

ANNUAL REPORT

2023

STICHTING CHANGING MARKETS

CONTENT

Pagina

ACCOUNTANT'S REPORT

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

1 BOARD REPORT

5

FINANCIAL STATEMENTS

1	Balance sheet per 31 December 2023	8
2	Statement of income and expenditure 2023	10
3	Accounting policies for valuation and determination of results	11
4	Notes to the balance sheet as on 31 December 2023	13
5	Notes to the statement of income and expenditure 2023	16

ACCOUNTANT'S REPORT

Stichting Changing Markets
Newtonlaan 115
3584 BH Utrecht

*Countus accountants + adviseurs
Afdeling accountancy
Agro Business Park 82
6708 PW Wageningen*

*Postbus 615
6700 AP Wageningen*

Dear Mr. Bergman,

Hereby we report on the financial year ending with 2023 with regard to Stichting Changing Markets.

1 ASSIGNMENT

In accordance with your engagement, we have compiled the annual financial statements 2023 of Stichting Changing Markets, including the balance sheet with a total of € 1.066.860 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 Amsterdam have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2023 and the profit and loss account for the year 2023 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 RESULT**3.1 Comparative overview**

	2023		2022		Difference
	€	%	€	%	€
Income	1.338.427	100,0	1.649.371	100,0	-310.944
Expenditure					
Staff Costs	659.768	49,3	668.577	40,5	-8.809
Grants to other organizations	7.275	0,5	71.487	4,3	-64.212
Research and investigations	149.091	11,1	343.290	20,8	-194.199
Media and communications	229.712	17,2	331.337	20,1	-101.625
Organizational support costs	292.581	21,9	234.680	14,3	57.901
	<u>1.338.427</u>	<u>100,0</u>	<u>1.649.371</u>	<u>100,0</u>	<u>-310.944</u>
Result	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Yours sincerely,
Countus accountants + adviseurs

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

1 BOARD REPORT

Stichting Changing Markets (Changing Markets Foundation) was created as an independent charity foundation in the Netherlands to finance and support campaigns that accelerate and scale up solutions to sustainability challenges by leveraging the power of markets.

The objectives of the Foundation as detailed in article 3 of the articles of association are to enhance quality of life for people and to protect the natural environment. These objectives are achieved by:

- o 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.
- o Publication of research reports.
- o Engaging in public debate.
- o Providing funding and strategic advice to community based non-governmental organisations.

The Foundation maintains full, independent control over its campaigns, strategy and direction. This ensures the campaigns stay sharply focused on the purpose of accelerating change on sustainability.

Our Annual Report for 2022 contains a detailed analysis of the campaigning work carried out in the financial year and our continued aims for 2023.

Financial analysis

The financial year of the Foundation runs from 1st January 2023 to 31st December 2023.

During the year the Foundation received total income of € 1,338,427.62 of which:

- € 1,181,199.38 related to income received from the Foundation's founders. Approximately 24% of this figure related to monies received in previous years which was subsequently realised and spent in 2023.

- € 157,128.24 related to grant monies the Foundation received from other non-profit organisations, to help support its work.

Total expenditure in the year was € 1,338,427.62 of which:

- € 1,045,846.71 (78% of total expenditure) was spent directly on campaigns.

- € 292,580.91 was spent on organisational support costs.

As stated in article 3 of the articles of association, the Foundation is a non-profit making organisation. At the end of the financial year the Foundation held € 1,056,003.89 as deferred income to be spent solely on its charitable objectives in future years.

Governance

The Management board of the Foundation consists of Chairman Joakim Bergman and Treasurer Paul Gilding. In accordance with the articles of association the board meets on a regular basis and receives no remuneration.

During the financial year the Foundation had 6 members of staff.

Formal name: Stichting Changing Markets (also known as Changing Markets Foundation)

KvK number: 68014635

RSIN: 857266524

Registered office: Newtonlaan 115, 3584 BH, Utrecht, Netherlands

Starting date of operation: 6 February 2017

Bank: ING Bank, Amsterdam, Netherlands

Statutory Auditors: Countus

The Foundation also has a US-based Changing Markets Foundation, to facilitate our work with US based NGOs. This is registered as a Public Charity with 501(c)3 status (registered office in New York). Our operational campaign office is at Great Eastern Street, London, EC2A 3EJ, and there is also an office in Brussels.

FINANCIAL STATEMENTS

2 STATEMENT OF INCOME AND EXPENDITURE 2023

		2023		2022	
		€	€	€	€
INCOME	<u>(4)</u>		1.338.427		1.649.371
EXPENDITURE					
Campaign costs	(5)	1.045.846		1.414.691	
Other operating expenses	(6)	292.581		234.680	
			1.338.427		1.649.371
Taxes			-		-
RESULT			-		-

3 ACCOUNTING POLICIES FOR VALUATION AND DETERMINATION OF RESULTS

GENERAL

Activities

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 the Chamber of Commerce under number 68014635.

Location adress

Stichting Changing Markets (registered under Chamber of Commerce number 68014635) is legally established in Amsterdam.

GENERAL PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the the guidelines for annual reporting 'RJK C1 voor Kleine Organisaties-zonder-winststreven' (RJK C1 annual reporting guidelines for Small Non-Profit Organizations).

The financial statements have been prepared based on historical costs. The valuation of assets and liabilities takes place, unless stated otherwise, at nominal value. Income is allocated to the period in which it is realized. Losses are recognized in the year in which they are foreseeable.

PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

Receivables and prepayments and accrued income

Receivables are initially valued at the fair value of the consideration. Receivables are valued after initial processing at the amortized cost price. Provisions for bad debts are deducted from the carrying amount of the claim.

Cash and cash equivalents

Cash and cash equivalents consist of bank balances and are valued at nominal value.

Current liabilities

Short-term debts are initially measured at fair value. After initial processing, short-term debts are valued at amortized cost. This is usually the nominal value.

PRINCIPLES FOR DETERMINING THE RESULT

General

The result is determined as the difference between the net realizable value of the services provided on the one hand, and on the other hand the costs and other charges of the year, valued at historical cost prices.

Expenses

The expenses are determined on a historical basis and allocated to the reporting year to which they relate.

4 NOTES TO THE BALANCE SHEET AS ON 31 DECEMBER 20231. RECEIVABLES

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<u>DEBTORS</u>		
Accounts receivable	<u>20.000</u>	<u>950</u>
A provision for suspected bad debts is not considered necessary.		
<u>OTHER TAXES AND SOCIAL INSURANCE PREMIUMS</u>		
Value added tax	<u>105</u>	<u>1.069</u>
<u>OTHER RECEIVABLES AND PREPAID COSTS</u>		
Prepaid costs	<u>3.863</u>	<u>452</u>
<u>2. CASH AND CASH EQUIVALENTS</u>		
ING Bank N.V.	<u>1.042.892</u>	<u>1.263.273</u>

The statement of the bank account is valued at nominal value. The liquid assets available as per 31 december 2023 are at the company's free disposal.

LIABILITIES3. CURRENT LIABILITIES

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<u>CREDITORS</u>		
Account payables	4.779	1.947
	<u>4.779</u>	<u>1.947</u>
<u>OTHER TAXES AND SOCIAL INSURANCE PREMIUMS</u>		
Payroll taxes	2.578	1.544
	<u>2.578</u>	<u>1.544</u>
<u>OTHER DEBTS AND CURRENT LIABILITIES</u>		
<u>OTHER CURRENT LIABILITIES</u>		
Deferred income Disruptive Consulting International Pty Ltd. operational costs	810.785	999.244
Deferred income Disruptive Consulting International Pty Ltd. campaign costs	165.218	258.059
Grant monies received 2024	80.000	-
	<u>1.056.003</u>	<u>1.257.303</u>
<u>DEFERRED INCOME DISRUPTIVE CONSULTING INTERNATIONAL PTY LTD. OPERATIONAL COSTS</u>		
	<u>2023</u>	<u>2022</u>
	€	€
Position as of January 1st	999.244	1.095.901
- Operational costs*	-188.459	-96.657
Position as of December 31st	<u>810.785</u>	<u>999.244</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

	<u>2023</u>	<u>2022</u>
	€	€
Position as of January 1st	258.058	463.177
Direct campaign spent	-197.840	-205.118
Direct campaign income 2023	105.000	-
Position as of December 31st	<u>165.218</u>	<u>258.059</u>

<u>31-12-2023</u>	<u>31-12-2022</u>
€	€

ACCRUALS

Accountant costs	3.500	3.000
Contractors	-	1.950
	<u>3.500</u>	<u>4.950</u>

OFF-BALANCE SHEET ASSETS AND LIABILITIESUNRECOGNIZED LIABILITIESRENTAL OBLIGATIONS

Stichting Changing Markets has three ongoing rental obligations:

- Commitment 1 runs through May 31, 2024 and is renewable for one year. The annual obligation is €744.
- Commitment 2 is terminable on a monthly basis.
- Commitment 3 runs through March 31, 2024 and is renewable for one year. The annual commitment is £159,696.00

5 NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE 2023

	<u>2023</u>	<u>2022</u>
	€	€
4. INCOME		
Service fee billed in the year	900.000	1.320.000
Allocated from deferred income previous year/realised	258.058	463.177
Allocated to deferred income - monies received for campaigns not yet realised	-165.218	-258.058
Allocated to deferred income - monies received for operational support costs not yet realised	188.459	96.657
Grant income	157.128	27.595
	<u>1.338.427</u>	<u>1.649.371</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	659.768	668.577
Grants to other organizations	7.275	71.487
Research and investigations	149.091	343.290
Media and communications	229.712	331.337
	<u>1.045.846</u>	<u>1.414.691</u>

*) 5% of the campaign costs

STAFF MEMBERS

In 2023, on average (expressed in FTEs), 8 employees were working at the foundation (2022: 8).

6. OTHER OPERATING EXPENSES

Organizational support costs	<u>292.581</u>	<u>234.680</u>
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	<u>2023</u>	<u>2022</u>
	€	€
<u>ORGANIZATIONAL SUPPORT COSTS</u>		
General administration and management costs	99.730	49.276
Office support costs	<u>192.851</u>	<u>185.404</u>
	<u><u>292.581</u></u>	<u><u>234.680</u></u>