

KPMG LUXEMBOURG FOUNDATION

**Annual accounts
for the year ended 30 September 2021**
(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 2021

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KPMG LUXEMBOURG FOUNDATION

Annual Accounts as at 30 September 2021

Report of the Board of Directors for the year ended 30 September 2021

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 SA issued its impact report in January 2022 where we disclosed further our investments in our communities. The impact report is available on 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 one member 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 2021, the composition of the Board of Directors of the Foundation was composed as follows:

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

To the Board of Directors,
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 "Foundation") which comprise the balance sheet as of 30 September 2021, and the profit and loss account for the financial year from 1 October 2020 to 30 September 2021, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the financial position of the Foundation as of 30 September 2021, and the results of its operations for the financial year from 1 October 2020 to 30 September 2021 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for our 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 as adopted for Luxembourg by the CSSF are 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 Foundation in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards,





issued by the International Ethics Standards Board for 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report but does not include the financial statements and our report of the "Réviseur d'Entreprises Agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Annual Accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of 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 Foundation'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 Foundation 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 based on 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the annual accounts, including the disclosures, and whether the annual accounts 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 deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements

Esch-sur-Alzette, November 21, 2022

GSL Révision S.à r.l.
Cabinet de révision agréé

Luc Schmitt
Managing Partner





KPMG LUXEMBOURG FOUNDATION

Balance sheet as at 30 September 2021
(expressed in EUR)

| | Notes | 30.09.2021 EUR | 30.09.2020 EUR |
|--|-------|--------------------------|--------------------------|
| ASSETS | | | |
| Current assets | | | |
| Debtors becoming due and payable within one year | 3 | - | 332,400.00 |
| Cash at bank | 4 | <u>825,286.38</u> | <u>155,492.11</u> |
| TOTAL ASSETS | | <u><u>825,286.38</u></u> | <u><u>487,892.11</u></u> |
| LIABILITIES | | | |
| Capital and reserves | | | |
| Initial capital contribution | 5 | 500,000.00 | 500,000.00 |
| Profit or loss brought forward | | (13,085.39) | (30,936.02) |
| Net project related revenue/(expenditure) | | 32,455.00 | 18,799.99 |
| Net operating (loss)/profit for the financial year | | <u>(1,896.67)</u> | <u>(949.36)</u> |
| | | <u>517,472.94</u> | <u>486,914.61</u> |
| Creditors | | | |
| Other creditors | | 999.44 | 977.50 |
| Donations payable within one year | | <u>306,814.00</u> | <u>-</u> |
| | | <u>307,813.44</u> | <u>977.50</u> |
| TOTAL LIABILITIES | | <u><u>825,286.38</u></u> | <u><u>487,892.11</u></u> |

The accompanying notes form an integral part of these annual accounts.



KPMG LUXEMBOURG FOUNDATION

Statement of Income and Expenditure for the year ended 30 September 2021
(expressed in EUR)

| | | Year ended 30.09.2021 | Year ended 30.09.2020 |
|---|-------|--------------------------|--------------------------|
| | Notes | EUR | EUR |
| PROJECT RELATED EXPENDITURE | | | |
| Donations received | | | |
| KPMG Luxembourg SA | 3 | 335,500.00 | 332,400.00 |
| KPMG employee donations | | <u>17,193.00</u> | <u>21,750.99</u> |
| | | 352,693.00 | 354,150.99 |
| Donations made | 7 | (320,238.00) | (335,351.00) |
| Net project related (expenditure)/revenue | | <u>32,455.00</u> | <u>18,799.99</u> |
| OPERATING REVENUE AND EXPENDITURE | | | |
| Interest receivable and similar income | | <u>60.01</u> | <u>116.08</u> |
| Operating income | | 60.01 | 116.08 |
| Other operating charges | 6 | (1,823.18) | (899.44) |
| Interest payable and similar charges | | <u>(133.50)</u> | <u>(166.00)</u> |
| Operating expenditure | | (1,956.68) | (1,065.44) |
| Net operating (loss) / profit for the financial year | | <u>(1,896.67)</u> | <u>(949.36)</u> |

The accompanying notes form an integral part of these annual accounts.



KPMG LUXEMBOURG FOUNDATION

Notes to the annual accounts as at 30 September 2021

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 2021 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.



KPMG LUXEMBOURG FOUNDATION

Notes to the annual accounts as at 30 September 2021
(continued)

b) Significant accounting policies (continued)

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

3. Debtors becoming due and payable within one year

In 2021, KPMG Luxembourg SA made a total contribution of EUR 335,500.00, which was paid as of 30 August 2021.

4. Cash at bank

The Foundation held EUR 825,286.38 in cash balances as at 30 September 2021 (2020: EUR 155,492.11). The Board of Directors of the Foundation has decided to hold part of its 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.

5. Capital and reserves

The initial capital contribution received in March 2009 relates to the initial contribution made by the Founder (KPMG Luxembourg) of the Foundation, amounting to EUR 500,000.00.

The opening net reserves of the Foundation as at 1 October 2021 amounted to EUR 486,914.61 (1 October 2020: EUR 469,063.98).

6. Other operating charges

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



KPMG LUXEMBOURG FOUNDATION

Notes to the annual accounts as at 30 September 2021
(continued)

7. Donations made

The following donations were made during the year or committed at the end of the year:

| | 2021 EUR | 2020 EUR |
|-------------------------------|------------|------------|
| Local based projects | | |
| Life Project 4 Youth Lux | 20,000.00 | 17,000.00 |
| RYSE | 22,000.00 | 22,000.00 |
| Stemm Vun Der Stroos | 20,000.00 | 24,000.00 |
| Nadiezhdia Asbl | 5,500.00 | - |
| Touchpoints Asbl | 20,000.00 | - |
| International Projects | | |
| UNICEF Luxembourg | 1,500.00 | - |
| Handicap International | 20,000.00 | - |
| Action pour un monde uni | - | 21,120.00 |
| Aide à l'enfance de l'Inde | 19,200.00 | 20,000.00 |
| Caritas | 20,000.00 | 22,000.00 |
| CSI Letzebuerg | - | 11,386.00 |
| Friendship Luxembourg | 100,000.00 | 100,000.00 |
| Iles de Paix Luxembourg | 18,930.00 | 21,811.00 |
| Padem | 21,184.00 | 21,184.00 |
| Pour un Sourire d'enfant | - | 22,050.00 |
| Unity Foundation | 20,000.00 | 20,000.00 |



KPMG LUXEMBOURG FOUNDATION

Notes to the annual accounts as at 30 September 2021
(continued)

7. Donation made (continued)

| | 2021 EUR | 2020 EUR |
|----------------------------------|-------------------|-------------------|
| Make it Happen Fund | | |
| Croix Rouge Belgium | 5,000.00 | - |
| Croix Rouge Luxembourg | - | 5,000.00 |
| German Red Cross | 5,000.00 | - |
| Forderverein Krebskranker Kinder | - | 500.00 |
| KM226 | - | 1,500.00 |
| Kriibskrank Kanner | 424.00 | 500.00 |
| Live in Color | - | 500.00 |
| Ocean Clean Up | - | 300.00 |
| Pick it up Luxembourg | - | 500.00 |
| Reidener Wanterlaf | - | 500.00 |
| Rosa Lëtzebuerg asbl | - | 500.00 |
| Smile for Hope | - | 1,500.00 |
| Spielend Helfen EV | - | 1,000.00 |
| Think Pink | - | 500.00 |
| Leo Club Feierwon Lux | 1,500.00 | - |
| | <u>320,238.00</u> | <u>335,351.00</u> |



KPMG LUXEMBOURG FOUNDATION

Notes to the annual accounts as at 30 September 2021
(continued)

7. Donation made (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.

Individual KPMG employee donations make up an average of approximately EUR 21,510 per year of the annual commitment through payroll giving, and a total of EUR 85,381 in donations have been made in the period from 01 October 2017 to 30 September 2021.

8. Subsequent events

The COVID-19 pandemic had no impact on the Foundation's activities and financial situation.

There has been no subsequent events requiring adjustments or disclosures.