

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

Report on the annual accounts 2018/2019

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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. Baarsen MSc RA

Date
January 22, 2020

Dear Board,

Audit

In accordance with your instructions we have compiled the annual account 2018/2019 of the foundation, including the balance sheet with counts of € 81,325 and the profit and loss account with a negative result of € 270.

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, 2019 and the profit and loss account for the year 2018/2019 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.

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 trust to have informed you adequately. We will gladly provide further explanations upon request.

Sincerely,

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 form	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	Ms. E.J. Maddison
Treasurer	Mr. P.A. Young

Activities GAIN Netherlands 2018 - 2019

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.

In consultation with and as lead partner of the AIM consortium, GAIN NL continued to manage the AIM/FDOV programme. Four workstreams (Micronutrient Powders and Fortified Dairy in Kenya, Quality Improvement Network in Ethiopia and Homefortification in Nigeria) were stopped, the Access to Finance workstream was completed and the Support workstream has been integrated in the remaining two workstreams: Rural Hubs (South Africa) and Vegetables for All (Tanzania). The stopped workstreams were formally approved by NE Agency (acting on behalf of the donor) and the subsidy on these workstreams have been determined in March 2019.

The Vegetables for All workstream continued its implementation in Northern Tanzania. By June 2019, the workstream has trained 86 extension workers and lead farmers to deliver training to the farmers. Currently 4,970 farmers have been trained in agricultural practices and financial literacy by Rijk Zwaan and Rabobank Foundation. The Rabobank Foundation team continues to work on linking the groups to financial institutions. 60 groups and 1,200 individual group members have opened bank accounts. 14 farmer groups received their first loans. Due to access to finance, many groups are now able to extend their production areas and have improved in crop management, cost reduction and yield. To support the farmer trainings, demoplots were set up in the 4 areas, either at farmer's fields or sometimes public areas (near schools e.g.) and located in the areas where the extension workers are operating. Meanwhile also two additional interested groups/business men were trained and motivated to set up a seedling business, since it became clear that for some groups/business men this is still seen as a too much unknown or risky business. Further work has also been done on the the nutritional campaign, where the nutrition messages were developed, tested and broadcasted. Local NGOs operating in project intervention areas have been reinforcing the broadcast of these messages through targeted interactions with farmers, primary schools, health facilities and mobile clinics, via presentations, cooking demonstrations, workshops, formation of school clubs, discussions and question and answer sessions.

The Rural Hubs workstream has seen a number of setbacks in 18/19, that have affected the performance of the hubs and led to the development of an amendment to the project implementation plan and budget. This proposed amendment has been submitted to NE Agency in June 2019.

The continuing drought in the Mopani District of Limpopo has had a negative effect on the harvests of the Mopani Hub (Hub 1) farmers and has affected the ability to enrol more farmers onto the hub programme. Incidents of major theft were uncovered at the Ikhwezi Hub (Hub 2). This has forced the operation to be moved and has resulted in there being fewer farmers supplying the Ikhwezi Hub this year. The third hub, which was to be opened in partnership with the KwaZulu-Natal (KZN) government, has not been opened due to the inability to engage with the KZN government during the election year. Despite these setbacks, SPAR remains committed to the Rural Hub concept and have done considerable reflection on the model. This has led to the development of a solution to include many more farmers that supply SPAR stores directly with low value nutritious products. The Hub team are busy with a number of assessments of potential hub sites. Future hubs will incorporate farmers that supply their produce through a central hub as well as those that supply SPAR stores directly. Meanwhile, GAIN and SPAR International are still exploring further opportunities for collaboration.

With funding received from the Dutch Ministry of Foreign Affairs for the period July 2017 - December 2021, GAIN has continued designing and implementing the programs and projects related to nutrition of workers and farmers in tea, garment and cocoa sectors (Workforce Nutrition), and urban nutrition (Urban Governance for Nutrition).

On Workforce Nutrition, GAIN is continuing implementation in the tea sector (India, Kenya and Tanzania), cocoa sector (Ghana) and garment sector (Bangladesh). Quality improvement approaches were integrated into the Workforce Nutrition programmes, to ensure continuous improvement and optimize contextualization of the interventions. GAIN has been working together with New Foresight to build the business case for investment in workforce nutrition programs through three case studies in India (tea sector), Bangladesh (garment sector) and Ghana (cocoa sector). To enable companies to improve the food offered to their employees at the workplace, the development of a handbook for Healthy Food at Work started in January 2019 in cooperation with Eat Well Global. In July 2019, GAIN and the Consumer Goods Forum will host the workshop 'Better Nutrition for a Healthier Workforce' to bring together partners from public and private sector to discuss best practices, challenges and shared opportunities in improving workforce nutrition across supply chains. GAIN partnered with the Ethical Tea Partnership to develop a sector-wide nutrition programme, to scale up current efforts in the tea supply chain across Africa and Asia.

On nutritious urban food systems, GAIN is continuing implementation of the Urban Governance for Nutrition program (funded by the Dutch Ministry of Foreign Affairs). A full-time Programme Lead has started at GAIN. The programme supported the City of Surabaya, Indonesia to develop a Food and Nutrition Action plan, facilitating a multi-stakeholder mechanism to do so. A dedicated Senior Project Manager was recruited in Dar es Salaam, Tanzania. A partnership with FAO was formalized through an MoU, which includes collaboration in Dar es Salaam and Tunis to map the food and green environment. In Dar es Salaam a multi-stakeholder group was set up to advise the local government on actions to improve the food and green environment. Together with the Milan Urban Food Policy Pact (MUFPP) and the RUAF Partnership, GAIN has started a project to developing a 'Menu of actions to shape urban food environments for improved nutrition' (final draft ready at end of financial year 18/19). The programme has published an article in the UNSCN Nutrition journal. GAIN has presented, amongst others, at the ICLEI Resilient Cities Forum in June 2019 in Bonn.

Lastly, GAIN NL continued its work in the Netherlands on lobby and advocacy for nutrition. By hosting the secretariat and being an active member of the Netherlands Working Group on Nutrition (NWGN), by organizing a student challenge for our future nutrition ambassadors, by giving guest lectures to Bachelor and Master students and in general by representing GAIN at relevant events and fora throughout the year.

Outlook 2019 - 2020

GAIN will continue to expand and implement the programs that have been developed with funding received from the Dutch Ministry of Foreign Affairs for the period July 2017 - December 2021, in particular the Workforce Nutrition program and the Urban Governance for Nutrition program. GAIN NL will finalize the AIM FDOV workstreams Rural Hubs and Vegetables for All by the end of 2019 and will ensure the dissemination of 7 years of learnings on public-private partnerships, in collaboration with NE Agency and the Dutch Ministry of Foreign Affairs. 2020 will be the year of the Nutrition for Growth summit in Japan and GAIN NL will support both GAIN and our partners to work towards SMART commitments with concrete action plans to be pledged in Tokyo in December 2020.

Utrecht, January 22, 2020

Balance sheet as at June 30, 2019

(after appropriation of result)

Assets

	June 30, 2019	June 30, 2018
Fixed assets		
Tangible fixed assets (1)		
Inventory	13,066	7,996
Current assets		
Receivables, prepayments and accrued income (2)		
Other receivables, prepayments and accrued income	9,775	9,642
Cash and cash equivalents (3)		
Bank accounts	58,484	137,756
	<u>81,325</u>	<u>155,394</u>

		Liabilities	
		June 30, 2019	June 30, 2018
		<hr/>	<hr/>
Reserves and funds	(4)		
Other reserves		-6	264
Current liabilities	(5)		
Trade creditors		36,746	1,922
Amounts due to participants and subsidiaries		38,961	148,046
Taxes and social security charges		3,258	3,347
Other liabilities, accruals and deferred income		2,366	1,815
		<hr/>	<hr/>
		81,331	155,130
		<hr/>	<hr/>
		<u>81,325</u>	<u>155,394</u>

Statement of income and expenses 2018/2019

		<u>2018/2019 actual</u>	<u>2017/2018 actual</u>
Contribution	(6)	707,585	699,190
Expenses			
Direct project costs	(7)	162,356	101,216
Wages and salaries	(8)	382,224	424,791
Social security charges and pension costs	(9)	69,609	86,555
Amortization/depreciation of tangible fixed assets		3,830	2,630
Other operating expenses	(10)	<u>89,566</u>	<u>83,998</u>
Total expenses		<u>707,585</u>	<u>699,190</u>
Income before interest and similar expenses		-	-
Interest and similar expenses	(11)	<u>-270</u>	<u>-614</u>
Difference between income and expenses		<u><u>-270</u></u>	<u><u>-614</u></u>

Cash flow statement 2018/2019

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

	2018/2019	2017/2018
Cash flow from operating activities		
Adjustments for:		
Amortization and depreciation	3,830	2,630
Movement in working capital		
Movement in receivables	-133	70
Movement in current liabilities (excl. debts from credit institutions)	-73,799	-118,647
Cash flow from business activities	<u>-70,102</u>	<u>-115,947</u>
Interest and similar charges paid	-270	-614
Cash flow from operating activities	<u>-70,372</u>	<u>-116,561</u>
Cash flow from investment activities		
Investments in tangible fixed assets	-8,900	-
Movements in cash	<u><u>-79,272</u></u>	<u><u>-116,561</u></u>

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 2018/2019 financial year, on average 7 employees were employed (2017/2018: 8).

Group structure

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

General accounting principles for the preparation of the annual accounts

The annual accounts have been prepared in accordance with RJK C1 voor Kleine Organisaties-zonder winststreven (Dutch guideline for annual reporting RJK C1 for non-profit organizations).

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at nominal value.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Revenues from goods are recognised upon delivery. The cost price of these goods is allocated to the same period. Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

Principles of valuation of assets and liabilities

Tangible fixed assets

Tangible fixed assets are presented at acquisition price less cumulative depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Tangible fixed assets are capitalised if the economic ownership held by the company, and its group companies, is governed by a financial lease agreement. The commitment arising from the financial lease agreement is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the financial lease agreement.

Receivables and deferred assets

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

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 recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for the determination of the result

General

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

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.

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, 2019

Assets

Fixed assets

1. Tangible fixed assets

	<u>Inventory</u>
Balance as at July 1	
Purchase price	13,151
Accumulated depreciation	<u>-5,155</u>
Carrying amount opening balance	<u>7,996</u>
Changes in financial year	
Investments	8,900
Depreciation	<u>-3,830</u>
Balance of mutations	<u>5,070</u>
Balance as at June 30	
Acquisitions	22,051
Accumulated depreciation	<u>-8,985</u>
Carrying amount closing balance	<u>13,066</u>

Current assets

	<u>6/30/2019</u>	<u>6/30/2018</u>
2. Receivables, prepayments and accrued income		
Other receivables, prepayments and accrued income	<u>9,775</u>	<u>9,642</u>

Current accounts

Other receivables, prepayments and accrued income

Other short term receivables	1,775	1,739
Prepaid rent for office	<u>8,000</u>	<u>7,903</u>
	<u>9,775</u>	<u>9,642</u>

3. Cash and cash equivalents

Bank accounts

Rabobank NL51RABO0323135625	<u>58,484</u>	<u>137,756</u>
Total current account at bank	<u>58,484</u>	<u>137,756</u>

Liabilities

4. Reserves and funds

	<u>6/30/2019</u>	<u>6/30/2018</u>
Other reserves		
Balance as at July 1	264	878
Proposed appropriation of result	-270	-614
Balance as at June 30	<u>-6</u>	<u>264</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 2017/2018

In accordance with the decision of the Board, the results for 2017/2018 have been added to the other reserves.

5. Current liabilities

Trade creditors

Creditors	<u>36,746</u>	<u>1,922</u>
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Amounts due to participants and subsidiaries

Receivable due GAIN International	<u>38,961</u>	<u>148,046</u>
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Taxes and social security charges

Pension charges	<u>3,258</u>	<u>3,347</u>
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Other liabilities, accruals and deferred income

Invoices to be received	515	-
Office and administration costs	<u>1,851</u>	<u>1,815</u>
	<u>2,366</u>	<u>1,815</u>

Current liabilities and deferred income

There are no items pledges are given as collateral with respect to the current liabilities amounting to € 81,331 at December 31st.

Off-balance sheet commitments

Long-term financial obligations

Rental commitments buildings

The foundation has long-term rental commitments, which relate to the rent of the office. The rent is renewed annually. The commitments amount to € 8.000 per quarter (including service fee).

Notes to state of income and expenses

Income

	2018/2019 actual	2017/2018 actual
6. Contribution		
Contribution GAIN International	707,585	699,190

Expenses

7. Direct project costs

Conference and meetings	58,975	28,509
Travel expenses	19,354	27,419
Other direct project costs	84,027	45,288
	<u>162,356</u>	<u>101,216</u>

Employee expenses

8. Wages and salaries

Gross wages and salaries	382,224	424,791
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9. Social security charges and pension costs

Social security charges	32,787	40,721
Healthcare Insurance Act contribution	21,088	22,788
Pension charges	15,734	23,046
	<u>69,609</u>	<u>86,555</u>

10. Other operating expenses

Other personnel expenses	37,253	35,908
Housing expenses	35,210	30,568
Office and administration expenses	11,525	13,822
General expenses	5,578	3,700
	<u>89,566</u>	<u>83,998</u>

Other personnel expenses

Travel and lodging expenses	12,681	14,202
Training and education costs	7,155	5,975
Canteen expenses	3,981	1,860
Healthcare contribution	13,232	13,560
Other personnel expenses	204	311
	<u>37,253</u>	<u>35,908</u>

Housing expenses

Rent	25,612	25,032
Cleaning expenses	1,124	1,086
Service fee	8,474	4,450
	<u>35,210</u>	<u>30,568</u>

	2018/2019 actual	2017/2018 actual
Office and administration expenses		
Office supplies	762	1,323
Small purchases	606	296
Computer and automation expenses	3,087	3,121
Telephone expenses	2,564	2,434
Postage expenses	400	233
Photocopying costs	-	1,727
Auditor's costs	1,851	1,815
Administration expenses	2,255	2,873
	<u>11,525</u>	<u>13,822</u>
General expenses		
Consultancy costs	3,361	1,442
Insurance	2,217	2,243
Other general expenses	-	15
	<u>5,578</u>	<u>3,700</u>
11. Interest and similar expenses		
Banking costs and commission	<u>270</u>	<u>614</u>

Notes to the cash flow statements

Composition cash resources

	2018/2019	2017/2018
Cash and cash equivalents at July 1	137,756	254,318
Movements during the financial year	<u>-79,272</u>	<u>-116,561</u>
Cash and cash equivalents at June 30	<u><u>58,484</u></u>	<u><u>137,756</u></u>

Signature by the board for approval

Amsterdam, January 22, 2020

Mr. S.A. Godfrey

Ms. E.J. Maddison

Mr. P.A. Young