

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

Report on the annual accounts 2016/2017

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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
February 13, 2018

Dear Board,

Audit

In accordance with your instructions we have compiled the annual account 2016/2017 of the foundation, including the balance sheet with counts of € 274,655 and the profit and loss account with a negative result of € 494.

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, 2017 and the profit and loss account for the year 2016/2017 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,
Flyth 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 2016 - 2017

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 program. 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 Vegetables for All workstream has trained 28 trainers ready to begin delivering training across four topic areas to farmers, while Rabobank Foundation and NMB Bank Foundation have reached 2,034 farmers with the first module of the financial training focused on 'Good Governance'. GAIN and TAHA have completed training of 20 post-harvest supply chain service agents and two grants have been issued to support local entities to implement improved bulking, packaging and drying of vegetables. AVRDC, Wageningen University, TAHA and GAIN have constructed new solar vegetables dryers alongside a manual for 12 trainers to give training to the identified farmers. A total of 9 dryers have been constructed in total at sites across the 4 target regions ready for farmer training.

The Rural Hubs workstream proceeded to establish the Mopani Rural Hub, concluded the selection of Ikhwezi Rural Hub as the second site and concluded the nutritional baseline survey. The Mopani Rural Hub traded for the full reporting period and established good relationships with 9 SPAR stores which bought produce from the emerging farmers through the FAP.

GAIN and SPAR International explored further opportunities for collaboration, which has resulted in a proposal to USAID to extend the Rural Hubs project in South Africa to Nigeria and India.

With additional funding from the Dutch MFA GAIN has conducted 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.

The pilot 'Nutrition for Horticulture' in Kenya started in August 2016 and ran until July 2017. For this project, GAIN partnered with the Netherlands African Business Council (NABC) and SNV. The project targeted smallholder farmers supplying their produce to horticulture exporting companies. Two exporting companies (WAMU Investments Ltd and Kandia Fresh Produce Suppliers Ltd) participated in the pilot. These companies agreed to provide training to their contracted farmers on handwashing, a diverse diet and drinking clean water. Four Technical Assistants were trained (two per company) who in turn successfully trained the smallholder farmers. An evaluation showed that the implementation of the training went well in all the companies albeit being a slow adoption.

GAIN continued the collaboration with IDH in the cocoa sector to explore and worked with Touton, Ecom, Hershey, Barry Callebaut and Cargill on proposals to include nutrition as part of their business operations in Ghana and Ivory Coast.

GAIN initiated exploratory work to design Post-harvest Loss Alliance for Nutrition (PLAN) Indonesia (I-PLAN) as the next chapter of the Global PLAN Initiative. Three major design activities were carried out. First, an initial scoping exercise was conducted to assess postharvest loss (PHL) of nutritious value chains in Indonesia in order to select a focus commodity that aligned with the nutrition needs of Indonesia and the goals of the Government. After this initial scoping exercise, in collaboration with key national government and Dutch civil society support (Agriprofocus, Postharvest Network and BoP Inc.), I-PLAN organized an expert consultative workshop in country with various supply chain actors and government stakeholders to discuss the challenges of reducing postharvest loss of mangoes and fish. Finally, I-PLAN conducted an in-depth landscape analysis of the fish and mango supply chains to pinpoint where I-PLAN can intervene with technology, policy and/or financing to be most impactful. The landscape review was presented to Indonesian and Dutch stakeholders in two workshops to inform the final design of I-PLAN.

On nutritious urban food systems, GAIN explored approaches to improving nutrition in urban areas and raised awareness on nutrition issues in urban environments. GAIN co-organized the event '#UrbanNutrition: Eliminating Malnutrition in All its Forms in the Face of Unprecedented Rapid Urbanization' together with the SUN Business Network and the International Food Policy and Research Institute (IFPRI) at the World Economic Forum in Davos. An animated video on urban nutrition was produced with the primary purpose of supporting engagement with city governments. GAIN conducted a landscape analysis that included potential partners and networks, types of interventions and sources of urban nutrition data. Two students from Wageningen University were engaged to conduct a city landscape analysis of the urban nutrition situation in Jakarta and Bogor, Indonesia. A further group of 4 students from John Hopkins University in New York were engaged to undertake a similar assignment in New Delhi, India. These students developed a framework for conducting a rapid urban nutrition assessment which will be validated and used to identify urban nutrition challenges and opportunities for future GAIN projects. GAIN also co-funded and supported the development of the "New Generation of Indonesian Cuisine" (NGIC) concept. In collaboration with HIVOS and CREM, this concept aims to encourage more healthy, nutritious, safe and sustainable food habits in Indonesia by leveraging the strong cultural heritage for food.

In addition GAIN has started to manage the partnership relations in the Food Systems and Healthier Diets (FSDH) 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 2017 - 2018

GAIN has received a new grant from the Dutch Ministry of Foreign Affairs for the period July 2017 - December 2021, which includes funding for projects on nutrition in the workplace and improved urban nutrition governance. Projects will be designed and implementation is expected to begin in the first half of 2018. GAIN NL will also continue to implement the AIM FDOV workstreams Rural Hubs and Vegetables as well as closing discontinued or completed workstreams.

Utrecht, 13 februari 2018

Balance sheet as at June 30, 2017

(after appropriation of result)

Assets

	June 30, 2017	June 30, 2016
Fixed assets		
Tangible fixed assets (1)		
Inventory	10,625	4,119
Current assets		
Receivables (2)		
Other receivables, prepayments and accrued income	9,712	1,835
Cash (3)		
Bank accounts	254,318	73,958
	<u>274,655</u>	<u>79,912</u>

		Liabilities	
		<u>June 30, 2017</u>	<u>June 30, 2016</u>
Reserves and funds	(4)		
Other reserves		878	1,372
Current liabilities	(5)		
Trade creditors		6,409	1,348
Amounts due to participants and subsidiaries		260,236	73,571
Taxes and social security charges		3,260	1,434
Other liabilities, accruals and deferred income		<u>3,872</u>	<u>2,187</u>
		273,777	78,540
		<u><u>274,655</u></u>	<u><u>79,912</u></u>

Statement of income and expenses 2016/2017

		<u>2016/2017 actual</u>	<u>2015/2016 actual</u>
Income with special destination	(6)	640,335	530,459
Expenses			
Spending of income with special destination	(7)	49,864	36,228
Wages and salaries	(8)	449,720	386,694
Social security charges and pension costs	(9)	62,007	64,523
Amortization/depreciation of tangible fixed assets		1,600	925
Other operating expenses	(10)	<u>77,144</u>	<u>42,089</u>
Total expenses		<u>640,335</u>	<u>530,459</u>
		-	-
Interest and similar expenses	(11)	<u>-494</u>	<u>-679</u>
Difference between income and expenses		<u><u>-494</u></u>	<u><u>-679</u></u>

Cash flow statement 2016/2017

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

	2016/2017	2015/2016
Cash flow from operating activities		
Adjustments for:		
Amortization and depreciation	1,600	925
Movement in working capital		
Movement in receivables	-7,877	8,071
Movement in current liabilities (excl. debts from credit institutions)	195,237	57,074
Cash flow from business activities	<u>188,960</u>	<u>66,070</u>
Interest and similar charges paid	-494	-679
Cash flow from operating activities	<u>188,466</u>	<u>65,391</u>
Cash flow from investment activities		
Investments in tangible fixed assets	-8,106	-5,044
Movements in cash	<u><u>180,360</u></u>	<u><u>60,347</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 2016/2017 financial year, on average 8 employees were employed (2015/2016: 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.

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 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. 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, 2017

Assets

Fixed assets

1. Tangible fixed assets

	<u>Inventory</u>
Balance as at July 1	
Acquisitions	5,044
Accumulated depreciation	-925
Carrying amount opening balance	<u>4,119</u>
Changes in financial year	
Investments	8,106
Depreciation	-1,600
Balance of mutations	<u>6,506</u>
Balance as at June 30	
Acquisitions	13,150
Accumulated depreciation	-2,525
Carrying amount closing balance	<u>10,625</u>

Current assets

	<u>6/30/2017</u>	<u>6/30/2016</u>
2. Receivables		
Other receivables, prepayments and accrued income	<u>9,712</u>	<u>1,835</u>
Other receivables, prepayments and accrued income		
Other short term receivables	1,895	1,835
Prepaid rent for office	7,817	-
	<u>9,712</u>	<u>1,835</u>
3. Cash		
Bank accounts		
Rabobank NL51RABO0323135625	<u>254,318</u>	<u>73,958</u>
Total current account at bank	<u>254,318</u>	<u>73,958</u>

Liabilities

4. Reserves and funds

	<u>6/30/2017</u>	<u>6/30/2016</u>
Other reserves		
Balance as at July 1	1,372	2,051
Proposed appropriation of result	-494	-679
Balance as at June 30	<u>878</u>	<u>1,372</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 2015/2016

In accordance with the decision of the Board, the results for 2015/2016 have been added to the other reserves.

5. Current liabilities

Trade creditors

Creditors	<u>6,409</u>	<u>1,348</u>
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Amounts due to participants and subsidiaries

Receivable due GAIN International	<u>260,236</u>	<u>73,571</u>
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Taxes and social security charges

Pension charges	<u>3,260</u>	<u>1,434</u>
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Other liabilities, accruals and deferred income

Office and administration costs	3,872	2,057
Interest	-	130
	<u>3,872</u>	<u>2,187</u>

Off-balance sheet commitments

Long-term financial obligations

Rental commitments buildings

The stichting have long-term rental commitments until August 2017 which relate to the rent of the office. After August 2017 the rent is renewed annually. The commitments amount to € 7.817 quarterly (including service fee).

Notes to state of income and expenses

Income

	2016/2017 actual	2015/2016 actual
6. Income with special destination		
Contribution GAIN International	640,335	530,459

Expenses

7. Spending of income with special destination

Food samples	-	182
Conference and meetings	9,509	1,535
Travel expenses	31,245	34,373
Project Food systems for Healthier Diets	9,110	-
Other direct project costs	-	138
	<u>49,864</u>	<u>36,228</u>

Employee expenses

8. Wages and salaries

Gross wages and salaries	449,720	386,694
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9. Social security charges and pension costs

Social security charges	18,515	34,332
Healthcare Insurance Act contribution	21,389	13,980
Pension charges	22,103	16,211
	<u>62,007</u>	<u>64,523</u>

10. Other operating expenses

Other personnel expenses	30,728	22,971
Housing expenses	29,943	1,272
Office and administration expenses	11,180	12,599
Selling expenses	-	60
General expenses	5,293	5,187
	<u>77,144</u>	<u>42,089</u>

Other personnel expenses

Travel and lodging expenses	6,736	5,486
Training and education costs	6,641	6,645
Canteen expenses	1,385	18
Healthcare contribution	15,240	10,800
Other personnel expenses	726	22
	<u>30,728</u>	<u>22,971</u>

	2016/2017 actual	2015/2016 actual
Housing expenses		
Rent	21,399	-
Cleaning expenses	4,434	286
Service fee	4,110	986
	<u>29,943</u>	<u>1,272</u>
Office and administration expenses		
Office supplies	704	911
Small purchases	904	178
Computer and automation expenses	1,314	-
Telephone expenses	1,707	4,117
Postage expenses	578	228
Photocopying costs	1,646	358
Auditor's costs	1,815	2,662
Administration expenses	2,512	4,145
	<u>11,180</u>	<u>12,599</u>
Selling expenses		
Entertainment expenses	-	60
General expenses		
Consultancy costs	2,131	1,190
Insurance	2,365	2,461
Other general expenses	797	1,536
	<u>5,293</u>	<u>5,187</u>
11. Interest and similar expenses		
Banking costs and commission	<u>494</u>	<u>679</u>

Notes to the cash flow statements

Composition cash resources

	2016/2017	2015/2016
Cash and cash equivalents at July 1	73,958	13,611
Movements during the financial year	180,360	60,347
Cash and cash equivalents at June 30	254,318	73,958

Signing financial statements by Board

Utrecht, February 13, 2018

Mr. S.A. Godfrey

Mr. A.A.M. Timmer

Mr. D.A. Freeman