

Financial report 2020

issued to

GPPAC Foundation

at

THE HAGUE

*GPPAC Foundation,  
The Hague (Legal seat in Amsterdam)*

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## **1 Board Report**

## 1.1 Introduction

For our network, 2020 was a year of profound reflection. It was a year that brought us much closer together in many ways.

The COVID-19 pandemic did not make a halt for local peacebuilding work. Rather it continues to threaten broader peace and stability by exacerbating persistent political, social, and economic structural inequalities. COVID-19 pushed us to re-write our annual plans for 2020 on very short notice and it forced our network to move online. We were able to meet in much greater numbers and much more frequently in the virtual space than when we met in person. However, we also noticed that our members who work in the most remote areas often lack a stable internet connection. We witnessed colleagues active in conflict zones suffer from frequent power cuts and we noticed the absence of simultaneous translation into local languages in virtual meetings.

As much as 2020 was a challenge, it was also the end of a journey and the beginning of a new chapter. After five years of impactful partnership, our Prevention Up Front Programme with the Dutch Ministry of Foreign Affairs came to an end. We are very thankful for the trust and support of our Dutch colleagues.

At the end of 2020, we launched our new Strategic Plan 2021-2025 which is the result of a truly collaborative effort between our network members. We are convinced that with our new thematic focus on locally-led peacebuilding, inclusivity and climate change and emerging threats we are on the right path to continue building peace together.

## 1.2 Governance

The GPPAC Board held nine online meetings throughout the year in 2020. Normally, the Board meets four times a year. However, due to the new financial situation resulting from not being able to renew the strategic partnership with the Dutch Ministry of Foreign Affairs, the Board met on a regular basis during the second half of the year to take the necessary decisions and prepare the organisation to function in 2021 with a 40% of the 2020 budget.

In 2020, the Board membership was renewed. Herman Kreulen joined as treasurer and Ivana Gajovic stepped down. The Board also decided to enter into a transition period to face the challenging financial situation and agreed to extend the term of the Chair (Sharon Rolls) until the end of this period. During quarter four, we went through a process to appoint three new international Board members and a new Dutch Board member (the HR Board Liaison). The selection process focused on profiles with a fundraising/donor relations or an organisational development background. In January 2021, the appointed international member's Charlotte Divin, Alvito de Souza and Nqobile Moyo and the new Dutch member, Frank van den Akker, incorporated into the Board, as well.

We had very much hoped to welcome the ISG in The Hague in November to meet and celebrate 15 years since the launch of the GPPAC Global Action Agenda in New York in 2005. Unfortunately, the global pandemic forced us to hold online ISG meetings instead. These quarterly calls have been used, among other things, for regional and program updates, to gather ISG input on the new strategic plan and in December the eventual approval of the strategic plan 2021-2025. During the last meeting, the ISG agreed to continue holding quarterly calls in the future.

### 1.3 Finances and donor relations

GPPAC closed the year with a deficit of EUR 13,477. Main reason for this is a severance payment agreed upon with one of the employees that is covered by the earmarked reserve of the foundation.

GPPAC received financial support from the Dutch Ministry of Foreign Affairs, the Swedish International Development Agency (Sida), the United Nations Peacebuilding Fund and Ifa (Institut für Auslandsbeziehungen)/Zivik.

### 1.4 Human resources

The Global Secretariat started a change process to improve efficiency and become better 'fit for purpose' in 2019. The new organisational structure composed of three teams (the Global Advocacy team, the Regional Support Team and the Operations team) was operationalised from January 2020. Furthermore, we revised business processes to align them with the new organisational structure, we introduced decision-making rules and procedures for the MT and a new Performance cycle.

The implementation of the new organisational structure was not complete when we had to face a new financial situation for 2021, which required downsizing the GS team. The MT went through a process to define priorities for 2021, and after considering legal and financial aspects, made a proposal to the Board to reduce the GS team with 5 staff.

On 31 December 2020, the GPPAC Global Secretariat had 10 employees. The sick-leave rate for 2020 was 2.0%, a bit lower than the 2.3% of 2019. It was also below the average sick leave percentage in The Netherlands, which was at 4.7% for 2020 (Source: Central Bureau Statistics).

#### 1.4.1 Integrity

Integrity and accountability are at the heart of GPPAC's work, and we strive to conduct all our operations with honesty and transparency. In 2019, we initiated the set-up of an integrity system to ensure ethical and responsible conduct throughout the GPPAC network and Global Secretariat. Two policies are at the core of the integrity system:

- The Global Secretariat Code of Conduct applies to all our employees, interns, contractors, as well as to GPPAC Board members. It outlines the need to protect the organisation's legality and thus behave ethically and responsibly concerning the organisations' finances, partnerships and public image. At the same time, respect is the underlying principle of the code. Any discrimination, harassment or victimisation is seen as unacceptable behaviour. The code sets the basis to ensure that any conduct that is perceived as inappropriate will be addressed.
- The GPPAC Network Integrity policy sets out how member organisations, their employees, interns, volunteers and others associated with them should put into practice the same principles of the Code of Conduct in their involvement in GPPAC activities, and when representing GPPAC in any way. In 2019, this policy received broad support from network members and was approved by the International Steering Group. It was also agreed that a Network Integrity Committee should be established to ensure the implementation of this policy. In 2020, the committee was selected, which is composed of: a network member (Gary Shaw), a Board member (Alvito de Souza) and the Executive Director of the GS.

In 2020, no breaches of integrity were reported. To date, breaches of integrity in the network have been rare, and network members have felt comfortable enough to raise them with Global Secretariat staff when they did occur. We have dealt with these on an ad hoc basis in the past, and this is part of what helped us realise we needed a system and a structured approach. We are confident that having a code of conduct and a Network Integrity Policy in place will allow us to appropriately manage any integrity-related incident in the future, whether it concerns the behaviour of our staff or our network members.

### 1.5 Communications

In 2020, GPPAC's Communications Team further highlighted the importance and need of inclusive and locally-led peacebuilding and conflict prevention worldwide. We continued to adhere to our 2016-2020 Communications Strategy to feature the personal stories of diverse peacebuilders. Through producing engaging stories and news items, we were able to showcase the human impact of our work and translate what peacebuilding actually means on the ground.

2020 marked a critical milestone in our network's history as we celebrated the 15th anniversary of the adoption of our Global Action Agenda. To commemorate this key year, we launched the #Together4Peace Campaign. The aim was to showcase the uniqueness of the GPPAC 15-year network approach to peacebuilding progress and impact of the peacebuilding field and to promote our innovative methods to achieve positive changes. Together with our members, we hosted three virtual Peace Tables to showcase the importance of community-based innovative and inclusive peacebuilding.

With online attention span getting shorter and general online fatigue exacerbated by the COVID-19 pandemic, the GPPAC Communications Team capitalized on visual content production. In 2020, we produced an animated explainer video on how local peacebuilders can build stronger partnerships with the UN. Additionally, we are also very proud of the video in which our members call for an inclusive, people-centred response to COVID-19.

In 2020, the success story of the Peace Corner Podcast continued. We recorded new episodes together with our Consortium consisting of CSPSS and UNOY. A key milestone was the live podcast with award-winning peacebuilding author and researcher Séverine Auteserre on 18 November 2020.

### 1.6 Planning, monitoring, evaluation and learning

From March up to November 2020, the End-Term Evaluation of the Prevention up Front (PuF) programme was conducted. The PuF Alliance was part of the Dutch Ministry of Foreign Affairs' (MFA) Dialogue & Dissent Strategic Partnership and consisted of GPPAC and the World Federalist Movement-Institute for Global Policy (WFM-IGP). During the evaluation process, the evaluators changed the methodology as they concluded that the outcome sets of WFM-IGP and GPPAC regional level were not sufficiently complete or strong enough to rely on Outcome Harvesting (OH) only. In addition to OH, Case Studies were used to assess the extent to which the strategic objectives were achieved. The evaluation's conclusions and recommendations have been highly valuable to inform the GPPAC Global Strategic Plan 2021-2025.

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The development of the GPPAC Global Strategic Plan 2021-2025 started two years ago, in order to facilitate a truly inclusive and collaborative design process, involving all of our network members. We were able to collect all the input for our strategic directions during the consultation phase in 2019. The next phase, to process the input into a coherent Strategic Plan, halted until September 2020. While the short timespan to finalise the Strategic Plan by the end of the year did put pressure on GPPAC, it did allow us to take up the recommendations of the PuF End-Term Evaluation and better define the social change we aim to achieve and to bring more focus by identifying three overarching themes.

With the new strategic period, we also aim to implement a lighter and more effective PME system. We realise that the current PM&E processes are too heavy: We are collecting too much information that we are unable to process and we are not always collecting the right information (too heavily focussed on activities & outputs). Instead, in all our PM&E processes, we would like to shift the focus from quantity to quality - to allow us to focus our attention on social change in all parts of the PM&E process. In this, we would also like to move to create more shared spaces of exchange and learning - to work on learning collectively.

### 1.7 Organisation

The new organisational structure that resulted from the 2019 change process became operational from January 2020 onwards. During Quarter 1, the management team received guidance from the external consultant to revise working methods and decision-making procedures. Several business processes were also adapted to be in line with the new organisational structure. The implementation was not completed when we received the decision from the Dutch Ministry of Foreign Affairs that we were not selected for a new partnership under the programme Power of Voices.

This meant that we lost the core funding from the Dutch MFA, which had been one of our main partners since the creation of GPPAC. This decision implied a reduction of 60% of our budget for 2021. As a consequence, we had to redefine our priorities, reduce our activity plan for 2021 and downsize the Global Secretariat team. The downsizing process was painful and difficult for the GS team. As part of this process, Darynell Rodriguez Torres decided to step down as Executive Director. Deputy Director Victoria Carreras was appointed Interim Executive Director. The total costs of downsizing the Global Secretariat team amounted to EUR 97,770. Sida approved using their funds to cover for these costs.

In December 2020, the ISG agreed to proceed with the transition phase for 2021 proposed by the Board and MT. The transition aims to define and implement the changes required to make the GPPAC network fit for purpose and more resilient and sustainable for the long term. We will assess and review the governance structures of GPPAC, strengthen the fundraising strategy, define the core functions of the Global Secretariat and appoint new leadership.

The annual external audit of our Quality Management system took place in January 2021. The visit of the auditor was a combination of the focus visit for ISO 9001:2015 and the initial assessment of the ISO 9001:2015 Partos V2018 standard. Both assessments were successfully completed. In January 2021, the two certificates were renewed.

### 1.8 Activities

In 2020, we worked to improve practice, to enable collaboration and to influence, build and amplify our impact in peacebuilding on local, regional and international level.

We know that every context is unique and therefore requires a tailored response. That is why, in order to build and sustain peace at the local level, local peacebuilders and their networks must play a critical role. Without local peacebuilders and social infrastructures present to create resilience at the local level, there can be no possibility of achieving peaceful, just, and inclusive societies.

Conflict tends to spill over borders and climate change knows no borders at all. That is why we are determined to strengthen regional architectures to do effective conflict prevention and peacebuilding through enhancing cooperation between regional organisations and civil society. In 2020, we worked to build and sustain peace at the regional level by enabling collaboration, improving practice and influencing policy.

We keenly believe that building peace is a joint global effort that needs to be locally-led. In 2020, we continued to open up space for meaningful exchanges between local peacebuilders and decision-makers at all levels to advance more locally-informed decision-making on matters of peacebuilding and conflict prevention.

Some of the highlights of the work done in 2020 are:

- **Engaging with national governments on the localisation of SDG 16+ in Cameroon, Ghana & Uganda** Our members' development of Civil Society Voluntary National Reviews on the implementation of SDG 16 in Cameroon, Ghana and Uganda, has been the start of ongoing advocacy trajectories and engagements with international and national policymakers to localise peacebuilding in their countries. In Uganda, following the recommendations made in the review, the SDG Secretariat in the Office of the Prime Minister requested CECORE to support in developing an SDG localization manual to guide actors across the country in the implementation of SDGs. In Cameroon, Women in Alternative Action was able to implement one of the recommendations on inclusivity, allowing 100 youth to participate in the youth peace camp "Building a Peaceful Youth for the Next Generation: A Youth Alternative Approach to SDG16+ Localization in Cameroon".
- **Expanding South Caucasus Women Mediators' Network** In March 2020, 8 women CSOs in Georgia with a proven peace activity record have joined South Caucasus Women Mediators' Network increasing the network from 8 to 16 members. Set up in 2018, women peacebuilders have established the Network of Women Mediators to increase women's involvement in multi-channel diplomacy processes, including high-level diplomacy. The expansion of the network allows for an increased reach, engagement and legitimacy at the national and regional level.
- **Education for Peace in Western Balkans** Despite the pandemic, our members in the Western Balkans were able to conduct three trainings for 20 teachers (16 women, 4 men) in Serbia, Bosnia and Herzegovina, Montenegro and Croatia on Resilience and Dialogue in the Times of Crisis to support their work during the health crisis, Restorative Practice and Tools for Conflict Analysis and Prevention of Radicalisation among Youth in order to build resilience and prevent violent conflict in schools and local communities. An example of the action plans implemented as a result of the training trajectory is, was the Dialogue Circles for 41 first and second graders and 8 teachers of Stolac High School and Mostar Gymnasium on the topic of life with the COVID 19 pandemic.
- **Small Grants: The roots for sustainable peacebuilding** While the financing of peacebuilding is generally a challenge, local peacebuilding initiatives face the greatest barriers in accessing funding to support their sustainable and innovative solutions. Through the GPPAC Small Grants Programme, we supported members to access direct funding in a fast and easy way, in order to pilot their solutions to peace. These peacebuilding initiatives are only just the start: The key aim of our programme is to plant seeds for successful initiatives which catalyse further support and growth of sustainable peacebuilding.

- **The Pacific: Climate and conflict** The Pacific Island region is recognised as one of the most vulnerable to climate change. Growing climate change insecurities at the local and national level requires conflict prevention and human security. GPPAC Pacific has established the Shifting the Power Coalition—forged by diverse Pacific women and women’s organisations from Fiji, Papua New Guinea including Bougainville, Samoa, Tonga, Vanuatu, Australia, and the Pacific Disability Forum. On 18 June 2020, GPPAC and the Shifting the Power Coalition, in partnership with the Swedish Ministry of Foreign Affairs, organised an online expert-level consultation on Gender, Climate and Sustaining Peace in the Pacific.
- **Latin America & Caribbean: Building Citizen Bridges between Colombia and Venezuela** Amid the ongoing humanitarian crisis in Venezuela and the closing of bridges and official crossings and the suspension of diplomatic relations between Colombia and Venezuela, our members in LAC saw the need to build alternative bridges. By the end of 2019, they had set up a binational network called Puentes Ciudadanos Colombia-Venezuela to build capacity for prevention and shared action through citizen diplomacy. In 2020, the network was able to facilitate more than 30 multi-stakeholder dialogues with participants from both sides of the Colombian-Venezuelan border, including civil society, social leaders, indigenous people, universities, businessmen, economic unions, chambers of commerce, mayors and border governors, members of the UN, local and international media as well as members of Congress in Colombia.
- **2020 Peacebuilding Architecture Review: Advancing Local Priorities in Global Action** Peacebuilding and sustaining peace are most likely to succeed when they are locally-led and locally owned, and regionally and globally supported. Every five years, the United Nations reviews the internal Peacebuilding Architecture in order to improve the work of the UN on peacebuilding, with a specific focus on the implementation at the field level. We used the 2020 Peacebuilding Architecture Review as an opportunity to channel the perspectives of local peacebuilders and to advocate for a more locally-led and locally-informed UN Peacebuilding Architecture. One that builds greater synergies between local peacebuilders, the UN and Regional Intergovernmental Organisations (RIGOs) at the regional level; and creates enabling environments for greater coherence and complementarity of efforts by various actors at the regional level.

## 1.9 Budget 2021

In 2021, income is secured by grants from Sida, IFA/Zivik and the European Union. This is sufficient to cover parts of our regional and global plans and to cover 100% of the Global Secretariat costs. There is no deficit foreseen in 2021. These budgets were approved by the Board in their December 2020 meeting and their meeting in March 2021 for the second half of the year. The GPPAC Board monitors the development of new projects, the progress of the implementation of the plans and the spending of the budgets every four to five months.

## 1.10 Looking forward

As already mentioned, the transition year 2021 aims to define and implement the changes required to make the GPPAC network fit for purpose and more resilient and sustainable for the long term. The transition phase is the main focus of 2021 with the following two main pillars:

- Pillar I on Governance aims to revise the way the network operates and strengthen our value proposition. We selected two consultants to support us during this phase. In April 2021, a consultation process with network members and partners started. We expect to present the results of the

consultation and options for change in June/July and aim for decisions to be taken by the end of the summer.

The results of this process will also inform of any changes at the Global Secretariat (Pillar III) and will provide input to define the profile of the new leadership (Pillar IV)

- As part of Pillar II on fundraising, it was agreed to actively solicit the Board by creating a Board Fundraising Committee. The committee has been operational since March and seeks to contribute and complement the fundraising efforts of the Global Secretariat with a focus on securing core funding from new or past donors. The main responsibilities of the committee are:
  - Identify possible new donors to reach out to or re-engage with
  - Facilitate contact with donors or experts to support GPPAC fundraising efforts
  - Contribute to the development of a tailored engagement strategy with identified donors

A consultant has also been hired to support us with the fundraising strategy, a prospects list and the development of messaging.

### 1.11 Risks and mitigation

In 2020, to ensure the continuity of the organization and best respond to critical situations, we started a process to identify the main risks we face. We have collected a list of potential risks, which we divide into two categories: the critical risk events and the non-critical risk events. Critical risk events refer to the possibility that an unforeseen situation occurs that will have a negative effect on the daily practice of the organization and could potentially jeopardize the continuity of the organisation. We have identified four business-critical risk events: Funding environment, Global crisis, Political environment and Capacity to deliver.

The context in which civil society organisations operate remains challenging. Organisations are experiencing increased difficulties in carrying out their mission in safe and secure conditions. These barriers include limitations on their freedom of assembly, to pressure from rising right-wing nationalism. These challenges are compounded by difficulties in generating funding to support their activities.

The funding landscape for peacebuilding and conflict prevention is one that is more and more competitive. It either still favours funding geared towards developing countries or fragile states, despite conflict not being limited to these places, or is driven by donor countries' foreign policy interests as opposed to local needs and priorities.

In 2021, we will continue to work with our members, governments and international institutions so commitments are implemented in practical ways within national government frameworks – development plans, national budgets, peace and human security and humanitarian frameworks.

The risk management grid will be reviewed on a yearly basis by all levels of management, including the Management Team, the Finance Committee, and the Board. If GPPAC members themselves are at risk of rights violations, the Global Secretariat works with them to support them where possible, in close consultation with the members themselves and expert organisations to ensure we do not escalate the threat through our involvement.

### GPPAC Board composition, June 2021

Sharon Bhagwan Rolls (Chair), Miguel Alvarez (Vice-Chair), Robert Zeldenrust (Vice-Chair), Herman Kreulen (Treasurer), Yoshioka Tatsuya, Nqobile Moyo, Charlotte Divin, Alvito de Souza, Frank van den Akker.

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## **2 Financial Report**

## 2.1 Balance sheet as at December 31, 2020 (after appropriation of the result)

(all amounts in euro)

	December 31, 2020	December 31, 2019
<b>Assets</b>		
<b>Fixed assets</b>		
Tangible assets	7,030	15,043
Intangible assets	24,829	33,106
	<b>31,859</b>	<b>48,149</b>
<b>Current assets</b>		
Receivables	184,165	77,932
Cash and cash equivalents	578,034	1,027,105
	<b>762,199</b>	<b>1,105,037</b>
	<b>794,058</b>	<b>1,153,186</b>
<b>Liabilities</b>		
<b>Reserves</b>		
Continuity reserve	82,477	78,912
Earmarked reserve	34,298	51,340
Short-term reserve	652	652
	<b>117,427</b>	<b>130,904</b>
<b>Short-term liabilities</b>		
Accounts payable	27,098	43,763
Taxes and social security payments	65,356	39,934
Received pre-payments donors	280,410	759,667
Accruals, provisions and other liabilities	303,767	178,918
	<b>676,631</b>	<b>1,022,282</b>
	<b>794,058</b>	<b>1,153,186</b>

## 2.2 Statement of income and expenditure for the year 2020

(all amounts in euro)

	Realisation 2020	Realisation 2019
<b>Income</b>		
Grants from governments and others	3,287,886	3,535,590
Income other than grants	3,565	4,015
<b>Sum of income</b>	<b>3,291,451</b>	<b>3,539,605</b>
<b>Expenses</b>		
<b>Expenditure on behalf of the objective</b>		
Enabling collaboration	1,465,576	1,567,526
Improving practice	881,671	1,003,101
Influencing policy	712,414	786,654
Online partnerships	115	103
	<b>3,095,776</b>	<b>3,357,384</b>
<b>Expenditure fundraising</b>		
Costs obtaining government grants and others	85,647	48,634
<b>Management &amp; administration</b>		
Costs management & administration	159,505	149,675
<b>Sum of expenses</b>	<b>3,304,928</b>	<b>3,555,693</b>
<b>Surplus/deficit</b>	<b>- 13,477</b>	<b>- 16,088</b>
<b>Appropriation of result</b>		
Continuity reserve	3,565	-67,428
Earmarked reserve	-17,042	51,340
	<b>-13,477</b>	<b>-16,088</b>

## 2.3 Notes to the accounts

### 2.3.1 Foundation

- The foundation was formed on September 1, 1997 and is statutory domiciled in Amsterdam. As of January 1st, 2011, the Foundation hosting the Global Secretariat of GPPAC has changed its name from European Centre for Conflict Prevention (ECCP) to GPPAC Foundation.
- The objectives of the Foundation are to contribute to the prevention and management of violent conflicts by providing initiatives that seek to provide early warning signals and early actions.
- The main task of GPPAC Foundation is to act as the Global Secretariat of the Global partnership for the Prevention of Armed Conflict (GPPAC), the world-wide civil society-led network to build a new international consensus on peace building and the prevention of violent conflict. The GPPAC program works to strengthen civil society networks for peace and security by linking local, national, regional and global levels of action and effective engagement with governments, the UN system and regional organisations.

### 2.3.2 Financing of the foundation

- The income of the foundation exists of grants from various donors that support the purpose of the foundation. Most grants are requested on a yearly basis, some of the grants are received for more than one year. At the date of signing of this financial report, various grants have been pledged by donors, others are being discussed and negotiated.
- The foundation has been exploring opportunities for income other than grants by providing trainings and portal-services (“online partnerships”). This resulted in revenues in 2020.
- Based on the before-mentioned reasons the principles of valuation have been based on the continuity of the foundation.

### 2.3.3 Comparison with prior year

The principles used for valuation and determination of result have remained unchanged compared to the prior year. As of 2017, the costs have been allocated to the objectives of the Strategic plan 2016-2020.

### 2.3.4 General accounting principles for the preparation of the financial statements

- The financial statements have been prepared in accordance with RJ 640.
- In applying the accounting policies and rules for the preparation of the financial statements, the board of the organization makes various judgements and estimates that may be essential for the amounts recognized in the financial statements. If applicable, the nature of these judgements and estimates, including the assumptions used, is included in the notes to the relevant financial statement items. Actual results may differ from these estimates and assumptions. The estimates and underlying assumptions are continuously assessed. Revisions and estimates are recognized in the period in which the estimate and or revisions occur and in future financial years for which the revision has consequences.
- All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the organization are considered to be a related party. In addition, the board, statutory directors, other key management of GPPAC and close relatives are regarded as related parties.
- Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.
- Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise, the relevant principle for the specific balance sheet item, assets and liabilities are presented at face value.
- Financial instruments include both primary financial instruments, such as receivables and payables, and derivative financial instruments (derivatives). For the principles of primary financial instruments, reference is made to the paragraph principles of valuation of assets and liabilities. GPPAC does not use derivative financial instruments.
- Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance

sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

- Intangible fixed assets are stated at historical cost less amortisation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost. Depreciation is provided from the date an asset comes into use.
- Tangible fixed assets are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.
- Upon initial recognition the receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions. The fair value and amortised cost equal the face value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.
- The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.
- The foundation has formed a continuity reserve to finance any negative operating risks of the organization. The continuity reserve is adjusted with movements in the above items. The earmarked reserve concerns the equity capital of the foundation, to which conditions have been set by the board of the association for its use. Uses of these appropriated reserves, as well as additions to appropriated reserves, are processed through the appropriation of the result.
- On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

#### 2.3.5 Principles of determination of result

- Income is accounted for in the year to which it relates. Expenditure is accounted for in the year in which the relevant income is accounted for. Losses are already accounted for as soon as they are foreseeable.
- Operating government grants are included in the profit and loss account in the year to which the subsidized expenses are charged / in which the loss of income is incurred / in which the operating loss has occurred.
- The foundation has a pension scheme for its employees to which the provisions of the Dutch Pension Act apply and in which contributions are paid on a contractual basis to ABP, pension fund for employees in the government and education sectors. At year-end 2020, the pension fund has a (current) funding ratio of 93.5% (2019: 97.8%). The premiums are recognized as personnel costs as soon as they are due. Premiums paid in advance are recognized as accrued income if they lead to a refund or a reduction in future payments. Premiums not yet paid are included in the balance sheet as a liability.

The main features of the pension scheme are:

- There is a defined contribution scheme;
- The scheme includes a retirement, partner and orphan's pension;
- The retirement age is 68 years;
- The pensionable basis is the salary minus the AOW-franchise (2020: EUR 14,167) with a maximum (2020: EUR 110,111) and taking into account the part-time factor;
- The defined contribution payable is a percentage of 24.90% (in 2019: 24.90%) of the pensionable basis;
- The foundation is only obliged to pay the premiums. Under no circumstances is there an obligation to make additional payments.

#### 2.3.6 Foreign currencies

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date are recorded in the profit and loss account.

## 2.4 Notes to the balance sheet as at December 31, 2020

(all amounts in euro)

### Fixed assets

#### Tangible and intangible assets

	ICT equipment	Other equipment	Total tangible assets	Total intangible assets	Total fixed assets
Cost price 31 December 2019	26,645	9,196	35,841	41,382	77,223
Accumulated depreciation 31 December 2019	-13,925	-6,873	-20,798	-8,276	-29,074
Book value 31 December 2019	12,720	2,323	15,043	33,106	48,149
Investments 2020	0	0	0	0	0
Depreciation 2020	-5,919	-2,094	- 8,013	-8,277	-16,290
Book value 31 December 2020	6,801	229	7,030	24,829	31,859

Expenses for hardware, software, furniture, fixtures and fittings and website development with a cost price more than EUR 450 are presented as investments. The yearly depreciation rate is 20 %. As per 1 January 2020 GPPAC has moved to a new office. The book value of the equipment mentioned in the above table per 31 December 2020 is of the equipment in use in the new building.

#### Receivables

Receivables can be divided in grant receivables and other receivables.

No grants receivable can be specified.

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Other receivables can be specified as follows:

	2020	2019
	_____	_____
Prepayments	0	5,314
Receivables project partners	158,117	34,213
Receivables projects	3,900	0
Other receivables	22,148	38,405
	_____	_____
	184,165	77,932
	=====	=====
 Total receivables	 184,165	 77,932
	=====	=====

#### **Cash and cash equivalents**

Cash at banks and in hand are available on demand.

#### **Equity**

	2020	2019
	_____	_____
Balance as at January 1	130,904	146,992
Result for the financial year	-13,477	-16,088
	_____	_____
Balance at December 31	117,427	130,904
	=====	=====

The Board decided in May 2019 to save a minimum of EUR 75,000 as a continuity reserve and to have the possibility to earmark the additional resources for building the capacity of the Global Secretariat, including fundraising. No interest was earned on the bank deposits in 2020. The board proposes to recognize the negative balance of income and expenses for 2020 of EUR 13,477 in accordance with the appropriation of the result as included in the statement of income and expenses 2020. This proposal has been incorporated as such in the annual accounts.

**Statement of changes in equity**

	2020	Changes 2020	2019
	_____	_____	_____
Continuity reserve	82,477	+ 3,565	78,912
Short-term reserve	652	0	652
Earmarked reserve	34,298	- 17,042	51,340
	_____	_____	_____
Balance at December 31	117,427	- 13,477	130,904
	=====	=====	=====

The continuity reserve is meant to cover short term risks and to ensure that the organisation has a buffer to respond to its obligations in the long term. Accrued interest has been added to the short-term reserve with the condition to spend it on behalf of the GPPAC objectives. The earmarked reserve has been allocated for building the capacity of the Global Secretariat, including fundraising.

**Taxes and social security payments**

	2020	2019
	_____	_____
Dutch Tax Authority: social security premiums	40,963	23,189
Dutch Tax Authority: VAT	12,079	5,270
ABP: pension premiums	12,314	11,475
	_____	_____
	65,356	39,934
	=====	=====

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**Received pre-payments donors**

Received pre-payments donors relate to the unspent balance at the end of the year of received instalments from our donors.

	2020	2019
	_____	_____
MFA The Netherlands (Strategic partnership)	93,361	561,549
Sida	184,082	198,118
IFA/Zivik	2,968	0
	_____	_____
	280,410	759,667
	=====	=====

**Accrued liabilities**

The items yet to be paid can be broken down as follows:

	2020	2019
	_____	_____
Audit fee	19,000	16,000
Holiday allowance	21,463	29,384
Holiday leave days	15,303	22,741
Project invoices to be received	156,814	94,386
Various other liabilities	12,373	16,407
Downsizing costs	78,814	0
	_____	_____
	303,767	178,918
	=====	=====

There are no accrued liabilities with a term longer than one year.

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**Commitments and receivables not included in the balance sheet**

The foundation has an obligation amounting to EUR 23,043 a year under a rental contract for the office in The Hague. The rental contract can be prolonged for a period of one year.

Contracts signed with the service providers Two Kings, Account Software Groep and BMP partners are leading to a total annual obligation of EUR 15,717 including 21% VAT.

**2.5 Notes to the statement of income and expenditure for the year 2020**

(all amounts in euro)

	2020	2019
	_____	_____
<b>Grants from governments and others (appropriated income)*</b>		
Dutch Ministry of Foreign Affairs Strategic Partnership	2,030,188	2,109,065
UNDP	3,900	0
UN PBSO	0	241,867
Sida	964,830	1,031,737
Zivik Cameroon project	86,068	0
Zivik Uganda project	202,900	152,921
	_____	_____
*: more information in the appendix	3,287,886	3,535,590
	=====	=====
<b>Income other than grants</b>		
Online Partnerships	3,565	2,665
Other revenues	0	1,350
	_____	_____
	3,565	4,015
	=====	=====

### Expenditures on behalf of the objectives

Objectives	Total costs	Project costs	Progr. man	Operational progr. costs
Enabling collaboration	1,465,576	1,050,014	203,700	211,862
Improving practice	881,671	605,561	64,248	211,862
Influencing policy	712,414	435,340	65,212	211,862
Subtotal	3,059,661	2,090,915	333,160	635,586
Online partnerships	115			
Total expenditure on behalf of objectives	3,095,776			
Costs obtaining gov grants and others	85,647			
Costs management and administration	159,505			
Total expenses	3,304,928			

In line with the Strategic plan 2016-2020, GPPAC allocates all their expenditure to the three main objectives: Enabling collaboration, Improving practice and Influencing policies. Detailed budgets of the annual plans managed by the Global Secretariat (Network development, Knowledge, Practice and Advocacy activities, Working groups) and each of the regional annual plans are allocated to the three objectives based on their main focus. No budget targets were set for the current strategic plan.

GPPAC allocates separate projects to the objectives as well. The total costs reported by WFM-IGP for 2020 (EUR 669,112) concerning the Strategic Partnership project Prevention Up Front, are 100% allocated to our objective Enabling collaboration. The total costs of the IFA/Zivik funded activities in Cameroon (EUR 79,348) and Uganda (EUR 193,411) are allocated to the Improving practice objective.

The management costs are costs related with the staff at the Global Secretariat including the office costs in The Hague. The total value amounted to EUR 1,213,898 (2019: EUR 1,283,312). These costs are allocated to the various programmes (programme management), operations, fundraising, and management and administration, based on time registration system and the actual personnel and office costs. In the next table an overview of these management costs with their budgets.

Operational programme costs are costs for communication, PM&E, donor relations and indirect costs, like staff time and other expenses.

	2020	2019
	_____	_____
<b>Expenditure</b>		
Personnel costs	935,925	1,002,219
Office costs	277,973	281,093
Direct program costs	2,091,030	2,272,381
	_____	_____
	3,304,928	3,555,693

<b>Management costs/ costs Global Secretariat</b>	Realisation 2020	Budget 2020	Realisation 2019
<b>Personnel costs</b>			
Gross salaries	710,476	774,500	701,186
Taxes and social premiums	94,225	102,700	124,150
Pension costs	105,842	115,400	107,849
<i>Subtotal Salary costs</i>	<i>910,543</i>	<i>992,600</i>	<i>933,185</i>
Commuting	10,656	12,000	23,955
Training	5,986	20,000	38,303
Other personnel costs	8,740	4,000	6,776
	<b>935,925</b>	<b>1,028,600</b>	<b>1,002,219</b>
<b>Office costs</b>			
Depreciation	16,290	14,000	13,504
Rent office	60,376	60,200	58,818
Office expenses	10,165	24,000	14,300
ICT	34,422	38,500	41,995
Accountancy & consultancy	81,041	80,100	91,437
Other office costs	75,679	72,500	61,039
	<b>277,973</b>	<b>289,300</b>	<b>281,093</b>
	_____	_____	_____
	<b>1,213,898</b>	<b>1,317,900</b>	<b>1,283,312</b>

### Personnel costs

The foundation employed an average of 13.19 fte's in 2020 (2019 :13.44). Changes in staff in 2020 related to changes on the Planning Monitoring and Evaluation position and the support functions. GPPAC received compensation from the insurance company for sick leave of one staff and from the UWV for maternity leave of one staff. ABP pension fund slightly increased the pension premium in 2020.

In 2020, Mr Darynell Rodriguez Torres was the director of the GPPAC Foundation. He resigned on 1<sup>st</sup> of January 2021. He was appointed through a contract of employment on a 100% position by the board as per 1<sup>st</sup> of November 2016. His gross salary of 2020 amounted EUR 90,588 (in 2019: EUR 79,667). This includes holiday allowance paid out in May and December as well as the balance of untaken holidays paid out in December too. The gross salary amount does not include the employer pension contribution of EUR 14,363 (in 2019: EUR 13,792). No other allowances were paid to him.

As of the end of October, Mrs. Carreras Lloveras, who was part of the staff, was appointed as Interim-Director by the Board. Her contract of employment on a 84,21% position remained unchanged. Her gross salary costs for November and December amounted to EUR 8,702. This gross salary amount does not include the employer pension contribution of EUR 1,538. In December, Mrs. Carreras Lloveras received a net stand-in allowance of EUR 2,000.

The total remuneration for 2020 of the above-mentioned management remains below the maximum amount for 2020 of EUR 189,000 according to the Dutch Standards for Remuneration Act, section development cooperation.

Apart from reimbursement of expenses, GPPAC Board members do not receive any financial compensation for their assignment.

Name	Function	Period 2020	Financial compensation 2020	Period 2019	Financial compensation 2019
Sharon Bhagwan Rolls	Chair	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Miguel Alvarez	Vice-chair	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Robert Zeldenrust	Vice-chair/ Treasurer	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Liesbeth Reekers	Treasurer	-	-	1/1-17/6	Not applicable
Herman Kreulen	Treasurer	10/6-31/12	Not applicable	-	-
Yoshioka Tatsuya	Member	1/3-31/12	Not applicable	1/3-31/12	Not applicable
Ivana Gajovic	Member	1/1-31/12	Not applicable	1/1-31/12	Not applicable
Mariska van Beijnum	Member	1/1-31/12	Not applicable	1/1-31/12	Not applicable

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*Office costs*

**Depreciation**

	2020	2019
	_____	_____
Automation	5,919	4,318
Office equipment	2,094	910
Intangible assets	8,277	8,276
	_____	_____
	16,290	13,504
	=====	=====

**Housing costs**

Housing costs consist of rental costs for the office at Laan van Meerdervoort 70, The Hague. As of the 1st of January 2021, we moved to a new office, Alexanderveld 5 in The Hague.

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The Hague (Legal seat in Amsterdam)

	2020	2019
	_____	_____
<b>Office expenses</b>		
Telephone	2,376	2,846
Office equipment/material	808	992
Postal charges	647	526
Contributions	4,177	4,304
Other	2,157	5,632
	_____	_____
	10,165	14,300
	=====	=====
<b>ICT</b>	34,422	41,995
	=====	=====
<b>Accountancy and consultancy costs</b>		
Consultancy costs	59,010	63,453
Auditor costs	18,300	25,075
Project audit costs	0	0
Salary administration costs	3,732	2,909
	_____	_____
	81,041	91,437
	=====	=====

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	2020	2019
<b>Other office costs</b>		
Communication/marketing	42,966	26,086
Insurances general	22,850	18,217
Other expenses	9,863	16,735
	<hr/>	<hr/>
	75,679	61,038
	=====	=====

#### **Subsequent events**

There are no subsequent events.

The Hague, 30 June 2021

The Board,

Sharon Bhagwan Rolls, Chair  
Miguel Alvarez, Vice-Chair  
Robert Zeldenrust, Vice-Chair and acting-Treasurer until June 10, 2020  
Yoshioka Tatsuya  
Herman Kreulen, Treasurer from June 10, 2020  
Ivana Gajovic, until 1 January 2021  
Charlotte Divin, from 1 January 2021  
Nqobile Moyo, from 1 January 2021  
Alvito de Souza, from 1 January 2021  
Frank van den Akker, from 15 January 2021  
Mariska van Beijnum, until 19 March 2021

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### **3 Auditor's report**

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## **4 Appendix**

GPPAC Foundation,  
The Hague (Legal seat in Amsterdam)  
(all amounts in euro)

## Appendix: Donor overview 2020

Name of donor:	Dutch Ministry of Foreign Affairs	Funds allocated 2020:	2,030,188	Installments received 2020:	1,562,000
Donor reference:	Strategic Partnership: act. 27553	Totally allocated:	9,806,639	Installments received in total:	9,900,000
Contract period:	01012016-31122020	Total contract funding:	10,000,000	Installments to receive:	-93,361
Status:	Done, pending approval by donor				
Specifics:	Limited to focus regions: East Africa, West Africa, the Middle East & North Africa, Europe, Southeast Asia				
Name of donor:	Sida	Funds allocated 2020:	964,830	Installments received 2020:	950,794
Donor reference:	11088	Totally allocated:	3,028,915	Installments received in total:	3,212,997
Contract period:	01012017-31122020	Total contract funding:	SEK 38,000,000	Installments to receive:	SEK 5,000,000
Status:	In progress (short term)				
Specifics:	Restrictions on flow of funds to organisations registered in non-ODA countries; contract period extended with one year				
Name of donor:	Zivik	Funds allocated 2020:	202,900	Installments received 2020:	202,900
Donor reference:	KP-012/20	Totally allocated:	202,900	Installments received in total:	202,900
Contract period:	01032020-31122020	Total contract funding:	202,900	Installments to receive:	0
Status:	Done, pending approval by donor				
Specifics:	None				
Name of donor:	Zivik	Funds allocated 2020:	86,068	Installments received 2020:	88,779
Donor reference:	KP-044/20	Totally allocated:	86,068	Installments received in total:	88,779
Contract period:	01032020-31122020	Total contract funding:	86,068	Installments to receive:	-2,711
Status:	Done, pending approval by donor				
Specifics:	None				
Name of donor:	UNDP	Funds allocated 2020:	3,900	Installments received 2020:	0
Donor reference:	Impact of COVID-19 on Local Infrastructures for Peace	Totally allocated:	3,900	Installments received in total:	0
Contract period:	01112020-31122020	Total contract funding:	USD 34,000	Installments to receive:	USD 34,000
Status:	In progress, will be extended until the end of August 2021 (short term)				
Specifics:	None				



## **INDEPENDENT AUDITOR'S REPORT**

To: the members of the board and director of Stichting Global Partnership for the Prevention of Armed Conflict

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2020 INCLUDED IN THE FINANCIAL REPORT**

#### **OUR OPINION**

We have audited the financial statements 2020 of Stichting Global Partnership for the Prevention of Armed Conflict, based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Global Partnership for the Prevention of Armed Conflict, as at 31 December 2020 and of its result for 2020 in accordance with the Guideline for annual reporting 640 'Not-for-profit organizations' of the Dutch Accounting Standards Board and the Dutch WNT (Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector).

The financial statements comprise:

- 1 the balance sheet as at 31 December 2020;
- 2 the statement of income and expenditure for 2020; 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 and the WNT audit protocol. 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 Global Partnership for the Prevention of Armed Conflict 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 FINANCIAL REPORT**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The board report; and
- Appendix Donor overview 2020.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

Ref.: J.ZW.21180

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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 other information, including the board report.

#### **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 640 'Not-for-profit organizations' of the Dutch Accounting Standards Board and the Dutch WNT. 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 organization'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 organization 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 organization'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.

For a more detailed description of our responsibilities, we refer to the appendix of this auditor's report.

's Hertogenbosch, 30 June 2021

accon avm controlepraktijk B.V.  
On behalf of:

Original has been signed by R. Leus RA EMITA



## **APPENDIX TO OUR AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 2020 OF STICHTING GLOBAL PARTNERSHIP FOR THE PREVENTION OF ARMED CONFLICT**

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements, independence requirements and the WNT. Our audit included among others:

- 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 organization's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management'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 organization'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 an organization 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 them those charged with governance ('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.