

Stichting PSI-Europe

Report on the Financial Statements for 2022



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Amsterdam, 15th of June 2023

Signed on original

Ms. Odette Anne Jean Christine Hekster Managing Director

Signed on original

Ms. Mirella Carola Bettina Visser Chair of the Board

Dr. Joerg Franz Maas Member of the Board Signed on original Mr. Michael Allen Holscher Member of the Board Signed on original Ms. Ekua Yankah Member of the Board Signed on original Ms. Christine Fenenga Member of the Board

Management Report

Background

Stichting PSI-Europe was incorporated as a locally registered non-governmental organisation (NGO) based in Amsterdam, the Netherlands (Chamber of Commerce registration (KvK number 34310776) on August 28, 2008.

Stichting PSI-Europe (hereafter PSI-Europe) is an independent NGO, affiliated in name with Population Services International (PSI). The PSI network is comprised of local offices in over 40 countries throughout Africa, Asia, Latin America and the Caribbean, and Eastern Europe, coordinated by PSI's global headquarters in Washington DC, USA.

PSI-Europe's mission is to support, promote and generate resources for the PSI network in its effort to contribute to universal health coverage, through shaping policies and priorities of European donors and stakeholders. One of PSI-Europe's flagship advocacy goals is to set the agenda for menstrual health & hygiene (MHH) to realize global menstrual equity. PSI-Europe provides technical expertise on MHH to the PSI network and other actors in the community of practice and plays a key role in building the evidence base and convening stakeholders to seek support for MHH.

For over 50 years, the PSI network has improved the health of vulnerable people through intersectoral approaches that optimize local resources for sustained access to quality health, including sexual and reproductive health and rights, HIV & tuberculosis, malaria and water & sanitation programmes, products and services. With PSI's strategic direction (2021-2023), it works to scale consumer-powered healthcare to accelerate progress towards universal health coverage through i) shaping mixed health systems, ii) shifting policy and funding and iii) strengthening PSI's global capacity.

Introduction

While 2022 continued to be a time of compounding crises, it also paved the way for feminist change. In November, the Government of the Netherlands informed the Dutch Parliament about the pillars of its emerging Feminist Foreign Policy. This policy aims to protect human rights and promote inclusive participation of women and LGBTQI+ people in decision making. It focuses on *rights*: these groups should be able to claim their rights and be protected from violence, *representation*: they should be represented and participate in decision making, *resources*: they need to have adequate access to resources to realize these goals, and *reality check*: policy goals need to be tailored to the local context and needs. With its new Feminist Foreign Policy, the Netherlands followed front runner countries that have actively been promoting gender equality with feminist policies including Germany, Spain, France, Luxembourg, Canada, Mexico, and Chile.

The feminist wave comes at an urgent time - according to UN Women, achieving full gender equality could take close to 300 years if the current rate of progress continues. Even in parts of Europe, the focus on feminist policies and approaches is dwindling. With other crises like the war in Ukraine, the refugee crisis, and rising inflation; feminist priorities are losing momentum and sometimes getting rolled back. For example, in Sweden - a country known for gender equality and progressive ideals - the government has abandoned its ground-breaking and world's first feminist foreign policy adopted in 2014, on the basis that the feminist label "obscures the fact that the Swedish Foreign Policy must be based on Swedish values and interest".

While the Netherlands is proud to be presenting its first Feminist Foreign Policy, it is not yet clear how the policy will be implemented. In 2022 the government also launched its Strategy for Foreign Trade and Development Cooperation titled "Doing What the Netherlands Is Good At," which includes support of Dutch companies having a prominent place in bringing Dutch solutions to Global South challenges; the

Dutch Global Health Strategy, and has an imminent Africa Strategy. PSI-Europe participated in multiple stakeholder consultations held by of the Dutch Ministry of Foreign Affairs to inform these strategies and sees itself as a critical thought and strategic partner in advocating that a feminist lens is applied to the implementation of these strategies, and that they are locally rooted and evidence-based. At the end of December, PSI-Europe proudly signed its first grant with Invest International (formerly FMO) for a project to support the Dutch social enterprise Delft Imaging in assessing the acceptability, financial viability and health impact of smartphone-powered portable and artificial intelligence-based ultrasound scanner called BabyChecker in private clinics in Uganda. This project also allows PSI's Social Business Unit to set up a digital ecosystem called "VIYA" in Uganda and add the Baby Checker into the VIYA offering.

In 2023, PSI-Europe will undergo a strategy refresh. During this process, we will consider our history and role in a changing world and development landscape, including the role of colonialism and neocolonialism in how programmes are awarded and deployed. We plan to unpack how this will impact our future ways of working and identify the ways in which we have succeeded and failed so far in including, amplifying and leading with the voices, knowledge, and experiences of our consumers. We also take part in PSI's process of 'Advancing the Network,' which is an initiative to advance a locally rooted, globally connected network over the next two-to-three years, with power shifting back to locally rooted organizations. This introspection will be particularly important for our advocacy work -currently most prominent in menstrual health- in which we play a global thought leadership role yet seek to bring representatives from the Global South to the table as leaders and owners of the movement. To this end, we are currently engaged in debates on decolonization, mainly through our membership to Partos, an organization that provides guidance and support to Dutch civil society organizations.

Our menstrual health advocacy work was given a boost by a grant from the Sanitation & Hygiene Fund in 2022, with the objective to study the impact and potential of menstrual health interventions. For this study, we reached out to a wealth of global and local organizations working in the menstrual health space to provide data on their work. The study will provide better understanding of the needs, gaps, opportunities, and costs associated with different types of menstrual health interventions and estimates of the health, education, and economic impacts from improved access to menstrual health products and services. Furthermore, the study will generate critical evidence needed to catalyse investments in menstrual health to close the menstrual equity gap.

Nurturing PSI-Europe's partnerships with donors will be key to maintaining PSI-Europe's positioning and its role in representing PSI in Europe. We will nurture newer relationships with Invest International, the Sanitation & Hygiene Fund, the French Development Agency AfD, and the German Development Bank KfW; and our long-standing relationship with the Dutch Ministry of Foreign Affairs. This is even more critical given the rollback of funding for reproductive rights in the United States and other countries, and the fact that global funding for civil society organizations to work on abortion is shrinking.

PSI-Europe remains proud of its support to the PSI network's contribution to public health. The scope and scale of the PSI network's impact across 40 countries around the world in 2021 (2022 figures are not yet available) reached 82.5 million directly attributable users. PSI's work provided over 12 million couple years of protection (CYPs) with modern methods of contraception. Of the total of 82.5 million directly attributable users reached, 62.5 million users were reached through PSI's work on Malaria, over 5.1 million through PSI's programmes on modern contraception, 4.4 million through WASH interventions, 2.2 million through maternal, newborn and child health programmes, 1.6 million as a result of PSI's work on HIV & STI's, 1.5 million with safe abortion products and services, and 5.2 million users through other PSI programmes. As mentioned above, PSI Europe will continue to focus on strengthening and expanding our current European donor base to sustain this critical work.

Governance

PSI-Europe is governed by a Board of Directors, consisting of members with highly relevant professional experience in health and development related fields. The Board is responsible for overseeing the overall operation of the organisation and ensures high standards of transparency and accountability. The Board approves PSI-Europe's strategic plan, annual budget, and annual accounts.

As of 31st December 2022, the PSI-Europe Board is represented by:

Mirella Visser (Chair)
Christine Fenenga (Secretary)
Dr. Joerg Maas (Board member)
Michael Allen Holscher (Board member)
Ekua Yankah (Board member)

Day-to-day management and the power of representation is delegated to the Managing Director, Odette Hekster. The senior management team of PSI-Europe includes the Managing Director, Odette Hekster and the Finance Director, Robert Bal.

At the end of 2022, PSI-Europe's staff composition included one full-time employee, the Managing Director, and two part-time employees, the Finance Director and the Stakeholder and Donor Engagement Director. At the end of 2021, there were two full-time and two part-time employees, the contract of the Project Director of Ignite ended the 31st of December 2021.

Highlights on activities and achievements

1. Stakeholder and Donor Engagement

Menstrual Health Evidence Generation

PSI-Europe's advocacy efforts and Thought Leadership in menstrual health & hygiene (MHH) over the past five years, as well as active donor engagement resulted in a partnership with the UN Sanitation & Hygiene Fund (SHF). PSI-Europe received a research grant from SHF to gain a better understanding of the needs, gaps, opportunities, and costs associated with different types of MHH interventions; and estimates of the health, education and economic impacts from improved access to MHH products and services. Furthermore, the study will generate critical evidence needed for investments in MHH to close the menstrual equity gap; yielding stronger health, education, and economic benefits for all people who menstruate and communities at large.

For this project, PSI-Europe works with the research consultants Lidwien Sol (MSc Economics, PhD candidate) and former colleague Maria Carmen Punzi (MSc Business & Sustainability, PhD candidate).

The results of the project will become available in September 2023.

Leveraging Dutch technology for local impact to achieve the SDGs

In December 2022, Invest International Development B.V. (former FMO, Dutch Development Bank) awarded PSI-Europe a Development Accelerator Development Contribution for a partnership with Dutch social enterprise, Delft Imaging. This was the result of active engagement with Invest International for over two years.

Delft Imaging developed the BabyChecker, a smartphone-powered portable ultrasound that uses artificial intelligence to detect abnormalities in pregnancies. The project focuses on assessing the financial viability and health impact of using the BabyChecker in private clinics that are linked to PSI Social Business Unit's digital ecosystem called "VIYA" in Uganda. BabyChecker will be included in VIYA's offering of health services that are linked to the digital platform.

VIYA is a digital lifestyle brand for women who want customized, easy, and on-the-go access to quality sexual health information and services, and that respects their privacy. VIYA's offering starts with content and community – creating a safe space on digital channels for women to engage on the topics of sexual wellness and reproductive health, to receive information about sexuality and pleasure, contraception, menstrual health, pregnancy (where the BabyChecker scan fits); and to exchange with experts to obtain recommendations and referrals for products and services. Over time, the VIYA offering will expand to include connections to e-commerce platforms, telemedicine, or e-prescriptions.



Drone delivery for last mile health care

In December, PSI Madagascar signed a contract with the French Fund for Innovation in Development (FID) for a project to experiment with the delivery of health care commodities to the "last mile." The project will improve existing supply chains by complementing ground transportation with drone delivery to 150 hard-to-reach Malagasy health facilities.

By bridging the gap between district pharmacies and the most remote public health centres, the project builds on existing national investments in health care infrastructure to benefit the most vulnerable communities and strengthen the health system.

PSI-Europe played a key role in identifying this funding opportunity for PSI Madagascar and supported the development of the project proposal. PSI-Europe will be sharing the project results with European stakeholders and will attend project learning meetings organized by the French Development Agency/FID in Paris.

PSI member of the World Health Summit

In December, PSI officially became a civil society partner of the World Health Summit. This was the result of PSI-Europe's engagement with the secretariat of the World Health Summit. This partnership will allow PSI to provide input on relevant sessions of the World Health Summit and organize a side event.

The World Health Summit is a unique international strategic forum for global health. It brings together representatives from politics, science, the private sector, and civil society from around the world to set the agenda for a healthier future by inspiring innovative solutions for better health and wellbeing for all. The World Health Summit stands for a science-driven approach to global health development. The key issues are therefore interdisciplinary, science-based, cross-sectoral, and concerted. They are considered vital to set the global health agenda for the years to come.

The 2022 summit hosted 4,100 on-site participants from 141 nations and about 400 speakers. The PSI network had a delegation of six colleagues attending the summit in 2022, including PSI's CEO and President, Karl Hofmann and PSI-Europe's Managing Director, Odette Hekster.



2. Advocacy for Global Menstrual Equity

"Menstrual health and hygiene (MHH): the missing link in adopting a true feminist development cooperation policy?"

On MH Day 2022 (28 May 2023), PSI-Europe co-organized a webinar together with the German BMZ's Sanitation for Millions. The title of the webinar was "Menstrual health and hygiene (MHH): the missing link in adopting a true feminist development cooperation policy?" This title was opportune as many governments were and some still are- in the process of developing a Feminist Foreign Policy.

The key message of the webinar was that MHH is far more than dealing with periods and access to safe hygiene facilities. It is key to unlocking positive outcomes across the lifecycle of females and those who menstruate, leading at the same time to positive social and economic development. The lack of highlighting MHH under the Sustainable Development Goals (SDGs) and the missing tangible indicators challenge the implementation of MHH programming. Nonetheless, evidence proves that investments in cross-sectoral MHH programming positively affect several aspects of the lives of women, girls, and those who menstruate.

PSI-Europe's and Sanitation for Millions' in-country colleagues shared learnings of their programmes in Ethiopia and Pakistan. Other speakers included: Dr. Puleng Letsie, Fast Track Advisor UNAIDS; Dr. Mike Enskat, Head of Section for Energy, Water and Mobility GIZ; Ms. Wendy Anderson, Partner & Co-Founder of The Case for Her; Ms. Kiran Qazi, UNICEF Pakistan; Ms. Metsehate Ayenekulu, AYSRH/RISE Director, PSI Ethiopia; Ms. Thérèse Mahon, WaterAid and Coordinator of GMC; and Mr. Sipiwo Matshoba, Department of Women, Youth & Persons with Disabilities, South Africa. The session was moderated by media journalist menstrual health champion, Janet Mbugua.

Dr. Puleng Letsie delivered a keynote speech, providing unique insights by seeking similarities between the HIV movement and the menstrual health movement. Both seek to reduce inequalities and confront

MHH is about far more than periods. It is the key to unlocking positive gender outcomes across the lifecycle.

MHH poses a unique opportunity to change the trajectory of the lives of women and girls and those who menstruate whilst simultaneously advancing many of the SDGs – more than 8.

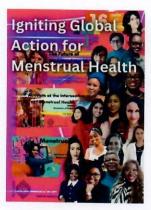
Investing in MHH is an investment in gender equality and a prerequisite if we want to achieve our feminist foreign policy goals.

Menstruation and MHH rarely mentioned in the SDGs, related targets & indicators - further inhibiting monitoring of progress in MHH across the various sectors.

disparities while focusing on i) maximizing equitable and equal access to services and solutions, ii) breaking down barriers and iii) fully resourcing and sustaining the response and integrating it into systems for health, social protection, humanitarian settings and pandemic responses.

Supporting global research to address equitable menstrual health

PSI-Europe's Managing Director was invited to chair a webinar organized for MH Day by the London School of Hygiene and Tropical Medicine (LSHTM) with speakers that are alumni of the LSHTM: Kate Nelson, Dr Jenni Martin, Karan Babbar, Dr Jane Wilbur, Dr Elly Okello organized and hosted by Professor Helen Weiss and Sarah Harman of the school.



Menstrual and sexual and reproductive health & UHC

PSI-Europe was also part of one of the Pandemic Period Webinar Series on Menstrual Health, in which PSI-Europe's Managing Director spoke about why realizing menstrual health is critical to achieving Universal Health Coverage (UHC), zooming in on the linkages between MHH and SRHR.

"The menstrual cycle is central and critical to the reproductive system and the entire life cycle, and therefore key to delivering comprehensive SRHR......and to achieving UHC."

In December 2022, PSI-Europe joined the Wealth is Health Summit, hosted by AFRO EURO and led by African public health leaders in the Netherlands. Kwasi Boahene of PharmAccess chaired the meeting. PSI-Europe shared PSI's experience in ensuring access to quality health care and its insights on how we can ensure that countries are able to deliver to their population on a long-term basis without being dependent on donors, highlighting the need to improve the governance (including the financing) of the mixed (public and private) health system, to support governments to steward the entire health system, not just the public sector.

Forecast for 2023 and beyond

The execution of PSI-Europe's strategy has generated promising results over the past two years, which has laid the foundation for increased opportunities in the years to come. PSI-Europe's vigorous advocacy efforts and thought leadership in menstrual health have enabled the organization to enhance its legitimacy to be a credible player in the public health space and to promote PSI's work among stakeholders in Europe. Furthermore, PSI-Europe's success in obtaining new grants from new donors has helped to strengthen the financial health of the organization and be better positioned for future funding opportunities. This is reflected, among other things, in the increase in the budget for 2023 by 98% (plus EUR 435,761) compared to the budget for 2022.

At the same time, it is important to note that the political and funding environment in which we operate remains volatile. Last year, some donors stepped up their efforts to protect funding and the sexual and reproductive rights agenda, as the COVID-19 pandemic had a disproportionate impact on girls and women and exposed and exacerbated gender inequalities worldwide, critically undermining progress across every measure of development. However, when the COVID-19 pandemic came to a halt, other crises were looming. The refugee crisis, among other influences, led some governments to divert or consider diverting their funding for international cooperation and humanitarian aid to address this crisis at home. This continues to make donor engagement and resource mobilization opportunities challenging.

Furthermore, PSI-Europe operates in a context where grants for projects are time-bound, leaving uncertainty about the continuation of existing grants and creation of new ones.

In 2022, PSI-Europe succeeded in obtaining new funding from two donors: the UN Sanitation and Hygiene Fund and Invest International (formerly FMO).

The grant of the UN Sanitation & Hygiene Fund will be for "Evidence Building to Quantify the Potential and Impact of Menstrual Health & Hygiene Interventions (MHH)" (Contract amount: USD 73,739, end of contract August 2023).

Invest International Development B.V. awarded PSI-Europe a Development Accelerator Development Contribution for the 'BabyChecker'/VIYA Project. PSI-Europe will be the contract holder in this project, which will be implemented in cooperation with PSI's Social Business Unit in Uganda and Delft Imaging Services (Contract amount: EUR 1,000,000 (50% cost share), end of contract December 2024).

In the first half of 2023, PSI-Europe has a few proposals for new funding in the pipeline. In addition to these pending proposals, we anticipate new proposals to be developed over the next six months that will potentially also fund PSI Europe in 2023 and beyond.

Some of these applications are made on a competitive basis. It is not certain that PSI-Europe will receive approval for these applications. In the worst-case scenario where we do not receive any new awards, PSI-Europe can continue its activities for 12 months up to July 2024 with existing secured funding sources and (continuity) reserves.

At the time of writing, when current financial statements for 2022 were being prepared, PSI-Europe had secured funding in the amount of EUR 883,171 for 2023.

Budget 2023 vs Actual costs 2022 and Budget of 2022

		Budget 2023	Actual 2022	Budget 2022
Income	Income from companies	0	0	0
	Income from government subsidies	333 333	2 053	0
	Income from affiliated non-profit organisations	474 847	417 823	415 000
	Income from other non-profit organisations	58 991	13 503	0
	Income from private individuals	16 000	14 000	0
	Other income	0	31	7 000
	Total Income	883 171	447 410	422 000
Expenditures	Spent on objectives			
	Programme implementation	74 992	27 029	0
	PSI Programme Management Support	333 333	1 575	36 000
	Technical Assistance, Representation and Advocacy	380 446	307 103	349 803
	Fundraising expenses	17 431	10 527	7 000
	Management and administration expenses	76 969	77 478	91 000
	Total Expenditures	883 171	423 712	483 803
	Balance of Income and Expenditures	0	23 698	-/- 61 803

Financial results for 2022

Balance Sheet

(After appropriation of year-end surplus)

	31-Dec	c-22	31-Dec-2	:1
ASSETS				
Receivables, prepayments and accrued income	20 072		15 031	
Cash and cash equivalents	439 781		514 808	
		459 853		529 839
Total		459 853		529 839
Reserves and funds				
- reserves				
continuïty reserve	183 364		183 364	
· appropriated reserve	42 698		19 000	
LIABILITIES		226 062		202 364
Current liabilities		233 791		327 475
Total		459 853	- ·	529 839

Statement of Income and Expenditure

	Actual		Budget	Act	tual
	year 2022		year 2022	year	2021
INCOME					
Income from companies		0	0		0
Income from government subsidies	2	053	0		248 348
Income from affiliated non-profit organisations	417	823	415 000		425 544
Income from other non-profit organisations	13	503	0		0
Income from private individuals	14	000	7 000		7 250
Total income raised	447	379	0		681 142
Other income		31	0		4
Total income	447	410	422 000		681 146
EXPENSES					
Spent on objectives					
Programme implementation	27 029		0	18 479	
PSI Programme Management Support	1 575	3	6 000	230 975	
Technical Assistance, Representation, Advocacy	307 103	34	9 803	294 555	
	335	707	385 803		544 009
Fundraising expenses	10	527	7 000		7 260
Management and administration expenses	77	478	91 000		91 978
Total expenses	423	712	483 803		643 247
Balance of financial income and expenses	23	698	-/- 61 803		37 899
Surplus (deficit)	23	698	-/- 61 803		37 899
Appropriation of balance of income and expenses: Addition to / withdrawal from:					
- continuity reserve		0	-/- 61 803		37 899
 appropriated reserve 	73	698	0		0

Statement of Cash Flow

(January through December 2022)

	Jan - Dec 22	Jan - Dec 21
Cash at beginning of period	514 808	832 663
Funds received during the year	447 410	681 146
Funds Needed to cover cost of the year	-423 712	-643 247
Change in Account Receivables and Advance account Change in Accounts Payable and Accrued	-4 806	11 951
Expenditures and Reporting Obligations	-93 684	-371 855
Net cash decrease (-) or increase for period	-74 792	-371 855
Cash at end of period	439 781	514 808

Notes to Financial statements

Accounting Policies and determination of the result

The statutory name of PSI-Europe is Stichting PSI-Europe. The legal form is Foundation (Stichting). The registered office is in Amsterdam. The registration number of the Chamber of Commerce is 34310776.

General

Stichting PSI Europe was founded on the 28th of August 2008. The objectives of PSI Europe are: Design, promote and implement better health-oriented programmes to promote better health focusing on poor, disadvantaged and vulnerable populations in developing countries. Raise awareness among the public in the Netherlands and other European countries for the health needs of vulnerable populations in the developing countries. Support the work of organizations linked to Population Services International.

Dutch Guideline for Financial Reporting by Fundraising Institutions

The Annual Report has been drawn up in accordance with the format set out in Guideline C1 'Kleine organisaties zonder winststreven' for financial reporting published by the Dutch Accounting Standards Board.

The financial statements are based on the reporting period of one year, coinciding with the calendar year. The numbers shown are in Euro, the currency in which all general ledger transactions are booked. Periodic financial reports submitted to the donors in 2022 are prepared in Euro.

Accounting principles for the balance sheet

Unless stated otherwise, the balance sheet items are carried at face value. Income and expenditure are based on historical cost and revenues are allocated to the year to which they relate, unless stated otherwise. To the extent anticipated, account has been taken of receivables net of a provision for doubtful debts.

Accounting principles for the statement of income and expenditures Grant income

Grant income amounts are allocated on the basis of the realised direct and indirect spending on the organisation's objective within the guidelines established in the grant decision.

Allocation of costs

Management and administration costs, the costs of the organisation's fundraising activities and costs of various objectives have been calculated based on an apportionment formula in accordance with the revised Dutch Accounting Standards for Fundraising Institutions (Richtlijn 650, revised in 2016).

Going concern / Continuity

In the context in which organizations such as PSI Europe operate, subsidies for projects have a fixed duration and there is uncertainty about the follow-up of subsidies and new subsidies.

PSI-Europe succeeded to extend the subsidy from PSI, to obtain new subsidies from SHF/UNOP's and Invest International and we submitted new applications to implement the strategy for PSI-Europe for 2023 and beyond. Various organizations are competing for these subsidies. It is not certain that PSI and/or PSI Europe will receive approval of these applications. In the most negative case, if we do not receive any new subsidies, PSI Europe can continue its activities for 12 months up to July 2024 on the basis of resources available.

Notes to Balance Sheet

Unless stated otherwise assets and liabilities are presented in their face value.

Assets

Balance in receivables, prepayments and accrued income consists of:

(x1€)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Project receivables	13 503	0
Other receivables	0	1 963
Deposit for office rent	0	11 452
Other advances (Pension)	6 569	1 616
Total	20 072	15 031

Liquid assets are represented by cash held on the current and savings account at ABN AMRO Bank. As of 31 December 2022, closing balance on PSI-Europe current account was 288 014 EUR, and on savings account 151 767 EUR.

The Project receivable is related to our activities for the SHF (Sanitation Hygiene Fund) / UNOPS (The United Nations Office for Project Services). Because we ended our contract for the office, we received the deposit for office rent. Other advances are mainly related to our Pension Fund (Allianz).

Reserve

PSI-Europe builds its own reserve to ensure the organisation can continue its operation and pay upon obligations should it experience a sudden drop in funding. In 2016 it was agreed by the PSI-Europe Board of Directors to start to increase its sustainability by building a Continuity Reserve.

In the most negative case, if we do not receive any new subsidies, PSI Europe has sufficient funding to continue its activities for 12 months up to July 2024 on the basis of resources available.

Therefore, the PSI-Europe Board of Directors decided to add the year-end result of 2022 in the amount of 23 698 EUR to the Appropriated Reserve for additional capacity to implement the strategy successfully.

	Continuity Reserve	Appropriated Reserve	Total Reserves
As at December 31, 2021	183 364	19 000	202 364
Result appropriation 2022	0	23 698	23 698
Used during 2022 for Objectives (project contributions)	0	0	0
As at December 31, 2022	183 364	42 698	226 062

Liabilities

All current liabilities are payable within one year.

Balance in current liabilities includes:

1 - Accounts payable and accrued expenditures related to 2022 financial year in amount of 233 791 EUR, from which:

(x1€)

	<u>December 31, 2022</u>	December 31, 2021
Wage taxes obligations, not paid as of 31 December	15 989	15 141
Vacation allowance accrual	12 708	16 779
Unused vacation accrual	37 810	46 394
Salaries and Wages other	0	49 089
Audit costs	10 285	7 660
Donations for PSI	4 000	2 000
Other Liabilities	41 702	63 964
Total	122 494	201 027

Other liabilities of 41 702 EUR at 31/12/2022 are mainly payables, accruals, obligations regarding (flexible) capacity consultants (20 669 EUR), relocation office, equipment and ICT (16 000 EUR), revision website (3 000 EUR) and other (2 033 EUR). In Salaries and Wages other for 2021 were costs for settlement agreement included.

2 - Reporting obligations towards donors, in the amount of 111 297 EUR, representing funds received in advance and not disbursed as of 31st December 2022. PSI-Europe reports those reporting obligations as short-term liabilities, as they are expected to be spent in the following financial year. Most of the related commitments from the donors have a long-term nature and are extended on annual basis. At 31/12/2022 PSI-Europe has reporting obligations to PSI for an amount of Euro 111 297 (PSI Representation Technical Assistance & Advocacy).

<u>December 31, 2022</u>	December 31, 2021
0	4 897
0	2418
111 297	119 133
111 297	126 448
	0 0 111 297

Off-balance sheet liabilities

PSI-Europe strives wherever possible to avoid long-term contracts with suppliers that include fixed commitments. Most of the contracts with vendors can be terminated within 1 year or amounts payable are based on actual usage.

Due to COVID-19 employees of PSI-Europe worked since 2020 mainly from home. To reduce costs and because we expected to continue to work more from home in the future we terminated the contract for office rent in 2021. From the 17th of April 2021 and in 2022 we continued to use the office facilities of our office in Amsterdam, Herengracht 124, 1015 BT (which is still our registered office and visit address). Monthly costs ca. 900 EUR (before ca. Euro 3 600).

Notes to Statement of Income and Expenditure

Income

PSI-Europe recognises the incoming resources from financing contracts and grant decisions in accordance with Dutch Accounting Standard 274. This means that income is recognized at the time resources are expended, and actual costs reported and approved by the donors.

The total income for the year 2022 can be broken down into the following components:

(x1€)

A20)	Jan - Dec 22	<u>Jan - Dec 21</u>
Income from companies	0	0
Income from government subsidies represents funding originated from the Dutch Ministry of Foreign affairs, received by PSI-Europe via sub-award relationship with PSI and Cordaid		
JeuneS3 programme (Cordaid)	0	17 373
Funding for programme management of Ignite project (PSI)	2 053	230 975
Income from affiliated non-profit organisations represent funding received from PSI for the following tasks:		
Funding for generating resources for PSI network and liaison with European donor organisations	409 194	395 962
Funding for seconded employees and consultant arrangements	8 629	29 582
Income from other non-profit organisations	13 503	0
Income from private individuals	14 000	7 250
Other income is interest earned on savings account	31	4
Total Income	447 410	681 146

Total income realized by PSI-Europe in 2022 was 447 410 EUR, which is 35 % lower than income for 2021 (681 146 EUR).

Expenditures

The main cost allocation principles, used by PSI-Europe are:

- costs are accounted for the year to which they relate;
- costs are taken into account as long as they are foreseeable;
- IT equipment and furniture purchased at a value smaller than 5.000 EUR is accounted for as an expense on a payment date.

Costs listed in this report include expenditures related to fulfilling of the organisation's core objectives; costs of own fundraising, general management and administration costs. For 2022 financial statements expense division, PSI-Europe adopted the following core objectives classification in line with main activities;

- Programme Management
- PSI Programme Management
- Technical Assistance, Representation and Advocacy

Based on recommendation of the Guideline for Annual Reporting, total costs of the year are divided into following categories:

- Directly attributable expenditures are those directly allocated to one of the main. These costs may
 consist of direct programme costs, incurred directly by a specific project, and common costs,
 incurred as part of sustaining operations that benefit multiple projects; the later ones are allocated
 to the projects by means of quarterly allocations as per PSI-Europe Finance policy;
- Costs associated with general management and administration;
- Cost of own fundraising.

Total expenditures in 2022 accounted 423 712 EUR, reflecting a 35% decrease (219 535 EUR) in comparison to total 2021 costs (643 247 EUR).

PSI-Europe closed financial year 2022 with a positive balance of Income and Expenditures. Year-end result in amount of 23 698 EUR is added to the appropriated reserve.

Under expenditure of in total 60 091 EUR (2022 actual expenditures versus 2022 budget) occurred mainly due to lower expenditures on Personnel Costs (78 k EUR) as a result of the decision to choose for flexible capacity instead of extension of payroll and limited salary increase and fringe benefits. This has to be seen in relation with the over expenditure on Outsourced Work / Professional Services (30 k EUR) related to costs of hiring flexible capacity to assure that we were able to further implement our strategy successfully.

Next to this there were under expenditures and cost savings as a result of working from home on office and equipment costs (3 k EUR), lower direct costs / office costs (6 k EUR) and travel costs (9 k EUR) due to fewer activities as budgeted. Project contributions from donations were (7 k EUR) higher than budgeted.

	Spent on objectives		Own Fund- raising	Manage- ment & admin	Total actual year 2022	Budget year 2022	Total actual year 2021	
	Program Manage- ment	PSI Program Manage- ment	Technical Assist., Repres. & Advocacy					
Provided (project) subsidies and (project) contributions	14 000					14 000	7 000	7 250
Purchases and acquisitions		-/- 212			120	-/- 92	3 000	415
Outsourced work	10 202	0	50 926		3 271	64 399	34 696	113 848
Communication expenses, Conferences			1 479		0	1 479	2 000	1 239
Personnel costs	2 707	1 787	238 629	10 515	70 216	323 854	401 601	492 425
Travel & Accommodation expenses			4 617			4 617	13 950	480
Rent & Utilities			4 119		1 540	5 659	13 680	23 867
Office and general expenses	120	0	7 333	12	2 330	9 797	7 876	3 723
Total	27 029	1 575	307 103	10 527	77 478	423 712	483 803	643 247

Programme management costs represent around 7% of total expenditures for 2022 and relate to contribution to PSI projects by donors and to PSI-Europe's contribution to the Menstrual Health and Sanitation research project for SHF / UNOPS.

PSI programme management costs were limited in 2022. Expenditures were related to the finalization of the International SRHR Strategic Partnership programme (Ignite) between PSI and Dutch Ministry of Foreign Affairs.

Technical assistance, representation and advocacy costs represent 73% of total expenditures for 2022, and relate to the technical assistance provided to PSI network members in terms of liaison with European donor organisations and promoting PSI network core values among European stakeholders, costs associated to new business development. Our technical assistance, representation and advocacy for Menstrual Health is also part of this category.

Cost of fundraising represents 2% of total expenditures for 2022.

Costs of general management and administration, represents 18% of total expenditures for 2022 the costs are primarily related to the governance of the organisation to fulfil constitutional and statutory

requirements, executive management, finance and human resources management, management of donations and general office costs.

Specification of Staff Cost

Due to the nature of PSI-Europe's work, staff costs represent a relatively big portion of its total costs. Breakdown of staff costs is shown in the following table:

(x1€)

	Jan - Dec 22	Jan - Dec 21
Gross Salary	264 127	377 344
Social charges / taxes	32 629	38 415
Pension plan	18 496	27 146
Other benefits	8 602	49 520
Total staff costs	323 854	492 425

Average number of staff count in 2022 was 2,6 FTE, in comparison to 3,7 FTE in 2021. The 31st of December 2021 the contract of Olivier LeTouze was ended because the contract period of Project Ignite was finished. Earlier during 2021, the 1st of June 2021, the contract of Nina Manjavidze (Administrative and Accounting Assistant) was ended as a result of optimizing the capacity. Both clarifies mainly the decrease of staff costs of 35% in 2022 compared to 2021.

Executive remuneration (WNT accountability)

Since the 1st of January 2013, the law for executive remuneration (WNT) is in place. The individual maximum applicable for the remuneration for Development Cooperations is Euro 199 000 in 2022. Starting 2017 the WNT was applicable for Stichting PSI-Europe. Based upon the quantity of subsidies in 2021 Stichting PSI-Europe has no longer this legal obligation. However Stichting PSI-Europe voluntarily applies the WNT and publishes the remuneration of the staff and the Board.

No employees or temporary staff of PSI-Europe received remuneration above the WNT-maximum in 2022. Remuneration of the Managing Director is presented below.

(x1EUR)	2022	2021
Name	Odette Hekster	Odette Hekster
Function	Managing Director	Managing Director
Duration employment	1/1/2022 - 31/12/2022	1/1/2021 - 31/12/2021
Full time equivalent during the year	1,0	1,0
Employment	Yes	Yes
Remuneration plus taxable expense allowances	109.505	108.347
Remuneration affordable over time (Pension)	7.259	7.185
Total Remuneration for WNT	116.764	115.532
Individual WNT-maximum	199.000	191.000
minus unduly paid and amount not yet received back	n/a	n/a
Total Remuneration	116.764	115.532
The amount of overrun and the reason why the overrun is permitted or not	n/a	n/a
Explanation of the claim for undue payment	n/a	n/a

Board members do not receive monetary remuneration for their services; but are entitled to expense compensation.

	2022	2021
Function	Name Board member	Name Board member
Chair	Mirella Visser	Mirella Visser
Secretary	Christine Fenenga	Karen Hoehn (until the 15th of December 2021)
Board member	Dr. Joerg Maas	Dr. Joerg Maas
Board member	Michael Allen Holscher	Michael Allen Holscher
Board member	Ekua Yankah	Ekua Yankah (elected the 15th of Dec 2021)
Board member		Christine Fenenga (elected the 15th of Dec 2021)

Specification of Travel Cost

In its function of providing Technical Assistance, Representation and Advocacy support to PSI network members, PSI-Europe conducts normally number of country visits, as well as attends various events and meetings with donor organisations. It also conducts monitoring visits and programme related trips in line with sub-award management and other aspects of programme management. In 2021, due to COVID-19 travel costs were limited. In 2022 we were able to resume these activities.

(x1€)

	Jan - Dec 22	Jan - Dec 21
Airfare International Travel	857	0
Accommodation/Per Diem International Travel	881	0
Airfare European travel	0	0
Accommodation/Per Diem European Travel	1 508	241
Visas/Travel Fees/Baggage/Vaccinations	0	0
Ground transportation	1 371	239
Total travel costs	4 617	480

Specification of General Office Cost

(x1€)		
	Jan - Dec 22	Jan - Dec 21
Rent & Utilities	10 963	23 955
Office Supplies	464	1 258
Insurances	1 710	1 930
Professional Development	0	0
Meeting Expenses and Employee Morale	2 445	976
Bank Charges/Fees	1 510	1 393
Dues, Fees, Subscriptions	0	0
Other	72	0

After balance sheet date information

Total general office cost costs

There have been no material post-balance-sheet events, which would require adjustment to financial statements for the 2022 financial year.

17 164

29 520

Adoption of the Annual Accounts and appropriation of year-end result

According to PSI-Europe Articles of Association, the Board adopts the annual accounts drawn up by the Director of Finance. Included in the annual accounts is the proposal for the appropriation of positive or negative result of the fiscal year concerned. The appropriation of the balance takes into account the imposed restrictions on spending by third parties.

The year-end result of 2022 in amount of 23 698 EUR is added to the Appropriated Reserve.

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To: the Board of Stichting PSI-Europe, based in Amsterdam, The Netherlands.

A. Report on the audit of the financial statements 2022

Our opinion

We have audited the financial statements 2022 of Stichting PSI-Europe based in Amsterdam, The Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting PSI-Europe at 31 December 2022 and of its result for 2022 in accordance with the 'RJ-Richtlijn C1 Kleine organisaties zonder winststreven' (Guideline for annual reporting C1 'Small not-for-profit organisations') of the Dutch Accounting Standards Board).

The financial statements comprise:

- 1. the balance sheet as at 31 December 2022;
- 2. the profit and loss account for 2022; and
- 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 PSI-Europe 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

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

Dubois & Co. Registeraccountants is een maatschap van praktijkvennootschappen. Op alle opdrachten die aan ons kantoor worden verstrekt zijn onze algemene voorwaarden van toepassing. Deze voorwaarden, waarvan de tekst is opgenomen op de website www.dubois.nl, bevatten een aansprakelijkheidsbeperking.

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We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, being the Management Board's report in accordance with Guideline for annual reporting 'RJ-Richtlijn C1 Kleine organisaties zonder winststreven' (Guideline for annual reporting C1 'Small not-for-profit organisations').

C. Description of responsibilities regarding the financial statements

Responsibilities of the management for the financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 'RJ-Richtlijn C1 Kleine organisaties zonder winststreven' (Guideline for annual reporting C1 'Small not-for-profit organisations'). 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 organisation'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 organisation 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 organisation'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 organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organization to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management 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.

Amsterdam, 22 June 2023

Dubois & Co. Registeraccountants

ValidSigned door G. Visser RA

G. Visser RA