

2019



**Annual
Report &
Annual
Account**

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Annual Report and Annual Account 2019

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List of Abbreviations

| | | | |
|----------|---|---------|---|
| ARV | Anti-retroviral | MoH | Ministry of Health |
| BOT | Bachelor of Occupational Therapy | MoET | Ministry of Education and Training |
| BT | Ben Tre province | MOT | Master of Occupational Therapy |
| CB | Cao Bang province | MPH | Master of Public Health |
| CBF | Central Bureau Fundraising | MT | Management Team |
| CBO(s) | Community Based Organization(s) | NIOPH | National Institute of Public Health |
| CBR | Community Based Rehabilitation | OT | Occupational Therapy |
| CDF | Community Development Fund | PAM | Program Assessment Memorandum |
| CHC(s) | Commune Health Centre(s) | PFZW | Pensioenfonds Zorg en Welzijn |
| CHW(s) | Commune Health Worker(s) | PLWH | People Living with HIV |
| CMH | Community Mental Health | PWD | People with Disability |
| CMH(L)D | Community Managed Health (Livelihood) Development | PY | Phu Yen province |
| CSO(s) | Civil Society Organization(s) | QT | Quang Tri province |
| CU5 | Children under 5 years | RH | Reproductive Health |
| CWD | Children with Disability | SALT | Speech and Language Therapy |
| DDF | Disabled People Development Fund | SB | Supervisory Board |
| DOET | Department of Education and Training | SEA | South East Asia |
| DPO | Disabled People's Organization | SMS(s) | Secondary Medical School(s) |
| EC | European Commission | SRHR | Sexual and Reproductive Health and Rights |
| EO | Exact Online | UHS | University of Health Sciences |
| Fte | Full time equivalent | UMP-HCM | University of Medicine and Pharmacy of Ho Chi Minh City |
| HTMU | Hai Duong Technical Medical University | UNFPA | United Nations Population Fund |
| IDU | Injection Drug Users | VDC | Village Development Committee |
| Lao PDR | Lao People's Democratic Republic | VHW(A) | Village Health Workers (Association) |
| Lao TPHI | Lao Tropical Public Health Institute | VUA | Vrije Universiteit Amsterdam |
| LEARN | Laos Equity and Policy Research Network | WE | Women Empowerment |

A - Annual report - Introduction

In terms of the programmatic focus in 2019, MCNV did not undergo any changes but stayed within the four themes that were stated in our 2017 -2021 strategic plan. The four themes include: (1) Health, (2) Social Inclusion, (3) Entrepreneurship and Value Chains, and (4) Livelihoods and Climate Change. In addition, we explored various options and proposed an initial plan to make our Vietnam office become an independent identity, i.e. a national NGO. However in October 2019 it was decided that it was not the right time to make this change and therefore we paused this plan. We will get back on it in our next period's strategic plan (2021 – 2025).

MCNV continues to receive financial support from our long-term private donors, family and capital funds in the Netherlands, business partners from various countries, and institutional donors, such as USAID and the European Commission. With this funding and financial support, in 2019 MCNV was able to implement various projects and programs with the purpose to improve the living and health conditions of disadvantaged groups in Vietnam and Lao PDR, especially those groups that have not yet benefited from social and economic development. In 2019, we implemented in total 18 projects under 5 programs in Laos and Vietnam. With the exception of two new funding partnerships for Vietnam (one with Hulza foundation and one with GSRD foundation), all of these projects are part of the on-going financial agreements that we have with our donors. In 2019, we submitted a new proposal on sustainable forestry development to the EU delegation in Vietnam and received their funding approval. This new project will be started in 2020.

As a Dutch foundation, MCNV is audited and certified according to the charity seal from the Dutch Central Bureau of Fundraising (CBF). This certification means that MCNV is put under good governance and its system meets all standards, including financial management, transparency, integrity and quality programs.

In 2019, MCNV experienced leadership change at the top-level. During the first six months, we actually did not have the position of Board of Director (General Director) but the Supervisory Board nominated two of its members to provide interim leadership and ensure continuation of the organisation and its business as usual. The interim set-up was effective and we experienced very good team-work and collaboration among staff from different offices during this period. As of July 1st 2019, the Supervisory Board appointed Ms. Huyen Thi Hoang as MCNV Board of Director and functions in the Amsterdam office were redefined to fit the new situation.

This report includes 6 chapters. Chapter 1 explains the policy and strategy of MCNV. Detailed reporting on program implementation and the management in Vietnam and Laos can be found in chapter 2. Chapter 3 explains MCNV's governance structure, provides information about the members of the Supervisory Board, their rotation schedule, etcetera. Chapter 4 focuses on issues concerning transparency and accountability of MCNV. Here, information can be accessed regarding external complaints, risk- and quality management. Chapter 5 offers information on what MCNV accomplished in terms of communication, public relations and fundraising in 2019. Finally, chapter 6 shows the financial policy and annual accounts of MCNV.

Marijke Postma-Rustenhoven (chair Supervisory Board) & Huyen Thi Hoang (general director)

1. Policy and Strategy

1.1 Legitimacy

MCNV's legitimacy is based on three aspects:

- The needs for support from disadvantaged groups of population from South East Asia. These needs are identified and assessed by evidence that these groups do not get equal access to and are not able to benefit from the social and economic development that is happening in their countries and that the local authorities and the marginalized communities lack examples of good practice to cope with the growing disparities between social groups.
- MCNV's ability to provide technical assistance to addressing these needs. This is assessed by the evidence that the Vietnamese and Laotian partners request for MCNV for assistance or new partners ask MCNV to work with them, existing partners solicit for new programs and ask MCNV to join.
- MCNV's ability to mobilize the financial resources to support addressing these needs. At the moment, we still have about 4,000 individual and family donors in the Netherlands who make regular donation to support our work, trusting MCNV to translate their donations into effective assistance for the beneficiaries. We also receive financial support from foundations such as Hulza, AFAS and GSRD Foundations. In addition, institutional donors such as the European Commission and USAID support development in Vietnam and Lao PDR, and have entrusted MCNV to use their funds effectively and efficiently.

1.2 Thematic Focus, Vision and Mission

In 2019, we continued to implement the projects and programs that fit with the four thematic focuses that are stated in MCNV's strategic plan 2017-2021. These include:

- Health: Promotion of health, assisting in programs ranging from occupational therapy to sexual and reproductive health.
- Entrepreneurship & Value Chains: Improving living conditions through establishment of development funds and training in entrepreneurship & financial literacy.
- Livelihood & Climate Change: Assisting in finding long-term solutions that help the poor and marginalized to sustain themselves in spite of climatological and ecological changes.
- Social Inclusion: Assisting the discriminated to recognize and reach their full potentials within their society.

Our vision: We envision a world in which the society supports all people in their development to the maximum well-being and full social position. Especially in countries in South East Asia which are in a phase of transition, marginalized groups need to be empowered to obtain equitable access to health care, education, housing and food security, so that they can influence the processes, systems and individuals that presently limit their development.

Our mission: Our mission is to enhance the equitable and sustainable access of marginalized people to resources and services that improve their health and inclusion in developing countries in South East Asia.

2. Country Programs and Management

MCNV supports projects and programs in Vietnam and Lao PDR. The projects and programs are coordinated by our country offices set up in these two countries. In this chapter you will find the progress on MCNV's country program implementation and management issues in Vietnam and Lao PDR in 2019.

2.1 Programs and management in Vietnam

In 2019 MCNV Vietnam implemented 14 projects. In comparison to year 2018, there are 4 new projects including: 1) Realization the land use right of People with Disability in Quang Tri, under Accountability Fund of the Netherlands Embassy (herein called as Land use right project) ; 2) Interdisciplinary Rehabilitation for Children with Intellectual and Developmental Disability in Quang Nam and Thua Thien Hue provinces under grant of USAID (herein called as I-THRIVE) ; 3) Women Cooperatives Development in Ben Tre under grant from G-Star Foundation; 4) Organic Waste Management funded by UPS. There are, in the other hand, 3 projects that were phased out in 2019 including: 1) Communication and Education on Sexual and Reproductive Health and Right for student of High Schools in Dien Bien province; 2) Mental Health Care for students of high schools in Quang Tri Province; 3) Inclusive Education in Phu Yen. One of these projects was phased out as per plan and two other projects were closed due to unavailability of funding.

2019 was the third year of implementation of MCNV strategy 2017-2021. Review on strategy during staff meeting showed that we have been still in line with 4 thematic areas, however lot of challenge to develop in the areas that MCNV is not really experienced in especially Climate Change; Entrepreneur and Value Chain.

2.1.1 List of projects as per December 31st, 2019

| | |
|--|---|
| <p>Programs and projects:</p> <p>3 Programs with 14 projects</p> | <p>3 programs:</p> <ul style="list-style-type: none"> a. Support People with Disability Program, b. Women Empowerment (WE) Program, c. Sexual Reproductive Health and Right Program. <p>Disability Program – 5 projects:</p> <ul style="list-style-type: none"> 1. OT education development funded by USAID and AWF, 2. ST education funded by USAID and AWF, 3. I-THRIVE funded by USAID, 4. Inclusive Education Cao Bang funded by PwC, 5. Support Center in Dien Bien funded by MCNV private fund. <p>WE program – 5 projects:</p> <ul style="list-style-type: none"> 6. Microfinance in Ben Tre, 7. Women Cooperatives in Ben Tre funded by anonymous fund, |
|--|---|

| | |
|----------------------------------|---|
| | 8. Women Cooperatives in Ben Tre funded by GSRD Foundation; 9. Empowerment for women through media (filming project), 10. Waste Management funded by UPS SRHR program – 1 project: 11. Support Sunflower Groups 3 projects standing alone are: 12. Nutrition Sensitivity Agriculture in Phu Yen funded by MCNV and NWO, 13. Support Adolescent Girls with Ethnic Minorities in Quang Tri funded by Hulza and MCNV, 14. residential and agricultural land use rights for households of ethnic minority people with disability funded by Netherlands Embassy Accountability Fund. |
| Total Fte staff | 12 (9 Fte at Hanoi office, 3 Fte at CVN office) |
| Estimated direct beneficiaries | About 9,000 people |
| Estimated indirect beneficiaries | About 12,000 people |

2.1.2 Country leadership

In Vietnam MCNV's country leadership remains stable and strong, reflected in great performance and contribution toward MCNV's overall development. We continue to prove high independency in program management, quality control and organizational development, especially fundraising for new projects. The country leadership in Vietnam, however, identified two areas of work that need further improvement, which are related to the personnel manual and M&E database management. The personnel manual (developed since 2004) needs to be updated to reflect the current changes in the organization and in the country context. The M&E database management needs to be improved especially on the documentation of evidences of MCNV's experience and lesson learned. The work on improving these two areas of work will be taken up in the course of 2020.

2.1.3 Program management including fund raising/acquisition

In 2019, we were successful in fundraising, reflected by projects being approved by donors. In Vietnam, MCNV received approval for two new project proposals, including Realization of Land Use Right for PWD in Quang Tri, funded by the Netherlands Embassy in Vietnam and Promoting Sustainable Partnership Between CSOs and Enterprises For Sustainable Forestry Management In The Context Of Climate Change (PROSPER), funded by EU (75 %) and cost shared by MCNV (25 %). The first one was started in 2019 while the latter will start in February 2020. In addition, our proposal to PwC was awarded with USD 50,000, for 5 years, for the development of a Supportive Center in Dien

Bien. This is important complementary support to our efforts in supporting children with disability in Dien Bien province.

2.1.4 Financial management

This was a major issue for MCNV in Vietnam in 2018 but has been improved significantly in 2019. We have fully applied Exact Online software in finance management and found its convenience and value, especially in saving time in preparation of reports and sharing data of expenditure among offices. There remained however some issues which are not yet resolved among which is the function of the software to develop a customized quarterly report that serves our purpose of internal program management.

2.1.5 HR management

We experienced some changes in year 2019 but without significant impact. We recruited a new full time staff to work as Coordinator of I-THRIVE project based in Hanoi office.

2.1.6 Communication & Branding

No special remark of this area in year 2019. MCNV maintained regular activities on communication, including updating information on Facebook and website, exchange information with donors, visitors, partners. In terms of networking, we joined events organized by Dutch Business Vietnam Association as well Euro Charm.

2.2 Programs and management in Lao PDR

Lao PDR continues to be on the cusp of change, most significantly, the goal of graduating from Least Developed Country (LDC) to Middle Income Country (MIC). A review was conducted in 2019, and it was determined that at this time, Lao PDR cannot graduate, but possibly in the next 2-4 years. Beyond financial considerations, there are still concerns around human rights, ethnic minority treatment and access, not to mention the serious needs in the areas of malnutrition and stunting among others. With this in mind, MCNV Laos believes that much work is still to be done to help the people of Lao PDR.

MCNV Laos had a successful year in 2019 in terms of program management of the LEARN and CANTEEN programs. Following the changes in HR early on in 2019, the office has remained stable throughout the year and thus able to more fully run programs and apply for new funding.

2.2.1 Overview key figures as per December 31st, 2019

| | |
|--|--|
| Number of programs | 2 |
| Total number of fte staff | 11 |
| Total number of direct beneficiaries | <p>LEARN: 5 PhD students, 4 post-doc candidates, 20 MPH students</p> <p>CANTEEN: 2 PhD students, 20 villages in Nong district, 7 interns from Lao universities 7</p> |
| Total number of indirect beneficiaries | <p>LEARN: Policy makers related to the research topics by PhD, post-doc, MPH candidates, staff from UHS and LAOTPHI (Lao Tropical and Public Health Institute)</p> <p>CANTEEN: 27,705 men, women and children in the 20 selected villages in Nong district, CoDA staff</p> |

After losing a financial support staff and communication staff member in early 2019 due to budget restrictions, MCNV staff have experienced a rather stable year. Two programs are running successfully and staff have begun looking for other funding outlets and prospects. The office is running effectively with minimal staff. If additional funding is acquired in the next year, it will be key to hire a communications staff and finance support to ensure stronger programming, but for the year 2019, all staff stepped in and supported in these areas allowing MCNV to reduce spending.

2.2.2 Country leadership

The current country director started in 2019. During the first few months, along with getting to know the team, the program and projects in Laos, the country director caught up on old contracts, reports and other items that were left from the lapse of country director leadership. Additionally, the country director spent time researching possible funding sources and redefined MCNV's programmatic focus to make the MCNV Lao office more sustainable in the future. The strategic focus for MCNV in Laos will be further detailed but the team decided to make the medical focus even stronger in the future as this is important to use the leverage of historical knowledge and expertise to situate MCNV as a leader in this area. At this time, both programs, LEARN and CANTEEN, have significant medical inroads, so this fits nicely as we move forward.

2.2.3 Program management

The LEARN Program Manager joined the office in January 2019. Much was left uncompleted in the LEARN program, and the program manager has made valiant efforts to bring this program back into compliance with the EU and in trying to complete the desired results in a very short timeframe. Due to a surplus of funding, we have started the process to request EU for a 3 month no-cost extension (May-July 2020) to be approved in early 2020. This will give the MPH students additional time for

thesis defense, allow the production of an exclusive Learn scientific journal, and time for policy and research discussions with Lao government partners.

CANTEEN is progressing well with some activities remaining slower than anticipated, especially those that require greater involvement of the local community such as the VDC small grants, but that are necessary as part of the process of local community capacity building. The program manager has a large program, complex group of partners to manage but he has received additional support from the CD and Amsterdam office and therefore has been able to meet the reporting requirements related to this grant. In the coming time, the CD will make more efforts to support the PM further with program oversight and monitoring.

2.2.4 Fund raising/ acquisition

in 2019, the CD was able to put effort into writing multiple grants. The office formally applied for more than 6 million dollars' worth of grants and funding in 2019 but with no success. There needs to be a more targeted plan and more resources put towards fundraising in order to successfully gain new funding for MCNV Laos. The CD and the Amsterdam based fundraising advisor initiated a proposal design for a community nursing program in 2019. This will be presented to potential donor(s) in early 2020. Additionally, there is a desire to continue the LEARN project, however an EU funding call has not yet been made for this specific public health institute funding in 2019, but might be in 2020.

2.2.5 Financial management

Overall financial management was progressing well under the leadership of the Finance Manager. We could manage all donors' complex financial reporting and compliance requirements as well as maintain good support to financial staff based in the Nong field office. The finance team in Laos also contributed greatly into MCNV's accounting system harmonization process. The contributions included sharing of concerns from the user's point of view, such as the inconsistency in accounting administration between MCNV Laos and other country offices and whether this will lead to an easier generation of financial reports from the system as well as practical issues on how to number and upload invoices and supporting documents correctly into the system.

2.2.6 HR management

2019 was a pivotal year with many changes for MCNV in Laos. Staff came into the year with an uneasiness due to the turmoil and chaos of the previous few years. At the end of the year however, staff are happy and content with the stability that has been established in the office. Staff are excited about future funding sources and continuing to do great work to support the people of Lao PDR. In 2019, MCNV had to reduce two supporting staff due to limited budget. However, there were minimal disruptions for HR. Work continues to revise the HR, Staff and Office manuals to make them accurate and up to date. This should be completed mid-year 2020. Additionally, significant changes to the HR staff evaluations will be started in 2020.

2.2.7 Communication & Branding:

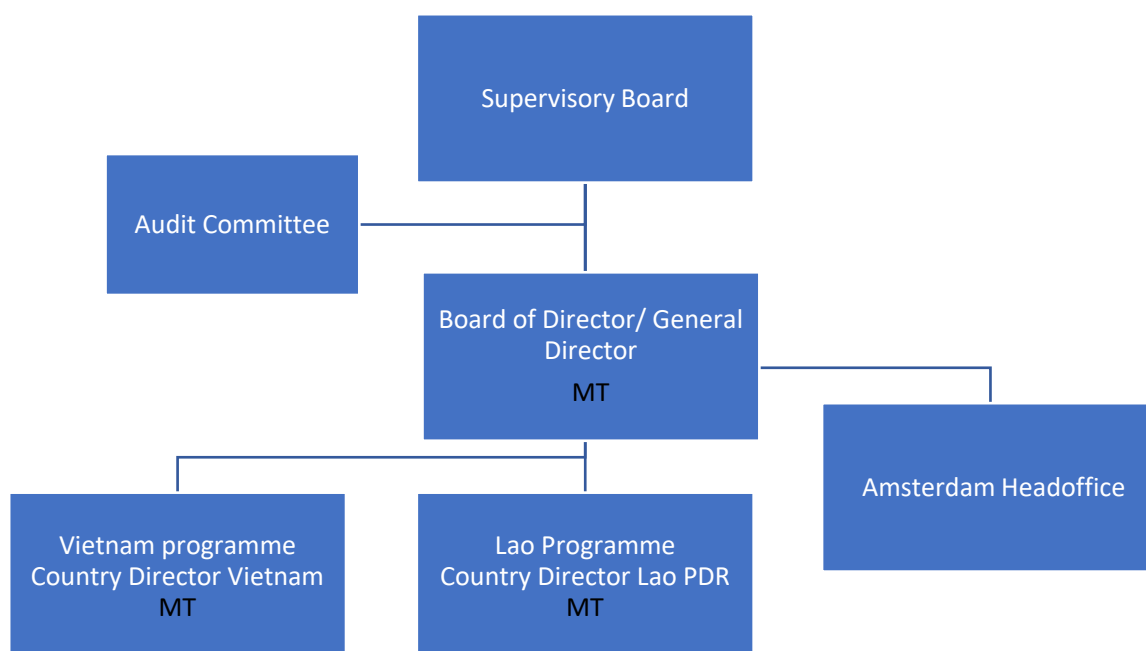
MCNV Laos does not currently have a communications staff. The HR and office manager and the PMs are trying to put effort into communications around their projects, but it is a lot to ask over their already full workloads. However, MCNV did get a significant amount of branding and communications in 2019 thanks to the National Health forum, Adolescent Health Forum and the GMS forum. MCNV was clearly one of the leading agencies in all of these events which were attended by the greater health community, NGOs, NPA's and government authorities including the minister of health, EU ambassador and UNICEF delegate.

3. MCNV – Organization

3.1 Governance structure

The governance structure of MCNV consists of a Supervisory Board (SB), a Board of Director (Director) and an executive organization. The functions of supervision and management are formally separated and stated in the statute. The roles of the various sections within the organization are defined in the Code of Good Governance, which is based upon the Wijffels Code and the Central Fundraising Bureau Quality Seal. SB and the Board of director ensure that (apparent) conflicts of interest are avoided. The organizational structure of MCNV is:

In 2019, MCNV made no change in its organizational structure. The interim function of Board of Director was put in place for the first six months (Jan – June 2019) with members of the Supervisory Board assigned as temporary authorized representatives. Since 1st July the new Board of Director is formally appointed and this function is therefore put back to normal.



3.1.1 Board of Director

MCNV has a Board of Director and this position is referred to as the general director as well. The main responsibility of the general director is for management of MCNV and for the implementation of its programs and activities, ensuring compliance to the relevant law or the Articles of the Foundation. This includes the preparation, adoption and implementation of MCNV's operational policies in accordance with its mission. The Board of Director is also responsible for the programmatic and financial management of MCNV through periodical evaluation of financial, narrative/programmatic and performance (team) reports. The consolidated annual account shows MCNV's expenditures and financial position. The Board of Director informs the SB in a written report on quarterly basis. All decisions made in 2019 by the Board of Director were registered in decision lists and shared with the SB during the scheduled SB meetings.

As mentioned above, during the first six months of 2019, the function of Board of Director was put under interim setup represented by two members of the Supervisory Board. Since July 1st 2019, Ms. Huyen Thi Hoang was appointed as MCNV's Board of Director (i.e. general director) and MCNV is back to the formal structure with one person Board of Director.

3.2.2 Supervisory Board

MCNV has a Supervisory Board (SB) whose functions and duties are separated from the Board of Director and stated in our Articles of Association. Membership of the SB is solely on their own title. Members are appointed by cooperation with the consent of the Board of Director. Apart from direct costs of travel, the members of the SB receive no remuneration. SB-members cannot receive loans, advances and/ or guarantees from the organisation nor have they any conflict of interest with the organisation.

In 2019, MCNV did not make any change in the composition of SB as compared to 2018. The SB consists of the five (05) members. In 2019, MCNV's SB had six (06) regular meetings, with agenda, discussion points and decisions made by Board of Director recorded in each of the meeting's minutes. For example, the 2018 annual report and annual account was approved and signed off by the SB in their June 2019 meeting. Below is the list of the members of the MCNV's SB and their function and expertise:

| Name | Function | Date of Appointment | Date of Reappointment | Date of Resignation |
|----------------------------|-----------|---------------------|-----------------------|---------------------|
| Marijke Postma-Rustenhoven | Chair | 16-06-2016 | | 16-06-2020 |
| Henk van de Ruit | Treasurer | 20-09-2012 | 22-12-2016 | 20-09-2020 |
| Mattijs Smits | Member | 26-02-2015 | 26-02-2019 | 26-02-2023 |
| Pieter van den Hombergh | Member | 16-06-2016 | | 16-06-2020 |
| Agnes Gebhard | Member | 21-06-2018 | | 21-06-2022 |

3.3.3 Audit committee

Two members of the SB, Henk van de Ruit and Marijke Postma-Rustenhoven, act as members of the audit committee for MCNV. In 2019, the audit committee held two meetings, one in May 2019 to discuss the management letter from the annual audit, and the other one in November 2019 to discuss about the reporting system, Q3-4 expenditures and the budget 2020.

3.3.4 Evaluation

The SB and the Board of Director evaluated themselves periodically. The results of this self-evaluation were shared in a SB meeting. The summary of the self-evaluation report by the SB for 2019 is presented below:

The SB is overall satisfied with the information given by the Board before and during the quarterly meetings. The reporting formats improved during the year and became more informative as well as easier to read.

After the start of the new Board the SB went back to its advisory and supervisory role. There are contacts between staff and SB members, but as long as these are transparent it actually benefits an organisation like MCNV. SB-members are independent, sufficiently critical as well as respectful towards each other. The variable attendance of the SB members this year hampered due discussions.

The composition and profile of the SB members is in line with the needs of the organisation. We should consider this composition again after the decision in 2020 on a new midterm strategy. The sustainability and innovation of the organisation is a major issue for Board, staff and SB as well.

Due to the interim set-up in the first half of the year, in 2019 we did not include any self-evaluation of the Board of director.

3.2 Executive organization

In 2019, MCNV operated from the five offices that it has set up: The head office in Amsterdam, a representative office in Hanoi, a project office in Dong Ha (Quang Tri province, Vietnam), a representative office in Vientiane and a project office in Nong (Savannakhet province, Lao PDR). In Vietnam and in Laos, most of our staff are national staff, with exception of the Lao country director and the LEARN program manager who are expats.

MCNV has a Management team (MT), which consists of the Board of director, and the two country directors from respectively Vietnam and Lao PDR. The MT meets regularly to coordinate activities, propose key decisions and communicate directives and plans approved by the SB to all staff. Of meetings minutes are written. Country directors are responsible for the consistency and quality of the activities in Vietnam and Lao PDR. In Amsterdam, the Board of director is responsible for the overall organizational consistency and quality.

3.2.1 Approach to monitoring and evaluation

The performance of the project, program and other operational activities is monitored through MCNV's quarterly and annual planning and reporting system. The activity plan includes objectives and expected results and outputs each of the projects want to achieve, as well as accompanying resources. The annual plan and budget are prepared by the country teams, consolidated by the Amsterdam office and then approved by the Supervisory Board. The quarterly reports include key performance indicators (technical and financial, in line with objectives/ expected results/ outputs and resources set out in the annual plan) under each of the area of work, and each project and program. This provides information on how progress is made towards achievement of these key indicators, justification for variance if any and actions to be taken in the next quarter. This report is prepared and reviewed by concerned staff including the project coordinator, program manager, fund raising advisors, country directors, Board of director and the SB members.

Program/ project monitoring and - evaluation is done according to the requirements of the donor and the size of the program. Institutional donors and foundations receive reports in writing as per agreed frequency and format. In case of a labelled private donation the donor receives a written report at the end of the activity. In addition, MCNV reports to our private donors and other stakeholders in her newsletter and in the annual report.

3.2.2 Human resource

In 2019, MCNV employed a total number of 28 staff, equivalent to 23.12 full time equivalent (FTE). In particular, we had 2.45 FTE in Amsterdam office, 11.67 FTE in Vietnam and 9 FTE in Laos. Except two expatriate positions in Laos, all of MCNV staff positions are national as per definition in association with staff's duty station. An overview of MCNV's 2019 staffing, their duty station and staffing cost is shown below. MCNV's staffing cost structure consists of salary and other legal contributions as per local labor law. In the Netherlands, MCNV applies a salary scale with reference to the average salary index for nonprofit in the Netherlands, while the salary scales of MCNV in Laos and Vietnam are based on periodical local salary survey among similar international NGOs working there.

| Staff in Amsterdam office | Number | FTE (average 2019) | Total staff cost 2019 |
|---|----------|--------------------|-----------------------|
| Director MCNV | 1 | 0,43 | 38.471 |
| Sr. Program Advisor | 1 | 0,30 | 21.194 |
| Sr. Advisor Fundraising & Communication | 1 | 0,30 | 26.980 |
| Sr. Advisor Communication & Marketing | 1 | 0,32 | 20.037 |
| Office Manager | 1 | 0,58 | 36.472 |
| Donor and Financial Employee | 1 | 0,45 | 23.561 |
| Cleaner | 1 | 0,07 | 3.919 |
| Subtotal | 7 | 2,45 | 170.634 |

| Staff in Vietnam | Number | FTE (average 2019) | Total staff cost in 2019 (EURO) |
|----------------------------------|-----------|--------------------|---------------------------------|
| Country Director Vietnam | 1 | 1,00 | 49.250 |
| Chief of Office/ Program Manager | 1 | 1,00 | 31.238 |
| Finance manager | 1 | 1,00 | 25.845 |
| Accountant A | 2 | 2,00 | 36.207 |
| Assistant A | 1 | 1,00 | 10.989 |
| Program Coordinator | 4 | 4,00 | 83.220 |
| Program Officer | 1 | 1,00 | 16.267 |
| Communication coordinator | 1 | 0,67 | 10.337 |
| Subtotal | 12 | 11,67 | 263.357 |

| Staff in Lao PDR * expat positions | Number | FTE (2019) | Total staff cost in 2019 (EURO) |
|---------------------------------------|----------|------------|---------------------------------|
| Country Director Lao PDR* | 1 | 1 | 67.818 |
| Expat program manager* | 1 | 1 | 51.933 |
| Senior agriculture project officer | 1 | 1 | 14.614 |
| Project officer | 1 | 1 | 19.171 |
| Finance manager | 1 | 1 | 23.483 |
| (National) Program manager | 1 | 1 | 25.125 |
| HR & admin manager | 1 | 1 | 20.783 |
| Finance and administrative assistant | 1 | 1 | 12.359 |
| Senior Project Coordinator | 1 | 1 | 24.504 |
| Subtotal | 9 | 9 | 259.795 |

3.2.3 Volunteers

In 2019, MCNV received support from a number of volunteers. These include the members of the SB, the editorial staff of MCNV's newsletter and the tour leader of the donor tours. Also a retired employee supports the local teams in Vietnam in finalizing adequate concept notes and project proposals to funders. Another former employee supported the Amsterdam office in smart solutions to slim down office costs. All of the volunteers we have in 2019 are existing, already long term volunteers. As stated in MCNV's HR policy, volunteers do not get paid but they can get a refund of

related travel expenses, upon submission of travel receipt. Most of the volunteers in 2019 are related to the work in Amsterdam office, with one exception of the person who provided editorial support on proposals by Vietnam. The table below presents the total number of hours and persons who volunteered for MCNV in 2019.

| Volunteers in 2019 | Number of persons | Amount of time in days |
|--|-------------------|------------------------|
| Supervisory Board | 5 | 40 |
| Editorial staff | 4 | 32 |
| Tour Leader | 1 | 2 |
| English/project proposal editor | 1 | 5 |
| Amsterdam office HR/ budgeting support | 1 | 4 |
| Total | 11 | 83 |

3.2.4 Students

In 2019, we did not have any students from the Netherlands who were involved in our programs in Laos or Vietnam. In our CANTEEN program in Nong district, Lao PDR, however, we received assistance from a total number of seven (07) Laotian bachelor students (six from Lao University of Agriculture and one from University of Architecture) to work as volunteers and provide support to our field work monitoring. The agriculture students focused on collection of data and monitoring the progress of the agricultural activities such as school gardening, home gardening, fish-pond raising, etc., while the student from University of Architecture provided assistance in monitoring the progress of the water system construction in the villages. This is the first time MCNV has had such collaboration with a local university in Laos and from both sides it has been proven a very positive experience. Having local students working on our project has great advantage in terms of language and cultural commonality between these students, project staff, project partners and project communities. These six students provided great help in implementing and monitoring the progress of the activities at the villages level, including the school gardens, home gardens, and fish-ponds. The students in return learned a great deal on how to work with the community, not only on development issues in general but also some technical knowledge on multi-sector approach to addressing food security and nutrition in the remote and upland area in Laos.

4. Transparency and Accountability

4.1 Quality of the organization

In 2019 MCNV continues to operate within the following standards and certifications:

- Seal for charity standards certified by the Dutch Central Bureau of Fundraising (CBF). This approval applies to our accountability and transparency policies and practices.
- As member of PARTOS, we use the PARTOS guidance regarding code of conduct and quality of nonprofit organization. We also applied the requirements of the Code of Good Governance from the committee Wijffels.

In addition, MCNV ensures quality management by implementing recommendations from the management letter of our accounting firm BDO. BDO was commissioned for carrying out the annual evaluation of the financial statements from MCNV in Lao PDR, Vietnam and The Netherlands.

4.2 Risk Management

In 2019, MCNV identified risks and mitigation plans as per details in annex A-3. The risks identified concerning the offices in Amsterdam and Vietnam, were insufficient funding to keep the entire workforce employed. We managed this through diversifying and a more proactive approach to fund raising as well as adapting the staffing structure to fit with the situation. As a result, in 2019 we could maintain the level of budget and number of staff needed for Vietnam. The staffing structure in the Amsterdam office was changed to less FTE as compared to 2018. The risk identified for MCNV's program in Lao PDR was a lack of capacity to meet all requirements of our donors. We managed this well through a continuous staff development plan and through facilitating cross-support among the different offices in Amsterdam, Vietnam and Laos.

The impact of the COVID-19 pandemic outbreak is not expected to have a direct effect on MCNV yet. It is currently difficult to estimate what the impact will be in the medium and long term. In the future, the corona crisis may have an impact on obtaining subsidies or receiving donations. MCNV staff has applied the measures taken by local authorities including working from home when necessary and possible. MCNV does not currently use the COVID-19-related grants and financing schemes. All of 2020 projects can still be continued as per plan, with some project activities that needed to change to fit the situation. Such changes are made in close contact with the partners of MCNV and with approval from the subsidized institutions.

4.3 Integrity

We maintain our communication schemes with our donors, partners and beneficiaries to learn from their perspectives on how our program performance and operations are. This is reflected in the regular communications and formal documents that we share with our stakeholders, such as partnership agreements, reports, website updates and bulletins. Through these we exchange with our donors, partners and beneficiaries not only on achievements but also on aspects to be improved. With our private donors in the Netherlands, we occasionally organize meetings to communicate

about what we do and to learn from our donors on ideas for new programs as well as ideas for how to improve the organization's performance. Details on meetings and communications with donors in 2019 is reported under fundraising and communication section.

In our partnership agreement with partners on each of the projects we implement, we have identified focal points and a contact person where concerned donor, partner, and beneficiaries can get in touch for any issues concerning the particular project. In the agreement terms are set out also on procedures to follow in case of further concern or conflict.

Internally, MCNV has included integrity in our personnel manual and also procedure and guidance on how staff can raise concerns and the steps the organization needs to take to respond to concerns made by staff against the organization are in place. The personnel manual also includes other related policies and procedures including code of conduct, anti-corruption, child protection, and conflict of interest, that are applicable to all employees.

In 2019, as a member of PARTOS, we joined discussions and training on how to improve the integrity of the organization. Learning from this will be shared among MCNV offices in 2020 and implications for improvements in the relevant policies and procedures will be taken.

4.4 External complaints

MCNV has a procedure for external complaints applicable to our stakeholders¹ and through which our stakeholders can file a complaint or any concern related to MCNV's work and service. This is monitored and complaints from our stakeholders are registered and responded to as per procedure. In 2019, we did not receive any complaints from any of our stakeholders. In addition, we have a function in our website for people to send in their comments or complaints. In 2019, we received through this two requests for information and support and one comment/question about the safety of personal information of people who are using our website and the experience the person got when accessing MCNV's website. In 2019, MCNV has taken measures and made changes to improve our website and we have considered the comments in the process.

5. Fundraising, Communication and Public Relations

MCNV remains committed to improving the lives of disadvantaged people in South East Asia through supporting programs in livelihoods, health, nutrition, disability inclusion, education, policy changes and much more. For this, fundraising and communication are important integral parts of our work to ensure the organization is able to provide the support needed.

¹ MCNV identified the following groups as our clients and stakeholders: (1) project beneficiaries and partners in Vietnam and Lao PDR; (2) private donors in the Netherlands; (3) private funds (family and asset funds); (4) Institutional donors; (5) corporate donors.

5.1 Fundraising

After more than five decades of existence, in 2019, MCNV has about 4,000 private donors, individuals in the Netherlands, who donate regularly to MCNV. In recognition of the situation concerning this group of MCNV's private donors (declining due to the change in priorities and an aging donor population), MCNV has continued to find other sources of financial support to our program from family funds and foundations, corporate donors, and government funding.

In 2019, our fundraising work focused on the below objectives and results achieved as follows:

Objective 1: Upgrading and keeping MCNV private donors with strong focus on periodical donations:

With our private donors in the Netherlands, we maintain our relationship and update each other on the monthly donations that the donors have made. In addition, in 2019 MCNV asked our private donors for support to the following four special campaigns:

- *Working together, out of poverty.* In April 2019, we asked our private donors to provide extra contribution to support the women micro credit groups in Ben Tre province, Vietnam. These women asked our help to establish new production groups in Binh Dai, to work on mushroom growing and other ways to increase their income. The activities will continue in 2020 and beyond. With this campaign, our private donors contributed in 2019 in total € 25.277
- *Help teenage girls stand on their own two feet.* In June 2019, we asked our donors' attention for supporting 1,500 adolescent girls in Huong Hoa district, Quang Tri province, Vietnam. The requested support is for empowering them, help them to know more about preventing early pregnancy, more knowledge about sexual rights, importance to finish school and vocational training. The response from our donor to this campaign resulted in a total donation of € 23.724 in 2019. The project is still running and is to be further developed in 2020.
- *Good nutrition is the basis for a healthy future.* This campaign was launched in October 2019 with the purpose to support: better food, better hygiene, more crops and education. Those four ingredients are the recipe against malnutrition. This work is being implemented in Nong district, Savannakhet province (Lao PDR) and in Dong Xuan district, Phu Yen province (Vietnam), benefiting hundreds of children with more varied diet and thus having a better healthy weight. Total donation received from this campaign is € 24.619. The project activities will be continued in 2020 and beyond.
- *New support center for disabled children in Dien Bien.* After MCNV's successful contribution to the Support Centers for inclusive education of disabled children in Dak Lak, Phu Yen and Cao Bang in Vietnam, MCNV could start supervising the construction of a new center for the province of Dien Bien province. In December 2019, we asked our donor to support this special project. With a total donation raised of € 22.130, we can contribute to provide the children the right education, in a nice place where they can play and learn! The center will open in 2020 and start with 100 children.

In addition, considering the age of the MCNV donor population, many of whom already started to support MCNV more than forty years ago, during and shortly after the Vietnam War, we also included in our communications information encouraging our donors to include MCNV in their wills and testaments. In 2019 we received a total amount of € 98.363 from wills and testaments.

Objective 2: Accessing new sources of income through (1) foundations and funds that want to support a specific activity or part of a program and (2) private funds (family- and asset funds);

In 2019, MCNV established partnerships with three new foundations in the Netherlands, including GSRD Foundation, HULZA and Microcredit for Mothers Foundation who contribute their financial support to various projects implemented by MCNV in Vietnam.

The approach we took was to invite foundations to ‘adopt’ projects and initiatives that MCNV has developed. This approach makes the donors feel closer to the beneficiaries and their families than a donation in general to the organization. In 2019, through this approach, we received financial contributions from the following foundations: Hulza (€ 10.000), Microcredit for Mothers (€ 10.000), GSRD Foundation (€ 30.000), Suus van Hekken Fund (€ 6.880), AFAS Foundation (€ 53.000) and € 90.000 from a Dutch fund wishing to remain anonymous, all of which are partial funding to specific on-going projects that MCNV is executing in Vietnam and Lao PDR. In September 2019, we started to discuss with AFAS Foundation about submitting a 2nd proposal for a new program in Lao PDR, in 2020.

Objective 3: Longer term support from private donors, among which setting up the Club of 50;

The idea of Club of 50 was initiated among our private donors in 2018 when MCNV celebrated her 50th anniversary event. We aimed to have 50 members who commit to a higher amount of donation to MCNV for a period of five years. By the end of 2019 the total number of the Club of 50-members came to 47. The corresponding income from these members is € 22.800 on an annual basis, for a period of five years. In a meeting, in November 2019, we discussed the Club of 50-approach and shared with some representatives our fundraising plans for 2020. The members feel strongly connected and are willing to support with providing their network and knowledge, in order to find new private donors.

Objective 4: External institutional donors, such as European Union, USAID.

In 2019, we continued to raise funds through soliciting proposals with institutional donors such as the European Union, USAID, the Dutch Government. Among on-going projects funded by various institutional donors, in Vietnam in 2019 we started a new project on disability funded by USAID. We got one proposal approved by the European Union on sustainable forestry in Vietnam, which will be started in 2020. We also received approval and started a small project funded by the Dutch Accountability Fund on realization of land-use right for people with disabilities in Quang Tri province, Vietnam. In addition, we continued our efforts to explore and build this institutional funding relationships, for example, in Lao PDR with the European Union, with WHO and with KOIKA, and in Vietnam with various funding schemes from the Dutch government. These will hopefully lead to new funding and new partnerships in 2020 and beyond.

5.2 Communication and Public Relations

In 2019, MCNV maintained our communication and public relations through various activities and formats.

5.2.1 MCNV magazine and website

MCNV magazine is produced quarterly and sent to our donors in the Netherlands to communicate about what we do and what we ask their support for. Early 2019, the chief editor and the designer/photographer of the paper magazine visited several projects in Vietnam to interview program managers, local partners and final beneficiaries to collect new stories for the campaigns 2019 and 2020. With that input the articles informing about the above mentioned four campaigns were written.

In the course of 2019, we started the process of rethinking and redesigning MCNV website. This was based on the assessment that our website design was not very clear, posing difficulties to visitors to find the information they want to look for. The number of visitors was fairly small and visitors seemed to look no further than the homepage. The website restructuring process, however is not completed by the end of 2019.

5.2.2 Face-to-face communication with our donors

In 2019, we organized two face-to-face meetings with our donors in Amsterdam. The first meeting was a smaller one with our core members of the Club of 50, in our own office. In this meeting, we communicated with our donor about one of the programs in Lao PDR and discuss with them on how we could mobilize more support to further develop project and programs in Lao PDR. Later in the year, in November, we organized a combined meeting with our members of Club of 50 and other donors of MCNV. At the meeting Dai, (head of CVN office) showed a video clip of the NSA program (nutrition sensitive agriculture) and presented the new sustainable forestry program. Because of the long standing relation, Peter de Goeje granted us the honor to show his documentary about the (historical) cooperation between UVA and Hanoi University.

In 2019 we did not organize any donor tour to our programs but in the fall of 2019 we put out the first call for a tour to be organized in spring 2020. Due to the travel restrictions because of the COVID-19 pandemic the trip will be postponed to a later date.

6. Financial Policy and Management and Quantitative Data

6.1 Budget and realization of plans 2019

In January, MCNV's first 2019 budget was presented and in February 2019 the Supervisory Board granted by email a conditional approval to the budget for the first half year, with some proposed budget cuts by all three offices (Amsterdam, Lao PDR and Vietnam). The full approval of the budget was to be done after we would have the expenditure data of Q2. The revised budget was then approved by the SB in June 2019 meeting.

With more conservative budgeting and stricter monitoring of the activities and expenditures, MCNV experienced improved realization of the 2019 plan and budget. The detailed results for 2019, as well as differences in program budget versus realization can be found in paragraph 6.8.

6.2 Contract processing

MCNV worked in accordance with the agreement with CBF that contracts are charged to the result from the moment the contract is signed, regardless of how activities were carried out and paid for. MCNV deviates from this agreement when projects are financed by government or other institutional donors. These donors require an annual report on a cash basis. In this way, the figures in the report to the donor and the figures in the financial statements are equal. CBF was informed about this. MCNV plans to apply the same way as with government and institutional donor funded projects, in which all contracts with our local offices are made based on the approved annual budget and results are reported as per actual expenditures.

6.3 Financial administration

MCNV's work follows a cycle of annual plan with budget, with requirements on quarterly reporting (financial and narrative) and annual reporting (narrative and annual account). In MCNV's financial administration and financial management there was a division of responsibilities to guarantee a good organization quality:

- The daily accounting and budget control was done by MCNV, an external administration office was consulted when necessary;
- The consolidated financial quarterly reports were produced by the external administration office and MCNV;
- The draft financial statements and balance files were drawn up by the external administration office, supported by MCNV's financial manager.
- The draft annual account was approved by the Board of director, subject to the adjustments discussed. This draft was discussed with the audit committee.
- The Board of director was informed about changes in the draft annual account and annual report and gave feedback;
- The auditors audited the annual accounts for Vietnam, Lao PDR and the Netherlands.
- The SB approved the annual report and annual account, the auditor issued an approved statement.

Each year the auditing firms in Vietnam, Lao PDR and the Netherlands write a management letter in response to the audit of the annual account. The lead auditor consolidates the management letters into one auditors report. This report was discussed with the audit committee, Board of director and financial manager.

6.4 Development of capital and appropriated funds

MCNV's policy concerning its capital is to maintain a continuity fund. In case of stagnation of income, the continuity fund is meant to meet the obligations towards projects and personnel in a careful manner. When preparing the budget, the Board of director consults with other concerned staff such as the financial manager and management team to determine the desired continuity fund. In principle, this is the amount needed to keep the organization running for one year.

In addition, MCNV spends its regular income from donations in line with the objective, as much as possible in the same year. Unspent amounts raised for a specific purpose are kept in an appropriated fund. Contracts signed with partners determine the amount charged to a specific appropriated fund. The remaining will stay available for the same kind of activities for which the funds were received, unless the Board of director has informed the concerning donors about the change of use of the concerned remaining fund.

6.5 Investment policy

The majority of MCNV's funds is put into saving accounts.

In 1997 MCNV received as a gift from a family stocks and shares, including that of Wolters Kluwer with a value of € 890.000. These shares and stocks have been put into one of our bank account as per the date the gift was made. MCNV does not do any active trading with these. Annually in a SB meeting the minimal sale value of the shares is set. The Board of director has the overall responsibility for monitoring the values of the shares and include it in the quarterly and annual accounts to present to the SB. The Board of director can sell shares when the following conditions set by the SB are met:

- The Board of director cannot make this decision by himself/herself but has to make it in agreement with either the financial manager or the financial expert of the SB.
- The reason for the sale of an X amount of shares should be clearly justified.
- The Board of director can only sell shares when the sale value is equal or higher than the minimum value set out in the SB meeting.
- Only in consultation with and after approval from the SB, exceptions on these conditions can be made.

In 2019 value change was € 171.999 Unrealized profit per 31-12-2019 was € 794.152

6.6 Income and explanations

This section presents key information and explanation on MCNV's 2019 income. Further details are provided in the financial statements/ annual accounts in the annex. MCNV's incomes are categorized into three (03) groups, including: (1) from fund raising activities; (2) from nonprofit organizations; and (3) from governmental and institutional grants.

6.6.1 Income from fundraising activities

MCNV made budgets on these as objectives for our fundraising activities. Estimations are based on the result from previous years and what is known regarding wills and legacies. Overall, we had a slight positive result on this aspect of income in 2019. The budget and the result as per our accounts are presented below without no further explanation.

| | 2019 Budget | 2019 Realization | Difference |
|-------------------------------|----------------|------------------|---------------|
| a) Campaigns | 80.000 | 105.679 | 25.678 |
| b) Donations, general gifts | 250.000 | 296.244 | 46.244 |
| c) Specific donations | 51.511 | 6.880 | (44.631) |
| d) Inheritance and legacies | 82.275 | 98.363 | 16.088 |
| e) Fundraising Vietnam | 56.564 | 28.302 | (28.262) |
| f) Result from sales of goods | | 610 | 610 |
| Total | 520.350 | 536.078 | 15.738 |

| | | | |
|--|-------------|-----------|------------|
| a) Campaigns | 2019 | 2018 | 2017 |
| Number of donations | 2.731 | 2.976 | 2.981 |
| Average donation | € 38,86 | € 37,68 | € 37,18 |
| | | | |
| b) Donations, general gifts | 2019 | 2018 | 2017 |
| number of gifts debt collections/ bank transfer | 8.296 | 8.604 | 8.980 |
| Agreement Periodic Donations | € 87.569 | € 86.908 | € 66.173 |
| | | | |
| c) Specific donations | € 6.880 | € 115.320 | € 143.010 |
| | | | |
| Result from investment, currency, interest | Budget 2019 | 2019 | Difference |
| | 25.000 | 174.449 | 149.449 |

6.6.2 Income from non-governmental/non-profit organizations

The income from nonprofit organizations in 2019 was a bit lower than targeted and it is linked to the actual expenses in the project and this is well monitored. Budget: € 468.309 Result: € 417.764.

6.6.3 Income from Governmental & Institutional Grants

MCNV formulated a policy on generating income from institutional grants from governments and other institutes. The annual income on this is estimated based on the balance and stage of the existing contracts that we have with the government and institutional donors. The budget for each of the grants is linked directly to the plans and reports that MCNV has with the donors. Variances between budget and results are explained in the specific grant reports.

In 2019, the total benefits from government and institutional grants was 24,3 % less than budgeted. Budget was: 1.336.640; result was: 1.012.414. The main explanation for the variance between budget and result for this income is that some of our projects experienced delays in their implementation plan. As these projects are on-going, the delays were reviewed by the concerned staff and through our reporting and next plans communicated and discussed with the institutional donors.

In addition, MCNV focuses on grants that contain a contribution for MCNV's own organization costs for management and advice. In 2019, the followings grants were running and that contained MCNV's own contribution

LEARN € 2.710.336

This is EU funded project and implemented by MCNV in Lao PDR, between May 2015 – April 2020. The program has four alliance partners: National Institute of Public Health and University of Health Sciences of Lao PDR, Hanoi School of Public Health and the Free University of Amsterdam. MCNV's own contribution for implementing the program (20 %) is € 542.067 and € 183.113 is for the program partners. MCNV's own contribution is covered by the LEARN appropriated fund.

CANTEEN € 1.310.980

This is EU funded project and implemented by MCNV in Lao PDR, between January 2017 – June 2021. MCNV's own contribution for implementing the program (25 %) is € 327.745 and is this contribution is covered by co-financing of programs from WOTRO and AFAS.

VALOR – Occupational therapy US\$ 1.153.618

Vietnam Advancing Leadership on Rehabilitation (VALOR) a five-year program funded by USAID, October 2015 – September 2020. The program is focused on the development of a University Course Occupational Therapy. MCNV's committed cost share in this is 15 %, or US\$ 173.043. MCNV's cost share is covered by contribution from a Dutch Foundation requiring to remain anonymous.

VietHealth – Speech therapy US\$ 1.125.210

This is a five-year (October 2017 – September 2022) program funded by USAID on the development of Speech and Language Therapy (SALT). MCNV's cost share in this is 15 %, or US\$ 280.809. MCNV's cost share is covered by contribution from a Dutch Foundation requiring to remain anonymous.

CCIHP - I-THRIVE US\$ 734.909

This is a three-year (January 2019 – December 2021) program funded by USAID on interdisciplinary rehabilitation services supporting children with intellectual and developmental disabilities to thrive (I-THRIVE). MCNV's cost share in this is 0 %.

6.7 Expenses for objectives and explanations

The table below shows the comparison between the result 2019 and the budget of MCNV's expenses for objectives.

| Type of expenses | 2019 result | 2019 budget | Percentage result vs. budget |
|---|------------------|------------------|------------------------------|
| Structural projects | | | |
| Projects on transaction base | 317.021 | 387.718 | 82 % |
| Projects on cash based | 1.247.935 | 1.697.754 | 73 % |
| Settlement from previous year | (2.313) | | |
| Subtotal structural projects | 1.562.643 | 2.085.473 | 75 % |
| Other expenses | | | |
| Staff expenses | 114.150 | 90.124 | 127 % |
| Housing | 8.783 | 11.070 | 79 % |
| Office and general cost | 41.846 | 37.350 | 112 % |
| Depreciation and interest | 319 | | |
| Subtotal other expenses | 165.098 | 138.544 | 119 % |
| Total expenditure for objectives | 1.727.741 | 2.224.017 | 77,2 % |

In total, the expenditure for objectives is 77,2 % compared to budget in 2019 representing 22,8 % underspending, in which the percentage of the expenses in structural projects is 75 % and that under other expenses is 119 %. This underspending is mostly associated with the performance of the government and institutional grants and there linked to the result of income from this category presented and explained in the above section. The underspending is recognized in the specific grants with donors and taken into the 2020 activity plan and budget. The overspending under other expenses is explained by the extra costs on staffing that were associated with leadership change in late 2018 and restructuring during 2019.

6.8 Key Figures

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------|------------|------------|------------|-------------|
| Balance sheet (x 1000 euro) | € | € | € | € | € |
| Projectreserve | 0 | 0 | 0 | 0 | 351 |
| Appropriated funds | 329 | 381 | 550 | 718 | 793 |
| | 329 | 381 | 550 | 718 | 1144 |
| Inventory | 3 | 2 | 2 | 1 | 2 |
| Renovation | 0 | 0 | 0 | 0 | 0 |
| Shares | 794 | 622 | 557 | 457 | 409 |
| Cash and cash equivalents | 835 | 919 | 1319 | 1846 | 1927 |
| Contractual obligations | 0 | 20 | 218 | 42 | 104 |
| Profit & Loss statement (x 1000 euro) | | | | | |
| Actions | 106 | 118 | 116 | 166 | 150 |
| Donations | 296 | 297 | 296 | 293 | 312 |
| Donations, specific gifts | 7 | 115 | 143 | 183 | 90 |
| Fundraising expenditures | 0 | 0 | 74 | 69 | 80 |
| Grants | 1012 | 1232 | 1061 | 460 | 833 |
| Communication expenditures | 80 | 73 | 106 | 114 | 85 |
| Structural project support expenditures | 1728 | 1719 | 1799 | 1513 | 1612 |
| Result | 168 | -186 | -413 | -627 | -325 |
| Staff in FTE | | | | | |
| Staff in Netherlands | 2,5 | 4,0 | 4,0 | 4,8 | 5,0 |
| Expat Staff in Vietnam / Lao PDR | 2 | 1,6 | 1 | 1 | 2 |
| Local Staff in Vietnam | 11,7 | 12,7 | 15 | 15 | 18,6 |
| Local Staff in Lao PDR | 7 | 9,6 | 7 | 3 | 7 |
| Total staff in Fte | 23,2 | 27,9 | 27,0 | 23,8 | 32,6 |

6.9 Explanation of other key figures

6.9.1 Fundraising cost vs. income

As per requirement of the Central Bureau on Fundraising (CBF), MCNV reports on the expenses for fundraising over a period of three consecutive years. The requirement from CBF states that the organization's fundraising expenses shall not exceed the average of 25% of the total benefits from fundraising activities. An overview of MCNV's cost for fundraising for the last three years are shown below.

| | Expenses of Fundraising | Total Benefits of Fundraising activities | Percentage |
|---------------------------|-------------------------|--|------------|
| 2017 | € 73.540 | € 606.451 | 12,1% |
| 2018 | € 107.494 | € 544.639 | 19,7% |
| 2019 | € 68.365 | € 507.116 | 13,6% |
| Average over three years: | € 83.133 | € 552.753 | 15,1% |

6.9.2 Percentage of management and administration cost

Also as per the CBF's regulation, MCNV established a standard for the maximum expenses of Management & Administration. MCNV's SB set out the maximum cost of Management & Administration during a year at 9 % of the total expenditures. The table below is our actual percentage cost of management and administration over three executive years.

| | Expenses of Management & Administration | Total Expenditures | Percentage |
|-------------|---|--------------------|------------|
| 2017 | € 136.992 | € 2.116.729 | 6,5 % |
| 2018 | € 137.217 | € 2.036.588 | 6,7 % |
| 2019 | € 111.052 | € 1.987.200 | 5,6 % |

6.9.3 Expenditures on objectives vs. income

Below is an overview of the total expenditures on objectives compared to the total income.

| | Total expenses on Objectives | Total Income | Percentage |
|-------------|------------------------------|--------------|------------|
| 2017 | € 1.906.197 | € 1.703.438 | 111,9 % |
| 2018 | € 1.791.877 | € 1.867.417 | 96,0 % |
| 2019 | € 1.807.783 | € 2.155.243 | 83,9 % |

6.10 Remuneration of the director and supervisory board members

The Supervisory Board of MCNV has determined the remuneration policy, the level of the executive remuneration and the level of other remuneration components. The policy is updated periodically. The last evaluation was in 2018. MCNV follows the Remuneration Regulation for Directors of Charity Organizations (see www.goededoelennederland.nl). MCNV has only one executive function, i.e. the Board of director, which falls into this category. The supervisory board members do not receive remuneration.

The regulation sets a maximum standard for annual income based on BSD score of [430] points at a maximum annual income of EUR 119.322 (1 FTE / 12 months). The total income of MCNV Board of Director in 2019 was 22.394 EUR (0,6 FTE / 6 months). This reward remained below the applicable ceilings. In 2019, MCNV supervisory board assigned one of its members as interim Board of Director for a few months but with no remuneration.

The annual income, the taxed allowances/ additions, the employer's contribution to the pension, the pension compensation and the other long-term benefits (for Ms. Huyen Thi Hoang, with an amount of 6.274 EUR) remained within the maximum amount per year included in the scheme and these costs were in a reasonable proportion to the annual income.

The amount and composition of the remuneration are explained in the table below and in financial statements in the notes to the statement of income and expenditure. What was special in 2019 was the remaining payment of the previous Board of director upon departure in November 2018. This compensation amounted to EUR 16.077 and was established by MCNV's supervisory board.

| MCNV | Director 2019 |
|--|----------------------|
| Type of contract | Indefinite |
| Hours per week | 22,5 |
| Labor Percentage | 60% |
| Labor Period | 6 months |
| | |
| Gross salary per year | 14.889 |
| Holiday allowance | 1.191 |
| Other taxable allowances | 40 |
| Variable income | - |
| Subtotal remuneration | 16.120 |
| | |
| Social Security costs (paid by employer) | 2.837 |
| Taxable disbursements | - |
| Pension contributions | 2.585 |
| Other (future) benefits | 852 |
| Severance pay | - |
| Subtotal other costs | 6.274 |
| | |
| Total Salary Costs | 22.394 |

Amsterdam, June 2020

Huyen Thi Hoang

Board of director, MCNV

M.I.A. Postma-Rustenhoven

Chair MCNV Supervisory Board

Annex A-1 Program/ project annual reports

A.1.1 Programs in Vietnam

Program a. Support people with disability

- Project 1** Occupational Therapy Education development – key achievements
- 5 Rehab teachers of Hai Duong Medical Technology University (HMTU) and Ho Chi Minh University of Medical and Pharmacy (UMP- HCM) have completed their Bachelor course in India. They will continue Master course in August 2020.
 - Total 45 students of BOT course in HTMU and UMP-HCM have graduated. There are 12 other ones will graduate in July 2020.
 - A network of OT professionals in Vietnam has been primarily established through a national workshop to sharing OT experience practices and orientation for development of a National Association of Occupational Therapist.
- Project 2** Speech Therapy Education – key achievements
- The Proposal of Master of Rehabilitation Techniques with specialization in ST in UMP was approved by MoET for implementation.
 - 14 Students of the Master course were enrolled and started the course
 - A curriculum of Master of Rehabilitation Techniques with specialization in ST was approved and used.
 - A curriculum for a Bachelor of Rehabilitation Techniques with specialization in ST in DN UMTTP was approved and used;
 - 20 students of the Bachelor course were enrolled and started studying.
 - More than 600 pages of ST text books were translated and have been used as learning materials for students of both Master and Bachelor courses
 - A website of Vietnam ST is well remained as platform for ST practitioners to exchange experience and information.
- Project 3** Interdisciplinary Rehabilitation for Children with Intellectual and Developmental Disability (I-THRIVE) – key achievements
- Need assessment report, tools and presentation of preliminary data are completed.
 - Proposal of opening 12-month PT course is approved by Danang UMTTP
 - Proposal of opening 12-month SALT course is approved by Danang UMTTP
 - Proposal of opening 12-month OT course is approved by Hue UMP
 - Training outlines and detailed curriculum of PT, SALT and OT courses are approved by the Universities and submitted to MoH.
 - Participants of each course are recruited as planned (9 participants for PT course, 24 participants for SALT course and 24 participants for OT course).
 - PT, SALT and OT courses are opened and implemented as planned.

Project 4 Inclusive Education in Cao Bang – key achievements

- The Support Center provides inclusive education support for about 60 children with disabilities who are studying in mainstream kindergartens and primary schools in Cao Bang;
- The Support Center organizes screening for early developmental delays for about 250 suspected children in all 13 districts;
- Totally more than 2.000 CWD in Cao Bang receive inclusive education indirectly

Project 5 Development of Supportive Center for Children with Disability in Dien Bien – key achievements

- After preparation period in year 2018 the Center has operated officially in 2019. All fundamental conditions for running the Center were established in basic.
- 40 children with disability, mainly from hearing and intellectual disability group were enrolled in the first school year 2019-2020.
- Parent of all these 40 children were trained to gain better understanding about care and education for their children
- More than 200 people working in education sector and other relevant sectors are involved in awareness raising activities on early detection, early intervention and education for children with disabilities;
- 4 classrooms and intervention rooms in the Support Center are equipped with basic tables, chairs, learning materials

Lesson learned

- Grant from USAID is important for Disability Program, however it was much challenging in implementation because of hard regulation of and domination from the donors.
- Support from an anonymous Dutch Foundation was really great and supported this important program a lot.
- Adequate capacity building for local counterparts is essential for handing over the results of the project
- Strong network and expertise of MCNV is key for successfully convincing USAID into granting this funding, as well is implementation of project on OT and SALT Education in partnership with Medical Universities and Ministries.

Program b. Women Empowerment (WE)

Project 6 Microfinance for poor women in Binh Dai district, Ben Tre province. MCNV long term funding project.

This project can run well with minimal support from MCNV technical staff. However, some new developments from the operation need MCNV special attention such as helping the project management unit to improve the loan products; dealing with some first bad debts and high rate of cash in hand and in bank account. The project is designing new products and adjusting current loan products to utilize the abundance capital, including opening up to 1-2 new communes

- More than 3,000 clients have remained and benefited from revolving fund operation.

Lesson learned from program implementation in Ben Tre province

- It took quite a long time to have project approval from province. If MCNV keeps close communication and pushing the progress, the progress could have been improved.
- There appeared variance between the estimations at planning phase and the actual situation of the project implementation. The actual needs from the women is not as high as was estimated. It is the lesson learned for the project team to do better need assessment to inform the project proposal and design.

Project 7 Comprehensive Livelihood Adaptation for The Poor Women Suffering from Drought and Salinity Condition in Mekong River Delta 2017 – 2020 – funding by anonymous– Phase 2

- Establish/ consolidate 22 cooperative groups and prepare/ finalize their business plans. However, the list of registered cooperative groups kept changing until October 2018 due to the difficulties in tendering process for hardware purchase. Some of the groups gave up and new group replaced them even until the end of Sep 2019
- By the end of 2019, the project provided hardware investment for 8 cooperative groups

The progress of this project remains slow. The biggest challenges the project faced in 2019 were:

- Newly introduced tendering process (as MCNV was trained new rule for tendering). Most of the cooperative groups planned to buy hardware with costs of more than 100 million VND and needed to follow very complicated and time consuming tendering procedure. Some of the district WU focal points are frustrated with this and some of the groups gave up their plans.
- The groups and their plans also keep changing during the implementation process.
- The vice chairwoman of Binh Dai district WU seems not capable to implement this project following the agreed methodology. So the groups that she selected in Binh Dai are not very feasible and weak. This lead to all 7 groups in Binh Dai to be pended for 2020.

Recommendations:

- Binh Dai district WU staff showed less capable to implement project due to capacity and attitude: MCNV and Ben Tre WU must consider focusing on 2 districts Ba Tri and Cho Lach.

- MCNV together with an anonymous fund may consider reducing the target of cooperative group numbers to less than 19 (as in proposal) or 22 (as in the implementation plan) to about 15 to be more feasible. The unused funding from the anonymous fund should be returned to donor.
- Sign contract with a part time consultant in Ben Tre (planned and budgeted).

Project 8: Cooperatives for poor women in Mo Cay Nam and Mo Cay Bac district, Ben Tre province
– Funded by GSRD Foundation

This project was started late in Q3 of 2019. This project runs smoothly due to the fact there is no “hardware” requirement from donor and it also in line with investment needs from community on agricultural and husbandry work.

- 8 groups selected and started to build the business plan as well as recruit members
- In which 5 cooperative groups have received their first parts of investment in 2019 – and started to run

Project 10 A community-based eco-green solution to solid waste treatment in Mekong river delta of Vietnam. UPS funding.

- Received permit from the provincial authority for project implementation. MoU and Contract were signed with partner.
- 550 suitable households and organize groups – get households committed with the project activities and objectives were selected to participate in project
- Provide training for 550 households on waste treatment and compost production
- Provide compost bin, waste bin to these 550 households and community level

Program c: Sexual and Reproductive Health and Rights

Project 11 Support Sunflower Groups – key achievements

- 9 Sunflower Groups (SHG of women living with HIV/AIDS) still remaining and functioning well to support 420 members in ARV treatment, doing their income generating activities.
- 139 women living with HIV/AIDS have received direct financial support to develop their livelihood and have their house repaired.

Lesson learned

- The model of education on SRHR and tools applied in pilot project in Dien Bien showed relevance and suitability. However we were not successful in scaling up. The main reason was that this area of work has no high priority in development aid.
- Support for women living with HIV/AIDS should be comprehensive, not just health care but need livelihood support.

Stand-alone projects

Project 12 Nutrition Sensitivity Agriculture (implemented in Xuan Hoa District, Phu Yen Province)

– key achievements

- Total 130 households receive support and improve their nutrition intake from vegetable garden and chicken raising.
- 46 % of households with CU5 have vegetables and chicken eggs from agricultural production to provide daily meals for their children under 5
- 14 households carry out intercropping models
- 132 nursery school children in Phu Mo commune have access to school meals
- 100 % of kindergarten children in Phu Mo commune have access to school meals
- 33 % of families financial contribution for the school meals
- 250 household members participate in monthly activities of household groups
- 60 % CU5 have access to products provided by the private services in the community
- 100 % of malnourished children have access to counselling and receive support on improving intake
- 60 % of pregnant women have access to counselling and nutrition rehabilitation services

Challenges

- The chicken raising model is implemented slowly due to influence of chicken diseases occurring in some villages of Phu Mo commune. This effects the daily intake of CU5 and household.
- Risk of chicken dying is very difficult to mitigate while supply of breeding is totally from other districts. This can harm sustainability of chicken raising in these remote village. There should be a solution to set up services on supply chicken breeding at the local villages
- Lack of food for chicken has reduced egg laying quantity and number of chicken per household
- Households group model still needs a lot of coaching from district health center to achieve behavior change on feeding and caring for CU5 and pregnant women

Recommendations

- Collaborate with district Agricultural Extension Department for piloting diversified crop model and continuous support for new mix-crops of cassava and peanut and other models of quail rearing, crickets and earthworm raising
- Keep close facilitation to district health center in carrying out ongoing activities;
- In 2020, keep partnership with Agricultural Extension Department in improving quality of NSA model in Phu Mo

- Supports local micro-enterprises to set up incubation services to supply chicken and quail breeding to local communities
- Focus on improving quality of NSA models in Phu Mo before scaling up to other villages in Dong Xuan district

Project 13 Support Adolescent Girls with Ethnic Minority in Quang Tri – key achievements

- 500 male and female students at Huong Phung High School and two secondary schools in Huong Lap and Huong Viet communes have access to information and knowledge about SRHR.
- 650 adolescents are able to access online consulting and mobile services on sexual and reproductive health.
- 75 % of children in 6 project villages of 3 communes Huong Lap, Huong Phung and Huong Viet have playgrounds.
- 60 % of adolescent girls of poor families in 6 project villages are supported to maintain schooling.
- 10 more adolescent girls are vocationally trained and get jobs in and outside their communities.
- 100 more jobs for girls and their families, thus income increased, are created in the community through activities of production groups.
- The production groups in the 3 communes and their products are linked to the market.

Challenges

- Bad weather conditions in the rainy season.
- The production of bamboo products went down a little bit when people had to invest more time and labor for the coffee harvest season.

Recommendations

- Use the fund supported by HULZA (expected to be EUR 10,000) to maintain the bamboo production activities for 3 existing groups in 2020. The priority should be given to the development of bamboo material areas, provision of some more equipment and facilities, and improvement of market linkages.
- As MCNV Quang Tri is about to implement the PROSPER project, part of HULZA budget should be used to hire a part-time consultant to keep track of the work, thus reducing workload for the project coordinator.
- Phase out of the EMCD project in the end of 2020 if there is no big source of funding.

Project 14 Promoting access to residential and agricultural land use rights for households of ethnic minority people with disability – key achievements

This is a new project that started in July 2019 and funded by the Accountability Fund from the Netherlands Embassy in Vietnam.

- A survey on status of land use right certification among population of PWD was conducted and completed.
- 9 households in A Ngo commune of Dakrong districts are being supported in land preparation/land leveling and certification
- 1 video clip about the real situation of land use rights of PWDs was made

Challenges

- The late approval for the project from Quang Tri PPC (official approval made in the middle of October 2019) has created some delays for the project implementation
- Working with new partners (the Provincial Committee for Ethnic Minority Affairs) requires more time for mutual understanding and coordination.
- Very busy working agenda of the governmental organizations by the end of the year, especially at the commune level.
- Land use rights certification and land leveling require more time for administrative procedures.

Recommendations

- More field visits by MCNV to support implementing partners at the district and commune levels.
- Encourage the DPO and CEMA at provincial level to give more authority to the DPO and CEMA at district level in implementing the activities.
- In Huong Hoa: only focus on the work in 6 communes prioritized for land leveling and certification in 2020 by the district authority.

A.1.2 Programs in Lao PDR

Program 1 Lao Equity through policy Analysis and Research Networks -LEARN:

After a huge effort by the new Program Manager, the LEARN program has made significant strides toward reaching its desired indicators. Unfortunately, some delays from 2017 cannot be resolved, such as the completion and the graduation of some of the researchers. LEARN has begun talks with the EU about a 3 month No-Cost Extension (NCE) which has already received verbal approval and is expected to move forward in the beginning of 2020.

Below are key achievements from the implementation of LEARN programme in 2019:

- Five Open Call awardees completed their research
- Workshop conducted on Sexual Reproductive Health Policy

- 3 PHD candidates finalized required coursework
- Contract completed with Global Health Action Journal for a special LEARN issue
- Successful video produced on Teenage Pregnancies in collaboration with 2 LEARN PHDs
- The Knowledge Translation Strategy has been approved by MCNV/EUMF/LAOTPHI
- Research findings presented at the National Health Forum, Adolescents Research Day, GMS conference and other government meetings
- UHS conducted the International Conference on Public Health GMS
- Lao TPHI conducted the National Health Research Forum
- Lao TPHI conducted the Adolescent Research Day
- LEARN started NCE request to EU, pending approval in 2020

Key lessons learned from LEARN program implementation in 2019:

- Due to the problems that occurred early on in the program, EU wants more oversight of this project, including the NCE
- NCE is a long process and should be started as soon as MCNV knows this is the desired way forward
- Motivation continues to be a concern, especially with the MPH students. There is an attitude that timelines are not important, and do not need to be followed, which may be a cultural aspect that was not considered when the project was created
- Delays in implementation due to government partners cause unexpected delays with few ways to resolve this
- Partner organizations such as Lao TPHI have a full workload which makes it hard to dedicate their time for LEARN
- LEARN has a diverse number of partners which makes management and motivation of the different groups difficult for the PM
- Due to workloads and receiving no incentives, supervisors in the MPH program are not motivated to support researchers
- Receiving no incentive influences the motivation of the responsible person for the E-library
- LEARN – VU agreement has still not materialized
- Required political training delayed implementation of the program

Program 2: Collaboration And Networking To Enhance Education and Nutrition – CANTEEN

Despite turnover of implementing government partners and minimal staff, significant progress has been made in the CANTEEN program during 2019. There are still delays in the mini grant scheme that will hopefully be resolved in 2020. A Mid Term Review (MTR) was conducted in 2019 giving good evidence of activities completed and those that need to be bolstered if they can be completed in the next 2 years.

Below are Key achievements gained under CANTEEN in 2019

- Fully completed 3 VDC small grant proposals
- 6 VDC small grant proposals approved by district governor in Nov 2019
- School gardens in local schools are providing over 7 kg of food per day for children's lunches
- Enhanced children's school participation through free lunch program
- Successfully supported district coordination meetings
- Successfully planted gardens in over 500 households
- Providing increased nutritious food for over 500 families through home gardens
- Provided more than 600 chickens to communities
- 20 women's groups established and functioning, teaching essential messages on healthy diets for children and reduction of malnutrition through support and connections
- Multi-sector coordination mechanism in Nong is functioning strongly and meeting regularly

Key lesson learned from CANTEEN program in 2019 include:

- M&E is very difficult due to understaffing. Attempts being made to address this through the use of interns, however this issue still causes delays
- Small grant proposals take much longer than expected and require significant staffing input
- Delays in approvals due to timelines of meeting and government partners
- Government partnerships continue to be a strength, and help in activity implementation and overall support of the program
- PHD students still require oversight, but this is done from the VU, so not within the sphere of the PM. Desire to change the indicators based on research, but not possible due to funding restrictions and expectations by the EU

Annex A-2 Training courses, seminars and webinars of MCNV staff 2019

| MCNV | Training course/ seminar/ webinar | By |
|-----------|---|--|
| Amsterdam | Sietske de Haan Partos Innovation Festival / workshop integrity + workshop NGO's and inclusive business partnerships | Partos/ The Spindle |
| Amsterdam | Sietske de Haan Partos semi-annual member meeting / workshop on efficiency | Partos |
| Vietnam | Vu Thi Hong Nhung Master program on Climate change and sustainable development | Hanoi National University |
| | Nguyen Hai Yen, Tran Phuong Mai & Tran Thu Thuy Training fee - Bidding course | Institute for International Development |
| | Tran Phuong Mai 1. short course on Bidding course 2. short course on Electronic invoice 3. short course on Financial 4. short course on making & analyzing cashflow report 5. short course on Internal audit | Vietnam Association of Accountants and Auditors |
| | Nguyen Lan Phuong Training course on USAID rules and regulation | Humantum |
| | Nguyen Dinh Dai PhD candidate on Food and Nutrition Security | Vrije Universiteit, Amsterdam, Netherlands |

Annex A-3 Risk Management

In 2019, MCNV identified the following risks and its mitigation strategies:

Insufficient funding

Risk

There remained a gap between the expected income and expected costs for 2019. The biggest gaps are related to staff costs in Amsterdam and in Vietnam, it is related to both staff and program costs.

Mitigation

In 2019, MCNV looked at different ways to reduce our costs including restructuring of functions and reducing percentage of working hours among staff, or not recruiting new staff when there is a resignation unless necessary. In addition, we linked our fund-raising efforts directly to the funding gaps and focused on these as priorities. In addition, we continued to diversify our funding sources and build up long-term funding partnerships as well.

Program management

Risk

Program management risk in 2019 is related to maintaining eligibility and donor requirements both in terms of financial procedures, and technical eligibility. This risk is especially identified in association with our program implementation in Laos, where staff capacity on program management and institutional donor compliance is in need of further improvement.

Mitigation

We employed a new internal quarterly reporting system where every project and program progress and status is reported both technically and financially in order to enable the management and the organisation to make timely decisions and adjustments as appropriate. We also reviewed our existing policies and procedures to ensure they are up-to-date and allow compliance to all donors' requirements. In 2019, all of our offices are using the same financial management software – EXACT ONLINE, which allows all offices within MCNV to see all the expenditures as they are entered into the system. This does not only allow us to have a more timely overview of the expenditure to date by different offices, different programs but it also helps us to cross-check and to timely identify issues for verification.

COVID-19

The impact of the COVID-19 pandemic outbreak is not expected to have a direct effect on MCNV yet. It is currently difficult to estimate what the impact will be in the medium and long term. In the future, the corona crisis may have an impact on obtaining subsidies or receiving donations. MCNV staff has applied the measures taken by local authorities including working from home when necessary and possible. MCNV does not currently use the COVID-19-related grants and financing schemes. All of 2020 projects can still be continued as per plan, with some project activities that needed to change to fit the situation. Such changes are made in close contact with the partners of MCNV and with approval from the subsidized institutions.



B - 2019 Annual Accounts

B-1 Balance Sheet 31 December 2019

| | 31 December 2019 | | 31 December 2018 | |
|--|------------------|------------------|------------------|------------------|
| Assets | € | € | € | € |
| | | | | |
| <i>Fixed assets</i> | | | | |
| Tangible fixed assets | | 2.831 | | 2.243 |
| Financial fixed assets | | 794.151 | | 622.153 |
| | | 796.982 | | 624.396 |
| | | | | |
| <i>Current assets</i> | | | | |
| Receivables | 88.459 | | 7.274 | |
| Cash and cash equivalents | 834.646 | | 919.074 | |
| | | 923.105 | | 926.348 |
| | | | | |
| | | 1.720.087 | | 1.550.744 |
| | | | | |
| Equity and Liabilities | | | | |
| | | | | |
| Foundation equity | | | | |
| Continuity reserve | 540.667 | | 321.945 | |
| Reserve for replacement of tangible fixed assets | 2.831 | | 2.243 | |
| Revaluation reserve | 0 | | 0 | |
| Project Reserve | 0 | | 0 | |
| | | 543.498 | | 324.188 |
| Appropriated funds | | 329.678 | | 380.946 |
| | | 873.176 | | 705.134 |
| | | | | |
| <i>Long-term liabilities</i> | | 0 | | 0 |
| | | | | |
| <i>Short-term liabilities</i> | | 846.911 | | 845.610 |
| | | | | |
| | | 1.720.087 | | 1.550.744 |

B-2 Income Statement 2019

| | Result | Budget | Result |
|--|------------------|------------------|------------------|
| | 2019 | 2019 | 2018 |
| | € | € | € |
| INCOME | | | |
| Benefits from private individuals | 507.166 | 463.786 | 544.639 |
| Benefits from companies | 28.302 | 56.564 | |
| Benefits from lottery organisations | | | |
| Benefits from governmental grants | 1.012.414 | 1.336.640 | 1.039.729 |
| Benefits from related non-profit organizations | | | |
| Benefits from other non-profit organizations | 417.764 | 468.309 | 179.605 |
| Benefits from products and consultancy | 610 | 0 | 1.525 |
| Result from Investments | 183.251 | 25.000 | 81.224 |
| Other income | 5.736 | 0 | 3.936 |
| Total Income | 2.155.243 | 2.350.298 | 1.850.658 |
| EXPENDITURES | | | |
| Expenses for Objectives | | | |
| Structural project support | 1.727.748 | 2.224.016 | 1.718.907 |
| Communication | 80.035 | 85.383 | 72.970 |
| | 1.807.783 | 2.309.400 | 1.791.877 |
| Expenses for Fundraising | | | |
| Expenses private fundraising | 68.365 | 58.950 | 107.494 |
| Expenses for joint actions | 0 | 0 | 0 |
| Expenses for actions by third parties | 0 | 0 | 0 |
| Expenses for raising Governmental & Institutional grants | 0 | 0 | 0 |
| Expenses for shares | 0 | 0 | 0 |
| | 68.365 | 58.950 | 107.494 |
| Expenses for Management & Administration | | | |
| Expenses for Management & Administration | 111.052 | 89.738 | 137.217 |
| Total expenditure | 1.987.200 | 2.458.088 | 2.036.588 |
| Result | 168.043 | -107.790 | -185.930 |
| Change | | | |
| Foundation Equity | 168.043 | -107.790 | -185.930 |

| | Result | Budget | Result |
|---|----------------|-----------------|-----------------|
| | 2019 | 2019 | 2018 |
| The profit/loss has been charged to the foundation equity as follows: | | | |
| <i>Appropriated funds</i> | | | |
| Sexual & Reproductive Health and Rights | -37.741 | 2.521 | 20.130 |
| Infectious diseases (ID-Mal) | 0 | | 0 |
| Disability | 1.892 | | -36.512 |
| Microcredit revolving fund | 0 | | 0 |
| Community Managed Health Development | 0 | | -73.898 |
| Community Manged Health & Livelihood | -2.766 | | 0 |
| Women Empowerment (WE) | 0 | -107.423 | 0 |
| Social Enterprice | 0 | | 0 |
| LEARN (EU) | -55.255 | -75.002 | -134.530 |
| US-AID occupational training | 12.034 | 28.000 | 7.944 |
| US-AID speech therapy | 40.969 | 47.000 | 47.846 |
| ASR MVO | -10.400 | 0 | 0 |
| Balance change appropriated funds | -51.267 | -99.624 | -169.020 |
| Tangible fixed assets | 588 | | 631 |
| Continuity Reserve | 218.722 | -8.166 | -17.541 |
| <i>Project Reserve</i> | | | 0 |
| Change Foundation EQUITY | 168.043 | -107.790 | -185.930 |

B-3 General Accounting Principles

General: the general principle for the valuation of assets and liabilities, as for determining the result, is the price of acquisition. Unless stated otherwise, assets and liabilities are shown at their nominal values.

Guideline for annual reporting 650 by the Dutch Accounting Standards Board: MCNV's annual account was composed in accordance with this guideline.

Foreign Currencies: in the balance sheet, foreign currencies are converted to € at the exchange rate of the balance sheet date. Transactions in foreign currencies are converted to € at the exchange rate on the transaction date. Currency results from advances and settlements of projects are in general reported at that specific project under own activities structural project support.

Continuity

The general accounting principles used in these annual accounts are based on the continuity of MCNV. The organisation has sufficient liquidity and its solvency is sufficient to cover losses related to the COVID-19 measures in the short and medium term. For this reason the continuity is for the time being not endangered.

Accounting Principles Balance Sheet

Tangible fixed assets: tangible fixed assets necessary for operational management are valued at acquisition value depreciated over their estimated life time. Depreciation is a fixed percentage of the acquisition value.

Tangible fixed assets that are used directly in the context of the objective and can be charged to one specific project, will be charged directly to this project.

Investments: investments in listed shares are valued at market value at the balance sheet date. Unrealized and realized differences in value are reported in the statement of income and expenses.

Receivables: receivables are recognized initially at fair value minus a provision in case they are unrecoverable. When a receivable is unrecoverable, it is written off.

Cash and cash equivalents: include cash-in-hand, bank balances and deposits held at call with maturities of less than 12 months. Cash and cash equivalents are stated at face value.

Equity

Continuity Fund and Project Reserve: part of the foundation's equity that is allocated to projects, allocated for replacement of tangible fixed asset or is used as a fund for the continuity of the organization.

Appropriated funds

Appropriated funds represent the value of income that is not yet spent, this income is acquired for a specific purpose. There is not yet a contractual obligation for these appropriated funds. Appropriated funds can be created by a decision of the director. The average percentage of fundraising costs for the last 3 years is seen as overhead contribution.

Pension provision

MCNV is member of PFZW, this is a pension fund based on the average salary the employee receives. In the annual account the pension contribution of MCNV is administered as a defined contribution arrangement. The premiums paid in a year are justified as expenses in that year.

Future changes in pension contribution by the development of salaries, price indexation and return on investment of the income of the pension fund are a risk. In the balance sheet of MCNV these risks are not reflected in a provision. When a shortfall of PFZW occurs MCNV only has the obligation to pay higher future contributions, additional contributions are not applicable.

Liabilities

Short-term liabilities are liabilities with a maximum duration of one year.
Long-term liabilities have a duration of more than one year.

Principles Determining the Result

Income

Donations, legacies, inheritances and benefits from actions: are accounted for in the year in which the amounts were received.

Result from sales of goods: are accounted for in the year in which the goods were sold.

Governmental & Institutional grants: are accounted for in the period in which they are awarded and its activities started. Difference between received and committed benefits from grants are accounted for in the statement of income and expenditure in the year the differences appear.

Result on Investments: the realized and unrealized value adjustments on investments, the related income and expenses from interest and any dividends received in the year.

Expenditure

Expenses for Objectives: are included under own activities. Differences between paid and committed expenses from grants are included in the statement of income and expenditure in the year in which the differences appear.

Received grants for programs that are not yet executed are accounted for as short-term liabilities. This way the grant remains available for program expenses to be spend.

The actual costs at the balance sheet date and corresponding grants are accounted for in the statement of income and expenditure under 'Governmental & Institutional grants' and 'Structural project support'.

Staff expenses of MCNV are allocated to the various projects and objectives based on an estimate of the hours spent per project.

MCNV's other implementation expenses are allocated to the project at the rate of the direct on behalf of the project or objective costs incurred.

Expenditure on behalf of the objective based on cash accounting: some institutional donors require financial reporting on the programs they fund based on cash accounting. To meet the requirements of the institutional donor the local auditor certifies the financial reports on cash accounting. Condition is that the subsidized projects have a duration of more than one year.

To maintain the connection between the financial project reports to institutional donors and the other financial records, MCNV has chosen to only include those projects, on cash accounting, in the annual account when it is a requirement of the institutional donor.

Depreciation: depreciation of tangible fixed assets is calculated with 20 % - 33 ¹/₃ % of the acquisition value.

B-4 Clarification Of Balance Sheet 2019

| | | | 31-12-2019 |
|---|--|-------------------|-------------------|
| 1. BALANCE SHEET 31 December 2019 | | | € |
| Tangible fixed assets | | | 2.831 |
| Inventory | | | |
| Purchase value 1 January 2019 | | | 53.033 |
| Purchases 2019 | | | 1.356 |
| | | | 54.389 |
| Accumulated depreciation until 2019 | | 50.790 | |
| Depreciation 2019 | | 768 | |
| | | | 51.558 |
| Balance as at 31 December 2019 | | | 2.831 |
| The depreciation period for inventory is 3 or 5 years | | | |
| | | | |
| | | 31-12-2019 | 31-12-2018 |
| | | € | € |
| FINANCIAL FIXED ASSETS | | 794.151 | 622.153 |
| Shares | | | |
| Value of shares 1 January | | 622.153 | 556.783 |
| Reinvestment dividend | | 0 | 0 |
| Profit | | 171.998 | 65.370 |
| Value of shares 31 December | | 794.151 | 622.153 |
| The portfolio: | | | |
| BNP Netherlands Fund | | 134.784 | 98.269 |
| Wolters Kluwer | | 659.367 | 523.884 |
| | | 794.151 | 622.153 |
| | | | |
| | | 31-12-2019 | 31-12-2018 |
| | | € | € |
| Receivables and accrued asset | | 88.459 | 7.274 |
| Recapitulation | | | |
| Dividend taxes | | 1.688 | 2.415 |
| Debtors | | 0 | 0 |
| US-AID / OT/IT | | 0 | 0 |
| Receivables/liabilities offices Vietnam/Lao PDR | | 78.484 | 0 |
| Other receivables | | 7.793 | 1.350 |
| Prepaid expenses | | 494 | 3.509 |
| | | 88.459 | 7.274 |
| <i>Taxes and social premiums payable</i> | | | |
| Dividend taxes | | 1.688 | 2.415 |

| | | 31-12-2019 | 31-12-2018 |
|--|--|----------------|----------------|
| | | € | € |
| US-Aid | | | |
| Balance 1 january | | 0 | 66.058 |
| Correction of financial statements Vietnam 2016 | | 0 | |
| Received advances | | 0 | -66.058 |
| Calculated subsidy | | 0 | 0 |
| Exchange differences | | 0 | 0 |
| | | 0 | 0 |
| | | | |
| Receivables/liabilities offices Vietnam/Lao PDR | | | |
| Advances to contractpartners | | 84.501 | |
| Other receivables/liabilities offices Vietnam/Lao PDR | | -6.017 | 0 |
| | | 78.484 | 0 |
| | | | |
| <i>Other receivables</i> | | | |
| Interest | | 0 | 0 |
| Various | | 7.793 | 1.350 |
| | | 7.793 | 1.350 |
| | | | |
| <i>Prepaid Expenses</i> | | | |
| Insurance and other fixed costs | | 494 | 3.509 |
| | | 494 | 3.509 |
| | | | |
| CASH AND CASH EQUIVALENTS | | | |
| <i>The Netherlands:</i> | | | |
| Cash | | 38 | 149 |
| Receivables NL | | | |
| Payments to Viet Nam programs | | | |
| Payments to Lao PDR programs | | | |
| Payments NL | | | |
| Payments Viet Nam | | | |
| Payments lao PDR | | | |
| Triodos Bank, account-courant 760 | | 112.869 | 50.023 |
| ABN-AMRO Bank N.V., account - courant 047 | | 224.227 | 124.563 |
| ABN-AMRO Bank N.V., interest account | | 0 | 26.393 |
| ABN-AMRO Bank N.V., US \$ account | | 2.109 | 2.109 |
| ABN-AMRO Bank N.V., account - courant 297 | | 31.565 | 1.643 |
| ABN-AMRO Bank N.V. Learn account-courant 209 | | 89.652 | 349.302 |
| ING bank 1090400 | | 28.421 | 73.161 |
| ING bank 1090400, interest account | | 0 | 3.230 |
| ING bank 1706415 | | 8.892 | 10.250 |
| ING bank 1706415, interest account | | 0 | 16.417 |
| Subtotal | | 497.773 | 657.240 |
| | | | |
| <i>Vietnam & Lao PDR:</i> | | | |
| Vietnam central bank | | 149.631 | 166.762 |
| Lao PDR office | | 187.242 | 95.072 |
| Subtotal | | 336.873 | 261.834 |
| | | | |
| TOTAL | | 834.646 | 919.074 |
| Cash and cash equivalents are for free disposal | | | |

| | | 31-12-2019 | 31-12-2018 |
|---|--|----------------|----------------|
| RESERVES AND FUNDS | | € | € |
| Balance 1 January | | 321.945 | 365.638 |
| Mutation | | 218.722 | -17.541 |
| Correction 2016 | | 0 | -26.152 |
| Continuity Fund | | 540.667 | 321.945 |
| Appropriate Reserve | | 2.831 | 2.243 |
| Balance 1 January | | 2.243 | 1.612 |
| Supplement | | 1.356 | 1.244 |
| Withdrawal | | -768 | -613 |
| Balance 30 September /December | | 2.831 | 2.243 |
| Project reserve | | | |
| Balance 1 January | | 0 | 0 |
| Mutation appropriated funds | | 0 | |
| Mutation from statement of income and Expenditure | | 0 | 0 |
| Balance 31 December | | 0 | 0 |
| Appropriated Funds | | | |
| Disability (inc Phu Yen Special School) | | 72.933 | 71.042 |
| Community Managed Health Development (CMHD) | | 0 | 2.766 |
| Women Empowerment (WE) | | 0 | 0 |
| Sexual & Reproductive Health and Right (SRHR) | | 30.501 | 68.241 |
| LEARN (EU) | | 49.703 | 104.958 |
| US-AID occupational training | | 19.977 | 7.944 |
| US-AID speech therapy | | 127.788 | 86.819 |
| Social Enterprise (KBU) | | 28.776 | 28.776 |
| ASR MVO | | 0 | 10.400 |
| | | 329.678 | 380.946 |

| Explanation progress Appropriated Funds | | | | |
|--|--|--|-------------------|-------------------|
| | | | 31-12-2019 | 31-12-2018 |
| | | | € | € |
| Disability (inc Phu Yen Special School) | | | | |
| Balance 1 January | | | 71.042 | 107.554 |
| Received donations | | | 22.130 | 28.607 |
| Contribution in overhead | | | -3.032 | -3.290 |
| Spent on objective | | | -17.207 | -61.829 |
| Balance 31 December | | | 72.933 | 71.042 |
| | | | | |
| Community Managed & Health Development (CMHD) | | | | |
| Balance 1 January | | | 2.766 | 76.664 |
| Received donations | | | 33.703 | 50.279 |
| Contribution to overhead | | | -4.617 | -5.782 |
| Spent on objective | | | -31.852 | -118.395 |
| Balance 31 December | | | 0 | 2.766 |
| | | | | |
| Women Empowerment (WE) | | | | |
| Balance 1 January | | | 0 | 0 |
| Received donations | | | 25.227 | 3.139 |
| ASR Fonds | | | 10.400 | 0 |
| Contribution to overhead | | | -3.456 | -361 |
| Spent on objective | | | -32.171 | -34.063 |
| At the expense of the project reserve | | | 0 | 31.285 |
| Balance 31 December | | | 0 | 0 |
| | | | | |
| Sexual & Reproductive Health and Rights | | | | |
| Balance 1 January | | | 68.241 | 48.111 |
| Donations Infectious Diseases | | | 0 | 0 |
| Received donations | | | 31.498 | 61.498 |
| Contribution to overhead | | | -4.315 | -7.072 |
| Spent on objective | | | -64.923 | -34.296 |
| At the expense of the project reserve | | | | 0 |
| Balance 31 December | | | 30.501 | 68.241 |
| | | | | |
| LEARN (EU) | | | | |
| Saldo per 1 january | | | 104.958 | 239.488 |
| Supplement | | | 10.622 | 10.622 |
| Reduction subsidy year 1 & 2 | | | 16.759 | -16.759 |
| Spent on objective | | | -82.636 | -128.393 |
| Balance 31 December | | | 49.703 | 104.958 |
| | | | | |
| US-AID / OT | | | | |
| Balance 1 january | | | 7.944 | 0 |
| Supplement | | | 40.000 | 40.000 |
| Contribution to overhead | | | 0 | 0 |
| To LEARN | | | 0 | 0 |
| To continuity fund | | | 0 | 0 |
| Spent on objective at the expense of MCNV | | | -27.967 | -32.056 |
| Balance 31 December | | | 19.977 | 7.944 |

| | | | 31-12-2019 | 31-12-2018 |
|--|--|--|-------------------|-------------------|
| | | | € | € |
| US-AID / ST | | | | |
| Balance 1 january | | | 86.819 | 38.973 |
| Supplement | | | 50.000 | 50.000 |
| Contribution to overhead | | | | 0 |
| Spent on objective at the expense of MCNV | | | -9.031 | -2.154 |
| Balance 31 December | | | 127.788 | 86.819 |
| Social Entrprise (KBU) | | | | |
| Balance 1 january | | | 28.776 | 28.776 |
| Positive result social enterprise | | | 0 | 0 |
| Spent on objective | | | 0 | 0 |
| Balance 31 December | | | 28.776 | 28.776 |
| | | | | |
| | | | 31-12-2019 | 31-12-2018 |
| | | | € | € |
| ASR MVO | | | | |
| Balance 1 january | | | 10.400 | 10.400 |
| Received | | | 0 | 0 |
| Spent on objective | | | -10.400 | 0 |
| Balance 31 December | | | 0 | 10.400 |
| MCNV organised several fundraising activities in 2019 to raise funds for a specific objective. These funds will only be allocated to that specific objective. | | | | |
| The appropriated reserves were charged with a contribution in overhead costs. This contribution was a percentage of the received income from fundraising, the average percentage costs for fundraising over the previous three years (13,7 % over the years 2016 till 2018). | | | | |

| | | 31-12-2019 | 31-12-2018 |
|---|--|----------------|----------------|
| | | € | € |
| Long-term liabilities | | | |
| Contract obligations long-term | | 0 | 0 |
| Short-term liabilities | | | |
| Recapitulation | | | |
| Contract obligations | | 0 | 17.132 |
| Creditors | | 31.561 | 21.518 |
| European Commission | | 256.053 | 352.939 |
| Food Security and Nutrition (FSN) | | 132.956 | 144.834 |
| Wotro | | 26.821 | 23.690 |
| AFAS | | 0 | 111.447 |
| We program donor | | 133.342 | 118.000 |
| We program GSRD | | 523 | 0 |
| Mothers for Mothers | | 10.000 | 0 |
| European Commission Prosper | | 194.408 | 0 |
| Other short-term liabilities and prepayments | | 61.247 | 56.050 |
| | | 846.911 | 845.610 |
| Contract obligations | | | |
| Balance contracts with creditors 1 January | | 7.373 | 61.339 |
| Contract obligations | | 212.197 | 89.306 |
| Actual incurred costs in fiscal year, excluding cash | | -217.257 | -125.281 |
| Loans converted into gifts | | 0 | 0 |
| Settlement contracts | | -2.313 | -17.991 |
| | | 0 | 7.373 |
| Advances to partners | | 0 | -5.459 |
| Other receivables/liabilities offices Vietnam/Lao PDR | | 0 | 15.218 |
| Contract obligations 1> year | | 0 | 0 |
| | | 0 | 17.132 |

| | | 31-12-2019 | 31-12-2018 |
|----------------------------------|--|------------|------------|
| | | € | € |
| Creditors | | 31.561 | 21.518 |
| European Commission | | | |
| Balance 1 january | | 352.939 | 500.946 |
| Received advances | | 250.420 | 348.804 |
| Received interest | | 0 | 0 |
| Exchange rate differences | | 0 | 0 |
| Calculated grant 1/1 untill 30/4 | | -17.413 | -130.743 |
| Calculated grant 1/5 until 31/12 | | -313.134 | -382.827 |
| Reduction subsidy year 1 & 2 | | -16.759 | 16.759 |
| | | 256.053 | 352.939 |
| Canteen | | | |
| Balance 1 january | | 144.834 | 122.835 |
| Received advances | | 113.880 | 190.624 |
| to be received | | 0 | 0 |
| Exchange rate differences | | 0 | 0 |
| Calculated subsidy | | -125.758 | -168.625 |
| | | 132.956 | 144.834 |
| Voice | | | |
| Balance 1 january | | 0 | 53429 |
| Received advances | | | -2.548 |
| Calculated subsidy | | | -50.881 |
| | | 0 | 0 |
| Wotro | | | |
| Balance 1 january | | 23.690 | 20.399 |
| Received advances | | 82.475 | 81.261 |
| Received interest | | 0 | 0 |
| Exchange rate differences | | 0 | 0 |
| Calculated subsidy | | -79.344 | -77.970 |
| | | 26.821 | 23.690 |
| AFAS | | | |
| Balance 1 january | | 111.447 | 39.421 |
| Received advances | | 0 | 78.454 |
| Received interest | | 0 | 26.152 |
| Exchange rate differences | | 0 | 0 |
| Calculated subsidy | | -111.447 | -32.580 |
| | | 0 | 111.447 |
| WE program donor | | | |
| Balance 1 january | | 118.000 | 0 |
| Received advances | | 76.000 | 118.000 |
| Received interest | | 0 | 0 |
| Exchange rate differences | | 0 | 0 |
| Calculated subsidy | | -60.658 | 0 |
| | | 133.342 | 118.000 |

| | | | 31-12-2019 | 31-12-2018 |
|-------------------------------------|--|--|------------|------------|
| | | | € | € |
| WE program GSRD | | | | |
| Balance 1 january | | | 0 | 0 |
| Received advances | | | 30.000 | 0 |
| Received interest | | | 0 | 0 |
| Exchange rate differences | | | 0 | 0 |
| Calculated subsidy | | | -29.477 | 0 |
| | | | 523 | 0 |
| Mothers for Mothers | | | | |
| Balance 1 january | | | 0 | 0 |
| Received advances | | | 10.000 | 0 |
| Received interest | | | 0 | 0 |
| Exchange rate differences | | | 0 | 0 |
| Loans granted | | | 0 | 0 |
| | | | 10.000 | 0 |
| European Commission Prosper | | | | |
| Balance 1 january | | | 0 | 0 |
| Received advances | | | 194.408 | 0 |
| Received interest | | | 0 | 0 |
| Exchange rate differences | | | 0 | 0 |
| Loans granted | | | 0 | 0 |
| | | | 194.408 | 0 |
| Other short-term liabilities | | | | |
| Holiday allowance/Holiday leave | | | 16.511 | 17.242 |
| Income taxes | | | 3.260 | 5.529 |
| Pension fund | | | 610 | 1.558 |
| Auditors fee | | | 17.848 | 19.000 |
| Administration office | | | 5.000 | 6.000 |
| VU | | | 16.228 | 0 |
| Others | | | 1.790 | 6.721 |
| | | | 61.247 | 56.050 |

Off-balance sheet Rights and Obligations

Rights

Donations with an agreement periodic gift

Donations to an ANBI organization, like MCNV, can be tax deduct, under the condition that an agreement for a periodic gift for a period of at least five years is signed, using the format of the Dutch Tax authority. On 31 December 2019, the total of donations registered with such an agreement was € 87.569.

These donations are specified in the statement of Income and Expenditure

European Commission

On 30 December 2014 MCNV signed a contract for a grant for Lao PDR with the European Commission: the LEARN program for a period of 5 years. The program started 1 May 2015 and will end 30 April 2020. The contract value is € 2.168.269. The program is extended with four months.

On December 14th, 2016 MCNV signed a grant contract coming from the European Commission to implement a program in Lao PDR on nutrition: the CANTEEN program running for a period of 54 months, starting from January 1st, 2017. The contract value is € 983.235.

US-AID - Handicap International

Vietnam Advancing Leadership on Rehabilitation (VALOR) a five-year program funded by US-AID, Handicap International is the lead partner, MCNV a subcontractor. The program started August 2015 and will end 31 December 2020. The contract was signed in 2015 for an amount of US\$ 968.413.

US-AID – VietHealth

This five-year program aims at establishing a solid foundation for development of an official education system of SALT profession in Vietnam. Funded by US-AID, VietHealth is the lead partner, MCNV a subcontractor. The program started on October 1st, 2017 and will end 30 September 2022. The sub-contract was signed in 2017 for an amount of US\$ 1,125,210.

With an undisclosed non-profit organization MCNV signed a contract to cover MCNV's share in the co-financing of the US-AID Handicap International and the US-AID – VietHealth programs for the total amount of € 450.000. Of this amount € 200.000 is allocated to the US-AID Handicap International program and € 250.000 to the US-AID – VietHealth program.

US-AID – I-THRIVE

This 3,5 year program aims at improving the interdisciplinary rehabilitation system for children with intellectual and developmental disabilities. The project was signed for an amount of US\$ 734.909.

DGIS – Accountability Fund

On 28 June 2019, MCNV Vietnam signed a grant contract with the Dutch Embassy in Vietnam for the realization of land use rights for ethnic minority people with disabilities in Dakrong and Huong Hoa districts, Quang Tri province. This program started 1 July 2019 and will end 31 December 2020. The contract was signed for an amount of € 100.000.

Obligations

Rental contract

In 1974 MCNV started renting the office building at the Weteringschans 32, Amsterdam. The rent is yearly indexed. From 1 July 2019 the rent is € 1.546 per month.

Pension provision

MCNV is member of the PFZW pension fund, risks (obligations) for MCNV in participating in PFZW are not shown as provision in the balance.

B-5 Clarifications of Statement of Income and Expenditure 2019

| | Result | Budget | Result |
|---|----------------|----------------|----------------|
| | 2019 | 2019 | 2018 |
| | € | € | € |
| Benefits from private individuals | 507.166 | 463.786 | 544.639 |
| Actions donations | 105.679 | 80.000 | 118.204 |
| Non-specific donations | 296.244 | 250.000 | 296.866 |
| Specific donations | 6.880 | 51.511 | 115.320 |
| Inheritance and legacies | 98.363 | 82.275 | 14.249 |
| Fundraising Vietnam | 0 | 0 | 0 |
| Total | 507.166 | 463.786 | 544.639 |
| Actions donations | | | |
| Community Managed Health & Livelyhood Development | 33.703 | 20.000 | 46.439 |
| Comm. Based Rehabilitation & IE | 22.130 | 20.000 | 28.607 |
| WE Womens Empowerment | 25.227 | 20.000 | 1.659 |
| SRHR | 24.619 | 20.000 | 41.499 |
| Infectious diseases | 0 | 0 | 0 |
| Total | 105.679 | 80.000 | 118.204 |
| Benefits from products and services | | | |
| <i>Results from sales of goods</i> | | | |
| Netto turnover | 5.600 | 0 | 7.115 |
| less: cost price | -4.990 | 0 | -5.590 |
| Gross result | 610 | 0 | 1.525 |
| Benefits from companies | | | |
| Fundraising NLD | 0 | 0 | 0 |
| Fundraising Viet Nam | 28.302 | 56.564 | 0 |
| Fundraising Lao PDR | 0 | 0 | 0 |
| Total | 28.302 | 56.564 | 0 |

| | Result | Budget | Result |
|---|-----------|-----------|-----------|
| | 2019 | 2019 | 2018 |
| Benefits from governmental grants | | | |
| <i>Registered on transaction base</i> | | | |
| NL-DGIS / Land use rights for PWD | 19.082 | 41.700 | 0 |
| <i>Registered on cash basis</i> | | | |
| EU / LEARN | 330.547 | 445.848 | 513.570 |
| EU / LEARN / Correction | 16.759 | 0 | -16.759 |
| EU / Canteen / Food Security and Nitrition (FSN) | 125.758 | 281.073 | 168.625 |
| US-AID / OT, received | 119.425 | 144.927 | 185.935 |
| US-AID / OT, correction 2016 | 0 | 0 | 46.335 |
| US-AID / OT, accrued income | 43.019 | 0 | 17.333 |
| US-AID / ST, received | 170.192 | 186.518 | 124.690 |
| US-AID / ST, accrued income | 826 | 0 | 0 |
| US-AID / I-Thrive, accrued income | 50.971 | 0 | 0 |
| US-AID / I-Thrive | 135.835 | 236.573 | 0 |
| | 1.012.414 | 1.336.640 | 1.039.729 |
| Benefits from other non-profit organizations | | | |
| <i>Registered on transaction base</i> | | | |
| Local partners | 13.838 | 10.623 | 18.174 |
| Fundraising Vietnam | 0 | 0 | 0 |
| Target inst. Funds to be raised | 0 | 0 | 0 |
| <i>Registered on cash basis</i> | | | |
| Oxfam / Voice | 0 | 0 | 50.881 |
| Wotro / Food Security and Nitrition (FSN) | 21.566 | 14.280 | 18.619 |
| Wotro / NSA | 28.725 | 33.560 | 30.436 |
| Wotro / General | 29.053 | 41.024 | 28.915 |
| AFAS / Food Security and Nitrition (FSN) | 111.446 | 171.399 | 32.580 |
| WE Ben Tre | 0 | 0 | 0 |
| AW / OT | 40.000 | 40.000 | 0 |
| AW / ST | 50.000 | 50.000 | 0 |
| Jumpstart / WE | 60.658 | 107.423 | 0 |
| GSRD / WE | 29.478 | 0 | 0 |
| Hulza | 10.000 | 0 | 0 |
| Vereniging Sproet | 23.000 | 0 | 0 |
| Lumpsum OHC | 0 | 0 | 0 |
| | 417.764 | 468.309 | 179.605 |

| | Result | Budget | Result |
|---------------------------|------------------|------------------|------------------|
| | 2019 | 2019 | 2018 |
| Result investments | | | |
| <i>Shares</i> | | | |
| Result on change in value | 171.998 | 10.000 | 65.370 |
| Dividend shares | 11.253 | 15.000 | 15.854 |
| | <u>183.251</u> | <u>25.000</u> | <u>81.224</u> |
| Others | | | |
| Interest bankaccounts | 199 | 0 | 390 |
| Currency result | 5.537 | 0 | 3.546 |
| | <u>5.736</u> | <u>0</u> | <u>3.936</u> |
| Income | 2.155.243 | 2.350.298 | 1.850.658 |

| EXPENSES FOR OBJECTIVES | | | |
|--|------------------|------------------|------------------|
| | Result | Budget | Result |
| | 2019 | 2019 | 2018 |
| Structural project support | | | |
| Programs registered on transaction base | 317.021 | 387.718 | 252.280 |
| Settlements projects previous years | -2.313 | 0 | -17.990 |
| Programs registered on cash base | 1.247.935 | 1.697.754 | 1.248.510 |
| Other project expenses | 0 | 0 | 0 |
| <i>Grants and contributions</i> | <u>1.562.643</u> | <u>2.085.473</u> | <u>1.482.800</u> |
| <i>Programs registered on transaction base</i> | | | |
| SRHR (vh HIV / AIDS) | 32.000 | 0 | 34.297 |
| Adolescent girls | 32.923 | 63.781 | 0 |
| Community Based Rehabilitation Inclusive Educ. | 42.232 | 30.467 | 65.525 |
| Nutrition Sensitive Agriculture (CMH-VN) | 65.783 | 68.110 | 118.395 |
| Women Empowerment (WE) | 144.083 | 225.360 | 34.063 |
| Support Training Institutes (STI) | 0 | 0 | 0 |
| HRH Progr Human Resource for health | 0 | 0 | 0 |
| New programs | 0 | 0 | 0 |
| Subtotal | 317.021 | 387.718 | 252.280 |
| <i>Programs registered according to actual project-costs</i> | | | |
| Learn | 386.153 | 520.851 | 625.326 |
| US-AID / OT | 175.643 | 178.827 | 216.102 |
| US-AID / ST | 180.051 | 201.687 | 124.690 |
| US-AID / I-Thrive | 186.806 | 236.573 | 0 |
| NSA / VN | 28.725 | 33.560 | 0 |
| M&E | 0 | 10.000 | 0 |
| Land use rights for PWD | 0 | 41.700 | 0 |
| L.I.C.M. | 0 | 0 | 32.892 |
| FSN - Wotro | 21.566 | 13.346 | 18.619 |
| Wotro | 29.054 | 38.340 | 59.351 |
| FSN - Canteen | 128.491 | 262.685 | 136.796 |
| FSN - AFAS | 111.446 | 160.186 | 32.580 |
| Vietnam SOF/G&E/Diff | | | 2.154 |
| Subtotal | <u>1.247.935</u> | <u>1.697.754</u> | <u>1.248.510</u> |

| | Result | Budget | Result |
|------------------------------------|---------------|---------------|---------------|
| | 2019 | 2019 | 2018 |
| Total | 1.564.956 | 2.085.473 | 1.500.790 |
| Other project expenses | 0 | 0 | 0 |
| Settlement projects previous years | -2.313 | 0 | -17.990 |
| Subsidies and contribution | 1.562.643 | 2.085.473 | 1.482.800 |
| | | | |
| Publicity and Communication | 0 | 0 | 7.220 |
| Staff expenses | 114.150 | 90.124 | 149.913 |
| Housing expenses | 8.783 | 11.070 | 11.305 |
| Office and general expenses | 41.846 | 37.350 | 67.330 |
| Depreciation and interest | 319 | 0 | 339 |
| | | | |
| Total structural project support | 1.727.741 | 2.224.017 | 1.718.907 |

Remuneration of the director and supervisory board members

The Supervisory Board of MCNV has determined the remuneration policy, the level of the executive remuneration and the level of other remuneration components. The policy is updated periodically. The last evaluation was in 2018. MCNV follows the Remuneration Regulation for Directors of Charity Organizations (see www.goededoelennederland.nl). Remuneration at MCNV is in accordance with *Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)*: The purpose of the Standards for Remuneration Act (WNT) is restricting excessive remuneration and severance payments in the public and semi-public sector. MCNV has only one executive function, i.e. the Board of director, which falls into this category. The supervisory board members do not receive remuneration.

The regulation sets a maximum standard for annual income based on BSD score of [430] points at a maximum annual income of EUR 119.322 (1 FTE / 12 months). The total income of MCNV Board of Director in 2019 was 22.394 EUR (0,6 FTE / 6 months). This reward remained below the applicable ceilings. In 2019, MCNV supervisory board assigned one of its members as interim Board of Director for a few months but with no remuneration.

The annual income, the taxed allowances/ additions, the employer's contribution to the pension, the pension compensation and the other long-term benefits (for Ms. Huyen Thi Hoang, with an amount of 6.274 EUR) remained within the maximum amount per year included in the scheme and these costs were in a reasonable proportion to the annual income.

The amount and composition of the remuneration are explained in the table below and in financial statements in the notes to the statement of income and expenditure. What was special in 2019 was the remaining payment of the previous Board of director upon departure in November 2018. This compensation amounted to EUR 16.077 and was established by MCNV's supervisory board.

| MCNV | Director 2019 |
|--|---------------|
| Type of contract | Indefinite |
| Hours per week | 22,5 |
| Labor Percentage | 60% |
| Labor Period | 6 months |
| | |
| Gross salary per year | 14.889 |
| Holiday allowance | 1.191 |
| Other taxable allowances | 40 |
| Variable income | - |
| Subtotal remuneration | 16.120 |
| | |
| Social Security costs (paid by employer) | 2.837 |
| Taxable disbursements | - |
| Pension contributions | 2.585 |
| Other (future) benefits | 852 |
| Severance pay | - |
| Subtotal other costs | 6.274 |
| | |
| Total Salary Costs | 22.394 |

Cost Allocation

Grants and Contributions

Grants and Contributions were entirely allocated to direct project expenses.

Communication

Costs refer to three activities: structural project support, communication and fundraising. At the moment of spending the costs were allocated to one of these activities. The only exception is MCNV's quarterly newsletter, these costs were allocated as follows:

- 60% of the total costs are communication costs
- 40% of the total costs are fundraising costs

Staff expenses

For each staff member was determined annually how much of his/ her time (percentage) was for direct (project) costs and how much was indirect. Each staff member filled in a time registration sheet. A calculation was made of direct versus indirect time, to calculate the hourly rate.

Housing expenses

In Amsterdam, the housing expenses are spread over all activities. Starting point is to allocate staff costs from the Amsterdam office to activities. Housing expenses in Vietnam and Lao PDR are allocated entirely to structural project support.

Office and General expenses

Office and general expenses can be divided in:

- Expenses that are entirely allocated to Management & Administration
- Expenses with staff costs of the Amsterdam office as starting point
- Expenses with a fixed allocation for each general ledger account
- Expenses for which the allocated activity will be determined for each booking

Office and General expenses in Vietnam and Lao PDR are allocated entirely to structural project support.

Depreciation and interest

In Amsterdam, the depreciation and interest are spread over all activities. Starting point is to allocate staff costs from the Amsterdam office to activities.

B-6 Clarification of allocation of costs

| Destination category of expenditure 2019 | Expenditure towards objective | | Expenditure towards fundraising | | | | | Management & Admin | Total |
|--|-------------------------------|---------------|---------------------------------|---------------|---------------|----------|-------------|--------------------|------------------|
| | Structural project support | Communication | Own fundraising | Joint actions | Third parties | Grants | Investments | | |
| Budget 2019 € | | | | | | | | | |
| Grants | 2.085.473 | 0 | | | | | | 0 | 2.085.473 |
| Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Procurements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Outsourcing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Communication | 0 | 58.843 | 25.219 | 0 | 0 | 0 | 0 | 0 | 84.062 |
| Staff expenses | 90.124 | 12.875 | 17.166 | 0 | 0 | 0 | | 22.889 | 143.053 |
| Housing Expenses | 11.070 | 2.460 | 2.870 | 0 | 0 | 0 | | 4.100 | 20.500 |
| Office & General expenses | 37.350 | 11.205 | 13.695 | 0 | 0 | 0 | | 62.250 | 124.500 |
| Depreciation and interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 500 | 500 |
| Total | 2.224.016 | 85.383 | 58.950 | 0 | 0 | 0 | 0 | 89.738 | 2.458.088 |

| Destination category of expenditure 2019 | Expenditure towards objective | | Expenditure towards fundraising | | | | | Management & Admin | Total |
|--|-------------------------------|---------------|---------------------------------|---------------|---------------|----------|-------------|--------------------|------------------|
| | Structural project support | Communication | Own fundraising | Joint actions | Third parties | Grants | Investments | | |
| actual result 2019 € | | | | | | | | | |
| Grants | 1.562.650 | 0 | | | | | | 0 | 1.562.650 |
| Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Procurements | 0 | 2.150 | 0 | 0 | 0 | 0 | 0 | 0 | 2.150 |
| Outsourcing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Communication | 0 | 36.321 | 11.961 | 0 | 0 | 0 | 0 | 0 | 48.282 |
| Staff expenses | 114.150 | 30.816 | 38.928 | 0 | 0 | 0 | | 29.930 | 213.824 |
| Housing Expenses | 8.783 | 3.818 | 4.824 | 0 | 0 | 0 | | 3.709 | 21.134 |
| Office & General expenses | 41.846 | 6.791 | 12.477 | 0 | 0 | 0 | | 77.278 | 138.392 |
| Depreciation and interest | 319 | 139 | 175 | 0 | 0 | 0 | 0 | 135 | 768 |
| Total | 1.727.748 | 80.035 | 68.365 | 0 | 0 | 0 | 0 | 111.052 | 1.987.200 |

| Destination category of expenditure 2018 | Expenditure towards objective | | Expenditure towards fundraising | | | | | Management & admin | Total |
|--|-------------------------------|---------------|---------------------------------|---------------|---------------|----------|-------------|--------------------|------------------|
| | Structural project support | Communication | Own fundraising | Joint actions | Third parties | Grants | Investments | | |
| Actual results 2018 € | | | | | | | | | |
| Grants | 1.482.800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1.482.800 |
| Contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Procurements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Outsourcing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Communication | 7.220 | 31.728 | 50.936 | 0 | 0 | 0 | 0 | 0 | 89.884 |
| Staff expenses | 149.913 | 31.535 | 39.628 | 0 | 0 | 0 | 0 | 49.998 | 271.074 |
| Housing expenses | 11.305 | 2.378 | 2.988 | 0 | 0 | 0 | 0 | 3.770 | 20.441 |
| Office & general expenses | 67.330 | 7.258 | 13.852 | 0 | 0 | 0 | 0 | 83.336 | 171.776 |
| Depreciation and interest | 339 | 71 | 90 | 0 | 0 | 0 | 0 | 113 | 613 |
| Total | 1.718.907 | 72.970 | 107.494 | 0 | 0 | 0 | 0 | 137.217 | 2.036.588 |

B-7 Events after the balance date

In March 2020 the Dutch government has taken several measures to fight the COVID-19 pandemic outbreak. These measures have led to events after the balance date of which the financial impact is not clear yet. The organisation has sufficient liquidity and its solvency is sufficient to cover losses related to the COVID-19 measures in the short and medium term. For this reason the continuity is for the time being not endangered.

Independent auditor's report

To: the Management and the Supervisory Board of Stichting Medisch Comité Nederland Vietnam

A. Report on the audit of the financial statements 2019

Our opinion

We have audited the financial statements 2019 of Stichting Medisch Comité Nederland Vietnam, based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Medisch Comité Nederland Vietnam as at 31 December 2019 and of its result for 2019 in accordance with Guideline for annual reporting 650 Fundraising institutions of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2019;
2. the profit and loss account for 2019; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

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

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

Emphasis of matter paragraph concerning the impact of Covid-19

We draw attention to the text in the explanatory notes to the financial statements on page 18, 22, 42, 47 and 68 which describe the uncertainties about the possible consequences that the Coronavirus has for Stichting Medisch Comité Nederland Vietnam. We have not modified our audit opinion as a result of this matter.

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

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

- ▶ the management board report
- ▶ the other information.

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

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

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

Management is responsible for the preparation of the other information.

C. Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with RJ 650. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our responsibilities for the audit of the financial statements

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

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

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

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

Amstelveen, 22 June 2020

For and on behalf of BDO Audit & Assurance B.V.,

H.C.J. Bot RA
