

Stichting citizenMovement
annual report
2021



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-- board report --

1.1 Name, legal form and location

Stichting citizenMovement is a foundation, founded in 2018 and has its place of business in Voorschoten, The Netherlands. The foundation is registered with the Chamber of Commerce (KvK) under number 72240954 and has been designated as an ANBI foundation.

1.2 About

citizenMovement is a growing non-profit organisation, supported by citizenM and its success depends on the joint efforts of citizenM's staff, guests and neighbours. In the structure of this foundation, citizenM will be a direct sponsor of citizenMovement by donating funds collected from its new housekeeping campaign which was implemented in many of its operational hotels as of 10 December 2021. In addition, citizenMovement also raises funds by organising fundraising events with employees, guests, suppliers and the wider citizenM community. Between April 2020 and November 2021 citizenM was not able to make any contributions due to the impact of COVID-19 on its hotel operations. Also, all fundraising events were cancelled in that period. Revenues started coming in again when citizenMovement's new housekeeping campaign rolled out.

citizenMovement will not simply give money away. The giving needs to be linked to a direct sustainable life improvement chain reaction that comes from the receiving of what citizenMovement has given. Don't give them fish, teach them how to fish. These chain reactions can be sparked in many ways. citizenMovement can directly impact organisations or individuals using raised funds. However, our strategy needs to amplify the impact of our efforts. To achieve that, we will look for organisations that truly share our views, values, and a dedication to our cause, and will partner with them. These partnerships, which may change annually, are selected out of proposals submitted by citizenM staff.

1.3 The citizenMovement Board



Klaas van Lookeren Campagne

Chairman



Hein Bijl

Secretary



Wulf van Alkemade

Board Member



Jaap van Egmond

Treasurer

The board members do not receive any kind of remuneration and they do not receive any kind of expenses allowances.

1.4 Guests

A sustainable flow of funds has been already set up with hotel guests. Guests staying two nights or more can contribute by simply skipping their daily room cleaning. citizenM will contribute a fixed amount of

€ 3 every time a guest says 'no' to having their room cleaned. Besides the housekeeping donation by the participation of guests, citizenMovement will generate funds by providing other means of donation for 1 night guests as well as by organizing engaging fundraising events throughout the year involving guests, staff, partners and citizens of the cities where citizenM has hotels. We review our donation activations processes annually.

1.5 Employees

Employee engagement is fundamental component of our strategy. Employee awareness raising activities create alignment to the charities goals. citizenMovement's funds are also generated through donations and by engaging citizenM teams in staff related events that will raise funds for citizenMovement's mission and purpose.

1.6 Our current partner - World Bicycle Relief

Our chosen charity partner between 2018 to the present is World Bicycle Relief (WBR). We initially supported their BEEP initiative (Bicycles for Educational Empowerment Program) which provides bicycles to students in developing countries to make their journeys to school shorter and feasible. Our focus going forward will be to support their new project, mobilising communities. The Mobilised Communities programme is holistic and will be used as an integrated mobilisation approach to demonstrate the interconnectivity of various facets of a community. Where programmes have previously been created in isolation of one another, Mobilised Communities will supply Buffalo Bicycles to address mobility constraints, across all sectors (education, healthcare, and economic opportunities), in one geographic location.

1.7 Our impact to date

Since partnering with World Bicycle Relief in 2018, we have donated over € 830,000, funding more than 4900 bicycles. In 2021, we were able to donate a further € 18,000 which will be used to fund a further 87 bicycles in 2022.

1.8 More than just a bike

During the COVID-19 pandemic, markets and schools closed in Kenyan villages, leaving their small-farming families in a difficult situation. Families were able to use their citizenMovement-funded bike to supply their farm produce directly to villagers, and to collect water to keep the crops growing.



1.9 Future outlook and budget 2022

The current situation continues to be unpredictable and there is a lot of uncertainty related to current limitations and when business will be back to a more normalised situation. Compared to 2021 there will be an increase in the revenues due to expected pick-up in the market throughout the year, the impact of hotel openings in 2021 and 2022 and the roll out of the new fundraising housekeeping savings campaign. The impact on citizenM will of course continue to have its impact on the foundation.

As of the fourth quarter of 2021 the foundation starts receiving funds from citizenM again. We expect to host our annual fundraising cycle event in the second quarter of 2022, however this will be dependent on the limitations that are in place at the time.

Even though we continue to be heavily impacted by the virus, the board confirms that they have no reason to doubt the fact that the foundation will have adequate resources to continue in operational existence for the foreseeable future.

Budget for the year ended 31 December 2022

	€
INCOME	
- Income from citizenM	1,216,000
- Income other	153,000
Total income	1,369,000
EXPENSES	
Expenditure on objectives	
Contributions to partner organizations	1,118,000
Operating expenses	
- Outside labour expenses	45,000
- Marketing and sales expenses	30,000
- Expenses for cycle events	60,000
- Other administrative and general expenses	20,000
Total operating expenses	155,000
Sum of income and expenditures before financial income and expenses	96,000
Financial income and expenses	-2,500
<i>Balance of income and expenditure</i>	93,500

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-- financial statements --

2.1 Balance sheet Stichting citizenMovement as at 31 December 2021

	Note	31/12/2021	31/12/2020
		€	€
ASSETS			
Current assets			
Accounts receivable		558	0
Other receivables	2.4.1	28,893	0
Cash and banks	2.4.2	<u>56,847</u>	<u>125,214</u>
Total current assets		<u>86,298</u>	<u>125,214</u>
TOTAL ASSETS		<u>86,298</u>	<u>125,214</u>
EQUITY AND LIABILITIES			
Reserves and funds			
Continuity reserve	2.4.3	50,000	50,000
Earmarked project reserves	2.4.4	19,723	57,714
Fund for future cycle event	2.4.5	<u>7,500</u>	<u>7,500</u>
Total reserves and funds		77,223	115,214
Short-term liabilities			
Other liabilities and accrued expenses	2.4.6	<u>9,075</u>	<u>10,000</u>
Total short-term liabilities		<u>9,075</u>	<u>10,000</u>
TOTAL LIABILITIES		<u>86,298</u>	<u>125,214</u>

2.2 Statement of income and expenditure for the year ended 31 December 2021

		Budget for the year ended 31 December 2022	Budget for the year ended 31 December 2021	Actuals the year ended 31 December 2021	Actuals the year ended 31 December 2020
		€	€	€	€
	Notes				
INCOME					
- Income from citizenM (savings)	2.5.1	1,216,000	80,000	29,451	132,642
- Income from sponsor contributions	2.5.1	50,000	0	0	7,500
- Income other (individuals)	2.5.1	103,000	5,000	0	940
Total income		1,369,000	85,000	29,451	141,082
EXPENSES					
Expenditure on objectives					
Contributions to partner organizations / World Bicycle Relief Fund contribution	2.5.2	1,118,000	52,200	17,611	216,861
Operating expenses					
- Outside labour expenses	2.5.2	45,000	43,500	43,463	83,494
- Marketing and sales expenses	2.5.2	30,000	8,000	0	1,029
- Expenses for cycle events	2.5.2	60,000	0	0	0
- Other administrative and general expen	2.5.2	20,000	12,500	5,886	10,391
Total operating expenses		155,000	64,000	49,349	94,914
Sum of income and expenditures before financial income and expenses		96,000	-31,200	-37,510	-170,693
Financial income and expenses	2.5.3	-2,500	-2,500	-482	-2,975
Balance of income and expenditure		93,500	-33,700	-37,991	-173,668

2.3 Accounting Policies

General

Activities

Stichting citizenMovement is a foundation, founded in 2018 and has its place of business in Voorschoten, The Netherlands. The foundation is registered with the Chamber of Commerce (KVK) under number 72240954 and has been designated as an ANBI foundation. The activities of the foundation, having its legal seat at Voorschoten, Leidseweg 219, 2253 AE, primarily consist of:

Mobilizing citizens to help reduce the distance between people and their opportunities, promoting the well-being of groups and individuals in society who are in a vulnerable or special attention position and creating opportunities and creating conditions for optimal development of these groups and individuals.

General accounting principles for the preparation of the financial statements

These financial statements are prepared according to Dutch Accounting Standard RJK C1.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, the assets and liabilities are recorded at face value.

The income and expenses are allocated to the period to which they relate. Income is only recorded insofar it has been realized on balance sheet date.

Obligations and possible losses originating before the end of the reporting year, are taken into account if they have become known before the preparation of the financial statements.

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rate prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognized 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 income statement.

Estimates

When preparing the financial statements, the board is required by generally accepted accounting principles to use various estimates and assumptions in determining amounts in the financial statements. Actual results may differ from the estimates made.

Principles of valuation of assets and liabilities

Receivables, prepayments and accrued income

The receivables are included at fair value. Provisions deemed necessary for the risk of doubtful accounts are deducted.

Cash

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account upon valuation.

Reserve and funds

Continuity reserve

A continuity reserve may be formed to cover short-term risks and to provide security that the foundation can also meet its obligations in the future. The starting point is that the foundation must be able to pay the fixed cost for a period of 6 months from the continuity reserve with a minimum amount of € 50,000.

Earmarked reserve

The total of reserves and funds is presented in such a way that it shows which part is freely disposable and which part is restricted. If part of the reserves and funds has been given a more limited spending option, then in view of the objective would be allowed by the organization, this part is accounted for as an earmarked reserve.

This restriction in the spending goal may have been imposed by the board of the foundation. If the restriction as referred to in the previous paragraph has not been made by third parties, but by the board, the part of the equity thus separated is designated as an earmarked reserve (and not as an earmarked fund). The notes state the amount and limited purpose of each earmarked reserve.

Fund for future cycle event

The fund for future cycle event is restricted to be used for a future cycle event, as agreed with the sponsor.

Liabilities

Liabilities are valued at amortized cost. If no share premium, discount or transaction costs are involved, the amortized cost equals the face value of the liability.

Liabilities are classified under the current liabilities if they can be claimed within 12 months after the balance sheet date and under the long-term liabilities if they cannot.

2.4 Notes to the balance sheet as at 31 December 2021

ASSETS

CURRENT ASSETS

2.4.1 Other receivables

This item can be broken down as follows:

	As at 31-12-21	As at 31-12-20
	€	€
Income from housekeeping savings to be invoiced	28,893	-

2.4.2 Cash

	As at 31-12-21	As at 31-12-20
	€	€
Rabobank	56,847	125,214

EQUITY AND LIABILITIES

RESERVES AND FUNDS

2.4.3 Continuity reserve

The following continuity reserve has been formed as at 31 December:

	As at 31-12-21	As at 31-12-20
	€	€
Continuity reserve	50,000	50,000

The movements in the continuity reserves are as follows:

	Balance as at 01-01-21	Add	Less	Balance as at 31-12-21
	€	€	€	€
Continuity reserve	50,000	-	-	50,000
Total	50,000	0	0	50,000

2.4.4 Earmarked reserve

The following earmarked reserves have been formed as at 31 December:

	As at 31-12-21	As at 31-12-20
	€	€
Earmarked reserve WBR Projects	19,723	57,714

The movements in the earmarked reserves are as follows:

	Balance as at 01-01-21	Add	Less	Balance as at 31-12-21
	€	€	€	€
Earmarked reserve WBR Projects	57,714	-	37,991-	19,723
Total	57,714	0	-37,991	19,723

The above reserve is earmarked for projects of our partner World Bicycle Relief (WBR). Their BEEP initiative (Bicycles for Educational Empowerment Program) provides bicycles to students in developing countries to make their journeys to school shorter, and feasible.

2.4.5 Fund for future cycle event

The following fund been formed as at 31 December:

	As at 31-12-21	As at 31-12-20
	€	€
Fund for cycle event	7,500	7,500

The movements in the fund are as follows:

	Balance as at 01-01-21	Add	Less	Balance as at 31-12-21
	€	€	€	€
Fund for cycle event	7,500	-	-	7,500
Total	7,500	0	0	7,500

The fund for future cycle is restricted to be used for a future cycle event, as agreed with the sponsor.

2.4.6 Other liabilities and accrued expenses

	As at 31-12-21	As at 31-12-20
	€	€
Accrued audit expenses	9,075	10,000

[2.5 Notes to the state of income and expenses for the year ended 31 December 2021](#)

INCOME

Notes to the state of income and expenses

	Budget for the year ended 31 December 2021 €	Actuals the year ended 31 December 2021 €	Actuals the year ended 31 December 2020 €
2.5.1 Income			
- Income from citizenM savings	80,000	29,451	132,642
- Income from sponsor contributions	0	0	7,500
- Income other (individuals)	5,000	0	940

The income from citizenM savings received from citizenM Holding B.V. was lower than previous years due to the impact of COVID-19, and lower than budgeted because of the delayed launch of the new housekeeping campaign. This only started on 10 December 2021 instead of October which was expected in the budget.

2.5.2 Expenses

Expenditure on objectives

World Bicycle Relief Fund contributor	52,200	17,611	216,861
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The contribution to WBR was lower than previous years because of the lower income due to the impact of COVID-19. The contribution to WBR was lower than the budget because of the lack of revenue due to the delayed launch of the new housekeeping campaign.

	Budget for the year ended 31 December 2021 €	Actuals the year ended 31 December 2021 €	Actuals the year ended 31 December 2020 €
Operating expenses			
- Outside labour expenses	43,500	43,463	83,494
- Marketing and sales expenses	8,000	0	1,029
- Expenses for cycle events	0	0	0
- Other administrative and general expenses	12,500	5,886	10,391

The outside labor expenses consist of around 0.5 FTE recharged from citizenM Operations Holding B.V.

The marketing and sales expenses and the expenses for the cycle events are lower than budgeted, mostly because all activities were cancelled due to COVID-19.

The other administrative and general expenses were lower than budgeted mostly because the audit expenses were lower than budgeted.

2.5.3 Financial income and expenses

Financial expenses	-2,500	-482	-2,975
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The financial expenses relate to foreign exchange losses on the period between the invoicing and the payment of the contribution to WBR.

2.6 Other disclosures

Appropriation of result for financial year ended 31 December 2020

The annual report 2020 was adopted in the Foundation board meeting held on 17 June 2021.

The foundation board meeting has determined the appropriation of result in accordance with the proposal being made to that end.

Proposed appropriation of result for the financial year ended 31 December 2021.

The balance of income and expenditure over the financial year ended 31 December 2021 was

€ -/- 37,991. We propose to allocate the result to:

Earmarked reserve WBR Projects	-/- € 37,991
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The financial statements reflect this proposal.

Board remuneration policy

The board members do not receive any kind of remuneration and they do not receive any kind of expenses allowances.

Signing of the financial statements

Voorschoten, 14 April 2022

Board:

N.P. van Lookeren Campagne

H. Bijl

J.W. van Alkemade

J.A. van Egmond

3. Other information

3.1 Independent auditor's report

Reference is made to the auditor's report as included hereinafter.

INDEPENDENT AUDITOR'S REPORT

To: The board of Stichting citizenMovement

A. Report on the audit of the financial statements 2021 included in the annual report **Our opinion**

We have audited the financial statements 2021 of Stichting citizenMovement based in Voorschoten.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting citizenMovement as at 31 December 2021 and of its result for the period of 1 January 2021 to 31 December 2021 in accordance with the 'RJ-Richtlijn C1 voor Kleine Organisaties-zonder-winststreven' ('Guideline for annual reporting C1 for Small Not-for-profit Entities' of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the balance sheet as at 31 December 2021;
2. the state of income and expenditure for the period of 1 January 2021 to 31 December 2021; and
3. the notes comprising of 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 citizenMovement 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.

B. 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 board report.

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

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.

Management is responsible for the preparation of the other information, including the board report in accordance with 'RJ-Richtlijn C1 voor Kleine Organisaties-zonder-winststreven'.

C. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJ-Richtlijn C1 voor Kleine Organisaties-zonder-winststreven'. 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 entity'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 entity or to cease operations or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the entity'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 engagement 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 scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. 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 entity'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 entity'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 entity 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.

Rijnsburg, 14th April 2022

Van Wezel Audit B.V.

J.H. Didden MSc RA