
Financial report 2020

Stichting Face This

Table of contents

	Page
Management Board's report	2
Financial statements	
Balance sheet as at 31 December 2020	4
Statement of activities for the year 2020	5
Notes to the financial statements	6
Notes to the balance sheet	9
Notes to the statement of activities	11

Management Board's report

Annual report 2020

2020 was a year where the world came to a halt. For everybody, including Face This. The pandemic that hit our global society affected everything and put the world upside down. Within this annual report you will find how we as an organization coped with this situation. We had some very big 'lows', but fortunately there were some bright 'highs' as well...

Jack Black

2020 wasn't completely bad for us. Before the pandemic hit us, American actor/artist Jack Black posted a selfie on his Instagram profile where he was wearing the Face This T-shirt Jamie Browne and Gia (12) designed. The post gained an enormous spike in web traffic, new Insta followers and of course extra sales.

Current school project: SDN1 Senggigi, Lombok

Last year we started a new school project on Lombok. We designed a completely new T-shirt collection together with the kids from the SDN1 Senggigi school over there, which was badly affected by the earthquakes of 2018. All proceeds will help us renovate the building. Our plan was to start this renovation by the end of 2020. But due to corona we had to switch plans. Why? Because we had to support the school community in Indonesia with more basic needs, like food and sanitary/safety materials. But also on our own side, here in The Netherlands, we had to cope with lockdowns and homeschooling, which put a lot of pressure on the availability of our small team. And a big fundraiser at a school in Scheveningen, The Netherlands was cancelled as all the schools had to close due to the lockdowns. Fortunately, this fundraiser has not been skipped entirely: it will be held in 2021.

Corona and lockdowns on Lombok

So in 2020, financially we had to shift gears: where we were planning to raise funds for the renovation of the school on Lombok, we had to support the school community with food packages. Because due to the pandemic and its lockdowns, the school community wasn't able to make a living anymore. And as there are no funds for the local people to fall back to, we felt we needed to allocate our budgets to support the community. With monthly food packages we were able to support the people from the school in their basic needs, so they could survive this terrible period of time.

International celebrities

Over here in The Netherlands, time was precious. With homeschooling and lockdowns there was limited time for our team members, and meeting each other was hardly possible. So in the little time available, we were able to do a small amount of fundraising projects. But by collaborating with pro-surfer Kelly Slater and British model Lila Moss (daughter of supermodel Kate Moss), we made the most out of this.

2021: A new focus

Being able to work with these international celebrities gave us the confidence and the insight that our story is not limited to the borders of The Netherlands. Therefore we decided to re-position ourselves into a more internationally focused T-shirt brand. In Q3 we were very fortunate to work with teams from PwC and Red Bull which advised us on this new strategy. We will continue to work on this in 2021 where an updated business plan, a new brand positioning and a new visual identity will be the main deliverables.

Financial statements

Balance sheet as at 31 December 2020

(After proposal distribution of result)

	<u>31 December 2020</u>		<u>31 December 2019</u>	
	EUR	EUR	EUR	EUR
Assets				
<i>Fixed assets</i>				
Intangible assets				
Other intangible assets	1	338		542
<i>Current assets</i>				
Receivables				
		473		1.013
Cash and cash equivalents				
	2	10.542		4.909
Total assets				
		<u>11.353</u>		<u>6.464</u>
Liabilities				
Capital				
Appropriation funds (private)		4.000		0
Other reserve	3	<u>6.023</u>		<u>5.622</u>
		10.023		5.622
Current liabilities				
Other payables	4	1.330		842
Total liabilities				
		<u>11.353</u>		<u>6.464</u>

Statement of activities for the year 2020

	2020		2019	
	EUR	EUR	EUR	EUR
Benefits				
Sale of Tees	10,350		11,845	
Donations and benefits from fundraising	8,052		3,383	
		18,402		15,228
Expenses				
Projects Indonesia	5,828		560	
Costs of Tees	5,398		7,524	
Amortisation of intangible fixed assets	204		204	
Other operating expenses	2,571		5,451	
Total of sum of expenses		14,001		13,179
Total of net result		4,401		13,739

Appropriation of result

	2020
	EUR
Other reserve	401
Appropriation funds (private)	4.001

Notes to the financial statements

Entity information

Registered address and registration number trade register

The registered and actual address of Stichting Face This is Cornelis Muschstraat 20 te Rotterdam, The Netherlands. Face This is registered at the Chamber of Commerce under number 24446540.

General notes

The most important activities of the entity

Stichting Face This has its own T-shirt line of the same name, which provides it with its own source of income. The nice thing about these T-shirts (Tees) is that the students for whom we work can design these Tees themselves with drawings they made themselves. Each collection is dedicated to one specific school in Indonesia. This means that in such a collection only drawings are processed that are made by that one specific school. But also the proceeds of the collection go to the needy school of these children. So the wearer of a shirt knows exactly where the proceeds of his / her T-shirt go.

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Stichting Face This make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Disclosure of changes in accounting policies

Compared with previous year, there have been no changes in the accounting policies applied.

Going Concern

The ability of Stichting Face This to continue its activities is not expected to be materially affected by the COVID-19 outbreak. The foundation is evaluated positively by the board with respect to current and future perspectives for continuing the activities in a sustainable manner. We also report that as a foundation we are financially healthy, as evidenced by our balance sheet. Our liquidity is sufficient to absorb unforeseen problems in the short and medium term. We are not dependent on financial institutions for this and can therefore directly dispose of our available reserves. Although uncertain, we do not currently believe that the consequences of the COVID-19 virus will have a material adverse effect on our financial condition or liquidity. Accordingly, the Board finds that the going concern assumption is still applicable to the activities of the Foundation. Based on the circumstances described above, the financial statements have been prepared on a going concern basis.

Conversion of amounts denominated in foreign currency

Items included in the financial statements of OZW UK are valued with due regard for the currency in the economic environment in which the company carries out most of its activities (the functional currency). The financial statements are denominated in euros; this is both the functional currency and presentation currency of OZW UK.

Foreign currency translation for the balance sheet

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the profit and loss account.

Non-monetary assets valued at historical cost in a foreign currency are converted at the exchange rate on the transaction date.

Non-monetary assets valued at fair value in a foreign currency are converted at the exchange rate on the date on which the fair value was determined.

Accounting principles

Intangible assets

Intangible fixed assets are stated at historical cost less amortisation. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its realisable value.

Impairment of non-current assets

On each balance sheet date, foundation assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the realisable value and the value in use.

An impairment loss is directly recognised in the statement of activities account while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill is not reversed.

Receivables

Receivables are initially valued at the fair value of the consideration to be received. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Amortisation of intangible assets

Intangible fixed assets, including goodwill are amortised from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to capitalised goodwill.

Future amortisation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Notes to the balance sheet

1 Intangible assets

	Other in- tangible assets EUR
Book value as at 1 January 2020	542
	<hr/>
Mutations 2020	
Investments	0
Depreciations	(204)
	<hr/>
Mutations	(204)
	<hr/>
Investments	2,030
Cummulative depreciations	(1,692)
	<hr/>
Book value as at 31 December 2020	338

Disclosure of receivables

Accounts receivable all have a remaining term to maturity of less than one year, unless stated otherwise. The fair value of the accounts receivable is close to the carrying amount, given the current nature of the accounts receivable and the fact that, where necessary, provisions for bad debt have been recognised.

2 Cash and cash equivalents

Cash and cash equivalents are at the Company's free disposal.

Appropriation fund (private)

	<u>2020</u>
	EUR
Balance as at 1 January	0
To be allocated	4.000
	<hr/>
Balance as at 31 December	<u>4.000</u>

3 Other reserve

	2020	2019
	EUR	EUR
Balance as at 1 January	5,622	4,133
To be allocated	4,401	1,489
Appropriation of result	(4,000)	0
Balance as at 31 December	6,023	4,133

4 Disclosure of current liabilities

All current liabilities fall due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character

Notes to the statement of activities

5 Projects Indonesia

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Corona donations / food packages	5,453	0
Support local staff Indonesia	<u>375</u>	<u>575</u>
	5,828	575

6 Other operating expenses

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Website / Social Media	1,809	1,409
Bank costs	380	237
Other costs	<u>382</u>	<u>3,805</u>
	2,571	5,451

Subsequent events

The outbreak of Covid-19 developed rapidly in 2021. Measures taken by various governments to contain the virus are expected to have limited negative impact on the Foundation's economic activity. However, the financial impact of this cannot be reliably estimated. We have taken a number of measures to monitor and prevent the effects of the Covid-19 virus, including safety and health measures (such as limiting social contacts and working from home). At this stage, the impact on our operations and our results is limited. We will continue to follow the policies and advice of the various national institutions while doing our utmost to continue our operations in the best and safest way possible. This post-balance sheet event has no further impact on the presentation and measurement of the figures in the 2020 financial statements. We also refer to the disclosure on going concern.

Board & employees

The directors have not received any remuneration for their work. Furthermore, no loans, advances or guarantees have been issued. The foundation also has no employees.

Rotterdam, 25 June 2021

Stichting Face This

Jos van der Hoek

Jelka Priem

Arjan Klompe