged based on the accrual basis, that is, when the actual flow of goods and services they represent occurs, regardless of when the monetary or financial flow deriving from them occurs.

#### **4.12 Grants, donations and bequests.**

- a) Grants, donations and bequests are valued at the amount granted, initially recognized as income directly to equity and are recognised as income in proportion to the depreciation registered during the useful life of the financed assets, except in the case of non-depreciable



assets, in which case they will be attributed to the result of the year in which the sale or removal of inventory occurs.

b) If the grants, donations or bequests were granted by the associates, founders or employers, the same criteria as the previous point are followed, unless they are granted as a foundation endowment or social fund, in which case they are directly recognized in the own funds of the entity.

c) Contributions made by a third party to the founding endowment or to the social fund are also recognized directly in the own funds.

d) While they have the character of repayable grants, donations and bequests are recorded as long-term debt transformable into grants.

e) When grants, donations and bequests are granted to finance specific expenses, they will be imputed as income in the year in which the expenses they are financing are accrued.

#### **4.13 Related parties' transactions**

The Company performs all its transactions with related parties on an arm's length basis.

#### **4.14 Severance payments**

In accordance with current labour law of each country, LifeWatch is obliged to pay compensation to those employees with whom, under certain conditions, terminate their employment relationships.

Severance payments that can be reasonably quantified are charged as an expense for the year in which there is a valid expectation created by LifeWatch against the affected third parties.

## 5. INTANGIBLE ASSETS

The detail and movements of the items that compose the intangible assets are as follows:

(Euros)	Opening balance	Additions	Derecognitions	Transfers	Final balance
<b>2019</b>					
Cost					
Computer software	26.900,00	969,28	-	-	27.869,28
	26.900,00	969,28	-	-	27.869,28
Accumulated depreciation					
Computer software	(380,27)	(13.629,05)	-	-	(14.009,32)
	(380,27)	(13.629,05)	-	-	(14.009,32)
<b>Carrying amount</b>	<b>26.519,73</b>				<b>13.859,96</b>
<b>2018</b>					
Cost					
Computer software	-	26.900,00	-	-	26.900,00
	-	26.900,00	-	-	26.900,00
Accumulated depreciation					
Computer software	-	(380,27)	-	-	(380,27)
	-	(380,27)	-	-	(380,27)
<b>Carrying amount</b>	<b>-</b>				<b>26.519,73</b>

During the year 2019 main additions correspond to the development the website of LifeWatch ERIC. During the year 2018 there were no additions of intangible assets.

During the year 2019, depreciation expense amounts to 13.629,05 euros (380,27 euros in 2018).

### 5.1 Other information

LifeWatch has not capitalised financial expenses at December 31, 2019.

At December 31, 2019 LifeWatch does not have fully depreciated items of intangible assets.

There are not investment commitments at the end of the year 2019 and 2018.



## 6. PROPERTY, PLANT AND EQUIPMENT

The detail and movements of the items that compose the property, plant and equipment are as follows:

(Euros)	Opening balance	Additions	Derecognitions	Transfers	Final balance
<b>2018</b>					
Cost					
Other PP&E & equipment	27.564,95	38.279,01	(11.078,51)	-	54.765,45
	27.564,95	38.279,01	(11.078,51)	-	54.765,45
Accumulated depreciation					
Other PP&E & equipment	(665,02)	(9.339,03)	-	-	(10.004,05)
	(665,02)	(9.339,03)	-	-	(10.004,05)
<b>Carrying amount</b>	<b>26.899,93</b>				<b>44.761,40</b>
<b>2018</b>					
Cost					
Other PP&E & equipment	-	27.564,95	-	-	27.564,95
	-	27.564,95	-	-	27.564,95
Accumulated depreciation					
Other PP&E & equipment	-	(665,02)	-	-	(665,02)
	-	(665,02)	-	-	(665,02)
<b>Carrying amount</b>	<b>-</b>				<b>26.899,93</b>

During the year 2019 and 2018 main additions correspond to diverse furniture and Information Technology Equipment.

During the year 2019, depreciation expense amounts to 9.933,03 euros (665,02 euros in 2018).

### 6.1 Other information

LifeWatch has not capitalised financial expenses at December 31, 2019.

At December 31, 2019 LifeWatch does not have fully depreciated items of property, plant and equipment.

There are not investment commitments at the end of the year 2019 and 2018.

There is not payment future non-cancellable of leasing contracts in force at December 31, 2019.

## 7. FINANCIAL ASSETS

The structure of financial assets at December 31 is as follows:

(Euros)	Credits, derivatives and others		Total	
	2019	2018	2019	2018
Current financial assets				
Loans and receivables	351.247,19	108.676,00	351.247,19	108.676,00
	351.247,19	108.676,00	351.247,19	108.676,00
	<b>351.247,19</b>	<b>108.676,00</b>	<b>351.247,19</b>	<b>108.676,00</b>

These amounts are detailed in the abridged balance sheet as follows:

(Euros)	Credits, derivatives and others		Total	
	2019	2018	2019	2018
Current financial assets				
Current investments	244,19	-	244,19	-
Users and others accounts receivables for the Association's own activity	351.003,00	108.676,00	351.003,00	108.676,00
	351.247,19	108.676,00	351.247,19	108.676,00
	<b>351.247,19</b>	<b>108.676,00</b>	<b>351.247,19</b>	<b>108.676,00</b>

The amount recognised in this section corresponds to the contributions of ERIC members pending collection at December 31, 2019.

## 8. CASH AND CASH EQUIVALENTS

The detail of "Cash and equivalents" at 31 December:

(Euros)	2019	2018
Cash at bank and in hand	4.043.292,62	2.754.454,04
	<b>4.043.292,62</b>	<b>2.754.454,04</b>

The current accounts accrue the market interest rate for this type of accounts.

There are no restrictions on the availability of these balances.

## 9. EQUITY

LifeWatch has not received foundational endowment in cash. All contributions are considered as subsequent endowment.

## 10. FINANCIAL LIABILITIES

The structure of financial liabilities at December 31 is as follows:

(Euros)	Derivatives and others		Total	
	2019	2018	2019	2018
Non-current financial liabilities				
Other Long-term Debts	508.012,09	-	508.012,09	-
	508.012,09	-	508.012,09	-
Current financial liabilities				
Debts and items payable (*)	22.408,61	41.745,14	22.408,61	41.745,14
	22.408,61	41.745,14	22.408,61	41.745,14
	<b>530.420,70</b>	<b>41.745,14</b>	<b>530.420,70</b>	<b>41.745,14</b>

(\*) The accounts payable to Public Administrations are not included.

These amounts are detailed in the abridged balance sheet as follows:

(Euros)	Derivatives and others		Total	
	2019	2018	2019	2018
Non-current financial liabilities				
Long-term debt transformable into grants	508.012,09	-	508.012,09	-
	508.012,09	-	508.012,09	-
Current financial liabilities				
Trade and other payables (*)	22.408,61	41.745,14	22.408,61	41.745,14
	22.408,61	41.745,14	22.408,61	41.745,14
	<b>530.420,70</b>	<b>41.745,14</b>	<b>530.420,70</b>	<b>41.745,14</b>

(\*) The accounts payable to Public Administrations are not included.

LifeWatch has no debts to financial institutions. "Long-term debt transformable into grants" are explained in note 13.4.

Details under "Non-commercial creditors and other accounts payable" are as follows:

(Euros)	2019	2018
Other trade payable	19.568,36	38.651,16
Personnel (salaries payable)	2.840,25	3.093,98
	<b>22.408,61</b>	<b>41.745,14</b>



## 11. TAXATION

The detail of tax assets and liabilities at December 31, is as follows:

(Euros)	2019	2018
Other Nontrade Payables - Accounts payable to Public Administrations	(66.068,39)	(41.093,82)
Personal income tax	(49.049,63)	(27.118,17)
Social Security	(17.018,76)	(13.975,65)
	<b>(66.068,39)</b>	<b>(41.093,82)</b>

The past four reporting periods remain open to tax audit regarding all the applicable taxes (in case of LifeWatch, since its foundation). The criteria that the tax authorities might adopt in relation to the years open for review could give rise to contingent tax liabilities which cannot be objectively quantified. Nevertheless, the Company Directors believe that no significant liabilities will stem from this situation. At the end of the reporting period the Company is not pending any inspection.

## 12. INCOME AND EXPENSES

### 12.1 Income from own activity

Revenue items primarily identify the portion of the contribution for the financial year allocated to Member States:

(Euros)	2019	2018
Association's own activity income		
Operating grants taken to income	1.979.665,00	1.735.592,80
	<b>1.979.665,00</b>	<b>1.735.592,80</b>

### 12.2 Personnel expenses

The detail of personnel expenses at December 31, is as follows:

(Euros)	2019	2018
Salaries and wages	706.989,69	232.633,77
Social Security payable by the Entity	158.450,34	31.035,00
Employee benefits expense	-	8.750,00
	<b>865.440,03</b>	<b>272.418,77</b>

### 12.3 Other operating expenses

The detail of other operating expenses 31, is as follows:

(Euros)	2019	2018
Leases and royalties	-	5.373,50
Repairs and maintenance	20.421,08	1.243,65
Independent professional services	201.783,43	73.338,10
Transport	1.444,94	181,00
Insurance premiums	1.068,90	-
Banking and similar services	5.093,99	1.549,30
Advertising, publicity and public relations	24.604,53	3.501,20
Other services	235.726,13	74.279,75
Other taxes	2.163,61	-
	<b>492.306,61</b>	<b>159.466,50</b>

## 13. OTHER INFORMATION

### 13.1 Personnel structure

The average and year-end number of employees at LifeWatch in 2019 by professional category was as follows:

	Number of employees at the end of the period			Average number of employees in 2018
	Men	Women	Total	
<b>2019</b>				
Directors	3,00	1,00	4,00	3,00
Technician	5,00	6,00	11,00	8,50
	<b>8,00</b>	<b>7,00</b>	<b>15,00</b>	<b>11,50</b>
<b>2018</b>				
Directors	2,00	0,00	2,00	1,00
Technician	3,00	3,00	6,00	1,33
	<b>5,00</b>	<b>3,00</b>	<b>8,00</b>	<b>2,33</b>

LifeWatch lacks employees with an accredited disability of 33 per cent or more.

### 13.2 Remuneration and other benefits paid to the Senior Management and Executive Board

The remuneration of Senior Management of LifeWatch ERIC in 2019 totalled 238.515,33 euros (141.495,87 euros in 2018). The members of the Executive Board have not received any amount or remuneration for attending the board meetings of LifeWatch ERIC during 2019 and 2018.



### 13.3 Audit fees

The fees for auditing Abridged Financial Statements of Special Purpose for the year 2019 amounted to 10.972,80 euros. (10.800,00 euros in 2018).

### 13.4 Grants, donations and bequests.

The amount and characteristics of the subsidies, donations and bequests received that appear in the balance sheet, as well as those charged in the income statement are broken down in the following table:

Subsidies, donations and bequests received, granted by third parties other than partners	2019	2018
Which appear in the Non-current liabilities of the balance sheet	508.012,09	-
<u>Recognised in the income statement (1)</u>	<u>431.648,33</u>	<u>-</u>

(1) Including operating subsidies included in profit for the year

The European Union has approved two grants to LifeWatch, related to research projects with a duration of forty-eight months whose names are "*Fair services Accessible for society, Innovation and Research (ENVRI-FAIR)*" and "*ERIC Forum Implementation project*". LifeWatch received a first advance of 939.660,42 euros classified during the year under "non-current liabilities". During 2019, LifeWatch has complied with milestones amounted to 508.012,09 euros, that has been included as an income in 2019. The final debt registered under "Long-term debt transformable into grants" balance in the accompanying Abridged Balance Sheet as of December 31, 2019 amounts to 508.012,09 euros.

## 14. SUBSEQUENT EVENTS

At the date of formal preparation of these Abridged Financial Statements of Special Purpose no matters had been disclosed that might modify the Abridged Financial Statements of Special Purpose or give rise to disclosures additional to those already included in these Abridged Financial Statements of Special Purpose.

## 15. ADDITIONAL NOTE FOR ENGLISH TRANSLATION

These Abridged Financial Statements of Special Purpose are a free translation of the Abridged Financial Statements of Special Purpose originally issued in Spanish and prepared in accordance with the regulatory framework detailed in note 2.2. In the event of a discrepancy, the Spanish language version prevails.

## FORMULATION OF THE SPECIAL PURPOSE FINANCIAL STATEMENTS

Executive Board has formulated the accompanying Abridged Financial Statements of Special Purpose for the financial year 2019.

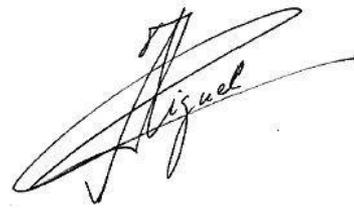
In Seville, May 22, 2020.



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Sgd.: D. Christos Arvanitidis

Executive Board



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Sgd.: D. Juan Miguel González Aranda

Executive Board



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Sgd.: D. Alberto Basset

Executive Board



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Sgd.: D. Peter Van Tienderen

Executive Board



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Sgd.: D. Lucas de Moncuit

Executive Board