

Financial statements 2023

Cultural Emergency Response
at Amsterdam

date 13 March 2024
reference 24-143/MdV

Table of contents

	<u>Page</u>
<u>Board report 2023</u>	
1. General information	1
2. Programmes and core-activities	5
3. Risk management	10
4. Policy and function reserves and funds	11
5. Fiscal affairs	11
6. Preview and budget 2024	13
<u>Financial statements</u>	
A. Balance sheet as at 31 December 2023	15
B. Statement of income and expenditure 2023	16
C. Cash flow statement	17
D. Accounting policies	18
E. Notes to the balance sheet	23
F. Notes to the statement of income and expenditure	27
G. Key figures	32
<u>Other information</u>	33
Appropriation of balance	
<u>Independent auditor's report</u>	34
<u>Annex</u>	
Overview income and cash flow	

Board report 2023

This board report reflects the activities from the 1st of January 2023 until 31 December 2023 and has been developed in collaboration between the board of CER and the director.

1. General information

Establishment, mission, vision, and objective

Cultural Emergency Response (CER) Foundation was founded on 22 June 2022 and has its registered office at Herengracht 474 in Amsterdam, the Netherlands.

CER was established as a programme by the Prince Claus Fund for Culture and Development in 2003. Since 1 July 2022 it operates as an independent foundation for the protection of culture in crisis situations.

The objective of CER is defined in its statutes as follows:

“De stichting stelt zich ten doel het bieden van noodhulp aan cultuurgoed in het geval van dreiging, schade of vernietiging ten gevolge van rampen of conflict, en het verrichten van al hetgeen dat met het dit doel verband houdt of daartoe bevorderlijk kan zijn in de ruimste zin van het woord.”

CER aims to achieve this objective by, among other, providing first aid to cultural heritage threatened or damaged by conflict or disaster, always doing so in direct cooperation with local actors in the affected communities. CER provides quick and flexible financial support and expertise to assist heritage actors and communities as they assess risks and damages, implement stabilisation, and conduct early recovery measures. Emergency actions aim to prevent the loss of endangered cultural heritage, facilitate cultural continuity, and build resilience in times of crisis. CER also works with heritage communities to prepare for crises and mitigate potential risks to cultural heritage. Beyond emergency response, CER's wider purpose is to make global heritage protection more inclusive, sustainable and locally-led, notably by training heritage experts, sharing expertise and experience, and advocating the recognition of cultural heritage rescue as a crucial aspect of humanitarian relief, recovery, development and peacebuilding.

Mission

Our mission is to coordinate and support locally-led protection of heritage under threat. We promote inclusivity and accessibility by developing and strengthening decentralised infrastructures for cultural emergency response. We provide fast, flexible support to fit the needs of local actors in crisis situations and invest in the capacities of our partners through dialogue, training, and sharing expertise. Our advocacy work makes the case that cultural rescue is a vital component of humanitarian relief.

Vision

We see a future in which all heritage communities can safeguard their culture in times of crisis. We want to build a strong and inclusive heritage system in a world that recognises the protection of cultural heritage as a humanitarian issue.

Statutory provisions

According to the articles of association, the board shall draw up a balance sheet and a statement of income and expenditure within six months after the end of the financial year. The board can appoint a chartered accountant to audit the balance sheet and statement of income and expenditure. The accountant reports on his audit to the board and presents the results of their audit in an auditor's report.

In accordance with the articles of association, the financial year coincides with the calendar year.

Board

According to the articles of association, the board consists of at least three persons.

Board members are appointed for a maximum period of four years. After the first four-year term has expired, they may be re-appointed once for an equal period. The hereunder resignation schedule provides an up-to-date overview of the appointments.

<u>Name</u>	<u>Entry</u>	<u>End period 1</u>	<u>End period 2</u>
Bijan Rouhani (chair)	22 June 2022	22 June 2026	22 June 2030
Mechtild van den Hombergh	22 June 2022	22 June 2026	22 June 2030
Alexander Ribbink	22 June 2022	22 June 2026	22 June 2030

In accordance with the articles of association, article 4, paragraph 8, board members receive no remuneration for the work they do for the foundation. In incidental cases, board members do receive compensation for the costs incurred on behalf of the foundation.

Individual board members report their ancillary positions to the board. A brief overview of the most relevant ancillary positions is given below. Additional functions will be listed on the CER website shortly.

<u>Name</u>	<u>Positions</u>
Bijan Rouhani (chair)	Senior Researcher and Project Manager, Endangered Archaeology in the Middle East and North Africa (EAMENA) project, School of Archaeology, University of Oxford; Board Member, Blue Shield UK; Vice-President of the International Scientific Committee on Risk Preparedness of the International Council of Museums and Sites (ICOMOS); Member of the Nahrein Network Management Committee at University College London.
Mechtild van den Hombergh	Managing director a.i. Academy for Theatre and Dance (ATD) of the Amsterdam University of the Arts; Chair of the Board of Directors of Fair Capital Partners; Board of Directors of Foundation Aguapro; Board Member of Sarakasi Trust Kenya; Board of Directors (listener) of the Goede Doelen Loterijen (Postcode Loterij and Vrienden Loterij).

Name	Positions
Alexander Ribbink	General Partner at Keen Venture Partners; Board Member of the Prince Claus Fund for Culture and Development; Board Member of several profit- and not-for-profit organisations (Het Parool, Crisp, Nextail, FINN, Lendis, Nextail, Gourmey, ALLO, Bits of Stock and Feather); Founding Board Member of the Ribbink Van den Hoek Family Foundation.

In 2023 the board met four times for the regular board meetings. In addition, and additional board meeting was held for approval of the budget of 2023 and interim consultations on strategic and financial issues took place with (part of) the board. The board was also active in the approval of emergency projects above € 35,000.

For all five board meetings, the average attendance rate of the board was **93%**.

Management and staff

As per the 1st of July 2022, Sanne Letschert was appointed as the director of CER. Before the establishment of the foundation, she was Head of the CER programme under the Prince Claus Fund for Culture and Development.

In determining the remuneration of the director, CER follows the regulation on the remuneration of directors of charitable organisations. The regulation provides a maximum standard for the annual income based on weighing criteria, considering the director's duties, the field in which the organisation operates, and the size and complexity of the organisation. This assessment is weighed with the 'Basis Score voor Directiefuncties' (BSD) or Basic Score for Directorships. The number of BSD points determines which job group a director falls into. In total there are eight job groups, each with its own maximum annual income. The weighing of the situation at CER was executed by the board. This led to a so-called BSD score in function group D of the remuneration regulation with a maximum annual income of € 86,045 for 2023.

The relevant annual income of the director remained within the applicable maximum.

The amount and composition of the remuneration are explained in the financial statements in the notes to the statement of income and expenditure.

In 2023, the **average number of FTEs was 5.64**. In 2022 this average was **2.43 FTEs**.

The number of FTEs increased, as CER expanded its staff in its first full year of operating as an independent organisation. Two new staff members were welcomed at the end of 2022. In 2023, an additional staff member was added to the team to support the operations and financial administration of the organisation. Additionally, the position of the employee focused on communications and fundraising was increased to 1 FTE.

Internship and volunteer policy

In 2023, CER was supported by one intern for six months, from July until December. CER is grateful to them for their valuable contribution. CER was not supported by volunteers in 2023. Based on this experience, CER is in the process of developing a protocol for interns and volunteers to facilitate a constructive and positive learning experience for them.

All interns work based on a contract in which tasks, responsibilities, and obligations are described. Interns receive an allowance that is in line with the allowance that other cultural organisations provide.

Governance

CER endorses the CBF-Code and the Good Governance Code for Cultural Organisations - the nine principles. CER acts in accordance with the regulations of these codes. The principles of good governance - with the separation of functions, good governance, and accountability at its core - are embedded in the internal regulations.

CER has the aim to meet the criteria of the CBF - the Netherlands Fundraising Regulator - and is in the process of obtaining its hallmark (www.cbf.nl).

The tasks and responsibilities of the board and director are described in the statutes of CER (22 June 2022) and the Management Regulations (9 January 2023). The director and the board members are aware of their own role and the division of tasks, responsibilities and powers between them and act accordingly.

The board is responsible for governing the organisation. The board approves the annual plan, the long-term plan, the annual budget, and the annual statement of accounts as well as major collaborations. The board also approves project allocations exceeding € 35,000.

The director is responsible, within the aims of the organisation, for general policy development and implementation, external representation, public relations policy, managing the office and staff, implementing the general terms of employment, and for preparing and implementing the decisions of the board.

The management and board are independent and act with integrity. They are alert to conflicts of interest, avoid undesirable conflicts of interest and deal with conflicts of interest transparently and carefully. The articles of association set out the procedure to be followed in the event of a conflict of interest (articles 4 and 5).

In 2023 CER formalised its Administrative Organisation (AO) in line with its strategy and independent operations. In the AO authorities, rules and procedures are described, forming the framework for the administrative process. The document reflects financial- and operational workflows and processes and includes the interfaces of finance within a wider context and external organisations. The AO is the guideline for the management and board to steer the organisation transparently in the right direction and aims to harmonise operations and provide adequate information at the right time. Some additional processes are still under development, which will be included in the AO in 2024.

CER has a complaints procedure, a whistleblowing procedure, the code of conduct, an ethical fundraising policy, and the terms of employment in place. These protocols and guidelines were all formalised in 2023 in accordance with the operations and values of CER.

The rules for risk management and control have been drafted and decided on by the board early 2023, including the mitigation measures CER will take in case needed. The management and the board will revisit these regulations regularly and will meet with the external auditor annually.

Appointment of a member of the board is based on nomination by the board. The board has a broad composition, considering substantive expertise and diversity aspects such as gender and cultural background. The director of CER takes on an advisory role in this process.

The director reports to the board at least four times a year on the progress and realisation of the established annual plans and budget. The annual plan, budget, report, and accounts are prepared by the director and adopted by the board.

The board convenes a self-evaluation meeting at least once a year and conducts an annual assessment interview with the director.

CER performs evaluation of its activities and their impact on a regular basis. The organisation is in the process of developing its own monitoring, evaluation and learning protocol and aims to become more result and impact driven in the coming year.

2. Programmes and core-activities

Programmes

With first aid to culture in crisis at its core, CER started the implementation of its strategy as an independent organisation in 2022 focusing on coordinating and supporting locally-led protection of heritage under threat by providing first aid and developing and strengthening decentralised infrastructures and capacity for cultural emergency response through its four programmes.

Cultural Emergency Response

Through its emergency grant mechanism CER provides quick and flexible support to local partners in immediate response to disaster or conflict for the rescue, stabilisation, or evacuation of heritage under threat to prevent further damage. Applications for CER grants may be submitted at any time and are pro-actively scouted by the CER team.

In 2023, CER supported 35 emergency projects in sixteen different countries. The projects were approved in consultation with at least three to five external experts all over the world. The diversity of gender, discipline, people, and geographies were taken into consideration to ensure a balanced selection and prioritise marginalised communities. Through these projects, CER was able to respond to several major crises of different types: conflict, extreme weather events, fire, and earthquakes. The projects focused on different types of heritage.

In addition to its regular emergency support mechanism, CER continued the support of heritage stewards and institutions through its Ukraine Action Plan throughout the year. Through this Action Plan, CER has been supporting the protection of cultural heritage under threat due to the ongoing war against Ukraine since March 2022. Funds have been allocated on a rolling basis upon urgency to facilitate quick critical actions. CER continued support to eight key local actors in the field. Through this support, CER assisted the emergency preparedness of over seventeen memory institutions, 31 field missions for damage assessments, and the forensic documentation of 51+ cultural sites affected by the war. In addition, CER joined forces with the ALIPH Foundation to support the development of mobile labs for the documentation and digitisation of at-risk heritage collections in the Kiev Region in partnership with HERI-Acure. CER also continued the collaboration with the World Monuments Fund (WMF) to protect and stabilise damaged built heritage buildings. Jointly, three large-scale stabilisation projects were supported. CER also activated its global network of cultural emergency response experts to support its partners on the ground with expertise and advice and to contribute to a visitor's programme for seven Ukrainian museum professionals organised by DutchCulture. In 2023, CER also received confirmation of the Ministry of Foreign Affairs of the Kingdom of the Netherlands of an additional contribution of € 725,000 to continue the urgent support for the protection of cultural heritage in Ukraine in 2024.

CER also launched an Action Plan to support heritage stewards in response to the devastation caused by the earthquakes in southern Türkiye and northern Syria in February 2023. The result was extensive network development and the formulation of an Action Plan comprised of activities to assess damage, implement first aid to tangible cultural properties, and support cultural workers and intangible heritage by supporting a range of new and existing partners. For the realisation of the action plan CER pooled funding with two other donors – the J.M. Kaplan Fund and the Cultural Protection Fund of the British Council in partnership with the Department for Digital, Culture, Media & Sport (DCMS) of the United Kingdom. Together, our combined support enabled a total of seven projects for € 174,365.75.

CER's response mechanism relies on an active network of trusted partners in vulnerable regions around the world. This network allows it to monitor crisis situations on an ongoing basis and prepare to pro-actively respond in the event of disaster- or conflict-related threats to cultural heritage. In 2023, CER continued the professionalisation of this mechanism by revising its emergency workflows, protocols, research procedure, and expanding its scouting mechanism. Through active scouting and project research, CER has extended its network with at least 140 new experts.

Network of Regional Hubs

Through its network of Regional Hubs CER is decentralising its activities to vulnerable regions around the world. In partnership with local heritage rescue organisations, it creates go-to centres for cultural emergency expertise and response. CER regional hubs ensure regional coordination, available expertise and means for faster, locally driven and tailored cultural emergency response. Hubs are part of a global network for exchange and support, mentoring, learning and sustainability opportunities. The goal is to make heritage protection more inclusive by collaborating with local and national actors in decision-making when it comes to the protection of their cultural heritage.

In 2023, CER proudly launched a new Regional Hub in collaboration with the Cultural Heritage Emergency Network (CHEN), an initiative of the Caribbean Regional Branch of the International Council on Archives (CARBICA). The Regional Hub in the Caribbean is a strategic initiative arising from the imperative to address multifaceted threats that continually threaten the region's rich cultural diversity and heritage. CER did not allocate the budgeted amount for the establishment of a second Hub in 2023. The establishment a Regional Hub is a complex process and takes time and we learned it is only feasible to establish one Hub per year. It was decided to invest efforts in the proper establishment of the partnership in the Caribbean Region, and that a new Hub will be established in 2024.

In 2023, activities with the three existing Hubs in Central America, the Western Balkans and Levant continued and are ongoing. All Hubs mobilised this year to respond urgently to cultural emergency situations, testing and forming the Hub model and the collaboration with CER in crisis situations. Next to emergency response actions, the Hubs participated and coordinated training initiatives to strengthen the networks and capacity of first aiders and cultural heritage stewards in their respective regions. In October, CER also organised the first Annual Regional Hub meeting in collaboration with the Hub in the Western Balkans in Tirana, Albania. It brought together all coordinators of the Hubs, to jointly learn and work on the development of the CER Regional Hub programme. Also, the Western Balkan Hub invited its network from the region for a conference to discuss future collaborations and priorities in the next phase of the Hub activities. This year, CER invested significantly in the further development of the programme on a strategic and implementation level, in close collaboration with the Hub Coordinators.

Training & Mentorship

To provide first aid to cultural heritage under threat in an adequate and inclusive way, CER ensures the capacity and infrastructure are in place to support its approach in facilitating locally led responses to cultural emergencies. In close collaboration with other cultural heritage emergency organisations, CER provides interdisciplinary, hands-on training programmes to international heritage professionals, facilitates knowledge exchange and the development of new cultural first aid solutions. Our aim is to strengthen response capacity and crisis preparedness on the ground, and to create and mobilise new and existing networks to connect people, organisations and expertise across the globe.

In September 2023, together with the Smithsonian Cultural Rescue Initiative (SCRI), CER organised the fifth edition of the Leadership Course for Cultural Heritage Stewards in Challenging Circumstances in The Hague, the Netherlands. From 62 applicants from a closed network, fourteen were selected to participate coming from thirteen different countries. During the five days of the course, participants explored methods of heritage protection and learned how to develop and present a project idea to a lay audience. They developed skills in project design, oral and written messaging, proposal writing, resource mobilisation and project planning through peer-to-peer learning and practical exercises. The course culminated with a panel of funders, where each participant pitched their project to a jury of four funders.

In November 2023, CER and Conservartecuator Foundation, with the generous support of the Whiting Foundation, organised its first Regional Course for Emergency Response to Documentary Heritage in Quito, Ecuador. This comprehensive week-long training convened twenty dedicated professionals in the field of documentary heritage from ten Latin American countries, selected out of a group of 63 applicants. Throughout the course programme, participants immersed themselves in both theoretical insights and practical frameworks aimed at strengthening the protection of documentary heritage collections before, during, and after emergencies. All theory of the week was put to practice in a final simulation at the end of the week.

In addition, CER continued the development of a new international workshop initiative in collaboration with Blue Shield International and the Smithsonian Cultural Rescue Initiative revolving around the 1954 The Hague convention on the protection of cultural property in conflict. Besides online meetings to determine the aim, activities and scope of the new programme, CER hosted delegations of the two organisations in The Hague for a curriculum development workshops at the end of September. As part of the workshop, CER invited experts from the military- and humanitarian sector to start discussing ways of collaboration and inform the development of the workshop programme.

Making the Case

Through this programme CER invests in demonstrating the wide-ranging impact of heritage protection, raise awareness of its importance and campaign for its integration in humanitarian policies and relief efforts. To do so, we collaborate with other international heritage, academic and humanitarian organisations to develop initiatives to collect data that demonstrates the impact of heritage protection efforts. We also work closely with our partners on the ground to identify best practices, challenges, and solutions. We actively share knowledge and disseminate our findings through lobby, advocacy, and awareness campaigns.

This aim was harbored in a programme format early 2023 and the team has been working on further defining and developing its activities throughout the year. The focus for 2023 was on making the case for cultural heritage as a humanitarian issue. With these goals in mind, the CER team participated in 23 advocacy opportunities throughout eleven different countries in 2023. CER has also been selected to participate in the expert group to advise the European Commission on the safeguarding of cultural heritage under threat in Ukraine.

CER also hosted its first 'Making the Case' event this year at the Humanity Hub in The Hague. Together with colleagues from the cultural and humanitarian sectors, we hosted a film screening and panel talk on the impact of heritage loss and the protection of people. Central to the event was a film screening of CER's pilot project on the safeguarding of intangible heritage from displaced communities in Georgia.

Core Activities

2023 was the first full year of operations for CER since its establishment as an independent organisation in July 2022. The focus was on the further development of the organisation structures, strategies, and operational systems. The organisational and financial structure was refined, programme- and fundraising strategies were further developed, new partnerships and collaborations were set up, and the sourcing of funding and the continuation of funding collaborations was prioritised. In 2023, CER took an important step in the professionalisation of its operation and visibility as an independent entity.

Fundraising and Communications

With the further development of CER as an independent organisation in mind, the focus of **fundraising** was on the further development of the fundraising strategy, securing the continuation of collaborations and mapping and developing new funding opportunities.

CER successfully continued collaboration with trusted donors, such as the Whiting Foundation, the Smithsonian Cultural Rescue Initiative, ALIPH, TEFAP, the JM Kaplan Fund, and the Cultural Protection Fund of the British Council. Additionally, CER created and implemented its own mechanism for the development of formal fundraising proposals to other donor institutions.

The fundraising effort focuses on collaborations with foundations and other organisations that are connected to the mission of CER, both in the Netherlands and abroad. Considering its recent establishment, CER is currently still developing relations with individual donors. In addition, CER has continued to build an individual relationship with the Ministry of Foreign Affairs of the Kingdom of the Netherlands, to continue cooperation and awareness-raising activities on the international protection of heritage in crisis situations. CER worked closely with the Ministry in the development of actions in Ukraine and the development of CER as independent entity. This resulted in an additional contribution of the Ministry of Foreign Affairs for actions in Ukraine of € 725,000 in 2024.

Fundraising for the Ukraine Action Plan continued to be successful, with additional contributions from the Smithsonian Institution, the J.M. Kaplan Fund, and the Cultural Protection Fund of the British Council. The latter two organisations also contributed with significant donations to the Action Plan for Syria and Türkiye. Based on the experience of the Beirut Action Plan, CER created a pooled funding mechanism to which like-minded grant-making organisations can contribute to jointly respond to a major crisis.

CER also continued its collaboration with TEFAF. During the 2023 fair in both New York CER hosted a panel discussion highlighting its actions in Ukraine. On this occasion, with the generous support of the J.M. Kaplan Fund, CER organised a fundraising dinner for potential US based donors and started to create a network for future funding relations with major donors and foundations.

CER continued to coordinate the network of Grantmakers for Cultural Heritage Preservation (G-CHeP).

The fundraising costs mainly consist of the organisation and execution of several events aimed at finding and keeping the different types of donations, including the events at TEFAF and in New York and the communication/fundraising campaigns.

2023 was also an important year for CERs **communication** efforts. CER continued to develop its recently launched branding, website, newsletter, and social media channels. CER had an online engagement of 19,262 and grew its follower community from 1,789 followers to 3,052 followers across all its platforms. CER sent out ten newsletters in 2023, with a total of 961 subscribers. In addition, CER invested in pilot paid advertisement campaigns that went live for two months to promote its two fundraising- and awareness raising videos that were made to celebrate the 1-year anniversary of CER and the mission it stands for. Combined, the videos amounted to 119,740 views. The campaign resulted in a 25% increase in followers since the start of the campaign. CER also authored and published five Impact Stories on its website. Additionally, CER was featured in the media (news, radio shows, magazines, and newspapers) 14+ times, most notably twice in the New York Times.

CER continued to closely coordinate with the Prince Claus Fund on the stakeholder engagement and communication around CERs independency, in which the continued collaboration and legacy are an important element. CER is currently further developing its own communication strategy, in which fundraising, awareness raising, crisis communications, and demonstrating impact are important focus points. CER also has an open and proper dialogue with all its other stakeholders, which can be divided into staff, funders, donors, benefactors, applicants, partners and governments. By means of correspondence, annual report, interim reports where necessary, newsletters and invitations to CER's activities, it keeps the stakeholders informed and involved. The annual report and the annual figures, the evaluations and the annual plans are public and can be found on the website of CER.

Quality of Organisation and activities

CER strives to maintain optimum quality in all its activities. It achieves this by continuous research, network building and involving good and independent advisors in its judgements and implementation, and by specially training staff members for these tasks. Quality and care are at the core of CERs work, and staff members, partners and donors are aware of this not only in terms of implementing projects and processing applications, but also in correspondence and communication.

3. Risk management

The risk policy is related to:

- **Financial and reputational risks with respect to the allocation of grants, selection, and expenditure on projects.** The consequences of risk in this field are great; however, the chance of actual occurrence has been assessed as small. Measures taken are reflected by the governance structure and the internal control within the organisation. Additional mitigation is embedded in the contracting of partners and the heavy emphasis on research, monitoring and evaluation in the assessment and implementation of individual projects. Sufficient mitigation measures have been taken.
- **Risk related to financial management and administration of funds.** The consequences of risk in this field are limited; the chance of occurrence has been assessed as small. Measures taken are reflected by the governance structure and the internal control within the organisation. This includes the practice of the four eyes principle for all decisions on grant allocations and payments, with an additional check on board level for allocations above € 35,000. These procedures are to be formalised in the AO. The organisation works with an independent financial administration organisation, and engages an external auditor for review and closing of the books. Sufficient mitigation measures have been taken.
- **Risks related to IT, digital services and data protection.** The consequences of risks in this field are great; the chance of occurrence has been assessed as average. Measures taken are reflected using a Service Level Agreement applicable to the services delivered by an external IT supplier, with a special emphasis on data security. CER has an ongoing secured back-up licence to safely store its data. All devices and applications are password protected, and require multi-step verification for access. Personal data is stored according to EU legislation for data protection. Sufficient mitigation measures have been taken.
- **Risks related to fundraising targets.** The consequences of risks in this field are great; the chance of occurrence has been assessed as average. Measures taken are related to the permanent monitoring of the fundraising policy and the achieved results, combined with an incorporated flexibility within the budget in case of setbacks, based on detailed fundraising scenarios. Sufficient mitigation measures have been taken.
- **Risks related to over expenditure on budgets.** The consequences of risks in this field are limited; the chance of occurrence has been assessed as small. Measures taken are related to the execution of a systematic budget control and the monitoring of the monthly planning and control cycle. Regular budget reviews are integrated on board, as well as staff level. Sufficient mitigation measures have been taken.

To mitigate risks in terms of funding allocations, CER has a strict policy in place to research potential projects and partners before approval. Besides in-depth desk research, applicants are interviewed by CER staff on the activities and feasibility of their projects. Additionally, applications are submitted to at least three to five external experts to give their opinion on the project activities, the reliability of the partner, the feasibility of the project and the requested amount. Negatively recommended projects are not recommended for support. In this process, the CER team also aims to develop a relationship of trust with the project partners to ensure quick support and transparent implementation of the project. Projects are being evaluated at least twice - once through a mid-term report, and once through a final report. Larger projects are monitored more frequently, with a monthly check-in for the most complex cases. Funding tranches are only released to partners on the ground when the assessment of these reports is positive. Through these procedures, which have been developed and tested over the past twenty years, CER feels it strongly minimises the risk of misuse of funds and inadequate implementation of grants.

This risk assessment was conducted and approved by the Board in March 2023. It agreed to reassess the risks of CER and expand on the mitigation strategies in the first quarter of 2024, based on the information of its first full year of independent operations and in light of the end of the subsidy period in a changing political climate and future prospects.

4. Policy and function reserves and funds

Continuity reserve

In the case of no or insufficient follow-up financing after the subsidy period, CER formed a continuity reserve. For a specific period (approximately four to six months) CER can deal with current affairs and fulfill the contractual obligations.

In 2023, based on the risk analysis, the CER board decided to start building up this continuity reserve of 75% of the operational budget of CER over the coming two years. The board considers it safe, reasonable, and justifiable for the current size, scope, and position of the organisation. The continuity reserve policy will be reassessed based on the updated and expanded risk analysis to be conducted early 2024.

Investment policy

CER is currently not investing the resources at its disposal, to avoid risks and speculation. CER's revenue is only deposited in current and savings accounts.

5. Fiscal affairs

Public Benefit Institution (ANBI)

On 15 September 2023 notification was received from the Dutch Tax Authorities that CER has been classified as an ANBI and is registered as cultural institution as per 1 January 2023.

VAT

As of 8 August 2022, CER is registered in the administration of the Tax Authorities as an entrepreneur who only performs services that are exempt from VAT.

Corporate income tax

CER is not regarded as a taxpayer for corporate income tax purposes.

Gift tax

The grants allocated by CER are exempt from gift tax.

Administration

Jac's den Boer & Vink, a business economics consultancy firm for non-profit organisations, was appointed by CER to manage its administration and to draw up the financial statements of 2023. 'With Accountants' was appointed to audit the financial statements. The independent auditor's report on this audit is included on page 34.

Income aspects

For the years 2022-2024, the Minister of Foreign Affairs has awarded through Prince Claus Fund a subsidy amount of € 600,000 a year, € 1,800,000 in total. This grant is un-earmarked and intended to stably establish CER as an independent organisation from 2022-2024. In a memorandum of understanding between Prince Claus Fund and CER terms and conditions have been agreed upon supporting CERs transition to independence, as well as the relationship between the two organisations after CER has become formally independent. In addition, by letter of 8 December 2022 the Minister of Foreign Affairs changed the grant decision through a budget increase of € 1,000,000 (€ 530,000 for 2022, € 240,000 for 2023 and € 230,000 for 2024) for the growth and strengthening of CER as an independent organisation from 2022 until 2024. Of this, € 218,760 was used in 2023. The unused balance of € 412,240 will be used in 2024.

In addition to the Dutch government's financial support, CER receives funding from several individual donors, organisations, and foundations. The total income of CER in 2023 is € 2,573,977. This is about € 800,000 lower than budgeted. The budget 2023 included a target of funding to be raised, consisting of income from private individuals and other non-profit organisations. Due to 2023 being the first year of independent operations, staff capacity that still had to be built, and the high number of crisis situations CER prioritised responding to, this target was not fully met. Regarding income from private individuals, € 20,000 was included in the budget for 2023 and in fact realised with contributions from TEFAF and ICOM The Netherlands. However, as these are not private individuals this income is now accounted for under 'other non-profit organisations'. Another clarification of the difference between budget and realisation for income, relates to earmarked income that can only be accounted for in the year that the corresponding activities take place. A good example is the income received from the Dutch government. This income is earmarked for specific activities, planned for 2023 and included in the budget. However, some of the activities that this income is earmarked for were delayed to 2024. Therefore, the realisation of this income will also only be accounted for in 2024 and not in 2023, while this was initially included in the budget. The budget for these activities is reserved for 2024. As expenditure is also below budget (see below), there is still a positive balance of income and expenditure.

Expenditure aspects

The total expenditure in 2023 is € 2,584,511. Expenditure for direct costs of programmes and projects was € 2,086,489, while indirect spending (personnel, housing, office and depreciation) was € 498,022.

Expenditure in 2023 is € 662,116 below budget. This amount consists fully of direct costs of programmes and projects.

This under expenditure is mostly the result of the delay of activities to 2024. Because it was the first full year of operations for CER, some of the programme activities were still in development and the timeline of implementation needed to be adjusted to make them achievable. This is best visible in the CER Regional Hub programme, for which the programme strategy and implementation plan were still in development in 2023. To align with the new plans, it was decided to delay most activities to the following year. Additionally, 2023 was the first full financial year of CER as an independent organisation, we did not have a clear indication of actual expenditure yet for a significant number of budget lines. This is visible in the under expenditure in CER programme expenses. With the information from this financial year, we can make a better assessment of these costs in 2024.

Balance of income and expenditure 2023, allocation of the balance, ratios

The positive balance of income and expenditure 2023 amounts to € 2,191. A positive balance of € 126,240 was budgeted.

The positive balance of income and expenditure is below budget. This is the result of not having been able to fully meet the fundraising target (see clarification above). The balance will be allocated to the continuity reserve.

CER uses the internal condition that of all spending, preferably 70% must be spent on direct contributions to programmes and projects. In 2023 this condition is being met with the result of 80.7%

In addition, CER uses some ratios derived from Guideline 650 and her own budget. They are stated hereunder.

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
<u>Internal standard</u>			
1. Ratio of direct costs of programmes and projects divided by total expenditure <i>Preferably at least 70%</i>	80.7%	84.6%	85.0%
<u>General</u>			
2. Costs of fundraising divided by total income	3.0%	2.3%	2.4%
3. Share in expenditure			
- charitable activities	93.8%	95.0%	95.3%
- fundraising costs	2.9%	2.4%	2.8%
- management & administration costs	<u>3.3%</u>	<u>2.6%</u>	<u>1.9%</u>
Total	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

The distribution of costs is based on the time that each staff member is expected to spend on the various activities. This estimation is then checked against the actual situation.

6. Preview and budget 2024

With 2023 being the first year of independent operations of CER, 2024 will be the year of incorporating lessons learned and planning for the future. The coming year focusses on the consolidation of operations, activities, and fundraising. This includes the development of growth plans for the coming five years, with the objective of obtaining financial independence from the subsidy of the Prince Claus Fund by the end of 2024. With an increasing demand for the immediate support of CER in complex crisis situations, the aim is to grow the organisation while maintaining its flexibility and agility to best support the protection of culture in crisis on the ground. This is reflected in the budget of 2024, with more budget made available for the core activities of CER and the strengthening of the organisation. Additionally, the fundraising targets for activities in 2024 are adjusted to be more realistic and reflect the current state of affairs in the world. Most of the funding for 2024 is already secured, leaving space to prioritise fundraising, and securing income for the new strategic period 2025 - 2029.

The summary of the budget 2024 adopted by the board can be shown as follows:

	x € 1,000
<u>Income</u>	
Income from private individuals	30.0
Income from government grants	725.0
Income from other non-profit organisations	<u>2,051.4</u>
Total income	<u>2,806.4</u>
<u>Expenditure</u>	
Programme expenditure	
- Cultural Emergency Response Projects	1,364.1
- Network of Regional Hubs	669.0
- Training & Mentorship	161.2
- Making the Case	58.1
- CER Programme Expenses	<u>213.1</u>
Total programme expenditure	2,465.5
Costs of generating funds	98.5
Management and administration	<u>157.7</u>
Total expenditure	<u>2,721.7</u>
Balance before financial income and expenses	84.7
Financial income and expenses	<u>2.5</u>
Balance of income and expenditure	<u><u>87.2</u></u>
Allocation balance of income and expenditure	
- Continuity reserve	<u>87.2</u>
Total	<u><u>87.2</u></u>

Amsterdam, 13 March 2024

On behalf of the board of Cultural Emergency Response
Bijan Rouhani, chair

A. Balance sheet as at 31 December 2023

<u>Ref.</u>	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Fixed assets		
1. - Tangible fixed assets	<u>5,459</u>	<u>0</u>
Total fixed assets	<u>5,459</u>	<u>0</u>
Current assets		
2. - Receivables	434,240	1,254,281
3. - Cash and cash equivalents	<u>1,590,113</u>	<u>276,661</u>
Total current assets	<u>2,024,353</u>	<u>1,530,942</u>
Total assets	<u><u>2,029,812</u></u>	<u><u>1,530,942</u></u>
Reserves and funds		
4. <i>Reserves</i>		
- Continuity reserve	<u>146,471</u>	<u>144,280</u>
Total reserves	<u>146,471</u>	<u>144,280</u>
5. <i>Accruals</i>		
- Long term project allotments	0	0
- Short term project allotments	515,366	610,204
- Other short term accruals	<u>1,367,975</u>	<u>776,458</u>
Total accruals	<u>1,883,341</u>	<u>1,386,662</u>
Total liabilities	<u><u>2,029,812</u></u>	<u><u>1,530,942</u></u>

B. Statement of income and expenditure 2023

<u>Ref.</u>	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<u>Income</u>			
6. Income from private individuals	2,869	75,000	12,679
7. Income from other non-profit organisations	<u>2,571,108</u>	<u>3,297,867</u>	<u>1,347,004</u>
Total income	<u>2,573,977</u>	<u>3,372,867</u>	<u>1,359,683</u>
8. <u>Expenditure</u>			
Programme expenditure			
- Cultural Emergency Response Projects	1,739,911	1,836,582	849,140
- Network of Regional Hubs	333,181	737,222	33,936
- Training & Mentorship	136,866	158,691	88,158
- Making the Case	89,181	147,620	19,672
- CER Programme Expenses	151,880	204,527	125,801
Release	<u>-27,370</u>	<u>0</u>	<u>0</u>
Total programme expenditure	2,423,649	3,084,642	1,116,707
Costs of generating funds	76,198	76,730	32,152
Management and administration	<u>84,664</u>	<u>85,255</u>	<u>22,742</u>
Total expenditure	<u>2,584,511</u>	<u>3,246,627</u>	<u>1,171,601</u>
Balance before financial income and expenses	-10,534	126,240	188,082
9. Financial income and expenses	<u>12,725</u>	<u>0</u>	<u>-43,802</u>
Balance of income and expenditure	<u>2,191</u>	<u>126,240</u>	<u>144,280</u>
Allocation balance of income and expenditure			
- Continuity reserve	<u>2,191</u>	<u>126,240</u>	<u>144,280</u>
Total	<u>2,191</u>	<u>126,240</u>	<u>144,280</u>

C. Cash flow statement

	Realisation 2023	Realisation 2022
	€	€
<u>Cash flows from operating activities</u>		
Balance of income and expenditure	2,191	144,280
Depreciation	<u>2,345</u>	<u>0</u>
Subtotal	4,536	144,280
Changes in working capital		
- short term receivables	820,041	-989,236
- accruals:		
• long term project allotments	0	0
• short term project allotments	-94,838	610,204
• other short term accruals	<u>591,517</u>	<u>511,413</u>
Total cash flows from operating activities	1,321,256	276,661
<u>Cash flows from investing activities</u>		
Investments fixed assets	<u>-7,804</u>	<u>0</u>
Net cash flow	<u>1,313,452</u>	<u>276,661</u>
Cash and cash equivalents at beginning of year	276,661	0
Cash and cash equivalents at year end	<u>1,590,113</u>	<u>276,661</u>
Changes in cash and cash equivalents	<u>1,313,452</u>	<u>276,661</u>

Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method and provides an insight into the cash that became available during the financial year and into the financing of expenditures in the same financial year. The cash in cash flow statement consists of cash and cash equivalents. Interest income and expenses are included in cash flow from operating activities. The purchase price of the acquired tangible fixed assets is included under investing activities.

The balance of cash and cash equivalents increased by € 1,313,452 in 2023.

D. Accounting policies

Estimates

In order to apply the principles and rules for drawing up the financial statements, it is necessary for the board of CER to form opinions on various matters and to make estimates that may be essential for the amounts stated in the financial statements. If insight is required, the nature of these judgments and estimates, including the associated assumptions, is included in the notes to the relevant financial statement item.

Currency

Items in the financial statements are measured using the currency of the economic environment in which the business activities take place (the functional currency). The financial statements have been prepared in euros. This is both the functional currency and the presentation currency of CER.

Transactions denominated in foreign currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Any resulting exchange differences are recognised through income and expenditure.

Amounts denominated in foreign currency have been converted into euro using the exchange rate valid on the transaction date. Exchange differences are accounted for in the statement of income and expenditure, unless a different rate is mentioned.

Going concern

The accounting policies within the financial statements are based on the assumption that CER will be able to continue as a going concern.

Principles of valuation and determination of results

Principles for the valuation of assets and liabilities:

General

The financial statements have been prepared on the basis of formulated accounting policies that relate to the financial statements as a whole. The annual account is drawn up in accordance with the 'Guideline for reporting by fundraising organisations', also called Guideline 650, which was issued by the Council for Annual Reporting.

Assets and liabilities are generally valued at the purchase or manufacturing price or the current value. If no specific valuation principle is stated, valuation takes place at the purchase price. The purchase price is the amount that will be received or paid in due course on settlement of the item in question.

The financial year runs from 1 January to 31 December of any year and is therefore equal to the calendar year. The first financial year, 2022, runs from 1 July to 31 December 2022.

Comparison with previous year

The principles of valuation and determination of results used are unchanged in comparison with the previous year.

Impairment of fixed assets

CER assesses on each balance sheet date whether there are indications that a fixed asset may be subject to impairment. If such indications are present, the recoverable amount of the asset is determined.

Tangible fixed assets

Tangible fixed assets are valued at the acquisition price, less depreciation based on the expected economic life. In the year of purchase, depreciation is applied on a pro rata basis. The applied depreciation percentage for automation is 33.33%.

Stocks

Stocks are valued at cost price. If a provision for bad debts needs to be made, this is deducted from the book value of the stock.

Receivables

Receivables are valued at the first processing at the fair value, in the subsequent valuation at amortised cost. If a provision for bad debts is to be formed, this is deducted from the book value of the receivable. Receivables with an expected duration of more than one year are presented under financial fixed assets.

Direct project contributions from collaborative partners

For projects CER often works together with so-called collaborative partners. Cooperation partners are usually asked to contribute to the project. This contribution may be a financial contribution to CER on behalf of the project, or a direct project contribution. The latter may consist of a cash contribution to the project beneficiary and/or project costs incurred on behalf of the project. The cooperation agreements that CER signs with its partners stipulate, among other things, that:

- collaborative projects always originate from or are the initiative of CER and are carried out under the ultimate and overall coordination of CER;
- where the partner makes a cash contribution directly to the project beneficiary, proof of transfer and receipt must be submitted to CER;
- where the partner contributes to direct project costs, the collaborating partner must submit a pro forma invoice to CER for approval, as if the agreement were in the nature of an agreement 'Provision of services in return for payment'. In such a pro forma invoice, only direct project costs may be accounted for and 'general overhead' charges are not permitted;
- when the collaborating partners sign an agreement with the project beneficiary, this agreement is deemed to be on behalf of both project partners and CER must therefore always co-sign such an agreement.

Obligations entered into by CER in the context of a partnership are charged in full to the financial year in which the obligation is entered into, i.e. after the decision to do so has been taken by the fund and made known to the beneficiary.

Settlement of this liability takes place via the balance sheet. Cash contributions by cooperation partners are matched with the project costs in relation to the cooperation in question. A difference between the cash receipt from a cooperation partner and the income calculated on the basis of the matching principle is entered on the balance sheet as a receivable or debt.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances with a term of less than twelve months. Cash and cash equivalents are valued at nominal value.

Long term debts

Debts are valued at fair value when first processed, at amortised cost in the subsequent valuation. Long term debts have a term of more than one year.

Short term debts

Liabilities are initially measured at fair value, in the subsequent valuation at amortised cost. Short term debts have a term of less than one year.

Employee pension plan

The pension scheme is administered by Pensioenfonds Zorg en Welzijn (PFZW). In the event of a deficit at the pension fund, CER has no obligation to pay additional contributions other than higher future contributions. If there is a surplus or a deficit in the fund, PFZW will decide to either reduce or increase the contributions. Premiums are recognised as personnel expenses when due. Prepaid premiums are recognised as accrued assets if this results in a refund or a reduction in future payments. Premiums not yet paid are recognised as a liability on the balance sheet. As at the balance sheet date, the fund has a policy funding ratio of 112.0% (2022: 111.6%).

Principles for the determination of results:

General

The determination of the result includes, unless stated otherwise, the income and expenses attributable to the financial year.

Income for which a special purpose has been designated by the donor or by the CER board is included in the statement of income and expenditure if it has been spent; if this income has not been fully spent in the reporting year, the unspent funds are included in the relevant earmarked reserve or fund, unless there has been a contractual promise to contribute to project funding. In that case, the unspent portion of the income is presented as advance receipt in the balance sheet.

Income recognition includes agreed upon coverage for indirect expenditure. A 15% flat rate is withheld from multiple recognised grants, if agreed so. As far as this flat rate is not needed for coverage of indirect expenditure in the financial year, it is dotated into the continuity reserve.

A withdrawal from the earmarked reserve or fund is recognised as an expense in the statement of income and expenditure.

Income from other/affiliated non-profit organisations

Income from other/affiliated non-profit organisations that have a repayment obligation if the income is not spent in accordance with the project conditions, are accounted for in the amount of the obligation to spend or costs incurred in accordance with the project conditions. Income from other/affiliated non-profit organisations with no repayment obligation is recognised in the year of allocation.

Pooled funding

In case of pooled funding by like-minded grant-making organisations in order to be able to jointly respond to a major crisis, if CER contributes to this pooled fund as well, the CER contribution will be used first.

Donations, gifts and grants

Donations, gifts and grants are valued at fair value. Non-financial contributions made by volunteers are not accounted for in the statement of income and expenditure.

Legacies

The income from legacies is processed in the financial year in which the size can be reliably estimated (reliable estimate of receipt). CER takes as its starting point the moment the funds are pledged (deed of distribution).

A percentage of the funds pledged and to be received for legacies is included directly in the result. The percentages used are: 90% cash, 50% securities and 50% real estate.

Other income

Other income is recognised when a reliable estimate of the revenue can be made.

Employee benefits

Wages, salaries and social security charges are included in the statement of income and expenditure on the basis of the conditions of employment, insofar as they are payable to employees.

Depreciation

Tangible fixed assets are depreciated over three to ten years from the moment they are taken into use, depending on the expected operating time of the asset concerned.

Interest income and interest expense

Interest income and interest expense are recognised on a time proportion basis, taking into account the effective interest rate of the assets and liabilities concerned.

Cost allocation

The method of cost allocation for the realisation of 2023 is in accordance with guideline RJ 650, Guideline for Fundraising Organisations. Due to the nature of the activities, the names of some direct cost categories slightly deviate from the prescribed model in appendix 3 in the statement of expenses.

Indirect costs

The basis for the distribution of the indirect costs is an annual estimate by CER of the time per person per destination. Personnel costs are distributed per person according to the estimate of time spent. The other personnel costs are added to the salary costs per person by means of a percentage mark-up. The amounts for the cost types: housing and office as well as depreciation are divided on the basis of FTEs. Based on the estimated time spent, the number of actual FTEs per destination is determined. The total distribution obtained is followed in the distribution of costs.

Direct costs

Direct costs are allocated directly to the relevant destination. Obligations entered into by CER in the context of projects are charged in full to the financial year in which the obligation is entered into, i.e. after the decision to do so has been taken by the fund and made known to the recipient. Settlement of the obligation in the form of a payment to the project implementer is made through the balance sheet. The direct costs which are the counterpart of contributions in kind in the case of collaborations are processed in the statement of income and expenditure after the value of the performance delivered has been established by means of a co financing statement submitted by the partner and assessed and approved by the fund. In the case of collaborations that are entered into for several years, an allocation is made - on the basis of the project budget - per year and the collaboration is only continued if there are good substantive results and if the financial resources of CER permit this.

Post balance sheet events

There have been no significant events post balance date which would materially affect the annual accounts.

E. Notes to the balance sheet

Fixed assets

1. - Tangible fixed assets

	<u>Automation</u>
	€
Balance January 1st 2023	0
Investments 2023	7,804
Depreciation 2023	<u>-2,345</u>
Balance December 31st 2023	<u><u>5,459</u></u>
Purchase value	0
Cumulative depreciation	<u>0</u>
Balance January 1st 2023	<u><u>0</u></u>
Purchase value	7,804
Cumulative depreciation	<u>-2,345</u>
Balance December 31st 2023	<u><u>5,459</u></u>

The tangible fixed assets are being used for business operations.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<u>Current assets</u>		
2. - Receivables		
British Council Yemen	203,333	0
ALIPH pilot	99,529	90,045
Smithsonian HERI Initiative III	54,289	0
Smithsonian HERI Initiative II	35,519	237,737
Prince Claus Fund	15,478	697,577
ICOM	10,000	0
Smithsonian Sudan	3,944	0
Smithsonian Leadership Course 2022	0	59,000
Ukraine Pooled Funds:		
- Smithsonian HERI Initiative I	0	50,000
- Gerda Henkel Stiftung	0	50,000
- JM Kaplan Fund	0	69,922
Other receivables:		
- Guarantee deposits	8,204	0
- Advance payment office costs	596	0
- Other receivables	<u>3,348</u>	<u>0</u>
Total receivables	<u><u>434,240</u></u>	<u><u>1,254,281</u></u>

All receivables have a maturity shorter than one year and are considered as collectable.

3. - Cash and cash equivalents

Savings account	1,147,137	0
Current account	<u>442,976</u>	<u>276,661</u>
Total cash and cash equivalents	<u><u>1,590,113</u></u>	<u><u>276,661</u></u>

The cash and cash equivalents can be withdrawn upon demand.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
<u>Reserves and funds</u>		
4. <i>Reserves</i>		
- Continuity reserve		
Balance 1 January	144,280	0
Allocation balance of income and expenditure	<u>2,191</u>	<u>144,280</u>
Balance 31 December	<u><u>146,471</u></u>	<u><u>144,280</u></u>

In the case of no or insufficient follow-up financing after the subsidy period, CER formed a continuity reserve. For a specific period (approximately four to six months) CER can deal with current affairs and fulfill the contractual obligations.

In 2023, based on the risk analysis, the CER board decided to start building up this continuity reserve of 75% of the operational budget of CER over the coming two years. The board considers it safe, reasonable, and justifiable for the current size, scope, and position of the organisation. The continuity reserve policy will be reassessed based on the updated and expanded risk analysis to be conducted early 2024.

5. <u>Accruals</u>		
- Project allotments		
Long term project allotments	0	0
Short term project allotments	<u>515,366</u>	<u>610,204</u>
Total project allotments	<u><u>515,366</u></u>	<u><u>610,204</u></u>

Mutations in financial year

Balance 1 January	610,204	0
Allocation in financial year	1,824,235	796,544
Paid in financial year	-1,891,703	-186,340
Release in financial year	<u>-27,370</u>	<u>0</u>
Balance 31 December	<u><u>515,366</u></u>	<u><u>610,204</u></u>

As of 31 December 2023, the short term and long term project allotments amount to a total of € 515,366. The regulations prescribe that the project allotments must be split into two categories: to be settled within one year (short term) and to be settled after one year after the balance sheet date (long term). The distinction is made on the basis of an individual assessment of the projects.

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
- Other short term accruals		
Grants received in advance:		
• Foreign Affairs 2024	688,750	0
• Whiting Foundation	274,081	144,955
• PCF (Foreign Affairs) - extra grant	182,240	161,000
• British Council 2024	91,261	0
• PCF (Foreign Affairs) - Ukraine	30,444	118,922
• Ukraine Pooled Fund	29,231	75,546
• G-Chep Network Dues	21,773	14,738
• Syria / Turkey Pooled Fund	4,851	0
• PCF (Foreign Affairs) - regular grant	0	230,000
Creditors and payables	25,850	6,872
Salary taxes	9,045	11,301
Pension premiums	4,148	7,846
Balance leave hours	3,823	5,278
VAT	<u>2,478</u>	<u>0</u>
Total other short term accruals	<u>1,367,975</u>	<u>776,458</u>

RIGHTS AND COMMITMENTS NOT APPEARING IN THE BALANCE SHEET

Subsidy Ministry of Foreign Affairs and Memorandum Of Understanding Prince Clause Fund (PCF)

For the years 2022-2024, the Minister of Foreign Affairs has awarded through PCF a subsidy amount of € 600,000 a year, € 1,800,000 in total. This grant is un-earmarked and intended to stably establish CER as an independent organisation from 2022-2024.

In a memorandum of understanding between PCF and CER terms and conditions have been agreed upon supporting CERs transition to independence, as well as the relationship between the two organisations after CER has become formally independent.

In addition, by letter of 8 December 2022 the Minister of Foreign Affairs changed the grant decision through a budget increase of € 1,000,000 (€ 230,000 for 2024) for the growth and strengthening of CER as an independent organisation from 2022 until 2024.

F. Notes to the statement of income and expenditure

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
INCOME			
6. <u>Income from private individuals</u>			
Donations and contributions	<u>2,869</u>	<u>75,000</u>	<u>12,679</u>
Total income from private individuals	<u><u>2,869</u></u>	<u><u>75,000</u></u>	<u><u>12,679</u></u>
7. <u>Income from other non-profit organisations</u>			
Prince Claus Fund	830,000	830,000	325,796
Ministry of Foreign Affairs NL - via Prince Claus Fund	218,760	341,500	69,000
Whiting Foundation	136,936	274,955	136,737
Teiger Foundation	0	0	45,554
Smithsonian Courses	58,170	90,000	63,950
Smithsonian Sudan	19,605	0	0
Smithsonian 3 HERI	55,545	0	0
ALIPH pilot Collaboration 2020-2021	0	20,000	0
<i>Ukraine</i>			
- Ministry of Foreign Affairs NL	88,478	118,922	181,078
- Smithsonian 2 HERI	0	0	378,030
- Pooled Fund			
• British Council	90,736	91,130	116,895
• JM Kaplan Fund	67,603	0	8,155
• Other grants and gifts	950	0	64,227
• Balance to be spent in 2024 / 2023	46,315	75,546	-55,781
<i>Syria - Türkiye Action Plan</i>			
- JM Kaplan Fund	68,861	69,528	0
- British Council	158,729	159,418	0
- Balance to be spent in 2024 / 2023	-4,851	0	0
G-CHeP Network Dues	19,417	35,000	13,363
ICOM Netherlands	10,000	0	0
TEFAF	10,000	10,000	0
Cultural Protection Fund - Yemen	695,854	731,868	0
Other funding	<u>0</u>	<u>450,000</u>	<u>0</u>
Total income from other non-profit organisations	<u><u>2,571,108</u></u>	<u><u>3,297,867</u></u>	<u><u>1,347,004</u></u>

8. Explanation of the expenditure 2023 - Overview of division of expenditures 2023

	Programme expenditure						Generating funds	Management and administration	Total realisation 2023	Budget 2023	Realisation 2022
	Cultural Emergency Response Projects	Network of Regional Hubs	Training & Mentorship	Making the Case	CER Programme Expenses	Release					
	€	€	€	€	€	€	€	€	€	€	
Expenditure											
Direct costs of programmes and projects:											
- Direct project contributions	1,559,235	230,000	0	35,000	0	-27,370			1,796,865		796,544
- Other direct project costs *	<u>70,614</u>	<u>29,474</u>	<u>73,617</u>	<u>14,339</u>	<u>101,580</u>	<u>0</u>			<u>289,624</u>		<u>199,374</u>
Subtotal	<u>1,629,849</u>	<u>259,474</u>	<u>73,617</u>	<u>49,339</u>	<u>101,580</u>	<u>-27,370</u>	<u>0</u>	<u>0</u>	<u>2,086,489</u>	<u>2,745,127</u>	<u>995,918</u>
Personnel	87,329	58,482	50,184	31,612	39,910	0	60,458	67,176	395,151	400,000	147,626
Housing	2,878	1,928	1,654	1,042	1,315	0	1,993	2,214	13,024	25,000	15,900
Office	19,338	12,950	11,113	7,000	8,838	0	13,388	14,875	87,502	74,500	12,157
Depreciation	<u>517</u>	<u>347</u>	<u>298</u>	<u>188</u>	<u>237</u>	<u>0</u>	<u>359</u>	<u>399</u>	<u>2,345</u>	<u>2,000</u>	<u>0</u>
Subtotal	<u>110,062</u>	<u>73,707</u>	<u>63,249</u>	<u>39,842</u>	<u>50,300</u>	<u>0</u>	<u>76,198</u>	<u>84,664</u>	<u>498,022</u>	<u>501,500</u>	<u>175,683</u>
Total	<u>1,739,911</u>	<u>333,181</u>	<u>136,866</u>	<u>89,181</u>	<u>151,880</u>	<u>-27,370</u>	<u>76,198</u>	<u>84,664</u>	<u>2,584,511</u>	<u>3,246,627</u>	<u>1,171,601</u>

* Including outsourcing.

See page 21 for an explanation of the method used for the division of costs.

Continuation explanation of the expenditure

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<u>Programme expenditure</u>			
- Cultural Emergency Response Projects			
• Emergency Response Fund	253,549	240,000	93,048
• First Aid to Documentary heritage	116,757	241,000	118,799
• Ukraine Action Plan	319,350	260,037	600,225
• Cultural Protection Fund - Yemen	697,834	719,868	0
• Syria - Türkiye Action Plan	242,359	264,847	0
- Network of Regional Hubs	259,474	663,000	8,959
- Training & Mentorship	73,617	95,000	64,910
- Making the Case	49,339	107,500	4,971
- CER Programme Expenses	<u>101,580</u>	<u>153,875</u>	<u>105,006</u>
Subtotal	2,113,859	2,745,127	995,918
Release	<u>-27,370</u>	<u>0</u>	<u>0</u>
Total programme expenditure	<u><u>2,086,489</u></u>	<u><u>2,745,127</u></u>	<u><u>995,918</u></u>
<u>Personnel</u>			
- Salaries			
Gross salary	278,498		112,737
Social security	51,108		18,914
Pension costs	32,918		13,190
Interns	<u>3,694</u>		<u>0</u>
Total salaries	<u><u>366,218</u></u>	<u><u>383,500</u></u>	<u><u>144,841</u></u>

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
- Other personnel costs			
Sickness insurance	0	5,000	0
Travel	10,572	5,000	1,624
External hiring	17,183	0	0
Training & coaching	0	3,000	0
Other personnel costs	<u>1,178</u>	<u>3,500</u>	<u>1,161</u>
Total other personnel costs	<u>28,933</u>	<u>16,500</u>	<u>2,785</u>
Total personnel	<u><u>395,151</u></u>	<u><u>400,000</u></u>	<u><u>147,626</u></u>
<i>Average FTE of staff on the payroll</i>	5.64	6.48	2.43

The average personnel costs per full-time appointment amounted to € 70,062 in 2023.

Remuneration of the Director

Name Position Employment	Sanne Letschert Director Fixed Term Contract	
	<u>2023</u>	<u>2022</u>
Hours	36.0	36.0
Part-time percentage	100.0	100.0
Time Period	1/1-31/12	1/7-31/12
<u>Annual income</u>		
Gross salary	€ 65,700	€ 30,084
Vacation allowance	<u>€ 5,256</u>	<u>€ 2,407</u>
Total annual income	€ 70,956	€ 32,491
Taxable allowances/additions	€ -	€ -
Remuneration plus taxable expense allowances	€ -	€ -
Remuneration payable in the future (employer's pension contribution)	<u>€ 9,825</u>	<u>€ 4,511</u>
Total remuneration	<u><u>€ 80,781</u></u>	<u><u>€ 37,002</u></u>

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
	€	€	€
<u>Housing</u>			
Rent & Services	<u>13,024</u>	<u>25,000</u>	<u>15,900</u>
Total housing	<u><u>13,024</u></u>	<u><u>25,000</u></u>	<u><u>15,900</u></u>
 <u>Office</u>			
Board	786	1,000	379
Financial administration	35,677	17,000	0
Audit costs	19,361	12,000	11,410
Insurance	1,864	4,000	0
Bank charges	3,942	3,000	30
Legal costs	1,530	20,000	0
ICT & Telecom	20,859	15,000	338
Representation	793	1,000	0
Subscriptions	1,340	0	0
Other / miscellaneous	<u>1,350</u>	<u>1,500</u>	<u>0</u>
Total office	<u><u>87,502</u></u>	<u><u>74,500</u></u>	<u><u>12,157</u></u>
 <u>Depreciation</u>			
Automation	<u>2,345</u>	<u>2,000</u>	<u>0</u>
Total depreciation	<u><u>2,345</u></u>	<u><u>2,000</u></u>	<u><u>0</u></u>
 9. <u>Financial income and expenses</u>			
Exchange rate result	-7,634		43,802
Interest (income)	<u>-5,091</u>		<u>0</u>
Total financial income and expenses	<u><u>-12,725</u></u>	<u><u>0</u></u>	<u><u>43,802</u></u>

G. Key figures

	<u>Realisation 2023</u>	<u>Budget 2023</u>	<u>Realisation 2022</u>
<u>Internal standard</u>			
1. Ratio of direct costs of programmes and projects divided by total expenditure <i>Preferably at least 70%</i>	80.7%	84.6%	85.0%
<u>General</u>			
2. Costs of fundraising divided by total income	3.0%	2.3%	2.4%
3. Share in expenditure			
- charitable activities	93.8%	95.0%	95.3%
- fundraising costs	2.9%	2.4%	2.8%
- management & administration costs	<u>3.3%</u>	<u>2.6%</u>	<u>1.9%</u>
Total	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

Other information

Appropriation of balance

The positive balance of income and expenses of € 2,191 has been accounted for in accordance with the representation on page 16 of the Financial statements 2023.

Independent auditor's report

According to the articles of association, the board appoints an independent auditor whose task it is to audit and report on the annual accounts. The independent auditor's report is included at the next page of the annual accounts.

INDEPENDENT AUDITOR'S REPORT

To: the Board of Stichting Cultural Emergency Response

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Stichting Cultural Emergency Response based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Cultural Emergency Response as at 31 December 2023 and of its result for 2023 in accordance with the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the statement of income and expenditure for 2023; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Cultural Emergency Response in accordance with the 'Verordening inzake de Onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;

- contains all the information regarding the management report and the other information as required by the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the management report and other information in accordance with the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Fondsenwervende organisaties' of the Dutch Accounting Standards Board. Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. The Board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Sliedrecht, 18 March 2024.

WITh Accountants B.V.

A.M. Tromp MSc RA

Appendix: Overview income and cash flow

	Earmarked for projects						General resources					Cash flow					
	Contribution in total	Available in total	Expended in 2022 (Jan-June)	Expended in 2022 (July-Dec)	Expended in 2023	Available in 2024	Available in total	Expended in 2022 (Jan-June)	Expended in 2022 (July-Dec)	Expended in 2023	Available in 2024	Received in 2022	Result exchange rate 2022	Receivable 31-12-2022	Received in 2023	Result exchange rate 2023	Receivable 31-12-2023
	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€
Prince Claus Fund 2022	600,000	425,719	82,193	113,526	230,000	0	174,281	82,011	92,270	0	0	600,000	0	0			
Prince Claus Fund 2023	600,000	218,307	0	0	218,307	0	381,693	0	0	381,693	0			0	600,000		0
Ministry of Foreign Affairs NL - via Prince Claus Fund (extra)	700,000	610,000	0	60,000	178,260	371,740	90,000	0	9,000	40,500	40,500	230,000	0	0	240,000		0
Ministry of Foreign Affairs NL - Ukraine 2024	725,000	623,500	0	0	0	623,500	101,500	0	0	0	101,500			0	688,750		36,250
<i>Whiting Foundation</i>																	
- 2022 / 2023	266,691	227,391	0	103,797	116,757	6,837	39,300	0	17,939	20,179	1,182	266,691	0	0			
- 2024	266,062	226,153	0	0	0	226,153	39,909	0	0	0	39,909			266,062			0
Smithsonian Courses 2022	59,000	59,000	0	59,000	0	0	0	0	0	0	0	0	0	59,000	59,129	129	0
Smithsonian Courses 2023	58,170	55,864	0	0	55,864	0	2,306	0	0	2,306	0			58,170			0
Smithsonian Sudan	19,605	19,605	0	0	19,605	0	0	0	0	0	0					-183	19,422
British Council Yemen	704,385	700,563	0	0	692,032	8,531	3,822	0	0	3,822	0			498,964		6,443	211,864
ALIPH pilot Collaboration 2020-2021	23,405	23,405	3,405	0	0	20,000	0	0	0	0	0	-86,640	0	110,045		9,484	119,529
<i>Syria - Türkiye Action Plan</i>																	
- Pooled Fund																	
• JM Kaplan Fund 2023	68,861	58,532					10,329	0	0	10,329	0			0	68,861		0
• CPF British Council CER	90,736	77,126					13,610	0	0	13,610	0				90,736		0
• CPF British Council Blue Shield	67,993	67,993					0	0	0	0	0				67,993		0
• CER contribution	60,000	60,000					0	0	0	0	0				60,000		0
<i>Total Pooled Fund</i>	<i>287,590</i>	<i>263,650</i>	<i>0</i>	<i>0</i>	<i>258,799</i>	<i>4,851</i>	<i>23,940</i>	<i>0</i>	<i>0</i>	<i>23,940</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>287,590</i>	<i>0</i>	<i>0</i>
<i>Ukraine</i>																	
- Ministry of Foreign Affairs NL 2022	300,000	270,000	0	162,970	79,630	27,400	30,000	0	18,108	8,848	3,044	300,000	0	0			
- Smithsonian 2 HERI	344,996	306,863	0	306,863	0	0	38,133	0	38,133	0	0	112,068	4,809	237,737	196,839	-5,378	35,520
- Smithsonian 3 HERI	55,545	50,000	0	0	50,000	0	5,545	0	0	5,545	0					-1,256	54,289
- Pooled Fund																	
• Smithsonian 1 HERI	50,000	50,000					0		0			0	0	50,000	50,295	295	0
• Whiting Foundation	92,763	78,849					13,914		13,914			92,763	0	0			
• Teiger Foundation	68,332	68,332					0		0			68,332	0	0			
• British Council 2022	189,150	162,806					26,344		26,344			189,150	0	0			
• British Council 2023	90,736	77,126					13,610							0	90,736		0
• Gerda Henkel Stiftung	50,000	50,000					0		0			0	0	50,000	50,000		0
• JM Kaplan Fund 2022	71,905	63,750					8,155		8,155			0	-1,983	69,922	68,861	-1,061	0
• JM Kaplan Fund 2023	67,603	57,463					10,140		0			0		0	67,603		0
• Metropolitan Museum	20,313	17,266					3,047		3,047			20,313	0	0			
• TEFAF 2022	20,000	17,000					3,000		3,000			20,000	0	0			
• ICOM Netherlands	10,000	10,000					0		0			10,000	0	0			
• CER contribution	60,000	60,000					0		0			60,000	0	0			
• Small gifts	950	950					0							950			0
<i>Total Pooled Fund</i>	<i>791,752</i>	<i>713,541</i>	<i>372,065</i>	<i>130,392</i>	<i>186,720</i>	<i>24,364</i>	<i>78,210</i>	<i>0</i>	<i>54,460</i>	<i>18,884</i>	<i>4,867</i>	<i>460,558</i>	<i>-1,983</i>	<i>169,922</i>	<i>327,495</i>	<i>-766</i>	<i>0</i>
Restricted fund G-CHeP Network Dues 2022	28,101	5,647	0	5,647	0	0	22,454	0	7,716	0	14,738	28,101		0			
Restricted fund G-CHeP Network Dues 2023	26,452	515	0	0	515	0	25,937	0	0	18,902	7,035			26,452			0
Other income	22,869						22,869	0	0	22,869	0			12,869			10,000
TOTAL	5,879,623	4,799,723	457,663	942,195	2,086,489	1,313,376	1,079,899	82,011	237,625	547,488	212,776	1,910,778	2,826	576,704	3,263,270	8,473	486,874