

Solidaridad

ANNUAL REPORT 2020

Solidaridad Network Secretariat
(Stichting Solidaridad Network)



CONTENTS

CONTENTS	1
MESSAGE FROM THE SUPERVISORY BOARD	2
MESSAGE FROM THE EXECUTIVE DIRECTOR	3
MANAGEMENT REPORT	5
OUR MISSION, VISION AND OBJECTIVES	5
OUR ORGANISATION	6
SUPERVISION	7
OUR ACTIVITIES IN 2020	9
OUR PEOPLE IN 2020	11
OUR FINANCES IN 2020	12
RISKS AND UNCERTAINTIES	15
INTERNAL CONTROL	17
FINANCIAL STATEMENTS 2020 STICHTING SOLIDARIDAD NETWORK	19
BALANCE SHEET ON 31 DECEMBER 2020	19
INCOME AND EXPENDITURE STATEMENT 2020	20
CASH FLOW STATEMENT FOR 2020	21
NOTES TO THE CASH FLOW STATEMENT	22
GENERAL NOTES TO THE ACCOUNTS	23
ACCOUNTING PRINCIPLES OF VALUATION AND DETERMINATION OF THE RESULT	24
NOTES TO THE BALANCE SHEET	26
ASSETS	26
LIABILITIES	28
NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE	31
INCOME	31
EXPENDITURE	31
Solidaridad staff costs	32
Other costs	33
Expenditures related (Solidaridad) entities	34
Financial income and expenditure	34
OTHER INFORMATION	35
INDEPENDENT AUDITOR'S REPORT	36

MESSAGE FROM THE SUPERVISORY BOARD

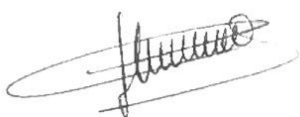
I reflect on 2020 with tremendous pride in the work accomplished at every level. From the farmers who continued their work, or made the difficult decision to walk away, in the face of uncertainty and personal risk, to the staff members who burned the candle at both ends to deliver innovative solutions while juggling the personal challenges of lockdown and its shockwaves. I commend the leadership at each Regional Center, and from Executive Director Jeroen Douglas, which continued to ask critical questions driving strategy and pushed for innovations that centered farmer and worker perspectives.



Throughout the 2020 Annual Report, you will see examples of real change happening across value chains and regions. By engaging civil society, advising and lobbying the public and private sector, and working directly with smallholder producers and workers to deliver tailored solutions, Solidaridad is delivering transformative change for families, communities, and the environment.

As you read the 2020 report, I hope you will find, like I do, confidence that we can tackle the most pressing issues of our time. When we come together and listen to smallholders and workers, when we collaborate across sectors and levels, and make decisions based on evidence and continuous learning, we can meet this moment.

On behalf of the members of the International Supervisory Board,

A handwritten signature in black ink, appearing to read 'Mariam Dao Gabala', enclosed within a simple oval outline.

Mariam Dao Gabala,

May 1, 2021

MESSAGE FROM THE EXECUTIVE DIRECTOR

When the Covid-19 pandemic ground the world to a halt in the first quarter of 2020, Solidaridad rode the wave, with the rest of the world, to assess what work and life would look like in the new normal. Administrative and management staff took on tremendous new challenges to create supportive and flexible work environments, while programme and field staff pivoted quickly to meet the new and urgent needs of smallholder producers left hanging by a world in crisis. And with the close of our Ambition 2020 Strategy that ran since 2016, this unprecedented year unquestionably influenced the strategic planning process for the years ahead.



Coming off of our record-breaking impact of 2019, and faced with new challenges in 2020, Solidaridad pulled together to push the limits further, training 786,000 smallholder producers to adopt good mining, agricultural and also management practices, and bringing more than 1.7 million hectares under sustainable management. And, through our Advocacy for Change programme, we deepened our engagement with civic space, convening and participating in 138 multi-stakeholder dialogues and submitting 74 public and private policy proposals and recommendations. There is so much to be proud of from this year, with the resilience and perseverance of our teams in over 40 countries shining through in their results.

With the continued growth of our global teams came a renewed commitment to fostering an inclusive and value-driven working environment at all levels. In 2020, we developed and launched our comprehensive Integrity Framework, including an updated Whistleblower Procedure and Code of Conduct.

We also continued our investment in building a robust evidence base and learning agenda by evaluating and redesigning our Salesforce-based data platform and reimagining our key performance indicators in the context of the upcoming strategic period.


2020 was also the year where we launched our Reclaim Sustainability! Consortium, together with Business Watch Indonesia, Africa Trust and FairFood. The consortium successfully competed under the Dutch Ministry of Foreign Affairs programme 'Power of Voices', obtaining a 5 years contract valuing 53,7M €. This base funding shows that the new 2021-2025 Solidaridad strategy is worthwhile supporting. 2020 created a consolidated financial result of 55 M €, a decrease of 16% in relation to 2019. We expect to catch up in 2021 again.

With all the seriousness of 2020, there were also moments of levity and new ways to connect. Without travel, our global teams became adept at collaborating, connecting, and engaging virtually. When in person

workshops moved online, we tested different platforms to keep the work engaging and also came to new understandings of the ground rules for positive virtual engagement—video on, not too long, and mute your mic, please! Our learning teams took the creativity to a new level, organizing virtual field trips to talk with smallholder farmers, which brought new and unexpected value to the interaction.

We mark 2020 in our minds as a transformative year, which woke the world up to realities that many of us have recognized for years—from shocking socioeconomic inequities to the dire and far reaching consequences of environmental degradation. We close the chapter with gratitude for the resilience and partnership that brought us through, and an unwavering commitment to amplifying and centering the voice of smallholder producers and workers.

Jeroen Douglas,



Executive Director of Solidaridad Network

June 1, 2021

MANAGEMENT REPORT

OUR MISSION, VISION AND OBJECTIVES

Solidaridad is an international civil society organization with over 50 years of experience in developing solutions to make communities more resilient — from our early roots supporting repressed communities in Latin America to our current work fostering more sustainable supply chains. We currently work in over 40 countries, on five continents, through eight independently supervised regional offices.

International cooperation with people throughout the value chain is at the heart of our work, with a focus on small scale and family farmers, and workers on farms, in mines, and in supply chains and their communities.

We envision a world in which the economy works for all: where all we produce, and all we consume, can sustain us while respecting the planet, each other and the generations to come.

We enable farmers and workers to earn a living income, shape their own future, and produce in balance with nature by working throughout the whole supply chain to make sustainability the norm.

We're reclaiming sustainability in its essence: power to the people (inclusivity), respect for the planet (producing in balance with nature) and a fair share for everyone in the chain (prosperity). That's the true meaning of sustainability for Solidaridad. Supply chains cannot be sustainable if we don't take all these aspects into account.

Although we work in more than 40 countries with 8 independently supervised regional officers, we share a commitment to a common set of values:

- Solidarity: we are faithful to the name of our organization in a deeply rooted solidarity with smallholder farmers, workers, and producers
- Solutions: we are pragmatic problems solvers
- Impact: we are impact-driven and fully committed to achieve change that matters
- Interdependence: we are dependent on each other and on the planet, so we need to collaborate
- Innovation: we believe continuous learning and development adds value and leads to positive change
- Inclusivity: we believe everyone has the potential to contribute and the right to be heard
- Integrity: we adhere to the highest ethical principles and professional standards

The Solidaridad network structure was built on the idea that meaningful change grows from within communities, and a collaborative work environment based on the exchange and debate of different ideas

and perspectives will create the most innovative solutions. Diversity and representation of many different perspectives and identities is not just nice to have; it is essential to the mission of reclaiming sustainability.

Inclusion is prioritized at all levels of work within Solidaridad; from programming that promotes gender equality in historically male-dominated sectors such as gold or palm oil, to leadership within our Senior and Board level positions. A strong integrity structure supports open and honest dialogue and secure pathways for reporting and addressing issues.

All this makes up the core of what Solidaridad stands for: equity. Creating a more fair and equitable supply chain starts from our working culture and permeates through our programmes, communications and partnerships.

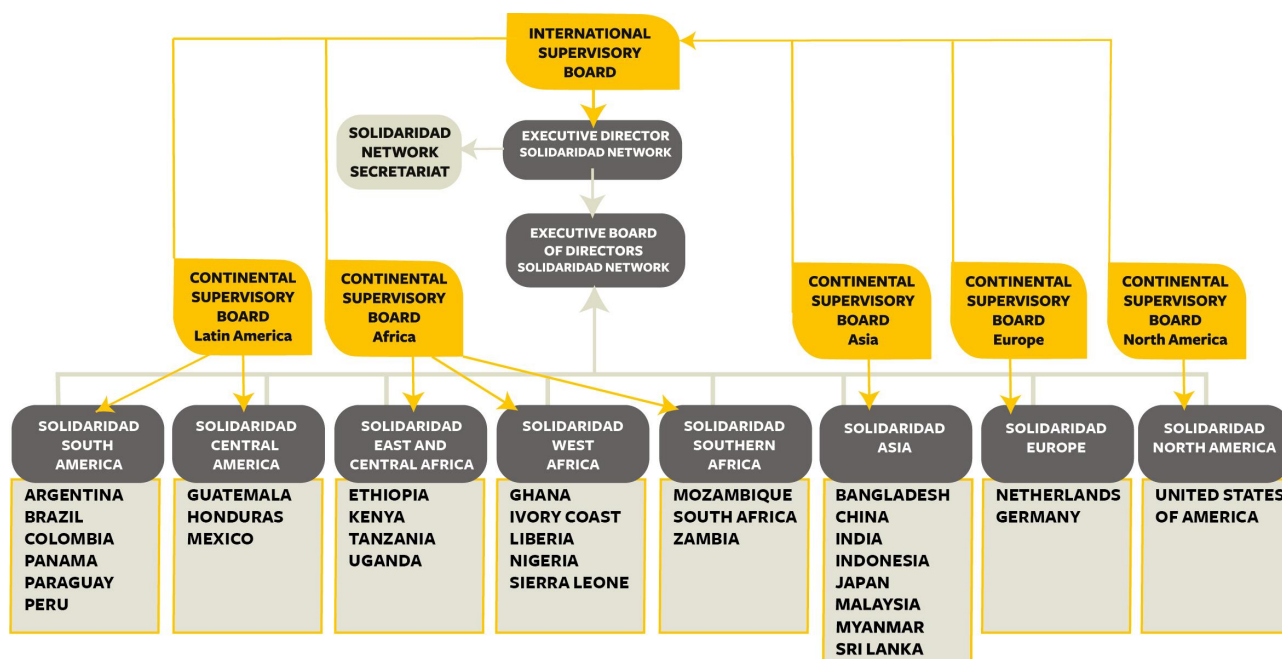
OUR ORGANISATION

Solidaridad is an international network organization with offices across the globe. The interconnected network places a focus on decentralized responsibility and implementation by regional teams. Local knowledge, experience and vision are guiding principles. The network's connectedness is fostered by a global vision, strategy, programming, communication and internal quality-control systems. Each part of the network contributes to the whole.

The premise of the structure is that it promotes capacity building: strengthening Solidaridad teams in the region, enabling them to take control of supervisory tasks and to manage programming themselves. The regional Solidaridad teams cooperate with their own partners on the planning, implementation, communication and evaluation of programmes, and on reporting their results.

The Solidaridad Network consists of eight regional expertise centres located in Asia, Southern Africa, East and Central Africa, West Africa, South America, Central America, North America, and Europe - each with their own specific expertise and focus. Solidaridad's programmes are developed and implemented by the regional centres, each of which is locally registered and has a local legal structure, and which:

- are connected to the supervisory bodies of Solidaridad Network and the Executive Board, thereby contributing to the network strategy;
- manage interaction between the regional centre and the country offices;
- are responsible for the development, implementation, reporting and evaluation of the programmes in their respective regions, taking the network's quality standards and systems into account;
- are responsible for regional fundraising, thereby contributing to the network budget;
- employ local staff; and
- are responsible for appropriate financial management and supervision, including the auditing of financial statements by an independent auditor.



The overview above shows the eight management regions and the countries in which Solidaridad has legal seats. The yellow boxes represent the five Continental Supervisory Boards plus the International Supervisory Board. Stichting Solidaridad Network is the light grey entity in the middle, represented by the Executive Director of Solidaridad, Jeroen Douglas who is leading the Executive Board of Directors, consisting of the Managing Directors of the eight regions.

SUPERVISION

The eight regional expertise centres are supervised by five Continental Supervisory Boards (CSBs). The CSBs consist of leaders in business, civil society organizations or academic institutions from each continent: North America, South America, Africa, Asia and Europe. Each of these continental organizations is connected with Solidaridad Network Foundation in Utrecht, the Netherlands, through the delegation of supervisory board members to the International Supervisory Board (ISB), thus creating a global network.

The International Supervisory Board (ISB) is the highest level of international oversight within Solidaridad Network. The ISB monitors policies, the quality of programmes, financial control of the Solidaridad Network and the performance of the Executive Board of Directors (EBOD).

The members of the ISB are:

Name	Country	Position	Start of term	End of term	Representing
Mariam Gabala Epse Dao	Ivory Coast	Chair	18 December 2018	17 December 2022	CSB Africa
		Chair	22 June 2015	17 December 2018	
		Member	18 December 2014	21 June 2015	
Roxana Barrantes	Peru	Member	11 July 2018	31 December 2021	CSB Latin America
			11 July 2014	10 July 2018	
Shamanin Zaman	Bangladesh	Member	19 January 2017	18 January 2021	CSB Asia
Kannan Pashupathy	United States	Member	5 June 2019	4 June 2022	CSB North America
		Member	5 June 2014	4 June 2018	
Jan Karel Mak	The Netherlands	Member	1 January 2021	31 December 2024	CSB Europe
			10 December 2018	31 December 2022	

The members of the CSB Asia are:

Name	Country	Position
Shamanin Zaman	Bangladesh	Chair
Mumunusamy Subbramaniam	India	Member
Mahesh Haribhai Mehta	India	Member
Xiaohui Liang	China	Member

The members of the CSB Africa are:

Name	Country	Position
Mariam Gabala Epse Dao	Ivory Coast	Chair
Audrey Gadzepko	Ghana	Member
Kamau Kuria	Kenya	Member
Graham von Maltiz	South Africa	Member

The members of the CSB Latin America are:

Name	Country	Position
Roxana Barrantes	Peru	Chair
Roberto Ugaz	Peru	Member
Carolina da Costa	Brazil	Member
Bernardo Roehrs	Guatemala	Member

The members of the CSB North America are:

Name	Country	Position
Kanan Pashupatty	United States	Chair
Chris Wolz	United States	Member (from 1 November 2019)

The members of the CSB Europe are:

Name	Country	Position
Jan Karel Mak	The Netherlands	Chair
Carlos Alva Nieto	The Netherlands/Mexico	Member
Katrien Termeer	The Netherlands	Member
Claire Gentil	The Netherlands/France	Member
Martin Staehle	Germany	Member
Marion Kappeyne van de Coppello	The Netherlands	Member
Kajsa Johansson	Sweden	Member

Management

The Executive Board of Directors (EBoD) is the main policy-making body, ensuring coherence between international commodity strategies and regional programmes. The EBoD is also responsible for the overall implementation of the international policy and commodity strategy. It consists of the managing directors from each regional expertise centre. The chair of the EBoD is the Executive Director of Solidaridad Network, Jeroen Douglas.

The members of the Solidaridad Executive Board of Directors in 2020 are: Shatadru Chattopadhyay (Solidaridad Asia), Mandla Nkomo (Solidaridad Southern Africa), Isaac Gyamfi (Solidaridad West Africa), Rachel Wanyoike (Solidaridad East and Central Africa), Gonzalo la Cruz (Solidaridad South America), Michaelyn Baur (Solidaridad Central America), Rebecca Kaduru (Solidaridad North America) and Heske Verburg (Solidaridad Europe).

OUR ACTIVITIES IN 2020

During the year 2020, Solidaridad continued to work on its data model for Programme Monitoring Evaluation and Learning (PMEL). Standardized data points and tools to collect granular data provides a structured, unified approach to qualitative and quantitative measurement of programmes and projects. The use of the common indicators and the PMEL data model will not only allow us to compare projects across the network, but also to track progress of individual producers, making it possible to establish correlations and perform analysis on the different interventions we are implementing. Initial drafts of dashboards based on mock-up

data proved to be an effective way to start discussing the use of data, beyond the usual management overviews and reporting purposes.

Our trained professionals equipped with this instrument can count increasingly on steady data-flows which form the basis for evidence-based decision making. Consistent and prolonged use of the PMEL data model framework will provide precise insights into the effectiveness and impact of our programmes, as well as support finding the balance between practice and advocacy to reach meaningful impact at scale.

Despite the Covid pandemic and the limitations to collect data in the field, in 2020, we completed 3 pilots with remote data collection on the collection of granular data for our new PMEL data model: one on farmer profiling (South Africa), one measuring CSO mobilization and engagement (Bolivia), and one on using phone-interviews to collect data (Ghana).

The pilots brought new elements to the design of our monitoring and evaluation framework. An important conclusion we made was that despite the local contexts of our programmes, sufficient common indicators can be designed to come to a cohesive and meaningful framework for our network, that align with our most recent Multi Annual Strategic Plan 2021-2025.

In 2020, the evaluation of one of our biggest advocacy programmes, Advocacy for Change, was commissioned by AidEnvironment. Given the COVID pandemic, data on the case studies had to be collected remotely. The evaluation concluded that the majority of the projects in the programme (63% of the portfolio) have contributed significantly to policy change, while in the projects where no significant policy changes were noted, 'small wins' or important incremental steps towards change were evidenced. Small wins can be relevant in complex contexts and where pathways of change may not be so clear. A series of small wins may finally result in real policy change. The evaluation confirms that we have been successful in strengthening smallholder and indigenous people associations to participate in MSPs and L&A activities, liaising between smallholder associations and powerful industry associations. This confirms our strategy that enhancing participation is the first step to be heard. Solidaridad is very pleased with the general conclusion that our Advocacy for Change programme has made an important contribution to several systemic changes. The evaluator explicitly mentions our contribution to:

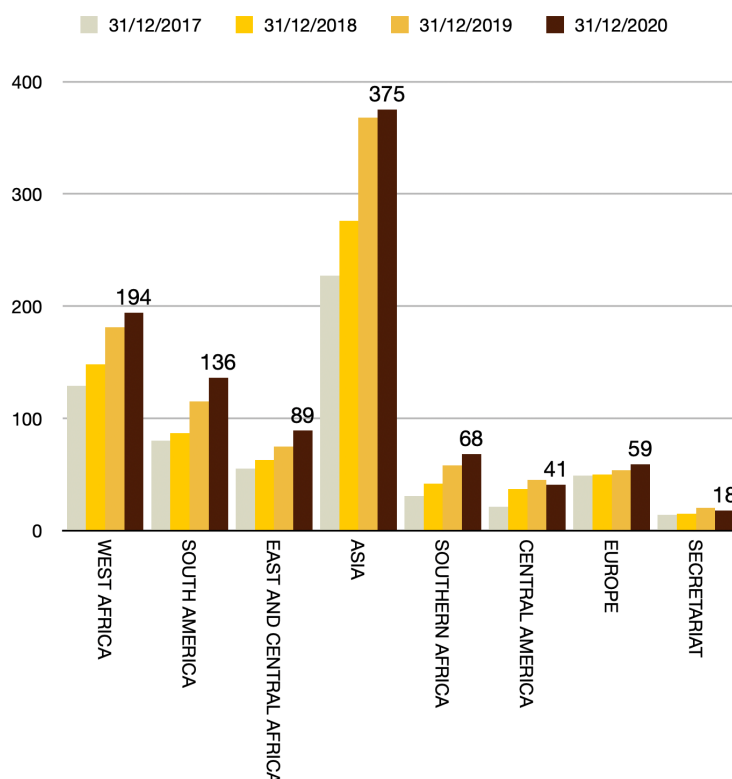
1. Improved service delivery, by public or private sector
2. Trust and dialogue between stakeholders
3. Coordination of and alignment between stakeholders
4. Strengthening of civic space, largely related to capacity building of CSOs and MSPs
5. More transparency / accountability of stakeholders, as well as reduced corruption
6. Shift of mindsets and norms

The evaluator concludes that the AfC programme has made an important contribution to the potential for sector transformation, especially when seen in combination with projects aimed at supporting Good Practices and projects aimed at Supportive Business Ecosystems. We are enormously encouraged by this finding, which so clearly reaffirms our theory of change that good practices and a supportive business ecosystem need to be supported by an enabling policy environment.

OUR PEOPLE IN 2020

Creating an economy that works for the poor starts with nurturing a network that is grounded on shared principles and operates seamlessly, as one. In 2020, we laid the foundation towards an even more coherent and interconnected network. A network in which regions have the independence and ability to innovate at each level, while interconnectedness pulls us together to strategically act as one.

The backbone of all our work remains the Solidaridad staff. Their knowledge, experience, and expertise are key to our success. The overall staff of Solidaridad in 2020 has grown by 70 people from 915 by the end of 2019 to 985 by the end of 2020. Thirty-four percent of Solidaridad staff is female and the overall population is quite diverse. Both our international supervisory board and our executive board have a 50/50 ratio in gender and are dominated by representatives from the global south.



Solidaridad believes in the strength of an interconnected organization, which is open for and has trust in the talent and knowledge of its staff. This is captured in our Human Resources strategy. As an entrepreneurial

network organization with an international, culturally diverse staff, sharing knowledge, experience, and expertise are key to our success.

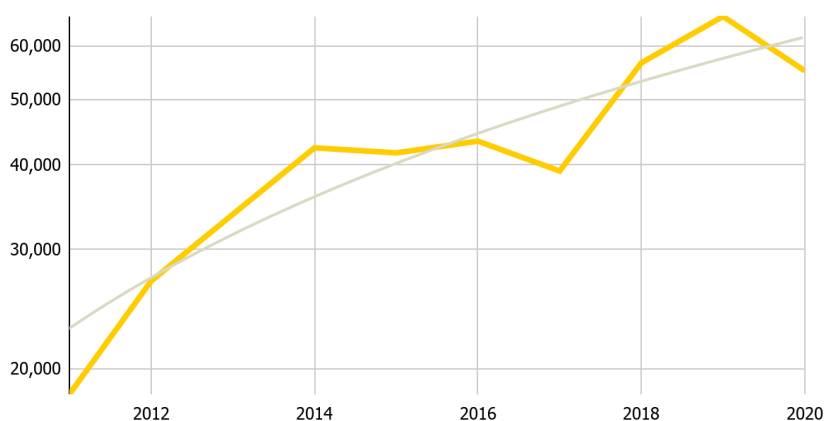
We also enhanced our HR policies and instruments. The policies supported the recruitment of new staff members, ensured all new employee agreements included our code of conduct and good practices and the whistleblower procedure, and refined onboarding.

In 2020, we renewed our system of integrity with an improved Code of Conduct and Whistleblower Protocol contributing to open communication, good decision making and a strong moral compass guiding decisions and actions. Next to the regional internal and external reporting channels already in place, an external party has been contracted that will provide a global online independent platform for reporting any kind of misconduct related to Solidaridad. In 2020 no reports about inappropriate behavior or breaches of integrity were reported.

OUR FINANCES IN 2020

The revenue of Solidaridad Network decreased with € 11.2 million from € 66.3 in 2019, to € 55.1 in 2020. The decrease is partly the result of the difficult circumstances around the Covid-19 virus. Fewer activities could be performed on projects and in addition to this, the signing of some contracts was postponed to 2021. We expect to recover from the temporary decrease and to continue on the growth path of previous years.

Aggregated income Solidaridad Network 2011-2020



Growth Solidaridad Network 2011-2020 (in € 1,000)

From the total revenue of € 55.1 million in 2020, € 34.4 million (63%) was generated by Solidaridad Europe. The three regional offices on the African continent generated € 13.5 million (24%) and Solidaridad Asia generated € 4.5 million (8%). The America's generated another € 2.7 million (5%).

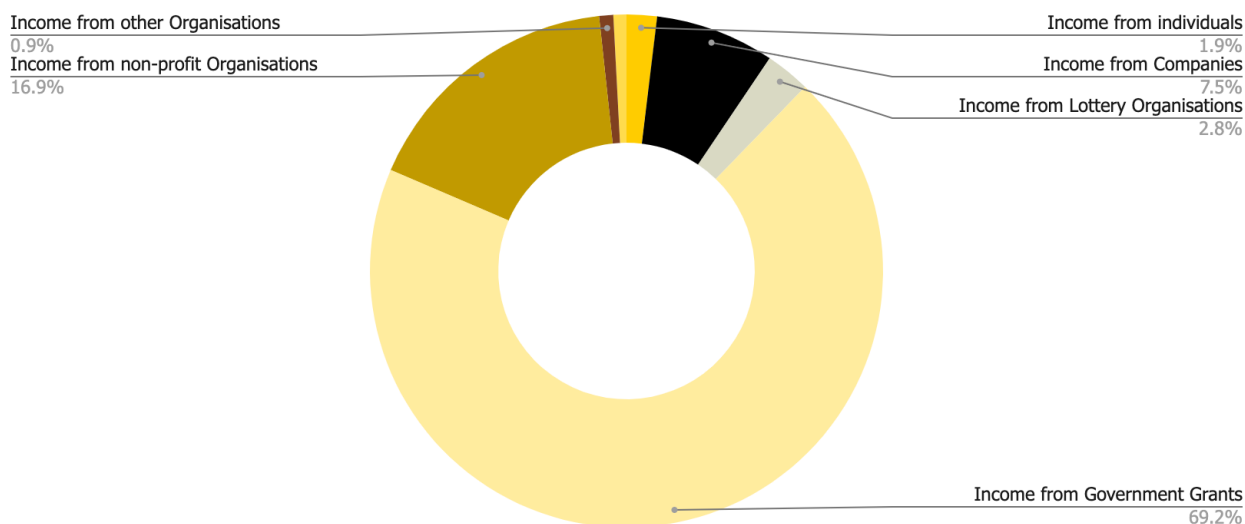
Aggregated Income 2020 Solidaridad Network

<i>in € 1.000</i>	2020	2020	2019
	actual	budget	actual
INCOME			
Solidaridad South America	1,827	2,259	2,569
Solidaridad Central America	589	1,004	729
Solidaridad West Africa	11,068	10,283	18,524
Solidaridad South Africa	595	401	375
 Solidaridad East & Central Africa	 1,787	 570	 1,745
Solidaridad Asia	4,527	5,683	5,256
Solidaridad Europe	34,369	34,648	36,734
Solidaridad North America	328	486	359
Estimated income in pipeline	0	9,666	0
TOTAL INCOME	55,090	65,000	66,290

The total revenue in 2020 came from the following sources:

<i>in € 1.000</i>	2020	2019
Income from individuals	1,045,269	1,578,517
Income from Companies	4,108,561	13,625,073
Income from Lottery Organisations	1,546,320	1,357,095
Income from Government Grants	37,706,102	33,675,883
Income from non-profit Organisations	9,880,639	14,891,582
Income from other Organisations	282,599	1,071,345
Other Income	520,777	88,640
Total Direct income	55,090,266	66,288,136

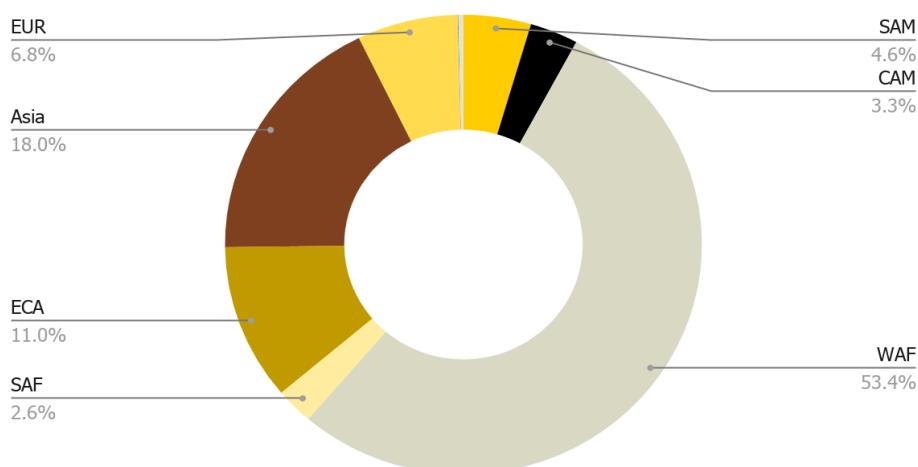
In 2020, a higher percentage of Solidaridad's income than in 2019 came from government Grants (68% in 2020 versus 55% in 2019). The governments of the Netherlands and Norway were the biggest contributors. Non-profit organisations (18%) and companies (8%) also contributed significantly.



Expenditure in own region 2020

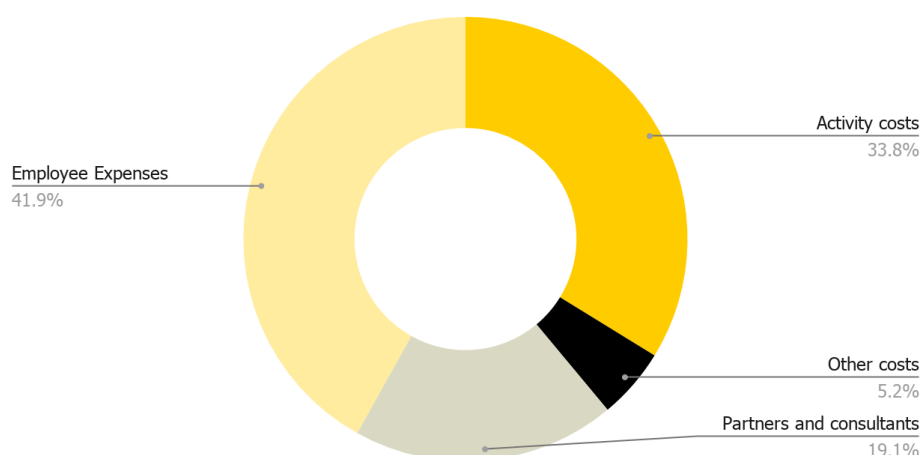
The total expenditure that was invested in the own regions amounted to € 50.8 million. This was spent for the largest part in West Africa (50%), Asia (16.8%) and East Africa (16.6%).

Direct expenditure 2020 per Region



For the biggest part, our expenses went to staff costs. Solidaridad's projects are mostly carried out by its own staff rather than by external partners and consultants. A little more than a third (36%) was spent on activity costs. This contains travel and accommodation costs, as well as other costs such as training costs related to our programs, benchmarks, and other materials that are needed for the execution of programs in the field.

Direct expenditure 2020 per category



RISKS AND UNCERTAINTIES

Solidaridad works in a complex and very dynamic environment, where our activities result in exposure to risks. In this environment, we remain aware of both ever-changing opportunities for creating value and the challenges that will occur in pursuit of that value. Solidaridad is not expected to just realize its strategic plan objectives, but is expected to work with greater accountability, transparency and efficiency.

The impact of the covid-19 crisis on public life and industry in the world is also having an impact on Solidaridad Network. Although the impact on the financial performance in 2020 is certainly there, the regional entities have been able to confine it by taking measures such as restructuring funds and budgets. We constantly review and observe our business activities and take measures where possible.

Between 2020-2022, we aim to further deepen our risk management framework and review our risk appetite. Our aim in the coming years is to adopt an explicit risk management policy for handling and reducing the identified risks and developing mitigation measures (policies, procedures and control checks). Indeed, we are further developing our internal control systems; control systems that will be intended to manage appropriately rather than eliminate risks, and to give reasonable rather than absolute assurance.

Overview of our main risks

Risks	Influence on results or activities	Mitigating measures
Changes in government or government's interest/policies.	Activities can be put on hold until the new government is in place and is as interested in our programmes.	<ul style="list-style-type: none"> - Work closely with government authorities at different levels. - Engage with new authorities after elections.

National and/or regional-level political crises (Honduras, Nicaragua, Eastern Africa)	Reduced participation of essential stakeholders, cancelling of events, reduced access to communities.	<ul style="list-style-type: none"> - Focus on strengthening partner relationships. - Maintain neutrality.
Fluctuating market conditions (low international commodity prices) create instability and an undesirable investment climate.	International prices may affect economic income and imbalances in crop profitability.	<ul style="list-style-type: none"> - Strengthen messaging and proof of business case to engage in continuous improvement processes guided by voluntary standards. - Promote diversification
Reputational damage resulting from misconduct of grassroots partner organisations.	Budget losses or decreased activities	<ul style="list-style-type: none"> - Code of Good Conduct and Practices endorsed by all our partner organisations. - Solidaridad has internal guidelines for non disclosure agreements (NDAs) and memoranda of understanding (MoUs) with companies.
Grassroot civic partner organizations may phase limited capacity to apply an effective or extensive internal control system and risk management framework.	Budget losses or decreased activities	<ul style="list-style-type: none"> - Solidaridad aims to enhance preventive activities, and monitor the different improvement initiatives on internal control, especially with respect to the pace of implementation and strengthening of the first three lines of defences. - External audit; policies, protocols and guidance ("fourth line of defense") . - Further development of our strategic partnership building framework.
Network Organization - Decentralized structure	Disassociation or disconnection	<ul style="list-style-type: none"> - Circular and interdependent management and governance network structure. - Close cooperation, strong team ('we') culture
Limited IT infrastructure for successful quality management	Poor data does not inform project progress and impact of our work	<ul style="list-style-type: none"> - Strong Finance and PMEL teams in all the Network support programme monitoring at the regional level. - Project Cycle Management procedure is widely used across the Network, and with project partners for standardized procedures on monitoring and evaluation
Credit fund risks- Cash and cash equivalent at financial institutions	Budget losses or decreased activities	<ul style="list-style-type: none"> - Cash balances, whenever possible, are held with banks that have a satisfactory credit risk rating. (equivalent or above A-). - Main deposits are held in hard currencies.

Covid-19 pandemic and global health and economic crisis	-Health impact on employees/partners/stakeholders -Discontinued or limited funding/Unpredictability	- Local response and individual support, adopted to the needs of the local communities. - The global covid-19 management team and the global quality teams closely monitor the situation and are equipped to develop response mechanisms wherever is needed.
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INTERNAL CONTROL

One way of managing risks and uncertainties is through the application of appropriate internal controls. Solidaridad Network commits to the principles of fairness and transparency for establishing an organizational culture that thrives on excellence, next to a robust organizational control and integrity strategy. All the independent financial statements of all the Network's organisations are audited externally, and outcomes are discussed with the management and the International or Continental Supervisory Board. As a learning organization, Solidaridad strives for continuous improvement and indeed some Solidaridad organisations are even certified to ISO 9001:2015. If something is not to anybody's satisfaction, Solidaridad would like to be informed about it. A complaints procedure is therefore part of our quality policy. The procedure can be requested by anybody by email or phone. And besides, we also refer to it in our contracts with all our employees and partners. The Solidaridad Code of Good Conduct and Practices is endorsed by almost everyone that has a contractual relationship with Solidaridad Network. There is also a protocol for inappropriate behavior, which includes procedures preventing undesirable behavior and procedures for involving internal or external counselors and the complaints procedure for employees. During 2018 Solidaridad set up policies throughout the network regarding Related Party Transactions and Ancillary Activities to increase its transparency. A whistleblower procedure has been in place as of 2017 and together with the Solidaridad Code of Good Conduct Code have been fully updated in the year 2020.

Enhancing transparency and accountability

In coming years, we aim to safeguard the implementation of our multi annual plan strategy (MASP III) by taking the steps below :

- Further define our global policy architecture, and build and implement effective internal control systems and strengthen our "second line of defence" . Safeguard our assets and funds, while ensuring that these assets and funds are used in furtherance of our strategic objectives.
- Develop a comprehensive risk management framework; identify our risks network- wide and manage these risks to enhance and sustain performance.
- Align risk management and control with our mandates and objectives, and their underlying functions and activities throughout the Network. Embed risk management in our decision-making process.

- Offer continuous support, training and strengthen oversight; provide the Network with a solid internal control framework (set of standards, processes, and structures).
- Encourage high levels of integrity in the workplace, while at the same time devise strategies to identify incidences of corruption or fraud and the corresponding disciplinary measures.

FINANCIAL STATEMENTS 2020 STICHTING SOLIDARIDAD NETWORK

(single, not consolidated)

BALANCE SHEET ON 31 DECEMBER 2020

(in Euros after allocation of surpluses)

Balance sheet				
	31-12-2020		31-12-2019	
ASSETS				
Intangible fixed assets	0		0	
Tangible fixed assets	65,632		69,699	
Financial fixed assets	846,000		834,000	
		911,632		903,699
Receivables, prepayments and accrued income	2,029,013		203,326	
Cash and bank balances	957,166		1,867,820	
		2,986,179		2,071,145
Total assets		3,897,811		2,974,844
LIABILITIES				
Solidaridad General reserve	2,239,891		1,672,468	
Solidaridad Innovation reserve	1,050,000		749,677	
		3,289,891		2,422,145
Long-term debts	0		0	
Short-term debts	607,920		552,699	
		607,920		552,699
Total liabilities		3,897,811		2,974,844

INCOME AND EXPENDITURE STATEMENT 2020

(in Euros)

	2020 Actual	2020 Budget	2019 Actual
INCOME			
Income Solidaridad entities (related organisations)	4,866,144	3,856,057	3,884,953
Other Income	0	0	0
Total income	4,866,144	3,856,057	3,884,953
EXPENDITURE			
Activity costs	61,799	256,808	270,515
Partners and consultants	697,180	432,229	177,005
Solidaridad staff costs	1,829,560	1,887,000	1,795,825
Other costs	190,212	494,774	208,388
Expenditure Solidaridad entities (related organisations)	1,227,588	923,946	520,651
Total expenditure	4,006,339	3,994,757	2,972,384
Result excluding Financial Income & Expenditure	859,805	-138,700	912,569
Result on Financial Income & Expenditure	7,941	0	14,212
RESULT	867,746	-138,700	926,781
Appropriation of the result			
Solidaridad General reserve	-182,254	-138,700	926,781
Solidaridad Innovation reserve	1,050,000	0	0
Result	867,746	-138,700	926,781

Appropriation of result

In anticipation of the approval of the financial report by the International Supervisory Board, the net result of € 867,746 has been added to the reserves.

CASH FLOW STATEMENT FOR 2020

(in Euros)

Cash flow statement					
		2020		2019	
Cash flow from operating activities					
Surplus / (shortage) from the income & expenditure statement		867,746		926,781	
Depreciation		36,368		40,139	
Changes in working capital:					
Short-term receivables		-1,825,687		321,614	
Short-term payables		55,221		-80,667	
			-866,353		1,207,867
Cash flow from investment activities					
(Des)investments in tangible fixed assets		-32,301		-11,641	
Changes in financial fixed assets		-12,000		-16,000	
Changes in stocks and shares		0		0	
			-44,301		-27,641
Cash flow from financing activities					
Changes in long-term debts		0		0	
			0		0
Total changes in cash flow			-910,654		1,180,226
Cash and bank balances					
Balance on 1 January		1,867,820		687,594	
Balance on 31 December		957,166		1,867,820	
Changes in cash and bank balances			-910,654		1,180,226

NOTES TO THE CASH FLOW STATEMENT

The cash flow statement has been drawn up using the indirect method. The indirect method establishes a clear link between the balance sheet and the income and expenditure statement, while it also helps us understand the sources of cash flow, and disclose the non-cash transactions (such as depreciation).

Cash flow from operating activities

At the end of 2020, the total cash flow from operating activities has been reduced by € 866,353. This is mostly due to the increase in the short term receivables in 2020, which are expected to be realized in the course of 2021.

Cash flow from investment activities

The movement in investments in tangible fixed assets and in financial fixed assets are limited. In 2020, a small office restructure increased the value of the tangible fixed assets, while the value of the long term loan to Solidaridad West Africa (total value at the end of 2020 : € 846.000) was increased by the value of the annual interest rate.

Cash and Bank balances

The cash and bank balances at the end of 2020 were € 957,166, which signals a movement of € 910,654 from the 2019 end year position.

GENERAL NOTES TO THE ACCOUNTS

Objective of the organisation and nature of the activities

These accounts represent the single, not consolidated financial statements of Stichting Solidaridad Network. Stichting Solidaridad Network was founded in 2011 and has its legal seat in Utrecht, the Netherlands. The foundation aims to support organisations in developing countries that systematically work to combat poverty. Solidaridad works throughout the whole supply chain to make sustainability the norm and ensure farmers, processors and workers have a living income, influence, and produce in balance with nature. The Network Secretariat fulfils several functions within Solidaridad's network organization; it facilitates network policy development and acts as a service centre for the eight regional offices. The Network Secretariat provides support related to Solidaridad's quality assurance systems, as well as maintaining standards for financial management, accountability and control, planning, monitoring and evaluation, ICT infrastructure and human resource management. It is also responsible for global communication, which includes managing the international website, developing communication guidelines, tools and standards for global branding. The Network Secretariat employs the Executive Director who works closely together with the Managing Directors of the regional expertise centers and is the chair of the Executive Board of Directors (EBoD).

Guidelines for annual reporting

The annual accounts of Stichting Solidaridad Network have been drawn up on the basis of Guideline 640 for Non-Profit Organisations which is part of the accounting standards produced by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

Foreign currency

Assets and liabilities denominated in foreign currency are translated at the fx rate prevailing on the balance sheet date. Differences between the fx rate on the date of transaction (contract date) and the fx rate on balance sheet date will be taken to the unrealised fx reserve in the balance sheet.

Income and expenditure is reported using the fx rate of the settlement date (date of receipt or payment). The difference between the fx rate on the date of transaction (contract date) and the settlement date will be taken to the realised fx reserve in the Income & Expenditure statement. Any remaining unrealised fx differences relating to the transaction will be removed.

Related parties

Income, expenditure and receivable or payable balances with related (Solidaridad) entities are disclosed under the relevant headers. Other than transactions with other Solidaridad entities, there were no transactions with related parties.

ACCOUNTING PRINCIPLES OF VALUATION AND DETERMINATION OF THE RESULT

Tangible fixed assets

The operating assets are valued at purchase price minus annual straight-line depreciation based on the expected useful economic life. Purchases made in the reporting year are depreciated from the date of purchase.

Financial fixed assets

Advance payments and loans are valued at their nominal value, taking into account any risk that they may not be collectable. Participations that do not enable Solidaridad to exercise a significant influence on commercial and financial policies are valued at purchase price after deducting exceptional depreciations where applicable.

Receivables

After initial recognition, the receivables are measured at amortised costs on the basis of the effective interest method. Gains and losses are recognised in the income statement through the amortisation process. Receivables are valued taking into account any risk that they may not be collectable.

Other assets and liabilities

All other items in the balance sheet are, after initial recognition, measured at amortised costs on the basis of the effective interest method. Gains and losses are recognised in the income statement through the amortisation process.

Income and expenditure

A distinction is made between restricted and unrestricted income. Restricted income is related to grants with conditions associated with it by the donor regarding the duration and/or purpose of the grant. If there are no restrictions, income is unrestricted. Examples of unrestricted income are inheritances, grants with no restriction in any form, income from campaigns or direct mailing and income from interest or investments.

Restricted income from grants is accounted for in the year to which it relates and to the extent that the grant has been utilised by the end of the financial year. (Portions of) received grants that are not utilised are shown on the balance sheet as liabilities (deferred income from grants). Utilised grants that are not yet received are shown on the balance sheet as assets (accrued income from grants).

Unrestricted income is recognised on a cash basis. If the income leads to a positive result for the year, the positive result will be added to the general reserves. Examples are income from campaigns, inheritances or grants with no restriction whatsoever.

Taxation

The annual accounts have been prepared under the assumption that the activities of Solidaridad Network Foundation are exempt from corporate income tax.

NOTES TO THE BALANCE SHEET

ASSETS

Tangible fixed assets

	Total	Buildings	Furniture & Fixtures	Computers	Equipment
AS AT 1 JANUARY 2020					
Cost	182,717	109,947	45,996	26,774	0
<u>Depreciation</u>	<u>113,018</u>	<u>67,071</u>	<u>25,039</u>	<u>20,909</u>	<u>0</u>
Book value as at 1 january	69,699	42,876	20,958	5,864	0
CHANGES IN BOOK VALUE					
Disposal (costs)	0	0	0	0	0
Disposal (depreciation)	0	0	0	0	0
Additions	32,301	0	19,701	5,074	7,526
<u>Depreciation</u>	<u>36,368</u>	<u>21,989</u>	<u>11,693</u>	<u>2,560</u>	<u>125</u>
Movement	-4,067	-21,989	8,008	2,513	7,401
AS AT 31 DECEMBER 2020					
Cost	215,018	109,947	65,697	31,847	7,526
<u>Depreciation</u>	<u>149,386</u>	<u>89,061</u>	<u>36,731</u>	<u>23,469</u>	<u>125</u>
As at 31 december 2020	65,632	20,886	28,966	8,378	7,401

The tangible fixed assets have been retained for our operations. The expected useful economic life per category is shown below:

	Useful economic life (in years)	Depreciation percentage
Buildings	5	20,0%
Furniture & fixtures	5	20,0%
Equipments	5	20,0%
Computers	3	33,3%

Financial fixed assets

		31-12-2020		31-12-2019
Loans to other RECs		846,000		834,000
Financial fixed assets		846,000		834,000

The loan has been given to Solidaridad West Africa, as a part of a multiannual loan agreement. The loan is meant to financially contribute to a construction project in Ghana initiated by Solidaridad West Africa. This loan is provided for the duration of five years against an interest rate of 2%. In 2020 the annual interest of € 12.000 has been added to the total value of the loan.

Receivables, Prepayments And Accrued Income

	31-12-2020		31-12-2019
Other prepaid expenditures	136,650		40,040
Receivables from related (Solidaridad) organisations	1,892,363		163,286
Total receivables, prepayments and accrued income	2,029,013		203,326

All intercompany receivables and all accrued income are due within one year, and they are expected to be realized in the course of 2021. The balances of intercompany receivables per related (Solidaridad) organisations are shown below :

Receivables from related (Solidaridad) organisations	31-12-2020		31-12-2019
Solidaridad Asia	0		7,856
Solidaridad Southern Africa	0		0
Solidaridad East and Central Africa	0		0
Solidaridad West Africa	439,214		20,068
Solidaridad South America	53,149		0
Solidaridad Central America	0		0
Solidaridad North America	0		5,702
Solidaridad Europe	1,400,000		129,660
Total receivables from related (Solidaridad) organisations	1,892,363		163,286

Cash and bank balances

	31-12-2020	31-12-2019
Current accounts	182,893	828,557
Savings accounts	774,273	1,039,263
Total cash and bank balance	957,166	1,867,820

The cash is free at the disposal of Stichting Solidaridad Network.

LIABILITIES

Reserves and Funds

	Total	Continuity reserve	Designated reserve	Solidaridad General reserve	Solidaridad Innovation fund
Balance on 1 January	2,422,145	1,672,468	749,677	0	0
Dotation (+)	3,472,145	0	0	2,422,145	1,050,000
Withdrawal (-)	2,604,399	1,672,468	749,677	182,254	0
Balance on 31 December	3,289,891	0	0	2,239,891	1,050,000

In 2020, the International Supervisory Board approved the merge of the two different available reserves; the continuity reserve and the designated reserve into a single Solidaridad general reserve. The general reserve ensures the Network Secretariat's sustainability prospects, and creates a flexible mechanism which facilitates the Solidaridad Network at large. Stichting Solidaridad Network bases itself on the concept of sustainable relationships with its partners and with its staff. The size of the general reserve is determined as the trade-off between the desirability of deploying as much as possible of our reserves for our objectives and the need to maintain a healthy financial basis for the future. The general reserve is intended to ensure that the Stichting Solidaridad Network can continue to meet its moral and other obligations.

The Executive Board of Directors of Solidaridad Network have prepared guidelines, which the Supervisory Boards have approved, stating that:

A reservation of resources is desirable for the continuity of the support given to the charity's goals; The continuity should be no more than 1.5 times the annual costs of maintaining the operational structure.

In 2020, a withdrawal of € 182,254 was made from the Solidaridad general reserve and at the end of 2020 the total amount was € 2,239,891.

The costs for maintaining the operational structure are defined as all costs except expenditures related to other Solidaridad entities, activity costs and costs for partners and consultants. The costs for maintaining

Stichting Solidaridad Network's operational structure in 2020 were € 2,019,772. At the end of 2020 the level of the general reserve is 1.1 times the level of costs needed to maintain the operational structure.

In 2020, the Solidaridad Innovation fund was created with a total value of € 1,050,000. This amount is according to the income realized for this purpose, and in line with the budget approved by the International Supervisory Board. The Solidaridad Innovation reserve intends to finance innovation track teams that work on global solutions in line with the Solidaridad Network innovation strategy in MASP III (2021-2025) .

Short term debts

All short term debts are due within one year, and they are expected to be realized in 2020.

	31-12-2020	31-12-2019
Deferred income from related (Solidaridad) organisations	0	264,377
Accrued salary payables	355,100	196,585
Other creditors & accrued liabilities	176,218	75,453
Payables to related (Solidaridad) organisations	76,602	16,284
Total short term debts	607,920	552,699

The accrued salary payables consist of the social securities for the payroll of December 2020 (payable in January 2021), the provision for employees' paid leave not taken (up until the end of 2020) and the reserve for the employees' holiday allowance (payable in May 2021). The total accrued salaries payable is increased in 2020 compared to 2019, mostly due to the increased provisions regarding paid leave not taken.

The other creditors & accrued liabilities consist of mostly the reserve for the audit expenses for 2021, and other payables to suppliers that are expected to be realized and fully paid in the course of 2021.

The payables to related (Solidaridad) organisations are shown below :

Payables to related (Solidaridad) organisations	31-12-2020	31-12-2019
Solidaridad Asia	75,000	3,284
Solidaridad Southern Africa	0	0
Solidaridad East and Central Africa	0	0
Solidaridad West Africa	0	9,000
Solidaridad South America	1,602	0
Solidaridad Central America	0	0
Solidaridad North America	0	4,000
Solidaridad Europe	0	0
Total payables to related (Solidaridad) organisations	76,602	16,284

Contingent liabilities and conditional rights

Rental Contract

Stichting Solidaridad Network has entered into a five-year rental contract for the rental of the ground floor of 't Goylaan 15 in Utrecht per 1 August 2016. On the first of May 2018 the duration of the contract was extended to 30 April 2028. The rental costs are indexed annually based on the consumer price index. The annual rent obligation is approximately € 40,000.

Other liabilities

Stichting Solidaridad Network has entered into a three-year contract with Salesforce (SFDC Ireland Limited) for the purchase of licence fees. The agreement came into effect on January 1 2021 and the fixed annual obligation resulting from this is approximately € 92,000.

Stichting Solidaridad Network has entered into a three-year contract with FinancialForce (Financial Force UK Limited) for the purchase of licence fees for a cloud-based accounting application which is built on the Salesforce platform. The contract comes into effect on 31 January 2021 and the fixed annual obligation resulting from this is approximately € 66,690.

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

INCOME

Income from related (Solidaridad) organisations

Stichting Solidaridad Network does not agree contracts with donors by itself; it receives contributions from other Solidaridad offices worldwide to achieve joint goals. In 2020, the income has increased considerably, due mostly to the fact that Stichting Solidaridad Network is coordinating global projects on behalf of Solidaridad Network. In 2020 there was a specific focus on improving the Network's IT infrastructure and further professionalizing the global IT operations.

The breakdown is as follows:

	Income 2020		Income 2019
Income from related (Solidaridad) entities			
Solidaridad Asia	106,226		153,074
Solidaridad Southern Africa	3,670		11,856
Solidaridad East and Central Africa	27,074		18,249
Solidaridad West Africa	364,948		321,410
Solidaridad South America	36,360		142,053
Solidaridad Central America	13,079		21,572
Solidaridad North America	16,896		0
Solidaridad Europe	4,297,891		3,216,739
Total	4,866,144		3,884,953

EXPENDITURE

Activity costs

	2020		2019
Travel and living expenses	60,964		254,774
Other activity costs	835		15,741
Total activity costs	61,799		270,515

The activity costs are mostly related to the employees travel and commuting expenses. Due to the covid-19 pandemic, the travel and movement of the staff members remained limited in the year 2020 and thus the decrease in expenditure compared to 2019.

Partners and consultants

	2020	2019
IT Consultancy	87,870	18,185
Other advisory costs	609,310	158,820
Total partner and consultant costs	697,180	177,005

The expenses for partners and consultants were increased in 2020 compared to the year before. This is due to the intensification of activities of the projects related to the digital transformation in 2020. Indeed, in 2020 there was focus on improving the Network's IT infrastructure and further professionalizing the global IT operations.

Solidaridad staff costs

	2020	2020	2019
	actual	budget	actual
Gross salaries	1,219,602	1,302,500	1,154,131
Social premiums	159,237	205,144	156,569
Pension costs	191,986	250,731	173,640
Other staff costs	258,735	128,625	311,485
Total Solidaridad staff costs	1,829,560	1,887,000	1,795,825

The total staff costs were 3% below the approved budget for 2020. The total staff costs in 2020 have only slightly increased compared to 2019 (2%).

At the end of the year 2020 the number of staff members employed by Stichting Solidaridad Network, expressed as full-time equivalents (FTEs) was 15.01 (2019: 15.90).

Between 1 January and 31 December 2020 two (2) new employees joined and three (3) employees left, adding up to a total number of 16 employees on 31 December 2020. The division between male and female is as follows: 50% female employees and 50% male employees.

In accordance with Solidaridad's statutes, the members of the Supervisory Boards of Solidaridad receive no remuneration of any kind.

Pension costs

Solidaridad Network Foundation has a service agreement with Centraal Beheer APF for a defined contribution pension scheme for its employees. Paid and to be paid premiums during 2020 have been charged to the income & expenditure statement.

Remuneration of the director

On May 1 2019 Nico Roozen handed over his responsibilities to Jeroen Douglas, who was nominated by the International Supervisory Board as the new Executive Director of Stichting Solidaridad Network. The composition of the salary of the Executive Directors in 2019 and 2020 is explained below.

Year	2020		2019	
Executive Director	Jeroen Douglas		Nico Roozen	Jeroen Douglas
Period	January-December		January- August	May-December
Employment contract	Permanent		Permanent	Permanent
Hours	36		36	36
Percentage of full time	100		100	100
Salary including 13th month and holiday pay	124,731		84,966	84,019
Employers pension contribution	23,799		24,347	12,770
Gross salary to the Executive Director	148,530		109,313	96,788
Employer social security contribution	10,142		6,607	7,300
Total salary costs to the organisation	158,672		115,920	104,088

Other costs

	2020		2019
Audit & Legal fees	27,290		18,082
Depreciation costs	36,367		40,138
Communication costs	8,087		15,069
Office and general costs	118,468		135,098
Total other costs	190,212		208,388

The other or operational costs were slightly decreased in 2020 (-9%) compared to the previous year. Apart from the audit and legal fees that were increased, all the other cost categories were slightly decreased in the year 2020 mostly due to the effect of the covid-19 pandemic.

Expenditures related (Solidaridad) entities

	2020		2019
Solidaridad Asia	163,000		10,779
Solidaridad Southern Africa	213,500		130,000
Solidaridad East and Central Africa	119,500		78,000
Solidaridad West Africa	0		9,000
Solidaridad South America	0		13,735
Solidaridad Central America	275,761		129,837
Solidaridad North America	350,000		4,000
Solidaridad Europe	105,827		145,300
Total expenditure to related (Solidaridad) entities	1,227,588		520,651

Solidaridad related organisations that are in the start-up phase sometimes have insufficient unrestricted funds to cover their operational expenditure. For these organizations, budgetary support is available for a restricted period of time. In 2020 Stichting Solidaridad Network has indeed supported Solidaridad related entities in the following regions : Solidaridad Asia- Japan (€ 150,000), Solidaridad Southern Africa (€ 150,000), Solidaridad Central America (€ 200,000), and Solidaridad North America (€ 250,000).

All the other expenditures to related organisations are the result of our close cooperation with all our different entities across the world; in 2020 we tried to employ to the fullest our internal capacity in the Solidaridad Network.

Financial income and expenditure

	2020		2019
Interest income (expense) on bank accounts	-4,059		-1,788
Interest income (expense) on short term investments	0		0
Interest income (expense) on long term investments	12,000		16,000
Total financial income and expenditure	7,941		14,212

The interest income on long term investments is the realized income according to the loan agreement with Solidaridad West Africa (see financial fixed assets). The interest expense was charged directly to the bank accounts of Stichting Solidaridad Network in 2020.

OTHER INFORMATION

Appropriation of result

In anticipation of the approval of the financial report by the International Supervisory Board, the net result of € 867,746 has been added to the reserves.

Signing

The Executive Director of Solidaridad Network Foundation, Jeroen Douglas, has adopted this financial report by signing it on the 26st of June 2021.



Jeroen Douglas,
Executive Director of Solidaridad Network

The International Supervisory Board (ISB) has provided its consent to this financial report by signing it on the 26st of June 2021.

Marian Dao Gabala
Chair International Supervisory Board

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To: the management and supervisory board of Stichting Solidaridad Network
in Utrecht, the Netherlands.

A. Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Stichting Solidaridad Network based in Utrecht, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Solidaridad Network as at 31 December 2020 and of its result for 2020 in accordance with the Guidelines for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2020;
2. income and expenditure statement for 2020; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

B. 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 Management Report.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

Dubois & Co. Registeraccountants is een maatschap van praktijkvennootschappen. Op alle opdrachten die aan ons kantoor worden verstrekt zijn onze algemene voorwaarden van toepassing. Deze voorwaarden, waarvan de tekst is opgenomen op de website www.dubois.nl, bevatten een aansprakelijkheidsbeperking.

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

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the Management Report, in accordance with the Guidelines for annual reporting 640 “Not-for-profit organisations” of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of management and supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting 640 “Not-for-profit organisations” of the Dutch Accounting Standards Board,. Furthermore, management is responsible for such internal control as management 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, management is responsible for assessing the organisation’s ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to dissolve the foundation or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the organisation’s ability to continue as a going concern in the financial statements.

The supervisory board is responsible for monitoring the financial reporting process of the organisation.

Our responsibilities for the audit of the financial statements

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

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.



Our audit included e.g.:

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

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Amsterdam, 1 July 2021

Dubois & Co. Registeraccountants

A.P. Buteijn RA