



**Global Alliance for Improved Nutrition, Geneva**

**Report of the Statutory Auditor  
on the Consolidated Financial Statements  
to the Board of the Foundation**

Consolidated Financial Statements 2016



**KPMG SA**  
**Audit Western Switzerland**  
111 Rue de Lyon  
CH-1203 Geneva

P.O. Box 347  
CH-1211 Geneva 13

Telephone +41 58 249 25 15  
Fax +41 58 249 25 13  
Internet [www.kpmg.ch](http://www.kpmg.ch)

Report of the Statutory Auditor to the Board of the Foundation of  
**Global Alliance for Improved Nutrition, Geneva**

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**Report of the Statutory Auditor on the Consolidated Financial Statements**

As statutory auditor, we have audited the accompanying consolidated financial statements of Global Alliance for Improved Nutrition, which comprise the balance sheet, statement of operations, statement of changes in capital, cash flow statement and notes for the year ended 30 June 2016.

*Board of the Foundation' Responsibility*

The Board of the Foundation is responsible for the preparation of these consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of the Foundation is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the consolidated financial statements for the year ended 30 June 2016 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

**Report on Other Legal Requirements**

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of the Foundation.

KPMG SA

Pierre Henri Pingeon  
*Licensed Audit Expert  
Auditor in Charge*

Philippe Delparte

Geneva, 2 December 2016

*Enclosure:*

- Consolidated financial statements (balance sheet, statement of operations, statement of changes in capital, cash flow statement and notes)



## **GAIN Annual Financial Report 2016**

The Global Alliance for Improved Nutrition ("GAIN" or "the Foundation") is an independent non-profit Swiss Foundation, headquartered in Geneva, created under Article 80 of the Swiss Civil Code, and is registered with the Geneva Registry of Commerce under statutes dated 26th March 2003. GAIN is monitored by the Swiss Federal Supervisory Board for Foundations, and was granted a special international status by the Swiss government.

GAIN is an alliance driven by the vision of a world without malnutrition. Created in 2002 at a Special Session of the UN General Assembly on Children, GAIN supports public-private partnerships to improve access to safe, affordable and nutritious foods, targeted to vulnerable populations. In the past decade, GAIN has worked in partnership with governments, international agencies, communities and the private sector in over thirty countries. This includes reaching almost one billion people with fortified foods that have sustainable nutritional impact. Half of these beneficiaries are women and children.

GAIN has received funding from a number of public and private sector donors including the Bill and Melinda Gates Foundation ("BMGF"), United States Agency for International Development ("USAID"), the Government of the Netherlands Ministry of Foreign Affairs ("Dutch MFA"), the Department for International Development ("UK DFID"), the Children's Investment Fund Foundation ("CIFF"), Global Affairs Canada, Irish Aid and more than twenty other partners.

The consolidated financial statements include GAIN offices and those entities over which GAIN has the power to govern the financial and operating policies so as to obtain benefits from their activities. The consolidated entities comprise GAIN, GAIN NoSCA LLC, GAIN Canada, GAIN UK, GAIN Nigeria and GAIN Tanzania.

GAIN's worldwide presence includes offices in Abuja, Addis Ababa, Dar es Salaam, Hellerup, Islamabad, Jakarta, Kabul, Kigali, London, Lahore, Maputo, Nairobi, New Delhi, Ottawa, Utrecht and Washington D.C.

GAIN is governed by a Board comprised of individuals drawn from international agencies, development organisations, academe, business and civil society. Its work is carried out by a staff of professionals who manage the day-to-day operations of the foundation.

## 1. Financial Overview

### Balance Sheet

#### Financial statements 2015-2016

30 June 2016 in US\$

Consolidated Balance Sheet 30 June 2016 in US\$ (with 2015 comparative figures)	Notes	30 June 2016	30 June 2015
<b>ASSETS</b>			
<u>Current Assets</u>			
Cash and cash equivalents	4	22,902,492	22,009,043
Deposits	4	4,230,422	2,218,363
Accrued Income - Restricted	7	427,648	169,150
Other receivables	6	4,956,393	8,083,563
Prepaid expenses		518,405	633,082
Deferred expenditure		4,488,003	5,638,756
<b>Total Current Assets</b>		<b>37,523,363</b>	<b>38,751,957</b>
<u>Non-Current Assets</u>			
Bonds and Term deposits	4	8,669,490	8,786,310
Fixed Assets	5	301,266	510,128
<b>Total Non-Current Assets</b>		<b>8,970,756</b>	<b>9,296,438</b>
<b>TOTAL ASSETS</b>		<b>46,494,119</b>	<b>48,048,395</b>
<b>LIABILITIES, FUNDS &amp; CAPITAL</b>			
<u>Current Liabilities</u>			
Accounts payable		3,029,198	3,810,845
Accrued expenses		2,227,350	2,061,564
Deferred Unrestricted Income	7	-	773,734
Deferred Restricted Income	7	32,861,752	33,496,668
<b>Total Current Liabilities</b>		<b>38,118,300</b>	<b>40,142,811</b>
<u>Restricted Funds</u>			
Restricted Income Funds		1,425	1,425
Premix Facility	6	6,800,000	6,800,000
<b>Total Restricted Funds</b>		<b>6,801,425</b>	<b>6,801,425</b>
<u>Capital of the Foundation</u>			
Paid-in Capital	13	36,187	36,187
Unrestricted surplus brought forward		1,067,972	4,444,128
Unrestricted profit (deficit) for the year		470,235	(3,376,156)
<b>Total Capital of the Foundation</b>		<b>1,574,394</b>	<b>1,104,159</b>
<b>TOTAL LIABILITIES, FUNDS &amp; CAPITAL</b>		<b>46,494,119</b>	<b>48,048,395</b>

## Statement of Operations

### Financial statements 2015-2016

30 June 2016 in US\$

Consolidated Statement of Operations 30 June 2016 in US\$ (with 2015 comparative figures)		30 June 2016			30 June 2015
		Notes	Unrestricted	Restricted	Total
<u>Income</u>					
Donors	7	7,129,371	41,572,830	48,702,201	49,412,411
Service income		-	5,740	5,740	-
Gifts in Kind income	10	-	2,777,781	2,777,781	-
<b>Total income</b>		<b>7,129,371</b>	<b>44,356,351</b>	<b>51,485,722</b>	<b>49,412,411</b>
<u>Direct and administrative expenses</u>					
Personnel costs	8	6,097,928	9,529,995	15,627,923	18,400,532
Consultants costs		696,803	7,049,854	7,746,657	9,101,266
Sub-Awards	9	(39,723)	14,242,629	14,202,906	14,268,865
Travel costs		524,639	1,922,709	2,447,348	2,937,598
Operational costs		2,499,191	4,970,963	7,470,154	6,860,173
Foreign exchange differences		555,177	-	555,177	1,245,412
Depreciation	5	-	309,826	309,826	321,077
Gifts in Kind expenses	10	-	2,777,781	2,777,781	-
<b>Total direct and administrative expenses</b>		<b>10,334,015</b>	<b>40,803,757</b>	<b>51,137,772</b>	<b>53,134,922</b>
Indirect Cost pool allocation		(3,760,234)	3,760,234	-	-
<b>Intermediate Operating (deficit) surplus</b>		<b>555,590</b>	<b>(207,640)</b>	<b>347,950</b>	<b>(3,722,512)</b>
<u>Net financial income</u>					
Financial income		121,875	-	121,875	375,687
Financial cost		-	-	-	-
<b>Net financial income</b>		<b>121,875</b>	<b>-</b>	<b>121,875</b>	<b>375,687</b>
<u>Other income</u>					
Other revenue		410	-	410	(27,907)
<b>Other income</b>		<b>410</b>	<b>-</b>	<b>410</b>	<b>(27,907)</b>
<b>Net Operating (deficit) surplus</b>		<b>677,875</b>	<b>(207,640)</b>	<b>470,235</b>	<b>(3,374,731)</b>
Transfers between funds		(207,640)	207,640	-	-
<b>(Deficit) surplus for the year prior to allocations</b>		<b>470,235</b>	<b>-</b>	<b>470,235</b>	<b>(3,374,731)</b>
Allocations to restricted and unrestricted funds		(470,235)	-	(470,235)	3,374,731
<b>Net Surplus for the year after allocation</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Statement of Changes in Capital

### Financial statements 2015-2016

30 June 2016 in US\$

Consolidated Statement of Changes in Capital 30 June 2016 in US\$	Opening balance	Net result	Allocation	Internal funds transfers	Closing balance
<u>Restricted funds</u>					
Restricted income funds	1,425	-	-	-	1,425
Premix facility	6,800,000	-	-	-	6,800,000
Total restricted funds	6,801,425	-	-	-	6,801,425
<u>Unrestricted funds</u>					
Paid-in capital	36,187	-	-	-	36,187
Unrestricted surplus brought forward	1,067,972	-	470,235	-	1,538,207
(Deficit) surplus for the year	-	470,235	(470,235)	-	-
Capital of the foundation	1,104,159	470,235	-	-	1,574,394

Consolidated Statement of Changes in Capital 30 June 2015 in US\$ (Restated*)	Opening balance	Net result	Allocation	Internal funds transfers	Closing balance
<u>Restricted funds</u>					
Restricted income funds (Restated *)	-	-	1,425	-	1,425
Premix facility	6,800,000	-	-	-	6,800,000
Total restricted funds	6,800,000	-	1,425	-	6,801,425
<u>Unrestricted funds</u>					
Paid-in capital	36,187	-	-	-	36,187
Unrestricted surplus brought forward (Restated *)	4,444,128	-	(3,376,156)	-	1,067,972
(Deficit) Surplus for the year	-	(3,374,731)	3,374,731	-	-
Capital of the foundation	4,480,315	(3,374,731)	(1,425)	-	1,104,159



## Cash Flow Statement

### Financial statements 2015-2016

30 June 2016 in US\$

<b>Consolidated Cash Flow Statement</b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>30 June 2016 in US\$</b>			
<i>(with 2015 comparative figures)</i>			
<u>Cash flow from operating activities</u>			
Net Operating surplus (deficit)		470,235	(3,374,732)
Depreciation of fixed assets	5	309,826	321,077
(Increase) decrease in unrestricted current assets		4,392,600	5,862,617
(Increase) decrease in restricted current assets		(258,498)	115,005
(Decrease) increase in creditors		(615,861)	613,884
(Decrease) increase in deferred donor income		(1,408,650)	(8,988,995)
<b>Cash flow from operating activities</b>		<b>2,889,652</b>	<b>(5,451,143)</b>
<u>Cash flow from investing activities</u>			
Purchase of fixed assets	5	(139,358)	(396,807)
Disposal of fixed assets	5	38,394	-
Funds flow from investing activities		116,820	(3,000,000)
<b>Cash flow from investing activities</b>		<b>15,856</b>	<b>(3,396,807)</b>
(Decrease) increase in Cash and Deposits		2,905,508	(8,847,950)
Cash and deposits at 30 June 2015 (2014)	4	24,227,406	33,075,356
<b>Cash and Deposits at 30 June 2016 (2015)</b>	<b>4</b>	<b>27,132,914</b>	<b>24,227,406</b>
<b>Changes in Cash and Deposits</b>		<b>2,905,508</b>	<b>(8,847,950)</b>

## 2. Significant Accounting Policies

**A) Basis of preparation:** The consolidated financial statements have been prepared in accordance with its articles of association and the applicable provisions of the Swiss GAAP FER Framework and Recommendations and specifically Swiss GAAP FER 21 (Accounting for charitable, social non-profit organisations).

### Statement of compliance

The consolidated financial statements have been prepared in accordance with Swiss GAAP FER, in particular Swiss GAAP FER 21. These include:

- I) Balance Sheet;
- II) Statement of Operations (Period Based);
- III) Cash flow statement;
- IV) Statement of Changes in capital;
- V) Notes;

These consolidated financial statements present all activities by the Foundation. The consolidated financial statements have been prepared on a historical cost basis. The principal accounting policies are set forth below.

**B) Income recognition:** Grants, contributions and donations received are recorded in accordance with the principle of matching related revenues and expenses, enabling an accurate recording and reporting of utilization of funds over time. Grant instalments related to the fiscal year are initially treated as deferred income and shown as a liability on the balance sheet. On fulfilment of the conditions and obligations governing each individual grant, the funds are released to income statement in the period to which they relate and are recognized as income to the extent and amount of actual expenses incurred during each financial year. Income is accrued where expenses incurred during the financial year exceed grant receipts and there is a contractual obligation to receive donor funds. Funds invoiced but not received are recognized as Grant Receivables. Interest income is recognized on an accruals basis.

**C) Sub-Awards:** Sub-Awards consist of sub-grants and sub-contracts. Sub-contracts are recognized as a current period expense upon disbursement. Sub-grants are governed by a written agreement and disbursements are generally phased over the lifetime of the project. Each disbursement is initially treated as an advance and subsequently recognized as an expense upon the submission of utilization reports by sub-grantees or on the basis of reasonable estimates based on the percentage of completion of the project. The disbursements paid over but not utilized by sub-grantees are included in current assets as deferred expenditure.

**D) Direct and Support Costs:** Expenditure is recorded in the consolidated financial statements in the period in which it is incurred and is inclusive of any VAT which cannot be reclaimed. Direct costs are those expenses that directly relate to GAIN's mission of reducing malnutrition through sustainable strategies aimed at improving the health and nutrition of populations at risk.

Support costs include costs such as facilities, governance, depreciation and administration. Support costs that are fully attributable to activities are recorded as direct costs. Support costs deemed indirect are apportioned to activities based on staff time.

**E) Foreign currencies:** Accounting records are maintained in US Dollars. Monetary assets and liabilities denominated in other currencies are recorded at the rates ruling at the date of the transaction. Foreign currency assets and liabilities are translated into US dollars at rates of exchange prevailing at the balance sheet date. Exchange gains and losses are included in the Statement of Operations.

**F) Fixed assets:** Fixed assets are stated at cost less accumulated depreciation. GAIN applies the straight-line method for the depreciation of these assets using a rate of 20% per annum for furniture and fixtures and 50% per annum for office equipment.

**G) Credit risk and cash-flow management:** GAIN's liquid assets are maintained in cash, low-risk short-term deposits, or capital guaranteed investments. At the balance sheet dates, there are no significant concentrations of credit risk. The maximum exposure is primarily represented by the carrying amounts of the financial assets in the balance sheet, including accounts receivable and cash.

**H) Bank guarantee deposits:** Guarantees are included within current assets. Currently GAIN has guarantees representing deposits related to premises in Geneva and country offices. These are recoverable, subject to prevailing contract terms, upon vacating the premises.

**I) Provisions:** A provision is recognized on the balance sheet when the organization has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the management's best estimates of the expenditure required to settle that obligation at the balance sheet date.

The Operations Committee regularly review projects and may make provisions where necessary for cost that may impact the Unrestricted Reserves if GAIN is unable to find a donor for a particular cost component of a project.

**J) Restricted and unrestricted reserves:** Restricted and unrestricted reserves represent the excess of income over expenditure since GAIN's inception. Restricted reserves are available to GAIN for future operations and project funding costs as its evolving project pipeline dictates. However should these funds not be expensed in line with donor requirements and underspend would be returned to the donor and would not be available to support general organisational activity.

**K) Classification of Income and Expenses:** Income and expense which is subject to donor-imposed stipulations are reported as restricted item. All other income and expense not subject to restrictions and for general use are reported as unrestricted item.

**L) Consolidated entities:** The following entities' results have been included in the consolidated financial statements:

GAIN NoSCA LLC, USA, 100% owned.

The Global Alliance for Improved Nutrition, UK, 100% owned

The Global Alliance for Improved Nutrition Ltd, Nigeria, 100% owned

The Global Alliance for Improved Nutrition (Singapore) Ltd, Singapore, 100% owned (under liquidation)

The Global Alliance for Improved Nutrition, Canada, 100% owned

The Global Alliance for Improved Nutrition Ltd, Tanzania, 100% owned

Stichting The Global Alliance for Improved Nutrition (GAIN Netherlands), Netherlands, 100% owned

The foundation's financial statements are consolidated according to the full consolidation method. All inter-company investments, balances and transactions have been eliminated.

**M) In-kind donations:** In-Kind donations are disclosed in the financial statements and valued in the statement of operations, equally as both income and expenditure, at their fair market values on the date of receipt of the goods or services.

Good and services obtained, are recorded as in-kind donation, if the following principle is met: Goods transferred to a GAIN project or services rendered to GAIN must be free, excluding any type of payment from GAIN.

They must be:

- Clearly identifiable and part of GAIN projects and activities as defined by GAIN's action plans and budgets;
- Recognizable as a visible contribution to GAIN's projects and activities and in line with GAIN's mission and objectives.

Fair value is defined as the market price GAIN would have paid in order to purchase that good or service. Fair values can be suggested by partners. These fair values are tested for reasonableness by GAIN.

In-kind donations estimated at US\$ 5'000 and above are taken into account. Exceptions can be made by GAIN when it serves the purpose of providing consistency and completeness of a project's accounts.

**N) Bonds:** Bonds are recorded at nominal value at the date of acquisition and are held until their maturity date. At year end, bonds in foreign currency are revaluated as per accounting policy E) above. Transaction costs are recognized in the consolidated statement of income as incurred.

### 3. Restructuring Plan

In December 2015 the Board agreed a restructuring plan to address the financial challenges experienced in the previous year. This included the appointment of a new Executive Director (who took office in October 2016) and the creation of a Transition Committee, composed of two Board Officers and senior management, to implement the plan, monitor and reduce costs, sustain fundraising and improve the reserves of the Foundation.

Over this period, significant cost efficiencies were achieved, and programme delivery and fundraising sustained.

Since 2009, GAIN has successfully run a premix credit facility which included a US\$ 3M contribution from the Schockland Fund (provided by the Dutch Ministry of Foreign Affairs) and which were classed as restricted in the balance sheet. After analysis of the utilization of the premix facility funds and the demands on GAIN's balance sheet, the donor agreed to GAIN reclassifying these funds to its unrestricted reserves. GAIN will continue to operate the premix facility normally. This decision was confirmed by the donor after year end, and the impact of this will be reflected in the following year's accounts via a reduction the Premix Facility Restricted Funds from US\$ 6.8M to US\$3.8M.

The combined effect of the above measures was a surplus for the year, and a consequent improvement to GAIN's balance sheet, which establishes a level of reserves appropriate to its financial operations and risks.

The remaining elements of the plan will be put into place following the appointment of the new Executive Director.

Based on the analysis of the current business model and the restructuring plan, the Board consider the basis of preparation of the accounts as appropriate.

## 4. Cash, Deposits & Bonds

Amounts held by GAIN but not required for immediate use are invested in instruments approved by the Board of the Foundation.

<b>Cash and Deposits in US\$</b>	<b>2016</b>	<b>2015</b>
Cash and cash equivalents*	20,977,011	19,590,432
Cash held by local offices	1,925,481	2,418,611
<b>Total Cash and cash equivalents</b>	<b>22,902,492</b>	<b>22,009,043</b>
Time Deposits**	4,000,000	2,000,000
Rent Guarantee	230,422	218,363
<b>Total Deposits</b>	<b>4,230,422</b>	<b>2,218,363</b>
<b>Total Cash and Deposits</b>	<b>27,132,914</b>	<b>24,227,406</b>

\* This balance includes an amount of US\$ 68,608 temporarily blocked in Singapore due to the liquidation of the company.

\*\*These time deposits are deposits of short term maturity ranging up to one year. These can be liquidated immediately with a loss of interest. They are considered as cash equivalent for that reason.

### Bonds in US\$

<b>Issue Date</b>	<b>Maturity Date</b>	<b>Coupon Interest Rate</b>	<b>Nominal Amount</b>	<b>Book Value as of 30 June 2016</b>	<b>Book Value as of 30 June 2015</b>
16 May 2013	16 May 2016	1.15% - 4%	USD 2,000,000	-	2,000,000
15 July 2013	16 July 2016	1.2% - 4%	USD 1,000,000	1,000,000	1,000,000
14 August 2013	14 August 2016	1.1% - 4%	USD 1,000,000	1,000,000	1,000,000
9 January 2014	14 January 2017	0.8%	GBP 500,000	669,490	786,310
23 April 2014	23 April 2017	0.9% - 4%	USD 1,000,000	1,000,000	1,000,000
12 February 2015	18 February 2018	1% - 3%	USD 1,500,000	1,500,000	1,500,000
18 February 2015	18 February 2018	1.4%	USD 1,500,000	1,500,000	1,500,000
31 January 2016	2 February 2019	1.15% - 3.5%	USD 2,000,000	2,000,000	-
<b>Total Bonds</b>				<b>8,669,490</b>	<b>8,786,310</b>

GAIN's investment policy allows the use of such products over a 3 year time line.

## 5. Fixed Assets

Fixed Assets in US\$	Furniture & Fixtures	Office Equipment	Total
<u>Gross values of cost</u>			
At 1 July 2015	1,235,706	2,135,159	3,370,865
Additions	126,100	13,258	139,358
Disposals/Transfers	(21,566)	-	(21,566)
<b>Cost 30 June 2016</b>	<b>1,340,240</b>	<b>2,148,417</b>	<b>3,488,657</b>
<u>Accumulated Depreciation</u>			
At 1 July 2015	1,052,421	1,808,315	2,860,737
Depreciation	95,713	214,113	309,826
Disposals/Transfers	16,828	-	16,828
<b>At 30 June 2016</b>	<b>1,164,962</b>	<b>2,022,428</b>	<b>3,187,391</b>
<b>Net book value at 30 June 2016</b>	<b>175,278</b>	<b>125,989</b>	<b>301,266</b>

Fixed Assets in US\$	Furniture & Fixtures	Office Equipment	Total
<u>Gross values of cost</u>			
At 1 July 2014	1,145,876	1,828,182	2,974,058
Additions	89,830	306,977	396,807
Disposals/Transfers	-	-	-
<b>Cost 30 June 2015</b>	<b>1,235,706</b>	<b>2,135,159</b>	<b>3,370,865</b>
<u>Accumulated Depreciation</u>			
At 1 July 2014	898,309	1,641,351	2,539,660
Depreciation	154,112	166,964	321,077
Disposals/Transfers	-	-	-
<b>At 30 June 2015</b>	<b>1,052,421</b>	<b>1,808,315</b>	<b>2,860,737</b>
<b>Net book value at 30 June 2015</b>	<b>183,285</b>	<b>326,844</b>	<b>510,128</b>

These assets are mainly related to the main entities (Switzerland, UK and USA).

## 6. Other Receivables

Other Receivables in US\$	2016	2015
Other Receivables	1,417,775	324,205
Grant Receivables	2,035,011	5,969,107
Premix Facility Receivables	1,503,607	1,790,251
<b>Total Receivables</b>	<b>4,956,393</b>	<b>8,083,563</b>

The GAIN Premix Facility Receivable is part of the revolving fund of US\$ 6.8M held within Restricted Funds, at the Crown Agents Bank in the name of GAIN to make premix procurement more effective for organisations fortifying food. It provides guarantee payments to premix suppliers and offers extended credit terms to customers purchasing through the GAIN Premix Facility. Starting January 2016, the Premix procurement activities have been insourced and are performed by GAIN employees.

## 7. Deferred Restricted / Unrestricted Income

During the current financial year total receipts from donors amounted to US\$ 51'237'454 (2015 – US\$ 44'412'688).

DONOR in US\$	2016 Deferred Unrestricted Income (opening balance)	2016 Deferred Restricted Income (opening balance)	2016 Accrued Income Restricted (opening balance)	2016 Funds Received / To be received	2016 Income recognised	2016 Other adjustments / transfers	2016 Accrued Income Restricted (closing balance)	2016 Deferred Unrestricted Income (closing balance)	2016 Deferred Restricted Income (closing balance)
Bill and Melinda Gates Foundation	-	7,441,298	-	7,219,591	(14,052,430)	(254,536)	-	-	353,923
UK Government DFID <sup>(1)</sup>	-	-	-	4,639,216	(4,639,216)	-	-	-	-
Government of The Netherlands	-	5,227,339	-	9,727,618	(7,795,823)	-	-	-	7,159,135
US Government USAID	-	10,143,339	-	12,322,000	(8,237,111)	-	-	-	14,228,228
Children's Investment Fund Foundation CIFF	-	1,633,563	-	4,364,124	(3,582,983)	-	-	-	2,414,704
Adeso	-	96,432	-	713,824	(1,074,730)	-	264,474	-	-
World Food Programme	-	303,473	-	-	(302,773)	-	-	-	700
Irish Aid	-	579,300	-	-	(466,869)	-	-	-	112,431
Irish Aid Nutrimatek	-	750,899	-	-	(750,899)	-	-	-	-
Irish Aid Vietnam <sup>(2)</sup>	-	5,000	-	-	(5,000)	-	-	-	-
Irish Aid Vietnam II <sup>(2)</sup>	-	-	-	100,941	(38,565)	-	-	-	62,377
NL EVD International <sup>(3)</sup>	-	2,476,448	-	1,930,928	(1,700,118)	-	-	-	2,707,259
Government of Canada	-	2,357,935	-	-	(184,013)	-	-	-	2,173,922
Others	773,734	2,481,642	169,150	6,496,320	(5,871,673)	(224,974)	163,174	-	3,649,073
<b>Total</b>	<b>773,734</b>	<b>33,496,668</b>	<b>169,150</b>	<b>47,514,563</b>	<b>(48,702,201)</b>	<b>(479,510)</b>	<b>427,648</b>	<b>-</b>	<b>32,861,752</b>

<sup>(1)</sup> UK Government DFID - Cash received in 2015/2016: GBP 3'149'796

<sup>(2)</sup> Irish Aid Vietnam - Cash received in 2015/2016: EUR 90'000

<sup>(3)</sup> NL EVD International - Cash received in 2015/2016: EUR 2'919'422

Detail by Workstream for NL EVD International funding	Funds to be received	Expenditure
Workstream B1: Vegetables for All	206,335	98,930
Workstream B3: Micronutrient Powders	-	(3,418)
Workstream B4: Fortified Dairy	-	-
Workstream B5: Rural Retail Hubs	998,635	282,344
Workstream BX: Home fortification	284,574	698,758
Workstream E1: Quality Improvement Network (QIN)	380,274	(8,812)
Workstream E2: Access to Finance	61,110	-
Workstream S: Support workstream	-	632,315
<b>Total</b>	<b>1,930,928</b>	<b>1,700,118</b>

DONOR in US\$	2015 Deferred Unrestricted Income (opening balance)	2015 Deferred Restricted Income (opening balance)	2015 Accrued Income Restricted (opening balance)	2015 Funds Received / To be received	2015 Income recognised	2015 Other adjustments / transfers	2015 Accrued Income Restricted (closing balance)	2015 Deferred Unrestricted Income (closing balance)	2015 Deferred Restricted Income (closing balance)
Bill and Melinda Gates Foundation	-	20,383,902	-	10,106,491	(23,949,357)	900,262	-	-	7,441,298
UK Government DFID <sup>(1)</sup>	68,194	0	-	4,881,774	(4,965,924)	15,955	-	-	-
Government of The Netherlands	-	2,942,104	145,860	10,705,875	(7,999,703)	(275,077)	-	-	5,227,339
Khalifa Bin Zayed Al Nahyan Foundation	-	4,738,201	-	2,815,970	30,909	(7,585,081)	-	-	-
US Government USAID	-	4,843,316	-	11,364,395	(6,064,372)	-	-	-	10,143,339
Children's Investment Fund Foundation CIFF	-	293,050	-	3,038,921	(1,698,408)	-	-	-	1,633,563
Adeso	-	-	-	833,703	(737,271)	-	-	-	96,432
World Food Programme	-	303,473	-	-	-	-	-	-	303,473
Irish Aid	-	708,334	-	-	(129,033)	-	-	-	579,300
Irish Aid Nutrimatek	-	1,153,811	-	-	(402,912)	-	-	-	750,899
Irish Aid Ethiopia 2013	-	355,941	-	-	(331,260)	(24,681)	-	-	-
Irish Aid Vietnam <sup>(2)</sup>	-	398,687	-	62,234	(420,131)	(35,790)	-	-	5,000
NL EVD International <sup>(3)</sup>	-	1,833,735	-	1,264,903	(622,190)	-	-	-	2,476,448
Government of Canada	-	2,671,910	-	-	(313,975)	-	-	-	2,357,935
Others	52,892	1,859,199	138,294	3,050,752	(1,808,863)	70,540	169,150	773,734	2,481,642
<b>Total</b>	<b>121,086</b>	<b>42,485,664</b>	<b>284,154</b>	<b>48,125,018</b>	<b>(49,412,489)</b>	<b>(6,933,872)</b>	<b>169,150</b>	<b>773,734</b>	<b>33,496,669</b>

<sup>(1)</sup> UK Government DFID - Cash received in 2014/2015: GBP 3'149'796

<sup>(2)</sup> Irish Aid Vietnam - Cash received in 2014/2015: EUR 50'000

<sup>(3)</sup> NL EVD International - Cash received in 2014/2015: nil

Detail by Workstream for NL EVD International funding	Funds to be received	Expenditure
Workstream B1: Vegetables for All	393,997	121,731
Workstream B3: Micronutrient Powders	-	16,619
Workstream B4: Fortified Dairy	-	-
Workstream B5: Rural Retail Hubs	-	33,980
Workstream BX: Home fortification	-	61,533
Workstream E1: Quality Improvement Network (QIN)	557,006	(44,998)
Workstream E2: Access to Finance	313,900	32,822
Workstream S: Support workstream	-	400,503
<b>Total</b>	<b>1,264,903</b>	<b>622,190</b>

## 8. Personnel costs

The personnel costs represent payroll and social benefits for employees at Headquarter and in country offices.

Personnel Costs in US\$	2016	2015
Wages, Salaries and Social benefits	15,021,081	17,626,456
Other personnel costs	406,842	774,076
<b>Total</b>	<b>15,427,923</b>	<b>18,400,532</b>

## 9. Sub-Awards: Expenditure Recognized

Sub-Awards spent by initiatives were as follows:

Initiatives in US\$	2016	2015
Large-scale Food fortification	3,593,627	6,672,022
Maternal, Infant and Young Children Nutrition	6,323,037	4,265,834
Agriculture & Nutrition	1,085,003	743,590
Business Partnerships and Alliances	1,145,347	352,323
Monitoring, Learning and Research	2,055,892	2,235,096
<b>Total</b>	<b>14,202,906</b>	<b>14,268,865</b>

## 10. Gift in Kind income / expenses

GAIN implements a programme on behalf of NL EVD. This programme requires in kind contribution from the partners in this programme totaling 50.4% of the total programme. The balance of the programme is met by 49.6% contribution in cash from the Netherlands Agency EVD International FDOV programme. GAIN has recorded the in kind contribution within its financial statements on a cumulative basis this year as the information has been collected and the contribution approved. GAIN will disclose in the future the annual in kind contribution on the face of the financial statements and the cumulative contribution within a note to the financial statements.

Gift in Kind	EUR	USD
FY 2013	636	706
FY 2014	542,324	602,186
FY 2015	1,343,395	1,491,679
FY 2016	615,293	683,209
<b>Total</b>	<b>2,501,648</b>	<b>2,777,781</b>



## 11. Remuneration and Expenses Paid to Board Members

Remuneration is not provided to Foundation Board Members. It is a voluntary appointment and costs relating to attending meetings are covered by the Foundation.

## 12. Services Received and Rendered Free of Charge

GAIN received no services free of charge other than those of the Board members. GAIN did not provide any services free of charge.

There are no other volunteers except Board Members.

## 13. Foundation Capital

The Foundation capital amounts to CHF 50,000.

This is equivalent to US\$ 36'187 at the rate of exchange on the date of inception of the Foundation, 26 March 2003.

## 14. Rent and Leasing Commitments

At 30 June 2015, the Foundation has future minimum office rental commitments amounting to US\$ 1'918'928 (2015 - US\$ 2'368'825) corresponding to expected rental fees until the end of lease contracts expiring in February 2020.

The Foundation has leasing contracts for office equipment and vehicle amounting to US\$ 86'041 (2015 - US\$ 97'460) expiring in December 2017.

## 15. Related Party Transactions

There were no related party transactions during the year.

## 16. Pension Plan Obligation

GAIN sponsors different pension plans. The main retirement plans are the following:

Employees based in Geneva, Switzerland: GAIN headquarters' employees benefit from a pension scheme covering retirement, invalidity and death according to the provisions of the Federal Law for occupational retirement (LOB).

The occupational benefits are provided by a collective foundation, Patrimonia, according to a defined-benefit plan. The plan is funded by the contributions of GAIN and the employees.

As of June 30, 2016, 39 employees were enrolled in the plan (2015: 51 employees).

The total amount expensed for GAIN's contributions was US\$ 503'130 (2015: US\$ 641'779). As of June 30, 2016, the capital ratio is at 109.1% (2015: 107.2%). Due to the coverage ratio, no liabilities were recognized in the Balance Sheet and no outstanding amount was due at closing date.

Employees Based in Washington, DC: GAIN NoSCA, LLC sponsors a 401(k) defined contribution plan (the "Plan") which is a US retirement savings plan under the US Internal Revenue Code, for all eligible employees. Employees become eligible upon being hired and may participate immediately upon employment (Interns are excluded from the Plan).

The plan is funded by the contributions of GAIN and the employees.

As of June 30, 2016, 11 employees were enrolled in the plan (2015: 11 employees).

The amount expensed for GAIN's contributions was US\$ 84'040 (2015: US\$ 125'534).

Employees based in London, UK: On 1st May 2014 GAIN UK entered into a defined contribution pension scheme with Scottish Life for all eligible employees.

The plan is funded by the contributions of GAIN and the employees.

As of June 30, 2016, 27 employees were enrolled in the plan (2015: 23 employees).

The amount expensed for GAIN's contributions was US\$ 168'922 (2015: US\$ 129'780).

## **17. Assets pledged as guarantee for commitments**

At year end, a bank of the Foundation had provided two rental letters of guarantee totalling CHF 19'800 (US\$ 20'235) (2015: CHF 19'800 - US\$ 21'275) in favour of a third party. Cash for an equivalent amount is pledged at the corresponding bank.

## **18. Risk management**

The Board has identified the major risks to the organization and a comprehensive risk register is maintained. The risk register is reviewed by the Finance & Audit Committee annually and the Operations Committee regularly reassesses the risks throughout the year. The Board is satisfied that systems are in place to monitor and manage risk.