



Annual accounts 2017





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Balance as per 31 December (in €)

(after appropriation of result)

ASSETS		2017	2016
Tangible fixed assets			
Means of operation	1	191,378	228,381
Receivables and accruals			
Other receivables and accruals	2	3,439,628	3,918,004
Debtors	2	102,895	125,125
Loan to Amref HQ	3	732,685	1,822,533
Prepaid project contributions	3	95,118	1,921,944
Investments	4	1,524,601	1,481,035
Cash and cash equivalents	5	5,118,988	7,195,783
		11,205,293	16,692,805

LIABILITIES		2017	2016
Reserves			
Foundation capital		23	23
Continuity reserve	6	1,500,000	1,500,000
Reserve for financing assets	7	191,378	228,381
Reserve for organisational development	8	650,000	650,000
Reserve for projects	9	1,530,488	2,274,698
Reserve for special project investments	10	703,647	735,000
		4,575,536	5,388,102
Funds			
Fund Dutch Postcode Lottery	11	331,756	482,232
Fund Foreign Affairs grants	12	6,334	3,808
		338,090	486,040
Total reserves and funds		4,013,626	4,974,142
Long-term liabilities			
Project commitments 2019 and onwards	13	2,425,397	6,094,049
Short-term liabilities			
Project commitments 2018	13	1,054,382	2,739,458
Creditors	14	489,127	368,012
Other liabilities and accruals	14	2,322,761	1,617,144
		11,205,293	16,692,805

Statement of Income and Expenditure (in €)

INCOME		Budget 2018	Actual 2017	Budget 2017	Actual 2016
	Income from private donors	7,900,000	6,710,426	6,500,000	6,136,296
	Income from corporate donors	1,030,000	719,566	655,000	418,745
	Income from the Dutch Postcode Lottery	900,000	900,000	900,000	10,875,000
	Income from government grants	9,600,000	8,821,415	9,304,000	9,532,747
	Income from other non-profit organisations	1,100,000	1,120,957	550,000	332,570
		20,530,000	18,272,364	17,909,000	27,295,358
	Other income	150,000	296,574	50,000	171,553
	Total income	20,680,000	18,568,938	17,959,000	27,466,911

EXPENDITURE		Budget 2018	Actual 2017	Budget 2017	Actual 2016
	Health programmes	14,587,163	13,814,919	12,607,554	20,621,300
	Advocacy	380,883	-	-	-
	Business development	208,371	-	-	-
	Communication/awareness raising	3,451,817	3,012,117	3,461,398	2,815,576
	Spent on objectives	18,628,234	16,827,036	16,068,952	23,436,876
	Costs of generating funds	2,192,521	1,933,378	1,902,508	1,755,903
	Costs of management and administration	817,245	801,081	822,540	947,350
	Total expenditure	21,638,000	19,561,495	18,794,000	26,140,129
	Interest and investments	88,000	32,041	115,000	109,805
	Result	-870,000	-960,516	- 720,000	1,436,587

RESULT	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Appropriation of result, additions/withdrawals				
Reserve for financing assets	-	- 37,003	-	210,032
Reserve for projects	- 400,000	- 744,210	- 200,000	569,020
Reserve for special project investments	- 250,000	- 31,353	- 400,000	-
Reserve for organisational development	- 100,000	-	-	-
Fund Dutch Postcode Lottery	- 120,000	- 150,476	- 120,000	439,555
Fund Foreign Affairs grants	-	2,526	-	- 32,020
Continuity reserve	-	-	-	250,000
	- 870,000	- 960,516	- 720,000	1,436,587

Cash flow statement (in €)

(direct method)

	2017	2016
INCOME		
Private, corporate, foundations	8,253,039	6,508,110
Lotteries	900,000	10,875,000
Government grants	10,243,151	7,684,646
Other income	262,814	749,046
Investments	74,343	141,932
	19,733,347	25,958,734
EXPENDITURE		
Health programmes in Africa	14,895,572	14,428,390
Other payments	6,819,630	6,686,544
	21,715,202	21,114,934
Cash flow from operational activities	- 1,981,855	4,843,800
Cash flow from investments		
Investments	- 23,824	- 242,756
Disinvestments	-	-
	- 23,824	- 242,756
Cash flow from financial activities		
Acquisitions in investment portfolio	- 484,758	- 1,461,568
Sales in investment portfolio	413,642	1,405,965
	- 71,116	- 55,603
Total cash flow	- 2,076,795	4,545,441
Change in cash position		
Cash and cash equivalents on 1 January	7,195,783	2,650,342
Cash and cash equivalents on 31 December	5,118,988	7,195,783
	- 2,076,795	4,545,441

Our cash position has decreased by € 2,077,000 to € 5,119,000. The decrease is mainly due to payments on the Dream Fund contribution from the Dutch Postcode Lottery that will be spent between 2016 and 2021, of which a considerable part was spent in 2017. This was partly compensated by the repayment of the loan and the prepaid project funding by Amref Headquarters.

The cash position, together with the short term receivables, easily covers the total short term obligations of € 3,866,000 as per 31 December.

Accounting Policies

Amref Flying Doctors (Stichting Amref Nederland) is based in Leiden, the Netherlands.

Change of accounting policy

The 2017 annual accounts have been prepared in accordance with the Directive RJ 650 for Fundraising Organisations that was revised in 2016. Due to the revision the presentation of the 2016 figures in the state of income and expenditure is different from their presentation in the 2016 annual accounts. However this has no impact on our result nor on the size of our equity.

To comply with the revised standard, there has been a change in accounting principles regarding income from lottery organizations. In previous years, the income was recognized at the moment that the funds were received. As of this year, income from lottery organisations is recognized in the year to which it pertains, unless income is subject to conditions still to be met. The opening balance of the Reserve for projects (equity) has increased with € 900,000 after applying the changed accounting principles. There is no impact on the result.

Reporting guidelines

The model of the statement of income and expenditure includes a separate item for management and administration costs. We are free to decide which costs are attributed to this item, provided that we are consistent in the method used. Goede Doelen Nederland (GDN, the Dutch Charity Branch Association) has issued recommendations on the implementation of the guideline to ensure transparency and comparability in our sector. We have been following

these recommendations since 2008.

Furthermore, GDNs Financial Management Directive for Charities was adopted in 2011. This Directive provides guidance with regard to reserves and funds, and the responsible management of these resources. It specifically relates to guidelines regarding investment policy and management, the level of the continuity reserve and how investment performance is reported. GDN members are free to deviate from the Directive, provided they explain and justify their reason for doing so. We have chosen to apply the Directive in full as established in our investment policy, our policy on the continuity reserve and in other policies. This annual report presents our results.

Continuity

The annual accounts have been drawn up on the basis of continuity.

Use of estimates

In the preparation of the annual accounts our Management Team is required to form judgements, and to make estimates and assumptions that affect the implementation of the principles and the reported value of assets and liabilities, along with reports of income and expenditure. The actual results can differ from these estimates. We constantly review the estimates and underlying assumptions. The revisions of estimates are included in the period in which the estimates are reviewed and in any future periods affected by the relevant revisions.

Functional and reporting currency

The annual accounts and all its specifications are

denominated in euros; this is both the functional and reporting currency of Amref Flying Doctors.

Relation to Amref in Africa

Although legally independent organisations, the purpose and destination of Amref in the Netherlands and Amref in Africa are fully connected. Several (former) members of our Supervisory Board are also members of the Amref International Board. The health programmes in Africa that are funded by Amref in the Netherlands are implemented by Amref in Africa only, based on clear contractual arrangements per individual funding. In 2016 Amref in the Netherlands issued a loan to Amref in Africa of € 1.8 million, that will be repaid in 20 monthly instalments from January 2017 to August 2018. The interest on this loan is equal to the interest that Amref in the Netherlands receives on its main freely available savings account; the accumulated interest will be settled together with the final instalment in August 2018.

Incidentally Amref in the Netherlands and Amref in Africa perform mutual settlement of payments through an interledger account. Amref in Africa does not fund any of the core activities of Amref in the Netherlands.

Accounting principles for the valuation of assets and liabilities

Tangible fixed assets

Tangible fixed assets are stated at original cost, less linear depreciation, based on the economic lifespan. We apply the following depreciation periods:

- Investments in our servers: 5 years
- Other computer equipment: 3 years

- Office equipment: 5 years
- Investments in our office accommodation: 5 years

Exceptional impairments

Fixed assets with extended lifespans must be assessed for impairment when changes or circumstances arise indicating that the book value of an asset will not be recovered. The recoverability of assets in use is determined by comparing the book value of an asset to the estimated cash value of the future net cash flows that the asset is expected to generate. If the book value of the asset is higher than the estimated cash value of the future cash flows, exceptional impairments are justified for the difference in the book value and the recoverable amount.

Receivables

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

Financial instruments

Investments have been booked at market value as of 31 December 2017. Price gains and losses not yet realized are justified in the statement of income and expenditure. The portfolio is fully at our free disposal.

Cash and cash equivalents

Cash and cash equivalents consist of bank and cash balances and are recognised at their nominal value.

Continuity reserve

The continuity reserve is meant to enable Amref to meet our

obligations to third parties and our own employees as the occasion arises. The continuity reserve also serves as a buffer in case of revenue shortfalls or unexpected emergencies so that we can maintain our activities in the interim.

The GDN established the Financial Management Directive for Charities in 2011. This Directive states that the continuity reserve may not exceed 1.5 times the annual costs of the organisation, while clearly defining the expenses that the organisation may take as a loss. For us, this means the organisation's total operating costs, including the operating costs for fundraising, health programmes in Africa and communication/awareness raising, as well as all the additional costs for our own fundraising and the acquisition of other income. The direct expenditure on health programmes in Africa and communication/awareness raising are not included in our operating costs.

Our own policy on the desired amount of the continuity reserve was refined in 2011 and it is in line with the GDN guideline. We use the cost calculations for the organisation as the basis for our own calculations. We then make two adjustments to take into account the dependability of income flows. Finally, we establish a clear upper and lower level, and we conduct a risk analysis on the amount of the continuity reserve. The amount of the continuity reserve must be at least 50% and no more than 100% of the basis, which is formed by the budgeted costs of the organisation of the next financial year minus 50% of the revenue from private fundraising from the current financial year and 10% of the grant income for the next financial year that has already been committed in contracts. In 2015, the policy was amended. Based on the risk analysis, the continuity reserve must be at least € 1,250,000. This means that the reserve falls

well within the acceptable limit of the CBF and GDN guidelines.

We believe that these measures ensure our continuity



sufficiently without having to build up unnecessary reserves. Our revenue has grown and diversified over the years and we expect this trend to continue, with our private donors providing a stable financial base. In addition, a number of other revenue sources, such as contributions from the Dutch Ministry of Foreign Affairs, the European Union, the Dutch Postcode Lottery and notarial deeds are secure for a number of years to come.

Earmarked reserves

Earmarked reserves express the share of disposable equity to be spent on a designated purpose. The amount and the designated purpose are approved by our Supervisory Board each year.

Our earmarked reserve for financing fixed assets indicates which part of the equity has been defined as tangible fixed assets. In addition, we have an earmarked reserve for organisational development, which is meant for the further development and strengthening of our organisation, both in the Netherlands and in Africa. The earmarked reserve for special project investments will be assigned to investments e.g. in our project portfolio in Africa that are of a one-off nature and/or have a specific risk. The earmarked reserve for projects will cover regular project funding in Africa.

Earmarked funds

Earmarked funds are funds that a third party has designated for a specific purpose and that have not yet been spent. There are two earmarked funds at the end of 2017. The 'Dutch Postcode Lottery' earmarked fund relates to the extra revenues received in 2016 from the Dream Fund. These revenues are spent between 2017 and 2021. The 'Foreign

Affairs grants' earmarked fund relates to interest proceeds attributable to the grants that will be spent on the relevant programmes between 2018 and 2020.

Liabilities

Obligations relating to the period after 2018 have been included under long-term liabilities.

Pensions

We have a defined contribution plan. The plan is based on the assumption that the pension costs in the period under review are equal to the pension contributions payable to the pension fund over that period. A liability is recognised insofar as the payable contributions have not yet been paid as of the balance sheet date. If the contributions already paid on the balance sheet date exceed the payable contributions, accrued and deferred items are included to account for any repayment by the fund or settlement with contributions payable in future. There are no additional commitments.

Accounting principles for determining results

General

The income and expenditure are attributed to the year to which they relate.

Income

Fundraising income is recorded as gross income (for the amount received). Legacies are shown in the year in which the amount of the legacy can be reliably established, whereby real estate and transport are valued at 70% of the specified value, investments at 80%, and liquid assets at 100%. Any advance payments are included in the year received. Income from

lottery organisations only include campaigns involving no risk for us.

Project contributions

The allocation of project contributions is shown in the year in which the recipient is informed in writing of the contribution. When allocating a multi-year contribution to a project with a reservation for the financial development of our organisation, the contribution is shown for each individual year as an expenditure.

Allocation of costs

The costs are attributed to the activity to which they relate. Our four main activities are categorised as: health programmes in Africa, communication/awareness raising, fundraising, and management and administration. The general overhead costs of our organisation are included under management and administration. We have been allocating costs directly to the greatest degree possible since 2009, and we use the GDN guidelines to do so. Part of the costs are distributed among the main activities using set allocation formulas, in proportion to the time spent or employee costs involved. These allocation formulas are reviewed annually based on current data. The allocation percentage for acquisition costs and communication for 2017 was set at 60% and 40% of the total budget for fundraising and communication respectively.

Cash flow statement

The cash flow statement has been prepared using the direct method.

Notes to the Balance Sheet

(all specifications as per 31 December)

1 Tangible fixed assets (in €)	2017	2016
Book value as at 1 January	228,381	18,349
Disinvestments	-	-
Investments	23,824	242,756
	<u>252,205</u>	<u>261,105</u>
Depreciation	- 60,827	- 32,724
Book value as at 31 December	<u>191,378</u>	<u>228,381</u>

In 2017 we only made minor investments for the replacement of computer hardware.

2 Receivables and accruals (in €)	2017	2016
Interest	6,368	24,262
Prepaid expenses	907,440	534,565
Debtors	102,895	125,125
Grants receivable	2,114,335	2,877,060
Legacies receivable	297,910	379,500
Tax returns	104,894	71,134
Other receivables	8,681	31,483
	<u>3,542,523</u>	<u>4,043,129</u>

The prepaid expenses mainly concern prepayments to alliance partners in the HSA programme, for which we received grants in 2017. The grants receivable concern government grants and other project funding. In all cases the related commitments to Amref in Africa are included under the project contributions. Tax returns concerns VAT over 2017. All receivables and accruals will be settled within one year.

3 Loan and prepayments (in €)	2017	2016
Loan to Amref Headquarters	732,685	1,822,533
Prepaid project contributions	95,118	1,921,944
	<u>827,803</u>	<u>3,744,477</u>

In 2016 Amref Headquarters in Nairobi was suffering from a temporary lack of liquidity, whereas our liquidity position was very solid. We then decided to issue a loan to Amref Headquarters of € 1,823,000, which is deducted from our monthly project remittances in 20 terms, starting in January 2017 and ending in August 2018, Repayment in 2017 took place according to schedule, Accumulated interest will be settled in August 2018 as well; the interest over 2016 and 2017 is included in the balance.

The prepaid project contribution concerns a payment by Aqua for All to one of our projects in Ethiopia, that will be deducted from our contractual payments in 2018.

4 Investments (in €)	2017	2016
Balance as per 1 January	1,481,035	1,443,018
Purchases	484,758	1,461,568
Sales	- 413,642	- 1,405,965
Value appreciation/depreciation	- 27,550	- 17,586
Balance as per 31 December	<u>1,524,601</u>	<u>1,481,035</u>

Since 2016 IBS Capital Allies is our external investment portfolio manager. Based on our investment policy and clear contract arrangements they manage our portfolio. Our policy is very defensive, compliant with GDNs Directive on Responsible Investment Management and its Financial Management Directive for Charities.

5 Cash and cash equivalents (in €)

	2017	2016
Current accounts	5,118,988	7,195,783
Short term deposits	-	-
	5,118,988	7,195,783

The balance has decreased, mainly due to the project payments on the Dream Fund grant of the Dutch Postcode Lottery and the repayment of the loan and the prepaid project funding by Amref Headquarters. Considering low interest rates no short term deposits were used, an amount of € 34,037 is not at our free disposal, as it relates to a guarantee for our office rent.

6 Continuity reserve (in €)

	2017	2016
Balance as per 1 January	1,500,000	1,250,000
Withdrawal	-	-
Addition	-	250,000
Balance as per 31 December	1,500,000	1,500,000

Calculation of the basis

Organisational costs following year	4,250,000	3,647,000
Other costs of raising income following year	1,480,000	1,334,000
-/- 50% private donor income this year	- 3,355,000	- 2,596,000
-/- 10% committed grants following year	- 508,000	- 456,000
Basis	1,867,000	1,929,000

Level of continuity reserve in relation to the basis	80%	78%
Maximum allowed according to CBF and GDN	7.879.500	7,471,500

The continuity reserve of € 1,500,000 is above the minimum level of € 1,250,000 that was set in 2015, and at 80% of the Basis, so within the maximum level of 100% of the Basis. According to the CBF norm the maximum amount could be € 7,879,500. We are well below that limit.

7 Reserve for financing assets (in €)

	2017	2016
Balance as per 1 January	228,381	18,349
Withdrawal	- 37,003	-
Addition	-	210,032
Balance as per 31 December	191,378	228,381

The reserve for financing assets matches the book value of the tangible fixed assets as per 31 December.

8 Reserve for organisational development (in €)

	2017	2016
Balance as per 1 January	650,000	650,000
Withdrawal	-	-
Addition	-	-
Balance as per 31 December	650,000	650,000

The reserve for organisational development is meant for funding the further development and strengthening of our organisation, both in the Netherlands and in Africa. We intend to use this reserve in 2018 and onwards for investments in our new CRM system and in the Global Fundraising Strategy of the international Amref network.

9 Reserve for projects (in €)

	2017	2016
Balance as per 1 January	2,274,698	805,679
Withdrawal	- 744,210	-
Addition	-	1,469,019
Balance as per 31 December	1,530,488	2,274,698

The reserve for projects covers regular project funding in Africa. It was partly meant for starting new projects in 2016. Several new commitments were made in 2016, but finalisation of contract

arrangements took longer than expected, so a considerable amount was added to this reserve by the end of 2016. The start-up of most of these new projects took place in 2017, leading to a considerable withdrawal. Further withdrawals will partly depend on the settlement of legacies.

10 Reserve for special project investments (in €)	2017	2016
Balance as per 1 January	735,000	735,000
Withdrawal	- 31,353	-
Addition	-	-
Balance as per 31 December	703,647	735,000

The reserve for special project investments is assigned to investments e.g. in our project portfolio in Africa that are of a one-off nature and/or have a specific risk. Several decisions on these investments have been taken in 2016. This has led to a first withdrawal in 2017, covering the costs made for the innovative ARAG impact study in Ethiopia.

11 Fund Dutch Postcode Lottery (in €)	2017	2016
Balance as per 1 January	482,232	42,677
Withdrawal	- 150,476	- 42,677
Addition	-	482,232
Balance as per 31 December	331,756	482,232

The 'Dutch Postcode Lottery' fund relates to the extra revenues received in 2016 from the Dream Fund. The fund will be spent in the Netherlands between 2017 and 2021 on communication, programme management and other support activities to the i-PUSH programme that is funded from the Dream Fund grant. The withdrawal covers costs made in the Netherlands in 2017. To comply with the revised standard, there has been a change in accounting principles regarding income from lottery organizations. In previous years, the income was recognized at the moment that the funds were received. As of this year, income from lottery organisations is recognized in the year to which it

pertains, unless income is subject to conditions still to be met. The opening balance of the Reserve for projects (equity) has increased with € 900,000 after applying the changed accounting principles. There is no impact on the result.

12 Fund Foreign Affairs grants (in €)	2017	2016
Balance as per 1 January	3,808	35,828
Withdrawal	-	- 35,528
Addition	2,526	3,808
Balance as per 31 December	6,334	3,808

The 'Foreign Affairs grants' fund relates to interest proceeds that are attributable to government grants. They will be spent on the relevant programmes in coming years.

13 Project commitments (in €)	2017	2016
Project commitments 2019 and onwards	2,425,397	6,094,049
Project commitments 2018	1,054,382	2,739,458
Balance as per 31 December	3,479,779	8,833,507

The decrease is mainly caused by considerable payments on the i-PUSH programme, funded from the Dream Fund grant, that will be implemented until 2021.

14 Creditors and short term liabilities (in €)

	2017	2016
Prepaid grants	1,883,468	1,224,457
Creditors	489,127	368,012
Audit costs	27,730	28,100
Holiday allowance staff	100,137	88,543
Payable to Amref HQ	13,000	7,715
Other accounts payable	298,426	268,329
	<hr/> 2,811,888	<hr/> 1,985,156

Prepaid grants were received from the Ministry of Foreign Affairs and some corporate donors. They will be spent in 2018 on several programmes. The other accounts payable contain € 114,000 for project-related commitments, € 68,000 for leave days of our staff and € 116,000 for various suppliers.

Off balance sheet rights and obligations

Multi-annual obligations

We have a rental contract on our office accommodation at the Schuttersveld 9 in Leiden, until 30 June 2021. The annual rent is € 90,000, for which we issued a bank guarantee of € 34,000.

We have a lease contract for our multifunctional printer until 21 July 2021. The annual costs are € 5,700. And we have a lease contract for the Renault Twingo of our CEO, until 5 January 2019. The contract is with Forward Lease and contains sponsoring by Forward Lease and Autohaag Zeeuw; annual costs are € 1,500.

Conditional obligations

As per 31 December 2017 we have conditional project commitments for 2018-2021 of € 8.7 million, of which € 4.6 million for 2018. Suspension is possible, based on conditions in the project agreements. These conditions refer to possible decisions by the relevant donor or the relevant alliance, or to possible financial setbacks of Amref Flying Doctors itself.



Notes to the Statement of Income and Expenditure

Income

Change of accounting policy

The 2017 annual accounts have been prepared in accordance with the Directive RJ 650 for Fundraising Organisations that was revised in 2016. Due to the revision the presentation of the 2016 figures in the state of income and expenditure is different from their presentation in the 2016 annual accounts. However this has no impact on our result nor on the size of our equity.

15 Income (in €)

	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Private donors	7,900,000	6,710,426	6,500,000	6,136,296
Corporate donors	1,030,000	719,566	655,000	418,745
Dutch Postcode Lottery	900,000	900,000	900,000	10,875,000
Government grants	9,600,000	8,821,415	9,304,000	9,532,747
Other non-profit organisations	1,100,000	1,120,957	550,000	332,570
	20,530,000	18,272,364	17,909,000	27,295,358

Our total income shows a decrease, from € 27,295,000 in 2016 to € 18,272,000 in 2017. This is caused by the one-off donation of € 10 million from the Dream Fund of the Dutch Postcode Lottery that we received in 2016. In 2017 we only received our regular annual contribution. Most other income sources show a healthy growth.

Specification private donors

	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Individual donations	6,500,000	5,893,950	5,600,000	5,191,379
Events	1,200,000	664,152	700,000	632,464
Legacies	200,000	152,324	200,000	312,452
	7,900,000	6,710,426	6,500,000	6,136,295

During the year 2017 we grew from 96,000 to almost 103,000 private donors. The average annual gift

per private donor increased from € 53.97 in 2016 to € 57.41 in 2017. The numbers of participants of our main events, the Africa Classic and Wandelen voor Water, are growing as well. And so does the income from events. Several legacies still have to be settled. Depending on the complexity this may sometimes take more than a year.

Our new partnership with Royal Schiphol Group contributed significantly to the growth in corporate donations.

We received a number of grants from the Dutch government: € 6,270,000 for the HSA Alliance programme - implemented in collaboration with Achest, Health Action International and Wemos - € 1,049,000 through coalition manager Plan for our Yes I Do! programme, € 288,000 through coalition manager Simavi for several WASH programmes, € 664,000 through coalition manager Waste for the Finish programme. We also received € 120,000 from Aqua4all for WASH projects. And the EU granted us € 286,000 for the water facility programme in Uganda.

All grants are of an incidental nature and have a maximum grant period of 5 years. The government grants should be spent in accordance with the submitted programme plans that have been approved by the Dutch government. At the end of a programme period it is determined that the funds have been spent as agreed with the subsidy providers. This settlement has not yet taken place for the above mentioned grants.

We also managed to significantly grow the number of foundations that are donating to Amref Flying Doctors, and the amounts they are donating.

For our fundraising activities we often apply specific themes like 'malaria' or 'reconstructive surgery'. Experience shows that theme-related fundraising gives a higher return on investment. However our programmes in Africa are always integrated programmes, in which several themes come together. Therefore the funds raised through thematic campaigns will not only be spent on the specific themes, but they will be spent within our integrated programmes. We always mention this aspect in our mailings and other fundraising activities.

16 Other income (in €)

	Budget 2018	Actual 2017	Budget 2017	Actual 2016
VAT returns	150,000	296,574	50,000	171,553

Early 2016 the Tax Inspector awarded our VAT claim over the years 2007-2015, by confirming our status as 'entrepreneur' for the implementation of government-funded programmes. For 2017 this leads to tax returns of € 297,000.

Expenditure**17 Health programmes (in €)**

	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Direct project contributions	13,167,804	12,085,643	11,129,953	19,250,353
Travel and accommodation abroad	100,000	132,793	85,000	142,106
Objective related costs	100,000	282,028	200,000	71,920
Operating costs	1,219,359	1,314,455	1,192,601	1,156,921
Total spent on health programmes	14,587,163	13,814,919	12,607,554	20,621,300

Page 18 shows a breakdown of our direct project contributions, for our focus areas: 'sexual and reproductive health and rights', 'water, sanitation and hygiene' and 'capacity building ea.'. The costs of travel and accommodation are higher than budgeted. This budget line not only concerns travel costs of our staff in the Netherlands but also the costs of a number of regional programme staff meetings, including several non-Amref staff, e.g. within the HSA programme. The Objective related costs are costs paid in the Netherlands, yet directly supporting the projects and activities of Amref in Africa.

Because of accountability requirements of two specific donors we mention the following details:

Stichting Ondersteuningsfonds Zorg, Welzijn en Sport

We received a donation of € 730,000 from 'Stichting Ondersteuningsfonds Zorg, Welzijn en Sport', of which € 154,000 was booked as a prepayment for 2018. This donation was spent on the project Alternative Rites of Passage/WASH in Kajiado, Kenya. The direct project contribution towards this project in 2017 was € 700,000.

CZ Fonds

In 2015 and 2016 we received donations from 'CZ Fonds' of € 150,000 in total, that were allocated to the project Better health for mothers and children in South Africa, for which we made the final project contributions in 2016. In 2017 we made the final settlement on this mainly EU funded project, after receiving the final audit report. The financial details of this project are:

- Total audited expenditures: € 1,692,273 (of which € 2.948 non-eligible);
- Covered by the EU grant: € 1,351,460 (80% of the eligible amount);
- Our co-funding commitment to this project was partly covered by the donations from 'CZ Fonds'.

18 Spent on objectives (in €)

	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Health programmes	14,587,163	13,814,919	12,607,554	20,621,300
Advocacy	380,883	-	-	-
Business development	208,371	-	-	-
Communication/awareness raising	3,451,817	3,012,117	3,461,398	2,815,576
Total spent on objectives	18,628,234	16,827,036	16,068,952	23,436,876

Our spent on objectives is broken down to health programmes in Africa and communication/awareness raising in the Netherlands. In 2018 we will add two new areas: advocacy and business development. The expenditure decreased mainly because of one-off payments for the iPush programme in 2016.

Breakdown of project contributions (in €)

	Budget 2018	Contribution in 2017			Contribution in 2016		
		Payments 2017	Commitments 2018-2021	Total	Payments 2016	Commitments 2017-2020	Total
Sexual and reproductive health and rights							
Medical care and training in remote areas in East Africa (REG)	331,946	322,278		322,278	312,891		312,891
Unite for Body Rights (REG)					-6,936		-6,936
mLearning for a healthy Africa (REG)	200,000	200,000		200,000	50,000		50,000
Alternative rites of passage for FGM/C (REG)	400,000	650,000		650,000	395,000		395,000
Alternative rites of passage WASH Kaijado (KE)	625,000	700,000		700,000			
Anti-FGM/C Centre for Excellence (REG)		100,000		100,000			
Healthy mothers without fistulas (TZ)		246,298		246,298	237,423		237,423
Stand up for Adolescent Girls (MA)	225,000	300,000		300,000			
Closing Gap Between Community & Formal Health Systems to Reduce Maternal Mortality (ZA)	200,000	325,000		325,000			
Own choice, healthy young people (ET)					100,000		100,000
Access, Services and Knowledge: what young people want, what young people need (REG)					17,517		17,517
Staying Alive! In Kenya, Malawi and Uganda (REG)					214,062		214,062
Better health for mothers and children (SA)					185,363		185,363
Philips and Amref together for a healthy Africa (REG)					-5,059		-5,059
Strengthening SRHR Services in Amuru & Program Capacity Building (UG)		300,000		300,000			
HSA (REG)	433,090	5,372,852		5,372,852	4,874,416	14,593	4,889,009
i-PUSH, a healthy revolution(REG)					515,845	8,828,155	9,344,000
Yes I Do! (REG)	921,952	833,034		833,034	675,332		675,332
	3,336,988			9,349,462			16,408,602
Water, sanitation and hygiene							
Clean water, healthy Masai in Kaijado (KE)					58,424		58,424
Kaijado WASH 360° and Nakuru Urban sanitation project (KE)	69,500	240,947		240,947			
Hygiene, sanitation and health (REG)					-7,498		-7,498
Healthy living in a slum in Addis Ababa (ET)					20,248		20,248
Making WASH everybody's business (ET)	320,000	323,000		323,000	183,200		183,200
It all starts with sanitation in Uganda (UG)	41,572	271,328	41,572	312,900	479,861	131,542	611,403
Micro financing for better sanitation and health in Kenya (KE)	227,925	305,000	305,000	610,000	327,500		327,500
Ebola-free Guinea (SE)					5,000		5,000
A healthy start for mother and child in Northern Uganda (UG)	300,000	100,000		100,000	200,000		200,000
WASH Sustainable Development Goals (REG)	222,732	205,570		205,570			
Sustainable water, sanitation and hygiene (WASH Alliance bridge funding) (REG)		3,905	-31,431	-27,526	651,162	20,000	671,162
	1,181,729			1,764,891			2,069,439
Capacity building e.a.							
Building the health system (KE)					50,148		50,148
Contribution to One Amref organisational changes (HQ)					9,090		9,090
Programme investing fundraising activities Nordic (HQ)		164,719		164,719	404,476		404,476
Programme investing fundraising activities Canada (HQ)		306,814		306,814			
Women with impact (ET)	27,147	31,113		31,113	20,000		20,000
Country team support in Tanzania (TZ)					11,640		11,640
Fighting cholera in Mandera (KE)		168,632		168,632	50,000		50,000
Innovate for Life Fund (REG)		50,000		50,000			
Commercialising Amref Health Africa Central Laboratory (KE)	46,761		46,000	46,000			
HAI Snakebite programme (REG)	22,946	204,012		204,012	226,958		226,958
	96,854			971,290			772,312
Balance	8,552,233						
Totaal	13,167,804	11,724,502	361,141	12,085,643	10,256,063	8,994,290	19,250,353

Concerning the mandatory norm on 'spent on objectives, these are the relevant figures:

	Norm	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Total income		20,780,000	18,615,731	18,084,000	27,591,256
Total expenditure		21,650,000	19,576,247	18,804,000	26,154,670
Spent on objectives		18,628,234	16,827,036	16,068,952	23,436,876
As % of total income	80%	90%	90%	89%	85%
As % of total expenditure	80%	86%	86%	85%	90%

We aim for a minimum of 80% expenditure of both our total income and our total expenditure. The actual figures are well above this minimum.

We have our own norm on 'spent on health programmes in Africa':

	Norm	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Total income		20,780,000	18,615,731	18,084,000	27,591,256
Health programmes in Africa		14,587,163	13,814,919	12,607,554	20,621,300
As % of total income	66%	70%	74%	70%	75%

For this norm we also scored well above the set minimum.

19 Costs of generating funds (in €)

	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Costs of 'own fundraising'	1,460,000	1,285,943	1,272,409	1,202,942
Operating costs 'own fundraising'	712,521	623,557	578,599	540,322
Costs of third party campaigns	-	3,874	-	762
Costs of raising other income	20,000	20,004	51,500	11,877
Total costs of generating funds	2,192,521	1,933,378	1,902,508	1,755,903

The new Directive RJ 650 does not differentiate anymore between 'own fundraising' investments and other cost of generating funds. Internally in 2017 we still used the costs of 'own fundraising' (on private and corporate donors and foundations) as one of our steering indicators:

Costs of own fundraising (in €)

	Norm	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Income from own fundraising		10,030,000	8,550,949	7,705,000	6,887,610
Costs own fundraising		2,172,521	1,909,500	1,851,008	1,743,264
As % of income own fundraising	25%	22%	22%	24%	25%

Both the income and the costs increased. Over 2017 we re-invested 22% of our income. The average over the last three years was 23%. The budget figures reflect our intention to stay close to the maximum 25%, set in the past by the CBF, and to re-invest as much as possible in order to create further growth. Due to the faster than expected income growth we stayed well below the maximum.

The costs of generating other income mainly concern the production of a VR movie on an Alternative Rite of Passage that took place in Kenya. We will use this movie as a special instrument in our communication with specific donors. The division of our overall communication and fundraising expenditure over the two areas has been set at 60-40 in our Strategic Plan 2015-2020.

Expenditure per activity (in €)

Costs allocation	Spent on objectives				Total actual 2017	Budget 2017	Actual 2016
	Programmes in Africa	Communication + awareness raising	Costs of generating funds	Management and administration			
Grants and contributions	12,500,463	-	-	-	12,500,463	11,414,953	19,464,379
Publicity and communication	-	1,944,119	1,309,822	-	3,253,941	3,732,522	3,064,978
Staff costs	1,144,549	910,709	495,319	534,400	3,084,977	3,029,525	2,799,873
Accommodation costs	56,432	52,604	27,547	30,573	167,156	136,620	372,986
Office and general costs	92,940	85,542	90,666	224,983	494,131	430,380	419,730
Depreciation	20,535	19,143	10,024	11,125	60,827	50,000	18,183
Total	13,814,919	3,012,117	1,933,378	801,081	19,561,495	18,794,000	26,140,129

20 Costs of management and administration (in €)

	Norm	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Total expenditure		21,638,009	19,561,495	18,794,000	26,140,129
Management and administration		817,245	801,081	822,540	947,350
As % of total expenditure	4.5%	3.8%	4.1%	4.4%	3.6%

Amref Flying Doctors aims to spend no more than 4.5% on management and administration by 2020, through growth in income and in efficiency. Due to the faster than expected growth we managed to realise this in 2017.

Operating costs (in €)

	Budget 2018	Actual 2017	Budget 2017	Actual 2016
Management and administration	817,245	801,081	822,540	947,350
Other operating costs				
Health programmes in Africa	1,219,359	1,314,455	1,192,601	1,156,921
Advocacy	330,883	-	-	-
Business development	158,371	-	-	-
Communication/awareness raising	1,011,817	1,067,998	1,052,785	980,720
Fundraising	712,521	623,557	578,599	540,322
Total operating costs	4,250,196	3,807,091	3,646,525	3,625,313

Staff costs (in €)

	Budget	Actual	Budget	Actual
	2018	2017	2017	2016
Gross salaries	2,476,736	1,857,712	2,133,170	1,683,663
Social security	445,812	336,149	362,639	298,355
Pensions	222,031	184,559	233,579	165,974
Other staff costs	275,315	706,556	236,141	651,880
Total staff costs	3,419,894	3,084,976	2,965,529	2,799,872

The increase of staff costs was planned and budgeted for. As several recruitment processes took more time than planned, the actual costs remained well within budget. This is partly compensated by higher costs of hiring temporary staff, reflected under 'other staff costs'.

21 Interest and investments (in €)

	Budget	Actual	Budget	Actual
	2018	2017	2017	2016
Gross investment result	100,000	29,954	125,000	85,634
Costs of investments	-12,000	-14,752	-10,000	-14,541
Interest on bank accounts	-	16,839	-	38,712
	88,000	32,041	115,000	109,805

Income from interest and investments decreased significantly due to the extremely low interest rates. Since 2016 IBS Capital Allies is our external investment portfolio manager.

Out of the interest € 2,526 was created within government-funded programmes and will be added to an earmarked fund. This income will be spent within the relevant programmes in following years. In our budget we never differentiate between income from investments and interests.

GDNs Financial Management Directive for Charities stipulates that we present a five-year overview of our income from investments, including the costs of investments:

Investments (in €)

(five years overview)	Actual	Actual	Actual	Actual	Actual
	2017	2016	2015	2014	2013
Bond interest	11,160	17,321	24,693	11,887	11,890
Dividend	11,270	17,740	18,973	13,554	24,820
Realised stock market results	35,074	68,159	-24,198	33,572	12,514
Unrealised stock market results	-27,550	-17,586	-10,234	58,855	-41,052
Gross investment result	29,954	85,634	9,234	117,868	8,172
Minus: costs of investment portfolio	14,752	14,541	10,748	12,455	1,139
Net investment result	15,202	71,093	-1,514	105,413	7,033

Return on investments **1.01%** **4.86%** **-0.10%** **7.02%** **0.45%**

Average return 2013-2017 % 3.2%
€ 47,548

RESULT (IN €)

The negative result over 2017 of € 960,516 is appropriated as follows:

Withdrawal reserve for financing assets	- 37,003
Withdrawal reserve for projects	- 744,210
Withdrawal reserve for special project investments	- 31,353
Withdrawal fund Dutch Postcode Lottery	- 150,476
Addition fund Foreign Affairs grants	2,526
	- 960,516

After balance sheet date information

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

Remuneration members of the Supervisory Board, CEO and staff

The members of our Supervisory Board do not receive any remuneration or other compensation for their activities for Amref Flying Doctors. They even pay for their own travel costs unless their trips are made for a specific assignment and/or function within the international network. Only actual costs are refunded then, upon presentation of receipts or other accounting documents. In 2017 we have not reimbursed any costs for this.



According to GDN guidelines we present the remuneration of our managing director:

Remuneration of CEO 2017

Name	Patricia Vermeulen
Position	CEO

Employment

Contract hours	37.5
Parttime percentage	100
Term	01-01-17 / 31-12-17

Annual remuneration (in €)

Gross salary	87,011
Holiday allowance	6,794
Year-end allowance	-
Variable income	-

Total annual income 93,805

Social security (employer's costs)	6,001
Taxable benefits	1,760
Pension (employer's costs)	9,123
Remuneration payable in future	-
End of contract remuneration	-

Total other costs and reimbursements 16,884

Total 2017 110,689

Total 2016 108,343

The total annual income of our CEO is within the maximum set by the GDN Remuneration Directive (of € 102,470). For an explanation to our policy and the basis for the remuneration we refer to our annual report.

Taxable benefits concern the allowance for private use of the Renault Twingo that was partly sponsored. Pension costs concern the employer's costs of our collective pension arrangement. Neither to our CEO, nor to members of our Supervisory Board have we provided any loans, advances or guarantees.

Other staff employed by our organisation are remunerated according to our own labour conditions regulations and salary scales. All are paid less than the CEO. Salary indexation takes place annually in January, according to the CBS-index on 'CAO wages' in the sector 'Overige dienstverlening', which is applicable to charities. Periodically we benchmark our salary scales and the main labour conditions within our sector. It is our policy to have labour conditions that are in line with the benchmark. In 2016 this benchmark was organised by our umbrella organisation Partos.

The Remuneration Committee of the Supervisory Board sees to the correct implementation of our remuneration policy and evaluates this annually.

Leiden, 3 April 2018

For the Supervisory Board
Mr. Bas Maassen (Chair)

For the organisation
Drs. Patricia Vermeulen (CEO)

Independent auditor's report

To: the Managing Director and Supervisory Board of Amref Flying Doctors

Report on the financial statements 2017

Our opinion

In our opinion Amref Flying Doctors's financial statements give a true and fair view of the financial position of the Foundation as at 31 December 2017, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

What we have audited

We have audited the accompanying financial statements 2017 of Amref Flying Doctors, Leiden ('the foundation').

The financial statements comprise:

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

The financial reporting framework that has been applied in the preparation of the financial statements is the 'Richtlijn voor de Jaarverslaggeving 650'.

The 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 section 'Our responsibilities for the audit of the financial statements' of our report.

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

Independence

We are independent of Amref Flying Doctors in accordance

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

Report on the other information included in the annual report

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

- the directors' report;
- the other information pursuant to the 'Richtlijn voor de Jaarverslaggeving 650'.

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

- is consistent with the financial statements and does not contain material misstatements;
- contains all information that is required by the 'Richtlijn voor de Jaarverslaggeving 650'.

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

By performing our procedures, we comply with the

requirements of the 'Richtlijn voor de Jaarverslaggeving 650'. The scope of such procedures were substantially less than the scope of those performed in our audit of the financial statements.

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

Responsibilities for the financial statements and the audit

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

The managing director is responsible for:

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

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

ability to continue as a going concern in the financial statements.

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

Our responsibilities for the audit of the financial statements

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

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

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

Amsterdam, 12 April 2018

PricewaterhouseCoopers Accountants N.V.

drs. J.L. Sebel RA

Appendix to our auditor's report on the financial statements 2017 of Amref Flying Doctors

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

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

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control.
- Evaluating the appropriateness of accounting policies

used and the reasonableness of accounting estimates and related disclosures made by the managing director.

- Concluding on the appropriateness of the managing director's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole.
- However, future events or conditions may cause the foundation to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Credits

This is a publication of

Stichting Amref Nederland
Schuttersveld 9
2316 XG Leiden
The Netherlands

T +31-71-576 9476

E info@amref.nl

I www.amref.nl

T @Amref_NL

F www.facebook.com/amrefflyingdoctors

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