



Stichting Aidenvironment

in Amsterdam

Annual Report 2023



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To the Managing Director and the Supervisory Board of
Stichting Aidenvironment
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Amsterdam, July 19, 2024

Subject: Annual report 2023

Dear Managing Director and Supervisory Board,

Herewith we send you the annual report regarding the financial statements for the year 2023 of your Foundation, which include the balance sheet with a total of € 3.073.248 and the statement of income and expenses ending with a net result of € -124.532.

ENGAGEMENT

In accordance with your instructions we have audited the 2023 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 2023 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 2023 amounts to € 124.532 (loss) compared to € 138.203 (loss) for 2022. The results for both years can be summarized as follows:

	2023		2022		Difference
	€	%	€	%	€
Net revenue	4.701.127	100,0	4.726.021	100,0	-24.894
Project costs	2.681.749	57,0	2.975.104	62,9	-293.355
Gross margin on turnover	2.019.378	43,0	1.750.917	37,1	268.461
Costs					
Selling expenses	15.214	0,3	14.863	0,3	351
Employee expenses	1.543.894	32,8	1.385.821	29,3	158.073
Amortisation and depreciation	16.666	0,4	18.033	0,4	-1.367
Housing expenses	125.542	2,7	79.211	1,7	46.331
Office expenses	109.642	2,3	97.321	2,1	12.321
General expenses	283.285	6,0	264.043	5,6	19.242
	2.094.243	44,5	1.859.292	39,4	234.951
Operating result	-74.865	-1,5	-108.375	-2,3	33.510
Financial income and expenses	-49.667	-1,1	-29.828	-0,6	-19.839
Result from ordinary activities	-124.532	-2,6	-138.203	-2,9	13.671
Taxes	-	-	-	-	-
Net result	-124.532	-2,6	-138.203	-2,9	13.671

Analysis of the result

The development of the result 2023 compared to 2022 can be analysed as follows:

	2023	
	€	€
<i>The result has been positively influenced by:</i>		
Increase gross operating result	268.461	
Decrease depreciation tangible fixed assets	1.367	
Increase interest and similar income	237	
		270.065
<i>The result has been negatively influenced by:</i>		
Increase cost of outsourced work and other external charges	351	
Increase employee expenses	158.073	
Increase other operating expenses	77.894	
Increase interest and similar expense	20.076	
		256.394
Increase result		13.671

Costs

The total costs increased by 12,6%.

	2023		2022		Difference
	€	%	€	%	€
Selling expenses	15.214	0,7	14.863	0,8	351
Employee expenses	1.543.894	73,7	1.385.821	74,5	158.073
Amortisation and depreciation	16.666	0,8	18.033	1,0	-1.367
Housing expenses	125.542	6,0	79.211	4,3	46.331
Office expenses	109.642	5,2	97.321	5,2	12.321
General expenses	283.285	13,6	264.043	14,2	19.242
	2.094.243	100,0	1.859.292	100,0	234.951

FINANCIAL POSITION

The balance sheet can be summarized as follows:

	31-12-2023		31-12-2022	
	€	€	€	€
Long term funds:				
Foundation Equity		2.187.405		2.311.937
Long term investments:				
Tangible fixed assets		36.778		38.317
Working capital		2.150.627		2.273.620

This amount is specified as follows:

Work in progress	918.563		593.131	
Receivables	457.614		431.349	
Cash and cash equivalents	1.660.293		3.072.976	
		3.036.470		4.097.456
Less: Short term liabilities		885.843		1.823.836
Working capital		2.150.627		2.273.620

Movement working capital

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

	31-12-2023	31-12-2022	Movement
	€	€	€
Work in progress	918.563	593.131	325.432
Receivables	457.614	431.349	26.265
Cash and cash equivalents	1.660.293	3.072.976	-1.412.683
Current liabilities	885.843	1.823.836	-937.993
	2.150.627	2.273.620	-122.993

FISCAL POSITION

Taxable amount 2023

The taxable amount for 2023 has been calculated as follows:

	2023	
	€	€
Result	-124.532	
Share in result of Ugandan representative office	51.424	
		-73.108
<i>Tax differences:</i>		
Non-deductible expenses	5.100	
Investment allowance	-4.839	
		261
Taxable amount 2023		-72.847

As at 31 December 2023 the tax losses available for set-off against future taxable profits amount to € 245.612 for Dutch Corporate Income Tax purposes. 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 € 47 thousand, however due to uncertainties in future realisation no asset has been recognized.

BALANCE SHEET AS AT 31 DECEMBER 2023

(before appropriation of result)

	31 December 2023		31 December 2022	
	€	€	€	€
ASSETS				
Fixed assets				
Tangible fixed assets	(1)			
Office inventory		6.023		9.200
Hard- and software		30.755		29.117
		<u>36.778</u>		<u>38.317</u>
Current assets				
Work in progress	(3)		918.563	593.131
Receivables	(4)			
Trade receivables		142.698		127.115
Receivables from other related parties		20.964		7.737
Taxes and social securities		131.343		116.247
Other receivables, prepayments and accrued income		162.609		180.250
		<u>457.614</u>		<u>431.349</u>
Cash and cash equivalents		1.660.293		3.072.976
		<u>3.073.248</u>		<u>4.135.773</u>

	31 December 2023		31 December 2022	
	€	€	€	€
EQUITY AND LIABILITIES				
Foundation equity				
Foundation equity	2.311.937		2.450.140	
Unappropriated result	-124.532		-138.203	
		2.187.405		2.311.937
Current liabilities				
		(6)		
Work in progress	571.115		1.430.626	
Trade creditors	22.498		47.606	
Taxes and social securities	47.999		75.716	
Other liabilities and Accruals and deferred income	244.231		269.888	
		885.843		1.823.836
			3.073.248	4.135.773

STATEMENT OF INCOME AND EXPENSES FOR THE YEAR 2023

		2023		Budget 2023		2022	
		€	€	€	€	€	€
Net turnover	(7)	4.701.127		3.650.000		4.726.021	
Project costs	(8)	<u>2.681.749</u>		<u>1.500.000</u>		<u>2.975.104</u>	
Gross margin on turnover			2.019.378		2.150.000		1.750.917
Expenses							
Selling expenses	(9)	15.214		24.000		14.863	
Employee expenses	(10)	1.543.894		1.792.000		1.385.821	
Depreciation/Amortization		16.666		14.000		18.033	
Other operating expenses	(11)	<u>518.469</u>		<u>215.000</u>		<u>440.575</u>	
			2.094.243		2.045.000		1.859.292
Operating result			<u>74.865-</u>		<u>105.000</u>		<u>108.375-</u>
Financial income and expenses		<u>-49.667</u>		<u>-3.000</u>		<u>-29.828</u>	
Financial income and expenses			<u>-49.667</u>		<u>-3.000</u>		<u>-29.828</u>
Result			<u>124.532-</u>		<u>102.000</u>		<u>138.203-</u>
Taxation			0		-		0
Result			<u><u>124.532-</u></u>		<u><u>102.000</u></u>		<u><u>138.203-</u></u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(According to the indirect method)

	2023		2022	
	€	€	€	€
Cash flow from operating activities				
Operating result		-74.865		-108.375
Adjustments for:				
Depreciation/amortization/impairments/reversal of impairments	16.666		18.033	
		16.666		18.033
Changes in working capital:				
Increase resp. decrease of trade receivables	-15.583		39.229	
Increase of work in progress receivables	-325.432		-316.857	
Decrease of trade creditors	-25.108		-3.203	
Increase of accounts receivable	-1.749		-103.923	
Increase of other liabilities	-912.885		-1.199.865	
		-1.280.757		-1.584.619
Cash flow from business operations		-1.338.956		-1.674.961
Financial and currency exchange results	-49.667		-29.828	
Corporate income tax	-8.933		-92.145	
		-58.600		-121.973
Cash flow from operating activities		-1.397.556		-1.796.934
Cash flow from investment activities				
Investments in tangible fixed assets	-17.281		-15.932	
Disposals and currency exchange of tangible fixed assets	2.154		-3.130	
Cash flow from investment activities		-15.127		-19.062
		-1.412.683		-1.815.996
Compilation cash				
		2023		2022
		€		€
Cash and cash equivalents as at 1 January		3.072.976		4.888.972
Movements in cash and cash equivalents		-1.412.683		-1.815.996
Cash and cash equivalents as at 31 December		1.660.293		3.072.976

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 representative office, 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 2023, the implementation of projects was once again fully operational. The year was characterised by catching up on activities that were not possible to execute during Covid. Consequently, it was challenging to start developing new partnerships, new projects, and to reach out to new funders and funding opportunities. This situation has been the same for the team in Amsterdam as well as in Uganda and might have an effect on the coming year or years. The built-up reserves might play a role here to serve as a temporary buffer. Because we are a project-based organisation, this is what our reserves are for - to serve as a temporary buffer during phases of excessive project implementation compared to project development and acquiring new funds. The year 2023 was also used to transition AidEnvironment Asia into a fully independent partner organisation, Sangga Bumi Lestari, and to make the decision to set up a branch office in the Philippines. Our expertise and partnerships in the Philippines offer a unique opportunity to prepare for the implementation of projects there. Looking at the whole of 2023, the turnover in projects was good and reflected the 2023 ambition and budget. Unexpected higher costs - not directly related to projects - caused a negative result. Monitoring and mitigating these costs is important for this year and the years to come. Or the other way around, because AidEnvironment is a not-for-profit and mission driven organization, there is an internal drive to use as much of our resources as possible achieve our mission.

Estimates

In applying the principles and policies for drawing up the financial statements, the Management Board of Stichting Aidenvironment makes 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. For the principles of primary financial instruments, please refer to the treatment per balance sheet item.

Financial instruments include both primary financial instruments, such as receivables and payables. 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.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and, if applicable, less impairments. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is recognised from the date an asset comes into use. Land, assets under construction and prepayments on tangible fixed assets are not depreciated.

Depreciation rates

Asset	%
Office inventory	20
Hard- and software	20

Work in progress

The valuation of work in progress includes the cost of direct labour and other production costs, and a proportion of production overheads. Profit on work in progress is recognised in proportion to the amount of work performed (percentage of completion method). Insofar as specific project finance has been concluded for work in progress, interest charges are attributed to the cost price of this work. A provision is recognised for expected losses on contracts, which occurs when total contract cost exceed total contract revenue.

Trade and other receivables

The receivables are initially valued at fair value, and subsequently valued at amortised cost, which is similar to the face value, after deduction of any provisions if necessary.

Cash and cash equivalents

Cash at banks and in hand 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 valued at nominal value.

Liabilities

Current liabilities are initially valued at its fair value, and subsequently valued at amortised cost, which is similar to the face value. Accruals are valued at its face value.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Determination of the result

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods and services. Transfers of risks and rewards vary depending on the individual terms of the contract of sale.

The income and expenses are accounted for in the period to which they relate.

Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates and value added taxes. Revenue from services rendered is recognised in the statement of income and expenses in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

Expenses general

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Pension costs

The Dutch pension scheme of Stichting Aidenvironment is a defined contribution old age plan based on annuities (Bright).

The pension contributions paid in the fiscal year are stated in the statement of income and expenses. Pension costs comprise the pension premiums as calculated by the insurance company that has provided the foundation with a pension scheme. The calculations are based on the average salaries of personnel; indexation of vested rights of pensions is dependent on the surplus interest that the insurance company realizes. The pension scheme contains a back service liability for transfer of pension value for leavers and new entrees to the scheme. The liability expires 6 months after hire and leave of the company. At balance date there were no such liabilities. The pension scheme does not include any other liabilities to the entity.

Foreign pension scheme

Employees in Uganda are covered by the National Social Security Fund (NSSF). This is mandatory and the conditions are prescribed by law. Employees contribute 5% of their gross monthly salary and the employer contributes 10%. In addition employees in Uganda and Aidenvironment pay into a Retirement Benefits Scheme since February 2021. Employees contribute 5% of their gross monthly salary. Aidenvironment tops up with 5% of the employee's gross monthly salary if a) the office achieved at least 90% of its turnover target for the month, and b) the employee met at least 70% of his/her turnover target for the month.

Amortisation/depreciation

The depreciation on tangible fixed assets is calculated by using a fixed rate on the acquisition cost or cost of conversion.

Gains and losses on disposal of (in)tangible fixed assets are recorded under amortisation/depreciation.

Financial result

Financial income and expenses comprise interest income and expenses on loans as accounted for in the current reporting period as well as currency exchange results.

Taxation

The tax on the result is calculated on the pre-tax result in the profit and loss account, taking into account available, tax-deductible losses from previous financial years (insofar as not included in the deferred tax assets) and exempt profit components and after addition of non-deductible costs. Changes that occur in the deferred tax assets and deferred tax liabilities due to changes in the tax rate to be applied are also taken into account.

PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments.

Cash flows in foreign currencies are translated into euros at the average weighted exchange rates at the date of the transactions.