

Annual Accounts 2021

**Foundation Netherlands Food Partnership
Utrecht**

Contents

Board report	3
Financial statements 2021	12
Balance sheet as at December 31, 2021	13
Statement of revenues and expenditures 2021	15
Notes to the financial statements	16
Notes to the balance sheet	21
Notes to the statement of revenues and expenditures	27
Independent auditor's report	37

Total number of pages in this report: 39

BOARD REPORT

General

New foundation

December 31 2020 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 year 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 a specific project funding by 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

NFP convenes Food System Transformation Community & Collective impact coalition processes between international parties and relevant Dutch organizations to achieve urgent transformations of food systems in Lower and Middle Income Countries (LMIC's) which contribute towards ending global hunger, achieving food security, improving nutrition and promoting sustainable agriculture.

NFP operates at the crossroads of public sector, private sector, civil society and knowledge institutions, which includes a/o. farmer organizations, financial institutions and the education sector. While working closely with Dutch Ministries, NFP is an independent convener which connects with and works with stakeholders from LMICs, the global network and the Netherlands. NFP's work delivers public goods, as it offers its services to all interested parties (non-exclusion) which remain available if a number of parties use them (non-rivalry). NFP services are pre-competitive to a large extent and can remain available on the longer term as they are trusted in an independent framework with a guaranteed public base funding structure. NFP enables the optimal use and co-creation of assets of public, private and civic actors during their aligned or joint contributions to SDGs, acknowledging stakeholders do not always function in a 'dichotome' mode (public versus private), but more often than not have interconnected roles and responsibilities.

The Board

The governance structure of Foundation 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

The Supervisory Board:

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

Chamber of Commerce

Foundation 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 2021

Starting January 1st 2021 the Foundation Netherlands Food Partnership was created by means of an amendment to the Articles of Association and adjustment of Objectives of the Foundation Agri-ProFocus. Part of the amended Articles implied a new governance structure. See new Articles of Association for more details. These changes implied among others, the finalization of local own staff in LMIC's. The administrative closure of that local structure continued until Q1-2021. We started the year with one annual plan, that integrated the funding and ambitions for all funding agreements. The annual plan 2021 integrated three overall key performance objectives to meet all grant commitments of the existing funding partners. The implementation of these objectives were further specified in an internal annual working plan 2021.

Despite the challenging circumstances due to the ongoing pandemic, combined with the internal transition required to respond to the new ambitions of NFP, the overall performance of NFP was of an acceptable level. Approximately 75% of the annual plan 2021 was successfully implemented.

However, due to the start-up phase of the organization, coalitions being in preparatory stages, and the still largely existing context of COVID-19 cumulated to the contribution of an underspending in 2021.

Achievements reflecting on NFP's internal administrative organization

Several improvements were successfully implemented in relation to the internal administrative organization of NFP. As part of the new Supervisory Board, a new Audit Committee was installed. Also some administrative procedures were further developed, such as the procurement procedure, the updated version of the consortium agreement for collaboration with WCDI and The Broker for the funding agreement of F&BKP, the NFP code of conduct including a harassment policy, and since July we started to generate quarterly budget spending reports, which were discussed at team level, as well as with our consortium partners for the F&BKP contract. Furthermore we successfully settled outstanding liabilities due to higher project expenses than the budget resulted from exceeding expenditure in 2019. On the request of the Supervisory Board we also started a market search for the external audit services. This resulted in the contracting of a new accountant company WITH.

Outlook 2022

The outlook for 2022 is challenging, ambitious and hopeful. We feel inspired and with confidence we look forward to further strengthening our position. Furthermore we trust that we will allocate any underspending of 2021 properly in 2022 additional to our annual plan ambitions for 2022.

The key performance objectives were further sharpened in 2022 and NFP has allocated budget for specific initiatives. For the upcoming year 2022 NFP has further clarified that we add value by offering six services: facilitating networking; innovation & capacity development; knowledge co-creation and sharing; informing about funding opportunities; providing backbone services to impact coalitions and policy engagement.

2022 will furthermore become an important year as we aim to come to an agreements for new grants by MoFA, Min LNV and Ikea Foundation. NFP feels honored by the recognition we got jointly from the Dutch Ministry of Foreign Affairs and the Dutch Ministry of Agriculture, Nature and Food Quality, who invited us to develop a new strategic vision for the next period of 2023-2030.

NFP budget 2022					
INCOME	Budaaet 2022	Budget KP Contract	Budget APF Contract	LVN	Others
Grant contract MoFa Subsidy	6,254,453	3,786,703	2,467,750	0	0
Misc income office sharing	51,020	0	0	0	51,020
Other project income	415,228	0	0	0	415,228
LVN funds left 2021	271,750	0	0	271,750	0
LVN funds 2022	850,000	0	0	850,000	0
TOTAL INCOME	7,842,451	3,786,703	2,467,750	1,121,750	466,248
COSTS					
Organisation cost	3,517,197	1,905,873	1,467,329	0	143,995
Coalition projects	1,889,724	185,151	684,070	715,250	305,253
Platform projects	1,956,909	1,533,409	0	406,500	17,000
NFP backbone organisation	250,200	125,100	125,100	0	0
Unforeseen (3%)	228,421	37,170	191,251	0	
SUMTOTAL COSTS	7,842,451	3,786,703	2,467,750	1,121,750	466,248

Governance and Risks 2021

Organizational structure, Governance and Management

The Supervisory Board consist of a maximum of 5 members including the chair. The Supervisory Board (SB) supervises the Executive Director and has oversight responsibilities with regard to NFPs' general policies and organizational continuity responsibilities. They include specifically approving NFPs' multi-annual strategy, annual budget, annual accounts, oversight on integrity, and risk management of the organization. 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 2021 the Executive Director and Managing Board was Myrtille Danse. The Executive Director was supported by an Operations Manager and a Strategic Finance Manager. The team which supports the management are responsible for content, (staff) management, and finances within the confines of the mandates agreed with the Executive Director.

Financial Result for 2021

NFP has realized a positive result of 392.890 euro . The financial result 2021 consists of 2 elements: 1) approved coverage of the financial result 2019 (negative) and 2020 (positive) by the MoFA NFP core subsidy at 318.933 euro and 2) a modest positive result on projects in 2021 at 73.957 euro. It concerns projects funded by third parties: YALTA IKEA Foundation, NWP YEP Agro and CSDEK.

Budgetary reserve

Due to a budgetary underspending in 2021 a budgetary reserve will be created in 2022. The Budgetary reserve will be allocated in a budget revision for the second semester of 2022 and for which NFP will seek approval at the Ministry of Foreign Affairs

Financial ratio's

A solvability ratio of 22,75% and a current ratio of 1,29 at balance closing date December 31, 2021 shows that NFP is sufficiently able to fulfill current operational and financial commitments.

Social responsibility policies

NFPs' approach to social responsibility is guided by our social responsibility and policies. These cover issues such as NFPs' 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 2021

In 2021 a number of risks were identified that might affect the performance and final results of our work. We have identified risks regarding the internal organization, and the ambitions of the 3 objectives. The matrix shows the estimated risk and impact level of the most important risks.

Risk analysis

Risk	High	<ul style="list-style-type: none"> ▪ Dutch driven agenda ▪ Parties don't recognize added value NFP ▪ Corona crisis inhibits traveling the whole year ▪ More demand than the team can satisfy ▪ Underspending due to internal reorganisation 	<ul style="list-style-type: none"> ▪ Reduction development aid funds ▪ Change of key account managers at LNV and Buza ▪ Mismatch current staff and organisation ambitions ▪ Key stakeholders have negative perception due to past experiences with APF/ KP
	Low	<ul style="list-style-type: none"> ▪ Administrative errors of partners ▪ Lack of tools and methodologies 	<ul style="list-style-type: none"> ▪ Partners only engage NFP at very early stage to get access to funds and become visible ▪ Partners don't commit to system change strategy but only incremental change
		Low	High

The next table presents a more detailed overview of risks, the level of risk based on probability and impact for the organization, as well as the most important mitigation actions we have put in place to diminish the risk.

Risk	Level of risk	Risk mitigation
<i>Platform role</i>		
The initiatives are based on the Dutch Diamond interest to expand to LMIC, and more supply driven than demand driven.	Medium	<ul style="list-style-type: none"> • Close collaboration with local partners in priority countries: Dutch Embassies, pool of experts, local subsidiaries of international partner organizations, etc. • Use methodologies and support tools 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
Partners don't recognize added value of NFP platform activities	Medium	<ul style="list-style-type: none"> • Clearly communicate added value of platform activities, e.g. of knowledge brokering through impact-focused learning exchanges • Define as a requirement for coalitions that knowledge / learning exchanges are organized where possible during/after NFP support • Communication strategy includes NFP approach and assets: e.g. independence, multi-disciplinary, multi-actor approach, unusual suspects
<i>Impact coalitions</i>		
Partners don't recognize added value in NFP support to coalition building for food system improvements, and/or perceive us only as funder and administrator.	Medium	<ul style="list-style-type: none"> • Develop coalition support tools • Communication strategy includes NFP approach and assets • Define as a requirement that our role in coalition building processes is always more than a funding role • Work with partners who have potential to mobilize others to join NFP coalitions

Risk	Level of risk	Risk mitigation
Partners lack commitment to or understanding of the necessity of achieving food systems transformation through collective impact	Medium	<ul style="list-style-type: none"> • Work with partners who want to invest in collective, food systems approaches • Promote evidence-based ways of developing coalition impact strategies • Learn and communicate on the added value of collective approaches for (food) systems transformation
Partners only involve us in very early initiation phase and don't see added value for NFP in the implementation and acceleration 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) • Document lessons learned of coalition building process and develop a toolkit • Clearly communicate externally the added value of NFP backbone support throughout initiation, implementation and acceleration phases
Lack of methodology to support impact coalitions effectively	Low	<ul style="list-style-type: none"> • Develop a NFP tool box, optimally building on methodologies available with NFP organization, coalition partners • Create an inventory of available documentation, tools and lessons on backbone organization • Strengthen team capacity on supporting impact coalitions, based on analysis of available/missing knowledge brokering and/or network facilitation skills • Expand the team capacity with a flexible pool of experts • Create partnership agreements with other Dutch and international intermediary organizations that aim to contribute to SDG2
<i>Backbone organization</i>		
Lack of experience to develop a NFP tool box	Low	<ul style="list-style-type: none"> • Create an internal working group that will assume the responsibility to develop a tool box • Engage external experts when relevant
Tools do not lead to the expected impact	Low	<ul style="list-style-type: none"> • Build on existing tools, and adjust/ improve them for the specific value proposition of NFP • Include monitoring and learning loops in the design and implementation plans of coalitions/initiatives
<i>Finance</i>		
No co funding provided by coalition partners	Low	<ul style="list-style-type: none"> • Create coalitions of the willing • Establish procedures to enable cash and in kind support
Strong reduction of Dutch development budget	High	<ul style="list-style-type: none"> • Work in alliance with coalition partners and members of APF to advocate for sufficient ODA, and particularly investment in SDG2 • Develop a business model for NFP based on a diversified income model • Document the added value of NFP work permanently • Work towards clear results and communicate them to key stakeholders in The Netherlands
Corona crisis continues the whole year so no travelling to priority countries is possible	Medium	<ul style="list-style-type: none"> • Use our existing network of experts and partner organizations to conduct work at a local level • Introduce additional tools and methodologies to improve our online facilitation • Include in all project plans sufficient activity budget to support and monitor local activities on a distance

<i>Internal organisation</i>		
The diversity of support for platform and coalition building ambitions is bigger than the NFP organisation is able to satisfy	Medium	<ul style="list-style-type: none"> • Train team members that will facilitate coalition building. • Fixed and flexible secondments of staff from The Broker and WCDI • Building up a flexible pool of experts in the NL and LMIC
Partial compliance with existing administrative rules and good practices	Low	<ul style="list-style-type: none"> • Annual audit • Internal project to improve the financial administrative procedures
Incorrect administration of funds by partners and service providers	Low	<ul style="list-style-type: none"> • The partners of NFP have track record in professional administration of funds • Parties with whom we work together for a longer term present (quarterly or biannual) progress reports for our approval • Annual audits of project partners

Enterprise risk management

There are four main risks and uncertainties that can impact NFP's result and financial position: fluctuations in funding leading to reduced income for operations after 2022, taxable income risk, the internal control framework and the timely spending of the planned annual budget 2021.

Securing long term funding risk

NFPs' current income consists 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 of time, which end December 31, 2022.

The funding received from both Ministries and IKEA Foundation was stable income for this year 2021 and upcoming 2022. At the same time, it has been a point of attention to secure further funding after the grant and commission period ends due December, 31 2022. As a result, part of the time and resources in 2021 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, Magri and IKEA Foundation invited NFP to submit a proposal for new funding in 2022.

NFP started the year with one annual plan, that integrated the funding and ambitions for all funding agreements. The annual plan 2021 integrated three overall key performance objectives to meet all grant commitments of the existing funding partners. Both Ministries appreciated this initiative and it increased NFPs' visibility positively. This has also been the first step in the negotiation for new combined funding by both Ministries MoFA and Magri.

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 NFPs' income consist 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. In 2022 NFP seeks to conclude a coordinated Tax Ruling with the Dutch Tax Authorities in order to fully mitigate any further possible risk.

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 organization, 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 will be further redesigned to work optimally with the new way of working of NFP. The revised internal control framework will have better mechanisms for operational monitoring, compliance, reporting, and checks and balances for accountability. NFP also aims to enhance the efficiency and effectiveness of our grants control framework by simplifying its overall descriptions and processes.

Timely spending of the planned budget

Internal transition challenges together with ongoing pandemic travel restrictions both result in challenge to spend the budget planned. In 2021 we created as much as possible internal project plans and budgets for specific initiatives that are supported by NFP. We assigned project managers to these plans and budgets. And in July and October we organized periodic project progress evaluations, in order to stimulate the planning and implementation of NFP activities and therewith increase project expenditures. The budget spending on the so called platform ambitions were substantial but lower than planned due to the continuation of the pandemic travel restrictions. The planned travelling to the Global South and face to face meetings with our stakeholders all had to be online. The budget spending on the coalition support ambitions, was lower than expected due to a combination of travel restrictions, as well as the stage of development most coalitions were in. The agenda setting stage requires more staff time support, and less funding for hand on activities. We do not expect that this situation will repeat at the same scale in 2022, because the Covid restrictions have decreased and the ambitions of the 10 coalitions we will support have become much more concrete and are the base for the budget planning of that part of the annual budget in 2022.

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 Strategic Finance Manager ensure the proper functioning of risk measures. The Audit Committee and Supervisory Board provide oversight on risk mitigation measures.

NFP risk profile can be summarized as follows:

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

Financial statements 2021

Balance sheet as at December 31, 2021

(before appropriation of result)

Assets

in Euro	notes	December 31, 2021	December 31, 2020
Non-current assets			
Intangible fixed assets	1	26.472	44.059
Tangible fixed assets	2	<u>81.194</u>	<u>18.271</u>
		107.666	62.330
Current assets			
Receivables, prepayments and accrued income			
- Trade debtors	3	137.960	23.176
- Current account hosts	4	-	83.051
- Other taxes and social security charges	5	41.710	-
- Other receivables	6	797.008	511.458
- Prepayments and accrued income		<u>154.371</u>	<u>129.422</u>
		1.131.049	747.107
Cash and cash equivalents	7	1.608.992	3.177.854
		<u>2.847.707</u>	<u>3.987.291</u>
TOTAL ASSETS		2.847.707	3.987.291

LIABILITIES

in Euro	notes	December 31, 2021	December 31, 2020
Reserves	8	647.712	254.822
Provisions	9	70.169	-
Current liabilities	10		
- Trade creditors		183.845	276.061
- Current account hosts		6.307	379.231
- Other taxes and social security charges		96.930	140.706
- Other liabilities and accrued liabilities		<u>1.842.744</u>	<u>2.936.471</u>
		2.129.826	3.732.469
TOTAL LIABILITIES AND RESERVES		<u><u>2.847.707</u></u>	<u><u>3.987.291</u></u>

Statement of revenues and expenditures 2021

in Euro	notes	Realization 2021	Budget 2021	Difference 2021	Realization 2020
Subsidies and funding from the Ministry of Foreign Affairs	11	2.300.217	2.811.673	-511.456	3.658.233
Income projects: subsidy and commissioning	12	791.912	1.973.160	-1.181.248	1.193.469
Income projects: others	13	434.081	548.858	-114.777	101.934
Other income	14	-	-	-	81.605
Total revenues		3.526.210	5.333.691	-1.807.481	5.035.241
Expenses					
Project costs					
Outsourced work and external charges	15	1.095.991	2.378.119	-1.282.128	1.356.092
Cost of management and administration					
Wages and salaries	16	1.204.046	1.258.350	-54.304	2.187.224
Social security charges	17	256.751	226.436	30.315	247.880
Pension charges		130.184	132.387	-2.203	118.254
Amortization and depreciation	18	24.508	26.086	-1.578	29.861
Other personal expenses	19	97.761	395.604	-297.843	89.296
Housing expenses	20	67.550	72.100	-4.550	228.318
Office expenses	21	55.143	56.487	-1.344	88.693
Network building	22	22.992	32.970	-9.978	137.752
Organization development costs	23	52.350	170.000	-117.650	-
General expenses	24	112.223	433.491	-321.268	460.250
		2.023.508	2.803.911	-780.403	3.587.528
Total expenses		3.119.499	5.182.030	-2.062.531	4.943.620
Operating result		406.711	151.661	255.050	91.621
Financial income and expenses	25	-13.821	-7.761	-6.060	-19.343
Result		392.890	143.900	248.990	72.278
Proposed result appropriation					
- Unappropriated result 2019/2020		318.933			72.278
- To be allocated to the continuity reserve		73.957			-
		392.890			72.278

Notes to the financial statements

1. ORGANIZATION

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

The financial statements have been prepared in accordance with the Guideline for Reporting by Not-for-profit organizations and with due observance of the Financial Regulations for subsidiaries 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 organization.

2. GENERAL NOTES

2.1 Estimates

The preparation of the financial statements requires management to form opinions and to 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 realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Revenues from 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 (Covid & Continuity)

These annual accounts have been prepared under the assumption of going concern. Based on 2021 and forward looking scenario analysis, NFP has no reason to doubt the continuity of the organization.

The pandemic led to a worldwide disruption. Restrictions and lockdown regulations due to the pandemic were finally raised as from June 2021 and the civil society was able to open up again. While we still see an impact on our way of working during 2021, the financial impact on NFP has been limited because the foresight of Covid-19 restrictions were taken into account in the 2021 budget phase. However the impact in comparison to these budgets have been limited, Covid-19 restriction did result in a less prosperous implementation of NFP local activities. Therefore we see that the realization of income compared to the budget 2021 is lower,

Staff kept on predominantly working from home. Given the uncertainty around Covid and potential impact on staff members and their families, staff wellbeing is a recurring item of NFP. Field visits and activities face to face were carefully possible again in the second half of the year but diminished again towards the end of the year due to the global concerns about the Omicron Corona variant which resulted in another full lockdown restrictions again.

Given the inequality in vaccination levels between Global North/Western Societies and Global South the uncertainty on project execution is always a risk in the countries where we work, both for NFP as well as its partners. We have to anticipate repeated waves of Corona outbreaks in the short- and midterm. We have adapted our ways of working, focusing on online solutions. This is not perfect but still works as a functional way of achieving project results. In the program designs this is now taken into account as a reality. The risk of new flare-ups of the virus in different parts of the world will create challenges for sure, but we have been able to deal with it so far. We will continue to monitor the situation and developments on both donor, staff and partner level and react accordingly when required in the operation.

3.2.2 No material uncertainty

While NFP recognizes that the Covid-19 crises brings increased levels of uncertainty, our financial position gives the Executive Director confidence in the organization's ability to continue meeting its goals. We can conclude that at this point in time, 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 2020 the overview of 'Incomes Projects' in the Statement of revenues and expenditures are presented more detailed in 2021. However, there are no changes in accounting principles in 2021 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 the transaction.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealized 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 amortization and, if applicable, less impairments in value. Amortization is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life and the amortization 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 amortization and their net realizable value (being the higher of value in use and fair value less costs to sell). Intangible fixed assets are amortized on a straight-line basis over their expected useful economic lives, subject to a maximum of 20 years. The economic useful life and the amortization method are 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, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

Periodical major maintenance is capitalized 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 taking into account 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 into 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, on the basis of historical cost. Losses are accounted for when foreseeable; revenues are accounted when realized.

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 in order to finalize 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

Foundation 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 in so 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 at December 31, 2021 is 99.7%. 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 Amortization and depreciation

The amortization 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, 2021	
Purchase price	87.932
Accumulated amortization	<u>-43.873</u>
Book value opening balance	<u>44.059</u>
Changes	
Amortization	-17.587
Closing balance per December 31, 2021	
Purchase price	87.932
Accumulated amortization	<u>-61.460</u>
Book value closing balance	<u>26.472</u>
Amortization rate	<u>20%</u>

2 Tangible fixed assets

	Inventory	Tangible fixed assets in progress	Total
Opening balance per January 1, 2021			
Purchase price	49.092	-	49.092
Accumulated depreciation	-30.821	-	-30.821
Book value opening balance	<u>18.271</u>	<u>-</u>	<u>18.271</u>
Changes			
Investments	2.856	66.988	69.844
Divestments	-13.001	-	-13.001
Depreciation	-6.921	-	-6.921
Depreciation divestments	13.001	-	13.001
Total changes	<u>-4.065</u>	<u>66.988</u>	<u>62.923</u>
Closing balance per December 31, 2021			
Purchase price	38.947	66.988	105.935
Accumulated depreciation	-24.741	-	-24.741
Book value closing balance	<u>14.206</u>	<u>66.988</u>	<u>81.194</u>
Depreciation rate	<u>20%</u>		

Current assets

3 Trade debtors

	<u>12/31/2021</u>	<u>12/31/2020</u>
Trade debtors	137.960	38.864
Provision doubtful debtors	-	-15.688
	<u>137.960</u>	<u>23.176</u>

Trade debtors are based on grant receivables.

4 Current account hosts

	<u>12/31/2021</u>	<u>12/31/2020</u>
Current account host Myanmar	-	20.006
Current account host Ethiopia	-	6.530
Current account host Zambia	-	56.515
	<u>-</u>	<u>83.051</u>

As all Agri-ProFocus Country Offices were closed on 31 dec 2020 in preparation for the organizational change of Agri-ProFocus into Netherlands Food Partnership, all country office hosting contracts were discontinued per 31 dec 2020 and all current account host 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 be closed. It is expected that this will be done before 31 Dec 2022.

5 Other taxes and social security charges

Value-added tax	<u>41.710</u>	<u>-</u>
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6 Other receivables

YEP subsidy to be settled	-	500
Project receivables	-	18.460
KP commissioning to be invoiced	778.232	374.733
Other miscellaneous receivables	<u>18.776</u>	<u>117.765</u>
	<u>797.008</u>	<u>511.458</u>

7 Cash and cash equivalents

Rabobank current account	194.160	135.105
Rabobank saving account	1.399.226	2.900.000
Rabobank bank guarantee	15.606	15.606
Local bank accounts	<u>-</u>	<u>127.143</u>
	<u>1.608.992</u>	<u>3.177.854</u>

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

8 Reserves

Statement of changes in reserves

	Continuity reserve	Innovation reserve	Network building and strategy transition reserve	Unappropriated result	Total equity
Opening balance per January 1, 2020	359.878	40.000	173.877	-391.211	182.544
Withdrawal	20.204	-20.204	-	-	-
Transfer to continuity reserve	19.796	-19.796	-	-	-
Integration continuity reserve	173.877	-	-173.877	-	-
Financial result 2020	-	-	-	72.278	72.278
Closing balance per December 31, 2020	573.755	-	-	-318.933	254.822
Financial result 2021	-	-	-	392.890	392.890
Closing balance per December 31, 2021	573.755	-	-	73.957	647.712

The continuity reserve is not freely disposable.

Proposal appropriation of the results

Proposed is to allocate the part of the result for the year 2021 remaining after reconciliation of the unappropriated result 2019/2020, to the continuity reserve.

According to article 12 of the statutes of foundation Netherlands Food Partnership the supervisory board ratifies and signs the financial statements.

Financial Result 2021

The positive financial result 2021 consists of 2 elements: 1) approved coverage of the financial result 2019 (negative) and 2020 (positive) by the MoFA NFP core subsidy at 318.933 euro and 2) a modest positive result on projects in 2021 at 73.957 euro. It concerns projects funded by third parties: YALTA IKEA Foundation, NWP YEP Agro and CSDEK.

Appropriation of result 2019 and 2020

In accordance with the decision of the executive director and the supervisory board, and approved by the Ministry of Foreign Affairs (June 29, 2021), the deficit of 2019, compensated by a modest positive result of 2020 is reconciled with the subsidy 2021 flowing from the NFP contract with the Ministry.

9 Provisions

	Value Added Tax
Opening balance per January 1, 2021	-
Addition	70.169
Closing balance per December 31, 2021	70.169

Part of NFPs' income consist of a VAT taxable (Wet op de omzetbelasting 1968) commission. However VAT is payable over a part on NFP's income, NFP fully deducts 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, NFP decided to make a provision for possible payable VAT on suppletion for 2021. In 2022 NFP seeks to conclude a coordinated Tax Ruling with the Dutch Tax Authorities in order to fully mitigate any further possible risk.

10 Current liabilities

	<u>12/31/2021</u>	<u>12/31/2020</u>
<i>Current account hosts</i>		
Current account host Burundi	-	38.350
Current account host Indonesia	-	9.491
Current account host Niger	6.307	41.959
Current account host Rwanda	-	89.549
Current account host Tanzania	-	71.059
Current account host Uganda	-	54.216
Current account host Kenia	-	43.450
Current account host Benin	-	31.157
	<u>6.307</u>	<u>379.231</u>

As all Agri-ProFocus Country Offices were closed on 31 dec 2020 in preparation for the organizational change of Agri-ProFocus into Netherlands Food Partnership, all country office hosting contracts were discontinued per 31 dec 2020 and all current account host 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 is most likely to take place in 2022.

	<u>12/31/2021</u>	<u>12/31/2020</u>
<i>Other taxes and social security charges</i>		
Wage tax and social security charges	96.473	106.096
Value-added tax	-	32.649
Pension charges	457	1.961
	<u>96.930</u>	<u>140.706</u>
<i>Other liabilities and accrued liabilities</i>		
Ministry of Foreign Affairs: prepaid subsidies	1.021.558	2.467.750
Ministry of Agriculture, Nature and Food Quality: prepaid subsidies	207.326	-
Country network suspense accounts	-	1.198
Liabilities projects other funders	186.791	245.476
Holiday payment reservations	59.050	46.929
Holiday day reservations	139.547	124.458
Other amounts to be paid	228.472	50.660
	<u>1.842.744</u>	<u>2.936.471</u>

Off-balance sheet commitments

Rental obligations

The annual rent obligation for the office in Utrecht amounts to 86,137 euro. The rent for the period after 2022 amounts to 14,356 euro. The amount of the rental obligation for the office in Utrecht, longer than 5 years, is 0 (zero). The rent ends March 1, 2023.

Notes to the statement of revenues and expenditures

(in Euro)

11 Subsidies and funding from the Ministry of Foreign Affairs

	Realization 2021	Budget 2021	Difference 2021	Realization 2020
Ministry of Foreign Affairs: general subsidy	1.377.658	1.843.983	-466.325	2.467.750
Ministry of Foreign Affairs: know ledge platform commissioning	922.559	967.690	-45.131	1.190.483
	<u>2.300.217</u>	<u>2.811.673</u>	<u>-511.456</u>	<u>3.658.233</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 are spent on both projects and organizational costs. Here, under point 10, you find the coverage from MoFA funding regarding organizational costs. This while the use of MoFA funding for direct project costs can be found under note 12 'income projects'.

In 2021 realization of MoFA income both from the general APF/NFP subsidy and the MoFA KP assignment was largely in line with the revised budget 2021, namely 80%. This part of the income from MoFA covers the NFP organizational costs, including seconded staff of the KP consortium partners WCDI and The Broker, as well as organizational development costs. These subsidies are structural.

12 Income projects: subsidy and commissioning

	Realization 2021	Budget 2021	Difference 2021	Realization 2020
General subsidy	68.534	545.858	-477.324	1.193.469
Know ledge platform commissioning	450.704	827.302	-376.598	-
Ministry of Agriculture, Nature and Food Quality	272.674	600.000	-327.326	-
	<u>791.912</u>	<u>1.973.160</u>	<u>-1.181.248</u>	<u>1.193.469</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 organization and the way it is funded has changed significantly with the creation of NFP per 1 January 2021, comparison to the realization of 2020 does not add value. Realization in 2021 in comparison to the budget 2021 shows a significant lower project income realized vs planned, namely 40%. The set-up of coalitions, including

facilitation of the creation of a common agenda carried by all coalition partners, takes time. Although 8 out of 10 planned coalitions for the period 2021-2022 were initiated in 2021, spending by the coalitions commences often only after common agenda setting. We see a rise in expenditures towards the end of 2021 and expect this to continue in 2022. Therefore project spending is lower than foreseen in 2021. As realized project income follows realized project expenditure, project income is also lower than foreseen. It is expected that project budget spending will increase in 2022.

13 Income projects: others

	Realization 2021	Budget 2021	Difference 2021	Realization 2020
Other donors	379.200	494.329	-115.129	-
Service staff	54.881	54.529	352	101.934
	<u>434.081</u>	<u>548.858</u>	<u>-114.777</u>	<u>101.934</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). Realization of the services in connection to the YEP program have been realized as planned. The expenditures on the IKEA Foundation funded project YALTA remained slightly behind on schedule mainly due to the aftermaths of COVID.

14 Other income

Member contributions	-	-	-	75.000
Other	-	-	-	6.605
	<u>-</u>	<u>-</u>	<u>-</u>	<u>81.605</u>

NFP was created through an amendment of the Articles of Association of the Foundation Agri-ProFocus per 1 January 2021. The foundation Agri-ProFocus had members and therefore member contributions. The newly created foundation NFP does not have members and therefore no member contributions were received in 2021.

15 Outsourced work and external charges (project expenditures)

	Realization 2021	Budget 2021	Difference 2021	Realization 2020
External experts and consultants	974.854	2.378.119	-1.403.265	933.530
Travel cost and accommodations	34.363	-	34.363	64.950
PR material and media	21.007	-	21.007	111.730
Meeting rooms and packages	65.767	-	65.767	245.882
	<u>1.095.991</u>	<u>2.378.119</u>	<u>-1.282.128</u>	<u>1.356.092</u>

The NFP budget 2021 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.

If we compare the total of project expenditures 2021 to the budget 2021 we see a realization of 46%. This lower than expected budget spending is mainly due to the transition process the NFP

organization underwent the early phase coalition building work that needed to be done which was staff support intensive but required lower project costs, and the impact of the pandemic due to which traveling, local event and local consultancy of foreign experts could not take place. We see an increase in spending in the second half of 2021 and foresee a continuation of this trend in 2022.

16 Wages and salaries

	Realization 2021	Budget 2021	Difference 2021	Realization 2020
Operational costs NFP	1.265.635	1.238.736	26.899	872.993
Know ledge platform	-	-	-	349.777
Country network coordinators	-	-	-	434.136
Country network facilitators	-	-	-	250.358
Country network support officers	-	-	-	175.466
Country network other staff costs	-	-	-	15.647
Cost regional staff	7.773	7.773	-	16.008
Change holiday reservations	15.091	16.000	-909	13.281
Temporary employees	1.596	61.500	-59.904	82.576
Sick leave payments received	-86.049	-65.659	-20.390	-23.018
	<u>1.204.046</u>	<u>1.258.350</u>	<u>-54.304</u>	<u>2.187.224</u>

A significant change compared to 2020 is the reduction of country staff. All country offices were closed on December 31, 2020. One financial regional staff member continued till April 2021. This in order to assist in the settlement of the host relationships with the host of the closed country offices.

When comparing the budget 2021 to the realization 2021 we see that the compensation NFP received for sick leave of employees was higher than expected due to unexpected longer term sick leave circumstances. Temporary office staff stayed largely unused as the tight labor market caused challenges to find the right candidate for the vacancies announced. Our collaboration with consortium partners WCDI and The Broker helped to compensate for staff member absence and fill the positions with temporary consultancy support.

Staff

During 2021 on average 19 employees (2020: 19) were employed, converted to full-time equivalents.

17 Social security charges

	Realization 2021	Budget 2021	Difference 2021	Realization 2020
Social security charges	185.094	164.936	20.158	190.850
Sick pay insurance costs	71.657	61.500	10.157	57.030
	<u>256.751</u>	<u>226.436</u>	<u>30.315</u>	<u>247.880</u>

As a result of a continued relatively high sick leave the absence insurance premium was increased.

18 Amortization and depreciation

	Realization 2021	Budget 2021	Difference 2021	Realization 2020
<i>Amortization intangible fixed assets</i>				
Software	17.587	17.587	-	17.586
<i>Depreciation tangible fixed assets</i>				
Inventory	6.921	8.499	-1.578	12.275
Total amortization and depreciation	24.508	26.086	-1.578	29.861

19 Other personnel expenses

Commuting allowances	-	25.000	-25.000	20.837
Travel and lodging expenses staff	7.292	15.000	-7.708	25.125
Training, education, recruitment and careerpath	55.620	147.437	-91.817	26.421
Team meeting costs	2.036	14.100	-12.064	2.306
Transition costs staff	-	155.067	-155.067	10.431
Other staff expenses	32.813	39.000	-6.187	4.176
	97.761	395.604	-297.843	89.296

Travel and lodging expenses staff realized was lower than budgeted and monthly commuting allowances were discontinued, both due to the impact of Covid-19. Realization of training, education, recruitment and career path was significantly lower mainly due to lower costs for recruitment and team development as the pandemic did not allow on site and face to face team building and training events. Due to the transition of the organization NFP took into account the possibility of change in existing staff and budgeted for transition costs. These transition costs did however not materialize yet.

20 Housing expenses

Rent	67.550	72.100	-4.550	95.171
Country network operational costs	-	-	-	133.147
	67.550	72.100	-4.550	228.318

As all country offices were closed per 31 December 2020, no housing costs of country offices have been planned, nor realized in 2021. Rent of the office in Utrecht is in line with the rental contract and yearly indexation.

21 Office expenses

	Realization 2021	Budget 2021	Difference 2021	Realization 2020
Office supplies	1.502	4.787	-3.285	5.019
Automation expenses	10.707	15.300	-4.593	10.086
Telephone and postage expenses	3.750	3.010	740	11.293
Financial services and software	30.976	25.000	5.976	54.013
Miscellaneous personnel expenses office	3.432	5.390	-1.958	5.429
Cleaning expenses	4.776	3.000	1.776	2.853
	<u>55.143</u>	<u>56.487</u>	<u>-1.344</u>	<u>88.693</u>

Office expenses were largely realized as budgeted for. The costs of financial services and software were a bit higher than budgeted for mainly due to some further system development benefiting NFP event management and contract management.

22 Network building

Advertising	13.374	26.270	-12.896	56.305
Thematic & general network activities	-	-	-	48.265
Travel and lodging expenses participants	-	-	-	134
Hire external venue including food and beverage	-	-	-	19.078
Social media/on-line platform	8.433	5.500	2.933	6.877
Core group costs	-	-	-	6.931
Representation	1.185	1.200	-15	162
	<u>22.992</u>	<u>32.970</u>	<u>-9.978</u>	<u>137.752</u>

In the past the Agri-ProFocus country offices organized (thematic) general national network building activities. These costs are discontinued in 2021. The new organization NFP invests more in the Dutch and international networks which is visible in the higher expenditures regarding social media and representation costs. Local network building was only possible in a very limited way due to the travel and meeting restrictions caused by the pandemic.

23 Organization development costs

Backbone Methodology Development	-	60.000	-60.000	-
Backbone Expertise	<u>52.350</u>	<u>110.000</u>	<u>-57.650</u>	<u>-</u>
	<u>52.350</u>	<u>170.000</u>	<u>-117.650</u>	<u>-</u>

Tool development such as an interactive platform for the NFP network community had been planned to start in 2021. But at the end we decided to first document better the existing methodologies and work approaches used by the team, before developing new tools. Besides that, some tool development was done as part of platform or coalition development projects. And the costs were charged to these projects. The online platform was planned for 2021 but due to limited communication staff capacity, it was decided to postpone the activity to 2022.. Backbone expertise was realized by working with a number of external experts to further develop the team capacity on self steering team approaches, personal leadership skills, and the development of the long term strategy and theory of change of NFP. This will be continued in 2022.

24 General expenses

	Realization 2021	Budget 2021	Difference 2021	Realization 2020
Audit	28.647	35.000	-6.353	32.083
Hire external experts	10.450	30.000	-19.550	137.495
Insurance	1.817	1.644	173	2.511
Contribution and subscription	6.967	5.000	1.967	6.952
Country network administration hosting costs	-	-	-	279.637
Uncollectable amounts	702	-	702	25.003
Local taxes	8	-	8	8.109
Release liabilities	-	-	-	-31.540
Addition provision VAT	70.169			
Extraordinary gains/losses	-6.537	361.847	-368.384	-
	<u>112.223</u>	<u>433.491</u>	<u>-391.437</u>	<u>460.250</u>

Realization is largely as foreseen in the budget 2021, except extraordinary gains/losses. The budgeted amount mainly consists of the negative financial result in 2019, compensated by a modest positive financial result in 2020. It has been agreed between the Ministry of Foreign Affairs (MoFA) that this negative balance can be charged to the MoFA subsidy 2021. This had been foreseen under 'extraordinary losses' in the budget 2021. After consultation with our accountant the income from MoFA Subsidy NFP 2021 to compensate this loss had been booked in the P&L, the result previous years 2019/2020 is however not booked in the P&L but already visible in the NFP balance sheet as unappropriated result previous years. It is not necessary and more transparent to compensate the deficit (2019/2020) directly on the balance sheet.

A modest extraordinary gain is realized which is income from activities in previous years which had not been expected to be received anymore.

25 Financial income and expenses

	Realization 2021	Budget 2021	Difference 2021	Realization 2020
<i>Interest and similar expenses</i>				
Banking costs and commission	10.502	7.761	2.741	2.049
Currency exchange rate differences	3.319	-	3.319	17.294
	<u>13.821</u>	<u>7.761</u>	<u>6.060</u>	<u>19.343</u>

As negative interest on bank accounts was introduced in the Netherlands in 2021, and expenditure by the organization slower than expected, the bank costs are slightly higher than budgeted for. As international financial transactions were significantly less in 2021, due to the closure of the county offices, the amount of realized exchange rate differences is significantly lower than in 2020.

26 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 (standardization) Act (Wet normering bezoldiging toefunctionarissen 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 2021 for NFP is € 191.000.

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

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	

Comparative data 2020

Name Title	Mr. R.T.P.E.M. Snelder Managing Director	Mrs. M.G. Danse Managing Director
Date start and end in 2020	01/01 - 31/08	01/09 - 31/12
part-time %	100% for WNT: 1 fte	100% for WNT: 1 fte
Employee	Yes	Yes
Remuneration		
Remuneration and taxable reimbursements	€ 73,474	€ 33,104
Provision for future remuneration	€ 7,935	€ 3,816
	Subtotal	€ 36,920
Applicable WNT maximum	€ 189,000	€ 189,000
Undue payment	n/a	n/a
Total remuneration	€ 81,409	€ 36,920

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

Remuneration of Supervisory Board Members - no employment contract

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

Comparative data 2020

Remuneration of Supervisory Board Members - with employment contract

Name	Mr. T.P. Koekoek
Title	Chair
Date start and end in 2020	01/01 - 31/12
Scale of appointment	0,3 fte
Employee	Yes
Remuneration	
Remuneration and taxable reimbursements	€ 3,000
Provision for future remuneration	€ -
Subtotal	€ 3,000
WNT maximum	€ 28,350
Undue payment	n/a
Total remuneration	€ 3,000
Justification for excess remuneration	n/a
Explanation claim for undue payment	n/a

Remuneration of Supervisory Board Members - no employment contract

Name	J.T.G. Heijdra	Mr. R. Ruben	Mr. C. Blokland
Title	Vice-Chair / Secretary	Treasurer	Member
Date start and end in 2020	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12
Remuneration			
Total remuneration	€ 1,700	€ 1,700	€ 1,700
WNT maximum	€ 18,900	€ 18,900	€ 18,900
Undue payment not yet received in return	n/a	n/a	n/a
Justification for excess remuneration	n/a	n/a	n/a
Explanation claim for undue payment	n/a	n/a	n/a

Signing of by the Executive Director and the Supervisory Board

Utrecht, 11 August 2022

Foundation Netherlands Food Partnership

The Managing Director

Mrs. M.G. Danse

Was signed

The Supervisory Board:

Mrs. S.J.C.W. van Tilburg

Was signed

Mrs. J.A.P. Nieboer

Was signed

Mr. R. Ruben

Was signed

Mr. L.G. Silvis

Was signed

Mrs. H. Verburg

Was signed

Stichting Netherlands Food Partnership
Arthur van Schendelstraat 500
3511 MH UTRECHT

INDEPENDENT AUDITOR'S REPORT

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

Report on the audit of the financial statements 2021 included in the annual accounts 2021

Our opinion

We have audited the financial statements 2021 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 2021 and of its result for 2021 in accordance with the RJ-Richtlijn 640 'Organisaties-zonder-winststreven' (guideline for annual reporting for not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet normering topinkomens' (WNT, Standards for Remuneration Act).

The financial statements comprise:

1. the balance sheet as at 31 December 2021;
2. the statement of income and expenditure for the year 2021; 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. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the accompanying financial statements' section of our report.

We are independent of Stichting Netherlands Food Partnership in accordance with the 'Verordering 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 Verordering 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.

Compliance with rule against overlapping pursuant to the WNT not audited in accordance with the Audit Protocol under the Standards for Remuneration Act (WNT)

We have not audited the rule against overlapping as referred to in Section 1.6a of the WNT and Section 5(1)(j) of the WNT Implementing Regulations. This means that we have not audited whether an executive senior official exceeds the norm as a result of any positions as executive senior official at other institutions subject to the WNT and whether the explanation required in this context is correct and complete.

Report on the other information included in the annual accounts 2021

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, does not contain material misstatements and that all information is included which is requested by the RJ-Richtlijn 640 'Organisaties-zonder-winststreven' (guideline for annual reporting for not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet Normering Topinkomens' (WNT, Standards for Remuneration Act). 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. Management is responsible for the preparation of the director's report and other information in accordance with the RJ-Richtlijn 640 'Organisaties-zonder-winststreven' (guideline for annual reporting for not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet Normering Topinkomens' (WNT, Standards for Remuneration Act).

Description of responsibilities regarding the financial statements

Responsibilities of management and the supervisory board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the RJ-Richtlijn 640 'Organisaties-zonder-winststreven' (guideline for annual reporting for not-for-profit organisations) of the Dutch Accounting Standards Board and the 'Wet Normering Topinkomens' (WNT, Standards for Remuneration Act). Furthermore, management is responsible for such internal control as management 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, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the company financial statements. The supervisory board is responsible for overseeing the company'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. For a more detailed description of our responsibilities, we refer to the appendix of this auditor's report.

Was signed, Amersfoort, August 15, 2022.

WITH accountants B.V.
J.A. Vermeer AA

Enclosure

Enclosure to our auditor's report by the accompanying financial statements 2021 of Stichting Netherlands Food Partnership, based in Utrecht

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, 'Controleprotocol WNT 2021' (audit protocol 2021 concerning the Standards for Remuneration Act) ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the company 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 company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management'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 company'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 company 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 company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management and 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.