

**Report concerning :**

**Financial Statements 2013 of**

**International Step by Step Association**

**Amsterdam**

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To the board of directors of  
International Step by Step Association  
Amsterdam

Bodegraven, May 22nd 2014

Dear Ms. Ghent,

## **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements 2013 of the International Step by Step Association, Amsterdam, which comprise the balance sheet as at 31 December 2013, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### *Management's responsibility*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with general accepted accounting policies in the Netherlands. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing.

This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

*Opinion with respect to the financial statements*

In our opinion, the financial statements give a true and fair view of the financial position of International Step by Step Association as at 31 December 2013 and of its result for the year 2013 then ended in accordance with general accepted accounting policies in the Netherlands.

Yours sincerely,  
SynCount Accountants & Belastingadviseurs B.V.

drs. S. Koeleman RA

**BALANCE AT 31 DECEMBER 2013**  
**International Step by Step Association**

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
<b>ASSETS</b>		
<b>TANGIBLE FIXED ASSETS</b>	20.641	0
<b>FINANCIAL FIXED ASSETS</b>	0	2.082
<b>CURRENT ASSETS</b>		
<b>Receivables</b>		
Grants receivable	1.096.558	1.374.178
Other receivables	8.907	31.815
Debtors	7.286	125
	<u>1.112.751</u>	<u>1.406.118</u>
<b>Liquid funds</b>	<u>318.779</u>	<u>161.634</u>
	<u><b>1.452.171</b></u>	<u><b>1.569.834</b></u>

**BALANCE AT 31 DECEMBER 2013**  
**International Step by Step Association**  
(after allocation of net result)

	<b>2013</b>	<b>2012</b>
	<b>€</b>	<b>€</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Association capital	110.622	160.744
<b>SHORT TERM LIABILITIES</b>		
Deferred revenue	1.272.346	1.328.445
Accrued expenses	<u>69.203</u>	<u>80.645</u>
	1.341.549	1.409.090
	<u><b>1.452.171</b></u>	<u><b>1.569.834</b></u>

**STATEMENT OF INCOME AND EXPENSES FOR THE FINANCIAL YEAR 2013**
**International Step by Step Association**

	2013	2012
	€	€
Grants	749.622	780.317
Membership fees	23.605	20.471
Sales and other income	46.911	124.180
<b>Total income</b>	<b>820.138</b>	<b>924.968</b>
Board expenses	15.686	25.229
Office	114.640	42.270
Administrative Staff	52.000	24.922
ISSA Hungary	115.634	126.688
VAT	10.929	0
Programs	533.929	652.313
Fundraising and partnership building	1.805	17.205
Income generation	26.445	68.559
<b>Total expenses</b>	<b>871.068</b>	<b>957.186</b>
<b>Net operating income</b>	<b>-50.930</b>	<b>-32.218</b>
Interest income	704	2.054
Exchange differences	104	-729
<b>Result</b>	<b>-50.122</b>	<b>-30.893</b>

## **EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**

### **International Step by Step Association**

#### **General**

##### **Activities**

International Step by Step Association (ISSA) is an association with its registered office in Amsterdam. The association was incorporated on 26 March 1999. The financial year coincides with the calendar year.

The association is registered with the Chamber of Commerce in Amsterdam under file number 34.11.31.37.

The goal and objectives of ISSA are exclusively charitable and educational and include, but are not limited to, fostering an open society in which the entire community works together to help each child reach his or her full potential.

#### **Accounting policies**

##### **General**

The financial statements are prepared on the basis of the historical costs convention. Unless stated otherwise all assets and liabilities are presented at their nominal value. Membership fee is recognized in the year to which membership relates.

Restricted grants are recognized to the extent that costs are made. Unrestricted grants are recognized in the year to which grants relate. Costs are included in the year in which they are incurred and will be accrued if foreseeable.

This report is based on Euro's.

##### **Tangible fixed assets**

The tangible fixed assets are valued at the historical cost less a straight line depreciation charge for the year. The depreciation is based on the expected economic lifetime and is calculated according to a fixed percentage of the historical cost minus expected resale value. Fixed assets purchased during the year are depreciated proportionally for the remaining period of the year. The depreciation period for the furniture and fixtures is 5 year. The depreciation period for hard- and software is 3 year.

##### **Current assets**

The current assets are expected to mature within one year.

##### **Foreign currencies**

Transactions arising in foreign currencies are translated into Euro's at the exchange rate prevailing at the date of transaction. At year-end, assets and liabilities denominated in foreign currencies are translated into Euro's at the exchange rate prevailing at balance sheet date. Valuation differences on currency accounts are recognized as costs or income included in the statement of income and expenses.

##### **Result**

The result is based on the difference between income and corresponding costs and other expenses attributable to the year. The costs and expenses are determined on the basis of general accepted accounting policies.



**NOTES TO THE BALANCE AT 31 DECEMBER 2013**  
**International Step by Step Association**

**ASSETS**

**FIXED ASSETS**

**Financial fixed assets**

<u>Participation</u>	<b>2013</b>	<b>2012</b>
	€	€
ISSA Hungary Services Public Benefit Company		
Valuation as at 1 January	2.082	3.770
Result	-2.082	-1.688
Valuation as at 31 December	<u>0</u>	<u>2.082</u>

ISSA Hungary Services Public Benefit Company in Budapest is a 100% participation.  
The company has been closed in 2013.

**Tangible fixed assets**

<u>Valuation as at 1 January</u>	0	0
investment	20.816	0
Depreciation	-175	0
<u>Valuation as at 31 December</u>	<u>20.641</u>	<u>0</u>

**CURRENT ASSETS**

**Receivables**

<u>Grants receivable</u>		
UNICEF	55.777	16.284
Open Society Institute Grant year 2013/2014	553.052	1.357.894
Open Society Institute Grant year 2014/2015	487.729	0
	<u>1.096.558</u>	<u>1.374.178</u>

Other receivables

VAT reimbursement	0	2.609
Other receivables	8.907	29.206
	<u>8.907</u>	<u>31.815</u>

Debtors

Membership fees receivable	<u>7.286</u>	<u>125</u>
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<b>Liquid funds</b>	<b>2013</b>	<b>2012</b>
	€	€
ABN AMRO EUR 54.33.35.100	10.494	62.948
ABN AMRO USD 54.33.36.549	69.101	1.318
ABN AMRO EUR 59.48.65.727	140.581	48.903
ABN AMRO EUR 61.05.87.099	0	17.865
HSBC Republic 134.74011.4	98.603	30.600
	<u>318.779</u>	<u>161.634</u>

## **EQUITY AND LIABILITIES**

### **ASSOCIATION CAPITAL**

Valuation as at 1 January	160.744	191.637
Result for the period	-50.122	-30.893
Valuation as at 31 December	<u>110.622</u>	<u>160.744</u>

### **SHORT TERM LIABILITIES**

#### Deferred revenue

UNICEF	41.080	0
Open Society Institute Grant year 2013/2014	743.537	1.312.161
Open Society Institute Grant year 2014/2015	487.729	0
UNESCO	0	16.284
	<u>1.272.346</u>	<u>1.328.445</u>

#### Accrued expenses

Accounts payable	63.553	80.520
VAT payable	3.371	0
Wage Tax	2.279	0
Other liabilities	0	125
	<u>69.203</u>	<u>80.645</u>

**COMMITMENTS AND RIGHTS NOT SHOWN ON THE BALANCE SHEET**  
**International Step by Step Association**

**Rental Obligations**

**Office**

International Step by Step Association has rental obligations  
for the new office in Leiden for the total amount of €93,192  
up to 31 May 2018

Which can be specified as follows:	€
Less than 1 year	21.100
Between 1 year and five years	72.092
More than 5 years	0

**NOTES TO THE STATEMENT OF INCOME AND EXPENSES  
FOR THE FINANCIAL YEAR 2013**

**International Step by Step Association**

**2013                      2012**

**INCOME**

**€                      €**

**Grants**

Open Society Institute	568.624	663.413
UNICEF	32.642	27.346
Utopa	40.000	0
Unesco	14.914	0
Reyerson University	46.074	0
Roma Education Fund REF 01	0	19.318
Roma Education Fund REF 02	0	59.858
OSI Grant to member NGO's	47.368	0
CIP Centre for Interactive Pedagogy Serbia	0	10.382
	<u>749.622</u>	<u>780.317</u>

**Membership fees**

Council Members	23.605	20.471
	<u>23.605</u>	<u>20.471</u>

**Sales and other income**

Events	0	24.237
Income from consulting	31.213	38.962
Income from reimbursements	1.659	30.059
Children's books	12.565	4.634
VAT Reimbursement	0	2.609
Others	1.474	23.679
	<u>46.911</u>	<u>124.180</u>

**EXPENSES**

**Administration**

**Board expenses**

Board expenses	15.686	25.229
	<u>15.686</u>	<u>25.229</u>

	2013 €	2012 €
<b>Office</b>		
Professional fees	50.847	34.643
Closing ISSA Hungary and moving costs	39.378	0
Premises	8.153	4.052
ICT Maintenance Support	3.014	0
Telecommunication & Mail	2.613	270
Stationary & Office supply	586	0
Insurance	7.646	0
Bankcharges	2.403	3.305
	<u>114.640</u>	<u>42.270</u>
<b>Administrative Staff</b>		
Staff salaries and benefits	44.024	24.018
Staff travel costs	6.766	0
Protocol Expenses	1.210	0
Professional development	0	904
	<u>52.000</u>	<u>24.922</u>
<b>ISSA Hungary</b>	<u>115.634</u>	<u>126.688</u>
	<u>115.634</u>	<u>126.688</u>
(in 2013 €36,636 was spent on program costs through ISSA Hungary, €78,998 on administrative costs)		
(in 2013 ISSA Hungary was closed)		
<b>VAT</b>	<u>10.929</u>	<u>0</u>
<b>Programs</b>		
Program Staff, Consultants, Committee	182.518	216.570
Goal 1 Access/Equity	152.907	145.340
Goal 2 Quality	69.224	125.707
Goal 3 Civil Society Participation	16.735	44.908
Goal 4 Strengthen Network Capacity	63.603	87.254
OSI Grants to members channelled via ISSA	48.942	32.534
	<u>533.929</u>	<u>652.313</u>
<b>Fundraising &amp; Partnership Building</b>		
Development	0	1.715
Staff	1.805	15.490
	<u>1.805</u>	<u>17.205</u>

	2013	2012
	€	€
<b>Financial income and expenses</b>		
<b>Income Generation</b>		
Training and consulting	123	140
Events and Conferences	0	19.734
Online Course	20.188	38.705
Book sales - Cost of Sales	6.134	3.418
Staff costs	0	6.562
	<u>26.445</u>	<u>68.559</u>
<b>Interest</b>	<u>704</u>	<u>2.054</u>
<b>Exchange differences</b>	<u>104</u>	<u>-729</u>

Amsterdam May 22nd 2014

L. Ghent