

**STICHTING ROYAL TALENS FOUNDATION
LOCATED, APELDOORN
ANNUAL REPORT 2022**

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ACCOUNTANTS REPORT

Auditors



Stichting Royal Talens Foundation
For the attendance of the board
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Date
29 September 2023

Reference
DK 23J094\2\1018432

Dear Sirs/Madams,

We hereby offer you the report concerning the annual report 2022 for Stichting Royal Talens Foundation, Apeldoorn.

ACCOUNTANT'S COMPILATION REPORT

The financial statements of Stichting Royal Talens Foundation, Apeldoorn, have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2022 and the statement of activities for the year 2022 for the year then ended 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. 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 Royal Talens Foundation. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

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 further information on the nature and scope of a compilation engagement and the VGBA we refer to www.nba.nl/uitleg-samenstellingsverklaring.

Please do not hesitate to contact us if you require further details.

Yours sincerely,

Baker Tilly (Netherlands) N.V.

drs. A. Banas RA

MANAGEMENT BOARD'S REPORT

MANAGEMENT BOARD'S REPORT

Board

Chairman:	Ronald Benning
Finance:	Michel Wessel
Board member:	Alexandra Hutter
Board member:	Leonhard Stülke
Operations	
Team member:	Els van Alphen

Mission and objectives

In 2015, the United Nations adopted 17 sustainable development goals to make the world a better place by 2030. One of these goals is quality education. The Royal Talens Foundation stimulates creative expression worldwide because we believe creative expression is essential for the development of every human being. Good quality education does not exist without creative expression.

To achieve this, we help schools and other organisations introduce creative programs for children, because good education does not exist without creative expression. Through art and creative expression, children develop qualities and skills that are important for future success. Creativity stimulates our brain, gives us confidence, improves our motoric skills and helps us identify new opportunities and solutions. By giving people the chance to explore their creativity, we are looking to change attitudes and behaviour, and thereby contribute to a better and more sustainable future. The RTF also works with organisations that use creative expression for children and young adults to process traumatic events so that they can get along better in regular education.

Our mission is to make an important contribution to good education for underprivileged children and young adults by empowering creative expression.

Objectives in 2022 were:

1. To make a significant contribution to at least 1500 underprivileged children and / or young adults to good creative education.

We happily hit this target!

2. To increase the quality of our support by supporting projects longer and more intensely.

We have continued our support for IMC Weekendschool, SOS Children's Villages and NPH WereldOuders more intensely and also support the art teachers working there.

3. To organize our first big fundraising event: an online auction. We hoped to raise 20.000 euros for SOS Children's Villages.

We organized the auction in June 2022 together with Catawiki. Although it went well, we only raised 2.395,64 euros instead of the targeted 20.000.

4. To start new projects in 5 new countries where we have representatives of Royal Talens.

This target proved harder than anticipated and was not met. Although we did start one project in Ghana and made several new connections in other countries.

5. To set up a big project to give refugees of the war in Ukraine a warm welcome in different European countries.

This goal was very happily met! We filled 10.000 backpacks with a nice combination of art supplies for children. These were distributed to several RT offices around the world, most going to Poland. Some even went to refugee hubs within Ukraine. We received many touching stories of the refugee children who got a backpack!

Targets 2023:

1. We want to make a significant contribution to good creative education for at least 2000 underprivileged children and / or young adults.
2. We want to continue increasing the quality of our support by expanding and deepening the relationship with our partners.
3. We want to improve the visibility of the Foundation both internally and externally to get more people invested in our cause.
4. We want to start projects in 2 new countries where we have representatives of Royal Talens.

Finance

For 2023 we have a strategic budget of € 100.000.

More details regarding targets 2023

We will continue in several countries projects with our strategic partner SOS Children's Villages.

We want to make a start in cooperation with Heart of Art project with Van Gogh museum.

We continue our strategic partnership with IMC Weekend school.

We will continue working closely with project initiatives in countries where we have representatives of Royal Talens.

Apeldoorn, 29 September 2023

The Board

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2022

(After proposal appropriation of result)

		<u>31-12-2022</u>	<u>31-12-2021</u>
		€	€
ASSETS			
FIXED ASSETS			
Property, plant and equipment	1		
Other fixed assets		593.850	512.650
	
CURRENT ASSETS			
Receivables			
Other receivables and accrued assets	2	2.460	-
	
Cash and cash equivalents	3	247.670	318.856
	
Total assets		<u>843.980</u>	<u>831.506</u>
		=====	=====

		<u>31-12-2022</u>	<u>31-12-2021</u>
		€	€
EQUITY AND LIABILITIES			
NET ASSETS			
	4		
Designated reserves		56.434	33.534
Foundation capital		771.749	789.055
		<u>828.183</u>	<u>822.589</u>
	
CURRENT LIABILITIES AND ACCRUALS			
Trade payables	5	7.754	-
Payables relating to taxes and social security contributions	6	2.100	2.594
Other liabilities and accrued expenses	7	5.943	6.323
		<u>15.797</u>	<u>8.917</u>
	
Total equity and liabilities		<u><u>843.980</u></u>	<u><u>831.506</u></u>

STATEMENT OF ACTIVITIES FOR THE YEAR 2022

	2022	2021
	€	€
Benefits		
8 Donations and benefits from fundraising	85.540	167.480
9 Other income	25.460	20.000
	<u>111.000</u>	<u>187.480</u>
Expenses		
10 Wages and salaries	39.300	39.331
11 Social security premiums and pensions cost	3.736	5.042
12 Other expenses of employee benefits	3.182	1.316
13 Other operating expenses	57.088	35.535
Total of sum of expenses	<u>103.306</u>	<u>81.224</u>
Total of net result	<u>7.694</u>	<u>106.256</u>
Appropriation of result		
Foundation capital	-15.206	102.722
Appropriation reserve	25.000	20.000
Appropriation reserve	-2.100	-16.466
Total	<u>7.694</u>	<u>106.256</u>

NOTES TO THE FINANCIAL STATEMENTS

ENTITY INFORMATION

Registered address and registration number trade register

The registered and actual address of Stichting Royal Talens Foundation is Sophialaan 46, 7311 PD in Apeldoorn. Stichting Royal Talens Foundation is registered at the Chamber of Commerce under number 30150660.

GENERAL NOTES

The most important activities of the entity

The activities of Stichting Royal Talens Foundation consist mainly of making an important contribution to good creative education for underprivileged children and young adults. We empower valuable creative education. Our dream is that all children enjoy a good education with sufficient attention to creative expression so that they can break the circle of poverty and develop optimally.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Stichting Royal Talens Foundation make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

GENERAL ACCOUNTING PRINCIPLES

The accounting standards used to prepare the financial statements

Stichting Royal Talens Foundation does not have to comply with the legal provisions of Title 9, Book 2 of the Dutch Civil Code. However, the financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and guideline C1 'Kleine organisaties-zonder-winststreven', as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

The comparative figures of the previous financial year are, as appropriate, only edited in classification for comparative purposes.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables and payables, and financial instruments (derivatives).

The notes to the specific items of the balance sheet disclose the fair value of the related instrument if this deviates from the carrying amount. If the financial instrument is not recorded in the balance sheet the information on the fair value is disclosed in the notes to the 'Contingent assets and liabilities'.

For the principles of primary financial instruments, reference is made to the recognition per balance sheet item.

The company does not use derivative financial instruments.

ACCOUNTING PRINCIPLES

Property, plant and equipment

Tangible fixed assets are valued at historical cost, production cost or at fair value at the time of donation. The fair value of the donated art is based on the valuation for insured value. This is in accordance with C1 'Kleine organisaties-zonder-winststreven'. Impairments expected on the balance sheet date are taken into account.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Equity

The equity of Stichting Royal Talens Foundation consists of foundation capital and designated reserves. The designated reserves are formed from yearly rental income from art from Koninklijk Talens B.V. The board of the foundation has determined that the designated reserves are to be used for purchase of new art or maintenance of existing art.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the received donations and the costs and other charges during the year.

Expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

NOTES TO THE BALANCE SHEET

FIXED ASSETS

1 Property, plant and equipment

	Other fixed assets
	€
Book value as at 1 January 2022	512.650
Additions	81.200
	<hr/>
Book value as at 31 December 2022	593.850
	<hr/> <hr/>

The tangible fixed assets consists of art objects, mainly paintings. The Foundation has received this through donations in kind. The Foundation values the art objects at fair value, in this case the taxation value. The taxation was carried out on 13 February 2019. As of 31 December 2022, the collection consists of 114 art objects, varying in value from € 125 to € 30.000.

The art collection has been donated under the following conditions:

- The Foundation will insure the collection at market value at a solid Dutch insurance company;
- Upon termination of the Foundation, or the 'ANBI status' of the Foundation, ownership of the art objects reverts to the donor;
- Any gift tax will be paid by the Foundation.

CURRENT ASSETS

Receivables

Receivables > 1 year

All receivables have a remaining term of less than one year.

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
2 Other receivables and accrued income		
Taxes and social security charges	2.460	-
	<hr/>	<hr/>
Taxes and social security charges		
Value added tax	2.460	-
	<hr/>	<hr/>
3 Cash and cash equivalents		
ABN AMRO Bank N.V.	247.670	318.856
	<hr/>	<hr/>

The cash and cash equivalents are at disposal of the Foundation.

EQUITY AND LIABILITIES

4 Net assets

Movements in equity were as follows:

	Designated reserves	Foundation capital	Total
	€	€	€
Balance as at 1 January 2022	33.534	789.055	822.589
Change from net income	25.000	-	25.000
Appropriation of result	-	-17.306	-17.306
Decrease to the debit of the result	-2.100	-	-2.100
Balance as at 31 December 2022	<u>56.434</u>	<u>771.749</u>	<u>828.183</u>

The appropriation reserve is fed by the rental revenue of the art collection. The Foundation must use the proceeds of the rental revenues to maintain or expand the art collection.

CURRENT LIABILITIES AND ACCRUALS

	<u>31-12-2022</u>	<u>31-12-2021</u>
	€	€
5 Trade payables		
Trade creditor	7.754	-
6 Payables relating to taxes and social security contributions		
Value added tax	-	1.627
Wage tax	2.100	967
	<u>2.100</u>	<u>2.594</u>
7 Other liabilities and accrued expenses		
Holiday coupons	2.943	3.615
Other amounts payable	3.000	2.708
	<u>5.943</u>	<u>6.323</u>

NOTES TO THE STATEMENT OF ACTIVITIES

	<u>2022</u>	<u>2021</u>
	€	€
8 Benefits		
Donations and benefits from fundraising	85.540	167.480
Other income	25.460	20.000
	<u>111.000</u>	<u>187.480</u>
9 Other income		
Rental artcollection	25.000	20.000
Services for others	460	-
	<u>25.460</u>	<u>20.000</u>
10 Wages and salaries		
Salaries and wages	39.300	39.331
	<u>39.300</u>	<u>39.331</u>
11 Social security premiums and pensions cost		
Social security charges	3.736	5.042
	<u>3.736</u>	<u>5.042</u>
12 Other expenses of employee benefits		
Motor car allowance	2.450	1.316
Other staff expenses	732	-
	<u>3.182</u>	<u>1.316</u>
13 Other operating expenses		
General expenses	57.088	35.535
	<u>57.088</u>	<u>35.535</u>

	<u>2022</u>	<u>2021</u>
	€	€
General expenses		
Materials used for donations	33.942	20.301
Donations	10.142	6.106
Maintenance costs website	6.750	6.000
Operating expenses	3.220	100
Bank expenses	1.034	528
Audit costs, other non-audit services	2.000	2.500
	<u>57.088</u>	<u>35.535</u>

OTHER NOTES

Average number of employees

	<u>2022</u>	<u>2021</u>
Average number of employees over the period working in the Netherlands	0,60	0,60
Total of average number of employees over the period	<u>0,60</u>	<u>0,60</u>

Apeldoorn, 29 September 2023
Stichting Royal Talens Foundation

Ronald Benning
Chairman

Michel Wessel
Treasurer

Alexandra Hutter
Board member

Leonhard Stülke
Board member