



Annual Accounts 2019

Stichting Capabuild

Amsterdam



At FETA Tax Training Center with Pak Hario, Ibu Syvia and Pak Kristian

Board Report	3
Overview of 2019 Activities per Country	4
Indonesia	4
Ghana	4
Rwanda.....	5
Financial Statements.....	7
Statement of Income and Expenditure.....	8
Notes to the Balance Sheet and Statement of Income and Expenditure	9
General.....	9
Going Concern.....	9
1. Accounting Principles.....	9
1.1. General	9
1.2. Continuity Reserve	10
1.3. Special Purpose Reserve.....	10
2. Accounting Policies in Respect of the Valuation of Assets and Liabilities.....	10
2.1. Receivable and Other current assets	10
2.2. Cash and Cash Equivalent.....	10
2.3. Equity.....	11
2.4. Current Liabilities and Other liabilities.....	11
3. Accounting Principles in Respect of Result Determination	11
3.1. Income from Donations.....	11
3.2. Income and Expenditure	11
3.3. Management – and Project Cost.....	11
3.4. Other cost.....	12
Other Information	13
Appropriation of Net Result	13
Subsequent Events	13
Auditor’s statement	17
Appendix 1 Executive Board	18



COLLECTING THE PROGRESS

Board Report

Stichting Capabuild can look back at an active year 2019 with some major achievements. The activities undertaken focus exactly on the areas for which Stichting Capabuild was set up:

- improving trainings-curricula at tax training centers, and
- strengthening the capacity of tax training centers to train the trainers and their institutional clients (staff of the tax administration, tax courts, etc.).

Stichting Capabuild also succeeded in starting the involvement of the businesses that are contributing to Stichting Capabuild's training activities, thereby making it truly a Public Private Partnership instrument. Activities in Indonesia took off successfully in February 2019 and have since expanded.

With Ghana and Rwanda, meetings and consultations were held in the context of scoping the work to be done. With Ghana, these discussions need to continue in 2020, in Rwanda we expect to work out final details of our cooperation while starting a first training started already in April 2020. We are also glad to report that in September 2019 the Ministry of Foreign Affairs accorded a subsidy to Stichting Capabuild for its training activities. The subsidy will stretch over our activities in 3 years, during which the Ministry will contribute up to a maximum amount of EUR 500.000.

Stichting Capabuild's own website was launched and will be further developed together with a balanced communication strategy. Refer also hereafter under subsequent events. Part of that strategy will be the link between capacity building and the UN sustainable development goals.

Funding efforts remain ongoing, especially to secure Stichting Capabuild long term objectives and possibly compensate for any donors not continuing their support after the initial 3-year funding period (which ended December 2019).

Overview of 2019 Activities per Country

Indonesia

February 2019 Stichting Capabuild (Paul de Haan with IBFD's Victor van Kommer) visited the training center in Jakarta. We would like to thank our chair Gitte Heij and Kristian Agung for providing the lead. Stichting Capabuild established first contact with the Tax Training Center of Ministry of Finance - Financial Education and Training Agency – FETA, which is engaged in training of potentially 20.000 tax officers.

In April 2019, we started the first program Taxation issues in Digital Economy which ran from April 2019 and was concluded in January 2020 with a five day workshop presented by Prosus/Naspers on cooperative compliance and DLA Pipers on trends in indirect taxation in the digital economy.

Ghana

August 2019 Stichting Capabuild (Paul de Haan and IBFD's Anna Bardadin) met with GRA Director International Taxation during which he addressed an urgent need for support by IBFD (Tax Treaties) and by Stichting Capabuild for support in building the capacity in training within GRA. In September 2019 Stichting Capabuild (Anna Bardadin/Paul de Haan) set up a first fact-finding mission to Accra.



GRA tax office

The purpose was to make inventory of the current state of the training infrastructure and meet tax authority and other relevant parties involved in tax and development training.

Rwanda

Stichting Capabuild (Paul de Haan) invited Rwanda team to Amsterdam. An important lead came from Attiya Waris, member Stichting Capabuild Supervisory Board. The team was expanded with Premkumar Baldewsing and Louis Nouel of IBFD.

We discussed with the Rwanda Revenue Agency (RRA) Training institute representatives a program in capacity building which aligns with RRA strategic objectives. RRA visited Amsterdam and discussed with Stichting Capabuild how to develop the Training Institute by building and maintaining a high-quality learning environment. We also met with inter alia Frank van Brunschot of the Dutch Revenue Service on Dutch training methodologies and infrastructure.

2019 was still a take-off year in many respects but going from zero to three projects in one year is extremely satisfying.

As in previous years, also in 2019 Stichting Capabuild continues to look for additional donors to strengthen its financial base. It is truly clear that funds and firms are very reluctant now to move outside their current portfolio. On the other hand, there are some clear indications that the need for capacity building is gaining traction within the world. Many donors have expressed interest to invest in Stichting Capabuild's activities by contributions in kind through making resources available with deep expertise in the area of business, tax, international trade and other areas.

We have looked in diversifying our approach by explicitly linking tax capacity building with the UN sustainable development goals (SDGs). It will result in a clearer alignment of our purpose with the SDGS in a (post) Covid-19 world.

On the administrative side, we expect to give special attention in 2020 to (i) monitoring our VAT position, (ii) work out the financial specifics of cooperation with IBFD and other suppliers (iii) keeping a close watch on our overhead and (iv) streamlining our financial administrative architecture.

As a condition of the government subsidy received, as from 2020 there will be a full scope audit in place, to be performed by WITH accountants.

Financial Statements

Balance sheet	2019	2018
<i>Current assets</i>		
Receivables and other	349,203	300,000
Cash and cash equivalents	253,557	174,815
Total assets	602,760	474,815
<i>Equity</i>		
Capital		
Continuity reserve	93,544	20,000
Special purpose reserve	355,466	355,466
Result		
Total equity	449,010	375,466
<i>Current liabilities and other liabilities</i>		
Deferred Income (Foreign Affairs subsidy)	150,000	0
Other payables	3,750	99,349
Total equity and liabilities	602,760	474,815

Statement of Income and Expenditure

<i>Income</i>		
Donations	300,000	550,000
Subsidies		
Other	1,500	7
Total income	301,500	550,007
<i>Expenditure</i>		
<i>Management and project costs</i>		
Project Indonesia	28,436	
Project Indonesia Digital Economy	112,025	
Project Ghana	34,747	
Project Rwanda	28,175	
Project		117,576
<i>Subtotal project cost</i>	<i>203,383</i>	<i>117,576</i>
<i>Other costs</i>		
One off start up	0	25,666
Overhead/ professional expenses	17,461	15,221
Overhead/ Travel cost	2,128	
Overhead/ Other expenses	4,984	16,079
<i>Subtotal Overhead</i>	<i>24,573</i>	<i>56,965</i>
Total expenditure	227,956	174,541
Financial result	0	0
Result	73,544	375,466

Notes to the Balance Sheet and Statement of Income and Expenditure

General

The financial statements are drawn up in accordance with the relevant rules prevailing in the Netherlands as included in the Guidelines for financial reporting for 'Small not for profit organizations. All amounts are in Euros. The financial account is prepared on historic cost price basis.

Going Concern

The COVID-19 outbreak has developed rapidly in 2020. As explained under 'Subsequent events' below, measures taken by various governments to contain the virus have impacted economic activity.

Whilst uncertain, we do not believe, however, that the impact of the COVID-19 virus would have a material adverse effect on our financial condition or liquidity in the short and medium term.

1. Accounting Principles

1.1. General

Assets and liabilities are valued at acquisition cost or actual value. Results are allocated to the period in which they are realized. Losses are accounted for in the year they are foreseeable. Balance sheet and income and expenditure items are presented at face value, unless presented otherwise.

1.2. Continuity Reserve

This buffer – the continuity reserve – is built up for unforeseen circumstances, partial discontinuity, unexpected contingencies and uninsurable risks. It has been increased to Euro 93,544, - also in view of Post Corona contingencies.

1.3. Special Purpose Reserve

This reserve intends to earmark results, after allocation to this reserve, to be spent on the objects of the foundation within a term of maximum 3 years.

2. Accounting Policies in Respect of the Valuation of Assets and Liabilities

2.1. Receivable and Other current assets

As per balance date this amount comprises Euro 300.000 of the donations to be received from the donors for 2019. (Statements / 'invoices' to that effect have been issued by Stichting Capabuild) and Euro 49.203 of VAT refundable.

2.2. Cash and Cash Equivalent

This item consists of bank balances which are freely available to Stichting Capabuild.

2.3. Equity

The balance over the reporting year ad € 73.544 has been added to the continuity reserve.

2.4. Current Liabilities and Other liabilities

n/a

3. Accounting Principles in Respect of Result Determination

3.1. Income from Donations

Donations are justified in the year where the statement ('invoice') concerning the donations relates to. The Foreign Affairs subsidy of Euro 150.000 has yet to be used and as a result has been accounted for as deferred income.

3.2. Income and Expenditure

Income and expenditure are recognized as they are earned or incurred and are recorded in the financial statements of the period to which they relate. Losses are considered if they originate in the financial year and as soon as these are anticipated.

3.3. Management – and Project Cost

This item concerns costs of management (i.e. in so far it involves execution of policy) and costs of management relating to the programs and projects. The division in project/program costs and overhead costs

have been made based on time spent and nature of costs. Overhead is close enough to the guideline of 10% of total costs (24,573/227,956).

3.4. Other cost

The item consists of documentation, books, legal advice and accounting costs.



From top left to right: visit United Trust, workshop E-economy and Rwanda visit

Other Information

Appropriation of Net Result

Article 14 para 3 of the deed of incorporation provides that the annual accounts will be determined by the board within 6 months after the book year.

The board proposes to have the balance over 2019 ad € 73.544 allocated as follows:

- Allocation to continuity reserve € 73.544

This proposal has already been included in the balance sheet per 31 December 2019.

Subsequent Events

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. We have put in place appropriate processes to monitor and adhere to the COVID-19 prevention occupational health and safety measures to protect our staff and stakeholders, including social distancing, working from home, no air travel and limited other travel.

An immediate consequence of this crisis has been cancellation of all travel and face to face training (Indonesia and Rwanda). We will however make sure that

digitally executed training programs will be in place. We are in close contact with our customer countries and donors setting up those programs.

As stated in our memo of April 10, 2020 refer <http://www.StichtingCapabuild.org/node/57>,

‘As for Stichting Capabuild’s part in this, the travel ban will hurt us, but we will not stop with assisting tax training institutes and we are working with our donors and IBFD to look for online courses, webcasts, podcasts and webinars with the challenges of internet speed firmly in mind. Now is the time for solidarity with developing countries, rethinking of systems and ... generosity.’

Covid-19 crisis and board changes

With the crisis, a strategic difference of views within the Executive Board (‘EB’) manifested itself. Part of the EB wanted to cease all activities during Corona crisis and part of the board wanted to increase the activities significantly. Furthermore the 3- year term of two of the board members was almost completed. The Supervisory Board (‘SB’) was asked to intervene. The SB strategically supported the view that Stichting Capabuild will have to adjust its back office and offering in such a way that our customers can be serviced to help them more and better during these difficult times. This resulted in a pragmatic and effective solution: the EB members decided to collectively step down and Gitte Heij as chair of the SB was appointed as chair of the EB as of May 5th 2020. Of the former board members Paul de Haan continued working with notably Gitte Heij to jumpstart the transformation of Stichting Capabuild’s method of delivery in a digital world. A new treasurer – Jan van Trigt - joined the EB June 9 2020.

In due course Stichting Capabuild will consult with IBFD to effectuate their candidate(s) for the EB.

Stichting Capabuild expresses its gratitude to former EB members, Wiebe Anema and Anna Bardadin for their contributions to Stichting Capabuild. Anna Bardadin was one of the co-founders of Stichting Capabuild and her role has been crucial in the establishment phase of Stichting Capabuild. Wiebe Anema made a valued

contribution to Stichting Capabuild with his in-depth experience with the Dutch Government Department of Foreign Affairs and development aid.

Increase of online activities and use of IT platforms since May 5th, 2020

Face to face meetings may still be the best form of training but now we need to focus on second best, i.e. digital training programs. In fact – ironically – this second best – option may be an opportunity for us to expand our reach significantly by getting a better balance of blended learning between use of digital platforms and face to face training in due course. ‘Digital’ saves time and money – no travel, real time workshops – and money – no travel cost. This requires:

(1) Stepping up our back office, i.e. we are implementing Microsoft 365 to work in teams and store data, Exact accounting software for the books and financial accounting and an interface with our bank account, online communication strategy guided by experts like Never2nd and transformation of our Drupal website into Wordpress (done by suppliers Never2nd and Mustard SA).

In June 2020, Maarten Melis RA has gracefully accepted a role as (audit) counsel to Stichting Capabuild to help with financial architecture and reporting.

(2) Frequent contact with our customers on their needs and possibilities like IT platforms, use of different software to improve learning outcomes;

(3) Contact with our donors to assist *us* in assisting our customers. So far nearly all our donors have expressed a willingness and ability to work with us to develop programs, execute programs and exchange technology experiences and

(4) Stichting Capabuild presenters are currently receiving intensive training under the guidance of an online teaching specialist how to make best use of the digital tools available to provide the most engaging online learning experience.

Currently we are working on a large one-week webinar program in Zoom with Indonesia on Trade Tax and treaties with high level representatives of 10 departments of the Indonesian Government, so most non-tax officials. For that purpose, we – Gitte Heij, Prekumar Baldewsing (IBFD) and Paul M de Haan -

participated in an internal workshop and did an opening presentation in June 2020. The outcomes of that one-week workshop serve as a basis for the August follow up one week interactive and tailored webinar. We expect to set up a transfer pricing online workshop later in 2020 with the Rwanda Tax Training Center.

Amsterdam, [1st of July] 2020

On behalf of the Executive Board

Gitte Heij & Jan van Trigt

Auditor's Statement



Stichting Capabuild
Rietlandpark 301
1019 DW AMSTERDAM

ACCOUNTANT'S COMPILATION REPORT

To: Stichting Capabuild

The financial statements of Stichting Capabuild at Amsterdam have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2019 and the profit and loss account for the year 2019 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with the accounting policies as included in Guideline C1, Small organizations-without-profit objectives. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Stichting Capabuild. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening Gedrags- en Beroepsregels Accountants" (VGBA, Dutch Code of Ethics). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Was signed, The Netherlands, Amersfoort, July 17, 2020.

WITh accountants B.V.
Drs. P.J.C. Luttkholt-Weijers RA

Correspondentie
Postbus 327
3360 AH
Sliedrecht

☎ 0172 - 750 175
✉ info@withaccountants.nl
@ www.withaccountants.nl
🐦 @withaccountants

IBAN NL71 INGB 0667 8301 62
KvK 28112484

Appendix 1 Executive Board

Gitte Heij



Gitte Heij (PhD Law, MA Tax Law, University of Groningen) started her career with ING Bank before moving into research and advisory work for governments and companies around the world. For over 20 years she worked on a wide range of tax and public/fiscal policy projects in the Asian region funded by Energy Institute Beijing, ALNG, law and accounting firms, Australian Tax Office, AusAID, Ministry of Finance Indonesia, Asian Development Bank, Ministry of Justice Vietnam, Ministry of Finance East Timor, IMF, GTZ, Australian Federal Attorney General's Department and the OECD.

She is a passionate futurist/foresighter (Grad Cert Strategic Foresight, University of Houston 2014). For her 2016 publication 'Anybody out there? The future of tax', she received a Grad Cert of Achievement from the University of Houston. She has presented her work on futurism and law, particularly tax law, for Australian Tax Office, TEDX Salon, universities, not for profit organisations, companies in Australia and Europe, OECD Foresight Community, and senior government officials around the world. She is an experienced teacher affiliated with Murdoch University and the Asian Law Centre at Melbourne University and an active member of the OECD Government Foresight Community Network and the International Public Sector Foresight Network.

Jan van Trigt



Jan studied economics and tax at the Erasmus University Rotterdam before starting his career with the Dutch Revenue Service. In 1989, he joined the tax practice of Arthur Andersen which transferred into Deloitte in 2002. He worked for many clients active in international business and served in many significant leadership roles within Andersen and Deloitte in the Netherlands, in EMEA and at a global level.

Jan has a broad range of interests and has proven track record in leading small and large groups of professionals with a variety of specialisms. Jan left Deloitte in 2018 and he is now active in (non-tax) advisory work for a small and larger organisation, amongst others on management topics and energy transition. Jan has a passion for public policy and business. In serving Stichting Capabuild he combines his 30 years' experience in the world of tax, international business and management.