



Stichting Aflatoun International,
Amsterdam

Annual Report 2021

Registered seat: Amsterdam

Address:
IJsbaanpad 9-11
1076 CV Amsterdam

VOOR WAARMERKINGSDOELEINDEN
BDO Audit & Assurance B.V.

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Board report

2021 was another dramatic year for many children and youth around the world due to the COVID-19 pandemic, with the educational provision and students' learning continuing to be impacted globally. While in several regions schools reopened during the year, in many countries schools remained closed or only reopened partly. Despite the challenging operating environment Aflatoun partners displayed resilience and flexibility in continuously adapting to a very unpredictable situation in most countries. This report shows that through their innovative approaches rooted and being rooted in the communities they continued to reach a significant number of children and youth, especially many living in vulnerable families and communities.

2021 was also a year of transition for the organization. While continuing to support our partner network to cope with the consequences of the COVID-19 pandemic, we were taking stock of the global strategy for 2016 – 2020 rollout. We used this period as a transition and organized a comprehensive consultation process to develop a new five-year strategy reflecting the priorities to effectively respond to current global issues and inequalities.

Today, children and youth worldwide continue to face many challenges. There are 700 million children living in monetary poor households. Approximately one-sixth of children of school-going age were already out of school before COVID-19, and the pandemic has significantly set back education systems, as the most vulnerable children and youth were not reached through online education. The number of school-aged children & adolescents trapped in emergencies and protracted crises in need of education support increased to 222 million. Millions of children are in labour, face child pregnancy and HIV. This goes along with high youth unemployment and limited financial inclusion exacerbated by the COVID-19 pandemic. The climate crisis is affecting the safety and mental health of children and youth worldwide and, unless governments and communities worldwide radically shift gears, is likely to create dramatic climatic events further negatively affecting the lives of children and youth.

Therefore, the need to energise and empower our world's 2.2 billion children and youth with essential social and financial skills is bigger than ever before. The global COVID-19 pandemic and climate crisis are likely to count children and youth among their hardest-hit victims and highlight the importance for them to have the social and financial skills to deal with the many challenges they will face. The world needs children and youth who possess socioemotional and financial skills, who are not only able to but who dare to think critically and act as agents of change in their own lives for a more equitable and sustainable world.

Aflatoun remains uniquely positioned to bring essential life and financial skills to children and youth worldwide. Education resources and training continue to be Aflatoun's core strengths, constituting a solid platform upon which to further build important 21st century themes such as green skills and digital skills, to extend into digital education, and to provide educational content and materials to parents. Aflatoun's global partner network is a source of innovation and testing ground for new SFE initiatives. A growing number of governments and multilateral agencies approach Aflatoun for support on their life skills and financial education curricula. Aflatoun's rigorous research agenda offers a strong foundation for wider thought leadership. We hope that the many examples in this report will inspire and convince everyone to join the social & financial education movement!

The new 2022-2026 Global Strategy – *Energising the Global Movement for Social & Financial Education* – articulates how the network will further scale its efforts to ensure children and young people, especially the most vulnerable, access high-quality, inclusive, learner-centered social and financial education. Socially and financially empowered children and youth will have a higher chance of avoiding dropping out of school, teenage pregnancy, and being drawn into child labour, and they are more likely to be more

climate-resilient and engage in dialogue with key stakeholders in their community to push for more sustainable development. We will continue our efforts following our new strategy and invite you to take a look at our innovations and outstanding examples from our global network partners from 2021.

Organizational Capacity

The unpredictable programme environment, working from home and staff capacities remained a challenge in 2021. Nevertheless, these challenges were absorbed by the dedicated and committed staff at Aflatoun. Aflatoun remains robust to adjust to changing development paradigms, the ongoing COVID-19 pandemic and will continue its efforts to have substantial impact and contributing to the Sustainable Development Goals (SDGs).

Resources and Funding

Aflatoun's work in 2021 would not have been possible without the generosity of our donors. Aflatoun received valuable support from a range of institutional, corporate, and philanthropic organizations, allowing it to continue its mission to empower children and young people across the world. We highly appreciate the support from Agility, Arvato, Credit Suisse/Credit Suisse APAC, Dioraphte Stichting, Dubai Cares, Echidna Giving, Embassy of Netherlands in Burkina Faso/PROMESSE-FP Consortium (Solidar), Erasmus+ Programme, Fondation Botnar, Hershey Company, Jacobs Foundation, Mastercard Foundation, National Postcode Lottery of the Netherlands, PMI Educational Foundation, Reach Out To Asia, Sint Antonius Foundation, Skoll Foundation and Vitol Foundation.

Aflatoun also welcomes the collaboration with the Aga Khan Foundation, Alliance for Financial Inclusion, Amsterdam City Council, Bantwana, Caritas Switzerland, MeemAin, Ministry of Education-Jordan/INJAZ, Ministry of Youth-Namibia/Jhpiego, Old Mutual, SOS Children's Villages, Teach for All, UNCDF, UNDP, UNCEF and World Education who engaged Aflatoun as technical partner to assist in their programmes to reach children with social & financial skills.

2021 Financial results

2021 continued to be a critical period for Aflatoun. COVID-19 restrictions only allowed mostly remote working for Staff and Consultants. Program and project delivery activities suffered delays. Nevertheless, Consultancy income continued to perform well versus other sources of income. Consultancy income is by definition low risk but requires a higher attention to receivables management and cash forecasting.

In 2021, 59.8% of funding was directed to the three priority areas. This represents an increase compared to 2020 (56.1%). Aflatoun continued its investments towards the attainment of the strategic plan. The progressive roll out of the tools and training modules in response to the global pandemic was successfully carried out. In support of this investment in the three priority areas Aflatoun was at the same time able to increase the efficiencies and productivity of its support functions. In 2021, 31.2% of expenditures were reported under administration and operations, a decrease compared to 35.8% in 2020.

In 2021, 1.9% of expenditures were related to fundraising, this is comparable with 2020. The strategy implemented in 2020 to broaden the fundraising responsibilities amongst the directors is reflected in the successful performance. In 2021, Aflatoun achieved a 21.9% increase in its income over 2020.

For further financial information we refer to our financial statements.

Aflatoun as a going concern

Aflatoun was in a stable financial position at the end of 2021, in terms of solvency, liquidity and secured funding for the year ahead. Unrestricted reserves are at EUR 1,644,235, while cash at bank and on hand increased to EUR 3,393,180 from the previous year of EUR 1,220,088. This increase in part reflects our investments in new income streams, strategic partnerships, but also less outflow of cash due to slower than usual implementation due to COVID-19. The budget for 2022 is 6.2 million in income, which is a significant increase compared to 2021. We intend to reach more children and provide increased social and financial education in a sustainable manner.

2022 plan and budget

Aflatoun has re-positioned its priority areas to emphasize 3 major Strategic objectives for the years 2022 to 2026. Over the next five years, Aflatoun aims to strengthen the quality and relevance of its programme content and delivery. These three key strategic objectives of Aflatoun International are represented in the budget for 2022, which can be found on the final page of this annual report.

Objective 1 – Continuously improve inclusive and responsive education resources through different delivery models (e.g. in-person, digital)

Aflatoun will be emphasising and continuously improving inclusive and responsive educational resources through in-person and digital modules. We will be upgrading our educational resources, incorporating key 21st century themes and transform towards inclusive blended delivery, including for parents. Aflatoun will be investing Euro 712k during the course of 2022 to achieve this Objective.

Objective 2 – Ignite and Grow the Global Aflatoun Network

Aflatoun intends to significantly grow and strengthen its global network. Aflatoun will transform its network participation, exchange and co-creation of children, youth, partners and external stakeholders. Strategic objectives include the doubling of the number of partners, training 250,000 teachers and having partnerships to national integration in 60 countries. Aflatoun will be budgeting Euro 3.7 million in 2022 to initiate this objective.

Objective 3 – Drive outstanding Thought leadership in a turbulent (post-Covid-19) world

Aflatoun will be investing Euro 459k during the course of 2022 in launching a research and learning agenda in partnership with Leading Academic Institutions. Aflatoun will be focusing its advocacy efforts around key international & national events reinforcing Aflatoun's agenda with its key stakeholders and where necessary challenging the establishment and be an advocate for systems change.

Resource mobilization

The budget for Resource Mobilization has been decreased by 31.1% from 2021 to EUR 71,850 to bring it more in line with the actual spending. Fundraising will remain a priority in 2022 to continue building long term donor relations for future growth and expand Aflatoun's opportunities along with partner organisations worldwide.

Operations department

The operations department expense budget has been increased by 15.2 % from a 2021 actuals of EUR 1,1 million to a 2022 budget EUR 1,3 million. This increase includes special project activities (not falling under the three identified Strategic Objectives for which Aflatoun obtained a specific funding). The organization will be increasing its overall compensation and benefits in line with inflation and to retain the

organisation's competitiveness within the market. Headcount will also be increasing by 12% over 2021 together with other operational disciplines, supporting the three objectives, that are included within the operational department. The goal is to spend efficiently while obtaining maximum value. The key priorities in operations department remain to be organizational processes, risk management, and technology improvements.

Forecast financial position

Income in 2022 will increase over 2021 to EUR 6.2 million due to increase in projects and consultancies already secured for the year. A strong driver of this increase is the increasing demand driven by donors for Aflatoun's services. Aflatoun intends to significantly grow Project income and expects regular income recognition on a monthly basis.

The recognition of income from projects is highly dependent on the timing of implementation of programmes due to the need for close proximity of groups of people to implement which has not always been possible during COVID-19. There will clearly be knock on effects from the COVID-19 pandemic, the easing of which is likely to be slower in the majority of the geographical areas where Aflatoun is present. Nevertheless Aflatoun continues to expect increase of commitments from donors throughout the course of 2022.

Procedures for evaluation of financial position

Aflatoun's Supervisory Board currently has a finance committee that meets with the Director of Finance and Operations periodically to evaluate the financial position of the organization.

Twice a year (every half year) Aflatoun holds a global board meeting and four times a year (every quarter) a supervisory board meeting. In these board meetings the financial performance is reflected on the agenda and the variances in actuals versus budget are discussed. In addition to this, the future plans for the remainder of the year (and further years) are discussed during these board meetings.

Risk management

Aflatoun management and Supervisory Board continue to work together to actively identify, rate and manage key risks and issues. For 2022, the follow-on effects of the COVID-19 epidemic will still be the highest risk identified for Aflatoun both in terms of its staff and its financial operations. The risk for staff has been successfully mitigated through the course of 2021 however the high staff turnover will continue to impact the internal organisation of Aflatoun. This has been addressed through the employment of consultants in key positions

Also, key external risk is the increased complexity involved in managing the partners as our portfolio increases. To mitigate this, Aflatoun will continue to invest in regional teams with the employment of full-time regional coordinators and the introduction of in country financial and program audits. Planned project reviews will take place in Q3 & Q4 of the coming year.

Overall, 2021 has been for Aflatoun a year with a series of challenges both financially and programmatically. We made good progress within the network continuing to work together towards high-quality, inclusive, social and financial education for all children and young people, especially the most vulnerable ones amongst them.

General information

Address: IJsbaanpad 9-11, 1076 CV Amsterdam, The Netherlands
 Website: www.aflatoun.org
 Email: info@aflatoun.org
 Telephone: +31 20 626 2025
 Link to the Articles of Association: <http://tinyurl.com/aflatoun>
 Chamber of Commerce of the Netherlands: Commercial Register No. 34229026
 Incorporation: 29 June 2005.

Charity or non-profit organisation

Not-for-profit (tax free) as defined in Section 5b of the Dutch General State Taxes Act (Algemene Wet Inzake Rijksbelastingen, "WAR": With the status of a Public Benefit Organisation (The ANBI's RSIN/Tax number 814607196, since 1 January 2008.

http://www.belastingdienst.nl/rekenhulpen/giften/anbi_zoeken

Policies on reserves

Aflatoun wants to ensure sustainability of the organization so that its international network is ensured. Therefore, Aflatoun has created a Continuity Reserve which seeks to grow to a level sufficient to fully cover operational and programme costs for a period of 3 months (ie. maintain a General Reserve of 25 per cent of total annual expenditure). This is based on a conservative estimate of the amount of time taken to secure funds. As a minimum, Aflatoun seeks to not allow the general reserve to fall below 25 per cent of institutional costs (staff plus overheads). Where the target level of reserves is exceeded, the Management will generally present proposals to the board as part of the annual budget or throughout the year to draw down on the General Reserve for strategic one-off investments.

Communication with key stakeholders

Aflatoun's key stakeholders are the local partner organizations that implement its programmes around the world and the donors that support Aflatoun's work. Communication with partners is coordinated by the relevant Regional Programme Manager, drawing on the support of the Regional Representative as needed. Communications with new donors is coordinated by the resource mobilization team and communications with existing donors is managed by the relevant Project Managers and budget holders.

Remuneration of the Supervisory Board

The members of the Supervisory Board did not receive any remuneration for the year ended December 31, 2021.

Environment

Caring for the environment and fostering sustainable development is a core part of Aflatoun's ethos and programmatic work, including a commitment to minimizing waste and recycling.

Personnel policies

Aflatoun employee policies are in line with legal requirements and good practices in the Netherlands, and are outlined in the Employee Manual, including the employee code of conduct, whistle blower and child protection policy. During the year Aflatoun embarked on revising all of its policies and developing additional ones as per the needs identified.

Volunteers and Interns

Aflatoun relies on the assistance of a number of volunteers and interns to support the team with major events. Aflatoun provides volunteers and interns with a small stipend to assist with the cost of travel associated with their assignments.

Corruption and Fraud

Aflatoun has a strong set of internal controls designed to mitigate the risk of fraud and corruption. These include a Finance Manual outlining policies and procedures related to approval and documentation of expenditure and payments, an anti-money laundering, terrorism financing and sanctions policy, an employee code of conduct, and a whistle-blower policy including a duty to report, and protections for whistle-blowers.

Management team

Our CEO is **Roeland Monasch** (roeland@afatoun.org); he is listed as company director for Aflatoun International at the Trade Registry of the Chamber of Commerce.

Directors of Aflatoun

All directors are responsible for their own functional domain. Together with the CEO, Roeland Monasch, who is the sole statutory director, they form the management team:

Lama Yazbeck, Deputy CEO (lama@afatoun.org) – Started May 2021

Hassan Mahtat, Director of National Policy and Strategies (hassan@afatoun.org) – Until December 2021

Rediet Abiy, Director of Programmes (rediet@afatoun.org) – Until July 2021

Edward C. Greene, Director of Finance and Operations (edward@afatoun.org) – Until June 2021

Nic Bishop, Director of Finance and Operations (nic@afatoun.org) – Started July 2021

Wendy Nagel, Director of Aflatoun Nederland (wendy@afatoun.org) – Until July 2021

The governance of Aflatoun International is laid down in the Articles of Association, providing for a two-tier board structure. The day-to-day management is in the hands of the CEO and the supervision in the hands of the Supervisory Board. The supervisory duties of the Supervisory Board are clearly separated from the operational responsibilities of the CEO, the leadership team and the staff. The Supervisory Board meets at least 4 times a year and sets the overall guidelines for strategy and policies. The CEO attends all Supervisory Board meetings, unless the Supervisory Board decides otherwise. The CEO and the Directors of the different departments form the management team, that meets weekly to discuss executive matters.

<i>Supervisory Board</i>	Other positions
Joanne Kellermann, Chair	<ul style="list-style-type: none"> - Chair – Pensioenfonds Zorg & Welzijn - Chair of the Supervisory Board – NWB Bank NV - Chair of the Board of Trustees – Utrecht University - Member of the Committee on European Integration of the Advisory Council on International Affairs - Member of the Advisory Board – P.R.I.M.E. Finance - Member of the Advisory Board – Transparency International - Member of the Board of Trustees-Veerstichting - Owner/director KellerCo BV
Cor Vink, Member	<ul style="list-style-type: none"> - Chairman of the Board – Stichting EDU – DEX - Managing Partner – TerWadding.nl - Member of the Advisory Board – CiEP Training and Coaching - Certified Practitioner – The Leadership Circle - Board Member – Koninklijke Boom Uitgevers - Managing Shareholder – escc.nl - Advisor – Freia Group - Co-founder – MijnContract.nl - Advisor – Coaches rising
Olivier van Riet Paap, Member	<ul style="list-style-type: none"> - Member of the Board – Vermaat - Partner, Head of Benelux – Bridgepoint
Margo Hoftijzer, Member	<ul style="list-style-type: none"> - International development economist
Sander Volten, Member	<ul style="list-style-type: none"> - Global CEO – 180 Amsterdam
Herman Hulst, Member	<ul style="list-style-type: none"> - Member of Supervisory Board – ING

Global Network Board

Our Global Network Board is the advisory board that advises on all major strategic decisions with an impact on the Aflatoun network. It is comprised of one representative from each of our regions, 6 in total, 1 representative from Meljol, the organization that initially conceptualized the Aflatoun approach in India and 1 special representative from China. The Global Network Board members are elected by partners from their respective regions. Each member serves a 2-year term.

Muhannad Jarrah, Middle East & North Africa Regional Representative

Brian Lariche, Asia Regional Representative

Patricia Fafa Formadi, Anglophone Africa Regional Representative

Jan Orlovsky, Europe & Central Asia Regional Representative

Ana Yris Guzman, Americas Regional Representative

Félix Yao, Francophone Africa Regional Representative

Alan Wang, Special Representative for China

Rishad Byramjee, Special Representative for Meljol

Founder: Jeroo Billimoria

Employees

Employee Headcount

In 2021, Aflatoun employed on an average 32 employees. This is divided across three categories:

- › Strategic objectives 24 (FTE: 21.8)
- › Fundraising 2 (FTE: 1.2)
- › Operations 6 (FTE: 4.4)

Aflatoun is proud to have a diverse staff, with 32 employees (27.4 FTE) in 2021 (incl. MT) (2020: 31 employees/26.8 FTE) and 4 long-term consultants from 16 countries. With the team representing all regions in which Aflatoun programmes are implemented, we can ensure that our programmes and partner support are contextualised to each socio-cultural context.

Diversity bias

Our staff is from the following 20 countries: Belgium, Canada, Colombia, Czech Republic, France, Ghana, India, Indonesia, Ireland, Italy, Japan, Lebanon, The Netherlands, Palestine, Spain, Senegal, Tajikistan, Uganda, United Kingdom, Uzbekistan.

Gender balance: All staff: 70% female / 30% male – Management Team: 75% female / 25% male

Amsterdam, October 11, 2022



Roeland Monasch
Chief Executive Officer



Balance sheet per December 31, 2021

(after proposed appropriation of the balance of income and expenses)

	2021	2020*
	EUR	EUR
A s s e t s		
Fixed assets		
Tangible fixed assets (1)	4,627	7,703
Current assets		
Work in progress (2)	164,513	80,947
Receivables and prepayments (3)	921,051	1,221,609
Cash at banks and in hand (4)	3,393,180	1,220,088
Total current assets	4,478,744	2,522,644
Total assets	4,483,371	2,530,347
R e s e r v e s a n d l i a b i l i t i e s		
Reserves (5)		
Continuity reserve	1,648,862	1,127,521
Total Reserves	1,648,862	1,127,521
Current liabilities (6)	2,834,509	1,402,826
Total reserves and liabilities	4,483,371	2,530,347

* The comparative figures have been adjusted. Refer to the note Change in accounting policies for related disclosures.

Statement of income and expenses for the year ended December 31, 2021

	Actual 2021	Budget 2021 (unaudited)	Actual 2020*
	EUR	EUR	EUR
Income			
Source of income			
Income from connected non-commercial organizations (7)	3,185,077	3,960,958	2,320,860
Income from lottery organizations (8)	765,614	500,000	500,000
Income from individuals	532	—	—
Income from commercial organizations	—	—	—
Income from government	—	—	—
Other income (NOW-subsidy) (9)	(55,457)	—	374,445
Income from other non-commercial organizations	—	—	—
Total income	3,895,766	4,460,958	3,195,305
Expenses			
Expenses made for Strategic Objectives			
Objective 1: Priority Area I: Advocate for social & financial education for all children, especially the most vulnerable	998,436	788,594	801,599
Objective 2: Priority Area II: Quality delivery of social & financial education	953,909	1,908,951	616,761
Objective 3: Priority Area III: Accelerate scale-up of social & financial education	376,157	797,295	372,680
Total expenses made for Strategic Objectives	2,328,502	3,494,840	1,791,040
Expenses for fundraising	64,442	104,326	56,788
Operational and administrative expenses	1,086,153	702,190	1,029,159
Total expenses	3,479,097	4,301,356	2,876,987
Balance of Income and Expenses before financial results	416,669	159,602	318,318
Financial income/(expense) (10)	104,672	—	—
Balance of Income and Expenses after financial results	521,341	159,602	318,318
Proposal of appropriation of the balance:			
Addition to / (deduction from) continuity reserve	521,341	159,602	318,318
Addition to / (deduction from) destination fund	—	—	—
Total appropriation of the balance	521,341	159,602	318,318

*

The comparative figures have been adjusted. Refer to the note Change in accounting policies for related disclosures.

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The balance of income and expenses 2021 is appropriated as follows:

The positive balance for 2021 of EUR 521,341 is proposed to be added to the continuity reserve.

The difference between actual and budget is explained in the paragraph "Commentary on actual results versus budget 2021" on page 14.

<u>Index numbers</u>	<u>2021</u>	<u>2020</u>
-Expenses made for strategic objectives in % of Total expenses	66.9%	62.3%
-Operational and administrative expenses in % of Total expenses	31.2%	35.8%
-Expenses for fundraising in % of Total expenses	1.9%	1.9%
-Expenses made for strategic objectives in % of Total income	59.8%	56.1%

The operational and administrative cost represent 31.2% (2020: 35.8%) of total expenses if we would not take in consideration any pro-bono services or goods. In 2021 and 2020 no pro-bono services or goods were received by Aflatoun.

Other information

Proposed balance of income and expenses appropriation

The management of Aflatoun proposes the appropriation of the balance of income and expenses for the year. In accordance with the provisions of Article 7.11 sub. p of the articles of association, the Supervisory Board has to confirm the adoption of the financial statements including the proposed appropriation of the balance of income and expenses. In accordance with the articles of association, gains whatsoever named and received in any year, can be used only for the realisation of the objectives of Aflatoun.

The Management proposes to appropriate the balance of income and expenses as follows:

The balance of income and expense amounting to EUR 521,341 to be added to the Continuity Reserve. Awaiting the final decision, the balance sheet is prepared after appropriation of balance of income and expenses.

Subsequent events

There are no subsequent events that require specific disclosure.

Commentary on actual results versus budget 2021

The actual income in 2021 (EUR 3,895,766) is approximately 12.7% less than the budget (EUR 4,460,958). This performance against the budget can be largely attributed to delays in activity implementation as a result of COVID-19 particularly with respect to Project implementations. The performance against the budget has been mitigated by unrestricted sources of income notably the Skoll Foundation and the Postcode Lottery.

Actual expenditure on strategic objectives in 2021 was EUR 2,328,502. This is 33.4% lower than the budget of EUR 3,494,840. This is due in part to the ongoing COVID -19 pandemic during the course of 2021, impacting the implementation of mainly strategic objectives 2 and 3.

Actual spend on fundraising in 2021 was EUR 64,442, this is a 38.2% lower than the budget of EUR 104,326. This was due to a conscious decision to reduce costs within the department.

Actual spend on operational and administrative expenses was EUR 1,086,153. This is 54.7% higher than the budget of EUR 702,190. Higher consulting and under budgeted insurance costs all contributed to an overspend in operational expenses. Other increases in Operational Expenses were related to operational support due increased scope of project activities.

Cash flow statement for the year ended December 31, 2021

	2021		2020*	
	EUR	EUR	EUR	EUR
Cash flow from operating activities				
Balance of income and expenses	521,341		318,318	
Adjustments for depreciation	5,734		5,505	
		527,075		323,823
<i>Adjustments for changes in working capital</i>				
Work in progress	(83,566)		(80,947)	
Receivables and prepayments	300,558		225,753	
Current liabilities	1,431,683		265,743	
		1,648,675		410,549
Cash flow from operating activities		2,175,750		734,372
Cash flow from investing activities				
Additions tangible fixed assets	(2,658)		(5,460)	
Cash flow from financing activities		(2,658)		(5,460)
Net cash flow		2,173,092		728,912
(Decrease)/increase cash and cash equivalents		2,173,092		728,912
Movements in cash and cash equivalents				
Opening balance cash and cash equivalents		1,220,088		491,176
(Decrease)/increase cash and cash equivalents		2,173,092		728,912
Closing balance cash and cash equivalents		3,393,180		1,220,088

*

The comparative figures have been adjusted. Refer to the note Change in accounting policies for related disclosures.

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Notes to financial statements

General

Activities

Throughout the world, many children daily face hardships that are often connected to poverty. Stichting Aflatoun International provides children with social and financial skills and insights that not only will support them to deal with these adversities but also prepare them for better planning the life ahead of them.

Stichting Aflatoun International is a foundation located in Amsterdam.

Stichting Aflatoun International was founded in 2005, its mission is *“Ensuring access to high quality, inclusive, child-centered social and financial education for all children and young people, especially the most vulnerable.”*

To achieve our mission, until 2021 the organization’s budget was structured along the three pillars of the organisation:

- 1 Priority Area I (previously: Concept) - Advocate for social & financial education for all children, especially the most vulnerable.
- 2 Priority Area II (previously: Programmes) - Quality delivery of social & financial education.
- 3 Priority Area III (previously: Network) - Accelerate scale-up of social & financial education.

Any further supporting strategies to perform these activities are described within the operational narrative included in the Management Report for the year.

Aflatoun has re-positioned the organisation’s priority areas to emphasis 3 major Strategic objectives for the years 2022 to 2026 as outlined in the paragraph entitled ‘Our future’ on pages 14 and 15.

Accounting principles

Aflatoun applies the Dutch Accounting Standard RJ 650 (Fund Raising Organizations). Accounting policies per item of the financial statements are set out in the summary of significant accounting policies.

Going concern assumption

The financial statements have been prepared based on the going concern assumption.

Change in accounting policies

Aflatoun has re-assessed the accounting policies of consultancy income recognition. Previously, this type of income was conservatively recognized only *after* the in the consultancy contract agreed milestones were achieved and agreed by the donors.

Now the consultancy income is becoming a larger share of Aflatoun’s total income, Aflatoun believes that a match between incurred consultancy expenses and recognized consultancy income provides a better true and fair view to users of the financial statements and is more aligned with the guidelines for external reporting as issued by the Dutch Accounting Standards Board (‘Raad voor de Jaarverslaggeving’), specifically section RJ 221.3. As a result, a work in progress balance has been added to the balance sheet for the recognized but as yet unbilled consultancy revenue.

This change in accounting policies has been recognized retrospectively. The effect on the financial statements is as follows:

	1 January 2020 before change in accounting policies	Difference	1 January 2020 after change in accounting policies	31 December 2020 before change in accounting policies	Difference	31 December 2020 after change in accounting policies
	EUR	EUR	EUR	EUR	EUR	EUR
<i>Balance sheet</i>						
Work in progress	—	—	—	—	80,947	80,947
Continuity reserve	(809,203)	—	(809,203)	(1,046,574)	(80,947)	(1,127,521)

	1 January 2021 before change in accounting policies	Difference	1 January 2021 after change in accounting policies	31 December 2021 before change in accounting policies	Difference	31 December 2021 after change in accounting policies
	EUR	EUR	EUR	EUR	EUR	EUR
<i>Balance sheet</i>						
Work in progress	—	80,947	80,947	—	164,513	164,513
Continuity reserve	(1,046,574)	(80,947)	(1,127,521)	(1,484,349)	(164,513)	(1,648,862)

	2020 before change in accounting policies	Difference	2020 after change in accounting policies	2021 before change in accounting policies	Difference	2021 after change in accounting policies
	EUR	EUR	EUR	EUR	EUR	EUR
<i>Income statement</i>						
Income	3,114,358	80,947	3,195,305	3,812,200	83,566	3,895,766
Net result	237,371	80,947	318,318	437,775	83,566	521,341

Allocation of expenses

The expenses recognized in the reporting year are allocated to the strategic objectives, to our fundraising activities or to operational and administrative costs. The allocation has been detailed in the schedule Allocation of expenses to objectives.

Index numbers

The index number “operational and administrative expenses” provides the percentage from total expenses used for operational and administrative tasks.

The index number “expenses made for strategic objectives” provides the percentages from total expenses used for expenses made for strategic objectives. The index number “expenses for fundraising” provides the percentages from total income from fundraising of expenses made for fundraising.

The index number “expenses made for strategic objectives” provides the percentages from total income used for expenses made for strategic objectives.

Summary of significant accounting policies

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into EUR at year-end exchange rates; exchange gains and losses are charged to the Statement of income and expenses. Transactions in foreign currencies during the financial year are translated into euros at the rate of exchange ruling on transaction date.

Tangible fixed assets

Tangible fixed assets are valued at historical purchase price less depreciation, determined on a straight-line basis over the estimated useful economic lives (of 3 years) of the assets concerned, taking into account any residual values.

Work in progress

Unbilled consultancy projects revenue is recognized only to the extent of contract costs incurred that are probably recoverable. The contract costs are recognized as an expense in the statement of income and expenses in the period in which they are incurred.

If it is probable that total contract costs will exceed total project income, the expected loss is recognized as an expense immediately.

Consultancy project income realized in the financial year is recognized under the corresponding source of income in the statement of income and expenses. Contract costs are included under expenses made for Strategic Objectives.

Receivables

The receivables are initially recognized at fair value including the transaction costs. After the initial recognition, the receivables are valued at amortized cost, which is due to the short term of the receivables in most cases equal to the nominal value, less a provision for possible uncollectible accounts.

Cash at banks and in hand

Cash at banks and in hand includes bank balances and petty cash balances and are carried at nominal value. It also includes deposits if these are effectively at Aflatoun's free disposal, even if interest income may be lost.

Cash at bank and in hand not expected to be at the Aflatoun's free disposal for longer than twelve months is classified as financial assets under the fixed assets.

Liabilities

The liabilities are initially recognized at fair value including the transaction costs. After the initial recognition, the liabilities are valued at amortized cost, which is due to the short term of the liabilities in most cases equal to the nominal value.

Principles of determination of result

Income

Aflatoun International uses an electronic timekeeping to enable accurate allocation of salary-related expenses to donor programmes. At the same time, income on these restricted donor-funded grants and projects is recognized on the basis of actual time staff spent on projects and actual direct and indirect costs charged to projects. If there are remaining un-used project balances, without any repayment obligation, this additional income (if applicable) is only recognized after the related project is formally closed.

Consultancy project income is initially recognized to the extent of contract costs incurred. Subsequently at the moment that certain, in the respective consultancy agreements, identified pre-agreed milestones are reached and approved by the donor, the full agreed revenue for that milestone is recognized.

Income on un-restricted donor-funded grants is recognized upon receipt and accounted on a straight-line basis, based on contract start and end dates.

Income from lottery organizations is recognized in the year it relates to.

Annual partnership fees, are recognized in the year they relate to.

Contributions for meetings organised by Aflatoun are recognised in the period that the respective meeting occurs.

Un-restricted donations and others are recognized upon receipt.

Income relating to services in kind and expenses of pro bono services received are valued at their respective fair value amounts.

Expenses

Expenses are recognised at the historical cost convention and are allocated to the reporting period in which they occur.

Depreciation

Depreciation is calculated based on the straight-line method over the estimated useful economic life.

Cash flow statement

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

Notes to the balance sheet per December 31, 2021

Fixed assets (1)

Tangible fixed assets

Tangible fixed assets comprise Office equipment. Movements were as follows:

	2021	2020
	EUR	EUR
Net book value at January 1	7,703	7,749
Additions	2,658	5,459
Deductions (cost price)	(16,796)	—
Deductions (cumulative depreciation)	16,796	—
Depreciation charge for the year	(5,734)	(5,505)
Net book value at December 31	4,627	7,703
Cost	48,710	62,848
Accumulated depreciation	(44,083)	(55,145)
Net book value at December 31	4,627	7,703

Office equipment is depreciated over a life term of 3 years.

Work in progress (2)

	2021	2020
	EUR	EUR
Consultancy work in progress	164,513	80,947

The consultancy work in progress comprises the part of the consultancy revenue that relates to performed work from staff and/or third parties, that has not yet been invoiced to the donors.

Receivables and prepayments (3)

	2021	2020
	EUR	EUR
Donor income receivable	551,960	579,191
NOW receivables	—	19,222
Debtors	319,982	580,385
Deposit paid for bank guarantee	16,903	16,903
Other receivables and prepayments	24,535	20,442
Pension related receivables	7,671	5,466
Total	921,051	1,221,609

Donor income receivables

The donor income receivable comprises of the balance of receivables of several donors regarding the contractual agreed part of income that belongs to the current and previous year which was not invoiced and/or received yet.

Deposit paid for bank guarantee

Aflatoun paid a deposit of EUR 16,903 to ABN-AMRO Bank for a bank guarantee of similar amount to the landlord.

Pension related receivables

Pension related receivables comprise the current-account balance with the pension provider.

Debtors

The debtor balance includes gross receivables of EUR 344,170 less a provision for doubtful debts of EUR 24,188 (2020: 57,858). Provisions are formed on an individual basis. Movements in the provision for doubtful debts were as follows:

	2021	2020
	EUR	EUR
Carrying amount at January 1	57,858	—
Additions	64,808	73,608
Releases (debtor paid)	(7,500)	(15,750)
Use of provision (debtor did not pay, invoices written-off) *	(90,979)	—
Carrying amount at December 31	<u>24,188</u>	<u>57,858</u>

* The majority of this relates to two projects in Ethiopia and Egypt.

Cash at banks and in hand (4)

	2021	2020
	EUR	EUR
Current account ING Bank – held in EUR	144,883	103,876
Current account ING Bank – held in USD	1,573,436	—
Current accounts ABN-AMRO Bank – held in EUR	303,088	112,542
Current accounts ABN-AMRO Bank – held in USD	180,518	—
Savings accounts ABN-AMRO Bank – held in EUR	1,186,891	999,281
Paypal account – held in EUR	4,202	4,227
Cash in hand – held in EUR	162	162
Total	<u>3,393,180</u>	<u>1,220,088</u>

Cash in hand at bank balances are freely available on demand.

Reserves (5)

The movements in Continuity Reserve are as follows:

	2021	2020
	EUR	EUR
Balance at January 1	1,127,521	809,203
Appropriation of balance for the year	521,341	318,318
Balance at December 31	1,648,862	1,127,521

Management proposes to add the positive balance for the year of EUR 521,341 to the Continuity Reserve. In accordance with the provisions of Article 7.11 sub. p of the articles of association, the Supervisory Board has to confirm the adoption of the financial statements including the proposed appropriation of the balance of income and expenses. Waiting for the final decision, the balance sheet is prepared after the appropriation the balance of income and expenses.

Continuity Reserve

Within the Continuity Reserve a balance of EUR 4,627 is included as tied-up reserve. This amount is equal to the book value of the tangible fixed assets recognized on the balance sheet. The remaining amount of EUR 1,644,235 is an unrestricted reserve.

It is Aflatoun's aim to ensure sustainability of the organization so that its international network is ensured. Therefore, Aflatoun has created a Continuity Reserve which it seeks to grow to a level sufficient to fully cover operational and program costs for a period of 3 months (ie. maintain a General Reserve of 25% of total annual expenditure). This is based on a conservative estimate of the amount of time taken to secure funds. As a minimum, Aflatoun seeks to not allow the general reserve to fall below 25% of institutional costs (staff plus overheads). Where the target level of reserves is exceeded, the Management will generally present proposals to the board as part of the annual budget or throughout the year to draw down on the General Reserve for strategic one-off investments. The Continuity Reserve is built up by income from donors, consultancies or membership fees that are not specified for a particular activity.

Per December 31, 2021 the reserve, based on the budget for 2022, slightly crossed the aimed level of 25% of total annual expenditure (the maximum target level). The continuity reserve now represents 26.7% of the total annual expenditure budgeted for the next year.

Current liabilities (6)

	2021	2020
	EUR	EUR
Donor income received in advance	2,450,145	922,221
Donor income invoiced in advance	—	217,738
Accounts payables	169,553	84,718
NOW payable	54,238	—
Accrued holidays	77,062	83,559
Wage tax	49,269	43,368
Other liabilities	34,242	51,222
	<u>2,834,509</u>	<u>1,402,826</u>

The donor income received in advance comprises of the balance of receipts of several donors regarding the contractual agreed part of income that belongs to future periods.

The donor income invoiced in advance comprises of the balance of outgoing invoices to several donors regarding the contractual agreed part of income that belongs to future periods.

NOW payable comprises expected NOW-2 subsidy balance to be repayable to Dutch government. The NOW-2 subsidy was received during 2020. This is the economic relief offered to companies that experience a substantial decrease in revenue during the subsidy period (June-September 2020), to offset salary cost and avoid terminations. We expect we have to refund part of the received, since decrease of income was less than initially expected.

Contingencies and commitments

Aflatoun has a rental agreement with Stichting Burgerweeshuis – Roomsche Catholiek Jongens Weeshuis for the period of March 1, 2020 until December 31, 2023. The yearly rent and service costs including VAT are EUR 69,017.

Due within one year	69,017
Due between one year and five years	69,017
Longer than five years	—
Total	<u>138,034</u>

Notes to the statement of income and expenses for the year ended December 31, 2021

Income from non-commercial organizations (7)

	2021	2020
	EUR	EUR
Unicef	1,056,827	654,223
Sint Antonius Stichting	383,153	219,839
Credit Suisse	242,694	122,211
ROTA	186,508	—
Old Mutual Africa's Biggest Classroom	164,670	—
Solidar Lutter Pour Un Monde Equitable	148,683	—
Hershey Foundation	139,222	—
Rockefeller Philanthropy	136,917	—
Dubai Cares	100,932	91,458
The MasterCard Foundation	72,507	148,965
Dioraphte Foundation	69,848	19,143
Skoll Foundation	56,104	176,029
Botnar Foundation	46,642	73,039
Agility	33,621	5,604
Aga Khan	29,858	17,550
Echidna Giving	20,652	276,916
Teach For All	19,899	—
Jhpiego	19,799	—
Caritas Switzerland	18,051	—
Alliance for Financial Inclusion	16,830	—
Injaz	14,916	—
SOS Childeren's Villages	13,201	(43,725)
Meem Ain for Education	10,000	10,000
Gemeente Amsterdam	9,829	19,385
World Education	9,793	—
Bantwana	8,590	—
UNDP Paraguay	5,165	—
World Vision	(25,451)	106,060
Child and Youth Finance International	—	119,651
The MasterCard Foundation / Solidaridad	—	104,000
Generali	—	40,000
The World Food Programme	—	27,194
Mott MacDonald	—	24,000
Plan International NL	—	16,951
Jacobs Foundation	—	10,592
Chemonics	—	7,442
Lynx	—	6,307
Opportunity International UK	—	4,204
MFA Zimbabwe	—	(1,621)
Project Hope	—	(5,100)
Erasmus+	—	(22,331)
<i>Sub-total, transfer to the next page</i>	<i>3,009,460</i>	<i>2,227,986</i>

	2021	2020
	EUR	EUR
<i>Sub-total transferred from the previous page</i>	<i>3,009,460</i>	<i>2,227,986</i>
TRECC OLAM	—	(47,578)
Partnership fees	106,753	33,430
Contributions for meetings	40,403	13,990
Others	28,461	93,032
Total	<u>3,185,077</u>	<u>2,320,860</u>

The income received from the respective donors is used for spending as agreed in the contracts.

Income from lottery organizations (8)

	2021	2020
	EUR	EUR
Nationale Postcode Loterij	<u>765,614</u>	<u>500,000</u>

For the years 2020-2024 the Nationale Postcode Loterij offered a contribution. The exact amount is yearly based on the income of the lottery. For 2021 the contribution has been confirmed in March 2022 to be EUR 500,000 and has been received in March 2022 by Aflatoun.

Besides this contribution Aflatoun received also an extra grant of EUR 1,950,000 for the years 2021-2023. Of this amount EUR 1,443,000 is to spend on projects and EUR 507,000 is to cover salaries, operational and administrative expenses. During 2021 in total EUR 265,614 has been used of the extra grant.

Other income (NOW-subsidy) (9)

	2021	2020
	EUR	EUR
NOW-subsidy	<u>(55,457)</u>	<u>374,445</u>

During the COVID-19 outbreak early 2020 Aflatoun applied for the NOW1- and NOW2-subsidy from the Dutch government. This is the economic relief offered to companies that experience a substantial decrease in revenue during the subsidy period (March-September 2020), to offset salary cost and avoid terminations. With this support Aflatoun avoided to have to scale down significantly across the organization with serious risk of having to halt essential operations and lay-off staff.

During 2021 final calculations were made. It turned out that Aflatoun received more in advance than entitled to. This final amount of the subsidy was set at EUR 318,988. This results in a correction of the subsidy of EUR 55,457 to be presented in 2021. Per December 31, 2021 an amount of EUR 54,238 is still payable and settled with the government during 2022.

Employee information

In 2021, Aflatoun employed on average 32 employees (27.4 FTE's) (2020: 31 (26.8 FTE's)), divided as follows:

	Employees 2021	FTE's 2021	Employees 2020	FTE's 2020
Strategic objectives	24	21.8	22	20.3
Fundraising	2	1.2	2	1.2
Operations	6	4.4	7	5.3
	<u>32</u>	<u>27.4</u>	<u>31</u>	<u>26.8</u>

	2021	2020
	EUR	EUR
Gross salary	1,232,063	1,173,556
Social contributions	230,661	235,737
Pensions	47,681	33,946
Other personnel costs	10,308	9,472
	<u>1,520,713</u>	<u>1,452,711</u>

No members of the Supervisory Board received any remuneration for the year ended December 31, 2021. Aflatoun did not reimburse the travel expenses of regional board members made in order to participate in board meetings during 2021 (2020: nil). Further information on the Board has been recorded in the separate operational narrative for the year.

Per the 1st of August 2015 the CEO started with an indefinite contract for 40 hours per week. The following costs are derived from the salary administration and comprise the cost of the executive director for the year:

	2021	2020
	EUR	EUR
Gross salary (CEO)	89,500	86,988
Social contributions	10,325	10,410
Pension	10,515	7,719
Other	387	—
	<u>110,727</u>	<u>105,177</u>

The gross salary in 2021 per month was EUR 7,471 (including 8% holiday allowance). This is in line on the so called "Wijffels code" for remunerations for directors working in the non-profit sector which takes into consideration the size, budget and complexity of the organisation.

This is also within the range of the maximum yearly salary of EUR 209,000 (1 FTE/12 months) according to the "Regeling beloning directeuren van goededoelenorganisaties". According to this regulation the salary cost of EUR 110,727 falls within category G with 371-410 points (maximum is category J with 491 points).

During the year there were on average 6 volunteers/interns active (2020: 10).

Financial income/(expense) (10)

	2021	2020
	EUR	EUR
Interest expenses	(5,792)	—
Foreign currency exchange gain	110,464	—
Total	<u>104,672</u>	<u>—</u>

Interest rates dropped to negative rates, therefor during 2021 Aflatoun had interest expenses in relation to its positive bank balances.

During 2021 Aflatoun opened USD bank accounts. Balances denominated in foreign currencies are translated into EUR at year-end exchange rates; exchange gains and losses are charged to the Statement of income and expenses.

Allocation of expenses to objectives

	Strategic objectives								
	Priority Area I	Priority Area II	Priority Area III	Expenses for Fundraising	Operational and administrative	Total 2021	Budget 2021	Total 2020	Budget 2022
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Priority Area I: Advocate for social & financial education for all children, especially the most vulnerable	747,569	—	—	—	—	747,569	534,856	563,063	—
Priority Area II: Quality delivery of social & financial education	—	312,630	—	—	—	312,630	1,294,727	39,335	—
Priority Area III: Accelerate scale-up of social & financial education	—	—	111,251	—	—	111,251	540,758	131,512	—
Strategic Objective 1 (2022-2026): Continuously improve inclusive and responsive education resources through different delivery models (e.g. in-person, digital)	—	—	—	—	—	—	—	—	390,572
Strategic Objective 2 (2022-2026): Ignite and grow the global Aflatoun Network	—	—	—	—	—	—	—	—	2,529,764
Strategic Objective 3 (2022-2026): Drive bold thought leadership in a turbulent (post-Covid-19) world	—	—	—	—	—	—	—	—	396,497
Wages	203,249	519,557	214,623		7,832	1,232,063	1,248,341	1,173,556	1,778,255
Social securities and taxes	38,051	97,269	40,181		6,398	230,661	250,760	235,737	333,697
Pensions	7,866	20,107	8,306		9,591	47,681	36,109	33,946	68,057
Other personnel costs	1,701	4,346	1,796	392	2,073	10,308	10,075	9,472	15,368
Rent and accommodation	—	—	—	—	66,766	66,766	66,766	63,492	66,600
Other costs	—	—	—	6,675	707,759	714,434	312,964	621,369	573,324
Depreciation	—	—	—	—	5,734	5,734	6,000	5,505	5,000
Subtotal	998,436	953,909	376,157	64,442	1,086,153	3,479,097	4,301,356	2,876,987	6,157,134
Pro-bono services	—	—	—	—	—	—	—	—	—
Total expenses	998,436	953,909	376,157	64,442	1,086,153	3,479,097	4,301,356	2,876,987	6,157,134

Allocation of costs to objectives have been made based on actual costs and personnel time spent.

The other costs in the category operational and administrative include as well actual project expenses, that did not fall under one of the three priority areas, as opposed to that budgeted for in 2021.

During 2021 Aflatoun did not receive pro-bono goods or services.

The operational and administrative expenses represent 31.2% (2020: 35.8%) of total expenses.

Independent auditor's report

To: the Management and Supervisory Board of Stichting Aflatoun International

A. Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of Stichting Aflatoun International based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Aflatoun International as at 31 December 2021 and of its result for 2021 in accordance with the 'RJ-Richtlijn 650 Fondsenwervende Organisaties' (Guideline for annual reporting 650 'Fondsenwervende Organisaties' of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the balance sheet as at 31 December 2021;
2. the profit and loss account for 2021; and
3. the notes comprising of 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 Aflatoun International in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

B. Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- ▶ the board report;
- ▶ the allocation of expenses to objectives;
- ▶ budget 2021.

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

Management is responsible for the preparation of the other information, including the management report in accordance with RJ-Richtlijn 650.

C. Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 'RJ-Richtlijn 650 Fondsenwervende Organisaties' (Guideline for annual reporting 650 'Fondsenwervende Organisaties' of the Dutch Accounting Standards Board). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

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

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

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

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

- ▶ identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- ▶ evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- ▶ evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Utrecht, 13 October 2022

For and on behalf of
BDO Audit & Assurance B.V.,

Initials for identification purposes:

A handwritten signature in blue ink, appearing to be 'J.S. Terlingen', is written on a light blue rectangular background.

drs J.S. Terlingen RA

Budget 2022

	Budget 2022	Actual 2021	Budget 2021
	EUR	EUR	EUR
<u>Income</u>			
Source of income			
Income from connected non-commercial organizations	5,013,564	3,185,077	3,960,958
Income from lottery organizations	1,146,634	765,614	500,000
Income from individuals	—	532	—
Income from commercial organizations	—	—	—
Income from government	—	—	—
Other income (NOW-subsidy)	—	(55,457)	—
Income from other non-commercial organizations	—	—	—
Total income	6,160,198	3,895,766	4,460,958
<u>Expenses</u>			
Expenses for Strategic Objectives			
Objective 1 (2015-2021): Priority Area I:			
Advocate for social & financial education for all children, especially the most vulnerable	—	998,436	788,594
Objective 2 (2015-2021): Priority Area II:			
Quality delivery of social & financial education	—	953,909	1,908,951
Objective 3 (2015-2021): Priority Area III:			
Accelerate scale-up of social & financial education	—	376,157	797,295
Objective 1 (2022-2026): Content			
Continuously improve inclusive and responsive education resources through different delivery models (e.g. in-person, digital)	711,690	—	—
Objective 2 (2022-2026): Programmes/training			
Ignite and grow the global Aflatoun Network	3,663,552	—	—
Objective 3 (2022-2026): Research & Communication			
Drive bold thought leadership in a turbulent (post-Covid-19) world	458,922	—	—
Total expenses made for Strategic Objectives	4,834,164	2,328,502	3,494,840
Expenses for fundraising			
Expenses from own organizational fundraising	71,850	64,442	104,326
Operational and administrative expenses	1,251,120	1,086,153	702,190
Sub-total expenses	6,157,134	3,479,097	4,301,356
Financial expenses/(income)	3,000	(104,672)	—
Total expenses, including finance expense/(income)	6,160,134	3,374,425	4,301,356