

# KPMG LUXEMBOURG FOUNDATION

**Annual accounts  
for the year ended 30 September 2020**  
(with the report of the Réviseur d'Entreprises Agréé  
thereon)

R.C.S. Luxembourg G 204  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

**KPMG LUXEMBOURG FOUNDATION**  
Annual Accounts as at 30 September 2020

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## **KPMG LUXEMBOURG FOUNDATION**

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### **Report of the Board of Directors for the year ended 30 September 2020**

For many years now, KPMG has been active in creating a positive societal impact. Upon its creation in 2009, The KPMG Luxembourg Foundation represents a further step to increase its efforts.

The KPMG Luxembourg Foundation was created as an extension of our values, with our mission centered in unleashing the full potential of our people to enable change in our communities through volunteerism, education, and corporate giving.

KPMG Luxembourg S.C. issued its impact report in January 2021 where we disclosed further our investments in our communities. The impact report is available on [www.kpmg.lu](http://www.kpmg.lu).

Currently, each of our projects encourages progress towards the UN Sustainable Development Goals. While these goals cover a range of issues, our main focus is:

- Quality education and lifelong learning
- Climate Action
- Decent work and economic growth

With our mission centered in people rather than investments in “Brick and Mortar” , we focus our efforts in Luxembourg, the Grande Region and subsequently in developing areas such as Africa and Asia.

The Board of Directors acknowledges the importance of applying best practice in regard to the management and the operations of the Foundation and therefore has adopted adequate principles to ensure best governance practices and transparency.

The Board of Directors of the Foundation is advised by the Staff Selection Committee which is made up of approximately 10-15 staff members and two members of the Board. The Staff Selection Committee is responsible for reviewing projects and submitting a proposed shortlist to the Board of Directors for ratification.

Many KPMG Luxembourg staff are already engaged in the community giving their own free time and personal commitment to projects. The KPMG Luxembourg Foundation gives the opportunity to our staff to request a donation or sponsorship for their chosen charities through the Make-it-Happen Fund, where they are already committing time. In selecting projects, the same broad criteria as for external projects will be used by the Staff Selection Committee, as well as requiring a full application file.

During 2020, the composition of the Board of Directors of the Foundation is composed as follows:

- Anne-Sophie Minaldo as President;
- Thierry Ravasio, Ravi Beegun, Hélène Crinquant as Board Members;
- Amanda Gardner as Secretary to the Board



## **KPMG LUXEMBOURG FOUNDATION**

### **Annual Accounts as at 30 September 2020**

KPMG Luxembourg S.C., the founder of the Foundation, is committed to contribute 0.16% of its annual turnover (calculated in accordance with KPMG International rules). The 2020 contribution, based upon the turnover of KPMG in Luxembourg for the financial year ended 30 September 2019, increased by other specific donations from our people, totals EUR 332,400.00. The Foundation also benefitted from donations through our payroll giving programme for the amount of EUR 21,750.99 corresponding to total donations received of EUR 354,150.99.

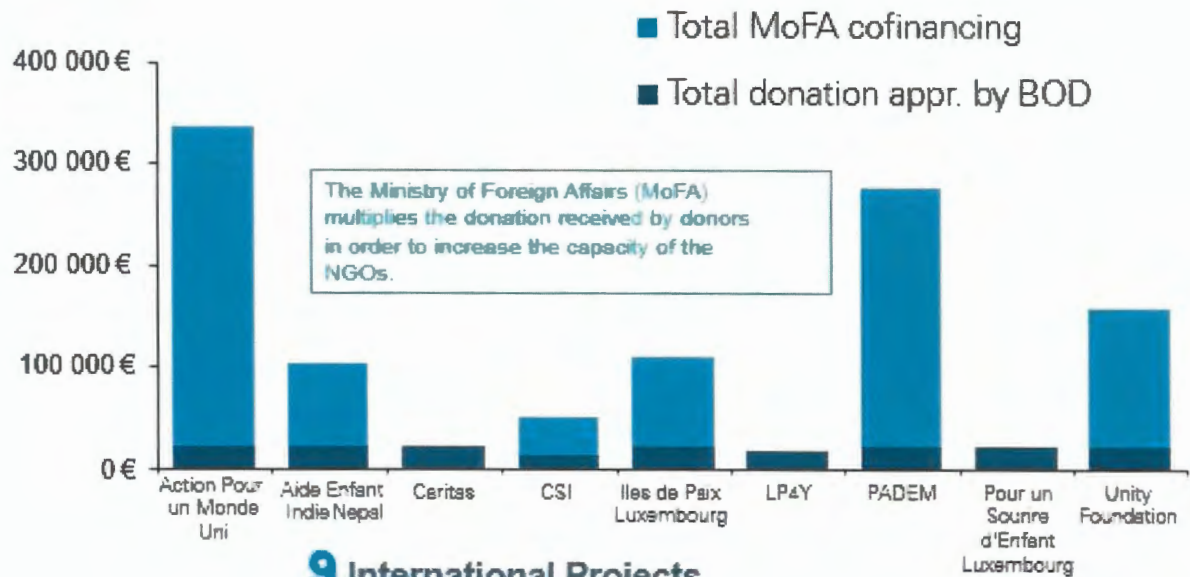
In 2020, the Foundation made donations for a total of EUR 335,351.00.

The operating revenue and expenditure led to a loss of EUR 949.36.

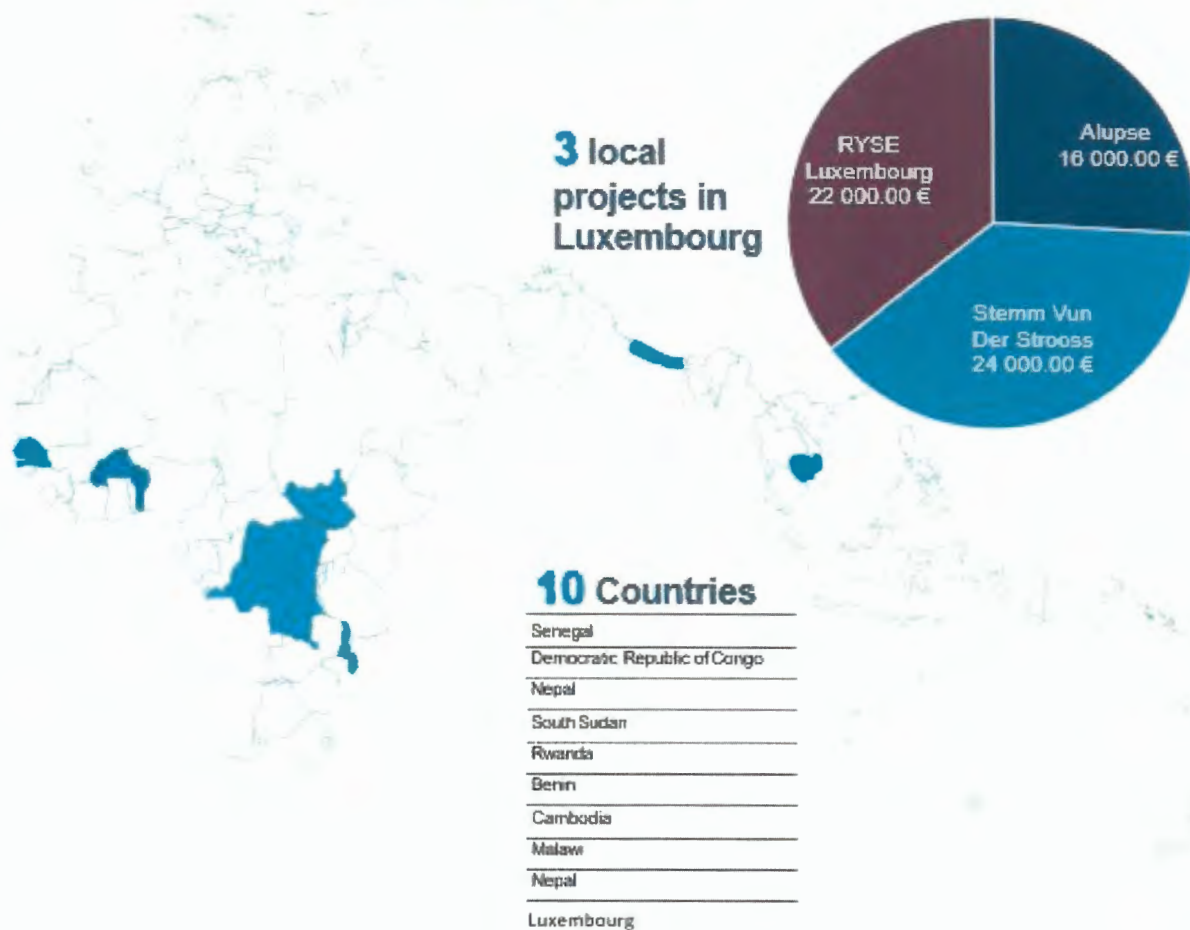
A total amount of capital and reserves of EUR 486,914.61 is carried forward to the next financial year.

## KPMG LUXEMBOURG FOUNDATION

Annual Accounts as at 30 September 2020



### 9 International Projects







To the Board of Directors of  
KPMG LUXEMBOURG FOUNDATION  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the audit of the annual accounts

#### Opinion

We have audited the annual accounts of KPMG Luxembourg Foundation (the "Company"), which comprise the balance sheet as at 30 September 2020, and the statement of income and expenditure for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts have been prepared, in all material respects, in accordance with the accounting policies set out in the notes to the annual accounts.

#### Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs further described in the « Responsibilities of "Réviseur d'Entreprises Agréé" for the Audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the annual accounts, which describes the basis of accounting and preparation of these annual accounts.

#### Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation of these annual accounts in accordance with the accounting policies set out in the notes to the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.



In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Réviseur d'Entreprises Agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. 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 annual accounts.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises Agréé" to the related disclosures in the annual accounts 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 report of the "Réviseur d'Entreprises Agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.



# Fiduciaire Kohn Révision S.à r.l.

*Société à responsabilité limitée*

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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 deficiencies in internal control that we identify during our audit.

## **Report on Other Legal and Regulatory Requirements**

The Board of Directors' report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

Luxembourg, 19 May 2021

Fiduciaire Kohn Révision S.à r.l.  
Cabinet de révision agréé



Tania Kohn





# KPMG LUXEMBOURG FOUNDATION

Balance sheet as at 30 September 2020  
(expressed in EUR)

	Notes	30.09.2020 EUR	30.09.2019 EUR
<b>ASSETS</b>			
<b>Current assets</b>			
Debtors becoming due and payable within one year	4	332,400.00	147.89
Cash at bank	5	<u>155,492.11</u>	<u>469,893.59</u>
<b>TOTAL ASSETS</b>		<u><u>487,892.11</u></u>	<u><u>470,041.48</u></u>
<b>LIABILITIES</b>			
<b>Capital and reserves</b>			
Initial capital contribution	6	500,000.00	500,000.00
Profit or loss brought forward		(30,936.02)	35,906.30
Net project related revenue/(expenditure)		18,799.99	(31,161.72)
Net operating (loss)/profit for the financial year		<u>(949.36)</u>	<u>(35,680.60)</u>
		<u>486,914.61</u>	<u>469,063.98</u>
<b>Creditors</b>			
Other creditors			
Becoming due and payable within one year		<u>977.50</u>	<u>977.50</u>
		<u>977.50</u>	<u>977.50</u>
<b>TOTAL LIABILITIES</b>		<u><u>487,892.11</u></u>	<u><u>470,041.48</u></u>



## KPMG LUXEMBOURG FOUNDATION

Statement of Income and Expenditure for the year ended 30 September 2020  
(expressed in EUR)

		Year ended 30.09.2020	Year ended 30.09.2019
	Notes	EUR	EUR
<b>PROJECT RELATED EXPENDITURE</b>			
<b>Donations received</b>			
KPMG Luxembourg S.C.	4	332,400.00	312,095.00
KPMG employee donations		<u>21,750.99</u>	<u>24,587.87</u>
		354,150.99	336,682.87
<b>Donations made</b>			
	8	(335,351.00)	(367,844.59)
<b>Net project related (expenditure)/revenue</b>			
		<u>18,799.99</u>	<u>(31,161.72)</u>
<b>OPERATING REVENUE AND EXPENDITURE</b>			
Interest receivable and similar income		<u>116.08</u>	<u>233.40</u>
Operating income		116.08	233.40
Other operating charges	7	(899.44)	(136.50)
Interest payable and similar charges		<u>(166.00)</u>	<u>(777.50)</u>
Operating expenditure		(1,065.44)	(914.00)
Value adjustment on financial assets	3	<u>0.00</u>	<u>(35,000)</u>
<b>Net operating (loss) / profit for the financial year</b>			
		<u>(949.36)</u>	<u>(35,680.60)</u>



## KPMG LUXEMBOURG FOUNDATION

Notes to the annual accounts as at 30 September 2020  
(continued)

### 1. General

The KPMG Luxembourg Foundation (the "Foundation") was incorporated on 19 March 2009 in the form of a Foundation in accordance with the law of 21 April 1928, for an indefinite period. The registered office of the Foundation is established at 39 Avenue John F. Kennedy, L-1855 Luxembourg and is registered with the Luxembourg Trade and Companies Register under the number G 204. The incorporation and the statutes of the Foundation were approved by Grand Ducal decree on 27 April 2009.

The Foundation's financial year starts on 1 October and ends on 30 September.

The object of the Foundation is to provide financial support either through donations or loans, to development projects benefiting groups of people in need, across the world, in particular, but not exclusively, in Africa and Asia. Projects supported by the Foundation may be from the social sector, education or health as well as agricultural, manual and income generating projects. Projects may be supported via direct financial assistance or through other associations, whether based in Luxembourg or elsewhere in the world.

### 2. Presentation of the annual accounts and significant accounting policies

#### a) Presentation of the annual accounts

The annual accounts as at 30 September 2020 have been established principally in accordance with the law of 19 December 2002, as amended, relating to the preparation of the annual accounts and the significant accounting policies outlined below. The presentation of the balance sheet and the statement of income and expenditure have been adapted to reflect the specificities of the Foundation's activity.

#### b) Significant accounting policies

The Foundation maintains its accounting records in Euro (EUR) and its annual accounts are expressed in this currency. Monetary assets and liabilities denominated in other currencies are translated into EUR at the rates prevailing at the balance sheet date. Expenditure and income in foreign currencies are converted into EUR at the exchange rate prevailing at date of the transactions. Realised exchange gains and losses and unrealised losses are taken directly to the statement of income and expenditure.

Donations received by the Foundation are accounted for on the date of receipt or when they have been confirmed.

Donations made to associations for which a formal decision has been taken by the Board of Directors but which have not been paid as at the year end, are included in Donations Payable in the balance sheet and Donations Made in the statement of income and expenditure.

Interest income and expenses are recorded in the statement of income and expenditure on an accrual basis.

Debtors and creditors are recorded at nominal value.

Financial fixed assets are recorded at acquisition cost including any related transaction costs. A value adjustment is recorded at the end of each year in case of any durable

## KPMG LUXEMBOURG FOUNDATION

Notes to the annual accounts as at 30 September 2020  
(continued)

diminution of value. Such value adjustment would not be continued if the reason for which the value adjustment was made ceased to apply.

### 3. Financial fixed assets

During the financial year ending 30.09.2017, the Foundation invested an amount of EUR 35,000.00 in a bond issued by Meso Impact Finance Coop SA. The maturity date of the bond was January 2021, five years after the issue date. The bond pays a variable coupon, payable on an annual basis and calculated based on proceeds received from the underlying investment in Negosyong Pinoy Finance Corporation, which is an SME financing company based in Pasig City (Metro Manila) and Cebu in the Philippines.

The bond issued failed to pay annual payments in January 2019 and 2020. In a letter sent to investors in April 2020, NPFC indicated that the level of non-performing loans since late 2018 no longer makes NPFC viable, unless recapitalized. The Board of Directors of the Foundation considered this information as an adjusting post-balance sheet event and therefore decided to recognize a value adjustment for the full amount of the investment as of 30 September 2019.

### 4. Debtors becoming due and payable within one year

KPMG Luxembourg S.C., the founder of the Foundation, is committed to contribute 0.16% of its annual turnover (calculated in accordance with KPMG International rules). The 2020 contribution, based upon the turnover of KPMG in Luxembourg for the financial year ended 30 September 2019, increased by other specific donations, totals EUR 332,400.00, which was not yet paid as of 30 September 2020. This capital commitment will be called once the funding campaign planned in the second quarter of 2021 will be finalized.

### 5. Cash at bank

The Foundation held EUR 155,492.11 in cash balances as at 30 September 2020 (2019: EUR 469,893.59). The Board of Directors of the Foundation has decided to hold all significant cash balances in a BCEE Etika savings account. Etika, a Luxembourg based non-profit organisation ("asbl"), in collaboration with BCEE, offers an ethical alternative savings account. The account is a capital savings account with a guaranteed interest return which is lower than a classic savings account but investors choose to accept a lower rate of return, in the knowledge that they are enabling promoters of social and environmental projects to obtain credits and loans at a more advantageous rate, thus supporting the financing of projects which combine an economic rate of return whilst respecting people and environmental projects.

### 6. Capital and reserves

The initial capital contribution received in March 2009 relates to the initial contribution made by the Founder of the Foundation, amounting to EUR 500,000.00. The opening net reserves of the Foundation as at 1 October 2020 amounted to EUR 469,063.98 (1 October 2019: EUR 535,906.30).



## KPMG LUXEMBOURG FOUNDATION

Notes to the annual accounts as at 30 September 2020  
(continued)

### 7. Other operating charges

The general indirect operating costs such as accounting, operations management etc are borne by KPMG Luxembourg, S.C. on behalf of the Foundation.

### 8. Donations made

The following donations were made or committed during the year:

	2020 EUR	2019 EUR
<b>Local based projects</b>		
ALUPSE	-	15,000.00
Centre St Aubain	-	20,000.00
Ile aux Clowns	-	2,371.21
Life Project 4 Youth Lux	17,000.00	15,000.00
Natur & Umwelt	-	20,000.00
RYSE	22,000.00	-
Stemm Vun Der Stroos	24,000.00	20,000.00
Youth and Work	-	20,000.00
<b>International Projects</b>		
2Care2Share	-	10,000.00
Action pour un monde uni	21,120.00	-
Aide à l'enfance de l'Inde	20,000.00	15,000.00
Cameleon	-	20,000.00
Care in Luxembourg	-	20,000.00
Caritas	22,000.00	-
CSI Letzebuerg	11,386.00	10,600.00
Don Chrétiens pour le Sahel	-	20,000.00
Friendship Luxembourg	100,000.00	111,511.88
Kindernothilfe	-	20,000.00
Iles de Paix Luxembourg	21,811.00	10,000.00
Padem	21,184.00	15,000.00
Pour un Sourire d'enfant	22,050.00	-
Unity Found Mali	20,000.00	-





## KPMG LUXEMBOURG FOUNDATION

### Notes to the annual accounts as at 30 September 2020 (continued)

	2020 EUR	2019 EUR
<b>Make it Happen Fund</b>		
APE – Voiles de Vauban	-	500.00
Croix Rouge Luxembourg	5,000.00	-
Forderverein Krebskranker Kinder	500.00	500.00
Jugendwerk Don Bosco	-	1,000.75
KM226	1,500.00	-
Kriibskrank Kanner	500.00	-
Live in Color	500.00	-
Ocean Clean Up	300.00	-
Pick it up Luxembourg	500.00	-
Reidener Wanterlaf	500.00	500.00
Rosa Lëtzebuerg asbl	500.00	-
Smile for Hope	1,500.00	-
Spielend Helfen EV.	1000.00	500.00
Think Pink	500.00	-
Xaleyi	-	360.75
	<u>335,351.00</u>	<u>367,844.59</u>



## KPMG LUXEMBOURG FOUNDATION

Notes to the annual accounts as at 30 September 2020  
(continued)

During 2013, the Board of Directors committed to make a total donation of EUR 50,000.00 to Ile aux Clowns. A payment of EUR 25,000.00 has been made in 2013. The remaining donation of EUR 25,000.00 will become payable should the Board of Ile aux Clowns consider it necessary and make a formal request for payment. Such a request has not yet been received by the Foundation. The Board of Directors of the Foundation considers that it is unlikely that such a donation will be required, based upon the successful financial fundraising of Ile aux Clowns.

In 2017 KPMG has made a commitment to donate €100,000.00 per year to Friendship Luxembourg for 5 years as an effort to make a real difference in the lives of those in the Least Developed Country of Bangladesh. The last year of donations for this project will take place in the 2021 sponsorship campaign. This support has helped Friendship in providing education, medical care, training and climate change mitigation methods to the communities in the remote river chars (or islands) in the northern part of the country.

Individual KPMG employee donations make up an average of approximately EUR 22,700 per year of the annual commitment through payroll giving, and a total of EUR 68,188 in donations have been made in the period from 01 October 2017 to 30 September 2020.

### 9. Subsequent events

Due to the outbreak and worldwide spread of COVID-19 (commonly known as coronavirus) at the end of 2019 and still ongoing, affected countries have adopted measures with the aim of containing its expansion.

In this context, governments and local and international financial bodies have adopted medical, social, economic, financial and fiscal measures, in order to minimize the social and economic impact over their citizens.

The Foundation is not impacted but some NGOs subject to donations might be. The Board will continuously monitor the situation.

There has been no subsequent events requiring adjustments or disclosures.