

Annual Accounts 2022

**Stichting Netherlands Food Partnership
Utrecht**

Contents

Board report	3
Financial statements 2022	12
Balance sheet as of December 31, 2022	13
Statement of revenues and expenditures 2022	15
Notes to the financial statements	16
Notes to the balance sheet	19
Notes to the statement of revenues and expenditures	25
Other information	35
Independent auditor's report	36

Total number of pages in this report: 35

BOARD REPORT

General

Foundation

December 31, 2021, NFP was founded by a full statutory change of the articles of association of Stichting Agri-ProFocus. This change resulted in the termination of Agri-ProFocus and a new name, purpose and governance structure of the Foundation. NFP is based in Utrecht, at the Arthur van Schendelstraat 500, 3511 MH, the Netherlands. The former local offices of Agri-ProFocus were closed in 2020.

In January 2021, Foundation Netherlands Food Partnership (NFP) started with the first of two years programming. During the period 2021-2022, NFP is financed by the Dutch Ministry of Foreign Affairs, the Ministry of Agriculture, Nature and Food Quality, and IKEA Foundation. This period is used to achieve new results and prepare programming for the longer-term ambitions and build capacity to meet those long-term ambitions. At the same time, the strategic vision 2030 was developed.

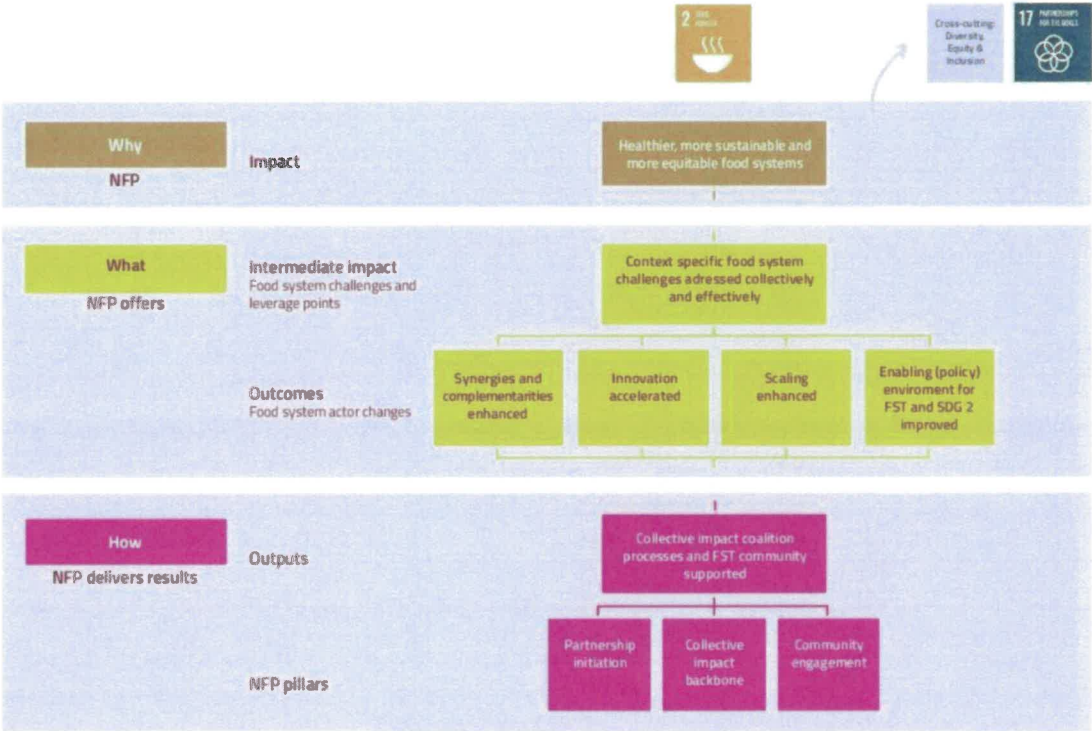
NFP purpose

Transforming food systems together: NFP is dedicated to creating a world without hunger, in which everyone has access to sustainable, healthy, safe, and affordable food. NFP connects people and knowledge to make food systems more sustainable in Low- and Middle-Income Countries. As an intermediary NFP drives relationships and networks between partners from the private sector, knowledge institutes, NGOs, and government. NFP provides linkages and knowledge access to all Agri & Food organisations in the food system from farmers to consumers.

Neutral knowledge broker and multi-stakeholder convenor

NFP operates at the crossroads of public sector, private sector, civil society and knowledge institutions, which includes a.o. farmer organisations, financial institutions and the education sector. While working closely with Dutch Ministries, NFP is an independent convenor that connects with and works with stakeholders from LMICs, international organisations and the Netherlands. This multi-stakeholder approach resonates also with the Dutch focus on aid and trade 'nexus' countries. The new policy note on Foreign Trade and Development Cooperation (FT&DC 2022) underlines the need to improve alignment and coherence of aid and trade initiatives, programs, and policies.

NFP thus offers a unique platform that combines the exchange of knowledge and information on food systems transformation; convenes the acceleration of needed innovations and the development of coalitions that pilot, implement, and scale up FST processes. This support is not offered by any other agency in the Netherlands and consequently adds value by establishing an 'interface' between LMIC and Dutch stakeholders, between science and policy, knowledge, and practice. NFP's work is delivered as a public good, by offering its services to all interested parties (non-exclusion). The results of NFP support can be used by parties on a non-rivalry basis (level-playing field). NFP services are pre and post competitive and remain available in the longer term in an independent framework with a public base funding structure.



Graph 1. NFP Theory of Change 2030

The Board

The governance structure of Stichting Netherlands Food Partnership consists of a Supervisory Board and a Managing Board. The members of both Boards are:

Executive Director/ Managing Board: Mrs. M.G. Danse (Jan – Sept 2022) / Mr. J. De Groot a.i. (Sept – Dec 2022)

The Supervisory Board:

- Mrs. S.J.C.W van Tilburg (Chair)
- Mrs. J.A.P. Nieboer (Vice-Chair / Chair Financial Audit Committee)
- Mr. R. Ruben (Audit Committee)
- Mr. L.G. Silvis
- Mrs. H. Verburg

Chamber of Commerce

Stichting Netherlands Food Partnership (NFP), with its registered statutory office on Arthur van Schendelstraat 500, 3511 MH Utrecht. NFP is filed at the Trade Register at the Chamber of Commerce Midden-Nederland under number 30204842.

Executive summary

Transitional effects reflecting on NFP in 2022

Starting January 1, 2021, Stichting Netherlands Food Partnership (NFP) was created by means of an amendment to the Articles of Association and adjustment of Objectives of Stichting Agri-ProFocus (AFP). Part of the amended Articles implied a new governance structure. See new Articles of Association for more details. NFP's core functioning was based upon existing grant commitments the former APF and commitments of Ministry of Foreign Affairs (MoFA) of the contract of the so-called Knowledge Programme. The NFP annual plan 2022 was designed to meet all grant commitments of the existing funding partners. The implementation of these objectives was further specified in an internal annual working plan 2022.

In 2022 Executive Director Myrtille Danse accepted a function at Solidaridad and left NFP as per October 1, 2022. Mrs. Danse has been succeeded by Mr. Han de Groot who fulfilled the position of Executive Director a.i. as from October onwards. Starting March 1, 2023, Mr. Ivo Demmers succeeds Han de Groot as the new permanent Executive Director of Stichting NFP.

Despite the challenging circumstances due to the ongoing pandemic as well as the international impact of the War on Ukraine, combined with the internal transition and change project that was required to respond to the new ambitions of NFP, the overall performance of NFP was on a growth path compared to the first year of operation.

The number of initiatives supported by NFP, and output delivery, increased in 2022 with a higher completion rate than 2021. Budget expenditure as compared to available funds was up compared to the previous year. Content wise NFP kept pace with international developments relevant for partners. And partner engagement developed as intended towards working more with international partners.

In 2022 NFP worked very hard to secure future funding of the strategy 2030 which resulted in a verbal agreement with the donors, which will be further worked out in detail during Q1-2023.

Budget depletion has improved as compared to 2021 (from 58% in 2021 to 73% in 2022). Underspending of 27% in 2022 resulted mostly with regard to initiatives with high partner dependencies (later start or changing partner priorities). Further positive result of internal process adaptations are to be expected as of 2023. As the terms of subsidy formally was due on December 31, 2022, NFP submitted a no cost extension request to both Ministries. The verbal agreement will be finalized in January 2023. This would furthermore provide additional time to sort out things in more detail with NFP's donors Ministries MoFA and MoAgri in regard to the funding needed for the Strategy 2030.

Achievements reflecting on NFP's internal administrative organisation

Several improvements were successfully implemented in relation to the internal administrative organisation of NFP. As part of the new Supervisory Board, the installed Audit Committee was furthermore expanded with an additional member in 2022.

After careful assessments and optimization of individual (administrative) processes, a blueprint was created to serve an integrated data model which became the foundation for the reconfiguration of our current ERP system. Individual processes like the Project Management Cycle (including the whole project lifecycle), Procurement and Budget approval and depletion process is fully integrated, aligned to comply with NFP's Internal Risk Control and embedded in the 'New Way of Working' which is facilitated by our newly reconfigured ERP system.

Outlook 2023

The outlook for 2023 is again challenging, ambitious and hopeful. We feel inspired and with confidence we look forward to further strengthening our position. During the last phase of the change project, additional management reports and dashboards will be configured in NFP's ERP System. Having automated management reports and dashboards will increase efficiency and tools for NFP on all levels to gain an increased control and monitoring of key performance objectives.

Furthermore, we trust that we will allocate underspending of 2022 properly in Q1-2023 additional to our annual plan ambitions for the rest of 2023. NFP's program Strategy 2030 will commence at the beginning of Q2-2023 and the first program year is foreseen to until the end of Q1-2024. Therewith, the program year of Strategy 2030 will deviate from NFP's book year (January 1 – December 31).

The Strategy 2030 program, has been further developed resulting in three strong and actionable ambitions for NFP to work with on the coming seven years and which are fully aligned with the purpose, added value and NFP's way of working to obtain the program deliverables.

Budget 2023

	Q1 2023 (a)	Q2 - Q4 2023 (b)	Total budget 2023
Grant contract MoFA Subsidy	600,000	0	600,000
KP assignment MoFA	500,000	0	500,000
MoAgri Subsidy 2021	250,000	0	250,000
MoAgri Subsidy 2022			
MoAgri 2023 - 2030	0	750,000	750,000
MoFA subsidy 2023 - 2026	0	3,300,000	3,300,000
Funding available / requested	1,350,000	4,050,000	5,400,000
Non-project related income	17,645	52,935	70,580
Project income expected	100,000	300,000	400,000
TOTAL INCOME	1,467,645	4,402,935	5,870,580
COSTS			
Staff cost	120476.186	361428.5579	481,905
Organisation cost	126,126	378,378	504,505
Communication cost	30,324	90,973	121,297
PME and learning cost	25,000	75,000	100,000
Project cost	1,165,718	3,497,155	4,662,874
SUMTOTAL COSTS	1,467,645	4,402,935	5,870,580

Remarks:

- (a) Budget Q1 according to no-cost extension of subsidies
- (b) Budget Q2-Q4 according to multi annual plan

Governance and Risks 2022

Organisational structure, Governance and Management

The Supervisory Board consists of a maximum of 5 members including the chair. The Supervisory Board (SB) supervises the Executive Director and has oversight responsibilities regarding NFP's general policies and organisational continuity responsibilities. They include specifically approving NFP's multi-annual strategy, annual budget, annual accounts, oversight on integrity, and risk management of the organisation. The SB is also the 'employer' of the Executive Director and supports the Executive Director with advice and suggestions. The SB members carry out these responsibilities both individually and jointly. Its current composition can be found in chapter General.

In 2022 the Executive Director and Managing Board was Myrtille Danse up till September 2022, where Han De Groot formally succeeded Myrtille in September 2022 ad interim (a.i.). The Executive Director was supported by an Operations Manager and a CFO/COO a.i. The team which supports the management is responsible for content, (staff) management, and finances within the confines of the mandates agreed with the Executive Director.

Financial Result for 2022

NFP has realised a positive result in 2022 of Euro 363.241, compared to Euro 392.890 in

2021. The financial result 2022 consists of 2 elements: 1) a positive result on projects in 2022 of Euro 138.840 concerns results from projects funded by third parties: YALTA IKEA Foundation (Euro 48.458) and NWP YEP Agro (Euro 90.382) 2) another positive result reflects on the projects of the start-up organisation Clim-Eat that NFP started hosting in 2022. These results reflect a total of Euro 224.401. For several projects initiated and managed, Clim-EAT independently raised external third-party funding for their projects. One specific project that Clim-Eat initiated, hosted, and managed was the Food pavilion at the CoP27 in Sharm El Sheikh. Clim-Eat managed to raise a substantial total of funds from third-party partners, co-hosts, sponsors, and contributors. The total balance of these external funds was higher than the actual costs that were budgeted and forecasted. Internal efficiency and lower costs of the CoP27 activities led to a surplus of funds remaining. Jointly with the external funding partners of Clim-Eat, discussion is currently ongoing on how to earmark further activities sequent to the CoP27, in the near future.

Financial ratios

A solvability ratio of 32,18% and a current ratio of 1,52 at balance closing date December 31, 2022, shows that NFP is sufficiently able to fulfil current operational and financial commitments.

Social responsibility policies

NFP's approach to social responsibility is guided by our social responsibility and policies. These cover issues such as NFP's values, integrity, diversity, equality, good employment practices (incl. code of conduct which includes a harassment policy), environmental stewardship, and social responsibility in the value chain (i.e., how NFP interacts with partners, donors, corporate partnerships, and suppliers).

Key risks and uncertainties

Risk analysis annual plan 2022

In 2022 several risks were identified that might affect the performance and final results of our work. The next table presents the overview of risks, the level of risk based on probability and impact for the organisation, as well as the most important mitigation actions that were put in place to diminish the risks.

Risk	Level of risk (probability and expected impact)	Risk mitigation
Food system transformation community platform		
Limited recognition of stakeholders of the added value of an online community platform	Low	<ul style="list-style-type: none"> Don't make the platform about NFP, put the FST purpose central <ul style="list-style-type: none"> Build further and leverage on the knowledge sharing role established by F&BKIP, and link and leverage to existing platforms used by this community (RVO / LNV berichten etc) Turn the online community into a one-stop shop for specific target groups with clear cooperation commitments with NFP, such as the EKN support facility and the collective impact coalition that receive backbone support of NFP (e.g. the EKN and each coalition has a working environment within the online platform) Make the platform personal so people can connect, engage, and feel ownership for further developing the content of the community Meet stakeholders where they are and develop content of the community by responding to their needs and requests Define a project plan with clear go / no go moments and which includes several test moments with user groups
Purpose and objectives of the online community are supply driven based on Dutch Diamond objectives	Low	<ul style="list-style-type: none"> Develop the online community in close collaboration with local partners in priority countries: Dutch Embassies, pool of experts, local subsidiaries of international partner organisations, etc. Use methodologies and support tools within the online environment that allow for co-creation of solutions and co-ownership of coalitions by local partners Include experts of LMICs in agenda setting activities, design sessions, Communities of Practice Conduct opportunities and risk assessments

Exploration / Initiation > 25 coalitions		
The Corona crisis continues so limited or no travelling to priority countries is possible which affects our connection with the LMIC context.	Low	<ul style="list-style-type: none"> Use our existing network of experts and partner organisations such as EKNs, WCDI, SNV, IFDC and Bopinc to conduct scoping and partnership initiation work at a local level Introduce additional tools and methodologies to improve our online facilitation Hire staff with proven knowledge and experience in facilitating online events Include in all project plans sufficient activity budget to support and monitor local activities on a distance
Easy to start many initiatives but it is challenging to exit an initiative	Medium	<ul style="list-style-type: none"> Clear criteria when an initiative moves from one phase of the coalition development process to the next and when NFP decides to stop providing further support Expectation management to stakeholders what they can and cannot expect from NFP in terms of time, service support, and resources Be clear from the start that NFP convenes and supports the coalition development process and does not take ownership of the initiative and its results. NFP is a facilitator and not an implementer. This implies that sometimes unpopular decisions need to be made Activate a sounding board with members that represent strategic stakeholders and develop an entry and exit procedure for NFP involvement in the coalition development process in which this sounding board has a strategic advisory role
Developing 10 Collective Impact Coalitions		
Partners of the collective impact coalitions NFP supports lack commitment or understanding of the necessity of achieving food systems transformation through collective impact	Low	<ul style="list-style-type: none"> Inform stakeholders / partners from the start of the coalition development process about collective approaches for FST Work with partners who want to invest in collective, food systems approach and have clear coalition ambition plans for each coalition that is being confirmed and supported by the coalition partners Promote evidence-based ways of developing coalition impact strategies Learn and communicate on the added value of collective approaches for (food) systems transformation
Coalitions don't contribute to food system transformation processes in LMIC	Low	<ul style="list-style-type: none"> NFP has developed a go / no go screening procedure that excluded coalition with no added value on food system transformations in LMIC at a very early stage Engage in a very early stage local network partners Contribute to the development of good quality scoping studies conducted by experts from our strategic partners
Partners only involve us in very early initiation phase and don't see added value for NFP in the implementation, acceleration, and scaling phase	Medium	<ul style="list-style-type: none"> Support coalition partners in including key features of collective impact in their coalition building strategy Offer resources to support the development of tools that relate to the key features of impact coalitions (in the first coalitions)
		<ul style="list-style-type: none"> Document lessons learned of coalition building process and develop a toolkit Invest in regular and clear communication on the added value of NFP backbone support throughout initiation, implementation and acceleration phases

Dutch diamond policy dialogue		
Offering this support in an effective way, considering that NFP is a small organisation, and this role requires diverse skills, networks and thematic knowledge.	Low	<ul style="list-style-type: none"> Partnership agreements are established with FoodFirst, SDG coalition and The Broker. Additional opportunities for strategic collaborations in this field of work will be explored. Hire policy dialogue / lobby & advocacy expert with experience in FST and train existing NFP staff Ensure relevant knowledge and skills of policy dialogue facilitator(s) to be able to guide discussions
NFP is not recognised in the Dutch Diamond FST field as a well-skilled, knowledgeable, and neutral facilitator of policy dialogues	Low	<ul style="list-style-type: none"> Continue the strategic collaboration on policy dialogues with Min LNV and Min BZ for the preparations of COP27 and other relevant international events that relate to food system transformation Position NFP as a facilitator of Policy Dialogue and communicate successful examples of the work of NFP in this field. Show added value of NFP in facilitating policy dialogues (e.g., NFP knows key stakeholders, makes practical arrangements, has skilled facilitators who are acquainted with the policy dialogue process)
New funding assured		
Funding contracts will not be renewed for a period of 3-5 years after 2022	Low	<ul style="list-style-type: none"> Develop timely a longer term strategy together with strategic stakeholders, and engage the funding agencies in this process Collect information about the outcome results of our current work and communicate this information externally Develop a SMART proposal for the ambitions of the next 3-5 years and present this on time to current and new funding agencies
The trend of reduced institutional funding will also affect NFP, and this requires a transition process to prepare the internal organisation for this new reality	High	<ul style="list-style-type: none"> Hire additional operational management support to guide this transition process and build capacity with current team members to manage the new funding reality Develop a longer term budget plan which indicates needed capacity and expected outcome results and have an end goal in mind, where do you want the organisation to be in 2030 in terms of needed expertise & capacity and align accordingly
Efficient and effective internal organisation		
The demands of our key customer groups to convene a food system transformation community platform and the coalition development process require new skills and competences of the NFP team.	Medium	<ul style="list-style-type: none"> Building experience and expertise in the coming years through current and new initiatives and activities Develop HR development plans, update function profiles and assess staff capacity. Develop follow up actions based on the outcome of the assessment Train key members of the team in the field of FST, community platform, coalition development, lobby &

		<p>advocacy and stimulate a train the trainer approach for knowledge to be shared with the wider team (especially in FST where all NFP members should have a certain level of knowledge & experience)</p> <ul style="list-style-type: none"> • Hire specific (senior) experts to increase knowledge and expertise either as NFP staff or through collaboration agreements with strategic partners • Expand and further consolidate a flexible pool of experts. NFP does not need to be able to be expert in all areas. Make very clear which strategic partners fulfil which expert role(s)
The fit between the newly introduced Holacracy method to organise the organisations' governance, and former ways of working, organisation values and expected management style.	Medium	<ul style="list-style-type: none"> • Evaluate how Holacracy is perceived by the team what works / what not and what needs to be done to improve ways of working of NFP • Adapt / further evolve Holacracy processes to increase the fit with what NFP needs and wants in this phase of organisational development • Stimulate personal leadership and proactive work behaviour • Ensure when hiring additional team members that they are in favour of self-management and have the right skills and mindset to work accordingly
Partial compliance with existing administrative rules and good practises	Low	<ul style="list-style-type: none"> • Annual audit • Clear communication with funding agencies on contractual requirements and reporting instructions
Administrative procedures cause delays in allocating funds and budget underspending	Medium	<ul style="list-style-type: none"> • Initiate an internal project to update the financial administrative procedures and hire temporary external support to assess and improve the administrative procedures and train the related staff members • Assure that the partners NFP works together with have track record in professional administration of funds • Develop together with partners quarterly or biannual progress reports to monitor budget spending and liquidity

Enterprise risk management

There were four main risks and uncertainties that can impact NFP's result and financial position: fluctuations in funding leading to reduced income for operations, taxable income risk, the internal control framework, and the timely spending of the planned annual budget 2022.

Securing long term funding risk

NFP's income in 2022 consisted for a substantial majority of a former Agri-ProFocus subsidy, combined with funding that originates from the participation in a MoFA commissioned fund for the Food and Business Knowledge Platform (F&BKP) which is implemented together with consortium partners Wageningen Center for Development Innovation (WCDI) and The Broker (TB), project funding from the Ministry of Agriculture, Nature and Food Quality (Magri), and funding for the YALTA project by IKEA foundation. These contracts provide a stable income for a fixed period, which ends on March 31, 2023.

The funding received from both Ministries and IKEA Foundation was a stable income for the year 2022 and upcoming Q1-2023. At the same time, it has been a high priority to secure further funding after the grant and commission period ends after the no-cost extension due March 31, 2023. As a result, part of the time and resources in 2022 were used for the development of the NFP Strategic Vision 2030, the Theory of Change, and for the engagement with funding agencies to start the negotiation for new funding timely. The results of these activities have been positive, and MoFA as well as MoAgri, verbally agreed to further support NFP for the upcoming Strategy 2030. During the upcoming months in Q1-2023 further details will be finalised, whereas a formal decision is to be expected in February/March 2023. NFP aims to establish, secure, and conclude future funding through a coordinated and cooperated grant agreement received from both mentioned Ministries.

Taxable income risk

A substantial part of NFP's income consists of a VAT taxable (Wet op de omzetbelasting 1968) commission. However, VAT is payable over a substantial part on NFP's income, based on earlier received VAT Tax advice, NFP fully deducts VAT paid on all received and booked purchase invoices. However, the full deduction of VAT paid on all received purchase invoices in 2021, has not yet been validated by the Dutch Tax Authorities.

Hence, NFP decided to make a provision for possible payable VAT on suppletion for 2021, next to a first substantial correction that has been made and already paid in 2022. In cooperation with an external VAT Tax Consultant, NFP is currently finalising the VAT position of 2021 and the provision for 2021 is therewith increased, based on the preliminary result for 2021. After the final definition of NFP's VAT position, NFP seeks to conclude a coordinated Tax Ruling with the Dutch Tax Authorities in order to fully mitigate any further possible risk.

Preliminary insights of the running analysis 2021 already resulted in substantial corrective VAT filing for the year 2022. Therewith, we have mitigated any further exposure to VAT risks in 2022.

Internal control framework

NFP is a new foundation but builds on the internal procedures and track record of the former APF foundation. The new strategic ambitions and the termination of the local office structure required a revision and adaptation of the administrative procedures and control framework. In 2021 NFP has successfully implemented changes to existing procedures, such as the procurement procedure of products and services, and the development of new procedures such as the procedure to respond to fraud and harassment. This has contributed to an internal control framework that responds better to the activities of the organisation. At the same time, other opportunities for further improvement of the efficiency and effectiveness of the operations and administration were identified. The annual plan 2022 includes a specific KPI for this matter. In 2022 our Internal Control Framework was further redesigned with the 'New Way of Working' of NFP. The revised internal control framework has better integrated mechanisms for operational monitoring, compliance, reporting, and checks and balances for accountability. In 2022 NFP enhanced the efficiency and effectiveness of its grants control framework by simplifying its overall descriptions and processes, where the ERP system is currently able to facilitate us by doing so.

Timely spending of the planned budget

Internal organisation transition challenges together with an internal organisation change project and further prioritising resources towards securing future funding activities, resulted in the challenge to spend the budget planned.

NFP maintains a balance between taking and managing risk inherent to our strategic choices. While our risk appetite is generally low, there are exceptions when we accept some risk within projects in order to reach our objectives and meet the grant conditions.

Primary responsibility for implementing policies and procedures rest with project, program, administrative and financial staff. The Executive Director, supported by the Operations Manager and the CFO/COO a.i. ensure the proper functioning of risk measures. The Audit Committee and Supervisory Board provide oversight on risk mitigation measures.

NFP risk profile can be summarised as follows:

Category	Risk appetite	Key mitigation measures
Organisation, strategic risks	Moderate	Strategic and business plan process
Project, (re)grant management & (VAT) compliance risks	Zero	Policies & procedures, risk registers, training, and VAT provision 2021
Internal Control Framework	Zero	Policies & procedures, internal controls, external audits & whistle-blower facility

Financial statements 2022

Balance sheet as of December 31, 2022

(Before appropriation of result)

ASSETS

in Euro	notes	December 31, 2022	December 31, 2021
Non-current assets			
Intangible fixed assets	1	8.885	26.472
Tangible fixed assets	2	<u>101.238</u>	<u>81.194</u>
		110.123	107.666
Current assets			
Receivables, prepayments and accrued income			
- Trade debtors	3	163.157	137.960
- Other taxes and social security charges	4	-	41.710
- Other receivables	5	1.261.791	797.008
- Prepayments and accrued income		<u>118.376</u>	<u>154.371</u>
		1.543.324	1.131.049
Cash and cash equivalents	6	1.487.661	1.608.992
		<u>3.141.108</u>	<u>2.847.707</u>
TOTAL ASSETS			

LIABILITIES

in Euro	notes	December 31, 2022	December 31, 2021
Reserves	7	1.010.953	647.712
Provisions	8	134.426	70.169
Current liabilities	9		
- Trade creditors		216.952	183.845
- Current account hosts		6.307	6.307
- Other taxes and social security charges		544.576	96.930
- Other liabilities and accrued liabilities		<u>1.227.894</u>	<u>1.842.744</u>
		1.995.729	2.129.826
TOTAL LIABILITIES AND RESERVES		<u>3.141.108</u>	<u>2.847.707</u>

Statement of revenues and expenditures 2022

in Euro	notes	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Subsidies and funding	10	3.591.303	5.722.933	-2.131.630	2.300.217
Income projects: subsidy and commissioning	11	1.192.388	2.458.932	-1.266.544	791.912
Income projects: others	12	1.516.172	415.228	1.100.944	434.081
Other income	13	<u>58.112</u>	<u>51.020</u>	<u>7.692</u>	<u>-</u>
Total revenues		6.358.575	8.648.113	-2.289.538	3.526.210
Expenses					
Project costs					
Outsourced work and external charges	14	2.345.319	4.083.243	-1.737.924	1.095.991
Cost of management and administration					
Wages and salaries	15	1.675.863	1.865.200	-189.337	1.204.046
Social security charges	16	337.388	463.012	-125.624	256.751
Pension charges		168.821	217.776	-48.955	130.184
Amortisation and depreciation	17	43.617	42.371	1.246	24.508
Other personal expenses	18	201.026	315.000	-113.974	97.761
Housing expenses	19	85.194	83.439	1.755	67.550
Office expenses	20	95.185	91.873	3.312	55.143
Network building	21	53.198	78.544	-25.346	22.992
Organisation development costs	22	348.915	382.760	-33.845	52.350
General expenses	23	<u>638.705</u>	<u>455.853</u>	<u>182.852</u>	<u>112.223</u>
		<u>3.647.912</u>	<u>3.995.828</u>	<u>-347.916</u>	<u>2.023.508</u>
Total expenses		5.993.231	8.079.071	-2.085.840	3.119.499
Operating result		365.344	569.042	-203.698	406.711
Financial income and expenses	24	<u>-2.103</u>	<u>-10.000</u>	<u>7.897</u>	<u>-13.821</u>
Result		<u>363.241</u>	<u>559.042</u>	<u>-195.801</u>	<u>392.890</u>
Result appropriation					
- Unappropriated result 2019/2020		-			318.933
- Destination Fund (result ClimEat)		224.401			0
- Continuity reserve		<u>138.840</u>			<u>73.957</u>
		<u>363.241</u>			<u>392.890</u>

Notes to the financial statements

1. ORGANISATION

Please find the annual account of Stichting Netherlands Food Partnership (NFP).

The financial statements have been prepared in accordance with the Guideline for Reporting by Not-for-profit organisations and with due observance of the Financial Regulations for subsidies of the Dutch Ministry of Foreign Affairs/Development Cooperation.

The annual accounts have been compiled after appropriation of the results, and all amounts in the explanatory notes are denominated in euros. The accounting principles applied to the valuation of assets and liabilities, and the determination of results in these financial statements, are based on the assumption of continuity of the organisation.

2. GENERAL NOTES

2.1 Estimates

The preparation of the financial statements requires management to form opinions and make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

The following accounting policies are in the opinion of management the most critical for the purpose of presenting the financial position and require estimates and assumptions:

- Useful life intangible and tangible fixed assets.
- Completion phase of projects.
- Allocation of results of projects over years.

3. VALUATION PRINCIPLES

3.1 General

The financial statements have been prepared in accordance with the statutory provision of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements set out in par. 640 of the Guidelines for Annual Accounting in the Netherlands as issued by the Dutch Accounting Standards Board (RJ640). As a rule, assets and liabilities are presented at acquisition or manufacturing price or at current value. If no specific valuation principle is given, valuation is based on the acquisition price. The Balance sheet, statement of income and expense include references to the explanatory notes.

Income and expenses are accounted for on an accrual basis. Profit is only included when realised 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 services are recognized 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.

3.2 Going concern

3.2.1 Going concern assessment (Continuity)

These annual accounts have been prepared under the assumption of going concern. Based on 2022 and forward-looking scenario analysis, NFP has no reason to doubt the continuity of the organisation.

3.2.2 No material uncertainty

While NFP recognizes that the world in post-Covid and with the ongoing war on Ukraine brings increased levels of uncertainty, our financial position gives the Executive Director confidence in the organisation's ability to continue meeting its goals. We can conclude that at this point, there is no material uncertainty that will cast significant doubt upon NFP's ability to continue as a going concern.

3.3 Comparison with the previous year

Compared with 2021, the overview of 'Incomes Projects' in the Statement of revenues and expenditures are presented in a detailed way. There are no changes in accounting principles in 2022 and consequently no adjustments with previous year have been made in the annual accounts.

3.4 Translation of foreign currencies

Assets and liabilities denominated in foreign currencies at the balance sheet date are reported using the closing exchange rate. Foreign currency transactions are translated to Euro at the exchange rate prevailing on the date of transaction.

Exchange differences arising on the settlement of transactions at rates different from those at the date of transaction, and unrealised foreign exchange differences on unsettled foreign currency assets and liabilities, are recognized in the statement of revenues and expenditures.

3.5 Intangible fixed assets

Intangible fixed assets are presented at cost less accumulated amortisation and, if applicable, less impairments in value. Amortisation is charged as a fixed percentage of cost, as specified more detailed in the notes to the balance sheet. The useful life and the amortisation method are reassessed at the end of each financial year.

An intangible fixed asset is recognized in the balance sheet if:

- It is probable that the future economic benefits that are attributable to the asset will accrue to the group.
- And
- The cost of the asset can be reliably measured.

Costs relating to intangible fixed assets not meeting the criteria for capitalization are taken directly to the profit and loss account. Intangible fixed assets are carried at the lower of cost or purchase price net of accumulated amortisation and their net realisable value (being the higher of value in use and fair value less costs to sell). Intangible fixed assets are amortised on a straight-line basis over their expected useful economic lives, subject to a maximum of 20 years. The economic useful life and the amortisation method is reviewed at each financial year-end.

3.6 Tangible fixed assets

Tangible fixed assets are presented at costs less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, considering any residual value. Depreciation is provided from the date an asset comes into use. Periodical major maintenance is capitalised according to the components approach, with which the aggregate expenditures are allocated to the component parts.

3.7 Current assets

All receivables have an estimated maturity shorter than one year. The carrying values of the recorded receivables are a reasonable approximation of their respective fair values, given the short maturities of the positions and the fact that allowances for expected credit losses have been recognized.

3.8 Receivables, prepayments and accrued income

Receivables are valued at nominal value, if necessary, considering a provision for possible bad debts.

3.9 Cash and cash equivalents

Cash and cash equivalents consist of banks and short-term deposits that mature in less than twelve months. Negative current accounts at banks are classified under debts to credit institutions under current liabilities. Cash and cash equivalents are valued at nominal value.

3.10 Current liabilities

Debts are valued at nominal value. Current liabilities have an expected maturity shorter than one year.

3.11 Provisions

Provisions are formed for liabilities and risks connected to the business operations. They do not pertain to specific assets. Provisions are presented at the best estimate of the amounts needed to settle the liabilities as at the balance sheet date. Provisions are presented at the face value of the projected expenditure required to settle the liabilities, unless stated otherwise. A prerequisite for a provision is that a reliable estimate can be made. If it is not possible to make a reliable estimate and the impact could be material, this contingent liability is described in the notes of the financial statements.

3.12 Reserves

A reserve is presented if there is a legal requirement (e.g., revaluation reserve and legal reserve for participating interests) and if the Executive Board has decided to form a reserve for a specific purpose.

3.13 Long-term liabilities

Upon initial recognition, long-term liabilities are presented at fair value and are denominated in Euro. Any translation differences are taken to the statement of income and expense. Project liabilities represent all liabilities that NFP has in connection with financing agreements entered with implementing partners.

4. PRINCIPLES FOR THE DETERMINATION OF RESULTS

4.1 General

The result is determined as the difference between the revenues and the costs over the year under review, in accordance with the accounting principles already mentioned above.

The revenues and expenses are recognized in the period to which they refer, based on historical cost. Losses are accounted for when foreseeable; revenues are accounted when realised.

Revenues concern subsidies, income from projects and other income.

4.2 Subsidies and funding

Subsidies and other public funding from the Ministry of Foreign Affairs (MoFA) and the Ministry of Agriculture, Nature and Food Quality are presented initially as revenues received in advance in the balance sheet if there is a reasonable degree of certainty that they will be received, and all relevant conditions will be met. Subsidies granted as compensation for expenses incurred by the foundation are included in the profit and loss account in the same period as the period in which cost have been made.

4.3 Income from projects

Revenues from services are recognized in the statement of revenues and expenditures, when the amount of the revenues can be reliably determined; the collection is probably and the phase of completion at balance sheet date (the costs made and costs to be made to finalise the services) can be determined in a reliable way. If the result of a project cannot be determined reliably, the zero-profit method is used. This means revenues are only shown as far as costs of projects are covered by revenues.

4.4 Outsourced work and external charges

Costs are based upon a historical basis and allocated to the year to which they relate.

4.5 Pensions

Stichting Netherlands Food Partnership (NFP) has a defined pension scheme for its employees. Eligible employees are entitled to a pension on retirement age that is calculated based on the average wage earned over the years that the employee has built up pension at NFP.

The obligations, arising out of these rights of its staff, are attended at the pension fund 'Zorg en Welzijn'. NFP pays contributions of which half is paid by the employer and half by the employee.

The retirement benefits are indexed annually, if and as far as the coverage of the pension fund (the equity of the pension fund divided by her financial liabilities) allows.

The coverage ratio of the pension fund as of December 31, 2022, is 111.6%. The pension fund foresees no need for the contributing institutions to carry out additional deposits or to otherwise increase contributions. NFP has no obligation to pay additional contributions in case of a deficit at the pension fund, other than the impact of higher future contributions. NFP has therefore only accounted for the contributions payable to the end of the year.

4.6 Amortisation and depreciation

The amortisation of the intangible fixed assets is calculated using fixed percentages of the purchase price of software. The depreciation on tangible fixed assets is calculated by using a fixed rate on the purchase price based on the expected life cycle. Financial profit and losses on disposal of tangible fixed assets are recorded under depreciation, profit only to the extent that the profit is not deducted from replacement investments.

4.7 Financial income and expenses

Interest income and expenses concern interest income during the reporting period.

Notes to the Balance Sheet

(In Euro)

Fixed assets

1 Intangible fixed assets

	<u>Software</u>
Opening balance per January 1, 2022	
Purchase price	87.932
Accumulated amortisation	<u>-61.460</u>
Book value opening balance	<u>26.472</u>
Changes	
Amortisation	-17.587
Closing balance per December 31, 2022	
Purchase price	87.932
Accumulated amortisation	<u>-79.047</u>
Book value closing balance	<u>8.885</u>
 Amortisation rate	 <u>20%</u>

2 Tangible fixed assets

	Inventory	Tangible fixed assets in progress	Total
Opening balance per January 1, 2022			
Purchase price	38.947	66.988	105.935
Accumulated depreciation	-24.741	-	-24.741
Book value opening balance	14.206	66.988	81.194
Changes			
Investments	113.062	-66.988	46.074
Divestments	-6.964	-	-6.964
Depreciation	-26.030	-	-26.030
Depreciation divestments	6.964	-	6.964
Total changes	87.032	-66.988	20.044
Closing balance per December 31, 2022			
Purchase price	145.045	-	145.045
Accumulated depreciation	-43.807	-	-43.807
Book value closing balance	101.238	-	101.238
Depreciation rate	20%		

Current assets

3 Trade debtors

	12/31/2022	12/31/2021
Trade debtors	163.157	137.960
Provision doubtful debtors	-	-
	163.157	137.960

Trade debtors are based on grant receivables.

4 Other taxes and social security charges

	<u>12/31/2022</u>	<u>12/31/2021</u>
Value-added tax	-	41.710

5 Other receivables

	<u>12/31/2022</u>	<u>12/31/2021</u>
KP commissioning to be invoiced	1.243.152	778.232
Other miscellaneous receivables (rent)	18.639	18.776
	<u>1.261.791</u>	<u>797.008</u>

6 Cash and cash equivalents

	<u>12/31/2022</u>	<u>12/31/2021</u>
Rabobank current account	1.380.775	194.160
Rabobank saving account	91.280	1.399.226
Rabobank bank guarantee	15.606	15.606
	<u>1.487.661</u>	<u>1.608.992</u>

The cash at Bank are at free disposal of the Foundation, except an amount of 15.606 euro for a bank guarantee.

7 Reserves

Statement of changes in reserves

	Continuity reserve	Destination Fund	Unappropriated result
Opening balance per January 1, 2021	573.755		-318.933
Financial result 2021	-		392.890
Closing balance per December 31, 2021	573.755		73.957
Result appropriation 2021	73.957		-73.957
Financial result 2022 CimEat	-	224.401	
Financial result 2022	-		138.840
Closing balance per December 31, 2022	647.712	224.401	138.840

The continuity reserve is not freely disposable.

Proposal appropriation of the results

Proposed, is to allocate the result of Euro **138.840** for the year 2022 to the continuity reserve and directly relates to NFP activities.

The second part of the positive result of **EUR 224.401** directly relates to the activities of Clim-Eat. This positive balance is destined and earmarked by Clim-Eat and its partners who jointly organised and co-funded the COP27 project in Sharm El Sheikh. The positive balance initially resulted due to a higher forecast of costs than actuals. Because Clim-Eat is finding themselves at the beginning of their organisational life cycle, there was no previous organisational learning in regard to organising a substantial event like the Food Pavilion at COP27. Furthermore, there were many uncertainties of actual planning and cost, since it was mandatory for Clim-Eat to make use of a specific appointed UN service provider. Hence, these circumstances made it difficult to make an estimated forecast which was on par.

This positive balance should not be appropriated to the continuity reserve of NFP, due to contractual grant-, sponsor- and partner agreements between Clim-Eat and its external partners. Hence, these results are placed in a specific destination fund of Clim-Eat and will be used for further activities of Clim-Eat with all their external partners to follow up on the actions resulting from the COP27.

According to article 12 of the statutes of Stichting Netherlands Food Partnership the Supervisory Board ratifies and signs the financial statements.

Financial Result 2022

The financial result 2022 solely related to NFP activities consists of a modest positive result on projects in 2022. The positive result from NFP Activities of **Euro 138.840**, is a consolidated of third-party funding YALTA IKEA Foundation and NWP YEP Agro.

Appropriation of result 2021

In accordance with the decision of the executive director and the supervisory board, and approved by the Ministry of Foreign Affairs (June 30, 2022), the positive result of 2021 Euro 73.957 has been added to the continuity reserve.

8 Provisions

	Value Added Tax
Opening balance per January 1, 2022	70.169
Addition	64.257
Closing balance per December 31, 2022	134.426

Part of NFP's income consists of a VAT taxable (Wet op de omzetbelasting 1968) commission. However, VAT is payable over a part on NFP's income, NFP fully deducted VAT paid on all received and booked purchase invoices based on an earlier informal received VAT advice. NFP did not yet renew this previous agreement with the Tax Authorities, which may imply a partial rejection of the VAT Tax deductible request. Hence, and to correct this, NFP decided to create a provision for possible payable VAT on suppletion for 2021 and 2022. These insights are based on the VAT analysis of NFP and the forthcoming advice from our external VAT Tax Consultant.

The provision is increased with additional Euro 25.257 in 2022 in regard to further VAT corrections needed for NFP invoiced activities in 2022. Furthermore, Euro 39.000 was added in regard to NFP third-party invoices, sent to partners of Clim-Eat in regards to COP27 activities invoiced in 2022. NFP aims to conclude and seek a coordinated Tax Ruling with the Dutch Tax Authorities together with NFP's external VAT Tax Consultant in 2023, in order to fully mitigate any further possible future VAT risk.

9 Current liabilities

	<u>12/31/2022</u>	<u>12/31/2021</u>
<i>Current account hosts</i>		
Current account host Niger	<u>6.307</u>	<u>6.307</u>

As all Agri-ProFocus Country Offices were closed on December 31, 2020, in preparation for the organisational change of Agri-ProFocus into Netherlands Food Partnership, all country office hosting contracts were discontinued per December 31, 2020, and all current account hosts as well as foreign bank accounts held by the hosts, were closed in 2021. One hosting relationship is waiting to be closed, the relationship with the host in Niger. This is due to a EU funded project co-implemented by the former Agri-ProFocus Niger office. As soon as discharge for the project regarding 2019 and 2020 is received, this current account host and foreign bank account will also be closed. This most likely takes place in 2023.

	<u>12/31/2022</u>	<u>12/31/2021</u>
<i>Other taxes and social security charges</i>		
Wage tax and social security charges	141.728	96.473
Value-added tax	314.136	-
Pension charges	<u>88.712</u>	<u>457</u>
	<u>544.576</u>	<u>96.930</u>
<i>Other liabilities and accrued liabilities</i>		
Ministry of Foreign Affairs: prepaid subsidies	389.468	1.021.558
Ministry of Agriculture, Nature and Food Quality: prepaid subsidies	212.625	207.326
Liabilities projects other funders	240.605	186.791
Holiday payment reservations	67.342	59.050
Holiday day reservations	153.577	139.547
Other amounts to be paid	<u>164.277</u>	<u>228.472</u>
	<u>1.227.894</u>	<u>1.842.744</u>

Off-balance sheet commitments

Rental obligations

The annual rent obligation for the office in Utrecht amounts to 118,470 euro. The rent for the period after 2022 amounts to 256,685 euro. The amount of the rental obligation for the office in Utrecht, longer than 5 years, is 0 (zero). The rent ends March 1, 2026.

Notes to the statement of revenues and expenditures (In Euro)

10 Subsidies and funding

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Ministry of Foreign Affairs: general subsidy	1 701 732	2 083 680	-381 948	1 377 658
Ministry of Foreign Affairs: knowledge platform commissioning	1 692 112	3 639 253	-1 947 141	922 559
Ministry of Agriculture, Nature and Food Quality: general subsidy	197 459	0	197 459	-
	<u>3 591 303</u>	<u>5 722 933</u>	<u>-2 131 630</u>	<u>2 300 217</u>

January 1, 2021, the KP secretariat merged with Agri-ProFocus into the Netherlands Food Partnership. The KP assignment is implemented by a consortium consisting of NFP, WCDI and the Broker. This audited report only includes the part of the MoFA KP assignment, directly executed by NFP. The expenditures under the KP assignment, executed by WCDI and The Broker, do not pass through the NFP financial records. This audited report is completed by a project audit, endorsed by the NFP auditors, regarding the expenditures executed by The Broker and WCDI under the KP assignment and audited by their own auditors.

Another important note is that the funding from MoFA, both the general subsidy and the KP Commissioning is spent on both projects and organisational costs. Here, at point 10, you find the coverage from MoFA funding regarding organisational costs. This while the use of MoFA funding for direct project costs can be found under note 12 'income projects'.

In 2022 realization of MoFA income both from the general APF/NFP subsidy and the MoFA KP assignment was largely in line with the revised budget 2022, namely 80%. This part of the income from MoFA covers the NFP organisational costs, including seconded staff of the KP consortium partners WCDI and The Broker, as well as organisational development costs. These subsidies are structural.

11 Income projects: subsidy and commissioning

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Income projects Ministry of Foreign Affairs general subsidy	312 808	384 070	-71 262	68 534
Income projects Ministry of Foreign Affairs knowledge platform commissioning	402 339	953 112	-550 773	450 704
Income projects Ministry of Agriculture, Nature and Food Quality	477 241	1 121 750	-644 509	272 674
	<u>1 192 388</u>	<u>2 458 932</u>	<u>-1 266 544</u>	<u>791 912</u>

The above shows the project income from Dutch government. These subsidies are structural. Project income from other sources is indicated in note 13. As the character of the organisation and the way it is funded has changed significantly with the creation of NFP per January 1, 2021, comparison to the realisation of 2020 does not add value. Realisation in 2022 in comparison to the budget 2022 shows a lower project income realised vs planned, namely 59%. The set-up of coalitions, including facilitation of the creation of a common agenda carried by all coalition partners, takes more time than expected. However, the total initiatives supported and NFP output delivery increased in 2022 and the budget expenditure slightly increased compared with 2021.

We can observe a substantial rise in expenditures towards the end of 2022 and the forecast is that this will further continue towards Q1-2023. NFP's 'New Way of Working' has been implemented in Q4-2022 which results in an integrated structural improvement of project implementation onwards in 2023. Therefore, the expectation is that project budget spending will get further 'on par' onwards in 2023.

12 Income projects: others

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
External ClimEat donors (CoP27)	1.061.262	-	1.061.262	-
External donor IKEA (YALTA)	358.208	322.253	35.955	358.570
Other NFP donors	6.320	-	6.320	20.630
Service staff	90.382	92.975	-2.593	54.881
	<u>1.516.172</u>	<u>415.228</u>	<u>1.100.944</u>	<u>434.081</u>

Next to project income from the Dutch government, NFP receives income for specific projects from a/o IKEA foundation for the YALTA project (structural) and Netherlands Water Partnership for support to the YEP-program (services staff: structural). Realisation of the services in connection to the YEP program have been realised slightly lower than planned, since the NFP employee involved has left NFP in Q4-2022.

13 Other income

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Rental BoPInc	58.712	51.020	7.692	-
Other	-	-	-	-

NFP is subletting its office space to BoPInc for 50% of the week. This means that NFP receives rental income based on this rental agreement between NFP and BoPInc.

14 Outsourced work and external charges (project expenditures)

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
External experts and consultants	1.504.203	4.083.243	-2.579.040	974.854
Travel cost and accommodations	109.975	-	109.975	34.363
PR material and media	93.764	-	93.764	21.007
Meeting rooms and packages	637.377	-	637.377	65.767
	<u>2.345.319</u>	<u>4.083.243</u>	<u>-1.737.924</u>	<u>1.095.991</u>

The NFP budget 2022 does not distinguish between the different types of project cost as the NFP project activities are very diverse and adapt to the plans of the coalitions and partners we work with, as context during implementation changes. This year, post-Covid travelling to project sites was possible again by our own NFP staff. Travelling, local events and local consultancy of foreign experts picked up again as well, which reflects in the increase of actual expenditure. With a fresh memory of Covid-19 we initially did not foresee and budget much on external travel.

15 Wages and salaries

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Staff costs NFP	1.564.571	1.850.000	-285.429	1.265.635
Cost regional staff	-	-	-	7.773
Change holiday reservations	14.030	17.200	-3.170	15.091
Temporary employees	240.198	194.891	45.307	1.596
Sick leave payments received	-142.936	-196.891	53.955	-86.049
	<u>1.675.863</u>	<u>1.865.200</u>	<u>-189.337</u>	<u>1.204.046</u>

The actual realisation of Staff costs resulted in lower costs than budgeted. The first and main reason is that the initial budget forecast was based on 30 FTE as this was based on the knowledge and perspective NFP started with at the beginning of 2021. Employees who left NFP in 2022, were not replaced and because NFP found itself in a transition year of change and reorganisation, no new employees were hired until the new 'fit to purpose' organisation design to meet the Strategy 2030 goals became clear. Temporary office staff stayed longer as planned due to a slight scope extension relating to the change project that was lounged in 2022.

Our collaboration with consortium partners WCDI and The Broker helped to compensate for staff member absence and fill the positions with additional temporary consultancy support, next to the already permanent seconded staff of The Broker in 2021 and 2022.

Staff

During 2022 on average 25 employees (2021: 19) were employed, converted to full-time equivalents. The expanding number of employees on NFP's payroll can be related to the fact that starting 2022 NFP is supporting and hosting the Clim-Eat organisation. Of the total number of employees mentioned, 6 employees are dedicated Clim-Eat staff members in 2022.

16 Social security charges

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Social security charges	256.727	345.020	-88.293	185.094
Sick pay insurance costs	80.661	117.992	-37.331	71.657
	<u>337.388</u>	<u>463.012</u>	<u>-125.624</u>	<u>256.751</u>
Pension charges	<u>168.821</u>	<u>217.776</u>	<u>-48.955</u>	<u>130.184</u>

As a result of a continued relatively long sick leave of one employee, the absence insurance premium was increased.

17 Amortisation and depreciation

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
<i>Amortisation intangible fixed assets</i>				
Software	17.587	17.600	-13	17.587
<i>Depreciation tangible fixed assets</i>				
Inventory	<u>26.030</u>	<u>24.771</u>	<u>1.259</u>	<u>6.921</u>
Total amortisation and depreciation	<u>43.617</u>	<u>42.371</u>	<u>1.246</u>	<u>24.508</u>

18 Other personnel expenses

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Travel and lodging expenses staff	59.900	56.762	3.138	7.292
Training, education, recruitment and careerpath	81.703	183.357	-101.654	55.620
Team meeting costs	22.207	14.700	7.507	2.036
Other staff expenses	<u>37.216</u>	<u>60.181</u>	<u>-22.965</u>	<u>32.813</u>
	<u>201.026</u>	<u>315.000</u>	<u>-113.974</u>	<u>97.761</u>

Although travel and lodging expenses of NFP staff picked up again during 2022, due to hybrid working, this shows substantially less actual expenditure compared with budget 2022. Due to the transition of the organisation, NFP took into account the possibility of change in existing staff and budgeted for transition costs. These transition costs did however not materialise yet in 2022.

19 Housing expenses

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Rent	<u>85.194</u>	<u>83.439</u>	<u>1.755</u>	<u>67.550</u>

Rent of the office in Utrecht is in line with the rental contract and yearly indexation.

20 Office expenses

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Office supplies	6.154	22.000	-15.846	1.502
Automation expenses	31.670	14.228	17.442	10.707
Telephone and postage expenses	5.258	3.339	1.919	3.750
Financial services and software	34.215	42.160	-7.945	30.976
Miscellaneous personnel expenses office	9.003	7.590	1.413	3.432
Cleaning expenses	8.885	2.556	6.329	4.776
	<u>95.185</u>	<u>91.873</u>	<u>3.312</u>	<u>55.143</u>

Office expenses were largely realised as budgeted for. The costs of financial services and software were higher than budgeted mainly because of the reconfiguration of our ERP system and expanding the scope with the development of event management, contract management and completing the reconfiguration based on the blueprint and data model that has been designed to facilitate in the 'New Way of Working'.

21 Network building

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Advertising	31.522	26.974	4.548	13.374
Thematic & general network activities	19	-	19	-
Travel and lodging expenses participants	983	-	983	-
Hire external venue including food and beverage	6.779	-	6.779	-
Social media/on-line platform	10.992	50.250	-39.258	8.433
Representation	<u>2.903</u>	<u>1.320</u>	<u>1.583</u>	<u>1.185</u>
	<u>53.198</u>	<u>78.544</u>	<u>-25.346</u>	<u>22.992</u>

In 2022 the value proposition of NFP was further developed. Therewith, substantial advertising costs were made related to increased NFP's marketing activities.

22 Organisation development costs

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Backbone Methodology Development	189.308	125.000	64.308	-
Backbone Expertise	<u>159.607</u>	<u>257.760</u>	<u>-98.153</u>	<u>52.350</u>
	<u>348.915</u>	<u>382.760</u>	<u>-33.845</u>	<u>52.350</u>

The development of an interactive online knowledge platform for the NFP network community started in 2022 and reflects in the Backbone Methodology Development. The realisation of Backbone Experts is in line with the revised budget 2022 and consists of Consultancy costs made for the Change Project regarding the design of an integrated data modelling and re-configuration costs of our ERP consultants.

23 General expenses

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
Audit	22.520	35.000	-12.480	28.647
Hire external experts	280.752	182.120	98.632	10.450
Insurance	2.954	2.372	582	1.817
Contribution and subscription	9.046	7.940	1.106	6.967
Uncollectable amounts	-	-	-	702
Local taxes	3.672	-	3.672	8
Addition provision VAT 2021	25.257	-	25.257	70.169
Provision VAT ClimEat 2022	39.000	-	39.000	-
Extraordinary gains/losses (incl. correction VAT 2022)	<u>255.504</u>	<u>228.421</u>	<u>27.083</u>	<u>-6.537</u>
	<u>638.705</u>	<u>455.853</u>	<u>182.852</u>	<u>112.223</u>

Realisation is largely as foreseen in the budget 2022. However, the hiring of external experts was higher than budgeted, due to the extensions of contracts that initially were planned for a shorter period than realistic given the circumstances of tight resource planning and scope extension due to optimising the proposal Strategy 2023 to secure future funding. Besides that, higher costs were spent on hiring external VAT and CIT Tax Advise. Therewith, additional provision VAT 2021 needed to be increased, based on the preliminary analysis result performed by the external Tax Advisor. With the current knowledge and results of the VAT analysis 2021, we have made an additional VAT correction in 2022 of Euro 248.494.

24 Financial income and expenses

	Realization 2022	Revised Budget 2022	Difference 2022	Realization 2021
<i>Interest and similar expenses</i>				
Banking costs and commission	5.119	10.000	-4.881	10.502
Currency exchange rate differences	-3.016	-	-3.016	3.319
	<u>2.103</u>	<u>10.000</u>	<u>-7.897</u>	<u>13.821</u>

As negative interest on bank accounts was introduced in the Netherlands in 2021. Overall, the bank costs are lower than budgeted for, mainly because Banks stopped raising negative interest on bank balances.

25 Subsequent events

There are no specific subsequent events to report.

Remuneration of the Executive Board (WNT)

Report pursuant to the Dutch Remuneration of Senior Executives in the Public and Semi-Public Sector (standardisation) Act (Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector, 'WNT')

Notes on the preparation of the WNT report

The report pursuant to the WNT (Standards for Remuneration act) presented in this section is based on the applicable legislative framework and the Audit Protocol, as issued by the Dutch Ministry of the Interior and Domestic Relations. The applicable remuneration maximum according to WNT in 2022 for NFP is € 199.000.

1. Remuneration of senior executives and former senior executives with employment contracts

Name Title	Mrs. M.G. Danse Managing Director	Mr. J. De Groot Managing Director
Date start and end in 2022	01/01 - 30/09	01/09 - 31/12
part-time %	100% for WNT: 1 fte	100% for WNT: 1 fte
Employee	Yes	Yes
Remuneration		
Remuneration and taxable reimbursements	€ 90.498	€ 30.851
Provision for future remuneration	€ 9.820	€ 3.395
Subtotal	€ 100.319	€ 34.246
Applicable WNT maximum	€ 149.250	€ 66.333
Undue payment	n/a	n/a
Total remuneration	€ 100.319	€ 34.246
Justification for excess remuneration	n/a	n/a
Explanation claim for undue payment	n/a	n/a

Comparative data 2021

Name Title	Mrs. M.G. Danse Managing Director
Date start and end in 2021	01/01 - 31/12
part-time %	100% for WNT: 1 fte
Employee	Yes
Remuneration	
Remuneration and taxable reimbursements	€ 104.959
Provision for future remuneration	€ 11.682
Subtotal	€ 116.641
Applicable WNT maximum	€ 191.000
Undue payment	n/a
Total remuneration	€ 116.641
Justification for excess remuneration	n/a
Explanation claim for undue payment	n/a

2. Remuneration of senior executives and former senior executives without employment contracts

Remuneration of Supervisory Board Members - no employment contract

Name	Mrs. S.J.C.W. van Tilburg	Mrs. J.A.P. Nieboer Vice-Chair / Chair Financial Audit Committee	Mr. L.G. Silvis	Mr. R. Ruben	Mrs. H. Verburg
Title	Chair		Member	Member	Member
Date start and end in 2022	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12
Remuneration					
Total remuneration	€ 9.000	€ 6.000	€ 6.000	€ 7.786	€ 6.000
Applicable WNT maximum	€ 29.850	€ 19.900	€ 19.900	€ 19.900	€ 19.900
Undue payment not yet received in return	n/a	n/a	n/a	n/a	n/a
Justification for excess remuneration	n/a	n/a	n/a	n/a	n/a
Explanation claim for undue payment	n/a	n/a	n/a	n/a	n/a

Comparative data 2021

Name	Mrs. S.J.C.W. van Tilburg	Mrs. J.A.P. Nieboer Vice-Chair / Chair Financial Audit Committee	Mr. L.G. Silvis	Mr. R. Ruben	Mrs. H. Verburg
Title	Chair		Member	Member	Member
Date start and end in 2021	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	01/08 - 31/12
Remuneration					
Total remuneration	€ 12.000	€ 6.000	€ 6.000	€ 4.500	€ 1.000
Applicable WNT maximum	€ 28.650	€ 19.100	€ 19.100	€ 19.100	€ 19.100
Undue payment not yet received in return	n/a	n/a	n/a	n/a	n/a
Justification for excess remuneration	n/a	n/a	n/a	n/a	n/a
Explanation claim for undue payment	n/a	n/a	n/a	n/a	n/a


Utrecht, April 2023
Stichting Netherlands Food Partnership

The Managing Director
Mr. I.M.A.A. Demmers


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The Supervisory Board:
Mrs. S.J.C.W. van Tilburg

DocuSigned by:

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Mrs. J.A.P. Nieboer

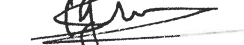
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Mr. R. Ruben

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Mr. L.G. Silvis

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Mrs. H. Verburg

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Overige gegevens

INDEPENDENT AUDITOR'S REPORT

To: the board and the supervisory board of Stichting Netherlands Food Partnership

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements 2022 of Stichting Netherlands Food Partnership based in Utrecht.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Netherlands Food Partnership as at 31 December 2022 and of its result for 2022 in accordance with the Guideline for annual reporting 640 'Organisaties-zonder-winststreven' of the Dutch Accounting Standards Board and the requirements of the Wet normering topinkomens (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the statement of income and expenditure for 2022; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the 'Regeling Controleprotocol WNT 2022'. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Netherlands Food Partnership in accordance with the 'Verordening inzake de Onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unaudited compliance with the anti-cumulation clause in the WNT

In accordance with the 'Regeling Controleprotocol WNT 2022' we did not audit the anti-cumulation clause referred to in Section 1.6a of the WNT and Section 5 subsection 1n and 1o of the 'Uitvoeringsregeling WNT'. Consequently, we did not verify whether or not the maximum salary norm has been exceeded by a 'leidinggevende topfunctionaris' (managing senior official) due to possible employment at other institutions subject to the WNT, and whether the WNT-disclosure as required in relation to this clause is accurate and complete.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by the Guideline for annual reporting 640 'Organisaties-zonder-winststreven' of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the management report and other information in accordance with the Guideline for annual reporting 640 'Organisaties-zonder-winststreven' of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

Responsibilities of the Board and the Supervisory Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 640 'Organisaties-zonder-winststreven' of the Dutch Accounting Standards Board and the requirements of the WNT. Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. The Board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the foundation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, the 'Regeling Controleprotocol WNT 2022', ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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 foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amersfoort, 31 mei 2023.

WITh Accountants B.V.

J.A. Vermeer AA