

Financial Accounts 2024

Stichting PUM Netherlands senior experts



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General information

This document contains the directors' report and the financial statements of the foundation Stichting PUM Netherlands senior experts (PUM). This directors' report describes last year's course of events; please refer to the 2024 PUM Annual Report for a detailed report of our activities and results.

The foundation has its registered office in The Hague, the Netherlands, and is included in the Commercial Register under Chamber of Commerce number 41160229. The foundation does not aim to make a profit and seeks to operate as a public benefit organisation within the meaning of Section 5b of the Dutch State Taxes Act (registered under number RSIN 805699041).

Objective

PUM is an impact-driven organisation with knowledgeable, committed and entrepreneurial people. PUM empowers ambitious entrepreneurs in building a structurally better future for their community; socially, ecologically and economically.

The foundation seeks to achieve these objectives by, for instance:

- a) recruiting and deploying experts on a voluntary basis, who use their knowledge and skills, working jointly with entrepreneurs to optimise entire business ecosystems.
- b) promoting and facilitating entrepreneurship in the countries where the entrepreneurs are located, thereby creating jobs and fostering the local economy, the environment and well-being in the long term;
- c) promoting, and causing the promotion of, the incorporation, development and support of national and sectoral business organisations in the countries as well as projects and activities carried out to achieve this;
- d) sharing knowledge, networks and experiences in order to promote economic and social development activities in the countries and developing or strengthening entrepreneurial ecosystems at SME level;
- e) incorporating legal entities, sustainably exploiting know-how, financing and otherwise warranting the performance of third parties, all in the broadest sense and all to the extent that this is conducive to the above;
- f) raising funds.

Composition of the Executive Board

On 31 December 2024, the Executive Board of Stichting PUM Netherlands senior experts consisted of:

- Ms A.D. Brouwer-Bom, Chair of the Executive Board
- Mr P.J.L. Bongaerts, member of the Executive Board

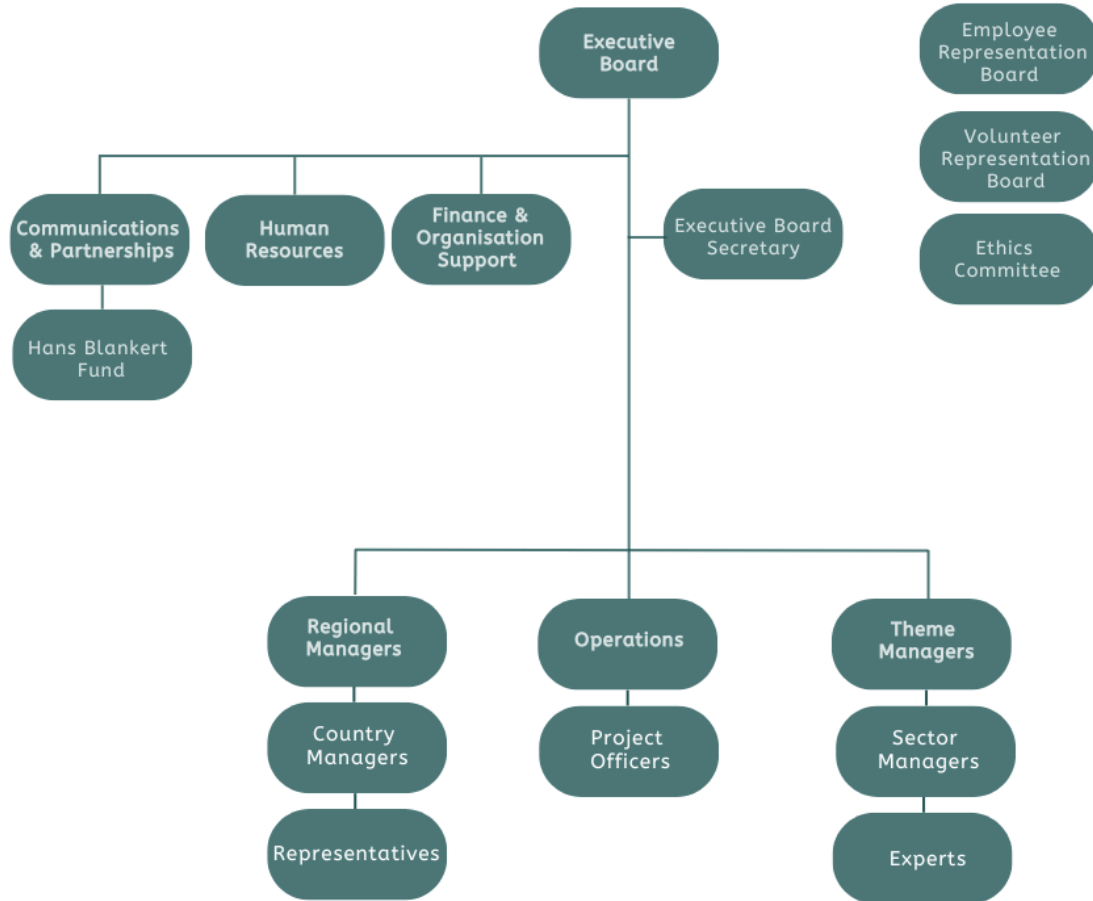
Composition of the Supervisory Board

The composition of the Supervisory Board was as follows in 2024:

| | Position | Period |
|-----------------------|------------------------|-------------------------|
| Ms I.D. Thijssen | Chair | 01/01/2024 - 31/12/2024 |
| Mr J. Vonhof | Vice-Chair | 01/01/2024 - 31/12/2024 |
| Mr R.E. Wolleswinkel | Audit Committee Member | 01/01/2024 - 31/12/2024 |
| Mr A.C. van Haeringen | Audit Committee Member | 01/01/2024 - 31/12/2024 |
| Mr R.L.M.H. Puts | Member | 01/01/2024 - 31/12/2024 |
| Ms L. Ait-Baali | Member | 01/01/2024 - 31/12/2024 |

Organisational Chart

The organisational chart of PUM in 2024 is as follows:



Soft controls

Soft controls are steering and control measures aimed at promoting desired, integer, behaviour among employees and management. Importantly certain norms and values and or desired behaviour must be clear and endorsed by everyone. For this PUM has a code of conduct, misconduct reporting rules and an anti-fraud and corruption policy.

This policies can be found on the SharePoint page of MyPUM.

Background and main features of the annual figures

Comparison between 2024 budget and actuals

In this complex global context, there is need for a different mindset and impactful approaches that lead to sustainable systemic change, in line with our mission. Therefore, as an organisation, PUM is undergoing a transformative shift.

As part of our new visual identity, PUM launched a successful brand campaign to raise awareness and shape our brand image among key target groups, including future experts and potential collaboration partners. Additionally, PUM launched a new website.

In our efforts to become more quality- and target-driven, we have focused on ensuring that the right people are in the right roles, as we believe that people make the difference. To this end, we have built a strong management team composed of both employees and volunteers. We also refreshed our pool of staff volunteers, with several new coordinators joining throughout the year. Among the staff, changes have taken place, including the appointment of a new Finance & Organisation Support Manager and a new Human Resources Manager. Moreover, the "One PUM Culture" programme has been launched to better understand the needs and differences between various groups within the organisation and foster greater alignment.

Currently, we operate in 36 different sectors, which has made navigation challenging and less client friendly. We have been working on restructuring these sectors to make them more understandable and accessible for our representatives, clients, PUM experts, and partners. We have also explored better alignment with the Top Sectors of the Netherlands, which represent Dutch expertise. The goal of this new structure is, apart from simplifying, to support the transition toward managing more projects per client or group of clients, enhancing the ecosystems in which we want to operate in close agreement with the Ministry of Foreign Affairs.

We have been diligent in refining our processes, and we are proud to announce that we are now officially ISO certified. This certification ensures that we continue to improve and optimise our operational processes and become more attractive for other donors.

This past year marked the end of our work in Gambia, Nepal, Pakistan, the Philippines, Sri Lanka, and Zambia. We will continue our efforts in Bolivia and Peru, now funded by a different donor, the Argidius Foundation. Additionally, we have decided to start operations in Egypt and Burundi.

Last but certainly not least, we recognise the importance of being more explicit about our CSR strategy, aligning fully with our mission. To this end, we have been working on our PUM People, Planet, Prosperity Plan, which sets clear targets from both internal and external perspectives, focusing on social, environmental, and economic aspects. This way social dialogue is even better embedded in our organisation.

For 2024 the total requested subsidy was €10,673,738 in reality we spent €9,626,638 being 90% of the requested amount. The underspending has a number of reasons.

- In 2024 the number of projects we realised was lower than expected. Originally, we planned to complete 1,300 projects in 2024, but thanks to additional funding from partners beyond DGIS-DDE, we expanded this target to 1,500 projects.
- External factors, such as travel restrictions to certain countries, and internal factors, including a mismatch between client demand and available expertise, led to a lower-than-expected completion rate.
- Additionally, limited opportunities, bottlenecks in our primary processes, and a high number of vacancies among staff, volunteers, and experts caused delays in project lead times and, in some cases, cancellations.

It goes beyond saying this had consequences for the expenditure in 2024.

For a detailed explanation of the deviation from the budget see the financial statements.

In accordance with the grant decision, the grant period is divided into two phases:

1. Phase 1 is from Januari 1 2023 till December 31 2026 with a grant of €41,050,000
2. Phase 2 is from Januari 1 2027 till December 31 2030 with a grant of €35,775,000

Overview of actual revenues for phase 1

| Income | 2023 | 2024 | 2025 | 2026 | Granted | Unused |
|------------------------------------|------------------|-------------------|------|------|-------------------|-------------------|
| | € | € | € | € | € | € |
| Contribution from DGIS-DDE | 9,406,629 | 9,626,638 | | | 41,050,000 | 22,016,733 |
| Other contributions | 528,173 | 679,097 | | | | |
| Total Income | 9,934,802 | 10,305,735 | | | 41,050,000 | 22,016,733 |
| Expenses | | | | | | |
| Country programme expenses | 4,203,029 | 4,372,485 | | | | |
| Personnel expenses | 4,317,637 | 4,546,665 | | | | |
| Monitoring and evaluation expenses | 147,601 | 17,582 | | | | |
| Overhead expenses | 1,323,065 | 1,461,926 | | | | |
| | | | | | | |
| Total expenses | 9,991,332 | 10,398,658 | | | | |
| | | | | | | |
| Operating result | -56,530 | -92,923 | | | | |
| Financial income | 17,645 | 26,661 | | | | |
| | | | | | | |
| Result | -38,885 | -66,262 | | | | |

Deficit and reserves

A loss of €66,262 was posted as the Ministry of Foreign Affairs requires that the operating reserve is reduced to nil in 2026.

Solvency and liquidity

The operating reserve is intended to absorb budget differences associated with the execution of the grant decision issued by the Ministry of Foreign Affairs. However, the Ministry of Foreign affairs intends to reduce this and phase out the reserves in the years 2024-2026. It goes without saying that the Ministry of Foreign affairs has a duty of care towards its implementing partners and in the event of discontinuation of subsidies, this does not have to be overcome by maintaining an operating reserve and this can therefore be carefully phased out.

For 2024 it was reduced by €66,262 and therefore the operating reserve now totals €331,310.

The equalization reserve is intended to cover the risks we run on all other income. This free reserve amounted to €329,326 as at December 2024. The amount of the reserve exceeds the prescribed amount set at 15% of the value of the contracts on which PUM runs risks.

Liquidity as at 31 December 2024 was somehow higher than last year as the prepaid budget of the Ministry of Foreign Affairs has not been fully spend. PUM has no liquidity problem as an advance is received every six months.

Outlook for 2025 and beyond

2025

Looking ahead to 2025, after two years of sowing, it is now time to begin harvesting. In the short term, we must be prepared to demonstrate compelling results during the Mid Term Review in 2026. In the long term, we need to stay prepared for a rapidly changing world, facing challenges such as diminishing political support, climate change, migration, and growing inequality—issues that could have significant consequences for PUM. In this context, we would like to outline several key priorities.

Here is a brief overview of what these priorities entail.

Impact Measurement: In addition to preparing for the 2026 Mid Term Review, we will gather compelling stories from ecosystems and social dialogue to highlight the positive impact we are making.

Quality-Driven Approach: We need to focus on selecting and identifying the right clients—the changemakers who can help us achieve our envisioned impact. This also involves understanding how they fit within the ecosystems we operate in, country by country. We will prioritise social dialogue projects where possible and continue to professionalise our knowledge management to learn from every project and improve our interventions for future initiatives.

Building Partnerships: To achieve the desired impact in the countries where we operate, to recruit corporate volunteers, to meet funding commitments with the Ministry of Foreign Affairs, and to prepare for the future, we must manage existing partnerships professionally and build new ones.

Communication: We will launch a second brand campaign, not only to raise awareness but also to clearly communicate PUM’s mission, the work we do, and the results we achieve.

Building a Strong Pool of Representatives: Success begins with selecting the right changemakers, and our representatives play a critical role in this process. We will focus on strengthening our pool of representatives by recruiting new ones and providing training for both new and existing members.

Creating One PUM Culture: To achieve our goals and create a lasting positive impact, we must continue to work on building a unified organisational culture that aligns with our targets. PUM. Together we grow.

For 2025 we presented a balanced budget and workplan approved by the Ministry of Foreign Affairs.

Summary of 2025 budget

| Income | Amount |
|------------------------------------|-------------------|
| | € |
| Contribution from DGIS-DDE | 10,075,000 |
| Other contributions | 1,719,400 |
| Total income | 11,794,400 |
| Expenses | |
| Country programme expenses | 5,610,683 |
| Personnel expenses | 4,665,554 |
| Monitoring and evaluation expenses | 50,000 |
| Overhead expenses | 1,576,500 |
| Total expenses | 11,902.737 |
| Result | -108,337 |
| Appropriation of result | |
| Operating reserve | -108,337 |

Risks Paragraph

2025 will be a year of harvesting for PUM, with full focus on clients, projects, business ecosystems and social dialogue. We are confident the Annual Plan 2025 will be implemented in an energetic and fulfilling way. Yet there are some risks to be aware of. PUM identifies the following main risks and ways to mitigate these risks.

The strategic risk analysis is provided in the table below.

| Programme risk | Probability | Impact | Tolerance | Action/control measure |
|---|-------------|--------|-----------|---|
| Unclarity whether our interventions lead to the intended impact; goals are not achieved and no contribution to our mission is made. | Medium | High | Low | Making impact is key for PUM. Unclarity whether our interventions lead to the intended impact is therefore an important risk. We prevent this risk from occurring by setting clear goals, which we measure effectively. We have a planning, monitoring, evaluation and learning policy in place and reinforcing impact orientation is part of our primary process. By means of a survey, we measure the structural effectiveness of our interventions after one and two years. Besides quantitative data, we emphasise our impact by sharing stories of clients that collaborated with PUM. |

| Contextual risk | Probability | Impact | Tolerance | Action/control measure |
|--|-------------|--------|-----------|--|
| Political and social instability and relevant public health risks in the countries where PUM operates. | Medium | Medium | Low | Due to ongoing violent extremism in the Sahel we could not fully operate in Mali and Burkina Faso. Due to the conflict in the Middle East we were only able to offer remote advice in the Palestinian Territories, Lebanon, and Jordan. Our safety policy includes strict protocols. In addition, we are actively monitoring the safety situation in the PUM countries. Risk assessments are conducted by PUM's representatives during the acquisition and intake procedure. Experts are briefed accordingly before a project starts before support is provided. |

| Organisational Risks | Probability | Impact | Tolerance | Action/control measure |
|---|-------------|--------|-----------|--|
| Reputational damage caused by negative publicity. | Medium | High | Low | PUM has a solid reputation. We operate in various sectors undergoing fundamental changes and we believe it is important to be transparent and accountable for the use of public funds. Reputational damage may jeopardise our position and brand, which may have consequences for our financing, recruitment and partnerships. We prevent this from occurring by enforcing an updated Code of Conduct. We have also installed a Certificate of Conduct (VOG) in our hiring policy in 2024. An Ethics Committee provides solicited and unsolicited advice on ethical issues and dilemmas. A complaint procedure is in place, as well as a crisis management policy. Proactive, explanatory and authentic communication should avoid reputational risks. |
| Inappropriate behaviour of our volunteers and employees. | Medium | Medium | Low | We are firmly committed to building a One PUM Culture, with the right people at the right place and behaviour that is not only in line with our policies and procedures, but also with our values and Code of Conduct. All volunteers receive a mandatory training in intercultural communication & advisory skills before their first deployment. A preparatory introduction day is part of the onboarding process for both volunteers and employees at our office in the Hague. |
| Exposure or loss resulting from a cyberattack or data breach. | Medium | High | Low | Ensuring GDPR compliance. Dedicated team of staff in place that monitors data security and immediately acts in case of incidents. Informing staff on how to safeguard data security. |

The Hague, 28 March 2025

A.D. Brouwer-Bom

Chair of the Executive Board

P.J.L. Bongaerts

Member of the Executive Board

Financial Statements 2024

Balance sheet as at 31 December 2024

(after appropriation of result)

| | 31 Dec 2024 | 31 Dec 2023 |
|---|-------------------------|-------------------------|
| ASSETS | € | € |
| Intangible and tangible assets | | |
| Software | 76,720 | 119,461 |
| Hardware | 20,125 | 28,601 |
| Fixtures and fittings | 494,402 | 580,792 |
| Office machines | 1,392 | 1,913 |
| | <u>592,639</u> | <u>730,767</u> |
| Current assets | | |
| Accounts receivable | 11,564 | 16,705 |
| Taxes and social security contributions | 80,332 | 124,001 |
| Other receivables | 217,196 | 108,057 |
| | <u>309,092</u> | <u>248,763</u> |
| Cash and cash equivalents | 2,328,011 | 2,066,100 |
| | <u>3,229,742</u> | <u>3,045,631</u> |

Balance sheet as at 31 December 2024

(after appropriation of result)

| | 31 Dec 2024 | 31 Dec 2023 |
|---|------------------|------------------|
| EQUITY AND LIABILITIES | € | € |
| Equity | | |
| Operating reserve | 265,048 | 331,310 |
| Equalisation reserve | 329,326 | 329,326 |
| | <u>594,374</u> | <u>660,636</u> |
| Current liabilities | | |
| Advances received | 1,898,004 | 1,548,660 |
| Accounts payable | 356,986 | 359,357 |
| Taxes and social security contributions | 188,952 | 187,861 |
| Other liabilities, accruals and deferred income | 191,426 | 289,117 |
| | <u>2,635,368</u> | <u>2,384,995</u> |
| | <u>3,229,742</u> | <u>3,045,631</u> |

Statement of Income and Expenditure 2024

| | Budget 2024 | Actual 2024 | Actual 2023 |
|---|--------------------|--------------------|--------------------|
| Income | | | |
| Contribution from Ministries | 10,673,738 | 9,722,701 | 9,422,884 |
| Sponsorship and other contributions | 800,000 | 583,034 | 511,918 |
| Total income | 11,473,738 | 10,305,735 | 9,934,802 |
| Expenses | | | |
| Country programme expenses | 5,866,500 | 4,372,485 | 4,161,886 |
| Personnel expenses | 4,175,000 | 4,546,665 | 4,317,637 |
| Monitoring & Evaluation expenses | 90,000 | 17,582 | 147,601 |
| Rent, facilities & office expenses | 600,000 | 540,568 | 593,058 |
| Communication expenses | 360,000 | 345,347 | 254,257 |
| IT expenses | 160,000 | 223,697 | 121,521 |
| Audit & consultancy expenses | 90,000 | 111,403 | 143,882 |
| Depreciation costs | 100,000 | 144,999 | 155,085 |
| General expenses | 98,500 | 95,912 | 96,405 |
| Total expenses | 11,540,000 | 10,398,658 | 9,991,332 |
| Operating surplus/deficit | -66,262 | -92,923 | -56,530 |
| Financial income and expenses | 0 | 26,661 | 17,645 |
| Surplus/deficit | -66,262 | -66,262 | -38,885 |
| Appropriation of surplus/deficit | | | |
| Operating reserve | -66,262 | -66,262 | -38,885 |
| Equalisation reserve | 0 | 0 | 0 |

Statement of Cash Flows for 2024

| | 2024 | 2023 |
|---|----------------|-------------------|
| | € | € |
| Operating surplus/deficit | -92,923 | -56,530 |
| Adjustments for: | | |
| Depreciation (and other changes in value) | 144,999 | 155,085 |
| | 144,999 | 155,085 |
| Movements in working capital: | | |
| Movement in current receivables | -60,329 | 164,923 |
| Movement in current liabilities | 250,425 | -4,388,327 |
| | 190,096 | -4,223,404 |
| Cash flow from business operations | 242,172 | -4,124,849 |
| Interest received/paid | 26,661 | 17,645 |
| Cash flow from operating activities | 268,833 | -4,107,204 |
| Additions to/disposals of property, plant and equipment | 6,923 | -168,383 |
| Cash flow from investing activities | 6,923 | -168,383 |
| Cash flow from financing activities | | |
| Net cash flow | 261,910 | -4,275,587 |
| Exchange rate and translation differences on cash | 0 | 0 |
| Movement in cash | 261,910 | -4,275,587 |

Accounting policies

General

| | |
|--|--|
| Name under the Articles of Association | Stichting PUM Netherlands senior experts |
| Chamber of Commerce number | 41160229 |
| RSIN/tax registration number | 805699041 |
| PBO (ANBI) status | Yes |
| Address | Bezuidenhoutseweg 12 2509 AB The Hague The Netherlands |

PUM's objective and activities

PUM contributes to sustainable and inclusive economic development by economically, socially and sustainably reinforcing SMEs in the countries where PUM operates.

General principles for the preparation of the financial statements

In preparing its financial statements, PUM follows the guideline RJ 640 for organisations without profit motive. The general basis for valuation of assets and liabilities, as well as for the determination of the balance of the current financial year is the acquisition price. Unless stated otherwise, assets and liabilities are stated at nominal value.

Integration of PUM contracts

PUM's financial statements include the financial information concerning the grants contributed by:

- Ministry of Foreign Affairs (Sustainable Economic Development Department; DGIS-DDE) and the sponsorship contributions of:
 - Ministry of Agriculture, Fisheries, Food Security and Nature (LVVN)
 - Ministry of Foreign Affairs - POBB (Armenia)
 - Argidius Foundation
 - YEP-ITC
 - 2Scale Kenya
 - Technoserve Uganda

Comparative figures

The comparative figures have been reclassified in the financial statements where necessary for presentation purposes.

Legal Merger

On January 1, 2023, Stichting PUM senior experts (acquiring legal entity) and DECP (disappearing legal entity) were legally merged. This merger has been accounted for in the 2023 financial statements of Stichting PUM using the "pooling of interest" method (RJ216).

Foreign currency translation

The reporting currency is the euro. Receivables, payables and liabilities in foreign currencies are converted at the exchange rate applicable on the balance sheet date. Transactions in foreign currencies effected during the reporting period are recognised in the financial statements at the exchange rate applicable on the transaction date. Exchange rate differences ensuing from the conversion as at the balance sheet date are recognised in the statement of income and expenditure.

Accounting policies for the valuation of assets and liabilities

Tangible and intangible assets

Fixed assets are measured at the cost of acquisition less accumulated depreciation and, if applicable, impairments. Depreciation is based on the estimated economic life and calculated using a fixed percentage of the cost of acquisition, taking account of any residual value. Fixed assets are depreciated from the date they are put into use.

The depreciation periods are as follows:

- Software 3-5 years (33%-20%)
- Hardware 5 years (20%)
- Fixtures and fittings 5-8 years (20%-12.5%)

Receivables, prepayments and accrued income

Receivables are carried at amortised cost net of the provisions for bad debts that are deemed necessary. These provisions are determined based on an individual assessment of the receivables. The costs of implementing the new CRM system are capitalised as prepaid expenses and will be released in the next five years, which is the expected useful life of the new system.

Cash

Cash consists of bank balances and deposits with maturities of twelve months or less. Current account overdrafts at banks are recognised as amounts due to credit institutions, at current liabilities. Cash and cash equivalents are carried at face value.

Equity

Equalisation reserve

PUM has a free reserve. Its size is set normatively at about 15% of the value of the contracts on which PUM is at risk. These are, price-value and payment risk.

Operating reserve

The operating reserve is intended to absorb budget differences associated with the execution of the grant decision issued by the Ministry of Foreign Affairs. However, the Ministry of Foreign affairs intends to reduce this and phase out the reserves in the years 2024-2026. It goes without saying that the Ministry of Foreign affairs has a duty of care towards its implementing partners and in the event of discontinuation of subsidies, this does not have to be overcome by maintaining an operating reserve and this can therefore be carefully phased out

Pension scheme

Since 2018, PUM has had a pension scheme with Nationale Nederlanden that qualifies as a defined contribution scheme, in which future pension benefits are based on the value on the retirement date. There is no mandatory indexation; the Executive Board determines this annually.

For 2024, the maximum amount is €137.800. PUM applied an average-pay scheme before 2018; since that year, indexation has taken place on the rights accrued. The contributions due are recognised as costs in the financial year in accordance with the Dutch Guidelines for Annual Reporting.

An indexation deposit was formed in the past for indexation for active and deferred members. No funds have been available for active members since 1 January 2018. The policyholder finances indexation for active members by paying single contributions. These costs are invoiced and allocated as pension costs to the period to which they relate.

The amount of the indexation deposit is such that indexation can be financed for deferred members.

Current liabilities

Current liabilities are measured at fair value upon initial recognition.

Accounting principles for the determination of surplus or deficit

General

The balance for the financial year is the difference between income and expenses that may be allocated to the reporting year.

Surpluses/deficits arising from other PUM contracts are recognised in the year in which they are realised. Where a deficit is expected, a provision is formed in accordance with the prudence principle as soon as we become aware of the potential deficit.

Income

Income is recognised in the year to which it relates, taking into account contributions yet to be received.

Expenses

Direct costs are allocated directly to the individual contracts.

Other costs are allocated to the contracts according to a general allocation formula based on the number of cases realised. If these costs can be allocated directly to the contracts, they are effectively passed on to the relevant contract.

Statement of cash flows

The statement of cash flows is prepared according to the indirect method.

Notes to the Statement of Financial Position as at 31 December 2024

(amounts in €)

Intangible assets

A breakdown of intangible assets is presented below:

Software

| | |
|---|---------------|
| Cost | 176,309 |
| Accumulated depreciation | -174,533 |
| Carrying amount as at 1 January 2024 | 1,776 |
| | |
| Additions | 204,559 |
| Disposals | 0 |
| Depreciation | -129,615 |
| Movements | 74,944 |
| Carrying amount as at 31 December 2024 | 76,720 |

In the course of 2022, investments in software in relation to the primary process were activated under short term assets. Until 2023, the respective depreciation was classified as IT costs. In 2024, the carrying amount has been reclassified to the section Intangible assets - Software, which is in line with applicable accounting standards. The related amount of depreciation in 2024 profit and loss is €40,912.

Tangible assets

A breakdown of property, plant and equipment is presented below:

Hardware

| | |
|---|---------------|
| Cost | 493,665 |
| Accumulated depreciation | 465,064 |
| Carrying amount as at 1 January 2024 | 28,601 |
| | |
| Additions | 6,923 |
| Disposals | 0 |
| Depreciation | -15,399 |
| Movements | -8,476 |
| Carrying amount as at 31 December 2024 | 20,125 |

Fixtures and fittings

| | |
|---|----------------|
| Cost | 1,023,308 |
| Accumulated depreciation | 442,516 |
| Carrying amount as at 1 January 2024 | 580,792 |
| | |
| Additions | 0 |
| Disposals | 0 |
| Depreciation | -86,390 |
| Movements | -86,390 |
| Carrying amount as at 31 December 2024 | 494,402 |

Office machines

| | |
|---|--------------|
| Cost | 2,495 |
| Acc. Depreciation | 582 |
| Carrying amount as at 1 January 2024 | <hr/> 1,913 |
| | |
| Additions | |
| Additions/disposals | 0 |
| Depreciation | -521 |
| Movements | <hr/> -521 |
| | |
| Carrying amount as at 31 December 2024 | 1,392 |

Notes to the Statement of Financial Position as at 31 December 2024

(amounts in €)

| | 31 Dec 2024 | 31 Dec 2023 |
|--|------------------|------------------|
| <u>Receivables, prepayments and accrued income</u> | | |
| Accounts receivable | | |
| Debtor contribution from clients to projects | 11,564 | 16,705 |
| | 11,564 | 16,705 |
| <i>No provision for bad debts necessary</i> | | |
| Taxes and social security contributions | | |
| VAT receivable | 80,332 | 124,001 |
| | 80,332 | 124,001 |
| Other receivables | | |
| Interest receivable | 10,158 | 0 |
| Prepaid invoices | 197,838 | 108,057 |
| Other receivables | 9,200 | 0 |
| | 217,196 | 108,057 |
| <p>The increase in the prepaid invoices is merely in relation to prebooked travel costs for projects in 2025. Prepaid invoices 2023 for €117,685 have been reclassified to Intangible assets (see Fixed assets).</p> | | |
| <u>Cash</u> | | |
| Bank current accounts | | |
| Rabobank current account | 452,264 | 216,363 |
| ABN Amro current account | 43,768 | 94,253 |
| Savings/deposit account | | |
| RABO Doelreserveren | 315 | 150,315 |
| ABN Amro | 1,831,664 | 1,605,168 |
| | 1,831,979 | 1,755,483 |
| Total cash | 2,328,011 | 2,066,100 |
| <i>All cash is fully freely available</i> | | |

Notes to the Statement of Financial Position as at 31 December 2024

Equity

| | € 31 Dec 2024 | € 31 Dec 2023 |
|----------------------|------------------|------------------|
| Operating reserve | 265,048 | 331,310 |
| Equalisation reserve | 329,326 | 329,326 |
| | 594,374 | 660,636 |

Notes to the operating reserve

In the addendum to the grant decision for 2023-2030 dated 4 march 2024 (MINBUZA-2024.232311) establishes the reduction of the operation reserve. The purpose is to phase out the reserve in the years 2024-2026 according to the following schedule:

- In 2023 a 5% reserve of the average grants effectively approved 2020-2022
- In 2024 a 4% reserve of the average grants effectively approved 2020-2022
- In 2025 a 2% reserve of the average grants effectively approved 2020-2022
- In 2026 a 0% reserve of the average grants effectively approved 2020-2022

| | € |
|-------------------------------------|-------------------|
| Grant effectively approved for 2020 | 6,643,977 |
| Grant effectively approved for 2021 | 5,523,655 |
| Grant effectively approved for 2022 | 7,710,954 |
| | 19,878,586 |
| Average | 6,626,195 |
| Permitted 4% of average | 265,048 |

Movements in the operating reserve, including proposed appropriation of the surplus for 2024:

| | |
|--|----------------|
| Balance as at 31 December 2024 | 331,310 |
| Withdrawal in 2024 | -66,262 |
| Balance after appropriation of surplus | 265,048 |

Notes to the equalisation reserve

The equalisation reserve is a free reserve. Its prescribed size is approximately 15% of the value of the contracts on which PUM runs risks. These are price, exchange rate and payment risks.

| | |
|---------------------------------------|----------------|
| Balance as at 31 December 2024 | 329,326 |
| Appropriation of result 2024 | 0 |
| Balance after appropriation of result | 329,326 |

The amount of the reserve exceeds the prescribed amount of approximately 15% of the value of the contracts. We expect a substantial increase in the contract value with effect from 2025, which, in our opinion, justifies holding this reserve amount.

Notes to the Statement of Financial Position as at 31 December 2024

| Current liabilities | € 31 Dec 2024 | € 31 Dec 2023 |
|--|------------------|------------------|
| Advances received | | |
| Ministry of Foreign Affairs, DGIS-DDE 2023-2030 | 1,666,735 | 1,093,372 |
| Ministry of Foreign Affairs, POBB | 90,670 | 142,500 |
| Other financing parties | 140,599 | 312,788 |
| | <u>1,898,004</u> | <u>1,548,660</u> |
| Accounts payable | | |
| Accounts payable | 356,986 | 359,357 |
| Taxes and social security contributions | | |
| Payroll tax payable | 188,952 | 187,861 |
| Other liabilities, accruals and deferred income | | |
| Staff costs payable | 177,451 | 230,627 |
| Accruals and deferred income | 13,975 | 58,490 |
| | <u>191,426</u> | <u>289,117</u> |

Notes to the Statement of Financial Position as at 31 December 2024

Off-balance sheet liabilities

Long-term financial obligations

Business accommodation

A covenant was signed with VNO-NCW on 7 December 2022, which is valid until 31 December 2030. The covenant includes arrangements on the lease of the office on the 15th floor of the Malietoren office tower. The rent, including parking spaces and service charges, amounts to €368,723 per annum. Procurement of facility services totals €88,342 per annum.

PUM indexation fund

As at 1 January 2025, an amount of €1,532,553 was deposited with Nationale Nederlanden, which is earmarked for persons who were deferred pension scheme members on 31 December 2017 and whose employment has ended. The employer has formed this indexation deposit with Nationale Nederlanden to finance the increases. If the balance in the deposit is insufficient to grant the indexation described, the employer will pay Nationale Nederlanden an additional single contribution.

The agreement entered into force on 1 January 2021, is open-ended and can be terminated at the end of every year.

Lease contracts

A lease contract with Leaseplan for 2 cars is in place. Liabilities: <1 yr €26,617 and >1 yr/<5 yr €17,255.

Subsequent events

There were no subsequent events with an impact on the 2024 financial accounts.

WNT justification for 2024, Stichting PUM Netherlands senior experts

Stichting PUM Netherlands senior experts is subject to the Dutch Executives’ Pay (Standards) Act (*Wet Normering Topinkomens*; WNT). As from 2024, the individually applicable maximum is the general maximum, i.e. €233,000 per annum.

Remuneration of senior executives

(amounts x €1)

| Data for 2024 | | |
|---|---------------------|-------------------------|
| | A.D. Brouwer | P.J.L. Bongaerts |
| Position details | CEO | COO |
| Beginning and end of job performance in 2024 | 01/01-31/12 | 01/01-31/12 |
| Scope of employment (part-time factor in FTEs) | 1.00 | 1.00 |
| Employment relationship? | Yes | Yes |
| | | |
| Remuneration plus taxable expense allowance | 161,688 | 155,377 |
| Remuneration payable on a future date | 30,057 | 22,031 |
| Remuneration | 191,745 | 177,408 |
| | | |
| Individually applicable maximum remuneration | 233,000 | 233,000 |

For 2024, the amounts applicable for specifically International Development Support have been applied as maximum.

| Data for 2023 | | |
|---|---------------------|-------------------------|
| | A.D. Brouwer | P.J.L. Bongaerts |
| Position details | CEO | COO |
| Beginning and end of job performance in 2024 | 01/01-31/12 | 01/01-31/12 |
| Scope of employment (part-time factor in FTEs) | 1.00 | 1.00 |
| Employment relationship? | Yes | Yes |
| | | |
| Remuneration plus taxable expense allowance | 143,070 | 130,722 |
| Remuneration payable on a future date | 33,219 | 27,208 |
| Remuneration | 176,289 | 157,931 |
| | | |
| Individually applicable maximum remuneration | 223,000 | 223,000 |

Supervising senior officials

The members of PUM's Supervisory Board do not receive any remuneration or fee for their activities.

| | Position | Period |
|-----------------------|------------------------|-------------------------|
| Ms I.D. Thijssen | Chair | 01/01/2024 - 31/12/2024 |
| Mr J. Vonhof | Vice-Chair | 01/01/2024 - 31/12/2024 |
| Mr R.E. Wolleswinkel | Audit Committee Member | 01/01/2024 - 31/12/2024 |
| Mr A.C. van Haeringen | Audit Committee Member | 01/01/2024 - 31/12/2024 |
| Mr R.L.M.H. Puts | Member | 01/01/2024 - 31/12/2024 |
| Ms L. Ait-Baali | Member | 01/01/2024 - 31/12/2024 |

Notes to the Statement of Income and Expenditure for 2024

| | € | € | € |
|--|--------------------|--------------------|--------------------|
| | Budget 2024 | Actual 2024 | Actual 2023 |
| Contribution from Ministries | | | |
| Ministry of Foreign Affairs, DGIS-DDE, POBB+LVVN | 10,673,738 | 9,722,701 | 9,422,884 |
| Sponsorship and other contributions | | | |
| Contribution from VNO-NCW | 380,000 | 402,040 | 380,000 |
| Contribution from sponsors | 390,000 | 145,994 | 100,453 |
| Contribution from HBF sponsors | 30,000 | 35,000 | 31,465 |
| | 800,000 | 583,034 | 511,918 |
| Total income | 11,473,738 | 10,305,735 | 9,934,802 |

The contribution from the Ministry of Foreign Affairs is based on the following decision and addenda:

- Decision NL Employers 4 SDG8 2023-2030 dated 22 November 2022 (valid 2023-3030) for an amount of €77,025,000. This decision is accompanied with the following addendum:
- Decision NL Employers 4 SDG8 activity number 4000006606 dated 4 March 2024 with a downward adjustment of the available PMEL budget for the total program period 2023-2030 with a total amount of €200,000 now that the endline evaluation will no longer be marketed by PUM, but by DDE.

Explanation of the difference compared with the budget

The revenue generated from grants was €1,168,003 lower than initially budgeted (10%), this was mainly due to:

- The lower number of realised projects in 2024
- Contribution from sponsors is €216,966 lower than budgeted as raising funds to finance programs kept on being difficult in 2024. Still during 2024, we were understaffed in this department. In the meantime PUM has an agreement with a new sponsor for the years 2025-2027.

Notes to the Statement of Income and Expenditure for 2024

| Direct expenses for country programmes | € | € | € |
|---|--------------------|--------------------|--------------------|
| | Budget 2024 | Actual 2024 | Actual 2023 |
| Flight and travel expenses | 2,841,500 | 1,676,492 | 1,691,984 |
| Visas, insurance and medication costs | 250,000 | 164,348 | 120,021 |
| DSA and costs of accommodation | 900,000 | 795,891 | 727,141 |
| Material and other direct costs | 120,000 | 119,165 | 38,474 |
| Hans Blankert Fund | 275,000 | 268,775 | 231,372 |
| Representatives' expenses | 900,000 | 833,096 | 787,784 |
| Project management costs | 20,000 | 17,970 | 58,200 |
| Program support costs | 560,000 | 496,748 | 506,910 |
| | 5,866,500 | 4,372,485 | 4,161,886 |

Explanation of the difference compared with the budget

The direct expenses incurred were €1,663,471 (28%) lower than budgeted, which is explained by the fact that less advice on location projects were realised than budgeted. Further the depreciation costs of software supporting the primary process (actuals 2023 €41,143 and 2024 €40,912) are part of the budget for Program support costs and reclassified as depreciation costs.

Notes to the Statement of Income and Expenditure for 2024

| | € | € | € |
|--|------------------|------------------|------------------|
| | Budget 2024 | Actual 2024 | Actual 2023 |
| Staff costs | | | |
| Management and support staff | 2,084,262 | 2,136,933 | 2,211,356 |
| Programme staff | 2,090,738 | 2,409,732 | 2,106,284 |
| Total staff costs | 4,175,000 | 4,546,665 | 4,317,640 |
| Specification: | | | |
| Wages and salaries | | | |
| Gross salaries | 2,525,000 | 2,557,959 | 2,623,718 |
| Bonus | 0 | 0 | 0 |
| Holidays | 0 | -12,630 | -24,129 |
| Transition payments | 0 | -9,489 | 7,723 |
| Absence insurance paid less benefit | 75,000 | 45,007 | -70,110 |
| | 2,600,000 | 2,580,847 | 2,537,202 |
| Social security charges | | | |
| Employer contribution to unemployment benefits (WW)/disability benefits (WAO)/industry-wide fund | 500,000 | 482,703 | 501,626 |
| Pensions | | | |
| Pension costs | 535,000 | 429,534 | 457,490 |
| Life-course savings | 90,000 | 52,233 | 62,286 |
| | 625,000 | 481,767 | 519,776 |
| Other staff costs | | | |
| Miscellaneous staff costs | 90,000 | 181,729 | 152,981 |
| Travel expenses | 60,000 | 79,014 | 77,679 |
| Costs of temporary and agency staff | 200,000 | 679,245 | 476,071 |
| Training costs | 100,000 | 61,360 | 52,302 |
| | 450,000 | 1,001,348 | 759,033 |
| Total staff costs | 4,175,000 | 4,546,665 | 4,317,637 |
| Average FTEs | 42,0 | 37,4 | 39,6 |

Explanation of the difference compared with the budget

On balance, total staff costs ended up 9% higher than budgeted, mainly due to the necessity of deploying interim staff for HR, Operations, Communication, IT and Business Development. This was necessary due to long-term illness of 2 key MT members, and the difficulty to fulfil some vacancies. Further in this light, costs in relation to recruitment of MT staff was not budgeted for.

Notes to the Statement of Income and Expenditure for 2024

| | € | € | € |
|---|------------------------|------------------------|------------------------|
| Monitoring & Evaluation Expenses | Budget 2024 | Actual 2024 | Actual 2023 |
| Monitoring & evaluation expenses | 90,000 | 17,582 | 68,427 |
| Subcontracted evaluation & learning | 0 | 0 | 79,174 |
| | <u>90,000</u> | <u>17,582</u> | <u>147,601</u> |

Explanation of the difference compared with the budget

Most of the evaluation and monitoring activities has been taken over inhouse by paid staff members specialized in PMEL

| Rent, facilities and office expenses | | | |
|---|----------------|----------------|----------------|
| Rent and services | 370,000 | 400,531 | 373,761 |
| Facilities expenses | 215,000 | 109,547 | 158,391 |
| Office expenses | 15,000 | 30,490 | 60,906 |
| | <u>600,000</u> | <u>540,568</u> | <u>593,058</u> |

Explanation of the difference compared with the budget

Rent facilities and office expenses are lower than to the amounts budgeted because PUM makes less use of the facilities of VNO-NCW.

| Communication expenses | | | |
|-------------------------------|----------------|----------------|----------------|
| Publications | 30,000 | 3,054 | 5,880 |
| Rebranding costs | 200,000 | 249,929 | 0 |
| Promotional material | 20,000 | 23,190 | 65,649 |
| Website | 50,000 | 43,012 | 61,702 |
| Other communication | 60,000 | 26,162 | 45,091 |
| | <u>360,000</u> | <u>345,347</u> | <u>254,257</u> |

Explanation of the difference compared with the budget

In 2024 PUM invested as planned in a brand campaign including media content and broadcasting.

| IT expenses | | | |
|-----------------------------|----------------|----------------|----------------|
| Small items | 2,000 | 20 | 6,525 |
| Data communication | 20,000 | 10,481 | 12,992 |
| Software support | 135,000 | 208,957 | 97,650 |
| Costs of equipment leases | 1,000 | 779 | 606 |
| Costs of telecommunications | 2,000 | 3,460 | 3,748 |
| | <u>160,000</u> | <u>223,697</u> | <u>121,521</u> |

Explanation of the difference compared with the budget

The IT expenses in 2024 were 39% higher than budgeted due to some factors that were not predicted:

- The decision in 2024 to purchase an application facilitating procurement and contract management
- Due to the leave of the IT manager in July 2024, PUM had to hire external staff for IT (development) advice.
- General increase of IT costs (Exact Globe, Azure Adobe, DocuSign)

| | € Budget 2024 | € Actual 2024 | € Actual 2023 |
|---|---------------------|---------------------|---------------------|
| Audit & consultancy expenses | | | |
| Consultancy expenses | 50,000 | 49,327 | 77,663 |
| Audit expenses | 40,000 | 62,076 | 66,219 |
| | 90,000 | 111,403 | 143,882 |

Explanation of the difference compared with the budget

The audit expenses are higher due to the revised offer of PUMs audit firm.

Depreciation

| | | | |
|---|----------------|----------------|----------------|
| Depreciation of intangible assets - software | 0 | 42,688 | 47,402 |
| Depreciation of tangible assets - fixtures and fittings | 80,000 | 86,911 | 87,793 |
| Depreciation of tangible assets - hardware | 20,000 | 15,400 | 19,890 |
| | 100,000 | 144,999 | 155,085 |

Explanation of the difference compared with the budget

The depreciation costs of the software in relation to the primary process were budgeted for as Program Support costs. Comparing figures of 2023 were reclassified accordingly.

General expenses

| | | | |
|-----------------|---------------|---------------|---------------|
| Insurance | 38,500 | 44,706 | 46,655 |
| Bank charges | 15,000 | 22,642 | 22,927 |
| General – other | 45,000 | 28,564 | 26,823 |
| | 98,500 | 95,912 | 96,405 |

Explanation of the difference compared with the budget

General expenses are in line with budget and last years expenses. The lower other expenses are negatively compensated by the bank charges which are 50% higher than budget because the budget was not yet aligned with the considerable increase of transaction costs for foreign transactions.

Signature page Board of Directors and Supervisory Board
Adopted in The Hague on March xx 2025

A.D. Brouwer-Bom
Chairman of the Board of Directors

P.J.L. Bongaerts
Member of the Board of Directors

I.D. Thijssen
Chairman of the Supervisory Board

J. Vonhof
Vice-Chairman of the Supervisory Board

R.E. Wolleswinkel
Member of the Supervisory Board

A.C. van Haeringen
Member of the Supervisory Board

R.L.M.H. Puts
Member of the Supervisory Board

L. Ait-Baali
Member of the Supervisory Board

Other Information

Determination of result

The Articles of Association of Stichting PUM Netherlands senior experts do not include any provisions on the determination of surplus or deficit.

If and when a surplus or deficit has been achieved on the other contracts, this surplus or deficit will be added to or deducted from the equalisation reserve.