



Stichting Aidenvironment

in Amsterdam

Annual Report 2022

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To the Managing Director and the Supervisory Board of
Stichting Aidenvironment
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Amsterdam, November 23, 2023

Subject: Annual report 2022

Dear Managing Director and Supervisory Board,

Herewith we send you the annual report regarding the financial statements for the year 2022 of your Foundation, which include the balance sheet with a total of € 4.135.773 and the statement of income and expenses ending with a net result of € -138.203.

ENGAGEMENT

In accordance with your instructions we have audited the 2022 financial statements of Stichting Aidenvironment, Amsterdam. These financial statements are the responsibility of the management of the Foundation (Stichting Aidenvironment). Our responsibility is to express an opinion on these financial statements based on our audit.

These financial statements are included, together with the management board's report and the other information, in the 2022 annual accounts attached to this report.

For the audit opinion we refer to the chapter "Other information" on page 28 of this report.

Yours sincerely,
Grant Thornton Accountants en Adviseurs B.V.

Drs P.N. van Vuure RA

NET RESULT FOR THE PERIOD

Development of income and expenses

The result for 2022 amounts to € 138.203 (loss) compared to € 79.757 (profit) for 2021. The results for both years can be summarized as follows:

	2022		2021		Difference
	€	%	€	%	€
Net turnover	4.726.021	100,0	3.394.146	100,0	1.331.875
Project costs	2.975.104	62,9	1.383.521	40,9	1.591.583
Gross margin on turnover	1.750.917	37,1	2.010.625	59,1	-259.708
Costs					
Selling expenses	14.863	0,3	7.496	0,2	7.367
Employee expenses	1.385.821	29,3	1.511.886	44,5	-126.065
Depreciation/Amortization	18.033	0,4	17.699	0,5	334
Housing expenses	79.211	1,7	94.628	2,8	-15.417
Office expenses	97.321	2,1	82.404	2,4	14.917
General expenses	264.043	5,6	161.025	4,7	103.018
	1.859.292	39,4	1.875.138	55,1	-15.846
Operating result	-108.375	-2,3	135.487	4,0	-243.862
Financial income and expenses	-29.828	-0,6	-68.279	-2,0	38.451
Result from ordinary activities	-138.203	-2,9	67.208	2,0	-205.411
Taxation	-	-	12.549	0,4	-12.549
Net result	-138.203	-2,9	79.757	2,4	-217.960

Analysis of the result

The development of the result 2022 compared to 2021 can be analysed as follows:

	2022	
	€	€
<i>The result has been positively influenced by:</i>		
Decrease employee expenses	126.065	
Decrease interest and similar expense	43.609	
		169.674
<i>The result has been negatively influenced by:</i>		
Decrease gross operating result	259.708	
Increase cost of outsourced work and other external charges	7.367	
Increase depreciation tangible fixed assets	334	
Increase other operating expenses	102.518	
Decrease interest and similar income	5.158	
Increase taxation on result from ordinary activities	12.549	
		387.634
Decrease result		-217.960

Costs

The total costs decreased by 0,8%.

	2022		2021		Difference
	€	%	€	%	€
Selling expenses	14.863	0,8	7.496	0,4	7.367
Employee expenses	1.385.821	74,5	1.511.886	80,6	-126.065
Depreciation/Amortization	18.033	1,0	17.699	0,9	334
Housing expenses	79.211	4,3	94.628	5,1	-15.417
Office expenses	97.321	5,2	82.404	4,4	14.917
General expenses	264.043	14,2	161.025	8,6	103.018
	1.859.292	100,0	1.875.138	100,0	-15.846

FINANCIAL POSITION

A summary of the balance sheet as of 31 December 2022 in comparison with prior year is as follows.

	31-12-2022		31-12-2021	
	€	€	€	€
Long term funds:				
Capital and reserves		2.311.937		2.450.140
Long term investments:				
Tangible fixed assets		38.317		37.288
Working capital		2.273.620		2.412.852

This amount is specified as follows:

Work in progress	593.131		276.274	
Trade and other receivables	431.349		277.487	
Cash and cash equivalents	3.072.976		4.888.972	
		4.097.456		5.442.733
Less: Short term liabilities		1.823.836		3.029.881
Working capital		2.273.620		2.412.852

Movement working capital

The specification of the movement of the working capital can be analysed as follows:

	31-12-2022	31-12-2021	Movement
	€	€	€
Work in progress	593.131	276.274	316.857
Trade and other receivables	431.349	277.487	153.862
Cash and cash equivalents	3.072.976	4.888.972	-1.815.996
Current liabilities	1.823.836	3.029.881	-1.206.045
	2.273.620	2.412.852	-139.232

TAX POSITION

Taxable result 2022

The taxable result for 2022 is calculated as follows:

	2022	
	€	€
Result	-138.203	
Share in result of Ugandan representative office	-15.569	
		-153.772
<i>Tax differences:</i>		
Non-deductible expenses	4.800	
Investment allowance	-3.947	
		853
Taxable amount 2022		-152.919

As at 31 December 2022 the tax losses available for set-off against future taxable profits amount to € 152.919. The tax losses can be set-off against possible future taxable profits for an indefinite term.

Under the assets a deferred tax asset can be recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. The deferred tax assets are valued at nominal value against a tax rate of 19% and have mainly a short-term character. The value of the asset amounts to approximately € 26K, however due to uncertainties in future realisation no asset has been recognized.

BALANCE SHEET AS AT 31 DECEMBER 2022
(before appropriation of result)

	31 December 2022		31 December 2021	
	€	€	€	€
ASSETS				
Fixed assets				
Tangible fixed assets	(1)			
Office inventory		9.200		10.783
Hard- and software		29.117		26.505
		<u>38.317</u>		<u>37.288</u>
Current assets				
Work in progress	(3)		593.131	276.274
Trade and other receivables	(4)			
Trade debtors		127.115		166.344
Receivables from other related parties		7.737		-
Taxes and social securities		116.247		15.261
Other receivables, prepayments and accrued income		180.250		95.882
		<u>431.349</u>		<u>277.487</u>
Cash and cash equivalents	(5)		3.072.976	4.888.972
			<u>4.135.773</u>	<u>5.480.021</u>

STATEMENT OF INCOME AND EXPENSES FOR THE YEAR 2022

		2022		Budget		2021	
		€	€	€	€	€	€
Net turnover	(8)	4.726.021		3.046.000		3.394.146	
Project costs	(9)	<u>2.975.104</u>		<u>1.200.000</u>		<u>1.383.521</u>	
Gross margin on turnover			1.750.917		1.846.000		2.010.625
Expenses							
Selling expenses	(10)	14.863		40.000		7.496	
Employee expenses	(11)	1.385.821		1.454.000		1.511.886	
Depreciation/Amortization		18.033		13.000		17.699	
Other operating expenses	(12)	<u>440.575</u>		<u>196.000</u>		<u>338.057</u>	
			1.859.292		1.703.000		1.875.138
Operating result			<u>108.375-</u>		<u>143.000</u>		<u>135.487</u>
Financial income and expenses		<u>-29.828</u>		<u>0</u>		<u>-68.279</u>	
Financial income and expenses			<u>-29.828</u>		<u>0</u>		<u>-68.279</u>
Result			138.203-		143.000		67.208
Taxation	(13)		0		-		12.549
Result			<u><u>138.203-</u></u>		<u><u>143.000</u></u>		<u><u>79.757</u></u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

(According to the indirect method)

	2022		2021	
	€	€	€	€
Cash flow from operating activities				
Operating result		-108.375		135.487
Adjustments for:				
Depreciation/amortization/impairments/reversal of impairments	18.033		17.699	
		18.033		17.699
Changes in working capital:				
Decrease of trade receivables	39.229		393.197	
Increase of work in progress receivables	-316.857		-276.274	
Decrease resp. increase of trade creditors	-3.203		5.064	
Increase resp. decrease of accounts receivable	-103.923		106.890	
Increase of other liabilities	-1.199.865		1.018.403	
		-1.584.619		1.247.280
Cash flow from business operations		-1.674.961		1.400.466
Interest received/currency exchange results	676		5.834	
Financial income/expenses	-30.504		-74.113	
Corporate income tax	-92.145		-57.062	
		-121.973		-125.341
Cash flow from operating activities		-1.796.934		1.275.125
Cash flow from investment activities				
Investments in tangible fixed assets	-15.932		-11.796	
Disposals of tangible fixed assets	-3.130		-	
Cash flow from investment activities		-19.062		-11.796
		-1.815.996		1.263.329
Compilation cash				
		2022		2021
	€		€	
Cash and cash equivalents as at 1 January		4.888.972		3.625.643
Movements in cash and cash equivalents		-1.815.996		1.263.329
Cash and cash equivalents as at 31 December		3.072.976		4.888.972

NOTES TO THE STATEMENTS

Activities

The objectives of Stichting Aidenvironment, having its legal seat in Amsterdam at Barentszplein 7, are:

- a. increase awareness about nature, natural resources, environment and development cooperation and in addition promoting wise management and sustainable use of natural resources;
- b. increase access to water on a global scale through developing capacity for the collection of rainwater, to benefit vulnerable sectors of society and women and children in particular, with a focus on regions where other means of water supply are not viable or available;
- c. to incorporate, to participate in, to finance and manage and administrate other foundations, corporations and businesses, and to conduct the management of other companies and foundations;
- d. and also all that with one another directly or indirectly related to the foregoing or in furtherance thereof, all in the broadest sense.

The Stichting (foundation) is registered in the Chamber of Commerce register under number 41208024.

Registered office, legal form and registration number at the chamber of commerce

The registered and actual address of Stichting Aidenvironment (CoC file 41208024) is Barentszplein 7 in Amsterdam.

Representative office

The foundation has a representative office in Uganda. The financial revenues of the ROs, after local vat, local income taxes and local corporate taxes, are taken into account in the financial statements of Stichting Aidenvironment.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board. These principles require management to make estimates and assumptions that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period.

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

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

Going concern

In 2022, the Covid-19 situation had less impact in countries where AidEnvironment has offices and/or projects. In 2022, AidEnvironment still adopted the Working from home policy for all three offices, but people slowly started to work in the office at least once weekly. It is expected that the Covid-19 situation will have even less or no impact and will be under control during 2023.

AidEnvironment also followed the mitigation measures planned by the risk assessment analysis at the organizational and project levels. Most projects could continue by adjusting to the Covid-19 situation during 2022, including online training and meetings. The East Africa offices and the local partner organizations in Indonesia depend on implementing fieldwork, which needed to be adapted or even postponed during 2022, a situation that was enough to decrease risks and that did not negatively influence the turnover of these offices.

In 2022, turnover targets were not achieved organization-wide, and there was a negative impact on liquidity and cash flow due to the negative result of 68k and a lower advance payment balance of sponsors. However, considering the organization's reserves, these effects are expected to not impact our financial stability in 2023.

Looking forward, we see a slowed acquisition pace of contracted work for 2023, as several clients and funders have stopped, delayed and/or decreased budgets for new projects. This risk is manageable due to the high reserves in combination with over 50% of the amount of work contracted at the beginning of the year.

Changes in accounting policies

Presentation of construction contracts in progress

Until 1 January 2022, Stichting Aidenvironment presented projects in progress in the balance sheet as a netted item. The notes included further information on the total of projects with debit and total of projects with credit. As of financial year 2022, netting of projects in progress in the balance sheet is no longer permitted.

Until 1 January 2022, Stichting Aidenvironment presented project revenue in the Income Statement as change/mutation in work in progress as long as a project was not yet completed. As of financial year 2022, project revenue should be presented as net sales.

In line with DASB Chapter A3.1 Changes in accounting policies, the changes in the presentation of construction contracts are fully retrospective. The change in accounting policy has no impact on equity or profit after tax. The impact of the change in accounting policy on the current assets and current liabilities at the end of 2022 amounts to € 593.131 (2021: € 276.274).

The comparative figures for 2022 have been restated for this.

Estimates

In applying the principles and policies for drawing up the financial statements, the Management Board of Stichting Aidenvironment make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under section 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and payables, and financial derivatives. For the principles of primary financial instruments, please refer to the treatment per balance sheet item.

Currencies

Functional currency

The financial statements of the Foundation are presented in Euros, which is the functional currency.

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates at transaction date. The exchange differences are recognised in the statement of income and expenses as financial income or expenditure respectively.

Transactions, receivables and liabilities

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

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

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