

# **Van Gogh Museum Foundation**

## **Annual Report 2020**

The original financial statements were drafted in Dutch. This document is an English translation of the original. In case of any discrepancies between the English and the Dutch text, the latter will prevail.

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## **Annual Report 2020**

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## Directors' report

The Board of Directors of Foundation Van Gogh Museum hereby present the directors' report for the financial year 2020 that ended on 31 December 2020.

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## 1. General

### 1.1 Profile of the Van Gogh Museum Foundation

#### 1.1.1 Museum profile

The Van Gogh Museum (hereinafter also referred to as 'the VGM') opened its doors in 1973. The VGM houses the world's largest collection of Van Gogh's works, with more than 200 paintings, 500 drawings and 800 of his letters. The collection also features paintings from the period 1840-1920 by Van Gogh's friends and contemporaries, by artists who inspired him, and by those whom he inspired. The museum is also home to a collection of late-19th-century printed art and a collection of Japanese ukiyo-e prints. The Mesdag Collection (hereinafter: 'TMC') in The Hague is an integral part of the VGM, with a collection featuring masterpieces from the 19th-century French Barbizon School and Hague School. The VGM is one of the most prominent museums in the world. This is due to its unique collection as well as the expertise on Vincent van Gogh and his time. The museum has developed substantially on many fronts in recent years: through important exhibitions, significant acquisitions, research of the highest international standard, ground-breaking educational programming, a solid commercial branch and a successful Development Department.

#### 1.1.2 Mission and vision

Following extensive internal discussions with the Supervisory Board, the Management Team, the department heads and the Works Council, in 2020, the directors determined the new strategy for the period 2021-2024. The conclusion reached is that a new focus for the VGM is both inevitable and essential. The mission has been tweaked, not necessarily indicative of a major change of direction, but so that it better suits what the VGM is now: an inclusive museum that wants to inspire people with the life of Vincent van Gogh, his work and his time. The VGM's mission is as follows:

*The Van Gogh Museum inspires a diverse audience with the life and work of Vincent van Gogh and his time.*

The vision describes the VGM's ambition. It is based on the museum's mission and core values, and takes into account external factors and our stakeholders. Our vision indicates where we want to go, who and what we want to be and how we want to be seen by our stakeholders. The vision is the dot on the horizon; where the VGM wants to be in the future. The VGM has the following mission:

*The Van Gogh Museum is at the forefront, is current and relevant.  
We choose our own path, push boundaries and want to be an original example for –  
and especially with – others.*

#### 1.1.3 Legal structure

The Van Gogh Museum Foundation is the head of the group, and holds 100% of the shares in Van Gogh Museum Global B.V., as well as 50% of the shares in PP10 B.V. The other 50% of the shares in PP10 B.V. are held by the Rijksmuseum Foundation. Van Gogh Museum Global B.V. holds all shares in both Van Gogh Museum Enterprises B.V. (hereinafter: VGME) and Meet Vincent van Gogh Experience B.V. Van Gogh Museum Global B.V., Van Gogh Museum Enterprises B.V. and Meet Vincent van Gogh Enterprises B.V. will hereinafter also be referred to jointly as 'the subsidiaries'. VGME B.V. is responsible for the Van Gogh Museum's commercial

activities. Meet Vincent van Gogh Experience B.V. operates and is the legal owner of the Meet Vincent van Gogh Experience, a travelling, interactive and educational 3D exhibition. The Director and Managing Director are charged (by statute) with the management of the Van Gogh Museum Foundation. The directors are responsible for the daily running of the Van Gogh Museum and its subsidiaries, and are accountable to the Supervisory Board. Emilie Gordenker was appointed as Director on 1 February 2020 and holds the casting vote in the Board of Directors. At the end of 2020, the VGM parted ways with Managing Director Adriaan Dönszelmann, who made a significant contribution to the museum during his ten years of service. The Supervisory Board appointed Mark Minkman as interim Managing Director as of 1 January 2021. In 2021, the Supervisory Board began the recruitment and selection of the new Managing Director. The Managing Director will be appointed by the Supervisory Board, based on the statutes and on the recommendation of the Director.

The directors meet with the Management Team on a weekly basis. In 2020, the internal governance structure was overhauled, which impacted the composition of the Management Team. The Management Team now consists of the two statutory directors, the Executive Secretary, the department heads of Collections, Education and Presentation, Marketing & Communication, Operations and VGME B.V.

Also in 2020, the directors regularly consulted with the Works Council.

The advice or approval of the Works Council is sought for managerial decisions, in accordance with the provisions of the Works Councils Act.

## 1.2 Retrospective review of 2020

### 1.2.1 Coronavirus crisis

The global Covid-19 crisis dominated 2020 for the Van Gogh Museum and The Mesdag Collection. The national and international measures introduced to combat the spread of coronavirus significantly impact the museum world and the VGM. In 2020, the Van Gogh Museum and The Mesdag Collection were forced to close their doors to the public on three occasions. The museum welcomed a mere fraction of the numbers of visitors of previous years. Following the outbreak of Covid-19 in 2020, there were hardly any international visitors at the museum, while they normally account for 85% of all visitors. Visitor spending in the museum shop was substantially lower than the average figures for the previous years, primarily due to the lack of international visitors. As a result of all of these factors, the net income generated by the VGM in 2020 is € 27 million lower than in 2019. In light of the fact that the VGM is more heavily dependent on visitor numbers than other Dutch museums, and that it receives relatively lower amounts of subsidy, the impact on the VGM was considerable. The Covid-19 crisis also had a considerable impact on the internal organisation. A large number of staff were forced to work from home, resulting in often radical changes to the operational management, and for the staff themselves.

### 1.2.2 What has been achieved?

Despite the three closures, the Van Gogh Museum and The Mesdag Collection were still able to organise a number of first-rate activities, a selection of which are outlined here (see also Activity Plan in chapter 2). Following the first closure on 13 March 2020, the museum reopened on 1 June 2020 with cheerful sunflowers for every visitor, and it was abundantly clear how grateful the public was to once again be able to visit the museum. The exhibitions *In the Picture* and *Your Loving Vincent*. *Van Gogh's Greatest Letters* were popular with Dutch and international visitors, and several engaging Van Gogh books were published. The *Mancini* exhibition at The Mesdag Collection was also well received. In collaboration with the "Beeldbrekers", a group of young adults with a bicultural background, the *Daily Paper x Van Gogh Museum* clothing collections were launched, helping to reach a new generation of museum visitors. The "Beeldbrekers" also designed a themed wall in the permanent collection. Millions of fans all around the world were



inspired and comforted by the work and life of Vincent van Gogh: online reach peaked with more than 250 million digital visitors, partly thanks to the numerous innovative digital initiatives for an international audience that were presented on YouTube. Popular online activities included the *Virtual Tours*, the online Q & A sessions *Van Gogh Questions* – a series of videos watched by thousands of participants, in which a researcher answered questions about Van Gogh's life and work – and the popular drawing and painting instruction videos, which were innovatively and adroitly developed in collaboration with the educators. The Facebook Book Club was another popular initiative. The Van Gogh Museum Foundation Fund was established at the end of 2020: a fund focused on advancing and supporting the Van Gogh Museum Foundation's activities and art acquisitions.

### 1.3 Risk development and internal auditing

For several years, the VGM has used a risk management system to identify and record risks. The VGM has an unwavering focus on potential risks, and the risks are regularly discussed during board and Management Team meetings.

During the past year, our risk management system was sorely tested by the consequences of the coronavirus crisis. From the start, the crisis has dramatically impacted the VGM. The most significant consequences and introduced measures are summarised below.

- The closure of the museum and the dramatic drop in tourism resulted in the loss of a substantial proportion of our income. The drastic reduction to all directly influenceable expenses, together with the financial support received from the government (both emergency support from the Ministry of Education, Culture and Science and assistance through the NOW scheme) meant that the VGM proved to be able to limit the operating deficit in the current year to approximately € 1 mln. The measures taken, have also enabled the VGM to maintain a sound liquidity position;
- From the start of the crisis, measures were taken to facilitate telecommuting wherever possible, and to safeguard the continuity of minimal staffing at the museum. The measures taken have meant that throughout the year, despite the frequently changing circumstances, the safety of our staff, the collection and our property was safeguarded, while activities went ahead as normal wherever possible.

As a result of the focus on addressing the direct risks and evaluating the measures taken associated with the Covid-19 crisis, a standard review of our risk management measures was not held this year. We plan to conduct this review in the coming period.

The risks identified in the past have been assessed, and can be summarised as follows:

#### 1. Financial dependence on (international) visitors

The Covid-19 crisis revealed the museum's heavy financial dependence on (international) visitors. For years, ticket sales accounted for approximately 46% of the total income. In light of sufficient reserves, additional governmental assistance and cost-reducing measures, the expectation is that the VGM can ride out the forecast financial deficits. In the years ahead, the VGM plans to focus more keenly on residents of the Netherlands and Amsterdam, and on inclusivity, which will reduce the dependence on international visitors. In 2021, there will also be a focus on attracting funds, and the recently-established Van Gogh Museum Foundation Fund will play a significant role.

The risk appetite with regard to the number of visitors is low.

#### 2. The technical condition of the collection

The technical condition of the collection is fragile, and is affected by light in the galleries and transport to exhibitions at other (international) museums. Light policy is in place, to reduce the impact of light on the paintings. Loan agreements feature stipulations regarding the permitted amount of light. This measure has significantly improved risk management.

The risk appetite of the VGM with regard to the impact of light can be characterised as moderate. The balance between preservation and the public function of the museum plays a significant role in this risk.

### *3. Fraud (risk of internal, external and digital fraud)*

The VGM is developing from a local into a global and digital organisation. As a result, there is a greater risk of both internal and external fraud. There is a risk of loss of reputation and non-compliance with the anti-corruption legislation. Factors that can minimise the risk of fraud include: donation protocols, whistle-blower procedures, procurement policy and rules of conduct for staff. Awareness of the risk of fraud within the VGM remains high on the MT agenda. The risk appetite is low.

### *4. The balance between museum and commercial activities*

The balance between museum and commercial activities deserves particular attention at the VGM. The museum and the commercial activities associated with the museum are increasingly building towards the optimal combination of the different working methods and outlooks, with the joint aim of developing (and outsourcing development of) products and activities that serve both the content-related and commercial objectives. The risk appetite is high. Those involved are becoming increasingly aware that the only correct way forward is with a joint approach. The recent internal governance restructuring provides for the creation of organisation-wide core groups, which will contribute to closer collaboration between museum and commercial departments.

### *5. International business*

A risk of international business is that due to insufficient knowledge of and insight into the market, the results can be disappointing. Securing a non-paying partner in countries outside of Europe is often difficult. The spearhead for the coming period is entering into strategic alliances in order to boost knowledge and skills, and to spread risks. To this end, in 2020, VGME signed a partnership agreement with international licensing agency IMG. Risk management has improved, while the impact increases due the increasing number of international activities. The risk appetite with regard to international undertakings is moderate to high.

### *6. The vulnerability and dependence of the ICT infrastructure*

The vulnerability and dependence of the ICT infrastructure is a risk that is increasing in terms of impact. Cybercrime is a daily occurrence, and the organisation must be protected against attacks. An action plan is being used to gradually determine and adjust priorities and mitigate vulnerabilities. In 2020, the VGM increased cloud-based working, thereby reducing the vulnerability. The strong and weak elements of the ICT infrastructure are also regularly tested. The risk appetite is low.

### *7. Information management*

Information management is a significant concern. The VGM is keen to be as cautious as possible regarding information. An Information Manager monitors and coordinates information security and the corresponding plans. The VGM has a Privacy Officer and strives to comply with the General Data Protection Regulation (GDPR). A code of conduct, workshops and intranet communications all help to maintain awareness. The risk appetite is low.

### *8. Management and maintenance of the museum buildings*

The VGM is responsible for the management and maintenance of the museum buildings. If these responsibilities are neglected, the risk to the museum increases. The risks are managed through continuous monitoring, close collaboration with an external maintenance partner and ensuring sufficient reserves. Regular checks are conducted and scenario analyses are used. Work

proceeds based on a multi-year maintenance plan, which includes an integral management contract and collaboration with Strukton. The risk appetite is low.

## 2 Activity report 2020

### 2.1 Activities in 2020

#### 2.1.1 Exhibitions and presentations

The year got off to a promising start with *In the Picture*. The exhibition used 75 powerful portraits of and by artists to show that portraiture, in addition to offering a good likeness of the subject, also concerns identity and image. What do you show, and what do you hide?

Alongside 19th-century highlights, the exhibition also featured work by modern and contemporary artists, including by Guillaume Bruère, who created a series of portraits of Van Gogh especially for *In the Picture*. Several renowned films about the life and work of Van Gogh explored the mythologization of the artist. Visitors were offered additional information in the multimedia guide (available in 11 languages), in guided tours and in short biographies in the *In the Picture* app. A comprehensive exhibition catalogue was also published, and 65 school photo portraits of pupils at Amsterdam schools were exhibited under the title *This is Me!*, created during workshops held by artist Maarten Bel. Thanks to the cooperation of all lenders, this exhibition – vividly designed by LevievanderMeer from Amsterdam – was extended until after the summer, and attracted 113,247 visitors.

The exhibition *Unlocked/Reconnected* opened on 1 June, spread around a large number of locations throughout the Netherlands. Each participating institution presented one work from their own collection. The Van Gogh Museum showed the video *Secret Strike* by Alicia Framis, and The Mesdag Collection exhibited Nelly Agassi's work *Sea You*.

The planned summer exhibition '*Your Loving Vincent*'. *Van Gogh's Greatest Letters* was postponed until the autumn. The exhibition opened on 9 October, and featured more than 40 letters. Due to their fragility, these letters are rarely put on display, and were presented in this exhibition alongside paintings including *The Bedroom* and *The Potato Eaters*. Visitors could listen to fragments from the letters in the galleries, and these fragments were also available online, in addition to four new episodes of the letters podcast with contributions from Stephanie Afrifa, Abdelkader Benali, Huub van der Lubbe and Ester Naomi Perquin. More than 5,000 visitors took advantage of the opportunity to send a card with a quote by Vincent to a loved one. As a result of the two lockdowns, the exhibition – attractively designed by OPERA Amsterdam – was only open for 49 days, and welcomed 24,054 visitors.

The Van Gogh Museum is deeply grateful to Mr and Mrs Cheung Chung Kiu for their generous support of the exhibition, which was also supported by the Vincent van Gogh Foundation. We also received financial support from Hyundai, the members of The Sunflower Collective, the Mondriaan Fund and the Prins Bernhard Cultuurfonds.

Two presentations were held as part of the Van Gogh Inspires series, in which work by contemporary artists is presented in a gallery on the third floor of the museum. Steven Aalders (1959) first exhibited an abstract painting, based on Van Gogh's colours in *The Harvest*. This was followed in the autumn by three life-sized photographic works of landscapes by Jean-Luc Mylayne (1946), who – like Van Gogh – is inspired by nature. *Peasant Burning Weeds* by Vincent van Gogh was on display in the permanent collection. In 2019, the Van Gogh Museum and the Drents Museum jointly acquired his small yet powerful work, which Van Gogh painted in Drenthe in 1883. Van Gogh himself called it an 'evening effect', 'the small fire with the wisp of smoke [...] the only point of light'. It is one of the few paintings from this period to have survived. The work will be exhibited alternatively in Assen and Amsterdam, and was exhibited at the Van Gogh Museum for the first time this year.

### 2.1.2 The Mesdag Collection

On the planned opening evening (12 March) of Mancini. *Eccentric & Extravagant* at The Mesdag Collection – compiled by guest curator Adrienne Quarles van Ufford and scintillatingly designed by Studio Berry Slok – it became clear that the exhibition would not be able to open for the foreseeable future. The exhibition was thankfully extended, allowing the public to enjoy Mancini's work from 3 June to 20 September. *Mancini. Eccentric & Extravagant* featured works such as his Italian circus boys, magnificent portraits of his international patrons – including Mesdag himself – and several striking self-portraits. The exhibition was supported by the M.A.O.C. Gravin van Bylandt Foundation.

The Mesdag Collection also held two presentations of works from the museum collection: *Alma Tadema and Mesdag: Two Artist Families* and *The Network of Sientje Mesdag-van Houten: Female Artists*. The second presentation featured work by artists including Suze Robertson, Thérèse Schwartze, Maria Bilders-van Bosse and of course Sientje Mesdag, herself an artist and collector. This presentation was supported by the Rembrandt Association and the Turing Foundation.

### 2.1.3 Acquisitions

Letter (detail) from Vincent van Gogh and Paul Gauguin to Emile Bernard, 1 or 2 November 1888 (letter 716). Van Gogh Museum, Amsterdam (Vincent van Gogh Foundation).

At an auction at Drouot in Paris in June, the Vincent van Gogh Foundation acquired a singular letter for the Van Gogh Museum collection. The letter was written in 1888 by two of the greatest artists of the 19th century: Vincent van Gogh and Paul Gauguin. The two artists take turns to give an account of their intense period living and working together at the Yellow House in Arles to their artist friend Emile Bernard. Their artistic dialogue at the time was ceaseless, and was sometimes continued at the brothel, as well as in this letter. This is the only letter that Van Gogh ever wrote together with another artist. The museum considers the letter to be the most significant document written by Van Gogh that was still in private hands. This year, a pleasant surprise came in the form of a gift from a private collector and close friend of the museum. He gifted the museum no less than 16 remarkable etchings and lithographs from the French fin de siècle, by various artists including Théophile-Alexandre Steinlen and Henry Somm. One of these works, *Shipwrecks at Pollet (Dieppe)* by Henri Guérard, was immediately added to the selection for the exhibition *Here to Stay: A decade of remarkable acquisitions*, on display in 2021.

### 2.1.4 Visitors

Despite being closed for 115 days, and partly thanks to the captivating exhibitions and presentations, the Van Gogh Museum still welcomed 516,990 in 2020. (By way of comparison: in 2019, 2.14 million people visited the museum, which equates to a 76% drop in visitor numbers in 2020). It will come as no surprise that the percentage of Dutch visitors rose significantly to 40%, and that – in light of the international travel restrictions – many visitors were from neighbouring countries such as Germany, France and Italy. Following the reopening on 1 June, the museum was made 'coronavirus proof', with limited visitor numbers, one-way routes and additional hygiene measures. Online booking was already standard practice at the Van Gogh Museum, and this was also implemented for The Mesdag Collection in this period. In July and August, the maximum number of 2,000 tickets was sold every day, compared to 6,000/7,000 visitors a day in previous years. During the second closure from 5 to 18 November, the museum focused on areas including online access to information and securing donations. The museum closed on Mondays between the second and third lockdowns, due to mounting expenses and declining visitor numbers. Despite the restrictions, visitor satisfaction was high (the Net Promoter Score was 86 points – this year, gauged using an email survey that was sent to all visitors). The museum also received heart-warming responses from visitors, particularly regarding the Family Days, the letters exhibition and the (extra) peace and quiet in the museum. 3,437 primary

schoolchildren and 7,327 secondary schoolchildren visited the museum. The Mesdag collection performed relatively well, welcoming 8,054 visitors, of which 4,275 visited the Mancini exhibition. TMC attracted 60% of the number of visitors from 2019, owing to visitors being spread over the day through the introduction of timeslots, and the museum's regional function. 161 primary and secondary schoolchildren visited the museum.

#### 2.1.5 Digital and innovative

On 15 July, the Van Gogh Museum launched a completely redesigned website. This year, more than 4.25 million people visited [www.vangoghmuseum.nl](http://www.vangoghmuseum.nl). The redesigned website features more ways of inspiring visitors with Van Gogh's life and work. Featuring tips for setting to work from home, the special 'Enjoy the Museum from Home' pages were popular. More artworks are now online, and more information about each item has been added, including relevant literature. Visitors can zoom in on the images as far as the individual brushstrokes, and the new 'Vincent for scale' functionality allows visitors to quickly see the size of a work compared to Van Gogh's height. The design of the website has also been updated, and it now features a completely new colour palette. The range of information offered on social media, and its reach, continued to go from strength to strength: this year, more than 250 million people were reached. The Book Club on Facebook was a successful initiative, for which 6,500 people registered: free Dutch and English e-books from the *Van Gogh in Focus* series were made available to allow participants to read together. Each reading period was closed with a live book discussion with an expert from the Van Gogh Museum, enthusiastically hosted by Firoza Mulahella. In a period of lockdown in which people were forced to stay at home, this became a highly popular initiative. In order to still offer everyone who was unable to visit the museum in person as much art and solace as possible, a major focus of the museum this year was on developing new online material. During the first lockdown, the museum launched a range of online guided tours and informative films on YouTube. Tens of thousands of people watched the two-minute films of the museum's galleries, devoid of visitors, allowing them to enjoy the artworks from home in peace and quiet. In the *Van Gogh Questions* series, a Van Gogh expert answered frequently asked questions about the artist. Was Van Gogh lonely? Why did Van Gogh cut off his ear? Curators also enthusiastically shared their insights on current exhibitions, such as *In the Picture* and 'Your Loving Vincent'. *Van Gogh's Greatest Letters*.

At The Mesdag Collection, film impressions were made of the *Alma Tadema* and *The Network of Sientje Mesdag-van Houten* presentations. When the Mancini exhibition was forced to close, visitors were invited to digitally follow in Mancini's footsteps.

On 14 October, Aart Goedhart, guide and teacher at The School of Life, was joined by a cameraman as he walked through an empty museum, challenging viewers to take a different perspective of the art. To not focus on technique or art historical aspects, but rather on the emotions that Van Gogh's work evokes. With 1,316 participants, this was the largest online Van Gogh guided tour ever!

On 26 November, Senior Researcher Teio Meedendorp gave the tech talk *False or Real?*, part of the online event *Night of the Nerds*, organised in collaboration with main partner ASML. 'Am I the owner of an actual Van Gogh?' is a question often put to the museum. The investigation involves complex research techniques, such as X-ray fluorescence spectrometry, to determine the composition of the paint. During the Uit & Thuismarkt, Teio Meedendorp also gave an online lecture focusing on the location where Van Gogh painted his final work, *Tree Roots*.



#### 2.1.6 *Van Gogh Worldwide*

On 5 November, the digital research platform Van Gogh Worldwide was launched, a collaboration started in 2017 and initiated by the Van Gogh Museum, the RKD – The Dutch Institute for Art History and the Kröller-Müller Museum. This ambitious platform was realised in collaboration with a large number of museums, private individuals and research institutions, including the Cultural Heritage Agency of the Netherlands' dedicated laboratory. The platform offers all available art historical and technical information about Van Gogh's works, using the Linked Art data model, based on an improved and more complete Van Gogh Museum collection registration. See [www.vangoghworldwide.org](http://www.vangoghworldwide.org): an essential source of information for all Van Gogh researchers, supported by the Mondriaan Fund and the Vincent van Gogh Foundation. During the first phase, all works in Dutch collections were documented and added to the digital platform. The next step – sharing all available information about the works in the rest of the world – will begin mid-2021.

#### 2.1.7 *Education and e-learning*

This year, the range of online education materials was expanded considerably. The *Masterminds & Masterpieces* series of lessons, developed in collaboration with high-tech multinational ASML (one of the museum's main partners, and its Partner in Science), took the number of lessons for Dutch primary and secondary schools to more than 100. There are now also 75 lessons available in English, and 14 in French. These lessons have been used more than 75,000 times all around the world.

Additional independent teaching materials were also developed within the *Van Gogh Goes to School* outreach program, which facilitates guest lessons for primary schools in deprived neighbourhoods in the Randstad. Whenever possible, the museum teachers gave lessons on location about the life and work of Vincent van Gogh. The participating children had the opportunity to create their own artwork.

Before the coronavirus restrictions were introduced, workshops and interactive lectures were organised on location for elderly people (70+), as part of *Van Gogh Meets*. This year, the program reached some 125 elderly participants. In January and February, 115 participants were welcomed to special days for the elderly held at the museum. Once meeting on location was no longer possible, 100 postcards were sent to elderly people on behalf of the VGM, Cordaan and Dynamo. This summer, a special Museum Edition of *The Bedroom* was loaned to eight Cordaan locations. A digital 'tear-off calendar' was developed for elderly people and their carers, an initiative of the Kröller-Müller Museum. This online resource stimulates discussion of art and the life and Vincent van Gogh. With the assistance of Hyundai and Talens, 15 workshop packages were delivered to various partners of *Van Gogh Meets*. In light of the fact that it was especially difficult for elderly people to visit the museum this year, the Museum Plus Bus (a partner of the museum) launched the *Highlights on Tour* initiative. For a fortnight, 14 reproductions of masterpieces from 14 Dutch museums – including Van Gogh's *The Bedroom* – were on display at homes for the elderly. The popular Family Days, held every Wednesday and Thursday during the summer and autumn school holidays, offered a program for (grand)parents and (grand)children. Activities included family guided tours and children's workshops. Children were invited to collect pencils, paper and fun drawing assignments from the drawing cart, and set to work. This year, the treasure hunts were once again a popular activity.

For home education, the Van Gogh Museum offers English-language instruction videos for adults in the *Let's Paint Like Van Gogh* series. For Dutch children aged 9 to 12, the museum has

launched a series of 15 YouTube films: *Drawing and Painting like Van Gogh*, with themes including colour, animals, still lifes and landscape.

#### 2.1.8 Conservation, restoration and research

Long-term research proceeded with relatively limited interruption. Ahead of the exhibition *Van Gogh and the Olive Groves*, planned for 2022, Senior Curator Nienke Bakker collaborated with Nicole R. Myers (Senior Curator of European Art at the Dallas Museum of Art) to conduct comprehensive research into the significant group of 15 paintings of olive groves that Van Gogh produced in 1889, during his stay at the asylum in Saint-Rémy. The two museums conducted technical research into this series, headed by restorer Kathrin Pilz from the Van Gogh Museum. This research resulted in new insights regarding Van Gogh's painting technique, materials, use of colour, and the order in which he painted the works.

ConservationSpace, the document management system implemented this year, helped the restorers take a structured approach to saving and publishing research data.

The curators and restorers also continued researching and conserving works in the museum's own collection: preparations are underway for the final instalment of the collection catalogue, *Paintings 3*, featuring Van Gogh's famous works from his time in Arles, Saint-Rémy and Auvers-sur-Oise. This project sees the museum collaborate with staff from the Cultural Heritage Agency of the Netherlands (RCE) and the Shell Technological Centre Amsterdam (STCA). Work also continues on the *Contemporaries collection* catalogue.

Thanks to support from the PACCAR Foundation, a digital X-ray machine was installed in the conservation studio in autumn 2020.

In its role as knowledge centre on the life and work of Van Gogh, the museum is constantly involved in authenticity research: in 2020, 50 applications were processed. This is significantly less than in previous years, in light of the travel restrictions and the suspension of new applications due to staff working from home. Seven works were examined by the specialists in Amsterdam. This year, following comprehensive multidisciplinary research, *Self-Portrait* (1889) was officially attributed to Van Gogh. The authenticity of the work from the collection of the Nasjonalmuseet in Oslo was long contested, due to incomplete provenance and the atypical style. Experts examined the work, focusing on the style, technique, materials and provenance. The results of the research were published in the February edition of *The Burlington Magazine*. The painting was featured in the exhibition *In the Picture*.

#### 2.1.9 International partnerships

The Van Gogh Museum pursues a generous loan policy. Despite the cancellation of numerous (international) exhibitions, the museum contributed to various international exhibitions by loaning works. This year, loans from the museum collection were featured in exhibitions in Arles, Padua, and in the United States.

On 28 July, it was announced that Wouter van der Veen, Scientific Director of the Institut Van Gogh (Auvers-sur-Oise), had discovered the exact location where Van Gogh painted *Tree Roots*. Working together with Senior Researchers Louis van Tilborgh and Teio Meedendorp, and Bert Maes, a dendrologist specialising in historical forestry, Van der Veen concluded that it was 'highly plausible' that the correct location had been identified. The conclusion was drawn based on Van Gogh's working habits and the comparative study of the painting, a postcard from 1900-1910 and the current condition of the hillside.

For *Van Gogh Europe*, the collaboration in which some 30 institutions from the Netherlands, Belgium, Great Britain and France join forces to preserve and offer access to the many locations where Vincent van Gogh lived and worked, this event provided a fine opportunity for additional promotion of the location. In the same period, it was announced that the Musée d'Orsay in Paris would join *Van Gogh Europe*. In 2020, Alain van der Horst, Head of the Press Department at the Van Gogh Museum, became the new Chairperson.

#### 2.1.10 *Van Gogh's letters in translation*

Van Gogh's letters are a ceaseless source of inspiration: they are conquering the entire globe. Following translations into languages including Italian, Arabic, Turkish, Norwegian, French and German, this year saw the publication of the Japanese translation of *The Essential Letters*, a selection of Van Gogh's 265 most captivating letters, translated by Prof. Tsukasa Kodera and published by Tokyo-based publishers Shinchosha. A new, English-language anthology of 76 letters was also published: *Vincent van Gogh. A Life in Letters*, compiled by Nienke Bakker, Leo Jansen and Hans Luijten. These publications (re)introduce a broad audience to these unique personal documents, offering an intimate glimpse into Van Gogh's intricate mind. With the support of the Turing Foundation, the Dutch edition was published by Prometheus in September, entitled *Troost voor bedroefde harten. Brieven van Vincent van Gogh*. Also published with the support of the Turing Foundation was *Life According to Vincent*, a handy pocket edition featuring 150 inspirational quotes from the letters, compiled by Nienke Bakker and Ann Blokland. Support from the Chinese sponsors of the letter exhibition, Mr and Mrs Cheung Chung Kiu, facilitated the Chinese translation of the *Van Gogh in Focus* book *Van Gogh and his Letters*.

#### 2.1.11 *Museum publications*

Two exhibitions were accompanied by exhibition catalogues in Dutch and English: *In the Picture: Portraying the Artist*, edited by Lisa Smit and Nienke Bakker, and *Mesdag & Mancini*, written by Adrienne Quarles van Ufford.

- *Everything for Vincent. The Life of Jo van Gogh-Bonger*, written by Hans Luijten and published in 2019, received two nominations: for the Libris History Award 2020 and the Biography Award 2020. This biography about Jo van Gogh-Bonger (1862-1925), the wife of Theo and sister-in-law of Vincent van Gogh, explores her life and her efforts to raise awareness of Vincent van Gogh's artistic legacy.
- At the end of November, the article *An Offer You Can Refuse* was published in the online publication Van Gogh Museum Articles. Senior Researcher Roelie Zwikker discovered that early in the 20th century, Anton Kröller (Helene Kröller-Müller's husband) made an offer to buy all of the works that were in the hands of Jo van Gogh-Bonger at the time, but she was not interested in selling the legacy. Thanks to her son Vincent Willem van Gogh, the collection ultimately found its way into the Van Gogh Museum.

#### 2.1.12 *Entrepreneurship*

This year, large numbers of museum products were sold online: the VGM webstore recorded growth of 21%. The Flowergram Sunflower Edition, the result of a collaboration between bloomon and the Van Gogh Museum, and supported by Takii, was highly successful. Van Gogh's Sunflowers (1889) inspired the original arrangement of dried flowers. *Sunflowers* (1889) and *Almond Blossom* (1890) were also at the heart of an elegant collection of luxury bedclothes, from new partner Beddinghouse. A series of facemasks with prints of Van Gogh's works proved popular during the coronavirus pandemic, and the limited edition capsule collection (featuring clothing, prints and mugs) by celebrated Dutch artist and typographer Pieter Ceizer also appealed to shoppers.

In 2020, the VGM signed a partnership agreement with IMG Licensing, the international licensing agency that will represent the Van Gogh Museum Amsterdam brand, and assist the museum in entering into new licensing deals in Asia and the United States.

The VGM also works closely with partners with a shared passion for Van Gogh's art. The museum signed a three-year partnership deal with DHL Express, the world leader in international express delivery. The partnership will see DHL facilitate the delivery of purchases made in the museum webstore to the customer's home, anywhere in the world. Purchases are sent in attractive packaging featuring either Almond Blossom (1890) or Sunflowers (1889). DHL also offsets the CO2 emissions through its GoGreen Climate Neutral program.



This year, the *Meet Vincent van Gogh Experience* was in London and Lisbon, where the travelling, interactive and educational 3D exhibition welcomed 45,000 and 70,000 visitors respectively. This presentation, focused on families and schools, is inspired by the VGM's unique collection, and tells Van Gogh's life story in his own words. The Experience was also forced to close for periods due to the coronavirus crisis, in line with the governmental guidelines in the country in question.

#### **2.1.13 Care for staff**

The closure of the museum had an enormous impact on the staff. Changes to daily activities, new guidelines for welcoming visitors and little to no face-to-face contact with colleagues meant that the year of the coronavirus pandemic was challenging. That being said, it also gave rise to a number of admirable initiatives to offer inspiration and encourage connection: a photo gallery on the intranet showing home workstations, card initiatives, online drinks events, socially-distanced meetings on Museumplein, an exhibition featuring work by and for colleagues, and the weekly online 'inspiration snack', in which colleagues introduced their work and projects. Colleagues from office departments worked in the museum, and this flexibility helped to strengthen connections, as did the 'job market': colleagues with additional capacity due to the museum closure took on overdue activities.

The majority of staff worked from home in 2020. The ICT Department offered professional support to help ensure that staff had a good-quality digital home workstation.

#### **2.1.14 Building management and sustainability**

The museum proudly received a new BREEAM-NL certificate in 2020, a hallmark bestowed by the Dutch Green Building Council and the certification method for a sustainable built environment. The Van Gogh Museum has great ambitions with regard to sustainability. Based on the United Nations Sustainable Development Goals (SGDs), sustainability targets are determined for purchasing and finding high-quality, suitable suppliers that also work with these goals in mind.

### **2.2 Reflection of the methodical policy for the management of cultural heritage or collections**

The VGM takes a methodical and appropriate approach to managing the cultural heritage for which it is responsible on the basis of the Heritage Act, in accordance with that what is determined in the collection management policy plan. The collection is under pressure, in light of its limited size combined with its high popularity. Loan requests are carefully considered, and only a limited number are granted. Unequivocal agreements are made with institutions to whom works are loaned regarding security, (the amount of) light, relative humidity, temperature, vibrations, transport, packaging and general handling. If a work is loaned, professional couriers from various departments (Collection Management and Restoration, the Registrar's Office and curators) ensure that these agreements are observed. In 2020, the agreements were once again satisfactorily observed. This year, a number of exhibitions were postponed, meaning that agreed loans remained in Amsterdam. With regard to the permitted amount of light on the works, reports are regularly produced to gauge whether the determined norms are adhered to. Several measures have been introduced in recent years in order to facilitate the effective implementation of the determined light policy, such as permanently covering skylights and installing motion detectors. The exposure of works to light is periodically measured, and subsequently recorded in the Adlib Museum Plus collection information system.

High-tech company ASML has become one of the Van Gogh Museum's main partners for a period of five years (from 2019 to 2024), as the museum's Partner in Science. Research into the impact of light and vibrations are key elements of the partnership. In addition to a substantial financial contribution –to support e.g. research and restoration – ASML will also

make a team of researchers available to assist the museum in examinations of how light and vibrations affect the condition of the artworks. The results of this research will enable us to take even better care of the collection.

The management of the collection is charged to the Collection Management and Restoration Department, which is responsible for all preventative and active conservation activities. Every year, plans are made regarding which works are to be restored, and how. Adlib Museum Plus and the Digital Asset Management system Cumulus are used for the registration and administration. These systems are used to record information including identifying characteristics, images, location and legal status. The location registration is periodically verified at random.

### **2.3 Reflection of the multi-year maintenance and investment plan for accommodation**

In order to ensure that the VGM's real estate portfolio is brought into line with the museum's mission and vision in the long term, the accommodation vision 2018-2033 was adopted in 2018. A step-by-step plan is being implemented using the CREM (Corporate Real Estate Management) methodology to determine the correct activities for each building managed by the VGM. This results in multi-year accommodation plans per object. Using input from the NEN 8021 (performance measurement), the VGM has drafted the multi-year accommodation plan MP6 2019-2023. This provides the VGM with an integral overview focusing on risk management of the collection, cultural entrepreneurship, energy saving and sustainability. The performance measurement will be introduced for TMC in 2021. Calculations indicate that income from the Heritage Act is sufficient for upkeep. However, this income is insufficient to allow for the full implementation of all scenarios, and additional funding may be required. In close collaboration with the Finance & Control Department, the possibilities in this regard are being explored in more detail. In 2019, work started on exploring how to ensure that MP6 continues to facilitate the organisation's primary objective, also after 2023. The coronavirus pandemic has had sweeping consequences, resulting in delays to the development of the accommodation plans and the implementation of the multi-year maintenance plan. Some of the maintenance activities that were planned for 2020 have been postponed to 2021. All maintenance plans are updated annually. The five-yearly BOEi inspection for MP6 started in 2020, and will be completed in 2021.

### **2.4 Performance reporting**

In accordance with the decision of the Minister of Education, Culture and Science by which subsidy is allocated, on the basis of the BIS and Heritage Act, the VGM is required to report annually on its activity performance. The below overview outlines the realisation of activities in 2020. The overview is compiled in accordance with the current guidelines in the Culture Subsidies Accountability Manual for the 2017-2020 Subsidy Period.

	2020		Activity plan 2020		2019	
EXHIBITIONS	Number of exhibitions	Number of visits	Number of exhibitions	Number of visits	Number of exhibitions	Number of visits
1. Temporary exhibitions	5	182,612	4		5	924,295
Total visits (2+3+4+5)		516,990		1,800,000		2,134,778
2. Regular visits		497,310		1,755,000		2,073,153
3. Visits primary education		8,830		12,500		11,193
4. Visits secondary education		10,850		32,500		50,432
5. Visits mbo/hbo*		-		-		-
Specification of visits total						
6. Free visits		131,624		180,000		233,195
7. Payed visits		38,366		1,620,000		1,901,583
Other visits						
8. Visits website total		5,670,213		7,000,000		8,498,661
9. Number of unique visitors website		4,264,321		4,500,000		5,953,440
	Number of activities	Number of participants	Number of activities	Number of participants	Number of activities	Number of participants
10. School-related activities (11+12+13)	171	19,680	200	45,000	224	61,625
11. Of which primary education	171	8,830			40	11,193
12. Of which secondary education	-	10,850			184	50,432
13. Of which mbo/hbo*	-	-			-	-
14. Public activities	5	50	53	560	58	1,357
15. Total other activities (10+14)	176	19,730	253	45,560	282	62,982

\* MBO = secondary vocational education; HBO = higher professional education.

- Five temporary exhibitions were organized in 2020, three of which at the VGM and two at DMC.
- The number of visitors to exhibitions is tracked using the Easycount system, which registers the number of visitors to the exhibitions in the Kurakowa Wing.
- For the two exhibitions in DMC it is assumed that every visitor visits this exhibition given the smaller size of this museum.
- The number of visitors for these exhibitions is based on the number of scanned admission tickets according to Recreatex in the relevant period.

- The number of school-related activities is distributed in proportion to the number of participants in those activities.
- A total of 19,680 students were reached during 2020. The stated number of 171 activities only concerns the activities of the Van Gogh goes to school project - lessons at schools in focus areas.
- The number of participants in this was 4,275. This is based on an estimate of 25 participants per class.
- The number of public activities and the number of participants in this is based on records by the Head of Education & Interpretation.
- This is based on an estimate of 10 participants per activity.
- The total number of visits (2, 3, 4 and 5) is based on the ticket registration via Recreatex and excluding the number of visitors to DMC of 8,054 in total.

### **3 Financial result and exploitation**

#### **3.1 Results**

The stand-alone result of VGM for 2020 was €1.5 million negative, (2019: €3.8 million positive).

The solvency ratio (the ratio between equity and balance sheet total) at year-end 2020 was 60.2%. Equity including the annual result total to €37.9 million, and the balance sheet total at year-end 2020 was €62.9 million. The cash and cash equivalents at year-end 2020 total to €24.0 million, in addition to which the VGM had €16.2 million in (freely tradable) securities. The current assets at year-end 2020 were €30.3 million. The short-term liabilities at year-end 2020 were €5.3 million. There is no financing requirement at present.

The consolidated result of the VGM for 2020 was also €1.5 million negative.

#### **3.2 Result appropriation**

The Board of Directors, having obtained the approval of the Supervisory Board, intends to appropriate the VGM's negative net profit of €1.5 million after tax as follows: €1.5 million charged to the general reserves.

#### **3.3 Income**

The consolidated revenue of the VGM for 2020 was €47.3 million, €25.7 million lower than budgeted and €23.0 million lower than the figure for 2019.

##### **3.3.1 Public revenues**

The number of visitors (516,990) was well below the 2019 level, when the VGM received a total of 2,134,778 visitors. The total admission fee revenue in 2020 thus amounted to only €7.0 million, as against €31.1 million in 2019. Sales of multimedia tours amounted to €0.5 million. 30.9% of visitors took a multimedia tour in 2020, as against 32.1% in 2019. VGME sales in 2020 fell by €12.8 million compared to 2019, to a total of €5.3 million.

##### **3.3.2 Subsidies and other government support**

The VGM received a BIS (Basic Infrastructure for Culture) subsidy for the museum's activities and a Heritage Act subsidy for housing and collection management. The VGM had recourse to the Temporary Emergency Bridging Measure for Employment (NOW 1, 2 and 3) in 2020.

To supplement the BIS subsidy, the Van Gogh Museum Foundation received an additional subsidy under the COVID-19 Supplementary Subsidy (Cultural and Creative Sector) Scheme. The Ministry of Education, Culture and Science (OCW) calculated this as follows: 45% of the VGM's average own revenue in 2017 and 2018 after deduction from the reserves of a sum equal to 25% of the reserves. The Ministry did not regard the revenue from VGME as the VGM's own revenue, with the result that the subsidy received was substantially less than the VGM had initially expected. The additional government aid ensured that the VGM was able to close 2020 with a limited consolidated loss of €1.5 million.

### *3.3.3 Sponsorship and private funds*

Funds that made various acquisitions possible in 2020 included the BankGiro Loterij, The Yellow House organization of museum friends, the Vincent van Gogh Foundation, the Mondriaan Fund and the Rembrandt Association. Fonds 21 is a Van Gogh Connects partner and is supporting the project over four years with €150,000 per year. The museum is using Van Gogh Connects to see how it can be more relevant to Amsterdam youngsters from bicultural backgrounds, to which end it again developed various activities in 2020.

## **3.4 Expenses**

### *3.4.1 Personnel expenses*

Personnel expenses in 2020 total to €23.8 million, €6.2 million lower than budgeted and €4.3 million lower than the figure for 2019. The personnel expenses comprise the salaries, the cost of hiring temporary staff and other personnel expenses. The personnel expenses were lower than budgeted, due among other things to non-renewal of some temporary contracts, reduced use of on-call staff and temporary staff – all as a direct result of the measures taken in response to the significant drop in revenue. The fall in personnel expenses compared with 2019 was due mainly to the reduced number of FTEs on fixed-term contracts.

### *3.4.2. Housing expenses*

The housing expenses of €8.4 million comprised rent, service charge, management and maintenance, and other facility expenses.

### *3.4.3 Other expenses*

The expenses for the permanent collection were €1.7 million. The expenses of education and visitor support were €0.1 million. The exhibition expenses were €2.3 million. The general management expenses of €4.2 million included office expenses and expenses for automation, financial affairs and selling expenses. The decrease of €1.8 million in expenses for the permanent collection compared with 2019 was due to such things as the reduction in activities. The cost of education fell as a result of fewer schoolchildren visiting the museum and reduced deployment of docents and tour guides. The expenses of temporary exhibitions in 2020 were approx. €0.5 million lower than in 2019, due mainly to the fact that fewer exhibitions were organized in 2020 than in the previous year. The fall in general management expenses of approx. €2.7 million was achieved mainly through substantial cutbacks in the use of third parties and substantially lower expenses for payment transactions as a result of fewer online ticket sales.

### *3.4.4 Acquisition of artworks*

On 1 January 2020 the acquisition fund amounted to €1.8 million (1 January 2019: €9.4 million). €2.9 million was received during 2020 for the acquisition of artworks. It was partly as a result of this that the Vincent van Gogh Foundation was able to acquire an exceptional letter for the VGM collection in 2020 at an auction by Drouot in Paris. As of 31 December 2020 the acquisition fund amounted to €4.5 million (2019: €1.8 million).

All in all, total expenditure in 2020 amounted to €46.9 million, €19.7 million lower than budgeted and €24.0 million lower than the figure for 2019. The balance of interest income and expenses in 2020 was €0.4 million. €0.4 million in corporation tax was booked as an income item, as the losses of the VGME subsidiary can be offset for tax purposes against past positive net profits.

### 3.5 Own revenue percentage

The own revenue percentage is total revenue divided by total structural subsidies. OCW lays down a minimum of 19.5%. The VGM generated revenue of its own of €15.7 million and received €8.5 million in subsidies from the BIS and the Heritage Act in 2020, resulting in an own revenue percentage of 185%. Taking ad hoc aid measures into account the ratio is 60.6% (€15.7 million in own revenue and €25.9 million in subsidies).

### 3.6 Treasury

The VGM operates under a treasury charter and endorses the *Regeling beleggen, lenen en derivaten* OCW (OCW Investment, Borrowing and Derivatives Regulation) 2016. The VGM does not use derivatives to cover financial risks, and it has a statement of investment principles.

### 3.7 Investment Portfolio

The investment portfolio is managed by Van Lanschot.

- The price risk of the investment portfolio is managed by adopting a cautious investment strategy and outsourcing its management.
- The price risk of the merchandise stocks is regarded as slight, as the cost and retail prices for merchandise are both fairly constant.
- The credit risk that bonds in the investment portfolio cannot be redeemed is regarded as slight, as they have been issued by large companies and government bodies.
- The liquidity risk is low, as the VGM invests in bonds and shares that are readily marketable on the stock exchange.
- The investment portfolio has a cash flow risk due to fluctuations in underlying value: this risk is mitigated by limiting the maximum investment in shares to 20%.

The investment portfolio had a value of €16.2 million at year-end 2020, comprising €0.3 million in cash, €8.4 million in government bonds, €4.8 million in corporate bonds and €2.7 million in shares. The year 2020 shows a profit of €0.5 million, equivalent to 3.07% yield (cumulative yield from 2016: 10.2%).

## 4 Compliance with Codes

### 4.1 Governance Code Culture

The new Governance Code Culture entered into effect on 1 January 2019. The Supervisory Board of the Van Gogh Museum Foundation (VGM or Foundation) has examined the new Code to see whether the VGM is complying with its principles and recommendations. The conclusion is that the VGM is almost fully compliant with the Governance Code Culture in practice. Various points in the Regulations of the Supervisory Board and the Management Regulations have been revised to achieve full compliance with the new 2019 Governance Code Culture. We indicate below where changes have been made to the Regulations of the Supervisory Board and/or Management Regulations.

*Principle 1: "The organization achieves its social objective by creating, transmitting and/or preserving cultural value."*

- The Van Gogh Museum is a Foundation. The Articles state that the Foundation has the following bodies: the Board of Directors, comprising the Director and the Managing Director, and the Supervisory Board. The management model is included in the Articles, the Management Regulations, the Regulations of the Supervisory Board and the Regulations of the Audit Committee.
- The social objective is included in the Articles.
- The Board of Directors operates under the supervision of the Supervisory Board. In all its decisions the Board of Directors prioritizes the interests of the VGM, taking the interests of the VGM's stakeholders into account at all times. In fulfilling its duties the Supervisory Board prioritizes the interests of the Foundation.
- The Board of Directors and the Supervisory Board strive for a culture of integrity and openness at the VGM. The Board of Directors and the Supervisory Board are aware of the social environment in which the VGM finds itself. The VGM's circle of external stakeholders is diverse and is taken into account when weighing up decisions. Regular consultations take place with the following external stakeholders:
  - National and international public authorities: The VGM holds regular consultations with the Ministry of Education, Culture and Science (OCW), the City of Amsterdam and Amsterdam-Zuid urban district council. It also maintains close relations with many embassies, including those of Japan and China.
  - Other museums at home and abroad: The VGM has a lively loan traffic and many research and exhibition partnerships with museums at home and abroad, such as the Museum Association, the Museumpleinbus, the Age Friendly Museum Network, 'Musea in gebaren' (Museums in Sign Language), 'Musea Bekennen Kleur' (Museums Explore Colour) and the educational consultative association of Amsterdam museums.
  - Educational institutions, research institutions and universities: The VGM collaborates with many national and international research institutes, such as the Cultural Heritage Agency of the Netherlands, the University of Amsterdam (master conservator), Vrije Universiteit Amsterdam, the Netherlands Institute for Conservation Art and Science (NICAS), the Dutch Research Council (NWO), the TIAS School for Business and Society, and internationally with institutions including Cornell University and Duke University.
  - Social organizations: Cordaan, JINC, Stichting Zonnebloem, Stichting Vier het leven, Stichting Kubes, the Eye Association Netherlands (Oogvereniging), Wat telt (advice & accessibility) and the Lydia community centre (Amsterdam Zuid) · Joint promotions: Daily Paper, Funx (as part of Van Gogh Connects).
  - Other art forms: Gerrit Rietveld Academy, Amsterdam Fashion College, artists such as Brian Elstak, Masih Hutak and many others (collaboration with talented



- youngsters, with a Friday evening programme providing a platform for artists), the Calefax Reed Quintet, the Muziekgebouw aan het IJ/Bimhuis, Eye.
- Commercial and other partnerships, such as the Club van 11 and many sponsors and donors.
- It is not the aim of the Foundation to make and distribute a profit. Any operating surpluses are returned directly to the Foundation's equity and are used to realize the museum's mission.

*Principle 2: "The organization applies the principles of the Governance Code Culture and explains how it has done so (comply and explain). The organization adopts the recommendations and only disregards them with stated reasons (comply or explain)."*

- The Supervisory Board and the Board of Directors have been applying the Governance Code Culture (2014) since 2013. The Supervisory Board oversees compliance with the governance of the VGM and its subsidiaries. Governance is a regular subject of discussion at the meetings of the Supervisory Board.
- The new Governance Code Culture (2019) has been analysed. The general conclusion is that it is being complied with and that the recommendations have been set down in the Articles and Regulations. Where provisions are not found one-on-one in the Articles, Regulations and other guidelines, recommendations are implemented as established practice. Various points in the Regulations were revised in 2020 to achieve full compliance with the Governance Code Culture (2019). The Articles did not need to be revised.

*Principle 3: "The members of the Board of Directors and the members of the Supervisory Board are independent and act with integrity. They are alert to conflicts of interests, avoid any undesirable conflict of interests and deal with conflicting interests transparently and meticulously."*

- The Articles and Regulations include a provision on conflicting interests that is complied with at all times and that incorporates principles of the Governance Code Culture.
- The Board of Directors and the Supervisory Board act critically, independently and with integrity at all times.
- The Supervisory Board is responsible for the way in which the Foundation deals with conflicting interests and this subject is discussed at the meetings if there could be a case of this kind.
- There were no reports of possible conflicts of interests or conflicting interests in 2020.
- The Supervisory Board ensures that its members and the members of the Board of Directors are independent.
- The additional posts held by the Directors and the members of the Supervisory Board are listed in the annual report and on the website.
- A provision was added to the Management Regulations in 2020, stating that a former Director cannot be a member of the Supervisory Board for a period of four years.

*Principle 4: "The members of the Board of Directors and the members of the Supervisory Board are aware of their particular roles and the allocation of duties, responsibilities and powers and act accordingly."*

- The duties and powers of the Board of Directors and the Supervisory Board are laid down clearly in the Articles and Regulations. Both these bodies ensure that they are complied with. The Articles and the Management Regulations lay down what decisions require the approval of the Supervisory Board.
- The Board of Directors accounts for its management at the regular meetings of the Supervisory Board and shows full openness at all times. Four regular meetings took



place in 2020. A further five additional meetings took place in 2020, at which the financial situation due to COVID-19 and the 2021-2024 Strategic Plan were discussed.

- The Directors' Report that is drawn up by the Board of Directors for each regular meeting keeps the Supervisory Board up to date with all activities and contacts with stakeholders. In addition, the Board of Directors is in regular contact with the chairperson and other individual members of the Supervisory Board, who give the Board of Directors advice where appropriate, on request and on their own initiative.
- The VGM has set up a Works Council in accordance with the Works Councils Act [Wet op de Ondernemingsraden]. Regular consultations take place between the Board of Directors and the Works Council. The provisions on the Works Council's right of approval and power to make recommendations are complied with at all times. Members of the Supervisory Board regularly attend the meetings of the Works Council and the Board of Directors.
- The Articles include a provision on the suspension and dismissal of members of the Board of Directors and the Supervisory Board.

*Principle 5: "The Board of Directors is responsible for the general and day-to-day management, the functioning and the results of the organization."*

- The Board of Directors manages the Foundation and bears ultimate responsibility for day-to-day management and the implementation of the Foundation's programs and activities and acts in accordance with the Foundation's objective.
- An addendum was added to the Management Regulations in 2020, stating that the Board of Directors shall be guided in fulfilling its duties by the interests and social objective of the Foundation, weighing up the organization's artistic and business interests and those of the internal and external stakeholders in a meticulous and balanced manner.
- The members of the Board of Directors have allocated their duties internally, as laid down in the Management Regulations.
- The Supervisory Board regularly discusses the composition and competence of the Board of Directors.

*Principle 6: "The Board of Directors handles the organization's people and resources carefully and responsibly."*

- The Board of Directors is responsible for proper compliance with all the legislation and regulations and for drawing up the financial statement, budget and monthly financial reports. Risk management and the quality of internal control form an integral part of the Board of Directors' responsibilities.
- Good employment practices are one of the main principles of the policy of the Board of Directors.
- The VGM has a complaints procedure, a whistleblowers' scheme and an internal and an external confidential adviser.
- The VGM observes the Museum collective labour agreement. Jobfunctions are evaluated with help of external sources and set out in a manual.
- The remuneration of the two Directors is set by the Supervisory Board in line with the Standards for Remuneration Act (Wet Normering Topinkomens). The remuneration of the Board of Directors and the length of the contracts are reported in the annual accounts.

*Principle 7: "The Supervisory Board carries out its supervisory, advisory and employer's roles in a professional and independent manner."*

- The Supervisory Board actively oversees and encourages the policy of the Board of Directors and the general conduct of affairs in the Foundation and the institutions

associated with it. This supervision includes supervision of the commercial activities and the associated entrepreneurship.

- An addendum was added to the Regulations of the Supervisory Board in 2020, stating that the Supervisory Board shall fulfil its duties based on the perspective of the organization's social objective. The Supervisory Board checks whether the Board of Directors in the exercise of its duties has weighed up the organization's artistic and business interests and the interests of the internal and external stakeholders in a meticulous and balanced manner.
- The Articles list what important decisions and strategic documents need to be submitted to the Supervisory Board for approval. This is recorded in the minutes.
- The Audit Committee of the Supervisory Board ensures that the financial management and quality of the management organization are in line with what can be expected of a leading cultural institution such as the VGM. The Supervisory Board appoints and dismisses the auditor in accordance with the provisions in the Articles. The auditor is appointed for a period of four years at a time (with the option of reappointment).
- An addendum was added to the Regulations of the Supervisory Board in 2020, stating that the external auditor shall report his or her findings at least once a year at the meeting of the Supervisory Board. Part of this meeting takes place without the Board of Directors being present. Discussions also take place between the auditor and the Audit committee.
- An addendum was added to the Management Regulations in 2020, stating that the Board of Directors shall report annually to the Supervisory Board on its relations with the external auditor and any developments that have taken place therein.
- The Supervisory Board appoints the Director and the Managing Director and is responsible for recruitment and selection when a vacancy occurs. To this end the Supervisory Board draws up a job profile setting out the required capabilities, taking into account the nature of the Foundation, its activities and the expertise of the Directors. The salary and other terms of employment of the members of the Board of Directors are set by the Supervisory Board.
- Following the departure of Adriaan Dönszelmann at the end of 2020, the Supervisory Board appointed Mark Minkman as interim Managing Director of the VGM and its subsidiaries. This appointment was made in line with the Articles on the Director's recommendation, after the Works Council had been given the opportunity to advise on the matter under Section 30 of the Works Councils Act. The Supervisory Board will start to work on recruiting and selecting a new Managing Director in 2021.
- Once a year the chairperson of the Supervisory Board and the chairperson of the Audit Committee hold a performance appraisal with the two Directors. The chairperson talks to the two Directors regularly in between the meetings of the Supervisory Board. The special duties of the chairperson are set out in detail in the Regulations of the Supervisory Board. The chairperson is supported by the Executive Secretary of the Foundation.
- The Supervisory Board carries out an internal evaluation annually. A provision was added to the Regulations of the Supervisory Board, stating that this internal evaluation shall take place once every three years under external supervision. The results of the internal evaluation and the ensuing agreements are recorded.
- A detailed internal evaluation took place in 2019 under external supervision. In 2020 the Supervisory Board carried out the internal evaluation itself and discussed the results without the Board of Directors being present. The main topics of discussion were the Supervisory Board's approach during the crisis and the way the Director was recruited and selected in 2019.
- The special duties of the chairperson of the Supervisory Board were set out in the Regulations in 2020: he or she draws up the agenda, chairs the meetings and ensures

that decisions are taken carefully by the Supervisory Board. The chairperson oversees the proper functioning of the Supervisory Board, collectively and individually. The chairperson bears primary responsibility for the Supervisory Board's internal evaluation. In an emergency the Supervisory Board also plays an active role in informing stakeholders and ensures that contacts between the Supervisory Board and the Board of Directors take place satisfactorily. The chairperson is supported by the Executive Secretary of the Foundation.

*Principle 8: "The Supervisory Board is responsible for its composition, ensuring its expertise, diversity and independence."*

- The Supervisory Board comprises six members (seven members are permitted under the Articles). The term of office for members is laid down in the Articles and comprises two four-year periods. Members are reappointed following careful consideration, taking current circumstances into account. Jacobina Brinkman was re-appointed in 2020.
- The Supervisory Board aims to achieve a good balance between the ages, genders, nationalities, experience and cultural backgrounds of its individual members so as to guarantee expertise and diversity of management and supervision in its composition. Each member contributes to the knowledge and expertise in accordance with his or her job profile. The male/female ratio on the Supervisory Board is 50:50.
- The job profile of the Supervisory Board is discussed and where necessary revised on each new appointment. Vacancies on the Supervisory Board are announced publicly. Recruitment and selection take place following a meticulous procedure. Hein van Beuningen stepped down in 2020 and Hendrik-Jan Roel was appointed as a member of the Supervisory Board and of the Audit Committee.
- All the members of the Supervisory Board are offered an introduction program on appointment. Each year the Supervisory Board assesses what deepening or broadening of their knowledge the members need.
- The members of the Supervisory Board do not receive any remuneration for their work, but they are entitled to reimbursement of any expenses incurred by them in the exercise of their duties. Any such reimbursements are shown in the annual accounts and explained.
- An addendum was added to the Regulations of the Supervisory Board, stating that the retirement roster must not involve too many members retiring at the same time without being eligible for reappointment. The retirement roster is public and is posted on the organization's website.

#### **4.2 Governance, Diversity and Inclusion**

The VGM complies with the Diversity and Inclusion Code as far as possible and aims to be relevant to and part of our diverse society, as clearly reflected in the museum's core values and the aspirations set out in the 2021-2024 Strategic Plan. Its KPIs focus on constant improvement.

General information: the *Van Gogh Connects* program continued and collaboration with the 'Verbinders' was optimized in 2020. The 'Beeldbrekers' represent the world of young bicultural adults at the Van Gogh Museum, organizing museum programs, events and partnerships and thus providing reflection and a breath of fresh air to enable the museum to remain relevant to a new generation of visitors. This collaboration moreover gives talented youngsters scope for professional and personal development. In October the Beeldbrekers

gave a presentation entitled *Erratic Growth*, in which four of them showed how works by Vincent van Gogh related to their own experiences. They also presented themselves on the museum website. The “Beeldbrekers” were actively involved in collaboration with the Amsterdam fashion brand Daily Paper: paintings and quotes by Van Gogh were incorporated in items of clothing, with fashion and art successfully coming together for people from different backgrounds.

With the creation of '*Musea Bekennen Kleur*' (Museums Explore Colour), a network of thirteen Dutch museums committed to diversity and inclusion, the Van Gogh Museum aims to step up its efforts in partnership with other museums and contribute to an inclusive world. We are taking a critical look at improvements and changes in programming, research and organization, and an Inclusive Language working group has been set up under the supervision of the Education & Interpretation Department.

The VGM is implementing the four Ps in the Cultural Diversity Code as follows:

Program:

Exhibitions must be relevant to Dutch citizens from a wide range of backgrounds. Our overall program must be relevant to Dutch citizens from a wide range of backgrounds. *Van Gogh Connects* is teaching us that feeling at home, inspiration, being vulnerable, personal and entrepreneurial skills, cultural identification and active workshops make our programs more relevant. As a result, we have enriched our offer, including a visit program for senior secondary vocational pupils about personal development, active forms of engagement outside the museum with spoken word, mixed media and painting, and an alternative learning pathway for young adults to discover their entrepreneurial talents.

Public:

Visitor diversity and reaching out to target groups who have not visited us yet have been and still are key areas for us. This new public needs co-creation and dialogue. Co-creation provides us with new perspectives and networks. Beeldbrekers are advising co-workers about marketing, hospitality, the collection and educational programs, and they are being given scope to create programs inside and outside the museum. These external ambassadors are helping us to attract culturally diverse groups who have not previously visited the museum. We also notice that new target groups appreciate being able to talk to one another about social issues at the museum. We are increasingly taking a conscious approach to entering into a dialogue about our collection.

Personnel:

The VGM has set three goals for the internal organization: to be visible to diverse talent; to use, develop and retain diverse talent; and to incorporate inclusion throughout the organization. Activities are organized for each goal. The VGM has been working towards these goals since early 2018, and an interim evaluation of the Inclusive Employment Practices program is being carried out using impact measurements. Another measurement took place in early 2020, which found positive developments in personnel demography and the feeling of an inclusive corporate culture. This follow-up measurement has enabled us to develop our activities and goals still further. In all the activities under the Inclusive Employment Practices program we are working together closely with HR, the Van Gogh Connects core team, our external ambassadors (the Beeldbrekers) and our internal working group (the Verbinders).

#### *Making the museum visible to diverse talent*

We are trying to increase our visibility in schools, as that is where potential new visitors and future staff are to be found. A few encounters and information days took place in 2020, just before the coronavirus outbreak, where Verbinders talked about the Van Gogh Museum and what it is like to work there.

We are also taking a more conscious approach to the recruitment and selection procedure, recruitment communication and our employer brand: training sessions on inclusive recruitment are being organized for all co-workers who sit on selection committees. We worked with the recruitment agency Colourful People, which specializes in inclusive recruitment, for various MT posts in 2020. The VGM considers it important for staff from diverse backgrounds to be represented at all levels of the organization, including the Management Team and the Supervisory Board.

#### *Using, developing and retaining diverse talent*

We are committed to providing a working environment in which staff feel at home and are able to develop. During the past year, online dialogues took place on diversity and inclusion, the all-inclusive workshop about unconscious bias was repeated, and the Verbinders attended a training course on how to incorporate inclusion in their particular field. A Culture Compass is to be created to foster an inclusive organizational culture, and activities will be organized for the structural exchange of knowledge, experience and inspiration with coworkers: for example the online 'inspiration snack' organized every week for them to inform and inspire one another throughout the organization.

#### *Incorporating inclusion throughout the organization*

We believe in the 'inclusive potential' of all our co-workers. The Verbinders connect their particular fields and their co-workers with the inclusion goals. They undertook various activities during the past year, a specific example being the launch of the online cookery magazine written by and for co-workers, in which recipes (and personal stories about them) are shared. Verbinders also try to make the museum more inclusive in their particular fields, with their own partners. Thanks to our positive experience of this holistic approach, it has been decided to have each individual co-worker formulate an inclusive goal for 2021, as part of the regular development cycle.

#### Partners:

Existing partnerships have continued and more is being invested in new partnerships to reach out to specific target groups: we are collaborating with the Amsterdam brand Daily Paper, for instance. Research shows that young bicultural adults respond positively to the museum's welcoming, open ambience. This partnership has helped to make the museum more relevant to culturally diverse target groups. Other partners include Amsterdam University of Applied Sciences, Studiezalen, Stichting Dock and Amsterdam's Regional Education Centre. We also set great store by sharing knowledge with partners, especially educational institutions, where diversity and inclusion are figuring more in the curriculum. We organize guest lectures to enter into a conversation with students of institutions such as the Breitner Academy, Reinwardt Academy, Artemis, Maastricht University and Amsterdam University of the Arts.

#### 4.3 Fair Practice Code

The VGM follows the Fair Practice Code, aims to run the business honestly, sustainably and transparently, and deals with external organizations and individuals respectfully, on a basis of trust. In its general terms and conditions of purchase it expressly includes the principle that terms must be reasonable for both parties, e.g. as regards liability and compensation. Also, it only does business with certified suppliers that agree to the VGM's code of conduct, which states among other things that suppliers must have good working conditions for their staff and comply with environmental rules. Our own staff and insourced staff always receive a reasonable remuneration for their work. The VGM regards the potential, development and training of its staff as part of good employment practices, as laid down in various internal guidelines. The VGM is not affiliated with the disputes committee for copyright contract law. We are currently looking into this as a possibility, as it provides an easy-access, inexpensive dispute resolution system that is a good alternative to the regular courts in the case of contracts between the VGM and Dutch artists or freelancers.

## 5 Supervisory Board

### 5.1 Report of the Supervisory Board 2020

#### 5.1.1 Introduction

For the VGM, as for many of us, 2020 has been dominated by the COVID-19 crisis and its major repercussions for the Van Gogh Museum and The Mesdag Collection, both of which had to close their doors to the public twice in 2020. International visitors stayed away throughout the year, resulting in much lower visitor numbers than the VGM is used to. The crisis is having a substantial impact on the museum's operation, reflected first and foremost in the low visitor numbers and the loss of revenue in 2020. Many activities could not go ahead, and some exhibitions had to be postponed or cancelled. Many Van Gogh Museum staff started working from home, which meant that the internal running of the organization had to be adapted. We are seeing staff continuing to make great efforts for the VGM in these difficult times, for which we are very appreciative.

#### 5.1.2 Consultations with the Board of Directors

The Supervisory Board met with the Board of Directors nine times in 2020. In addition to the four regular meetings, several additional ones took place, at which the general conduct of affairs and the VGM's financial situation due to the COVID-19 crisis were discussed. The Supervisory Board consulted with the Board of Directors on the cost-cutting measures that needed to be taken to deal with the crisis. Various scenarios were discussed and weighed up in detail. The Supervisory Board approved the financial decisions made for the future and the necessary cutbacks.

Further meetings took place in 2020 to discuss the strategy for the next four years in detail with the Board of Directors. The Supervisory Board supports the VGM's new focus and the clear choices made by the Board of Directors in the 2021-2024 Strategic Plan.

At the regular meetings, the Supervisory Board obtained information on the general conduct of affairs at the VGM from detailed directors' reports. The following topics were on the agenda in 2020: the revised exhibition program, the restructuring of the VGM's internal governance structure, activities in China, press policy, the further development of the development activities, the progress of the Van Gogh Connects inclusivity program, the government aid measures in response to COVID-19, the Board of Directors' power of attorney arrangements, changes to the Management Regulations and the Regulations of the Supervisory Board, and the *Meet Vincent van Gogh Experience*.

The Van Gogh Museum Foundation Fund (VGM Fund) was set up at the end of 2020. Its aim is to promote and support, tangibly or otherwise, the Van Gogh Museum Foundation's activities and everything directly or indirectly related to them, in the broadest sense. The Supervisory Board obtained information on the intended purpose, powers and composition of the VGM Fund and assessed and approved the way in which the VGM and the VGM Fund intend to collaborate. Under the Articles of the VGM Fund, a Supervisory Board member may also be a board member of the VGM Fund.

Risk management was discussed several times in various contexts, and it will again feature fully on the agenda in 2021.

#### 5.1.3 Finances

Overseeing the finances of the Van Gogh Museum and its subsidiaries is an important duty of the Supervisory Board. The financial statements, results, budget and visitor numbers were discussed at its meetings. Particular topics of discussion this year were the financial forecasts, the cutbacks and the medium-term budget – needless to say because of the COVID-19 crisis



and the resulting closures and sharply reduced visitor numbers. The 2019 financial statement was discussed with the external auditor, KPMG. The Supervisory Board also talked to the external auditor without the Board of Directors being present. Because of the crisis, the financial statements were approved later than usual, in May 2020, by the Supervisory Board in consultation with the Ministry of Culture.

#### *5.1.4 Audit Committee*

The Audit Committee met six times in 2019. The main topics were financial forecasts, cost-cutting measures and cutbacks due to the COVID-19 crisis, the VGM's internal financial functioning, the 2020 financial statements, the 2021 budget, the quarterly financial reports, the progress of the *Meet Vincent van Gogh Experience*, and the Board of Directors' monthly expenditure. During the year the Audit Committee held talks with the auditor on the financial audits.

#### *5.1.5 Subsidiaries*

The role of the Supervisory Board includes supervising the Van Gogh Museum Foundation's subsidiaries. In 2020 the Supervisory Board obtained information on the development of VGME BV within the organization. A topic of discussion was the sharp fall in revenue from VGME BV due to the COVID-19 crisis. The developments surrounding and the future of Meet Vincent van Gogh Experience BV were also discussed in detail in 2020.

#### *5.1.6 Composition of the Supervisory Board*

Hein van Beuningen stepped down from the Supervisory Board in 2020 after being a member for eight years. The Board will miss his expertise and enthusiasm and is grateful to him for his great commitment. It started work on recruiting and selecting a new member in August 2020, having drawn up a profile of general and special requirements for the post. The Board was looking for a new member for this vacancy with a strong financial background and experience of business operations, financial management and reporting, and risk control and management. It drew on the assistance of an external recruitment agency, and the vacancy was published in a national daily. Following a meticulous selection procedure, the Supervisory Board appointed Hendrik-Jan Roel as its new member and a member of the Audit Committee.

#### *5.1.7 Governance and consultations*

The governance structure and the functioning of the Supervisory Board and the Board of Directors within that structure are discussed every year. The Supervisory Board discussed the application of the new Governance Code Culture (2019), looking at whether the VGM complies with the new Code and whether changes need to be made to the governance structure. The conclusion was that the VGM's current governance structure is almost fully compliant with the Code. A few minor changes were made to the Management Regulations and the Regulations of the Supervisory Board as a result of the evaluation.

Individual talks took place on a highly regular basis with members of the Board of Directors about their progress and personal goals. The Supervisory Board keeps a constant eye on possible conflicts of interests or conflicting interests on the part of the members of the Supervisory Board and Board of Directors. There were no reports of possible conflicts of interests or conflicting interests in 2020.

The Supervisory Board carried out an internal evaluation in 2019 under the supervision of an external agency. In 2020 it carried out the internal evaluation itself and discussed the results without the Board of Directors being present. The main topics of discussion were the Supervisory Board's approach during the crisis and the way the General Director was recruited and selected in 2019.



Members of the Supervisory Board also attended the meetings between the Board of Directors and the Works Council in 2020 in order to gain a good understanding of the latter's perspective and answer its questions.

#### *5.1.8 Changes to the Board of Directors*

The Supervisory Board is very pleased that we were able to welcome Emilie Gordenker as the General Director this year. Only a month after she took office the museum was closed to the public as a result of the COVID-19 crisis. She has tackled the new challenges admirably and we are grateful for the great commitment and boundless energy she has shown this year in her work for the VGM.

The Supervisory Board said farewell to Adriaan Dönszelmann as Managing Director at the end of 2020. We are grateful to him for everything he has done for the VGM over the past years. We appointed Mark Minkman to perform the duties of Managing Director for the time being. We started work on recruiting and selecting a new Managing Director in 2021.

*Supervisory Board of the Van Gogh Museum, 31 March 2021*

*Jaap Winter, chairperson  
Jacobina Brinkman, treasurer  
Gary Tinterow  
Maurine Alma  
Marian Spier  
Hendrik-Jan Roel*

## 5.2 Ancillary activities of Supervisory Board members

- Prof. J. (Jaap) Winter (chair, appointed until October 2023)  
Partner at Phyleon leadership & governance; Professor of International Company Law at the University of Amsterdam; Professor of Corporate Law, Governance and Behaviour at the Vrije Universiteit Amsterdam; Distinguished Visiting Professor of Corporate Governance at INSEAD Business School.  
Ancillary activities: member of the Supervisory Board of the Van Gogh Museum; board member of the Goldschmeding Foundation; supervisory director of Randstad; chair of the Supervisory Board of Erasmus University Rotterdam
- Ms. J.E.M. (Jacobina) Brinkman (treasurer, appointed until March 2025)  
Partner at PwC  
Ancillary activities: member of the Supervisory Board and chair of the Audit Committee of the Van Gogh Museum; chair of the Supervisory Board of Women Inc.; member of the Supervisory Board and Audit Committee of Stadsherstel Amsterdam.
- H.J. (Hendrik Jan) Roel (member, appointed until November 2024)  
CFO of Albert Heijn  
Ancillary activities: member of the Supervisory Board and Audit Committee of the Van Gogh Museum; member of the Board of Trustees and chair of the Audit Committee of Hotelschool The Hague; chair of the Executive Board and Board of Directors of GS1 Nederland.
- H. (Hein) van Beuningen (member until November 2020)  
Director of Teslin Capital Management B.V.  
Ancillary activities: member of the Supervisory Board and Audit Committee of the Van Gogh Museum; board member of the Carré Fund.
- Dr. (Gary) Tinterow (member, reappointed until February 2022)  
Director of the Museum of Fine Arts in Houston, United States  
Ancillary activities: member of the Supervisory Board of the Van Gogh Museum; President of the Houston Museum District Association; Officer of the Friends of MASP.
- Ms. M. (Maurine) Alma (member, appointed until June 2022)  
Chief Marketing Officer at Just Eat Takeaway.com  
Ancillary activities: member of the Supervisory Board of the Van Gogh Museum; member of the Supervisory Board of Floramedia Group B.V. and member of the Advisory Board of Nimbus Ventures.
- Ms. M. (Marian) Spier (member, appointed until August 2023)  
CEO of IAMarian  
Ancillary activities: member of the Supervisory Board of the Van Gogh Museum; member of the Board of Directors of Stichting Het HEM; member of the Advisory Board of Seed Capital; member of the Supervisory Board of Rutgers; board member of Well Made Productions; member of the IND Social Advisory Council; member of the Advisory Board on Museum Affairs; founder of FEM-START.

### 5.3 Appointment and retirement schedule of Supervisory Board members

Name	Role	Appointed	End of term	Competence
Jaap Winter	Chair of Supervisory Board (from 09/2017) Temporary member of the Advisory Board 2020	29/09/2015	End of first term: 09/2019 End of second term: 09/2023	Management of public organization, link to University, Governance, Law
Jacobina Brinkman	Treasurer/Supervisory Board member Chair of Advisory Board from 9/2017	16/02/2017	End of first term: 02/2021 End of second term: 02/2025	Financial, risk management
Gary Tinterow	Member of the Supervisory Board	10/01/2014	End of first term: 01/2018 End of second term: 01/2022	Museum management, expert in art history, museum professional, fundraising
Hendrik Jan Roel	Member of the Supervisory Board Member of the Advisory Board	25/11/2020	End of first term: 11/2024	Financial
Marian Spier	Member of the Supervisory Board	19/07/2019	End of first term: 07/2023	Marketing, digital, commercial
Maurine Alma	Member of the Supervisory Board	29/05/2018	End of first term: 05/2022	Marketing, digital, commercial

## 6 Future outlook

### 6.1 Expectations, organizational functioning and continuity

The expectation is that the VGM will continue to feel the effects of the COVID-19 crisis for some years to come and that it will take some time before visitor numbers return to those of past years. In 2021 we expect visitor numbers to be even lower than in 2020, when we welcomed approx. 550,000 visitors. The trend in visitor numbers has a major influence operating profits, assets and liquidity. The COVID-19 crisis highlights the importance of a financially stable organization, and the VGM has had to make cutbacks and take measures in order to remain stable even in these difficult times. With these measures the VGM is endeavouring to limit the damage due to the crisis, without undermining the organization to such an extent that it is no longer able to carry out the museum activities and other services for which it is famous. The Board of Directors has taken a large number of steps since March 2020 to bring expenses in line with the new reality, focusing specifically on substantial reductions in the flexible workforce and temporary contracts and out-of-pocket expenses. These measures have reduced the overall cost level for 2021 (excluding acquisitions) by about 25% compared with the actual expenses for 2019. Based on the 2021 budget, the workforce (staff on the payroll) in terms of FTEs will decrease by approx. 6% compared with 2020. A reduction in the workforce of approx. 5% already occurred in 2020 compared with 2019.

The cutbacks in 2021 will have further consequences for staff and will also affect various activities in the areas of exhibitions, education, research, marketing, ICT, housing, etc. The Board of Directors, following approval from the Supervisory Board, drew up a reorganization plan and a medium-term budget at the end of 2020. As the plan affects the workforce, the Board of Directors also submitted it to the Works Council for its advice, and this process is ongoing.

Over the next few years the VGM will partly reduce its equity so as to maintain the organization as far as possible while waiting for visitor numbers to gradually increase. During the coming year, to be on the safe side, it will also reduce its investment level to approximately €1.5-1.75 million, in line with 2020 but well below the 2019 level.

On the basis of a multi-year budget, the VGM will draw on its equity in the coming years, in order to maintain the organization as much as possible pending of a gradual increase in the number of visitors in the coming years.

A deficit of approximately €6 million is expected for 2021, based on the 2021 budget. This takes account of the subsidy of €9.1 million that has been awarded from the OCW aid fund for the first half-year of 2021 and NOW grants, insofar as these arrangements are known at this time.

At balance sheet date the VGM has a substantial amount (€40 million) in cash and cash equivalents and freely tradable securities. Given the expected deficits, this is likely to decline over the next few years, but a healthy liquidity position is likely to remain based on the multi-year

budget. The decline in liquidity is expected to be lower than the expected operating deficit in 2021, as a result of a lower level of investment and the fact that no major art acquisitions are foreseen. The decline in liquidity for 2021 is estimated at approximately €4 million.

It was decided, in consultation with the Supervisory Board, that the VGM should nevertheless maintain a minimum level of equity corresponding to the one-year cost base after deduction of subsidies and grants from private funds. This amounts to approximately €20 million, in line with the levels recommended by the Museum Association. This minimum amount of equity means that the VGM will be able to take measures in future in the event of further setbacks.

In spite of the uncertain situation, the VGM looks forward to the future confidently. That confidence is based on its healthy asset and liquidity position, the current projections regarding growth in visitor numbers, the current cost level and the further aid measures that have been announced by the government.

## **6.2 New strategy for 2021-2024**

The new Strategic Plan sets the course for the 2021-2024 period. These four years coincide with the forthcoming policy period, when the VGM will be evaluated by OCW. The Strategic Plan provides an all-embracing guide to the activities of all departments, setting a direction for the entire organization for the next four years. It also provided the basis for the plan of activities that the VGM submitted to OCW on 1 December 2020, on which the Ministry had no comments.

Over the next few years the museum intends to focus particularly and more than ever on the Netherlands, all Dutch citizens, local communities – e.g. Amsterdam residents from bicultural backgrounds – and young people. We want an open organization that is warm and outward looking. We want to engage our stakeholders in dialogue, let them surprise us and jointly come up with new ideas and insights. We intend to make clear choices in collaboration with them. We will formulate new target groups for the VGM to focus on particularly, with the emphasis on reaching out to a new public, also digitally. We will certainly not lose sight of our international visitors and partners. The VGM aims to remain an international centre of expertise and to continue working with other top-ranking museums in the world. It needs to be ready for the future. The museum aims to be a sustainable, caring and inclusive organization, both for its staff and for the collection, the building, visitors and stakeholders. Lastly, in the coming months it intends to work hard on preparing for a milestone in its history, its fiftieth anniversary. We intend to treat all Dutch citizens to a splendid party crammed with special activities that have an International appeal in line with our mission, vision and core values.

Amsterdam, 31 March 2021

Board of Directors  
Van Gogh Museum Foundation

## **Consolidated financial statements**

- Consolidated balance sheet
- Consolidated statement of income and expenses
- Consolidated cashflow statement
- Notes to the consolidated financial statements

## Consolidated balance sheet as at 31 December 2020

(after result appropriation)

		<u>31 december 2020</u>	<u>31 december 2019</u>
	Note	EUR	EUR
<b>Fixed assets</b>			
Intangible fixed assets	1	767,757	3,500
Tangible fixed assets	2	13,076,823	14,896,630
Financial fixed assets	3	<u>16,235,426</u>	<u>15,892,028</u>
		<b>30,080,006</b>	<b>30,792,158</b>
<b>Current assets</b>			
Inventories	4	2,863,565	2,817,187
Receivables	5	5,446,457	10,562,027
Cash and cash equivalents	6	<u>26,281,347</u>	<u>19,092,582</u>
		<b>34,591,369</b>	<b>32,471,796</b>
		<u><b>64,671,375</b></u>	<u><b>63,263,954</b></u>
<b>Group Equity</b>	7	<b>38,214,855</b>	<b>39,748,106</b>
<b>Aquisition fund</b>	8	<b>4,453,886</b>	<b>1,762,866</b>
<b>Provisions</b>	9	<b>9,919,862</b>	<b>7,480,884</b>
<b>Non-current liabilities</b>	10	<b>5,440,831</b>	<b>4,899,534</b>
<b>Current liabilities</b>	11	<b>6,641,941</b>	<b>9,372,564</b>
		<u><b>64,671,375</b></u>	<u><b>63,263,954</b></u>

The notes on page 41 - 81 are an integral part of these consolidated financial statements.

## Consolidated statement of income and expenses 2020

	Note	Balance 2020 EUR	Budget 2020 EUR	Balance 2019 EUR
<b>Income</b>				
Direct income	12	9,971,825	38,895,987	36,778,375
Indirect income	13	6,258,963	21,838,419	20,704,242
Income from private resources	14	4,428,647	4,544,155	4,876,442
Structural government subsidies	15	8,531,773	7,709,802	7,937,834
Incidental government subsidies	16	18,092,579	-	-
<b>Total income</b>		<b>47,283,787</b>	<b>72,988,363</b>	<b>70,296,893</b>
<b>Expenses</b>				
Personnel expenses	17	23,750,384	29,927,449	28,041,426
Depreciation and impairment	18	3,761,352	4,016,401	3,723,185
Other operating expenses	19	19,400,447	32,699,493	39,175,507
<b>Total expenses</b>		<b>46,912,183</b>	<b>66,643,343</b>	<b>70,940,118</b>
<b>Operating result</b>		<b>371,604</b>	<b>6,345,020</b>	<b>- 643,225</b>
Balance of financial income and expense	20	412,331	-	383,588
<b>Result from ordinary activities before tax</b>		<b>783,935</b>	<b>6,345,020</b>	<b>- 259,637</b>
Income tax	21	373,834	- 717,710	- 1,100,610
<b>Result from ordinary activities after tax</b>		<b>1,157,769</b>	<b>5,627,310</b>	<b>- 1,360,247</b>
Mutation acquisition fund	-	2,691,020	-	7,642,405
<b>Result after tax</b>		<b>- 1,533,251</b>	<b>5,627,310</b>	<b>6,282,158</b>

The notes on page 41 - 81 are an integral part of these consolidated financial statements.



## Consolidated cashflow statement 2020

		2020	2019	
	Note	EUR	EUR	
<b>Operating result</b>		<b>371,604</b>	-	<b>643,225</b>
<i>Adjustments for</i>				
Depreciation	18	3,761,352	3,723,185	
Change in provisions	9	2,438,978	2,515,729	
Change in acquisition fund	8 -	2,691,020	7,642,405	
Adjustment valuation participations		-	400,011	
		3,509,310		13,481,308
<i>Change in working capital</i>				
Trade supplies	4 -	46,378	- 481,458	
Receivables	5	5,115,570	- 4,494,110	
Current liabilities	11 -	2,730,623	- 1,798,084	
		2,338,569	-	6,773,652
<b>Cash flow from operations</b>		<b>5,847,879</b>		<b>6,707,656</b>
Interest received	20	242,071	213,162	
Interest paid	20 -	69,312	- 350,305	
Income tax paid	21	498,109	- 925,110	
<b>cashflow from operational activities</b>		<b>670,868</b>	-	<b>1,062,253</b>
Investments in intangible fixed assets	1 -	935,752	-	
Investments in tangible fixed assets	2 -	1,770,050	- 1,700,628	
Desinvestments in tangible fixed assets	2	-	41,975	
Deposit in securities portfolio	3	-	- 5,000,000	
Art acquisitions	8 -	218,964	- 10,878,334	
<b>Cashflow from investment activities</b>		- <b>2,924,766</b>	-	<b>17,536,987</b>
Contributions to acquisition fund	8	2,909,984	3,235,929	
Housing subsidy received	10	6,794,459	6,684,301	
Housing subsidy spend	10 -	6,311,335	- 5,826,775	
Increase in investment contribution	10	-	250,000	
Repayment of investment contribution	10 -	25,587	-	
Repayment of credit institutions	10	-	- 783,346	
Repayment of other non-current liabilities	10	-	- 1,190,000	
Repayment of other non-current liabilities	10	105,260	-	
Repayment of lease obligation	10 -	21,500	-	
<b>Cash flow from financing activities</b>		<b>3,451,281</b>		<b>2,370,109</b>
<b>Net cash flow</b>		<b>7,416,866</b>	-	<b>10,164,700</b>
Exchange and conversion differences on cash	20	- 228,101	-	163,773
<b>Movement in cash and cash equivalents</b>		<b>7,188,765</b>	-	<b>10,328,473</b>
Cash and cash equivalents at the end of the financial year	6	26,281,347		19,092,582
Cash and cash equivalents at the start of the financial year	6	19,092,582		29,421,055
Change		<u>7,188,765</u>	-	<u>10,328,473</u>

## Notes to the consolidated financial statements 2020

### General information

#### Reporting entity and relationship with group companies

The Van Gogh Museum Foundation ('the Foundation'), having its registered office at Gabriel Metsustraat 8, Amsterdam, is a foundation and is registered at the Chamber of Commerce in Amsterdam under No. 41213987.

These financial statements contain the financial information on both the Foundation on its own and the Foundation's consolidated companies.

The Van Gogh Museum Foundation is engaged in the operation of a museum.

Van Gogh Museum Global B.V. is engaged in holding company activities. Van Gogh Museum Enterprises B.V. is engaged in the sale of merchandise and licenses and the Meet Vincent Van Gogh Experience B.V. is engaged in traveling exhibitions. PP10 BV is a joint venture with the Rijksmuseum in which the reporting center activities of both museums are conducted jointly.

The activities of the Foundation and of Van Gogh Museum Enterprises B.V. take place in the Netherlands. The activities of the Meet Van Gogh Experience B.V. take place both in the Netherlands and in other countries in the world.

#### Heritage Act management agreement

A proxy dated 15 June 2015 enables the Director to accept gifts and legacies on behalf of the State and conduct other acquisitions for the State insofar as they are supported by Funds or others and fall within the collection plan and financial scope of the VGM.

#### Reporting period

These financial statements relate to the 2020 financial year that ended on the balance sheet date 31 December 2020.

#### Basis of preparation

The consolidated financial statements of the Foundation are drawn up in accordance with the reporting requirements as published by the Dutch Ministry of Education, Culture and Science in the Culture Subsidies Reporting Manual 2017-2020 (Handboek verantwoording Cultuursubsidies 2017-2020) including the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost and profit determination is based on historical cost unless otherwise stated in the specific policies.

## Going concern

These financial statements have been drawn up based on the assumption of going concern basis.

## Accounting policies

### General information

Assets and liabilities are recognized at historical cost unless otherwise stated in the specific policies.

An asset is included in the balance sheet if it is likely to produce future economic benefits for the company and it has a cost or value that can be determined reliably. Assets that do not meet these criteria are not included in the balance sheet but classified as assets not included in the balance sheet.

A liability is included in the balance sheet if its settlement is likely to be associated with an outflow of funds that embody economic benefits and the amount involved in its settlement can be determined reliably. Liabilities include provisions. Liabilities that do not meet these criteria are not included in the balance sheet but recognized as liabilities not included in the balance sheet.

An asset or liability recognized in the balance sheet remains there if a transaction does not result in a substantial change in the economic reality of the asset or liability. Transactions of this kind do not give rise to the reporting of results. Decisions on whether there is a substantial change in the economic reality are based on the economic benefits and risks that are most likely to occur in practice, not on benefits and risks that cannot reasonably be expected to occur.

An asset or liability is removed from the balance sheet if a transaction results in all or virtually all entitlements to economic benefits and all or virtually all risks relating to the asset or liability being transferred to a third party. In that case, the results of the transaction are included directly in the statement of income and expenses, taking into consideration any provisions that need to be made in connection with the transaction.

If the representation of the economic reality results in the recognition of assets to which the legal entity does not have legal title, this fact is stated.

Income is included in the statement of income and expenses if an increase in the economic potential associated with an increase in an asset or decrease in a liability has taken place that can be determined reliably. Expenses are included if a decrease in the economic potential associated with an increase in an asset or decrease in a liability has taken place that can be determined reliably.

Revenues and expenses are assigned to the period to which they relate. Revenues are recognized if all significant risks relating to the trade goods have been transferred to the buyer.

### Presentation and functional currency

The financial statements are presented in euros, and the euro is the functional currency of the Foundation.

## Use of estimates

The preparation of the financial statements requires the management to form judgments and make estimates and assumptions that affect the application of policies and the reported value of assets and liabilities, and of income and expenses. The actual figures may differ from these estimates. The estimates and underlying assumptions are assessed continually. Revised estimates are recognized in the period in which the estimate is revised and in future periods affected by the revision.

The following valuation policies, in the opinion of the management, are most critical when representing the financial position and require estimates and assumptions:

- Assessment of the degree of obsolescence of inventories and the effects of this on the expected net selling price, the cost involved and hence the valuation of inventories. The degree of obsolescence is assessed based on the age of the inventories and empirical data on the sale of those inventories, applying a bandwidth of expected net selling price and cost involved.
- Provisions for bad debts
- Provisions for obsolescence of inventories
- Provisions for major maintenance

## Consolidation policies

### *Consolidation scope*

The consolidated financial statements comprise the financial data of the Foundation and its group subsidiaries, other group companies and other legal entities over which dominant control can be exerted or there is central management. Subsidiaries are participating interests in which the company (and/or one or more of its subsidiaries) is able to exercise more than half of the voting rights in the general meeting, or is able to appoint or dismiss more than half of the directors or supervisory directors. Group companies are participating interests in which the company has a majority stake or whose policy can be influenced in some other way. When determining whether policy can be influenced, financial instruments are included that contain potential voting rights which can be exercised in such a way as to give the company more or less influence.

Interests that are held solely in order to be sold are not consolidated if there was an intention to dispose of them when they were acquired, they are likely to be sold within a year, and other indicators are met [list these briefly] on the acquisition date (or within a short period thereafter). These interests are included under current assets, under securities ('held solely to be sold').

Newly acquired participating interests are included in the consolidation from the date on which policy can be influenced. Disposed participating interests are included in the consolidation from the date on which this influence ends.

For an overview of the consolidated group companies see Note 3, 'Financial fixed assets'.

### *Consolidation method*

The items in the consolidated financial statements are drawn up based on uniform policies regarding valuation and profit determination in respect of the group.

Ownership, liabilities, receivables and transactions between group companies are eliminated from the consolidated financial statements. The profits or losses on transactions between group companies are also eliminated insofar as they have not been realized through transactions with third parties outside the group and there is no impairment. In the case of a transaction in which the legal entity has a less than 100% stake in the group company selling, the elimination from the group profit is assigned pro rata to the minority stake based on the minority's share in the group company selling.

The group companies are consolidated in their entirety, with the minority interests of third parties expressed separately within the group equity.

## **Policies on the translation of foreign currencies**

### *Foreign currency transactions*

Transactions denominated in foreign currencies are valued on initial recognition in the functional currency, by translating them at the spot exchange rate in force on the date of the transaction between the functional currency and the foreign currencies.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency on the balance sheet date at the exchange rates in force on that date. Foreign exchange differences arising from the settlement of monetary items, or from the translation of monetary items into foreign currency, are recognized in the statement of income and expenses in the period in which they occur. This does not include exchange differences on monetary items that form part of foreign operations (see below).

Non-monetary assets and liabilities in foreign currencies that are included at historical cost are translated into the functional currency at the exchange rates in force on the transaction date.

Non-monetary assets and liabilities in foreign currencies that are included at current value are translated into the functional currency at the exchange rates at such time as the current value is determined. Foreign exchange differences arising on translation are included directly in the equity as part of the revaluation reserve.

## **Financial instruments**

Financial instruments comprise investments in shares and bonds, trade and other receivables, cash, loans and other financing liabilities, derivative financial instruments (derivatives), trade liabilities and other payable items. The following categories of financial instruments are included in the financial statements: trading portfolio (financial assets and financial liabilities), purchased loans and investments in shares, issued loans and other receivables and other financial liabilities and derivatives.

Financial assets and financial liabilities are recognized in the balance sheet at such time as contractual rights or obligations arise in respect of the instrument in question.

A financial instrument is removed from the balance sheet if a transaction results in all or virtually all entitlements to economic benefits and all or virtually all risks relating to the asset or liability being transferred to a third party.

Financial instruments (and separate components of financial instruments) are presented in the consolidated financial statements in accordance with the economic reality of the contractual provisions. They are presented on the basis of their separate components as a financial asset, a

financial liability or equity. Financial and non-financial contracts can contain arrangements that meet the definition of derivatives. An arrangement of this kind is separated from the host contract and recognized as a derivative if its economic characteristics and risks are not closely linked to the economic characteristics and risks of the host contract, a separate instrument with the same conditions would meet the definition of a derivative, and the combined instrument is not valued at fair value, with changes in value included in the profit and loss account.

Derivatives separated from the host contract are valued at cost or fair value, whichever is lower, in accordance with the valuation policies for derivatives not subject to cost price hedge accounting. Financial instruments embedded in contracts that are not separated from the host contract are included in accordance with the host contract.

Financial instruments are initially valued at fair value, with premium/discount and the directly attributable transaction expenses included on initial recognition. However, if financial instruments are subsequently valued at fair value, with changes in value included in the profit and loss account, directly attributable transaction expenses are directly recognized in the profit and loss account on initial valuation.

After initial recognition financial instruments are valued as described below

### *Trading portfolio*

If the company has acquired or entered into financial instruments with the aim of selling them in the short term, these form part of the trading portfolio and are valued after initial recognition at fair value, with changes in value directly included in the statement of income and expenses. Purchases and sales of financial assets in the trading portfolio category are recognized on the transaction date.

### *Issued loans and other receivables*

Issued loans and other receivables are valued after initial recognition at amortized cost based on the effective interest method less impairment losses. The effective interest and any impairment losses are recognized directly in the statement of income and expenses. Purchases and sales of financial assets in the issued loans and other receivables category are recognized on the transaction date.

### *Investments in listed equity instruments*

The company's investments in shares, insofar as these shares are listed, are valued after initial recognition at fair value. Changes in the fair value, insofar as the cumulative result of the individual investment is positive, are included directly in equity less a provision for deferred tax until they are realized. Once the investment has been removed from the balance sheet, the cumulative change in the value recognized in equity is transferred to the statement of income and expenses. In the event of a cumulative decrease in the value to below cost price, the decrease is recognized in the statement of income and expenses. Purchases and sales of financial assets in the investments in the listed equity instruments category are recognized on the transaction date.

### *Investments in unlisted equity instruments*

Investments in unlisted shares are valued after initial recognition at cost price or market value, whichever is lower. Purchases and sales of financial assets in the investments in the unlisted equity instruments category are recognized on the transaction date.

Dividends are recognized in the statement of income and expenses at such time as they are made payable.

### *Long-term and current liabilities and other financial liabilities*

Long-term and current liabilities and other financial liabilities are valued after initial recognition at amortized cost based on the effective interest method. The effective interest is recognized directly in the statement of income and expenses.

Repayment obligations for the coming year on the long-term liabilities are included under current liabilities.

### *Impairment losses on financial assets*

A financial asset that is *not* valued at (1) fair value with changes in value in the statement of income and expenses or (2) amortized cost or market value, whichever is lower, is assessed on each reporting date to determine whether there are objective indications that the asset has suffered impairment. A financial asset is deemed to be subject to impairment if there are objective indications that after initial recognition of the asset an event has taken place that has a negative effect on the future cash flows expected from the asset that can be estimated reliably.

Objective indications that financial assets are subject to impairment are financial problems on the part of the legal entity or debtor that has issued the instrument, breach of contract such as failure to meet payment obligations and/or interest or repayment arrears, restructuring of an amount due to the company under conditions that the company would not otherwise have considered, indications that a debtor or issuer will go bankrupt or is likely to undertake financial reorganization, and the loss of an active market for a particular security. Subjective indicators are also considered, along with objective indications of impairment. Examples are the loss of active markets in the case of listed financial assets, reduction in the creditworthiness of the other party (the legal entity or debtor of the issued instrument), or a fall in the fair value of a financial asset below the cost or amortized cost.

Indications of impairment of receivables and investments valued by the Foundation at amortized cost are taken into consideration both in relation to particular assets and collectively. Individually significant receivables and investments are assessed to see whether they are individually subject to impairment. Individually significant receivables and investments that have not been found to be individually subject to impairment and individually non-significant receivables are assessed collectively to see whether they are subject to impairment, by combining receivables and investments with similar risk characteristics.

When assessing collective impairment the Foundation uses historical trends as regards the likelihood of payment obligations not being met, the time within which collection takes place, and the losses incurred. The results of this are adjusted if the management considers that current economic and credit conditions are such that the actual losses are likely to be higher or lower than the historical trends suggest.

An impairment loss relating to a financial asset valued at amortized cost is determined as the difference between the carrying amount and the present value of the expected future cash flows, discounted at the original effective interest rate on the asset. Impairment losses are recognized in the statement of income and expenses. Interest on an asset subject to impairment continues to be recognized by adding interest on the asset at the original effective interest rate on the asset.

Impairment losses below the cost/amortized cost of investments in securities that are valued at fair value, with changes in value included in equity, are charged directly to the statement of income and expenses.

Trade and rent debtors that have not been found to be individually subject to impairment are assessed collectively to see whether they are subject to impairment, by combining receivables with similar risk characteristics. When assessing collective impairment the company uses historical trends as regards the likelihood of payment obligations not being met and the increase in the number of payment arrears of more than xx days in the portfolio. The results of this are adjusted if the company management considers that current economic and credit conditions are such that the actual losses are likely to be higher or lower than the historical trends suggest.

The provision for bad debts is deducted from the carrying amount of receivables. Uncollectible receivables are written off against the provision. Other additions to and withdrawals from the provision are recognized in the statement of income and expenses.

If the value of the asset subject to impairment rises in a subsequent period and the recovery can be objectively linked to an event that took place after the recognition of the impairment, the recovery in value (up to a maximum of the original cost) is recognized in the statement of income and expenses.

### *Netting of financial instruments*

A financial asset and a financial liability are netted off if the company has a sound legal instrument to net off the financial asset and the financial liability and the company has the firm intention to offset these assets and liabilities or to settle them simultaneously.

If a financial asset that is not eligible for removal from the balance sheet is transferred, the transferred asset and the associated liability are not netted off.

### *Intangible fixed assets*

Intangible fixed assets are recognized in the balance sheet if the future benefits embodied in the asset are likely to accrue to the company and the cost of the asset can be determined reliably.

Intangible fixed assets are valued at acquisition price or production price less cumulative depreciation and impairment.

Expenditure following the initial recognition of an intangible fixed asset purchased or produced by the company is added to the acquisition or production price if the expenditure is likely to result in an increase in the expected future economic benefits and the expenditure and its allocation to the asset can be determined reliably. If the capitalization criteria are not met, the expenditure is recognized as expenses in the statement of income and expenses.

The policies on determining and recognizing impairment losses are set out under the heading Impairment of fixed assets.

### *Van Gogh brand rights*

This relates to the capitalization of the expenses of filing Van Gogh brand rights in various countries. These expenses are valued at acquisition price less cumulative depreciation and impairment. The brand rights include the exclusive selling rights for products and licenses on behalf of the Van Gogh Museum Foundation.

The capitalized amounts are written down using the straight line method over a period of five years.



## Tangible fixed assets

Tangible fixed assets are recognized in the balance sheet if the future performance units related to the asset are likely to accrue to the company and the cost of the asset can be determined reliably.

Land and buildings, machinery and equipment, other fixed operating assets and tangible fixed operating assets in production and advances in respect of tangible fixed assets are valued at cost less cumulative depreciation and impairment.

The cost of these assets comprises the acquisition or production price and other cost of bringing them to the location and condition required for their intended use. The cost of assets produced by the company itself comprises the acquisition cost of the raw materials and consumables and other expenses that can be allocated directly to their production. The production price also includes a reasonable proportion of the indirect expenses and the interest on liabilities for the period that can be allocated to the production of the assets.

If the time limit for payment of the cost of a tangible fixed asset is longer than usual, the cost of the asset is based on the present value of the liability.

If tangible fixed assets are acquired in exchange for a non-monetary asset, the cost of the tangible fixed asset is based on fair value insofar as the exchange transaction results in a change in the economic conditions and the fair value of the asset acquired or given up can be determined reliably.

Depreciation is calculated as a percentage of the acquisition price using the straight line method based on economic life, taking into consideration any residual value of the individual assets. Land, tangible fixed operating assets in production and advances in respect of tangible fixed assets are not written down. Write-down starts at such time as the asset is available for its intended use and ends on its retirement or disposal.

The following depreciation rates are applied:

— Buildings	:	4%, 7%, 10%
— Equipment	:	10%, 20%
— Other fixed operating assets	:	20%, 33%

Maintenance expenditure is only capitalized if it extends the useful life of the object and/or results in future performance units related to the object. A provision is made for expected expenses of regular major maintenance of buildings, equipment etc. For this see the policies under Provisions.

Tangible fixed assets of which the Foundation and its group companies hold economic ownership under a financial lease contract are capitalized. The liability under the finance lease contract is recognized as a debt. The interest included in future lease payments is charged to the profit and loss account.

Retired assets are valued at carrying amount or net selling price, whichever is lower.

## Financial fixed assets

### *Participating interests with significant influence*

Participating interests that permit significant influence over business and financial policy are valued in accordance with the equity method based on net asset value. If valuation at net asset value is not possible because the information required cannot be obtained, the participating interest is valued based on the reported equity. When determining whether a participating interest is one where the company exerts significant influence on business and financial policy, the factual circumstances and contractual relationships (including any potential voting rights) are taken into consideration in their entirety.

The Foundation's valuation policies are applied when determining net asset value.

Participating interests with a negative net asset value are valued at zero. This valuation includes long-term receivables from the participating interests that should actually be regarded as part of the net investment: this is the case in particular with loans of which settlement is not planned for the near future and is not likely.

A share in the profit of a participating interest in subsequent years is only recognized insofar as the cumulative non-recognized share in the loss has been made up. However, if the company guarantees the liabilities of a participating interest in whole or in part, or has a constructive obligation to enable the participating interest (or its share therein) to pay its liabilities, a provision is made in the amount of the payments that the company is expected to make on behalf of the participating interest.

### *Participating interests with no significant influence*

Participating interests on which no significant influence is exerted are valued at acquisition price or realizable value, whichever is lower. If there is a firm intention to dispose of them they are valued at the expected sale value, which may be lower. If the company transfers an asset or liability to a participating interest valued at acquisition price or current value, the profit or loss arising from the transfer is recognized directly in the consolidated statement of income and expenses, unless the profit from the transfer has not essentially been realized.

### *Other financial fixed assets*

Equity interests not regarded as participating interests are classified under securities.

Receivables from non-consolidated participating interests are initially valued at fair value plus directly attributable transaction expenses. These receivables are subsequently valued at amortized cost based on the effective interest method less impairment losses.

The policies on other financial fixed assets are set out under Financial instruments.

Dividends are recognized in the period in which they are made payable. Dividends on participating interests valued at acquisition price are recognized as income from participating interests (under Financial income).

Bonds recognized under financial fixed assets (listed and unlisted) that are not part of a trading portfolio and are held until the end of their term are valued at amortized cost.

### **Impairment losses on fixed assets**

Tangible and intangible fixed assets are assessed on each balance sheet date to see whether there are indications that these assets are subject to impairment. If there are any such indications, the realizable value of the asset is estimated. The realizable value is the value in use or the net selling price, whichever is higher. If it is not possible to estimate the realizable value of an individual asset, the realizable value of the cash flow-generating unit to which the asset belongs is determined.

If the carrying amount of an asset (or a cash flow-generating unit) is higher than the realizable value, an impairment loss is recognized in respect of the difference between the carrying amount and the realizable value. If a cash flow-generating unit suffers an impairment loss, the loss is first allocated to goodwill allocated to the cash flow-generating unit. Any residual loss is allocated to the other assets of the unit in proportion to their carrying amounts.

Whether there is any indication that an impairment loss recognized in previous years has decreased is also assessed on each balance sheet date. If there are any such indications, the realizable value of the asset concerned (or the cash flow-generating unit) is estimated.

A previously recognized impairment loss is only reversed if there is a change in the estimates used to determine the realizable value since the recognition of the last impairment loss. In that case the carrying amount of the asset (or cash flow-generating unit) is increased to the estimated realizable value, but no higher than the carrying amount that would have been determined (after depreciation) if no impairment loss had been recognized for the asset (or cash flow-generating unit) in previous years.

An impairment loss for goodwill is not reversed in a subsequent period.

Notwithstanding the above, the realizable value of the following assets is determined on each balance sheet date (regardless of whether there are indications of impairment):

- Intangible fixed assets that are not yet in use
- Intangible fixed assets that are written down over a life of over 20 years (from the date of their first use).

### **Disposal of fixed assets**

Fixed assets that are available for sale are valued at the carrying amount or net selling price, whichever is lower.

### **Inventories**

Inventories are valued at a fixed transfer price or net selling price, whichever is lower. This is determined annually based on purchase price plus an addition for design and transport expenses. The net selling price is based on the most reliable estimate of the maximum proceeds from the sale of the inventories less expenses yet to be incurred.

Trade discounts and similar payments received or yet to be received relating to the purchase of inventories are deducted from the acquisition price.

A provision for obsolescence is also made if necessary.

### **Receivables and securities**

The policies on the valuation of receivables and securities are set out under Financial instruments.

## Cash and cash equivalents

Cash and equivalents are valued at nominal value. If cash and equivalents are not freely disposable, this is taken into account when valuing them.

Cash and equivalents denominated in foreign currencies are translated as at the balance sheet date into the functional currency at the exchange rate in force on that date. See also the pricing policies for foreign currency.

Cash and equivalents that are not expected to be available to the company for more than twelve months are classified as financial fixed assets.

## Equity

Financial instruments regarded as equity instruments based on their economic reality are presented under equity. Benefits paid to holders of these instruments are deducted from equity after deduction of any related benefit from tax on profit.

Financial instruments regarded as financial liabilities based on their economic reality are presented under liabilities. Interest, dividends, income and expenses relating to these financial instruments are recognized in the statement of income and expenses as income or expenses.

## Acquisition fund

The acquisition fund relates to the annual change in monies received and spent on the acquisition of artworks. If more is received than spent on an annual basis, the acquisition fund increases; if less is received than spent, the acquisition fund decreases.

## Provisions

### *General information*

A provision is recognized in the balance sheet if there is:

- a liability enforceable in law or constructive liability that is the result of a past event
- that can be estimated reliably, and
- an outflow of funds is likely to be necessary to settle that liability.

Rights and obligations under a particular agreement are not recognized in the balance sheet insofar as neither the company nor the other party has performed. They are recognized in the balance sheet if the performance yet to be received/delivered and the consideration for this are no longer in balance and this has negative effects on the company.

If all or part of the expenditure necessary to settle a provision is likely to be reimbursed in whole or in part by a third party when settling the provision, the reimbursement is presented as a separate asset.

Provisions are valued at the nominal value of the best estimate of the expenditure expected to be necessary to settle the obligations and losses.

### *Jubilee provision*

The jubilee provision is a provision for future jubilee benefits. It is for the estimated amount of jubilee benefits in the future. It is calculated in line with RJ 271 using the Projected Unit Credit Method.

### *Provision for major maintenance*

A provision is made for the expected expenses of regular major maintenance of buildings, equipment etc. based on the estimated cost of the major maintenance and the interval between the major maintenance works. Expenditure on major maintenance is charged to the maintenance provision insofar as it has been made for the intended expenses. If the cost of major maintenance exceeds the carrying amount of the provision held for the asset concerned, the additional cost is charged to the statement of income and expenses. The allocation to the provision is based on the expected cost and the interval at which maintenance works are expected to be carried out under a multi-year maintenance plan. Withdrawals are made based on actual expenditure.

### **Non-current liabilities**

The investment subsidies received from the Ministry of Education, Culture and Science for the acquisition of tangible fixed assets are classified under long-term liabilities. An amount equal to the depreciation cost associated with the tangible fixed assets acquired using the investment subsidies concerned is released annually to the operating account.

Long-term liabilities are valued at fair value on initial recognition. Transaction expenses directly attributable to the acquisition of long-term liabilities are valued on initial recognition. After initial recognition long-term liabilities are valued at amortized cost, i.e. the amount received taking premium or discount into account and after deduction of transaction expenses. The difference between the carrying amount calculated and the final redemption value is recognized in the profit and loss account as an interest charge based on the effective interest over the estimated term of the long-term liabilities.

### **Current liabilities**

Current liabilities are valued at fair value on initial recognition. After initial recognition current liabilities are valued at amortized cost, i.e. the amount received taking premium or discount into account and after deduction of transaction expenses. This is the nominal value.

### **Revenue recognition**

#### *General information*

The result is determined as the difference between income and expenses over the reporting period, taking into account the aforementioned valuation policies. Income and expenses are allocated to the reporting period to which they relate, regardless of whether they resulted in receipts or expenditure in the reporting period concerned.

Profits are only recognized to the extent that they have been realized on the balance sheet date. Losses and risks originating in the reporting period are included in the financial statements if they are known at the time of preparation of the financial statements.

The portions of the subsidy, donations and other contributions intended for art acquisitions, as well as the acquisitions themselves, are taken to the operating account. Amounts obtained from third parties for art acquisitions which have not been spent on art acquisitions at the end of the financial year are added to the acquisition fund at the end of the financial year. When works of art are acquired in subsequent years these amounts are released to the operating account. This change in the acquisition fund is accounted for separately in the operating account. The acquisition fund does not form part of equity.

### *Net sales*

Net sales are deemed to comprise the revenue for the goods and services supplied during the reporting year less discounts and sales taxes.

Revenues resulting from the sale of goods are recognized when all significant rights to economic benefits and all significant risks have passed to the purchaser. The cost of these goods is allocated to the same period.

### *Sale of goods*

Revenues from the sale of goods are included in net sales at the fair value of the consideration received or due, after deduction of returns and compensation, trade and volume discounts. Revenues from the sale of goods are recognized in the statement of income and expenses when the significant risks and benefits of ownership have passed to the purchaser, the amount of revenues can be reliably determined, the consideration is likely to be collected, the associated expenses or any returns of goods can be reliably estimated and there is no continued involvement with the goods.

The transfer of risks and benefits varies depending on the terms and conditions of the sale agreement concerned. For the sale of some products the transfer usually takes place when the product arrives on the customer's premises; for some international supplies, however, it is the time at which the goods have been loaded by the carrier concerned. For other products, receipt by the customer is deemed to take place at the time of transfer.

### *Services*

Revenues from the provision of services are included in net sales at the fair value of the consideration received or due, after deduction of compensation and discounts.

Revenues from the provision of services are recognized in the statement of income and expenses when the amount of the revenues can be reliably determined, the consideration is likely to be collected, the extent to which the service has been performed on the balance sheet date can be reliably determined and the expenses already incurred together with those which will certainly or possibly be incurred to complete the service can be reliably determined.

If the result of a particular service order cannot be reliably determined, the revenues are recognized up to the amount of the expenses of the services covered by the revenues.

Revenues in respect of services provided are included in the statement of income and expenses as net sales in proportion to the stage of completion of the transaction on the reporting date. The stage of completion is determined on the basis of assessments of the works performed / the services performed up until that time as a percentage of the total services to be performed / the expenses incurred up to that time as a proportion of the estimated expenses of the total services to be performed.

### *License fees and royalties*

License fees and royalties are paid for the use of a company's assets, such as trademarks, patents, software and music. Sales are recognized if the extent of the consideration due can be reliably estimated and is likely to be collected.

Royalty revenues are recognized when the rights to the licenses have been transferred.

### **Acquisitions**

In accordance with the provisions of the 'Culture Subsidies Reporting Manual for Museums' all transactions relating to purchases of works of art are taken to the operating account. The difference between the expenses associated with the acquisition of works of art and the designated revenues (in both a specific and general sense) is reported separately in the operating account.

### **Employee benefits**

The employee benefits are recognized as an expense in the statement of income and expenses in the period in which the work is performed and, if payment has not yet taken place, recognized as a liability in the balance sheet. If the amounts already paid exceed the remuneration due, the excess is recognized as a prepayment to the extent that it will be repaid by the personnel or offset against future payments by the company.

For remuneration with accrual of rights, sabbatical leave, profit sharing and bonuses, the expected expenses during employment will be taken into account. Expected remuneration as a result of profit-sharing and bonus payments is recognized if the obligation to pay such remuneration has arisen on or before the balance sheet date and the liabilities can be reliably estimated. Amounts received in respect of life course savings schemes are recognized in the period for which they are due. Additions to and releases of liabilities are charged or credited to the statement of income and expenses.

If remuneration is paid without any accrual of rights (for example continued payment in the case of sickness or occupational disability) the expected expenses are recognized in the period for which such remuneration is due. A provision is recognized in respect of liabilities existing on the balance sheet to continue to pay remuneration (including severance payments) to members of personnel who on the balance sheet date are expected to remain fully or partly unable to perform work due to sickness or occupational disability.

The recognized liability is the best estimate of the amounts required to settle the respective liability on the balance sheet date. The best estimate is based on contractual agreements with members of the personnel (collective labor agreement and individual employment contracts). Additions to and releases of liabilities are charged or credited to the statement of income and expenses.

In the case of insured occupational disability risks a provision is recognized for the part of the insurance premium payable in the future that is attributable directly to the individual claims history of the Foundation. If no reliable estimate can be made of the part of the insurance premiums payable in the future that is attributable directly to the legal entity's individual claims history, no provision is recognized.

### **Pension schemes**

The principle is that the pension expense to be included in the reporting period is equivalent to the pension contributions payable to the pension provider in respect of that period. A liability is recognized to the extent that the contributions payable on the balance sheet date have not yet been paid. If the contributions paid as at the balance sheet date exceed the amount of contributions payable, a prepayment is included to the extent that the amount will be repaid by the fund or offset against contributions payable in the future.

If a liability exists on the balance sheet date on the basis of the implementation agreement for an industry-wide pension fund, a provision is recognized if it is likely that the use of a package of measures required to restore the existing coverage ratio on the balance sheet date will lead to an outflow of funds of a size that can be reliably estimated.



A provision is recognized in the case of adjustments to entitlements accrued as at the balance sheet date resulting from future salary increases which have already been promised on the balance sheet date and which are for the account of the company.

A provision is also recognized on the balance sheet date for existing additional liabilities in respect of the fund and the employees if it is likely that an outflow of funds will take place in order to settle the liabilities and the size of the liabilities can be reliably estimated. The existence or non-existence of additional liabilities is assessed on the basis of the implementation agreement with the fund, the pension agreement with the employees and other (explicit or implicit) commitments to the employees. The provision is measured at the best estimate of the present value of the amounts which will be necessary in order to settle the liabilities on the balance sheet date. The discount rate before tax reflects the current market interest rate on the balance sheet date for high-quality corporate bonds / the yield on government bonds. The risks already taken into account in estimating the future expenses are not included.

If the pension provider has a surplus on the balance sheet date, a receivable is recognized if the company has the right to dispose of such surplus, it is likely that the surplus will accrue to the company and the receivable can be reliably determined.

### *Severance payments*

Severance payments are remuneration granted in exchange for the termination of employment. A severance payment is recognized as a liability and as an expense if the Foundation has demonstrably given an unconditional commitment to award a severance payment. If the severance is part of a reorganization, the cost of the severance payments is included in a reorganization fee. For this see the policies under Provisions.

Severance payments are measured taking into account the nature of the remuneration. If the severance pay is an improvement of the post-employment remuneration, it is measured in accordance with the same policies as those applied to pension schemes. Other severance payments are measured at the best estimate of the amounts required to settle the liability.

### *Leasing*

The company may enter into financial and operational leases. A lease in which the advantages and disadvantages associated with the ownership of the leased property accrue entirely or almost entirely to the lessee are deemed to be financial leases. All other leases are classified as operational leases. The lease classification is determined by the economic reality of the transaction rather than the legal form. The lease is classified at the time of entering into the lease concerned.

### *Financial lease*

If the company is a lessee in a financial lease, the leased asset (and the associated debt) at the start of the lease term is recognized in the balance sheet at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Both values are determined at the time of entering into the lease. The interest rate applied in calculating the present value is the implicit interest rate. If this interest rate cannot practically be determined, the marginal interest rate is used. The initial direct expenses are included in the initial valuation of the leased asset.

The policies for subsequent measurement of the leased asset are described under tangible fixed assets. If there is no reasonable certainty that the company will become the owner of a leased



asset at the end of the lease term, the asset is depreciated over the shorter of the lease term and the service life of the asset.

The minimum lease payments are subdivided into interest expenses and repayment of the outstanding lease liability. The interest expenses during the lease term are allocated to each period so that the result is a constant periodic interest rate on the residual net liability with regard to the financial lease. Conditional lease payments are recognized as an expense in the period in which the payment conditions are fulfilled.

### *Operational lease*

If the company is a lessee in an operational lease, the leased asset is not capitalized. Remuneration received as an incentive to enter into a lease is recognized as a reduction in the lease expenses over the lease term. Lease payments and remuneration for operational leases is charged or credited to the statement of income and expenses on a straight line basis over the lease term, unless an alternative allocation system is more representative of the pattern of the benefits obtained with the leased asset.

### **Government subsidies**

Operating subsidies are credited to the statement of income and expenses for the year to which the subsidized expenditure relates or in which the income was lost or the operating deficit arose. Amounts received in advance (both short and long term) are included in deferred income.

### **Interest income and similar revenues and interest expenses and similar expenses**

Interest income is recognized in the period to which it relates, taking into account the effective interest rate of the asset item in question. Interest expenses and similar expenses are recognized in the period to which they relate.

Premiums, discounts and redemption premiums are recognized as an interest expense in the period to which they relate. The allocation of this interest expense and the interest paid on the loan is the effective interest rate that is recognized in the statement of income and expenses. The amortization value of the liability/liabilities is included (where appropriate on a net basis) in the balance sheet. Premium amounts not yet included in the statement of income and expenses and the redemption premiums already included in the statement of income and expenses are recognized as an increase in the liability/liabilities to which they relate. Discount amounts not yet included in the statement of income and expenses are recognized as a reduction in the liability/liabilities to which they relate.

The additional expenses associated with the use of sums in excess of the usual supplier credit are recognized as an interest expense.

Interest on debts associated with an asset which require a considerable amount of time to prepare for use or sale (qualifying assets) is included in the production price of an asset if the future benefits associated with the asset item are expected to be sufficient to cover the carrying amount of that item together with the allocated interest and such economic benefits can be determined with sufficient reliability.

The interest is calculated on the basis of the interest due on the loans drawn specifically for production, less any investment income received with regard to temporary investment of the drawn loans. To the extent that production is financed by loans that cannot be specifically allocated to the production of certain assets, the capitalizable interest item is calculated by multiplying the weighted interest rate of those loans by the expenditure for production, taking into

account the period of production. The amount of expenditure for production is deemed to comprise the amounts attributed to production, less instalments received from customers and in respect of government subsidies received and comparable facilities with regard to the investment in the asset item concerned. The amount of the calculated capitalizable interest does not exceed the actual interest expenses due in respect of that period.

An impairment is recognized if the amount of the expected final capitalizable expenses of the qualifying asset exceed the realizable value.

## Tax

Taxes comprise the profit tax and deferred taxes due and deductible in respect of the reporting period. Taxes are included in the statement of income and expenses, except where they relate to items that are recognized directly in equity, in which case the tax is included in equity, or where they relate to acquisitions.

The tax due and deductible in respect of the reporting year is the tax expected to be payable on the taxable profit for the financial year, calculated on the basis of the tax rates determined on the reporting date, or on which a substantive decision has been taken as at the reporting date, and any adjustments to the tax payable in respect of prior years.

If the carrying amounts of assets and liabilities for the financial reporting differ from their fiscal carrying amounts, temporary differences arise.

A provision for deferred tax liabilities is recognized for taxable temporary differences.

A deferred tax asset is recognized for deductible temporary differences, available loss carryforwards and unused deductible tax allowances, but only to the extent that taxable profits are likely to be generated in future from which they can be deducted or against which they can be offset. Deferred tax assets are reviewed at every reporting date and reduced if it is no longer likely that the associated tax benefit will be realized.

A deferred tax liability is recognized for taxable temporary differences for group companies, non-independent foreign units, participating interests and joint ventures, unless the company is able to determine the time of expiry of the temporary difference and it is likely that the temporary difference will not expire in the foreseeable future.

A deferred tax asset is recognized for deductible temporary differences for group companies, non-independent foreign units, participating interests and joint ventures, only to the extent that it is likely that the temporary difference will expire in the foreseeable future and that taxable profit will be available against which to offset the temporary difference.

The valuation of deferred tax liabilities and deferred tax assets is based on the fiscal consequences of the method of realization or settlement of assets, provisions, liabilities and accrued liabilities intended by the company on the balance sheet date. Deferred tax assets and liabilities are measured at nominal value.

### **Tax group**

The subsidiaries Van Gogh Museum Global B.V., Van Gogh Enterprises B.V. and Meet Vincent Van Gogh Experience B.V. form part of a tax group for corporation tax purposes. The head of the tax group is Van Gogh Museum Global B.V.

The corporation tax is recognized in each of the companies up to the portion which would be payable for that part of the respective company as an individual taxpayer, taking into account the allocation of benefits of the tax group to the various companies.

The recognized deferred taxes are deferred assets or deferred liabilities at the head of the tax group.

### **Share in the result of participating interests**

The share in the result of participating interest comprises the Group's share in the results of these participating interests determined on the basis of the Group's accounting policies. Results of transactions involving a transfer of assets and liabilities between the Group and the non-consolidated participating interests and among non-consolidated participating interests are only recognized to the extent that they are deemed to have been realized.

The results of participating interests acquired or disposed of during the financial year are recognized in the Group's result from the time of acquisition or up until the time of disposal.

### **Cash flow statement**

The cash flow statement has been prepared using the indirect method. The cash in the cash flow statement consists of the cash and cash equivalents and investments which can be converted into cash without restriction and without material risk of impairment as a result of the transaction.

Cash flows in foreign currency have been converted at the estimated weighted average exchange rate for the reporting period/the rate prevailing on the date of the transactions. Exchange rate differences on cash are shown separately in the cash flow statement.

Receipts and expenses in respect of interest, dividends received and profit taxes are included in cash flow from operating activities. Dividends paid are included in the cash flow from financing activities.

The acquisition price of the acquired Group company is included in the cash flow from investing activities, to the extent that it was paid in cash. The cash included in the acquired Group company has been deducted from the acquisition price.

Transactions in which no exchange of cash takes place, including financial leasing, are not included in the cash flow statement. The payment of the lease instalments under the financial lease have been considered as an expense from financing activities in the case of the repayment part and as an expense from operating activities in the case of the interest part.

Cash flows from financial derivatives recognized as fair value hedges or cash flow hedges are allocated to the same category as the cash flows from the hedged balance sheet items. Cash flows from financial derivatives in which hedge accounting can no longer be used are classified in accordance with the nature of the instrument, from the date on which the hedge accounting was terminated.

### Related parties

Transactions with related parties are explained if they were not entered into under normal market conditions. For these transactions information is provided on the nature and size of the transaction together with other necessary explanatory information.

### Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be traded or a liability can be settled between informed, willing parties in an arms-length transaction.

- The fair value of listed financial instruments is determined on the basis of the offer price.
- The fair value of unlisted financial instruments is determined by determining the present value of the expected cash flows at a discount rate equivalent to the applicable risk-free market interest rate for the residual term plus credit and liquidity premiums.
- The fair value of derivatives in which collateral is exchanged is determined by discounting the cash flows on the basis of the (Eonia) swap curve, because the credit and liquidity risk is mitigated by the swap.
- The fair value of derivatives in which no collateral is exchanged is determined by discounting the cash flows using the relevant swap curve plus credit and liquidity premiums.

### Subsequent events

Events providing further information on the actual situation on the balance sheet date and which arise up to the date of preparation of the financial statements are recognized in the financial statements.

Events which do not provide further information on the actual situation on the balance sheet date are not recognized in the financial statements. If such events are of importance for users' judgement on the financial statements, their nature and estimated financial consequences are explained in the financial statements.

## 1 Intangible fixed assets

The movements in the intangible fixed assets are as follows:

	Website	Trademark Van Gogh	Total
	EUR	EUR	EUR
<b>Balance at 1 January 2020:</b>			
— Purchase price	-	605,196	605,196
— Accumulated amortisation	-	601,696	601,696
— <b>Bookvalue</b>	-	<b>3,500</b>	<b>3,500</b>
<b>Movements:</b>			
Investments	935,752	-	935,752
Amortisation	- 168,495	- 3,000	- 171,495
— <b>Balance</b>	<b>767,257</b>	<b>3,000</b>	<b>764,257</b>
<b>Balance at 31 December 2020:</b>			
— Purchase price	935,752	605,196	1,540,948
— Accumulated amortisation	- 168,495	- 604,696	- 773,191
— <b>Bookvalue</b>	<b>767,257</b>	<b>500</b>	<b>767,757</b>

The carrying amount of the Van Gogh trademark right as at 31 December 2020 is close to the fair value.

This concerns capitalized filing expenses for the Van Gogh trademark right outside the Netherlands. The economic life of the capitalized filing expenses is estimated at five years.

The current expenses that have been capitalized will be amortized in full in 2021.

## 2 Tangible fixed assets

The movements in the tangible fixed assets are as follows:

	Land and buildings	Business installations	Other tangible fixed assets	Assets under development	Total
	EUR	EUR	EUR	EUR	EUR
<b>Balance at 1 January 2020:</b>					
— Purchase price	18,033,405	1,967,794	13,316,637	-	33,317,836
— Accumulated depreciation	- 7,887,249	- 911,855	- 9,622,102	-	- 18,421,206
— <b>Bookvalue</b>	<b>10,146,156</b>	<b>1,055,939</b>	<b>3,694,535</b>	-	<b>14,896,630</b>
<i>Movements in purchase price</i>					
Reclassifications	- 4,199	21,762	- 17,563	-	-
Investments	410,275	227,943	999,914	131,918	1,770,050
Disposals	-	-	- 731,703	-	- 731,703
	406,076	249,705	250,648	131,918	1,038,347
<i>Movements in accumulated depreciation</i>					
Reclassifications	- 7,233	- 7,103	14,336	-	-
Investments	- 1,256,865	- 336,144	- 1,996,848	-	- 3,589,857
Depreciation disposals	-	-	- 731,703	-	- 731,703
— <b>Balance</b>	<b>- 1,264,098</b>	<b>- 343,247</b>	<b>- 1,250,809</b>	-	<b>- 2,858,154</b>
<b>Balance at 31 december 2020:</b>					
— Purchase price	18,439,481	2,217,499	13,567,285	131,918	34,356,183
— Accumulated depreciation	- 9,151,347	- 1,255,102	- 10,872,911	-	- 21,279,360
— <b>Bookvalue</b>	<b>9,288,134</b>	<b>962,397</b>	<b>2,694,374</b>	<b>131,918</b>	<b>13,076,823</b>

The carrying amount of the tangible fixed assets as at 31 December 2020 is close to the fair value.

During the financial year 2020, the Foundation carried out an assessment on usage and presence of assets. These assets that were no longer in use or present and which were fully depreciated are disposed.

## 3 Financial fixed assets

The movements in the financial fixed assets are as follows:

	Securities	Deferred tax asset	Total
	EUR	EUR	EUR
<b>Balance at 1 January 2020:</b>			
— Purchase price	15,767,753	830,275	16,598,028
— Accumulated amortisation and impairment	- -	530,500 -	530,500
— To be settled within 1 year	- -	175,500 -	175,500
— <b>Bookvalue</b>	<b>15,767,753</b>	<b>124,275</b>	<b>15,892,028</b>
<b>— Movements during the year</b>	<b>467,673 -</b>	<b>124,275</b>	<b>343,398</b>
<b>Balance at 31 December 2020:</b>			
— Purchase price	16,235,426	830,275	17,065,701
— Accumulated amortisation and impairment	- -	704,025 -	704,025
— To be settled within 1 year	- -	126,250 -	126,250
— <b>Bookvalue</b>	<b>16,235,426</b>	<b>-</b>	<b>16,235,426</b>

The carrying amount of the financial fixed assets as at 31 December 2020 is close to the fair value.

## Securities

The securities comprise shares, liquidities and bonds. The bonds have an average term of one to seven years. The investments comply with the statement of investment principles.

## Deferred tax assets

The deferred tax assets are the recognized loss carryforwards and deductible temporary differences. The remaining amount of EUR 126,250 is expected to be deductible within 1 year.

## 4 Inventories

### Trade supplies

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Trade supplies	4,503,581	4,531,085
provision for obsolescence	- 1,640,016	- 1,713,898
	<u>2,863,565</u>	<u>2,817,187</u>

The movement in the provision for obsolescence is as follows:

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<b>Balance at 1 January:</b>	- 1,713,898	- 1,800,117
Write-offs charged to the provision	-	5,814
Movement to the profit and loss account	73,882	80,405
<b>Balance at 31 December</b>	<u>- 1,640,016</u>	<u>- 1,713,898</u>

The provision relates to the inventory of Museum Editions amounting to EUR 1,630,274 which is fully provided for. The remaining amount of EUR 9,742 relates to revaluation. Additions and /or withdrawals to/from the provision are included in expenses of outsourced work and other external expenses in the statement of income and expenses.

## 5 Receivables

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Trade debtors	1,622,543	5,137,192
Value added tax	341,078	199,513
Corporate income tax	502,827	- 481
Deferred corporate income tax	126,250	175,500
Pensions	-	181,383
Other receivables and accrued income	2,853,759	4,868,920
	<u>5,446,457</u>	<u>10,562,027</u>

All receivables have an expected term of less than one year.



The carrying amount of the included receivables is close to the fair value, in view of the short-term nature of the receivables and the fact that bad debt provisions have been recognized where necessary.

## Trade debtors

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Trade debtors	1,738,821	5,191,106
Provision doubtful debts	- 116,278	- 53,914
	<u>1,622,543</u>	<u>5,137,192</u>

The decrease in trade receivables of EUR 3,452,285 compared to 2019 is mainly due to the receipt of the receivable from “het Drents Museum” of EUR 2,066,650 relating to the joint acquisition of the painting “Onkruidverbrander”.

## Other receivables and accrued income

	<u>2020</u>	<u>2019</u>
	EUR	EUR
NOW support	816,459	-
BankGiro loterij	666,200	647,435
Advanced payments	650,305	2,028,569
Receivable from sponsors and donors	371,920	152,000
Royalties to be received	172,967	416,602
Cash in transit	132,423	348,409
Guarantee	18,055	18,055
Stichting Museumjaarkaart	8,498	473,251
Down payment on purchase orders	7,190	243,751
Revenues to be invoiced	104	422,147
Prepaid Expenses Pop-up	-	25,566
Other receivables	9,638	93,135
	<u>2,853,759</u>	<u>4,868,920</u>

## 6 Cash and cash equivalents

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Rabobank	15,891,622	9,973,750
ABN AMRO Bank N.V. EURO	9,517,359	8,723,848
ABN AMRO Bank N.V. USD	381,863	300,813
ING Bank N.V.	381,963	35,979
F. van Lanschot Bankiers N.V.	107,130	57,132
Cash	<u>1,410</u>	<u>1,060</u>
	<u><u>26,281,347</u></u>	<u><u>19,092,582</u></u>

All cash and cash equivalents are freely available to the Foundation.

## 7 Group equity

For an explanation of the group equity, reference is made to the explanation of the equity in the company financial statements on pages 91-92 of this report.

## 8 Acquisition fund

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<b>Balance per 1 January</b>	1,762,866	9,405,271
Art acquisitions	- 218,964	- 10,878,334
Bank giro loterij contribution	2,073,857	2,074,878
Other contributions	<u>836,127</u>	<u>1,161,051</u>
<b>Balance per 31 December</b>	<u><u>4,453,886</u></u>	<u><u>1,762,866</u></u>

Refer to note 19 – Acquisitions for a more detailed disclosure of the acquisitions during the year

## 9 Provisions

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Major maintenance buildings	9,614,432	7,280,868
Jubilee provision	250,311	200,016
Long-term sick employees	<u>55,119</u>	<u>-</u>
	<u><u>9,919,862</u></u>	<u><u>7,480,884</u></u>

The movements in the provisions are as follows:

	Major maintenance buildings	Jubilee provision	Long-term sick employees	Total
	EUR	EUR	EUR	EUR
<b>Balance per 1 January 2020:</b>	7,280,868	200,016	-	7,480,884
<i>Movements in the financial year:</i>				
Withdrawals	- 423,259	- 20,215	- -	443,474
Allocation	2,756,823	70,510	55,119	2,882,452
<b>Balance per 31 December 2020:</b>	<b>9,614,432</b>	<b>250,311</b>	<b>55,119</b>	<b>9,919,862</b>

### Provision for major maintenance

The provision for major maintenance is based on the multi-year maintenance plan (MYMP) which is registered in Condor. Condor is a maintenance IT-platform where, per year until 15 years in the future, is registered which major maintenance activities must be carried out in the coming years.

The most recent maintenance plan in Condor is the basis for the calculation of the provision.

### Jubilee provision

The jubilee provision relates to future benefits for employees based on the length of their service and is largely long-term.

### Provision for longtime sick employees

The provision for long-term sick employees relates to the obligation existing on the balance sheet date to continue to pay benefits (including severance payments) to employees who, on the balance sheet date, are expected to be permanently, wholly or partially, unable to perform work due to illness or incapacity for work.

## 10 Non-current liabilities

All non-current liabilities are in euro's.

	2020	2019
	EUR	EUR
Housing subsidy OCW	4,606,033	4,079,325
Investment subsidy renovation GM8	526,625	570,209
Investment contribution PACCAR	224,413	250,000
Total subsidies en contributions	5,357,071	4,899,534
Lease obligations	83,760	-
	<u>5,440,831</u>	<u>4,899,534</u>

The non-current liabilities as at 31 December 2020 can be specified as follows:

	Balance 1 January 2020	Contributions received	Withdrawals	Movement result	Balance 31 December 2020		
	EUR	EUR	EUR	EUR	EUR		
Housing subsidy OCW	4,079,325	6,794,459	-	6,311,336	43,585	4,606,033	
Investment subsidy renovation GM8	570,209	-	-	-	43,584	526,625	
Investment contribution PACCAR	250,000	-	-	-	25,587	224,413	
	<b>4,899,534</b>	<b>6,794,459</b>	<b>-</b>	<b>6,311,336</b>	<b>-</b>	<b>25,587</b>	<b>5,357,071</b>

### Investment subsidy for GM8 renovation

This concerns the contribution from the Central Government Real Estate Agency for the renovation of the property at Gabriel Metsustraat 8. This contribution is released to depreciation over a period of 15 years.

### Investment subsidy (OCW) for Heritage Act funds

During 2020 the Foundation received an amount of EUR 6,794,459 in Heritage Act funds from the Ministry of Education, Culture and Science (OCW). The withdrawal amounted to EUR 6,311,336. The release of investment subsidy into the result is EUR 43,585. The remaining amount of EUR 526,708 is added to the housing subsidy from OCW for future purposes.

### Investment subsidy PACCAR

In 2020 a state-of-the-art a-ray machine for specialised research of paintings was purchased with the 2019 donation from PACCAR of EUR 250,000. The contribution is released into the result during the depreciation term of the X-ray machine.

### Financial lease

As part of the lease agreement of the warehouse in Diemen, a financial lease agreement was entered into for the lease of storage racks. The lease for the scaffolding runs until 30 September 2028 and the monthly rent is EUR 10,740.

The term can be specified as follows:

	<u>Lease-obligations</u>
	EUR
<b>Balance per 1 January 2020:</b>	
— Principal amount	134,375
— Cumulative repayments	- 29,115
— <b>Book value</b>	<b>105,260</b>
 <i>Movements in book value:</i>	
Capitalization storage racks	105,260
Depreciation during the year	10,750
Repayment obligation next year, included under current liabilities	10,750
— <b>Balance</b>	<b>83,760</b>
 <b>Balance per 31 December 2020:</b>	
— Principal amount	134,375
— Cumulative repayments	- 50,615
— <b>Book value</b>	<b>83,760</b>

In 2019 the lease of storage racks was incorrectly included in 'assets and liabilities not included in the balance sheet'. The principal amount of EUR 134,375 as per 1 January 2020 is therefore not included in balance sheet as of 31 December 2019.

## 11 Current liabilities

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Long-term debt to be repaid	10,750	333,350
Suppliers and Trade Creditors	1,235,695	3,287,663
Wage tax	702,640	956,082
Pension premium	70,989	247,573
Other taxes and premiums social security	5,838	7,950
Other debts and accrued liabilities	4,616,029	4,539,946
	<u>6,641,941</u>	<u>9,372,564</u>

The carrying amount of the current liabilities is close to their fair value, having regard to the short term of the items included.

## Other debts and accrued liabilities

	2020	2019
	EUR	EUR
Holiday pay and -days	1,735,851	1,462,770
Advanced revenues	1,258,845	1,183,924
Accountants fees	230,000	65,021
Housing costs re. heritage law	166,306	395,340
Various personnel costs	95,409	154,211
Museum exhibitions	74,360	7,894
Experience exhibitions	113,739	371,718
Various costs to be paid	941,519	899,068
	<u>4,616,029</u>	<u>4,539,946</u>

## Off-balance sheet assets and liabilities

### Long-term financial liabilities

#### Subsidy

For the Culture Policy period 2021 - 2024 OCW has granted the Van Gogh Museum Foundation an annual BIS subsidy of EUR 1,545,640 for a period of four years and from the Heritage Act subsidy EUR 6,794,459 for accommodation and EUR 674,799 for collection management for a period of one year. These amounts exclude indexation.

#### Rent

Leases have been entered into with the Central Government Real Estate Agency for the rented property up to 31 December 2021.

Leases with the Central Government Real Estate Agency are silently renewed at the end of a 5-year period. The rents are fully funded from the Heritage Act subsidy for housing.

	Gabriël Metsustraat 8	Museumplein 6	Laan van Meerdervoort 7F	Warehouse Diemen	Storage Badhoevedorp	Total
	EUR	EUR	EUR	EUR	EUR	EUR
No longer than 1 year	47,738	1,020,530	109,863	134,375	14,124	1,326,630
Between 2 and 5 years	-	-	-	537,500	-	537,500
Longer than 5 years	-	-	-	369,531	-	369,531
	<u>47,738</u>	<u>1,020,530</u>	<u>109,863</u>	<u>1,041,406</u>	<u>14,124</u>	<u>2,233,661</u>

The annual rent for the property at Gabriel Metsustraat 8 in Amsterdam amounts to EUR 47,738 per year.

The annual rent for the property at Museumplein 6 in Amsterdam amounts to EUR 1,020,530 per year.

The annual rent for the property at de Laan van Meerdervoort 7F in Den Haag amounts to EUR 109,863 per year.

A lease has been entered into for the rental of a warehouse in Diemen. The lease runs until 30 September 2028. The rent is EUR 134,375 per year.

A bank guarantee has been issued for this rental agreement in the amount of EUR 46,900.

A lease has been entered into for a storage facility with offices at Nieuwemeerdijk 426 in Badhoevedorp. until 31 January 2021. the annual rent is EUR139,000 and the annual service charge is EUR 1,800.

### **Operational lease**

An operational lease is in existence for a delivery van with a term of more than one year and less than five years. The total annual payment under this lease is EUR 11,688.

The operational lease expenses are recognized in the profit and loss account on a straight-line basis over the lease term.

The residual term can be analyzed as follows:

	<b>Delivery van</b>
	EUR
No longer than 1 year	5,834
Between 2 and 5 years	-
	<u>5,834</u>

### **Collaboration agreement**

On 1 August 2009 the Foundation entered into an agreement with PP10 B.V. for an indefinite period. The agreement provides for collaboration on a joint "Collaborating Control Rooms Project" with the aim of optimizing and further professionalizing the security of the Museums. It has been agreed that PP10 B.V. will provide security services for the Van Gogh Museum, for which the latter is required to pay an annual fee of EUR 1,450,000 excluding VAT to PP10 B.V.

### **VAT on art acquisitions**

In the context of the relationship with the Tax and Customs Administration, the pre-deduction of VAT on art purchases has emerged as an outstanding item. The Tax and Customs Administration takes the position that the prior deduction of VAT was not justified for works of art that were subsequently passed on to the Dutch State. During this discussion, however, it became clear that since the Van Gogh Museum became independent, there has been no formal acceptance of ownership of the acquired works of art by the Dutch State. There has been regular consultation with the Ministry of Education, Culture and Science about this matter. A solution with a minimal VAT burden has not yet been found. Since the beginning of 2015, there

have been no new developments and the file and has been set aside by the Ministry of Education, Culture and Science for the time being.

#### **Tax group**

Since 5 May 2017 a tax group has been in existence for corporation tax comprising Van Gogh Museum Global B.V. (head of the tax group) and the subsidiaries Van Gogh Museum Enterprises B.V. and Meet Vincent Van Gogh Experience B.V.

## **12 Direct revenues**

The net sales can be specified by revenue category as follows:

	<b>2020</b>	<b>2019</b>
	EUR	EUR
Public revenues	7,048,188	31,053,873
Sponsorship	2,215,676	1,025,724
Other income	707,961	4,698,778
	<u>9,971,825</u>	<u>36,778,375</u>

## **13 Indirect revenues**

	<b>2020</b>	<b>2019</b>
	EUR	EUR
Net turnover Van Gogh Museum Enterprises B.V.	4,277,572	16,573,955
Income from rights and royalties	1,464,013	1,775,633
Real estate rental income	64,577	75,001
Restaurant operating fee	59,305	372,281
Other indirect income	393,496	1,907,372
	<u>6,258,963</u>	<u>20,704,242</u>



## 14 Contributions from private resources

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Contribution Bankgiroloterij	2,073,857	2,074,878
Other contributions	<u>2,354,790</u>	<u>2,801,564</u>
	<u>4,428,647</u>	<u>4,876,442</u>

## 15 Structural subsidies

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Subsidy OCW Heritage Act re. housing	6,311,335	5,783,191
Subsidy OCW Heritage Act re. collection management	674,799	654,803
Subsidy OCW Regulation re. specific cultural policy (public activities)	<u>1,545,639</u>	<u>1,499,840</u>
	<u>8,531,773</u>	<u>7,937,834</u>

## 16 Incidental subsidies

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Incidental public subsidy OCW emergency measure exploitation	12,550,401	-
Incidental public subsidies NOW	<u>5,542,178</u>	<u>-</u>
	<u>18,092,579</u>	<u>-</u>

## 17 Personnel expenses

	2020	2019
	EUR	EUR
Wages and salaries	16,183,141	16,397,027
Hired personnel	2,523,316	6,851,500
Social security	2,734,270	2,659,226
Pension expenses	1,587,699	1,458,261
Other personnel expenses	721,958	675,412
	<u>23,750,384</u>	<u>28,041,426</u>

### Other personnel expenses

	2020	2019
	EUR	EUR
Training and assessments	143,630	356,274
Recruitment and selection expenses	53,266	98,446
Occupational health service and resources	46,472	62,674
Staff meetings and communication	28,638	129,442
Other expenses	449,952	28,576
	<u>721,958</u>	<u>675,412</u>

### Employees

The average number of employees in the Group in the year 2020, in full-time equivalents, was 366 (2019: 375). All employees are based in the Netherlands.

	2020	2019
Emploment	302	300
Interim	11	12
Temporary workers	53	62
	<u>366</u>	<u>375</u>

### Remuneration of members of the Board of Directors and Supervisory Board

The Executives' Pay (Standards) Act (WNT) came into force on 1 January 2013. The Van Gogh Museum Foundation falls within the scope of the Act. The applicable maximum remuneration for the Van Gogh Museum Foundation in 2020 is EUR 201,000. This is the general remuneration limit.

## Remuneration of senior executives

NAME SENIOR EXECUTIVE	E.E.S. Gordenker	A. Dönszelmann
<b>Job details</b>	Managing Director	Business Director
Start and end of job performance in 2020	1 Feb - 31 Dec	1 Jan - 31 Dec
employment (in FTE)	1.0	1.0
Former senior executive?	no	no
(Fictitious) employment?	yes employment	yes employment
<b>Remuneration</b>		
Compensation plus taxable expense allowances	€ 154,385	€ 165,701
Rewards payable over time	€ 12,979	€ 14,102
<i>Subtotal</i>	€ 167,365	€ 179,803
<b>Individually applicable remuneration cap</b>	€ 183,929	€ 201,000
-/- Undue amount paid	€ 0	€ 0
Total remuneration	€ 167,365	€ 179,803
Reason why the exceedance is allowed or not	n.a	n.a
<b>data 2019</b>		
Start and end of position in 2019	n.a	1 Jan - 31 Dec
Employment 2019 (in fte)	n.a	1.0
Compensation plus taxable expense allowances	n.a	€ 180,051
Rewards payable over time	n.a	€ 13,856

NAME SENIOR EXECUTIVE	A. Dönszelmann
<b>Job details</b>	
Position upon termination of employment	Business Director
Employment (in FTE)	1,0
Year in which employment was terminated	2020
<b>Payment for termination of employment</b>	
Position upon termination of employment	€ 75.000
<b>Individually applicable remuneration cap</b>	€ 75.000
Total benefits due to termination of employment	€ 75.000
Of which paid in 2020	€ 0
Undue paid and amount not yet refunded	n.a.
Amount of the exeedance	n.a.
Explanation of the claim for undue payment	n.a.

Below is an overview of senior executives and former supervisory executives.

The members of the Supervisory Board do not receive any remuneration. Expenses incurred for the performance of the position can be reimbursed on an expense claim basis.

NAAM SENIOR EXECUTIVE	POSITION	START-END
J.W. Winter	Chairman SB	1 jan - 31 dec
H.A. van Beuningen	Member SB	1 jan - 20 nov
G.Tinterow	Member SB	1 jan - 31 dec
J.E.M. Brinkman	Member SB	1 jan - 31 dec
M. Leeflang-Alma	Member SB	1 jan - 31 dec
M. Spier	Member SB	1 jan - 31 dec
H.J. Roel	Member SB	25 nov - 31 dec

#### Other reporting obligations under the WNT

Apart from the senior executives listed above there are no other employed senior executives receiving remuneration above the individual applicable threshold in 2020.

## 18 Amortization of intangible- and depreciation of tangible fixed assets

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<b>Intangible fixed assets</b>		
Website	168,495	-
Intellectual property	<u>3,000</u>	<u>7,804</u>
	171,495	7,804
 <b>Tangible fixed assets</b>		
Land and buildings	1,256,865	1,168,020
Company installations	336,143	234,741
Other tangible fixed assets	<u>1,996,849</u>	<u>2,312,620</u>
	3,589,857	3,715,381
	<u>3,761,352</u>	<u>3,723,185</u>

## 19 Other operating expenses

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Housing expenses	8,408,414	8,565,215
Cost price of goods Van Gogh Museum Enterprises	1,854,419	5,575,161
Acquisitions	218,964	10,878,334
Temporary exhibitions	2,254,653	2,897,780
Permanent collection expenses	1,705,811	3,547,903
Collection function	406,651	547,419
Scientific expenses	388,649	297,588
General management (General expenses)	<u>4,162,886</u>	<u>6,866,107</u>
	<u>19,400,447</u>	<u>39,175,507</u>

### *Housing expenses*

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Rent buildings	1,702,101	1,740,689
Heritage law management and maintenance	1,694,512	1,194,021
Allocation to provision for major maintenance	2,760,683	3,163,185
Other housing expenses	<u>2,251,118</u>	<u>2,467,320</u>
	<u>8,408,414</u>	<u>8,565,215</u>

### *Acquisitions*

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Art acquisitions	215,500	-
Other acquisition expenses	<u>3,464</u>	<u>-</u>
	<u>218,964</u>	<u>-</u>

During the 2020 reporting year, at an auction at Drouot in Paris, the Vincent van Gogh Foundation acquired an exceptional letter from Vincent van Gogh for the collection of the Van Gogh Museum.

### *Expenses of temporary exhibitions*

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Composition of exhibitions	1,733,944	1,890,006
Marketing and communication expenses	286,405	427,827
Public guidance and education	105,079	133,770
Publications	93,288	281,748
Other expenses	<u>35,937</u>	<u>164,429</u>
	<u>2,254,653</u>	<u>2,897,780</u>

**Expenses of permanent collection**

	<b>2020</b>	<b>2019</b>
	EUR	EUR
Marketing	482,581	896,233
Public guidance and education	429,630	1,174,038
Recruitment and PR	389,514	473,525
Sponsor expenses	146,413	446,281
Publications	88,716	38,692
Composition collection	51,840	94,165
Other expenses	117,117	424,969
	<u>1,705,811</u>	<u>3,547,903</u>

**Expenses for collection function**

	<b>2020</b>	<b>2019</b>
	EUR	EUR
Registration	283,725	291,002
Restauration	106,084	159,734
Conservation	15,503	91,978
Other expenses	1,339	4,705
	<u>406,651</u>	<u>547,419</u>

**Scientific expenses**

	<b>2020</b>	<b>2019</b>
	EUR	EUR
Research	333,732	109,174
Documentation	37,298	83,427
Publication	7,960	44,813
Other expenses	9,659	60,174
	<u>388,649</u>	<u>297,588</u>

### General and administrative expenses

	2020	2019
	EUR	EUR
Office expenses and automation	1,411,903	1,393,106
Finance	686,427	847,598
Sales	375,414	666,790
Surveillance and security	283,095	438,013
Experience exhibition expenses	171,969	171,209
Public services	88,729	35,609
Transport and warehouse expenses	41,481	121,397
Various general expenses	1,103,868	3,192,385
	<u>4,162,886</u>	<u>6,866,107</u>

## 20 Balance of financial income and expenses

	2020	2019
	EUR	EUR
<i>Income</i>		
Share price result securities portfolio	467,673	684,504
Interest income securities portfolio	236,729	213,162
Interest income tax authorities	5,342	-
	<u>709,744</u>	<u>897,666</u>
<i>Expense</i>		
Foreign currency exchange rate result	228,101	163,773
Interest charges bank	69,312	79,036
Interest expenses tax authorities	-	4,990
Other charges	-	266,279
	<u>297,413</u>	<u>514,078</u>
	<u>412,331</u>	<u>383,588</u>



## 21 Corporate income tax

The components of corporate income tax are:

	<u>2020</u>		<u>2019</u>
	EUR		EUR
Corporate income tax for the reporting year	420,201	-	946,441
Corporate income tax prior years	18,274		-
Foreign withholding tax, not deductible	-	64,641	-
	<u>373,834</u>	-	<u>1,100,610</u>

The weighted average applicable tax rate is 20.75% (2019: 22%), with the weighted average rate calculated based on the results before tax in the different tax jurisdictions.

### Transactions with related parties

Transactions are deemed to take place with related parties if there is a relationship between the company and a natural person or entity associated with the company. These include relations between the company and its participating interests, the shareholders, the directors and the officers in key positions. Transactions are deemed to include a transfer of resources, services or liabilities, regardless of whether an amount has been charged.

No transactions have taken place with related parties on a non-business basis.

### Auditor's fees

The following fees of KPMG Accountants N.V. have been charged to the company, its subsidiaries and other companies in the consolidated group, as referred to in Section 2:382a (1 and 2) of the Netherlands Civil Code.

	<u>2020</u>		<u>2019</u>
	EUR		EUR
Audit of the 2020 annual accounts	255,000		-
Audit of the 2019 annual accounts	98,500		207,500
Audit NOW	100,000		-
Other audit assignments	70,000		15,000
	<u>523,500</u>		<u>222,500</u>

## **Subsequent events**

As a result of the outbreak of the COVID-19 virus, the Dutch government decided to close all museums from 15 December 2020 on. At the time of drawing up these annual accounts, it is not yet known when the museums will be allowed to reopen.

The impact of the resulting global situation on the organization is described in paragraph 6.1 of the management report "Outlook for the future, functioning of the organization and continuity".

Based on current knowledge and available information, we do not expect Covid-19 to have an impact on the extent to which the museum will be able to continue its activities in the future.

### ***Additional subsidy on the basis of the Regulation on additional support for the cultural and creative sector***

The Dutch Government announced a second additional package of support measures for the cultural and creative sector on 28 August 2020. By official decision, an amount of EUR 9.2 million has been allocated to the VGM for additional subsidy on the basis of the Regulation on additional support for the cultural and creative sector COVID-19 (RAOCCC).

### ***Letter of Support from the VGM foundation to VGME B.V.***

There is no doubt about the continued existence of the business activities of Van Gogh Museum Enterprises B.V. However, in view of the expected result developments of VGME as a result of Covid-19, support in the form of a Letter of Support from the VGM foundation is necessary. Where necessary, this provides for credit space in the form of a current account ratio. The term is twelve months after the date of drawing up the 2020 annual accounts.

## **Company financial statements**

- Company balance sheet
- Company statement of income and expenses
- Notes to the company financial statements

## Company balance sheet as at 31 December 2020

(after result appropriation)

		<u>31 December 2020</u>	<u>31 December 2019</u>
	Note	EUR	EUR
<b>Fixed assets</b>			
Intangible fixed assets	22	767,257	-
Tangible fixed assets	23	12,339,847	14,138,923
Financial fixed assets	24	<u>19,508,637</u>	<u>20,227,929</u>
		<b>32,615,741</b>	<b>34,366,852</b>
<b>Current assets</b>			
Receivables	25	6,325,418	9,483,613
Cash and cash equivalents	26	<u>24,001,300</u>	<u>16,992,893</u>
		<b>30,326,718</b>	<b>26,476,506</b>
		<u><b>62,942,459</b></u>	<u><b>60,843,358</b></u>
<b>Group equity</b>	27		
General reserves		26,751,435	28,285,505
Allocated reserves		<u>11,117,265</u>	<u>11,117,265</u>
		<b>37,868,700</b>	<b>39,402,770</b>
<b>Aquisition fund</b>		<b>4,453,886</b>	<b>1,762,866</b>
<b>Provisions</b>	28	<b>9,916,293</b>	<b>7,480,884</b>
<b>Non-current liabilities</b>	29	<b>5,357,071</b>	<b>4,899,534</b>
<b>Current liabilities</b>	30	<b>5,346,509</b>	<b>7,297,304</b>
		<u><b>62,942,459</b></u>	<u><b>60,843,358</b></u>

The notes on page 85 - 102 are an integral part of these company financial statements.

## Company statement of income and expenses for 2020

	Note	Balance 2020 EUR	Budget 2020 EUR	Balance 2019 EUR
<b>Income</b>				
Public revenues		7,048,188	32,462,430	31,053,873
Sponsorships		1,994,625	2,225,000	1,025,724
Other direct revenues		707,962	4,208,557	4,698,778
<b>Total direct revenues</b>		<b>9,750,775</b>	<b>38,895,987</b>	<b>36,778,375</b>
<b>Indirect revenues</b>		<b>1,515,882</b>	<b>2,730,000</b>	<b>2,766,761</b>
Private gifts and gift circles		1,076,163	700,000	778,469
Private-/corporate funds		1,278,627	1,779,155	2,023,095
Charity loteries		2,073,857	2,065,000	2,074,878
<b>Total private givings</b>		<b>4,428,647</b>	<b>4,544,155</b>	<b>4,876,442</b>
OCW: Heritage law re housing		6,311,335	5,550,000	5,783,191
OCW: Heritage law re collection management		674,799	654,802	654,803
OCW: Visitors activities		1,545,639	1,505,000	1,499,840
<b>Total structural government subsidies</b>		<b>8,531,773</b>	<b>7,709,802</b>	<b>7,937,834</b>
OCW: Emergency measure exploitation		12,550,401	-	-
NOW subsidies		4,791,008	-	-
<b>Total incidental subsidies</b>		<b>17,341,409</b>	<b>-</b>	<b>-</b>
<b>Total income</b>		<b>41,568,486</b>	<b>53,879,944</b>	<b>52,359,412</b>
<b>Expenses</b>				
Personnel expenses	31	20,704,108	24,097,635	22,436,511
Depreciation		3,406,073	3,498,614	3,307,850
Housing expenses		7,362,002	8,121,843	8,031,167
Acquisitions		218,964	2,085,000	10,878,334
Collection management		1,705,811	3,874,644	3,547,901
Temporary exhibition expenses		2,254,653	3,705,200	2,897,781
Collection expenses		406,651	464,700	547,419
Scientific expenses		388,649	392,550	297,588
General management expenses		3,283,776	4,726,963	4,487,715
<b>Total expenses</b>		<b>39,730,687</b>	<b>50,967,149</b>	<b>56,432,266</b>
<b>Operating result</b>		<b>1,837,799</b>	<b>2,912,795</b>	<b>- 4,072,854</b>
Balance of interest income and expense		506,116	-	785,696
Movement aquisition fund	-	2,691,020	-	7,642,405
Result from subsidiaries	-	1,186,965	-	527,799
<b>Exploitation result</b>		<b>- 1,534,070</b>	<b>2,912,795</b>	<b>3,827,448</b>

The notes on page 85 - 102 are an integral part of these company financial statements.

## Notes to the company financial statements 2020

### General information

The company financial statements are part of the statutory 2020 financial statements of the Foundation. The Foundation's financial data have been incorporated in the Foundation's consolidated financial statements.

Where no further details of the items in the company balance sheet and the company statement of income and expenses are provided below, reference is made to the notes in the consolidated balance sheet and profit and loss account.

### Accounting policies

The accounting policies are the same as those for the consolidated balance sheet and statement of income and expenses.

## 22 Intangible fixed assets

The movement in intangible fixed assets can be specified as follows:

	<u>Website</u>
	EUR
<b>Balance per 1 January 2020:</b>	
— Purchase price	-
— accumulated amortisation	-
— <b>Bookvalue</b>	-
<i>Movements in bookvalue:</i>	
Investments	935,752
Amortisation	- 168,495
— <b>Balance</b>	<b>767,257</b>
<b>Balance per 31 December 2020:</b>	
— Purchase price	935,752
— accumulated amortisation	- 168,495
— <b>Bookvalue</b>	<b>767,257</b>

## 23 Tangible fixed assets

The movement in tangible fixed assets can be specified as follows:

	Land and buildings	Business installations	Other tangible fixed assets	Means of transportation	Total
	EUR	EUR	EUR	EUR	EUR
<b>Balance per 1 January 2020:</b>					
— Purchase price	18,033,405	1,967,794	11,136,581	31,250	31,169,030
— accumulated depreciation	- 7,887,249	- 911,855	- 8,230,482	- 521	- 17,030,107
— <b>Bookvalue</b>	<b>10,146,156</b>	<b>1,055,939</b>	<b>2,906,099</b>	<b>30,729</b>	<b>14,138,923</b>
<i>Movements in bookvalue:</i>					
Reclassification	- 4,199	21,762	- 17,563	-	-
Investments	415,432	227,943	795,128	-	1,438,503
Disposals	-	-	683,333	-	683,333
	411,233	249,705	94,232	-	755,170
<i>Movements in acquisition price</i>					
Reclassifications	- 7,233	- 7,102	14,335	-	-
Depreciation	- 1,256,865	- 336,145	- 1,638,250	- 6,320	- 3,237,580
Depreciation disposals	-	-	683,333	-	683,333
— <b>Saldo</b>	<b>- 1,264,098</b>	<b>- 343,246</b>	<b>- 940,582</b>	<b>- 6,320</b>	<b>- 2,554,246</b>
<b>Balance per 31 December 2020:</b>					
— Purchase price	18,444,638	2,217,499	11,230,813	31,250	31,924,200
— accumulated depreciation	- 9,151,347	- 1,255,102	- 9,171,064	- 6,841	- 19,584,354
— <b>Bookvalue</b>	<b>9,293,291</b>	<b>962,398</b>	<b>2,059,749</b>	<b>24,409</b>	<b>12,339,847</b>

The carrying amount of the tangible fixed assets as at 31 December 2020 is close to the fair value.

During the financial year 2020, the Foundation carried out an assessment on usage and presence of assets. These assets that were no longer in use or present and which were fully depreciated are disposed.



## 24 Financial fixed assets

	2020	2019
	EUR	EUR
Participating interest in group companies	3,235,539	4,410,897
Other participations	37,672	49,279
Securities	16,235,426	15,767,753
	<u>19,508,637</u>	<u>20,227,929</u>

The movement in financial fixed assets can specified as follows:

	Participating interest in group companies	Other participations	Securities	Total
	EUR	EUR	EUR	EUR
<b>Balance per 1 January 2020:</b>	4,410,897	49,279	15,767,753	20,227,929
<i>Movements during the year:</i>				
Additions / deposits	-	-	-	-
Revaluation	-	-	467,673	467,673
Result from subsidiaries	- 1,175,358	- 11,607	-	- 1,186,965
<b>Balance per 31 December 2020:</b>	<u>3,235,539</u>	<u>37,672</u>	<u>16,235,426</u>	<u>19,508,637</u>

The Van Gogh Museum Foundation, Amsterdam, is at the head of the Group and has the following equity interests:

Name	Statutory seat	Share in issued capital %
<b>Participating interest in group companies</b>		
Van Gogh Museum Enterprises B.V.	Amsterdam	100%
<b>Other participations</b>		
PP10 B.V.	Amsterdam	50%

## 25 Receivables

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Trade debtors	181,956	4,162,836
Group companies	3,024,928	1,387,716
Value added tax	396,080	160,577
Pensions	178,218	13,656
Other receivables and accrued income	<u>2,544,236</u>	<u>3,758,828</u>
	<u>6,325,418</u>	<u>9,483,613</u>

The fair value of the included receivables is close to the carrying amount, in view of the short-term nature of the receivables and the fact that bad debt provisions have been recognized where necessary.

### *Trade debtors*

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Trade debtors	184,872	4,216,750
Provision doubtful debts	- 2,916	- 53,914
	<u>181,956</u>	<u>4,162,836</u>

The decrease in the receivables from trade debtors is mainly due to the receipt of the receivable from the Drents Museum of EUR 2,066,650 for the joint purchase of the work "Onkruidverbrander".

### *Group companies*

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Van Gogh Enterprises B.V.	1,690,451	76,366
Van Gogh Museum Global B.V.	<u>1,334,477</u>	<u>1,311,350</u>
	<u>3,024,928</u>	<u>1,387,716</u>

The receivable from Van Gogh Museum Global B.V. has a planned remaining term to maturity of less than one year with the intention to settle within twelve months of the balance sheet date. The developments around Covid-19 could possibly influence this. For an additional explanation, refer to the note subsequent events.

**Other receivables and accrued income**

	<u>2020</u>	<u>2019</u>
	EUR	EUR
NOW support	830,014	-
BankGiro loterij	666,200	647,435
Advanced payments	575,437	1,880,208
Receivable from sponsors and donors	371,920	152,000
Revenues to be invoiced	-	274,127
Receivable from internet sales	104	116,490
Stichting Museumjaarkaart	8,498	473,251
Cash in transit	74,008	77,220
Guarantee	18,055	18,055
Accrued income	-	120,042
	<u>2,544,236</u>	<u>3,758,828</u>

## 26 Cash and cash equivalents

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Rabobank	14,794,254	8,315,379
ABN AMRO Bank	9,099,915	8,620,381
Van Lanschot Bankiers	107,131	57,133
	<u>24,001,300</u>	<u>16,992,893</u>

## 27 Equity

The movements in equity are as follows:

	Balance per 1 January 2019	Appropriation result 2019	Withdrawal / addition	Balance per 31 December 2019
	EUR	EUR	EUR	EUR
General reserve	23,873,270	3,827,448	584,787	28,285,505
<i>Allocated reserves:</i>				
50th anniversary	2,333,485	-	-	2,333,485
Exhibitions	2,150,000	-	-	2,150,000
Development Museumplein 4	3,000,000	-	-	3,000,000
Business premises	1,156,213	-	48,167	1,108,046
Programming DMC	1,000,000	-	-	1,000,000
OCW safety musea	220,200	-	220,200	-
Layout Sandbergplein	174,436	-	48,702	125,734
Housing	1,400,000	-	-	1,400,000
	11,434,334	-	317,069	11,117,265
<i>Allocated funds</i>				
OCW DMC	267,718	-	267,718	-
	<b>35,575,322</b>	<b>3,827,448</b>	<b>-</b>	<b>39,402,770</b>

	Balance per 1 January 2020	Appropriation result 2020	Withdrawal / addition	Balance per 31 December 2020
	EUR	EUR	EUR	EUR
General reserve	28,285,505	-	1,534,070	26,751,435
<i>Allocated reserves:</i>				
50th anniversary	2,333,485	-	1,800,000	4,133,485
Exhibitions	2,150,000	-	-	2,150,000
Development Museumplein 4	3,000,000	-	1,400,000	1,600,000
Business premises	1,108,046	-	-	1,108,046
Programming DMC	1,000,000	-	-	1,000,000
Organizational adjustments	-	-	1,000,000	1,000,000
Layout Sandbergplein	125,734	-	-	125,734
Housing	1,400,000	-	1,400,000	-
	11,117,265	-	-	11,117,265
	<b>39,402,770</b>	<b>1,534,070</b>	<b>-</b>	<b>37,868,700</b>

The foundations' equity amounts to EUR 37,868,700. The consolidated equity amounts to EUR 38,214,855.

The difference between the foundations' equity and the consolidated equity can be explained as follows:

- Meet Vincent Van Gogh Experience B.V. has a negative equity, however in the consolidated equity the negative equity of Meet Vincent Van Gogh Experience B.V. is eliminated.
- In the foundations' balance sheet a provision is taken for a receivable on Meet Vincent Van Gogh Experience B.V. In the consolidated balance sheet this receivable is eliminated and therefore no provision can be formed.
- The above mentioned eliminations result in a difference between the foundations' equity and the consolidated equity.

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Equity according to consolidated balance sheet	38,214,855	39,748,106
Adjustment of negative equity Meet Vincent Van Gogh Experience B.V.	1,533,845	1,534,664
Provision on receivable on Meet Vincent Van Gogh Experience B.V.	- 1,880,000	- 1,880,000
<b>Equity according to stand-alone company balance sheet</b>	<b><u>37,868,700</u></b>	<b><u>39,402,770</u></b>
Net result according to consolidated statement of income and expenses	- 1,533,251	6,282,158
Negative / (positive) result Meet Vincent Van Gogh Experience B.V.	- 819	- 1,400,069
Movement in provision receivable Meet Vincent Van Gogh Experience B.V.	- -	1,054,641
<b>Net result according to the stand-alone company statement of income and expenses</b>	<b><u>- 1,534,070</u></b>	<b><u>3,827,448</u></b>

### *Proposal for 2020 profit appropriation*

The Executive Board proposes to the General Meeting, with the approval of the Supervisory Board, to appropriate the 2020 profit after tax as follows: the amount of the negative result of EUR 1,534,070 to be charged to the general reserves.

## 28 Provisions

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Major maintenance buildings	9,614,432	7,280,868
Jubilee provision	250,311	200,016
Long-term sick employees	51,550	-
	<b><u>9,916,293</u></b>	<b><u>7,480,884</u></b>

The movements in provisions can be specified as follows:

	Major maintenance buildings	Jubilee provision	Long-term sick employees	Total
	EUR	EUR	EUR	EUR
<b>Balance per 1 January 2020:</b>	7,280,868	200,016	-	7,480,884
<i>Movements in the financial year:</i>				
Withdrawals	- 423,259	- 20,215	- -	443,474
Allocation	2,756,823	70,510	51,550	2,878,883
<b>Balance per 31 December 2020:</b>	<b>9,614,432</b>	<b>250,311</b>	<b>51,550</b>	<b>9,916,293</b>

## 29 Non-current liabilities

	2020	2019
	EUR	EUR
Housing subsidy to be spent OCW	4,606,033	4,079,325
Investment subsidy renovation GM8	526,625	570,209
Investment contribution to be spent PACCAR	224,413	250,000
	<u>5,357,071</u>	<u>4,899,534</u>

All non-current liabilities are in euros.

The non-current liabilities as at 31 December 2020 can be specified as follows:

	Balance 1 January 2020	Contributions received	Withdrawals	Movement result	Balance 31 December 2020
	EUR	EUR	EUR	EUR	EUR
Housing subsidy to be spent OCW	4,079,325	6,794,459	- 6,311,336	43,585	4,606,033
Investment subsidy renovation GM8	570,209	-	- -	43,584	526,625
Investment contribution to be spent	250,000	-	- -	25,587	224,413
	<u>4,899,534</u>	<u>6,794,459</u>	<u>- 6,311,336</u>	<u>- 25,587</u>	<u>5,357,071</u>

## 30 Current liabilities

	2020	2019
	EUR	EUR
Long-term debt to be repaid	-	333,350
Suppliers and Trade Creditors	989,588	2,365,505
Wage tax	576,428	816,996
Pension premium	184,884	173,975
Group companies	-	178,196
	<u>3,595,609</u>	<u>3,429,282</u>
	<u>5,346,509</u>	<u>7,297,304</u>

### Accrued liabilities

	2020	2019
	EUR	EUR
Holiday pay and -days	1,439,641	1,184,424
Advanced revenues	1,028,277	1,183,924
Housing costs re. heritage law	166,306	395,340
Accountants fees	186,000	35,000
Other accrued liabilities	775,385	630,594
	<u>3,595,609</u>	<u>3,429,282</u>

## Off-balance sheet assets and liabilities

### Long-term financial liabilities

#### Subsidy

For the Culture Policy period 2021 to 2024, OCW has granted the Van Gogh Museum Foundation an annual BIS subsidy of EUR 1,545,640 for a period of four years and from the Heritage Act subsidy EUR 6,794,459 for accommodation and EUR 674,799 for collection management for a period of one year. These amounts exclude indexation.

#### Rent

Leases have been entered into with the Central Government Real Estate Agency for the rented property up to 31 December 2021.

Leases with the Central Government Real Estate Agency are silently renewed at the end of a 5-year period. The rents are fully funded from the Heritage Act subsidy for housing.

The terms of the leases can be specified as follows:

	Gabriël Metsustraat 8	Museumplein 6	Laan van Meerdervoort 7F	Storage Badhoevedorp	Total
	EUR	EUR	EUR	EUR	EUR
No longer than 1 year	47,738	1,020,530	109,863	14,124	1,192,255
Between 2 and 5 years	-	-	-	-	-
Longer than 5 years	-	-	-	-	-
	<u>47,738</u>	<u>1,020,530</u>	<u>109,863</u>	<u>14,124</u>	<u>1,192,255</u>

The annual rent for the property at Gabriel Metsustraat 8 in Amsterdam amounts to EUR 47,738 per year.

The annual rent for the property at Museumplein 6 in Amsterdam amounts to EUR 1,020,530 per year.

The annual rent for the property at de Laan van Meerdervoort 7F in Den Haag amounts to EUR 109,863 per year.

A lease has been entered into for a storage facility with offices at Nieuwemeerdijk 426 in Badhoevedorp. until 31 January 2021. The annual rent is EUR 139,000 and the annual service charge is EUR 1,800.

#### **Operational lease**

In April 2018, a lease was entered into for a passenger car for the duration of 60 months. The annual lease expenses amount to EUR 15,506. This lease agreement ended in 2020.

#### **Collaboration agreement**

On 1 August 2009 the Foundation entered into an agreement with PP10 B.V. for an indefinite period. The agreement provides for collaboration on a joint "Collaborating Control Rooms Project" with the aim of optimizing and further professionalizing the security of the Museums. It has been agreed that PP10 B.V. will provide security services for the Van Gogh Museum, for which the latter is required to pay an annual fee of EUR 1,450,000 excluding VAT to PP10 B.V.

#### **VAT on art acquisitions**

In the context of the relationship with the Tax and Customs Administration, the pre-deduction of VAT on art purchases has emerged as an outstanding item. The Tax and Customs Administration takes the position that the prior deduction of VAT was not justified for works of art that were subsequently passed on to the Dutch State. During this discussion, however, it



became clear that since the Van Gogh Museum became independent, there has been no formal acceptance of ownership of the acquired works of art by the Dutch State. There has been regular consultation with the Ministry of Education, Culture and Science about this matter. A solution with a minimal VAT burden has not yet been found. Since the beginning of 2015, there have been no new developments and the file and has been set aside by the Ministry of Education, Culture and Science for the time being.

## 31 Personnel expenses and number of employees

The wages and salaries, social charges and pension expenses for the employees working for the Foundation can be specified as follows:

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Wages and salaries	13,007,040	12,777,837
Social Security	2,139,505	2,234,448
Pension expenses	1,311,382	1,238,385
Hired personnel	3,565,031	5,512,253
Other personnel expenses	681,150	673,588
	<u>20,704,108</u>	<u>22,436,511</u>

### Employees

The average number of employees in the 2020 financial year, in full-time equivalents, was 306 (2018: 316). All employees were based in the Netherlands.

	<u>2020</u>	<u>2019</u>
Emploment	256	251
Interim	11	11
Temporary workers	50	45
	<u>316</u>	<u>306</u>

### Partnerships with subsidiaries

The Foundation has partnerships with its subsidiaries. The subsidiaries use the expertise, knowledge, personnel and available commercial premises of the Van Gogh Museum Foundation. The expenses which the Foundation incurs for the components consumed by the subsidiaries are recharged to the subsidiaries by the Foundation. A breakdown of the expenses recharged to the companies by the Van Gogh Museum Foundation can be found in note 19 of these financial statements.

## Remuneration of members of the Executive and Supervisory Boards

Below is an overview of supervisory top officials and former supervisory top officials.

The members of the Supervisory Board do not receive any remuneration. Expenses incurred for the performance of the position can be reimbursed on an expense claim basis.

NAAM SENIOR EXECUTIVE	POSITION	START-END
J.W. Winter	Chairman SB	1 jan - 31 dec
H.A. van Beuningen	Member SB	1 jan - 20 nov
G.Tinterow	Member SB	1 jan - 31 dec
J.E.M. Brinkman	Member SB	1 jan - 31 dec
M. Leeftang-Alma	Member SB	1 jan - 31 dec
M. Spier	Member SB	1 jan - 31 dec
H.J. Roel	Member SB	25 nov - 31 dec

## Heritage act analysis

	<b>2020</b>	
	EUR	EUR
<b>Starting balance</b>		<b>4,079,325</b>
Heritage Act subsidy OCW housing	<b>6,794,459</b>	
Withdrawal for investment	-	
<b>Withdrawals (expenses)</b>		
- Surcharges to Central Government Real Estate Agency: interest, repayments, property tax and surcharges	1,261,207	
- Wage expenses own organization management and maintenance	278,209	
- Insurance	81,200	
- Depreciation	384,612	
- expenses of daily maintenance	1,499,584	
- Major maintenance expenses	2,760,683	
- Other housing expenses	45,840	
<b>Total withdrawals</b>	<b>6,311,336</b>	
<b>Additions (benefits)</b>		
- Release of investment subsidy OCW	43,584	
- Other benefits	-	
<b>Total additions</b>	<b>43,584</b>	
Balance of housing subsidy (OCW subsidy - withdrawals + additions)		<b>526,708</b>
Spent on public activities or other activities		-
<b>Final balance</b>		<b>4,606,033</b>

## Categorical and functional exploitation account 2020

		→ FUNCTIONAL	Total	Public activities	Collection management	General Management
↓ CATEGORIAL						
	Own income					
1	Public income in the Netherlands (2 + 3):	7,048,188	7,048,188	-	-	
2	Ticket sales	7,048,188	7,048,188	-	-	
3	Other public income	-	-	-	-	
4	Public income abroad	-	-	-	-	
5	Total Public Income (1 + 4)	7,048,188	7,048,188	-	-	
6	Sponsor income	1,994,625	976,239	800,000	218,386	
7	Co-producer compensation	-	-	-	-	
8	Other direct income	707,962	707,962	-	-	
9	Total other direct income (6 + 7 + 8)	2,702,587	1,684,201	800,000	218,386	
10	Total Direct income (5 + 9)	9,750,775	8,732,389	800,000	218,386	
11	Indirect income	1,515,882	1,451,305	-	64,577	
12	Private resources - private individuals incl. Associations of friends	583,663	100,036	483,627	-	
13	Private resources - companies	492,500	280,000	212,500	-	
14	Private resources - private funds	1,278,627	301,201	388,813	588,613	
15	Private resources - charity lotteries	2,073,857	-	2,073,857	-	
16	Total contributions from private resources (12 + 13 + 14 + 15)	4,428,647	681,237	3,158,797	588,613	
17	Total own income (10 + 11 + 16)	15,695,304	10,864,931	3,958,797	871,576	
18	Income in kind	-	-	-	-	
19	Total structural OCW (20 + 21 + 22 + 23)	8,531,773	6,805,085	1,014,118	712,570	
20	OCW: Regulation re. specific cultural policy (public activities)	1,545,639	1,545,639	-	-	
21	OCW: Heritage Act re. housing	6,311,335	5,259,446	339,319	712,570	
22	OCW: Heritage Act re. collection management	674,799	-	674,799	-	
23	OCW: Framework for operating subsidies for research and science	-	-	-	-	
24	Totaal structureel Provincie	-	-	-	-	
25	Total structural Township	-	-	-	-	
26	Total structural public subsidy other	-	-	-	-	
27	Total structural subsidies (19+24+25+26)	8,531,773	6,805,085	1,014,118	712,570	
28a	Incidental public subsidies OCW emergency measure exploitation	12,550,401	12,550,401	-	-	
28b	Incidental public subsidy NOW	4,791,008	2,046,077	1,200,633	1,544,298	
29	Total subsidies (27+28)	25,873,182	21,401,563	2,214,751	2,256,868	
	TOTAL INCOME (17 + 18 + 29)	41,568,486	32,266,494	6,173,548	3,128,444	
	EXPENSES					
1	Personnel expenses	20,704,108	8,842,019	5,188,479	6,673,610	
2	Housing expenses	7,362,002	6,010,209	537,507	814,286	
3	Depreciation	3,406,073	839,680	299,587	2,266,806	
4	Acquisitions	218,964	-	218,964	-	
5	Other expenses	8,039,540	4,332,470	1,233,899	2,473,171	
	TOTAL EXPENSES (1+2+3+4+5)	39,730,687	20,024,378	7,478,436	12,227,873	
6	Balance from ordinary activities (Total income - Total expenses)	1,837,799	12,242,116	- 1,304,888	- 9,099,429	
7	Balance of interest income / expense	506,116	-	-	506,116	
8	Movements acquisition fund	- 2,691,020	- -	2,691,020	-	
	Operating result to be distributed (6 + 7 + 8)	- 347,105	12,242,116	- 3,995,908	- 8,593,313	
9	Allocation General Administration	-	6,665,830	- 1,927,483	8,593,313	
99	Result of subsidiary	- 1,186,965	- 1,186,965	-	-	
	EXPLOITATION RESULT (6 + 7 + 8 + 9 + 99)	- 1,534,070	4,389,321	- 5,923,391	-	

Allocation keys for the 2020 functional and operational exploitation account based on company figures.

Public revenue

Public revenue is revenue from the sale of entrance tickets and is allocated fully to public activities.

Sponsorship revenue

Sponsorship revenue is allocated to the function for which it was obtained and concerns public activities. Sponsorship revenue received for no clear counter performance is included in the general management function.

Other direct income

Other income concerns the sale of multimedia tours, evening receptions, workshops, guided tours and contributions to exhibitions and are fully allocated to public activities function.

Indirect revenue

Indirect revenue consists of revenue from the restaurant museum lease, rental income from apartments in The Hague, the recharging of expenses and license fees by VGM to VGME. The lease revenue and rental income are allocated to the general management function. The recharging of expenses and the license fees are allocated fully to public activities function.

OCW subsidies

The OCW Heritage Act subsidy for accommodation concerns the subsidy for the three Central Government Real Estate Agency properties and is allocated on the basis of the number of m2. The OCW Heritage Act subsidy for collection management is allocated in full to the collection management function. The operating subsidy has been allocated on a pro rata basis to public activities and collection management in accordance with OCW guidelines. The same applies to the incidental OCW subsidy.

Contributions from private resources

Contributions from private resources consist of receipts from private individuals, companies, funds and foundations and charity lotteries. The contribution from the BankGiro Loterij is for art purchases and is therefore fully allocated to the collection management function. The other contributions are allocated to the function for which they were obtained.

NOW subsidy

For the incidental distribution of the NOW subsidy, the same distribution key has been used as for the personnel expenses.

Personnel expenses

Salaries, expenses of hiring third parties and agency staff are allocated on the basis of the actual expenses of the different departments and have been allocated to the various functions in accordance with the instructions in the OCW manual.

Depreciation and amortization

The depreciation and amortization of the assets of the Van Gogh Museum are allocated on the basis of the function for which they are used.

Accommodation expenses

Breakdown of museum premises:

Paulus Potterstraat 7, Amsterdam: 93% public activities, 7% collection management.  
Laan van Meerdervoort 7, The Hague: 100% public activities  
Breakdown of offices and sundry premises:  
Gabriel Metsustraat 8, Amsterdam: 100% general management  
Apartments at Laan van Meerdervoort 11, The Hague: 100% general management  
Control room at Paulus Potterstraat 10, Amsterdam: 100% collection management  
Warehouse in Badhoevedorp: 100% general management

Acquisitions/change in acquisition fund

The acquisitions relate to collection management.

Expenses of permanent collection:

This concerns the expenses of the education, publication and marketing & communication departments. These are 100% public activities. The expenses of the sponsorship department have been allocated in the same way as the sponsorship revenue.

Expenses of temporary exhibitions

These concern the expenses of temporary exhibitions. They are 100% public activities.

Collection and scientific expenses

These concern the expenses of research, restoration and digitization. They relate 100% to collection management.

General management

These are the expenses of security (100% public activities), visitor service (100% public activities), office expenses (100% general management), financial affairs expenses (100% general management), the expenses of work clothing (100% public activities) and the expenses of advisers. The expenses of advisers have been allocated to the function for which they were used.

Interest

This concerns interest on loans and securities, including gains or losses on securities. Total interest has been allocated 100% to general management.

General management allocation

The overheads have been allocated on the basis of the ratio between the sum of total income and total expenses of public activities and collection management less contributions/expenditure for acquisitions.

Result of participating interests

The result of participating interests is applied as an adjustment to the operating result in order to arrive at the company result of the Van Gogh Museum Foundation.

## Subsequent events

As a result of the outbreak of the COVID-19 virus, the Dutch government decided to close all museums from 15 December 2020 on. At the time of drawing up these annual accounts, it is not yet known when the museums will be allowed to reopen.

The impact of the resulting global situation on the organization is described in paragraph 6.1 of the management report "Outlook for the future, functioning of the organization and continuity".

Based on current knowledge and available information, we do not expect Covid-19 to have an impact on the extent to which the museum will be able to continue its activities in the future.

### ***Additional subsidy on the basis of the Regulation on additional support for the cultural and creative sector***

The Dutch Government announced a second additional package of support measures for the cultural and creative sector on 28 August 2020. By official decision, an amount of EUR 9.2 million has been allocated to the VGM for additional subsidy on the basis of the Regulation on additional support for the cultural and creative sector COVID-19 (RAOCCC).

### ***Letter of Support from the VGM foundation to VGME B.V.***

There is no doubt about the continued existence of the business activities of Van Gogh Museum Enterprises B.V. However, in view of the expected result developments of VGME as a result of Covid-19, support in the form of a Letter of Support from the VGM foundation is necessary. Where necessary, this provides for credit space in the form of a current account ratio. The term is twelve months after the date of drawing up the 2020 annual accounts.

Amsterdam, 31 March 2021

Board of Directors:

Supervisory Board:

## Other information



## **Independent auditor's report**

To: the Board of Directors and the Supervisory Board of Van Gogh Museum Foundation

### **Report on the audit of the accompanying financial statements**

#### ***Our opinion***

We have audited the financial statements 2020 of Van Gogh Museum Foundation, based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Van Gogh Museum Foundation as at 31 December 2020, and of its result for the year 2020 in accordance with the Reporting Manual on Culture Grants 2017-2020 (Handboek verantwoording Cultuursubsidies 2017-2020) and the requirements of the Wet normering topinkomens (WNT).

In our opinion, the income and expenses and the balance sheet movements in 2020 as presented in the accompanying financial statements are in all material respects legitimate and in accordance with the relevant laws and regulations as included in the Reporting Manual on Grants 2017-2020.

The financial statements comprise:

- 1 the consolidated and company balance sheet as at 31 December 2020;
- 2 the consolidated and company profit and loss account for the year 2020;
- 3 the consolidated cash flow statement of 2020; and
- 4 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, the auditor protocol Culture grants 2017-2020 and the auditor protocol WNT 2020. 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 Van Gogh Museum Foundation in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), 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.

#### ***Unaudited compliance with the anti-cumulation clause in the WNT***

In accordance with the 'Controleprotocol WNT 2020' (Audit instructions WNT 2020) we did not audit the anti-cumulation clause referred to in Section 1.6a of the WNT and Section 5 subsection 1j of the 'Uitvoeringsregeling WNT'. Consequently, we did not verify whether or not the maximum salary norm has been exceeded by a 'leidinggevende topfunctionaris'(managing senior official) due to possible employment at other institutions subject to the WNT, and whether the WNT-disclosure as required in relation to this clause is accurate and complete.

## **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:

- director's report, including the report of the Supervisory Board;
- other information.

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 the information as required by the Reporting Manual on Culture Grants 2017-2020.

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 auditor protocol Culture Grants 2017-2020 and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the director's report, in accordance with the Reporting Manual on Culture Grants 2017-2020.

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

### ***Responsibilities of the Board of Directors and the Supervisory Board for the financial statements***

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the Reporting Manual on Culture Grants 2017-2020 (Handboek verantwoording Cultuursubsidies 2017-2020) and the requirements of the Wet normering topinkomens (WNT).

The Board of Directors is also responsible for legitimacy of the income and expenses and the balance sheet movements over 2020 as presented in the financial statements in accordance with the relevant laws and regulations as included in the Reporting Manual on Culture Grants 2017-2020.

Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board of Directors should prepare the financial statements 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. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company'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 have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the 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, the auditor protocol Culture grants 2017-2020, the auditor protocol for WNT 2020 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 errors or fraud, 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 errors, 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 Foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of management'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 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 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 the company ceasing 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.

The Hague, 31 March 2021

KPMG Accountants N.V.

W.A. Touw RA