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***Annual Report 2023***  
Netherlands Academy of  
Engineering  
's-Gravenhage

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*3 April 2024*

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## ***Board's report***

NAE unites top experts active in technological sciences and applied research and development. They come from knowledge institutions and the business community and share the passion for engineering-based innovation as a means to overcome many of our societal challenges and to maintain our country's earning capacity within the European and international context.

The Ministries of EZK and OCW jointly make an amount of EUR 500,000 available annually for a period of nine years (2023 to 2031). In addition, 4TU.Federation has made an amount of EUR 300,000 available for the years 2024 and 2025. These contributions provide NAE with a solid financial basis for the coming years. For the purpose of both greater impact and long-term continuity, broader funding is being considered by more governments on the one hand, and by connecting more ecosystem parties to the NAE mission on the other.

NAE is an association with a social mission. The members of NAE, Fellows and Young Engineers, have been appointed not only on the basis of their merit, but also because they want to commit themselves to the NAE activities and also have the right network for this. The NAE board is assisted by an Advisory Board, which will be installed in 2024. NAE can only have maximum impact if its behavior is impeccable. To this end, a Code of Conduct has been drawn up and a careful process has been set up to ensure transparency and prevent conflicts of interest. The financial processes have clear audit trails and every transaction has an approval process that includes the office, management, and board.

In 2023, NAE has created a solid foundation for its future. The year started with determining the vision and positioning, which included many discussions with stakeholders and a look at international Academies of Engineering. Six connecting themes have been identified within NAE's Forum, Advisory, and Pivotal activities: Engineering Talent, Ecosystem Improvements (removing barriers to innovation), Innovation for Social Transitions, Innovation of Engineering Practice, Effective Valorization and Startups, and International Collaboration and Best Practices. A lot of work has been done behind the scenes to set up NAE as a new organization.

Compared to the original plans, properly setting up NAE's foundation took more time. The start of the substantive activities has been delayed and will start in early 2024. A large part of the 2023 budget has been used to draw up all processes and preconditions. An indirect budget has been spent on NAE's objectives through the careful procedure of selecting the first group of members and organizing the opening event, putting NAE on the map, and drawing up the implementation plan that formed the basis for the 2024 annual plan. We are currently in the process of justifying our activities to our subsidy providers.

Dr. Henk van Houten – Chair

Dr.ir. Sjoukje Heimovaara – Vice-chair

Dr. Eline van Beest – Treasurer

Prof.dr.ir. Inald Lagendijk – Board member

Prof.dr.ir. Ton van der Steen – Board member

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## ***Report on the financial statements***

## **Balance sheet as at 31 December 2023**

(after proposal distribution of result)

<b>Assets</b>		<b>31 December 2023</b>		<b>14 December 2022</b>	
Ref.		€	€	€	€
<b>Fixed assets</b>					
	Tangible fixed assets	1.	15.737		
	Financial fixed assets	2.	9.006		
			24.743		-
<b>Current assets</b>					
	Other receivables and accruals	3.	3.283		-
	Cash and cash equivalents	4.	299.375		-
			302.658		-
<b>Total assets</b>			<b>327.401</b>		<b>-</b>

<b>Equity and Liabilities</b>		<b>31 December 2023</b>		<b>14 December 2022</b>	
Ref.		€	€	€	€
<b>Capital and reserves</b>					
	Going concern fund	5.	48.605		
	Reserve assigned to Pivot activities		144.880		-
			193.485		-
<b>Current liabilities</b>					
	Trade payables	6.	47.825		-
	Other liabilities and accruals	7.	86.091		-
			133.916		-
<b>Total equity and liabilities</b>			<b>327.401</b>		<b>-</b>

## **Statement of income and expenditure for the year 14 December 2022 – 31 December 2023**

		<u>2022/2023</u>		<u>2022/2023 Budget</u>	
		€	€	€	€
<b>Income</b>					
	8.	500.000		500.000	
Income from government subsidies					
	9.	<u>144.880</u>		<u>130.000</u>	
Income from other non-profit organisations					
<b>Total income</b>			<u>644.880</u>		<u>630.000</u>
 <b>Expenses</b>					
<i>Spent on Association's objectives</i>					
	10.	173.611		154.977	
Forum					
	11.	108.294		114.977	
Pivot					
	12.	<u>98.294</u>		<u>104.976</u>	
Advice					
		380.199		374.931	
<i>Costs fundraising</i>					
		-		-	
<i>Costs management and administration</i>					
	14.	<u>71.196</u>		<u>75.431</u>	
			<u>451.395</u>		<u>450.362</u>
<b>Total expenses</b>					
Financial income and expense			-		-
<b>Total of income and expenditure</b>			<u>193.485</u>		<u>179.638</u>
 <b>Proposal of result distribution</b>					
			48.605		49.638
Addition to going concern fund					
			<u>144.880</u>		<u>130.000</u>
Addition to reserve assigned to Pivot					
			<u>193.485</u>		<u>179.638</u>

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## **Notes to the financial statements**

### **Entity information**

#### *Registered address and registration number trade register*

The actual address of the Association Netherlands Academy of Engineering, registered in Amsterdam, is Koninginnegracht 19 's-Gravenhage. The Association is registered at the Chamber of Commerce under number 88488659. The Association is registered as ANBI.

### **General notes**

#### *Organisational objectives*

The Association aims to:

#### Article 4 Part 1:

- a. To promote and enhance the interaction and collaboration between the wider society, academia, and the business sector, striving for multi disciplinarity where relevant and feasible;
- b. To promote and increase the translation of excellent knowledge and insights into tangible practical applications for the benefit of societal welfare;
- c. Utilising the gained experiences and insights to achieve the system improvements mentioned under points a. and b., in order to enhance the effectiveness and societal impact of collaboration between the broader society, academia, and the business sector.

In line with aforementioned objectives, the association undertakes the following tasks, nationally and internationally:

#### Article 4 Part 2:

- a. Acting as an independent forum for debate among scientists, businesses, societal parties, and government within the scope of the Association's field of work (Forum);
- b. Providing independent advice, both solicited and unsolicited, primarily to businesses and academia within the ecosystem, regarding topics within the Association's field of work (Advice);
- c. Serving as a central hub within the ecosystem (Pivot).

### **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 Dutch Accounting Standards, specifically RJ650, 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.

### **Accounting Principles**

#### *Accounting principles applied to the valuation of assets and liabilities*

#### **Tangible fixed assets**

Tangible fixed assets are valued at the historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Subsidies on investments will be deducted from the historical cost price or production cost of the assets to which the subsidies relate.

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**Receivables**

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs of material. Receivables are subsequently valued at the amortised costs price. If there is no premium or discount and there are no transaction costs, the amortised costs price equals the nominal value of the accounts receivable. 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 the current liabilities.

**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 the determination of the result*

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

**Income recognition**

Subsidies and gifts are recorded as income in the statement of income and expenditure in the year in which the subsidised costs were incurred or income was lost or when there was a subsidies operating deficit. Income is recognised when it is probable that it will be received.

**Expenses**

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

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## **Notes to the balance sheet**

<b>1. Tangible fixed assets</b>	<u>31-12-2023</u> €
Inventory	15.737
	<hr/> <hr/>

The inventory will be used for general operational purposes.

<b>2. Financial fixed assets</b>	<u>31-12-2023</u> €
Deposits	9.006
	<hr/> <hr/>

<b>3. Other receivables and accruals</b>	<u>31-12-2023</u> €
Other accruals and prepaid expenses	3.283
	<hr/> <hr/>

<b>4. Cash and cash equivalents</b>	<u>31-12-2023</u> €
ABN AMRO Bank N.V.	299.375
	<hr/> <hr/>

The cash and cash equivalents are freely available to the Association.

<b>5. Capital and reserves</b>	<u>31-12-2023</u>
	€
Going concern fund	48.605
Reserve assigned to Pivot activities	<u>144.880</u>
	<u>193.485</u>

Movements in capital and reserves were as follows:

	Going concern fund	Reserve assigned to Pivot activities	Total
	€	€	€
Balance as at 14 December 2022	-	-	-
Appropriation of the result	48.605	144.880	193.485
	<u>48.605</u>	<u>144.880</u>	<u>193.485</u>

**Going concern fund**

The going concern fund is an assigned reserve by the government subsidy OCW for levelling the costs and going concern.

<b>6. Trade payables</b>	<u>31-12-2023</u>
	€
Trade creditor	<u>47.825</u>

<b>7. Other liabilities and accruals</b>	<u>31-12-2023</u>
	€
Accrued expenses	<u>86.091</u>

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## **Off balance-sheet rights, obligations and arrangements**

### *Rent*

NAE has an annually renewable rental agreement for office space until June 30<sup>th</sup> 2025. The obligation amounts a total of € 20.616 per year.

### *Subsidy*

The income from subsidy OCW has been granted for a period of 9 years (2023 up and till 2031), for an amount of € 500.000 per year.

### *Committed funding*

4TU.Federation has committed to a recurring funding of € 300.000 per year, for the years 2024 and 2025.

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## ***Notes to the statement of income and expenditure***

	<u>2022/2023</u>
<b>8. Income from government subsidies</b>	<b>€</b>
Subsidy EZK-OCW	500.000
Lower spending subsidy repayment	-
	<hr/>
	500.000
	<hr/>

The income from subsidy OCW has been granted for a period of 9 years (2023 up and till 2031), for an amount of € 500.000 per year. A maximum of 10% of the subsidy can be assigned to a going concern fund, any remaining unused part of the subsidy needs to be repaid.

	<u>2022/2023</u>
<b>9. Income from other non-profit organisations</b>	<b>€</b>
Gift Netherlands Academy of Technology and Innovation (AcTI)	144.880
	<hr/>

The gift from AcTI is one-time, with the condition that the resources are primarily allocated towards Pivot activities.

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**Expenses spent on Association's objectives**

	<u>2022/2023</u>
	€
<b>10. Expenses assigned to activities Forum</b>	
Supporting events – launch NAE	27.964
Informational costs awareness - website	8.191
Legal costs	2.066
Subscriptions and dues	1.730
Symposia	655
Temporary and freelance staff	120.611
Outsourced consultancy	12.394
	<hr/>
	173.611
	<hr/>

	<u>2022/2023</u>
	€
<b>11. Expenses assigned to activities Pivot</b>	
Supporting events – launch NAE	27.964
Informational costs awareness - website	8.191
Legal costs	2.066
Subscriptions and dues	11.730
Symposia	655
Temporary and freelance staff	45.294
Outsourced consultancy	12.394
	<hr/>
	108.294
	<hr/>

	<u>2022/2023</u>
	€
<b>12. Expenses assigned to activities Advice</b>	
Supporting events – launch NAE	27.964
Informational costs awareness - website	8.191
Legal costs	2.066
Subscriptions and dues	1.730
Symposia	655
Temporary and freelance staff	45.294
Outsourced consultancy	12.394
	<hr/>
	98.294
	<hr/>

	<u>2022/2023</u>
	€
<b>13. Costs of labour</b>	
Payroll	-
Temporary and freelance staff	218.565
Outsourced consultancy	39.036
	<u>257.601</u>
Charged to activities Forum	-133.005
Charged to activities Pivot	-57.688
Charged to activities Advice	-57.688
	<u>9.220</u>
General costs of labour	9.220
The general costs of labour consist of:	
General temporary and freelance staff	7.366
General consultancy costs	1.854
	<u>9.220</u>

In 2023, two temporary workers were hired from AcTI (Netherlands Academy of Technology and Innovation). Agreements have been made in advance between AcTI and NAE about the amount of time they would spend on work for NAE. One temporary worker was hired for approximately 12 hours per week during the first half of 2023, the other for 29 hours per week during the entire year of 2023.

	<u>2022/2023</u>
	€
<b>14. Costs management and administration</b>	
Other staff expenses	2.708
Temporary and freelance staff	7.366
Housing costs	15.698
Automation expenses	4.222
Audit and administration costs	17.400
Attendance fees and costs reimbursements directors	19.473
Consultancy costs	1.854
Other general expenses	724
Depreciation of inventory	1.751
	<u>71.196</u>

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## ***Other notes***

### **Average number of employees**

During the year 2023 and 2022, there were no employees employed by the organisation.

### **Subsequent events**

#### *Contracted employees*

At 31 December 2023, Netherlands Academy of Engineering contracted 2 employees starting at January 1st, 2024.

Amsterdam, 4 april 2024



Dr. Henk van Houten

*Chair*



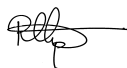
Dr.ir. Sjoukje Heimovaara

*Vice-chair*



Dr. Eline van Beest

*Treasurer*



Prof.dr.ir. Inald Lagendijk

*Board member*



Prof.dr.ir. Ton van der Steen

*Board member*

## Independent auditor's report

*To: The board of the Netherlands Academy for Engineering*

### **Report on the audit of the financial statements 14 December 2022 until 31 December 2023**

#### **Our opinion**

We have audited the financial statements for the year ended 31 December 2023 of Netherlands Academy for Engineering, based in The Hague.

In our opinion, the financial statements for the year 2023 of the Netherlands Academy for Engineering included in this annual report have been prepared, in all material respects, in accordance with the accounting principles chosen and described by the association, as outlined in the notes to the financial statements.

The financial statements comprise:

1. the balance sheet as at 31 December 2023;
2. the statement of income and expenses for 14 December 2022 until 31 December 2023; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

#### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Netherlands Academy for Engineering in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Basis of accounting and restriction on distribution and use***

We draw attention to the disclosure in the financial statements where the basis of financial reporting is outlined. The financial statements have been prepared by the management to enable the Netherlands Academy of Engineering to comply with the requirement, and to be able to be accountable to the general meeting of members. Therefore, the financial statements may not be suitable for other purposes. Our audit opinion is solely intended for the Netherlands Academy of Engineering and its general meeting of members and should not be distributed to or used by others. Our opinion has not been modified as a result of this matter.

### ***Report on the other information included in the annual report***

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

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the management report in accordance with 'other information' as required.

### ***Description of responsibilities regarding the financial statements***

#### ***Responsibilities of the board for the financial statements***

The board is responsible for preparing the financial statements in accordance with the accounting principles chosen and described by the association, as outlined in the notes to the financial statements. In this context, the board is responsible for implementing internal control that it deems necessary to enable the preparation of the financial statements without material misstatements due to errors or fraud. As part of the preparation of the financial statements, the board is responsible for assessing the entity's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so. The board should disclose events and circumstances that may cast significant doubt on the entity's ability to continue as a going concern in the financial statements. The supervisory board is responsible for overseeing the company's financial reporting process.

***Our responsibilities for the audit of the financial statements***

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the the entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rijswijk, 4 April 2024

Lucro audit B.V.

*E.M.L. Looije*

E.M.L. Looije MSc RA

## Appendices

### Overview expenditures





	Spent on Association's objectives			Costs Fundraising	Costs management and administration	Actual total costs 2022-2023	Budget 2022-2023
	Forum	Pivot	Advice				
Events and purchases	28.619	28.619	28.619			85.857	94.556
Outsourced work	14.460	14.460	14.460		19.254	62.634	52.425
Communication costs	8.191	8.191	8.191		4.222	28.795	30.779
Employment costs	120.611	45.294	45.294		10.074	221.273	219.975
Housing costs					15.698	15.698	19.462
Office and other general costs	1.730	11.730	1.730		20.197	35.387	33.165
Depreciations					1.751	1.751	
	<u>173.611</u>	<u>108.294</u>	<u>98.294</u>	-	<u>71.196</u>	<u>451.395</u>	<u>450.362</u>

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Datumindeling van het controlespoor	DD / MM / YYYY
Status	● Ondertekend

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## Documentgeschiedenis

 VERZONDEN	<b>10 / 04 / 2024</b> 15:35:25 UTC	Door edwin.looije@lucro.nl voor ondertekening verzonden naar Henk van Houten (henk.van.houten@nae.nl), Sjoukje Heimovaara (sjoukje.heimovaara@nae.nl), Eline van Beest (eline.van.beest@nae.nl), Inald Lagendijk (inald.lagendijk@nae.nl) and Ton van der Steen (ton.van.der.steen@nae.nl) IP: 62.45.114.148
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 BEKEKEN	<b>10 / 04 / 2024</b> 16:31:34 UTC	Bekeken door Ton van der Steen (ton.van.der.steen@nae.nl) IP: 109.36.156.100

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Status	● Ondertekend

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 BEKEKEN	<b>10 / 04 / 2024</b> 16:37:16 UTC	Bekeken door Sjoukje Heimovaara (sjoukje.heimovaara@nae.nl) IP: 109.37.146.216
 ONDERTEKEND	<b>10 / 04 / 2024</b> 16:37:43 UTC	Ondertekend door Sjoukje Heimovaara (sjoukje.heimovaara@nae.nl) IP: 109.37.146.216
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