

# **Stichting AFEW International**

at Amsterdam

**Financial report for the year ended  
31 December 2023**

## Table of contents

	Page
<b>Accountants report</b>	
Accountant's compilation report	3
<b>Management Board's report</b>	4
<b>Financial statements</b>	
Balance sheet as at 31 December 2023	9
Statement of income and expenditure for the year 2023	11
Notes to the financial statements	12
Notes to the balance sheet as at 31 December 2023	15
Notes to the statement of income and expenditure for the year 2023	21
Other notes	23



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The Netherlands

To the Shareholders and Board of Directors of  
Stichting AFEW International  
Van Diemenstraat 48  
1013 NH AMSTERDAM

Utrecht, 29 July 2024

Dear Board of Directors,

At your request we have compiled the 2023 financial report of Stichting AFEW International, Amsterdam. The financial report is the responsibility of the management of the legal entity. Our conclusion can be found in the compilation report. The financial statements are included together with the other information in this financial report.



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## Accountant's compilation report

To the Shareholders and Board of Directors of Stichting AFEW International

The financial statements of Stichting AFEW International, 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 statement of income and expenditure for the year 2023 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 in accordance with the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'), specifically Article 650. 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 AFEW International.

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.

Utrecht, 29 July 2024

For and on behalf of BDO Accountants,

s.b.

A.A.Th. van der Knaap AA

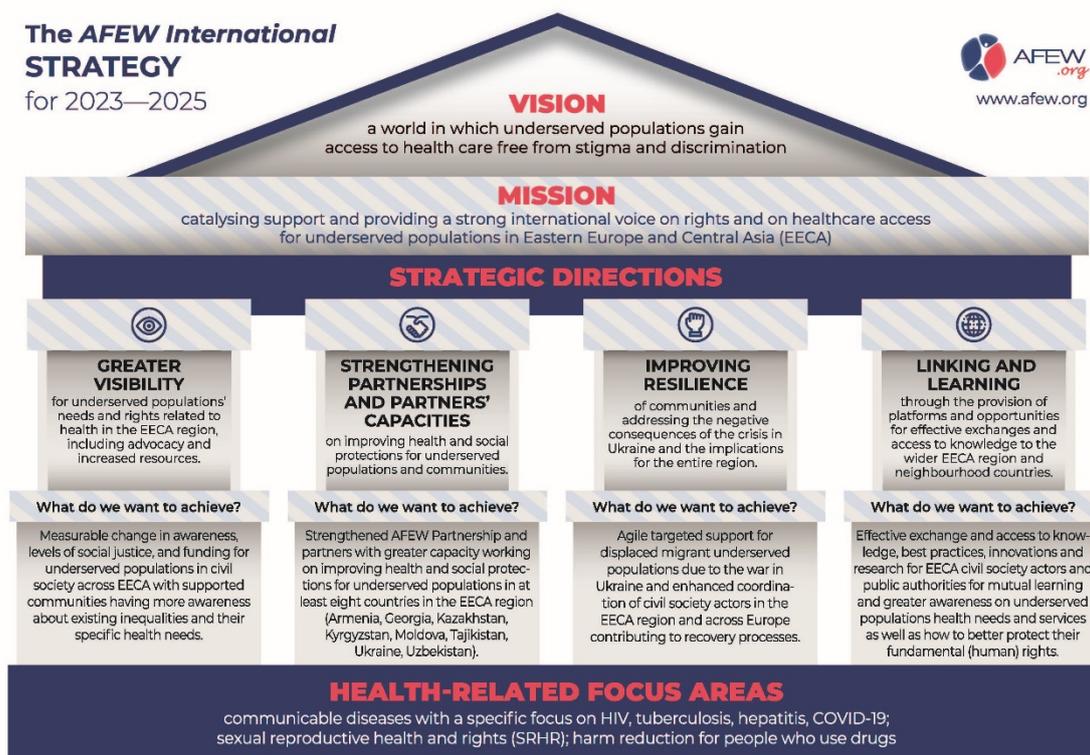
## Management Board's report

### Report of the Board of Directors

The Board of Directors, Yuliya van Polanen Executive Director of AFEW International is pleased to present the organisation’s 2023 Financial Statements. This document is accompanied by the Annual Report 2023.

### AFEW Strategy

**AFEW International** works for all people in Eastern Europe and Central Asia (EECA) who face barriers in access to health, justice, and social participation. Priority is with groups that are more at risk, more stigmatised, and are facing multiple barriers preventing them from having equal access to basic services and being able to fully participate and advocate in civic life.



Over the years AFEW International has evolved into a strong civic engagement, humanitarian actor in the EECA region committed to working with local civil society partners to support essential visibility and capacity strengthening efforts in order to ensure continuation of critical health and social services and programming while providing targeted technical and sub-granting funding support.

AFEW International has gradually established a partnership of independent local organisations working in the countries of the EECA region. Currently the AFEW Partnership consists of four members: AFEW Kazakhstan, AFEW Kyrgyzstan, AFEW International (Netherlands), and AFEW Ukraine.

By being a part of a wider AFEW partnership, each AFEW partner has access to expertise and innovations, a safety net, a joint vision on different models of capacity development, and a wider reach when it comes to advocacy on every scale (national, regional and global).

The AFEW Partnership members coordinate their strategies and align programming via the Steering Committee comprised of (Executive) Directors of all organisations. In the countries where we don’t have an AFEW affiliated entity, we have developed and capacitated an extensive network of like-minded local civil society actors supported by expertise and coordination of the existing AFEW Partnership members.

### Our Approaches

All the programmes in the extensive portfolio of AFEW International and the other members of AFEW Partnership are founded on the principle of universal access and exemplify an approach based on human rights and social justice. The starting point is that everyone should have equal access to HIV, TB, and viral hepatitis treatment, prevention and care, including services that reduce harm from drug use or other risky behaviours.

## Methods

Through constructive engagement with governments and civil society in the countries where it works, AFEW advocate for the basic human right to health and demonstrates why it must be extended to reach the most marginalised, stigmatized groups in society.

Recognising that civil society can be effective in filling voids in the health and social systems of the EECA region, AFEW assist local organisations with technical support (hands-on training, and customised consultations) so that they can reach more people and serve them more effectively.

Working directly with those who live at the sharp end of the epidemics, AFEW empower underserved populations at higher risk with tailored, accurate information and assistance in building their own support networks.

Where basic treatment and care (for instance, antiretroviral drugs, care for pregnant women, prevention tools, etc) are absent or inadequate, AFEW support the development of direct services to underserved populations. In particular, different departments of the healthcare systems in EECA (i.e., tuberculosis clinics, AIDS centres, drug rehabilitation centres) often work in isolation from one another, leading to gaps in care for people with complex issues. AFEW's client management models and HIV/TB collaborative activities bridge these gaps and help service providers to better structure their responses.

Finally, long-term sustainability lies at the heart of AFEW's programming, meaning that each project activity comes with a clear strategy for its eventual handover to local authorities, governments or civil society groups.

## Governance and Finance

### Governance

AFEW International fully complies with the code of good practice for charity organisations in the Netherlands, the Code Wijffels. AFEW International is led by the managing board, the director, and supervised by a Supervisory Board of 4 board members and 1 Observers.

Supervisory Board members bring to the organisation their professional experience in various fields of work, from specialised knowledge of medical treatment and the HIV epidemic to expertise in management and budgeting. The supervisory board is charged with overseeing the overall operation of the organisation in order to ensure good standards of transparency and accountability. The Supervisory Board approves the organisation's strategy and the budget, as well as advising the director and management team on strategic issues. The Supervisory Board also evaluates and appraises the work of the Executive Director. Supervisory Board members receive no financial compensation for their work.

### Members of the Supervisory Board

As of 31 December 2023, AFEW International Supervisory Board consisted of 4 members and 1 observers.

Michel Kazatchkine (Chairman of the Supervisory Board)  
Timur Abdullaev (Vice Chairman of the Supervisory Board)  
Robert Delhaas (Treasurer of the Supervisory Board)  
Masoud Dara (Supervisory Board member)

Elena Voskresenskaya (representative of AFEW Partnership Observer)

Read their biographies: <http://www.afew.org/about us>

### Supervisory Board Meetings in 2023

To set up ongoing communication, Chair Michel Kazatchkine and the Executive Director had seven trilateral meetings. The Supervisory Board and AFEW International's Executive Director and Management Team had three meetings in addition to ad hoc meetings as needed and as deemed relevant by the Supervisory Board.

The trilateral meetings focus on ongoing issues of management of the organisation and on discussing strategic decisions regarding proposals and projects.

In a virtual meeting in March 2023, Yuliya van Polanen, Executive Director, introduced Strategy 2023-2025 designed overview for the Supervisory Board approval.

In the face-to-face meeting in June 2023, the Supervisory Board approved the financial statement 2022 and annual report 'Strategic response to crises in the EECA region' 2022.

Executive Director introduced full AFEW International Strategy 2023-2025 including main objectives, 4-tier approach to prioritising focus countries, cashflow 2023-2025 in line with strategic vision donor mapping and new organogram. The strategy 2023-2025 was approved by the supervisory board.

During the Supervisory board meeting Elena Voskresenskaya, AFEW Ukraine' director, presented the main outcomes of the AFEW Partnership meeting in Tbilisi, Georgia (April 2023) with the agreement of continuation of AFEW Partnership and development of programmes in the region. The Supervisory Board is

committed to supporting the Partnership with the need to involve international partners to support the Partnership organizations, raise an idea of civil society replenishment for Eastern Europe. During the virtual meeting on 29th September 2023, Supervisory Board asked the Executive Director to prepare the KPI document for 2024 for measuring performance on various targets, which would be approved during December virtual meeting.

In December it was the last Supervisory Board meeting with AFEW International led by Chairman, M. Kazatchkine. The Supervisory Board members voted in favor of welcoming Viviane Bremer as a new Supervisory Board member and Antons Mozalevskis and Anke van Dam as the new Observers in 2024. During the virtual meeting the following was presented: KPI document for 2024, programme update including outcomes of the EECA interact workshop 2023, fundraising opportunities 2024, including Framework Partnership agreement with EU, and budget 2024. All board members realized that restructuring AFEW International takes time, efforts and funds, and the funds received for supporting NGOs during COVID-19 pandemic time can be sufficient for covering this process of setting up new strategic directions for the coming 4 years.

### **Steering Committee of AFEW Partnership**

The Steering Committee, consisting of all directors of the members of AFEW Partnership with the Executive Director of AFEW International as chair, had 6 virtual meetings in 2023. Due to COVID-19, there were no face-to-face meetings from 2019 and AFEW Partnership finally met face-to-face in April 2023 in Tbilisi, Georgia for further discussion of the AFEW Partnership collaboration. During the meeting in Tbilisi, there were several outcomes that needed to be approved by AFEW Partnership' members:

Update AFEW Partnership cooperation agreement

Programme development for AFEW Partnership in EECA region

AFEW International to apply for calls of proposals with all AFEW partnership members in 2024

During the regular virtual calls the ongoing issues regarding projects, proposals and relevant conferences and events were discussed.

The Steering Committee meetings were mainly devoted to discussing the consequences of the war in Ukraine for the target population and of the organizations working in the EECA region. During the meetings the updates on the current situation in Kyrgyzstan due to law changes for NGO's and fundraising opportunities from donors operated in EECA region were also discussed.

### **Accountability**

The Supervisory Board is satisfied with the financial statements prepared by board of directors for the year ending 31 December 2023 fairly reflecting the financial position and operations of AFEW International. The Annual Report 2023 (new version) provides a fair reflection of the programmes, activities and results achieved in 2023. All members of the Supervisory Board accept responsibility for the Board's annual report and the financial statements prepared by board of directors. The accountants, BDO, has issued a compilation (auditor) report for the financial statement and have granted us permission to publicise the related financial statements.

#### **1.1 Human Resources Management and Efficiency**

Ethical work practices are one of the guiding principles of *AFEW International*. *AFEW International's Code of Conduct* clarifies certain issues related to privacy, conflicts of interest, the use of *AFEW International's* property, and behaviour that could damage *AFEW International's* reputation or expose *AFEW International* to legal liability. The Code illustrates ethical standards that apply to all *AFEW International* employees.

*AFEW International's* staff adhere to a high and uniform set of conduct standards. Every employee has a personal obligation to uphold these standards, and act in an ethical manner with each other, our partners, priority groups and the general public. Employees are motivated to contribute to a common cause and feel close to the core values of the organisation. Consequently, employees should always represent the organisation in a professional way.

There were changes in staff members composition. Due to the number of projects and restructuring, *AFEW International* hired a new Financial Officer. The overview of staff in 2023:

Executive Director 0.92 fte

Director of Programmes Eastern Europe and Public Affairs 0.92 fte

Director of Programmes Central Asia 0.82 fte

Advocacy and Grants Writer 0.82 fte

Communication officer 0.82 fte

Project and Operations Officer 0.82 fte

Financial Officer 0.52 fte

## 1.2 AFEW Sustainability

As reflected in the Sustainable Development Goals, HIV currently has a lower priority on international and national political agendas than previously. Less funding is available for activities related to HIV. In addition, one of the strategic decisions of major HIV-focused donors is to finance the region and community-based organisations there directly without using expertise of INGOs. Another concern is that donors which support the fight against AIDS, TB and Malaria are withdrawing from middle-income countries, some of which are in Eastern Europe and Central Asia. Domestic funding for HIV and harm reduction is continuing to be limited.

However, it has been noted that in the past years fewer donors are focusing on financing activities in the countries of the former Soviet Union. In fact, civil society in the region is experiencing the biggest impact due to the withdrawal of international funders. Moreover, the unfolding and deteriorating political and security situation across the EECA region could result in donor money being re-directed to the region for civil society strengthening, as well as emergency/humanitarian funding in conflict situations.

Whilst the donor development landscape is changing rapidly and in unpredictable ways, AFEW's new strategic approach and operational model is now more relevant, inclusive, and sustainable in serving underserved populations and communities across the entire region. AFEW will pursue its core objectives within the framework of a realistic, agile, and responsive 36-month strategy. The strategy and annual work plan will be reviewed using inclusive consultation methods on a quarterly basis and adjusted as necessary. This reflects the new reality given the current operating landscape, whereby we aim to make an important contribution to both the short- and longer-term health and other needs of the underserved communities we serve.

By focusing on the broader needs of underserved populations and communities and working collaboratively with donors and partners in EECA and several countries at the European level, additional funding and partnership opportunities will be available to the organisation.

The core focus remains trained on expanding our partners in different countries and continuing to bring a 'voice' from the EECA region to the European donor and governmental audiences. In addition, this specifically includes lobbying for recognition and resourcing to address strategic underserved population health risks, leveraging if needed the current geopolitical spotlight trained on the region.

In the medium and longer term, the ambition remains for *AFEW International* to become a facilitator of change and exchange between the East and West, a strong advocate for human rights and access to health care for all, maintaining a focus on 'key populations', and raising awareness of and funding for *AFEW International* and the *AFEW Partnership* and, in more general terms, for the EECA region as a whole.

Furthermore, donors are inclined to fund community-based organisations and networks with the aim of empowering those communities to work towards a better life. Donors prefer funding big international organisations instead of smaller ones that may have a more limited capacity to mitigate risks. *AFEW* is acutely aware of the risks accompanying our work and continually takes measures to mitigate these risks.

*AFEW International* seeks to mitigate this by joining key funder platforms and networks that continue supporting the region and are in line with our mission and priority areas.

In 2023, *AFEW International* became a member of Funders Concerned About AIDS (FCAA) network, which provides timely updates and better coordination with donors of different level. Furthermore, FCAA has created a sub-group of donors focusing specifically on the EECA region that have regular calls and meetings to exchange the latest insights and align priorities for funding.

At the end of 2023 *AFEW International* has been selected via a rigorous application process along with nine other international civil society organisations as a Framework Partner of the European Commission for the Eastern Partnership Countries (Armenia, Georgia, Moldova, Ukraine) and signed the Framework Partnership Agreement the period of 4 years (2024-2027).

In 2023 current budget revenues were based mostly on financed by EU Delegation Uzbekistan, “EECA Interact 2023” co-financed by Gilead, and Viiv, Sharenet, Gilead, Minister of Health Kazakhstan and Deutsche Aidshilfe.

Based on the cash flow analysis, AFEW international’s activities are sustainable until the end of 2024, even with its existing projects and the current situation.

## Balance sheet as at 31 December 2023

*(After proposal appropriation of result)*

### ASSETS

		31-12-2023		31-12-2022	
		€	€	€	€
<b>Fixed assets</b>					
Tangible fixed assets	1		468		3.169
<b>Current assets</b>					
Receivables					
Other accounts receivable		134.306		535.802	
Accruals and prepaid expenses	2	9.563		51.392	
			143.869		587.194
Cash and cash equivalents	3		539.040		853.047
<b>Total assets</b>			<u>683.377</u>		<u>1.443.410</u>

## EQUITY AND LIABILITIES

		31-12-2023		31-12-2022	
		€	€	€	€
<b>Reserves</b>	4		542.900		866.641
<b>Current liabilities</b>					
Trade payables	5	1.630		37.043	
Payables relating to taxes and social security contributions	6	16.873		16.543	
Current other payables, liabilities and accrued expenses	7	121.974		523.183	
			140.477		576.769
<b>Total equity and liabilities</b>			683.377		1.443.410

**Statement of Income and expenditure for the year 2023**

	Actual 2023 €	Forecast 2023 €	Actual 2022 €
<b><i>Income</i></b>			
Income from fundraising	148.554	591.000	122.337
Income from joint activities	215.917	-	533.912
Subsidies from governments	143.043	58.000	-
Other income	71.479	190.000	238.084
<b>Total Income</b>	<b>578.993</b>	<b>839.000</b>	<b>894.333</b>
<b><i>Expenditures</i></b>			
<b>Spent on objectives</b>			
Capacity Strengthening	508.310	78.730	606.927
Greater Visibility	138.409	587.300	103.530
Improving resilience	55.814	-	-
Linking & Learning	59.763	10.970	65.452
<b>Costs of raising income</b>	<b>64.910</b>	<b>65.000</b>	<b>51.726</b>
<b>Management and administration</b>	<b>69.570</b>	<b>97.000</b>	<b>97.988</b>
<b>Total expenditures</b>	<b>896.776</b>	<b>839.000</b>	<b>925.623</b>
<b>Operating result</b>	<b>-317.783</b>	<b>-</b>	<b>-31.290</b>
<b><i>Financial expenditures</i></b>			
Financial expenditures	-2.055	-	4.454
Exchange rate differences	-3.903	-	1.598
<b>Result</b>	<b>-323.741</b>	<b>-</b>	<b>-25.238</b>
<b>Allocaton of Year-end result</b>			
Allocation restructuring reserve	-323.741	-	-25.238

## Notes to the financial statements

### Entity information

#### Registered address and registration number trade register

The registered and actual address of Stichting AFEW International is Van Diemenstraat 48, 1013 NH in Amsterdam, Netherlands. Stichting AFEW International is registered at the Chamber of Commerce under number 34148682.

### General notes

#### General notes

#### The most important activities of the entity

The activities of Stichting AFEW International and its group companies consist mainly of making a contribution to reduce the impact of HIV and AIDS in Eastern Europe and Central Asia.

#### The location of the actual activities

The actual address of Stichting AFEW International is Van Diemenstraat 48, 1013 NH in Amsterdam.

#### Going concern

#### Disclosure of going concern

Stichting AFEW International has worked to maintain its financial stability in a challenging funding environment. A strong financial position was maintained in the past years. However, management had to use additional funds for restructuring the organization based on new strategic directions to continue to achieve the organizational goals. For this reason, the foundation has decided to tap into restructuring reserves in the fiscal year 2023 to invest in the development and implementation of this new strategy. Although this decision deviates from the previous policy, we believe it is necessary to ensure the long-term viability and ability to continue the mission.

The continuity of the foundation depends on the ability to achieve the strategic goals. The foundation remains committed to maintaining the financial stability and pursuing the mission in accordance with the core objectives. For 2023 there is no impact on the assumption of the going concern.

### General accounting principles

#### General accounting principles

#### The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving'), specifically Article 650.

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. The balance sheet and profit and loss account contain references. These refer to the disclosures in the financial statements.

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

## Prior period errors

### Disclosure of prior period errors

A material error was identified in the 2022 financial statements, after the approval of these financial statements. This misstatement relates to accounts payable, which should have been €17.364 lower. It was found that over the years 2015-2021 part of the accounts payable were incorrectly not matched to payments and that these payments had been recognized as expenses in previous years. It was also found that expenses had been recorded as accounts payable that related to accounts receivable, donor receivables, reporting obligations, grant obligations and/or other receivables.

The impact on the equity amounts to €40.617 (negative) on January 1, 2022 as well as on 31 December, 2022. The impact on the result for the year 2022 amounts nil. The comparative figures included in these financial statements for reserves are €866.641 (was €907.258), creditors are €37.043 (was €54.407), receivable incidental donors are €10.166 (was €616), donor receivables are €413.700 (was €440.365), subsidy commitments (receivable) are €104.485 (was €116.032), reporting obligations (payable) are €455.981 (was €442.820), other receivables are €0 (was €14.433), accrued expenses (payable) are € 3.224 (was €1.499) have been restated accordingly.

## Foreign currency translation

### Conversion of amounts denominated in foreign currency

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the income statement.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date. The translation differences resulting from settlement and conversion are credited or charged to the income statement.

AFEW International reports to donors using an average exchange rate for the year, except in cases donors have requested reports using special exchange rates.

## **Accounting principles**

### Accounting principles applied to the valuation of assets and liabilities

#### Other tangible assets

Tangible fixed assets are valued at actual cost (acquisition cost or cost of manufacture). Depreciation is calculated according to the straight-line method, on the basis of useful life.

Fixed assets that are deployed immediately for core objectives are fully depreciated, as long as the assets have an expected life that is less than or equal to project duration.

Fixed assets with a life exceeding project duration are depreciated according to the principles for tangible fixed assets.

#### 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.

### Current assets

Current assets are initially valued at the fair value of the consideration to be received. Trade receivables are subsequently valued at the amortised cost price. 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.

### Reserves

The continuity reserve is intended as a buffer in case of disappointing income or expenses. These are the cumulative profits and losses without designated reserves. The AFEW restructuring reserve is a designated reserve which will be used to change the strategy of the organization to a more vital strategy taking all the developments of the geopolitical situations into account.

### 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 the determination of the result

#### Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

#### Government subsidies

Operating subsidies are recorded as income in the statement of income and expenditure in the year in which the subsidised costs were incurred or income was lost or when there was a subsidised operating deficit. Income is recognised when it is probable that it will be received.

Subsidies related to investments in tangible fixed assets are deducted from the asset to which they relate and recorded in the statement of income and expenditure as part of the amortisation costs.

#### Wages

#### Social security contributions

#### Applied policy of pension costs

Stichting AFEW International applies the liability approach to account for all pension schemes. The premium payable during the reporting year is recorded as an expense. Changes in the pension provision are also charged to the result. The contributions are recorded as personnel costs from the date that they become payable. Prepaid contributions are reported as accrual if this results in a repayment or a reduction in future payments. Contributions that are not yet paid are included as a liability in the balance sheet.

## Notes to the balance sheet as at 31 December 2023

### Fixed assets

#### 1 Tangible fixed assets

	<i>Other tangi- ble assets</i>
	€
<u>Balance as at 1 January 2023</u>	
Cost or manufacturing price	8.676
Accumulated depreciation	-5.507
Book value as at 1 January 2023	<u>3.169</u>
<u>Movements</u>	
Depreciation	-2.701
Balance movements	<u>-2.701</u>
<u>Balance as at 31 December 2023</u>	
Cost or manufacturing price	8.676
Accumulated depreciation	-8.208
Book value as at 31 December 2023	<u><u>468</u></u>
<u>Property, plant and equipment: Economic life</u>	
Depreciation rate	<u>33,00</u>

## Current assets

### Receivables

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<i>Other amounts receivable</i>		
Donors receivables	77.000	413.700
Subsidy commitments	20.736	104.485
Receivable incidental donors	29.365	10.166
Other receivables	7.205	7.451
	<u>134.306</u>	<u>535.802</u>

### *2 Accruals and prepaid expenses*

Other accruals	6.124	51.392
Accrued expenses	3.439	-
	<u>9.563</u>	<u>51.392</u>

### 3 Cash and cash equivalents

Deposit Account	447.835	665.005
Current Accounts	91.150	187.987
Petty Cash	55	55
	<u>539.040</u>	<u>853.047</u>

## Equity and liabilities

### 4 Reserves

	<u>2023</u>	<u>2022</u>
	€	€
<i>Reserves</i>		
<u>Balance as at 1 January</u>	866.641	932.496
Restatement due to prior period errors	-	-40.617
Balance (restated) as at 1 January	<u>866.641</u>	<u>891.879</u>
Result for the year	-323.741	-25.238
Balance as at 31 December	<u><u>542.900</u></u>	<u><u>866.641</u></u>
	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<b>Reserve</b>		
Continuity reserve	309.896	866.641
AFEW Restructuring reserve	233.004	-
Total	<u><u>542.900</u></u>	<u><u>866.641</u></u>

### Textual disclosure

#### Appropriation of the results

#### Statement of the destination of the profit or the processing of the loss

The loss for the period 2023 in the amount of € 323.741 will be fully deducted from the restructuring reserve.

#### Disclosure of other reserves

AFEW International builds its own reserve in accordance with ANBI guidelines. The Board set a long-term target of a continuity reserve that would cover a nine-month period of operational costs. Operational costs include: salaries of administrative (non-project) staff and costs related to office rental and maintenance of international and regional offices. The total continuity reserve of € 309.896 would be used for cover operational costs of the organization.

The purpose of the continuity reserve is to ensure that the organisation can continue operating should it experience a sudden drop in its funding, to ensure the sustainability of long-term programmes, to provide pre-financing for some activities, and to conduct exploratory missions in new countries. Any changes in the continuity reserve are stated in the annual report and financial statements.

The purpose of the restructuring reserve is to ensure that organization can continue increase of the visibility of EECA region presenting on different conferences, participate in different workshops and hire new specialist as PMEAL, PR and other experts to increase quality of the programmes; bring innovation and support to region. Any changes in the continuity reserve are stated in the annual report and financial statements.

In 2023 the board decided to split up the continuity reserve into two separate reserves: the continuity reserve and the AFEW Restructuring reserve. The continuity reserve has decreased to its level as it was at 2020. The remaining amount is put into the AFEW Restructuring reserve, which will be used to change the strategy of the organization to a more vital strategy taking all the developments of the geopolitical situations into account.

As a result of the movements among reserves, at the end of 2023 the reserves of AFEW International was decreased to € 542,900.

## Current liabilities

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<i>5 Trade payables</i>		
Creditors	1.630	37.043
	<u>          </u>	<u>          </u>
<i>6 Payables relating to taxes and social security contributions</i>		
Wage tax	16.873	16.543
	<u>          </u>	<u>          </u>
<i>7 Current other payables, liabilities and accrued expenses</i>		
Reporting obligations	101.615	455.981
Audit costs	11.500	9.978
Holiday allowance	8.859	24.538
Other accruals	-	3.224
Other payables	-	29.462
	<u>121.974</u>	<u>523.183</u>
	<u>          </u>	<u>          </u>

## Contingent assets and liabilities

### Textual disclosure

#### **The financial consequences of the contingent arrangements**

The annual amount of rent due to third parties for the rental of real estate depends on the number of employees working in the office. Number of employees in 2023: 8. Rent expense for 2023 is €35.207. The lease agreement is valid until 2026, subject to a notice period of four months.

## Notes to the statement of income and expenditure for the year 2023

	<u>2023</u>	<u>2022</u>
	€	€
<b>8 Income</b>		
Income from fundraising	148.554	122.337
Income from joint activities	191.282	533.912
Subsidies from governments	214.522	238.085
Other income	24.635	-
	<u>578.993</u>	<u>894.334</u>
	<u><u>578.993</u></u>	<u><u>894.334</u></u>
<b>Income from fundraising</b>		
Grants from businesses		4.500
Donations and collections	148.554	117.837
Total	<u>148.554</u>	<u>122.337</u>
	<u><u>148.554</u></u>	<u><u>122.337</u></u>
<b>9 Expenses of employee benefits</b>		
Wages and salaries	401.851	330.454
Social security charges and pensions cost	81.248	62.998
	<u>483.099</u>	<u>393.452</u>
	<u><u>483.099</u></u>	<u><u>393.452</u></u>
<i>Wages and salaries</i>		
Salaries and taxes	417.984	328.966
Other employee costs	-16.133	1.488
	<u>401.851</u>	<u>330.454</u>
	<u><u>401.851</u></u>	<u><u>330.454</u></u>
<b>10 Financial income</b>		
Exchange rate differences	-	1.598
	<u>-</u>	<u>1.598</u>
	<u><u>-</u></u>	<u><u>1.598</u></u>
<b>11 Financial expenditures</b>		
Bank charges	2.055	4.454
Exchange rate differences	3.903	-
	<u>5.958</u>	<u>4.454</u>
	<u><u>5.958</u></u>	<u><u>4.454</u></u>

Expenditures

x 1 €

	Spent on objectives				Costs of raising income	Management & Administration	Total
	<i>Capacity Strengthening</i>	<i>Greater visibility</i>	<i>Linking &amp; Learning</i>	<i>Improving resilience</i>			
Subgrants to third parties	209.283	36.621	20.345	24.414	-	-	290.663
Purchase and acquisitions	51.151	29.155	-	4.800	-	-	85.106
Outsourced work	-	-	-	-	-	-	-
Communication costs	-	22.451	7.484	-	-	-	29.935
Personnel costs	247.876	50.182	31.934	26.600	64.910	31.662	453.164
Real estate costs	-	-	-	-	-	-	-
Office and general expenses	-	-	-	-	-	35.207	35.207
Depreciation	-	-	-	-	-	2.701	2.701
<b>Total</b>	<b>508.310</b>	<b>138.409</b>	<b>59.763</b>	<b>55.814</b>	<b>64.910</b>	<b>69.570</b>	<b>896.776</b>

**Textual disclosure**

The cost of raising income in relation to total income is 11%.

**Other notes**

**Average number of employees**

Textual disclosure

Disclosure of average number of employees during the period

During 2023, 8 employees were employed on a full-time basis (2022: 7). Of these employees, 0 were employed outside the Netherlands (2022: 0) .

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