

ANNUAL REPORT

2020

Stichting Changing Markets

Utrecht, The Netherlands

CONTENT

ACCOUNTANT'S REPORT

1	Assignment	2
2	Accountant's compilation report	2
3	Result	4

FINANCIAL STATEMENTS

1	Balance sheet per 31 December 2020	7
2	Statement of income and expenditure 2020	9
3	Notes to the balance sheet as on 31 December 2020	10
4	Notes to the statement of income and expenditure 2020	13

ACCOUNTANT'S REPORT

Aan de aandeelhouders en bestuur van
Stichting Changing Markets
Oorsprongpark 12
3581 ET Utrecht

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Afdeling accountancy
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3702 AC Zeist

Postbus 194
3700 AD Zeist

Plaats: Zeist
Datum: 25 maart 2021
Ons kenmerk: 92168
Contactpersoon: J.E. Potter RA

Dear Mr. Bergman,

Hereby we report on the financial year ending with 2020 with regard to Stichting Changing Markets.

1 ASSIGNMENT

In accordance with your engagement, we have compiled the annual financial statements 2020 of Stichting Changing Markets, including the balance sheet with a total of € 1.543.741 and the statement of income and expenses with a result of € -.

2 ACCOUNTANT'S COMPILATION REPORT

Aan: het bestuur

The financial statements of Stichting Changing Markets at Utrecht have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2020 and the profit and loss account for the year 2020 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Stichting Changing Markets.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening Gedrags- en Beroepsregels Accountants" (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

For a further explanation of the nature and scope of a compilation assignment and the VGBA, please refer to www.nba.nl/uitleg-samenstellingsverklaring.

3. GENERAL

3.1 Company details

The objectives of the Changing Markets Foundation are to enhance quality of life for people and to protect the natural environment. The Foundation seeks to achieve these objectives by:

- Promoting the understanding of the opportunities that exist to address the social and environmental aspects of sustainability by driving change in the behaviour and performance of companies and the use of market forces to accelerate change.
- Publishing research papers.
- Engaging in public debate.
- Providing funding and strategic advice to community based nongovernmental organisations.

Stichting Changing markets is recognised by the Belastingdienst (Dutch tax authority) as having ANBI status i.e. a Public Benefit Organisation and is registered in the Commercial Register of Chamber of Commerce. (number: 68014635)

3.2 Board

The foundation is led by Joachim Berman (chairman) and Paul Gilding (secretary and treasurer).

3 RESULT3.1 Comparative overview

	2020		2019		Difference
	€	%	€	%	€
<u>Income</u>	1.215.607	100,0	1.799.498	100,0	-583.891
<u>Expenditure</u>					
Campaign costs	1.105.872	91,0	1.645.015	91,4	-539.143
Organizational support costs	109.735	9,0	154.483	8,6	-44.748
-	1.215.607	100,0	1.799.498	100,0	-583.891
<u>Result</u>	-	-	-	-	-

3.2 Result analysis

	2020	
	€	€
<i>Factors that increase the result:</i>		
Decrease in wages and salaries	69.222	
Decrease in grants to other organizations*	106.805	
Decrease in research costs	237.756	
Decrease in media and communications	125.360	
Decrease in organizational support costs	44.748	
		583.891
<i>Factors that reduce the result:</i>		
Decrease in gross sales results		583.891
<u>Change in result</u>		-

We are happy to provide further explanations.

Yours sincerely,
Countus Ceifer

J.E. Potter RA
Accountant-Administratieconsulent

FINANCIAL STATEMENTS

1 BALANCE SHEET PER 31 DECEMBER 2020
(after adding the result)

	<u>31 December 2020</u>		<u>31 December 2019</u>	
	€	€	€	€
ASSETS				
<u>CURRENT ASSETS</u>				
<u>Receivables</u>	(1)			
Debtors		175.222	-	
Other taxes and social insurance premiums		99	-	
Other receivables and prepaid costs		357	-	
		<u>175.678</u>	<u>-</u>	
<u>Cash and cash equivalents</u>	(2)			
ING Bank N.V.		1.368.063		1.115.339
		<u>1.543.741</u>	<u>1.115.339</u>	

	31 December 2020		31 December 2019	
	€	€	€	€
LIABILITIES				
<u>CURRENT LIABILITIES</u>		1.543.741		1.115.339

1.543.741

1.115.339

2 STATEMENT OF INCOME AND EXPENDITURE 2020

		2020		2019	
		€	€	€	€
<u>INCOME</u>	(3,4)		1.215.607		1.799.498
<u>EXPENDITURE</u>					
Campaign costs	(5)	1.105.872		1.645.015	
Other operating expenses	(6)	109.735		154.483	
			1.215.607		1.799.498
<u>RESULT</u>			-		-
Taxes			-		-
<u>RESULT</u>			-		-

3 NOTES TO THE BALANCE SHEET AS ON 31 DECEMBER 2020ASSETSCURRENT ASSETS1. RECEIVABLES

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
<u>DEBTORS</u>		
Accounts receivable	<u>175.222</u>	<u>-</u>
<u>OTHER TAXES AND SOCIAL INSURANCE PREMIUMS</u>		
Value added tax	<u>99</u>	<u>-</u>
<u>OTHER RECEIVABLES AND PREPAID COSTS</u>		
Prepaid costs	<u>357</u>	<u>-</u>
<u>PREPAID COSTS</u>		
Prepaid expenses	<u>357</u>	<u>-</u>
<u>2. CASH AND CASH EQUIVALENTS</u>		
ING Bank N.V. .007	<u>1.368.063</u>	<u>1.115.339</u>

LIABILITIES

	<u>31-12-2020</u>	<u>31-12-2019</u>
	€	€
<u>DEBT TO CREDIT INSTITUTIONS</u>		
ING Bank N.V. Credit Card	<u>2.524</u>	<u>1.348</u>
<u>CREDITORS</u>		
Account payables	<u>15.214</u>	<u>127</u>
<u>OTHER TAXES AND SOCIAL INSURANCE PREMIUMS</u>		
Value added tax	-	290
Income tax	<u>1.932</u>	<u>1.894</u>
	<u>1.932</u>	<u>2.184</u>
<u>OTHER DEBTS AND CURRENT LIABILITIES</u>		
Other current liabilities	1.520.574	1.108.680
Accruals	<u>3.497</u>	<u>3.000</u>
	<u>1.524.071</u>	<u>1.111.680</u>
<u>OTHER CURRENT LIABILITIES</u>		
Deferred income Disruptive Consulting International Pty Ltd. operational costs	1.122.653	788.485
Deferred income Disruptive Consulting International Pty Ltd. campaign costs	<u>397.921</u>	<u>320.195</u>
	<u>1.520.574</u>	<u>1.108.680</u>

DEFERRED INCOME DISRUPTIVE CONSULTING
INTERNATIONAL PTY LTD. OPERATIONAL COSTS

	<u>2020</u>	<u>2019</u>
	€	€
Position as of January 1st	788.485	795.843
- Operational costs*	334.168	-7.358
Position as of December 31st	<u>1.122.653</u>	<u>788.485</u>

*) Changing Markets Foundation has agreed with Disruptive Consulting International Pty Ltd. (Cygnet, Australia) that the amounts received from Disruptive Consulting International Pty Ltd. in the financial year may only be counted as income when they have actually been spent on campaign costs or operational costs (have been realized). Amounts that are ultimately not spent (not realised) on campaign costs or operational costs must eventually be repaid to Disruptive Consulting International Pty Ltd.

DEFERRED INCOME DISRUPTIVE CONSULTING
INTERNATIONAL PTY LTD. CAMPAIGN COSTS

Position as of January 1st	320.195	582.335
Direct campaign spent	77.726	-262.140
Position as of December 31st	<u>397.921</u>	<u>320.195</u>

<u>31-12-2020</u>	<u>31-12-2019</u>
€	€

ACCRUALS

Accountant costs	<u>3.497</u>	<u>3.000</u>
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4 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE 20203. INCOME

Net sales decreased by 32,4% in 2020 compared to 2019.

	<u>2020</u>	<u>2019</u>
	€	€
<u>4. INCOME</u>		
Service fee billed in the year	1.627.500	1.530.000
Allocated from deferred income previous year/realised	320.196	589.694
Allocated to deferred income - monies received for campaigns not yet realised	-397.921	-320.196
Allocated to deferred income - monies received for operational support costs not yet realised	-334.168	-
	<u>1.215.607</u>	<u>1.799.498</u>

The amounts received in the year are received from the founders of the foundation. Together with their consultancy firm Disruptive Consulting International Pty Ltd. in Cygnet, Australia, they generate their funds from various business activities, including investments, royalties books, office hours and advice to companies that are leaders in sustainable performance. Changing Markets Foundation has agreed with Disruptive Consulting International Pty Ltd. that the amounts received from Disruptive Consulting International Pty Ltd. in the financial year may only be counted as income when they have actually been spent on campaign costs or on operational support costs (have been realized). Amounts that are ultimately not spent (not realised) must be repaid to Disruptive Consulting International Pty Ltd.

5. CAMPAIGN COSTS

Staff costs	523.904	593.126
Grants to other organizations*	100.555	207.360
Research costs	243.819	481.575
Media and communications	237.594	362.954
	<u>1.105.872</u>	<u>1.645.015</u>

*) 9% of the campaign costs

6. OTHER OPERATING EXPENSES

Organizational support costs	<u>109.735</u>	<u>154.483</u>
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ORGANIZATIONAL SUPPORT COSTS

General administration and management costs	29.126	37.659
Office support costs	80.609	116.824
	<u>109.735</u>	<u>154.483</u>