



part three

ANNUAL ACCOUNTS



Balance Sheet as per December 31, 2019 (after appropriation of result)

ASSETS (x 1,000 Euro)	Note	31-12-2019	31-12-2018
FIXED ASSETS	1		
Intangible fixed assets		20	49
Tangible fixed assets		25	54
		45	103
CURRENT ASSETS			
Receivables and accrued income	2		
Bequests to be received	2.1	32	29
Interest to be received		1	1
Grants to be received	11	186	32
Other receivables and prepaid expenses	2.2	1,091	1,200
		1,310	1,262
CASH AND CASH EQUIVALENTS	3	11,058	14,357
TOTAL ASSETS		12,413	15,722
LIABILITIES (x 1,000 Euro)	Note	31-12-2019	31-12-2018
RESERVES AND FUNDS	4		
Continuity reserve	4.1	2,336	2,336
Reserve for financing assets	4.2	45	103
Earmarked reserves	4.3	3,338	2,564
Earmarked funds	4.4	73	93
		5,792	5,096
SHORT-TERM LIABILITIES			
Project/programme commitments	5	77	5
Taxes and social insurance premiums		88	71
Other liabilities and accruals	6	582	916
Deferred income	7	5,874	9,634
		6,621	10,626
TOTAL LIABILITIES		12,413	15,722

Statement of Income and Expenditure for the year 2019

INCOME & EXPENDITURE (x 1,000 Euro)	Note	Actual 2019	Budget 2019	Actual 2018
INCOME				
Income from private individuals	9	2,682	2,397	2,252
Income from companies		127	413	158
Income from lottery organisations	10	900	900	900
Income from government subsidies	11	10,450	11,299	10,992
Income Dutch Ministry of Foreign Affairs for alliance partners	11	8,116	8,828	6,413
Income from other non-profit organisations	12	990	1,042	730
Total income raised		23,265	24,879	21,445
EXPENSES				
SPENT ON OBJECTIVES	13			
Awareness raising		1,254	1,593	1,115
Programmes				
Simavi programmes		11,177	12,701	11,745
Paid to Alliance partners		8,116	8,828	6,413
Advocacy		216	206	221
Total spent on objectives		20,763	23,328	19,494
Cost of generating funds	14	1,078	1,506	917
Management & administration costs	15	729	784	799
TOTAL EXPENSES	16	22,570	25,618	21,210
Balance of financial income and expenses				
Financial income		1	3	2
RESULT		696	-736	237

Statement of Income and Expenditure for the year 2019 - continued

APPROPRIATION OF RESULT (x 1,000 Euro)	Actual 2019	Actual 2018
Withdrawal from earmarked reserve Projects	-129	-73
Withdrawal from earmarked reserve Capacity Building	-25	-
Withdrawal from earmarked reserve Fundraising legacies	-40	-20
Withdrawal from earmarked reserve Strategic development	-137	-60
Withdrawal from earmarked fund Children eye care Africa	-	-31
Withdrawal from earmarked fund Children eye care Nepal	-	-2
Withdrawal from earmarked fund Interest	-20	-
Withdrawal from reserve for financing assets	-62	-60
Addition to earmarked fund Interest	-	2
Addition to earmarked reserve Strategic development	246	316
Addition to reserve for financing assets	4	28
Addition to earmarked reserve Projects	859	137
TOTAL	696	237

Cash Flow Statement for the year 2019

(x 1,000 Euro)	Note	2019	2018
Result		696	237
Adjustment for depreciation	1	62	60
Adjustment for interest income		-1	-2
		757	295
Changes in operating capital			
Change in receivables	2	-48	-130
Change in short-term liabilities	5, 6, 7	-4,005	3,532
Interest received		1	6
Cash flow from operational activities		-3,295	3,703
Cash flow from investment activities			
Investments in fixed assets	1	-4	-28
Change in cash and cash equivalents		-3,299	3,675
Balance of cash and cash equivalents on January 1		14,357	10,682
Balance of cash and cash equivalents on December 31	3	11,058	14,357
Change in cash and cash equivalents		-3,299	3,675

Accounting policies

General

The annual accounts have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650, amended 2016) and are subject to the “Wet Normering bezoldiging Topfunctionarissen publieke en semi publieke sector” (WNT). The annual accounts aim to provide a fair presentation of the financial position of Stichting Simavi, registered in Haarlem (reg.no. 40594571), having office at Naritaweg 153, 1043 BS Amsterdam, The Netherlands (Simavi), as of December 31, 2019, and of its income and expenditure for the year 2019. The financial year coincides with the calendar year. The valuation principles and methods of determining the result are the same as those used in the previous year.

Continuity

The annual accounts are drawn up on the basis of continuity. The COVID-19 outbreak will have its impact on the activities Simavi, in cooperation with our donors and partners we seek to execute our programmes within the limitations caused by this pandemic. Whilst uncertain, we do not believe, however, that the impact of the COVID-19 crisis will have an effect on our continuity. For further information we refer to the ‘after balance sheet date information’ paragraph.

Related parties

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight. With reference to Section 407(1a);13, Title 9, Book 2 of the Netherlands Civil Code, the financial data of Stichting NFICH and Stichting Zien have not been consolidated. The current accounts between Simavi and these foundations are reported under Other liabilities and accruals (see note 6).

Functional and reporting currency

The annual accounts are denominated in euros, Simavi’s functional and reporting currency. Transactions denominated in foreign currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange at the reporting date. Any resulting exchange differences are recognised in the statement of income and expenditure.

Use of estimates

In applying the accounting policies and standards for preparing annual accounts, the management of Simavi is required to make estimates and judgments that might significantly influence the amounts disclosed in the annual accounts. If necessary for the purposes of providing the insight required under Section 362(1), Book 2 of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, has been disclosed in the notes to the relevant items. Simavi did not change its policies for accounting estimates compared to the previous year.

Basis of measurement

Unless indicated otherwise, the annual accounts have been prepared using the historical cost basis.

Events after the balance sheet date

Post balance sheet events that provide further information about the actual situation as at the balance sheet date and appear up to the date of the preparation of the financial statements will be adjusted in the financial statements for the current year.

Post balance sheet events that do not provide further information about the actual situation as at the balance sheet date will not be adjusted in the financial statements for the current year. If such events are considered material to the judgment of the users of the financial statements, their nature and estimated financial implications are disclosed in the financial statements as ‘Events after balance sheet date’.

Impairments

Simavi assesses at each reporting date whether there is any evidence of assets being subject to impairment. If any such evidence

exists, the recoverable amount of the relevant asset is determined. An asset is subject to impairment if its carrying amount is higher than its recoverable amount; the recoverable amount is the higher of net realizable value and value in use. If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the asset in question is not set higher than the carrying amount that would have been determined had no impairment loss been recognised. An impairment loss is directly expensed in the statement of income and expenditure.

Fixed assets

Fixed assets, both tangible and intangible, are carried at cost less straight-line depreciation over their estimated useful lives. The percentages used are: Equipment: 10 %; Office machines: 20 %; Computers and software: 20 - 33 %.

Operational Leasing

The lease of the office premises is recognised as operational lease, as a large part of the risks and rewards associated with the ownership are not for the benefit of, nor incurred by Simavi. Lease payments are recorded on a straight-line basis in the income statement for the duration of the contract.

Financial instruments

Financial instruments include receivables, cash and cash equivalents, project/programme commitments, accounts payable, and other payables. Financial instruments are initially recognised at fair value. Any directly attributable transaction costs are part of this initial valuation. Financial instruments are subsequently valued in the manner described below.

Cash and cash equivalents

Cash and cash equivalents represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

Receivables and accrued income

Receivables and accrued income are initially stated at fair value, and are subsequently valued at amortised cost. An allowance is made for obsolescence where necessary.

Bequests to be received and Legacies with usufruct are valued at the time they can reliably be determined based on the notarial deed of distribution.

Reserves

In order to secure the continuity of the foundation in case of unexpected events, part of Simavi’s capital has been transferred to a separate continuity reserve. The size is in accordance with sector regulations and is aimed to meet legal and moral obligations in case of a significant fall in income.

Simavi holds a reserve for financing fixed assets to guarantee replacement of these assets in the future.

Earmarked reserves are held for different purposes as determined by management. Management of Simavi can change the specific earmark of reserves, when deemed appropriate.

Earmarked funds

The earmarked funds represent all received earmarked income that the donor intended for a specific purpose, for which the underlying objective and related expenditure have not yet been realised. Furthermore, earmarked funds are held for accumulated interest income earned on the advance payments of grants in respect of the applicable programmes. The earmarked funds are expected to be used within 3 years or in case of interest from grants during the remaining project period of the grant. The restriction following the earmark can only be released by specific third party approval.

Financing contracts with government and other major donors

Simavi signed financing contracts for carrying out specific projects. Simavi recognises the incoming resources from these financing contracts and grant decisions at the time resources are actually expended. The difference between the income recognised and the actual amounts received in the form of contributions from donors is recorded in the balance sheet. This results in receivables if more resources have been expended than received or in deferred grants if amounts actually received are greater than those expended.

Pension scheme

Simavi's pension scheme is a defined contribution scheme, managed by life insurance company Nationale Nederlanden. All premiums pertaining to the reporting year are included under staff costs. Any premiums due at year-end are included on the balance sheet under other liabilities, any premiums paid in advance or in access of the premiums due are included as prepaid expenses, in case these can be offset against future premiums due. There are no additional obligations arising from the management agreement with the pension insurer, the pension agreement with employees or other commitments to employees. Up to 2018, the scheme was based on an average salary system; for employees who joined before December 1, 2005 the scheme was based on a final salary system.

Project/programme commitments

The grants unconditionally committed as of the balance sheet date, which have not been already paid, are divided into short-term liabilities and long-term liabilities. The amounts that are expected to be settled after more than one year after the balance sheet date, are accounted for as long-term liabilities.

Liabilities

On initial recognition, liabilities are recognised at fair value. After initial recognition liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

Liabilities due within one year are presented as short-term liabilities; liabilities due after one year are presented under long-term liabilities.

Conversion of foreign currency

Monetary assets and liabilities in foreign currency are converted into euros at the closing rate at year's end. Exchange differences are accounted for in the statement of income and expenditure, where their method of presentation depends on the nature of the underlying asset or liability.

Determination of results

Income from private individuals, companies, lottery organisations and other non-profit organisations

Income from private individuals, companies, lottery organisations and other non-profit organisations is recognised in the year to which it pertains, unless income is subject to conditions still to be met.

Legacies and bequests are valued and accounted for as income in the year in which their amount can be reliably determined.

Provisional payments are accounted for as income in the financial year in which they are received, in cases when a reliable estimate or valuation was not possible at an earlier time.

Income from government subsidies

Income from government subsidies that have been allocated by the donor depending on actual project costs is accounted for in the statement of income and expenditure in the year that the eligible expenditure is recognised, it is probable that the amounts will be received and Simavi complied with all attached conditions. In this context, the expenditure in respect of alliance partners in alliances where Simavi is the lead agency is equal to the amounts paid to these partners.

Differences between the (final) settlement of the grants and accumulated income are accounted for in the statement of income and expenditure in the year in which these differences can be reliably estimated.

Expenditure

Amounts spent on Simavi projects and programmes are accounted for as expenses in the financial year in which the contribution has been unconditionally committed. The expenses recognised in the statement of income and expenditure include the related direct and indirect organisational costs.

Fundraising, awareness raising and management & administration costs are charged to the statement of income and expenditure in the year to which they pertain and as soon as they become apparent.

Salaries, wages and social security contributions are recognised in the statement of income and expenditure based on the pay and benefits package to the extent that they are payable to employees.

Expenditure allocation

Expenditure allocation is described in note 16 of the notes to the statement of income and expenditure.

Financial income

Financial income is recognised in the statement of income and expenditure time proportionally.

Cash flow statement

The cash flow statement is prepared using the indirect method. To determine the change in cash and cash equivalents during the reporting period, the result for that year is adjusted for items in the statement of income and expenditure and for balance sheet movements that did not result in actual cash flows.

The cash flow statement makes a distinction between cash flow from operational, investment and financing activities. In this context, changes in long-term debts from project/programme commitments and interest income are presented as cash flow from operational activities. Under the investment activities, only investments are included for which cash is paid.

Notes to the balance sheet

1. Fixed assets

Fixed assets are used for operations only. Intangible fixed assets consist of externally acquired software. Tangible fixed assets comprise office machines, equipment and computers. The movements during the year can be specified as follows:

(x 1,000 Euro)	Intangible Fixed assets	Tangible Fixed assets	Total Fixed assets
Value as at January 1, 2019			
Acquisition value	91	131	222
Cummulative depreciation	-42	-77	-119
Book value	49	54	103
Movements			
Investments	-	4	4
Depreciation	-21	-23	-44
Divestments	-22	-34	-56
Depreciation on divestments	14	24	38
Balance	-29	-29	-58
Value as at December 31, 2019			
Acquisition value	69	101	170
Cummulative depreciation	-49	-76	-125
Book value	20	25	45
Depreciation percentages	20 - 33%	10 - 33%	

The divestments and the depreciation thereon relate to assets, which were discarded due to obsolescence.

2. Receivables and accrued income

2.1 Bequests to be received

From a legacy Simavi obtained 15 certificates of shares (16.9% of the total shares) in Marnel Zaandam Beheer B.V., registered in Amsterdam. These certificates do not bear any voting rights. Simavi received €19K dividend in 2019 (2018: €1k), which was accounted for as income from Legacies and bequests. Considering the uncertainty of future income from these certificates, the valuation is set at nil (2018: nil). Any future income from these certificates will be accounted for as soon as this income can be reliably determined.

At year-end Simavi had five legacies (four in 2018) encumbered with usufruct. Due to the uncertainty on the size and timing of future payments, these legacies are valued conservatively at €29K (2018: €29K).

2.2 Other receivables and prepaid expenses

(x 1,000 Euro)	31-12-2019	31-12-2018
Other receivables	67	177
Contribution Dutch Postcode Lottery	900	900
Prepaid expenses	124	123
Total	1,091	1,200

All amounts are to be settled within one year after the balance sheet date. At year-end 2019, the other receivables included an amount of €11K of donations pledged but not yet received (2018: €151K).

The contribution of the Dutch Postcode Lottery, committed but not yet received, amounted to €900K at year-end (2018: €900K).

3. Cash and cash equivalents

The cash and cash equivalents are placed on current accounts or savings accounts. The total amount of €11,058K includes foreign currency in the amount of US\$367K (€333K). All amounts are placed at Dutch banking institutions and are available upon demand, except for €26K, which is restricted as a collateral for a bank guarantee. There are no cash or cash equivalents placed on deposit for more than 1 month. The cash and cash equivalents are intended for objectives and operations only, so not for investment purposes.

The average yield on outstanding cash and cash equivalents was 0.0% in 2019 (0.0% in 2018).

4. Reserves and funds

4.1 Continuity reserve

(x 1,000 Euro)	31-12-2018	Withdrawal	Addition	31-12-2019
Continuity reserve	2,336	-	-	2,336

The continuity reserve is designed to create a sufficiently large buffer to enable Simavi to complete or terminate ongoing projects/programmes appropriately in case of a significant shortfall of key sources of funding. Furthermore, it includes funding necessary for actions to enable Simavi to rebuild such a shortfall or, in worst case, dissolve the organisation, while still meeting legal and moral obligations.

To do this we envisage requiring an equivalent of six to nine months of total operational expenditure, thus ranging between €1.8 and 2.8 million. The continuity reserve, after appropriation of result, amounts to €2,336K at the end of 2019. This is just over seven months and falls well within the indicated range. Despite the increased risk levels, due to the COVID-19 outbreak, the continuity reserve is kept at the same level as last year. The current level is perceived to be sufficient to cope with the expected financial impact. See also the paragraph on the future outlook in the annual report.

The maximum size for the continuity reserve, according to the assets' guidelines set by the association for fund-raising institutions (Goede Doelen Nederland), equals to one and a half times the annual operational costs of the organisation, based on the budget for the following year. This maximum amounts to €5.5 million as per December 31, 2019.

4.2 Reserve for financing assets

(x 1,000 Euro)	31-12-2018	Withdrawal	Addition	31-12-2019
Reserve for financing assets	103	62	4	45

The reserve for financing assets matches the book value of the tangible fixed assets.

4.3 Earmarked reserves

The earmarked reserves held by Simavi, including the movements in these reserves during the year, are specified below:

(x 1,000 Euro)	31-12-2018	Withdrawal	Addition	31-12-2019
Purpose				
Capacity building	38	25	-	13
Projects	2,148	129	859	2,878
Strategic development	322	137	246	431
Fundraising Legacies	56	40	-	16
Total earmarked reserves	2,564	331	1,105	3,338

Capacity Building

This reserve was created with the aim of broadening and deepening our partner portfolio, in order to facilitate anticipated growth and attract new donors. This reserve is used for capacity building where this cannot be funded from the regular programme funds. The reserve can also be used to identify new partners through identification missions and to offer some 'start-up capital' for initiating small programmes with them.

Projects

This reserve will be used in the coming years to match funds of institutional donors and foundations to realise projects and to finance projects out of own funds for which no funding is yet available from other sources. An amount of €859K from the 2019 result was added to this reserve.

In 2016 we decided to set aside €350K for the Nepal Learning programme. This programme is a combined WASH and SRHR programme and is running in the period 2018-2020. A further amount of €560K has been reserved as matching fund for the EU Our lives, our health, our futures programme in Bangladesh. This programme will be running up to 2023.

Strategic Development

A reserve has been formed for Strategic Development to further position Simavi, preparing for the future. A net amount of €109K was added to the reserve. In the coming year, this reserve will be invested in: proposal development, partner selection, the Simavi 95 years event, CRM, website development and branding.

Legacies Fundraising campaign

In order to ensure a continuous flow of legacies, a multi-year plan has been developed to actively acquire future legacies from existing and new donors and to obtain insight in the size of currently existing (but latent) legacies. The communication and acquisition plan is executed during 2016 up to 2020. €40K was spent in 2019 (2018: €20K). The remainder will be spent in 2020.

4.4 Earmarked funds

(x 1,000 Euro)	31-12-2018	Withdrawal	Addition	31-12-2019
Purpose				
Children eye care Irian Jaya	6	-	-	6
Children eye care Africa	64	-	-	64
Interest to be spent on objective:				
- MKAJI	20	20	-	-
- Other subsidies	3	-	-	3
Total earmarked funds	93	20	-	73

For the funds for Children eye care Irian Jaya and Africa relevant programmes have been identified. The amounts are expected to be fully spent in 2020. The Mkaji programme was finalised in 2019, the interest income was spent as required.

5. Project/programme commitments

Project and programme commitments consist of unconditional commitments with partner organisations in Africa and Asia. The total amount of these commitments amount to €77K at year-end 2019 (2018: €5K). Most of our contracting is currently done on an annual commitment basis.

6. Other liabilities and accruals

(x 1,000 Euro)	31-12-2019	31-12-2018
Accounts payable	306	177
Current account Stichting NFICH and ZIEN	5	83
Accrued vacation hours	43	49
Accrued holiday allowance	107	86
Accrued audit fees	121	63
Other payables	-	458
Total	582	916

All other liabilities and accruals are due within one year. In 2018 we received an amount of €458K, for which the legal title and purpose was not clear. Finally, it was confirmed that this amount should be treated as a legacy. Hence, the amount has been included under income from private individuals in 2019. Stichting Zien has contributed an amount of €78K to a trachoma prevention programme in Tanzania.

7. Deferred income

(x 1,000 Euro)	31-12-2019	31-12-2018
Government grants	5,348	9,243
Other projects	526	391
Total	5,874	9,634

In 2019 the deferred income from government grants decreased to €5,348K (2018: €9,243K). More income was recognised than factually received. Further information on deferred income from government grants is provided in note 11.

8. Off balance sheet rights and obligations

Off-balance sheet rights

Simavi has received multiyear grants for programmes to be executed in the coming years. The grants are subject to restrictions, so these may be withdrawn. As far as these grants are not yet unconditionally committed, they have not been included in the balance sheet and are considered as off-balance rights.

The below table provides an overview of these rights, of grants in excess of €1 million, as at December 31, 2019.

SUBSIDY (x 1,000 Euro)	Golden Line	GUSO	MTB	Watershed	WASH SDG	SEHATI	OLHF
Grant received from:	MoFA	MoFA	MoFA	MoFA	MoFA	EKN ID	EU
Programme period	1-1-2016 till 31-12-2020	1-1-2016 till 31-12-2020	1-1-2016 till 31-12-2020	1-1-2016 till 31-12-2020	1-7-2017 till 31-12-2021	1-2-2016 till 31-8-2020	1-1-2019 till 31-12-2023
Lead of the alliance	Simavi	Rutgers	Save the Children	IRC	Simavi	n.a.	n.a.
Total grant amount for the alliance	7,996	34,590	29,275	16,352	59,000	-	-
Grant amount for Simavi	3,399	7,136	6,823	4,268	p.m.	3,450	5,000
Total amount received upto 2018	5,782	4,434	3,693	2,997	16,965	2,640	-
Received in 2019	1,086	1,457	2,064	867	6,717	574	997
Total amount received upto 2019	6,868	5,891	5,757	3,864	23,682	3,214	997
Total amount still to be received	1,128	1,245	1,066	404	35,318	236	4,003
To be received after determination of total grant amount	400	71	68	43	590	173	500

Golden Line - The Dutch Ministry of Foreign Affairs awarded a grant for the Golden Line programme in which Simavi acts as lead agency in the cooperation with Solidaridad and Healthy Entrepreneurs.

GUSO (incl. Flex fund) - Rutgers is the lead agent in the consortium of Rutgers, IPPF, Dance4Life, Stop Aids Now, Choice and Simavi for the Get Up Speak Out for your rights programme. Simavi received a total amount of €5,891K for running the programme up to 2019, for the remaining period we will receive an amount of €1,245K.

MTB (incl. Flex fund) - Save the Children is the lead agent in More than Brides consortium of Save the Children, Oxfam Novib, Population Council and Simavi. Within the programme of this consortium Marriage no child's game the total amount for Simavi is €6,823K.

Watershed - IRC is the lead agent in the Watershed consortium of IRC, Wetlands, AKVO and Simavi. In the Watershed programme of this consortium, a total amount of €4,268K is allocated to Simavi.

WASH SDG - The Dutch Ministry of Foreign Affairs awarded a grant to the WASH SDG consortium in which Simavi acts as lead agency of the consortium consisting of SNV, Plan International and the WASH Alliance International partners. The amount received upto 2019 for the WASH SDG consortium is in total for all parties €23,682K.

SEHATI (incl. extension) - In 2019 the Dutch embassy in Indonesia awarded an additional amount of €450K to the SEHATI programme and the programme period is 1 year extended. The programme is to realise community led total sanitation in its focus areas. The programme will be finalised in 2020.

OLHF - Simavi obtained a grant from the European Union for the programme Our lives, our health, our future in Bangladesh.

The total amount of programme entails an amount of €5,560K, of which €560K is financed from our own funds. The programme started in January 2019 and will run for 5 years, up to the end of 2023

The grants of Dutch Ministry of Foreign Affairs are conditional upon sufficient funds being made available in the budget by the government and parliament.

Off-balance sheet obligations

Under the framework of the GUSO (€805K), Ritu (€23K), Watershed (€333K), Golden Line (€220K), MTB (€899K) WASH SDG (€1,136K), Sehati (€29K) and EU OLHF (€3,001K) programmes, Simavi and its partners entered into contractual (multi-year) project commitments to carry out projects in areas where Simavi operates. Where these contracts depend on conditions that are yet to be met, such as grant allocation by Dutch Ministry of Foreign Affairs or other parties, they have not been accounted for in the balance sheet. These obligations amounted to €6,775K at the end of 2019 (2018: €5,705K).

Additionally, for other programme contracts, where contracts depend on conditions yet to be met, off balance sheet commitments exist in the amount of €329K (2018: €102K).

Simavi is located at rented premises. The rent amounts to €78K per year. A bank guarantee for this lease has been issued in the amount of €26K. The contract runs until December 31, 2021, with a one-year notice period. The total obligation amounts to €156K, of which €78K is due after one year.

Notes to the cash flow statement

The cash position of Simavi has decreased by an amount of €3,299K in 2019. This decrease resulted from a negative cash flow from operational activities of €3,295K (2018: €3,703K positive). This mainly stems from the decrease of deferred income: from €9,634K last year, to €5,874K at year-end 2019. Our cash position is volatile over the years, due to the timing of receipt of the larger instalments of the government subsidies.

Notes on the statement of income and expenditure

All income reported in the annual accounts has a structural character.

9. Income from private individuals

This income comprises donations and gifts as well as legacies and bequests. The donations and gifts from private individuals amounted to €1,927K which is considerably higher than in 2018 (€1,675K), reflecting the efforts to expand our donor base. The income from legacies and bequests amounted to €755K (2018: €577K). Income from legacies and bequests is not budgeted given the uncertainty of this type of income.

10. Income from lottery organisations

In 2019, Simavi received €900K as a contribution from the Dutch Postcode Lottery. This unearmarked contribution is made under a multi-year conditional commitment.

11. Income from government subsidies

The income from government subsidies in 2019 amounted to €10,450K (2018: €10,992K) which is €849K lower than budgeted. The latter is resulting from lower level of activities than expected. In 2019, the income from the Dutch Ministry of Foreign affairs for alliance partners amounted to €8,116K (2018: €6,413K). These funds are directly transferred to the consortium partners of the Golden Line and WASH SDG alliances.

The table on the next page gives an overview of the grants received and income accounted for from the Dutch Ministry of Foreign Affairs and the Swiss Agency for Development and Cooperation (SDC). The MKAJI programme, funded by the latter, was finalised in 2019.

A positive balance between the grants received and the actual expenditure eligible for grant funding is presented in the balance sheet as advance government grants under deferred income (see note 7). In the event of a negative balance, these assets are presented in the balance sheet as grants to be received. The smaller programmes (SDC Helvetas, Propopi, USDP, YEP) are grouped under 'Other'.

Note that the accounted income and expenditure can differ from what was reported to the related donor, as a consequence of their specific reporting or accounting requirements.

(x 1,000 Euro)	31-12-2018		2019			31-12-2019	
	Grants to be received	Grants received in advance	Add: Grants received	Minus: Income government subsidies	Minus: Income for alliance partners	Grants to be received	Grants received in advance
Sehati & extension	-	104	574	506	-	-	172
Watershed	-	529	867	896	-	-	500
WASH SDG	-	5,866	6,717	2,438	7,528	-	2,617
GUSO & GUSO Flex	-	650	1,457	1,618	-	-	489
Golden Line	-	266	1,086	668	525	-	159
MTB & MTB Flex	-	144	2,064	1,618	-	-	590
Ritu & extension	-	570	345	1,026	-	139	28
MKAJI	-	780	269	1,049	-	-	-
OLHF	-	-	997	487	-	-	510
Other	32	334	141	144	63	47	283
Total	32	9,243	14,517	10,450	8,116	186	5,348

12. Income from other non-profit organisations

This income mainly relates to the donations received from foundations. Also the income from schools, relating to the Walking for Water campaign is reported under this heading. The income is specified as follows:

(x 1,000 Euro)	Actual 2019	Budget 2019	Actual 2018
Income from foundations	652	805	292
Income from schools (Walking for Water, Koningspelen)	147	237	185
Income from other fundraising organisations	191	-	253
Total	990	1,042	730

This income is higher than last year, but still under budget. The income from Walking for Water is actually €50K higher than indicated, because part of the income is paid directly to Simavi and must therefore be accounted for as income from private individuals.

13. Spent on objectives

(x 1,000 Euro)	Actual 2019	Budget 2019	Actual 2018
Objective: Awareness raising	1,254	1,593	1,115
Objective: Simavi programmes	11,177	12,701	11,745
Objective: Paid to alliance partners	8,116	8,828	6,413
Objective: Advocacy	216	206	221
Total spent on objectives	20,763	23,328	19,494

The actual expenditure on objectives in 2019 is €1,269K higher than last year, however €2,565K lower than budgeted. The difference between budget and amounts actually spent is mainly caused by less expenditure on project activities than planned, this stems from the somewhat delayed execution of some programmes.

Spending percentage

The ratio of the total expenditure on objectives as a percentage of the total income is presented in the following table:

(x 1,000 Euro)	Actual 2019	Budget 2019	Actual 2018
Total spent on objectives	20,763	23,328	19,494
Total income raised	23,265	24,879	21,445
Spending percentage	89.2%	93.8%	90.9%

The percentage expenditure on objectives of total income in 2019 is 89.2%, as compared to 90.9% in 2018 and 93.8% as budgeted. The lower percentage in 2019 is mainly resulting from the timing differences in the expenditure of the income. Corrected for the effect of payments to alliance partners, the spending ratio is 83.5% in 2019 (87.0% in 2018). As a percentage of total expenditure, the expenditure on objectives amounts to 92.0% (2018: 91.9%).

14. Cost of generating funds

The cost of generating funds relate to the various funding activities. The most important are the costs relating to private fundraising and the costs for fundraising of grants. The percentage cost of generating funds is somewhat higher at 4.6% (2018: 4.3%). This increase is mainly reflecting the increased efforts made to ensure sufficient funding. The expenditure in 2019 was however still significantly under budget.

(x 1,000 Euro)	Actual 2019	Budget 2019	Actual 2018
Costs of generating funds	1,078	1,506	917
Total Income raised	23,265	24,879	21,445
Percentage cost of generating funds	4.6%	6.1%	4.3%

Apart from the costs of our own organisation, the fundraising costs mainly relate to the costs of our newsletters and mailings, these are important for maintaining and expanding our donor base.

15. Management & administration costs

(x 1,000 Euro)	Actual 2019	Budget 2019	Actual 2018
Management & administration costs	729	784	799
Total expenditure	22,570	25,618	21,210
Percentage management & administration costs	3.2%	3.1%	3.8%

The management & administration costs are lower than in 2018, as well as under budget. As a percentage of the total expenditure, the costs are lower at 3.2%. The higher percentage compared to budget is attributable to the fact that the actual total expenditure is under budget.

Independent auditors costs

PricewaterhouseCoopers Accountants N.V. have audited the financial accounts. The following fees are charged:

(x 1,000 Euro)	Actual 2019	Budget 2019	Actual 2018
Audit of the Financial Statements	80	69	60
Audit contracts institutional donors	51	43	34

The costs are significantly higher than in previous years due to the ongoing tightening of the audit regulations. The amounts for the audit contracts institutional donors are allocated to the programmes were applicable. Eight contracts of institutional donors required audited reports in 2019 (2018: seven).

16. Total Expenses

Expenditure (x 1,000 Euro)	Objective			Generating Funds	Management & administration	Total 2019	Budget 2019	Total 2018
	Awareness raising	Programmes	Advocacy					
Grants and contributions	-	17,122	-	-	-	17,122	19,269	16,147
Publicity and communication and outsourced work	837	310	73	697	-	1,917	2,672	1,765
Staff costs	363	1,620	125	331	553	2,992	3,143	2,788
Accommodation costs	17	77	6	16	27	143	147	143
Office and general expenses	29	130	10	27	138	334	331	307
Depreciation	8	34	2	7	11	62	56	60
Total	1,254	19,293	216	1,078	729	22,570	25,618	21,210

All direct and indirect costs are allocated to 1) the three objectives of Simavi (Awareness raising, Programmes and Advocacy); 2) the cost of generating funds; and 3) management & administration costs. Apart from direct costs spent on Simavi projects/programmes, all other out of pocket costs that can be directly allocated to the

objectives and fund generation are specified under Publicity and communication and outsourced work. All indirect costs, such as staff, accommodation, office and general expenses and depreciation are allocated based on the number of hours employees have spent on the aforementioned components. A calculation of the hours spent is made for every employee. This calculation is based on the employee's job description. Management & administration costs include all administrative and secretarial hours, as well as all hours classified by the organisation as overhead, such as meetings with the supervisory board and other meetings intended to provide guidance and direction to the organisation.

17. Staff costs

(x 1,000 Euro)	Actual 2019	Budget 2019	Actual 2018
Salaries in the Netherlands	2,272	2,342	1,902
Social insurance premiums, insurances	413	415	349
Costs of pension facilities	125	174	170
Other staff costs	182	212	367
Total	2,992	3,143	2,788

For information about the allocation of staff costs to the different categories of expenditure presented in the statement of income and expenditure please refer to note 16.

The staff costs are higher than in 2018, but within budget. The lower cost of pension facilities are the result of the change of the pension scheme. The wind off of the previous pension scheme resulted in a repayment of €70K.

The development of the number of staffing is as follows:

Average number of persons employed	Actual 2019	Budget 2019	Actual 2018
In Dutch office	46.9	46.3	46.9
In Indonesia office	5.3	5.0	5.3
In Tanzania office	8.1	8.0	8.1

In average number of FTE's	Actual 2019	Budget 2019	Actual 2018
In Dutch office	42.7	42.1	42.7
In Indonesia office	5.3	5.0	5.3
In Tanzania office	8.1	8.0	8.1

Management model and remuneration

Simavi has a two-tier board: a supervisory board for monitoring, supervising and consulting, and a one person executive board (the managing director) for the implementation of Simavi's strategy and its day-to-day management.

The salaries of the staff are based on a formalised salary structure. The functions are grouped into categories based on the job characteristics. The categories are linked to a salary grid. The categorisation and salary grid are based on a standardised calculation method performed by an independent agency (Human Capital Group). Periodically we participate in a general survey on

salary levels, commissioned by Goede Doelen Nederland. The results of latest survey indicate that our salary levels correspond to the average levels in the sector and are in conformity with the market.

Remuneration of the supervisory board

The members of the supervisory board receive no remuneration for their activities. The members of the supervisory board have also not received any loans, advance payments or guarantees.

Name	Position
Michiel de Wilde	Chair of the supervisory board
Mirjam Bakker	Vice-chair of the supervisory board
Laura de Graaf	Member of the supervisory board (until June 2019)
Willem van de Put	Member of the supervisory board
Hans Valkenburg	Member of the supervisory board (since September 2019)
Jeroen Wels	Member of the supervisory board

Remuneration of the managing director

The supervisory board determines the remuneration policy, the level of executive remuneration and other fixed remuneration components. The policy is reviewed periodically. Simavi follows the guidelines of Goede Doelen Nederland, laid down in the Advisory Guidelines for the Remuneration of Executives of Charities (see www.goededoelennederland.nl) in determining the remuneration policy and remuneration levels. These guidelines provide a maximum norm for the annual salary based on weighing criteria. These criteria result in a, so called, BSD-score. The rating for Simavi is determined by the supervisory board. The resulting BSD-score is 415-440 points, indicating a maximum full-time gross salary of €120,491 (excluding remuneration payable in future). The 2019 maximum individual executive remuneration according to the WNT for development cooperation organisations is €181,000.

In 2019, the managing director, Ms Ariette Brouwer, received a gross salary, including holiday allowance, of €103,946 (2018: €101,908). This is well within both the remuneration guideline of Goede Doelen Nederland and the WNT norm.

The managing director did not receive any bonuses, loans, advance payments or guarantees. The 2019 employer's contribution to the pension scheme of the managing director amounted to €11,696 (2018: €11,220). Allowances for expenses are only granted based on actual costs incurred, and contain no remuneration elements. Simavi does not provide lease cars. In 2019, the managing director received an untaxable commuting allowance of €1,975 and an untaxable telephone allowance of €300.

Remuneration Executives (WNT-format) (x 1 Euro)	2019	2018
Name: A.D. Brouwer, Managing Director		
Term of employment	1/1 - 31/12	1/1 - 31/12
Employment in FTE	1.0	1.0
Former executive	no	no
Formal employment	yes	yes
Individual WNT maximum	181,000	174,000
Total remuneration		
Remuneration	103,946	101,908
Taxable expense reimbursements	-	-
Remunerations payable in future	11,696	11,220
Total remuneration	115,642	113,128

Remuneration Executives (GDN-format) (x 1 Euro)	2019	2018
Name: A.D. Brouwer, Managing Director		
Duration of employment	undetermined	undetermined
Contract hours	36	36
Part-time percentage	100	100
Term of employment	1/1 - 31/12	1/1 - 31/12
Total remuneration		
Gross salary	96,328	94,439
Holiday allowance (8%)	7,618	7,469
Remuneration	103,946	101,908
Pension scheme paid by employer	11,696	11,220
Total remuneration	115,642	113,128

Also no other staff member received a remuneration exceeding the individual WNT maximum. No severance payments were made to employees that must be (or should have been) reported based on the WNT in 2019 and previous years.

Remuneration of Simavi's goodwill ambassadors

Mr Barry Atsma, Ms Dieuwertje Blok, Ms Britte Lagcher and Ms Pien van Vierssen Trip, Simavi's goodwill ambassadors, carried out their activities without receiving any remuneration.

18. Multi-year income analysis

The below table provides an overview of the development of Simavi's income over the past six years.

(x 1,000 Euro)	Collections	Individual giving	Legacies and bequests	Corporate	Lottery organisations	Government subsidies	Other non-profit organisations	Other	Total income
2014	442	792	104	218	1,943	15,999	1,373	60	20,931
2015	37	954	749	235	1,595	15,959	853	20	20,402
2016	-	1,024	491	239	1,012	12,988	1,130	-	16,884
2017	-	1,241	438	81	1,158	12,877	1,466	-	17,261
2018	-	1,675	577	158	900	17,405	730	-	21,445
2019	-	1,927	755	127	900	18,566	990	-	23,265

In 2013, Simavi decided that 2014 would be the last year of the nationwide door-to-door collection, since the high costs of the collection did no longer weigh up to the benefits.

The fall in income from the collections has been compensated by the steady increase in individual giving since 2015. We aim to maintain this trend by further investments in active private fundraising activities.

The amount received from legacies and bequests is volatile and unpredictable, yet they are an important source of income for Simavi.

In 2017 some of the income from Corporates was shifted to other non-profit organisations, due to the restructuring of the funding channel (e.g. via a related foundation).

Over the past years, the regular contribution of the Dutch Postcode Lottery was €900K. In 2014 Simavi received a contribution for the Making Periods Normal programme, amounting to a total of €2,064K, which was recognised as income during the years of execution of the programme (2014-2017).

The amount of government subsidies has been substantial over the past years. In 2016 and 2017, the finalisation of old and start-up of new programmes caused a dip in the income from government subsidies. From 2018, this income has returned to higher levels. The government subsidies are inclusive the amounts received for alliance partners.

The income from other non-profit organisations shows marked fluctuations. This is partly due to the effect of the timing of income recognition. The results of 2018 have been disappointing, requiring us to rethink our approach. In 2019 we were only partly successful in bringing this to the previous levels. Generation of income from foundations and the private sector remains an important focal point of our fundraising efforts.

Appropriation of result

The result of the financial year 2019, is €696K positive. The executive board proposes, with approval of the supervisory board, to appropriate the result for the year, in accordance with the overview provided in the Statement of Income and Expenditure on page 91-92 and the explanation in note 4.

After balance sheet date information

There have been no material post balance sheet events, which would require adjustment to the financial statements of Simavi for the year 2019.

The COVID-19 outbreak and its economics effects will impact the activities of Simavi. The work of our local partners is affected by this crisis. Our interventions generally entail group discussions and trainings in the community. To limit the spread of the virus these need to be put on hold. As a result, the realisation of our goals is delayed or not fully achieved. This also has financial consequences. During the period programmes are on hold, income is on hold as well, whereas the salaries and other fixed costs are still to be paid. This affects both our partners and ourselves. We are in discussion with our main donor, the Dutch Ministry of Foreign Affairs, to find mitigation measures for this. The Ministry indicated that given the importance of the civil society organisations and their activities, they will be cooperative to prevent financial damage. At this moment the actual measures to be taken are still unclear.

Apart from effects on the income from government subsidies, the COVID-19 crisis will also affect our other fundraising. Fundraising events are postponed or cancelled, and companies are less able to provide financial support. The effects on private fundraising are yet unclear. On the one hand our donors may boost their support as they see the importance of our work on hygiene, on the other hand they may opt to limit their donations as they are more focused on their local situation, and/or have been affected financially themselves by the crisis. So far, the figures up to and including April 2020 do not show specific effects (either increase or decrease) on private fundraising.

The circumstances mentioned above are likely to result in lower revenue (both government and non-government) and lower direct costs of postponed programs. We estimate the financial consequences for our organization to be between €0.1 mln and €0.8 mln effect on net loss. Within this analysis, a best case, mid case and worst case scenario have been assessed, with a 'close down' period ranging till the end of May 2020 (best case) and the end of December 2020 (worst case). The additional net loss in all scenarios can be covered from our continuity reserve, which is held in cash. Impairment of assets is not required.

Uncertainties remain and the implications for future years cannot be assessed yet.

Amsterdam, April 24, 2020

Executive board

Ariette Brouwer

Supervisory board

Michiel de Wilde (chair)
 Mirjam Bakker (vice-chair)
 Joyce Browne
 Willem van de Put
 Hans Valkenburg
 Jeroen Wels

Other information

Appropriation of result

According to article 16.5 of the articles of association of Simavi, the Supervisory Board approves the annual accounts drawn up by the executive board. The annual accounts include a proposal for the appropriation of the result for the year 2019. The appropriation of result takes the imposed restrictions on spending by third parties into account.



Independent auditor's report

To: the executive board and the supervisory board of Stichting Simavi

Report on the financial statements 2019

Our opinion

In our opinion, the financial statements of Stichting Simavi ('the Foundation') give a true and fair view of the financial position of the Foundation as at 31 December 2019, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the Dutch Standards for Remuneration Act (WNT).

What we have audited

We have audited the accompanying financial statements 2019 of Stichting Simavi, Amsterdam.

The financial statements comprise:

- the balance sheet as at 31 December 2019;
- the statement of income and expenditure for the year then ended; and
- the notes, comprising the accounting policies and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the WNT.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the Audit protocol WNT 2019. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

Independence

We are independent of Stichting Simavi in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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Emphasis of matter - uncertainty related to the effects of the coronavirus (COVID-19)

We draw attention to the paragraph "after balance sheet date information" in the financial statements in which the executive board has described the possible impact and consequences of the coronavirus (COVID-19) on the foundation and the environment in which the foundation operates as well as the measures taken and planned to deal with these events or circumstances. This note also indicates that uncertainties remain and that currently it is not reasonably possible to estimate the future impact. Our opinion is not modified in respect of this matter.

Compliance with anti-accumulation provisions WNT not audited

In accordance with the Audit protocol WNT 2019 we have not audited the anti-accumulation provisions of article 1.6a WNT and article 5, paragraph 1 (j) Uitvoeringsregeling WNT. This means we have not audited whether or not there is a breach of anti-accumulation remuneration standards resulting from remuneration for a possible employment as a high-ranking official of other WNT-entities, nor have we audited if any related disclosure requirement are correct and complete.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The directors' report (impact report and report of the supervisory board);
- Our programmes in numbers.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

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

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

The executive board is responsible for the preparation of the other information, including the directors' report pursuant to the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

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Responsibilities for the financial statements and the audit

Responsibilities of the executive board and the supervisory board for the financial statements

The executive board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the WNT; and for
- such internal control as the executive 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 executive board is responsible for assessing the Foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the executive board should prepare the financial statements using the going-concern basis of accounting unless the executive board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so. The executive 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 responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 25 May 2020
PricewaterhouseCoopers Accountants N.V.

Original has been signed by M. van Dijk RA

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Appendix to our auditor's report on the financial statements 2019 of Stichting Simavi

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, the Audit protocol WNT 2019, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- 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 intentional 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 executive board.
- Concluding on the appropriateness of the executive board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the 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 deficiencies in internal control that we identify during our audit.

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