

Stichting citizenMovement
annual report

2022



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-- board report --

1.1 Name, legal form and location

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

1.2 About

citizenMovement is a growing non-profit organisation, supported by citizenM and its success depends on the joint efforts of citizenM's staff, guests and neighbours. In the structure of this foundation, citizenM is a direct sponsor of citizenMovement by donating funds collected from its new housekeeping savings campaign which was implemented in many of its operational hotels as of 10 December 2021. In addition, citizenMovement also raises funds by organising fundraising events with employees, guests, suppliers and the wider citizenM community.

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

1.3 The citizenMovement Board



Klaas van Lookeren Campagne

Chairman



Hein Bijl

Secretary



Wulf van Alkemade

Board Member



Max Siem A Joe

Treasurer

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

1.4 Guests

A sustainable flow of funds has been already set up with hotel guests. Guests staying two nights or more can contribute by simply skipping their daily room cleaning. citizenM will contribute a fixed amount of € 3 every time a guest says 'no' to having their room cleaned. Besides the housekeeping donation by the participation of guests, citizenMovement will generate funds by organising engaging fundraising events throughout the year involving guests, staff, partners and citizens of the cities where citizenM has hotels. We review our donation activation processes annually.

1.5 Employees

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

1.6 Our current partner - World Bicycle Relief

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

1.7 Our impact to date

Since partnering with World Bicycle Relief in 2018, we have donated over € 1,760,000, funding more than 5,500 bicycles. In 2022, citizenMovement made a significant donation to World Bicycle Relief's Mobilised Communities program in Zomba, Malawi.

1.8 More than just a bike - shortening the distance to enterprise

Aisa received a Buffalo Bicycle as part of World Bicycle Relief's Mobilised Communities program in Kasungu. Before receiving the bicycle, Aisa used to travel on foot to sell milk at the nearest local market. Travelling a distance of 15km, Aisa would often get to the market with spoiled milk. Aisa is now able to transport his milk cooling tank on the Buffalo Bicycle's rear carrier which can carry up to 100 kgs. His travel time to the local market and the nearest town has been reduced by two hours (one way) and he is able to get to his selling points with fresh milk. He is also able to move around the market with the milk, reaching more customers.

Because of distance and lack of transportation to the market, Aisa used to milk his cow once a day and would sell less than 20 litres of milk. With the bicycle, a fast and reliable means of transporting the milk, Aisa milks his cow twice a day and is able to sell at least forty litres of milk every day. The Buffalo Bicycle has also made it easy for him to care for his cow as he is able to use it to travel to cut grass as well as to get to the maize mill to prepare feed for his cow.

Beyond helping Aisa with his dairy farming, he uses the bicycles to travel the 25km (one way) to where he grows maize and soya beans. Being able to cover this distance effectively means Aisa can further diversify his revenue streams, bringing in more money to support his family.



“Travelling to the market was a very big challenge for me. The walk would take me more than three hours (one way). The cool tanks that we transport milk in keep the milk cold for about two hours before it starts going bad. Often I would get to the market with spoiled milk. Sometimes I would take a minibus to sell milk in town but the MK2600.00 (US\$3.20) that I would use for my transport was an expense that was only increasing my losses.” - Aisa.

1.9 Future outlook and budget 2023

In 2023, revenue from citizenMovement's housekeeping campaign will increase due to an increase in occupancy and the opening of 5 new hotels. citizenMovement will continue to support World Bicycle Relief's Mobilised Communities program in Zomba, Malawi. To support those affected by the earthquakes in Turkey and Syria, citizenMovement has donated funds raised in January, 2023 from unnecessary room cleans on stays of two nights or more – a total of €131,019 – to the Netherlands Red Cross.

Approved budget for the year ended 31 December 2023

	€
INCOME	
- Income from citizenM	2,077,500
- Income other	130,000
	<hr/>
Total income	2,207,500
EXPENSES	
Expenditure on objectives	
Contributions to partner organizations	1,850,000
Operating expenses	
- Outside labour expenses	60,000
- Marketing and sales expenses	131,000
- Expenses for cycle events	40,000
- Other administrative and general expenses	24,000
	<hr/>
Total operating expenses	255,000
<hr/>	
Sum of income and expenditures before	
financial income and expenses	102,500
	<hr/>
Financial income and expenses	-5,000
	<hr/>
Balance of income and expenditure	97,500
	<hr/>

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-- financial statements

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2.1 Balance sheet Stichting citizenMovement as at 31 December 2022

	Note	31-12-2022		31-12-2021	
		€	€	€	€
ASSETS					
Current assets					
Accounts receivable		161.818		558	
Other receivables	2.4.1	114.492		28.893	
Cash and banks	2.4.2	<u>571.683</u>		<u>56.847</u>	
Total current assets			<u>847.993</u>		<u>86.298</u>
TOTAL ASSETS			<u>847.993</u>		<u>86.298</u>
EQUITY AND LIABILITIES					
Reserves and funds					
Continuity reserve	2.4.3	100.000		50.000	
Earmarked project reserves	2.4.4	606.211		19.723	
Fund for future cycle event	2.4.5	<u>27.500</u>		<u>7.500</u>	
Total reserves and funds			733.711		77.223
Short-term liabilities					
Accounts payable		96.132			
Other liabilities and accrued expenses	2.4.6	<u>18.150</u>		<u>9.075</u>	
Total short-term liabilities			<u>114.282</u>		<u>9.075</u>
TOTAL LIABILITIES			<u>847.993</u>		<u>86.298</u>

2.2 Statement of income and expenditure for the year ended 31 December 2022

		Budget for the year ended 31 December 2023	Budget for the year ended 31 December 2022	Actuals the year ended 31 December 2022	Actuals the year ended 31 December 2021
		€	€	€	€
	Notes				
INCOME					
- Income from citizenM (savings)	2.5.1	2.077.500	1.216.000	1.564.143	29.451
- Income from sponsor contributions	2.5.1	50.000	50.000	20.000	0
- Income other (individuals)	2.5.1	80.000	103.000	4.908	0
Total income		2.207.500	1.369.000	1.589.051	29.451
EXPENSES					
Expenditure on objectives					
Contributions to partner organizations / World Bicycle Relief Fund contribution	2.5.2	1.850.000	1.118.000	819.596	17.611
Operating expenses					
- Outside labour expenses	2.5.2	60.000	45.000	66.809	43.463
- Marketing and sales expenses	2.5.2	131.000	30.000	9.365	0
- Expenses for cycle events	2.5.2	40.000	60.000	9.075	0
- Other administrative and general exper	2.5.2	24.000	20.000	26.189	5.886
Total operating expenses		255.000	155.000	111.438	49.349
Sum of income and expenditures before financial income and expenses		102.500	96.000	658.017	-37.510
Financial income and expenses	2.5.3	-5.000	-2.500	-1.529	-482
Balance of income and expenditure		97.500	93.500	656.488	-37.991

2.3 Accounting Policies

General

Activities

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

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

General accounting principles for the preparation of the financial statements

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

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

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

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

Translation of foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rate prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date are recorded in the income statement.

Estimates

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

Principles of valuation of assets and liabilities

Receivables, prepayments and accrued income

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

Cash

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

Reserve and funds

Continuity reserve

A continuity reserve may be formed to cover short-term risks and to provide security that the foundation can also meet its obligations in the future. The starting point is that the foundation must be able to pay the fixed cost for a period of 12 months from the continuity reserve with a minimum amount of € 50,000.

Earmarked reserve

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

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

Fund for future cycle event

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

Liabilities

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

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

2.4 Notes to the balance sheet as at 31 December 2022

ASSETS

CURRENT ASSETS

2.4.1 Other receivables

This item can be broken down as follows:

	As at 31-12-22	As at 31-12-21
	€	€
Income from housekeeping savings to be invoiced	114.492	28.893

2.4.2 Cash

	As at 31-12-22	As at 31-12-21
	€	€
Rabobank	571.683	56.847

EQUITY AND LIABILITIES

RESERVES AND FUNDS

2.4.3 Continuity reserve

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

	As at 31-12-22	As at 31-12-21
	€	€
Continuity reserve	100.000	50.000

The movements in the continuity reserves are as follows:

	Balance as at 01-01-22	Add	Less	Balance as at 31-12-22
	€	€	€	€
Continuity reserve	50.000	50.000	-	100.000
Total	50.000	50.000	0	100.000

2.4.4 Earmarked reserve

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

	As at 31-12-22	As at 31-12-21
	€	€
Earmarked reserve WBR Projects	606.211	19.723

The movements in the earmarked reserves are as follows:

	Balance as at 01-01-22	Add	Less	Balance as at 31-12-22
	€	€	€	€
Earmarked reserve WBR Projects	19.723	586.488	0	606.211
Total	19.723	586.488	0	606.211

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

2.4.5 Fund for future cycle event

The following fund been formed as at 31 December:

	As at 31-12-22	As at 31-12-21
	€	€
Fund for cycle event	27.500	7.500

The movements in the fund are as follows:

	Balance as at 01-01-22	Add	Less	Balance as at 31-12-22
	€	€	€	€
Fund for cycle event	7.500	20.000	-	27.500
Total	7.500	20.000	0	27.500

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

2.4.6 Other liabilities and accrued expenses

	As at 31-12-22	As at 31-12-21
	€	€
Accrued audit expenses	18.150	9.075

2.5 Notes to the state of income and expenses for the year ended 31 December 2022

INCOME

Notes to the state of income and expenses

	Budget for the year ended 31 December 2022	Actuals the year ended 31 December 2022	Actuals the year ended 31 December 2021
	€	€	€
2.5.1 Income			
- Income from citizenM savings	1.216.000	1.564.143	29.451
- Income from sponsor contributions	0	20.000	0
- Income other (individuals)	103.000	4.908	0

The income from citizenM savings received from citizenM Holding B.V. was higher than budgeted due to the higher than expected occupancies and revenues in the participating citizenM hotels in 2022. The sponsor contributions are advances received for a cycling event in 2023. These amounts are added to the related fund, refer to note 2.4.5.

2.5.2 Expenses

Expenditure on objectives

Contributions to partner organizations

World Bicycle Relief Fund contribution	1.118.000	707.204	17.611
International Red Cross Donation - Ukraine	0	112.392	0
	<u>1.118.000</u>	<u>819.596</u>	<u>17.611</u>

The contribution to WBR was lower than the budget because of the lack of suitable projects. The donation for the Ukraine was a later timing decided by the board after the war in the Ukraine started.

	Budget for the year ended 31 December 2022 €	Actuals the year ended 31 December 2022 €	Actuals the year ended 31 December 2021 €
Operating expenses			
- Outside labour expenses	<u>45.000</u>	<u>66.809</u>	<u>43.463</u>
- Marketing and sales expenses	<u>30.000</u>	<u>9.365</u>	<u>0</u>
- Expenses for cycle events	<u>60.000</u>	<u>9.075</u>	<u>0</u>
- Other administrative and general expenses	<u>20.000</u>	<u>26.189</u>	<u>5.886</u>

The outside labor expenses consist of around 0.67 (2021: 0.5) FTE recharged from citizenM Operations Holding B.V.

The marketing and sales expenses and the expenses for the cycle events are lower than budgeted, the budgeted cycle event in 2022 was cancelled.

The other administrative and general expenses were higher than budgeted mostly because the audit expenses are higher and travel expenses were made for a project trip to Tanzania which were not budgeted.

2.5.3 Financial income and expenses

Financial expenses	<u>-2.500</u>	<u>-1.529</u>	<u>-482</u>
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The financial expenses relate to foreign exchange losses on the period between the invoicing and the payment of the contribution to WBR.

[2.6 Other disclosures](#)

Appropriation of result for financial year ended 31 December 2021

The annual report 2021 was adopted in the Foundation board meeting held on 17 June 2022. The foundation board meeting has determined the appropriation of result in accordance with the proposal being made to that end.

Proposed appropriation of result for the financial year ended 31 December 2022.

The balance of income and expenditure over the financial year ended 31 December 2022 was € 656,488. We propose to allocate the result to:

Earmarked reserve (WBR) Projects	€ 586,488
Fund for future cycle event	€ 20,000
Continuity reserve	€ 50,000

The financial statements reflect this proposal.

Board remuneration policy

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

[Signing of the financial statements](#)

Voorschoten, ... April 2023

Board:

N.P. van Lookeren Campagne

H. Bijl

J.W. van Alkemade

M.P. Siem A Joe

3. Other information

3.1 Independent auditor's report

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