

## Financial Report International Debate Education Association 2022

Below you find the summary of our financial report.

**Income:** Total income was 731,731.84. This income was derived from multiple sources including grants (both deferred from earlier years and received in 2022), donations, WSDC reg fees and miscellaneous income. The largest contributions came from deferred grants and grants received in 2022, making up 710.905,20 in total.

**Expenses: Below you'll find a brief breakdown of the expenses.**

**Project Expenses:** The total project expenses amounted to 233,115.4. The largest costs were applied staff hours, project-related food, travel and lodging.

**Wages and Salaries:** The total gross salaries were 70.152,08 including all taxes and social premiums, with deferred salary costs of 3.987,09 for 2023. All wages and salaries were paid via project expenses.

**Non-project Expenses:** Non-project expenses came to 32.491,83. Beneath you'll find a breakdown of the most important costs.

1. **Other costs:** Include other staff costs, including salary administration cost, amounted to 244.96.
2. **Office rent:** The total cost for renting the office was 10,668.78.
3. **Office Supplies and ICT:** Total costs amounted to 7,655.06. The biggest contributor here was website development and maintenance.
4. **Other General Costs:** The company incurred other general costs totaling 13,533.50. The main costs here were financial administration, auditing, bank charges, and insurance.

**Result:** The year ended with a net positive result of 465,677.59. This surplus is linked to grant income and will be used to cover the costs of carrying out work for grants in 2023 and beyond.

The financial report indicates a healthy financial situation for IDEA, with a significant surplus being carried forward into the following year as a deferred grant. However, it also suggests that IDEA is almost exclusively dependent on grant income, so the sustainability of finances could be a concern if this income source were to decrease.

Mr. Bojan Marjanović, Executive Director

International Debate Education Association (IDEA)

Mariahoek 16/17, 3511 LG Utrecht (Randstad), The Netherlands

## REVIEW REPORT

### Introduction

We have reviewed the financial statements of International Debate Education Association (IDEA) Amsterdam, for the period ended December 31, 2022. Management is responsible for the preparation of the financial statements in accordance with the accounting principles as set out in the notes to the financial statements. Our responsibility is to issue a review report on these financial statements.

### Scope

We conducted our review in accordance with Dutch Law, including the Dutch Standard 2400 "Engagements to review financial statements". This requires that we plan and perform the review to obtain moderate assurance about whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and therefore provides less assurance than an audit. We have not performed a full audit and, accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements of International Debate Education Association (IDEA) for the period ended December 31, 2022 are not prepared in accordance with the accounting principles as set out in the notes to the financial statements.

Zagreb, 29 May 2023

Revizija Finar d.o.o.

Zinke Kunc 3, 10000 Zagreb, Croatia

 **REVIZIJA  
FinaR  
d.o.o. Zagreb**

Rade Krnjeta, Director and Authorized Auditor

<b>Balance</b>	<b>Amount</b>	<b>Explanation</b>
<b>Tangible assets</b>		
0230 - inventory	€ 2.642,76	
0231 - depreciation inventory	€ 2.642,76	
0250 - Transport activum	€ 5.250,00	
0251 - depreciation transport	€ 5.250,00	
<b>Total: Tangible assets</b>	€ -	We depreciated the van and training supplies, meaning our tangible assets are valued at 0.
<b>Cash</b>		
<b>Total: Cash</b>	€ 556.204,80	This is the total cash on hand. We divide our cash on bank accounts that correspond to large project grants, and cash that is not linked to project grants.
<b>Accounts receivable</b>		
		Accounts receivables consist of finances that we are owed but have not materialised. In this case, these are payments we can receive from grants once donor conditions are met.
1200 - accounts receivables	€ 116.181,60	
Totaal: Accounts receivable	€ 116.181,60	
1300 - payed caution money	€ 1.456,00	
2470 - paypal unapplied payments	€ 394,99	
Totaal: Other accounts receivable	€ 1.850,99	
<b>Fund balance</b>		
0500 - fund capital	€ - 152.836,83	Fund capital consists resources which use is limited by the donor for specific purposes
Totaal: Fund balance	€ - 152.836,83	
<b>Reserves</b>		
Total: Reserves	€ - 33.686,51	Reserves is money used in emergency purposes. Reserves have been increased with the net positive result of 2022.
<b>Accounts payable</b>		
1600 - accounts payable	€ 20.037,51	
1610 - Next year payments accounts payable	€ 7.320,00	
Totaal: Accounts payable	€ 12.717,51	
<b>Other tax payable</b>		
Total: Other tax payable	€ 5.331,86	This is wage tax and premiums over december 2022 that is paid usually in january 2023
<b>Accrued expenses</b>		
1650 - accrued expenses	€ -	Accrued expenses are expenses booked in 2022 and payable in 2023. This is distinct from creditors in that accrued expenses are expected to be paid out later.

1910 - employees holiday payment	€	2.614,25	
1950 - nett payment wages	€	1.372,84	
Total: Accrued expenses	€	3.987,09	
<b>Deferred grants</b>			
			Deferred grants is income that is linked to project spending for next years
1640 - deferred grants		€ 465.677,59	
Total: Deferred grants		€ 465.677,59	
<b>Result</b>			
	€	-	Result is zero, as all net positive result has been deferred to next year for carrying out project grants

## Profit-Loss Statement

Profit- and loss statement	Amount	Explanation
9300 - Exchange rate difference	€ 11,12	
<b>Total: Exchange rate difference</b>	<b>€ 11,12</b>	
<b>Income</b>		
8000 - income trainers	€ 750,00	Income from training assignment
8002 - income WSDC	€ 5.613,90	Income from WSDC reg fees
8008 - income miscellaneous	-€ 5.282,31	Loss booking from having received less than the total amount for the Structural Grant 2022 due to lower-than-expected expenses in 2022. Within income miscellaneous is also income received from co-sharing the premises for 2022 with a neighbouring organisation.
8010 - deferred grants	€ 337.229,00	Income from grants - booked from previous years' grants received
8011 - grants	€ 373.676,20	Income from grants - received in 2022
8012 - Donations from donors	€ 19.745,05	Direct donations received, virtually only for the Ukraine relief aid campaign
<b>Total: Income</b>	<b>€ 731.731,84</b>	
<b>Project expenses</b>		
5000 - project trainers	€ 11.635,00	
5001 - project materials	€ 31,20	
5002 - project accommodation	€ 34.689,18	
5003 - project travel expenses	€ 20.361,62	
5004 - project restauration	€ 20.831,55	
5005 - project pr and communication	€ 694,79	
5007 - Projects: ICT	€ 7.457,50	
5008 - project miscellaneous costs	€ 15.119,38	
5009 - applied hours staff	€ 70.152,08	
5010 - subcontractors	€ 700,00	
5011 - subsidy third parties	€ 50.603,80	
5020 - Project development online materials	€ 839,30	
<b>Total: Project Expenses</b>	<b>€ 233.115,40</b>	
<b>Wages and salaries</b>		
4000 - gross salaries	€ 54.247,12	Explanation: this is a breakdown of all salaries. As salaries are 100% covered by projects, in category 4999 you see the hours
4070 - change holiday pay	€ 2.946,96	

4130 - pension premium	€ 822,45	applied to projects. This should be equal to category 5009. As a consequence, the heading wages and salaries is 0.
4131 - received pension premium employees	-€ 108,34	
4140 - premium social security	€ 6.359,48	
4151 - premium illness insurance	€ 332,12	
4152 - Homework allowance per day (onkostenvergoeding vrijgesteld)	€ 342,00	
4180 - Self-employment Subcontractors ("ZZP")	€ 4.910,29	
4190 - Volunteer contracts	€ 300,00	
4999 - applied hours to projects	-€ 70.152,08	
<b>Total: Wages and salaries</b>	€ 0,00	
<b>Other staff costs</b>		
4942 - salary administration cost	€ 244,96	
<b>Total: Other staff costs</b>	€ 244,96	
<b>Accommodation costs</b>		
4500 - rent office	€ 10.668,78	
4540 - housing costs		
<b>Total: Accommodation costs</b>	€ 10.668,78	
<b>Marketing and travel expenses</b>		
4200 - travel expenses	€ 407,00	These are travel expenses not coverable by a project grant for staff
4730 - business gifts	€ 200,48	These are gifts given to two staff members who left in 2022
<b>Total: Marketing and travel expenses</b>	€ 607,48	
<b>Office Supplies and ICT</b>		
4910 - subscriptions	€ 247,93	
4930 - office supplies	€ 92,86	
4931 - software (Exact,Zoom,Adobe,Amazon)	€ 1.493,06	
4932 - Website development and maintenance	€ 5.668,75	
4993 - applied costs: office supplies/ICT	€ 152,46	
<b>Total: Office supplies and ICT</b>	€ 7.655,06	
<b>Other general costs</b>		
4911 - sick-leave insurance	€ 1.873,20	
4920 - insurance general	€ 1.246,68	
4941 - financial administration	€ 4.388,67	
4960 - accountant	€ 3.000,00	Auditing costs for 2021
4970 - invoices for IDEA central	€ 605,00	Costs for maintaining a correspondence address for IDEA Central in Brussels
4980 - bank charges	€ 2.393,49	

4990 - general costs	€ 26,46	
<b>Total: Other general costs</b>	<b>€ 13.533,50</b>	
<b>interest receipts</b>		
9000 - interest received deposito	-€ 217,95	Negative interest on bank account
Total: interest receipts	-€ 217,95	
<b>Result</b>	<b>€ 465.677,59</b>	The net result is positive and linked to grant income. This means that this net result will be used to cover costs of carrying out work for grants in 2023 and beyond.

## **NOTES TO THE FINANCIAL STATEMENT**

### **Principal accounting policies**

#### **General**

The financial statements are based on the historical costs. Assets and liabilities are valued at their nominal value, unless indicated otherwise. Fees are allocated to the year to which the fees are related. Grants are allocated to the designated project. General grants are allocated to the year mentioned by the grantee.

Transactions in foreign currencies are translated into Euro at the exchange rate at the date of transaction. At year end, assets and liabilities denominated in foreign currencies are translated to Euro at the exchange rate at date of balance sheet. Currency results are added to a reserve on currency results, included under equity.

#### **Non-current assets**

Tangible fixed assets are valued at purchase price less the accumulated depreciations. The annual depreciation is calculated by means of a fixed percentage of the purchase price on basis of the estimated lifetime. The percentage of depreciation is between 33% and 50%.

#### **Current assets**

Accounts receivable are valued at historical cost, taking into account risks related to doubtful debts. Cash and cash equivalents are valued at nominal value.

#### **Equity**

As the balance sheet is prepared after appropriation of result, the result of the year is no longer separately presented under equity (compared to financial statements in previous years). One reserve is presented under equity.

1) Safety reserve This reserve is held for coverage of possible setbacks in the future, due to shortages on general income. This reserve is funded from the appropriation of result in past years for the part related to the release of the safety fund.

#### **Current liabilities**

Liabilities are valued as historical costs.

#### **Deferred grants**

Deferred grants are granted contributions from donors related to projects that have not yet been finalized. Deferred grants are released for the moment spent on the projects in accordance with the grant agreement between the donor and the grantee.

#### **Principles for the determination of the result**

Determination of the result is based on historical cost. All benefits and related costs are designated to the same period.

Income from grants consists of contributions by the donor, as far as related to the costs of execution for the project in the financial year.

Costs are determined on historical basis and are booked in the financial year to which they refer.

Financial income and expense include the received and paid interest as well as exchange results.