



ANNUAL REPORT

2017

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Terminology and abbreviations

| | |
|------------------------------|--|
| CBF | Central Bureau for Fundraising |
| CSO | Civil society organisation |
| CPD | United Nations Commission on Population and Development |
| DFID | UK Department for International Development |
| FIETS | financial, institutional, environmental, technical and social sustainability |
| ICTC | International Coalition for Trachoma Control |
| MHM | Menstrual hygiene management |
| MFS | Medefinancieringsstel (Co-financing System), the name of the subsidy for development cooperation provided by the Dutch Ministry of Foreign Affairs that ended at the end of 2015. |
| NGO | Non-governmental organisation |
| SDC | Swiss Development Cooperation |
| SDG | Sustainable Development Goals |
| Social accountability | Communities are mobilised and empowered to understand their rights and responsibilities. They are trained in effective methods to systematically collect evidence on situations where their rights are not met, to voice their needs and to create linkages with the government. This helps communities to create an environment where governments and service providers implement policies and improve services, leading to structural improvements in WASH and SRHR and to less inequality. Social accountability breaks social and systemic barriers in contexts where national policies seem to be adequate, but where, in reality, these policies are insufficiently implemented and where inequality prevails. |
| SRH | sexual and reproductive health |
| SRHR | sexual and reproductive health and rights |
| STBM | Sanitasi Total Berbasis Masyarakat (Community-Based Total Sanitation and Hygiene) |
| RHSC | Reproductive Health Supplies Coalition |
| WAI | WASH Alliance International |
| WASH | water, sanitation and hygiene |

Preface



Shaping our future



It has been an exciting year at Simavi. It was our first full year in the new office and our first operating completely agile. I strongly believe that the latter is the only way forward considering the fast changing world we live and work in. In light of these world dynamics I am not only happy that we work agile but also that we are resilient and self-critical. Because many factors are likely to influence how the world will develop in the next decade and most likely, deeply effect the context and work of Simavi. For example, digitalisation is moving faster than ever and massive populations are on the move. On top of that mankind has entered the Anthropocene era: for the first time humans are holding the keys for shaping (or destroying) this planet. I believe that these influences will give us both new challenges as well as opportunities. Therefore, to be ready for all that will be thrown at us in the coming years and to ensure we have a sustainable future, we started a strategic trajectory at the end of 2017; Reinventing Ourselves. The aim is to closely look at Simavi's current role in this world and its added value and moreover, what role Simavi will play in the future to remain sustainable.

So, we enter 2018 full of confidence and excitement. Not only because of this new trajectory but for many more reasons. The nine new programmes we started in 2016 are now well underway with most of them into implementation phase this year. The first results look promising and you can read about all our programmes in chapter 2. I am particularly very proud of the formation of the WASH SDG Consortium, build upon a five-year contract with the Ministry of Foreign Affairs of The Netherlands in partnership with, the WASH Alliance International, Plan Netherlands and SNV. The aim is to improve WASH in seven countries.

We are not only determined to be as effective as possible in realising our mission, we also want to maximise the genuine change we engender in people's lives. To us this doesn't mean reaching as many people as we can, but more about making a sustainable impact for individuals. This year we have further embraced evidence-informed programming and impact measurement by setting up our programmes with a strong emphasis on rigorous scientific evidence, control groups, efficiency measurements and value for money.

We have welcomed two great new ambassadors to Simavi, Britte Lagcher and Barry Atsma. It is fantastic to be working with them in the quest to raise awareness for our mission; a healthy life for all. Because good health enables you to develop yourself socially and economically, take matters into your own hands and pursue your dreams.

On that note, I would like to express my deepest gratitude to all our partners and donors, and of course my energetic and outstanding colleagues. Together we make a difference in the lives of millions of people and I very much look forward to continuing this work in the following years.

Ariette Brouwer
Managing Director

PART I Report of the executive board

1. Strategy



1.1 Our vision, mission and strategy

Vision

Good health is the basis of everything. It enables you to develop yourself socially and economically, take matters into your own hands and pursue your dreams. With good health, you can look after yourself and your family and lift yourself out of poverty. That is why Simavi works towards a healthy life for all.

There are different definitions of health. Simavi uses the WHO definition of health: *A state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.* Simavi's definition of health could then be summed up as "feeling good and functioning well", which would include the following six dimensions:

1. *Experiencing physical and mental health*
2. *Feeling confident and capable*
 - feeling self-confident enough to have capacity for autonomous action, bottom-up advocacy
3. *Being self-aware and self-accepting*
 - understanding your body, community stigma
4. *Having control over one's life and environment*
 - violence, household expenditure, decision making in the family, access to services
5. *Having opportunities*
 - links to education, child marriage, early pregnancy, economic empowerment
6. *Having the capacity for positive relationships with others – on a one-to-one, small group, family, community or societal level*
 - including social network and participating in community decision making

Mission

To achieve a healthy life for all we work to ensure that disadvantaged people in low- and middle-income countries practice healthy behaviours based on their own free and informed decisions.

Our impact

The only way to create lasting change is by sustainably investing in people's health. We believe that there are two crucial factors that determine good health and well-being: sexual and reproductive health and rights (SRHR), and water, sanitation and hygiene (WASH). To enable disadvantaged people, especially women and girls, to enjoy a healthy life, we empower them to:

- improve their hygiene practice and make use of sustainable drinking water and sanitation services, and
- make informed decisions about their sexual and reproductive health and rights

... free from discrimination, coercion and violence.

Strategy

As mentioned in the preface, we have started a new strategic programme at the end of 2017: Reinventing Ourselves. The aim of this programme is to map out how the world is changing, what influence these changes have on the development sector and specifically on Simavi. And then look at the role that Simavi can and wants to play in this until 2030. So that we, till then also have added value to those people who need it the most.

Furthermore, in 2017 we have maintained focusing on the four cornerstones of Simavi's strategy for 2017–2021:

- Realising maximum impact through our programmes
- Diversified financing and innovative partnerships
- Simavi as a credible and daring brand
- Professional and colourful Simavi people

Throughout the report we will elaborate on these priorities and topics.

1.2 Our Theory of Change

We are well aware that the WASH and SRHR challenges faced by many people around the world, can't be solved overnight. Or by individuals. Or by quick fixes. They require sustainable, smart, long-term solutions. That's why we developed the Simavi Theory of Change; a way of working that ensures everyone involved – from a community level right up to government – is engaged in working together. All heading towards the same goal, and with continuous communication between all stakeholders. Only then will we achieve long lasting improvements of health.

In our Theory of Change we build collaboration by pulling together all the relevant stakeholders to make sure we're working at a local, national and international level.

This means bringing together:

- Communities – along with the partner organisations who really understand them;
- Civil society – to take a stand at regional & international levels to amplify our impact;
- Government, public & private sector – to generate conversations and ultimately stimulate change to social and cultural norms. We also lobby for change to international policies to help ensure a healthy life for all.

In order to empower people to improve their health, we take an integrated approach based on three basic principles:

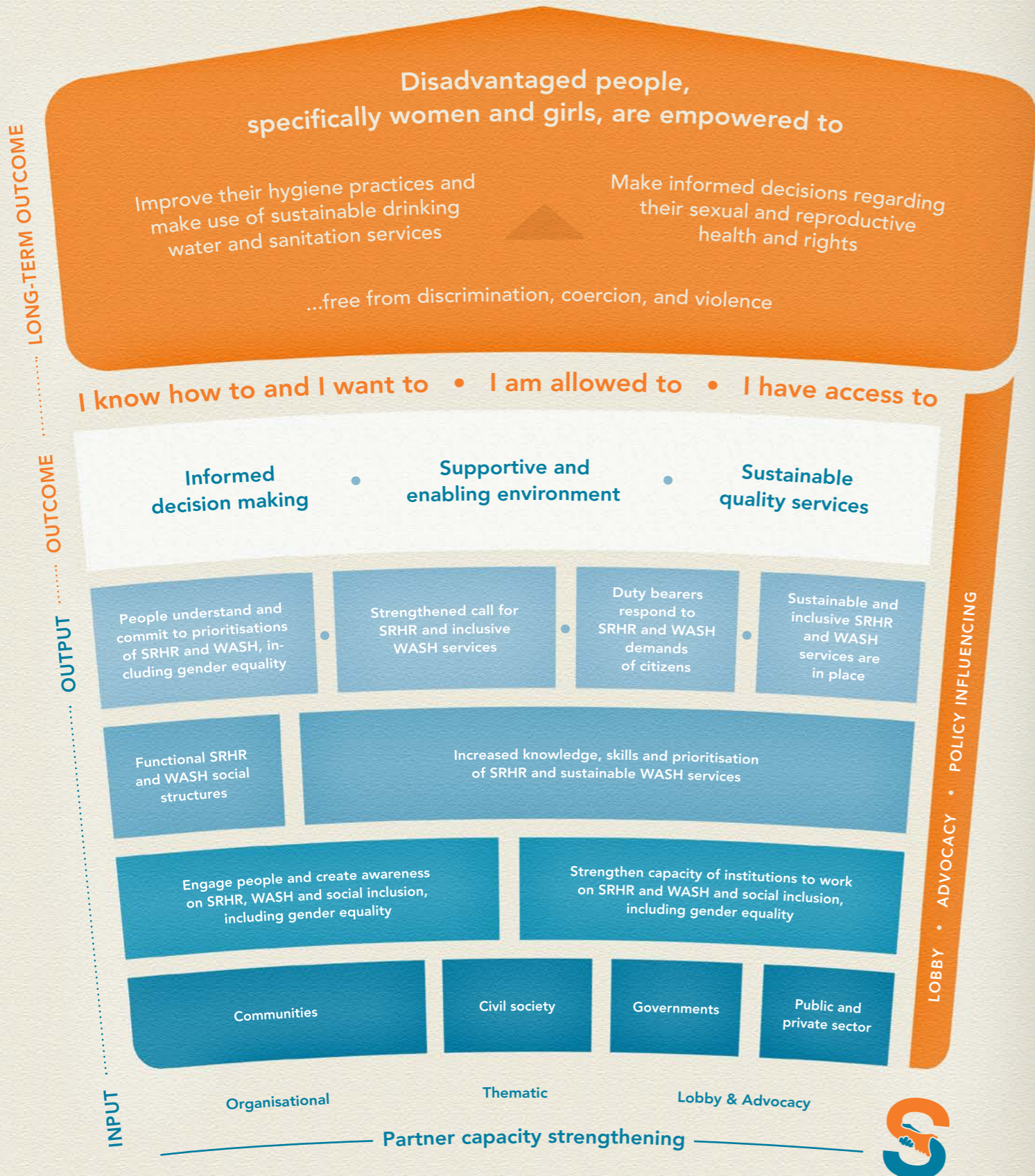
'I know how to and I want to' - Obviously, to make free and informed decisions, you need information. So, the first thing we do is give people the information they need, strengthening individuals' knowledge so they can make informed decisions about their bodies and their health.

'I am allowed to' - Once people have the information they need to make an informed choice, they need to feel like they are actually 'allowed' to make that choice. And in fact, we believe their social environment should be actively encouraging them! At Simavi, we work to create that supportive environment, making sure every individual's rights and needs are respected by all.

'I have access to' - And finally, once an individual has all the knowledge and support they need to make that informed choice, we want them to have the right facilities and resources at hand, to actually make it happen.

A Healthy Life for All.

We aim to ensure that disadvantaged people in low and middle income countries practice healthy behaviours based on their own free and informed decisions.



1.3 Our added value

Since 1925 we have been working to improve the health of disadvantaged people. In all that time we've remained agile; constantly adapting our ways of working to suit the changing landscape of development and the needs of those people. We don't want to tell people how to live their lives, but we do want to support them in ways that help them live the best, healthiest version of their lives. We want to create a world where a healthy life is accessible to everyone. And we really mean everyone. To continue making a real difference, we safeguard our four core competencies:

We strengthen the lobby & advocacy, organisational and thematic capacities of local CSOs

Our work is rooted in local communities. In the many years Simavi has been active, we've built up an extensive network of reliable and capable local partners in the nine countries where we work. We've acquired a deep understanding of the religious, ethnic and cultural sensitivities in every community we work with, which is vital in implementing community-based programmes that can achieve lasting change. We strengthen our local partners' capacity to ensure the community's demands are voiced to influence regional, national and international stakeholders within applicable legislative and regulatory parameters. We make sure they have the organisational capacity needed to implement projects and programmes correctly and effectively. And we provide the thematic knowledge our partners need to take a sustainable approach to SRHR and WASH.

We create synergies and partnerships

We have established extensive local and international networks in SRHR, WASH and beyond. We look to create new synergies and partnerships within our networks, bringing together partners whose expertise complements each other. We are equally comfortable working with the private sector, government agencies, international foundations, knowledge organisations, CSO networks, local partner CSOs and the people using health services.

We know how to manage complex programmes

We manage programmes that are designed to reach entire regions and districts. We bring organisations together to co-create SRHR and WASH solutions, and are as such the linking pin between organisations and areas of expertise. These international alliances and consortia include multiple stakeholders and enable us to reach scale.

We are a learning organisation focusing on impact

Simavi does not shirk its responsibility to demonstrate the impact of our work - for two reasons. First, it is important to test our vision and Theory of Change in the light of its impact. Second, we want to show the impact of our work to the donor community, the public and the development sector. We are responding to the trend of evidence-informed programming by defining a new vision on monitoring & evaluation that matches our new Theory of Change and by putting stronger emphasis on setting up core interventions in an evidence-informed manner.

2. Working towards a healthy life for all



photo: Benno Neeleman

Despite the significant and encouraging progress that has been made over the years, there is still a lot to be done to eradicate poverty. Simavi understands that good health is the essential condition for improving people's lives. With good health, you can look after yourself and your family, and lift yourself out of poverty. We focus on the two crucial factors that determine good health and well-being: sexual and reproductive health and rights (SRHR), and water, sanitation and hygiene (WASH).

Over the past 90 years we have acquired an extensive body of knowledge on how to successfully develop and implement programmes to improve people's, especially women and girls' health and rights – and we are still learning every day.

2.1 Simavi's programmes in 2017

In 2017, Simavi continued the implementation of several large programmes in Bangladesh, India, Indonesia, Nepal, Ghana, Kenya, Malawi, Tanzania and Uganda, where we operate in strong alliances and partnerships to sustainably invest in people's health. At the same time we secured a five-year contract for the WASH Alliance International (WAI), in partnership with Plan Netherlands and SNV working towards the achievement of Sustainable Development Goal (SDG) 6. The aim is to improve WASH for all. Particularly, to contribute to safe water and clean toilets for respectively 30 million and 50 million people.

Furthermore, Simavi has adopted evidence-informed programming and impact measurement methods and laid the groundwork needed to learn more in-depth about the impact of two of our programmes: Ritu, a combined WASH and SRHR programme focusing on menstrual health in Bangladesh, and The Golden Line in Tanzania and Ghana focusing on women's empowerment.

Our main programmes in 2017 are described on the following pages. In the tables, you can compare results to targets for each programme. Some indicators show short term results referred as output and when possible, we added information on our longer-term results referred as outcome. Most of our programmes have set their targets for the full length of their implementation phase: you will then compare a full programme target to the results achieved until the end of 2017. However, some of our programmes have different phases of implementation (GUSO, Watershed, More Than Brides). These programmes have set targets for the phase they are in, and are in the process of setting targets for their next phase: you will then compare the targets set for the current phase to the results achieved during the current phase. The length of the programme and the period for which targets and results are applying are indicated in each table.

The Golden Line (with Solidaridad and Healthy Entrepreneurs): a programme to economically empower women in and around artisanal and small-scale gold mining communities in Ghana and Tanzania.

Phase: Implementation. The baseline was finalised in March 2017 and programme implementation began. National Programme Coordinators have been contracted in both countries to better align activities of all programme partners. SRHR awareness activities have been undertaken and women's savings groups have been set up in 13 communities in Tanzania and 29 communities in Ghana. SRHR outreach services have been provided in Tanzania, serving 886 women with family planning services. Advocacy and communications strategies have been developed to tie together the programme in Ghana, Tanzania and at the International level. This included rebranding the programme from Going for Gold to The Golden Line. Simavi, together with WGNRR, has been working with women ambassadors from programme communities in Ghana and Tanzania, to familiarise them with Rights based advocacy and to develop the community advocacy strategy, in line with the national/international strategy.

| The Golden Line (2016 - 2021) | | Ghana | | Tanzania | | Total | |
|-------------------------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Level | Indicator description | Targets 2016-2021 | Results 2016-2017 | Targets 2016-2021 | Results 2016-2017 | Targets 2016-2021 | Results 2016-2017 |
| | # of loans taken | 1,800 | 11 | 540 | 0 | 2,340 | 11 |
| | # of multi-stakeholder dialogues | 112 | 4 | 189 | 0 | 301 | 4 |
| Output | # of women that regularly attended or participated in women's group | 7,200 | 640 | 1,728 | 705 | 8,928 | 1,345 |
| | # women that attended EA\$E groups | 9,000 | 826 | 2,160 | 731 | 11,160 | 1,557 |
| | # of community members who attended sensitization meetings on gender equality and women's health needs and rights | 2,500 | 3,934 | 715 | 178 | 3,215 | 4,112 |

* Some of the results took longer than expected due to mine bans but we caught up and are on track again

Ritu (with Bangladeshi media and communication agency RedOrange and Dutch research organisation TNO, supported by the Embassy of the Kingdom of the Netherlands): a programme to promote menstrual hygiene management in Bangladesh. Our main goal is to structurally improve the health, well-being and social and economic participation of women and girls by 2019.

Phase: Implementation. Beginning 2017 a rigorous baseline was administered by a local survey firm under the guidance of Simavi and the Impact Centre of the Erasmus University. Due to school holidays and exams the baseline was delayed and as a result our activities in the field were delayed as well. However, at the end of 2017 all toilets are realised in schools and most teachers are trained. RedOrange produced a successful TV series that has been aired on four different channels and on radio. TNO finalised their bio-degradable plastic and will continue negotiations with potential private partners for the production of sanitary pads together with Simavi in 2018.

| Ritu (2016 - 2019) | | | |
|--------------------|--|-------------------|-------------------|
| Level | Indicator description | Targets 2016-2019 | Results 2016-2017 |
| | # CSOs and NGOs trained on advocacy regarding MHM | 30 | 0 |
| | # MHM friendly school WASH facilities realized | 89 | 48 |
| | # people reached via community MHM awareness raising | 14,000 | 1,021 |
| Output | # school girls and boys participated in interactive MHM sessions | 80,411 | 14,134 |
| | # schools assessed on MHM friendly WASH facilities | 176 | 176 |
| | # teachers participated in interactive MHM sessions | 1,000 | 317 |
| | # teachers trained on MHM and facilitation skills | 1,000 | 317 |

*Most phases of the programme are on track. The training on advocacy will be in a later phase which also explains the people reached in the communities is still behind.

Get Up Speak Out (GUSO) (with Rutgers, IPPF, CHOICE, Dance4life and Aidsfonds): a programme to strengthen civil society organisations to make them more effective in addressing young people's sexual and reproductive rights and needs. Simavi implements this programme in Ghana, Indonesia, Kenya, Malawi, Uganda and Bangladesh.

Phase: Implementation. In 2017 we finalised our baseline survey. It was also the first year of full programme implementation. Simavi has supported 12 local partners to work on improving comprehensive sexuality education, access to youth friendly services and to create a more supportive environment for sexual reproductive health and rights in their countries. At the same time we have encouraged the meaningful participation of young people and collaboration with other local partners. In response to growing conservatism, an extra effort was made to keep issues such as access to safe and legal abortion high on the agenda. In Indonesia, Kenya, Malawi and Uganda, Simavi had a lead role in alliance strengthening trajectories by directly supporting the National Country Coordinators. In 2018 we will conduct an initial evaluation that will provide us information on the first programme results.

| GUSO (2016 - 2021) | | | |
|--------------------|---|-------------------|-------------------|
| Level | Indicator description | Targets 2016-2017 | Results 2016-2017 |
| | # People reached by campaigns and (social) media | 1,454,154 | 3,515,304 |
| | # People structurally involved in the implementation of the programme at community level (for example youth groups, CBOs, peer educators) | 6,385 | 3,555 |
| Output | # Service providers who have been trained in Youth Friendly Services (YFS) | 395 | 923 |
| | # SRH services provided to young people (except condoms) | 305,973 | 936,614 |
| | # Young people reached with (comprehensive) SRHR education | 67,170 | 73,367 |
| | # Young people reached with (comprehensive) SRHR information | 208,735 | 135,710 |

Making Periods Normal (with Rutgers and Women on Wings): a programme to improve the health and well-being of 660,000 women and girls in the intervention areas in India. In addition, the consortium seeks to raise awareness among Dutch women about the psychological, social and medical impact of poor MHM for women and girls in India.

Phase: Programme ended. 2017 was the last year of the MPN programme. Partners were able to achieve their targets and at the same time ensured continuation of successful elements of the programme. For example, the Government of Bihar will scale-up the training of teachers on menstrual health education, following the example of MPN. The female entrepreneurs will continue selling sanitary pads and inform women and girls about menstrual health. The programme was evaluated through a quantitative and qualitative evaluation – using the Most Significant Change methodology.

| Making Periods Normal (Sept 2015 - Sept 2018) | | | | |
|---|---|----------|-------------------|-------------------|
| Level | Indicator description | Baseline | Targets 2015-2018 | Results 2015-2018 |
| Reach | # Adolescents reached through schools or communities | | 430,000 | 402,732 |
| | # Adults reached through communities | | 430,000 | 548,609 |
| | # Female entrepreneurs trained | | 815 | 816 |
| | # School teachers trained | | | 1,400 |
| Participation in social life | % Girls who do not experiment any restrictions to their social life during menstruation | 18 % | | 24 % |
| | % Women who do not experiment any restrictions to their social life during menstruation | 6 % | | 16 % |
| Good practices | % Girls with good hygienic practices during menstruation | 55 % | | 54 % |
| | % Women with good hygienic practices during menstruation | 73 % | | 89 % |
| Positive attitude | % Girls with positive attitude towards menstruation | 53 % | | 70 % |
| | % Women with positive attitude towards menstruation | 51 % | | 72 % |
| | % Boys with positive attitude towards menstruation | 71 % | | 76 % |
| | % Men with positive attitude towards menstruation | 55 % | | 65 % |
| Knowledge | % Girls with high knowledge on menstrual health and hygiene | 25 % | | 39 % |
| | % Women with high knowledge on menstrual health and hygiene | 12 % | | 33 % |
| | % Boys with high knowledge on menstrual health and hygiene | 29 % | | 37 % |
| | % Men with high knowledge on menstrual health and hygiene | 27 % | | 32 % |

Maji kwa Afya ya Jamii (MKAJI) (with Swiss Agency for Development and Cooperation (SDC), Simavi, Witteveen+Bos and Tanzanian partners CBHCC and UFUNDIKO): a programme to upgrade water supply and sanitation systems in 100 primary health care facilities in the Dodoma region of Tanzania.

Phase: Implementation. During 2017 the programme finalised 23 more WASH infrastructures at rural dispensaries and health centres, to a total of 57 health facilities with improved WASH facilities, improved knowledge of hygiene issues among their staff and the surrounding communities and strengthened the governance of and community participation in water management of these public primary health facilities. Project evidence is brought in at the national Sanitation & Hygiene Sector Working Group, a Development Partners sector working group where Simavi is a formal member.

| MKAJI (Apr 2015 - Mar 2019) | | | |
|-----------------------------|--|-------------------|-------------------|
| Level | Indicator description | Targets 2015-2019 | Results 2015-2017 |
| Output | # Health Facilities provided with an adequate, sustainable and safe water supply and sanitation facilities | 90 | 57 |
| | # Staff members from health facilities that have been trained on hygiene measures and protocols for equipment, personal hygiene and hygiene in the building and premises | 275 | 214 |
| | # Staff members from health facilities that have been trained on Operations & Maintenance of WASH facilities | 270 | 171 |
| | # Staff members from health facilities that have been trained on WASH Financing and Business models | 275 | 176 |
| | # Staff members from health facilities that have been trained on water governance | 902 | 572 |

* In 2017 implementing partners designed and supervised the construction of more complex water supply solutions for health facilities, which resulted in delays. A Mid Term Review was conducted to assess the performance of the project. A plan to mitigate the risks of further delays and integrate the recommendations of the Mid Term review, was developed and agreed with the donor.

Trachoma SAFE Communities an ongoing programme with two sub-programmes: Trachoma SAFE Communities (funded by Simavi and a Dutch foundation) and Trachoma SAFE Programme Tanzania (funded by Sightsavers on behalf of ICTC/DFID). The aim is to prevent the spread of trachoma disease by changing community behaviour towards good personal hygiene and environmental sanitation practices and to develop and test key WASH projects in schools to encourage face washing and healthy hygiene and sanitation behaviour.

Phase: Implementation. In 2017, the interventions started in 32 schools in total. Each school involved in the programme is conducting a mix of interventions to prevent trachoma - such as school health clubs, social marketing activities, SLTS and adding trachoma prevention to the school curriculum.

| Trachoma (Dec 2015 - Dec 2018) | | | |
|--------------------------------|---|-------------------|-------------------|
| Level | Indicator description | Targets 2015-2018 | Results 2015-2017 |
| Output | # Communities where WASH sensitization campaigns are organised (with a focus on facial and environmental cleanliness to prevent trachoma) | 81 | 26 |
| | # Hand washing facilities built or rehabilitated at schools | 9 | 13 |
| | # Latrines built or rehabilitated at schools | 0 | 0 |
| | # School Health Clubs that have been established or activated to provide hygiene promotion and education (with a focus on facial and environmental cleanliness to prevent trachoma) | 22 | 18 |
| | # Schools where School Led Total Sanitation (SLTS) is triggered | 8 | 7 |
| | # Schools where WASH sensitization campaigns are organised (with a focus on facial and environmental cleanliness to prevent trachoma) | 10 | 28 |
| | # Teachers trained to include WASH and trachoma sensitization in their school curriculum | 134 | 166 |

*Implementation plan deviated from initial targets: more schools were reached than initially foreseen

More Than Brides Alliance (with Save the Children Netherlands, Oxfam Novib and the Population Council): a five-year programme to reduce child marriage and its adverse effects on young women and girls. Simavi's partners in India and Malawi focus on empowering girls and creating an enabling environment by providing information on SRHR and adverse effects of Child Marriage. We ensure that Youth Friendly Services are available and support provision of alternatives to child marriage such as access to education and economic opportunities. We work on improving child protection systems and lobby for change or better implementation of laws related to Child Marriage and Comprehensive Sex Education.

| More Than Brides Alliance (Jan 2016 - Jan 2020) | | India | | Malawi | | Total | |
|---|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Level | Indicator description | Targets 2016 - 2017 | Results 2016 - 2017 | Targets 2016 - 2017 | Results 2016 - 2017 | Targets 2016 - 2017 | Results 2016 - 2017 |
| Outcome | # number of girls who can convince their parents to delay a marriage | | 239 | | 320 | | 559 |
| | # documented cases of mediation for girls at risk of and affected by child marriage by Child Protection Committees, facilitated by the project | | 101 | | 77 | | 178 |
| | # of these cases which resulted in a satisfying response for the girls concerned, in the reporting period. | | 89 | | 53 | | 142 |
| | # laws, guidelines and policies changed leading to a decrease of barriers to SRH, including CM | | 9 | | 5 | | 14 |
| | # health facilities with improved Youth Friendly SRH services as a result of project activities | | 4 | | 4 | | 8 |
| | # documented cases of collective action and engagement of the community against CM and in support of SRHR | | 83 | | 9 | | 92 |
| Output | # of boys and girls trained by the project on SRHR, CM, communication skills | 20,210 | 17,706 | 1,640 | 1,728 | 21,850 | 19,434 |
| | # parents/caregivers who participated in awareness sessions, organized by project, on social protection schemes and how to access these | 12,160 | 13,990 | 510 | 638 | 12,670 | 14,628 |
| | # of youth groups formed | 823 | 1,179 | 66 | 124 | 889 | 1,303 |
| | # of influential stakeholders/role models/frontrunners expressing views on SRHR and CM during events/ on platforms organized by the project | 185 | 290 | 15 | 10 | 200 | 300 |
| | # girls, by age category and marital status, who participated in activities organized by the project to help prepare them for income generating opportunities | 720 | 2,048 | 375 | 0 | 1,095 | 2,048 |
| | # girls, by age category and marital status, who were linked up with income generating opportunities through the project | 280 | 295 | 204 | 0 | 484 | 295 |

* In Malawi, activities linked to income generating activities have been delayed - they will take place in 2018-2019

Sustainable Sanitation and Hygiene in Eastern Indonesia (SEHATI) The SEHATI programme, funded by Embassy of the Kingdom of the Netherlands in Indonesia is a continuation of the previous SHAW programme. The objective is that by 2018 the local government authorities (district, sub-district and village level) in seven districts in Eastern Indonesia ensure sustainable sanitation and hygiene through implementation of the five following pillars of community-based total sanitation (STBM): stop open defecation, hand washing with soap, drinking water management, domestic solid waste management, domestic liquid waste water management.

Phase: Implementation. During 2017 SEHATI improved the capacity of local government stakeholders in STBM monitoring, village verification and budgeting, increased access to sanitation and hygiene facilities in the communities through community triggering and strengthened the private sector in sanitation service delivery.

| SEHATI (Feb 2016 - Aug 2019) | | | |
|------------------------------|--|-------------------|-------------------|
| Level | Indicator description | Targets 2016-2018 | Results 2016-2018 |
| Output | # Sanitation entrepreneurs trained and supported to produce and sell appropriate and affordable products and services* | 136 | 312 |
| | # Sub-district level actors trained to provide training on STBM at village level* | 343 | 495 |
| | # Villages trained to plan, implement, monitor, and sustain CLTS | 1,107 | 1,011 |
| | # Women working at sub-district level trained to organise and support STBM monitoring | 187 | 242 |

*More people than expected were interested and registered for the WASH entrepreneurship training

*Implementing partners have been able to replicate STBM in non-SEHATI villages, and therefore, trained more people in CLTS. Replication is the goal of this programme and costs for extra villages are paid by local governments

Healthy Business, Health Lives (with Healthy Entrepreneurs and Emesco development foundation): the programme is implemented in Kibaale district, Uganda, aiming to train Community Health Workers (CHWs) as health entrepreneurs. Simavi and Emesco have been training a large pool of CHWs in the past years. However, being a CHWs was a volunteer job meaning that the health information for the communities was shared on irregular moments. With the help of Healthy Entrepreneurs the programme has now established a pool of 138 active entrepreneurs that are equipped with a mobile tablet with educational videos and a basket of health products. The entrepreneurs earn a living by selling the health products, while at the same time being able to inform their communities about issues of SRHR, WASH and nutrition. The programme has been running since 2015 and started as a pilot funded by the Dutch Development Cooperation. The 2-year pilot has been successfully extended to the end of 2018 with funds from the Flexiplan Foundation.

| Healthy Business, Health Lives (Jan 2016 - Dec 2017) | | | |
|--|---|-------------------|-------------------|
| Level | Indicator description | Targets 2016-2017 | Results 2016-2017 |
| Output | # Community health workers trained in business skills | 35 | 32 |
| | # Community health workers trained in SRHR/WASH | 35 | 32 |
| | # Health entrepreneurs member of the network* | 200 | 138 |
| | # Women provided with contraceptive (pill, injectables, implants) | 4,000 | 4,888 |

*We have trained less entrepreneurs as expected as we have faced some dropout

WASH & Learn an East Africa Community and School WASH Learning and Exchange programme that started in 2016 and is financed from the Walking for Water event, Aqua for All, Rotary district 1570 and the Waterloo Foundation. This three-year programme takes an integrated WASH approach to water supply, sanitation and hygiene behaviour improvements in schools and in the surrounding communities in Kenya, Tanzania and Uganda.

Phase: Implementation. During the 2017, six local partners started with the hardware construction at the selected schools. At programme level, five learning trajectories were developed under the leadership of the local Knowledge Sharing and Learning Officer. Two successful learning meetings were organised to bring the local partners together for experience sharing and learning.

| WASH & Learn (Mar 2016 - Dec 2018) | | | |
|------------------------------------|---|-------------------|-------------------|
| Level | Indicator description | Targets 2016-2018 | Results 2016-2017 |
| Outcome | # of local entrepreneurs who gained knowledge on WASH related economic activity | 130 | 182 |
| | # of partners with sufficient knowledge on School Health Clubs | 6 | 6 |
| | # of partners that have shared knowledge acquired within their organisation | 6 | 6 |
| | # of partners that have used knowledge acquired in programmes | 6 | 3 |
| Output | # of school management committees strengthened on WASH | 43 | 30 |
| | # of villages with an ODF status | 44 | 12 |
| | # of school health clubs established/strengthened | 43 | 28 |
| | # of people trained on WASH issues in the community | 22,360 | 12,247 |
| | # of children trained on WASH issues in schools | 10,530 | 9,249 |
| | # of functional WASH facilities that have been constructed within the project | 245 | 80 |
| | # of community water management committees established/strengthened | 41 | 29 |
| | # of committees with at least 1 woman in leading position (chair, secretary or treasurer) | 39 | 28 |

WASH SDG Programme The WASH SDG Consortium is formed by the partners WASH Alliance International, SNV and Plan Netherlands. In alliance with the Ministry of Foreign Affairs of The Netherlands, the Programme responds to the Dutch commitment to contribute to the Sustainable Development Goals, particularly SDG 6, with the aim to reach an improved WASH situation for all. It was approved in July 2017 and is currently in the inception phase. The programme will be implemented in Bangladesh, Ethiopia, Indonesia, Nepal, Tanzania, Uganda and Zambia, with two or more sub-national level programmes (sub-programmes) developed per country.

Phase: Inception. In 2017, inception phase activities focused on setting up the teams, clarifying governance structures and programme-level internal procedures, carrying out detailed background research on WASH sector in each of the countries, identification of key stakeholders and working with the country teams on their sub-programme level theories of change.

Watershed Empowering Citizens (with IRC (lead), Wetlands International, AKVO and the Dutch Ministry of Foreign Affairs): a WASH lobby and advocacy capacity building programme to improve governance of the WASH sector, responsive to the interests of marginalised groups.

Phase: Implementation: In 2017, the implementation of the programme started. Simavi is in the lead for the Kenya, Bangladesh and Dutch work packages. We are also member in Ghana, Uganda, International and PMEL work packages. Simavi also leads the social inclusion and gender learning and lobby and advocacy trajectories within this programme. Eight NGOs were contracted in these countries and as a first step the capacity of these partners was assessed particularly on lobby and advocacy capacity for inclusion of the need of marginalised group in WASH in the broader scope of Water Resource Management. Based on the results of the assessments, action plans were developed to strengthen the capacity of these CSOs. As a highlight for this programme was the collaboration with Partos "Leave No One Behind" platform to put forward a motion in parliament about measuring marginalised groups during the implementation of the SDGs which was approved.

| Watershed (2016 - 2021) | | | | |
|--|--|---------------|------------------|------------------|
| Level | WSD - Indicator | WSD Country | Targets 2017 (%) | Results 2017 (%) |
| Outcome | Level of use of reliable evidence for L&A | Bangladesh* | 50 | 25 |
| | | Ghana | 50 | 75 |
| | | Kenya | 58 | 58 |
| | | Uganda | 50 | 25 |
| | Level of inclusion of marginalised groups | Bangladesh | 50 | 50 |
| | | Kenya* | 67 | 50 |
| | Level of integration of WASH-IWRM in L&A | Bangladesh | 50 | 25 |
| | | Ghana | 50 | 50 |
| | | Kenya* | 29 | 50 |
| | | International | 50 | 50 |
| | Level of transparency on own activities and results | Uganda | 75 | 50 |
| | Level of holding service providers to account | Bangladesh* | 50 | 25 |
| | Level of Government responsiveness to stakeholder demands on WASH and IWRM | Bangladesh | 25 | 21 |
| | | Kenya | 44 | 44 |
| | Level of inclusion of marginalised groups (in policies and plans) | Bangladesh | 22 | 22 |
| | Level of transparency in budget allocation by National Government | Bangladesh | 25 | 25 |
| | Level of transparency in budget allocation by Local Government | Bangladesh | 25 | 25 |
| | Level of transparency in expenditure by National Government | Bangladesh | 25 | 25 |
| | Level of transparency in expenditure by Local Government | Bangladesh | 17 | 17 |
| | Level of integration of WASH/IWRM in implementation and monitoring by Local Government | Bangladesh | 17 | 17 |
| Level of Government monitoring of WASH and IWRM services | Kenya | 44 | 44 | |
| Level of engagement of Dutch government and parliament | Bangladesh | 37 | 20 | |

*Behind: DORP has become more aware about the importance of use of reliable data but the capacity strengthening activities which was supposed to be done has not taken place yet

*Behind: 2 out of 6 partners did not meet target. Despite the fact that they acquired substantial capacity on assembling evidence for L&A, the evidence use is not yet used for targeting the marginalised

*Ahead: learning shop facilitated by Watershed contributed to increased understanding of partners on integrating WASH/IWRM. All 6 CSOs are now engaged in L&A about the same theme/issue with targets (in government and/or private sector) from both the WASH and IWRM sectors

*Behind - The evidence shows that the situation is improving gradually. With the facilitation support of DORP local 2 CSOs networks started WASH and IWRM budget tracking and citizen scorecards, which will provide a solid basis for holding service providers to account.

Improving Health and Hygiene through WASH Intervention SEBAC, with technical support of Simavi and financial support of the Dopper Foundation has been implementing the Project since December 2016 in two districts: 20 villages in Sindhupalchowk and 14 villages in Dolakha. This project aims to improve the health status of these communities with the involvement of local WASH stakeholders, schools, health institutions as well as to improve WASH governance at the local level.

Phase: Inception (6 months) /implementation (6 months). During the inception phase the local partner carried out a baseline study and monitoring tools were developed to promote and guide WASH in schools, health facilities and households. We started the implementation phase during the second half of 2017.

| DOPPER (Dec 2016 - Dec 2019) | | | | |
|------------------------------|--|-------------------|-------------------|--|
| Level | Indicator description | Targets 2016-2019 | Results 2016-2017 | |
| Outcome | # Extra people who use sanitation facilities as a result of other interventions of L&A activities | 33,943 | 10,100 | |
| | # People with knowledge and hygienic practices regarding water, supply and hygiene WASH | 129,330 | 33,532 | |
| | # Unreached population who have access to drinking water facilities as a result of construction activities directly funded by SIMAVI | 1,600 | 794 | |
| Output | # Community groups who received capacity building support (i.e. training) in the programme | 607 | 265 | |

2.2 Maximise impact

As most of our current programmes are in the midst of the implementation phase and will run for three to five years, it is still too early to demonstrate what long-term impact they will have. What we can say, and what we show in paragraph 2.1, is an overview of the activities we are conducting within these programmes. This overview gives an idea of the concrete steps we are taking today to achieve impact tomorrow.

We believe our impact cannot be measured simply in terms of the number of people reached, but that it is also about the magnitude of the changes made in the lives of these individuals. Changing behaviours and deeply impacting people's lives take time. In 2016, we started designing and getting ready to implement meaningful, comprehensive and impactful programmes. Last year, before starting with implementation, we dedicated time and effort to evaluate the baseline situation. An in-depth baseline assessment is key to learn and adapt our interventions to specific needs and contexts as well as to be able to compare the situation before and after and therefore assess both the width and the depth of the impact our programmes will have.

2.3 Simavi's impact in 2017

Simavi desires to increase not only the number of people reached, but the depth of its long-term impact on people's lives. To achieve this goal, we need to improve our understanding of which approaches or interventions make the most effective contributions to the impact of our work. Because it is much more complicated to demonstrate the ultimate impact of our programmes than to measure immediate results, this strategic choice has several important consequences.

The first consequence is that measuring impact requires more resources, in terms of both time and funding. This is because determining whether a change is significant and a new behaviour is deeply rooted in the practices of a target group as a whole requires data collection on a larger scale. And if we really want to assess Simavi's added value, we also need to be able to compare the changes in the programme target group with a control group, a similar group that did not participate in the programme. Where scientific evidence for an intervention is weak, we will, where possible, acquire that evidence through more rigorous impact evaluations. Three of our current programmes are set up in this way: Ritu, The Golden Line and More than Brides Alliance. The time and effort we dedicate to building evidence serves not only Simavi's purpose, it also contributes to the sector-wide evidence base on the impact of SRHR and WASH interventions. We aim to limit the costs of impact measurement by focusing our efforts on a limited set of Simavi interventions and by seeking collaboration with others in the sector to jointly build a stronger evidence base. We believe this will ultimately result in a more efficient use of funds and a greater overall impact.

Secondly, results at the impact level take longer to materialise than the immediate results of activities. For example, changes in levels of knowledge can be measured right after a training or event, but it takes longer to see whether or not the incidence of child marriage or disease has been reduced, and by how much. This means we can only measure progress at a much later date. Patience will be required.

A third consequence is that a new measurement strategy requires a different way of working. Evidence-informed programming for more impact not only requires more resources and more patience in terms of results, it also requires an open and brave mind-set. Focusing on impact means abandoning assumptions and embracing the conclusions of objective and rigorous research to further enrich programmes. It demands critical reflection on the reasons or justifications for methods and interventions that may have underpinned some of our activities for years. It involves questioning the effectiveness of certain solutions that may be widely supported in the sector, including by donors, but for which evidence might be lacking. It also raises questions such as how far organisations like Simavi are responsible for generating evidence at the impact level, and what opportunities there are for collaboration with research institutes to ensure high-quality research data to inform SRHR and WASH programmes. These are topics that remain on our agenda as we pursue and develop our impact-led approach.

2.4 Lobby and advocacy in 2017

In 2017, we further built upon our lobby and advocacy strategy: to advocate for strong political and sufficient financial support in the Netherlands and at the national (local, in-country) and international levels for sexual and reproductive health and rights (SRHR) and water, sanitation and hygiene (WASH) to ensure a healthy life for disadvantaged people in Africa and Asia.

Our advocacy efforts aim to strengthen our current programmes and we see progress being made in several areas, for example: we launched the Menstrual Health Alliance together with WASH United to further emphasise the importance of our work done in this area of expertise. We have also seen that in Malawi our advocacy work has paid off through the final vote to end child marriages and lastly, we are very proud to have been granted the Consultative Status with the United Nations Economic and Social Council (ECOSOC). The ECOSOC grants consultative status to Civil Society Organisations (CSOs) like Simavi whose programmes are of direct relevance to the aims and purpose of the United Nations. Our new status grants us access to UN bodies (including the General Assembly and the Human Rights Council) and will allow us to engage decision-makers at the highest global level.

Our lobby and advocacy uses human rights arguments and evidence in an effort to improve the health of people in disadvantaged communities in the countries where we work. We remain to focus on the following priorities until 2020:

- Adolescent & youth SRHR (combating child marriage, contraceptives for young, unmarried women);
- Maternal health & reproductive rights (safe legal abortion);
- Menstrual hygiene;
- Integrated WASH (hygiene is a crucial part of WASH);
- Social inclusion.

Lobby and advocacy is a cornerstone of Simavi's work and an integral part of our Theory of Change. Influencing policy and implementing international obligations is an essential part of achieving permanent change in the structural improvement of a healthy life for all. The Sustainable Development Goals are important in achieving this mission. However, within our work on SRHR and WASH there is a special focus on the following three goals: SDG 3 (good health and well-being), SDG 5 (gender equality) and SDG 6 (clean water and sanitation). In 2017 we have further engaged in lobbying and advocating in a number of global forums for strong political and sufficient financial support for SRHR and WASH. To ensure a healthy life for all we look forward to building on this work in the future.

3. Fundraising and Communications



photo: Jerry de Mars

Through our fundraising and communications activities we want to ensure Simavi receives sufficient funding from private donors, foundations and companies to support our mission: a healthy life for all. Furthermore, with these activities we want to create awareness for our programmes and brand through excellent and inspiring online and offline communications.

3.1 Diversified financing and innovative partnerships

We invested in our existing donors, developing new relationships with fellow development organisations, foundations and other potential partners. We met with several potential donors and better understand their priorities and challenges and how Simavi could add value to these.

In 2017, we increased our efforts on fundraising by focusing on our 3 main fundraising priorities:

1. Diversify our donor base and explore new types of partnerships.
2. Increase our revenue from our Dutch constituency by intensifying our relationships with individual donors, the Dutch private sector and Dutch foundations.
3. Exploring new ways to raise funds.

Below we have outlined several highlights with regards to our fundraising activities.

We continued and consolidated our relationship with several foundations, such as Foundation Flexiplan and Weeshuis der Doopsgezinden Foundation. In 2017, we received support from 45 Dutch private foundations, totalling €345K. We continued to approach the foundations in a personal and professional way that goes beyond the traditional donor–recipient relationship. We view these relationships more as partnerships in which we work together to achieve good results.

Furthermore, we have intensified our collaboration with the private sector on achieving common goals. Together with different organisations we investigate opportunities to develop programmes in the areas of our expertise. With the Doppler Foundation for example we are looking into expanding our partnership by adding waste as a component to our programme, next to improving the water and sanitation facilities in Nepal. And with Made Blue we are developing a proposition for the hospitality sector of which we will see the results in 2018.

In 2017, we further invested in expanding our international network, with the goal of developing new relationships with international foundations. We have several contacts in different stages, which we will further cultivate in the years ahead of us.

In 2017 we received €438K from legacies. In 2015 we developed a strategy to increase our revenue from legacies and bequests in the longer term. In 2018 we will continue to roll out this strategy.

The recruitment of new donors has been slightly disappointing, both from the prospects and house mailings. As part of a test to innovate our mailings, we tried to approach new donors with different topics than our regular house mailings such as, menstrual health and maternal mortality. We have experienced that the target audience in these mailings don't respond to these topics very positively. Surprisingly though, we have seen an increase in the amount of unknown donations given to Simavi. We see more and more donors using internet banking what could be a possible explanation.

With our annual event, Wandelen voor Water, we have managed to reach our objective of 10,664 schoolchildren participating in the event and we engaged 4.828 children with our new King's Games event. Despite reaching our goal we unfortunately see a reduction in the number of schools joining these two events. The reason being that many schools participate in several events and simply choose different events every year. Together with our partners for Wandelen voor Water; Aqua for All, Amref Flying Doctors, ZOA and the Rotary we will debate how to create momentum again for this wonderful event next year. Apart from these two events, many other partners of Simavi raised money through organising special events. For example, Viva Con Aqua organised an Art Gallery in Maastricht where more than 20 different artists sold pieces for Simavi. Another special event

was the Startbaanrun, organised by The Rotary Club and an athletics club. Nearly 1.000 runners participated and together they raised €40K.

The Dutch Postcode Lottery raises funds for charitable organisations committed to a greener and fairer world. Simavi has been one of the Lottery's beneficiaries since 1998. In 2017, we received a general grant of €900K from the Lottery. This support is of incredible value to us, as it can be used for any new initiative that is based on our mission and vision. Simavi and the Dutch Postcode Lottery are close partners who work together intensively and we are grateful for their continuous support.

2017 was the premiere of our online giving platform; Kom in Actie. We had not yet used this new way of fundraising and the first results are positively received. For example, over 100 pages were made during the Walking for Water and King's games events and we saw an increase of almost €22,- per donation made compared to the paper donation form (from €28,- to approximately €50,-).

At the end of 2017 we have started to investigate the possibility to use crowdfunding as a new way to raise unrestricted funds. The objective was not only to raise new funds but also to focus on a different, younger audience. We are anticipating to launch three crowdfunding activities in 2018 and we are excited to see the first results next year.

Below is an overview of our income generated from our fundraising activities:

| Income (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|--|---------------|---------------|---------------|
| Income from private individuals | 1,679 | 1,311 | 1,515 |
| Income from companies | 36 | 15 | 239 |
| Income from lottery organisations | 1,158 | 925 | 1,012 |
| Income from government subsidies | 8,812 | 9,006 | 8,719 |
| Income Dutch Ministry of Foreign Affairs for alliance partners | 4,065 | 7,838 | 4,269 |
| Income from other non-profit organisations | 1,511 | 1,920 | 1,130 |
| Total income raised | 17,261 | 21,015 | 16,884 |

3.2 A strong brand and transparent communication

We build long-term relationships with our partners and nurture credibility among our stakeholders, both of which are vital to achieving our ambition, through excellent, inspiring on- and offline communication.

We had three main objectives in 2017:

1. Comprehensive content for all our target groups on all channels
2. Increase Simavi's brand awareness
3. Enhance employee engagement

Below we have highlighted several communication activities.

In 2017 we see that the number of our website visitors has decreased. Website research and marketing trends point out that we have to shift our attention from our own digital channels to other interesting communities to attract, interest and activate donors. Coming year we will focus on digital activation, whether it is on our own website and social media or with external digital communities. Therefore, we will as from now report on unique visitors and specific goals.

We closely monitored our social media accounts to make our approach more personal. We usually respond to both positive and negative reactions within a day. The below table shows activity and engagement on several social media platforms.

| Social Media activity & engagement | 2016 | Target 2017 | Actual 2017 |
|---|-------|-------------|-------------|
| Twitter followers | 2,055 | 3,000 | 2,932 |
| Twitter retweets, replies, likes and clicks | 1,570 | 3,350 | 1,601 |
| Facebook fans | 3,365 | 6,000 | 4,789 |
| Facebook shares and comments | 8,885 | 10,000 | 11,263 |
| LinkedIn followers | 1,210 | 1,500 | 1,453 |

As part of our stakeholder engagement strategy, we regularly publish news features on each website each month. The Dutch features put a human face on our projects, presented in an appealing story format. The international features contained up-to-date programme content relevant to our professional partners and institutional donors. The frequency, depth and variety of content underscored our status as a deeply engaged expert in the sector.

In 2017, we sent seven newsletters to different stakeholder groups. Our newsletters are an important tool for building relationships. The content includes updates on Simavi's projects, reports on conferences we attended, and several interviews with relevant stakeholders, like with our Dutch Minister of Foreign Trade and Development Cooperation, Lilianne Ploumen. With our newsletters we reached nearly 11.000 people.

We organised an event to officially open our new office in Amsterdam, in September 2017. We invited close relations and partners of Simavi and together with our Patroness her Royal Highness Princess Beatrix of The Netherlands, we officially opened our new office in Amsterdam.

Another eventful moment was the launch of the Impact Challenge in November 2017. Together with other organisations like, PwC, Wakker Dier, Nierstichting, Plan, Amref Flying Doctors, Natuur en Milieufederaties Simavi initiated this challenge with the aim to stimulate the discussion about social impact within the development sector. This was the start of which we will see more activities in 2018.

At Simavi, we believe that critical feedback from engaged stakeholders helps us achieve our ambition. We welcome input on what we can do better from donors, volunteers, partners, beneficiaries and anyone who is interested in the work we do. In this light, we will conduct a partner satisfaction review in the first quarter of 2018 and provide an overview of the most interesting results in next year's report.

In 2017 we received one formal complaint, from one donor who strongly disapproved of our reminder mailing after he had donated a big amount to Simavi. And the donor was completely right. Unfortunately, the donors donation and the reminder had crossed each other. Also, we received several complaints from private donors after sending them direct mail letters. All the complaints were taken very seriously and treated with the utmost care. All those concerned were satisfied with the way we listened to them or resolved the problem.

4. A professional organisation



photo: Jerry de Mars

Simavi is an international development organisation with 50 employees at the head office in Amsterdam. We have programme related field offices or hubs in Tanzania, Indonesia, Bangladesh, Kenya, and Uganda. The staffing of the field offices consists of own staff and/or consultants.

4.1 Organisational development

In 2017, we have restructured our organisation. We introduced an agile style of working. Moving away from a hierarchical organisation into a “flat” circles based organisation.

Human resource management

In such a changing environment human resources are key. Our human resource management focusses on ongoing development of our staff, both as a professional as well as an individual.

A whistle-blower policy and safety awareness trainings have been implemented as a part of our ongoing work to further professionalise our organisation. This enables us to effectively respond to wrongs and crises.

Employee satisfaction and engagement

Employee satisfaction is crucial for an effective organisation. In May 2017, we conducted our annual employee satisfaction survey. The survey revealed positive developments on subjects as external branding, working conditions (in our new office), stress and work/life balance. Employees have become less positive on their development opportunities, internal communication and strategy. The new organisational structure will provide employees more opportunities. Facebook Workplace was introduced to facilitate internal communication. At the end of 2017, we have started the Reinventing Ourselves trajectory, involving all staff, to enhance the Simavi strategy.

Employee representation

Simavi’s Employee Representative Body (ERB) consists of three elected employees who discuss issues that are important to Simavi and its employees. They also advise the management on employees’ behalf. The ERB met five times in 2017. Among other things, the ERB was involved in matters concerning the restructuring of the organisation, the upcoming changes in the pension scheme, the update of our travel policy and the revised terms of employment.

Agile organisation

From April 2017 we have adopted a circles based agile organisation model. Each employee has one or more roles, which may vary in time. The roles are grouped into eight functional circles, each with a specific purpose:



- **Programme Implementation:** To implement the funded and agreed programmes in such a way that it leads to a maximum impact of each of our programmes, in line with our Vision, Mission, and Theory of Change.
- **Lobby & Advocacy:** Ensure political will and financial support for Simavi programmes and priorities.
- **Planning, Monitoring & Evaluation:** Gather and provide evidence that the Simavi interventions have the desired impact in the light of the Theory of Change and the programme objectives.
- **Compass:** Provide strategic direction and make sure all resources are available and sufficiently enabled to achieve the vision & mission of Simavi.
- **Programme Creation:** Creation of impactful programmes in line with Simavi's mission and Theory of Change, which are ready for implementation with an agreed budget and committed donors & partners.
- **Fundraising & Communication:** Ensure Simavi receives sufficient funding from private donors, foundations and companies to support Simavi's mission and create awareness for our programmes and brand through excellent communications.
- **Human Resources:** Ensure that sufficient, qualified and motivated personnel (FTE's, volunteers and interns) is available to run professional and sustainable operations.
- **Finance & Operations:** Create a professional and sustainable work environment for Simavi personnel. The financial planning and control activities are executed accurately and timely to ensure professional and sustainable operations of the organisation. Have all ICT systems timely available and running smoothly. Ensure Simavi working methods and processes are of a sufficient quality level.

4.2 Executive board and management

A one-person executive board consisting of the managing director, Ms Ariette Brouwer, leads Simavi. She is ultimately responsible for Simavi's strategy, operations, the decisions made and the results achieved. The managing director and the circle leads manage the operations on a daily basis. The managing director is evaluated by the supervisory board (see Part II), and the circle leads are evaluated by the managing director.

Managing director's compensation

Our supervisory board has set the managing director's compensation package using Goede Doelen Nederland's guidelines for management salaries at charitable organisations (Adviesregeling Beloning Directeuren van Goede Doelen). The managing director's remuneration amounted to €99,599 in 2017. This includes the gross salary and holiday allowance.¹ Please see the notes on staff costs in section 17 of the annual accounts for more details.

In accordance with the standards set by Goede Doelen Nederland, Simavi does not pay bonuses to its managing director or any other employees.

Quality management system

The quality of Simavi's operations is safeguarded by an ISO-certified quality management system. This system monitors and evaluates our internal processes. It is anchored in internal manuals, which specify the applicable processes, procedures and policies. More detailed information is available in our Declaration of Accountability at www.simavi.org/declaration-of-accountability. This document also describes Simavi's policy cycle.

In 2017, we performed two internal audits of our processes and procedures to ensure proper functioning of our system. The outcomes of these internal audits were discussed in the management review and followed up accordingly.

In October, Certiked conducted its annual external audit of our ISO-9001:2015 certification. We successfully completed this audit. The new certificate is valid until 23 November 2018.

4.3 Internal organisation

¹ By law, employees in the Netherlands receive a holiday allowance equal to 8% of their gross salary, paid in either May or June.

In September the CBF conducted its regular annual review. Based on the review, they concluded that we continue to comply with their standards and extended our official recognition.

Education and training

We consider each employee's educational needs and desires during his or her regular planning, evaluation and performance cycle. The combined results from all employees are used to create an organisational training plan.

Code of conduct

New employees are familiarised with Simavi's staff code of conduct when they join. We have based our code on the one published by Goede Doelen Nederland. No violations of the code were reported in 2017. The external confidential counsellor for the Whistle Blower policy, did not receive any reports or requests in 2017.

Volunteers and interns policy

People who work at least four days per month on Simavi's behalf are offered a volunteer contract. This contract sets out their rights and obligations. We make verbal agreements with all our other volunteers. All our departments make grateful use of volunteers and interns who support our employees. We value them highly; they help us to achieve our ambitions and are an integral part of the Simavi team. Like all Simavi staff, they are involved in celebrations and receive a small gift on their birthdays.

Corporate social responsibility

In selecting and monitoring our local partners, we make sure they share our views on what makes a world that works for everyone, including gender equality, LGBTI rights, diversity and inclusion, HIV and AIDS, cooperation among civil society organisations, financial management and sustainability. In accordance with our Theory of Change (described in section 1.2), sustainability is a core component of our programmes in developing countries. At our home office in the Netherlands, we are equally aware of our responsibilities with regard to the environment. We offset the CO2 emissions from our road and air travel through a compensation contract with Climate Neutral Group.

Our lunches largely consist of organic and fair trade products. We use biodegradable cleaning products, we separate out recyclables, we purchase green electricity and we use FSC-certified paper for printing and copying as well as for our correspondence and newsletters.

4.4 Risk management

As an organisation that encourages innovation and entrepreneurship and that depends on subsidies, gifts and partnerships, Simavi encounters risks. We are committed to managing those risks as an integral part of our operations, focusing on strategies that shield Simavi's mission and objectives from harm. We therefore integrate risk analysis and risk management into our strategy across all three levels: organisation, programme and country. Our risk management framework and guidelines help us to systematically scrutinise risks in order to optimise our decision-making and safeguard our operations. The primary risks we face are a permanent topic on the agendas of management and supervisory board meetings. Simavi distinguishes four generic risk types: programmatic, organisational, financial and reputational.

Programmatic risks

Programme implementation is Simavi's core activity. This entails several aspects of risk that might jeopardise the execution or outcomes, such as interventions that are not rolled-out according to plan or that do not adhere to our quality standards, sex scandals, fraudulent local partners, substandard partner performance, and security, safety or health incidents. Simavi's programmatic risk tolerance is moderate: in doing our work, we cannot avoid taking risks. This is acceptable, provided we are aware of these risks and are able to manage them without jeopardising our continuity and goal. We have put several preventive controls in place to reduce the likelihood of a risk occurring and to mitigate the consequences if it does. Clear internal policies on fraud, compliance and sanctions,

5. Financial review

the systematic scrutiny of existing and new partners, and a safety and security policy are examples of these controls. Furthermore, we continue to invest in strengthening the capacity of our partners to help them improve their performance and governance.

In 2017, we faced a suspicion of fraud by a partner in Tanzania. An external forensic audit was conducted to investigate this. Although fraud was not proven, the suspicion could also not be fully taken away. For that reason, we decided not to continue our partnership with this partner.

Organisational risks

Simavi is highly dependent on its employees and systems to achieve its goals and objectives. Inherent organisational risks include data security and the availability of qualified staff and well-functioning information systems. Simavi's organisational risk tolerance is low. We are committed to responsible human resources management and have enacted policies to safeguard our employees' health and safety. Our ISO-certified quality management system is an important means of ensuring the controlled and reliable execution of Simavi's operations and mitigating the associated risks.

Financial risks

Fluctuations in income are Simavi's main financial risk. Our financial risk tolerance is low: drastic changes could not only significantly affect individual project continuity, but the organisation as a whole as well.

Simavi continues to diversify its fundraising strategies in order to spread its income sources and thus its financial risk. We invest significant effort in maintaining good relationships with the private sector, institutional partners and international governments. At the same time, we have taken great care to retain and expand our individual donor base, and we have developed new fundraising methods for new markets such as international and online donors. This ensures that non-earmarked funds (which can be spent on any project) remain available. The flexibility this confers is vital, since many donors require that Simavi match the funds they donate to double the amount available for the associated project. Furthermore, the immediate funding risk to the ongoing programmes and our own organisation is mitigated by our continuity reserve.

Simavi's international operations entail some currency risks. To mitigate these risks Simavi strives to contract and commit only in euros. Some contracts, however, are denominated in US dollars. The resulting risk is hedged by keeping liquidity in US dollars that matches the US dollar obligations we have under these contracts.

Simavi mitigates the financial risks arising from fire, burglary, accidents and liabilities through insurance.

Reputational risks

For a CSO like Simavi, a good reputation is essential – but it is also fragile. Any incident arising from the aforementioned risks may pose a concrete threat to Simavi's reputation and thus affect its ability to achieve its goals and objectives, and even its continuity.

But other factors can also damage Simavi's reputation: bad, incomplete, incorrect or uncontrolled communication (online and offline); lack of transparency; embroilment in controversial issues or debates; bad press; ethics and integrity issues; incidents in the fundraising or civil society sector; and environmental incidents. Our reputational risk tolerance is low: these risks may affect people's trust in Simavi and eventually reduce the donations and funding we need to achieve our goals.

To mitigate reputational risk, Simavi endeavours to communicate openly and with a positive tone. We seek not to be provocative, but to focus on establishing cooperation and thought leadership. We will also actively communicate on any integrity issues that may arise.



This chapter details Simavi's financial position, income and expenditure for the financial year 2017.

5.1 Accountability

Simavi's financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650, amended 2016). All expenditure is committed to Simavi's goal of realising a healthy life for all, and to the generation of income.

Simavi's annual accounts have been audited by PricewaterhouseCoopers Accountants N.V. They expressed an unqualified audit opinion on Simavi's annual accounts for the financial year 2017, which form an integral part of Simavi's Annual Report 2017. PwC performs no non-auditing tasks for Simavi. Audit reports are discussed by the supervisory board's audit committee in a meeting attended by the auditors, Simavi's managing director and its director finance & operations. The supervisory board has approved Simavi's financial statements for 2017.

Financial position, reserves and funds

Simavi's financial position is sufficient to ensure continuity. Though sufficient funding is contracted for all our budgeted programmes, these donor commitments are not irrevocable. For this reason, Simavi maintains a continuity reserve. Based on our risk profile assessment (see section 4.4), we estimate the need to cover six to nine months of operational expenditure. This will enable us to either regain sufficient funding or properly shut down or restructure our active programmes. Our continuity reserve meets this criterion, amounting to €2,336K at year-end 2017.

Our reserves policy is described in the explanatory notes to our annual accounts in Part III. Simavi's financial position is sound. At year-end our solvability ratio (reserves and funds / total liabilities) was 41% (2016: 39%, amended) and our liquidity (current ratio: short-term assets / short-term liabilities) was 1.7 (2016: 1.6, amended).

Investments and liquidity

Simavi maintains a very strict treasury policy. Excess funds may only be placed in interest-bearing savings and deposit accounts with Dutch banks. The funds are spread over several banks to further minimise our exposure to credit risk.

On December 31, 2017 our total cash balance was €10,682K. This balance mainly consists of the amounts we have received in advance to be spent on projects in the coming years. It also covers our continuity reserve and our earmarked funds and reserves.

Appropriation of result

Simavi's result for the 2017 financial year was €369K positive (2016: €96K negative). Our budgeted result was a negative amount of €201K. This anticipated negative result was to be financed out of earmarked reserves formed in previous years. These earmarked reserves are an instrument to mitigate timing differences between income and expenditure recognition. Because we outperformed our budgeted result, Simavi was able to reserve an amount of €333K for the financing of new projects. For more information, please refer to the explanatory notes to the annual accounts in Part III.

5.2 Income and expenditure

Income

In 2017 Simavi generated an income of €17.3 million. Income from private individuals accounted for €1.7 million, some €0.4 million more than budgeted. Revenue from lotteries, companies and non-profit organisations accounted for €2.7 million, €0.2 million under budget. Government subsidies accounted for €12.9 million, €3.9 million less than budgeted. The latter is mainly due to lower income for Alliance partners, as the new WASH SDG consortium started later than planned.

The government subsidies include grants from Dutch embassies and tenders awarded by the Dutch Ministry of Foreign Affairs and other governments (including the Swiss Agency for Development and Cooperation). Of the total amount of €12.9 million, €4.1 million was received by Simavi as the lead agent of several alliances. This amount was directly paid out to the alliance partners.

For further details on Simavi's income, please refer to chapter 3: fundraising and communications.

Total Expenditure

| Total expenditure (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|---|----------------|----------------|----------------|
| Total spent on objectives | 15,306 | 19,518 | 15,416 |
| Total costs of generating funds | 850 | 945 | 833 |
| Total management & administration costs | 744 | 763 | 751 |
| Total expenditure | 16,900 | 21,226 | 17,000 |

Expenditure on objectives

Our actual expenditure on Simavi's objectives in 2017 was €15.3 million (2016: €15.4 million), €4.3 million lower than budgeted. This was due to the, already mentioned, late start-up of the WASH SDG consortium programme.

| Expenditure on objectives (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|---|----------------|----------------|----------------|
| Total income | 17,261 | 21,015 | 16,884 |
| Total expenditure | 16,900 | 21,226 | 17,000 |
| Total spent on objectives | 15,306 | 19,518 | 15,416 |
| % total spent on objectives / total income | 88.7% | 92.9% | 91.3% |

In 2017, the ratio of Simavi's total expenditure on its objectives to its total income was 88.7% (2016: 91.3%). This decrease reflects the timing difference between receiving the funds from our own fundraising and the actual expenditure of thereof. We strive to spend on average 92% of our income on our objectives.

6. Our outlook for 2018

Non-objective expenditure

Simavi uses two cost indicators to monitor its non-objective expenditure:

- The costs of direct fundraising, expressed as a percentage of income gained from direct fundraising (CBF standard)
- Management and administration costs, expressed as a percentage of total expenditure

| Non-objective expenditure (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|---|----------------|----------------|----------------|
| Costs of direct fundraising | 631 | 664 | 468 |
| Total income from direct fundraising | 3,222 | 2,966 | 2,581 |
| % costs direct fundraising / total income from direct fundraising (CBF%) | 19.6% | 22.4% | 18.1% |
| Total management & administration costs | 744 | 763 | 751 |
| Total expenditure | 16,900 | 21,226 | 17,000 |
| % total management & administration costs / total expenditure | 4.4% | 3.6% | 4.4% |

Our direct fundraising cost was 19.6% of the relating income (2016: 18.1%). The increase is due to the efforts we are investing in to increase our donor base. Nevertheless, it stays well below the 25% standard set by CBF, to which we hold ourselves accountable. Our management and administration costs were 4.4% of our total expenditure (2016: 4.4%). This is exceeding budget due to the lower overall expenditure realised in 2017, caused by timing differences in receipt and expenditure of funds. The actual costs are slightly under budget.



Since 1925 we have been working to improve the health of disadvantaged people. In all that time we have remained agile; constantly adapting our ways of working to suit the changing landscape of development and the needs of those people. We don't want to tell people how to live their lives, but we do want to support them in ways that help them live the best, healthiest version of their lives. We want to create a world where a healthy life is accessible to everyone. And we really mean everyone. We are proud of what we have achieved so far, but there is still much more to do.

We started our strategic trajectory Reinventing Ourselves at the end of 2017 and we aim to finalise this process in the second quarter of 2018. This trajectory will provide us a clear view on Simavi's current role in this world and its added value and moreover, what role Simavi can play in the future to remain sustainable. The comprehensive process of this trajectory gives us valuable insights of the changing world we live and work in, ensuring we are ready for all future challenges and opportunities. Moreover, the process enables all Simavi employees to engage in and to build our future organisation together.

So, we enter 2018 full of confidence and excitement. Our team is ready and eager to continue our work to realise a healthy life for all for disadvantaged people in low- and middle-income countries. We look forward to future successes.

6.1 Financial outlook

In addition to the already running multi-year programmes, we secured funding for the WASH SDG consortium programme from the Dutch ministry of foreign affairs in 2017. Most of the current programmes will continue to run in 2018 and beyond, up to 2021.

The 2018 budget is set out below. In 2018 we anticipate spending €21.0 million on our objectives, which is 93% of our total income, in line with our policy. The cost of direct fundraising is budgeted at 22% of income from direct fundraising. This percentage is somewhat higher than in previous years, reflecting the additional investments we are making to boost income from private individuals.

Our reserves and funding are sufficient to ensure continuation of the existing programmes in 2018. For the years 2018–2020 we aim for a growth in volume to €22–25 million per year. To achieve this we need growth in our existing sources of income as well as new sources of funding, targeting both institutional and private donors. We have made a growth plan, which is in execution since 2017.

| Budgeted Income for the year 2018 (x 1,000 Euro) | Budget |
|--|---------------|
| INCOME | |
| Income from private individuals | 1,725 |
| Income from companies | 200 |
| Income from lottery organisations | 900 |
| Income from government subsidies | 11,978 |
| Income Dutch Ministry of Foreign Affairs for alliance partners | 6,242 |
| Income from other non-profit organisations | 1,383 |
| TOTAL INCOME RAISED | 22,427 |

| Budgeted Expenditure for the year 2018 (x 1,000 Euro) | Budget |
|---|---------------|
| SPENT ON OBJECTIVES | |
| Awareness raising | 1,117 |
| Programmes | |
| - Simavi projects | 13,347 |
| - Paid to Alliance partners | 6,242 |
| Advocacy | 263 |
| TOTAL SPENT ON OBJECTIVES | 20,969 |
| OTHER EXPENDITURE | |
| Costs of generating funds | 984 |
| Management & administration costs | 808 |
| TOTAL EXPENDITURE | 22,762 |
| Balance of financial income and expenses | |
| Financial income | 10 |
| RESULT | -325 |
| The negative result will be funded by withdrawals from: | |
| - Earmarked reserve for Strategy | -60 |
| - Earmarked reserve for Projects | -150 |
| - Earmarked reserve for Fundraising legacies | -20 |
| - Continuity reserve | -95 |
| | -325 |

PART II Report of the Supervisory Board



photo: Benno Neeleman

The accountability and responsibilities of Simavi's supervisory board are described in the organisation's Declaration of Accountability (see <http://simavi.org/declaration-of-accountability/>).

About the supervisory board

- Throughout 2017 the supervisory board and management operated fully according to the declaration's rules and intent.
- The supervisory board is the managing director's employer and supervisor and acts as her advisor. The board itself has no managerial or operational tasks.
- The supervisory board members are recruited based on specific, pre-agreed profiles to ensure the board's composition encompasses diverse areas of expertise. Vacancies are published through public advertising.
- The supervisory board appoints new board members. The managing director acts as an advisor in the assessment and selection procedure.

Composition

As of 31 December 2017, Simavi's supervisory board was composed as follows:

| Supervisory board members | Area of expertise | Current position | Other ancillary positions |
|---|---|---|--|
| Maria Martens, chair, remuneration committee | Politics, management | Member of the Dutch Senate | Member supervisory board 's-Heerenloo, Member of the Board of Janivo, Member of the Board of SASS |
| Esther Scheers, vice chair, strategy committee | Public health, reproductive health, tropical medicine | Gynaecologist | Lecturer University Medical Centre Groningen, member working party International Safe Motherhood & International Health |
| Mirjam Bakker, audit committee | Governance, risk and compliance management | Group Risk & Compliance Director at SBM Offshore NV | Member of the supervisory board and audit committee of GGZ inGeest, member of the Board of Stichting Stimuleringskader Integere Organisatie (SSIO) |
| Laura de Graaf, audit committee | Finance | Financial consultant | - |
| Michiel de Wilde, strategy committee | Strategy and organisation, international development, CSR | Director at Goldschmeding Foundation for People, Work and Economy | Member of the supervisory board of Stichting Innovatie Economie Onderwijs (SIEO); part-time coach of young executives at Boer & Croon Management |
| Jeroen Wels, remuneration committee, strategy committee | Human resources management | Executive Vice-President Human Resources, Unilever | - |

Rotation and election procedure

Supervisory board members are appointed for a maximum of two four-year terms. The board's rotation schedule is as follows:

| Supervisory board members | Appointed as of | End of first term | End of second term |
|---------------------------|------------------|-------------------|--------------------|
| Maria Martens | 2010 (July) | 2014 | 2018 |
| Laura de Graaf | 2011 (July) | 2015 | 2019 |
| Esther Scheers | 2012 (June) | 2016 | 2020 |
| Michiel de Wilde | 2014 (November) | 2018 | 2022 |
| Jeroen Wels | 2014 (November) | 2018 | 2022 |
| Mirjam Bakker | 2016 (September) | 2020 | 2024 |

Recent changes

Maria Martens stepped down as chair on 31st of December 2017. Michiel de Wilde is the successor of Maria Martens and took over the role of chair as per 1st of January 2018.

Compensation

The remuneration policy for the supervisory board remains unchanged. Members of the supervisory board do not receive any form of compensation. Expenses can be reimbursed based on actual expenses incurred.

Supervisory board meetings in 2017

The board convened 4 times in 2017. The standard agenda items for supervisory board meetings are as follows:

- the annual plan and budget
- the annual report
- alliances
- external campaigns and activities
- formal audits, evaluations and risk assessments
- progress on professionalising the organisation, its capabilities and the strength of the management team (including the annual assessment of Simavi's managing director)
- employee satisfaction
- self-evaluation
- risk management

In addition to the standard agenda items, the board also discussed the following items this year:

- update Theory of change
- reinventing ourselves (strategy)
- succession of chair (term ended after maximum)
- strategy committee regulation

2017 in review

In 2017 Simavi continued to focus on incorporating the revised Theory of Change into all the programmes. The nine innovative new programmes that started in 2016 are well underway and we are making progress in all programmes ensuring that its WASH and SRHR interventions will lead to the envisioned health improvements in an effective and impactful way.

Furthermore, the world around us is changing rapidly. Many factors are likely to influence how the world will develop in the next decade. These dynamics will deeply influence the context and work of Simavi. In that context the managing director has initiated a strategic trajectory Reinventing Ourselves. This project will, together with the entire organisation, closely

look at Simavi's current role in this world and its added value and moreover, what role Simavi will play in the future to remain sustainable. The trajectory will continue in 2018 and will engage all employees of Simavi.

Lastly, as an organisation, Simavi is on a path of continuous improvement and further professionalisation. This concerns the personal development of employees, the organisation itself and the systems in use.

Evaluation of the managing director

Each year the supervisory board – through its remuneration committee – reviews the managing director's performance and discusses her personal development goals for the coming year. The board is very satisfied with Ariette Brouwer and expressed its continued confidence in her. The supervisory board reinforced its strong commitment to the on-going strategy development process, the initiated project reinventing ourselves and the on-going discussions with strategic partners.

Audit committee

The audit committee convened 5 times in 2017. Its meetings took place about 2 weeks before the regular board meetings. Simavi's managing director and director of finance and operations also attended. Topics included the annual and internal financial reports, the auditor's report and the annual budget and forecasts. The external auditor also participated in the discussions of the annual accounts and the auditor's report.

Strategy committee

The strategy committee acts as an advisory committee for the board and the managing director. The committee convened 1 time in 2017, together with the management team. The main topic was the initiated project reinventing ourselves.

Evaluation of the board

In accordance with Simavi's governance code, the supervisory board has evaluated its own performance in December 2017. We have concluded that the diverse composition of the supervisory board, the complementary role of each member and the critical yet collaborative style of operating are areas of strengths to be nurtured.

Based on successful improvements already made, and the rapid changes in the world, we will continue to have the strategic dialogue with Simavi's management team as well as a continued focus on how impact is being measured and can be improved.

Continued attention is required to guard the proper balance in commitment and distance to ensure that both the board as well as the managing director can optimally fulfil their respective roles.

Recognition

The supervisory board deeply thanks Simavi's volunteers, employees and management team for all the commitment, passion and stamina they have demonstrated throughout the year. The supervisory board also thanks Simavi's Dutch and International stakeholders and partners in the field for their cooperation and their impactful work on the ground.

Looking forward to 2018 and beyond, the supervisory board has confidence the Simavi team will make strong progress in achieving their purpose of a healthy life for all.

PART III Annual Accounts



photo: Harold Hoiting

Balance Sheet as per December 31, 2017 (after appropriation of result)

| ASSETS (x 1,000 Euro) | Note | 31-12-2017 | 31-12-2016 |
|--|----------|---------------|---------------|
| FIXED ASSETS | 1 | | |
| Intangible fixed assets | | 30 | 39 |
| Tangible fixed asstes | | 105 | 98 |
| | | 135 | 137 |
| CURRENT ASSETS | | | |
| Receivables and accrued income | 2 | | |
| Bequests to be received | 2.1 | 29 | 43 |
| Interest to be received | | 5 | 18 |
| Grants to be received | 11 | 127 | 295 |
| Other receivables and prepaid expenses | 2.2 | 975 | 2,177 |
| | | 1,136 | 2,533 |
| CASH AND CASH EQUIVALENTS | 3 | 10,682 | 8,945 |
| TOTAL ASSETS | | 11,953 | 11,615 |

| LIABILITIES (x 1,000 Euro) | Note | 31-12-2017 | 31-12-2016 |
|-------------------------------------|----------|---------------|---------------|
| RESERVES AND FUNDS | 4 | | |
| Continuity reserve | 4.1 | 2,336 | 2,241 |
| Reserve for financing assets | 4.2 | 135 | 137 |
| Earmarked reserves | 4.3 | 2,264 | 1,971 |
| Earmarked funds | 4.4 | 124 | 141 |
| | | 4,859 | 4,490 |
| SHORT-TERM LIABILITIES | | | |
| Project/programme commitments | 5 | - | 96 |
| Taxes and social insurance premiums | | 74 | 85 |
| Other liabilities and accruals | 6 | 530 | 835 |
| Deferred income | 7 | 6,490 | 6,109 |
| | | 7,094 | 7,125 |
| TOTAL LIABILITIES | | 11,953 | 11,615 |

Statement of Income and Expenditure for the year 2017

| INCOME & EXPENDITURE (x 1,000 Euro) | Note | Actual 2017 | Budget 2017 | Actual 2016 |
|--|------|---------------|---------------|---------------|
| INCOME | | | | |
| Income from private individuals | 9 | 1,679 | 1,311 | 1,515 |
| Income from companies | | 36 | 15 | 239 |
| Income from lottery organisations | 10 | 1,158 | 925 | 1,012 |
| Income from government subsidies | 11 | 8,812 | 9,006 | 8,719 |
| Income Dutch Ministry of Foreign Affairs for alliance partners | 11 | 4,065 | 7,838 | 4,269 |
| Income from other non-profit organisations | 12 | 1,511 | 1,920 | 1,130 |
| Total income raised | | 17,261 | 21,015 | 16,884 |
| EXPENSES | | | | |
| SPENT ON OBJECTIVES | | | | |
| | 13 | | | |
| Awareness raising | | 854 | 893 | 957 |
| Programmes | | | | |
| Simavi projects | | 10,215 | 10,587 | 10,019 |
| Paid to Alliance partners | | 4,065 | 7,838 | 4,269 |
| Advocacy | | | | |
| | | 172 | 200 | 171 |
| Total spent on objectives | | 15,306 | 19,518 | 15,416 |
| Cost of generating funds | | | | |
| | 14 | 850 | 945 | 833 |
| Management & administration costs | | | | |
| | 15 | 744 | 763 | 751 |
| TOTAL EXPENSES | 16 | 16,900 | 21,226 | 17,000 |
| Balance of financial income and expenses | | | | |
| Financial income | | 8 | 10 | 20 |
| RESULT | | 369 | -201 | -96 |

Statement of Income and Expenditure for the year 2017 - continued

| APPROPRIATION OF RESULT (x 1,000 Euro) | Actual 2017 | Actual 2016 |
|--|-------------|-------------|
| Withdrawal from earmarked reserve Capacity building | - | -89 |
| Withdrawal from earmarked reserve Projects (third party financing) | -20 | -33 |
| Withdrawal from earmarked reserve Projects (own financing) | - | -39 |
| Withdrawal from earmarked reserve Footbal for Water | - | -15 |
| Withdrawal from earmarked reserve Fundraising legacies | -20 | -24 |
| Withdrawal from earmarked reserve Strategic development | - | -30 |
| Withdrawal from earmarked fund Interest | - | -272 |
| Withdrawal from earmarked fund Children eye care Africa | - | -51 |
| Withdrawal from earmarked fund Children eye care Irian Jaya | -19 | -35 |
| Withdrawal from reserve for financing assets | -2 | - |
| Addition to continuity reserve | 95 | - |
| Addition to earmarked fund Interest | 2 | 4 |
| Addition to reserve for financing assets | - | 49 |
| Addition to earmarked reserve Projects (own financing) | 333 | 439 |
| TOTAL | 369 | -96 |

Cash Flow Statement for the year 2017

| (x 1,000 Euro) | Note | 2017 | 2016 |
|---|---------|--------------|--------------|
| Result | | 369 | -96 |
| Adjustment for depreciation | 1 | 59 | 44 |
| Adjustment for interest income | | -8 | -20 |
| | | 420 | -72 |
| Changes in operating capital | | | |
| Change in receivables | 2 | 1,384 | -205 |
| Change in short-term liabilities | 5, 6, 7 | -31 | 3,626 |
| Change in long-term liabilities project/programme commitments | 5 | - | -43 |
| Interest received | | 21 | 28 |
| Cash flow from operational activities | | 1,794 | 3,334 |
| Cash flow from investment activities | | | |
| Investments in fixed assets | 1 | -57 | -93 |
| Change in cash and cash equivalents | | 1,737 | 3,241 |
| Balance of cash and cash equivalents on 1 January | | 8,945 | 5,704 |
| Balance of cash and cash equivalents on 31 December | 3 | 10,682 | 8,945 |
| Change in cash and cash equivalents | | 1,737 | 3,241 |

Accounting policies

General

The annual accounts have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650, amended 2016) and are subject to the "Wet Normering bezoldiging Topfunctionarissen publieke en semi publieke sector" (WNT). The annual accounts aim to provide a fair presentation of the financial position of Stichting Simavi, registered in Haarlem (reg.no. 40594571), having office at Naritaweg 153, 1043 BS Amsterdam, The Netherlands (Simavi), as of December 31, 2017, and of its income and expenditure for the year 2017. The financial year coincides with the calendar year. The annual accounts are drawn up on the basis of continuity.

In accordance with the new accounting standards. The recognition of the Income from lottery organisations has changed. This income is now recognised when the contractual commitment is clear, so no longer at the moment of actual receipt of the contribution. This receivable at year-end is €900K (2016: €900K, previously nil). The Earmarked reserves were amended accordingly and amount to €2,264K at year-end (2016: €1,971K, previously €1,071K).

Related parties

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

With reference to Section 407(1a);13, Title 9, Book 2 of the Netherlands Civil Code, the financial data of Stichting NFICH and Stichting Zien have not been consolidated. The current accounts between Simavi and these foundations are reported under Other liabilities and accruals (see note 6).

Functional and reporting currency

The annual accounts are denominated in euros, Simavi's functional and reporting currency. Transactions denominated in foreign currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange at the reporting date. Any resulting exchange differences are recognised in the statement of income and expenditure.

Use of estimates

In applying the accounting policies and standards for preparing annual accounts, the management of Simavi is required to make estimates and judgments that might significantly influence the amounts disclosed in the annual accounts. If necessary for the purposes of providing the insight required under Section 362(1), Book 2 of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, has been disclosed in the notes to the relevant items. Simavi did not change its policies for accounting estimates compared to the previous year.

Basis of measurement

Unless indicated otherwise, the annual accounts have been prepared using the historical cost basis.

Impairments

Simavi assesses at each reporting date whether there is any evidence of assets being subject to impairment. If any such evidence exists, the recoverable amount of the relevant asset is determined. An asset is subject to impairment if its carrying amount is higher than its recoverable amount; the recoverable amount is the higher of net realizable value and value in use. If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the asset in question is not set higher than the carrying amount that would have been determined had no impairment loss been recognised. An impairment loss is directly expensed in the statement of income and expenditure.

Fixed assets

Fixed assets are carried at cost less straight-line depreciation over their estimated useful lives. The percentages used are: Equipment: 10 %; Office machines: 20 %; Computers and software: 20 - 33 %.

Operational Leasing

The lease of the office premises is recognised as operational lease. Lease payments are recorded on a straight-line basis in the income statement for the duration of the contract.

Financial instruments

Financial instruments include receivables, cash and cash equivalents, project/programme commitments, accounts payable, and other payables. Financial instruments are initially recognised at fair value. Any directly attributable transaction costs are part of this initial valuation. Financial instruments are subsequently valued in the manner described below.

Cash and cash equivalents

Cash and cash equivalents represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

Receivables and accrued income

Receivables and accrued income are initially stated at fair value, and are subsequently valued at amortised cost. An allowance is made for obsolescence where necessary.

Bequests to be received and Legacies with usufruct are valued at the time they can reliably be determined based on the notarial deed of distribution.

Reserves

In order to secure the continuity of the foundation in case of unexpected events, part of Simavi's capital has been transferred to a separate continuity reserve. The size is in accordance with CBF regulations and is aimed to meet legal and moral obligations in case of a significant fall in income.

Simavi holds a reserve for financing fixed assets to guarantee replacement of these assets in the future.

Earmarked reserves are held for different purposes as determined by management. Management of Simavi can change the specific earmark of reserves, when deemed appropriate.

Earmarked funds

The earmarked funds represent all received earmarked income that the donor intended for a specific purpose, for which the underlying objective and related expenditure have not yet been realised. Furthermore, earmarked funds are held for accumulated interest income earned on the advance payments of grants in respect of the applicable programmes. The earmarked funds are expected to be used within 3 years or in case of interest from grants during the remaining project period of the grant. The restriction following the earmark can only be released by specific third party approval.

Financing contracts with government and other major donors

Simavi signed financing contracts for carrying out specific projects. Simavi recognises the incoming resources from these financing contracts and grant decisions at the time resources are actually expended. The difference between the income recognised and the actual amounts received in the form of contributions from donors is recorded in the balance sheet. This results in receivables if more resources have been expended than received or in deferred grants if amounts actually received are greater than those expended.

Pension scheme

Simavi's pension scheme is managed by life insurance company Delta Lloyd. The scheme is based on an average salary system. For employees who joined before December 1, 2005 the scheme is based on a final salary system. All premiums pertaining to the reporting year are included under staff costs. Any premiums due at year-end are included on the balance sheet under other liabilities, any premiums paid in advance or in excess of the premiums due are included as prepaid expenses, in case these can be offset against future premiums due. There are no additional obligations arising from the management agreement with the pension insurer, the pension agreement with employees or other commitments to employees.

Project/programme commitments

The grants unconditionally committed as of the balance sheet date, which have not been already paid, are divided into short-term liabilities and long-term liabilities. The amounts that are expected to be settled after more than one year after the balance sheet date, are accounted for as long-term liabilities.

Liabilities

On initial recognition, liabilities are recognised at fair value. After initial recognition liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value. Liabilities due within one year are presented as short-term liabilities; liabilities due after one year are presented under long-term liabilities.

Conversion of foreign currency

Monetary assets and liabilities in foreign currency are converted into euros at the closing rate at year's end. Exchange differences are accounted for in the statement of income and expenditure, where their method of presentation depends on the nature of the underlying asset or liability.

Determination of results

Income from private individuals, companies, lottery organisations and other non-profit organisations

Income from private individuals, companies, lottery organisations and other non-profit organisations is recognised in the year to which it pertains, unless income is subject to conditions still to be met.

Legacies and bequests are valued and accounted for as income in the year in which their amount can be reliably determined.

Provisional payments are accounted for as income in the financial year in which they are received, in cases when a reliable estimate or valuation was not possible at an earlier time.

Income from government subsidies

Income from government grants that have been allocated by the donor depending on actual project costs will be accounted for in the statement of income and expenditure in the year that the eligible expenditure is recognised, it is probable that the amounts will be received and Simavi complied with all attached conditions. In this context, the (eligible) expenditure in respect of alliance partners in alliances where Simavi is the lead agency is equal to the amounts paid to these partners.

Differences between the (final) settlement of the grants and accumulated income are accounted for in the statement of income and expenditure in the year in which these differences can be reliably estimated.

Expenditure

Amounts spent on Simavi projects and programmes are accounted for as expenses in the financial year in which the contribution has been unconditionally committed. The expenses recognised in the statement of income and expenditure include the related direct and indirect organisational costs.

Fundraising, awareness raising and management & administration costs are charged to the statement of income and expenditure in the year to which they pertain and as soon as they become apparent.

Salaries, wages and social security contributions are recognised in the statement of income and expenditure based on the pay and benefits package to the extent that they are payable to employees.

Expenditure allocation

Expenditure allocation is described in note 16 of the notes to the statement of income and expenditure.

Financial income

Financial income is recognised in the statement of income and expenditure time proportionally.

Cash flow statement

The cash flow statement is prepared using the indirect method. To determine the change in cash and cash equivalents during the reporting period, the result for that year is adjusted for items in the statement of income and expenditure and for balance sheet movements that did not result in actual cash flows.

The cash flow statement makes a distinction between cash flow from operational, investment and financing activities. In this context, changes in long-term debts from project/programme commitments and interest income are presented as cash flow from operational activities.

Notes to the balance sheet

1. Fixed assets

Fixed assets are used for operations only. Intangible fixed assets consist of externally acquired software. Tangible fixed assets comprise office machines, equipment and computers. The movements during the year can be specified as follows:

| (x 1,000 Euro) | Intangible Fixed assets | Tangible Fixed assets | Total Fixed assets |
|--------------------------------------|-------------------------|-----------------------|--------------------|
| Value as at January 1, 2017 | | | |
| Aquisition value | 56 | 141 | 197 |
| Cummulative depreciation | -17 | -43 | -60 |
| Book value | 39 | 98 | 137 |
| Movements | | | |
| Investments | 25 | 32 | 57 |
| Depreciation | -34 | -25 | -59 |
| Balance | -9 | 7 | -2 |
| Value as at December 31, 2017 | | | |
| Acquisition value | 81 | 173 | 254 |
| Cummulative depreciation | -51 | -68 | -119 |
| Book value | 30 | 105 | 135 |
| Depreciation percentages | 20 - 33% | 10 - 33% | |

The majority of the 2017 investments is related to the move to our new office location in Amsterdam and software acquisition of our programme management system ProjectConnect.

2. Receivables and accrued income

2.1 Bequests to be received

From a legacy Simavi obtained 15 certificates of shares (16.9% of the total shares) in Marnel Zaandam Beheer B.V, registered in Amsterdam. These certificates do not bear any voting rights. Simavi received €2K dividend in 2017 (2016: €1k) which was accounted for as income from Legacies and bequests. Considering the uncertainty of future income from these certificates, the valuation is set at nil (2016: nil). Any future income from these certificates will be accounted for as soon as this income can be reliably determined.

At year-end Simavi had five legacies (four in 2016) encumbered with usufruct. Due to the uncertainty on the size and timing of future payments, these legacies are valued conservatively at €29K (2016: €29K).

2.2 Other receivables and prepaid expenses

| (x 1,000 Euro) | 31-12-2017 | 31-12-2016 |
|-------------------------------------|------------|--------------|
| Other receivables | 11 | 896 |
| Contribution Dutch Postcode Lottery | 900 | 900 |
| Prepaid expenses | 64 | 381 |
| Total | 975 | 2,177 |

All amounts are expected to be received or settled within one year after the balance sheet date.

At year-end 2016, the Other receivables included an amount of €764K of donations pledged but not yet received, these were settled in 2017. An amount of €297K was paid in 2016 as a prepayment for the 2017 pension premiums.

The contribution of the Dutch Postcode Lottery, committed but not yet received, amounted to €900K at year-end (2016: €900K, amended)

3. Cash and cash equivalents

The cash and cash equivalents are placed on interest-bearing current accounts or savings accounts. All amounts (total €10,682K) are placed at Dutch banking institutions and are available upon demand, except for €26K, which is restricted as a collateral for a bank guarantee. There are no cash or cash equivalents placed on deposit for more than 1 month. The cash and cash equivalents are intended for objectives and operations only, so not for investment purposes.

The average yield on outstanding cash and cash equivalents was 0.1 % in 2017 (0.3 % in 2016).

4. Reserves and funds

4.1 Continuity reserve

| (x 1,000 Euro) | 31-12-2016 | Withdrawal | Addition | 31-12-2017 |
|--------------------|------------|------------|----------|------------|
| Continuity reserve | 2,241 | - | 95 | 2,336 |

The continuity reserve is designed to create a sufficiently large buffer to enable Simavi to complete or terminate ongoing projects/programmes appropriately in case of a significant shortfall of key sources of funding. Furthermore, it includes funding necessary for actions to enable Simavi to rebuild such a shortfall or, in worst case, dissolve the organisation, while still meeting legal and moral obligations.

To do this we envisage requiring an equivalent of six to nine months of total operational expenditure, thus ranging between €1.8 and 2.8 million. The continuity reserve, after appropriation of result, amounts to €2,336K at the end of 2017. This is just over seven months and falls well within the indicated range. As the risk perception is unchanged and the expected funding for the coming years seems stable, the continuity reserve is basically kept at the same level as last year; € 95K was added to the reserve to accommodate the budgeted negative result for 2018.

The maximum size for the continuity reserve, according to the assets' guidelines set by the association for fund-raising institutions (Goede Doelen Nederland), equals to one and a half times the annual operational costs of the organisation, based on the budget for the following year. This maximum amounts to €5.5 million as per 31 December 2017.

4.2 Reserve for financing assets

| (x 1,000 Euro) | 31-12-2016 | Withdrawal | Addition | 31-12-2017 |
|------------------------------|------------|------------|----------|------------|
| Reserve for financing assets | 137 | 2 | - | 135 |

The reserve for financing assets matches the book value of the tangible fixed assets.

4.3 Earmarked reserves

The earmarked reserves held by Simavi, including the movements in these reserves during the year, are specified below:

| (x 1,000 Euro) | 31-12-2016 | Withdrawal | Addition | 31-12-2017 |
|----------------------------------|--------------|------------|------------|--------------|
| Purpose | | | | |
| Capacity building | 38 | - | - | 38 |
| Projects (third party financing) | 20 | 20 | - | - |
| Projects (own financing) | 1,751 | - | 333 | 2,084 |
| Strategic development | 66 | - | - | 66 |
| Fundraising Legacies | 96 | 20 | - | 76 |
| Total earmarked reserves | 1,971 | 40 | 333 | 2,264 |

Capacity Building

This reserve was created with the aim of broadening and deepening our partner portfolio, in order to facilitate anticipated growth and attract new donors. This reserve is used for capacity building where this cannot be funded from the regular programme funds. The reserve can also be used to identify new partners through identification missions and to offer small 'start-up capital' for initiating small programmes with them. In 2017, all capacity building could be accommodated within the programme budgets, as a result nil (2016: €89K) was spent out of this reserve.

Projects (third party financing)

Amounts spent on Simavi projects are accounted for as expenses in the financial year in which the contribution is unconditionally committed. For projects that are still conditional upon realisation of future third party financing, Simavi formed a reserve that covers that part of total financing required out of Simavi's own funds.

In 2017 €20K (2016: €33K) was used and withdrawn from the reserve.

Projects (own financing)

In 2016 we decided to set aside €350K for the Nepal Learning programme. This programme is a combined WASH and SRHR programme and will be running in the period 2018-2020. An amount of €333K from the 2017 result was added to this reserve. This reserve will be used in the coming years to match funds of institutional foundations to realise projects and to finance projects out of own funds for which no funding is yet available from other sources.

Strategic Development

A reserve has been formed for Strategic Development to further develop Simavi into a strategic partner NGO for both national and international partners. The reserve will be spent in 2018 on organisational development and impact evaluation.

Legacies Fundraising campaign

In order to ensure a continuous flow of legacies, a multi-year plan has been developed to actively acquire future legacies from existing and new donors and to obtain insight in the size of currently existing (but latent) legacies. The communication and acquisition plan is executed during 2016 up to 2020. €20K was spent in 2017 (2016: €24K). In 2018 this project will be continued as originally planned. During the project term the results will be monitored and if necessary the plan will be adapted.

4.4 Earmarked funds

| (x 1,000 Euro) | 31-12-2016 | Withdrawal | Addition | 31-12-2017 |
|--|------------|------------|----------|------------|
| Purpose | | | | |
| Children eye care Nepal | 2 | - | - | 2 |
| Children eye care Irian Jaya | 25 | 19 | - | 6 |
| Children eye care Africa | 95 | - | - | 95 |
| Interest to be spent on objective: | | | | |
| - MKAJI | 17 | - | 2 | 19 |
| - Other subsidies | 2 | - | - | 2 |
| Total earmarked funds | 141 | 19 | 2 | 124 |
| - of which interest to be spent on objectives | 19 | - | 2 | 21 |

For the children eye care funds in Africa and Irian Jaya, projects have been identified and approved. These projects were started in 2016, in 2017 a total of €19K (2016: €86K) of these earmarked funds were spent, the remainder is expected to be spent in 2018. In 2017, a private donor funded the children eye care project in Africa. In 2018, we will use our own funds again.

5. Project/programme commitments

Project and programme commitments consist of unconditional commitments with partner organisations in Africa and Asia. The total amount of these commitments is nil at year-end 2017 (2016: €96K). All contracting is currently done on an annual commitment basis.

6. Other liabilities and accruals

| (x 1,000 Euro) | 31-12-2017 | 31-12-2016 |
|--|------------|------------|
| Accounts payable | 199 | 533 |
| Current account Stichting NFICH and ZIEN | 82 | 82 |
| Accrued vacation hours | 50 | 45 |
| Accrued holiday allowance | 98 | 101 |
| Accrued audit fees | 49 | 74 |
| Other payables | 52 | - |
| Total | 530 | 835 |

All of these liabilities are due within one year.

7. Deferred income

| (x 1,000 Euro) | 31-12-2017 | 31-12-2016 |
|---------------------------------|--------------|--------------|
| Government grants | 6,067 | 5,287 |
| Making Periods Normal programme | - | 258 |
| Other projects | 423 | 564 |
| Total | 6,490 | 6,109 |

In 2017 the deferred income from government grants increased to €6,067K (2016: €5,287K). Further information on deferred income from government grants is provided in note 11. The Making Periods Normal programme was finalised in 2017. Details of this grant, received from Dutch Postcode Lottery, are provided in note 10.

8. Off balance sheet rights and obligations

Off-balance sheet rights

Simavi has received multiyear grants for programmes to be executed in the coming years. The grants are subject to restrictions, so these may be withdrawn. As far as these grants are not yet unconditionally committed, they have not been included in the balance sheet and are considered as off balance rights.

The below table provides an overview of these rights, of grants in excess of €1 million, as at December 31, 2017. The grant for the MKAJI programme, received from the Swiss Agency for Development and Cooperation (SDC) is denominated in USD. The total amount to be received at year-end is USD 3,097, an equivalent of €2,585K.

| SUBSIDY (x 1,000 Euro) | Golden Line ¹ | GUSO ² | MTB ³ | Water- shed ⁴ | WASH SDG ⁵ | Ritu | SEHATI | MKAJI (x 1,000 USD) |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|
| Grant received from: | MoFA | MoFA | MoFA | MoFA | MoFA | EKN BD | EKN ID | SDC |
| Programme period | 1-1-2016 till 31-2-2020 | 1-1-2016 till 31-12-2020 | 1-1-2016 till 31-12-2020 | 1-1-2016 till 31-12-2020 | 1-7-2017 till 31-12-2021 | 1-11-2015 till 30-4-2019 | 1-2-2016 till 31-8-2019 | 1-4-2015 till 30-3-2019 |
| Lead of the alliance | Simavi | Rutgers | Save the Children | IRC | Simavi | n.a. | n.a. | n.a. |
| Total grant amount for the alliance | 7,996 | 34,590 | 29,275 | 16,352 | 59,000 | - | - | - |
| Grant amount for Simavi | 3,399 | p.m. | 6,550 | 4,268 | p.m. | 3,454 | 3,000 | \$ 8,397 |
| Total amount received upto 2016 | 3,037 | 1,468 | 979 | 854 | - | 1,062 | 1,210 | \$ 4,600 |
| Received in 2017 | 2,745 | 1,371 | 1,976 | 1,217 | 4,000 | 945 | 875 | \$ 700 |
| Total amount received upto 2017 | 5,782 | 2,839 | 2,955 | 2,071 | 4,000 | 2,007 | 2,085 | \$ 5,300 |
| Total amount still to be received | 2,214 | p.m. | 3,595 | 2,197 | 55,000 | 1,447 | 915 | \$ 3,097 € 2,585 |
| To be received after determination of total grant amount | 400 | p.m. | 328 | 213 | 590 | 173 | 150 | \$ 397 € 332 |

Five of these programmes are executed in an alliance setting:

1. The Dutch Ministry of Foreign Affairs awarded a grant for the Golden Line (previously called: Going for Gold) programme in which Simavi acts as lead agency in the cooperation with Solidaridad and Healthy Entrepreneurs.
2. Rutgers is the lead agent in consortium of Rutgers, IPPF, Dance4Life, Stop Aids Now, Choice and Simavi for the Get Up Speak Out for your rights programme. Simavi receives a total amount of €2,839K for running the programme in 2016 & 2017 and the amount of 2018 is € 1,515K, the amount after 2018 is to be decided in 2018 within the alliance.
3. Save the Children is the lead agent in More than Brides consortium of Save the Children, Oxfam Novib, Population Council and Simavi. Within the programme of this consortium Marriage no child's game the total amount for Simavi is € 6,550K.
4. IRC is the lead agent in consortium of IRC, Wetlands, AKVO and Simavi. In the Watershed programme of this consortium, a total amount of €4,268K is allocated to Simavi.
5. The Dutch Ministry of Foreign Affairs awarded a grant to the WASH SDG consortium in which Simavi acts as lead agency of the consortium consisting of SNV, Plan International and the WASH Alliance International partners. The budget for 2018 for the WASH SDG consortium is €8,803K.

The grants of Dutch Ministry of Foreign Affairs are conditional upon sufficient funds being made available in the budget by the government and parliament.

Off-balance sheet obligations

Under the framework of the GUSO (€113K), Ritu (€437K), Watershed (€920K), Golden Line (€ 228K) WASH SDG (€335K) and Sehati (€799K) programmes, Simavi and its Southern partners entered into contractual (multi-year) project commitments to carry out projects in areas where Simavi operates. Where these contracts depend on conditions that are yet to be met, such as grant allocation by Dutch Ministry of Foreign Affairs or other parties, they have not be accounted for in the balance sheet. These obligations amounted to €2,832K at the end of 2017 (2016: €3,692K).

Additionally, for other programme contracts, where contracts depend on conditions yet to be met, off balance sheet commitments exist in the amount of €663K (2016: €1,498K).

Simavi has entered a multi-year fundraising agreement, running up to 2020. Part of the cost incurred (€332K) is only due once the agreed cumulative net income from this programme is realised, and is hence not included in the statement of income and expenditure.

Simavi is in the process of settling a dispute on a disablement insurance. At this time the balance of the obligation, that may arise from the settlement, cannot be reliably estimated and has therefore not been included on the balance sheet.

Simavi is located at rented premises. The rent amounts to €74K per year. A bank guarantee for this lease has been issued in the amount of €26K. The contract runs until December 31, 2021, with a one year notice period. The total obligation amounts to €222K, of which €148K is due after one year.

Notes to the cash flow statement

The cash position of Simavi has increased by an amount of €1,737K in 2017. This increase resulted from a positive cash flow from operational activities of €1,794K (2016: €3,334K positive). This cash flow stems from the positive result and the settlement of the receivables. The amount of grants to be received decreased from €295K in 2016 to €127K this year. The other receivables and prepaid expenses decreased by €1,202K in 2017.

Notes on the statement of income and expenditure

9. Income from private individuals

This income comprises donations and gifts as well as legacies and bequests. The donations and gifts from private individuals amounted to €1,241K which is higher than in 2016 (€1,024K), but slightly below budget. The income from legacies and bequests amounted to €438K (2016: €491K). Income from legacies and bequests is not budgeted given the uncertainty of this type of income.

10. Income from lottery organisations

| (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|-------------------------------|--------------|-------------|--------------|
| Dutch Postcode Lottery | 900 | 900 | 900 |
| Making Periods Normal project | 258 | 25 | 112 |
| Total | 1,158 | 925 | 1,012 |

In 2017, Simavi received €900K as a contribution from the Dutch Postcode Lottery. In 2014 they awarded an additional project Making Periods Normal for a total amount of €2,064K. In 2017 the project was finalised, the remaining amount of €258K was committed and paid for this project.

11. Income from government subsidies

The income from government subsidies in 2017 amounted to €8,812K (2016: €8,719K) which is €194K lower than budgeted. The income from the Dutch Ministry of Foreign affairs for alliance partners in 2017 amounted to €4,065 (2016: €4,269). Both amounts include the WASH SDG consortium programme started in 2017. This programme started from only the second half year of 2017. Due to this timing, the income for alliance partners in 2017 was €3,773K lower than anticipated in the budget.

The table on the right page gives an overview of the grants received and income accounted for from the Dutch Ministry of Foreign Affairs and the Swiss Agency for Development and Cooperation (SDC).

A positive balance between the grants received and the actual expenditure eligible for grant funding is presented in the balance sheet as advance government grants under deferred income (see note 7). In the event of a negative balance, these assets are presented in the balance sheet as grants to be received. The programmes finalised and closed within 2017, are included under the column 'Other'.

Note that the accounted income and expenditure can differ from what was reported to the related donor, as a consequence of their specific reporting or accounting requirements.

In 2017, the WAI programme was financially closed off. The final report was sent to the Dutch Ministry of Foreign Affairs and the final amount of this grant was determined. The last payment regarding the WAI programme will be made in 2018 and amounts to €300K, of which €91K is recognized in the balance sheet as grants to be received by Simavi and €209K will be paid to our WAI alliance partners in 2018.

As the MKAJI programme liability at year-end is denominated in US dollars, a correction for exchange rate differences (€116K) has been made to compensate for the depreciation of the US dollar against the Euro. This exchange rate difference is partly offset by the exchange result on US dollar liquidities. The balance (€18K, positive) is reported under expenditure on Simavi project activities.

Interest allocated on advance grant funding, received from the Dutch Ministry of Foreign Affairs and the Swiss Agency for Development and Cooperation (SDC), in the amount of €2K (2016: €4K), has been added to the earmarked funds (see note 4.4) and will be spent according to the underlying objectives.

| (x 1,000 Euro) | MKAJI | Sehati | WAI | Water-shed | WASH SDG | GUSO | Golden Line | MTB | Ritu | Other | Total |
|---|------------|------------|-----------|--------------|--------------|--------------|--------------|--------------|------------|------------|---------------|
| Grants received for Simavi | 591 | 875 | - | 1,217 | 1,531 | 1,371 | 1,247 | 1,976 | 945 | 123 | 9,876 |
| Grants received for alliance partners | - | - | - | - | 2,469 | - | 1,498 | - | - | 98 | 4,065 |
| Exchange rate correction MKAJI (USD/EURO) | -116 | - | - | - | - | - | - | - | - | - | -116 |
| Total grants received | 475 | 875 | - | 1,217 | 4,000 | 1,371 | 2,745 | 1,976 | 945 | 221 | 13,825 |
| Add: Advance grants received as at 31-12-2016 | 1,765 | 87 | 557 | 459 | - | 300 | 1,286 | - | 378 | 455 | 5,287 |
| Minus: Grants still to be received as at 31-12-2016 | - | - | - | - | - | - | - | 38 | - | 257 | 295 |
| Minus: Grant income accounted for based on expenditures | 1,327 | 860 | 637 | 1,006 | 818 | 1,128 | 1,033 | 1,033 | 969 | 1 | 8,812 |
| Minus: Grant income paid to alliance partners | - | - | 11 | - | 2,469 | - | 1,498 | - | - | 87 | 4,065 |
| Advance grants received as at 31-12-2017 | 913 | 102 | - | 670 | 713 | 543 | 1,500 | 905 | 354 | 367 | 6,067 |
| Grants still to be received as at 31-12-2017 | - | - | 91 | - | - | - | - | - | - | 36 | 127 |

12. Income from other non-profit organisations

This income mainly relates to the donations received from foundations. Also the income from schools, relating to the Walking for Water campaign and the Koningsspelen (King's games) is reported under this heading. The income is specified as follows.

| (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|--|--------------|--------------|--------------|
| Income from foundations | 834 | 1,095 | 619 |
| Income from schools (Walking for Water, Koningsspelen) | 414 | 545 | 247 |
| Income from other fundraising organisations | 263 | 280 | 264 |
| Total | 1,511 | 1,920 | 1,130 |

This income is significantly higher than last year, however also considerably under budget. The latter is due to the effect that the anticipated growth from foundations has only been partly realised. In addition, the income from schools is lagging behind budget due to less than expected participants.

13. Spent on objectives

| (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|--------------------------------------|---------------|---------------|---------------|
| Objective: Awareness raising | 854 | 893 | 957 |
| Objective: Simavi projects | 10,215 | 10,587 | 10,019 |
| Objective: Paid to alliance partners | 4,065 | 7,838 | 4,269 |
| Objective: Advocacy | 172 | 200 | 171 |
| Total spent on objectives | 15,306 | 19,518 | 15,416 |

The actual expenditure on objectives is €4,212K lower than budgeted. The difference between budget and amounts actually spent is mainly caused by less expenditure on project activities through alliance partners than planned, this stems from the later than planned start-up of the WASH SDG consortium programme.

Spending percentage

The ratio of the total expenditure on objectives as a percentage of the total income is presented in the following table.

| (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|----------------------------|--------------|--------------|--------------|
| Total spent on objectives | 15,306 | 19,518 | 15,416 |
| Total income | 17,261 | 21,015 | 16,884 |
| Spending percentage | 88.7% | 92.9% | 91.3% |

The percentage expenditure on objectives of total income in 2017 is 88.7%, as compared to 91.3% in 2016 and 92.9% as budgeted. The lower percentage in 2017 is due the lower levels of income and expenditure and to timing differences between recognising the income of own fundraising and the actual expenditure thereof, as accounted for through the use of earmarked reserves.

Corrected for the effect of payments to alliance partners, the spending ratio is 85.2% in 2017 (88.4% in 2016).

14. Costs of generating funds

The costs of generating funds relate to the various funding activities. The most important are the costs for fundraising of grants and the costs relating to private fundraising. The percentage cost of fundraising is stable at 4.9% (2016: 4.9%). The increase of the percentage compared to budget is mainly attributable to the lower income from government subsidies for alliance partners.

| (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|--|-------------|-------------|-------------|
| Costs of generating funds | 850 | 945 | 833 |
| Total Income raised | 17,261 | 21,015 | 16,884 |
| Percentage cost of generating funds | 4.9% | 4.5% | 4.9% |

Apart from the costs of our own organisation, the fundraising costs mainly relate to the costs of our newsletters and mailings, these are important for maintaining and expanding our donor base.

15. Management & administration costs

| (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|---|-------------|-------------|-------------|
| Management & administration costs | 744 | 763 | 751 |
| Total expenditure | 16,900 | 21,226 | 17,000 |
| Percentage management & administration costs | 4.4% | 3.6% | 4.4% |

The management & administration costs are slightly lower than in 2016 and under budget. As a percentage of the total expenditure, the costs are stable at 4.4%. The increase of the percentage compared to budget is mainly attributable to the lower income from government subsidies for alliance partners.

Independent auditors costs

PricewaterhouseCoopers Accountants N.V. have audited the financial accounts. The following fees are charged:

| (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|--------------------------------------|-------------|-------------|-------------|
| Audit of the Financial Statements | 53 | 51 | 53 |
| Audit contracts institutional donors | 32 | 31 | 54 |

The amounts for the audit contracts institutional donors are allocated to the programmes were applicable. Eight contracts of institutional donors required audited reports in 2017, same as in 2016.

16. Total Expenditure allocation

| | Use | Objective | Cost of Fundraising | Management & administration | Total 2017 | Budget 2017 | Total 2016 |
|---|-------------------|---------------|---------------------|-----------------------------|---------------|---------------|---------------|
| Expenditure (x 1,000 Euro) | Awareness raising | Programmes | Advocacy | | | | |
| Grants and contributions | - | 12,244 | - | - | 12,244 | 16,339 | 12,317 |
| Publicity and communication and outsourced work | 487 | 290 | 57 | 491 | 1,325 | 1,471 | 1,194 |
| Staff costs | 328 | 1,559 | 103 | 320 | 2,875 | 2,919 | 2,962 |
| Accommodation costs | 15 | 73 | 5 | 15 | 134 | 151 | 170 |
| Office and general expenses | 18 | 82 | 5 | 17 | 263 | 289 | 313 |
| Depreciation | 6 | 32 | 2 | 7 | 59 | 57 | 44 |
| Total | 854 | 14,280 | 172 | 850 | 16,900 | 21,226 | 17,000 |

All direct and indirect costs are allocated to 1) the three objectives of Simavi, which are Awareness raising, Programmes and Advocacy; 2) to the costs of fundraising; and 3) to management & administration costs.

Apart from direct costs spent on Simavi projects/programmes, all other out of pocket costs that can be directly allocated to the objectives and fund generation are specified under Publicity and communication and outsourced work.

All indirect costs, such as staff, accommodation, office and general expenses and depreciation are allocated based on the number of hours employees have spent on the aforementioned components. A calculation of the hours spent is made for every employee. This calculation is based on the employee's time writing records and his/her job description.

Management & Administration costs include all administrative and secretarial hours, as well as all hours classified by the organisation as overhead, such as meetings with the Supervisory Board and other meetings intended to provide guidance and direction to the organisation.

17. Staff costs

| (x 1,000 Euro) | Actual 2017 | Budget 2017 | Actual 2016 |
|---------------------------------------|--------------|--------------|--------------|
| Salaries in the Netherlands | 2,139 | 2,146 | 2,124 |
| Social insurance premiums, insurances | 375 | 437 | 435 |
| Costs of pension facilities | 169 | 180 | 165 |
| Other staff costs | 195 | 156 | 238 |
| Total | 2,875 | 2,919 | 2,962 |

For information about the allocation of staff costs to the different categories of expenditure presented in the statement of income and expenditure please refer to note 16.

The staff costs are lower than in 2016 and as budgeted, this is due to the somewhat lower costs of staff related insurances. The development of the number of staffing is as follows:

| Average number of persons employed | Actual 2017 | Budget 2017 | Actual 2016 |
|------------------------------------|-------------|-------------|-------------|
| In Dutch office | 50.2 | 49.2 | 52.9 |
| In Tanzania local office | 6.0 | 6.0 | 5.5 |

| In average number of FTE's | Actual 2017 | Budget 2017 | Actual 2016 |
|----------------------------|-------------|-------------|-------------|
| In Dutch office | 45.7 | 46.2 | 47.6 |
| In Tanzania local office | 5.6 | 5.6 | 5.5 |

Management model and remuneration

Simavi has a two-tier board: a supervisory board for monitoring, supervising and giving advice, and a one person executive board (the managing director) for the implementation of Simavi's strategy and its day-to-day management.

The salaries of the staff are based on a formalised salary structure. The functions are grouped into categories based on the job characteristics. The categories are linked to a salary grid. The categorisation and salary grid are based on a standardised calculation method performed by an independent agency (Human Capital Group). Periodically we participate in a general survey on salary levels, commissioned by Goede Doelen Nederland. The results of latest survey indicate that our salary levels correspond to the average levels in the sector and are in conformity with the market.

Remuneration of the supervisory board

The members of the supervisory board receive no remuneration for their activities. The members of the supervisory board have also not received any loans, advance payments or guarantees.

Remuneration of the managing director

The supervisory board determines the remuneration policy, the level of executive remuneration and other fixed remuneration components. The policy is reviewed periodically. Simavi follows the guidelines of Goede Doelen Nederland, laid down in the Advisory Guidelines for the Remuneration of Executives of Charities (see www.goededoelennederland.nl) in determining the remuneration policy and setting remuneration levels. These guidelines provide a maximum norm for the annual salary based on weighing criteria. These criteria result in a, so called, BSD-score. The rating for Simavi is determined by the supervisory board. The resulting BSD score is 415-440 points, indicating a maximum full-time gross salary of €114,247. The maximum individual executive remuneration according to the WNT for development cooperation organisations is €168,000 for 2017.

In 2017, the managing director, Ms Ariette Brouwer, received a gross salary, including holiday allowance, of €99,599 (2016: €99,910). This is well within both the remuneration guidelines of Goede Doelen Nederland and the WNT norm. The small reduction in salary stems from the purchase of one additional vacation day.

The managing director did not receive any bonuses, loans, advance payments or guarantees. The 2017 employer's contribution to the pension scheme of the managing director amounted to €10,856 (2016: €10,428). Allowances for expenses are only granted based on actual costs incurred, and contain no remuneration elements. Simavi does not provide lease cars. The managing director received an untaxable commuting allowance of €1,581 in 2017.

| Remuneration Executives (WNT-format) (x 1 Euro) | 2017 | 2016 |
|---|----------------|----------------|
| Name: A.D. Brouwer, Managing Director | | |
| Term of employment | 1/1 - 31/12 | 1/1 - 31/12 |
| Employment in FTE | 1.0 | 1.0 |
| Former executive | no | no |
| Formal employment | yes | yes |
| Individual WNT maximum | 168,000 | 168,000 |
| Total remuneration | | |
| Remuneration | 99,599 | 99,910 |
| Taxable expense reimbursements | - | - |
| Remunerations payable in future | 10,856 | 10,428 |
| Total remuneration | 110,455 | 110,338 |

| Remuneration Executives (GDN-format) (x 1 Euro) | 2017 | 2016 |
|---|----------------|----------------|
| Name: A.D. Brouwer, Managing Director | | |
| Duration of employment | undetermined | undetermined |
| Contract hours | 36 | 36 |
| Part-time percentage | 100 | 100 |
| Term of employment | 1/1 - 31/12 | 1/1 - 31/12 |
| Total remuneration | | |
| Gross salary | 92,221 | 92,509 |
| Holiday allowance (8%) | 7,378 | 7,401 |
| Remuneration | 99,599 | 99,910 |
| | | |
| Pensionscheme paid by employer | 10,856 | 10,428 |
| Total remuneration | 110,455 | 110,338 |

Also no other staff member received a remuneration exceeding the individual WNT maximum. No severance payments were made to employees that must be (or should have been) reported based on the WNT in 2017 and previous years.

Remuneration of Simavi's goodwill ambassadors

Mr Barry Atsma, Ms Dieuwertje Blok and Ms Britte Lagcher, Simavi's goodwill ambassadors, carried out their activities without receiving any remuneration.

18. Multi-year income analysis

The below table provides an overview of the development of Simavi's income over the past six years.

| (x 1,000 Euro) | Collections | Individual giving | Legacies and bequests | Corporate | Lottery organisations | Government subsidies | Other non-profit organisations | Other | Total income |
|----------------|-------------|-------------------|-----------------------|-----------|-----------------------|----------------------|--------------------------------|-------|--------------|
| 2012 | 578 | 701 | -303 | 304 | 1,261 | 12,531 | 785 | - | 15,857 |
| 2013 | 608 | 712 | 548 | 336 | 926 | 13,933 | 1,004 | - | 18,099 |
| 2014 | 442 | 792 | 104 | 218 | 1,943 | 15,999 | 1,373 | 60 | 20,931 |
| 2015 | 37 | 954 | 749 | 235 | 1,595 | 15,959 | 853 | 20 | 20,402 |
| 2016 | - | 1,024 | 491 | 239 | 1,012 | 12,988 | 1,130 | - | 16,884 |
| 2017 | - | 1,241 | 438 | 36 | 1,158 | 12,877 | 1,511 | - | 17,261 |

In 2013, Simavi decided that 2014 would be the last year of the nationwide door-to-door collection, since the high costs of the collection did no longer weigh up to the benefits.

The fall in income from the collection has been compensated by the steady increase in individual giving since 2015. We aim to maintain this trend by further investments in active private fundraising activities.

The amount received from legacies and bequests is volatile and unpredictable. The negative number in the table for the year 2012 relates to an impairment of a receivable from bequests recognised in earlier years.

In 2017 some of the income from Corporates was shifted to other non-profit organisations, due to the restructuring of the funding channel (e.g. via a related foundation).

The regular contribution of the Dutch Postcode Lottery was €900K. In 2014 Simavi received a contribution for the Programme "Making Periods Normal" amounting to a total of €2,064K, of which €258K was recognised as income in 2017 (2016: 112K; 2015: €695K; 2014: €998K).

The amount of government subsidies has grown substantially in the past few years. The finalisation of the old and the start-up of the new programmes caused a dip in the 2016 and 2017 income from government subsidies. We expect that this income will return to the previous levels from 2018 onwards. The government subsidies are inclusive the amounts received for alliance partners.

The increase of income from other non-profit organisations as from 2013/2014 is related to the Walking for Water campaign and the increase of donations from foundations. In 2015 the income from foundations was importantly lower. This was mainly due to the effect of the timing of income recognition. Generation of income from foundations and the private sector remains an important focal point of our fundraising efforts.

Appropriation of result

The result of the financial year 2017, is €369K positive. The executive board proposes, with approval of the supervisory board, to appropriate the result for the year, in accordance with the overview provided in the Statement of Income and Expenditure on page 48-49 and the explanation in note 4.

After balance sheet date information

There have been no material post balance sheet events, which would require adjustment to the financial statements of Simavi for the year 2017.

Amsterdam, April 20, 2018

Executive board

Ariette Brouwer

Supervisory board

Michiel de Wilde (chair)
Esther Scheers (vice-chair)
Mirjam Bakker
Laura de Graaf
Jeroen Wels

Other information

Appropriation of result

According to article 16.5 of the articles of association of Simavi, the Supervisory Board approves the annual accounts drawn up by the executive board. The annual accounts include a proposal for the appropriation of the result for the year 2017. The appropriation of result takes the imposed restrictions on spending by third parties into account.

Independent auditor's report

To: the director and supervisory board of Stichting Simavi

Report on the financial statements 2017

Our opinion

In our opinion Stichting Simavi's financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2017, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the Dutch Standards for Remuneration of Senior Officials in the Public and Semi-Public Sector Act (WNT).

What we have audited

We have audited the accompanying financial statements 2017 of Stichting Simavi, Amsterdam ('the Foundation').

The financial statements comprise:

- the balance sheet as at 31 December 2017;
- the statement of income and expenditure for the year then ended; and
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the WNT.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the Audit protocol WNT 2017. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

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

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Independence

We are independent of Stichting Simavi in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO – Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA – Code of Ethics for Professional Accountants, a regulation with respect to rules of professional conduct).

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:

- Simavi annual report 2017 (the directors' report).

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information that is required by the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

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

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

The director is responsible for the preparation of the other information, including the directors' report pursuant to the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

Responsibilities for the financial statements and the audit

Responsibilities of the director and the supervisory board for the financial statements

The director is responsible for:

- the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board and the provisions of and pursuant to the WNT; and for
- such internal control as the director determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the director is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the director should prepare the financial statements using the going-concern basis of accounting unless the director either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

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The director should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the foundation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 25 May 2018
PricewaterhouseCoopers Accountants N.V.

Original has been signed by J.L. Sebel RA



Appendix to our auditor's report on the financial statements 2017 of Stichting Simavi

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, the Audit protocol WNT 2017, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- 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 intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Concluding on the appropriateness of the director's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Colophon

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