



Bernard
van Leer
FOUNDATION

Annual report 2022



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Management Report

Management for Stichting Bernard van Leer Foundation (“the Foundation”) hereby presents its management report for the fiscal year ended 31 December 2022.

General information

Founded in 1949, the Bernard van Leer Foundation focused in 1965 on working worldwide to ensure that babies, toddlers, and the people who care for them have a good start in life. Our mission is to improve opportunities for all young children, especially the millions of young children growing up in circumstances of socio, economic and environmental disadvantage around the world.

After five decades of investing in early childhood development, we believe the major challenge is the transition to scale. By working together with governments, civil society, philanthropy, academia, international organisations, and business, we find the best programmes and policies to improve children’s lives. We partner with them by providing funding, expertise, networks, and support to scale these up for maximum impact.

Our strategy for the period 2020 till 2023 is focused with the goal of investing to scale in programmes and policies in three strategic areas:

Parents +: Combining caregiving training for parents with at least one service that meets families’ basic needs. This can be an efficient way to achieve scale and improve the effectiveness of both the coaching activities and the underlying service with which the coaching is combined.

Urban95: Bringing a focus on babies, toddlers and caregivers into the cross-sectoral planning, design, and management of cities to improve access to quality services, sustainable mobility, and good public space.

Early years thought leadership: offering knowledge and support to individuals working to serve babies, toddlers, and their caregivers, by sharing research, promoting inspirational ideas on how to scale-up initiatives, and bringing people together to build a network of leaders and champions.

In all these areas of work we provide funding and support for a diverse range of partners to implement promising solutions in practice. We aim for system-level change, strengthening the leadership, skills, capacity and will need to mobilise action at scale. We believe in universal policies and programmes that cater to all young children, while also going the extra mile to ensure that the most disadvantaged get the support they need.

The Foundation has activities in Brazil, Israel, India, Jordan, and the Netherlands (portfolio countries) – where we develop long-term partnerships. Our on-the-ground teams work closely with local and national government and administrators, civil society, NGOs (Non-Governmental Organisations), communities and others to refine the most promising early years innovations. In addition, we also work in various other select locations. We also provide technical and financial support to strategic partners outside our portfolio countries to expand and impact our learnings in robust Early Childhood Development (ECD) policy and programmes beyond our core countries. By learning and sharing knowledge across borders and disciplines, we can truly grow the impact of our work and reach many more children globally.

One of the most significant developments of the year was the diminished COVID risks in many of the regions where we operate. Thanks to the successful rollout of vaccines and continued adherence to public health guidelines, we were able to resume many of our programs and activities that were delayed

in 2021. In particular, we are grateful for the tireless efforts of healthcare professionals and essential workers who made this possible.

We embarked on several new big projects in 2022. In Jordan, we initiated a national-scale early childhood model with Plan International (EUR 1,500,000). We partnered with Samenwerkende Gezondheidsfondsen in the Netherlands to launch a campaign with the goal of influencing caregiver behaviour for healthy future generations (EUR 607,500) and the Ministry of Health in Israel to strengthen the capacity of nurses to better support parents (EUR 585,550). We also launched an executive education course in behavioral sciences at INSEAD to support existing partners (EUR 437,836). We continued to strengthen our partnerships with local organizations, national, state and local governments, and other stakeholders, which have been instrumental in serving the most disadvantaged.

The Foundation team also initiated a strategic planning and review process to help finalize our strategy for the next five years (2024-28). We recognize the importance of staying nimble and responsive to the evolving needs of the society we serve, and we believe that the review and the new strategy will help us to do just that.

Financial summary 2022 – overview budget and actual (in EUR)

	Budget 2022	Actual 2022	Budget 2023
Income			
Van Leer Group Foundation	19,646,000	19,646,000	21,583,000
Other income	0	0	0
Interest	0	0	0
Total income	19,646,000	19,646,000	21,583,000
Expenditure			
Total grants and Foundation-managed projects	16,149,662	15,482,403	16,806,000
Returned project funds	0	-26,862	0
Currency difference	0	55,669	0
Cancellation previous years	0	-208,012	0
Operating expenses	4,401,000	4,543,347	5,027,000
Non Operating (gains)/losses	0	898	0
Total expenditure	20,550,662	19,847,443	21,833,000
Net Result	-904,662	-201,443	-250,000
Capital and reserves			
Foundation capital	453,780	453,780	453,780
General reserve	1,281,385	1,281,385	1,079,942
Net Result	-904,662	-201,443	-250,000
Total capital and reserves	830,503	1,533,722	1,283,722

Despite a challenging inflationary environment in 2022, operating expenses remained under control, with overspend of 3.2% compared to budget of EUR 4,401,000. Total grants and Foundation managed projects remained underspent compared to budget by EUR 667,259 due to a project to the value of EUR 437,836 falling to 2023. These upspent funds are recognised within reserves (EUR 1,079,942) and made available to increase the total grant and Foundation managed projects in 2023. The foundation undertook four large projects above EUR 500,000 with Plan International (EUR 1,500,000), Samenwerkende Gezondheidsfondsen (EUR 607,500), Lotem (EUR 571,097) and Rockerfeller Philantropy Advisors (EUR 520,682).

The Foundation presents negative results over 2022 and the capital and reserves are positive as of 31

December 2022. Referring to the financial performance indicators outlined below, the solvability in 2022 amounts to 8.7% as at 31 December 2022 (2021: 6.3%). The liquidity ratio calculated as 127% (2021: 133%) gives an indication of financial health of the overall organisation as being good.

	2022	2021
Financial performance indicators		
Operating result	-201,443	302,739
Cash flow operating activities	-215,359	-2,727,350
Cash flow investing activities	-34,930	-19,987
Net cash flow	-250,288	-2,747,337

Management of risks and uncertainties

The Foundation is actively managing risk and control environments across its systems, geographic locations, partners, political environments, staff, and processes. In 2022, the Foundation undertook additional work to adapt the COSO model (2013) as a tool to continually assess the effectiveness of control and provide guidance to identify and analyse risk and develop appropriate responses to risk. The Foundation also focused on grant due diligence and instalment disbursement as well as financial and banking risks and key controls with the appointment of the function of controller to the staff to continually assess the effectiveness of a system of control and identify and eliminate redundant controls to ensure the organisation remains within its tolerances of a low-risk organisation. Additional risk related measures are highlighted under the section financial instruments (page 20).

The Bernard van Leer Foundation has also put in place a variety of measures to manage financial risk across its operations. Broadly speaking, these can be separated into measures taken to manage the risk of fraud, FX (exchange rate) risk and the risk of volatility in our income. The foundation does not foresee any critical uncertainties related to strategic or financial risks. The foundation through its relationship with the Van Leer Group Foundation, bound by its statutes, common board, management and excellent solvency does not foresee any critical uncertainty related to (financial) liquidity or strategic risks. The Foundation has taken appropriate operational activities to manage IT (cyber), human resource and legal risks that may arise in the various contexts in which it operates.

The Foundation has robust policies in place to reduce or manage instances of risk relating to code of conduct, whistle blowing and safeguarding of all our stakeholders.

Managing risk of fraud and non-compliance with laws and regulations

Externally, the risk of fraud is linked mainly to grant making activities. We manage this risk through our partner selection and grant approval process and through our monitoring of existing grants.

With respect to partner selection, prior to making grants we assess the potential grantee. This process includes collecting a series of standard documents about the organisation including its legal registration, its last annual report, and an audited financial statement.

Our staff will have multiple conversations with the potential partner and with other funders who have supported the partner, through which we seek to ascertain – among other items – the organisation’s record of accomplishment and capacity for financial management. Normally, our staff will also make at least one visit to the organisation to see its activities in person.

Any risks identified during this process are included in documentation about the partner, the grant proposal or both. Non-compliance with laws and regulations is first discussed with the partner to understand a pathway towards compliance, and depending on severity of failure legal or contract termination actions are possible. All grant proposals must be approved by the Chief Executive Officer and at least one other member of senior management.

In cases where we identify significant risks related to the partner’s governance capacity or capacity for financial management, or where the Foundation is the major investor (or one of the major investors) in a largescale initiative, we may negotiate an active role in the governance structure and/or allocate some funds to help build the partner’s governance and management capacity.

During project implementation, our staff will interact with the partner through regular conversations and correspondence and will normally conduct multiple site visits. The partner will submit an agreed set

of documents tied to each financial disbursement, covering progress in the project activities and financial reporting. On an annual basis, we request audited financial reports for the project and/or for the organisation overall. During this process, our staff will discuss any concerns with the partner. In cases where we suspect there may be fraud, we will investigate and – if deemed appropriate – speak with other funders of the organisation. Where we are confident fraud has taken place, we will inform other funders of our concerns and may pursue legal action.

Internally, the risk of financial fraud being committed by Foundation staff is mitigated by requiring approvals for all financial transactions from multiple staff members according to an assigned authority scheme. At the time of payment, payment details are entered to the bank system by a member of the financial department not involved in the original approval process, and approved for payment by one of three members of senior management who are authorised to approve payments.

Managing FX risk

As a general policy, we make financial commitments in euros, which is the currency in which we receive our income. While there are some exceptions, this policy is implemented in the majority of commitments.

Any exceptions must be approved by the Chief Executive Officer and the Chief Financial Officer. This policy reduces the risk that outstanding commitments will grow relative to our income because of changes in FX.

When a partner loses a sizable portion of the original commitment in their local currency because of FX changes (normally more than 5%) they can apply for a technical supplementary grant in which they must explain the effect of this loss on the project's activities. This allows the Foundation to mitigate the impact of FX on project activities on a case-by-case basis. In cases where the Foundation makes a supplementary grant, this is counted as an additional commitment in euros. Supplementary grants are normally given late in the project to avoid further FX risk.

Managing volatility in our income

The Foundation depends exclusively on the Van Leer Group Foundation for its income.

This source of income is considered secure because the Van Leer Group Board of Trustees has fiduciary responsibility for all the Van Leer Group activities including both the Van Leer Group Foundation and the Bernard van Leer Foundation. Moreover – enshrined in the by-laws of the Van Leer Group Foundation – there is a standing commitment to financially support the activities of the Bernard van Leer Foundation.

Furthermore, the Van Leer Group Foundation has adopted an investment and spending policy that aims to prevent major, sudden reductions in budget. This is done by using the moving average over three years of the Net Asset Value (as opposed to only the current year) as the basis for calculating the level of resources available for charitable spending.

Finally, were the Board to decide to reduce annual levels of support to the Bernard van Leer Foundation, the Van Leer Group Foundation would still have a liability to the Bernard van Leer Foundation sufficient to meet all outstanding commitments. In this scenario, the cuts would need to be managed by reducing the level of new commitments and/or annual operating expenses.

Were the Board to decide to end financial support to the Bernard van Leer Foundation, the Van Leer Group Foundation's liability to the Bernard van Leer Foundation would allow it to meet all outstanding commitments and provide a minimum of six months of funding for operational expenses to allow time for an organised process of closure.

Executive compensation policy

Compensation for employees of the Bernard van Leer Foundation is indexed against a remuneration benchmark, undertaken by Korn Ferry, an international organisation specialised in Human Resources and market compensation. The remuneration philosophy reflects the desire to encourage learning and professional development and has a system that is simple to understand and easy to execute, including providing clarity on upward mobility, eliminating continued negotiation on compensation, and that is financially sustainable over time.

International employees receive an additional percentage allowance to maintain a competitive position in the international labour market.

Every year on 1 January salaries and performance are reviewed. Salary changes may consist of two elements: index and merit. Application of the index or cost of living (CoL) increase is at the discretion of the Chief Executive Officer. If the Chief Executive Officer decides to apply the CoL, the index is applied to the salary scales per 1 January of the year. For the index increase the “not derived inflation rate” (niet afgeleide prijsindexcijfer) for all households in the Netherlands as established by the CBS (Centraal Bureau voor de Statistiek – Central Bureau of Statistics) is considered.

The level of a merit increase results from a two-step performance appraisal process. Employees and their supervisors together develop a work plan and agree upon outcomes at the beginning of each year. A mid-term review is conducted in the summer period and a final appraisal at the end of the year. Employees whose performance is satisfactory warrant a merit increase which is expressed in salary steps. The number of steps depends on the result of the annual performance appraisal.

In periods of financial instability out-of-policy decisions can be taken by the Chief Executive Officer to hold salaries flat

Staff and Board of Trustees

The Chief Executive Officer reports to the Board of Trustees. The Bernard van Leer Foundation executive team includes Michael Feigelson (CEO), Rushda Majeed (Chief Programme Officer) and Neil van der Meer (Chief Financial Officer). The Foundation is comprised of a Programmatic unit reporting to the CPO (24.5 FTE), a Finance and Operational unit reporting to the CFO (5 FTE) and two units reporting directly to the CEO, the communications unit (3 FTE) and the People & Culture unit (2.2 FTE).

The Van Leer Group performs the holding function for all the Van Leer charitable activities and as such supervises its investment portfolio and the governance of its charitable activities. This includes overseeing our work at the Bernard van Leer Foundation to help all children get a good start in life.

The Board of Trustees members in alphabetical order include Yarom Ariav, Wim Borgdorff, Nanno Kleiterp, Eloy Lindeijer, Ory Okolloh, Faye Twersky, Ngaire Woods and Sam Worthington. The Board of Trustees has fiduciary responsibility for all the Van Leer Group activities. It appoints its own members, who serve a maximum of three 3-year terms. The board undertakes an annual internal review and reflection of its performance and has appointed from within its body an Investment Committee and Audit Committee that meet at least three times per year.

Information concerning application of code of conduct

In 2016, the Foundation introduced a code of conduct for all employees. Management continues to have several meetings per year with both all staff and individuals covering code of conduct as well as whistleblowing within the organization. The code of conduct and whistleblower policies are also structurally included as part of the onboarding process of new employees. Management is required to report three times per year to the Board of Trustees via the Audit Committee on all code of conduct related items and whistleblower reports.

Outlook 2023

The total approved income from the Van Leer Group Foundation for 2023 amounts to EUR 21,583,000 with expected total capital reserves of EUR 1,283,722 at the end of the year. The operating budget adopted for 2023 assumes upward pressure of inflation and more challenges in funding an effective operation compared to 2022. The Foundation continues to be prudent in its planning for a net positive reserve at the end of 2023 to ensure sufficient funds for impacts of the strategy change, unforeseen changes in an uncertain environment and, expected income drop in 2025 should investment return at the Van Leer Foundation be adversely affected in a recessionary investment climate. Legally bound by its statutes, the financial stability of the Bernard van Leer Foundation remains guaranteed by the good financial position and guarantees of the Van Leer Group Foundation.

The Foundation does not trade in financial derivatives, and has limited exposure to credit risk, currency risk, cash flow risk, interest rate risk, price risk and liquidity risk.

Approval of Financial Statement

Legal address: The Hague, 21 June 2023

Bernard van Leer Foundation CEO: Michael Feigelson

Board members (in alphabetical order): Yarom Ariav, Wim Borgdorff, Nanno Kleiterp, Eloy Lindeijer, Ory Okolloh, Faye Twersky, Ngaire Woods, Sam Worthington.

Financial Statements

Balance sheet as of 31 December 2022 (in EUR)

(before appropriation of result)

	Notes	2022	2021
ASSETS			
Fixed assets			
Intangible fixed assets	1	29,254	40,955
Tangible fixed assets	1	60,765	73,695
		90,019	114,650
Current assets			
Current account Van Leer Group Foundation	2	17,119,982	19,825,328
Other receivables	3	180,252	78,013
		17,300,234	19,903,341
Cash and cash equivalents			
Cash and bank	4	181,566	431,854
		181,566	431,854
Total assets		17,571,819	20,449,845
Capital and reserves			
Foundation capital	5	453,780	453,780
General reserve	6	1,281,385	978,646
Result of year		-201,443	302,739
		1,533,722	1,735,165
LIABILITIES			
Non-current liabilities			
Grants payable and Foundation-managed projects	7	2,399,083	3,763,515
Current liabilities			
Grants payable and Foundation-managed projects	7	13,247,414	14,301,286
Creditors	8	208,945	179,643
Accrued liabilities	9	182,655	470,236
		16,038,097	18,714,680

Total liabilities		17,571,819	20,449,845
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Statement of income and expenditure for the year 2022 (in EUR)

	Notes	Budget 2022	Actual 2022	Actual 2021
INCOME				
Van Leer Group Foundation	A	19,646,000	19,646,000	18,534,014
Interest	B	0	0	0
Total income		19,646,000	19,646,000	18,534,014
EXPENDITURE				
Grants	C	16,149,662	12,285,755	12,490,676
Grants cancelled	C	0	-208,012	-383,495
Foundation-managed projects	D	0	3,252,317	2,437,919
Returned project funds	E	0	-26,862	-46,124
Total activities		16,149,662	15,303,198	14,498,976
Personnel operating expenses	F	3,292,000	3,538,612	3,091,118
Depreciation	F	95,000	59,562	56,267
Other operating expenses	F	1,014,000	945,173	576,786
Total organisation		4,401,000	4,543,347	3,724,171
Interest charges	G	0	-898	-8,128
Result		-904,662	-201,443	302,739
Appropriation of result				
Added to/ (deducted from) General reserve	H		-201,443	302,739
Total			-201,443	302,739

Cash flow statement for the year 2022 (in EUR)

		2022	2021
Cash flow from operating activities			
Net result		-201,443	302,739
Adjustments for:			
Depreciation of tangible fixed assets		37,948	29,027
Depreciation of intangible fixed assets		21,614	27,240
Change in liabilities	-2,676,583	-1,023,075	
Change in current assets	2,603,106	-2,063,281	
		-73,477	-3,086,356
		<hr/>	<hr/>
Cash flow from operating activities	A	-215,358	-2,727,350
		<hr/>	<hr/>
Cash flow from investment activities			
Purchases of fixed assets		-34,930	-14,542
Assets under construction		0	-5,445
Fixed assets adjustments		0	0
		<hr/>	<hr/>
Cash flow from investment activities	B	-34,930	-19,987
		<hr/>	<hr/>
Cash flow from financing activities	C	0	0
		<hr/>	<hr/>
Change in Cash and Bank (A+B+C)		-250,288	-2,747,337
Balance cash and bank 1 January		431,854	3,179,191
Balance cash and bank 31 December		181,566	431,854
		<hr/>	<hr/>
		-250,288	-2,747,337
		<hr/>	<hr/>

Notes to the financial statements

General

Bernard van Leer Foundation is a registered Foundation with the Chamber of Commerce (KvK nr. 41197262) and was established in 1949. Its statutory location is in The Hague, the Netherlands. Visiting address: Lange Houtstraat 2, 2511 CW.

Financial reporting period

The financial statements cover the year 2022, which ended at the balance sheet date of 31 December 2022. The comparative figures cover the year 2021, which ended at the balance sheet date of 31 December 2021.

Activities

The mission of the Bernard van Leer Foundation is to improve opportunities for children up to age 8 who are growing up in socially and economically difficult circumstances. We see this both as a valuable end and as a long-term means to promoting more cohesive, considerate, and creative societies with equal opportunities and rights for all.

Basis for preparation

The financial statements of the Bernard van Leer Foundation are prepared in conformity with general accounting principles accepted in the Netherlands and the guidelines for annual reporting in the Netherlands as issued by the Dutch Accounting Standards Board, in particular guideline 640 "Not-for-profit organisations".

Going concern

The financial statements have been prepared based on the going concern assumption. No going concerns risks have been identified by management.

Accounting policies

General

The financial statements are presented in euros ("EUR"), which is the Foundation's functional currency. All amounts have been rounded to the nearest euro. Unless stated otherwise, assets and liabilities are carried at nominal value. An asset is disclosed in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the value can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability. Income is recognised in the statement of income and expenditure when an increase in future economic potential related to an increase in an asset or a decrease in a liability has arisen, the size of which can be measured with sufficient reliability. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or increase in a liability has arisen, the size of which can be measured with sufficient reliability. If a transaction results in a transfer of all or all future economic benefits and all or almost all risks relating to assets or liabilities to a third party, the asset or liability is no longer included on the balance sheet. Assets and liabilities are not included on the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability. Income and expenses are allocated to the period to which they

relate.

Transactions in foreign currencies

Transactions denominated in foreign currency are translated into the relevant functional currency at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are recognised in the statement of income and expenditure in the period in which they arise, except for exchange differences on monetary items that are part of a net investment in a foreign operation. Non-monetary assets and liabilities denominated in foreign currency that are stated at historical cost are translated into euros at the exchange rates applying on the transaction date.

Financial instruments

These financial statements contain the following financial instruments: loans granted and other receivables, current liabilities, and other financial commitments. The Foundation has no derivative financial instruments embedded in contracts. The accounting policies of the financial instruments are discussed at the relevant balance sheet item and loans registered as gross amounts. 104 | Bernard van Leer Foundation Assets and liabilities are measured at nominal value, unless otherwise measured in the further principles. An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Foundation and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets. A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Foundation. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities. An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a meaningful change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are considered. The benefits and risks that are not expected to occur, are not taken in to account in this assessment. An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, considering any provisions related to the transaction.

Using estimates and judgements

The preparation of the financial statements requires that management make judgements and use estimates and assumptions that affect the application of the accounting principles and the reported value of the assets and liabilities and the income and expenses. Actual results may differ from these estimates in the case of the loan. The estimates and underlying assumptions are continually reviewed. Revised estimates are stated in the period in which the estimate is revised and in future periods for which the revisions have consequences.

Intangible fixed assets

Intangible fixed assets are only recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Foundation and the cost of

that asset can be measured reliably. Intangible fixed assets are measured at acquisition or construction cost, less accumulated amortisation and impairment losses.

Intangible assets under construction

Software (or other intangible fixed assets) that are not yet available for use and activated are recognised as intangible assets under construction.

Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Foundation and the cost of that asset can be measured reliably.

Tangible fixed assets are stated at cost, less accumulated depreciation, and impairment losses.

Tangible assets under construction

All tangible fixed assets that are not yet available for use and activated are recognised as tangible assets under construction.

Depreciation

Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, taking into account any estimated residual value of the individual assets.

(In)Tangible fixed assets

The following rates of depreciation are applied: Furniture and fixtures 20%; Computer hardware 33%; Software 33%.

Retirements

Once an asset item is removed from active service the remaining book value will be written off as per the retirement date.

Disposals

Similar to retirements, a disposed item's book value will be written off as per the disposed date. Any of these fully depreciated items with an additional lifespan will be donated to an institution of the Foundation's choice.

Impairment of fixed assets

For tangible and intangible fixed assets an assessment is made as of each balance sheet date as to whether there are indications that these assets are subject to impairment. If there are such indications, then the recoverable value of the asset is estimated. The recoverable value is the higher of the value in use and the net realisable value. If it is not possible to estimate the recoverable value of an individual asset, then the recoverable value of the cash flow-generating unit to which the asset belongs is estimated. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount. If there is an impairment loss for a cash generating unit, the loss is first allocated to goodwill allocated to the cash-generating unit. Any residual loss is allocated to the other assets of the unit pro rata to their book values. Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated. Reversal of a previously recognised impairment loss only takes place when there is a change

in the assessment used to determine the recoverable amount since the recognition of the last impairment loss. In such case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash generating unit)

Loans granted and other receivables

Loans granted and other receivables are measured at initial recognition at fair value, plus transaction costs (if material). After initial recognition, the assets are measured at amortised cost using the effective interest method, less a provision for uncollectible debts. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents are stated at nominal value. Unless stated otherwise, they are freely disposable.

Provisions

A provision is recognised if the following applies:

- the Foundation has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Long-term and current liabilities and other financial commitments

Grants payable that are expected to be paid in future years are recorded at the present value of expected future payments. After initial recognition long-term and current liabilities and other financial commitments are stated at amortised cost based on the effective interest rate method. Liabilities due within one year are presented as current liabilities.

Contribution Van Leer Group Foundation

The contribution of Van Leer Group Foundation is recognised in the profit and loss account in the year to which it relates, which is in accordance with accounting policy as stated in RJ 640. When allocating income and expenses, based on Article 2: 384 paragraph 2 BW, the prudence principle is applied. The amount of revenue is determined based on the actual (attributable to the fiscal year) bank receipts relating to donations and gifts. The Foundation receives a Grant letter (on an annual basis) from the Van Leer Group Foundation guaranteeing total revenue over the subsequent book year.

Interest

Interest is recognised in the period it is earned and recorded as income in the statement of income and expenditure.

Expenditure

Grants and Foundation-managed projects (FMP) are considered incurred at the time of approval. When entering an obligation, the full amount of the obligation is accounted through the profit and loss at the expense of the result, regardless of the duration of the grant and FMP. This accounting treatment is in accordance with accounting policy as stated in RJ 640. A grant is a (multi-) year commitment, whereas a Foundation managed project is a contract whereby the Foundation manages the expenditure of a project. A grant or Foundation-managed project is approved when the Director of the Foundation signs

the grant letter or a contract.

Operating expenses – personnel

Employee benefits are charged to the statement of income and expenditure in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Foundation.

Pension

The employees of the Bernard van Leer Foundation in the Netherlands have a pension scheme which is administered by Nationale Nederlanden. The pension scheme is classified as a defined-contribution agreement under the Pensions Act. The administration agreement with the pension provider was extended in 2021 through to 2026.

The plan covers retirement pension and survivor's pension.

Employer contributions are determined per participant in the pension scheme and are based on the premium percentage, age, pensionable salary, and part-time percentage (if applicable).

The employee contribution is 5% of pensionable salary.

In case of a funding shortfall at the pension provider, this will not result in any additional obligations for the Foundation.

The pension charges are recognised as expenses in the statement of income and expenditure. As far as the payable contributions have not yet been paid as at the balance sheet date, a liability is recognised.

Cash flow statement

The cash flow statement has been prepared by using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value. Change in liabilities includes both current and non-current liabilities. Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions. Foreign exchange differences regarding cash and cash equivalents are presented separately in the cash flow statement.

Leasing

The Foundation may enter financial and operating leases. A lease contract where the risks and rewards associated with ownership of the leased property are transferred substantially or all to the lessee is referred to as a financial lease. All other leases are classified as operating leases. In classifying leases, the economic reality of the transaction is decisive rather than its legal form.

Operating leases

If the Foundation acts as lessee in an operating lease, then the leased property is not capitalised. Lease payments regarding operating leases are charged to the profit and loss account on a straight-line basis over the lease period. Details of lease commitments are shown in the section: Commitments and rights not shown on the balance sheet.

Fair value

The fair value of a financial instrument is the amount for which an asset can be sold, or a liability settled, involving parties who are well-informed regarding the matter, willing to enter a transaction and

are independent from each other.

- The fair value of listed financial instruments is determined based on the exit price.
- The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges

Related parties

Each year the Bernard van Leer Foundation management checks that there are no new relationships that could be qualified as related parties. Where these relationships are identified, they are disclosed in the financial statements. The Van Leer Group Foundation is governed by the same Board as the Bernard van Leer Foundation, and they are therefore related parties. In addition, Yarom Ariav and Fay Twersky serve on both the Board of the Bernard van Leer Foundation and the Van Leer Jerusalem Institute.

Taxation

According to Dutch law (art 6 lid 1 wet VPB 1969), the Bernard van Leer Foundation is exempt from corporate income tax.

Capital and reserves

The Bernard van Leer Foundation utilises a capital policy in co-operation with the Van Leer Group Foundation as it provides annual funding to fulfil its statutory obligations and mandate. Certain provisions are made in the statutes of both organisations to dictate funding or dissolution and are observed by the Board of Trustees. The principles of the capital policy by the Bernard van Leer Foundation are set out to ensure management can anticipate the agreed minimum capital and reserves and manage accordingly. These include:

1. Minimum going concern. To maintain a healthy going concern, the Foundation will commit to maintain: (a) the “starting” Foundation capital unchanged at EUR 453,780 (or NLG 1,000,000) (b) a general reserve that does not decrease below the amount of EUR 100,000.
2. Reserves. The general reserve is unrestricted allowing for it to be allocated following the normal procedures for allocating spending.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

Notes to the balance sheet (in EUR)

1 Fixed assets and depreciation

	Software	Hardware	Furniture and fixtures	Assets under construction	Total
2021					
	33%	33%	20%	0%	
Book value per 1 Jan	29,414	85,561	4,918	31,037	150,930
Additions current year	2,299	12,561		5,445	19,987
Cumulative Additions	180,244	195,742	12,450	5,445	393,881
Depreciation current year	27,240	26,683	2,344		56,267
Cumulative Depreciation	144,734	124,621	9,876		279,231
Assets taken in use	31,037			-31,037	
Book value per 31 Dec	35,510	71,121	2,574	5,445	114,650
Total	25,510	71,121	2,574	5,445	114,650
2022					
	33%	33%	20%	0%	
Book value per 1 Jan	35,510	71,121	2,574	5,445	114,650
Additions current year	2,500	23,385	1,634	7,411	34,930
Cumulative Additions	195,601	147,230	14,083	-	356,914
Depreciation current year	21,614	35,801	2,147	-	59,562
Cumulative Depreciation	166,347	88,525	12,023	-	266,895
Assets taken in use	12,856	-	-	-12,856	-
Book value per 31 Dec	29,254	58,705	2,060	0	90,019
Total	29,254	58,705	2,060	0	90,019

* Assets under construction: The lightning project was finalized at the beginning of September 2022. We transferred EUR 12,856 from assets under construction to software. Depreciation commenced per 1 September 2022.

2 Current account Van Leer Group Foundation

	2022	2021
Balance 1 January	19,825,328	17,713,922

Amount of preliminary allocation to Foundation	19,646,000	18,534,014
Disbursement preliminary allocations to Foundation	-22,300,000	-16,811,508
Other settlements	-51,346	388,900
Balance 31 December	17,119,982	19,825,328

Funds from Van Leer Group Foundation are available on request. Funds for future instalments remain with the Van Leer Group Foundation as part of the investment portfolio. The asset is not interest-bearing. Payments will be made directly from drawing rights, so payments will not impact the profit and loss. Other settlements are net transfers between Bernard van Leer Foundation and Van Leer Group for shared operational expenses. In 2022, the foundation received 700,000 EUR in cash to settle outstanding recharges.

3 Other receivables

	2022	2021
Prepayments	103,372	70,144
Other receivables	76,880	7,869
	180,252	78,013

The prepayments were primarily made up of rent for offices in the Netherlands, India, Israel, and Jordan.

4 Cash and bank

	2022	2021
Bank	181,566	431,854

In the total amount of bank and cash, an amount of EUR 30,100 is included which reflects a bank guarantee. This amount is not freely obtainable.

5 Foundation capital

	2022	2021
Foundation capital	453,780	453,780

6 General reserve

	2022	2021
Balance 1 January	1,281,385	978,646

Operating result	-201,443	302,739
Balance 31 December	1,079,942	1,281,385

There are no restrictions on the general reserve. Results will be added or deducted to the general reserve. The 2022 result will be deducted.

7 Grants and Foundation-managed projects

	2022	2021
Balance 1 January	18,064,801	19,225,628
Grants/ FMP contracts approved*	14,818,768	14,683,071
Grants/ FMP contracts cancelled	-208,012	-383,495
Rate of exchange	55,669	66,875
Grant payments	-17,084,729	-15,527,278
Balance 31 December	15,646,497	18,064,801

The increase in grant payments from EUR 15,527,278 in 2021 to EUR 17,084,729 in 2022 is the result of partners ability to provide deliverables previously delayed during Covid-19 lockdowns. In 2023, we anticipate stabilisation of grants payments.

*See notes C and D for additional explanation on Grants and Foundation-managed projects (FMP).

Specification commitment Bernard van Leer Foundation

Definition/Year	To be paid			
	Total	2023	2024	2025
Grants	12,897,283	10,694,744	2,097,939	104,600
Foundation-managed projects	2,749,214	2,552,670	196,544	
Total	15,646,497	13,247,414	2,294,483	104,600

The amount payable for the year 2023 is shown on the balance sheet as a current liability of EUR 13,247,414. The amounts payable after the year 2023 are shown on the balance sheet as a non-current liability of the years 2024 and 2025 in the amount of EUR 2,399,083.

8 Creditors

	2022	2021
Accounts payable	208,945	179,643

The accounts payable are due within one year. These include liabilities to related parties amounting to EUR 126,677 (2021: EUR 136,733).

9 Accrued liabilities

	2022	2021
Holiday allowances	66,611	71,112
Wage tax	0	130,883
Other liabilities	116,044	268,241
Total	182,655	470,236

These liabilities are due within one year.

Financial instruments

General

During the normal course of business, the Foundation uses various financial instruments that expose it to market and/or credit risks. This relates to financial instruments that are included on the balance sheet such as financial and current assets and liabilities. The Foundation does not trade in financial derivatives and follows procedures to limit the size of credit risk.

Credit risk

More than 95% of the assets of Bernard van Leer Foundation are held with the Van Leer Group Foundation. Given the financial position of Van Leer Group Foundation this is seen as a remote credit risk. Regarding the other current assets and financial assets, impairments have been recognised resulting in limited current risk. For the majority of 2022, all balance amounts above EUR 500.000 incurred negative interest tied to the rate the ECB (European Central Bank) charges banks for deposit surpluses. The rate is currently positive.

Currency risk

The Foundation makes all multi-year commitments in euros, which eliminates currency exposure. Short-term commitments can be made in foreign currency, which limits currency exposure.

Interest rate risk and cash flow risk

There is no interest rate risk. The cash flow risks are limited. The dates for the incoming funds are set and the outgoing instalments are via an approved milestone scheme.

Liquidity risk

The Foundation monitors its cash position by using successive liquidity forecasts. The management ensures that the cash position is sufficient to meet the Foundation's financial obligations towards creditors.

Fair value

The fair value of all financial instruments stated on the balance sheet, including receivables, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount.

Commitments and rights not shown in the balance sheet

Van Leer Group Foundation

The Van Leer Group Foundation has the intention that, if the activities of the Bernard van Leer Foundation are discontinued, sufficient funds will be available or will be made available to enable Bernard van Leer Foundation: (a) to terminate the employment contracts of permanent employees, subject to a period of notice of 6 months; and (b) to comply with any past and future obligations relating to other expenses, with an aggregate of at least 75% of the costs relating to administration and software services in accordance with the last Bernard van Leer Foundation budget adopted by the Board of Trustees prior to discontinuing its activities.

Contribution Van Leer Group Foundation

The Van Leer Group Foundation approved in their Board of Trustees meeting of 19 September 2022 the budget for 2023 of EUR 21,583,000.

Bank guarantee

The Bernard van Leer Foundation has instructed ABN AMRO Bank to issue a bank guarantee towards the lessor of the office building Achmea Interne Diensten of EUR 30,100.

Rent obligations

1. India office obligations

A five-year INR rental agreement was signed commencing 15 March 2022 and ending 14 March 2027. The remaining disbursements schedule for the coming years can be specified as follows (INR/EUR rate 31 December 2022 = 88.3097):

2023	EUR	33,832	INR	2,987,607
2024	EUR	34,177	INR	3,018,162
2025	EUR	34,501	INR	3,046,756
2026	EUR	34,849	INR	3,077,473
2027	EUR	8,734	INR	771,322
Total	EUR	146,093	INR	12,901,320

2. Israel office obligations

A rental agreement was signed commencing 1 February 2018 and extended to 31 January 2024. The remaining disbursements schedule for the coming years can be specified as follows (ISL/EUR rate 31 December 2022 = 3.75311):

2023	EUR	15,899	ILS	59,670
2024	EUR	1,325	ILS	4,973
Total	EUR	17,224	ILS	64,643

3. Jordan office obligations

A rental agreement was signed commencing 1 July 2022 and ending 30 June 2024. The remaining disbursements schedule for the coming years can be specified as follows (JOD/EUR rate 31 December 2022 = 0.75785):

2023	EUR	20,585	JOD	15,600
2024	EUR	10,292	JOD	7,800
Total	EUR	30,877	JOD	23,400

4. Netherlands office obligations

The Foundation has signed a 5-year rental contract for the current building in The Hague (the Netherlands), commencing 1 February 2018 and ending 31 July 2023. The payment schedule for the remaining period can be specified as follows:

2023	EUR	94,905
Total	EUR	94,905

The Foundation has signed a 10-year rental agreement for a new office lease at another location in The Hague, commencing 1 May 2023.

2023	EUR	71,141
2024	EUR	106,711
2025	EUR	106,711
2026	EUR	106,711
2027	EUR	106,711
2028	EUR	124,638
2029	EUR	133,601
2030	EUR	133,601
2031	EUR	133,601
2032	EUR	133,601
2033	EUR	44,533
Total	EUR	1,201,560

5. Lease obligations Printer/copier

The Bernard van Leer Foundation has a lease obligation for two printers for a total amount of EUR 7,978 up to 30 April 2024. The current lease contract was signed per April 2021 and the outstanding obligation can be specified as follows:

2023	EUR	3,419
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2024	EUR	1,140
Total	EUR	4,559

Notes to the statement of income and expenditure account (in EUR)

A Van Leer Group Foundation and other income

	Budget 2022	Actual 2022	Actual 2021
Income	19,646,000	19,646,000	18,534,014
Total	19,646,000	19,646,000	18,534,014

The actual income over 2022 increased compared to 2021 according to the budget approved by the Van Leer Group Foundation Governing Council.

The Bernard van Leer Foundation receives its income from the Van Leer Group Foundation to fulfil its mission. The Van Leer Group Foundation derives its income from a global portfolio of diversified investments. For more information regarding the Van Leer Group Foundation, please refer to its website www.vanleergroupFoundation.nl. The annual report 2022 of the Van Leer Group Foundation will be published in June 2023.

B Interest

	Budget 2022	Actual 2022	Actual 2021
Bank and deposit accounts	0	0	0
Total	0	0	0

Interest rates in 2022 have increased and the Foundation anticipates interest income in 2023.

C Grants

	Budget 2022	Actual 2022	Actual 2021
Grants approved	16,149,662	12,230,086	12,423,802
Grants cancelled*	0	-208,012	-383,495
Currency differences	0	55,669	66,874
Total	16,149,662	12,077,743	12,107,181

A grant is a (multi-) year commitment, and a Foundation-managed project is a contract. A grant or Foundation managed project is approved when the Director of the Foundation signs the grant letter or a contract. The Grants budget 2022 includes both grants and programme contracts within the Foundation-managed projects where the actual 2022 expenditure is EUR 15,330,060, in line with the Grants approved budget 2022.

* A cancellation can occur when a partner has completed the agreed activities within a shorter period than was agreed, or a partner does not meet the terms of reference agreed to in the grant letter. In both cases the planned future instalments (liabilities) are cancelled. In 2022, the Foundation cancelled several grant instalments, amounting to EUR 208,012, which became available for future grants.

D Foundation-managed projects

	Actual 2022	Actual 2021
Programme contracts	2,588,683	2,259,269
Communications	162,817	154,333
Foundation sector	10,762	8,159
Network development	490,055	16,158
Total	3,252,317	2,437,919

The increase in Network development costs from EUR 16,158 (in 2021) to EUR 490,055 (in 2022) is due to resumption of in person executive courses (LSE, Harvard and INSEAD) and other standard programmatic networking related activities which were paused in 2021 due to Covid-19.

E Returned project funds

	Budget 2022	Actual 2022	Actual 2021
Grants	0	-26,862	-46,124
Total	0	-26,862	-46,124

The returned project funds are granted funds from previous years that are not spent at the time the project is closed that are subsequently returned to the Foundation.

F Operating expenses

	Budget 2022	Actual 2022	Actual 2021
Board of Trustees	20,000	22,276	1,449
Personnel			
(a) salaries	2,654,000	2,863,800	2,600,487
(b) social charges	286,000	274,245	254,239
(c) pension	220,000	146,114	157,408
(d) general staff costs	54,000	69,415	20,515
(e) recruitment	20,000	167,718	21,009
(f) staff development	55,000	17,320	37,460
(g) temporary personnel	3,000	0	0
	3,292,000	3,538,612	3,091,118
Consultants	90,000	106,195	103,637

Staff travel/hospitality	350,000	325,578	46,817
Premises	257,000	224,585	148,475
Office equipment/expenses	198,000	180,056	199,521
Depreciation	95,000	59,562	56,267
Telecommunications	13,500	8,676	8,736
External auditors	60,000	58,625	60,137
General costs	25,500	19,182	8,014
Total	4,401,000	4,543,347	3,724,171

The increase in total operating expenses can be attributed to higher costs across the board due to increase in costs for office rentals, travel and, exchange rates for staff paid in foreign currency. In addition, unforeseen recruitments have resulted in significant cost increases.

G Interest charges

Negative interest charged on EUR account balances are recorded as a loss.

H Appropriation of result

In the Foundation's Articles of Association there are no provisions regarding the appropriation of the result. An amount of EUR 201,443 has been deducted from the General reserve.

Personnel

The remuneration of the Director can be traced to a single natural person, therefore the exemption described in section 2:383(1) of the Netherlands Civil Code is applied.

Staffing level

During the 2022 financial year, the average number of team members employed by the Foundation in the Netherlands, converted into full-time equivalents, amounted to 22.9 FTE; for 2021 this number was 22.7 FTE. In addition, the Foundation has 11.8 FTE contracted abroad; for 2021 this number was 10.6 FTE.

Subsequent events

There were no subsequent events.

Other information

Provisions in the Articles of Association governing the appropriation of result

In the Foundation's Articles of Association there are no provisions regarding the appropriation of result.

Independent auditor's report

To: Management and the Board of Trustees Stichting Bernard van Leer Foundation

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2022 of Stichting Bernard van Leer Foundation, based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Bernard van Leer Foundation as at 31 December 2022, and of its result for the year 2022 in accordance with the Guideline 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 2022;
- 2 the statement of income and expenditure for the year 2022;
- 3 the cash flow statement for the year 2022; and
- 4 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 Bernard van Leer Foundation 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.

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.

Based on the following procedures performed, we conclude that the other information is consistent

with the financial statements and does not contain material misstatements.

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 less than the scope of those performed in our audit of the financial statements.

Management and the Board of Trustees are responsible for the preparation of the other information.

Description of the responsibilities for the financial statements

Responsibilities of management and the Board of Trustees for the financial statements

Management and the Board of Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board. Furthermore, Management and the Board of Trustees are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, management and the Board of Trustees are responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management and the Board of Trustees should prepare the financial statements using the going concern basis of accounting unless they either intend to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so. Management and the Board of Trustees should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

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 have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the 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 among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, 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 errors, 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and the Board of Trustees 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.

Utrecht, 21 June 2023

KPMG Accountants N.V.

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