

Annual accounts

Balance Sheet as per December 31, 2022 (after appropriation of result)

ASSETS (x 1,000 Euro)	NOTE	31-12-2022	31-12-2021
FIXED ASSETS	1		
Intangible fixed assets		-	0
Tangible fixed assets		9	24
		9	24
CURRENT ASSETS			
Receivables and accrued income	2		
Bequests to be received	2.1	0	4
Grants to be received	10	-	71
Other receivables and prepaid expenses	2.2	1,019	1,083
CASH AND CASH EQUIVALENTS	3	7,121	7,490
TOTAL ASSETS		8,149	8,672

LIABILITIES (x 1,000 Euro)	NOTE	31-12-2022	31-12-2021
RESERVES AND FUNDS	4		
Continuity reserve	4.1	2,336	2,336
Reserve for financing assets	4.2	9	24
Earmarked reserves	4.3	3,635	3,469
		5,980	5,829
SHORT-TERM LIABILITIES			
Taxes and social insurance premiums		67	81
Other liabilities and accruals	5	381	423
Deferred income	6	1,721	2,339
		2,169	2,843
TOTAL LIABILITIES		8,149	8,672

Statement of Income and Expenditure for the year 2022

ASSETS (x 1,000 Euro)	NOTE	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
INCOME				
Income from private individuals	8	2,923	1,565	2,034
Income from companies		174	424	282
Income from lottery organisations	9	905	900	900
Income from government subsidies	10	4,419	5,226	6,364
Income Dutch Ministry of Foreign Affairs for alliance partners	10	4,077	7,574	6,515
Income from other non-profit organisations	11	422	915	531
TOTAL INCOME RAISED		12,920	16,604	16,626
EXPENSES				
SPENT ON OBJECTIVES	12			
Awareness raising		1,285	1,494	1,100
Programmes				
Simavi programmes		5,630	6,970	7,497
Paid to alliance partners		4,077	7,574	6,515
Advocacy		159	238	120
TOTAL SPENT ON OBJECTIVES		11,151	16,276	15,232
Cost of generating funds	13	970	1,279	1,119
Management & administration costs	14	631	673	767
TOTAL EXPENSES	15	12,752	18,228	17,118
Balance of financial income and expenses				
Financial income		-17	-25	-30
RESULT		151	-1,649	-522

Statement of Income and Expenditure for the year 2022 - continued

APPROPRIATION OF RESULT (x 1,000 Euro)	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Withdrawal from earmarked reserve Projects	-550	-809	-291
Withdrawal from earmarked reserve Strategic development	-736	-824	-153
Withdrawal from earmarked reserves fundraising legacies	-4		
Withdrawal from earmarked fund Interest			-1
Withdrawal from earmarked fund eye care Africa			-64
Withdrawal from earmarked fund eye care Irian Yaya			-6
Withdrawal from reserve for financing assets	-21	-16	-25
Addition to earmarked reserve Projects	706		-
Addition to earmarked reserve Strategic development	750		
Addition to reserve for financing assets	6		18
TOTAL	151	-1,649	-522

Cash Flow Statement for the year 2022

(x 1,000 Euro)	NOTE	2022	2021
Result		151	-522
Adjustment for depreciation	1	21	25
Adjustment for interest income		17	30
			-467
Changes in operating capital		189	
Change in receivables	2	139	751
Change in short-term liabilities	5,6	-674	-1,063
Interest received		-17	-30
Cash flow from operational activities		-363	-809
Cash flow from investment activities			
Investments in fixed assets	1	-6	-18
Change in cash and cash equivalents		-369	-827
Balance of cash and cash equivalents on January 1		7,490	8,317
Balance of cash and cash equivalents on December 31	3	7,121	7,490
Change in cash and cash equivalents		-369	-827

Accounting policies

General

The annual accounts have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650) and are subject to the “Wet Normering bezoldiging Topfunctionarissen publieke en semi publieke sector” (WNT). The annual accounts aim to provide a fair presentation of the financial position of Stichting Simavi, registered in Haarlem (reg.no. 40594571), having office at Naritaweg 153, 1043 BS Amsterdam, The Netherlands (Simavi), as of December 31, 2022, and of its income and expenditure for the year 2022. The financial year coincides with the calendar year. The valuation principles and methods of determining the result are the same as those used in the previous year.

Continuity

The annual accounts are drawn up on the basis of continuity.

Related parties

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight. With reference to Section 407(1a);13, Title 9, Book 2 of the Dutch Civil Code, the financial data of Stichting NFICH and Stichting Zien have not been consolidated. The current accounts between Simavi and these foundations are reported under Other liabilities and accruals (see note 5).

Functional and reporting currency

The annual accounts are denominated in euros, Simavi's functional and reporting currency. Transactions denominated in foreign currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange at the reporting date. Any resulting exchange differences are recognised in the statement of income and expenditure.

Use of estimates

In applying the accounting policies and standards for preparing annual accounts, the management of Simavi is required to make estimates and judgments that might significantly influence the amounts disclosed in the annual accounts. If necessary for the purposes of providing the insight required under Section 362(1), Book 2 of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, has been disclosed in the notes to the relevant items. Simavi did not change its policies for accounting estimates compared to the previous year.

Basis of measurement

Unless indicated otherwise, the annual accounts have been prepared using the historical cost basis.

Events after the balance sheet date

Post balance sheet events that provide further information about the actual situation as at the balance sheet date and appear up to the date of the preparation of the financial statements will be adjusted in the financial statements for the current year.

Post balance sheet events that do not provide further information about the actual situation as at the balance sheet date will not be adjusted in the financial statements for the current year. If such events are considered material to the judgment of the users of the financial statements, their nature and estimated financial implications are disclosed in the financial statements as 'Events after balance sheet date'.

Impairments

Simavi assesses at each reporting date whether there is any evidence of assets being subject to impairment. If any such evidence exists, the recoverable amount of the relevant asset is determined. An asset is subject to impairment if its carrying amount is higher than its recoverable amount; the recoverable amount is the higher of net realizable value and value in use. If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the asset in question is not set higher than the carrying amount that would have been determined had no impairment loss been recognised. An impairment loss is directly expensed in the statement of income and expenditure.

Fixed assets

Fixed assets, both tangible and intangible, are carried at cost less straight-line depreciation over their estimated useful lives. The percentages used are: Equipment: 10 %; Office machines: 20 %; Computers and software: 20 - 33 %.

Operational Leasing

The lease of the office premises is recognised as operational lease, as a large part of the risks and rewards associated with the ownership are not for the benefit of, nor incurred by Simavi. Lease payments are recorded on a straight-line basis in the income statement for the duration of the contract.

Financial instruments

Financial instruments include receivables, cash and cash equivalents, project/programme commitments, accounts payable, and other payables. Financial instruments are initially recognised at fair value. Any directly attributable transaction costs are part of this initial valuation. Financial instruments are subsequently valued in the manner described below.

Cash and cash equivalents

Cash and cash equivalents represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

Receivables and accrued income

Receivables and accrued income are initially stated at fair value, and are subsequently valued at amortised cost. An allowance is made for obsolescence where necessary.

Bequests to be received and Legacies with usufruct are valued at the time they can reliably be determined based on the notarial deed of distribution.

Reserves

In order to secure the continuity of the foundation in case of unexpected events, part of Simavi's capital has been transferred to a separate continuity reserve. The size is in accordance with sector regulations and is aimed to meet legal and moral obligations in case of a significant fall in income.

Simavi holds a reserve for financing fixed assets to guarantee replacement of these assets in the future.

Earmarked reserves are held for different purposes as determined by management. Management of Simavi can change the specific earmark of reserves, when deemed appropriate.

Earmarked funds

The earmarked funds represent all received earmarked income that the donor intended for a specific purpose, for which the underlying objective and related expenditure have not yet been realised. Furthermore, earmarked funds are held for accumulated interest income earned on the advance payments of grants in respect of the applicable programmes. The earmarked funds are expected to be used within 3 years or in case of interest from grants during the remaining project period of the grant. The restriction following the earmark can only be released by specific third party approval.

Financing contracts with government and other major donors

Simavi signed financing contracts for carrying out specific projects. Simavi recognises the incoming resources from these financing contracts and grant decisions at the time resources are actually expended. The difference between the income recognised and the actual amounts received in the form of contributions from donors is recorded in the balance sheet.

This results in receivables if more resources have been expended than received or in deferred grants if amounts actually received are greater than those expended.

Pension scheme

Simavi's pension scheme is a defined contribution scheme, managed by life insurance company Nationale Nederlanden. All premiums pertaining to the reporting year are included under staff costs. Any premiums due at year-end are included on the balance sheet under other liabilities, any premiums paid in advance or in access of the premiums due are included as prepaid expenses, in case these can be offset against future premiums due. There are no additional obligations arising from the management agreement with the pension insurer, the pension agreement with employees or other commitments to employees.

Project/programme commitments

The grants unconditionally committed as of the balance sheet date, which have not been already paid, are divided into short-term liabilities and long-term liabilities. The amounts that are expected to be settled after more than one year after the balance sheet date, are accounted for as long-term liabilities.

Liabilities

On initial recognition, liabilities are recognised at fair value. After initial recognition liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

Liabilities due within one year are presented as short-term liabilities; liabilities due after one year are presented under long-term liabilities.

Conversion of foreign currency

Monetary assets and liabilities in foreign currency are converted into euros at the closing rate at year's end. Exchange differences are accounted for in the statement of income and expenditure under financial income and expenses.

Determination of results

Income from private individuals, companies, lottery organisations and other non-profit organisations

Income from private individuals, companies, lottery organisations and other non-profit organisations is recognised in the year to which it pertains, unless income is subject to conditions still to be met.

Legacies and bequests are accounted for as income in the year in which they are received. Provisional payments are accounted for as income in the financial year in which they are received, in cases when a reliable estimate or valuation was not possible at an earlier time.

Income from government subsidies

Income from government subsidies that have been allocated by the donor depending on actual project costs is accounted for in the statement of income and expenditure in the year that the eligible expenditure is recognised, it is probable that the amounts will be received and Simavi complied with all attached conditions. In this context, the expenditure in respect of alliance partners in alliances where Simavi is the lead agency is equal to the amounts paid to these partners.

Differences between the (final) settlement of the grants and accumulated income are accounted for in the statement of income and expenditure in the year in which these differences can be reliably estimated.

Expenditure

Amounts spent on Simavi projects and programmes are accounted for as expenses in the financial year in which the contribution has been unconditionally committed. The expenses recognised in the statement of income and expenditure include the related direct and indirect organisational costs.

Fundraising, awareness raising and management & administration costs are charged to the statement of income and expenditure in the year to which they pertain and as soon as they become apparent.

Salaries, wages and social security contributions are recognised in the statement of income and expenditure based on the pay and benefits package to the extent that they are payable to employees.

Expenditure allocation

Expenditure allocation is described in note 15 of the notes to the statement of income and expenditure.

Financial income

Financial income is recognised in the statement of income and expenditure time proportionally.

Cash flow statement

The cash flow statement is prepared using the indirect method. To determine the change in cash and cash equivalents during the reporting period, the result for that year is adjusted for items in the statement of income and expenditure and for balance sheet movements that did not result in actual cash flows.

The cash flow statement makes a distinction between cash flow from operational, investment and financing activities. In this context, changes in long-term debts from project/programme commitments and interest income are presented as cash flow from operational activities. Under the investment activities, only investments are included for which cash is paid.

Notes to the balance sheet

Note 1 - Fixed assets

Fixed assets are used for operations only. Intangible fixed assets consist of externally acquired software. Tangible fixed assets comprise office machines, equipment and computers. The movements during the year can be specified as follows:

(x 1,000 Euro)	Intangible Fixed assets	Tangible Fixed assets	Total Fixed assets
Value as at January 1, 2022			
Acquisition value	69	139	208
Cummulative depreciation	-69	-115	-184
Book value		24	24
Movements			
Investments	-	6	6
Depreciation	-	-21	-21
Balance		-15	-15
Value as at December 31, 2022			
Acquisition value	69	145	214
Cummulative depreciation	-69	-136	-205
Book value	-	9	9
Depreciation percentages	20 - 33%	10 - 33%	

The 2022 investments relate mainly to the purchase of computer equipment.

Note 2 - Receivables and accrued income

2.1 Bequests to be received

From a legacy Simavi obtained 15 certificates of shares (16.9% of the total shares) in Marnel Zaandam Beheer B.V., registered in Amsterdam. These certificates do not bear any voting rights. Simavi received €4K dividend in 2022 (2021: €4K), which was accounted for as income from Legacies and bequests. Considering the uncertainty of future income from these certificates, the valuation is set at nil (2021: nil). Any future income from these certificates will be accounted for as soon as this income can be reliably determined.

At year-end Simavi had one legacy (three in 2021) encumbered with usufruct. Due to the uncertainty on the size and timing of future payments, the remaining legacies encumbered with usufruct are valued conservatively at nil.

2.2 Other receivables and prepaid expenses

(x 1,000 Euro)	31-12-2022	31-12-2021
Other receivables	70	60
Contribution Dutch Postcode Lottery	900	900
Prepaid expenses	49	123
Total	1,019	1,083

All amounts are to be settled within one year after the balance sheet date.

The contribution of the Dutch Postcode Lottery, committed but not yet received, amounted to €900K at year-end (2021: €900K).

Note 3 - Cash and cash equivalents

The cash and cash equivalents are placed on current accounts or savings accounts. The total amount of €7,121K includes foreign currency in the amount of US\$71K (€67K). All amounts are placed at Dutch banking institutions and are available upon demand, except for €26K, which is restricted as a collateral for a bank guarantee. There are no cash or cash equivalents placed on deposit for more than 1 month. The cash and cash equivalents are intended for objectives and operations only, so not for investment purposes.

The average yield on outstanding cash and cash equivalents was -0.2% in 2022 (-0.4% in 2021).

Note 4 - Reserves and funds

4.1 Continuity reserve

(x 1,000 Euro)	31-12-2021	Withdrawal	Addition	31-12-2022
Continuity reserve	2,336	-	-	2,336
	2,336	-	-	2,336

The continuity reserve is designed to create a sufficiently large buffer to enable Simavi to complete or terminate ongoing projects/programmes appropriately in case of a significant shortfall of key sources of funding. Furthermore, it includes funding necessary for actions to enable Simavi to rebuild such a shortfall or, in worst case, dissolve the organisation, while still meeting legal and moral obligations.

To do this we envisage requiring an equivalent of six to nine months of total operational expenditure, thus ranging between €1.8 and 2.8 million. The continuity reserve, after appropriation of result, amounts to €2,336K at the end of 2022. This is just over seven months and falls well within the indicated range. As the risk levels have not significantly changed, the continuity reserve is kept at the same level as last year. See also the paragraph on the future outlook in the annual report. The maximum size for the continuity reserve, according to the assets' guidelines set by the association for fund-raising institutions (Goede Doelen Nederland), equals to one and a half times the annual operational costs of the organisation, based on the budget for the following year. This maximum amounts to €5.2 million as per December 31, 2022.

4.2 Reserve for financing assets

The reserve for financing assets matches the book value of the total fixed assets.

(x 1,000 Euro)	31-12-2021	Withdrawal	Addition	31-12-2022
Reserve for financing assets	24	21	6	9
	24	21	6	9

4.3 Earmarked reserves

The earmarked reserves held by Simavi, including the movements in these reserves during the year, are specified below:

(x 1,000 Euro)	31-12-2021	Withdrawal	Addition	31-12-2022
Projects	2,404	550	706	2,560
Strategic development	1,061	736	750	1,075
Legacies Fundraising campaign	4	4	-	-
Total earmarked reserves	3,469	1,290	1,456	3,635

Projects

This reserve will be used in the coming years to match funds of institutional donors and foundations to realise projects and to finance projects out of own funds for which no funding is yet available from other sources.

Strategic Development

A reserve has been formed for Strategic Development to further position Simavi, preparing for the future. In the coming year, this reserve will be invested in: further strategic and organisational positioning, private fundraising and programme development. In 2023, we expect to spend an amount of €840K from this reserve.

Legacies Fundraising campaign

In order to ensure a continuous flow of legacies, a multi-year plan is being executed to actively acquire future legacies from existing and new donors and to obtain insight in the size of currently existing (but latent) legacies. The remaining €4K of this reserve is spent in 2022.

Note 5 - Other liabilities and accruals

(x 1,000 Euro)	31-12-2022	31-12-2021
Accounts payable	118	203
Current account Stichting NFICH and ZIEN	9	8
Accrued vacation hours	46	55
Accrued holiday allowance	88	87
Accrued audit fees	120	70
Total	381	423

All other liabilities and accruals are due within one year.

Note 6 - Deferred income

In 2022 the deferred income from government grants decreased to €1.405K. More income was recognised than factually received. Further information on deferred income from government grants is provided in note 10.

(x 1,000 Euro)	31-12-2022	31-12-2021
Government grants	1,405	2,017
Other projects	316	322
Total	1,721	2,339

Note 7 - Off balance sheet rights and obligations

Off-balance sheet rights

Simavi has received multiyear commitments to grants for programmes to be executed in the coming years. The grants are subject to restrictions, so these may be withdrawn. As far as these grants are not yet unconditionally committed, they have not been included in the balance sheet and are considered as off-balance rights.

The below table provides an overview of these rights, of grants in excess of €1 million, as at December 31, 2022.

SUBSIDY (x 1,000 Euro)	WASH SDG	OLHF
Grant received from:	MoFA	EU
Programme period	1-7-2017 till 30-6-2023	1-1-2019 till 31-12-2023
Lead of the alliance	Simavi	n.a.
Total grant amount for the alliance	59,000	-
Grant amount for Simavi	p.m.	5,000
Total amount received upto 2021	45.092	2.755
Received in 2022	6.800	1.067
Total amount received upto 2022	51.892	3.822
Total amount still to be received	7.108	1.178
To be received after determination of total grant amount	590	500

WASH SDG The Dutch Ministry of Foreign Affairs awarded a grant to the WASH SDG consortium in which Simavi acts as lead agency of the consortium consisting of SNV, Plan International and the WASH Alliance International partners. The amount received up to 2022 for the WASH SDG consortium is in total for all parties €51,892K. The grants of Dutch Ministry of Foreign Affairs are conditional upon sufficient funds being made available in the budget by the government and parliament.

OLHF Simavi obtained a grant from the European Union for the programme Our lives, our health, our future in Bangladesh. The total amount of programme entails an amount of €5,560K, of which €560K is financed from our own funds. The programme started in January 2019 and will run for 5 years, up to the end of 2023.

Off-balance sheet obligations

Under the framework of the WASH SDG (€635K) and EU OLHF (€680K) programmes, Simavi and its partners entered into contractual (multi-year) project commitments to carry out projects in areas where Simavi operates. Where these contracts depend on conditions that are yet to be met, such as grant allocation by Dutch Ministry of Foreign Affairs or other parties, they have not been accounted for in the balance sheet. These obligations amounted to €1.315K at the end of 2022 (2021: €3.307K).

Additionally, for other programme contracts, where contracts depend on conditions yet to be met, off balance sheet commitments exist in the amount of €540K (2021: €519K).

Simavi is located at rented premises. The rent amounts to €95K per year. A bank guarantee for this lease has been issued in the amount of €26K. The contract runs until December 31, 2023, with a six-months' notice period, and can be extended year by year. The total obligation amounts to €95K, due within one year.

Notes to the cash flow statement

The cash position of Simavi has decreased by an amount of €369K in 2022. This decrease resulted from a negative cash flow from operational activities of €363K (2021: €809 negative). Our cash position is volatile over the years, due to the timing of receipt of the larger instalments of the government subsidies.

Notes on the statement of income and expenditure

All income reported in the annual accounts has a structural character.

Note 8 - Income from private individuals

This income comprises donations and gifts as well as legacies and bequests. The donations and gifts from private individuals amounted to €1,467K which is lower than in 2021 (€1,506K), but above expectations. The income from legacies and bequests amounted to €1,456K (2021: €528K). Income from legacies and bequests is not budgeted given the uncertainty of this type of income.

Note 9 - Income from lottery organisations

In 2022, Simavi received €900K as a contribution from the Dutch Postcode Lottery and €5K from Dutch "Vrienden" Lottery. The unearmarked contribution Dutch Postcode Lottery is made under a multi-year conditional commitment.

Note 10 - Income from government subsidies

The income from government subsidies in 2022 amounted to €4,419K (2021: €6,364K) which is €807K lower than budgeted. The latter is resulting from lower level of activities than expected.

In 2022, the income from the Dutch Ministry of Foreign affairs for alliance partners amounted to €4,077K (2021: €6,515K). These funds are directly transferred to the consortium partners of WASH SDG alliance. The decrease is due to less activities.

The table below gives an overview of the grants received and income accounted for from the Dutch Ministry of Foreign Affairs and the European Union.

(x 1,000 Euro)	31-12-2021		2022			31-12-2022	
	Grants to be received	Grants received in advance	Add: Grants received	Minus: Income government subsidies	Minus: Income for alliance partners	Grants to be received	Grants received in advance
Watershed	45	-	42	-3	-	-	-
WASH SDG	-	977	6,800	3,195	4,181	-	401
WASH First	-	349	-	139	-104	-	314
More Than Brides Flex	18	-	19	1	-	-	-
More Than Brides	-	72	-65	7	-	-	-
Our Life, Health, Futures	-	315	1,067	976	-	-	406
Other	8	304	92	104	-	-	284
Total	71	2,017	7,955	4,419	4,077	-	1,405

A positive balance between the grants received and the actual expenditure eligible for grant funding is presented in the balance sheet as advance government grants under deferred income (see note 6). In the event of a negative balance, these assets are presented in the balance sheet as grants to be received. Some smaller programmes are grouped under 'Other'.

Note that the accounted income and expenditure can differ from what was reported to the related donor, as a consequence of their specific reporting or accounting requirements.

Note 11 - Income from other non-profit organisations

This income relates to the donations received from foundations and the income from schools, relating to the Walking for Water campaign. The income is specified as follows:

(x 1,000 Euro)	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Income from foundations	239	541	359
Income from schools (Walking for Water)	183	375	172
Total	422	916	531

The income from Walking for Water is lower than budgeted as the event was partly cancelled due to the COVID-19 restrictions in beginning of 2022. The Income from foundations is also lower than projected.

Note 12 - Spent on objectives

(x 1,000 Euro)	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Objective: Awareness raising	1,285	1,494	1,100
Objective: Simavi programmes	5,630	6,970	7,497
Objective: Paid to alliance partners	4,077	7,574	6,515
Objective: Advocacy	159	239	120
Total spent on objectives	11,151	16,276	15,232

The actual expenditure on objectives in 2022 is €4,081K lower than last year, and €5,125K lower than budgeted. The difference is firstly caused by lower payments of alliance members, due to the level of activities and timing of receipt and transfer of the funds.

Spending percentage

The ratio of the total expenditure on objectives as a percentage of the total income is presented in the following table:

(x 1,000 Euro)	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Total spent on objectives	11,151	16,276	15,232
Total income raised	12,920	16,604	16,626
Spending percentage	86.3%	98.0%	91.6%

The percentage expenditure on objectives of total income in 2022 is 86.3%, as compared to 91.6% in 2021. Corrected for the effect of payments to alliance partners, the spending ratio is 80.0% in 2022 (86.2% in 2021).

As a percentage of total expenditure, the expenditure on objectives amounts to 87.4% (2021: 89.0%). This lower percentage in 2022 is mainly resulting from the decrease of total payments to alliance partners and Simavi programs compared to last year.

Note 13 - Cost of generating funds

The cost of generating funds relate to the various funding activities. The most important are the costs relating to private fundraising and the costs for fundraising of grants. The percentage cost of generating funds is significantly higher at 7.5% (2021: 6.7%). The increase is mainly reflecting the decreased income level. The amount of expenditure in 2022 was below costs of last year and well below budget.

(x 1,000 Euro)	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Cost of generating funds	970	1,279	1,119
Total Income raised	12,920	16,604	16,626
Percentage cost of generating funds	7.5%	7.7%	6.7%

Apart from the costs of our own organisation, the fundraising costs mainly relate to the costs of our newsletters and mailings, these are important for maintaining and expanding our donor base.

Note 14 - Management & administration costs

(x 1,000 Euro)	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Management & administration costs	631	673	767
Total expenditure	12,752	18,228	17,118
Percentage management & administration costs	4.9%	3.7%	4.5%

The management & administration costs are below the 2021 level and budget. As a percentage of the total expenditure, the costs are higher at 4.9%, again mainly due to the lower level of total expenditure.

Independent auditors costs

PricewaterhouseCoopers Accountants N.V. have audited the financial accounts. The following fees are charged:

(x 1,000 Euro)	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Audit of the Financial Statements	89	81	81
Audit contracts institutional donors	31	31	31

The amounts for the audit contracts institutional donors are allocated to the programmes were applicable. Three contracts of institutional donors required audited reports in 2022 (2020: three).

No other costs for financial or fiscal advise were incurred in 2022.

Note 15 - Total Expenses

Expenditure (x 1,000 Euro)	Objective			Generating funds	Management & Administration	Total 2022	Budget 2022	Total 2021
	Awareness raising	Programmes	Advocacy					
Grants and contributions	-	8,248	-	-	-	8,248	13,009	12,475
Publicity and communication and outsourced work	674	100	31	472	-	1,277	1,866	1,225
Staff costs	541	1,204	113	441	455	2,754	2,932	2,944
Accommodation costs	29	64	6	23	24	146	147	144
Office and general expenses	37	83	8	30	148	306	259	305
Depreciation	4	9	1	3	3	21	16	25
Total	1,285	9,708	159	969	630	12,752	18,229	17,118

All direct and indirect costs are allocated to 1) the three objectives of Simavi (Awareness raising, Programmes and Advocacy); 2) the cost of generating funds; and 3) management & administration costs.

Apart from direct costs spent on Simavi projects/programmes, all other out of pocket costs that can be directly allocated to the objectives and fund generation are specified under Publicity and communication and outsourced work.

All indirect costs, such as staff, accommodation, office and general expenses and depreciation are allocated based on the number of hours employees have spent on the aforementioned components. A calculation of the hours spent is made for every employee. This calculation is based on the employee's job description.

Management & administration costs include all administrative and secretarial hours, as well as all hours classified by the organisation as overhead, such as meetings with the supervisory board and other meetings intended to provide guidance and direction to the organisation.

Note 16 - Staff costs

(x 1,000 Euro)	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Salaries in the Netherlands	1,980	2,096	2,116
Social insurance premiums, insurances	376	408	391
Costs of pension facilities	135	116	145
Other staff costs	262	312	292
Total	2,753	2,932	2,944

For information about the allocation of staff costs to the different categories of expenditure presented in the statement of income and expenditure please refer to note 15.

The staff costs are lower than in 2021, and somewhat under budget. This is reflecting the lower number of staffing in the Netherlands, in line with the lower level of activities.

The development of the number of staffing is as follows:

Average number of persons employed	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
Dutch office staff	42.3	42.6	47.1
in average number of FTE's	36.8	38.1	41.6

Outside the Netherlands, Simavi has no employees on its own payroll.

Management model and remuneration

Simavi has a two-tier board: a supervisory board for monitoring, supervising and consulting, and a one person executive board (the managing director) for the implementation of Simavi's strategy and its day-to-day management. The salaries of the staff are based on a formalised salary structure. The functions are grouped into categories based on the job characteristics. The categories are linked to a salary grid. The categorisation and salary grid are based on a standardised calculation method performed by an independent agency (Human Capital Group). Periodically we participate in a general survey on salary levels, commissioned by Goede Doelen Nederland. The results of latest survey indicate that our salary levels correspond to the average levels in the sector and are in conformity with the market.

Name	Position
Michiel de Wilde	Chair of the supervisory board till 1st of December 2022
Ankie van Wersch Lenders	Chair of the supervisory board from 1st of December 2022
Joyce Browne	Vice-chair of the supervisory board
Vera Arnoldus	Member of the supervisory board
Willem van de Put	Member of the supervisory board
Hans Valkenburg	Member of the supervisory board
Jeroen Wels	Member of the supervisory board till 1st December 2022

Remuneration of the managing director

The supervisory board determines the remuneration policy, the level of executive remuneration and other fixed remuneration components. The policy is reviewed periodically. Simavi follows the guidelines of Goede Doelen Nederland, laid down in the Advisory Guidelines for the Remuneration of Executives of Charities (see www.goededoelennederland.nl) in determining the remuneration policy and remuneration levels. These guidelines provide a maximum norm for the annual salary based on weighing criteria. These criteria result in a, so called, BSD-score. The rating for Simavi is determined by the supervisory board. The resulting BSD-score is 445 points, indicating a maximum full-time gross salary of €130,699 (excluding remuneration payable in future). The 2022 maximum individual executive remuneration according to the WNT is 216,000.

In 2022, the managing director, Ms Ariette Brouwer, received a gross salary till first of September 2022, including holiday allowance, of €84,201 (2021: €107,706). This is well within both the remuneration guideline of Goede Doelen Nederland and the WNT norm. The managing director Ms Dienneke van der Wijk joined Simavi on 15th of June 2022 and received a gross salary of €48,117.

The managing directors did not receive any bonuses, loans, advance payments or guarantees. The 2022 employer's contribution to the pension scheme of the managing director Ariette Brouwer amounted to €11,566 (2021: €14,259). The 2022 employer's contribution to the pension scheme of the managing director Dienneke van der Wijk amounted to €6,560. Allowances for expenses are only granted based on actual costs incurred, and contain no remuneration elements. Simavi does not provide lease cars. In 2022, the managing director Ariette Brouwer received untaxable allowances for commuting (€806), home work (€85) and telephone (€150). In 2022, the managing director Dienneke van der Wijk received untaxable allowances for home work (€24) and telephone (€164).

Remuneration Executives (WNT-format) (x 1 Euro)	2022	2021
Name: A.D. Brouwer, Managing Director		
Term of employment	1/1 - 30/08	1/1 - 31/12
Employment in FTE	1.0	1.0
Former executive	no	no
Formal employment	yes	yes
Individual WNT maximum	143,311	209,000
Total remuneration		
Remuneration	80,945	107,706
Taxable expense reimbursements	-	-
Remunerations payable in future	11,566	14,259
Total remuneration	92,511	121,965

Remuneration Executives (GDN-format) (x 1 Euro)	2022	2021
Name: A.D. Brouwer, Managing Director		
Duration of employment	undetermined	undetermined
Contract hours	36	36
Part-time percentage	100	100
Term of employment	1/1 - 30/08	1/1 - 31/12
Total remuneration		
Gross salary	70,640	99,728
Holiday allowance (8%)	10,305	7,978
Remuneration	80,945	107,706
Pension scheme paid by employer	11,566	14,259
Total remuneration	92,511	121,965

Remuneration Executives (WNT-format) (x 1 Euro) 2022

Name: E.H. van der Wijk, Managing Director	
Term of employment	15/6 - 31/12
Employment in FTE	1.0
Former executive	no
Formal employment	yes
Individual WNT maximum	118,356
Total remuneration	
Remuneration	48,117
Taxable expense reimbursements	-
Remunerations payable in future	6,560
Total remuneration	54,676

Remuneration Executives (GDN-format) (x 1 Euro) 2022

Name: E.H. van der Wijk, Managing Director	
Duration of employment	undetermined
Contract hours	36
Part-time percentage	100
Term of employment	15/6 - 31/12
Total remuneration	
Gross salary	48,117
Holiday allowance (8%)	
Remuneration	48,117
Pension scheme paid by employer	6,560
Total remuneration	54,677

Also no other staff member received a remuneration exceeding the individual WNT maximum. No severance payments were made to employees that must be (or should have been) reported based on the WNT in 2021 and previous years.

Remuneration of Simavi's goodwill ambassadors

Mr Barry Atsma, Ms Dieuwertje Blok and Ms Britte Lagcher, Simavi's goodwill ambassadors, carried out their activities without receiving any remuneration.

Note 17 - Multi-year income analysis

The below table provides an overview of the development of Simavi's income over the past six years.

(x1,000 Euro)	Individual giving	Legacies and bequests	Corporate	Lottery organisations	Government subsidies	Other non-profit organisations	Total income
2017	1,241	438	81	1,158	12,877	1,466	17,261
2018	1,675	577	158	900	17,405	730	21,445
2019	1,927	755	127	900	18,566	990	23,265
2020	1,828	737	367	900	23,364	354	27,550
2021	1,506	528	282	900	12,879	531	16,626
2022	1,467	1,456	174	905	8,496	422	12,920

Individual giving has shown a gradual increase over the years 2017 till 2020. We aim to maintain this trend by further investments in active private fundraising activities. The drop in 2021 is caused by a change in fundraising strategy, which provides better returns per invested euro and is focussed to lay a solid foundation for future years. In 2022 the income decreased because of war Ukraine and economic situation private individuals. The amount received from legacies and bequests is volatile and unpredictable, yet they are an important source of income for Simavi.

In 2017 some of the income from Corporates was shifted to other non-profit organisations, due to the restructuring of the funding channel (e.g. via a related foundation).

Over the past years, the regular contribution of the Dutch Postcode Lottery was €900K. In 2014 Simavi received a contribution for the Making Periods Normal programme, amounting to a total of €2,064K, which was recognised as income during the years of execution of the programme (2014-2017).

The amount of government subsidies has been substantial over the past years. In 2016 and 2017, the finalisation of old and start-up of new programmes caused a dip in the income from government subsidies. From 2018, this income has returned to higher levels. The government subsidies are inclusive the amounts received for alliance partners. This income has been exceptionally high in 2020 due to the WASH SDG and WASH-First programmes, which Simavi is leading. The 2021 results reflect the finalisation of a number of important programmes. In 2021 WASH First program ended that's why amount of income 2022 is lower than 2021.

The income from other non-profit organisations shows marked fluctuations. This is partly due to the effect of the timing of income recognition. The drop in 2020 is presumably linked to the pandemic. In 2022, we see a slight decrease again. Generation of income from foundations and the private sector remains an important focal point of our fundraising efforts.

Appropriation of result

The result of the financial year 2022, is €151K positive. The executive board proposes, with approval of the supervisory board, to appropriate the result for the year, in accordance with the overview provided in the Statement of Income and Expenditure on page 53 and the explanation in note 4.

After balance sheet date information

There have been no material post balance sheet events, which would require adjustment to the financial statements of Simavi for the year 2022.

Amsterdam, May 24 2023

Executive board

Dieneke van der Wijk

Supervisory board

Ankie van Wersch Lenders (chair)
Joyce Browne (vice-chair)
Vera Arnoldus
Willem van de Put
Hans Valkenburg

Other information

Appropriation of result

According to article 16.5 of the articles of association of Simavi, the Supervisory Board approves the annual accounts drawn up by the executive board. The annual accounts include a proposal for the appropriation of the result for the year 2022. The appropriation of result takes the imposed restrictions on spending by third parties into account.

Independent auditor's report

To: the executive board and the supervisory board of Stichting Simavi

Report on the annual accounts 2022

Our opinion

In our opinion, the annual accounts of Stichting Simavi give a true and fair view of the financial position of the Foundation as at 31 December 2022, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the Dutch Standards for Remuneration Act ('WNT').

What we have audited

We have audited the accompanying annual accounts 2022 of Stichting Simavi ('the Foundation'), Amsterdam (statutory seat: municipality of Haarlem).

The annual accounts comprise:

- the balance sheet as at 31 December 2022;
- the statement of income and expenditure for the year then ended; and
- the notes, comprising a summary of the accounting policies applied and other explanatory information.

The financial reporting framework applied in the preparation of the annual accounts is the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the WNT.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the Audit protocol WNT 2022. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the annual accounts' of our report.

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

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Independence

We are independent of the Foundation in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (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).

Compliance with anti-accumulation provisions WNT not audited

In accordance with the Audit protocol WNT 2022 we have not audited the anti-accumulation provisions of article 1.6a WNT and article 5, paragraph 1 (n and o) Uitvoeringsregeling WNT. This means we have not audited whether or not there is a breach of anti-accumulation remuneration standards resulting from remuneration for a possible employment as a high-ranking official of other WNT-entities, nor have we audited if any related disclosure requirement are correct and complete.

Report on the other information included in the impact report

The impact report contains other information. This includes all information in the impact report in addition to the annual accounts and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the annual accounts and does not contain material misstatements; and
- contains all the information regarding the directors' report that is required by the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

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

By performing our procedures, we comply with the requirements of the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the annual accounts.

The executive board is responsible for the preparation of the other information, including the directors' report pursuant to the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

Responsibilities for the annual accounts and the audit

Responsibilities of the executive board and the supervisory board for the annual accounts

The executive board is responsible for:

- the preparation and fair presentation of the annual accounts in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the WNT; and for
- such internal control as the executive board determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

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As part of the preparation of the annual accounts, the executive board is responsible for assessing the Foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the executive board should prepare the annual accounts using the going-concern basis of accounting unless the executive board either intends to liquidate the Foundation or to cease operations or has no realistic alternative but to do so. The executive board should disclose in the annual accounts any event and circumstances that may cast significant doubt on the Foundation's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Foundation's financial reporting process.

Our responsibilities for the audit of the annual accounts

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They 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 annual accounts.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 25 May 2023
PricewaterhouseCoopers Accountants N.V.

Original has been signed by J. Gersen RA

Appendix to our auditor's report on the annual accounts 2022 of Stichting Simavi

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the annual accounts and explained what an audit involves.

The auditor's responsibilities for the audit of the annual accounts

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, the Audit protocol WNT 2022, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the annual accounts, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional 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 the executive board.
- Concluding on the appropriateness of the executive board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 annual accounts 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 and are made in the context of our opinion on the annual accounts as a whole. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the annual accounts, including the disclosures, and evaluating whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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