
Financial statements 2015
Stichting Stedelijk Museum
Amsterdam

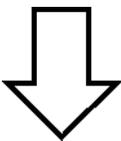
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Directors' Report

VISITORS

10% 

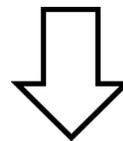
2015: 731.136
2014: 816.396
2013: 695.045

SPENDING PER VISITOR

16% 

2015: € 11,51
2014: € 9,96
2013: € 11,25

NUMBER OF EMPLOYEES

4% 

2015: 198,5
2014: 207,5
2013: 164,25

% OWN INCOME

3% 

2015: 57%
2014: 54%
2013: 54%

REVENUE FROM HOSPITALITY AND SHOP

8% 

2015: € 1,195 THOUSAND
2014: € 1,102 THOUSAND
2013: € 786 THOUSAND

Results 2015

We are delighted to report that 2015 was a year of great inspiration and successes. Our schedule of groundbreaking art projects and exhibitions was hugely appreciated, and attracted over 731.000 visitors. In 2015, in preparation for the 2007-2020 Arts Plan, we invited the entire organization to take a fresh look at the Stedelijk's DNA. This led to reformulating our ambitions in five core values: the Stedelijk is curious, provocative, open, ambitious and entrepreneurial. We'd like to share the results of this policy with you in these financial statements.

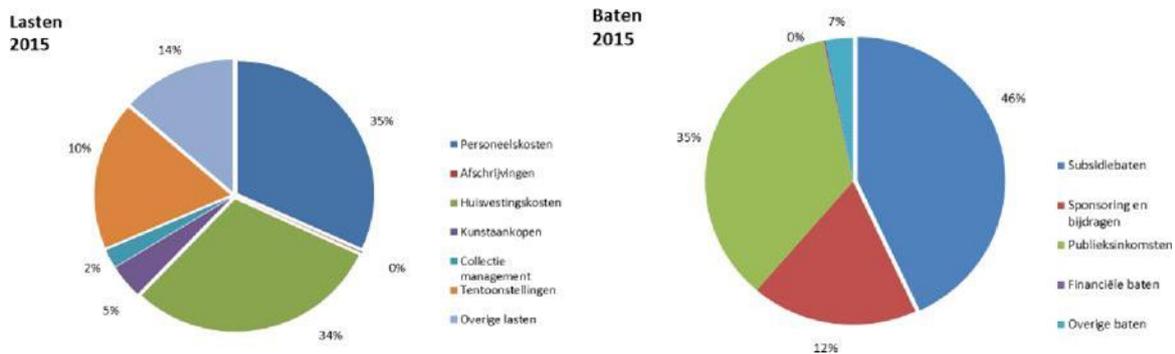
In 2015, the Stedelijk program offered the ideal mix of exhibitions tailored to connect with and engage the broadest possible audience, in conjunction with pioneering projects. The exhibitions were extremely diverse, ranging from a year-long survey of Tino Sehgal to the research presentation 'The Stedelijk Museum and the Second World War'. From 'The Oasis of Matisse' – the most popular exhibition in the history of the Stedelijk, which attracted 360,000 visitors – to the retrospective of the iconic contemporary German artist, Isa Genzken.

As an entrepreneurial museum, we consistently look for new and sustainable ways to achieve our plans. To bring out the best in our employees and the people we work with, we promote talent development and encourage many types of collaboration. Last year, the Stedelijk also prepared to sign the collective bargaining agreement for the museum sector, and took steps to refine our IT infrastructure, and build a more financially and ecologically sustainable organization

For an enterprising institution such as the Stedelijk, increasing our self-generated revenues and reducing expenditure are crucial in realizing our artistic ambitions. Over recent years, our self-generated revenue has significantly exceeded the municipal benchmark of 25%. In 2015, our efforts succeeded in raising that percentage to 57% (in 2013 and 2014 this was 54%). Healthy, entrepreneurial, leading, provocative, accessible: in 2015, the Stedelijk's appeal proved itself in numerous ways. Almost 40,000 schoolchildren visited the museum on school outings; our tour guides gave 2,500 tours and the online animation that accompanied 'The Oasis of Matisse' was viewed two million times.

2015 was another year of financial success for the Stedelijk. Thanks in part to the hugely popular Matisse exhibit, visitor numbers were 17% higher than our initial estimate of 625,000. In addition to greater visitor numbers, ticket revenues were also up by 10% compared to our estimated € 7.77. In total, revenue from ticket sales totaled € 7.435.834. Our total revenues exceeded our original budget by € 2.774.591. With this, our total self-generated income for 2015 represented 57% of the total revenue, excluding the subsidy earmarked for the rent (46% including subsidy for the rent).

Higher personnel costs, hiring external staff and miscellaneous expenses, resulted in expenditure exceeding the budget estimate by € 2.184.359. The growth in miscellaneous costs was largely due to the purchase costs relating to the sale of the Museumkaart, sales of which were 13% over budget (although this is compensated by turnover). The costs of the exhibitions and publications also overran the budget. Both items were approximately 15% higher than initially foreseen, as the result of adding an extra exhibition and accompanying publication to the program (Isa Genzken).



Notes to the results

Our excellent financial results in 2015 can be attributed to two major factors, the first of which is visitor numbers. In 2015, the Stedelijk Museum (including Stedelijk Museum Bureau Amsterdam) received 731.136 visits (2014: 816.396) compared to an estimated visitor attendance of 625.000. With this, the number of visitors was 17% higher than expected. This increase in visitor attendance yielded greater ticket revenues, due in part to the larger percentage of visitors who paid an additional entrance fee to see the Matisse exhibition. The second key element was the Museumkaart 2015: the payment percentage was definitively set at 63% (our initial budget anticipated a payment percentage of 50%). With this, our total revenue from entrance fees was 32% higher than budgeted. (+€ 1.7 million).

Revenue from sponsorship and contributions matched the budget estimates. In addition to our current sponsorship contracts with companies including Rabobank, IMC, Audi and Medellin Secret and Freshfields, the Stedelijk was successful in raising additional funds and contributions for various projects and activities. A significant portion of the extra funds took the form of private gifts to the Stedelijk Museum Fonds. (€ 1.5 million).

On balance, the aggregate of these income streams generated revenue € 2.774.591 in excess of the budgeted figure.

In terms of expenditure, the wages and salaries were 4% higher than provided for in the budget. This was primarily resulted from hiring extra security staff during external events, costs that are passed on to the external parties. In some instances, external staff was also hired to replace employees absent because of illness. On balance, this exceeded the personnel budget by a total of € 279.129.

Included under miscellaneous costs, the cost price of the Museumkaart were higher than budgeted, although this is offset by extra revenue. The costs of the external events held at the Stedelijk were not included in the budget. At the preparation stage of the budget, expenses incurred by the events and external contractors such as caterers, were covered by an external party. However, in 2015, the museum began to organize and fund external events, which creates something of a distorted impression in the budget.

The costs of the Isa Genzken exhibition and publication exceeded the budget. This exhibition was added to the program at a later date, and the accompanying costs were not reflected in the budget. Apart from visitor revenues, additional funds were also raised for these projects.

Risks

Stedelijk Museum Amsterdam has drawn up a risk matrix identifying the most significant risks. In addition to the probability and impact of the risks identified, the risk matrix also sets out the control measures that have been taken to prevent the occurrence of these risks, and the steps taken to control and limit the consequences and damage caused should risks occur. This risk matrix is updated periodically by the Directors and discussed with the Supervisory Board. The most significant (financial) risks in this matrix are:

- The decline of the Arts Plan subsidy, more stringent subsidy criteria, or unclear responsibilities relating to the collection and building. The control measure introduced by the Stedelijk specify that the museum actively responds to the wishes and requirements of the municipality, renders accountability in a timely fashion, satisfies the stipulated requirements and maintains sufficient reserves to respond to any possible changes.
- Decreased visitor numbers, a reduction in development opportunities and an over-dependence on certain activities, or over-reliance on a single revenue stream. The museum addresses this through excellent account management, diversifying activities, and sound financial policy. Effective financial and legal management, and streamlined project management identify anomalies and risks relating to operational aspects, and current projects are identified at an early stage and managed by cost reduction measures or the relocation of budgets. The combination of effective management information systems that enable the organization to guide its processes, reduces the risks to acceptable proportions.
- Damage to our reputation resulting from paying insufficient attention to the sentiments of our public and stakeholders. The museum has a professional communications department and, should significant incidents arise, will seek external advice. This risk is already factored into the decision making process.

Other risks relate to the security of objects and people in the event of contingencies, and legislative amendments.

Future developments

The Stedelijk Museum has submitted a subsidy application to the Municipality of Amsterdam for the period 2017 to 2020. The budget in the current application differs from the fiscal estimate contained in the previous arts plan application. The Stedelijk Museum is poised to take a more experimental direction in its programming, with which, compared to the previous application, the number of visitors is not expected to grow. The Stedelijk Museum is an entrepreneurial museum. Cultural entrepreneurship is not a goal in itself but rather a condition and an instrument to realize our artistic mission, ambitions and social mandate.

To fund the costs involved in exhibitions, research and education – both qualitative and quantitative – the Stedelijk intends to generate a significant share of its own income. The museum is committed to generating 35% or more of its income, although the budget actually records self-generated revenue at 50%.

Besides income maximization, the museum aims to reduce costs through the application of management partnerships and innovations. Other ways of growing our revenues and paring down costs through collaboration (advantages of scale) will be explored or enhanced.

The current financial policy will be maintained. An evaluation of the budget process will be held in the year ahead. The number of FTEs within the workforce is expected to remain unchanged in the coming period.

Good governance

Since becoming a private institution on 1 January 2006, the Stichting Stedelijk Museum Amsterdam has followed a Supervisory Board model. The directors and the Supervisory Board endorse the Cultural Governance Code and apply the principles of the Code. This entails compliance with the principles and recommendations of the Code, and explaining any divergences from them. In 2015, the Directors and the Supervisory Board met five times. In the intervening period, the Directors notify the Supervisory Board of any exceptional events. The Directors provide quarterly reports on the progress of the financial results with respect to the initial budget.

We wish to extend a big ‘thank you’ to everyone who helped to make 2015 such a remarkable, successful year.

Beatrix Ruf

Karin van Gilst

Director

Managing Director

Stedelijk Museum Amsterdam

Financial statements 2015

Balance sheet as at 31 December 2015

(after profit appropriation)

Assets	Ref.	31 December 2015		31 December 2014	
		€	€	€	€
Tangible fixed assets	4				
Land and buildings		0		3.747	
Inventory		23		3.674	
Art depot inventory		33.827		24.828	
Other fixed operating assets		106.588		36.814	
Art collection		509.000		224.000	
			649.438		293.063
Current assets	5				
Inventories			215.216		244.529
Receivables	6				
Subsidies/sponsorship		2.924.554		1.630.86	
Accounts receivable		994.364		990.262	
Admission receipts		564.221		780.363	
Advance payments		350.466		55.436	
Taxes		1.086.489		507.115	
Other receivables		629.660		250.165	
			6.549.754		4.214.207
Cash and cash equivalents	7				
Cash and cash equivalents			8.039.867		7.531.717
Total Assets			15.454.275		12.283.516

Liabilities	Ref.	31 December 2015		31 December 2014	
		€	€	€	€
Capital and reserves	8				
Freely disposable capital					
• Continuity reserve		2.578.317		2.578.317	
Restricted capital					
• Appropriated reserve		1.000.000		1.000.00	
Collection presentation				0	
• Appropriated reserve		158.614		390.662	
acquisitions					
• Appropriated reserve		1.559.952		1.625.63	
exhibitions				2	
• Appropriated reserve		0		20.000	
publications					
			5.296.883		5.614.611
Provisions	9				
Personnel		1.202.530		1.239.08	
Major maintenance		1.525.175		840.016	
			2.727.705		2.079.098
Long-term liabilities	10				
Long-term debt		309.000		121.000	
			309.000		121.000
Current liabilities	11				
Accounts payable		3.508.236		2.074.80	
Prepaid subsidies/contributions		507.387		156.793	
Tax and national insurance		440.782		458.952	
Other debts		2.664.282		1.778.262	
			7.120.687		4.468.807
Total Liabilities			15.454.275		12.283.516

Statement of income and expenditure 2015

		Operations 2015	Budget 2015	Operations 2014
		€	€	€
Income	Ref.			
Subsidy income	13	17.882.604	17.779.400	18.211.949
Contributions	14	2.009.888	2.326.877	1.616.406
Sponsorship	15	3.023.448	2.542.514	1.334.366
Visitor-generated income	16	8.414.115	6.502.975	8.073.130
Other direct income	17	1.195.047	1.087.617	1.102.411
Financial income	18	64.464	45.000	14.951
Other indirect income	19	799.408	330.000	1.794.489
Total income		33.388.974	30.614.383	32.147.702
Expenditure				
Personnel costs	20	10.628.230	10.349.101	10.252.374
Depreciation	4	43.035	127.500	52.281
Building costs	21	10.156.097	10.093.159	9.841.205
Art acquisitions	22	1.483.040	1.290.662	1.265.237
Other expenditure	23	11.396.300	9.661.921	7.715.082
Total expenditure		33.706.70	231.522.343	29.126.179
Balance		-317.728	-907.960	3.021.523
Apportionment of balance				
• Movement in appropriated reserve collection presentation	8	0	0	-1.000.000
• Movement in appropriated reserve acquisitions	8	232.048	390.662	-273.684
• Movement in appropriated reserve continuity	8	0	0	-1.102.207
• Movement in appropriated reserve exhibitions	8	65.680	500.000	-625.632
• Movement in appropriated reserve publications	8	20.000	20.000	-20.000
		317.728	910.662	-3.021.523
Result		0	2.702	0

Cash flow statement 2015

		2015		2014	
	Ref.	€	€	€	€
Cash flow from operational activities					
Subsidy income	13	12.595.355		11.844.01	
Contributions	14	123.682		1.616.406	
Sponsorship	15	2.823.448		1.262.366	
Visitor-generated income	16	8.667.768		8.154.342	
Other direct income	17	1.194.917		0	
Financial income	18	64.464		16.017	
Other income	19	508.443		3.212.633	
Total cash flow received			25.978.077		26.105.780
Payments arising from personnel costs	20	-10.681.712		- 9.910.716	
Other expenditure paid	21-23	-14.991.532		-13.990.287	
Total outgoing cash flow			-25.673.244		- 23.901.003
Cash flow from operational activities			304.833		2.204.777
Cash flow from investment activities					
Investments in tangible fixed assets	4	-114.411		-22.633	
Disposals of tangible fixed assets	4	0		0	
Cash flow from investment activities			-114.411		-22.633
Cash flow from financing activities					
Revenue from long-term liabilities	10	0		0	
Repayment of long-term liabilities	10	0		0	
Cash flow from financing activities			0		0
Net cash flow			190.422		2.182.144
Balance, exceptional income and expenditure	-		0		0
Movement in the reserves	8		317.728		419.316
Increase/(decrease) in financial resources			508.150		2.601.460

Continuation of cash flow statement for 2015:

In summary, the cash flow was as follows:

	2015	2014
	€	€
Balance on 1 January	7.531.717	4.930.257
Movement in the financial year	508.150	2.601.460
Balance on 31 December	8.039.867	7.531.717

Notes to the balance sheet and statement of income and expenditure

1. General Explanation

Activities

The mission of the Stichting Stedelijk Museum Amsterdam is to record, preserve, restore, enrich, document, publish, research, present, and dispose of museum collections that are the property of the municipality of Amsterdam under the name of, or with the designation “Stichting Stedelijk Museum Amsterdam”, and artworks that are (or will be in the future) the property of the Stichting or that will be made available to the Stichting in some other way.

Subsidy

The Amsterdam General Subsidy Regulation (Algemene Subsidieverordening Amsterdam, ASA 2012) came into effect on 1 January 2013 and was applicable throughout the period of the 2013-2016 Arts Plan. The funding is awarded on the basis of a decision taken by the Municipal Executive of the City of Amsterdam and the performance agreements that it sets out, subject to the museum’s program of activities, its business plan for 2013 -2016, and long-term budget for 2013-2016.

Explanation of the cash flow statement

The statement of cash flows was drawn up in accordance with the direct method. The financial resources in the statement of cash flows consist of the Cash and cash equivalents. Cash flows in foreign currencies are translated into euro using an estimated average exchange rate. Exchange rate discrepancies in financial resources are shown separately in the statement of cash flows. Revenue and expenditure arising from interest, dividends and profits tax are included under the heading “Cash flow from operations”.

Repayments of the long-term loan are incorporated into the cash flow from financing activities. The tangible fixed assets are valued at the purchase price and included in the cash flow from investment activities insofar as payment was made in cash. Transactions that do not involve cash exchanges are not included in the statement of cash flows.

Related parties

The following are defined as related parties: all legal persons over which dominant control, joint control, or significant influence can be exercised. Legal persons that can exercise predominant control are also classified as related parties. The statutory directors designated under the articles of the Foundation, as well as other key officials in the management of the Foundation, and close relatives, are likewise related parties.

Significant transactions with related parties are clarified in the event that they were not conducted under normal market conditions. This clarification details the nature and the extent of the transaction and any other information that is necessary to provide transparency. Stichting Stedelijk Museum is related to the Stedelijk Museum Fonds.

Estimates

In applying the principles and rules for drawing up the financial statements, the directors necessarily make a variety of judgements and estimates that may be essential to the sums of money included in the financial statements. If considered necessary to provide the transparency required under Book 2, article 362, paragraph 1 of the Netherlands Civil Code, the nature of these judgements and estimates, including the assumptions underlying them, is included in the explanation of the relevant item of the financial statements.

2. Principles for the valuation of assets and liabilities

General

The financial statements were drawn up in accordance with RJ 640 for not-for-profit organizations, as issued by the Foundation for Annual Reporting [Raad voor de Jaarverslaggeving].

Assets and obligations are in general valued at the acquisition or manufacturing price or current value. If no specific basis of the valuation is given, valuation is based on purchase price. In the balance sheet, the statement of income and expenditure and the statement of cash flows, reference numbers are included. These refer to the explanatory notes.

Comparison with the previous year

The accounting principles are unaltered in respect of the previous year.

Foreign currency

The financial statements were drawn up in euro; this is both the functional and presentation currency of Stichting Stedelijk Museum Amsterdam.

Transactions, receivables and debts

Transactions in foreign currency during the reporting period have been incorporated into the financial statements using the rate of exchange at the date of the original transaction.

Art collection

A large proportion of the art collection that is managed by the Stichting Stedelijk Museum Amsterdam is the property of the municipality of Amsterdam. All items that are the property of the Stichting Stedelijk Museum Amsterdam have been valued at nil. The acquisition costs of four objects are shown on the balance sheet. These costs depreciate in equal annual instalments. These artworks are subject to a long-term debt, which is paid off in five equal instalments. Once this debt has been repaid, these works of art will continue to be listed on the balance sheet at nil value or, if applicable, transferred to the municipality of Amsterdam.

Tangible fixed assets

The tangible fixed assets are valued at the purchase price, including directly attributable costs, minus the cumulative depreciation. The depreciation is based on estimated economic life and is calculated on the basis of a fixed percentage of the purchase price.

Land and buildings are valued at the purchase price plus additional expenses, or manufacturing price less accumulated depreciation during the expected future useful life. Land is not depreciated. The impairments that are expected on the balance sheet date are taken into account. In determining when and how intangible fixed assets are tested for impairment, reference is made to the relevant section.

Other assets are valued at acquisition or manufacturing price, including directly attributable costs, reduced by linear depreciation during the expected future useful life and impairment.

On each balance sheet date, the Stichting checks for any indications that a fixed asset may be subject to impairment. If any such indications are present, the realizable value of the asset is determined. Impairment is deemed to apply if the carrying amount of the asset is higher than its realizable value; the realizable value is the highest figure between the net realizable value and the value in use. An impairment loss is charged directly to the profit and loss account, accompanied by the simultaneous reduction of the carrying amount of the asset in question.

A reserve to cover the future costs of major maintenance of the museum's buildings has been formed. The addition of the reserve is determined on the basis of the estimated costs of the maintenance work and the period that elapses between each major refurbishment.

Inventories and work in progress

The inventories are valued at purchase price in accordance with the FIFO (“first-in-first-out”) method, if appropriate, reduced by a sum providing for the possibility of obsolescence. The realizable value is the estimated selling price less directly attributable selling costs. The possible obsolescence of the inventories is taken into account when determining the realizable value.

Receivables

At the initial expenditure, receivables are valued according to the actual value of the consideration given in return. Trade receivables are valued in subsequent expenditures at the amortized cost price. Provisions for bad debt are deducted from the book value of the receivable.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and call deposits with a term of less than twelve months. Cash and cash equivalents are valued at their nominal value.

Capital and reserves

The capital and reserves of the Stichting are divided in reserves and funds.

Appropriated reserve

The board of Stichting Stedelijk Museum Amsterdam has set aside a share of the reserves for an appropriated purpose.

General reserve

Provision is made for legally enforceable or constructive obligations that exist on the balance sheet date, in respect of which it is probable that an outflow of resources is necessary, the extent of which can be reliably estimated.

Provisions

General

Provisions are made for legally enforceable or constructive obligations that exist on the balance sheet date, in respect of which it is probable that an outflow of resources is necessary, the extent of which can be reliably estimated.

The provisions are valued according to the best estimate of the sums necessary to settle the obligations as of the balance sheet date. Pension provisions are valued on the basis of the actuarial principles. Other provisions are valued according to the nominal value of the expenditure which is expected to be necessary to settle the obligations, unless stated otherwise.

When a third party is expected to reimburse the costs, and when it is probable that this recompense will be received when the obligation is settled, this reimbursement is recorded as an asset on the balance sheet.

Pension provision

The Dutch pension plans are subject to the stipulations of the Dutch Pension Act and Stichting Stedelijk Museum Amsterdam pays contributions on a mandatory, contractual or voluntary basis to pension funds and insurance companies. The contributions are recognized as an expense on the balance sheet when the contributions are due. Contributions paid in advance are included as accrued income if they lead to a repayment or a reduction in future payments. Outstanding contributions are recognized as liabilities on the balance sheet.

The pension plan of Stichting Stedelijk Museum Amsterdam is administered by ABP. The pension plan is based on career-average earnings. Stichting Stedelijk Museum Amsterdam is not obligated to make additional payments or recovery contributions the pension fund’s low funding level.

Jubilee provision

The provision for jubilees is included at the cash value of the expected payments throughout the course of employees' careers at the museum. When calculating the provision, anticipated salary increases and the likelihood of retention, among other things, are taken into account.

Reserve for major maintenance

With respect to the costs of major maintenance work on building facilities, a reserve is formed to distribute these costs equally over a number of financial years. Additions to the reserve are determined on the basis of the estimated cost of the maintenance work, and the period that elapses between each major refurbishment.

Reserve for continued payment of wages in the event of sickness

The reserve for the continued payment of wages in the event of sickness is formed for existing obligations on the balance sheet date until the future payment of wages to personnel who, because of sickness or inability to work, are wholly or partly unable to carry out their duties.

Long-term liabilities

Long-term liabilities relate to donations by private individuals in the form of debts that are cancelled in equal annual instalments. No interest is charged on these debts. The short-term part of these long-term liabilities is recorded under current liabilities.

Current liabilities

Current liabilities are valued at nominal value when first entered. Current liabilities are subsequently valued at amortized cost, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Operational leasing

Lease contracts in which a large proportion of the advantages and disadvantages or ownership do not rest with the organization are recorded as operational leasing. Obligations arising from operational leasing are recorded on a straight-line basis, taking into account reimbursements received from the lessor, in the statement of income and expenditure for the duration of the contract.

3. Principles for determining the result

General

The balance (result) is defined as the total of income less expenses. The income is recorded in the year in which it was generated, and the expenses in the year to which they relate. For income received in the form of goods or services, the real value is used insofar as it can be determined. Income of this kind is recorded in the statement of income and expenditure. Income reserved for a special purpose is included in the statement of income and expenditure; if some of this income is not spent in the reporting year, the portion not yet spent is included in the relevant special purpose reserve. A transfer of funds from a special purpose reserve is included as spending (an expense) in the statement of income and expenditure.

Subsidies

Operating subsidies are recorded in the statement of income and expenditure in the year in which the subsidized costs were incurred or income was lost, or when a subsidizing operating deficit occurred. The income is recorded when it is likely that it will be received and Stichting Stedelijk Museum Amsterdam can show the conditions for receipt.

Subsidies relating to investments in tangible fixed assets are deducted directly from the relevant investment and incorporated into the statement of income and expenditure as part of the depreciation.

Sponsorship

Sponsor contributions are recorded in the year to which the contribution relates.

Donations

Non-monetary donations are recorded at their true value in the Netherlands. Gifts of services are not generally shown in the financial statements with the exception of the donation of business services with a monetary value.

Non-monetary contributions by volunteers are not shown in the statement of income and expenditure.

Exchange rate differences

Exchange rate differences that occur in the settlement of monetary items are recognized in the statement of income and expenditure in the period in which they occur.

Expenditure

Expenditure is determined on a historical basis and recorded in the reporting year to which it relates.

Art acquisitions

The portions of the subsidy and other contributions earmarked for art acquisitions are recorded in the statement of income and expenditure, as are the art acquisitions themselves. Funds reserved for art acquisitions that had not been spent by the end of the financial year are added to designated reserve for art acquisitions and used to purchase artworks at a later stage.

Employee benefits

Periodic remunerations

Wages, salaries and social security costs are recorded in the statement of income and expenditure on the basis of the conditions of employment insofar as they are payable to employees.

Pensions

Stichting Stedelijk Museum Amsterdam uses the obligation approach to accounting for all pension plans. The contribution payable during the reporting year is recorded as an expense. Changes relating to pension provisions are also recorded in the statement of income and expenditure. The amount recorded under the heading of pension provisions is the best estimate of the unfunded amount that is required to meet the relevant obligations by the balance sheet date.

Exhibition expenditure

The costs of exhibitions are recorded from the moment that the exhibition opens. Any costs incurred in previous years are accounted as prepaid expenses by means of the “work in progress” section on the balance sheet, until the year in which they open.

Depreciation

Tangible fixed assets are depreciated over the expected future useful life of the assets, commencing at the moment they are first taken into use.

If the estimate of the future useful life is amended, the subsequent depreciation amounts are adjusted.

Capital gains and losses resulting from the sale of tangible fixed assets, are included under depreciation.

Interest income and interest expenses

Interest income and interest expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities concerned. In accounting for interest expenses, the justified transaction expenses for loans received are taken into consideration when calculating the effective interest rate.

Off- balance sheet commitments

Building-related expenses

At the end of the financial year, the commitments relating to building expenses were as follows:

<i>To be paid:</i>	€
Within one year	7.210.224
Between one and five years	8.368.743
In more than five years	0
Total	15.578.967

Independent Auditor's Report



Independent Auditor's Report

To: the Directors and Supervisory Board of Stichting Stedelijk Museum Amsterdam

Report on the financial statements 2015

Our Opinion

In our opinion, the financial statements 2015 which comprise this annual report, give a true and fair view of the financial position of Stichting Stedelijk Museum Amsterdam as at 31 December 2015 and of its result and its cash flows for the year then ended in accordance with the Guideline for Annual Reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board and pursuant to the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act.

What we have audited

We have audited the financial statements 2015 which comprise this annual report of Stichting Stedelijk Museum Amsterdam in Amsterdam ('the foundation').

The financial statements comprise:

- the balance sheet as at 31 December 2015;
- the statement of income and expenditure 2015; and
- the related notes, which comprise a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is RJ 640 and the provisions under and pursuant to the WNT.

The basis for our opinion

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

We are independent of Stichting Stedelijk Museum Amsterdam in accordance with the Regulation concerning the independence of accountants in the performance of assurance engagements [ViO] and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the Code of Ethics for Professional Accountants [VGBA].

Ref.: eo378167

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

Responsibilities of the Directors and Supervisory Board

The Directors are responsible for:

- the preparation and fair presentation of the financial statements in accordance with the Guideline for Annual Reporting 640 “Not-for-profit-organizations” and pursuant to the Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act [WNT]; and for
- such internal control as the Directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Directors are responsible for assessing the foundations ability to continue as a going concern. Based on the financial reporting framework mentioned, the directors should prepare the financial statements using the going-concern basis of accounting unless the Directors intend to liquidate the foundations or to cease operations, or have no realistic alternative but to do so. The Directors should disclose events and circumstances that may cast significant doubt on the foundations ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for supervising the foundations financial reporting and accounting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be 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.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 22 April 2016
PricewaterhouseCoopers Accountants N.V.
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drs. J.L. Sebel RA

Appendix to our auditor's report on the financial statements 20.15 of Stichting Stedelijk Museum Amsterdam

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional skepticism throughout the audit in accordance with Dutch Standards on Auditing, the WNT monitoring process, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted among others of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional 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 Foundations internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors and the explanations of them that are provided in the financial statements.
- Determining the appropriateness of the Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists in relation to events and/or conditions that may cast significant doubt on the Foundations 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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the stichting to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

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