

St. The Global Alliance for Improved Nutrition (GAIN
Netherlands)
Arthur van Schendelstraat 550
3511 MH UTRECHT

Report on the annual accounts 2015/2016

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Auditor's report



To the management of
St. The Global Alliance for Improved Nutrition (GAIN
Netherlands)
Arthur van Schendelstraat 550
3511 MH Utrecht

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Reference
312070000

Handled by
Mr. J. Baarssen MSc RA

Date
July 4, 2017

Dear Board,

Audit

In accordance with your instructions we have compiled the annual account 2015/2016 of the foundation, including the balance sheet with counts of € 79,912 and the profit and loss account with a negative result of € 679.

Accountant's compilation report

The financial statements of St. The Global Alliance for Improved Nutrition have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at June 30, 2016 and the profit and loss account for the year 2015/2016 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of St. The Global Alliance for Improved Nutrition. We have not performed any audit or review procedures which would enable us to express an opinion or a conclusion as to the fair presentation of the financial statements.

During this engagement we have complied with the relevant ethical requirements prescribed by the "Verordening Gedrags- en Beroepsregels Accountants" (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

St. The Global Alliance for Improved Nutrition
Amsterdam

General

Organization characterisation

The organization is a foundation which sets itself the goal to reduce malnutrition through sustainable strategies aimed at improving the health and nutrition of populations at risk.

The financial year of the foundation runs from 1 July to 30 June.

Chamber of Commerce

St. The Global Alliance for Improved Nutrition is registered with the trade register of the Chamber of Commerce under number 54865700.

Presentation

All amounts in this report are presented in euro's, unless stated otherwise.

We will gladly provide further explanations upon request.

Sincerely yours,
Flynth adviseurs en accountants B.V.



H. de Haan AA RB MB
Senior accountant

Board report

General

This report of the Board concerning:

Statutory name	St. The Global Alliance for Improved Nutrition
Statutory location	Amsterdam
Legal	Stichting

The foundation's objects are:

1. To reduce malnutrition through sustainable strategies aimed at improving the health and nutrition of populations at risk;
2. To raise funds from governmental and/or any other public or private entities to achieve the object of the Foundation referred to under letter a above; and
3. To undertake any other activities which may directly or indirectly relate or be conducive to the aforementioned, all of which in the broadest sense of terms.

The composition of the Board is as follows:

The chairman	Mr. S.A. Godfrey
Secretary	Mr. A.A.M. Timmer
Treasurer	Mr. D.A. Freeman

Activities GAIN Netherlands 2015 - 2016

The Stichting GAIN Netherlands (GAIN Netherlands) is a daughter organization of The Global Alliance for Improved Nutrition (GAIN) and as such GAIN Netherlands performs activities and services that are strategically aligned with GAIN International.

GAIN Netherlands is leading the Amsterdam Initiative against Malnutrition (AIM). AIM's goal is to reduce malnutrition in Africa and Asia through nutrition-specific and nutrition-sensitive approaches. AIM focuses on market based approaches developed in partnerships between business, NGOs, knowledge institutes and governmental organizations. AIM consists of a portfolio of, originally seven work streams, which receives subsidy from the Dutch government via FDOV (referred to as "FDOV12KE02"). Of those seven work streams, four remain at the end of this fiscal year: Quality Improvement Network, Rural Hubs, Vegetables for All and Fortified Food Product. Within the work streams good progress was made: full implementation of the Rural Hubs project is well underway with a first Rural Hub established; within the Vegetables for All project farmers were identified and trained and solar drying technology tested and developed; a test trial to test nutrition efficacy of a sq-LNS product (a lipid-based nutrient supplement aimed at infants and young children) was completed in the Fortified Food Product work stream. Of the three work streams that do not remain, one (Access to Finance, which established a financing vehicle that can accommodate investments in food and agri businesses so that sustainable business can be scaled up) has been completed. Partners in the other two work streams decided to discontinue them after the inception phase of the project, due to changing political circumstances in Kenya (the target country of both projects) to which it was not possible to adapt with the existing FDOV structure, as well as changes in the partners.

In 2015 the existing agreement between GAIN and Unilever to improve nutrition security in agricultural supply chains, was extended to include the Sustainable Trade Initiative (IDH) and made into a larger program focused on improving the nutrition for tea farming families, called "Seeds of Prosperity". Two earlier pilot projects (with Unilever in Southern India and with IDH in Malawi) were implemented successfully and have confirmed that existing delivery structures (e.g. agricultural extension workers, farmer field schools and management and peer-group structures within estates) can be used to increase awareness about nutrition and implement nutrition-specific and -sensitive interventions to improve nutrition for tea farming families. In Malawi the pilot started with the fortification of maize flour that is used as part of workers lunches, and improving the dietary diversity of these lunches by providing additional vegetables on key days during the week. By the end of this fiscal year over 18,000 workers were receiving fortified meals. Lastly, GAIN Netherlands continued to provide recruitment services for GAIN.

Outlook 2016 - 2017

GAIN Netherlands will consolidate the AIM FDOV portfolio: continuing the implementation of the remaining FDOV work streams, whilst closing of the discontinued or completed work streams. Furthermore GAIN received additional funding to conduct landscaping and scoping for new projects related to nutrition of workers and farmers in horticulture and cocoa sectors, reduction of post-harvest losses of nutritious foods and urban nutrition.

Utrecht, July 4, 2017

Balance sheet as at June 30, 2016

(after appropriation of result)

Assets

		June 30, 2016	June 30, 2015
Fixed assets			
Tangible fixed assets	(1)		
Inventory		4,119	-
Current assets			
Receivables	(2)		
Receivable from participants and subsidiaries		-	7,970
Other receivables, prepayments and accrued income		1,835	1,936
		1,835	9,906
Cash	(3)		
Bank accounts		73,958	13,611
		79,912	23,517

		Liabilities	
		<u>June 30, 2016</u>	<u>June 30, 2015</u>
Reserves and funds	(4)		
Other reserves		1,372	2,051
Current liabilities	(5)		
Trade creditors		1,348	2,909
Amounts due to participants and subsidiaries		73,571	-
Taxes and social security charges		1,434	15,401
Other liabilities, accruals and deferred income		<u>2,187</u>	<u>3,156</u>
		78,540	21,466
		<u><u>79,912</u></u>	<u><u>23,517</u></u>

Statement of income and expenses 2015/2016

		<u>2015/2016 actual</u>	<u>2014/2015 actual</u>
Income with special destination	(6)	530,459	607,578
Expenses			
Spending of income with special destination	(7)	36,228	54,509
Wages and salaries	(8)	386,694	382,594
Social security charges and pension costs	(9)	64,523	83,109
Amortization/depreciation of tangible fixed assets		925	-
Other charges	(10)	42,089	87,366
Total expenses		<u>530,459</u>	<u>607,578</u>
Interest and similar income	(11)	-	538
Interest and similar expenses	(12)	-679	-803
Financial income and expenses		<u>-679</u>	<u>-265</u>
Difference between income and expenses		<u><u>-679</u></u>	<u><u>-265</u></u>

Cash flow statement 2015/2016

The cash flow statement has been prepared using the indirect method.

	2015/2016	2014/2015
Cash flow from operating activities		
Adjustments for:		
Amortization and depreciation	925	-
Movement in working capital		
Movement in receivables	8,071	-9,906
Movement in current liabilities (excl. debts from credit institutions)	57,074	-110,055
Cash flow from business activities	66,070	-119,961
Interest received	-	538
Interest and similar charges paid	-679	-803
	-679	-265
Cash flow from operating activities	65,391	-120,226
Cash flow from investment activities		
Investments in tangible fixed assets	-5,044	-
Movements in cash	60,347	-120,226

Principles for valuation and result determinations

General

Identification data of the company

Name	St. The Global Alliance for Improved Nutrition
Legal form	Stichting
Statutory location	Amsterdam
Chamber of Commerce number	54865700

Staff

During the 2015/2016 financial year, on average 6 employees were employed (2014/2015: 6).

Group structure

The foundation St. The Global Alliance for Improved Nutrition forms part of an international entity group. The head office is situated in Geneva.

General accounting principles for the preparation of the financial statements

The financial statements are prepared in accordance with the statutory provisions for financial statements stipulated in Part 9, Book 2 of the Dutch Civil Code.

The financial statements regime for small legal entities as referred to in Section 396, Book 2, of the Dutch Civil Code is applicable for the legal entity.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention.

Unless indicated otherwise for the specific balance sheet item, assets and liabilities are valued at nominal value.

Income and expenses are accounted for in the year they relate to. Revenues are recognized when they are realized per balance sheet date. Liabilities and expected losses arising before balance sheet date are accounted for if recognized before preparation of the financial statements.

Principles of valuation of assets and liabilities

Tangible fixed assets

Tangible fixed assets are valued at the acquisition price or the manufacturing cost less the accumulated depreciation and, if applicable, less the impairments. Land is not depreciated. Depreciation is based on the estimated useful life and is calculated as a fixed percentage of the acquisition price, taking into account any residual value. Depreciation is provided from the date an asset is put into operation.

Receivables

Upon initial recognition, the receivables are valued at fair value including transaction costs and then valued at amortized cost. If there are no (discount) premium and transaction costs, the amortized cost equals the nominal value. The fair value and amortized cost equal the nominal value.

Cash

Cash and cash equivalents are valued at nominal value. Cash and cash equivalents consist of credit balances on bank accounts, money underway, bills of exchange and cheques and demand deposits. Valuation takes into account cash that is not freely disposable. If cash and cash equivalents are not anticipated to be freely disposable for more than one year, they are presented under the financial fixed assets.

Current liabilities

On initial recognition, current liabilities are recognized at fair value. After initial recognition, current liabilities are recognized at the amortized cost price.
When there are no premiums, discounts or transaction costs, the amortized cost price is equal to the nominal value.

Principles for the determination of the result

General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised

Pension charges

St. The Global Alliance for Improved Nutrition applies the liability approach for all pension schemes. The premium payable during the reporting year is recognized as an expense. Changes in the pension provision are also recognized in the statement of income and expenses. Please also refer to the valuation principles for assets and liabilities, under Provision for pensions.

Amortization and depreciation

The amortization of the tangible fixed assets is calculated using fixed percentages of the purchase price based on the expected economic life cycle. Book profit and losses on disposed tangible fixed assets are recognized under depreciation.

Depreciation percentage:
Inventory

20%

Financial income and expenses

Interest income and expenses concern interest income and expenses for loans (issued and received) during the reporting period.

Notes to the balance sheet as at June 30, 2016

Assets

Fixed assets

1. Tangible fixed assets

	<u>Inventory</u>
Changes in financial year	
Investments	5,044
Depreciation	-925
Balance of mutations	<u>4,119</u>
Balance as at June 30	
Aanschafwaarde	5,044
Accumulated depreciation	-925
Carrying amount closing balance	<u>4,119</u>

Current assets

2. Receivables

The receivables included under the current assets all have a maturity of less than one year.

	<u>6/30/2016</u>	<u>6/30/2015</u>
Receivable from participants and subsidiaries		
Receivable due GAIN International	-	7,970
Other receivables, prepayments and accrued income		
Other short term receivables	<u>1,835</u>	<u>1,936</u>
3. Cash		
Bank accounts		
Rabobank NL51RABO0323135625	<u>73,958</u>	<u>13,611</u>
Total current account at bank	<u>73,958</u>	<u>13,611</u>

Liabilities

4. Reserves and funds

	<u>6/30/2016</u>	<u>6/30/2015</u>
Other reserves		
Balance as at July 1	2,051	2,316
Proposed appropriation of result	-679	-265
Balance as at June 30	<u>1,372</u>	<u>2,051</u>

Proposal appropriation of the results

According to article 6 of the Statute is the result at the disposal of the Board.

Appropriation of result 2014/2015

In accordance with the decision of the Board, the results for 2014/2015 have been added to the other reserves.

5. Current liabilities

Trade creditors

Creditors	<u>1,348</u>	<u>2,909</u>
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Amounts due to participants and subsidiaries

Receivable due GAIN International	<u>73,571</u>	<u>-</u>
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Taxes and social security charges

Wage tax and social security charges	-	13,235
Pension charges	1,434	2,166
	<u>1,434</u>	<u>15,401</u>

Other liabilities, accruals and deferred income

Office and administration costs	2,057	3,025
Interest	130	131
	<u>2,187</u>	<u>3,156</u>

St. The Global Alliance for Improved Nutrition
Amsterdam

Off-balance sheet commitments

Long-term financial obligations

Rental agreements

In March 2016 the organization has entered into a 1-year contract (1 September 2016 - 31 August 2017) for the rent of the office at Arthur van Schendelstaat 550 (Unit 6) to Utrecht. The rental obligation amounts to € 12.834 on yearly basis.

Notes to state of income and expenses

Income

	2015/2016 actual	2014/2015 actual
6. Income with special destination		
Contribution GAIN International	530,459	607,578

Expenses

7. Spending of income with special destination

Food samples	182	2,906
Conference and meetings	1,535	4,536
Producing videos	-	8,412
Travel expenses	34,373	34,971
Other direct project costs	138	3,684
	<u>36,228</u>	<u>54,509</u>

Employee expenses

8. Wages and salaries

Gross wages and salaries	386,694	382,594
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9. Social security charges and pension costs

Social security charges	34,332	22,330
Healthcare Insurance Act contribution	13,980	17,962
Pension charges	16,211	42,817
	<u>64,523</u>	<u>83,109</u>

10. Other charges

Other personnel expenses	22,971	70,226
Housing expenses	1,272	-
Office and administration expenses	12,599	10,310
Selling expenses	60	-
General expenses	5,187	6,830
	<u>42,089</u>	<u>87,366</u>

Other personnel expenses

Travel and lodging expenses	5,486	19,257
Training and education costs	6,645	4,550
Canteen expenses	18	-
Healthcare contribution	10,800	14,340
Recharged personnel costs	-	31,015
Other personnel expenses	22	1,064
	<u>22,971</u>	<u>70,226</u>

	2015/2016 actual	2014/2015 actual
Housing expenses		
Cleaning expenses	286	-
Servicefee	986	-
	<u>1,272</u>	<u>-</u>
Office and administration expenses		
Office supplies	911	713
Small purchases	178	-
Telephone expenses	4,117	3,979
Postage expenses	228	-
Photocopying costs	358	529
Auditor's costs	2,662	1,815
Administration expenses	4,145	3,274
	<u>12,599</u>	<u>10,310</u>
Selling expenses		
Entertainment expenses	60	-
	<u>60</u>	<u>-</u>
General expenses		
Consultancy costs	1,190	2,684
Insurance	2,461	2,372
Other general expenses	1,536	1,774
	<u>5,187</u>	<u>6,830</u>
11. Interest and similar income		
Interest on savings accounts	-	538
	<u>-</u>	<u>538</u>
12. Interest and similar expenses		
Banking costs and commission	679	803
	<u>679</u>	<u>803</u>

Notes to the cash flow statements

Composition cash resources

	<u>2015/2016</u>	<u>2014/2015</u>
Cash and cash equivalents at July 1	13,611	133,837
Movements during the financial year	<u>60,347</u>	<u>-120,226</u>
Cash and cash equivalents at June 30	<u><u>73,958</u></u>	<u><u>13,611</u></u>

Signing financial statements by Board

Utrecht, July 4, 2017

Mr. S.A. Godfrey

Mr. A.A.M. Timmer

Mr. D.A. Freeman