

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

Report on the annual accounts 2017/2018

Index	Page
Auditor's report	
Audit	3
Accountant's compilation report	3
General	4
Annual accounts 2017/2018	
Board report	5
Financial statements	
Balance sheet as at June 30, 2018	8
Statement of income and expenses 2017/2018	10
Cash flow statement 2017/2018	11
Principles for valuation and result determinations	12
Notes to the balance sheet as at June 30, 2018	14
Notes to state of income and expenses	17
Notes to the cash flow statements	19

Auditor's report

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

Vlaak 4
Postbus 97
8320 AB Urk
telefoon 088 23 69 400
e-mail urk@flynth.nl

Reference
312070000

Handled by
Mr. J. Baarssen MSc RA

Date
December 14, 2018

Dear Board,

Audit

In accordance with your instructions we have compiled the annual account 2017/2018 of the foundation, including the balance sheet with counts of € 155,394 and the profit and loss account with a negative result of € 614.

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, 2018 and the profit and loss account for the year 2017/2018 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 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	Ms. E.J. Maddison
Treasurer	Mr. P.A. Young

Activities GAIN Netherlands 2017 - 2018

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 restructured and simplified 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 have submitted their final reports and audit reports to NE Agency (acting on behalf of the donor). GAIN and NE Agency are currently finalizing the approval process for determination of subsidy.

The Vegetables for All workstream has trained 86 trainers to deliver training to the farmers. Currently 3,800 farmers have been trained in agricultural practices and financial literacy by Rijk Zwaan and Rabobank Foundation. 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 design of the nutritional campaign, where the nutrition messages were developed, delivery channels were identified and where currently the field testing of the messages is underway with local communities.

The Rural Hubs workstream extended the operations of the Mopani Rural Hub, commenced with operations in the Ikhwezi Rural Hub, and concluded the selection of the third Hub site which will be located in KwaZulu-Natal Province.

A great deal of focus and attention was also placed on analysing the results of the nutritional surveys and in working on the design of the nutritional campaign which will be launched in October 2018.

The project partners all came together in Nelspruit, South Africa from 19-23 March 2018 for the B5 Rural Hubs partner workshop which included a two-day Nutrition Campaign Design workshop facilitated by BoP Inc, and a site visit to the Ikhwezi Hub.

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 designed and begun implementation for new programs and projects related to nutrition of workers and farmers in tea, garment and cocoa sectors (Workplace Nutrition), and urban nutrition governance.

On Workplace Nutrition, several strategy meetings were held to further develop the Seeds of Prosperity model. An internal global workplace meeting with representatives from each project within the Workstream (tea Kenya, tea India, tea Tanzania, garment Bangladesh, cocoa Ghana, Mozambique) was held to share learnings, design a globally consistent workplace nutrition programme, develop and agree on a common monitoring framework, design the learning agenda, and build the workplace nutrition team. For the business case, a workshop was held with participants from the private sector, academia and the development sector to inform the design of the business case research. There have also been conversations with ILO to explore joint research interests. GAIN continued the collaboration with IDH in the cocoa sector to work with some of the key cocoa stakeholders (Touton, Ecom, Hershey, Lindt) on piloting the Seeds of Prosperity model in Ghana.

On nutritious urban food systems, GAIN has developed and begun implementing the new Urban Governance for Nutrition program (funded by the Dutch Ministry of Foreign Affairs). It worked with a local university to conduct landscaping on urban food systems and nutrition governance in Surabaya, Indonesia and two students from Wageningen University were recruited to conduct landscaping in Dar es Salaam, Tanzania (ongoing at the end of financial year 17/18). In Surabaya, a multi-stakeholder platform is being formed to develop a Food and Nutrition Action plan for the city. The program has also conducted global advocacy. It has published blogs and an article in the Urban Agriculture magazine, which is published by RUAF. GAIN was part of a panel on sustainable urban food systems at the ICLEI Resilient Cities Forum in April 2018 in Bonn, Germany. GAIN organized a panel discussion on urban nutrition governance at the ICLEI World Congress in June 2018 in Montreal, Canada. GAIN has recruited a consortium of consultants to develop a conceptual framework and methodology to assess successful urban nutrition governance, a draft of which was completed in June 2018.

In addition GAIN has continued to manage the partnership relations in the Food Systems and Healthier Diets (FSHD) project, a five-year (2017-2021) research project within the CGIAR / IFPRI led research platform Agriculture for Nutrition & Health (A4NH), led by Wageningen University.

Lastly, GAIN NL continued to provide recruitment services for GAIN.

St. The Global Alliance for Improved Nutrition
Amsterdam

Outlook 2018 - 2019

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 Workplace Nutrition program and the Urban Governance for Nutrition program. GAIN NL will continue to implement the AIM FDOV workstreams Rural Hubs and Vegetables as well as closing discontinued or completed workstreams.

Utrecht, December 14, 2018

Balance sheet as at June 30, 2018

(after appropriation of result)

Assets

	June 30, 2018	June 30, 2017
Fixed assets		
Tangible fixed assets (1)		
Inventory	7,996	10,625
Current assets		
Receivables, prepayments and accrued income (2)		
Other receivables, prepayments and accrued income	9,642	9,712
Cash and cash equivalents (3)		
Bank accounts	137,756	254,318
	<u>155,394</u>	<u>274,655</u>

		Liabilities	
		June 30, 2018	June 30, 2017
Reserves and funds	(4)		
Other reserves		264	878
Current liabilities	(5)		
Trade creditors		1,922	6,409
Amounts due to participants and subsidiaries		148,046	260,236
Taxes and social security charges		3,347	3,260
Other liabilities, accruals and deferred income		1,815	3,872
		<u>155,130</u>	<u>273,777</u>

155,394

274,655

Statement of income and expenses 2017/2018

		<u>2017/2018 actual</u>	<u>2016/2017 actual</u>
Income with special destination	(6)	699,190	640,336
Expenses			
Spending of income with special destination	(7)	101,216	49,864
Wages and salaries	(8)	424,791	424,469
Social security charges and pension costs	(9)	86,555	87,259
Amortization/depreciation of tangible fixed assets		2,630	1,600
Other operating expenses	(10)	83,998	77,144
Total expenses		<u>699,190</u>	<u>640,336</u>
Saldo voor financiële baten en lasten		-	-
Interest and similar expenses	(11)	<u>-614</u>	<u>-494</u>
Difference between income and expenses		<u><u>-614</u></u>	<u><u>-494</u></u>

Cash flow statement 2017/2018

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

	2017/2018	2016/2017
Cash flow from operating activities		
Adjustments for:		
Amortization and depreciation	2,630	1,600
Movement in working capital		
Movement in receivables	70	-7,877
Movement in current liabilities (excl. debts from credit institutions)	-118,647	195,237
Cash flow from business activities	<u>-115,947</u>	<u>188,960</u>
Interest and similar charges paid	-614	-494
Cash flow from operating activities	<u>-116,561</u>	<u>188,466</u>
Cash flow from investment activities		
Investments in tangible fixed assets	-	-8,106
Movements in cash	<u><u>-116,561</u></u>	<u><u>180,360</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 2017/2018 financial year, on average 8 employees were employed (2016/2017: 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 Title 9 Book 2 of the Dutch Civil Code. 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.

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.

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.

Receivables and deferred assets

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 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 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 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, 2018

Assets

Fixed assets

1. Tangible fixed assets

	<u>Inventory</u>
Balance as at July 1	
Purchase price	13,151
Accumulated depreciation	<u>-2,525</u>
Carrying amount opening balance	<u>10,626</u>
Changes in financial year	
Depreciation	<u>-2,630</u>
Balance as at June 30	
Acquisitions	13,151
Accumulated depreciation	<u>-5,155</u>
Carrying amount closing balance	<u>7,996</u>

Current assets

	<u>6/30/2018</u>	<u>6/30/2017</u>
2. Receivables, prepayments and accrued income		
Other receivables, prepayments and accrued income	<u>9,642</u>	<u>9,712</u>

Current accounts

Other receivables, prepayments and accrued income

Other short term receivables	1,739	1,895
Prepaid rent for office	<u>7,903</u>	<u>7,817</u>
	<u>9,642</u>	<u>9,712</u>

3. Cash and cash equivalents

Bank accounts

Rabobank NL51RABO0323135625	<u>137,756</u>	<u>254,318</u>
Total current account at bank	<u>137,756</u>	<u>254,318</u>

Liabilities

4. Reserves and funds

	<u>6/30/2018</u>	<u>6/30/2017</u>
Other reserves		
Balance as at July 1	878	1,372
Proposed appropriation of result	-614	-494
Balance as at June 30	<u>264</u>	<u>878</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 2016/2017

In accordance with the decision of the Board, the results for 2016/2017 have been added to the other reserves.

5. Current liabilities

Trade creditors

Creditors	<u>1,922</u>	<u>6,409</u>
-----------	--------------	--------------

Amounts due to participants and subsidiaries

Receivable due GAIN International	<u>148,046</u>	<u>260,236</u>
-----------------------------------	----------------	----------------

Taxes and social security charges

Pension charges	<u>3,347</u>	<u>3,260</u>
-----------------	--------------	--------------

Other liabilities, accruals and deferred income

Office and administration costs	<u>1,815</u>	<u>3,872</u>
---------------------------------	--------------	--------------

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. After August 2017 the rent is renewed annually. The commitments amount to € 7.903 quarterly (including service fee).

Notes to state of income and expenses

Income

	2017/2018 actual	2016/2017 actual
6. Income with special destination		
Contribution GAIN International	699,190	640,336

Expenses

7. Spending of income with special destination

Conference and meetings	28,509	3,472
Travel expenses	27,419	31,245
Other direct project costs	45,288	15,147
	<u>101,216</u>	<u>49,864</u>

Employee expenses

8. Wages and salaries

Gross wages and salaries	424,791	424,469
--------------------------	---------	---------

9. Social security charges and pension costs

Social security charges	40,721	43,767
Healthcare Insurance Act contribution	22,788	21,389
Pension charges	23,046	22,103
	<u>86,555</u>	<u>87,259</u>

10. Other operating expenses

Other personnel expenses	35,908	30,728
Housing expenses	30,568	29,943
Office and administration expenses	13,822	11,180
General expenses	3,700	5,293
	<u>83,998</u>	<u>77,144</u>

Other personnel expenses

Travel and lodging expenses	14,202	6,736
Training and education costs	5,975	6,641
Canteen expenses	1,860	1,385
Healthcare contribution	13,560	15,240
Other personnel expenses	311	726
	<u>35,908</u>	<u>30,728</u>

Housing expenses

Rent	25,032	24,833
Cleaning expenses	1,086	1,376
Service fee	4,450	3,734
	<u>30,568</u>	<u>29,943</u>

	2017/2018 actual	2016/2017 actual
Office and administration expenses		
Office supplies	1,323	704
Small purchases	296	904
Computer and automation expenses	3,121	1,314
Telephone expenses	2,434	1,707
Postage expenses	233	578
Photocopying costs	1,727	1,646
Auditor's costs	1,815	1,815
Administration expenses	2,873	2,512
	<u>13,822</u>	<u>11,180</u>
General expenses		
Consultancy costs	1,442	2,131
Insurance	2,243	2,365
Other general expenses	15	797
	<u>3,700</u>	<u>5,293</u>
11. Interest and similar expenses		
Banking costs and commission	<u>614</u>	<u>494</u>

Notes to the cash flow statements

Composition cash resources

	<u>2017/2018</u>	<u>2016/2017</u>
Cash and cash equivalents at July 1	254,318	73,958
Movements during the financial year	<u>-116,561</u>	<u>180,360</u>
Cash and cash equivalents at June 30	<u><u>137,756</u></u>	<u><u>254,318</u></u>

Signing financial statements by Board

Utrecht, December 14, 2018

Mr. S.A. Godfrey

Ms. E.J. Maddison

Mr. P.A. Young