

ANNUAL FINANCIAL REPORT 2020

ASSOCIATION

KIT ROYAL TROPICAL INSTITUTE

KIT ANNUAL FINANCIAL REPORT 2020

General	3
Report of the Management Board	5
Consolidated Financial Statements	
Consolidated Balance Sheet as of 31 December 2020	10
Consolidated statement of Income and Expenditure Account 2020	12
Consolidated Cash Flow Statement 2020	13
Consolidated accounting principles	14
Notes to the Consolidated Balance Sheet and Income and Expenditure Account 2020	
Notes to the Consolidated Balance Sheet as of 31 December 2020	18
Notes to the Consolidated Income and Expenditure Account 2020	23
Statutory Financial Statements	
Balance Sheet as of 31 December 2020	25
Income and Expenditure Account 2020	27
Notes to the Balance Sheet and Income and Expenditure Account 2020	28
Information of Association	30
Statutory Regulations regarding the appropriation of the result	30
Independent Auditor's Report	32

GENERAL

Introduction

The Association KIT Royal Tropical Institute (KIT) is an independent centre of expertise for sustainable development. We assist governments, NGOs, international organizations and private corporations around the world to build inclusive and sustainable societies, informing on best practices and measuring their impact. Guided by the Sustainable Development Goals (SDGs) of the United Nations, our work focuses on health care, gender, economic development and intercultural cooperation. Our campus in Amsterdam houses a training centre for students and professionals, and is the home of SDG House: a community of sustainability experts and social entrepreneurs with a membership of 70+ organisations. KIT owns and operates Amsterdam Tropen Hotel, De Tropen café and restaurant, and offers office and conference facilities in our heritage building, the revenues of which contribute to KIT's mission.

Governance and management

KIT has the statutory form of an association ('vereniging'). The governing bodies of the association are the Council of Members, the Supervisory Board and the Management Board. The Council of Members monitors the overall activities of KIT, appoints Supervisory and Management Board members and approves budget and annual accounts. The Council consists of representatives of KIT's founding organizations and members elected by the KIT membership. The Supervisory Board supervises the Management Board; the Supervisory Board is also the Supervisory Board of Holding KIT BV.

The Management Board is accountable to the Supervisory Board. The Management Board consists of the CEO (also chairman of the Association KIT), who is responsible for management and the formulation of KIT policies. The managers of the Knowledge Unit, Real Estate and SDG House report to the Management Board. The directors of the two fully owned subsidiaries of Holding KIT BV (KIT Intercultural Professionals BV and KIT Hotel BV) also report to the Management Board, who is also the Management Board of Holding KIT BV.

Organizational structure

As from 1 January 2021 under KIT's new strategy KIT has two pillars: the Knowledge Unit and the Campus. Each of these pillars has its own impact targets.

KIT's Knowledge Unit Pillar consists of two sub-units and 1 unit:

- **Health** subunit works on improving national health systems and overall global health through advisory, research, knowledge management, health education and capacity strengthening services.
- **Sustainable Economic Development & Gender** subunit generates new knowledge to advise public and private sector organizations to improve their development impact in the areas of agricultural innovation, gender and nutrition, food value chains, rural transformation, seed sector development, and gender and agriculture.
- **KIT Intercultural Professionals BV** is a unit which provides intercultural training to individuals and teams, offering tailor-made approaches to optimize intercultural understanding and collaboration.

KIT's Campus pillar comprises of three units:

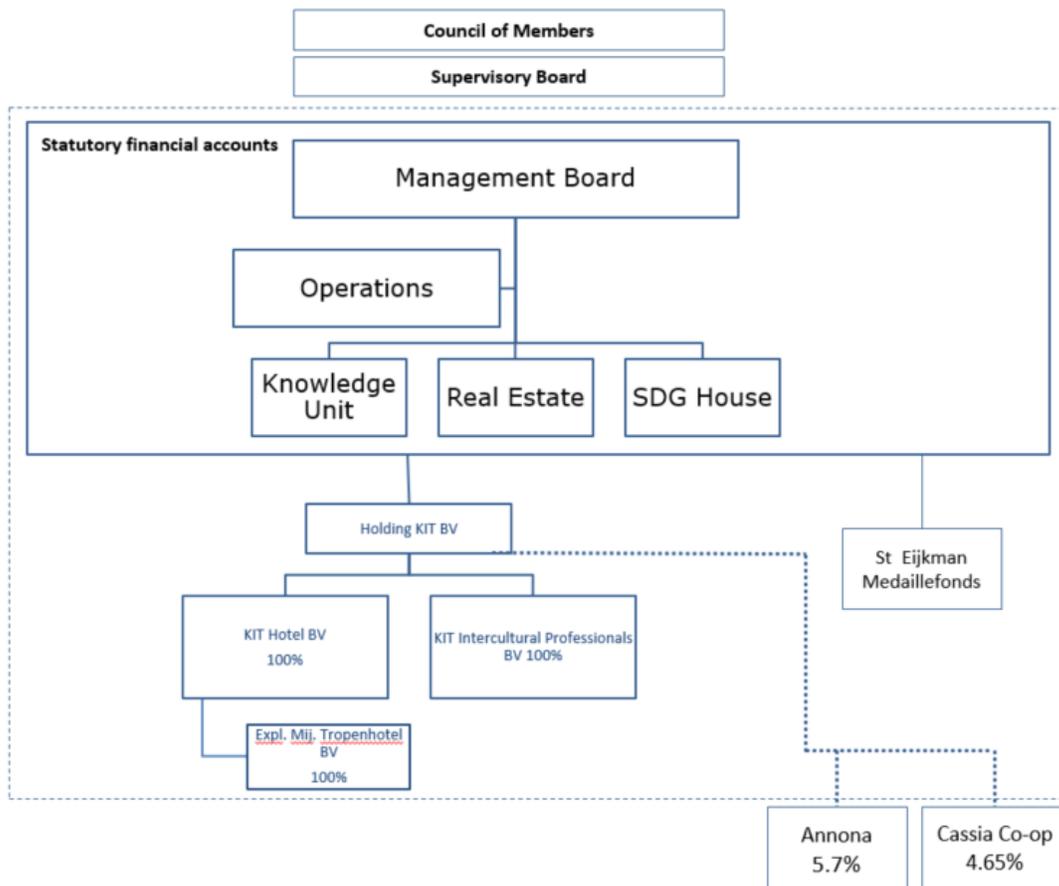
- **KIT Hospitality (KIT Hotel BV)** exploits Amsterdam Tropen Hotel, the facilities at Mauritskade 63 for conferences, meetings and receptions, as well as café De Tropen. The staff of Hospitality is employed by Exploitatie Maatschappij Tropenhotel BV, a 100% subsidiary of KIT Hotel BV.
- **KIT Real Estate** unit offers inspiring offices at a central location in an international work environment
- **SDG House** unit is an international hub for businesses and organizations engaged in sustainable development and intercultural cooperation.

KIT's unique Campus in the centre of Amsterdam is the face of KIT in the Netherlands. Here we work on the SDG's in a national context. By reinforcing interaction between the Knowledge Unit and the Campus pillar, we believe to strengthen KIT's proposition as a whole. So for example, the activities of the Knowledge Unit can deliver content for Conferences and the campus can increase local visibility and cater for the Knowledge Unit's needs.

Legal structure KIT Association

The legal structure of KIT as of 31st of December 2020 is shown in the overview below:

KIT Association



Legend

- Consolidated financial accounts
- Statutory Financial accounts
- Non-consolidated entities

KIT association is 100 % shareholder of Holding KIT BV, which was founded in 2006 to group commercial activities. It holds all of the shares in KIT Hotel BV and KIT Intercultural Professionals BV. It also holds 4.65% shares in Cassia Co-op and 5.7% of the shares in Annona Sustainable Investment Fund BV. As no significant influence is exercised on the minority participations, these companies have not been consolidated, but are considered financial fixed assets. KIT appoints the members of the board of Stichting Eijkman Medaillefonds which is consolidated into the accounts. The foundation aims to stimulate research in the field of tropical medicine.

REPORT OF THE MANAGEMENT BOARD

Introduction

2020 was dominated by the COVID pandemic. We had to take emergency measures to preserve our cash, and reduce costs and investments. The economic effect on the Knowledge Unit (KU) was fortunately limited. Travel did come to a complete stop, but donors and clients adapted their demands accordingly and our work largely continued. Classes of the health courses moved online, and we completed the academic year with the majority of the students graduating. In Hospitality, the Conference and Events (C&E) business came to an almost complete standstill. Room rates were low because of low demand. Hotel parking became an important asset to attract customers. We reduced Hospitality staff from around 60 (including temps) – to a bare minimum of 18. Real Estate was affected only marginally; we continued to receive new demand from prospective tenants. Intercultural Professionals (IP) reduced its staff to four. The NOW subsidies from the Dutch government were essential to partially compensate KIT's negative results.

Key Performance Indicators

For 2020, we identified nine Key Performance Indicators (see Table 1).

Key Performance Indicators	Status
1. Adapt KIT's overall strategy	√
2. Position KU on sustainable and inclusive development in low- and medium-income countries	√
3. Consolidate the new organizational structure and business model of our KU	√
4. Position the SDG House as the hub for the SDGs in the Netherlands	√
5. Develop the KIT premises	√
6. Invest in the sustainability of KIT's building	√
7. Measure and publicly communicate about KIT's impact	×
8. Increase KIT's external visibility	√
9. Strive towards full transparency on financial targets and results	√

Table 1. Key Performance Indicators 2020

- We conducted a process to update the KIT strategy for 2021-2024. The process was 'outside-in' and considered the changing context in which we operate. We assessed the progress made in implementing the 2017-2020 strategy and examined – together with internal and external specialists – the global and local trends that affect our work.
- We managed to further position ourselves as applied knowledge institute on sustainable and inclusive development. We focused on a number of knowledge themes and made co-investments in our knowledge work out of KIT's Knowledge Innovation Fund (KIF), although at a lower level than previous years. We implemented the new organizational structure, merging the two Knowledge Units into one. We pursued new markets to diversify KIT's client base. Major acquisitions for longer term projects were submitted.
- We implemented an SDG House membership model to transform the SDG House into a financially sustainable initiative and consolidated a national SDG House network with nine local SDG Houses in the Netherlands.
- At Real Estate, the building's communal and events spaces were made COVID-19 'proof'. We invested in sustainability of our buildings and finalized our research on premises development scenarios and conducted a feasibility check to renovate the hotel in order to increase attractiveness of our campus.
- The Knowledge Unit, together with the Marketing & Communication Team, published several blogs dedicated to various aspects of the pandemic, through which we reinforced KIT's profile as a thought leader in this area. Our Marketing & Communication Team also improved the quality of its internal services and linked KIT's activities as applied knowledge institute to the UN Sustainable Development Goals (SDGs).
- We assessed our ICT infrastructure to make sure it can continue to serve KIT in the future. We implemented a Project Management Platform and a Project Leads app, which we integrated with our Quality Assurance System and the Knowledge Output Library. Additional ICT effort is planned.
- Besides these successful achievements, we did not manage to measure our own impact in 2020. This will be given priority in 2021 as it is essential for KIT to detail our accountability, strengthen the quality of our work, and support acquisition efforts.

Financial reflection

The year 2020 was the fifth consecutive year that KIT maintained its financial independence, free of structural government funding. Our normalized results in 2020 can't be compared to 2019 due to the COVID-19 crisis.

In the Knowledge Unit, the subunit Health performed above target and showed a positive result. Subunit SEDG performed a bit below target, but as a whole the Knowledge Unit showed a positive result even without NOW subsidies. It can be seen as a major achievement that the turnaround that took place in 2019 continued in 2020. Staff did continue to perceive a high work pressure. In 2020, we started a new organizational model for the Knowledge Units merging them into one unit with 8 teams. By working more with self-steering teams we are able to steer on reaching financial targets better. This new organizational model is also expected to alleviate work pressure for our advisors. The first results of this model are currently under evaluation (March 2021). In previous years, part of the result from KIT flowed into the KIT Knowledge Investment Fund. For 2020 this contribution was reduced because of the economic circumstances.

KIT's mission to build more equitable and sustainable societies was further supported by our units Real Estate and Hospitality. Hospitality, because of COVID performed below budget in 2020 and was reorganised. Contracts with suppliers have been terminated, staff were made redundant and brought back to a 'skeleton team'. This team is preparing the start-up of activities when possible again. By the end of 2020 we further progressed with the plan to renovate the hotel to modernize it, make it energy efficient, and better link it to the further campus.

The Real Estate Unit delivered a stable financial performance in 2020, due to our reputation as a hub for sustainable development, our building continued 97% occupancy with only a few spaces left to rent out after they are being renovated. New tenants joined us in our building despite the COVID crisis, and we still have a waiting list for new tenants despite the crisis. The SDG House contributed to our profile by bringing together a community of sustainability experts, entrepreneurs, policy makers and NGO's housed on KIT's premises.

The unit Intercultural Professionals performed below expectation in 2020, as it did in previous years. In 2020 this was for a part caused by the ongoing pandemic so courses couldn't take place. The negative equity was restructured in 2019. Due to the negative performance in 2020 the outstanding amounts on the KIT balance sheet did increase again from nil to 265k. KIT IP was reorganized in 2020.

The Coronavirus pandemic and the preventive measures taken by the government causes major economic uncertainty for the short term and most likely also for the longer term. For KIT Royal Tropical Institute, the main risks is a prolonged closure of our hospitality activities and a prolonged ban on travelling for our advising activities. However, the developments are at his moment uncertain and of a changing nature. Even though there is some foresight on less restrictions coming in the Netherlands and the EU by the middle of 2021, this may not be the case for a lot of countries where we are working. And even if there is no lockdown locally, we may not be able to travel since illness caused by Covid19 is not insured by our insurance company.

Since this situation was more or less foreseen at the balance date, any impact on KIT has not been processed in the figures of the annual account as per the 31st of December 2020. Considering the high amount of uncertainty regarding the development of the Corona-crisis, it is not possible to give a reasonable estimate of the impact on KIT Royal Tropical Institution 2021. KIT has applied for the NOW regulation and is expecting to have sufficient cash reserves to endure this crisis if it does not continue longer than 2021. In the results 2020 a total amount of governmental subsidies related to the COVID19 pandemic of € 1.874 is included. The amounts have been split out in the table on page 8.

Priorities for 2021

For 2021, we identified the following six strategic priorities:

1. We will position KIT as thought leader and think-tank through focussed multi-year applied knowledge programmes.
2. We will improve our global presence and impact by building a global partnership organisation.
3. We will improve our impact through enhanced delivery of blended education and training.
4. We will strengthen our impact on SDG's and visibility of our campus which serves as initiator, curator and host of SDG activities.

5. We will strengthen our social enterprise model, in which all units contribute jointly to KIT's mission.
6. We will make our impact more explicit in all we do, both in terms of our internal planning, monitoring and evaluation and externally.

Our approach to risk and strategy in 2021 and beyond

- We continue our aim to diversify the customer base of the Knowledge Unit to manage the impact of changing government policies;
- We continue to focus on a number of development knowledge themes and co-investments in knowledge work funded by KIT's own Knowledge Innovation Fund (KIF), which in turn is funded by KIT's positive results and fund raising.
- We will further invest in KIT's premises to make the building more attractive in order to increase rents. Further investments in the building will take place in order to strengthen the sustainable image of KIT as SDG House. KIT aims to further strengthen its image as the center in Amsterdam for sustainable businesses.
- An important element of KIT's overall strategy is the 'one KIT concept'. This entails the objectives alignment of all KIT (sub)units, Health, SEDG, Real Estate, KIT IP, SDG House and KIT Hospitality, to achieve the statutory objective of KIT.
- As in 2020, we continue with a development plan for the entire campus of KIT. We started with the preparations four years ago and hope to reach a decision in 2021.
- Currency risks are not hedged yet. For larger contracts we will investigate per case if hedging is a possibility to insure against this risk in an economic feasible way.
- In 2020 KIT obtained a € 5 mio standby credit facility to further strengthen the continuity of day to day operations in case of abnormalities happening. Since our cash at bank did increase in 2020 we had no need to draw from this facility and don't expect this either for the coming few years if the operation stays as it is now.
- KIT identifies risks at an organizational level. This risk assessment is done every few years. Special attention is spent on our IT security by external assessments. We assess risks at a project level. Partner and client assessments do take place, financial, political and other risks regarding the projects are being addressed and mitigating measures are put in place, where possible. KIT also addresses risks at a personal level. Security and safety is of utmost importance considering the high-risk, conflict-sensitive and fragile areas we work in. Travel of staff (when possible again) is monitored and a safety and security panel is in place 24/7. KIT also addresses risks at privacy level. Progress is made with the implementation of GDPR throughout the organization and data privacy policy is monitored closely. Policies addressing the risks of corruption, bribery, slavery and child labor are in place. Next to our workers council, a whistle blower protocol is in place. Working in line with KIT's code of conduct is mandatory for every KIT employee.

CONSOLIDATED NET RESULTS 2020

(amounts in € thousands)

The Financial Statements 2020 relate to all activities of the Vereniging Koninklijk Instituut voor de Tropen / KIT Association Royal Tropical Institute, Holding KIT BV (including KIT Hotel BV Exploitatie-maatschappij Tropenhotel BV, KIT Intercultural Professionals BV (KIT IP) and Stichting Eijkman Medaillefonds.

In 2020 KIT realized a negative result of € 321¹ compared to a positive result of € 2.131 in 2019. The main reasons are as follows:

- o The negative result of € 2.941 of Hospitality due to Covid-19
- o Intercultural Professionals had a negative result of € 425 which was also largely due to Covid-19 and restructuring costs;
- o NOW and TVL subsidies for a total amount of € 1.874

The normalized result decreased in 2020. This is mainly caused by the negative effects of Covid-19. The table below shows the normalized result.

¹ amounts x € thousands

	2020	2019
Consolidated result	(321)	2.131
Extra depreciation fixed assets	-	-
Governmental Covid-19 subsidies	(1.874)	-
Release/dotation provision	(120)	(836)
Normalized result	(2.316)	1.295

The Governmental Covid-19 subsidies are based on preliminary calculations and can change since not all subsidy related audits have been completed as per June 10.

The results of the individual departments of both KIT and Holding KIT BV are summarized in the table below. Together they constitute the net result in the consolidated financial statements of KIT.

(amounts x €1.000)	2020	2019
Health	350	302
SED & Gender (SEDG)	(304)	10
Result for Knowledge Unit	46	312
SDG House	(137)	-
Real Estate	1.832	952
NOW 1 Subsidie	661	
NOW 2 Subsidie	621	
Result for line departments	3.023	1.264
Result for staff departments	(39)	80
Total result departments (before dotation)	2.984	1.344
Release/Dotation Provisions	158	836
Result Royal Tropical Institute	3.142	2.180
KIT Hotel BV	(3.441)	3
NOW 1 Subsidie	112	
NOW 3 Subsidie	255	
TVL/TOG Subsidies	134	
Result KIT Hotel BV	(2.941)	3
KIT IP BV	(516)	(298)
NOW 1 Subsidie	41	
NOW 2 Subsidie	35	
TVL/TOG Subsidies	16	
Result KIT IP BV	(425)	(298)
Holding KIT BV	(97)	246
Result, Holding KIT BV Consolidated	(3.463)	(49)
Consolidated result	(321)	2.131

The operational result of KIT Holding B.V. is (97) in 2020, an amount of (10) is caused by a revaluation of our stake in Annona. The audits for NOW2 and NOW3 have not been completed yet as per year end, but we do expect to have operated in line with the NOW subsidy requirements, so any deviation that may take place will be limited. KIT IP BV and KIT Hotel BV have had to cope with negative effects of Covid, the Hotel BV had to close the Tropen for months and there were many cancellations at Meeting and Events. The hotel was almost empty for a large part of the year.

CONSOLIDATED REVENUES 2020

The graph below shows total revenues² per KIT department compared to 2019.



² amounts x € thousands

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2020

ASSETS		31-12-2020	31-12-2019
	Notes		
Fixed Assets			
<i>Tangible fixed assets</i>	1		
Buildings		16.228	17.318
Equipment		2.639	2.740
Office equipment		596	678
Computer hardware		113	159
Other tangible fixed assets		298	352
Total: Tangible fixed assets		19.874	21.246
<i>Intangible fixed assets</i>	2		
Software		108	213
Total: Intangible fixed assets		108	213
<i>Financial fixed assets</i>			
Other participating interests	3	618	948
Long term loan	4	1.688	1.769
Deferred tax assets	5	-	-
Total: Financial fixed assets		2.306	2.717
Current Assets			
<i>Stocks</i>			
Finished products	6	28	44
Total: Stocks		28	44
<i>Project amounts to be received</i>			
Time & expenses related to projects	7	1.543	2.964
Total: Project amounts to be received		1.543	2.964
<i>Receivables</i>			
Debtors		2.560	3.200
Advance payments and accrued income	9	379	119
Total: Receivables		2.939	3.319
<i>Cash and cash equivalents</i>	10		
Banks		12.197	7.366
Cash		13	19
Deposits		7.039	7.337
Total: Cash		19.249	14.721
Total Assets		46.047	45.224

(Before Appropriation of Results)
(amounts in € thousands)

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2020

		31-12-2020	31-12-2019
Equity and Liabilities	Notes		
Equity			
	11		
General reserve		30.603	28.472
Appropriated reserves association		316	316
Appropriated funds		34	34
Unappropriated result		(321)	2.131
Total: Equity		30.633	30.954
Provisions			
	12		
Provision for redundancy payments		1.187	1.517
Provision Projects		213	242
Provision for Jubilee payments		146	137
Total: Provisions		1.546	1.896
Current liabilities			
	13		
Creditors		1.036	1.550
Taxation and social security contributions		325	620
Pension liabilities		149	140
Advance receivables and accrued expenses		12.358	10.063
Total: Current liabilities		13.868	12.374
Total Equity and Liabilities		46.047	45.224

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT 2020

(Before Appropriation of Results)
(amounts in € thousands)

INCOME AND EXPENDITURE		2020	2019
Income	Notes		
	15		
Consultancy revenue		11.883	13.339
Training revenue		2.919	3.328
Hospitality revenue	16	1.645	7.070
Real Estate		4.457	4.400
Other income		65	62
NOW regeling		1.874	-
Total operating income		22.844	28.199
Raw materials and other external costs		343	1.313
Subcontracted Work and other external costs	18	8.381	10.227
Wages and salaries	19	8.768	8.893
Social Security contributions		1.344	1.416
Pension expenses		1.240	1.248
Depreciation		2.079	2.037
Other Operating expenses	20	1.049	1.288
Total operating expenses		23.204	26.422
Operating result		(360)	1.777
Share in the result of non-consolidated participations		(10)	197
Interest and other comparable income		212	210
Interest expenses and other comparable expenses		(164)	(53)
Financial gains and (losses)		39	354
Result on ordinary activities before tax		(321)	2.131
Taxation on result from ordinary activities	21	-	-
Result after taxes		(321)	2.131
Result minority holdings		-	-
Net result after tax		(321)	2.131
Allocation to General Reserve		(321)	2.131
Allocation to Appropriated Reserve		-	-
Allocation to Appropriated Reserve foundation		-	-
Net Result after allocation to/from Appropriated Funds / Reserves		(321)	2.131

CONSOLIDATED CASH FLOW STATEMENT 2020

(amounts in € thousands)

The cash flow statement is prepared using the indirect method and distinguishes between operating, investing and financing activities. Payments and receipts of income taxes are included as cash flow from operating activities. Cash flows resulting from acquisitions or divestments of financial interests in group companies and subsidiaries are included as cash flow from investing activities, taking into account the available cash and cash equivalents in these interests.

	2020	2019
Cash Flow from Operating Activities		
Operating result	(360)	1.777
<i>Elimination of Non-cash Items</i>		
Depreciation / Amortization	2.079	2.037
Impairment	-	-
Addition / (Release) Provisions	(120)	(836)
Total	1.959	1.201
<i>Changes in Working Capital</i>		
Decrease / (increase) Debtors & WIP	1.802	1.191
Decrease / (increase) Stocks	16	(6)
Increase / (decrease) Current liabilities	1.494	1.677
Total	3.312	2.862
Utilization provisions	(230)	(696)
Interest (and other comparable income) received	212	210
Interest (and other comp. expenses) paid	(164)	(53)
Taxes	-	-
Other income and expenses	-	-
Transfer / Utilization Appropriated reserves	-	-
Total	(181)	(538)
Cash Flow from Operating Activities	4.730	5.302
Investments in fixed assets	(602)	(1.176)
Cash flow from Investment Activities	(602)	(1.176)
Investment in Financial fixed assets	401	168
Cash flow from Finance Activities	401	168
Change in cash and cash equivalents	4.528	4.294

CONSOLIDATED ACCOUNTING PRINCIPLES 2020

COVID19 Pandemic

In this financial year, KIT had to deal with the consequences of the Corona virus. This has resulted in a significant drop in turnover. In the past we have built up a financial buffer. This buffer in combination with implemented cost savings and aid provided by the government enabled us to continue our activities. The accounting principles and determination of the result applies in the financial statements are therefore based on the assumption of the continuity of the company. Especially our hospitality services (hotel, café-restaurant and conferences & events) and KIT Intercultural Professionals have been hit by this crisis.

Consolidation

The Consolidated Annual Accounts include the financial results, assets and liabilities of the association Royal Tropical Institute, as well as the results of its subsidiaries Holding KIT BV (registration number at the Chamber of Commerce 34250386) (including a 100% participation in KIT Hotel BV (registration number at the Chamber of Commerce 33287573), Exploitatie Maatschappij Tropicohotel BV (registration number at the Chamber of Commerce 32059912), and KIT Intercultural Professionals BV (registration number at the Chamber of Commerce 34306066)) and Stichting Eijkman Medaillefonds (registration number at the Chamber of Commerce 41199627).

KIT's subsidiaries are those entities over which KIT directly or indirectly exercises effective control. Effective control means that KIT controls, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of these subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The financial figures of subsidiaries are recognized for 100% in the consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by KIT. All intercompany transactions, balances, income and expenses are eliminated on consolidation, including unrealized gains on transactions.

Accounting principles

This annual report has been prepared in accordance with the Netherlands Civil Code, Book 2 Title 9. All amounts are stated in €*1.000, unless stated otherwise. The balance shown on the Income and Expenditure Account is defined as the difference between revenues and expenses in the year under review, taking into account the accounting principles. Unless otherwise indicated, assets and liabilities are carried at their nominal value.

Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at acquisition date.

Receivables, liabilities and obligations denominated in foreign currencies are translated at the exchange rate prevailing at balance sheet date. Transactions in foreign currency during the financial year are recognised in the financial statements at the exchange rate prevailing at the transaction date. The exchange differences resulting from the translation at the balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

Estimates

When preparing the financial statements, the directors, according to the general principles, make several estimates and assumptions that help determine the amounts in the financial statements. The actual results may deviate from the estimates made.

Principles of valuation of assets and liabilities

(In)Tangible fixed assets

(In)Tangible fixed assets are valued at cost minus straight-line depreciation based on the estimated useful life or at lower market value.

The depreciation starts when tangible fixed assets are put in use. Periodical major maintenance is capitalised in accordance with the components approach, when expenditure incurred is allocated to the component parts.

(In)tangible fixed assets are capitalised if the economic ownership held by the company, and its group companies, is governed by a finance lease. The commitment arising from the finance lease is accounted for as a liability. The interest included in future lease instalments is charged to the profit and loss account over the term of the finance lease.

The useful life of the different components is estimated as follows:

Category	Subcategory	Years
Buildings (and renovations)	Depot	50
	Construction building	40
	Construction new	30
	Revaluation renovation	20
	Renovation building	10
	Conversion and carpeting	10
	Renovation garden	3
	Paintwork	3
Machinery & equipment	Revaluation equipment	20
	technical Equipment	10
	Lighting, blinds, etc	5
Hardware & software	hardware	3
	software	3
Fixtures & fittings	Fixtures & fittings:	10
Other tangible fixed assets	Other	10
	Exhibition material	5
	Exhibition audiovisual	3

Financial fixed assets

Participating interests are valued at net asset value, unless specific circumstances require valuation at cost or lower market value. Where significant influence is exercised, investments in non-consolidated entities group companies are valued using the net asset value method where the value is greater than zero. This net asset value is calculated using the same accounting policies as used by KIT. A non-distributable reserve is maintained for recognized provisions of associates or subsidiaries when the company is not free to dispose the associate or subsidiary to distribute those provisions

Investments in subsidiaries with negative equity are valued at nil. If the company fully or partly guarantees the liabilities of these subsidiaries a provision is set up, primarily comprising of the receivables from this investment. A provision is created for the remainder, either being the share in the losses incurred by the investment, or the amount of payments the company is obliged to make on behalf of these investments. Investments where no significant influence is exercised, are valued at costs net of impairments, if applicable.

Deferred tax assets are valued at nominal value. Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. No deferred tax assets have been accrued for.

Stocks

Stocks are valued at the lower of costs and net realizable value.

CONSOLIDATED ACCOUNTING PRINCIPLES 2020

Project amounts to be received

KIT engages in service projects based on contracts with customers. If the outcome of a contract can be estimated reliably, project revenue and cost are accounted for in the income statement based on the progress of work performed. The stage of completion is measured by reference to the project cost incurred as a percentage of the expected total project cost. Revenues on projects not yet completed on the balance sheet date are presented in the income statement as change in project amounts to be received. If the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of the project costs incurred that are likely to be recoverable. Project costs consist of all cost which are directly related to the project and the allocated indirect cost based on the normal capacity. If it is probable that the total contract cost is higher than the total contract revenue, the total expected loss is recognised as an expense.

Projects are presented in the balance sheet as receivables from or payables to customers on behalf of the contract on a collective basis. If the collective cumulative recognised revenues exceed the invoiced instalments and incurred losses, the net amount will be presented as a receivable. If the invoiced instalments and incurred losses exceed the collective cumulative recognised revenues, the net amount will be presented as a liability.

Debtors

Receivables are recorded at fair value and then valued at amortised cost, net of allowances for doubtful accounts, determined individually. On initial recognition the fair value and the amortised cost equal the face value.

Cash and cash equivalents

Cash and cash equivalents are carried at fair value. Unless stated otherwise, they are freely available.

Provisions

Provisions must be made for specific risks and liabilities on the balance sheet date and of which the extent is uncertain but reasonably to estimate.

A provision for redundancy payments was created as a result of the obligation to pay monthly redundancy compensation to inactive personnel. The provision also includes the expected redundancy payments after 2018 for former employees who left KIT, because of the obligation of KIT to bear the costs of such redundancy payments.

Employees who have been working for KIT for 12½, 25 or 40 years receive a jubilee payment. A provision is set up for these payments to cover the estimated expenses for these jubilee payments.

Short-term liabilities

Short-term liabilities are liabilities due within one year or less.

Pension Liabilities

The KIT pension plan for the staff of the association and IP staff is based on average earnings. This pension plan is administrated by ABP, a multi-employer long-term employee benefit fund. The pension plan for the staff of KIT Hotel BV is based on average earnings, This pension plan is administrated by Pensioenfond Horeca & Catering, a multi-employer long-term employee benefit fund. The pension premiums due over the year are recognized as costs. An accrual is set up for pension premiums due over the year which are not paid yet per balance sheet date. Because this is a short term liability this is recognized at nominal value. The risks, amongst others, of wage increases, price indexation and return on investments of the pension fund may result in future changes in the annual contributions to the pension fund. These risks are not recognized as a provision. When the multi-employer long-term employee benefit fund has a deficit, KIT has no obligations for deficits other than higher future pension premiums. According to information received from ABP, the fund has a covering rate for the obligations of 93,2% (2019: 97,8%) at the end of the year. According to information presented on the website of Pensioenfond Horeca & Catering , the fund has a covering rate for the obligations of 99% (2019: 109%) at the end of the year.

CONSOLIDATED ACCOUNTING PRINCIPLES 2020

Accounting Principles of income and expenditures

Income and expenditure are allocated to the period under review during which products and services were supplied or costs and other expenses incurred. Losses are recognized as soon as they can be foreseen.

Net turnover

KIT recognizes income (excluding VAT and similar taxes), net of discounts, for rendered services and sold products when the amount of income can be reliably measured, it is probable that future economic benefits will flow to KIT and specific criteria have been met for each of the activities as described below. Income is not recognized if there are significant uncertainties about the probability that the costs incurred will be recovered.

- Services; the income from services is recognized if:
 - a. the income can be reliably assigned to a period
 - b. it is probable that KIT will gain the future economic benefits
- Products; the income from products is recognized if the goods have been delivered as at the year-end date.

Income from fixed-price projects is recognized in accordance with the stage of completion of a project as a proportion of the total project (percentage of completion (POC) method), where the services provided up until the year-end date can be reliably measured and the costs incurred for the project and the costs required to complete the project can be reliably estimated. Under the Percentage of Completion method, income is recognized based on the costs incurred to date as a percentage of the total estimated costs to meet the contractual obligations.

Depreciation

Depreciation expense on tangible fixed assets is calculated as a fixed percentage of the cost net of residual value, based on the expected economic useful life of the asset.

Financial gains and losses

Financial gains and losses are the earned and/or incurred interest from/to third parties and group companies.

Share in result of non-consolidated participations

The share in the result of non-consolidated participations where significant influence is exercised over investments is included in the consolidated profit and loss account. This result is determined on the basis of the accounting policies applied by KIT. Where no significant influence is exercised, dividend income is shown in the profit and loss as financial income.

Corporate Income tax

On the result from ordinary activities corporation tax is calculated at the applicable rate for the financial year, taking into account permanent differences between profits calculated according to the financial statements and profits calculated for taxation purposes, and with which deferred tax assets (if applicable) are only valued insofar as their realisation is likely.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2020

(amounts in € thousands)

ASSETS

1. Fixed Assets

Tangible fixed assets

The buildings are situated on a plot that was leased at 1 guilder a year in perpetuity from the City of Amsterdam in 1911. The insured value of buildings, machinery, equipment, hardware, fixtures and fittings and other fixed assets amounts to € 206,180 (2019: € 173,680) with a maximum pay out of € 75,000 per incident. So in case anything happens to the building, this is the maximum paid out. Purchases consist mainly of renovation of offices of Mauritskade.

	Total	Buildings	Equipment	Office equipment	Computer hardware	Other tangible fixed assets
Net book value as of 1 January 2020	21.246	17.318	2.740	678	159	352
Investments 2020	578	129	351	14	83	-
Disposal 2020						
Depreciation 2020	1.950	1.219	452	95	129	54
Net book value as of 31 December 2020	19.874	16.228	2.639	596	113	298
Cost	79.178	45.025	13.697	5.361	4.986	10.108
Cumulative Depreciation and impairments	59.304	28.797	11.059	4.764	4.873	9.811
Net book value as of 31 December 2020	19.874	16.228	2.639	596	113	298

2. Intangible fixed assets

	Total
Net book value as of 1 January 2020	213
Investments 2020	25
Disposal 2020	-
Depreciation 2020	129
Net book value as of 31 December 2020	108
Cost	2.451
Accumulated depreciation and impairment	2.343
Net book value as of 31 December 2020	108

3. Financial fixed assets

	Total	Annona (5.70%)	Cassia Co-op (4.65%)
Balance as of 1 January 2020	948	851	97
Disinvestment	(320)	(320)	-
Investment	-	-	-
Result	(10)	(10)	-
Balance as of 31 December 2020	618	521	97

NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2020

(amounts in € thousands)

Holding KIT BV holds a minority interest of 5.7% in Annona Sustainable Investment Fund BV ("Annona"), a Dutch entity. Annona is an investment fund with the objective of reducing poverty by acquiring participating interests in agricultural companies based in Africa and Latin America that produce a positive social and economic impact.

The (non-audited) Net Asset Value of Annona on 31 December 2020 is € 521. This is after the distribution of capital from Annona of € 320 to KIT due to disinvestments. Per balance sheet date Holding KIT BV has a remaining commitment to invest € 31 upon demand of Annona to fulfil its total obligation to participate for a total amount of € 1,000.

KIT Holding BV has a 4.65% share in PT Cassia Co-op. PT Cassia-Co-op is an Indonesian company that has the aim to invest in sustainable cassia production. PT Cassia Co-op's factory is based in Sungai Pehnu in Kerinci region (central Sumatra) and was established in 2011.

4. Long term loan

Holding KIT BV lent in 2016 € 2,025 to Linneausstraat C.V. for the development of residential units in KIT's building Linneausstraat 35F. KIT agreed to finance approximately 50% of the development costs against security of the rent receivables and the building inventory. Linneausstraat C.V. pays off the loan in monthly instalments. As of the end of 2020 the remaining amount is € 1.688.

5. Deferred tax asset

Given the uncertainties regarding the profit development of the entities of the Holding due to the COVID-19 virus, and performance in the previous years, it is decided not to activate the deferred tax asset regarding the income tax.

The estimated fiscal result before income tax is € 3.411 negative for 2020. The effective income tax rate is 0% and applicable income tax rate in 2020 is 16,5%

6. Stocks

	31-12-2020	31-12-2019
KIT Hotel BV	28	44
Balance as of 31 December	28	44

7. Project amounts to be received

	31-12-2020	31-12-2019
Project amounts to be received	1.547	5.155
Payments in Advance	(4)	(2.191)
Balance as of 31 December	1.543	2.964

8. Debtors

	31-12-2020	31-12-2019
Debtors	2.654	3.309
Provision for doubtful debtors	(94)	(109)
Balance as of 31 December	2.560	3.200

NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2020

9. Advance payments and accrued income

	31-12-2020	31-12-2019
VAT receivables	13	-
Other tax	54	-
Other accrued income	312	119
Balance as of 31 December	379	119

10. Cash and cash equivalents

The major effects which did lead to an increase of cash & cash equivalents are fewer investments in the buildings and an advance received for one of the projects of € 2.044. Also optimization of working capital had a positive effect on our cash at bank.

EQUITY AND LIABILITIES

11. Equity

General reserve

This reserve acts as a capital buffer. The net result of the Income and Expenditure Account is credited or charged to this reserve. The changes in the general reserve are as follows:

	2020	2019
General Reserve as of 1 January 2020	30.604	28.473
Addition Extra Reserve to General Reserve	-	-
Addition Appropriated Reserve to General Reserve	-	-
Addition to General Reserve	(321)	2.131
Balance as of 31 December	30.282	30.604

Appropriated reserves association

	ICT4Health
Balance as of 1 January 2020	316
Addition	-
Release to General Reserve	-
Release	-
Balance as of 31 December 2020	316

Appropriated funds

The balance of the Legacy Fund of € 34 has been appropriated to the General Reserve as per the 31st of December 2020.

Appropriated reserves Foundations Stichting Eijkman Medaillefonds

According to Directive 640 on reporting for non-profit organizations, the equity of foundations cannot be included in the statutory accounts because foundations do not have shareholders. KIT manages the Stichting Eijkman Medaillefonds (a foundation), therefore the assets and liabilities and the income and expenses of this foundation are fully included in consolidated financial statements.

Unappropriated result

The unappropriated result includes -/- € 0 result of the aforementioned foundation. This result is not included in the statutory financial statements of the institute.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2020

(amounts in € thousands)

12. Provisions

	Total provisions	Provision redundancy payments	Provision projects	Provision jubilee payments
Balance as of 1 January 2020	1.896	1.517	242	137
Additions	61	52	-	9
Release	(181)	(152)	(29)	-
Subtotal	1.776	1.417	213	146
Utilization	(230)	(230)	-	-
Balance as of 31 December 2020	1.546	1.187	213	146

The amount expected to be utilized within one year after balance sheet date for the provision redundancy payments is of € 333.

Employees who have been working for KIT for 12½, 25 or 40 years receive a jubilee payment. A provision is set up for these payments to cover the estimated expenses for these jubilee payments.

The release of provision for redundancy payments of € 152 included an addition of € 52 caused by unforeseen pension premiums of ABP,

The addition of provision for redundancy payments of € 52 does include € 21 salary costs for 2021.

13. Current liabilities

Creditors

	31-12-2020	31-12-2019
Creditors of the Association Royal Tropical Institute	1.020	1.478
Intercultural Professionals BV	-	72
Creditors Hotel BV	16	-
Balance as of 31 December	1.036	1.550

Amounts received in advance and accrued expenses

	31-12-2020	31-12-2019
Payments received in advance Projects	9.478	7.232
Invoiced Rent in advance	1.115	1.122
Other advance receivables and accrued expenses	1.178	1.147
Accrual for vacation days	588	562
Balance as of 31 December	12.358	10.063

Payments received in advance project do fluctuate on a yearly basis due to the kind of projects as per balance date.

The payments in advance for projects are offset with the related project amounts to be received:

	31-12-2020	31-12-2019
Project amounts to be received	(7.679)	(2.160)
Payments received in advance	15.112	7.561
Payment in advance project Sharenet	2.044	1.831
Balance as of 31 December	9.478	7.232

The payments received in advance do fluctuate on a yearly basis. The advances depend highly on the kind and scale of projects.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2020

(amounts in € thousands)

14. Guarantees and obligations not shown in the balance sheet

Obligations not shown in the balance sheet relate to contracts. The remaining obligation amounts to € 2.133 and is subdivided as follows:

	31-12-2020	31-12-2019
Less than one year	1.015	572
One to five years	1.118	738
<u>More than five years</u>		-
	2.133	1.310

These guarantees and obligations concern the contract with MAS, the cleaning company with whom we have a three year contract that runs till early 2022. Also several suppliers of KIT Hotel BV, signed contracts regarding the renovation of the cooling unit for the museum collection (KIT Buitendepot) and the remaining commitment for the Annona investment are included. KIT outsourced the operational maintenance of its buildings to Kuijpers Installatietechniek B.V.

Events after the balance date:

For events after the balance date, we refer to page 29 of this financial annual account.

Proposed appropriation of the result for the financial year 2020:

The Board of Directors proposes to apply the result for the 2020 year as follows: Deduction from general reserve: € 321. This proposal has already been incorporated in the financial statements.

NOTES TO THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT 2020

(amounts in € thousands)

General

The accounting policies and the principles for the determination of the results are identical to those set out in the notes to the consolidated annual accounts. Balances are disclosed if they differ from the consolidated financial accounts.

15. Consultancy Revenue

The consultancy revenue decreased compared with 2019. The main reasons the revenue has decreased is the change in Work in Process and the invoiced amount of material costs.

16. Hospitality revenue

The revenue of Hospitality decreased caused by the measures taken by the government due to Covid-19. The expectation is that this situation will continue most of the year 2021.

17. Other Revenue

The Other revenue in 2020 is mainly the NOW and TVL subsidies.

18. The Subcontracted Work and other external costs

The Subcontracted Work and other external costs:

	2020	2019
Costs of temporary staff and subcontractors	4.698	5.711
Expenses travel, missions and projects	1.842	1.635
Housing and maintenance expenses	1.323	1.929
Furniture and inventory expenses	36	99
Energy expenses	370	547
Other operating expenses	111	305
Total	8.381	10.227

A large part of the activities of the projects in the Knowledge Unit is executed by subcontractors. Because of the Covid-19 pandemic, traveling was not possible. The expenses for travel, missions and projects always fluctuate between years since they are highly depend on the nature of projects executed. The project costs in 2020 were substantially lower due to a release of project provisions. Due to less Hotel occupancy the costs for housing and the other operating expenses are substantially lower. Due to a decrease in gas tariffs and the lockdown with an operation of the building at a lesser pace, the energy costs are lower than in 2019. So as a consequence of the above mentioned reasons the costs overall were almost 2 mio lower than 2019.

19. Salaries & Wages

The average number of the full time equivalents (FTE's) for 2020 is 151 (2019: 152).

Average FTE's for 2020

	2020	2019
Association KIT	117	115
KIT IP B.V.	6	6
Hotel Exploitatie B.V.	28	31
Total	151	152

NOTES TO THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT 2020

(amounts in € thousands)

20. Other Operating expenses

	2020	2019
Office expenses	422	422
Consulting expenses	625	545
Catering expenses	12	2
Public relations	111	175
Banking costs	80	123
Other costs	(202)	21
Total	1.049	1.288

In 2020 the focus was on reducing the costs as much as possible. In the "other costs" are also contained a release of accrued costs in previous years for redundancy payments.

Audit fees of the accounting network

The audit fees are part of the consulting expenses. The audit and other accounting fees of the accounting organization providing the audit opinion of the annual accounts are specified as follows:

	2020	2019
Audit annual account	72	61
Other audit assignments	130	50
Other non-audit services	-	-
Total	202	111

The other audit assignments concerns project audits requested by clients and ICT audit for KIT.

21. Corporate Income Tax

The corporate income tax is based on the net result before taxation adjusted for exempted sources of income, non-deductible expenses and fiscal allowances.

STATUTORY FINANCIAL STATEMENTS

UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2020

(Before Appropriation of Results)

(amounts in € thousands)

ASSETS		31-12-2020	31-12-2019
Fixed Assets			
<i>Tangible fixed assets</i>	1		
Buildings		15.674	16.647
Equipment		2.569	2.622
Office equipment		347	397
Computer hardware		94	139
Other tangible fixed assets		266	315
Total: Tangible fixed assets		18.950	20.121
<i>Intangible fixed assets</i>			
Software		108	209
Total: Intangible fixed assets		108	209
<i>Financial fixed assets</i>	2		
Participations in group entities		(3.391)	73
Receivables from group entities (long term)		3.450	3.450
Other financial fixed assets		-	-
Total: Financial fixed assets		59	3.523
Current Assets			
<i>Stocks</i>			
Finished products		-	-
Total: Stocks		-	-
<i>Project amounts to be received</i>			
Work in progress		1.543	2.964
WIP Real Estate (Handmatig)		-	-
Total: Project amounts to be received		1.543	2.964
<i>Receivables</i>	3		
Debtors		2.428	2.410
Receivables group entities		3.591	1.482
Receivables other participating interests		-	-
Advance payments and accrued income		115	78
Total: Receivables		6.135	3.970
<i>Cash and cash equivalents</i>			
Banks		11.619	6.351
Cash		8	13
Deposits		7.039	7.042
Total: Cash and cash equivalents		18.666	13.406
TOTAL ASSETS		45.461	44.194

UNCONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2020

(Before Appropriation of Results)
(amounts in € thousands)

EQUITY & LIABILITIES		31-12-2020	31-12-2019
Equity	4		
General reserve		27.138	28.423
Appropriated reserves association		316	316
Reserve inheritance		34	34
Unappropriated result		3.144	2.180
	Total: Equity	30.633	30.954
Provisions			
Provision for redundancy payments		1.136	1.518
Provision Projects		213	242
Provision for jubilee payments		146	137
	Total: Provisions	1.495	1.897
Current Liabilities	5		
<i>Accounts payables</i>			
Creditors		742	936
Payables to group entities		15	72
Taxation and social security contributions		379	556
Pension liabilities		125	116
Other liabilities		-	-
Advance receivables and accrued expenses		12.071	9.662
	Total: Current liabilities	13.333	11.343
TOTAL LIABILITIES		45.461	44.194

UNCONSOLIDATED INCOME AND EXPENDITURE ACCOUNT 2020

(amounts in € thousands)

	2020	2019
Result of participation in Holding KIT BV	(3.463)	(49)
Operating result Association KIT	3.142	2.180
Net result after taxes	(321)	2.131
Allocation to general Reserve	(321)	2.131
Allocation to Appropriated Reserve	-	-
Net Result after allocation to/from Appriated Funds and Reserves	(321)	2.131

The operating result of association KIT includes € 1.282 NOW subsidies.

NOTES TO THE UNCONSOLIDATED BALANCE SHEET AND THE INCOME AND EXPENDITURE ACCOUNT 2020

General

The accounting policies and the principles for the determination of the results are identical to those set out in the notes to the consolidated annual accounts. Balances are disclosed if they differ from the consolidated financial accounts. The presentation format of the P&L has been based on article 402, BW2 title 9.

(amounts in € thousands)

ASSETS

1. Tangible fixed assets

	Total	Buildings	Equipment	Office equipment	Computer hardware	Other tangible fixed assets
Net book value as of 1 January 2020	20.121	16.647	2.622	397	139	315
Investments 2020	562	128	350	8	75	-
Disposal 2020						
Depreciation 2020	1.732	1.102	404	57	121	48
Net book value as of 31 December 2020	18.950	15.674	2.569	347	94	266
Cost	72.137	42.088	12.094	3.084	4.828	10.043
Cumulative Depreciation and impairments	53.187	26.414	9.525	2.737	4.734	9.777
Net book value as of 31 December 2020	18.950	15.674	2.569	347	94	266

2. Financial fixed assets

Participations in group entities

	Holding KIT BV
Balance as of 1 January 2020	73
Operational results 2020	(3.463)
Restructuring/increase equity KIT 2020	-
Balance as of 31 December 2020	(3.391)

Loans to Group Companies

	31-12-2020	31-12-2019
Holding KIT BV	3.450	3.450
Balance as of 31 December	3.450	3.450

The 100% participating interest in Holding KIT BV is valued at net asset value (NAV). The result of the participation in Holding KIT BV corresponds to the result in the annual accounts of Holding KIT BV.

3. Receivables

Debtors

	31-12-2020	31-12-2019
Debtors	2.437	2.426
Provision for doubtful debtors	(9)	(16)
Balance as of 31 December	2.428	2.410

Receivables group entities

	31-12-2020	31-12-2019
Receivables Holding KIT BV	118	480
Receivables KIT Intercultural Professionals BV	37	3
Receivables KIT Hotel BV	3.170	999
Balance as of 31 December	3.326	1.482

	31-12-2020	31-12-2019
Account Receivable KIT Intercultural Professionals BV	265	-
Balance as of 31 December	265	-

Advance payments and accrued income

	31-12-2020	31-12-2019
Advance payments related to projects	-	1
Other accrued income	115	77
Balance as of 31 December	115	78

EQUITY AND LIABILITIES

4. Equity

There is no difference in 2020 between statutory equity and consolidated equity.

5. Current liabilities

Creditors

	31-12-2020	31-12-2019
Creditors	742	936
Balance as of 31 December	742	936

Payable to group entities

	31-12-2020	31-12-2019
Receivables KIT Hotel BV	15	72
Balance as of 31 December	15	72

Advance receivables and accrued expenses

	31-12-2020	31-12-2019
Payments received in advance	9.416	7.218
Invoiced Rent in advance	1.115	1.122
Accrual for vacation days	562	514
Accrued expenses	979	809
Balance as of 31 December	12.071	9.662

The payments received in advance are explained in more detail in the consolidated notes.

NOTES TO THE UNCONSOLIDATED BALANCE SHEET AND THE INCOME AND EXPENDITURE ACCOUNT 2020

(amounts in € thousands)

6. Personnel costs

In Full time equivalents the average number of employees for 2020 is 117 (2019: 115).

Expense allowance Supervisory Board

The Supervisory Board did not receive remuneration in 2020.

7. Statutory regulation of appropriation of results

According to Article 20 of the Articles of the Association, the Management Board submits a proposal to the annual meeting of the Council of Members for appropriation of the results of the year. Unless the Council decides otherwise, the result will be added to the general reserves.

Proposed appropriation of results

The Management Board proposes to appropriate the negative result of € 321 of 2020 to deduct from the general reserve.

8. Information of Association

The association Koninklijk Instituut voor de Tropen is registered at the Chamber of Commerce, number 33185213. The association is established in Amsterdam.

9. Main sources of revenue KIT Association

Klantnaam	2020	Klantnaam	2019
Nuffic	2.792	Nuffic	3.315
Nationaal Museum voor Wereldculturen	2.778	Nationaal Museum voor Wereldculturen	2.671
KIT Hotel B.V.	2.186	KIT Hotel B.V.	2.137
Plan International Nederland	1.731	Plan International Nederland	907
AGRA-alliance for a Green Revolution in Africa	1.515	AGRA-alliance for a Green Revolution in Africa	734
Ministerie van Buitenlandse Zaken	997	Ministerie van Buitenlandse Zaken	635
Ministry of Health and Social Welfare Liberia	748	Ministry of Health and Social Welfare Liberia	579
Stop TB Partnership	460	Stop TB Partnership	417
Nederlandse Org voor Wetenschappelijk Ond (NWO)	410	Nederlandse Org voor Wetenschappelijk Ond (NWO)	402
Linneausstraat C.V.	382	Linneausstraat C.V.	392

(amounts in € thousands)

10 Events after the balance date

KIT has substantial plans to renovate the Tropenhotel and rejuvenate it's campus. The investment needed will be substantial in relation to KIT's consolidated balance sheet. External funding will be needed to finance the plans. We expect to reach a decision by September 2021.

Signed at the annual meeting held on the premises of KIT, Mauritskade 63, Amsterdam, by the management board and the supervisory board as per June 2021:

Amsterdam, 10 June 2021

M. Schneiders, CEO KIT

Supervisory board members:

L. Broekhuizen

J. Gupta

J.Kwak

P.J. Flach

P.Strengers

INDEPENDENT AUDITOR'S REPORT