

Stichting Electronics Watch Foundation



Stichting Electronics Watch Foundation
Amsterdam

Annual Accounts 2020

Stichting Electronics Watch Foundation

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Stichting Electronics Watch Foundation

Directors report

Dear reader:

The pandemic year of 2020 has brought monumental hardship to workers everywhere.

Lockdowns, homeworking and social distancing have made screens our main means of communication. Those producing these screens and related hardware have all too often laboured unprotected, and been denied a voice about their own health and safety. Their realities have been defined by insecurity and exclusion.

For this reason, 2020 has also been a year Electronics Watch took on great challenges. We took the first steps for public buyers to demand a living wage and eliminate chemical toxins in their supply chains. We cast our net wide in our quest to identify and eliminate all forms of forced labour in public buyer supply chains. We put the wheels in motion for more effective worker influence on their own occupational health and safety.

Thus, despite challenges we are moving closer to our vision: *a world in which the rights of all workers in the electronics supply chain are respected, workers' voices are heard, and working conditions are safe and decent.*

None of this would be possible without the commitment of our monitoring partners around the world who have found new ways to communicate with and support workers during the pandemic. Many of them have had to temporarily suspend regular monitoring partners because of lockdowns. At the same time workers in many locations—especially foreign migrant workers—have become more afraid of losing their jobs and, therefore, more reluctant to talk to outsiders. Some of our monitoring partners have developed new remote monitoring capacities, accessing public information and social media, developing worker networks, and, in one case, a mobile phone survey application. Others have been able to maintain monitoring activities in their immediate communities even when traveling has been prohibited.

We celebrate the perseverance of our public buyer affiliates and their commitment to sustainability and corporate accountability in challenging political and economic times. Despite budget constraints they have found ways to maintain their commitment to sustainable public procurement, knowing it is a prerequisite for resilient supply chains.

Together our monitoring partners and affiliates continue to drive improvements in public buyer supply chains.

As we look towards 2021 and beyond, we invite you to join us to accelerate the momentum for change based on both worker and public buyer demand.

Stichting Electronics Watch Foundation

BALANCE SHEET AS OF 31st OF DECEMBER 2020

(after appropriation of result)

ASSETS

(in euro's)

31 December 2020

31 December 2019

Current assets

Receivables

Trade debtors

23,533

69,967

Other receivables

93,246

68,391

116,779

138,358

Cash and Cash Equivalents

161,166

184,923

Total

277,945

323,281

LIABILITIES

Equity

General reserves

55,408

21,126

Current liabilities

Creditors

28,771

32,179

Taxation and social security

6,679

10,718

Prepayments

148,558

208,729

Other accruals and deferred
income

38,529

50,529

222,537

302,156

Total

277,945

323,281

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STATEMENT OF INCOME AND EXPENDITURE 2020

(in euro's)

	2020	2019
Income	555,955	433,894
<i>Costs</i>		
Direct project costs	188,255	144,044
Personnel costs	290,045	200,404
General expenses	<u>43,373</u>	<u>88,259</u>
Total expenditure	<u>521,673</u>	<u>432,707</u>
Result	<u>34.282</u>	<u>1,187</u>

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ACCOUNTING PRINCIPLES FOR FINANCIAL REPORTING

General accounting principles for preparation of the financial statements

The financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code.

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 (nominal) value. Income and expenses are accounted for on accrual basis. Expenses are determined taking the mentioned valuation principle into account. Profit is only included when realized on balance sheet date. Losses originating before the end of the financial year are taken into account when ascertained before preparation of the financial statements.

Principles of valuation of assets and liabilities

The principles applied in evaluating assets and liabilities and determining financial results are based on nominal value. Revenues and expenses are matched to the period in which they occurred (according to the matching principle). Revenues from legacy are recorded in the year that their size can be reliably established.

Receivables

Receivables are included at face value, less any provision for doubtful accounts. These provisions are determined by individual assessment of the receivables.

Subsequent events

The foundation has not identified any events after year-end.

Stichting Electronics Watch Foundation

NOTES TO THE BALANCE SHEET as of 31st of December 2020

Assets

Current Assets

Receivables

(in euro's)	31-12-2020	31-12-2019
Trade debtors	33,533	69,967
Provision for doubtful debtors	10,000	0
	<u>23,533</u>	<u>69,967</u>

Other receivables

Subsidy receivable	92,991	68,391
Prepayments	255	0
	<u>93.246</u>	<u>68,391</u>

Cash and Cash Equivalents

Triodos Bank	91,117	112,385
Triodos Bank, savings account	69,990	70,000
Triodos Bank Spain	59	2,538
	<u>161,166</u>	<u>184,923</u>

LIABILITIES

Current liabilities

Creditors

Creditors	<u>28,771</u>	<u>32,179</u>
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Taxation and social security

Value added tax	373	7,448
Wage tax and social security	6,306	3,270
	<u>6,679</u>	<u>10,718</u>

Prepayments

Prepayments affiliation fees	102,680	150,281
Advanced received funds	45,878	58,448
	<u>148,558</u>	<u>208,729</u>

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	31-12-2020	31-12-2019
(in euro's)		
Other accruals and deferred income		
Salaries	1,007	1,982
Audit, administration & other fee	5,000	5,000
Pension	17,415	9,669
Other	15,107	33,878
	<u>38,529</u>	<u>50,529</u>

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NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE 2020

	2020	2019
(in euro's)		
Income		
Affiliation fees	392,200	298,163
EC Funds	91,629	108,518
Bread for All grant	49,477	14,881
Other income	22,649	12,332
	<u>555,955</u>	<u>433,894</u>
Costs		
<u>Project costs</u>		
Monitoring Restricted	30,922	0
Monitoring General	65,667	81,996
Affiliations outreach and service	50,612	41,891
Other costs	41,054	20,157
	<u>188,255</u>	<u>144,044</u>
<u>Personnel costs</u>		
Salary	204,044	128,666
Social security	62,249	55,894
Pension costs	11,345	7,369
External personnel	5,295	3,575
Payroll administration	7,112	4,900
	<u>290,045</u>	<u>200,404</u>
<u>General expenses</u>		
Audit and legal costs	7,211	5,624
Insurance	1,542	1,540
Administration costs	0	13,300
Communication infrastructure	11,825	8,020
Translation	3,497	1,619
Design	5,613	5,229
Rent office	2,715	2,505
Travel costs	4,802	16,453
Conference costs	0	29,896
Other general expenses	6,168	4,073
	<u>43,373</u>	<u>88,259</u>



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INDEPENDENT AUDITOR'S REPORT

To: the Board of Electronics Watch Foundation

Report on the audit of the financial statements 2020 included in the annual report

We have audited the financial statements 2020 of Stichting Electronics Watch Foundation, based in Amsterdam. In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Electronics Watch Foundation as at 31 December 2020 and of its result for 2020 in accordance with the accounting policies as mentioned in the financial report 2020. The financial statements comprise:

- the balance sheet as at 31 December 2020;
- the profit and loss account for 2020 and
- 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 Electronics Watch Foundation 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.

Section emphasizing the impact of the Coronavirus

Covid-19 influences the Stichting Electronics Watch Foundation. We refer to the Directors report, which describes the possible influence and consequences of the corona crisis on business operations and on the environment in which the Foundation operates. It has been indicated that there are still uncertainties and that it is currently not reasonably possible to estimate the future effects of Covid-19 on the financial results and financial position of the Foundation. It is expected that there will be financial consequences for various activities of the 2021 budget and possibly for the years thereafter. Our opinion on the 2020 financial statements has not been modified as a result of this matter.



Report on the other information included in the annual report

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

- The management board's report
- Other information as required by Dutch law.

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 the information as required by Dutch law. 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 Dutch law and 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. Management is responsible for the preparation of the management board's report in accordance with the accounting policies as mentioned in the financial report 2020 and other information as required by Dutch law.

Responsibilities of management for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies as mentioned in the financial report 2020. Furthermore, management is responsible for such internal control as management 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, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company 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 foundations 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 company'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 company'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 company 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 those charged with governance 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.

Haarlem, June 28, 2021
Reg.nr.: 1007302/215/459/2478
Ipa-Acon Accountants B.V.

Was-signed: mr. drs. J.C. Olij RA