



BOXTRIBUTE

FINANCIAL REPORT

2021

Contact

Stichting Boxwise
Overschievestraat 62
3112 HH Schiedam
Netherlands

Roanna Kong (Executive Director) - roanna@boxtribute.org

Hans Peter Gürtnér (Board Treasurer) - hans@boxtribute.org

General Information

The Boxwise Stichting was incorporated on November 11, 2019 and is registered with the Chamber of Commerce under number 76346536. The purpose of the foundation is to provide humanitarian aid, welfare, education, health care and shelter in emergency or distressed areas by providing, among other things, logistics, software and the like. The foundation aims at the public benefit, can be classified as a charity foundation and is not for profit.

In the financial year, the board of the Foundation was formed by the following persons:

- Mr. J.B. Crowley as from 01-12-2019
- Mrs. Roanna P. Kong as from 15-12-2019
- Mr. H.P. Görtner as from 01-12-2019

Tax Position

The Boxwise Stichting meets the conditions of Article 6 of the Corporation Tax Act 1969 and is therefore not liable for corporation tax.

Other Information

For the compilation of the financial report of 2021 we engaged VFM-advies B.V. Within this context the scope of work of VFM-advies B.V. was primarily the gathering, processing, classifying, comparing, interconnecting and summarizing of financial information to produce financial statements and / or credit reports.

This compilation engagement has been performed in accordance with Dutch law and the guidance and action schemes of the NOAB quality system. This means that we have complied with the relevant requirements prescribed by the Nederlandse Orde van Administratie en Belastingdeskundigen or NOAB (Dutch Association of Accounting and Tax Advisers).

Management Board's Report

We have detailed records of our activities this year in our annual report, including financial highlights. This report can be downloaded on our website - www.boxtribute.org. We welcome any questions regarding our financial statements from interested parties including potential funders and donors.

The Board of the Foundation makes use of the exemption of Article 2: 396 (6) of the Dutch Civil Code.

Balance Sheet as per December 31, 2021

| Assets | 31st December 2021 | 31st December 2020 |
|--|---------------------------|---------------------------|
| Fixed Assets | - | - |
| Current Assets | 9.946 € | 8.888 € |
| Receivables | 539 € | 690 € |
| <u>TradeDebtors¹</u> | 539 € | 690 € |
| Cash | 9.407 € | 8.198 € |
| C/A Bank Account NL28BUNQ2040751424 | 6.653 € | 8.198 € |
| PaypalEURO | 1.899 € | - |
| PaypalUSD | 855 € | - |
| Total Assets | 9.946 € | 8.888 € |

| Equity and Liabilities | 31st December 2021 | 31st December 2020 |
|--|---------------------------|---------------------------|
| Equity | 5.186 € | 7.811 € |
| Stichting Capital | 5.186 € | 7.811 € |
| Balance as at January 1st | 7.811 € | |
| Net Result for the Year | - 2.625 € | 7.811 € |
| Balance as at December 31st | 5.186 € | 7.811 € |
| Liabilities | 4.760 € | 1.077 € |
| Suppliers and Trade Credit | 690 € | - |
| Taxes | 3.020 € | 43 € |
| Sales Taxes (VAT) | 28 € | 43 € |
| <u>Gift Tax²</u> | 2992 € | - |
| Accrued Liabilities and Deferred Income | 1.050 € | 1.034 € |
| Accountancy Costs | 1.050 € | 1.034 € |
| Total Equity and Liabilities | 9.946 € | 8.888 € |

Profit and Loss

| | 2021 | 2020 | | |
|---------------------------------|--------------|--------------|--------------|--------------|
| Revenues | € | % rev. | € | % rev. |
| Net Turnover | 4.053 | 100 | 3.540 | 100 |
| Subscriptions | 4.053 | 100 | 3.540 | 100 |
| Total Revenues | 4.053 | | 3.540 | |
| Cost of Goods Sold | € | % | € | % |
| Work by third Parties | 5.250 | 88 | - | |
| Software Development | 5.250 | 88 | - | |
| Other External Charges | 709 | 12 | 273 | 100 |
| Hosting and Domain Costs | 709 | 12 | 273 | 100 |
| Total Cost of Goods Sold | 5.959 | | 273 | |
| Gross Margin | - | 1.906 | | 3.267 |

| | 2021 | 2020 | | | | |
|---|--------------|---------------|-------|--------------|--------------|-------|
| Expenses | € | % | % rev | € | % | % rev |
| Work by third Parties | 7.590 | 76 | 187 | - | | |
| <u>Fundraising³</u> | 1.725 | 17 | 43 | - | | |
| <u>Project Development³</u> | 5.175 | 52 | 128 | - | | |
| Travel Expenses | 155 | 2 | 4 | - | | |
| Travel Expenses and Representation | 155 | 2 | 4 | - | | |
| Office Expenses | 200 | 2 | 5 | - | | |
| Software, Licenses and other ICT costs | 200 | 2 | 5 | - | | |
| General Expenses | 2.013 | 20 | 50 | 2.031 | 100 | 57 |
| Bank Costs | 222 | 2 | 5 | 138 | 7 | 4 |
| Accounting Fees | 1.579 | 16 | 40 | 1.249 | 62 | 35i |
| <u>ANBI Application Costs²</u> | 213 | 2 | 5 | - | | |
| Foundation Costs | - | | | 643 | 32 | 18 |
| Total Expenses | 9.958 | | 246 | 2.031 | | 57 |
| Net Margin | - | 11.864 | | | 1.236 | |

| | 2021 | 2020 |
|--------------------------------------|---------------------|-----------------|
| Donations Income and Expenses | € | € |
| Other Income | 12.218 | 6.569 |
| Donations | 12.218 | 569 |
| Digital Hub Award | - | 6.000 |
| Taxes | 2.992 | - |
| <u>Gift Tax²</u> | <u>2.992</u> | <u>-</u> |
| Donations Income and Expenses | 9.226 | 6.569 |
| Financial Income and Expenses | € | € |
| Interest Income and similar Income | 13 | 5 |
| Bank Interest | 13 | 5 |
| Financial Income and Expenses | 13 | 5 |
| Net Result for the Year | - 2.625 | 7.811 |

Footnotes

¹ Receivables due from customers for services performed. No provisions have been made for impairment.

² Expenditures related to ANBI status

Stichting Boxwise incurred 3204,77 EUR of ANBI status related expenditures in 2021. Out of this, 212,50 EUR were expenditures to prepare the application for ANBI. The remaining 2992,27€ EUR resulted from Gift Tax that was applied after the denial of ANBI status by the Netherlands Tax and Customs Administration. Please refer to [Appendix A](#) for a detailed note on this.

³ Project Development and Fundraising

These categories come from a *pro rata* allocation of amounts paid to a single contractor. This contractor was retained to produce project concept notes for Boxtribute, as well as share fundraising expertise, particularly through researching the network of available grants. Based on the record of concept notes produced, we estimate that 75% of the total contractor fee of 6,900 EUR relates to project and concept note development, and the remaining 25% is related purely to fundraising and related grants research. None (0%) of our fundraising expenditures incurred were a result of direct marketing or other appeals to the public for donations.

Auditor's Report

No audit opinion is required, as the Boxwise Stichting falls within the limits set by law (Article 396 (1) of Book 2 of the Civil Code and the company is therefore exempted (article 393 (6) from the obligation to have the audit of the financial statements referred to in Article 393 (1) carried out.

Schiedam, 10th of November 2022

Mrs. Roanna P. Kong
Executive Director & Board Member

Mr. H.P. Gürtner
Board Treasurer

Mr. J.B. Crowley
Board Member

Appendix A: Context around ANBI Status

Based on our public benefit objectives, as well as additional advice in 2022 from Reed Smith LLP, Stichting Boxwise believes we are fully eligible for ANBI status for fiscal years 2021 to present. Nevertheless, our 2021 application for ANBI status was unsuccessful despite our best efforts. We describe below the sequence of events that lead to this result in 2021, and what our plans are in 2022 to address this issue.

In March 2021, in view of upcoming grant opportunities that provided a larger scope of impact and operational budget (50,000 USD+), the board decided to investigate if getting ANBI status would be a worthwhile exercise for *Stichting Boxwise*. ANBI status, which is granted only to organisations that operate 90% for the public benefit, allows organisations to be exempt from gift tax, which is a tax imposed on all gifts, including donations, given to a legal entity once the total annual amount donated exceeds 2244 EUR. Based on our not-for-profit structure, our humanitarian mission, [the requirements publicly published by the Netherlands Tax and Customs Administration \(Belastingdienst\)](#), as well as consultancy provided by **VFM Advies B.V.**, our financial advisor and accountant, we believed qualifying for ANBI status to be straightforward.

It was therefore to our surprise when in February 2022, we received notice from the *Belastingdienst* that our application for ANBI status had been denied. To address this, we sought out *pro bono* legal representation and engaged two new advisors – one law professor and one tax advisor – to understand this result better. Since then, we have successfully engaged Reed Smith LLP on a *pro bono* basis. Our main counsel has over 20 years of legal experience and is an expert on charity law, including issues that deal with tax and structure issues across frontiers. We believe with his support we will be able to fully resolve this issue to the satisfaction of both the *Belastingdienst* and our donors.