



Van Leer
FOUNDATION

Van Leer Foundation

Annual report 2023

*Also known as Stichting Bernard van Leer Foundation

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Management Report

Management for Stichting Bernard van Leer Foundation also known as the Van Leer Foundation hereby presents its management report for the fiscal year ended 31 December 2023.

General information

Founded in 1949, the Van Leer Foundation is an independent Dutch organisation working globally to foster inclusive societies where all children and communities can flourish. We bring together people with different perspectives and support them to achieve large-scale impact. Our support involves a unique combination of funding, networks, executive education, technical assistance and knowledge.

After six 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.

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 +: Combines 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: Brings 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: Offers 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 ensuring that the most disadvantaged get the support they need.

The Foundation is active in five portfolio countries: Brazil, Israel, India, Jordan, and the Netherlands, where we develop long-term partnerships. Our on-the-ground programme teams work closely with local and national government and administrators, civil society, Non-Governmental Organisations, communities and others to scale the most promising early years innovations. We also work with strategic partners in various locations outside of our portfolio countries where we see opportunities to expand and our impact and learn from robust Early Childhood Development initiatives. This includes our work on supporting families affected by displacement. By sharing knowledge across borders and disciplines, we aim to reach more children globally.

We made several large programmatic investments in 2023. Together with the London School of Economics (LSE), we extended the Urban95 Academy executive leadership

course for 2024 -2026 (EUR 2,440,852). LSE Cities has worked with the Foundation since 2020 to develop the online and in person course which trains urban leaders to connect urban design and planning to early childhood development. The course has been delivered 5 times in 2020-2023 benefiting over 180 municipalities through online training and 40 through in person training at the LSE.

We also expanded our partnership with the Israeli Green building Council (ILGBC) with a new grant (EUR1,208,448). This partnership aims to establish a nationwide infrastructure for improving urban environments for young children and their caregivers across Israel. In addition the Foundation continued its urban focused strategy in Israel by funding a new phase of work in Tel Aviv-Yafo based on the "Lighthouse City" concept for Urban95 (EUR666,496).

The Foundation also partnered with Centro de Criação de Imagem Popular (CECIP) in Brazil (EUR 670,361) to develop a common strategy for the 27 Brazilian Urban95 cities in order to consolidate the Urban95 agenda across Brazil. The initiative focuses on the sustainability and the scaling up of ECD actions within the municipalities, guaranteeing the execution of the municipal plans and instigating new actions designed by the municipalities themselves.

In addition, the Foundation partnered with Nova Escola (EUR 600,625) to address educational inequality in Pernambuco, Brazil, by providing tailored pedagogical resources, teacher training, and assessment models linked to the state's curriculum, ensuring cultural relevance and equity. The project will produce regionalised educational materials for different age groups and implement a comprehensive teacher training policy to improve the quality of early childhood education and combat long-term social inequalities.

The Foundation team also completed our strategic planning and review process in 2023 for our strategy for the next five years (2024-28). We recognised 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. In that spirit, we have decided to evolve our work in several ways: first, to make more explicit attention to parent wellbeing as a key driver of health child development; second, we will continue to work closely with government, but also be more intentional about strategic partnerships with the private sector and other foundations as a pathway to scale; third, we will increase investment in early childhood in Africa where we see inspiring leadership for children emerging across the continent.

Financial summary 2023 – overview budget and actual (in EUR)

	Budget 2023	Actual 2023	Budget 2024
Income			
Van Leer Group Foundation	21,583,000	21,978,553	20,970,000
Other income	-	-	-
Interest	-	22.189	-
Total income	21,583,000	22,000,742	20,970,000
Expenditure			
Total grants and Foundation-managed projects	16,806,000	13,771,763	15,695,000
Returned project funds	-	-89,569	-
Currency difference	-	28,688	-
Cancellation previous years	-	-79,292	-
Operating expenses	5,027,000	4,954,365	5,275,000
Total expenditure	21,833,000	18,585,955	20,970,000
Net Result	-250,000	3,414,787	-
Capital and reserves			
Foundation capital	453,780	453,780	453,780
General reserve	1,079,942	1,079,942	4,494,729
Net Result	-250,000	3,414,787	-
Total capital and reserves	1,283,722	4,948,509	4,948,509

In 2023, the income received from Van Leer Group Foundation amounted to EUR 21,978,553, slightly surpassing the budgeted EUR 21,583,000. Despite not budgeting for interest, interest rates increased through 2023. As a result, the Foundation gained an unexpected EUR 22,189. The Foundation's total income therefore exceeded expectations, reaching EUR 22,000,742 against a budget of EUR 21,583,000.

With respect to expenditure and in spite of challenging inflationary pressure, the Foundation managed to operate more efficiently than anticipated. Total grants and Foundation-managed projects cost the foundation EUR 13,771,763, which is substantially lower than the budgeted EUR 16,806,000. Operating expenses were also kept under

control at EUR 4,954,365, compared to the budgeted EUR 5,027,000. The effective management of finances resulted in a total expenditure of EUR 18,553,756, significantly less than the budgeted EUR 21,833,000.

This prudent financial management led to a net result of EUR 3,414,787. Consequently, the general reserve has seen a substantial increase. It now stands at EUR 4,494,729.

Moving into 2024, the Foundation presents a balanced budget with both income and expenditure forecasted at EUR 20,970,000. Capital and reserves remain robust at EUR 4,948,509, providing a solid state going concern.

The Foundation undertook five large projects above EUR 500,000, committing a total of EUR 5,586,782 across partnerships with LSE for the Urban95 Academy (EUR 2,440,852), the Israeli Green Building Council (EUR 1,208,448), Tel Aviv-Yafo lighthouse city (EUR 666,496), Centro de Criação de Imagem Popular (CECIP) in Brazil (EUR 670,361), and Nova Escola to enhance urban environments, early childhood development, and educational quality (EUR 600,625).

The Foundation presents positive results over 2023 and the capital and reserves are positive as of 31 December 2023. Referring to the financial performance indicators outlined below, the solvability in 2023 amounts to 25.4% as at 31 December 2023 (2022: 8.7%). The liquidity ratio calculated as 154% (2022: 127%) gives an indication of financial health of the overall organisation as being good.

	2023	2022
Financial performance indicators		
Operating result	3,414,787	-201,443
Cash flow operating activities	1,330,740	-215,359
Cash flow investing activities	-536,751	-34,930
Net cash flow	793,988	-250,288

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. The Foundation continues 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. Additional risk related measures are highlighted under the section financial instruments (page 24).

The 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 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 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 Van Leer Foundation, the Van Leer Group Foundation would still have a liability to the 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 Van Leer Foundation, the Van

Leer Group Foundation's liability to the 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 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 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 (25 FTE), a Finance and Operational unit reporting to the CFO (7.1 FTE) and two units reporting directly to the CEO, the communications unit (3 FTE), the People & Culture unit (2.4 FTE), and an executive assistant (1 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 Van Leer Foundation to foster inclusive societies where all children and communities can flourish.

The Board of Trustees members (in 2023) in alphabetical order include Yarom Ariav,

Nanno Kleiterp (Chair), Eloy Lindeijer, Ory Okolloh and, Faye Twersky. Board members, Wim Borgdorff (two terms), Ngaire Woods (one term), Sam Worthington (three terms) rolled off the board per 21 June 2023. Board members Reem Younes and Uzodima Iweala joined the Board on 1 August 2023. 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 all staff and individuals covering code of conduct as well as whistleblowing within the organisation. 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 2024

The total approved income from the Van Leer Group Foundation for 2024 amounts to EUR 20,970,000 with expected total capital reserves of EUR 4,948,509 at the end of the year. The operating budget adopted for 2024 assumes upward pressure of inflation and more challenges in funding an effective operation compared to 2023. The Foundation continues to be prudent in its planning for a net positive reserve at the end of 2024 to ensure sufficient funds for implementation of the strategy change, unforeseen changes in an uncertain environment and, expected income drop in 2025 should investment return at the Van Leer Group Foundation be adversely affected in a recessionary investment climate. Legally bound by its statutes, the financial stability of the 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 Management report

Legal address: The Hague, 18 June 2024

Van Leer Foundation CEO: Michael Feigelson

Board members (in alphabetical order): Yarom Ariav, Uzodima Iweala, Nanno Kleiterp (Chair), Juana Kweitel, Eloy Lindeijer, Ory Okolloh, Fay Twersky and, Reem Younes.

Financial Statements

Balance sheet as of 31 December 2023 (in EUR)

(before appropriation of result)

	Notes	2023	2022
ASSETS			
Fixed assets			
Intangible fixed assets	1	13,022	29,254
Tangible fixed assets	1	505,400	60,765
		518,422	90,019
Current assets			
Current account Van Leer Group Foundation	2	17,672,494	17,119,982
Other receivables	3	292,834	180,252
		17,965,328	17,300,234
Cash and cash equivalents			
Cash and bank	4	975,554	181,566
		975,554	181,566
Total assets		19,459,303	17,571,819
Capital and reserves			
Foundation capital	5	453,780	453,780
General reserve	6	1,079,942	1,281,385
Result of year		3,414,787	-201,443
		4,948,509	1,533,722
LIABILITIES			
Non-current liabilities			
Grants payable and Foundation-managed projects	7	2,820,509	2,399,083
Current liabilities			
Grants payable and Foundation-managed projects	7	11,031,907	13,247,414
Creditors	8	314,407	208,945
Accrued liabilities	9	343,971	182,655
		14,510,794	16,038,097
Total liabilities		19,459,303	17,571,819

Statement of income and expenditure for the year 2023 (in EUR)

	Notes	Budget 2023	Actual 2023	Actual 2022
INCOME				
Van Leer Group Foundation	A	21,583,000	21,978,553	19,646,000
Interest	B	-	22,189	-
Total income		21,583,000	22,000,742	19,646,000
EXPENDITURE				
Grants	C	16,806,000	7,777,160	12,285,755
Grants cancelled	C	-	-79,292	-208,012
Foundation-managed projects	D	-	6,023,291	3,252,317
Returned project funds	E	-	-89,569	-26,862
Total activities		16,806,000	13,631,590	15,303,198
Personnel operating expenses	F	3,824,000	3,882,338	3,538,612
Depreciation	F	88,000	108,346	59,562
Other operating expenses	F	1,115,000	963,681	945,173
Total organisation		5,027,000	4,954,365	4,543,347
Interest charges	G	-	-	-898
Result		-250,000	3,414,787	-201,443
Appropriation of result				
Added to/ (deducted from) General reserve	H		3,414,787	-201,443
Total			3,414,787	-201,443

Cash flow statement for the year 2023 (in EUR)

		2023	2022
Cash flow from operating activities			
Net result		3,414,787	-201,443
Adjustments for:			
Depreciation of tangible fixed assets		92,116	37,948
Depreciation of intangible fixed assets		16,231	21,614
Change in liabilities	-1,527,303	-2,676,583	
Change in current assets	-665,094	2,603,106	
		-2,192,396	-73,477
Cash flow from operating activities		1,330,738	-215,358
Cash flow from investment activities			
Purchases of fixed assets		-536,750	-34,930
Assets under construction		-	-
Fixed assets adjustments		-	-
Cash flow from investment activities		-536,750	-34,930
Cash flow from financing activities			
Cash flow from financing activities		-	-
Change in Cash and Bank (A+B+C)		793,988	-250,288
Balance cash and bank 1 January		181,566	431,854
Balance cash and bank 31 December		975,554	181,566
		793,988	-250,288

Notes to the financial statements

General

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: Grote Marktstraat 43A; 2511 BH.

Financial reporting period

The financial statements cover the year 2023, which ended at the balance sheet date of 31 December 2023. The comparative figures cover the year 2022, which ended at the balance sheet date of 31 December 2022.

Activities

The Van Leer Foundation is an independent Dutch organisation working globally to foster inclusive societies where all children and communities can flourish. We bring together people with different perspectives and support them to achieve large-scale impact. Our support involves a unique combination of funding, networks, executive education, technical assistance and knowledge.

Basis for preparation

The financial statements of the 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. Van Leer Foundation assets and liabilities are measured at nominal value, unless otherwise measured in the further principles. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets. 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.

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 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 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 Van Leer Foundation, and they are therefore related parties. In addition, Yarom Ariav and Fay Twersky serve on both the Board of the Van Leer Foundation and the Van Leer Jerusalem Institute.

Taxation

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

Capital and reserves

The 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 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 Van Leer 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

2022	Software	Hardware	Furniture and fixtures	Assets under construction	Total
	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	-	90,019
Total	29,254	58,705	2,060	-	90,019

2023	Software	Hardware	Furniture and fixtures	Assets under construction*	Total
	33%	33%	20%	0%	
Book value per 1 Jan	29,254	58,705	2,060	-	90,019
Additions current year	0	34,630	502,121	-	536,751
Cumulative Additions	195,601	181,861	516,204	-	893,666
Depreciation current year	16,231	41,265	50,851	-	108,347
Cumulative Depreciation	182,578	129,791	62,874	-	375,243
Assets taken in use	-	-	-	-	-
Book value per 31 Dec	13,023	52,070	453,330	-	518,423
Total	13,023	52,070	453,330	-	518,423

* Assets under construction: There were no assets taken under construction in 2023.

2 Current account Van Leer Group Foundation

	2023	2022
Balance 1 January	17,119,982	19,825,328
Amount of preliminary allocation to Foundation	21,583,000	19,646,000
Programme allocation	395,553	-
Disbursement preliminary allocations to Foundation	-21,583,000	-22,300,000
Other settlements	156,959	-51,346
Balance 31 December	17,672,494	17,119,982

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 Van Leer Foundation and Van Leer Group for shared operational expenses. In 2023, the foundation received 500,000 EUR in cash to settle outstanding charges. In addition, a surplus one-off unspent programme allocation from Van Leer Group Foundation to the amount of EUR 395,553 was gifted to Van Leer Foundation.

3 Other receivables

	2023	2022
Prepayments	209,987	103,372
Other receivables	82,847	76,880
	292,834	180,252

The prepayments were primarily made up of rent for offices and pre-paid taxes. All receivables have an estimated maturity shorter than one year.

4 Cash and bank

	2023	2022
Bank	975,554	181,566

In the total amount of bank and cash, an amount of EUR 30,100 is included which reflects a bank guarantee. This amount was released in April of 2024. An additional amount of EUR 33,400 reflects a new bank guarantee and not freely obtainable.

5 Foundation capital

	2023	2022
Foundation capital	453,780	453,780

6 General reserve

	2023	2022
Balance 1 January	1,079,942	1,281,385
Operating result	3,414,787	-201,443
Balance 31 December	4,494,729	1,079,942

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

The movements for the year are as follows:

	Foundation capital	General reserve	Total reserve
Balance 1 January 2022	453,780	1,281,385	1,735,165
Operating result	-	-201,443	-201,443
Balance 31 December 2022	453,780	1,079,942	1,533,722

	Foundation capital	General reserve	Total reserve
Balance 1 January 2023	453,780	1,079,942	1,533,722
Operating result	-	3,414,787	3,414,787
Balance 31 December 2023	453,780	€ 4,494,729	€ 4,948,509

7 Grants and Foundation-managed projects

	2023	2022
Balance 1 January	15,646,497	18,064,801
Grants/ FMP contracts approved*	13,170,731	14,818,768
Grants/ FMP contracts cancelled	-79,292	-208,012
Rate of exchange	28,688	55,669
Grant payments	-14,914,208	-17,084,729
Balance 31 December	13,852,416	15,646,497

In 2023, the foundation intentionally committed fewer grants in anticipation of challenging budget restrictions, as well as preparation for a new strategy implementation for 2024. In addition grant payments have returned to normal after a 2 year temporarily heightened level in grant payments of EUR 15,527,278 in 2021 and EUR 17,084,729 in 2022 which was a result of

partners ability to provide deliverables previously delayed during Covid-19 lockdowns. Grant payments have returned to normal levels seen before Covid-19 restrictions applied. Communications and Network developments costs are not included in Grants/FMP contracts approved, see note D page 28.

* See notes C and D for additional explanation on Grants and Foundation-managed projects (FMP). Only Programme contracts approved are included from FMP.

Specification commitment Van Leer Foundation

Definition/Year	To be paid			
	Total	2024	2025	2026
Grants	9,183,471	7,978,738	1,204,733	-
Foundation-managed projects	4,668,945	3,053,169	918,390	697,386
Total	13,852,416	11,031,907	2,123,123	697,386

The amount payable for the year 2024 is shown on the balance sheet as a current liability of EUR 11,031,907. The amounts payable after the year 2024 are shown on the balance sheet as a non-current liability of the years 2025 and 2026 in the amount of EUR 2,820,509.

8 Creditors

	2023	2022
Accounts payable	314,407	208,945

The accounts payable are due within one year. These include liabilities to related parties amounting to EUR 142,740 (2022: EUR 126,677).

9 Accrued liabilities

	2023	2022
Holiday allowances	92,721	66,611
Wage tax	-	-
Other liabilities	251,249	116,044
Total	343,971	182,655

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 Van Leer Foundation are held with the Van Leer Group Foundation. Given the excellent financial position of Van Leer Group Foundation there is no credit risk. Regarding the other current assets and financial assets, impairments have been recognised resulting in limited current risk.

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 Van Leer Foundation are discontinued, sufficient funds will be available or will be made available to enable 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 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 2023 the budget for 2024 of EUR 20,970,000.

Bank guarantee

The Van Leer Foundation has instructed ABN AMRO Bank to issue a bank guarantee towards the lessor of the office building for the amount of EUR 33,400.

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 2023 = 91.649):

2024	EUR	32,932	INR	3,018,162
2025	EUR	33,243	INR	3,046,756
2026	EUR	33,579	INR	3,077,473
2027	EUR	8,416	INR	771,322
Total	EUR	108,170	INR	9,913,713

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 2023 = 3.96825):

2024	EUR	1,253	ILS	4,973
Total	EUR	1,253	ILS	4,973

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 2023 = 0.78248):

2024	EUR	9,968	JOD	7,800
Total	EUR	9,968	JOD	7,800

4. Netherlands office obligations

The Foundation has signed a 10-year rental agreement for its current location in the Hague (The Netherlands), commencing 1 May 2023 and ending 31 March 2033.

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	1,130,419

5. Lease obligations Printer/copier

The 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:

2024	EUR	1,140
Total	EUR	1,140

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

A Van Leer Group Foundation and other income

	Budget 2023	Actual 2023	Actual 2022
Income	21,583,000	21,978,553	19,646,000
Total	21,583,000	21,978,553	19,646,000

The actual income over 2023 increased compared to 2022 according to the budget approved by the Van Leer Group Foundation Governing Council to the amount of EUR 21,583,000. In addition, a surplus one-off unspent programming budget from Van Leer Group Foundation to the amount of EUR 395,553 was gifted to Van Leer Foundation. The actual 2023 income has increased by 12% compared to 2022.

The 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.vanleergroup.org. The annual report 2023 of the Van Leer Group Foundation will be published in June 2024.

B Interest

	Budget 2023	Actual 2023	Actual 2022
Bank and deposit accounts	-	22,189	-
Total	-	22,189	-

Interest rates in 2023 have increased and the Foundation received additional income from funds held in the bank.

C Grants

	Budget 2023	Actual 2023	Actual 2022
Grants approved	16,806,000	7,748,473	12,230,086
Grants cancelled*	-	-79,292	-208,012
Currency differences	-	28,688	55,669
Total	16,806,000	7,697,869	12,077,743

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 2023 includes both grants and programme contracts within the Foundation-managed projects where the actual 2023 expenditure is EUR 7,697,869.

* 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 2023, the Foundation cancelled several grant instalments, amounting to EUR 79,292, which became available for future grants.

D Foundation-managed projects

	Actual 2023	Actual 2022
Programme contracts	5,422,259	2,588,683
Communications	126,046	162,817
Foundation sector	0	10,762
Network development	474,986	490,055
Total	6,023,291	3,252,317

The increase in Programme contracts costs from EUR 2,588,683 to EUR 5,422,259 was due new executive courses with LSE and INSEAD for a combined total of EUR 3,471,020.

E Returned project funds

	Budget 2023	Actual 2023	Actual 2022
Grants	0	-89,569	-26,862
Total	0	-89,569	-26,862

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 2023	Actual 2023	Actual 2022
Board of Trustees	25,000	3,752	22,276
Personnel			
(a) salaries	3,115,000	3,222,578	2,863,800
(b) social charges	296,000	292,413	274,245
(c) pension	185,000	184,976	146,114
(d) general staff costs	62,000	120,920	69,415
(e) recruitment	108,000	33,178	167,718
(f) staff development	55,000	27,762	17,320
(g) temporary personnel	3,000	510	0
	3,824,000	3,882,338	3,538,612
Consultants	70,000	70,824	106,195

Staff travel/hospitality	400,000	324,984	325,578
Premises	308,000	259,756	224,585
Office equipment/expenses	218,000	198,040	180,056
Depreciation	88,000	108,346	59,562
Telecommunications	12,000	13,913	8,676
External auditors	65,000	62,920	58,625
General costs	17,000	29,492	19,182
Total	5,027,000	4,954,365	4,543,347

The total operating costs for 2023 were 1.4% underbudget. The savings achieved on travel, premises, and recruitment were offset by overspending in salaries and general staff costs related to activities for staff team building and strategy development.

G Interest charges

Negative interest charged on EUR account balances are recorded as a loss for 2022. Interest generated in 2023 is recognised as income.

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 3,414,787 has been added to 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 2023 financial year, the average number of team members employed by the Foundation in the Netherlands, converted into full-time equivalents, amounted to 22.3 FTE; for 2022 this number was 22.9 FTE. In addition, the Foundation has 12.5 FTE contracted abroad; for 2022 this number was 11.8 FTE.

Subsequent events

There were no subsequent events.

Approval of Financial Statements

Legal address: The Hague, 18 June 2024

Van Leer Foundation CEO: Michael Feigelson

Board members (in alphabetical order): Yarom Ariav, Uzodima Iweala, Nanno Kleiterp (Chair), Juana Kweitel, Eloy Lindeijer, Ory Okolloh, Faye Twersky and, Reem Younes.

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 of Stichting Bernard van Leer Foundation

Report on the audit of the accompanying financial statements

Our opinion

We have audited the financial statements 2023 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 2023, and of its result for the year 2023 in accordance with 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 2023;
2. the profit and loss account for the year 2023;
3. the cash flow statement for the year 2023; 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 fraud or error.

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, 18 June 2024
KPMG Accountants N.V.
W. Kevelam RA

