



capabuild

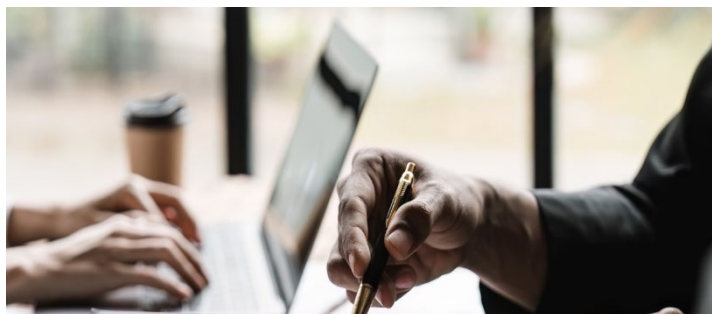
# ANNUAL REPORT 2023



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# BOARD REPORT



## Board Report

### Introduction

Capabuild proudly embraces its tripartite nature. This multilateral approach is preserved in the 2015 Addis Ababa conference and is supported by all our donors, including the Dutch Ministry of Foreign Affairs. For Capabuild, tripartite means a cooperation between public and private parties built on the foundation of a knowledge platform. Capabuild has a cooperative agreement with the Committee on Fiscal Studies (CFS) University of Nairobi (see <https://cfs.uonbi.ac.ke/>). It also works very closely with the Indonesian Government's tax education and training center, FETA. FETA is a large organisation with its own in-house university PKN Stan. Capabuild is very proud of its ongoing relationship with FETA/PKN Stan that is reflected in its activities.

The active in-kind training contributions of our private industry donors increases our reach substantially and meets the demand of our customers. Our partner agencies consistently express an interest in learning more from the private sector; what drives and motivates business is essential understanding for revenue authorities. The activities to date have taught us the benefits of private industry presentations -preferably by those with training experience and up-to-date content knowledge - focusing on how to create an attractive fiscal climate that also provides for the revenue mobilisation necessary to build stable societies. This requires experts who can provide tax knowledge in the broader context of creating an efficient investment climate.

## Preparing for the next five years

In line with the requirements of the Dutch Ministry of Foreign Affairs, we submitted our workplan for 2023. In March 2023, in close consultation with the Dutch Ministry of Foreign Affairs, both parties agreed that for a range of reasons, in particular, given the aim of scaling up activities, it would be preferred to extend the current subsidy by two years with the Ministry rather than applying for a new subsidy (that Capabuild had already prepared). This allows Capabuild to explore new private sector donors in line with its longer term view of expansion and growth. This was a solution that satisfied both parties. The extension of the existing agreement was formalised in October 2023, but due to reasons beyond any party's control, the government subsidy the first installment was only paid in November 2023. The core group of Capabuild sponsors is very stable and support us through providing training advice, preparation, presentation and assisting Capabuild in its growth trajectory. A legacy from the past that we are in the process of rectifying is ensuring that our sponsors donate in the financial year they commit themselves to. In the past invoicing would take place retrospectively after the end of the relevant financial year.

Capabuild takes pride in its prudent management. It is an organisation without any long term obligations or overheads with only one 0,5 part-time employee. Due to an improved project management structure created in 2022, a further reduction of costs was achieved and a more streamlined delivery of learning.

It is a young organisation that has no large equity reserve to bridge cash flow. Moreover, it operates in a sector where circumstances can change (as the COVID outbreak illustrated), and until the funds are received, it will not commit to spending those funds. In 2023 we demonstrated that as a resilient organisation we have the flexibility to work with a lean budget that delivers great outcomes.

This is reflected in having 1200 learners accessing the training as viewers on Pillar 1 and 2. Over 4000 learners using our Tax Agregator Portal for users accessing autonomous learning resources on environmental taxes, domestic and international taxation, digital taxation and tax administration across the world, with most learners (3000) coming from a range of countries in Asia and Africa.

In seeking to widen both scope and operations, the year focused on :

- I. enhancing our profile to potential donors,
- II. commencing dialogue on new activities, particularly in:
  - a) French-speaking Africa,
  - b) Countries with a strong extractive sector

setting Capabuild up to scale activities as per our strategic work of 2022.

## Enhance our profile to potential donors

Our existing partners are always available for support in providing trainers, knowledge and facilitation, and we are open to new partnerships on the same or differing models. It is normal that corporate sponsors may end their financial contribution after a certain number of years when reviewing their CSR programs or when setting new priorities through economic difficulties. Many multinationals are focusing on the new European Union requirements for environmental, social and governance guidelines and trying to figure out their priorities and where tax fits in. These guidelines are not always clear and multiple sets of guidelines have been issued. Most multinationals are at the start of implementing these guidelines, often prioritising the more prominent outcome of environment over social and governance.

Capabuild has increased the ways in which we develop relationships with new sponsors. There has been a strong demand by revenue services in lower to middle income countries to provide capacity building for the extractive sector. This relates to a global trend of focussing on reform of the extractive sector as a vital contributor to greener economies, renewable sources of energy and the storage of energy.

Tax sits within this broader area of reform and there is an awareness that extractive companies as good corporate citizens will make for fairer outcomes for all. This demand covers broad areas of tax including, but not limited to:

- a) Corporate taxes,
- b) taxes on mining company goods and trade (excises, customs duties, and export taxes),
- c) environmental taxes,
- d) licence fees, regional and local taxes, AND Royalties.

These topics include a wide range of training activities conducted by Capabuild over the last five years such as:

- Transfer pricing training.
- Methods of dealing with treaty shopping.
- Methods of taxing the digital economy.
- Methods of improving domestic legislation in preventing tax avoidance by multinationals.
- Best practice and most innovative methods for conducting good audits of multinationals when tax auditors have limited resources.
- Methods of negotiating international tax agreements; guidelines, tactics and examples from like countries.
- The tax aspects of critical minerals in a rapidly changing environment, dominated by foreign investors.
- Product Sharing Contracts, how they interact and impact tax revenue from the mining sector.
- The relationship between ultimate beneficial ownership and international tax.

- Tax evasion how can we find out the ultimate beneficial ownership?
- Identifying and preventing Illicit flows of funds.

We have identified that many companies active in the mining sector are required to commit to mining governance codes and guidelines, knowledge and support in which align with Capabuild's activities. In this context the mining sector is more in sync with Capabuild than many multinationals in other sectors.

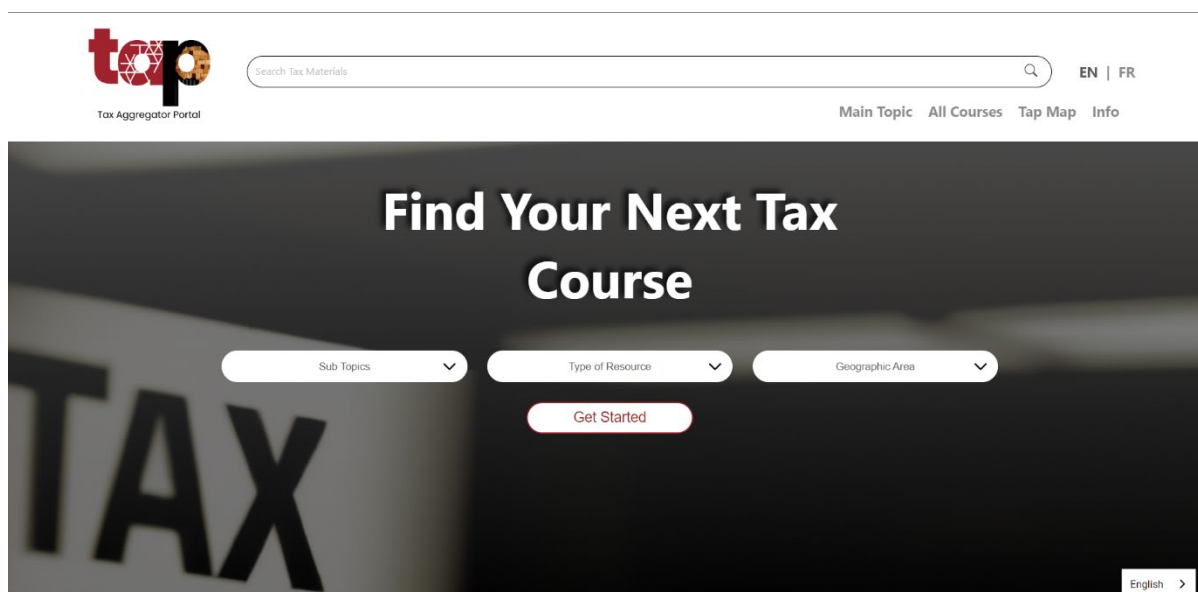
### **A flavour of our training focussed activities in 2023**

- Workshop with CFS on Visioning a new financial landscape for Africa using foresight tools for mobilisation of domestic revenue. Over 30 people from across the African continent participated in this course.
- The Indonesian Polytechnic of State Finance STAN (PKN STAN) is a Polytechnic managed by the Financial Education Training Agency (FETA) under the Ministry of Finance. Acknowledging the important role that PKN STAN fulfills for FETA and tax training activities for the Ministry of Finance, and that selected FETA trainers are also involved with PKN STAN, we pursued the opportunity to provide tailored training. The far reach of PKN STAN, including an outstanding YouTube channel (10,000 people subscribe to the channel and up to 3000 people view each video recording) means that our offerings have been heavily scaled. In 2023 we continued working with Indonesia PKN STAN - on proposed Pillars One and Two by the OECD in a webinar titled Global Pillars Local Values. Over 670 participants joined this activity and a further 2000 + viewed the YouTube version of this event. The input of our long term donor Deloitte Netherlands was much appreciated as was the in-kind contribution by senior tax expert of Unilever.

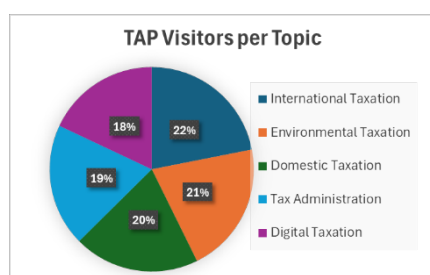
Our work over the last five years in capacity building resulted in the formal launch of two large online initiatives our [Tax Aggregator Portal](#) and our online [Transfer Pricing Course](#). Both allow for tax professionals and interested students to work separately at different times using recorded lessons or our portal to access training and capacity building material, this is also known as asynchronous and / or autonomous learning and has been made free to use for our large network.

- In 2022 we commenced the development of a standalone free online on demand course in Transfer Pricing (TP) based on material of earlier 2022 workshops. In 2023 we made the free online course available via the CFS website. Together with other courses we have conducted with CFS over the last five years. We expect official certification of the TP course to be finalised in 2024.
- Over the last five years Capabuild has initiated many tax trainings in the global south with our ecosystem of experienced and skilled tax experts. Since spring 2020 all these events have been through innovative online real time trainings. In transitioning to this

mode of delivery we recognized there is no global overview of online on demand tax trainings. In 2022, Capabuild and our knowledge partner CFS Nairobi took the initiative to work on this, especially with an eye for use by new tax experts in the global south.



In 2023 we formally launched this database with free access for all interested people working within tax. The TAP has had input from FETA, Capabuild donors, CFS researchers and CFS advisers, partners in our ecosystem, colleagues from revenue authorities we work with, private sector input, input from our donors. The product was specifically designed and created to allow for users from the global South to explore resources and the partnership with CFS and FETA was vital as their knowledge guided the project’s structure and final product. The use of the TAP has exceeded our expectations and at the end of 2023 over 4000 learners had explored one or more topics covered in the portal. The interest in environmental taxes was much higher than we expected.



In 2023 we commenced our initial pre feasibility work into French speaking Africa as we view this as an area with high demand and limited access to demand driven capacity building.

We would like to express our gratitude to all people and organisations that contributed to the Capabuild Foundation in 2023. This public private partnership is one of its kind in the area of tax and demonstrates that solutions are found by working together and making every effort to understand each other's view points and priorities.

**On behalf of the Executive Board**

**Gitte Heij**

**Jan van Trigt**

**Chair**

**Treasurer**



## Financial Statements

<b>Balance Sheet</b>	<b>31 December 2023</b>	<b>1 January 2022</b>
<b>Fixed assets</b>		
Equipment	6.032	6.885
<b>Current assets</b>		
Work in progress	22.379	31.673
Receivables and other	88.291	133.534
Bank	58.796	23.533
	<hr/>	<hr/>
	175.498	195.625
<b>Equity</b>		
Continuity reserve	37.127	93.545
Special purpose reserve	16.894	16.894
<b>Total equity</b>	<hr/>	<hr/>
	54.021	110.439
<b>Provision holidays</b>	683	5.572
<b>Current liabilities</b>		
Deferred income	20.525	-
VAT	14.520	
Payroll tax	1.500	1.872
Other payables	84.248	77.743
	<hr/>	<hr/>
<b>Total equity &amp; liabilities</b>	175.498	195.625

<b>Statement of income and expenditure</b>	<b>2023</b>	<b>2022</b>
<b><i>Income</i></b>		
Income from sponsors	102.850	109.144
Subsidies	50.000	305.647
Other	127	-
<b><i>Total income</i></b>	<b><i>152.977</i></b>	<b><i>414.790</i></b>
<b><i>Expenditures</i></b>	88.402	417.308
<b><i>Other costs</i></b>		
Depreciation	1.969	822
Salaries	31.239	17.147
Overhead/ professional expenses	59.105	57.493
Overhead/ Travel	10.390	6.773
Overhead/ other expenses	17.662	12.124
<b><i>Total other costs</i></b>	<b><i>120.366</i></b>	<b><i>94.359</i></b>
<b><i>Total expenditure</i></b>	208.768	511.667
financial result	-627	-1.036
Balance	<b>-56.417</b>	<b>-97.912</b>
Movement in continuity reserve	<b>56.417</b>	-
Movement in special purpose reserve	-	97.912
	0	0

**Cash flow statement**

	<b>2023</b>	<b>2022</b>
<b>Bank at 1 January</b>	<b>23.533</b>	<b>363.336</b>
<b>Result</b>	-56.417	-97.912
Depreciation	1.969	822
movement in Work in progress	9.294	10.887
movement in Receivables and other	45.243	36.458
Deferred income movement	20.525	-305.647
movement in other current liabilities	20.654	15.444 +
<b>Operational Cashflow</b>	<b>41.268</b>	<b>-339.948</b>
Investments in fixed assets	-1.117	347 +
<b>Cashflow from investments</b>	<b>-1.117</b>	<b>347</b>
<b>movement in provisions</b>	<b>-4.889</b>	<b>-202</b>
Equity movement other than from result	-0	- +
<b>Financieringskasstroom</b>	<b>-0</b>	<b>- +</b>
<b>Total Cash Flow</b>	<b>35.263</b>	<b>-339.803</b>
<b>Bank at 31 December</b>	<b>58.796</b>	<b>23.533</b>

## Notes to the Balance Sheet and Statement of Income and Expenditure

### 1. Stichting Capabuild

#### General

Stichting Capabuild is incorporated under Dutch law on 15 May 2017. Through Capabuild a tripartite set-up is realised between knowledge platforms in the field of international taxation, the private sector represented by a number of Dutch businesses, and the Dutch Ministry of Foreign Affairs. Capabuild has been initiated because (1) there was an urgent need in developing countries to get more tax knowledge and (2) the Netherlands is traditionally a centre of excellence where it concerns international tax know how.

Capabuild is registered with the Dutch Chamber of Commerce under number 68758766. In the course of 2020, the office address was moved from Amsterdam to Stationsplein 45 in Rotterdam. Capabuild has currently three members of the Supervisory Board and two members of the Executive Board.

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 organisations'. All amounts are in Euros. The financial accounts are prepared on a historic cost price basis.

#### Going concern

The year 2023 was a year of prudent management. The year 2022 was the last year of the 2019-2022 subsidy grant from the Ministry of Foreign Affairs. It was during 2023 agreed with the Ministry of Foreign Affairs to extend the subsidy grant with two years, 2023 and 2024. The Ministry committed an addition of the subsidy of EUR 100.000 of which the first installment of EUR 70.525 was received in November.

Capabuild is a young organization and showed great resilience due to its flexible cost base and scalable production methodology. After strong growth in 2022, the year 2023 was a year of focus on continuity. This was possible due to the ongoing engagement of our corporate donors, the collaboration agreement with the Committee on Fiscal Studies of the University of Nairobi and the continued support of the Dutch Ministry of Foreign Affairs. Capabuild's ecosystem of sponsors, facilitators, trainers and others remained stable and fully operational. Capabuild is in discussion with various potential sponsors and is progressing well its discussion with a large international foundation in the extractive sector.

### 2. Accounting principles

#### 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.

### Continuity reserve

This buffer – the continuity reserve – is built up for unforeseen circumstances, partial discontinuity, unexpected contingencies, and uninsurable risks. The result of 2023 was largely impacted by lower production and a strong focus on the funding of Capabuild. Consequently the result of 2023 ( EUR -/- 56.417) was absorbed by the continuity reserve.

### Special Purpose reserve

This reserve intends to earmark results, after allocation to this reserve, to be spent on the objectives of the foundation.

## 3. Notes to the valuation of assets and liabilities

### 3.1 Equipment

Most equipment is from investments made in 2020 and 2021. In 2022 only a small investment was necessary. Almost all investments relate to online delivery model. One TV screen was alienated. Depreciation is linear in 5 years to nil residual value. Depreciation is calculated as of the month of investment.

<b>Equipment</b>	2023	2022
2 laptops	1.906	-
iPad		966
bookvalue screen sold	-360	
Bookvalue previous year	6.885	8.053
total investments in equipment	8.431	9.018
depreciation in project costs	-410	-1.311
depreciation in overhead	-1.988	-822
Bookvalue 31 December	6.032	6.885

### 3.2. Current assets

The movement in Capabuild's work in progress is as follows:

<b>Work in progress</b>	31 dec 2023	capitalised in 2023	delivered in 2023	write off in 2023	31 dec 2022
7- Nigeria Transferpricing	-	0		-4.068	4.068
16- Kenya TAT Introd Indirect tax wip	3.922	-			3.922
17- Indonesia FETA Negotiations Tax treaties	8.761	-		-5.841	14.602
18- Rwanda Digital Economy wip	3.086	-			3.086
23- TP on demand	5.029	193			4.836
24- Tax treaty practices East Africa and Gulf region	429	30			399
25- Courses French speaking Africa	842	82			760
28. Niger	-	-			
29- Open Society Monit. & Evaluation	-	-			
30 - Kenya CFS Financing Africa	-	-			
31- PKN Environmental tax	311	311			
	22.379	615	-	-9.909	31.673

As described in this schedule we have made an assessment of the expected value of the older projects 7 and 17.

The receivables consist of the following.

<b>Receivables</b>	2023	2022
Donors	85.500	125.000
VAT		8.534
Other debtors and deferred costs	2.791	-
	<u>88.291</u>	<u>133.534</u>

The VAT position at year end is a payable (EUR 14.520).

### 3.3 Cash and cash equivalent

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

### 3.4 Equity

The negative result over the reporting year ad EUR 56.417 has been absorbed by the continuity reserve.

<b>Special purpose reserve</b>	2023	2022
Balance Sheet 1 January	16.894	114.806
Result current year		-97.912
Balance Sheet 31 December	<u>16.894</u>	<u>16.894</u>

The special purpose remains unchanged at EUR 16.894.

<b>Continuity reseve</b>	2023	2022
Balance Sheet 1 January	93.545	93.545
Result current year	-56.417	
Balance Sheet 31 December;	<u>37.127</u>	<u>93.545</u>

The result of 2023 has been absorbed by the continuity reserve.

### 3.5 Provision for holidays

Capabuild employs one part time office manager who is entitled to paid holidays. The provision for holidays (2023: EUR 683 ; 2022: EUR 5.571 ) is based on the accrued number of holidays valued at the regular salary. Holiday allowance is paid monthly.

### 3.6 Current Liabilities

Capabuild has no long-term debt or any outstanding loans.

The subsidy received from the Ministry of Foreign Affairs of EUR 500.000 received in 2019 (150.000), 2021 (350.000) and 2023 (70.525) has been accounted for as deferred income. In 2024 the remaining EUR 29.475 of the additional subsidy of EUR 100.000 can be expected. The movement schedule is as follows:

<b>Deferred income</b>	2023	2022
Balance Sheet 1 January	-	305.646
add Received subsidy	70.525	
less Subsidy from current year	-50.000	-
less Release deferred income in 2022		-305.646
Balance Sheet 31 December	20.525	-

For further details see paragraph 4.1 hereinafter.

The other current liabilities are as follows:

<b>Other payables</b>	2023	2022
Creditors	26.245	8.332
Accrued liabilities	58.003	69.411
	84.248	77.744

Creditors are mainly the prepaid rent and service fee, insurance premium, costs incurred by our auditors and some expenses. The accrued liabilities mainly consist out of the fees for consultancy work of the executive board members that have been approved by the supervisory board but not invoiced nor paid. A small part of the accrued liabilities relates to remuneration of two members of the SB. Reference is made to 4.4 notes on board remuneration as included in this financial report. Other accrued liabilities are the remuneration of the part time employee for hours worked in December which are due to be paid in the next month.

## 4. Notes to the Statement of 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.

### 4.1 Income from sponsors and subsidies

Donations are reported in the year where the statement ('invoice') concerning the donations relates to.

<b>Income from sponsors and donations</b>	2023	2022
Sponsors in cash	100.000	100.000
Donations in kind	2.850	9.144
	102.850	109.144

Over 2023 the group of sponsors remained unchanged. As in previous years, sponsors were also more than willing to commit with their experience and tax experts to contributions in kind. These have been calculated for the hours spent valued at a rate acceptable in development aid. We applied EUR 950 per day which is based on our normal rates external facilitators are remunerated. Market value in tax might be substantial higher than aforementioned amount. Total contributions in kind were valued

at EUR 2.850. The reduction was caused by the lower volume of our program in 2023. The offer from tax experts and sponsors to participate remains strong.

Capabuild has been granted a subsidy in principle by the Ministry of Foreign Affairs for activities in the period 1 October 2019- 31 December 2022. The activities are defined as follows: Contribute to revenue mobilisation in developing countries through knowledge building while ensuring a sufficiently attractive fiscal climate for the private sector. To strengthen tax academies, so that they actively contribute to capacity building with the country's tax strategies and administration.

During the covid years Capabuild completely renewed its delivery model of tax trainings. Also in 2023 no trainers or facilitators travelled to the country for which the project was designed and delivered. Capabuild fulfilled all criteria as mentioned under the subsidy decree and provided by the new delivery model. Consequently all deferred income from the original EUR 500.000 subsidy was released in 2022 ( EUR 305.647).

During 2022 and continued in 2023 Capabuild discussed with the Ministry of Foreign Affairs the extension of the 2019-2022 subsidy decree until December 2024. This request was approved by the Ministry on October 2, 2023. An additional subsidy of EUR 100.000 was granted for 2023 and 2024 of which EUR 70.525 was received on 14 November 2023. The remaining amount of EUR 29.475 can be expected in the course of 2024. Clarification was given on the financial requirement as set forth by the Ministry. Key requirement is that the revenue of Capabuild is for at least 2/3 funded by private industry. Capabuild meets this requirement. The calculation is as follows:

total revenue from private industry 2019-2022	1.149.815	
revenu from private industry 2023	100.000	
revenu from private industry 2024	<u>pm</u>	
	1.249.815	67,56%
total subsidy ministry of foreign affairs 2019-2024	<u>600.000</u>	32,44%
Total revenu 2019-2024	1.849.815	

Since the financial requirements has been met, the additional subsidy 2023-2024, total EUR 100.000, is for 50% income for the financial year 2023. The other 50% will be reported in 2024. The already received EUR 70.525 minus the EUR 50.000 is deferred income in the Balance sheet.

## 4.2 Project costs

All costs of a project are allocated to the project. This includes costs of facilitators, travel, production team, accommodation, equipment and related. Also, an allocation of general costs of the Capabuild organisation is allocated to the projects. This allocation is in accordance with the subsidy decree but at a lower ratio (60% since 2021) than the starting point mentioned in the subsidy request which was the basis for the subsidy decree (approx. 90%). The lower ratio applied has been made possible to higher efficiencies of the current Capabuild organisation. The year 2023 shows lower volume of production but with a wider reach.



<b>Project expenditures</b>	<b>2023</b>	<b>2022</b>
Salaries	14.432	14.778
Travel	70	1.108
Production & Accomodation	2.942	17.544
Facilitators and other freelancers	30.389	216.589
Representation costs	-	691
Allocated indirect costs	28.700	150.426
<b>Total costs projects</b>	<b>76.533</b>	<b>401.136</b>
Other	2.575	5.285
<b>Total project expenditures</b>	<b>79.108</b>	<b>406.421</b>
Work in progress movement	-615	10.887
write off projectcosts capitalised in previous years	9.909	
<b>Total project costs</b>	<b>88.402</b>	<b>417.308</b>

The breakdown of project expenditures over projects delivered in 2023 is as follows:

<b>Expenditures per project</b>	<b>Expenditures 2023</b>	<b>Expenditures 2023 capitalised as work in progress</b>	<b>work in progress from previous years delivered in 2023</b>
17- Indonesia FETA Negotiations Tax treaties	63		
23- TP on demand	193	193	
24- Tax treaty practices East Africa and Gulf region	30	30	
25- Courses French speaking Africa	82	82	
27. Indonesia PKN Stan Global pillar meet local value 5/23	23.069		
28. Niger	89		
29- Open Society Monit. & Evaluation	89		
30 - Kenya CFS Financing Africa	1.182		
31- PKN Environmental tax	311	311	
01 - Innov. Tax Knowledge Access portal	51.426		
<b>Project expenditures 2023</b>	<b>76.533</b>	<b>615</b>	<b>-</b>
Expenditures 2023 to be capitalised as work in progress	-615		
Work in progress on projects from previous years delivered in 2022	-		
<b>Costs projects delivered in 2023</b>	<b>75.918</b>		
write off projectcosts capitalised in previous years	9.909		
	85.827		
Other project costs - non allocated-	2.575		
<b>Total project costs</b>	<b>88.402</b>		

As 2022 was a record year in production of our projects, the year 2023 shows a lower volume: 2023 EUR 88.402 vs. 2022 EUR 417.308. This prudently managed reduction was caused by the lower funding available mainly due to the fact that the subsidy was only decided in October 2023 and first installment was received in November. It would have been irresponsible to plan activities without certainty of funding. Therefore Capabuild is also in process of changing its practice of the timing of the invoicing of the corporate sponsors. As of the beginning of Capabuild, invoices were sent to our sponsors was after the year was closed. We are in process of changing this practice into an invoicing during the year.

### 4.3 Other costs

As other costs all costs are included that have not been allocated to the project costs.

Under other costs are consultancy expenditures included which were required to be made to enable Capabuild to operate as an independent organisation. Also included in other costs are the small office and related office services rented from CIC Rotterdam. Since 2023 was a year with low production volume and focus on future funding, the overhead% was incomparable to normal years: 61% (2022: 18,26%). No costs have been capitalized.

Stichting Capabuild has since summer 2020 one part time employee as office manager. In 2023 there were hardly on-call workers. Total costs of employees are as follows:

	2023	2022
Salaries & wages	41.062	50.387
Social security contributions	7.816	9.744
Other costs (travel allowances)	1.610	1.437
	<u>50.488</u>	<u>61.568</u>

Other items included, documentation, books, legal advice, office software subscriptions, insurance premiums, legal assistance, consultancy, accounting and audit costs.

### 4.4 Remuneration of the board members

Remunerations of members of the Supervisory Board have been introduced in 2023. The remuneration is in principle EUR 3.000 per annum per member and EUR 5.000 for the chair). There is also a limited remuneration is available for certain specific projects or tasks. The costs are included under overhead/ professional expenses.

The members of the Executive Board are not remunerated for their policy setting activities. The executive board members Gitte Heij and Jan van Trigt were appointed in May and June 2020 respectively and are equally not remunerated for their policy setting activities. They have also been active for Capabuild in executing Capabuild's strategy to operate as an independent organisation and for Capabuild in training projects. The remuneration for these operational and training roles will be invoiced via their respective management companies against Capabuild's normal rates (EUR 950 per day) that were agreed in 2017 for similar comparable roles. Based on the low production of projects in 2023 and the focus on future funding the executive board members and Capabuild agreed to a reduction of approximately 60% of the remuneration for the year. This agreement on the reduction works as follows: the remuneration would have been EUR 77.039; it was reduced to EUR 30.000. An amount equal to the reduction (EUR 47.039) of the fees will become due only if Capabuild will be liquidated when growth to a larger scale is not possible and all creditors have been paid and all obligation have been met.

### 4.5 Financial result

The financial result includes mainly bank charges and some interest compensation. In 2023 a TV screen which was not used anymore was sold with a small profit.

## 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 2023 EUR -/- 52.382 allocated to the Continuity reserve. This proposal is already included in the figures of this annual report.

## Reporting regarding code of conduct and other compliance matters

During 2023 there was no case of violation of our code of conduct or compliance obligations.

## Subsequent Events

### **1. Confident on expanding of Capabuild's funding**

In 2023 the board has been active in exploring new funding for 2023 and onwards. This includes detailed conversations with corporations and certain foundations. In spring 2024 there has been an intention expressed by a global foundation to sponsor Capabuild. Details and agreements are now in process. The board is confident that working with this foundation will progress and added to our group of sponsors and donors. It would significantly expand the funding of Capabuild.

### **2. New composition supervisory board**

Theo Groeneveld resigned from Supervisory board as per 1 February 2024. Theo has been with the board as of the start of Capabuild. We had the privilege to work with Theo as a strong independent thinker and learn from his ability in approaching issues from diverse perspectives. Capabuild is delighted that Theo will remain active in our eco system as an independent advisor.

The Supervisory board appointed Jos Beerepoot as a new member of the board in her 2 April 2024 meeting.

### **3. Amendment of the articles of association**

In a joint Executive and Supervisory Board meeting in April 2024 it was decided to update the articles of association to have it more in accordance with the evolving changes in Dutch corporate law and practice.

## INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board of Stichting Capabuild

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

#### **Our opinion**

We have audited the financial statements 2023 of Stichting Capabuild based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Capabuild as at 31 December 2023 and of its result for 2023 in accordance with the RJ-Richtlijn C1 'Kleine organisaties-zonder-winststreven' (RJ-Richtlijn C1, guideline for annual reporting for small non-profit organizations) of the Dutch Accounting Standards Board.

The financial statements comprise:

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

#### **Basis for our opinion**

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

We are independent of Stichting Capabuild 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 2023 annual report**

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

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

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the board's report and the other information as required by the Guideline for annual reporting C1 'guideline for annual reporting for small non-profit organizations'.

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 consolidated financial statements.

The board is responsible for the preparation of the other information in accordance with the C1 'guideline for annual reporting for small non-profit organizations'.

### **Description of responsibilities regarding the financial statements**

#### ***Responsibilities of the Board and the Supervisory Board for the financial statements***

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the C1 'guideline for annual reporting for small non-profit organizations'. 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 company'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 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 company's ability to continue as a going concern in the company financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

#### ***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 company 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 the Board;
- concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 company 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 company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory 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.

Was signed Amersfoort, 24 February 2025.

WITh Accountants B.V.  
Drs. P.J.C. Lutikholt-Weijers RA

## Appendix Supervisory Board

### Attiya Waris

#### Kenya



Professor Waris is Deputy Principal, College of Humanities and Social Sciences; Director of Research and Enterprise and Associate Professor of Fiscal Law at the Law School, University of Nairobi in Kenya and Chairperson, Committee on Fiscal Studies. She holds a PhD in Tax Law and Development from Lancaster University, UK and two Master of Laws one in Human rights and Democratisation in Africa from the University of Pretoria in South Africa and another in Business and Commercial Law from the University of London. I hold an Undergraduate Law degree from the University of Nairobi. She is both a DAAD scholar and a scholar of the European Union. Professor Waris is an Advocate of the High Court of Kenya and a member of the Chartered Institute of Arbitrators (UK) and a Certified Public Secretary (Kenya). She comes from a strong mixed practitioner and academic background having worked in several countries in Africa in various diverse institutions including law firms, Non-Governmental Organisations as well as the United Nations International Criminal Tribunal for Rwanda. She specialises in tax policy and legislation and its analysis in research as well as in its practical analysis and application within the context of negotiations with revenue authorities and before tribunals and the judiciary in Africa.

### Theo Groeneveld

#### The Netherlands



Mr Groeneveld studied notarial and tax law in Leiden and was a justice in the Court of Appeal in The Hague since 2010. Before that he was, among other things, a member of the Council for the Judiciary and advocate-general with the Supreme Court of the Netherlands (Tax Division). In 2011 he was appointed as justice in the Supreme Court of the Netherlands. The Supreme Court of the Netherlands, officially the High Council of the Netherlands, is the final court of appeal in civil, criminal and tax cases in the Netherlands. Since his retirement in 2018, he provides advisory services and mediation services. Theo resigned from supervisory

board on February 2024 but remains available as external advisor in Capabuild

## **Martina Kampmann**

**Germany**



Martina Kampmann is an experienced development policy specialist and futurist, with academic background of political science, socio-economic geography and history (Master of Arts from Ludwig-Maximilian University of Munich). She was working for many years at a German international cooperation agency with emphasis on capacity development and she was a senior manager at an international organisation based in Paris. She is now part of a Strategic Foresight consultancy (4Sing GmbH) and of other international networks, promoting participative future strategy development, experimenting also with serious virtual games. Martina heads a working group for anti-corruption mechanisms of multinational enterprises on responsible business conduct (Transparency International Germany). She is a passionate system-thinker, and advocates for sustainable ecosystem transformation. The Capabuild Foundation is an extraordinary initiative, supporting countries' tax academies and tax programmes in a joint learning process, in full self-determination and therewith increasing tax revenues as well as improving their investment climate. It contributes to the SDG, and on the long-run helps reducing inequality as well as aid dependency.



## Jos Beerepoot

Netherlands



In 1982, he commenced his career with the Dutch tax authorities working as a tax inspector. In 1988 Jos Beerepoot became a tax adviser in Dutch and international tax law, working in the Netherlands and Hungary. In 2000 he moved to Unilever, where he became Head of Group Tax. During this time, he was part of a working group on Tax and Development comprising of businesses, NGO's and the Dutch government. He also participated in an ad hoc task force Tax and Development of the OECD. In 2013 he moved to ABN AMRO as Managing Director Group Taxation, from which position he retired in December 2023. Jos was General Treasurer of International Fiscal Association, member of the Board of the Dutch Society of Tax Law, and member of the jury of the Dutch dissertation award and served as a member of various supervisory committees. He was a longstanding member of the tax committee of the Dutch employer organisation VNO-NCW and participated in the drafting and monitoring of the Dutch Tax Governance Code.

## Appendix 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 mainly governments. For over 20 years she worked on a wide range of tax and public/fiscal policy projects in the Asian region most of her work has been with 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, Australian Tax Office, 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 and research supervisor, and peer reviewer affiliated with 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.