

2017

Financial Report

Reclaiming Our Lives! | The Global Network of People Living with HIV



Table of Content

	Page
Balance sheet as at 31 December 2017	3
Statement of revenue and expenditure for the year 2017	4
Cash flow statement	5
Notes to the financial report 2017	6
Fixed assets	7
Grants to receive	7
Cash and cash equivalents	7
Other receivables	8
Trade creditors	8
Grants received in advance	8
Payroll liabilities	8
Other current liabilities	8
Off balance obligations	8
Foundation's equity and reserves	9
Revenue	10
Interest	10
Expenditures	10
Difference between actuals 2017 and forecast 2017	11
Other information	11

Balance sheet as at 31 December 2017

All amounts are in EURO, unless otherwise specified

	<u>31-dec-2017</u>	<u>31-dec-2016</u>
ASSETS		
1. Fixed assets		
Tangible fixed assets	2.471	6.655
<i>Total fixed assets</i>	<u>2.471</u>	<u>6.655</u>
Current assets		
3. Grants to receive	164.746	391.750
5. Other receivables	27.604	11.948
4. Cash and cash equivalents	460.960	427.362
Total current assets	<u>653.311</u>	<u>831.060</u>
TOTAL ASSETS	<u>655.782</u>	<u>837.715</u>
LIABILITIES		
Current liabilities		
6. Trade Creditors	88.394	54.428
7. Grants received in advance	234.213	60.572
8. Payroll liabilities	27.983	93.685
9. Other current liabilities	60.020	9.500
<i>Total current liabilities</i>	<u>410.609</u>	<u>218.185</u>
NET ASSETS	<u>245.172</u>	<u>619.530</u>
Foundation's equity and reserves		
10. Restricted reserves	5.476	360.730
11. Unrestricted reserves	239.696	258.800
TOTAL RESERVES	<u>245.172</u>	<u>619.530</u>

Statement of revenue and expenditure for the year 2017

	Actuals 2017	Forecast 2017	Actuals 2016
Revenue			
12. Revenue from non-governmental grants and others	739.955	1.682.372	858.463
13. Revenue from governments	646.154	639.393	1.072.884
Sub total	<u>1.386.109</u>	<u>2.321.764</u>	<u>1.931.347</u>
14. Interest	206	0	572
Total revenue	<u><u>1.386.315</u></u>	<u><u>2.321.764</u></u>	<u><u>1.931.919</u></u>
15. Expenditures			
Total expenditures	<u><u>1.760.672</u></u>	<u><u>2.485.535</u></u>	<u><u>2.129.458</u></u>
a Net result	-374.357	-163.771	-197.539
b Net result to restricted reserves (see page 9)	<u>-355.254</u>	<u>-105.055</u>	<u>-45.744</u>
Net result to unrestricted reserve**	<u><u>-19.103</u></u>	<u><u>-58.716</u></u>	<u><u>-151.795</u></u>
<i>(** = a minus b)</i>			

Cashflow Statement	<u>2017</u>	<u>2016</u>
<i>Cashflow from operational activities</i>		
Result	-374.357	-197.539
Depreciation fixed assets	4.753	11.494
Gross cashflow from operation activities	<u>-369.604</u>	<u>-186.045</u>
Mutation in current assets	211.347	92.707
Mutation in current liabilities	192.424	-114.040
Net cashflow from operational activities (A)	<u>34.167</u>	<u>-207.378</u>
<i>Cashflow from investment activities</i>		
Investment in fixed assets	-569	
Disposal of fixed assets		10.415
Cashflow from investment activities (B)	<u>-569</u>	<u>10.415</u>
Mutation in Cash and cash equivalents (A+B)	<u>33.598</u>	<u>-196.963</u>
Cash and cash equivalents 1 January	427.362	624.325
Cash and cash equivalents 31 December	<u>460.960</u>	<u>427.362</u>
	<u>33.598</u>	<u>-196.963</u>

Notes to the financial report 2017

Directive 650

The GNP+ financial report 2017 has been developed in accordance with the revised directive 650 RJJ-Uiting 2011- 1 for fundraising institutions issued by the Dutch Council for reporting. This Directive aims to increase clarity and transparency in the manner fundraising institutions report on revenues and expenditures.

Comparison with previous year

Contributions to partners will be processed via the balance as of 2017. The comparative figures have been adjusted for this matter.

Assets and liabilities

Unless stated otherwise, assets and liabilities are stated at their historical cost, expressed in Euro. Fixed assets are depreciated on a straight line method.

Revenue and expenditure

Revenues are attributed to the financial year in which the related costs are incurred. Costs are recognized as soon as the obligation arises.

Foreign currencies

Assets and liabilities which are denominated in foreign currencies are translated into Euro at the exchange rates in effect at the balance sheet date. Resulting exchange differences are taken to the statement of revenue and expenditure.

Income and expenditures in foreign currencies are converted to Euros on the basis of currency exchange on the day the funds are received or paid.

GNP+ has bank accounts in euro and dollars in order to keep losses to a minimum.

Salaries and wages

On 31 December 2017 the GNP+ team consists 5 staff members in Amsterdam, and 3 programme officers in east and southern Africa and 1 programme officer Asia Pacific. Salaries, wages and social security contributions are taken to the statement of revenue and expenditure based on the terms of employment, where they are due to employees.

Pensions

For the defined contribution scheme, GNP+ pays contributions to a insurance companies on a contractual basis. Except for the payment of contributions, GNP+ has no other obligations by virtue of this pension scheme. Contributions are recognised as employee benefits expense when incurred. Prepaid contributions are recognised as prepayments and accrued income if this leads to a repayment or to a reduction in future payments.

1. Fixed assets		<u>31-dec-2017</u>	<u>31-dec-2016</u>
Furniture	value 1/1	1.736	3.564
	depreciations	1.736	1.828
	investments	0	0
	value 31/12	<u>0</u>	<u>1.736</u>
IT	value 1/1	4.919	25.000
	depreciations	3.017	20.081
	investments	569	0
	value 31/12	<u>2.471,00</u>	<u>4.919</u>
Total	value 31/12	2.471	6.655
Accumulated purchase price		36.209	69.234
Accumulated depreciation		-33.738	-62.579
Total	value 31/12	<u>2.471</u>	<u>6.655</u>

3. Grants to receive		<u>31-dec-2017</u>	<u>31-dec-2016</u>
ICAD		54.653	0
European Commision		35.604	74.368
UNAIDS		21.000	1.705
International HIV/AIDS Alliance		16.003	9.029
Aidsfonds		15.454	82.491
UNICEF		11.878	26.368
Robert Carr Networks Fund		9.060	173.181
Unitaid		1.094	0
Other		0	24.608
		<u>164.746</u>	<u>391.750</u>

4. Cash and cash equivalents		<u>31-dec-2017</u>	<u>31-dec-2016</u>
Petty cash euro		436	1.450
Current account euro		12.536	11.641
Savings account euro		78	348.005
Current account dollar		447.909	66.266
		<u>460.960</u>	<u>427.362</u>

5. Other receivables	<u>31-dec-2017</u>	<u>31-dec-2016</u>
Deposit	75	75
Prepaid expenditures	20.205	158
Other receivables	7.324	11.444
	<u>27.604</u>	<u>11.603</u>
6. Trade Creditors	<u>31-dec-2017</u>	<u>31-dec-2016</u>
PKNI	15.019	0
Centraal Beheer Achmea	11.036	0
J.Hows	10.051	0
N.France	9.966	0
Other	42.321	54.428
	<u>88.394</u>	<u>54.428</u>
7. Grants received in advance	<u>31-dec-2017</u>	<u>31-dec-2016</u>
The Global Fund	107.588	0
Aidsfonds	55.290	60.572
AFEW	37.308	0
International Aids Society	21.243	0
Robert Carr Network Fund*	12.785	0
	<u>234.213</u>	<u>60.572</u>
*Advanced to project partners		
8. Payroll liabilities	<u>31-dec-2017</u>	<u>31-dec-2016</u>
Holiday money	11.160	21.992
Holiday accrual	14.733	31.492
Wage tax and social securities	4.368	40.201
Pension Premiums	-2.343	0
Other	65	0
	<u>27.983</u>	<u>93.685</u>
9. Other current liabilities	<u>31-dec-2017</u>	<u>31-dec-2016</u>
Audits	13.905	9.500
Partners, subgranting	11.614	0
Other	34.501	0
	<u>60.020</u>	<u>9.500</u>

Off balance obligations

GNP+ signed a rental contract for the period 1 January 2013 until 31 December 2018.
The nominal value of this obligation for 2018 is 31675 Euro.

Foundation's equity and reserves

On 24th February 1995, the Stichting Global Network of People Living with HIV/AIDS (GNP+) was incorporated.

10. Restricted reserve and result 2017	Restricted reserve per <u>31-dec-2017</u>	Mutations 2017	Restricted reserve per <u>31-dec-2016</u>
Dutch Ministry of Foreign Affairs, Bridging the Gaps 2	0	-37.317	37.317
Aidsfonds	0	-25.174	25.174
ViiV-ECP	0	-81.166	81.166
International HIV/AIDS Alliance	0	-55.733	55.733
Robert Carr Network Fund	0	-44.816	44.816
Robert Carr Network fund, HIV Justice Global Consortium	5.476	-24.557	30.033
UNICEF	0	-24.625	24.625
European Commission	0	-15.835	15.835
UNAIDS	0	-15.365	15.365
KIT-Health	0	-12.214	12.214
Unitaid	0	-9.367	9.367
International AIDS Society	0	-8.947	8.947
UNDP	0	-140	140
Total	<u>5.476</u>	<u>-355.254</u>	<u>360.730</u>
11. Unrestricted reserves	Unrestricted reserve per <u>31-dec-2017</u>	Net result 2017 (see page 4)	Unrestricted reserve per <u>31-dec-2016</u>
Total	<u>239.697</u>	<u>-19.103</u>	<u>258.800</u>

Revenues	Actuals <u>2017</u>	Forecast <u>2017</u>	Actuals <u>2016</u>
12. Revenue from non-governmental grants and others			
Robert Carr Netwerk Fund	283.936	362.381	433.048
International HIV/AIDS Alliance	148.793	164.179	86.677
Aidsfonds	98.575	65.573	57.673
ICAD	54.653	0	54.619
ViiV-ECP	49.146	49.329	0
The Global Fund	44.333	0	13.348
International AIDS Society	35.828	0	67.916
AFEW	22.692	40.909	0
Female Health Company	16.000	0	0
IPPF	-1.786	0	3.596
KIT-Health	-12.214	0	0
Population Council	0	0	132.564
World Health Organization	0	0	9.022
Other	0	1.000.000	0
Subtotal	<u>739.955</u>	<u>1.682.372</u>	<u>858.463</u>
13. Revenue from governments			
Dutch Ministry of Foreign Affairs, Bridging the Gaps 2	469.184	500.000	439.093
Dutch Ministry of Foreign Affairs	0	0	51.841
Unitaid	134.185	139.393	138.137
UNAIDS	42.000	0	4.617
UNICEF	3.773	0	47.060
European Commission	-2.988	0	41.548
UNFPA	0	0	25.594
NORAD	0	0	324.994
Subtotal	<u>646.154</u>	<u>639.393</u>	<u>1.072.884</u>
Total revenue	<u><u>1.386.109</u></u>	<u><u>2.321.764</u></u>	<u><u>1.931.347</u></u>

	Actuals <u>2017</u>	Forecast <u>2017</u>	Actuals <u>2016</u>
14. Interest	206	0	572

	<u>2017</u>	budget <u>2017</u>	<u>2016</u>
15 Expenditures			
15A Personnel costs	698.145	684.078	795.855
15B Housing costs	37.130	39.800	33.539
15C Conferences & meetings	52.586	30.000	88.904
15D Communication & resource mobilisation	64.735	5.000	117.603
15E Subgrantees	344.745	0	403.174
15F Expertise	139.614	0	186.232
15G Travel costs	315.917	0	393.524
15H Other programmatic costs	13.834	1.668.157	48.754
15I Office costs	21.996	25.500	16.201
15J Audit, administration and bank charges	37.040	26.000	22.192
15K Depreciation	4.761	7.000	21.910
15L Exchange rate fluctuations	30.169	0	1.571
	<u><u>1.760.672</u></u>	<u><u>2.485.535</u></u>	<u><u>2.129.458</u></u>

Confirmation and approval of the financial report 2017

The Board of GNP + has prepared, confirmed and approved the financial statements 2017 at the meeting of 26 June 2018.

Result allocation

The result is allocated according to the results allocation on page 4.

Events after the balance date

Not applicable

Explanation for differences between actuals 2017 and forecast 2017 with a variance more than 10%

	Variance	
12	-56%	Revenue from non-governmental grants and others: Several applications were not granted or postponed.
13	1%	Revenue from governments: Variance is less than 10%.
14	n/a	Interest: Interest was not budgeted due to low or zero interest rates at banks.
15A	2%	Personnel: Variance is less than 10%.
15B	-7%	Housing costs: Variance is less than 10%.
15C - 15H	-47%	Other programmatic costs: Programme costs were forecasted as a whole. Several project applications were not granted or postponed.
15C	75%	Conferences & meetings: Difference between the 2017 forecast and the actuals, in the forecast only Board Meeting costs were included here while in the actuals all meeting expenses were grouped together.
15I	-14%	Office costs: IT costs were estimated higher.
15J	42%	Audit, administration and bank charges: Audit costs for project audits were higher in some cases and not forecasted in other cases.
15K	-32%	Depreciation: Limited asset investments in recent years.
15L	n/a	Exchange rate fluctuations: costs due to the exchange rate fluctuations of the GNP+ USD bank account.

Other information

Statutory regulation of result allocation

Not applicable

Branch office

GNP+ has a branch office in Cape Town.

Independent auditors report

The Independent auditors report is included on the following pages

To: The board of Stichting Global Network
of People Living With HIV/Aids (Gnp+)

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Independent auditor's report

A. Report on the audit of the financial statements 2017 included in the annual report

Our opinion

We have audited the financial statements 2017 of Stichting Global Network of People Living With HIV/Aids (Gnp+), based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Global Network of People Living With HIV/Aids (Gnp+) as at 31 December 2017, and of its result for 2017 in accordance with *the Guideline for annual reporting 650 'Fundraising Organizations' of the Dutch Accounting Standards Board*.

The financial statements comprise:

1. the balance sheet as at 31 December 2017;
2. the profit and loss account for 2017; 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 financial statements' section of our report.

We are independent of Stichting Global Network of People Living With HIV/Aids (Gnp+) 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.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the narrative annual report;
- other information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.



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 other information, including in accordance with *the Guideline for annual reporting 650 'Fundraising Organizations' of the Dutch Accounting Standards Board*.

C. Description of responsibilities regarding the financial statements

Responsibilities of management 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 650 'Fundraising Organizations' of the Dutch Accounting Standards Board*. 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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, 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 organization'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 organization'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 an organization 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 those charged with governance 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.

Dordrecht, 2 July 2018

Verstegen accountants en adviseurs B.V.,

was signed,
drs. J. de Groot RA MPA