

Stichting Ashoka Nederland

Audited

Amsterdam

Financial statements 2019/2020

Initialed for identification
purposes:


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date: ... March 4, 2021 ...

BALANCE SHEET AT AUGUST 31

(after appropriation of net income)

ASSETS

	<u>31-08-2020</u>	<u>31-08-2019</u>
	€	€
Fixed assets	779	0
Current assets		
Receivables, prepayments and accrued income		
Trade Receivables	38,910	20,733
Other receivables, prepayments and accrued income	8	40,503
	<u>38,918</u>	<u>61,236</u>
Cash and banks	<u>1,276,954</u>	<u>662,135</u>
	<u>1,316,651</u>	<u>723,371</u>

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<u>31-08-2020</u>	<u>31-08-2019</u>
€	€

Other reserves	127,932	164,531
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Accounts payable	33,424	58,561
Taxes and social security charges	9,203	6,985
Amounts due to related parties	328,007	311,181
Other liabilities, accruals and deferred income	818,085	182,113
	<u>1,188,720</u>	<u>558,840</u>

1,316,651	723,371
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STATEMENT OF INCOME AND EXPENDITURE

	ACTUAL <u>2019/2020</u> €	BUDGET <u>2019/2020</u> €	ACTUAL <u>2018/2019</u> €
Income			
Individual contributions and donations	135,000	175,000	168,000
Corporate contributions and donations	16,667	25,480	33,333
Government contributions and donations	0	0	0
Foundation contributions and donations	847,862	1,092,529	957,636
	<hr/>	<hr/>	<hr/>
Income from fundraising	999,529	1,293,009	1,158,969
 Various income			
Other income	13,356	10,000	32,314
	<hr/>	<hr/>	<hr/>
Total income	1,012,885	1,303,009	1,191,283
 Expenditure			
<u>Expenditure on goals</u>	901,661	1,100,759	961,843
 <u>Fundraising</u>	29,566	38,669	25,875
 <u>Management and administration</u>	118,258	154,678	123,248
	<hr/>	<hr/>	<hr/>
Total expenditure	1,049,485	1,294,106	1,110,966
	<hr/>	<hr/>	<hr/>
 Net result	-36,600	8,903	80,317
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
 Appropriation of net result			
Deducted from: other reserves	-36,600		
	<hr/> <hr/>		

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GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

General

The financial statements have been prepared in accordance with the Dutch Accounting Standards for Fundraising Institutions (RJ 650). This guideline requires that costs are allocated not only to the costs of fundraising and the achievement of the organization's goals (projects and programs, providing support to partners, lobbying and advocacy, popular campaigning, and public information & marketing) but also to:

- Management and administration costs;
- Costs of generating income, disaggregated into costs of direct fundraising, expenditure on joint campaigns, expenditure on third-party campaigns and costs of securing government grants.

The financial statements cover the period from September 1, 2019 through August 31, 2020.

Going concern

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the company.

Covid-19

The current developments surrounding the Corona (COVID-19) virus has a major impact on the health of people and our society, as well as on the operational and financial performance of organizations and the assessment of the possibility of maintaining continuity. Management has taken solid measures for people and customer relations to continue the operational activities and monitor financial results and liquidity as best as possible. Besides the current expectations in result, management is positive and confident about the results / liquidity and cash position in relation to its continuity. The liquidity is sufficient enough to cover a potential decrease of turnover as result of the Corona (COVID-19) virus.

For the assessment of the assets and liabilities is considered whether and adjustment is necessary because of the pandemic, but this has not proven to be the case.

Foreign currency

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement, unless hedge-accounting is applied.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

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Translation differences on intragroup long-term loans that effectively constitute an increase or decrease in net investments in a foreign operation are directly recognized in equity as a component of the legal reserve for translation differences.

Translation differences on foreign currency loans contracted to finance a net investment in a foreign operation are recognized in the legal reserve for currency translation differences if and when such loans effectively hedge the exchange rate exposure on that net investment in a foreign operation.

Estimates

In applying the principles and policies for drawing up the financial statements, the directors of Stichting Ashoka Nederland make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Related parties

Stichting Ashoka Nederland is part of the worldwide network of Ashoka (see www.ashoka.org for all country offices). Transactions with related parties are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognized in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

General

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.

Income and expenses are accounted on accrual basis. Result is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Receivables

Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

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Cash and banks

Cash and cash equivalents are stated at face value and are readily available.

Current liabilities, accruals and deferred income

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price.

When there are no premiums, discounts or transaction costs, the amortized cost is equal to the nominal value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

With due consideration to the accounting policies for the valuation of assets and liabilities outlined above, net income is defined as the difference between (i) income from fundraising, the share of revenues from joint campaigns and third-party campaigns, government grants, other income and (ii) expenditure in the context of the goal of 'structural poverty alleviation' (inclusive of imputed costs), the costs of generating income, and the management and administration costs. Income and expenditure are attributed to the year to which it relates and expenditure is recorded at historical cost unless indicated otherwise.

Income from fundraising

Income from fundraising is recognized in the year to which the item of income relates. Non-recurring items of income are recognized in the year in which they are received. Gains arising from inheritances, legacies, bequests, etc. are recognized in the year in which the amount involved can be measured reliably.

Expenditure on goals

Expenditure on the achieving the goals include expenses to select and support fellows, expenses to set up changemaker programs to build changemaker skills and partnership to set up and collaborate in changemaker alliances.

Costs of fundraising

The costs of fundraising include the direct and indirect costs of recruiting and maintaining relationships, measured at historical cost.

Management and administration

The management and administration include the costs of the Board of Directors, the financial accounting function, the general secretariats, and the controllers and all costs indirectly allocated thereto, to the extent that these cannot be allocated directly to the goals and generation of income.

Employee benefits/pensions

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognized as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

For benefits with accumulating rights, sabbatical leave, profit-sharing and bonuses the projected costs are taken into account during the employment. An expected payment resulting from profit-sharing and bonus payments is recognized if the obligation for that payment has arisen on or before the balance sheet date and a reliable estimate of the liabilities can be made. Contributions received as a result of a life-course savings scheme ('levensloopregeling') are taken into account in the period in which the contributions are due.

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If a benefit is paid in case of non-accumulating rights (e.g., continued payment in case of sickness or disability), the projected costs are recognized in the period in which such benefit is payable. For existing commitments at the balance sheet date to continue the payment of benefits (including termination benefits) to employees who are expected to be unable to perform work wholly or partly due to sickness or disability in the future, a provision is recognized.

The recognized liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

(Amounts in euro's)

CURRENT ASSETS

	<u>31-08-2020</u>	<u>31-08-2019</u>
<u>Trade receivables</u>		
Nominal value*	38,910	20,733
	<hr/>	<hr/>
<u>Other receivables, prepayments and accrued income</u>		
Revenue to be invoiced	0	38,890
Deposit	0	0
Prepaid expenses	8	1,613
	<hr/>	<hr/>
	8	40,503
	<hr/>	<hr/>
<u>Cash and banks</u>		
ING-bank current account	1,386	65,873
ING-bank saving account	1,275,568	596,262
	<hr/>	<hr/>
	1,276,954	662,135
	<hr/>	<hr/>

The current assets are used for the daily operation and for funding the objectives of the foundation.

All claims have a maturity shorter than one year (< 1 year).

**Trade receivables / Nominal value: EUR 8,910 of this total amount refers to a receivable from a related party (Ashoka Spain)*

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LIABILITIES

Reserves and funds

	<u>2019/2020</u>	<u>2018/2019</u>
<u>Other reserves*</u>		
Balance as at September 1	164,532	84,215
Appropriation of result financial year	-36,600	80,317
	<hr/>	<hr/>
Balance as at August 31	127,932	164,532
	<hr/>	<hr/>

**Reserves and Funds / Other reserves: reserve is freely available to be spent in accordance with the mission of Ashoka Nederland*

CURRENT LIABILITIES**

	<u>31-08-2020</u>	<u>31-08-2019</u>
Accounts payable*		
Trade creditors	33,424	58,561
	<hr/>	<hr/>
Taxes and social security charges		
Wage tax	9,203	6,985
	<hr/>	<hr/>
Amounts due to related parties		
Ashoka Global	328,007	311,181
	<hr/>	<hr/>
Other liabilities, accruals and deferred income		
Personnel Expenses	22,136	43,221
Audit expenses	19,130	34,157
Holiday allowance	3,620	4,980
Other liabilities	17,994	21,618
Deferred income	755,205	78,137
	<hr/>	<hr/>
	818,085	182,113
	<hr/>	<hr/>

**The Accounts payable include an amount of € 28,838 with a residual term of more than one year. This amount refers to Related Partners.*

***No interest and guarantees have been agreed.*

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Contingent assets and liabilities

Rental obligations

Stichting Ashoka Nederland had a rental agreement with NachtLab until June 2020. We terminated the rental agreement due to Covid-19 and the advice to work from home. We have no (new) rental obligations for FY21.

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NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

(Amounts in euro's)

	ACTUAL 2019/2020	BUDGET 2019/2020	ACTUAL 2018/2019
Income			
Income from fundraising			
Individual contributions and donations	135,000	175,000	168,000
Corporate contributions and donations	16,667	25,480	33,333
Government contributions and donations	0	0	0
Foundation contributions and donations	847,862	1,092,529	957,636
	<hr/>	<hr/>	<hr/>
	999,529	1,293,009	1,158,969
Other income			
Various income	13,356	10,000	32,314
	<hr/>	<hr/>	<hr/>
	13,356	10,000	32,314
	<hr/>	<hr/>	<hr/>
Total	<hr/> <hr/> 1,012,885	<hr/> <hr/> 1,303,009	<hr/> <hr/> 1,191,283

Explanation of the difference in revenue between budget and actual numbers FY20:

- ASN – We recruited substantially less ASN income than expected but we were happy to onboard 1 new ASN member in FY20. In the previous year we onboarded 5 new ASN after we could engage them in our in-person events and personal coffee meetings. Due to Covid-19 this strategy had to be revised but was not as successful so far.
- Corporate Contributions – The partnership with PwC was not renewed after May 2020 which resulted in less revenue than expected.
- Foundation Contributions – The majority of our funding comes from corporate foundations. The revenue for our multiple year partnership with Philips Foundation is split over 3 fiscal years (FY19, 20 and 21). In FY20 the program activities were faced with delays due to Covid-19 and a review of program strategy; this resulted in postponing program activities to the next fiscal year (FY21), hence we had less expenses than expected. In alignment with this development, we also booked less revenue for this fiscal year (FY20). Furthermore, the partnership with RoundGlass Foundation was not renewed after April 2020, which resulted in less revenue than expected.
- Other Contributions and Interest – We did not receive any other contributions in FY20. Note: in FY20 we applied for the NOW subsidy (a government Covid-19 relief subsidy to pay for staff salaries) and were granted an amount of EUR 21.031. Aside from the Philips program related turnover that remained constant since it is a multiple year agreement, we were faced with a decline in turnover of more than 20% compared to the same quarter in the year before. We lost two significant partnerships (RoundGlass Foundation and PwC). But including the Philips

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program related turnover we did not reach this 20% that was required for the NOW subsidy, so we expect to pay back this received amount and did not book it as revenue.

Expenditure

Expenditure on goals

	ACTUAL <u>2019/2020</u>	BUDGET <u>2019/2020</u>	ACTUAL <u>2018/2019</u>
Accelerating Health Access Programme	754,657	946,039	713,290
Circular Futures Programme	736	0	174,474
Learning for Holistic Wellbeing Programme	111,304	142,448	62,919
Weaving Democracy Programme	16,141	12,272	0
Google Impact Challenge Programme	184	0	8,910
Global Change Leaders (Primat)	0	0	2,250
Other	18,639	0	0
	<u>901,661</u>	<u>1,100,759</u>	<u>961,843</u>
<u>Fundraising</u>	29,566	38,669	25,875
<u>Management and administration</u>	118,258	154,678	123,248
Total expenditure	<u>1,049,485</u>	<u>1,294,106</u>	<u>1,110,966</u>

Explanation of the difference in expenditures between budget and actual numbers FY20:

- Accelerating Health Access program - We spent less than expected due to the fact we faced a delay in the program activities, hence some activities/expenses are postponed to the next fiscal year (FY21)
- Learning for Holistic Wellbeing program – We did not renew our partnership with RoundGlass Foundation after April 2020. This resulted in less expenditures than expected.
- Doing Democracy program – We spent more hours on this program than expected.
- Other – Other expenses are relating mainly to billed costs by other legal Ashoka entities for European Venture activities, European Integration and a contribution from a Dutch ASN to Ashoka UK.
- Expenditures not covered by programs – To navigate the impact of Covid-19 and manage a decrease in revenues we cut down on expenses (e.g. we ended our office lease contract per June 2020, booked less travel expenses, less event cost, etc.), but we also had some unforeseen expenses (consultancy, legal advice and Ashoka Europe integration costs).

Expenditure on goals

Expenditure on goals accounts for 89.02% of total income (2018/2019: 80.74%).

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Expenditure on goals accounts for 85.91% of total expenditure (2018/2019: 86.57%).

Cost of fundraising / management and administration

The expenses of fundraising accounts for 2.92% of total income (2018/2019: 2.17%).

The expenses of management and administration accounts for 11.68% of the total income (2018/2019: 10.35%).

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Expenditure allocation

Cost Category	Expenditure on goals	Fund Raising	Management and administration	Actuals FY20	Actuals FY19
Communication	72	89	355	516	1,100
Office Rent	-360	2,282	9,126	11,048	18,038
Office/Other	9,300	5,264	21,056	35,620	97,700
Personnel	180,132	15,901	63,603	259,636	274,099
Project Cost	712,517	6,030	24,118	742,665	720,029
Eindtotaal	901,661	29,566	118,258	1,049,485	1,110,966

Average number of employees

The average number of employees during the year, converted to full-time equivalents, was in 2019/2020: 3,6 (2018/2019: 5).

The average number of employees broken down by activity, was as follows:

	<u>2019/2020</u>	<u>2018/2019</u>
Director	1	1
Finance / Operation / HR	1	1
Youth Years		1
Venture & Fellowship	1	
Community building		
Communication		
Program Manager	1	2
Total	4	5

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Remuneration of (former) directors and supervisory directors

In 2019/2020 an amount of €78.196 for the remuneration of the director (1Fte contract) was charged to the foundation. There was one acting Director in 2019/2020.

Proposed appropriation of the result

The operating negative result 2019/2020 of -/- € 36.600 should be deducted from the other reserves. This proposal has been incorporated in these financial statements.

Signing of the financial statements

A.G. Mourot

M.S. Schouten

J. Kester

O.J.M. Heister

A. Raskin

N.N. Lodeizen

III OTHER INFORMATION

INDEPENDENT AUDITOR'S REPORT

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