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Prince Claus Fund for  
Culture and Development

# Financial statements 2023

Prince Claus Fund  
for Culture and Development  
at Amsterdam

date 22 March 2024  
reference 24-162/MdV

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# Management report 2023

## 1. General information

### Establishment, mission, vision and objective

Foundation Prince Claus Fund for Culture and Development was founded on 6 September 1996 and has its registered office at Kingsfordweg 151 in Amsterdam.

The articles of association were changed in 2023 and approved by the Ministry for adoption, and will be rectified in March 2024.

The objective of the Fund is defined in its statutes as follows:

"De stichting heeft ten doel het vormen van een platform voor interculturele uitwisseling. In samenwerking met personen en organisaties in Afrika, Azië, Latijns-Amerika en de Caraïben realiseert de stichting eigentijdse activiteiten en publicaties op het gebied van cultuur en ontwikkeling." (*"The aim of the foundation is to provide a platform for intercultural exchange. In cooperation with persons and organisations in Africa, Asia, Latin America and the Caribbean, the foundation realises contemporary activities and publications in the field of culture and development."*)

The Prince Claus Fund aims to achieve this objective by, among other:

- Honouring and supporting talented individuals in the field of culture and development by awarding three different Prince Claus Awards in different phases of the cultural career.
- Promoting intercultural exchange, hereby stimulating the development of committed cultural talent and increasing their social impact.
- Supporting the creative process through, among other, mentorship to achieve cultural productions.
- Providing a platform for engaged cultural talent.

### *Mission*

The Prince Claus Fund supports, connects and honours artists and cultural practitioners in areas where cultural expression is under pressure.

### *Vision*

The Prince Claus Fund strives for a world where cultural expression is free and valued.

### Statutory provisions

According to the articles of association, the board shall draw up a balance sheet and a statement of income and expenditure within three months after the end of the financial year. The board must appoint a chartered accountant to audit the balance sheet and statement of income and expenditure. The accountant reports on his audit to the board and presents the results of his audit in an auditor's report.

In accordance with the articles of association, the financial year coincides with the calendar year.

### Honorary chair and board

According to the articles of association, the board consists of at least five persons.

Board members are appointed for a maximum period of four years. After the first four-year term has expired, they may be re-appointed once for an equal period. The hereunder resignation schedule provides an up-to-date overview of the appointments.

<u>Name</u>	<u>Entry</u>	<u>End period 1</u>	<u>End period 2</u>
HRH Prince Constantijn, Honorary chair	August 22, 2003 *	-	-
Ila Kasem (chair)	Sept. 6, 2019	Sept. 6, 2023	Sept. 6, 2027
Mohamed Bouker	March 26, 2020	March 26, 2024	March 26, 2028
Lionel Veer	April 8, 2016	April 8, 2020	April 8, 2024
Eppo van Nispen tot Sevenaer	April 8, 2016	April 8, 2020	April 8, 2024
Alexander Ribbink	March 17, 2017	March 17, 2021	March 17, 2025
Clarice Gargard	February 1, 2018	February 1, 2022	February 1, 2026
Nani Jansen Reventlow	February 1, 2018	February 1, 2022	February 1, 2026

\* *The Honorary chair has been appointed for an open-ended period, so no terms of office apply to him.*

In accordance with the articles of association, article 6, paragraph 2, board members receive no remuneration for the work they do for the foundation. In incidental cases, board members do receive compensation for the costs incurred on behalf of the foundation.

Individual board members report their ancillary positions to the board; the additional functions are listed on the website of the Fund.

In 2023, the board met four times for the regular board meetings.

The board approved the refined strategy of the fund including the theory of change in June. In 2023, the average attendance rate of the board was 75%.

On 24 November 2023 board meeting the amended statutes for the fund which states that the Prince Claus Fund board will now become a supervisory board and the functions of the Director to be of executive nature were approved for submission. The statutes were registered and adopted by the board on 22 February 2024. And are in effect from the day of registration.

### Management and staff

A remuneration policy for management is in place which means that the level of management and other remuneration components were determined. This policy is updated periodically by the board. In determining this policy and setting the remuneration, the Fund follows the Regulation on the remuneration of directors of charitable organisations (see [www.goededoelennederland.nl](http://www.goededoelennederland.nl)).

The regulation provides a maximum standard for the annual income based on weighing criteria. The weighing of the situation at the Fund was done by the board. This led to a so called BSD score of 375 points with a maximum annual income of € 120,741 for 2023. The relevant annual income of the management board remained within the applicable maximum.

The amount and composition of the remuneration are explained in the financial statements in the notes to the statement of income and expenditure.

### Internship and volunteer policy

In 2023, the Fund continued to be supported by interns and volunteers. One volunteer maintained the library throughout the year as she has been doing for several years now. The Fund is very grateful to her and all the other interns and volunteers for their valuable contributions.

At the end of 2020, work was done to update the existing protocol for interns and volunteers, to facilitate an even better and positive learning experience for them. Agreements have also been made about the vacancy texts and the way in which interviews are conducted. In 2023 the policy was revisited further, and responsibilities clarified.

All interns and volunteers work based on a contract in which tasks, responsibilities and obligations are described. Volunteers receive an allowance within the fiscal boundaries. Interns receive an allowance that is in line with the allowance that other cultural organisations provide. Though considering fair pay and the wish to stimulate diversity, the allowance was researched and an adjusted allowance has been put in place for 2023.

In 2023 the average number of FTEs was 14.32. In 2022, this average was 15.23. The reason for this reduction of FTEs is that one staff members discontinued their service to the fund in September.

### Governance

The Prince Claus Fund endorses the CBF-Code and the Good Governance Code for Cultural Organisations - the 9 principles. The Prince Claus Fund acts in accordance with the regulations of these codes. The principles of good governance - which first and foremost concern the separation of functions, good governance and accountability - are embedded in the internal regulations.

The organisation meets the criteria of the CBF hallmark ([www.cbf.nl](http://www.cbf.nl)). The tasks and responsibilities of the board and director are described in the statutes of the Prince Claus Fund (22 June 2010) and the Management Regulations (29 July 2015). The director and the board members are aware of their own role and the division of tasks, responsibilities and powers between them and act accordingly.

The board is responsible for governing the organisation. The board approves the annual plan, the long term plan, the annual budget and the annual statement of accounts as well as major collaborations. The board also approves project allocations exceeding € 25,000 for Programmes.

The director is responsible, within the aims of the organisation, for general policy development and implementation, external representation, public relations policy, managing the office and staff, implementing the general terms of employment, and for preparing and implementing the decisions of the board.

The management and board are independent and do not act on behalf of any third party outside of the Fund. They are alert to conflicts of interest, avoid undesirable conflicts of interest and deal with conflicts of interest transparently and carefully. The articles of association set out the procedure to be followed in the event of a conflict of interest (articles 7.2 and 8.8).

The division of tasks and powers between the director and the board are laid down in the articles of association and the board regulations.

The Fund has good rules for risk management and control and takes mitigating measures where necessary. The management and the board have an annual meeting with the external auditor.

Authorities, rules and procedures are described in the Administrative Organisation (AO) and form the framework for the administrative process. It is not only about the direct registration and control of the flow of money, but also about the interfaces of finance with the organisation and the surrounding outside world. One of the goals of the administrative organisation is to provide adequate information at the right time. Partly based on this mostly financial information, the board and management can manage and steer the organisation in the right way. In addition, the information forms the basis for rendering account. In 2021, the AO was brought in line with the new strategy. Some new processes are still under development, these have been updated in 2022 and 2023 and final approval by the board will be made in 2024.

There is a complaints procedure, a whistleblowing procedure, the code of conduct, the confidential advisor protocol and the terms of employment; all updated in 2020 and added where necessary in 2021 but it did not appear necessary to make active use of them. This also applies to the external confidential advisor. The remuneration policy is appropriate for the cultural field and is laid down in the terms of employment.

Appointment of a member of the board is made on nomination by the board. The board has a broad composition, considering substantive expertise and diversity aspects such as gender and cultural background.

The director reports four times a year to the board on the progress and realisation of the established annual plans and budget. The annual report and accounts are prepared by the director and adopted by the board, as are the annual plan and budget.

The board convenes a self-evaluation meeting at least once a year and conducts an annual assessment interview with the director.

Generally every five years, an evaluation takes place together with the Ministry of Foreign Affairs, the largest financier. In 2020, the Ministry announced that it would not carry out an evaluation (or would have one carried out). The Fund itself performs partial evaluations on a regular basis. In 2021 the ME&L team undertook an evaluation of the results and lessons learned of the entire 2017-2020 subsidy period of the Prince Claus Fund, in which all the results achieved were laid alongside the promises made in the subsidy application to the Ministry of Foreign Affairs, and insights and lessons were included in a reflection report. In 2023 the Fund commissioned an external evaluator to perform a mid-term evaluation of its strategy and programmes in comparison to the main objectives as laid out in the subsidy request 2021-2024 to the Ministry of Foreign Affairs.

## 2. Programmes and core-activities

### Programmes

The Fund started implementing the new strategy in 2021 with **the Award Programmes**.

#### *Prince Claus Seed Awards*

For the third consecutive year, 100 Seed Awards of € 5,000 were given to emerging cultural practitioners to boost their societally engaged cultural practice. By recognising emerging talents with a Prince Claus Seed Award, we aim to boost their careers and practices and provide room for them to develop new perspectives on societal challenges within their practice through experimentation.

The open call for 2023 received 1854 applications, 1282 of which were 'longlisted' and 276 of which were 'shortlisted'. The final selection of 100 Seed Award Recipients was made with the advice of 24 external expert advisors, who focussed on artistic quality, and the potential impact of the award. Diversity of gender, discipline, people and geographies were also kept in consideration to ensure a balanced selection and the prioritisation of marginalised voices. The final selection of 2023 Seed Awardees consists of 100 practitioners of 62 nationalities, living in 61 countries. Of these, the selection includes 43 women, 46 men and 11 non-binary individuals. Although they range in age between 22 and 41 years old, all of them are in the early years of a professional career in their chosen discipline. The average age of the recipients (when the award was announced) is 29.2. 51 of the 100 awardees are living in countries designated by the Ministry of Foreign Affairs as focus countries.

In October 2023 the recipients of the Prince Claus Seed Awards were publicly announced on the Prince Claus Fund website and social media Profiles of each of the Seed Award recipients were published on the website of the Prince Claus Fund, through an interactive list sortable by country, discipline, and the themes of Awardees' work.

A small selection of Seed Award Recipients from the 2021 and 2022 cohort also took part in Mobile Lab activities and the first Biennial Symposium. This year we have also developed more opportunities for our Seed Awardees to connect with each other and with others from the Fund's network (see more under Exchanges and Fertile Ground).

#### *Prince Claus Mentorship Awards*

36 practitioners from various disciplines were recognised with a Prince Claus Mentorship Award through three thematic Mentorship Award programmes, engaging with societal challenges and focused on learning & experimentation. Award Recipients in each programme were selected together with the collaborating partner organisation, on the basis of the input of our external advisors, through an Open Call for proposals published via the websites of both parties.

Recipients of Prince Claus Mentorship Awards receive an direct financial award of € 10,000, and participate in one of the Fund's specific thematic programmes that put forward new perspectives, centre alternative narratives and create space for individuals to learn, grow, experiment and test out new ideas. By supporting the transformative practices of creatives, facilitating peer to peer connections, offering room for reflection and experimentation we aim to offer engaged cultural practitioners a platform / space to show and autonomously develop their work, expand their networks, exchange valuable insights, find solidarity and encouragement to pursue their work, despite often challenging circumstances.

Each mentorship is a year-long interdisciplinary programme aimed at accelerating engaged and critical artistic practices in different urgent thematics. We do not see mentorship as a top down student-teacher dynamic, but rather as a space for horizontal, hierarchy-free exchange of thoughts, knowledge and experiences. The programmes initiate international networks of creatives, promote leadership, and create platforms for exploring critical artistic practices.

The mentorships are designed with two main goals in mind, firstly to foster conversation, collaboration and exchange within the cohort, and secondly to support each artist in their own individual practice. Activities include group work, peer-to-peer engagement, and individual support. Most of the activities are online, as they include participants from very different locales, but twice a year the groups come together in person. Additionally, each programme includes a collective project in the form of an (online and offline) publication.

The final selection from the three programmes is composed of 36 artists from 25 countries. The gender balance of the selection is 15 women, 16 men 4 non-binary practitioners and 1 who prefers not to identify themselves by gender. The age range of award recipients is between 23 and 40, and the median age is 31.7.

In 2023 we revisited the Arab Documentary Photography Programme together with our colleagues at the Arab Fund for Arts and Culture (AFAC) and the Magnum Foundation and have updated the programme. Now in its tenth cycle the programme will not only cater to the emerging photographers it traditionally has, but will be extended to include a fellowship element, which will be open for photographers who have come through the programme in its early years. With this we will be feeding every growing network of critical documentary photographers in the region. Whilst the 10<sup>th</sup> cycle is under way, the selection process is in its final stages as the current situation in Palestine and Lebanon caused some delays on the open call.

The third group of Cultural & Artistic Responses to the Environmental Crisis marks the last year of our collaboration with the Goethe-Institut. The third cycle of the program brings together 12 mid-career artists and cultural practitioners from around the world in a year-long interdisciplinary programme with a focus on climate justice and the connection between the climate crisis and the social, racial, and environmental issues in which it is deeply entangled. This year's participants work in a variety of disciplines, from architecture, photography, and visual arts to biotech, sound art, and research, with most spanning multiple practices. The announcement of the group can be found [here](#).

We also enter our third year of our collaboration with the Creative Industries Fund NL on Building Beyond, with a new cohort of 12 artists from across the African continent. These individuals work in a wide range of design fields including architecture, urbanism, digital design, visual arts, photography, research and performance. The artists will work on projects that re-imagine the future of public space, community and functionality in their own contexts. The program aims to foster thought leadership, promote criticality, reframe design-based practices, and contribute to an ongoing conversation on how creative practices rooted in locality and community can lead to new perspectives and promote transformative urban agendas. Group to be announced next week.

In 2023 we launched our fourth mentorship, in collaboration with the British Council. The program, Moving Narratives, amplifies artistic and creative practices that move our understanding of the past and drive our visions of the future in new directions through the affective, discursive, and transformative power of culture. The 12 artists who make the first cohort of this programme all re-examine legacies of the past, defy euro-centric social and historical discourses, centre the perspectives of marginalised communities, and forge connections between contemporary emancipatory movements and their historical roots. Group to be announced in February.



### *Prince Claus Impact Awards*

The Prince Claus Impact Awards are presented biennially to six change-makers whose work addresses societal challenges in innovative and powerful ways. The award aims to provide a significant boost to the careers of recipients, who serve as role models transforming their contexts through culture.

The process to select the next Prince Claus Impact Awardees commenced in mid-2022, with the Fund's network being invited to suggest individuals for consideration. This process resulted in 195 nominations, of which 161 were considered eligible, representing 63 different countries (23 from the Fund's focus list). This marks a considerable increase compared to the previous round of the Prince Claus Impact Awards, which had 97 eligible nominations from 44 countries.

The year 2023 began with desk research conducted by the Programmes Team, who compiled a dossier containing all available online information for the 161 eligible nominations. Additionally, the early part of the year saw the selection of the international jury from the Prince Claus Fund's network. This jury is tasked with choosing the six recipients of the 2024 Prince Claus Impact Award.

The jury convened for its first meeting online, during which the first round of selections was made, narrowing down the candidates to 46, with consideration given to gender balance (23 male candidates, 19 female candidates, and three non-binary candidates). Subsequently, the team entered the second research phase, reaching out to local advisors for insights. The jury reconvened in person and selected a shortlist of 20 candidates.

Currently, the Programmes team is entering the third and final research phase to gather specific insights for the shortlisted candidates. Additionally, they are seeking the opinions of Dutch Embassies to inform the jury's decision on the final six nominees that's happening on May.

### Other parts of PROGRAMMES

**Exchanges**, as part of Programmes, aims to invest in meaningful connections (peer to peer/ to the Dutch and international cultural field/to specific audiences) for Award recipients and the larger network of the Prince Claus Fund. Activities range from one-time connections to longer term collaborations.

In 2023 Exchanges invested in and facilitated a series of meaningful connections between current Awardees and former grantees. This included collaborations with several of our NextGen Partners and Amplifying Creative Voices grantees.

Some activities that the Exchanges programme organised are mentioned here to illustrate.

As part of the Amplifying Creative Voices programme, Exchanges continued supporting the online events series **Through the Window**. This programme brought together queer artists from the Netherlands, Turkey and beyond to build an online, transnational queer community through online talks, parties and an exhibition featuring the work of 30 artists. This year Through the Window included work of five Seed Awardees.

The other institutions that collaborated with the Prince Claus fun in the exchanges programme include **OSCAM, DAS Graduate School** in Amsterdam, for their students of the Master Creative Producing, the **Motormond Gallery** and focusing on LGBTQI visual artists from our seed awardees and **The Quick + The Brave**, a cross-platform content series that charts the creative journeys of the Prince Claus Seed Awardees.

## FERTILE GROUND

*“For me connecting with organisations that are already working in the same direction as me (i.e. towards the betterment of society and the environment) is a must, as being an individual my role is limited but when I get connected with the right set of people of an organisation I can make a larger impact through my work.”*

Tarun Sharma, visual artist from India (Seed Awardee 2021, quote from a survey on the needs of emerging cultural practitioners)

Through Fertile Ground we invest in meaningful connections that on the one hand benefit individual practitioners and boost their career development and on the other hand strengthen the larger cultural infrastructure in the Global South to create a resilient, interconnected and solidary artistic global ecosystem. To do this we commission cultural organisations from our existing network to host Seed Awardees in their programming. These organisations, who have specific disciplinary expertise and play key roles in their regions, offer these young practitioners a platform to showcase work, the opportunity to participate in residencies, festivals, workshops and provide access to peers, mentors, new networks and audiences.

Fertile Ground is an important step in decentralising our work. By strengthening partners, structures and existing systems in the Global South the Prince Claus Fund is contributing to a sustainable ecosystem and a strong global community of cultural practitioners and changemakers. The Prince Claus Fund has a strong network of local partners with many of whom we have worked closely. The partners with whom we work are crucial in determining the success of Fertile Ground, and actively help to shape the programme and autonomously select and collaborate with the Seed Awardees. With the Seed Awards we plant seeds and with Fertile Ground we facilitate the fertile soil that allows the Awardees to grow and offers them a future perspective.

The organisations receive support for three consecutive years to sustain their role in the local cultural infrastructure and to work with four to five Seed Awardees per year. Since we have seen how beneficial interdisciplinary peer connections are, an annual in person network gathering brings the people behind these organisations together to exchange, reflect and learn from one another. In 2023 we received extra support from the Hawthornden Foundation to add four organisations working in the literary arts to Fertile Ground. With this addition we now have 12 organisations active in the network, meaning that each year we can offer up to 70 seed awardees opportunities through this programme.

## Core activities

### *Fundraising and Communications*

For its **fundraising**, the Fund focuses on entering sustainable relationships with, in addition to the Ministry, the impact of the Prince Claus Fund in 2023 was significantly influenced by the collective contributions of Individual Donors, Foundations, and (In-Kind) Sponsorships. Each of these pillars played a crucial role in ensuring the fund's accomplishments and positive outcomes throughout the year.

Noteworthy contributions were received from longstanding partners, such as the Nationale Postcode Loterij, the Ing Yoe Tan Fund, and in-kind partnerships providing legal advice from Versteeg Wigman Sprey Advocaten, design expertise from Irma Boom Design, and the memorable Hotel de L'Europe dinner held on the 6th of September. Additional support was offered by esteemed entities, including KLM, the Luxury Hotels of Amsterdam, and Eden Hotels.

In anticipation of a sustainable future, new leads and focuses in fundraising have been developed. Seeds have been planted, set to be harvested in 2024, with efforts extending both within the United Kingdom and abroad, particularly in the USA. Noteworthy is the allocation of special donations, exemplified by OSF, earmarked for projects slated for 2024.

The fundraising costs primarily involve organising, participating in, and executing various events with the goal of acquiring and retaining diverse forms of contributions and foster new connections.

For its **communications** the Fund has developed and is in the implementing phase of a communication strategy that incorporates the institutional and all programmatic activities of the Fund. Ever increasing effort is put towards online communication, specifically social media with good results in for example a much greater reach and engagement with the announcement of the Seed Awards.

Results and examples of the impact of the Fund's work on different target groups are given in the results framework for 2023 and in the comprehensive 2023 online annual report (as of the end of April 2024 on the Fund's website). Part of the focus of communications has been about increasing efforts towards a more present fund in working regions which was done by focussing on engaging local media during the Mobile labs and the first Biennial Symposium which saw over 40 media publications on the activities of the Prince Claus Fund which significantly increased visibility and raised interest in those regions.

#### **Communication policy for stakeholders**

The Fund has an open dialogue with all stakeholders, which can be divided into staff, funders, donors, benefactors, applicants, partners and governments. By means of correspondence, annual report, interim reports where necessary, newsletters and invitations to the Fund's activities, the Fund keeps the stakeholders informed and involved. The annual report and the annual figures are public and can be found on the website of the Fund.

**Special Projects** activities in 2023 were structured around three Mobile Labs and the first of a biennial series of Symposia. The Mobile Labs are an opportunity to bring together many of our Awardees on a regional and thematic basis. Co-curated with Impact Awardees and featuring Seed and Mentorship Award recipients, the Mobile Labs respond to the needs of each specific community, serving local needs while connecting to global concerns through lectures, workshops and field trips. Thus, the first Mobile Lab of 2023 took place in Morocco in the cities of Rabat, Casablanca and Benslimane, and was constructed around the theme of public space, co-curated with 2022 Impact Awardee Hassan Darsi. The second took place in Egypt; co-curated with 2022 Impact Awardee May al-Ibrashy, and centring on the built environment. All Mobile Labs engaged Seed and Mentorship Awardees from the region around the focus themes. The third took place in Argentina, co-curated with the Impact Awardee Maria Medrano of the prison abolition collective, YoNoFui, with the objective of discussing the ways in which prisons can be transformed into productive and nurturing environments. The year culminated in the hugely successful December 2023 Prince Claus Fund Biennial Symposium, Legacies of Care, Failures, Emerging Solidarities, co-curated with Ken Sen Ong, which took place in Colombo and Bentota. The Symposium brought together artists, changemakers and cultural practitioners from across the region to engage in dialogue over the course of three days.

**Monitoring, Evaluation and Learning** started 2023 with reflection sessions with all team members to start the process of the mid-term evaluation of the strategy. The mid-term evaluation was completed by an extensive desktop review executed by Tamara Schulz (Guhrs), a poly-disciplinary cultural practitioner, researcher and writer based in South Africa. It looked at the work undertaken since 2021 in the Prince Claus Fund's implementation of its most recent four-year Subsidy Request. It assessed whether the current rationale and approach is relevant, if the organisation is learning and adapting in the right ways, and if it is on its way to amplify, accelerate and recognise cultural changemakers in areas where culture is under pressure.

The evaluation found that the Prince Claus Fund learns effectively, studying the needs of beneficiaries and their changing contexts, while also being alert to broad global shifts.

The ME&L team revisited and adapted the Theory of Change to include 3 main societal themes; Freedom, Equity and Climate and clarified the impact the Fund aims to achieve. The team compiled a strategy overview that contains a longer term vision and aims to guide the Prince Claus Fund in coming years.

The team continued the in-depth reflection sessions with a selection of recipients of Prince Claus Awards whose development is followed for a period of three years to gather longer term evidence and create insight into the needs of cultural practitioners and whether the Fund is meeting these needs effectively.

The Fund continuously monitors all programmes and activities and, where necessary, refines and adapts its approaches to achieve the greatest possible impact. The focus is on gathering information that helps to test the strategic assumptions that underpin the Theory of Change. The Fund structurally reflects, captures lessons learned, adapts and builds on its strengths.

#### **Corporate Social Responsibility and activities**

The Fund focuses on the impact of the programmes and activities it undertakes and supports and the social, ecological and economic consequences these programmes and activities have. In doing so, the Fund strives for a more inclusive society in which culture can thrive. In the choice of projects and cooperation partners to be supported, the role of culture in social development/change plays a crucial role. Acting in a socially responsible manner is inherent to the objective and working method of the Fund.

As part of the new strategy an international advisory board has been set up to look into relevant contextual developments and how the Prince Claus Fund relates to these. The advisory board informs the Board and management on urgent matters in working regions and the international cultural field and advises on the role of the Prince Claus Fund, its strategy and approaches. Within its own organisation, the Fund continues to strive for a working environment that is as 'green' as possible to that end a new green team was installed in 2023. The team will continue to deepen the insight into the emissions and footprint of the Prince Claus Fund and work on policies to further improve in this area.

#### **Quality of Organisation and Activities**

The Prince Claus Fund strives to maintain optimum quality in all its activities. It achieves this by involving good and independent advisors in its judgments and implementation, and by specially training staff members for these tasks. For the Prince Claus Fund, quality is a *conditio sine qua non*. Staff members and partners are aware of this in terms of not only implementing projects and processing applications but also correspondence and communication.

### 3. Risk management

The risk policy is related to:

- Financial and reputational risks with respect to the selection and expenditures on projects. The consequences of risks in this field are great; however, the chance of actual occurrence has been judged as small. Measures taken are reflected by the governance structure and the internal control within the organisation, including the use of standard contracts and the important role of the monitoring and evaluation of each project. Sufficient mitigating measures have been taken.
- The risks with respect to financial management and administration of its funds. The consequences of risks in this field are limited; the chance of occurrence has been judged as small. Measures taken are reflected by the governance structure and the internal control within the organisation, including the practice of the four eyes principle. Sufficient mitigating measures have been taken.
- Risks with respect to IT. The consequences of risks in this field are great; the chance of occurrence has been judged as average. Measures taken are reflected using a Service Level Agreement applicable to the services delivered by the IT supplier. Sufficient mitigating measures have been taken.
- Fundraising targets. The consequences of risks in this field are great; the chance of occurrence has been judged as small. Measures taken are related to the permanent monitoring of the fundraising policy and the achieved results, combined with an incorporated flexibility within the budget in case of setbacks. Sufficient mitigating measures have been taken.
- Over expenditure on budgets. The consequences of risks in this field are limited; the chance of occurrence has been judged as small. Measures taken are related to the execution of a systematic budget control and the monitoring of the monthly planning and control cycle. Sufficient mitigating measures have been taken.

The board has judged this risk policy and the measures taken and noted that sufficient measures have been taken to mitigate these risks.

## 4. Policy and function reserves and funds

### Continuity reserve

The last minimum size of the continuity reserve as determined by the board has been € 1,125,000. The current level meets this. The determination was based on a model of risk analysis.

By forming a continuity reserve, the Prince Claus Fund can deal with unforeseen situations and fulfill the contractual obligations if there is no or insufficient follow-up financing.

### Other reserves and funds

If the board earmarks funds for a specific purpose and these funds have not yet been fully spent by the end of the financial year, an appropriated reserve is formed for the unspent portion. For this reason an amount of € 209,000 was being reserved in 2022 for operational use for 2023. These funds were spent in 2023.

Income received from third parties that has been assigned a specific destination by the provider and that has not yet been fully spent in the year of receipt, are added to an appropriated fund, unless there is a contractual commitment to contribute to project financing. In that case, the unspent part of the income is presented as received in advance on the balance sheet.

### Investment policy

The Prince Claus Fund does not wish to take any risks in investing the money at its disposal. Therefore, in accordance with a board decision, the Prince Claus Fund's revenue is only deposited in current and savings accounts.

## 5. Fiscal affairs

### Public Benefit Institution (ANBI)

On 21 August 1997 notification was received from the Dutch Tax Authorities/Registration and Succession that the Prince Claus Fund has been classified as an ANBI. In a letter dated 26 December 2007, the Tax Authorities received notice that the Prince Claus Fund has an ANBI status for an indefinite period, provided the Prince Claus Fund continues to meet the conditions.

### VAT

As of 1 January 2019, the Prince Claus Fund is registered in the administration of the Tax Authorities as an entrepreneur who only performs services that are exempt from VAT.

### Corporate income tax

The Fund is not regarded as a taxpayer for corporate income tax purposes.

### Gift tax

The awards to be granted annually by the Fund are exempt from gift tax.

### Administration

Jac's den Boer & Vink, a business economics consultancy firm for non-profit organisations, was appointed by the Prince Claus Fund to manage its administration and to draw up the financial statements 2023. 'With Accountants' was appointed to audit the financial statements. The independent auditor's report on this audit is included on page 42.

### Income aspects

For the years 2021-2024, the Minister of Foreign Affairs has awarded a subsidy amount of € 12 million in total. € 2,666,790 of this was spent in 2021. It was agreed upon to transfer the underspending of 2021 into extra spending in the years 2022-2024. By letter of 8 December 2022 the Minister of Foreign Affairs changed the grant decision through a budget increase of € 1,025,860 due to two additional activities: an amount of € 1,000,000 for the growth and strengthening of CER as an independent organisation from 2022 until 2024, plus an amount of € 25,860 for the project Side event to Mondiacult 2022. In Appendix 1 the calculation of the subsidy 2023 is displayed.

In addition to the Dutch government's financial support, the Prince Claus Fund is also a beneficiary of the Dutch National Postcode Lottery. It received its regular commitment of € 500,000 as a contribution from the lottery in 2023. This annual contribution will be continued until 2025.

Total income in 2023 was € 906,000 under budget, mainly (70%) due to more less income from collaborations and partly due to less income from companies and private individuals. More details on this are given in the notes to the statement of income and expenditure.

In comparison with 2022 income fell down € 1,492,000, largely due to the establishment of CER as an independent organisation in the year 2022.

### Expenditure aspects

Total expenditure 2023 is € 962,000 under budget. Direct spending on programmes has been € 828,000 under budget, while indirect spending (personnel, fundraising, housing et cetera) is € 134,000 under budget.

The underspending on programmes is largely related to lesser income from other non-profit organisations, since there is a direct link between income and expenditure with respect to collaborations. More details on this are given in the notes to the statement of income and expenditure.

The underspending on indirect costs consists mainly of underspending on personnel (55%), office and fundraising.

In comparison with 2022 total expenditure fell down € 1,300,000, also largely due to the establishment of CER as an independent organisation.

### Balance of income and expenditure 2023, allocation of the balance, ratios

Taking into account the financial income of € 38,000 that was not budgeted, the balance of income and expenditure amounts to a negative balance of € 152,000, while a negative balance of € 247,000 was budgeted.

From all expenditure 2023 a total amount of € 278,000 will be funded from the Reserve OSF and the restricted fund Tan.

An amount of € 145,000 will be added to the continuity reserve, while € 73,000 was budgeted.

The Prince Claus Fund uses the internal condition that of all spending, preferably 70% must be spent on direct contributions to programmes and projects. In 2023 this condition is almost being met (69.1%).



In addition, the Prince Claus Fund uses some ratios derived from Guideline 650 and her own budget. They are stated hereunder.

	<u>Realisation 2023</u>	<u>Budget 2023</u>
<u>Internal standard</u>		
1. Direct costs of programmes and projects preferably minimal 70% of expenditure	69,1%	71,8%
<u>General</u>		
2. Costs of fundraising divided by total income	5,7%	4,4%
3. Share in expenditure		
- charitable activities	90,5%	91,7%
- fundraising costs	5,5%	4,2%
- management & administration costs	<u>4,0%</u>	<u>4,1%</u>
Total	<u><u>100,0%</u></u>	<u><u>100,0%</u></u>

The distribution of costs is based on the time that each staff member is expected to spend on the various activities. This estimation is then checked against the actual situation every year.

## 6. Preview and budget 2024

The summary of the budget 2024 adopted by the board can be shown as follows:

	x € 1,000
<u>Income</u>	
Income from private individuals	150.0
Income from companies	247.0
Income from lottery organisations	500.0
Income from government grants	3,404.6
Income from other non-profit organisations	<u>2,147.4</u>
Total income	<u>6,449.0</u>
<u>Expenditure</u>	
Programme expenditure	
- Programmes (including CER)	4,495.6
- Special Projects	785.6
- Monitoring, Evaluation & Learning	235.4
- Communications	385.5
- Sponsored expenses	147.0
Total programme expenditure	6,049.1
Costs of generating funds	264.8
Management and administration	<u>278.2</u>
Total expenditure	<u>6,592.1</u>
Balance before financial income and expenditure	-143.1
Financial income and expenditure	<u>22.1</u>
<b>Balance of income and expenditure</b>	<b><u><u>-121.0</u></u></b>

Amsterdam, 22 March 2024

Marcus Desando, Executive Director

Ila Kasem, Chair of the Supervisory Board

## A. Balance sheet as at 31 December 2023

<u>Ref.</u>	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Fixed assets		
1. - Tangible fixed assets	<u>65,696</u>	<u>85,109</u>
Total fixed assets	<u>65,696</u>	<u>85,109</u>
Current assets		
2. - Receivables	622,364	1,075,925
3. - Cash and cash equivalents	<u>4,791,944</u>	<u>4,941,821</u>
Total current assets	<u>5,414,308</u>	<u>6,017,746</u>
<b>Total assets</b>	<b><u><u>5,480,004</u></u></b>	<b><u><u>6,102,855</u></u></b>
Reserves and funds		
<i>Reserves</i>		
4. - Continuity reserve	1,327,196	1,182,465
5. - Reserve CER Foundation	0	0
6. - Reserve fixed assets	65,696	85,109
7. - Reserve OSF	<u>0</u>	<u>208,803</u>
Total reserves	<u>1,392,892</u>	<u>1,476,377</u>
<i>Funds</i>		
8. - Restricted fund Tan	<u>494,280</u>	<u>563,280</u>
Total funds	<u>494,280</u>	<u>563,280</u>
Total reserves and funds	<u>1,887,172</u>	<u>2,039,657</u>
Accruals		
9. - Long term project allotments	0	0
9. - Short term project allotments	1,095,513	1,154,436
10. - Other short term accruals	<u>2,497,319</u>	<u>2,908,762</u>
Total accruals	<u>3,592,832</u>	<u>4,063,198</u>
<b>Total liabilities</b>	<b><u><u>5,480,004</u></u></b>	<b><u><u>6,102,855</u></u></b>

## B. Statement of income and expenditure 2023

<u>Ref.</u>	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<u>Income</u>			
11. Income from private individuals	51,666	165,000	20,712
12. Income from companies	47,788	200,000	201,756
13. Income from lottery organisations	500,000	500,000	589,817
14. Income from government grants	3,297,505	3,350,000	3,771,604
15. Income from other non-profit organisations	<u>1,089,921</u>	<u>1,677,500</u>	<u>1,895,312</u>
Total income	<u>4,986,880</u>	<u>5,892,500</u>	<u>6,479,201</u>
16. <u>Expenditure</u>			
Programme expenditure			
- Programmes	3,747,944	4,524,430	2,757,517
- Special Projects	583,309	628,637	928,698
- Monitoring, Evaluation & Learning	195,781	222,429	217,005
- Communications	197,815	154,376	0
- Sponsored expenditure	41,046	100,000	0
- Cultural Emergency Response	0	0	1,774,356
- Next Generation	0	0	233,749
- Amplifying Creative Voices	0	0	109,808
Release	<u>-81,981</u>	<u>0</u>	<u>-18,756</u>
Total programme expenditure	4,683,914	5,629,872	6,002,377
Costs of generating funds	284,598	259,944	237,285
Management and administration	<u>208,610</u>	<u>249,547</u>	<u>237,729</u>
Total expenditure	<u>5,177,122</u>	<u>6,139,363</u>	<u>6,477,391</u>
Balance before financial income and expenditure	-190,242	-246,863	1,810
17. Financial income and expenditure	<u>37,757</u>	<u>0</u>	<u>-14,193</u>
<b>Balance of income and expenditure</b>	<b><u><u>-152,485</u></u></b>	<b><u><u>-246,863</u></u></b>	<b><u><u>-12,383</u></u></b>

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
Allocation balance of income and expenditure			
- Continuity reserve	144,731	73,137	0
- Reserve CER Foundation	0	0	-120,000
- Reserve fixed assets	-19,413	0	-32,186
- Reserve OSF	-208,803	-250,000	208,803
- Restricted fund Tan	<u>-69,000</u>	<u>-70,000</u>	<u>-69,000</u>
Total	<u><u>-152,485</u></u>	<u><u>-246,863</u></u>	<u><u>-12,383</u></u>

## C. Cash flow statement

	<u>Realisation 2023</u>
	€
<u>Cash flows from operating activities</u>	
Balance of income and expenditure	-152,485
Depreciation	35,711
Depreciation disinvestments	<u>-1,977</u>
Subtotal	-118,751
Changes in working capital	
- long term receivables	0
- short term receivables	453,561
- accruals:	
• long term project allotments	0
• short term project allotments	-58,923
• other short term accruals	<u>-411,443</u>
Total cash flows from operating activities	-135,556
<u>Cash flows from investing activities</u>	
Investments fixed assets	-17,711
Desinvestments fixed assets	<u>3,390</u>
<b>Net cash flow</b>	<b><u><u>-149,877</u></u></b>
Cash and cash equivalents at beginning of year	4,941,821
Cash and cash equivalents at year end	<u>4,791,944</u>
<b>Changes in cash and cash equivalents</b>	<b><u><u>-149,877</u></u></b>

### Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method and provides an insight into the cash that became available during the financial year and into the financing of expenditures in the same financial year. The cash in cash flow statement consists of cash and cash equivalents. Interest income and expenses are included in cash flow from operating activities. The purchase price of the acquired tangible fixed assets is included under investing activities.

The balance of cash and cash equivalents decreased by € 149,877 in 2023.

## D. Accounting policies

### Estimates

In order to apply the principles and rules for drawing up the financial statements, it is necessary for the board of the Prince Claus Fund to form opinions on various matters and to make estimates that may be essential for the amounts stated in the financial statements. If insight is required, the nature of these judgments and estimates, including the associated assumptions, is included in the notes to the relevant financial statement item.

### Functional currency

Items in the financial statements are measured using the currency of the economic environment in which the business activities take place (the functional currency). The financial statements have been prepared in euros. This is both the functional currency and the presentation currency of the Prince Claus Fund.

### Principles of valuation and determination of results

Principles for the valuation of assets and liabilities:

#### *General*

The financial statements have been prepared on the basis of formulated accounting policies that relate to the financial statements as a whole. The annual account is drawn up in accordance with the 'Guideline for reporting by fundraising organisations', also called Guideline 650, which was issued by the Council for Annual Reporting.

Assets and liabilities are generally valued at the purchase or manufacturing price or the current value. If no specific valuation principle is stated, valuation takes place at the purchase price. The purchase price is the amount that will be received or paid in due course on settlement of the item in question.

The financial year runs from 1 January to 31 December of any year and is therefore equal to the calendar year.

#### *Comparison with previous year*

The principles of valuation and determination of results used are unchanged in comparison with the previous year.

#### *Impairment of fixed assets*

The Prince Claus Fund assesses on each balance sheet date whether there are indications that a fixed asset may be subject to impairment. If such indications are present, the recoverable amount of the asset is determined.

#### *Tangible fixed assets*

Tangible fixed assets are valued at the acquisition price, less depreciation based on the expected economic life. In the year of purchase, depreciation is applied on a pro rata basis. The depreciation percentages applied are: inventory 20%, automation 33.33% and renovation Teleport Tower 20%.

*Stocks*

Stocks are valued at cost price. If a provision for bad debts needs to be made, this is deducted from the book value of the stock.

*Receivables*

Receivables are valued at the first processing at the fair value, in the subsequent valuation at amortized cost. If a provision for bad debts is to be formed, this is deducted from the book value of the receivable. Receivables with an expected duration of more than one year are presented under financial fixed assets.

*Contributions in kind*

A number of partners of the Prince Claus Fund support the Fund through gifts in kind. These include airline tickets, hotel stays and dinner meals. The valuation of these donations is based on their market value.

*Direct project contributions from collaborative partners*

For projects the Prince Claus Fund often works together with so-called collaborative partners. Cooperation partners are usually asked to contribute to the project. This contribution may be a financial contribution to the Prince Claus Fund on behalf of the project, or a direct project contribution. The latter may consist of a cash contribution to the project beneficiary and/or project costs incurred on behalf of the project. The cooperation agreements that the Prince Claus Fund signs with its partners stipulate, among other things, that:

- collaborative projects always originate from or are the initiative of the Prince Claus Fund and are carried out under the ultimate and overall coordination of the Prince Claus Fund;
- where the partner makes a cash contribution directly to the project beneficiary, proof of transfer and receipt must be submitted to the Prince Claus Fund;
- where the partner contributes to direct project costs, the collaborating partner must submit a pro forma invoice to the Prince Claus Fund for approval, as if the agreement were in the nature of an agreement 'Provision of services in return for payment'. In such a pro forma invoice, only direct project costs may be accounted for and 'general overhead' charges are not permitted;
- when the collaborating partners sign an agreement with the project beneficiary, this agreement is deemed to be on behalf of both project partners and the Prince Claus Fund must therefore always co-sign such an agreement.

Obligations entered into by the Prince Claus Fund in the context of a partnership are charged in full to the financial year in which the obligation is entered into, i.e. after the decision to do so has been taken by the Fund and made known to the beneficiary.

Settlement of this liability takes place via the balance sheet. Cash contributions by cooperation partners are matched with the project costs in relation to the cooperation in question. A difference between the cash receipt from a cooperation partner and the income calculated on the basis of the matching principle is entered on the balance sheet as a receivable or debt. The direct contributions in kind made by cooperation partners to projects are based on cofunding statements assessed and approved by the Fund, which provide a statement of the actual costs and project contributions.

*Cash and cash equivalents*

Cash and cash equivalents consist of cash and bank balances with a term of less than twelve months. Cash and cash equivalents are valued at nominal value.



*Long term debts*

Debts are valued at fair value when first processed, at amortized cost in the subsequent valuation. Long term debts have a term of more than one year.

*Short term debts*

Liabilities are initially measured at fair value, in the subsequent valuation at amortized cost. Short term debts have a term of less than one year.

*Employee pension plan*

The pension scheme is administered by Pensioenfonds Zorg en Welzijn (PFZW). In the event of a deficit at the pension fund, the Prince Claus Fund has no obligation to pay additional contributions other than higher future contributions. If there is a surplus or a deficit in the fund, PFZW will decide to either reduce or increase the contributions. Premiums are recognized as personnel expenses when due. Prepaid premiums are recognized as accrued assets if this results in a refund or a reduction in future payments. Premiums not yet paid are recognized as a liability on the balance sheet. As at the balance sheet date, the fund has a policy funding ratio of 112.0% (2022: 111.6%).

Principles for the determination of results:

*General*

The determination of the result includes, unless stated otherwise, the income and expenses attributable to the financial year.

Income for which a special purpose has been designated by the donor or by the Prince Claus Fund board is included in the statement of income and expenditure if it has been spent; if this income has not been fully spent in the reporting year, the unspent funds are included in the relevant earmarked reserve or fund, unless there has been a contractual promise to contribute to project funding. In that case, the unspent portion of the income is presented as advance receipt in the balance sheet.

A withdrawal from the earmarked reserve or fund is recognised as an expense in the statement of income and expenditure.

*Contributions in kind from collaborations*

Contributions in kind from collaborations with partners are accounted for in the year in which the actual performance was delivered.

*Donations, gifts and grants*

Donations, gifts and grants are valued at fair value. Non-financial contributions made by volunteers are not accounted for in the statement of income and expenditure.

*Legacies*

The income from legacies is processed in the financial year in which the size can be reliably estimated (reliable estimate of receipt). The Prince Claus Fund takes as its starting point the moment the funds are pledged (deed of distribution).

A percentage of the funds pledged and to be received for legacies is included directly in the result. The percentages used are: 90% cash, 50% securities and 50% real estate.

*Other income*

Other income is recognized when a reliable estimate of the revenue can be made.

*Employee benefits*

Wages, salaries and social security charges are included in the statement of income and expenditure on the basis of the conditions of employment, insofar as they are payable to employees.

*Depreciation*

Tangible fixed assets are depreciated over three to ten years from the moment they are taken into use, depending on the expected operating time of the asset concerned.

*Interest income and interest expense*

Interest income and interest expense are recognised on a time proportion basis, taking into account the effective interest rate of the assets and liabilities concerned.

*Cost allocation*

The method of cost allocation for the realisation of 2023 is in accordance with guideline RJ 650, Guideline for Fundraising Organisations. Due to the nature of the activities, the names of some direct cost categories slightly deviate from the prescribed model in appendix 3 in the statement of expenses.

*Indirect costs*

The basis for the distribution of the indirect costs is an annual estimate by the Prince Claus Fund of the time per person per destination. Personnel costs are distributed per person according to the estimate of time spent. The other personnel costs are added to the salary costs per person by means of a percentage mark-up. The amounts for the cost types: fundraising, housing and office as well as depreciation are divided on the basis of FTEs. Based on the estimated time spent, the number of actual FTEs per destination is determined. The total distribution obtained is followed in the distribution of costs.

*Direct costs*

Direct costs are allocated directly to the relevant destination. Obligations entered into by the Prince Claus Fund in the context of projects are charged in full to the financial year in which the obligation is entered into, i.e. after the decision to do so has been taken by the Fund and made known to the recipient. Settlement of the obligation in the form of a payment to the project implementer is made through the balance sheet. The direct costs which are the counterpart of contributions in kind in the case of collaborations are processed in the statement of income and expenditure after the value of the performance delivered has been established by means of a co-financing statement submitted by the partner and assessed and approved by the Fund. In the case of collaborations that are entered into for several years, an allocation is made - on the basis of the project budget - per year and the collaboration is only continued if there are good substantive results and if the financial resources of the Prince Claus Fund permit this.

Post balance sheet events

There have been no significant events post balance date which would materially affect the annual accounts.

## E. Notes to the balance sheet

### Fixed assets

#### 1. - Tangible fixed assets

	<u>Inventory</u>	<u>Automation</u>	<u>Renovation Teleport Tower</u>	<u>Total</u>
	€	€	€	€
Balance January 1st	30,940	15,139	39,030	85,109
Investments 2023	5,212	1,729	10,770	17,711
Disinvestments 2023	0	-3,390	0	-3,390
Depreciation disinvestments 2023	0	1,977	0	1,977
Depreciation 2023	<u>-11,120</u>	<u>-10,917</u>	<u>-13,674</u>	<u>-35,711</u>
Balance December 31st	<u>25,032</u>	<u>4,538</u>	<u>36,126</u>	<u>65,696</u>
Purchase value	54,792	36,298	65,050	156,140
Cumulative depreciation	<u>-23,852</u>	<u>-21,159</u>	<u>-26,020</u>	<u>-71,031</u>
Balance January 1st	<u>30,940</u>	<u>15,139</u>	<u>39,030</u>	<u>85,109</u>
Purchase value	60,004	34,637	75,820	170,461
Cumulative depreciation	<u>-34,972</u>	<u>-30,099</u>	<u>-39,694</u>	<u>-104,765</u>
Balance December 31st	<u>25,032</u>	<u>4,538</u>	<u>36,126</u>	<u>65,696</u>

The tangible fixed assets are being used for business operations.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<u>Current assets</u>		
2. - Receivables		
Dutch Postcode Lottery	500,000	500,000
Debtors	35,000	183,000
Income CER:		
- Ministry of Foreign Affairs	14,858	14,858
Ministry of Foreign Affairs - subsidy Next Generation	0	317,003
British Council Seed Awards	0	4,842
Other receivables:		
- Advance payment office costs	63,207	55,415
- Other receivables	<u>9,299</u>	<u>807</u>
Total receivables	<u><u>622,364</u></u>	<u><u>1,075,925</u></u>

All receivables have a maturity shorter than one year and are considered as collectable.

3. - Cash and cash equivalents		
Savings accounts	3,691,332	4,692,327
Deposit	1,000,000	0
Current accounts	72,359	221,556
Bank guarantee rental property Kingsfordweg	26,491	26,491
Cash	<u>1,762</u>	<u>1,447</u>
Total cash and cash equivalents	<u><u>4,791,944</u></u>	<u><u>4,941,821</u></u>

The cash and cash equivalents can be withdrawn upon demand. The deposit is fixed until 22 April 2024 and the interest rate is 2.86%. The bank guarantee is not at the free disposal of the Fund.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<u>Reserves and funds</u>		
<i>Reserves</i>		
4. - Continuity reserve		
Balance 1 January	1,182,465	1,182,465
Allocation balance of income and expenditure	<u>144,731</u>	<u>0</u>
Balance 31 December	<u><u>1,327,196</u></u>	<u><u>1,182,465</u></u>

The last minimum size of the continuity reserve as determined by the board has been € 1,125,000. The current level meets this. The determination was based on a model of risk analysis.

By forming a continuity reserve, the Prince Claus Fund can deal with unforeseen situations and fulfill the contractual obligations if there is no or insufficient follow-up financing.

5. - Reserve CER Foundation		
Balance 1 January	0	120,000
Allocation balance of income and expenditure	<u>0</u>	<u>-120,000</u>
Balance 31 December	<u><u>0</u></u>	<u><u>0</u></u>

The Cultural Emergency Response Programme has been outsourced and privatised in 2022. A part of the preparation costs (€ 120,000) has been funded by the Prince Claus Fund.

6. - Reserve fixed assets		
Balance 1 January	85,109	117,295
Allocation balance of income and expenditure	<u>-19,413</u>	<u>-32,186</u>
Balance 31 December	<u><u>65,696</u></u>	<u><u>85,109</u></u>

The reserve fixed assets has been formed by the board to finance the tangible fixed assets. This reserve covers the entire book value of the fixed assets at the end of the financial year.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
7. - Reserve OSF		
Balance 1 January	208,803	0
Allocation balance of income and expenditure	<u>-208,803</u>	<u>208,803</u>
Balance 31 December	<u><u>0</u></u>	<u><u>208,803</u></u>

In 2022 the Prince Claus Fund received an amount of \$ 800,000 (€ 792,872) to be used for the general goal of the fund. The board has decided to spend the part that was not used in 2022 in the next year.

#### *Funds*

8. - Restricted fund Tan		
Balance 1 January	563,280	632,280
Income financial year	0	0
Expenditures financial year	<u>-69,000</u>	<u>-69,000</u>
Balance 31 December	<u><u>494,280</u></u>	<u><u>563,280</u></u>

In 2020, the Fund received a legacy of € 675,344. And in 2021 an additional amount of € 25,936 was received. This legacy is earmarked in the will to support initiatives, where possible with the involvement of schools, in the field of artistic education aimed at the target group of young people and diversity and therefore placed in the Tan restricted fund. A spending plan has been drawn up. This restricted fund will be used over the next seven years for expenditure that meets the criteria set.

#### Accruals

9. - Project allotments		
Long term project allotments	0	0
Short term project allotments	<u>1,095,513</u>	<u>1,154,436</u>
Total project allotments	<u><u>1,095,513</u></u>	<u><u>1,154,436</u></u>

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<i>Mutations in financial year</i>		
Balance 1 January	1,154,436	2,031,015
Allocation in financial year	1,525,265	3,124,945
Paid in financial year	-1,502,207	-3,982,768
Release in financial year	<u>-81,981</u>	<u>-18,756</u>
Balance 31 December	<u>1,095,513</u>	<u>1,154,436</u>

As of 31 December 2023, the short term and long term project allotments amount to a total of € 1,095,513. The regulations prescribe that the project allotments must be split into two categories: to be settled within one year (short term) and to be settled after one year after the balance sheet date (long term). The distinction is made on the basis of an individual assessment of the projects.

10. - Other short term accruals

Grants received in advance:		
- Subsidy 2021-2024	1,712,136	1,774,640
- OSF 2024	114,880	0
- Goethe	93,987	95,065
- Stimuleringsfonds	113,336	114,334
- British Council	104,056	0
- Hawthorden Foundation	206,196	0
Cultural Emergency Response	15,477	697,577
Creditors and payables	90,917	178,959
Salary taxes	20,603	18,366
Balance leave hours	14,565	15,163
Pension premiums	<u>11,166</u>	<u>14,658</u>
Total other short term accruals	<u>2,497,319</u>	<u>2,908,762</u>

## RIGHTS AND COMMITMENTS NOT APPEARING IN THE BALANCE SHEET

### Stichting Cultural Emergency Response (CER)

An annual project grant of € 600,000 is given to CER by the Prince Claus Fund for the period 2022-2024, with a total of € 1,800,000. This project grant is an intrinsic part of the subsidy the Prince Claus Fund receives from the Ministry of Foreign Affairs in the subsidy period 2021-2024. The grant is un-earmarked and intended to stably establish CER as an independent organisation from 2022 until 2024.

In addition to this, also an intrinsic part of the subsidy the Prince Claus Fund receives from the Ministry of Foreign Affairs, an amount of € 1,000,000 (€ 530,000 for 2022, € 240,000 for 2023 and € 230,000 for 2024), is available for the growth and strengthening of CER as an independent organisation from 2022 until 2024.

### Rental liability

As of 1 December 2020 a lease has been entered into for 408 m<sup>2</sup> of office space at Kingsfordweg 151-201 (Teleport Tower) in Amsterdam. As of 1 June 2023 this has been expanded by 30 m<sup>2</sup> of archive space. The agreement is entered into for a period of five years, after which it will be extended by five years each time if no notice has been given. The notice period is twelve months. As an incentive, a 12-month rent-free period has been agreed for the office space, spread over the first five years of the first lease term. The rent is indexed annually on 1 December. In 2023 the rental costs were € 112,500

A bank guarantee of approximately € 26,500 has been issued under this agreement.

### Lease obligation

In 2021, the Fund entered into a rental contract for a period of 72 months in connection with the rental of a copier. The annual rent including VAT is approximately € 4,500.

### Multi-year project obligations and contributions from partners from collaborations

A total of 36 Mentorship Awards were granted in 2023. In addition to the financial grant of € 10,000, the Prince Claus Fund also has a liability towards the participant of a contribution of up to € 15,000 towards the costs of attending workshops in 2024.

### Hotels

The Luxury Hotels have committed to sponsor 300 hotel nights in 2024 (€ 100,500).



## F. Notes to the statement of income and expenditure

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<b>INCOME</b>			
<b>11. <u>Income from private individuals</u></b>			
Legacies and estates	20,000	85,000	0
Donations and contributions			
- Torchbearers	25,300	80,000	16,640
- Other	<u>6,366</u>	<u>0</u>	<u>4,072</u>
Total income from private individuals	<u><u>51,666</u></u>	<u><u>165,000</u></u>	<u><u>20,712</u></u>

Income from private individuals was budgeted based on the 2022 realisation and ambitions to increase the number of donors for the Fund. But due to transitions and on boarding of the new head of fundraising, the target could not be realised.

A number of the existing individual donors indicated a preference of depositing fund at the end of their own financial year, which meant that most funds were not received by end of December 2023 and as soon as they are, the amounts will be updated.

## 12. Income from companies

Companies (in kind)	42,788	110,000	183,756
Torchbearers	<u>5,000</u>	<u>90,000</u>	<u>18,000</u>
Total income from companies	<u><u>47,788</u></u>	<u><u>200,000</u></u>	<u><u>201,756</u></u>

The Fund budgets a projected income stream based on funds raised in the previous operational year, with an added percentage towards a growth plan of the areas in concern. However due to the need for sponsorship in kind being less than the normal year of operation because of the award ceremony being bi-annually it meant that the usual amount raised towards hotel and flight expenses was less by three quarters. This meant that less sponsorship in kind for 2023.

2022 also saw a promising involvement of companies in the torchbearers scheme but as mentioned above some of the promised funds were not deposited in the fund's account in time to be reflected and they are being followed up.

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<b>13. <u>Income from lottery organisations</u></b>			
Dutch National Postcode Lottery			
- Regular contribution	500,000	500,000	500,000
- Project contribution Amplifying Creative Voices	<u>0</u>	<u>0</u>	<u>89,817</u>
Total income from lottery organisations	<u><u>500,000</u></u>	<u><u>500,000</u></u>	<u><u>589,817</u></u>
<b>14. <u>Income from government grants</u></b>			
Ministry of Foreign Affairs - PCF 2021-2024	3,000,000	3,000,000	3,058,570
- correction 2023	53,588	110,000	0
- correction 2022	8,917	0	0
Ministry of Foreign Affairs - additional CER	235,000	240,000	530,000
Ministry of Foreign Affairs - additional Mexico	0	0	25,860
Ministry of Foreign Affairs - Next Generation	<u>0</u>	<u>0</u>	<u>157,174</u>
Total income from government grants	<u><u>3,297,505</u></u>	<u><u>3,350,000</u></u>	<u><u>3,771,604</u></u>

For the years 2021-2024, the Minister of Foreign Affairs has awarded a subsidy amount of € 12 million in total. € 2,666,790 of this was spent in 2021. It was agreed upon to transfer the underspending of 2021 into extra spending in the years 2022-2024. By letter of 8 December 2022 the Minister of Foreign Affairs changed the grant decision through a budget increase of € 1,025,860 due to two additional activities: an amount of € 1,000,000 for the growth and strengthening of CER as an independent organisation from 2022 until 2024, plus an amount of € 25,860 for the project Side event to Mondiacult 2022. In Appendix 1 the calculation of the subsidy 2023 is displayed.

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<b>15. <u>Income from other non-profit organisations</u></b>			
Open Society Fund / Target Collaborations income in kind	363,018	700,000	817,872
- Arab Fund for Arts and Culture Collaborations income cash	95,667	232,500	125,490
- Stimuleringsfonds	160,998	160,000	145,666
- Goethe-Institut Worldwide	151,078	160,000	136,935
- British Council - Seed Awards	43,548	60,000	56,000
- British Council collaboration (new)	68,444 *	125,000	0
- Hawthorden Foundation (fertile Ground)	100,000 *	125,000	0
- CHAP Foundation	30,000 *	35,000	0
- Vitalogy Foundation	22,668	0	
- Andy Warhol Foundation	0	0	92,851
CER income cash	0	0	427,498
Torchbearers	<u>54,500</u>	<u>80,000</u>	<u>93,000</u>
<b>Total income from other non-profit organisations</b>	<b><u><u>1,089,921</u></u></b>	<b><u><u>1,677,500</u></u></b>	<b><u><u>1,895,312</u></u></b>

\* These grants include € 21,844 to cover operating costs.

The difference between the approved budget and realisation is partly due to the following reasons:

- The fund actively sought opportunities to enhance its support for awardees and beneficiaries. This included plans to expand through follow-up grants and a fertile ground program for seed awardees, which required additional funding of € 450,000. However, this initiative was put on hold to prevent undue pressure on our funding goals.
- In order to achieve a ratio of 70/30 for program and operational expenditure, € 250,000 was allocated as non-labeled expenditure. However, due to the suspension of the aforementioned programs, these funds were no longer necessary and were consequently removed from the realisation budget.
- With Impact awards now being given bi-annually, the budget line item for awards was eliminated, resulting in a further € 300,000 being cleared from the budget.

All of the above factors contribute to the variance between the budgeted expenses and the actual realisation.

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<i>Total overview Torchbearers</i>			
Private individuals	25,300	80,000	16,640
Companies	5,000	90,000	18,000
Other non-profit organisations	<u>54,500</u>	<u>80,000</u>	<u>93,000</u>
Total overview Torchbearers	<u><u>84,800</u></u>	<u><u>250,000</u></u>	<u><u>127,640</u></u>

## EXPENDITURE

The explanation of the expenditure starts at page 35 with the division of expenditure between the activities.

## 17. Explanation of the expenditure 2023 - Overview of division of expenditure 2023

	Charitable activities / Spent on goals						Generating funds	Management and administration	Total realisation 2023	Budget 2023	Realisation 2022
	Programmes	Special Projects	ME&L	Communications	Sponsored expenditure	Release					
	€	€	€	€	€	€	€	€	€	€	€
<u>Expenditure</u>											
Direct costs of programmes and projects:											
- Direct project contributions	1,518,868	0	6,397	0	0	-81,981			1,443,284		3,106,189
- Other direct project costs *	<u>1,492,083</u>	<u>461,493</u>	<u>40,159</u>	<u>100,361</u>	<u>41,046</u>	<u>0</u>			<u>2,135,142</u>		<u>1,792,876</u>
Subtotal	<u>3,010,951</u>	<u>461,493</u>	<u>46,556</u>	<u>100,361</u>	<u>41,046</u>	<u>-81,981</u>	<u>0</u>	<u>0</u>	<u>3,578,426</u>	<u>4,406,400</u>	<u>4,899,065</u>
Fundraising	0	0	0	0	0	0	75,988	0	75,988	100,000	97,820
Personnel	543,847	89,892	110,118	71,914	0	0	153,940	153,940	1,123,651	1,199,703	1,098,016
Housing	64,000	10,578	12,958	8,463	0	0	18,115	18,115	132,229	125,300	127,987
Office	111,862	18,489	22,649	14,791	0	0	31,663	31,663	231,117	270,950	219,419
Depreciation	<u>17,284</u>	<u>2,857</u>	<u>3,500</u>	<u>2,286</u>	<u>0</u>	<u>0</u>	<u>4,892</u>	<u>4,892</u>	<u>35,711</u>	<u>37,010</u>	<u>35,084</u>
Subtotal	<u>736,993</u>	<u>121,816</u>	<u>149,225</u>	<u>97,454</u>	<u>0</u>	<u>0</u>	<u>284,598</u>	<u>208,610</u>	<u>1,598,696</u>	<u>1,732,963</u>	<u>1,578,326</u>
Total	<u><u>3,747,944</u></u>	<u><u>583,309</u></u>	<u><u>195,781</u></u>	<u><u>197,815</u></u>	<u><u>41,046</u></u>	<u><u>-81,981</u></u>	<u><u>284,598</u></u>	<u><u>208,610</u></u>	<u><u>5,177,122</u></u>	<u><u>6,139,363</u></u>	<u><u>6,477,391</u></u>

\* Including outsourcing.

See page 24 for an explanation of the method used for the division of costs.

## Continuation explanation of the expenditure

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<u>Direct costs of programmes and projects</u>			
Programmes	3,010,951	3,729,000	2,224,148
Special Projects	461,493	490,000	782,402
Monitoring, Evaluation & Learning	46,556	47,400	63,090
Communications	100,361	40,000	0
Sponsored expenditure	41,046	100,000	0
Cultural Emergency Response	0	0	1,582,343
Next Generation	0	0	174,317
Amplifying Creative Voices	0	0	91,521
Subtotal	3,660,407	4,406,400	4,917,821
Release	-81,981	0	-18,756
Total direct costs of programmes and projects	<u>3,578,426</u>	<u>4,406,400</u>	<u>4,899,065</u>

Most of the under expenditure 2023 is related to the lesser income from other non-profit organisations, as indicated on page 33.

Fundraising

Fundraising costs	75,988	100,000	54,417
Communications	0	0	43,403
Total fundraising	<u>75,988</u>	<u>100,000</u>	<u>97,820</u>

Personnel

## - Salaries

Gross salary	772,439		772,090
Social security	128,433		121,802
Pension costs	92,622		91,951
Total salaries	<u>993,494</u>	<u>1,033,400</u>	<u>985,843</u>

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<i>- Other personnel costs</i>			
Sickness insurance	16,623	18,000	5,819
Travel	21,798	15,000	23,940
Freelance support	46,163	55,000	34,520
Miscellaneous staff costs	<u>45,573</u>	<u>78,303</u>	<u>47,894</u>
Total other personnel costs	<u>130,157</u>	<u>166,303</u>	<u>112,173</u>
Total personnel	<u><u>1,123,651</u></u>	<u><u>1,199,703</u></u>	<u><u>1,098,016</u></u>
<i>Average FTE of staff on the payroll</i>	<i>14.32</i>	<i>15.00</i>	<i>15.23</i>
<i>Specification miscellaneous staff costs</i>			
Salaries interns	7,207	30,000	6,895
Volunteers	1,900	3,000	1,244
Training & coaching	15,008	12,000	7,558
Recruitment	436	0	744
Other personnel costs	<u>21,022</u>	<u>33,303</u>	<u>31,453</u>
Total specification miscellaneous staff costs	<u><u>45,573</u></u>	<u><u>78,303</u></u>	<u><u>47,894</u></u>

The average personnel costs per full-time appointment amounted to € 78,467 in 2023 and € 72,096 in 2022. The remuneration of the director is explained on page 40 in accordance with the regulations based on the Standards for the Remuneration of senior executives in the Public and Semi-Public Sector Act (in Dutch Wet Normering Topinkomens).

#### Housing

Rent	112,484	107,800	100,174
Cleaning	11,109	10,000	10,248
Other	<u>8,636</u>	<u>7,500</u>	<u>17,565</u>
Total housing	<u><u>132,229</u></u>	<u><u>125,300</u></u>	<u><u>127,987</u></u>

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<u>Office</u>			
Mail and courier	1,787	2,750	2,477
Telecommunications	2,137	2,750	2,996
Office materials	879	6,500	2,066
Printing	1,300	1,100	1,355
Copying	4,507	4,400	4,024
Maintenance	2,061	20,000	3,775
ICT	60,736	53,000	45,255
Travel Netherlands	393	1,100	706
Travel abroad	24,606	24,000	4,328
Board meeting expenses	3,819	3,300	1,718
Representation	3,510	3,300	2,472
Financial administration	52,363	66,000	70,876
Consultancy	17,454	22,000	23,625
Documentation	216	550	755
Legal costs	1,742	10,000	2,273
Audit costs	27,467	23,100	21,090
Insurance	5,105	6,600	4,661
Bank charges	16,525	15,000	19,640
Other	4,510	5,500	5,327
Total office	<u>231,117</u>	<u>270,950</u>	<u>219,419</u>

Depreciation

Inventory	11,120	10,000	10,527
Automation	10,917	14,000	11,547
Renovation Teleport Tower	13,674	13,010	13,010
Total depreciation	<u>35,711</u>	<u>37,010</u>	<u>35,084</u>

17. Financial income and expenditure

Interest	<u>37,757</u>	<u>0</u>	<u>-14,193</u>
Total financial income and expenditure	<u>37,757</u>	<u>0</u>	<u>-14,193</u>



## G. Key figures

	<u>Realisation 2023</u>	<u>Budget 2023</u>
<u>Internal standard</u>		
1. Direct costs of programmes and projects preferably minimal 70% of expenditure	69.1%	71.8%
<u>General</u>		
2. Costs of fundraising divided by total income	5.7%	4.4%
3. Share in expenditure		
- charitable activities	90.5%	91.7%
- fundraising costs	5.5%	4.2%
- management & administration costs	<u>4.0%</u>	<u>4.1%</u>
Total	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

## H. WNT reporting 2023 Prince Claus Fund for Culture and Development

On 1 January 2013, the WNT Act came into force. This report has been drawn up on the basis of the following regulations applicable to Prince Claus Fund: the general WNT maximum.

The remuneration maximum in 2023 for the Prince Claus Fund is € 223,000 (2022: € 216,000). This applies in proportion to the duration and/or size of the employment.

### Remuneration of senior executives

#### 1a Senior executives with employment status

	<b>M. Desando</b>
<u>Job details 2023</u>	director
Start and end of job in 2023	1/1-31/12
Part-time factor (in FTE)	1.00
Employment?	yes
 <u>Annual income 2023</u>	
Gross salary	€ 99,000
Vacation allowance	€ 7,920
Total annual income	€ 106,920
Taxable allowances/additions	€ -
Remuneration plus taxable expense allowances	€ -
Remuneration payable in the future (employer's pension contribution)	€ 10,814
<b>Total remuneration 2023</b>	<b>€ 117,734</b>
 <u>Job details 2022</u>	director
Start and end of job in 2022	1/1-31/12
Part-time factor (in FTE)	1.00
Employment?	yes
 <u>Annual income 2022</u>	
Gross salary	€ 90,000
Vacation allowance	€ 7,200
Total annual income	€ 97,200
Taxable allowances/additions	€ -
Remuneration plus taxable expense allowances	€ -
Remuneration payable in the future (employer's pension contribution)	€ 11,047
<b>Total remuneration 2022</b>	<b>€ 108,247</b>

#### Supervisory executives

The board does not receive any remuneration. For names and job details, please see page 2.

## Other information

### Appropriation of balance

The negative balance of income and expenses of € 152,485 has been accounted for in accordance with the representation on page 19 of the Financial statements 2023.

## Independent auditor's report

According to the articles of association, the board appoints an independent auditor whose task it is to audit and report on the annual accounts. The independent auditor's report is included at the next page of the annual accounts.

## INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of Stichting Prince Claus Fund

### Report on the audit of the financial statements 2023 included in the annual report

#### **Our opinion**

We have audited the financial statements 2023 of Stichting Prince Claus Fund based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Prince Claus Fund as at 31 December 2023 and of its result for 2023 in accordance with the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board and the requirements of the Wet Normering Topinkomens (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the statement of income and expenditure for 2023; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the 'Regeling Controleprotocol WNT 2023'. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Prince Claus Fund in accordance with the 'Verordening inzake de Onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Unaudited compliance with the anti-cumulation clause in the WNT**

In accordance with the 'Regeling Controleprotocol WNT 2023' we did not audit the anti-cumulation clause referred to in Section 1.6a of the WNT and Section 5 subsection 1n and 1o of the 'Uitvoeringsregeling WNT'. Consequently, we did not verify whether or not the maximum salary norm has been exceeded by a 'leidinggevende topfunctionaris' (managing senior official) due to possible employment at other institutions subject to the WNT, and whether the WNT-disclosure as required in relation to this clause is accurate and complete.

## **Report on the other information included in the annual report**

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the management report and other information in accordance with the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.

## **Description of responsibilities regarding the financial statements**

### ***Responsibilities of the Board and the Supervisory Board for the financial statements***

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board and the requirements of the WNT. Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

The Board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the foundation's financial reporting process.

### ***Our responsibilities for the audit of the financial statements***

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, the 'Regeling Controleprotocol WNT 2023', ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Was signed at Sliedrecht, 25 March 2024.

WITh Accountants B.V.  
A.M. Tromp MSc RA

## Appendix 1: Subsidy Ministry of Foreign Affairs

	<u>Realisation 2021</u>	<u>Realisation 2022</u>	<u>Realisation 2023</u>
	€	€	€
<b>Income</b>			
<u>Income from government grants</u>			
Ministry of Foreign Affairs - PCF 2021-2024	3,000,000	3,000,000	3,000,000
Ministry of Foreign Affairs - additional CER	0	515,142	235,000
Ministry of Foreign Affairs - additional Mexico	0	25,860	0
Ministry of Foreign Affairs - Next Generation	854,397	157,174	0
<b>Subtotal</b>	<b>3,854,397</b>	<b>3,698,176</b>	<b>3,235,000</b>
<u>Other donors</u>			
Income from private individuals	66,861	20,712	51,666
Income from companies	63,299	201,756	47,788
Income from lottery organisations	628,031	589,817	500,000
Income from other non-profit organisations	686,308	1,895,312	1,089,921
Ministry of Foreign Affairs - PCF 2017-2020	-45,492	0	0
<b>Subtotal</b>	<b>1,399,007</b>	<b>2,707,597</b>	<b>1,689,375</b>
<b>Income annual accounts BEFORE correction MoFA</b>	<b>5,253,404</b>	<b>6,405,773</b>	<b>4,924,375</b>
<u>Corrections for MoFA</u>			
Ministry of Foreign Affairs - Next Generation	-854,397	-157,174	0
TAN	-25,937	0	0
<b>Total contributions (A)</b>	<b>4,373,070</b>	<b>6,248,599</b>	<b>4,924,375</b>
Own income: interest	-19,058	-14,193	37,757
<b>Total income (B)</b>	<b>4,354,012</b>	<b>6,234,406</b>	<b>4,962,132</b>



	Realisation 2021	Realisation 2022	Realisation 2023
	€	€	€
<b>Expenditure</b>			
Expenditure according financial statements	4,829,457	6,477,391	5,177,122
Minus:			
Expenditure Next Generation (direct costs NG)	-854,397	-157,174	0
CHAP	-37,766	0	0
TAN	-69,000	-69,000	-69,000
<b>Total expenditure (C)</b>	<b>3,868,294</b>	<b>6,251,217</b>	<b>5,108,122</b>
Own income: interest	19,058	14,193	-37,757
<b>Expenditure to be allocated</b>	<b>3,887,352</b>	<b>6,265,410</b>	<b>5,070,365</b>
<b>Residual balance (B - C)</b>	<b>485,718</b>	<b>-485,718</b>	<b>468,907</b>
Basis for write-off (D)	3,887,352	5,779,692	5,070,365
<b>Calculation of percentage and approved</b>			
Subsidy Ministry of Foreign Affairs (E)	3,000,000	3,541,002	3,235,000
Rate (E / A) = (F)	68.60%	56.67%	65.69%
Expenditure charged to new funds (F*D)	2,666,789	3,275,278	3,022,864
Expenditure charged to old funds (F*D)	0	333,211	265,724
Amount to be written off	2,666,789	3,608,489	3,288,588
<b>Residual balance</b>	<b>333,211</b>	<b>265,724</b>	<b>212,136</b>
<b>Actual subsidy</b>	<b>2,666,789</b>	<b>3,608,489</b>	<b>3,288,588</b>
<b>Correction subsidy</b>	<b>-333,211</b>	<b>67,487</b>	<b>53,588</b>