



FINANCIAL REPORT 2020

1 january - 31 december

Stichting Human Security Collective
Riviervismarkt 4, 2513 AM The Hague

The Hague, 22 juni 2021

For identification purposes,
Schoonhoven, d.d. 22 June 2021
Versluis Accountancy B.V.
J. Versluis RA

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Introduction

2020 Was an exceptional year. Due to the Covid 19 pandemic HSC had to adjust its programs and the way we implement our work.

Despite these, at times, quite demanding adjustments, our team has been fortunate to be able to implement most of the projects according to our planning. Overall, our partners and donors have been helpful in creating the required conditions for a continuation of our programs. The team quickly and diligently adjusted to the “new normal” of using video-calls for training sessions, presentations, conferences etc.

In terms of financial results, this fiscal year ends with a positive balance of € 191.000, which was beyond the expectation at the financial planning stage for 2020. HSC had planned a contribution for acquiring new projects of € 60.000, but the sufficient financial means have made this redundant.

We executed over a dozen projects of which six projects have been finalized and eight new ones initiated. The material costs for carrying out projects decreased from € 454.000 to € 298.000 due to the Covid 19 related restrictive measures. Physical trainings, meetings and travel were reduced to a minimum. Most of the planned activities were carried out via video-calls, the fees for which we could still incur. Our institutional donor for the FATF related work, Sigrid Rausing Trust agreed for us to spend the items that had been budgeted for travel and research costs on fees related to digital activities. Because of this, the total personnel costs that we could charge against the projects increased from € 627.000 to € 764.000. The overall reserve has increased to € 705.000.

The NOW regulation. HSC was entitled to receive the NOW due to a decrease of 57% of the income in comparison to the period of April till June of the previous fiscal reference year, 2019. We will reimburse part of the NOW allocation as the turnover decrease was less than anticipated.

Our reserve for professional development increased to € 37.000. The planned training and courses could not materialize because of the Covid related measures.

At the end of 2020 the financial position of HSC remains solid.

2. Financial position

	Actual <u>2020</u> x € 1.000	Budget <u>2020</u> x € 1.000	Actual <u>2019</u> x € 1.000
<u>Income</u>			
Contributions HSC	1.464	1.636	1.050
Mutation project prerequisites	-402	211	31
	1.062	1.847	1.081
Direct Project Expenses	298	978	454
Gross margin	764	869	627
<u>Expenditures</u>			
Personnel	545	647	545
Organisation	39	29	1
General	16	75	104
Housing	11	14	10
Services	0	1	0
ICT	12	16	16
	623	782	677
Sub-total Result	141	87	-50
Other Income	50	90	59
Interest	0	0	0
Total other income	50	90	59
Result	191	177	9

Financial position

For an assessment of the financial position of the foundation, the amounts of the balance sheet (Annex A) grouped as follows:

	31-12-2020	31-12-2019
<u>Prolonged Available Capacity</u>		
<u>Equity</u>		
General reserve	705.063	519.957
Reserve professional development	37.237	30.901
	742.300	550.858
Increase compared to previous year		
Operating surplus/ deficit	185.106	3.931
Addition/ withdrawal facilities	6.336	5.172
	191.442	9.102

Available working capital

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Receivables	13.204	54.764
Cash and cash equivalents	<u>1.483.153</u>	<u>819.117</u>
	1.496.357	873.881
Current Liabilities	<u>108.772</u>	<u>79.368</u>
Working capital	<u>1.387.585</u>	<u>794.514</u>
Increase compared to previous year	<u>593.071</u>	<u>-67.823</u>
Prepaid project costs	0	0
Positive balance and increase of facilities	<u>191.442</u>	<u>9.102</u>
	<u>191.442</u>	<u>9.102</u>

At year end 2020 the financial position of HSC is solid.

Treasurer
Klaas Jansen

Balance Sheet as at 31 December 2020**Annex A**

<u>Assets</u>	<u>31-12-2020</u>	<u>31-12-2019</u>
Current Assets		
<i>Accounts receivable</i>	13.204	54.764
<i>Current account</i>	<u>1.483.153</u>	<u>819.117</u>
	<u>1.496.357</u>	<u>873.881</u>
 <u>Liabilities</u>		
<i>Equity</i>		
General reserve	705.063	519.957
Reserve professional development	<u>37.237</u>	<u>30.901</u>
	742.300	550.858
<i>Current liabilities / accounts payable</i>	108.772	79.368
<i>Advanced project payments</i>	645.285	243.656
	<u>1.496.357</u>	<u>873.882</u>



Operating Account

Statement of income and expenses

Annex B**Income**

		<u>Actual 2020</u>	<u>Actual 2019</u>	<u>Budgeted 2020</u>
Contribution to HSC	1.463.582	1.049.639	1.635.957	
Mutation advanced project payment	-401.629	31.459	211.443	
Interest	19	184	0	
Other Income	<u>50.078</u>	<u>58.852</u>	<u>90.000</u>	
		1.112.050	1.140.133	1.937.400

Expenditures

Staff costs	545.449	544.594	647.160	
Organisation Expenses	38.504	788	29.310	
General Expenses	16.364	104.376	75.210	
Housing Costs	10.603	10.238	14.340	
Services	173	184	660	
ICT	11.763	16.444	16.000	
Project Charges	<u>297.752</u>	<u>454.407</u>	<u>978.199</u>	
		920.608	1.131.031	1.760.880

Results Financial Year

<u>191.442</u>	<u>9.102</u>	<u>176.520</u>
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Breakdown of results

Reserve Professional Development	6.336	5.172	
General Reserve	185.106	3.931	176.520
	<u>191.442</u>	<u>9.102</u>	<u>176.520</u>

Receivables

The receivables are valued at their nominal value.
All receivables are reviewed individually and decided upon whether it is doubtful.
In case of doubt a provision for bad debt is created.

Other Assests and Liabilities

Unless mentioned otherwise, these are valued at their nominal value.

Provision for Professional Development

A provision has been created for keeping and developing the knowledge and expertise of the staff members.

Principles for Determining the Results

Revenues and expenses are accounted for in the period they are related to, regardless of whether they have been received or paid at that moment.

Revenues are incorporated if they have been realized. Expenses are accounted for if they are foreseeable.

NOW-1 subsidy request

HSC has made a NOW-1 subsidy request In May 2020 at the UWV. The NOW subsidy is a temporary compensation of the personnel cost for employers dealing with a loss of turnover during the corona crisis. The requested compensations was based on an estimated turnover loss of 90% over the months April, May and June. The received advance payment was € 83.919
The actual turnover loss was 57%, which results in the NOW-1 compensation of € 66.487
The amount to be repaid to the UWV is € 17.432
The NOW compensation has been booked into the accounts as a cost reduction on Personnel Expenses, and the amount to be repaid is included in Accrued Liabilities.

Notes to the Balance Sheet as at 31 December 2020**Annex D**

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Accounts receivable		
Interest ABN/Amro	11	149
Warranty	1.150	1.150
Payments in advance	2.541	0
Dutch Ministry of Foreign Affairs	0	0
St. Participe	0	15.765
ICCO	5.648	0
ECNL	1.745	21.993
Other	2.109	15.708
Total accounts receivable	<u>13.204</u>	<u>54.764</u>
<u>Liquid assets</u>		
Cash	1.231	1.628
Bank Account	1.037.984	373.693
Bank Account (savings)	443.938	443.796
Total Liquid Assets	<u>1.483.153</u>	<u>819.117</u>
<i>These are directly requestable balances.</i>		
<u>Liabilities</u>		
<u>General Reserve</u>		
Balance as of 1 January	519.957	516.026
Increase: result financial year	185.106	3.931
	<u>185.106</u>	<u>3.931</u>
Balance at 31 December	<u>705.063</u>	<u>519.957</u>
<u>Reserve Professional Development</u>		
Balance at 1 January	30.901	25.729
Increase: endowment	9.000	9.000
Decrease: various trainings and courses	2.664	3.828
	<u>6.336</u>	<u>5.172</u>
Balance at 31 December	<u>37.237</u>	<u>30.901</u>



	<u>2020</u>	<u>2019</u>
<u>Accounts payable</u>		
Still to be paid holiday contribution/ days	25.305	23.121
Accrued liabilities	19.632	1.000
Prepaid payments	14.800	0
Justice and Peace	6.109	5.261
Project costs to be paid	3.944	1.683
Tax authorities	15.081	11.735
Auditor	11.913	5.225
Perpectivity	2.420	0
Foreign accounts payable	6.150	16.528
PFZW Pension fund	0	7.360
Miscellaneous	3.418	7.455
	<hr/>	<hr/>
Total accounts payable	<u>108.772</u>	<u>79.368</u>
<u>In advanced received contributions:</u>		
Projects (see annex F)	645.285	243.656
Correction balance 1 January		
Projects (see annex F)	0	0
	<hr/>	<hr/>
Balance at 31 December	<u>645.285</u>	<u>243.656</u>

Financial obligations not featured in the balance sheet:

Rental contract with " Stichting het Nutshuis " concerning office space Riviervismarkt 5, the Hague and an extra room 'Glazen kamer'. The contract of the office space ends per 31-12-2021 and can be terminated by that date, with a term of notice of 6 months before the end of contract.

The office space rent in 2020 was € 9.403, including services.

The costs of the "Glazen kamer" rental are € 1.200 on yearly base (price level 2020).

Notes to the Operating Account**Annex E***On the Status on Income and Expenses***Income****Actual
2020****Actual
2019****Budgeted
2020****Contributions:**

MOFA	374.000	25.000	434.000
NPL - Nederlandse Postcode Loterij	0	0	0
Mensen met een Missie	470.241	17.656	251.252
Cordaid NAP1325	103.976	105.349	155.146
Norwegian Church	152.160	225.000	152.160
UNDP	124.900	34.755	127.171
CSID	87.104		168.698
Sigrid Rausing Trust	88.553	78.816	88.830
ECNL	7.668	53.419	50.629
OSF	0	260.870	0
Canada Global Affairs	0	0	56.980
EU	0	0	0
ICCO	33.886	25.088	33.886
Australian Government	0	24.524	0
ECNL / OAK	0	27.826	25.000
St. Participe (Zon MW)	21.094	63.060	32.205
NWO	0	12.391	0
Justice and Peace	0	0	0
US Foundations	0	0	0
Own contribution	0	95.885	60.000
	1.463.582	1.049.639	1.635.957

Mutation Project Requirement:

Balance at 1 January	243.656	275.115	243.656
Balance at 31 December	<u>645.285</u>	<u>243.656</u>	<u>32.213</u>
Mutation Required	-401.629	31.459	211.443

** For a complete overview on projects income and expenses see Annex F***Interest Income**

Interest Banks	<u>19</u>	<u>184</u>	<u>0</u>
	19	184	0

Other Income

Lease staff for third parties	19.786	23.107	0
Miscellaneous	<u>30.292</u>	<u>35.745</u>	<u>90.000</u>
	50.078	58.852	90.000

Total Income

1.112.050	1.140.133	1.937.400
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Expenditures

		<u>Actual</u> <u>2020</u>	<u>Actual</u> <u>2019</u>	<u>Budgeted</u> <u>2020</u>
Personnel Expenses				
Salaries	482.661	424.379	488.900	
Social Security Expenses	73.181	65.474	76.000	
Verg.zkv	2.230	2.149	2.150	
Pension wg	44.914	40.152	46.400	
Travel expenses w/w	7.976	6.008	7.810	
Other pers.expenses	2.732	1.965	8.000	
Hired personnel	1.575	2.043	2.500	
Arboservice	1.084	944	1.100	
Insurance ZW	6.177	6.361	7.300	
Professional Development	2.664	3.828	9.000	
Sick pay	-13.258	-8.709	-2.000	
NOW - compensation salaries	-66.487	0	0	
		545.449	544.594	647.160
Organisation Expenses				
Phone costs etc.	3.181	3.907	4.590	
Postage	9	33	100	
Banking costs	541	456	900	
Exchange rate difference	26.753	-14.738	0	
Office supplies	121	199	500	
Insurances	3.431	3.039	3.130	
Subscriptions / documentation	0	95	200	
Copying costs, etc.	502	631	700	
Conferences / seminars (abroad)	143	5.806	12.360	
Contributions	0	0	0	
Other organisational costs	182	545	730	
ISO certification	3.641	0	6.100	
Expenses earlier years	0	815	0	
		38.504	788	29.310
General Expenses				
Audit fees	12.518	5.110	5.710	
KKA-TAD/administration	2.226	2.027	2.500	
Publicity	0	0	1.000	
Cost management (board)	1.586	1.277	4.000	
Travel-accomm. expenses (NL)	0	69	1.500	
General Costs	34	8	500	
Own contribution projects	0	95.885	60.000	
Meeting costs	0	0	0	
		16.364	104.376	75.210

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Expenditures

	<u>Actual 2020</u>	<u>Actual 2019</u>	<u>Budgeted 2020</u>
Housing Expenses			
Rent	<u>10.603</u>	<u>10.238</u>	<u>14.340</u>
	10.603	10.238	14.340
Services			
Housekeeping services	173	184	660
depreciation inventory	<u>0</u>	<u>0</u>	<u>0</u>
	173	184	660
Automation			
ICT (including hardware)	<u>11.763</u>	<u>16.444</u>	<u>16.000</u>
	11.763	16.444	16.000
Activity-project Expenses			
Third party	<u>297.752</u>	<u>454.407</u>	<u>978.199</u>
	297.752	454.407	978.199
Total	<u><u>920.608</u></u>	<u><u>1.131.031</u></u>	<u><u>1.760.880</u></u>

	<u>Number Fte's</u>	<u>Number Fte's</u>	<u>Number Fte's</u>
<u>Staffing</u>			
Executive Director	1,0	1,0	1,0
Co-Directors	2,0	2,0	2,0
Program Officers	3,6	3,0	3,5
Communication Officer	1,0	0,8	1,0
Administration	<u>0,6</u>	<u>0,6</u>	<u>0,6</u>
Total	8,2	7,4	8,1
Internships positions	0,0	0,0	0,0



Overview Project 2020

Annex F

Income	OSF institutional support	Signif. Raising Trust - FATF Global Coalition	Tunisia FATF	Mali ARC	Coordination ARC	CVE Masterclass	Australia MasterClass Ethiopia	UNDP Cameroon	Stab DVB	Freedom Of Religion and Belief	Libya 1325 NAP	Libya 1325 NAP Addendum	CSID	TimesFuture	TAYF help waar nodig	Mentorship Programme 2.0 Tunisia	Acquisitie	Total Projects
Balance Sheet as of 1/1-2020	122.848	34.233	0	2.565	0	64.822	9.640	4.610	0	0	4.937	0	0	0	0	0	0	243.656
MOFA									374.000									374.000
Canada Global Affairs																		0
US Foundations																		0
Norwegian Church Aid (NCA)				152.160														152.160
ICCO					33.886													33.886
ECNL Tunisia		7.668																7.668
OSF																		0
Australian Embassy/Dep.For.Aff.																		0
Cordaid NAP 1325											63.976	40.000						103.976
ECNL (OAK)																		0
SRT		88.553																88.553
Mensen met een Missie																		470.241
CSID													87.104					87.104
Fonds 1818																		0
St. Partique (Zon MW)														15.761	5.333			21.094
NWO																		0
UNDP								124.900										124.900
EU																		0
NPL (Nationale Postcode Loterij)																		0
Other																		0
Total External Income	122.848	122.786	7.668	154.725	33.886	64.822	9.640	129.510	374.000	470.241	68.913	40.000	87.104	15.761	5.333	0	0	1.707.237
Own contribution Institutional																		0
Total Income	122.848	122.786	7.668	154.725	33.886	64.822	9.640	129.510	374.000	470.241	68.913	40.000	87.104	15.761	5.333	0	0	1.707.237
Expenditures																		
Salary costs	112.411	44.070	1.429	75.922	24.007	4.000		63.317	67.200	210.371	21.118	69.210	50.050	15.761	5.333			764.200
Project expenses	10.437	41.492	6.239	68.423	9.879	1.765		56.420	16.412	29.182	27.723	9.970	19.810	0	0			297.752
Total Expenditures	122.848	85.562	7.668	144.345	33.886	5.765	0	119.737	83.612	239.553	48.842	79.180	69.860	15.761	5.333	0	0	1.061.952
Balance Projects	0	37.224	0	10.380	0	59.057	9.640	9.773	290.388	230.688	20.071	-39.180	17.245	0	0	0	0	645.285

Budget Project 2020

Annex G

BUDGET PROJECT 2020																								
Initiative	OSF Institutional support	Legal Training - FATF Global Coalition	FATF National Risk Assessment	Partnership Power of Voice	FATF Expert Hub	US philanthropy services	Tunisia FATF	Mail ARC	Coordination FSC	CVE Mediterranean	Australia and Ethiopia	Partnership with UNHCR DDI-DVD	UNDP Cameroon	Freedom of Religion and Belief	US Palestine	Libya ATM MAP	CSRD	Time/Kiosk Future	Postcode-Identi	Laboratory Lectures	Partnership Project 2.0 Tunisia	Actualité	Overage	Total Projects
Balance Sheet as of 1/1-2020	122,848	34,233	0	0	0	0	0	2,565	0	64,822	9,640	0	4,610	0	0	4,937	0	0	0	0	0	0	0	243,656
MOFA				60,000								374,000									0			434,000
Canada Global Affairs			56,980																					56,980
US Foundations																								0
Norwegian Church Aid (NCA)								152,160																152,160
ICCO									33,886															33,886
ECNL Tunisia							50,629																	50,629
OSF																								0
Australian Embassy/Dep.For.Aff.																	155,146							155,146
Cordaid MAP 1325					25,000																			25,000
ECNL (OAK)														251,252										251,252
SRT		88,830																168,698						168,698
Mensen met een Missie																								0
CSID																								0
Fonds 1818																		32,205						32,205
Zon NW																								0
NWO																								0
UNDP													127,171											127,171
EU																								0
NPL (Nationale Postcode Loterij)																								0
Other																								0
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Overview Project 2019

Income	OSF De-risking (20)	OSF Core Funding	OSF Institutional Support	SRT Global Coalition	HMO WOTRO	OYE Masterclass	OYE Masterclass Ethiopia	OVERPVE Toolkit	UNEP Cameroon's PVE Project	MM Workshop Cameroon	Strategic Partnership	Mail ARC	Coordination ARC Project	Tunisia Youth Leadership Tunisia	Tunisia FATF	Libya 1325 MAP	OAK FATF export hub	Time4You-Future	Acquisitie	Overige	Total Projects
Balance Sheet as of 1/1-2019	38.637	5.323	0	0	-2.339	105.432	0	37.226	0	13.966	0	4.195	0	-221	-100	70.514	30.369	3.765	0	139	306.906
Correction per 1-1-2019																					-31.791
Corrected balance per 1/1-2019	38.637	5.323	0	0	-2.339	105.432	0	37.226	0	13.966	0	4.195	0	-221	-100	70.514	-1.422	3.765	0	139	275.115
MOFA						20.000		5.000													25.000
Canada Global Affairs																					0
US Foundations																					0
Norwegian Church Aid (NCA)												225.000	25.088								225.000
ICCO																	27.826				25.088
ECNL																					81.245
OSF	0	0	260.870																		260.870
Cordaid MAP 1325																					105.349
Australian Govt. Dep. For. Aff. Trade								24.524													24.524
SRT				78.816																	78.816
Mensen met een Missie										17.656											17.656
UNDP									34.755												34.755
Fonds 1818																					0
Zon MW																		63.060			63.060
NWO					12.391																12.391
Other																					0
Total External Income	38.637	5.323	260.870	78.816	10.052	125.432	24.524	42.226	34.755	31.622	0	229.195	25.088	-221	53.319	175.863	26.404	66.825	0	139	1.228.868
Own contribution Institutional								6.868	559		10.419			220	100		70		77.787	-139	95.885
Total Income	38.637	5.323	260.870	78.816	10.052	125.432	24.524	49.094	35.314	31.622	10.419	229.195	25.088	0	53.419	175.863	26.474	66.825	77.787	0	1.324.753
Expenditures																					
Salary costs	20.870	0	125.609	22.299	10.034	46.243	11.200	24.800	22.957	27.600	8.000	79.846	19.325	0	3.478	59.605	18.522	66.802	59.500		626.690
Project expenses	17.767	5.323	12.413	22.284	18	14.367	3.684	24.294	7.747	4.022	2.419	146.783	5.763	0	49.941	111.320	7.952	23	18.287		454.407
Total Expenditures	38.636	5.323	138.022	44.583	10.052	60.610	14.884	49.094	30.704	31.622	10.419	226.630	25.088	0	53.419	170.925	26.474	66.825	77.787	0	1.081.097
Balance Projects	0	0	122.848	34.233	0	64.822	9.640	0	4.610	0	0	2.565	0	0	0	4.937	0	0	0	0	243.656

Foundation Human Security Collective
Attn.: Mrs. C.J. van Broekhoven
Riviervismarkt 5
2513 AM 's-Gravenhage

INDEPENDENT AUDITOR'S REPORT

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

Our opinion

We have audited the financial statements 2020 of Foundation Human Security Collective at 's-Gravenhage.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Foundation Human Security Collective as at 31 December 2020, and of its result for 2020 in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board).

The financial statements comprise:

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

Basis for our opinion

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

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

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

B. Report on the other information included in the annual report

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

- Introduction;
- Financial position;
- Annex F Overview Projects 2020;
- Annex G Overview Budget projects 2020;
- Annex H Overview Projects 2019.

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, in accordance with 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board) .

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJ-Richtlijn 640 Organisaties zonder winststreven' (Guideline for annual reporting 640 'Not-for-profit organisations' of the Dutch Accounting Standards Board).

Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the 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.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment 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 skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:



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

Schoonhoven, June 22, 2021

Versluis Accountancy B.V.
J. Versluis RA