

ANNUAL REPORT

2021

Stichting Changing Markets

Utrecht, The Netherlands

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ACCOUNTANT'S REPORT

Aan het bestuur van
Stichting Changing Markets
Oorsprongpark 12
3581 ET Utrecht

*Countus accountants + adviseurs
Afdeling accountancy
Utrechtseweg 131
3702 AC Zeist*

*Postbus 194
3700 AD Zeist*

Plaats: Zeist
Datum: 12 mei 2022
Ons kenmerk: 92168
Contactpersoon: S.N. Gerritsen-Witteveen

Dear Mr. Bergman,

Hereby we report on the financial year ending with 2021 with regard to Stichting Changing Markets.

1 ASSIGNMENT

In accordance with your engagement, we have compiled the annual financial statements 2021 of Stichting Changing Markets, including the balance sheet with a total of € 1.593.316 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 2021 and the profit and loss account for the year 2021 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 RESULT**3.1 Comparative overview**

	2021		2020		Difference
	€	%	€	%	€
Income	1.441.725	100,0	1.215.607	100,0	226.118
Expenditure					
Staff costs	688.664	47,8	523.904	43,0	164.760
Grants to other organizations*	40.059	2,8	100.555	8,3	-60.496
Research costs	238.365	16,5	243.819	20,1	-5.454
Media and communications	350.251	24,3	237.594	19,6	112.657
Organizational support costs	124.386	8,6	109.735	9,0	14.651
-	1.441.725	100,0	1.215.607	100,0	226.118
Result	-	-	-	-	-

3.2 Result analysis

	2021	
	€	€
<i>Factors that increase the result:</i>		
Degrease in gross sales results	226.118	
Decrease in grants to other organizations*	60.496	
Decrease in research costs	5.454	
		292.068
<i>Factors that reduce the result:</i>		
Decrease in wages and salaries	164.760	
Decrease in media and communications	112.657	
Decrease in organization support costs	14.651	
		292.068
Change in result		-

Yours sincerely,
Countus accountants + adviseurs

A.J. de Bis Hulleman AA-MKB BA
Accountant-Administratieconsulent

FINANCIAL STATEMENTS

	31 December 2021		31 December 2020	
	€	€	€	€
LIABILITIES				
<u>CURRENT LIABILITIES</u>		1.593.316		1.543.741
		<u>1.593.316</u>		<u>1.543.741</u>

2 STATEMENT OF INCOME AND EXPENDITURE 2021

		2021		2020	
		€	€	€	€
<u>INCOME</u>	<u>(34)</u>		1.441.725		1.215.607
<u>EXPENDITURE</u>					
Campaign costs	(5)	1.317.339		1.105.872	
Other operating expenses	(6)	124.386		109.735	
			1.441.725		1.215.607
Taxes			-		-
<u>RESULT</u>			-		-

3 NOTES TO THE BALANCE SHEET AS ON 31 DECEMBER 2021ASSETSCURRENT ASSETS1. RECEIVABLES

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
<u>DEBTORS</u>		
Accounts receivable	8.000	175.222

A provision for suspected bad debts is not considered necessary.

OTHER TAXES AND SOCIAL INSURANCE PREMIUMS

Value added tax	<u>111</u>	<u>99</u>
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OTHER RECEIVABLES AND PREPAID COSTS

Prepaid costs	<u>59</u>	<u>357</u>
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2. CASH AND CASH EQUIVALENTS

ING Bank N.V. .007	<u>1.585.146</u>	<u>1.368.063</u>
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The statement of the bank account is valued at nominal value. The liquid assets available as per 31 december 2021 are at the company's free disposal.

LIABILITIES

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
<u>DEBT TO CREDIT INSTITUTIONS</u>		
ING Bank N.V. Credit Card	<u>4.363</u>	<u>2.524</u>
<u>CREDITORS</u>		
Account payables	<u>95</u>	<u>15.214</u>
<u>OTHER TAXES AND SOCIAL INSURANCE PREMIUMS</u>		
Income tax	<u>7</u>	<u>1.932</u>
<u>OTHER DEBTS AND CURRENT LIABILITIES</u>		
Other current liabilities	1.559.078	1.520.574
Accruals	<u>29.773</u>	<u>3.497</u>
	<u>1.588.851</u>	<u>1.524.071</u>
<u>OTHER CURRENT LIABILITIES</u>		
Deferred income Disruptive Consulting International Pty Ltd. operational costs	1.095.901	1.122.653
Deferred income Disruptive Consulting International Pty Ltd. campaign costs	<u>463.177</u>	<u>397.921</u>
	<u>1.559.078</u>	<u>1.520.574</u>

DEFERRED INCOME DISRUPTIVE CONSULTING
INTERNATIONAL PTY LTD. OPERATIONAL COSTS

	<u>2021</u>	<u>2020</u>
	€	€
Position as of January 1st	1.122.653	788.485
- Operational costs*	-26.752	334.168
Position as of December 31st	<u>1.095.901</u>	<u>1.122.653</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	397.921	320.195
Direct campaign spent	65.256	77.726
Position as of December 31st	<u>463.177</u>	<u>397.921</u>
	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€

ACCRUALS

Accountant costs	3.000	3.000
Deferred income - allocated *	26.426	497
Deferred income - to be allocated *	347	-
	<u>29.773</u>	<u>3.497</u>

4. NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE 20213. INCOME

Net sales decreased by 32,4% in 2021 compared to 2020.

	<u>2021</u>	<u>2020</u>
	€	€
<u>4. INCOME</u>		
Service fee billed in the year	1.042.500	1.627.500
Allocated from deferred income previous year/realised	397.921	320.196
Allocated to deferred income - monies received for campaigns not yet realised	-463.177	-397.921
Allocated to deferred income - monies received for operational support costs not yet realised	26.752	-334.168
Grant income	433.704	-
Other income	4.025	-
	<u>1.441.725</u>	<u>1.215.607</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	688.664	523.904
Grants to other organizations*	40.059	100.555
Research costs	238.365	243.819
Media and communications	350.251	237.594
	<u>1.317.339</u>	<u>1.105.872</u>

*) 3% of the campaign costs

6. OTHER OPERATING EXPENSES

Organizational support costs	<u>124.386</u>	<u>109.735</u>
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ORGANIZATIONAL SUPPORT COSTS

General administration and management costs	31.633	29.126
Office support costs	92.753	80.609
	<u>124.386</u>	<u>109.735</u>