

2020 Disclosure ANBI details for Stichting IKEA Foundation

ANBI Name: Stichting IKEA Foundation

ANBI RSIN number: 815768199

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Objectives: The main objective of the IKEA Foundation is to improve the lives of children living in poverty by supporting programmes that help families afford a better everyday life and protect the planet.

Strategic Plan:

The Foundation has embraced a distinctive strategy among philanthropies: a convergent commitment to improve economic livelihoods and the health of the planet. The IKEA Foundation's uniqueness lies not just in the choice and the combination of these two themes, but in the strong belief that improving the lives of people and protecting the planet need not be in conflict, and that in fact advancing these two goals in harmony is achievable. True to our vision—a better everyday life for the many people—we have a positive worldview. We feel it is our responsibility to articulate and advocate for this vision.

The new long-term strategy is based on a vision to create a better life for the many children and young people living in vulnerable situations. The Foundation will do that by enabling families living in poverty and displacement to afford a better life through the creation of more family wealth. At the same time, we are working to protect the planet through interventions directed towards reducing greenhouse gas emissions.

We work with partners that help people—especially young people, women and refugees—earn a sustainable income and fight for a liveable planet.

By supporting income-generation through agriculture, employment and entrepreneurship, improving access to renewable energy and taking climate action we are helping families create a better everyday life.

Every year, conflicts and disasters force millions of children and their families to flee their homes. Many seek refuge in humanitarian camps or in cities—often for years—for safety, shelter, food, clean water and livelihood opportunities. Since families living in poverty are especially vulnerable to climate-related disasters and other devastating events, we also support emergency relief efforts and longer-term programmes that help refugees and other displaced people become self-reliant in their new communities.

We get the best results by working with partners who know the most about the areas we want to support. We support programmes managed by knowledgeable, innovative and well-regarded organisations that are experts in their fields. Click [here](#) for more information on how we have impacted the lives of children and families over the past years.

It is a key part of our strategy to drive cooperation and best practice sharing among our partners to improve the quality and efficiency in investments made to support children and their families.

The work is organised in six strategic portfolios:

- Employment and Entrepreneurship
- Agricultural Livelihoods
- Renewable Energy
- Climate Action
- Refugee Livelihoods
- Special Initiatives (including Emergency Relief Initiative and Climate and Livelihoods R&D Initiative)

Board: At the end of 2020, the board consisted of the five members: Jonas Kamprad; Peter Kamprad; Johan Kuylenstierna (Chairman); Anders Moberg; Sten Palmquist.

The board convenes at least twice a year. The authority to represent the Foundation is vested in two board members acting jointly. A Grants Approval committee, consisting of among others two board members and three management team members, convenes periodically to discuss and approve proposals for grants presented by the organisation. The board has furthermore given the power of attorney to the management of the Foundation as described in the extract of the Chamber of Commercial Register.

Remuneration policy: The IKEA Foundation's remuneration policy is based on the recognition and reward of each individual's contribution to the organisation. Board members, however, are only reimbursed for out-of-pocket expenses.

Overview of activities during the year:

The main activities of the IKEA Foundation are to provide financial grants and in-kind support to our programme partners, in line with the Foundation's vision and strategy.

The year 2020 was marked by the significant impact induced by the COVID-19 pandemic and subsequent influence on programmes progress and staff capacity.

By the end of the year, the Foundation had 134 partners (28 new) and managed a total of 198 active grants. The pandemic required extraordinary, out-of-routine discussions with most partners concerning alteration in programme design and deliveries, needs for additional emergency and bridge funding and changes in scope and timing. Discussions were marked by a certain level of urgency and put a strain on the organisational capacity. At the same time, many co-workers could not operate at full capacity due to the impact of lockdowns and subsequent school and kindergarten closings. From March onwards, staff worked from home to comply with government recommendations.

In line with its strategic mandate, the Foundation has continued to build capacity in the specific six defined portfolio areas and has focused on strengthening its professional networking and advocacy. 2020 saw the completion of the first five-

year strategic plans for all portfolios, designed to secure optimal long-term impact of Foundation investments.

The expansion in programme volume, professional capacity and stronger focus on programme refinement has also seen an increase in staff. The average number of employees increased from 40.7 FTE in 2019 to 46.7 FTE in 2020. The Foundation staff will continue to develop in accordance with the agreed operating model, allowing proper and responsible management of the increased programme portfolio.

The work of the IKEA Foundation is built on a solid foundation of honesty, openness, trust and fairness. Our ethics are set out in detail in the IKEA Foundation Ethical Framework. All co-workers need to comply with this framework, which is an integral part of the employment agreement.

Emphasis on Monitoring, Learning and Evaluation (MLE) is key to measure the ultimate impact the Foundation creates through its many grant investments. At the same time, MLE captures important learnings that will lead to even better and more impactful grant making in the future—an improved social return on investment.

As part of this effort, portfolio-level Theories of Change have been completed and are serving as the basis for MLE purposes. Clear boundaries have been set in terms of impacts and outcomes sought and countries of intervention. Hypotheses have been stated in terms of intermediate outcomes or those things that grantees need to affect to trigger an outcome change. KPIs have been qualitatively defined for each portfolio to varying, but adequate, degrees. All this work will also lead to better grant management and the ability to address needed course corrections if and when programmes are not performing according to expectations.

The Foundation's management will use 2021 to further build its grant making based on the agreed long-term strategy.

For more information on the Foundation's activities, please click [here](#).

Balance Sheet*(After allocation of result)*

	31 Dec. 2020 '000 €	31 Dec. 2019 '000 €
Financial fixed assets	1,353	1,418
Receivables and accrued income	19,482	12,993
Cash at bank	3,762	11,852
Total assets	24,597	26,263
Reserves	9,790	9,790
Short term liabilities	14,807	16,473
Total liabilities and reserves	24,597	26,263

Statement of income and expenditure

	2020 '000 €	2019 '000 €
Income		
Contributions from Stichting INGKA Foundation	204,908	208,371
Interest and other financial results	-1,617	192
Total income	203,291	208,563
Expenditure		
Grants and in-kind donations	193,166	193,712
Impairment of social impact loans	-52	5,145
Programme management costs	5,000	4,429
General expenses	5,177	5,277
Total expenditure	203,291	208,563
Surplus / (deficit)	-	-

Notes and Definitions

Notes to financial statements

Financial fixed assets consist of social impact loans to two organisations. The short-term liabilities relate to financial commitments to partner organisations, a payable to Stichting INGKA Foundation (the Foundation's grantor) and other creditors.

As of 31 December 2020, the off-balance sheet commitments amount to EUR 197 million for multi-year conditional commitments up to 2026 (of which EUR 88 million in 2021) to several partner organisations. The donations will be granted and paid each year conditional to approval of progress and audit reports and effective notification of the approval to the partner organisations.

Income: The Foundation's income mainly consists of contributions from Stichting INGKA Foundation. In the financial year 2020 the Foundation has not received any gifts or legacies from external parties, nor did the Foundation perform any fundraising activities.

Personnel expenses: total programme management costs and general expenses include personnel expenses of EUR 7,053 thousand.

The statutory seat of the Stichting IKEA Foundation is Amsterdam, the Netherlands. The principal activities are performed out of the office in Leiden, the Netherlands.

Reporting period: these financial statements have been drawn up for the calendar year 2020.

Reporting standards: the financial information has been extracted from the financial statements of the entity for the year 2020. The financial statements for the year 2020 are drawn up in accordance with the Guideline 640 for the Reporting for not-for-profit organisations (RJ 640), as published by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

Accounting principles

Accounting principles used for the valuation of assets and liabilities and the determination of the result are based on historical costs. If not stated differently, assets and liabilities are shown at their nominal value. Revenues and costs are allocated to the period they relate to.

The financial statements are presented in euros, the Foundation's functional currency. All financial information in euros has been rounded to the nearest thousand.

These financial statements have been prepared on the basis of the going concern assumption.

Transactions in foreign currencies

The reporting currency is the euro. Assets, liabilities and off-balance sheet commitments denominated in foreign currencies are valued at the exchange rates

prevailing at the balance sheet date. Transactions in foreign currencies are translated into the reporting currency against the rate of exchange at the date of the transaction.

Valuation principles for assets and liabilities

Financial instruments: financial instruments of the Foundation include social impact loans and other receivables, cash at bank, financial commitments to partner organisations and also trade creditors and other payables.

The Foundation has no derivative financial instruments embedded in contracts.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are de-recognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through the statement of income and expenses, then directly attributable transaction costs are directly recognised in the statement of income and expenses at the initial recognition. After initial recognition, financial instruments are valued as described below.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in the profit and loss accounts.

Financial fixed assets: loans are included at the lower of amortised cost and fair value. An impairment is reported when the fair value is lower than the amortised cost.

Receivables: receivables are carried at amortised cost using the effective interest method, less impairments.

Cash and cash equivalents: are measured at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies.

Liabilities: Financial commitments to partner organisations are recorded as a liability if and when the grant has been approved as an unconditional grant. The partner organisations receive a notification of the release of each installment of long-term projects that is conditional to the approval of the progress reports. Financial commitments to partner organisations, trade creditors and other payables are carried at amortised cost using the effective interest method.

Accounting principles for the determination of results

Income from contributions: the contributions from Stichting INGKA Foundation are recorded in the year for which the contribution has been approved by the board of

Stichting INGKA Foundation. The total contributions received match the total expenditure made.

Interest and other financial results: relates to the interest on financial fixed assets and on bank accounts as well as foreign currency gains and losses on bank accounts and loans. Interest income is recognised in the period to which it belongs, taking into account the effective interest of the related asset.

Grants and in-kind donations: commitments of financial grants to partner organisations are recognised and expensed in the period that the commitment has been approved as an unconditional grant. The first installment in the contract becomes unconditional at the moment the contract is signed by both the IKEA Foundation and the partner. The other installments do not yet result in a liability at the contract date, based on the condition in the contract that the obligation to pay further installments is subject to the condition precedent of approval of the progress reports by the IKEA Foundation and the conditions that give the IKEA Foundation the right to reduce, postpone or cancel subsequent installments at its sole discretion. The partner organisation receives a formal reaction on the approval of the progress report, and, if applicable, a formal notification of the decision to approve a subsequent unconditional grant of a specific amount within the partner contract.

The donations of goods are recorded and recognised in the period in which the in-kind donation has been effectively notified to the partner organisation and when the purchase order has been confirmed by the supplier of the goods. The in-kind donations are acquired at arm's length purchase prices and subsequently donated to partner organisations.

Employee benefits—pensions: the main principle is that the pension charge recognised for the reporting period is equal to the pension contributions payable to the pension fund over the period. In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.

Programme management costs: the costs of programme management concern the costs incurred in selecting the right projects and partner organisations (strategic planning), in monitoring, assessing and evaluating the projects and programmes.

Under programme management costs are accounted, next to consultancy costs, personnel and travel expenses of staff on the basis of a percentage of total time spent on the activities mentioned above.

General expenses: the general expenses include all indirect costs and the personnel and travel expenses as far as they are not directly charged to programme management costs.