

Annual Report

2017

Introduction

The year 2017 was an important year for the fight against HIV and other STI. We stood at a turning point: we are either moving towards a world without AIDS or the epidemic will once again gain impetus. We can stop the epidemic forever, provided we act and press ahead now. But 2017 saw a decline in the global funding for AIDS response. And due to the worldwide rise of conservatism and populism, groups that are especially vulnerable to HIV are further removed from access to the right information, HIV prevention and care.

There were also rays of hope. Alongside Melbourne, Amsterdam was the second city in the world to achieve the international UN goals towards an AIDS free world in 2030. To get there, in 2020, 90% of all HIV infected people should be aware they are living with HIV; 90% should be receiving treatment, and in 90% of cases the virus should be suppressed to the extent it is no longer transmittable. Last year, in Amsterdam these percentages were 94-90-94.

In the Netherlands, in 2017, we worked on the prevention, detection and treatment of STI and HIV. We developed innovative projects that fit the general public and provide tailor-made solutions for the risk groups of young people, men who have sex with men, sex workers, and people with a migrant background. We always work together with the groups most affected and communities whom it concerns. Also in 2017, we discussed subjects others won't or can't discuss. Our expertise is always at the basis of everything we do.

Globally, in 2017, we have utilised our international activities for our lobbying to convince everybody of the urgency to invest in AIDS control. And because we are convinced that effective AIDS control starts with those whom it concerns, in 2017 we continued to devote ourselves to strengthening vulnerable groups. With our support they can stand up for their right to HIV prevention, education and care. Involving communities and interest groups and national and local organisations in finding solutions was

again a policy spearhead in this financial year. By supporting them, by working together and by connecting them, we contributed to the reinforcement of civil society.

We have also given the resources for research towards a vaccine or drug against HIV. In 2017, we used data analysis to strengthen our message. Last but not least, in 2017, we also enabled the testing and treatment of hard-to-reach groups, so that they too can live healthy lives and not transmit the virus unknowingly; a prerequisite to crush the epidemic.

In 2017, we organised consultation sessions with stakeholders involved in the work of our organisation, and we also involved our employees in the development of a future strategy. This materialised in the ambitious long-term strategy plan *'No time to lose: focus, accelerate and boost our efforts, Strategy 2018-2021'*, in which we establish the attainability of an AIDS free world in 2030 and a drastic decline of STI and HIV in the Netherlands. We are convinced this is possible, but it does mean we have to press ahead now.

Louise van Deth

Director

Femke Halsema

Chairperson of the Supervisory Board

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A. MANAGEMENT REPORT

1. Activities and results

We have a vision: "The end of AIDS in a world where everybody affected by HIV and/or other STI has access to prevention, treatment, care and support". Our mission stems from the foundation's objectives. In order to realise an AIDS free world, for the last four years, we have focused on the five main objectives as defined in 'Setting Milestones, Strategy 2014-2017'. In 2017, we decided on the long-term strategic plan 'No time to lose: focus, accelerate and boost our efforts, Strategy for the period 2018-2021'. The year 2017 was the last year spending on objectives for 'Setting Milestones, Strategy 2014-2017'.

1.1. SPENDING ON OBJECTIVES

As part of the task we set ourselves, we are working together with government organisations and natural or legal persons, both in the Netherlands and abroad.

Over the last three decades, we have gained a wealth of knowledge and experience. In a short period, we have made the impressive journey from a great lack of knowledge to solid professional know-how of what does and doesn't work, of what is needed and what isn't. Most of what we know comes from experience. To achieve our five main objectives, the coming years we will continue to focus on:

- Funding, initiating and developing innovative approaches and programmes.
- Reinforcing civil society, with special attention to vulnerable groups and protection and improvement of their human rights.
- Implementing national programmes to combat HIV and other STI and promoting sexual health in the Netherlands.
- Advocating the end of AIDS and universal access to prevention, treatment, care and support with governments and multilateral organisations.
- Mobilising communities, the general public and private sector to support us in realising our vision.

In this way, we can play a decisive role in further containment of HIV and STI epidemics, both internationally and in the Netherlands. With

'Setting Milestones' we have positioned attainable milestones along the route to the end of AIDS and the worldwide accessibility of prevention, treatment, care and support for anyone involved in HIV and other STI.

The five main objectives of 'Setting Milestones, Strategy 2014-2017' are:

1. More people tested,
2. Fewer barriers for most affected,
3. Strong civil society,
4. More scientific knowledge,
5. Advocacy.

In 2017 we have spent 48.5 million Euros on our objectives.

1.1.1. Objective nr 1: More people tested

Finding, testing and treating people with HIV is essential to stop the epidemic. Worldwide, almost half of 36.7 million people are unaware they are living with HIV. This needs to change: the sooner an HIV infection is detected and treated in a person, the better their personal health prognosis, which is conducive to the course of the epidemic as people treated with antiretrovirals against HIV can no longer transmit the virus. Many STI develop without any symptoms, but increase the risk of HIV. Therefore, sufficient facilities must be available for the prevention and diagnosis of HIV and STI and for the medical and social support. Increasingly our work is about finding the hard-to-reach groups. By working with and inside communities AND by smart use of data, we are succeeding.

In 2017, eight of our programmes worked towards Objective nr. 1 'More people tested', namely Professionals, Men who have sex with men, Sex work nationally, Children, youth & women, Policy & grants, and Communication advice. This concerned 44 projects aimed at all groups most affected, involving an amount of 5.9 million Euros. The activities were carried out in the Netherlands and 18 other countries.

Through an innovative and sometimes bold line of action we aim to effectively reach groups most affected in the Netherlands and motivate them to have (more) tests. An example is our combined approach of elimination strategies 'MC Free' and 'H-Team' (HIV Transmission Elimination Amsterdam), which are actually reducing the number of HIV infections. We have also developed the online application Advies.chat (advice chat) that helps people obtain an STI home testing kit from responsible sellers.

We have developed our programme Zoom to determine how more testing can be done by using big data, especially among groups with the highest HIV infection risk. The first results of our 2015 funding round 'Data-driven improvement of testing services for people most at risk from HIV' will become available shortly. Because of our community focused approach, including social economic emancipation, 5,051 children have been found in Uganda and tested for HIV; children who would otherwise have been overlooked. 558 of these children are now receiving treatment. This project will expand to Kenya and Zimbabwe.

One of the purposes of the programme 'Bridging the Gaps' is the involvement of drug users in policies that affect their lives.

In Swaziland, the large-scale MaxArt project is being carried out by the Aidsfonds and the Clinton Foundation, with the purpose of having as many people as possible tested and treated. In 2017, this led to 44% fewer new HIV infections than in 2011. At the end of 2017, approximately 190,000 people were receiving treatment, a doubling of the number of people receiving HIV treatment. In more than 90% of people receiving treatment, the virus was no longer detectable. That is twice as much as in 2011.

Thanks to a donated inheritance of 20.000 Euros we were able to train women living with HIV in Malawi to become HIV experts, so they can help with the detection and treatment of people infected with HIV.

1.1.2. Objective nr 2: Fewer barriers for most affected

Obstacles that impede the use of health services need to be tackled. We come across many obstacles, such as legislation that violates sexual minority rights or criminalises sex workers, that prohibits clean needles and condom supply to drug users or makes it difficult for under 18s to be tested for HIV because they need formal consent from a parent. Discrimination against people living with HIV and high medication prices are also major barriers. We are aiming at lifting the physical barriers (access to PrEP) and the knowledge barriers (extension of 'Long Live Love').

In 2017, our programmes Professionals, Young People, Sex Work International, HIV and Foreign Aid, Policy, Subsidies, and Communication Advice achieved considerable results in removing barriers. In total, this concerned 98 projects, involving an amount of 15.9 million Euros. The activities were carried out in the Netherlands and 31 other countries.

In Eastern Europe, the epidemic is growing faster than anywhere else in the world. In collaboration with their local partners, our regional partner AIDS Foundation East West Ukraine conducted a case study and materialised what they learned by training a new generation of advocates for young drug users, enabling more and better use of (health)care.

Also in Africa, we are attempting to improve the position of HIV vulnerable groups and tackle injustice. In Zimbabwe, for example, the police is being involved in bettering the position of sex workers, and legal action was taken against the prosecution of sex workers. This led to the ruling by the Supreme Court that sex workers are not to be arrested for just any reason. The police: a police officer was proclaimed as champion to ensure that sex worker issues are being raised. For the first time, the Gays and Lesbian Association of Zimbabwe manned a stand on World AIDS Day, and the Sexual Rights Centre was allowed to demonstrate. The programme 'Sparked Women' promotes the economic emancipation of young women so that they are more resilient in situations with an increased risk of HIV infection.

In the Netherlands, important steps have been taken in the field of pre-exposure prophylaxis (PrEP) to prepare professionals, politicians and groups most affected for this new option of HIV infection prevention. The teaching package 'Long

Live Love' by Soa Aids Nederland and Rutgers is developed to promote young people's sexual health and focuses on unacceptable behaviour, unwanted pregnancy and STI and HIV infection.

1.1.3. Objective nr 3: Strong civil society

A world free of HIV and STI, that is our dream. Combating HIV and STI is a shared responsibility. Combating HIV is not something we can achieve on our own. It's too complex. To successfully combat HIV, it is crucial to tune in to the needs of the people most affected by HIV/AIDS. Community based organisations operate in the heart of the communities of our target groups. They are closely involved with the people who are dealing with, or are vulnerable to, HIV or STI. They understand what is going on, comprehend the needs of the target group and know how to reach vulnerable groups. Moreover, they often play a major role in influencing governments and financiers. It is pivotal to support them in the development of effective interventions.

Collaboration is central. With our programmes Sex Work, Policy, and Subsidies we are building bridges en bring people together. We offer platforms and we collaborate with local and international partners and governments. In 2017, the Nationaal Actieplan Soa, HIV en SRGR (National Action Plan STI, HIV and Sexual and Reproductive Health and Rights) was established under the direction of Rijksinstituut voor Volksgezondheid en Milieu (State Institute for Health and Environment). In the plan our priorities for prevention and control of HIV and other STI in the Netherlands were widely shared. This was also true for the HIV Care Plan, aimed at care, treatment and quality of life.

In many places in the world things are not regulated as well as in the Netherlands. Funding and capacity building of YPLHIV and KP networks allows young people living with HIV and key populations to make their voices heard. By doing so, they contribute to better care and information for young people with HIV. We also facilitate the collaboration of the national networks of young people living with HIV in Africa, helping them to work together and learn from each other. We encourage collaboration with other programmes, including Ready Plus (International HIV/AIDS and Y+) and Peers to Zero (Paediatric - Adolescent Treatment Africa).

Through our support of 74 projects and networks we have reinforced the position and influence of

social organisations in the Netherlands and 18 other countries. An amount of 20.6 million Euros was spent on this.

1.1.4. Objective nr 4: More scientific knowledge

To better understand HIV and STI and to increase prevention and treatment options requires scientific research. But research is also needed to better understand the complex dynamics of epidemics and the political and social reactions to them. We are contributing to the development of relevant scientific knowledge that can be quickly translated into practise. The outcome is being converted into interventions that benefit the target group. To stop the epidemic, scientific research into a vaccine or a drug that cures HIV is vital. And of course to measure the impact of our own work. Investing in research is always a priority for us.

We are financing research that is unique in the world. We have a huge amount of data and we are using the results to make a bigger difference. We use the research figures to emphasise our arguments, for example when we lobby at our government.

It involves more than biomedical research aimed at curing HIV or at developing a vaccine; it also involves research into attitude and behaviour. The study 'Hands Off!' researches how to tackle criminalisation of and violence against sex workers and how to specifically aim at reducing the number of HIV infections. The large-scale study 'Sex under the age of 25' is a joint project of Soa Aids Nederland, Rutgers and GGD (Municipal Health Service) and an important source of knowledge about young people and sexual health. By using regional data, this research offers the opportunity to develop tailor-made interventions that match the target group.

Knowledge development is also the sharing of practical experiences, to help organisations learn from and reinforce each other. Where possible, we link our training courses to the research results. Internationally, with the Learning Institute of our 'ridging the Gaps programme, and on a national level we focus on people with a migrant background. We link interventions to research, for example therapy adherence, organising festivals to increase the range of our interventions, testing and vaccinations for LGBTs, and sex working asylum seekers.

The digital learning weeks are an innovative way to share knowledge among professionals in our field, through which we managed to reach new target groups. The digital learning weeks are highly rated by the participants, and the number of participants is rising.

In 2017, the programmes Professionals, Sex Work, HIV and Foreign Aid, Policy, and Subsidies have been working on this objective. Overall, an amount of 1.8 million Euros was allocated to six new research projects, to be carried out in the coming years. In 2017, with a total amount of 1.8 million Euros, we supported 19 projects in the field of knowledge development. The activities were carried out in the Netherlands and 17 other countries.

1.1.5. Objective nr 5: Advocacy

An AIDS free world in 2030. It's possible! That means we have to start cracking. And it requires a lot of money and political commitment. Through campaigns, action and lobbying, we have been tirelessly demanding attention for HIV and AIDS, in the Netherlands and internationally. Last year, in 2016, thanks to our awareness and advocacy activities, we managed to reverse the 9 million Euros cut by the Dutch government on the Global Fund to fight AIDS, Tuberculosis and Malaria. Ten million people receive lifesaving treatment through this international fund. In 2017, we worked on lobbying and awareness at various levels.

In 2017, we launched the new campaign 'Stop aids. Uit liefde voor alle liefdes' ('Stop AIDS, out of love for all love'). The core message is that every person has a right to love, and that all love is special and worth to protect against HIV, AIDS and their consequences.

Our aim is zero new infections in the Netherlands and to achieve this, we increased pressure on the government to make affordable pre-exposure prophylaxis (PrEP) available in the Netherlands. We lobbied in the Lower House, organised debates, held talks with pharmacists and were also active online. We put pressure on Gilead, because this company unnecessarily impedes access to PrEP by keeping the price high. Eventually, we refused to sign the sponsorship agreement with Gilead.

We strive to be a committed financier on behalf of our donors. We do so by setting up funding rounds, which should lead to more collaboration or to boosting new developments through a kick-start,

such as tackling medication patents that hinder access to prevention and treatment. We also do this by encouraging other financiers in communities, for example through the global organisation Funders Concerned About AIDS (FCAA), and by taking action from within these communities.

In our role as fund manager for the Robert Carr civil society Networks Fund we coordinate the flow of funds of a great number of donors for the benefit of the above approach. The 'Call to Action on Communities' and 'Communities First' are clear examples of how we connect financial contributions to networks with national, regional and global communities

Our programmes Professionals, Sex Work, Policy, and Communication Advice worked towards this objective in 2017 in the Netherlands and in all countries where we target fund activities. This concerns 118 activities, on which an amount of 4.3 million Euros was spent.

1.2. FUNDRAISING

In 2017, we received the fantastic amount of 51.3 million Euros for the fight against AIDS and STI. That is 7.4 million Euros more than in 2016. Just over 14.4 million Euros we owe to our donors, charitable bequests, and the participants of Goede Doelen Loterijen (Dutch charity lotteries). We are nothing without their support. We are extremely thankful for their enthusiasm, trust and financial support! In 2017, we welcomed 11,286 new donors. By the end of 2017, we had the support of 149,642 structural and occasional donors who contributed to our fund in the last 27 months.

The objective of the 2017 marketing programme was to raise 14.3 million Euros for AIDS prevention. We use authentic, passionate marketing that engages closely with our supporters, and we position HIV/AIDS as an urgent issue. We also worked on the realisation of more diverse sources of income and a balanced focus on the acquisition and retention of donors.

1.2.1. Our actions

We are using various ways to involve an increasing number of people in the fight against AIDS and to recruit new donors, for example by recruiting on the street, direct mail, online, and at events such as the Canal Parade. We are also noticing that the interest

for the AIDS problem is slackening off among the Dutch audience. On World AIDS Day we initiated a variety of actions to highlight the fight against AIDS, for example the public campaign 'Stop aids. Uit liefde voor alle liefdes' ('Stop AIDS. Out of love for all love'), and a comprehensive supplement in an edition of 800,000 copies for various newspapers and magazines.

1.2.2 Income from private donations

In 2017, we received the amount of 8.8 million Euros in private donations. 914,000 Euros came from charitable bequests. The income from private donations is 11% lower than in 2016 and four percent lower than budgeted.

1.2.3. Income from corporate donations

The income from corporate sponsorship was considerably lower in 2017 than it was in 2016. This is partly due to the decision to no longer accept Gilead's contribution to HIV in Europe through the Aidsfonds and to decline the amount of 80,000 Euros Gilead had made available for national projects. The decision to reject the money was made because Gilead has kept the price of PrEP unnecessarily high and consequently impedes access to PrEP.

1.2.4. Income from lotteries

The income from lotteries was 7.3 million Euros more than in 2016, and 1.5 million Euros more than budgeted. In 2017, the Nationale Postcode Loterij increased its regular contribution to the Aidsfonds to the amount of 2.250,000 Euros. We also received a one-off donation from the Nationale Postcode Loterij of 1.051,000 Euros to benefit the project Alarmfase hiv (Alarm Phase HIV) in Eastern Europe and Central Asia. We are of course very happy with this! Vrienden Loterij donated the generous amount of 899,000 Euros. Lotto and Krasloterij donated the great amount of 489,000 Euros.

1.2.5. Income from non-profit organisations

In 2017, the amount of 1.633,000 Euros was raised from other non-profit organisations. The proceeds of the Amsterdam Diner amounted to 813,000 Euros, nearly twice as much as in 2016. The entire amount went to 'H-TEAM' ('HIV Transmission

Elimination Amsterdam'), a unique collaboration between all organisations and parties involved in the prevention and treatment of HIV in Amsterdam, including the groups most affected. The goal is to achieve a future without new HIV infections.

The Bill and Melinda Gates Foundation supported our work with the amount of 268,000 Euros for the 'Strengthen and sustain Dutch engagement in Official Development Assistance for Health' project. We received the amount of 200,000 Euros from SGS Spaarneland for the Uganda project to help children gain access to treatment.

The Amsterdam Institute for Global Health and Development donated 280.000 Euros for various Soa Aids Nederland projects.

1.3. INTERACTION WITH OUR STAKEHOLDERS

We give a great deal of attention to listening to our supporters and to involving them in the fight against AIDS. In 2017, we jointly developed a new donor magazine. We also conducted various studies to measure, for example, the effect of our campaigns and the loyalty of our supporters. In addition, in 2017, we set up a donor panel to make sure donors can make structural contributions to our activities.

In addition, we can be contacted with wishes, questions or complaints through our website, social media, by telephone or e-mail. We also have a complaints procedure. We are all for transparency and want to show our transparency 24/7. We do so by using exemplary projects to create a clear overview of the spending, and by communicating our challenges, actions, results and milestones. Of course, on the website the audience can find all information about the annual work plan and spending,

In 2017, different groups of stakeholders were involved in various ways in the strategy development process, which led to the long-term strategic plan 'No time to lose: focus, accelerate and boost our efforts' for the period 2018-2022.

1.3.1. Code of conduct

The foundation operates according to the codes of conduct of the Genootschap voor Fondsenwervers (Society for Fund-raisers), Dutch Dialogue Marketing Association (DDMA), and trade association Goede Doelen Nederland (Charities Netherlands). The foundation is a member of the association Samenwerkende Gezondheidsfondsen (Cooperating Health Funds), Partos, and Landelijk Overleg Thema-instituten. We have the golden Privacy Waarborg label (Privacy Guarantee Label) of the Dutch Dialogue Marketing Association, to ensure our marketing meets all applicable privacy regulations. The organisations that carry this guarantee are audited annually for compliance with the legislation and self-regulation.

1.3.2. Privacy and data security

The organisation is constantly working on privacy and data security. In 2016 a start was made to prepare the organisation for the European privacy

legislation (General Data Protection Regulation) that will take effect on 25 May 2018. The inventory and classification of the personal data to work with, is practically complete. The security measures consist of technical security, system design and internal processes, plus user awareness and culture.

1.3.3. Meaningful involvement of people living with HIV

Our organisation endorses the principle of total involvement of people living with HIV in policy making and implementation at all levels, the so called MIPA principle (Meaningful Involvement of People Living with HIV). There is a statutory seat on the Supervisory Board for a person who has support from organisations and networks of people living with HIV. Staff living with HIV are actively involved in the development of programmes and activities related to living with HIV and controlling HIV and other STI.

1.3.4. National Conference STI * HIV * Sex

Each year, Aidsfonds and Soa Aids Nederland organise the Nationaal Congres Soa * Hiv * Seks in close collaboration with the most important partners and professionals. Due to its interactive set-up, the conference offers a platform for the exchange of knowledge and experiences, and also provides an excellent opportunity for the public debate between stakeholders discussing important issues of the fight against AIDS.

1.3.5. Corporate partnerships

Our organisation attaches importance to sponsoring our products and activities. With extra resources, not only extra efforts can be made, it also means the business community will be more closely involved in the fight against HIV and STI. The organisation takes the position that sponsors cannot exert a substantive influence. This position is stated as a resolute condition in the sponsor contracts. The organisation holds Corporate Partnership Guidelines that apply to all forms of corporate partnerships. The guidelines are published on our website. In 2017, we declined the Gilead contribution on grounds of conflicting interest. Aidsfonds was of the opinion that the high price of Truvada used as preventive medication stood in the way of the introduction of pre-exposure prophylaxis (PrEP).

1.3.6. Accountability

The foundation gives account by means of an annual report in line with the Richtlijn Verslaggeving Fondsenwervende Instellingen, Richtlijn 650 (Guidelines for Financial Reporting by Fundraising Institutions, Guideline 650) of the Raad voor Jaarverslaggeving (Dutch Council for Annual Reporting). The organisation attaches great value to being accountable to society in a broader historical perspective. The organisation has concluded an agreement with the Nationaal Archief (National Archives) to transfer and store the archives.

1.3.7. CBF Recognition

The foundation is an acknowledged charity, registered at the Central Bureau for Fundraising (CBF). This means the foundations has been positively assessed by the Central Bureau for Fundraising on the aspects of governance, policy, fundraising, spending and reporting. The continuous improvement of the effectiveness and efficiency of the expenditure, and optimisation of the treatment of volunteers will also become part of the assessment. Again, the reassessment in 2017 led to a positive evaluation, without any remarks or anomalies.

1.3.8. Complaints, appeal and objection

The foundation has a general complaints procedure. In addition, Aidsfonds has an appeal procedure with regard to the granting of subsidies, and an objection procedure for individual assistance. Complaints, appeals and objections that lead to a structural adjustment of the working method will be evaluated in the following year.

Complaints procedure

The complaints procedure is a powerful tool in the organisation's quality system. We have deliberately chosen for an easy access complaints procedure so stakeholders can easily express any complaints - by phone, e-mail, letter or through the internet. In principle, the complaint is solved where it originated.

All complaints in 2017 are connected to fundraising activities, and through regular consultation the experiences are used to enhance our fundraising. Complaints are taken into account when we decide on follow-up actions, based on the donor's wishes. We received no other complaints in 2017.

The number of fundraising complaints decreased considerably since the merging in 2016 of the brands Aids Fonds and STOP AIDS NOW! into the brand Aidsfonds, viz a decrease from 1,207 in 2015 to 764 in 2017. With regard to fundraising, most complaints are caused by the method of fundraising (88 percent). This relatively large share is mainly explained by the fact that the number of complaints about our communication has been halved for the second consecutive year and the number of complaints about the processing decreased by a quarter. Because of our continuous direction of the fundraising agencies, the complaints about information given by fundraisers declined in the last years, but have risen again in 2017. This trend is related to the increasing pressure on the fundraising market in which we operate, but the relationship between these complaints and the number of newly acquired standing orders hardly changed (2016: 0.058 - 2017: 0.060).

Objection individual assistance

Aidsfonds has an objection procedure regarding decisions about individual assistance applications. In 2017, the Executive Board received no objections regarding any decisions about individual assistance applications (now called Individual Financial Contribution).

Appeal

Aidsfonds has an appeals procedure regarding board decisions about subsidies, and an independent Appeals Committee. The Appeals Committee deals with appeals, and any appeals that are dropped, will still be submitted for review. In 2017, we received one appeal. Prior to the consideration of the appeal, the submitter is given the opportunity to discuss their appeal with the Executive Board. The appeal was dropped after the meeting.

1.4. FUTURE PLANS

The world around us is changing rapidly. Not only for the best. In fact, we are witnessing a number of worrying developments that could hinder the end of AIDS in 2030. Figures show a decrease in international funding of AIDS control, while for the first time, the number of new HIV infections in the world has not decreased; in fact, in some places, it has risen enormously. A positive development is that some countries are transitioning from a low income country to a median income country. Incidentally, this means that these countries no longer qualify for international aid, including AIDS prevention. In itself, this is a healthy, enduring development, unless the cut is too abrupt and these countries are not immediately able to completely take over treatment and prevention. Besides, the rise of conservative thinking is worrisome. Rather than effectiveness, religious belief, fear and conservative ideas and standards are becoming the guiding principles in policy making.

In 2018, our 'No time to lose' strategy comes into effect. The strategy describes how in the next four years we will deal with national and international trends and developments. It describes our priorities, threats and chances, and where and how we can improve our collaboration opportunities.

Internationally it has been agreed that in 2030 we want to see the end of AIDS, which means we have to start accelerating. The coming years will be crucial. If we step up now, we will be doubly rewarded in the future. If we don't, we will lose momentum, and nearly 11 million people will needlessly die of AIDS. It also means that annually there will be such an increase of people with HIV that we can't possibly treat them all. Global economic and political developments, such as the decline in international funding and the rise of conservatism, stand in the way of the UNAIDS 'fast-track' strategy. Stepping up now, calls for everybody's commitment, and it calls for money.

In the Netherlands, 2018 will be the first year of the Nationale Actieplan Seksuele Gezondheid (National Action Plan for Sexual Health) and we will further our new ambitions in this plan, for example our objective to reduce the number of new HIV infections in the Netherlands to zero, and a drastic reduction in the number of STI. In 2018, we are also expecting the position of the Ministry of Health, Welfare and Sports on the outcome of the evaluation of the (Ministry of) Health, Welfare and Sports Supplementary Regulations on Sexual Health that will be of great importance to our work.

Our interventions, such as 'Man tot Man' (Man to Man) will be adjusted for visitors with low socio-economic status.

We are convinced that we need to make smarter use of the available money and work more purposively. We must choose proven successful methods, such as harm reduction, treatment as prevention, sex education and the HIV prevention pill PrEP. That is why in 2018, in the Netherlands, we will prioritise safe sex public campaigns, better accessibility of STI testing and availability of PrEP for a reasonable price.

We have to initiate projects in areas where they are most needed, for example Kenya, Uganda and Nigeria. And we need to focus on the groups that are most affected: young women, children, men having sex with men, sex workers, drug users and transgenders. Removing barriers, including discrimination, stigma and human rights violation, is essential in this, just as a stronger involvement of communities, the connection of communities with clinics and health services, and collaboration with (local) organisations. For us, this means doing even more than we have always have done AND putting more effort in convincing key players of the effectiveness of this approach.

We must support the countries that are transitioning from low to median income countries during their change. Among other things, this requires lobbying for a responsible way of withdrawal by donor countries and for freeing up money for AIDS prevention by local authorities.

The Netherlands will host the International AIDS Conference in July 2018, which takes place in Amsterdam. The conference and all related activities will generate national and international attention for the fight against HIV and AIDS and offers us the opportunity to stress the urgency once more.

The proposal of GGD Amsterdam (Municipal Health Service) and Soa Aids Nederland to organise this congress in Amsterdam in 2021 was accepted at the World HIV & STI Congress in 2017. The local organisation committee and the local scientific advisory council will work on the planning of this international conference from 2018 onwards.

2. Organisation and management

2.1. PERSONNEL AND ORGANISATION

Employees and diversity policy

In 2017, an average of 151 employees (2016: 148) were employed by the organisation. This is a full-time equivalent of 129 fte (in 2016: 118).

67 percent of all employees were women (in 2016: 70 percent), 33 percent were men. Of all employees, 34 percent had a full-time employment contract of 36 hours per week (in 2016: 28 percent), and 66 percent worked part-time. 8 years was the average years of service (in 2016: 7.5). The average age was 41 (in 2016: 44). 23 employees were newly employed (in 2016: 21) and the employment of 19 employees terminated (in 2016: 15). To conclude, 9 employees moved on to a different or changed position (2016: 14). None of our employees work outside the Netherlands.

We strive to be a diverse organisation. Our organisation is already diverse regarding qualities, knowledge, skills, age, behaviour, culture, male-female, heterosexual-homosexual, ethnic background, people with an occupational disability, and national-international. In 2018, the diversity policy will be redefined, where the advice of the Works Council will be followed in order to avoid a fixed percentage of employees with a non-Dutch and non-Western background. We must also take into account the possible manoeuvrability within the privacy legislation.

Terms of employment

The foundation follows the national government pay scales. As of 01 January 2017, the salaries of civil servants were increased by 1.4 percent. This pay increase was followed. Other employment regulations are derived from the CAO Verpleeg-, Verzorgingshuizen, Thuiszorg en Jeugdgezondheidszorg - CAO VVT (Collective Labour Agreement for Nursing, Nursing Homes, Home Care and Youth Health Care - CAO VVT). In 2016, this collective labour agreement changed (duration 1 April 2016 - 31 March 2018). Any changes have been listed and any adjustments have been submitted to the Works Council for approval.

An education and training budget of 2 percent of the total wage bill is available (previously this was 1.7 percent). The budget is spent on individual and collective education, training courses and coaching. Employees travelling abroad take a safety course.

Volunteers

Aidsfonds is delighted with all the volunteers who invest their time and effort in our objectives. Our volunteer policy consists of a clearly described brochure and volunteer agreement of the rights and obligations of volunteers. Last year, volunteers helped with boat collections at the Canal Parade and at several summer festivals. On World AIDS Day, a large group of Begging Babes made collections during the annual Lovedance. In the period of World AIDS Day, after performing, the casts of various theatre productions made collections in the audience. In total, 125 volunteers carried out voluntary work at our office and at events across the Netherlands. There are no volunteers who work for us outside of the Netherlands.

Quality and learning

Our organisation is ISO 9001 Partos certified and meets the international quality standard of sector specific application of ISO 9001, developed by sector organisation Partos. The new ISO standard focuses more on current themes, such as context analysis, opportunity and risk management, application of relevant laws and regulations, and knowledge management.

The annual internal audit round took place in May 2017. In June, our certifier Lloyds carried out a periodic interim audit. No irregularities were found. In 2017, our organisation has been certified in accordance with the new standard requirements.

At the beginning of 2016, our organisation has started a process to make smarter use of data:

1. To support informed policy choices.
2. For targeted monitoring of the impact of our work.
3. To better reach and serve our target groups.

The ZOOM open data platform was initiated within this process. ZOOM is a recently developed open data platform where relevant healthcare and spending data is combined, analysed and visualised. The platform supports us in gaining a better understanding of the locations and groups with the highest HIV problems; in making informed choices about where and how we work; and in revealing the impact of spending within our sector. In 2018, we started to implement this platform in- and outside of our organisation, in collaboration with pertinent stakeholders.

We continue to actively invest in the learning capacity of our organisation, by continuously stimulating the exchange of knowledge and experiences between employees and external parties. The lessons we learnt from the past are integrated in our daily work to ensure quality improvement and impact enhancement of our work. As a learning organisation, we strive to be and remain competent. This enables us to permanently improve and innovate our work, now and in the future.

Integrity policy

Aidsfonds has a code of conduct for all staff: 'Integrity policy, codes of conduct and procedures for good employer- and employeeship.' The policy contains preventative and corrective rules of conduct. We also have an external confidential adviser and a whistle blower's scheme, so employees are free to report any misconduct amongst colleagues. None of our own employees are permanently based at a foreign location. No reports were received in 2017.

Confidential adviser

In situations where an employee prefers not to discuss an issue with a colleague, manager or human resources staff member, they can consult the external confidential adviser. Any meetings with the confidential adviser will take place outside of the organisation, on neutral territory. The organisation will receive no account on what has been discussed. In 2017, the confidential adviser was consulted 10 times (three times in 2016).

Corporate Social Responsibility

Our organisation's social entrepreneurship focuses on the priority areas 'Minimising environmental impact through our premises, transport and organisational processes', 'Choosing partners and suppliers who deal responsibly with people and the environment' and 'Ensuring the well-being of our employees'.

2.2. EXECUTIVE BOARD AND SUPERVISION

The by-laws of the foundation clearly distinguish the duties of supervision, management and execution. The foundation is administrated by the Executive Board. The Supervisory Board supervises the Executive Board and is a critical watchdog of the organisation and its results. The Supervisory Board determines and approves plans. The Supervisory Board is assisted by two internal committees: the audit committee, and the remuneration and nomination committee. Through its contributions, the Works Council ensures employee participation.

The relationship between the Executive Board, the Supervisory Board, the audit committee, and the remuneration and nomination committee is regulated in the by-laws and in the 'Reglement Raad van Toezicht – Raad van Bestuur' ('Regulations of the Supervisory Board - Executive Board'). These regulations also include the responsibilities and tasks. The Works Council has its own regulations.

By signing the so-called Bijlage 12 (Annex 12) of the Centraal Bureau Fondsenwerving (CBF) (Central Bureau for Fundraising), all members of the Supervisory Board and the Executive Board endorse the three principles of good governance for charities. These are: the separation of the duties of execution, management and supervision, continuous improvement of effectiveness and efficiency in realising the objective, and optimising the relationships with stakeholders.

2.2.1. Supervisory Board

The Supervisory Board fulfils its statutory role as supervisor. The Supervisory Board is a critical follower of the foundation and its results, and has to approve plans and accountabilities. It appoints the external auditor, who reports to both the Supervisory Board and the Executive Board.

Once every four years, the Supervisory Board and the Executive Board evaluate the functioning of the external auditor.

Profile

The Supervisory Board's profile is the point of departure for its composition. In view of the objective of the foundation, the supervisors must come from the following eight social sectors: politics, business, national STI control, international AIDS control, foreign aid, finance, communication, and research. The ninth supervisor must have demonstrable support from organisations of people with HIV. We welcome a combination of different expertise and strive for a balance between the number of men and women

Supervision

In 2017, the Supervisory Board met five times. In addition, an 'Update Programme' took place at the start of 2017. The day of this Update Programme was devoted to upgrading the long-term strategy 'Setting Milestones, Strategy 2014-2017' to a strategy for 2018-2021. By means of presentations and discussions, the strategic opportunities and threats were investigated. The set-up of this day was in line with the Supervisory Board's wish to, once a year, receive extensive and direct information about the activities and direction of the organisation.

The Executive Board attended the meetings of the Supervisory Board (partially or otherwise). Regular topics on the agenda include the monthly newsletters sent by the Executive Board to the Supervisory Board. At the meeting, the audit committee reports on its supervision of the financial matters.

The meeting of 28 April concentrated on the development of the new long-term policy plan, the evaluation of the 'Setting Milestones 2014-2017' policy plan and all related strategic questions. Furthermore, the 2016 annual reports and accounts were approved. The Supervisory Board discussed the accountancy report with the accountants working for PwC.

The meeting of 6 September focused on the next stage in the development of the strategic long-term plan 2018-2022.

At the meeting of 19 October the Supervisory Board approved the 2018-2022 strategic long-term policy plan 'No time to lose: focus, accelerate and boost our efforts'. Governance of our

organisation was also discussed.

On 11 December, the Board approved the work plan and budget for 2018. The many activities for World AIDS day were also discussed. The chairperson reflected on her working visit to the south of Africa, and the Board discussed its composition. Due to the weather alert, the discussion about ambitious objectives and the use of smart data was postponed to the next meeting.

The Supervisory Board has committed itself to a periodic self-evaluation. In 2016, the Supervisory Board was assisted by an advisor from the Nationaal Register Commissarissen en Toezichthouders (National Register of Commissioners and Supervisors). No self-evaluation took place in 2017.

Audit committee

The audit committee of the Supervisory Board, chaired by the finance portfolio holder of the Supervisory Board, supervises the foundation's financial state of affairs and examines the functioning of the internal control of the administrative organisation, particularly of the payment organisation. Recurrent on the meeting's agenda are the management reports and any reporting on the corruption, fraud and mismanagement policy. In 2017, the audit committee consisted of Yvonne Wilders (chairperson) and Frank Miedema (member). The Executive Board attends all meetings of the audit committee.

During the meeting of 4 April 2017, and in the presence of the external auditor, the audit committee discussed the 2016 accountancy report, 2016 annual accounts, 2016 annual reports, and the 2016 statement of accountability.

The meeting of 29 November was dominated by the 2018 budget and the financial management report of the third quarter. The external auditor was present during the discussion of the interim audit report 2017.

Remuneration and nomination committee

The remuneration and nomination committee handles all personnel matters regarding the Executive Board and Supervisory Board. The employer's role in respect of the Executive Board is an important element, including the remuneration policy, annual assessment, approval of expense accounts and credit card use. Since 1 June 2016, the committee consists of Femke Halsema (chairperson) and Roek Lips (member).

Composition of the Supervisory Board as of 31 December 2017

Name	Seat	Appointed	Term	End of term
Femke Halsema, MA	Chairperson remuneration and nomination committee	01-02-2016	1	01-07-2020
Yvonne Wilders, MA	Finance Chairperson audit committee	01-01-2011	2	01-07-2019
Prof. Dr. Frank Miedema	Scientific research Member audit committee	11-04-2011	2	01-07-2019
Roek Lips	Communication Member remuneration and nomination committee	29-06-2010	2	01-07-2018
Wiet de Bruijn	Politics	15-10-2013	1	01-07-2018
Yolanda Weldring	Foreign aid	15-10-2013	1	01-07-2018
Prof. Dr. Henry de Vries	National STI control	01-07-2014	1	01-07-2018
Cees 't Hart, MA	Business	01-07-2015	1	01-07-2019
Anna Zakowicz	Supported by (organisations of) people living with HIV	21-10-2015	1	01-07-2020

Composition of the Supervisory Board

Following nomination by the contribution committee and positive advice by the Executive Board and Works Council, the chairperson was appointed.

The by-laws stipulate that the Supervisory Board draws up a rotation retirement schedule. Members of the Supervisory Board are appointed for a consecutive period of four years, terminating on the next 1 July. Subsequently, a member can be reappointed once, for a period of four years. When a vacancy arises, the Supervisory Board will seek advice from the Works Council and the Executive Board. The Supervisory Board will only appoint and reappoint after the Works Council and the Executive Board have been given the opportunity to issue an advice on the candidate.

Development of expertise

Based on our quality policy, we invest in the learning capacity of our organisation. Board members have the possibility to develop their expertise in regulation and supervisory. By doing so, the Board promotes independent, professional and innovative supervision. Supervision that contains these elements has a stimulating effect and contributes to good governance and a sustainable future of the organisation.

Supervisory Board members have access to 'Toolkit Toezicht Goede Doelen', ('Toolkit Supervision Charities'), published by the Nationaal Register Commissarissen en Toezichthouders (National Register of Commissioners and Supervisors). The toolkit is developed for supervisors working for fundraising institutions and equity funds, and consists of checklists and case examples from the charity sector. Supervisory Board members can also attend supervisory workshops, offered by the Nationaal Register Commissarissen en Toezichthouders (National Register of Commissioners and Supervisors).

Remuneration policy

The members of the Supervisory Board are unpaid but are eligible for a fair remuneration for costs incurred and work achieved. In addition, members can claim non-excessive attendance fees according to CBF-Erkenning (CBF Recognition). No expenses were claimed in the 2017 financial year and no attendance fees were paid.

Main and other positions 2017

Femke Halsema is an independent author and documentary maker. Her other positions include Chairperson of Vereniging Gehandicaptenzorg Nederland (officially Board Member of VNO-NCW/Disabled Care Association Netherlands),

Chairperson of Supervisory Board of Weekblad Pers Groep, Chairperson of the Board of Female Economy / Zina Platform, Board Member of Start Foundation, Supervisory Board Member of Independer, Board Member of Fulbright Center, and Board Member of IDFA.

Wiet de Bruijn is Managing Director of Veen Bosch & Keuning Uitgeversgroep B.V. His other positions include Chairperson of Groep Algemene Uitgevers (GAU), Board Member of Nederlands Uitgevers Verbond (NUV) and Board Member at Carnegie Stichting - Vredespaleis.

Cees 't Hart is President & CEO of Carlsberg Group. He also is Supervisory Board Member at KLM.

Roek Lips is an independent consultant and his other positions are: Supervisory Board Member of Centrum Internationale Kinderontvoering (Centre International Child Abduction), Chairperson of the Advisory Board of Universiteit van Nederland (University of the Netherlands), Advisory Board Member of Theaterloods, co-founder of De Ontwikkelgroep, and Member of the Advisory Board at Vrije Mare.

Frank Miedema is Vice-Chairperson and Dean of Universitair Medisch Centrum Utrecht. His other positions include Secretary of Stichting Dondersfonds, Board Member of Talma Eijckman Stichting, Supervisory Board Member of UMC Utrecht Exploitatie BV, Board Member of Stichting DTL, Supervisory Board Member at RegMed XB, Supervisory Board Member at USP, Board Member of EBU, Executive Board Member of CPCT, Executive Board Member at Beeld & Techniek, and Council Member at SURF.

Henry de Vries is a professor specialised in skin infections at Amsterdam University and heads the outpatient clinic for skin infections at AMC/ Dermatology. He tutors dermatologists at the STI clinic of GGD Amsterdam (Municipal Health Service). His other positions include: Committee Member of Vriendenfonds of AMC Kunstcollectie (Art Collection); he represents the Netherlands at International Union against Sexually Transmitted Infections (IUSTI) Europe; he is Chairperson of the multidisciplinary national action group 'Lepra in Nederland', incoming Chairperson of the International Society for STD Research (ISSTD), Chairperson of SKMS multidisciplinary medical specialist committee to develop a national STI guideline for specialist care, Member of

Gastmann-Wichersstichting for leprosy control in the Netherlands, Committee Member HPV vaccine registration of the Health Board, Board Member of the Bethesda Stichting, and Board Member of the Stichting Centrum voor Beeldende Kunst (CBK) Zuid-Oost.

Yolanda Weldring is Associate Director at Oxford HR and Mobilisation Manager of the Basic Education Programme Rwanda for Education Development Trust UK.

Yvonne Wilders is Executive Board Member of Cordaan. She is also a member of the Supervisory Board of Eigen Haard housing cooperation.

Anna Zakowicz is Europe deputy bureau chief and director of programmes of AIDS Healthcare Foundation Bureau. She is also a member of the Board at Medicines Patent Pool.

2.2.2. Executive Board

The Executive Board governs the foundation and reports to the Supervisory Board. Its primary tasks are the strategic policy, the overall coordination and external representation. The Executive Board is also responsible for the substantive and financial-administrative quality control and personnel management.

The management team

The management team (MT), consists of the Executive Board and the managers. The management team is responsible for directing the organisation, in terms of both content and processes, and finance. The MT meets biweekly to discuss these matters. Decisions are recorded in reports and a list of decisions. The MT uses the MT Flash, published on the Intranet, to inform the organisation of the most important discussions and decisions. At the end of 2017, the Management and Service manager decided to resign. The vacancy will be filled by 1 April 2018.

Composition of the Executive Board

The Executive Board is constituted by Louise van Deth. She is responsible for the strategic policy and external representation.

Evaluation

Each year, the remuneration and nomination committee evaluates and assesses the current Executive Board according to the system established by the Supervisory Board in 2010. The

discussion is based on self-evaluation of the state of affairs and the results of the previous period. The committee also uses a 360° evaluation method with a brief questionnaire. The committee's chairperson reports on the results at the next board meeting. In December 2017 an evaluation was organised, which will be completed at the beginning of 2018.

Additional positions 2017

Ms Louise van Deth's other positions include Chairperson audit committee at FNV, Chairperson at Arts & Ex's, and Arts & Inspiration, Board Member at Funders Concerned about AIDS (FCAA), and, as of 22.02.2018, Supervisory Board Member at Nationaal Muziekinstrumenten Fonds (National Musical Instruments Fund).

Executive board remuneration

Advised by the remuneration committee, the Supervisory Board has established the remuneration policy, the level of executive board remuneration and other remuneration components. The policy is updated periodically. The last evaluation took place in May 2016.

In determining the remuneration policy and the remuneration, we follow the 'Regeling belonging directeuren van goede doelen ten behoeve van besturen en raden van toezicht' ('Scheme for the remuneration of directors of charities for the benefit of executive boards and supervisory boards'). Please refer to www.goededoelennederland.nl.

On the basis of workload criteria, the scheme sets a maximum standard for the annual income. Leeuwendaal assessed the position, using the ODRP job evaluation system, leading to a BSD-score of 465 points, with a maximum annual income of 129,559 Euros (1 FTE/12 months). Prior to the assessment, the actual executive board income of Louise van Deth was 112,231 Euros (1 FTE/12 months). The remuneration remained below the appropriate maximum income.

The annual income, taxed allowances/additions, employer's pension contribution, pension compensation and other remunerations for Louise van Deth amounted to € 134,569 and remained well within the maximum annual amount of € 181,000 established in the scheme.

The total remuneration, including social insurance and pension costs, remained below the appropriate maximum amount, as stipulated in the scheme. The ratio between the annual income

and the taxed allowances/additions, employer's pension contribution and other remunerations was fair.

The amount and composition of the remuneration is further explained in the income and expenditure statement in the annual accounts.

2.2.3 Works Council

The Works Council represents the interests of employees. In addition to responding to requests for advice and assent from the Executive Board, in 2017 the Works Council continued to work on implementing its vision and acting on its priorities. The vision describes the following core values: justice, integrity, sincerity, efficiency, uniformity. We adopt the core values in our work and in the relationship with the Executive Board and our colleagues.

Requests for advice and assent

The theme of the year 2017 for the organisation, and consequently also for the Works Council, was the new organisational strategy. Collaboration is central in the development of the new strategy. As much as possible, everybody in the organisation was actively involved in the process. The Executive Board also actively involved the Works Council in the decision making process. Procedurally, the Works Council was involved through a request for advice concerning the selection of external advisers and the intended relocation of the organisation. In both cases, the Works Council gave a positive advice. Concerning the intended relocation, we issued a positive advice provided further investigation will clarify how we can optimise our accommodation and location for the short and long term to support the best way of working and collaborating to achieve our strategic objectives. We are explicitly focused on the consequences for the staff and organisation, including shaping the new way of working, overall costs and cost efficient image. The Works Council gave a positive recommendation on the intended decision for the articulated assignment to an external consultant, as described in the request for advice, provided that a number of conditions are met.

In addition to the formal applications, the Works Council and the Executive Board have repeatedly discussed the organisational strategy and resulting activities during the meetings between the Works Council and the Executive Board.

There was special attention for the involvement of employees, the effect on employees and the chosen approach. In 2018 we will continue paying attention to these issues.

The Works Council has received the following requests for advice and assent. All received our positive response and our advice. These are: Request for advice for the assignment and selection leadership and organisation; request for advice for the intended relocation; request for assent for a list of requirements for the new Health and Safety Executive; request for assent 'Human Trafficking and Child Safe Guard'.

Actions of the Works Council

In 2017, the Works Council has used its right of initiative several times. These are themes we consider important for the employees and organisation. In 2017, we have submitted the following three initiative memos: implementation of the per diem scheme, travel expenses for commuting allowance, and safety during business trips. The Executive Board has received the memos and is considering how to adjust and execute them. We have also agreed with the Executive Board to cancel mandatory days off as from 2018. Besides standard holidays, everyone can decide for themselves when to take leave.

Contact with colleagues and the Supervisory Board

The Works Council has sent two updates to employees in 2017. We organised a get-together where we collected input on various subjects. Through the Intranet, employees can follow all activities of the Works Council. The Works Council regularly receives emails from employees, and members of the Works Council are approached on the work floor. The Works Council has also used the opportunity to meet with the Supervisory Board.

3. Finances, risks and implementation

3.1. EFFECTIVENESS AND EFFICIENCY

The foundation works with consecutive strategic long-term policy plans. These policy plans state for which goal the fundraised funds are meant, the amount of money needed per goal and how the funds will be spent.

Each year, a budgeted work plan is drawn up, that includes the intended results per policy strand and per project. The organisation records the cost percentage for fundraising, management and administration costs. The realisation is surveyable in quarterly reports and annual reports, and will eventually be published in the annual report.

The organisation's primary goal is to be able to realise the objectives as well as we can and spend the acquired resources. Of course it is necessary to build up a reserve that guarantees the organisation's continuity, in accordance with the Richtlijn Reserves Goede Doelen van Goede Doelen Nederland (Guidelines for Reserves at Charities of Charities Netherlands). The organisation manages its funds in a non-risky manner and has spread the risks.

The organisation continuously strives for optimal use of its funds, to ensure effective and efficient realisation of the objective. The project management system guarantees systematic monitoring and evaluation. A management information system is in place with quarterly and annual reports. In 2016, we introduced IATI (International Aid Transparency Initiative). This makes information even easier to access, understand and use.

The organisation has a risk analysis, where it has been established that the reserved resources for continuity (continuity reserve and other reserves) are ample. The organisation is permanently alert to risks in order to be able to respond adequately. In addition, risk analyses are carried out for all subsidy relations.

3.2. FINANCES

In 2017 there were no special events that need to be reckoned with in the Annual Accounts. For the financial policy, the financial position on the balance sheet date (solvency and liquidity), the cash flows and the financing requirement, reference is made to the notes in the Annual Accounts. This also applies to the analysis of the balance of income and expenses with an explanation of one-off income and expenses, and income and expenses from previous years. Risk management is also included in the Annual Accounts, with attention paid to the hedging of risks in intended transactions, in particular liquidity and cash flow risks. Finally, the Annual Accounts also mentions the policy regarding the size of reserves and funds, and the risk analysis for determining the size of the continuity reserve.

3.2.1. Change in accounting policy

As a result of the change in accounting policy, under RJ650 the income is only booked according to the type of legal entity from which the income originates, and how the income was acquired is no longer part of this. Due to this, the source of the income is presented unambiguously and transparently.

This means that in comparison with the previous financial year, 'Income from fundraising of third parties' is divided into 'Income from lotteries' and 'Income from other non-profit organisations'. The item 'Income from own fundraising' is divided into 'Income from private individuals', 'Income from businesses' and 'Income from other non-profit organisations'. On this basis, the income from the Bill and Melinda Gates Foundation is no longer booked under 'Income from own fundraising', but under 'Income from other non-profit organisations'. This also applies to the income from the Amsterdam Diner Foundation, which in the previous financial year, was partly booked under 'Income own fundraising'. From 2018, the income raised by lotteries needs to be booked in the year in which it was acquired. This will be applied from 2017 onwards.

Another consequence due to the change in accountancy policy is that the calculation of the fundraising costs has changed. Currently, all costs of activities aimed at inducing individuals, companies, lottery organisations, governments and other (fundraising) organisations to donate money for one or more of the objectives, are considered 'Recruitment costs income'. This means that the costs for publicity are included in the fundraising costs, unless these are information costs. Therefore, the 'Percentage of costs of own fundraising' has been replaced by 'Percentage of fundraising costs'.

Up to and including 2018, the usufruct is not included in the valuation of inheritances. From 2018, any rights of usufruct will be taken into account. As a result, the equity capital will be increased.

3.2.2. Income

The income in 2017 amounted to 51.3 million Euros. This is 7.3 million Euros more than in 2016, and 3.2 million Euros more than budgeted. In 2017 we have spent 48.5 million Euros on our objectives. This is 7.0 million Euros more than in 2016, and 0.2 million Euros more than budgeted. 1.2 million Euros of the 3 million Euros income increase is due to receipt of donor funds from the Robert Carr Civil Society Networks Fund (RCNF). In 2016 there was a delay in revenue. This was not taken into account in the 2017 budget. Payments to the grantees of financial aid of the RCNF are therefore also higher than budgeted in 2017. This is reflected in the expenditure of the Strong civil society objective. Approximately 1.5 million Euros is higher income from lotteries, of which Nationale Postcode Loterij awarded an extra 1 million Euros for the project Alarm Phase HIV in Eastern Europe and Central Asia.

3.2.3. Spending on objectives

The delay in 2016 at the start of the new partnership with the Dutch Ministry of Foreign Affairs has been mostly made up for. The PITCH programme has spent 0.7 million Euros more than budgeted in 2017. The expenditure of the RCNF programme was 2 million Euros above budget. The programme Subsidies spent 1.3 million Euros less than budgeted for grant allocations from our own funds. This sum has now been allocated to new projects, starting in 2018. As a result, total spending of the Strong civil society objective is 1.4 million Euros higher than budgeted.

1.3 million Euros was spent less than budgeted on the Fewer barriers for most affected objective. The Bridging the Gaps II programme started in 2016 and spent 0.4 million than budgeted. The project Hands Off! From the Sex Work programme also spent 0.4 million Euros less than budgeted. Due to delay of the start of the new projects 'Towards an AIDS Free Generation in Uganda 2' and 'Healthy Entrepreneurs Lake Victoria' spending at the HIV and Foreign Aid programme was 0.9 million Euros less than budgeted. On the other hand, Soa Aids Nederland (0.5 million Euros) and the other programmes (0.2 million Euros) spent more on the Fewer barriers for most affected objective.

Spending for the More People Tested, More scientific knowledge, and Advocacy objectives was consistent with the budget. In summary, spending that differed from the budget amounts to 0.1 million Euros: 1.4 million Euros was overspent on Strong civil society, 1.1 million Euros was spent less on Fewer barriers for most affected, and 0.1 million Euros was overspent on the other objectives. The costs for fundraising are in accordance with the budget. In 2017, the Aids Fonds and STOP AIDS NOW brands have merged into the brand Aidsfonds.

The costs for management and administration are almost 0.2 million Euros higher than budgeted. Due to the growth of the number of programmes and the increasing requirements in compliance, project management and financial control, the organisation became stronger on these points. Compared to 2016, the percentage of management and administration costs has however decreased from 3.3% to 2.7%.

3.2.4. Income from fundraising

Income from private donations and charitable bequests is 0.5 million Euros lower than budgeted. Private donations are 0.1 million Euros lower and charitable bequests are 0.4 million Euros lower than was expected. Compared to 2016, donations are 0.9 million Euros lower and inheritances 0.2 million Euros lower. In the long-term perspective, income from inheritances shows a slight upward trend, while income from donations shows a slight downward trend. Income from inheritances is unpredictable and can vary considerably from year to year.

Income from businesses is 0.5 million Euros lower than budgeted. Income from lottery organisations is 1.5 million Euros higher, partly due to the increase

of nearly 0.3 million Euros of the annual donation from the Nationale Postcode Loterij. This had not yet been included in the 2017 budget. In addition, the Nationale Postcode Loterij granted an extra donation of nearly 1.1 million Euros for the project Alarm Phase HIV in Eastern Europe and Central Asia. The combined income from the Vriendenloterij (with earmarked lottery tickets) and the Nederlandse Loterij is 0.1 million Euros higher than budgeted. Income from non-profit organisations has increased with 1 million Euros compared to the budget. This is because the AmsterDamDiner raised 0.4 million Euros more than expected and because of the 0.3 million Euros donation from the Bill & Melinda Gates Foundation for the new project Strengthen and Sustain Dutch Engagement in ODA for Health. We received a total of 0.3 million Euros in additional donations from other organisations.

3.2.5. Result and reserves

The result was a negative of 0.8 million Euros, while a negative result of 4.1 million Euros was budgeted. Each year we create special-purpose reserves and funds for proceeds with a specific designation, that have not yet, or only partly, been spent. Spending of these funds leads to a negative result.

For the new Kenya Double Transition project, 1 million Euros was made available in the 2017 budget, but the project doesn't start until 2018. This means the sum has been added to the special-purpose reserve for this specific project on 31 December 2017. The Alarm Phase HIV in Eastern Europe and Central Asia project, for which the Nationale Postcode Loterij donated nearly 1.1 million Euros, will also commence in 2018. For this project, a special-purpose fund has been created. For the 'Towards an AIDS-Free Generation in Uganda 2' project expenditure was 0.7 million Euros lower because starting up takes more time than anticipated. The spending of a number of other projects that are funded through the reserves, has fallen by 0.5 million Euros.

3.2.6. Financial indicators

93 percent of total expenses was spent directly on the objectives. The spending percentage in relation to the total income was 95 percent.

The financial indicator of the 'Cost percentage of own fundraising' has expired due to the new classification of fundraising costs. Instead,

the fundraising financial indicator is given as a percentage of the total income. In 2017, this was 4.9 percent (in 2016: 4.8 percent).

With 2.7 percent, the cost percentage of management and administration is 0.6 percentage point lower than in 2016. The organisation applies 3 to 6 percent of the total costs as standard for the costs of management and administration. Compared to partner organisations, the percentage is relatively low.

3.2.7. Future

Spending on the objectives in 2018 has been budgeted at 49.2 million Euros, compared to 48.6 million Euros in 2017.

Private fundraising continues to be under pressure. Our Advocacy activities are mainly aimed at putting HIV and AIDS higher on the agenda and to persuade people of the urgency. As long as the public sees AIDS as another chronic illness that is rampant far away from their own life, fundraising will remain difficult. The International AIDS Conference 2018 in Amsterdam is an excellent opportunity to generate a lot of attention and to create a broad sense of urgency.

Our strategic partnerships with the Ministry of Foreign Affairs, PITCH, and Bridging the Gaps represent a substantial part of our spending. In 2018, these programmes are halfway through and the first results will become visible. We will then need to come up with a fundraising strategy for our organisation after the year 2020. Much depends on the new government policy on international collaboration, which will be published in 2018.

We act as fund manager for the Robert Carr civil society Networks Fund. In 2018 it will become evident if donors are willing to invest in another funding round, and if we will be able to recruit new donor countries. The donors will announce their new contribution around the time of the International AIDS Conference in 2018 in Amsterdam.

3.3. RISK MANAGEMENT

No organisation operates without risk, but we do strive to limit the risk of not attaining our objectives as much as we can. In 2018, steps will be taken to better define our risk appetite, so that employees have clearer guidelines to handle risks. By this we want to take strategic risks and reduce unnecessary risks.

3.3.1. Our income

We are constantly at risk that our income is lower, or paid later, than anticipated. The developments are closely monitored, and we don't transfer any money to our partners until we have actually received the money from our donors. We are also constantly exploring alternative ways of setting up and funding our projects.

3.3.2. Our staff

In addition to funds, our employees are our organisation's capital. We aim to make a good match between tasks and talents, so our employees can make use of their talents, do what they're good at and enjoy their work. We invest in education and development, and focus on being and staying healthy at work.

3.3.3. Our strategy

With the 'Setting Milestones Strategy 2014-2017' we have determined how to achieve our objectives. We are constantly looking for new developments that require a reconsideration of our strategy. We also involve scientific and evaluation research to check if our strategy is implemented appropriately and has the desired effect. Based on this, we developed the long-term plan 'No time to lose: focus, accelerate and boost our efforts' for the period 2018-2021, which was adopted by the Supervisory Board in 2017.

3.3.4. Soa Aids Nederland

During the external consultation held in 2015, positive appreciation was expressed about us as the principal knowledge and expertise centre in the field of STI and HIV, about our innovative communication and intervention strategies, our access to specific groups most affected, our extensive network and

our lobbying capabilities. At the same time, these stakeholders asked for more consistency in our approach in the field and for more impact. We have realised this by stronger focus on two main themes in HIV and STI prevention: eHealth and people with low health literacy. In collaboration with the GGDs (Municipal Health Services), we have established an annual agenda that includes regional visits with tailor-made workshops and theme-based gatherings.

We then carried out an exploratory study among GGDs (Municipal Health Services) to dovetail our approach with their wishes and customise our support. Internally, we also looked at how we can increase the impact of our work.

3.3.5. Our partners

We carefully select the organisations we subsidise. We choose to support groups or group networks that are exposed to HIV and STI. That is the most effective way of fighting HIV and STI and guaranteeing sexual and reproductive rights. In many countries, these groups are discriminated and marginalised, which hinders their organisational development. Sometimes these organisations are not yet mature or strong, which makes it risky to work with them.

With our many years' experience in grant awarding, we have a great deal of knowledge and experience to early detect and tackle mismanagement and fraud. In close collaboration with the relevant partner, we will suggest adjustments where necessary and engage an independent accountant to determine whether it is indeed a matter of fraud or mismanagement.

Sometimes, the accounts are correct, but the organisation's financial capacity is very weak and the financial system that is being used insufficiently adequate. We help these organisations improve their accounts.

In case of actual fraud or mismanagement at the organisation that we subsidise, we can reclaim the money and, if appropriate, we will prosecute.

3.3.6. Integrity violation

The organisation also has an anti-fraud and anti-corruption policy, called 'Policy on fraud, corruption and mismanagement', that relates to our external relations. In 2017, the codes of conduct against human trafficking and exploitation of children were added to the integrity policy. This was announced on our websites. Employees are trained to effectively use these instruments.

In recent years we have not detected any cases nor received any reports of exploitation or sexual misconduct. There were, however, some incidents of a financial nature. Three older cases were closed at the beginning of 2017. In two cases, there was no fraud, but financial incompetence. In a third case we were only involved indirectly, because after forensic auditing, our alliance partner Global Network of People Living with HIV established and dealt with fraud at one of their direct partners. Our risk with regard to alliance partners is stipulated in a contract. In 2017, we identified one case of fraud at a local partner. The partner has filed a complaint against the employee and the money has been partially recovered. Our donor has reduced their contribution. In a second case, at one of our partners, no fraud was found but there was an unresolvable conflict between the board and the employees. Hereupon the agreement with this partner and alliance has been reformulated. The third case involved fraud by a partner in relation to another alliance partner, International HIV/AIDS Alliance. The latter has dealt with the fraud. We have, however, tightened up the supervision of this partner and we took preventive measures.

3.3.7. Our target groups

We often work with groups who are vulnerable and at risk, including gay men in countries where homosexuality is a crime, or sex workers, who are liable to punishment in many countries. This means we need to protect the identity of our target groups and partners, but we also want to be transparent. That is a challenging balance. Since 2016, we are publishing all our activities according to the IATA standard on the internet. To protect vulnerable people, we apply guidelines that determine which information may and may not be made public.

3.3.8. Our organisation

We are ISO 9001 Partos certified and operate according to the internally agreed ISO procedures to guarantee the quality of our work and to overcome risks.

3.3.9. Laws and regulations

The most important change in laws and regulations is the introduction of the General Data Protection Regulation that will take effect on 25 May 2018. In 2016, the organisation has started to prepare for the General Data Protection Regulation, including revision and renegotiation of processing agreements and establishment of a register. This work was continued in 2017. A stress and penetration test was also carried out on our ICT systems, which led to a few minor improvements. Our website's cookie policy and privacy statements were also renewed.

4. Statutory and other information

Legal form

De Stichting Aids Fonds – STOP AIDS NOW! – Soa Aids Nederland has its seat in the municipality of Amsterdam. The foundation works from one shared vision, mission and strategy, and communicates through the brands Aidsfonds and Soa Aids Nederland.

Statutory objectives

The foundation's statutory objectives are:

- Stimulating and increasing the extent and quality of the Dutch contribution to 1. the national and international fight against HIV/AIDS and other STI and 2. the support and care for people living with HIV/AIDS or other STI;
- The continuation and further development of the objectives of the foundations from which the foundation originated: Stichting Aids Fonds – Soa Aids Nederland, Stichting STOP AIDS NOW! and Stichting Aids Fonds – STOP AIDS NOW! – Soa Aids Nederland (formerly Stichting Werkmaatschappij Soa Aids);
- And everything that is directly or indirectly related to this or may be conducive to any of the aforementioned.

The foundation tries to achieve its objectives by:

- Advocacy: to further develop and encourage the implementation of the national and international AIDS and STI policy;
- Fundraising: to develop and execute fundraising activities to finance concrete activities for the national and international fight against HIV/AIDS and other STI;
- Fund spending: to provide financial support to activities of organisations active in HIV/AIDS and/or STI related care, prevention and research;
- Education: to promote involvement of Dutch society with people living with HIV/AIDS and other sexual transmitted diseases and the related policy, for example through education, advice and organisation of gatherings;

- Realisation: to develop and realise programmes aimed at the public, or specific groups from the public, professionals and governments..

Registration at Chamber of Commerce

Aidsfonds is registered with the Chamber of Commerce and Industry for Amsterdam under registration number 41207989.

Inheritance Tax Act 1956

Aidsfonds is considered to be an Algemeen Nut Beogende Instelling (ANBI) (Public Benefit Organisation) by the Tax Inspector, as referred to in article 24, paragraph 4 of the Successiewet 1956 (Inheritance Tax Act 1956) (RSIN 008649273).

Contact

Stichting Aids Fonds – STOP AIDS NOW! – Soa Aids Nederland
Keizersgracht 392
1016 GB AMSTERDAM
020-6262669

B. 2017 ANNUAL ACCOUNTS

Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland

With registered office in Amsterdam

24 april 2018

These annual accounts are a translation from the Dutch version.
In case of any interpretation discrepancies, the official Dutch version prevails.

Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland

These are the annual accounts of the Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland (the foundation). For a description of the activities of Aidsfonds and Soa Aids Nederland and how they are accounted for, please see their annual report. The operations are broken down by label in Annex 1.

As of 2017, the activities of the labels Aids Fonds and STOP AIDS NOW! are going forward together under the name Aidsfonds. The operations per label (Annex 1) have been adjusted to reflect this.

New Dutch reporting guidelines (RJ 650) apply as from 2017. The most significant changes are a different classification of income and different presentation requirements for fundraising costs and for finance income and expense.

To allow the 2017 figures to be compared with those of 2016, in these annual accounts the figures for 2016 are presented according to the new guidelines. As a result, some of the amounts and key figures may differ from the ones published in the 2016 annual accounts. The Direct Fundraising Cost Percentage key figure has been eliminated as a result of the new income accounting structure and fundraising costs structure.

For the 2018-2021 period, we have adopted a new strategy: No time to lose - accelerate, focus and boost our efforts now. We have developed five new strategic ambitions. We will be budgeting and reporting based on these new ambitions starting in 2018 (see Annex 3 for the 2018 budget).

2017 KEY FIGURES

(in euros x 1,000)	Actual 2017	Budget 2017	Actual 2016*
Total income	51,283	48,039	43,955
Expenditure:			
Spent on the objective	48,489	48,403	41,621
Costs of raising funds	2,535	2,555	2,125
Costs of management & administration	1,430	1,252	1,488
Total expenditure	52,454	52,210	45,234
Net income/(expenditure) before net finance income/(expense)	-1,171	-4,171	-1,279
Net finance income/(expense)	583	70	-44
Total net income/(expenditure)	-588	-4,101	-1,323
Spending percentage (spent on the objective)			
as a percentage of total income	94.6%	100.8%	94.7%
as a percentage of total expenditure	92.4%	92.7%	92.0%
Cost percentage of management & administration	2.7%	2.4%	3.3%

* Actual 2016: the 2016 income structure was adapted to the most recent RJ 650 for the purposes of comparison. In 2016, net finance income or expense was accounted for in the income.

Under the new income structure, expenditure as a percentage of income in 2016 fell from 94.8% to 94.7%.

As a result of the new structure, the direct fundraising cost percentage has been eliminated.

Income and expenditure

The income in 2017 was €51.3 million. This is €7.3 million more than in 2016 and €3.3 million more than budgeted.

Total expenditure in 2017 was €52.5 million. This is €7.2 million more than in 2016 and €0.2 million more than budgeted.

Money received from the donors for the Robert Carr Civil Society Networks Fund (RCNF) accounted for €1.5 million of the over €3 million in higher income. In 2016, there was a delay in receipt of the funds. This was not taken into account in the 2017 budget. As a result, payments to the grantees of the RCNF were higher than budgeted in 2017. This can be seen in the expenditures in the objective Strong civil society. Approximately €1.5 million was higher income from lotteries, of which over €1 million extra was given by the National Postcode Lottery for the project 'HIV alarm phase in Eastern Europe and Central Asia'.

2016's delay in the startup of the new strategic partnerships with the Ministry of Foreign Affairs was largely caught up. The PITCH programme spent €0.8 million more than budgeted in 2017.

Expenditure on the RCNF programme was €2 million higher. In the Subsidies programme, €1.3 million less than budgeted was spent on grant funding from the foundation's own resources. At this point, this money has been earmarked for new projects to be launched in 2018. As a result, total expenditure on Strong civil society was €1.4 million higher than estimated.

Expenditures towards the objective Fewer barriers for most affected were €1.3 million lower than estimated. The Bridging the Gaps II programme (launched in 2016) spent €0.7 million less than estimated. Expenditures in the Hands Off! programme in the Prostitution project were also €0.4 million lower. Expenditures in the programme HIV & Development Cooperation were €0.9 million lower, due to delays in the startup of the new projects TAFU2 and HE Lake Victoria. This is offset by the fact that Soa Aids Nederland spent €0.5 million more, and the other programmes €0.2 million more in all on the objective Fewer barriers for most affected.

For the objectives More Testing, More scientific knowledge and Advocacy, expenditures were more or less in line with the forecast.

In sum, the discrepancies between the expenditures and the budget was a total of €0.1 million: €1.5 million more spent on Strong civil society, €1.3 million less spent on Fewer barriers for most affected, and €0.1 million more spent on the other objectives.

The costs of fundraising were in line with the budget. As of 2017, the labels Aids Fonds and STOP AIDS NOW! are going forward together under the label Aidsfonds.

Management and administration costs were nearly €0.2 million higher than budget. Due to the growth of the number of programmes and the increasingly demanding requirements in the areas of compliance, project management and financial governance, additional resources went towards these aspects. Despite this, the percentage cost of management and administration declined from 3.3% in 2016 to 2.7% in 2017.

Income from fundraising

The fundraising from private donors was €0.4 million below budget. Donations were €0.1 million lower, and bequests were €0.3 million lower

This was €0.9 million lower than 2016 in donations and €0.1 million lower in the bequests. Looking at it from a multi-year perspective, we saw the income from bequests increase slightly and the income from donations in slight decline. The income from bequests is not predictable and can differ significantly from year to year.

The income from companies was €0.5 million below budget. The income from lottery organisations was €1.5 million higher than budget.

This was due in part to the increase in the annual contribution from the National Postcode Lottery by nearly €0.3 million. This had not yet been included in the 2017 budget. In addition to this, the National Postcode Lottery extended an extra contribution of nearly €1.1 million for the project 'HIV alarm phase in Eastern Europe and Central Asia'. Total income from the *Vriendenloterij* ('Friends Lottery') (with specially earmarked lots) and the Netherlands Lottery was €0.1 million higher than budget. The income from nonprofit organisations increased by €1 million as compared with the budget because the Amsterdam Diner raised €0.4 million more, and the additional €0.3 million contribution from the Bill & Melinda Gates Foundation for the new project "Strengthen and sustain Dutch

engagement in ODA for Health". From all other organisations, we received a total of €0.3 million in extra contributions.

Net loss, reserves

We ended the year with a net loss of €0.6 million, this in contrast to the net loss of €4.1 million that had been projected. Every year, we form special-purpose reserves and earmarked funds for items of revenue that are specifically labelled but have not yet (or have only partially) been disbursed. Expenditures from these provisions result in a loss. For the new project Kenya Double Transition, €1 million had been set aside from the 2017 budget, but that project starts in 2018, as a result of which this amount was added to the special-purpose reserve for this project as per 31 December 2017. The project 'HIV alarm phase in Eastern Europe and Central Asia' will also be starting in 2018. For this project the National Postcode Lottery provided nearly €1.1 million, which will be placed in an earmarked fund. Spending on the TAFU2 project remains behind expectations at €0.7 million, because the launch of the project took longer than expected. Expenditures from a number of other projects that are financed collectively from the reserves also remained below expectations, at €0.5 million.

Key figures

A total of 92% of the aggregate expenditures went towards the objective. The expenditures percentage as compared with the total income was 95%.

The proportion of expenditures accounted for by management and administration was 2.7%, down 0.6 percentage points from 2016. Compared with similar organisations in the sector, this figure can be considered relatively low. Among major fundraising organisations taking part in the 2016 Transparency Prize, management and administration costs accounted for 5.2% of aggregate expenditure on average.

Net finance income

Net finance income was €0.6 million, consisting of €0.1 million in interest income and €0.5 million in exchange rate differences. The exchange rate differences were almost entirely attributable to the RCNF programme.

Post-balance sheet events

There were no events after the balance sheet date with an effect on the 2017 annual accounts.

Multi-year overview

(in euros x 1,000)	2017	2016*	2015*	2014*	2013*
Total income*	51,283	43,955	41,312	42,430	36,275
Expenditure:					
Spent on objective	48,489	41,621	37,871	37,301	34,038
Costs of fund raising	2,535	2,125	2,340	2,726	2,516
Costs of management & administration	1,430	1,488	1,318	1,246	1,143
Total expenditure	52,454	45,234	41,529	41,273	37,697
Net income/(expenditure) before net finance income/(expense)	-1,171	-1,279	-217	1,157	-1,422
Net finance income/(expense)	583	-44	351	-115	436
Total net income/(expenditure)	-588	-1,323	134	1,042	-986
Spending percentage (spent on the objective)					
as a percentage of total income	94.6%	94.7%	91.7%	87.9%	93.8%
as a percentage of total expenditure	92.4%	92.0%	91.2%	90.4%	90.3%
Cost percentage of management & administration	2.7%	3.3%	3.2%	3.0%	3.0%

* The income from 2016 and previous years do not include finance income or expense, in accordance with the new RJ 650.

Future

The expenses on the objectives are estimated at €49.2 million for 2019 (actual spending in 2017 was €48.6 million).

2018 is the first year that the new strategy 'No time to lose' is operational. With this strategy, our objective is to accelerate and focus on concrete HIV and STI objectives both nationally and internationally. Nationally, our ambition is to achieve a drastic reduction in the six major STIs, including a target of zero new HIV infections. Internationally, we are endorsing the Sustainable Development Objectives and the major international objective of achieving the end of AIDS in 2030.

The strategic partnerships with the Ministry of Foreign Affairs, PITCH and Bridging the Gaps, are a substantial component of our international expenditures. These programmes are at the halfway point and are starting to show their results. In 2018, we will formulate a detailed new strategy on fundraising after 2020, which is when the Ministry's new financing cycle begins. In 2018, the new Minister of Development Cooperation and Foreign Trade will be announcing her new policy, which will also serve as the basis for the spending on the priority SRHR/HIV/AIDS. 2018 is an important year for RCNF, because it will be the year we learn whether existing donors are willing to reinvest in the following funding round and whether we discover whether we are capable of winning new donor countries. There will be a donor meeting in association with the International AIDS Conference in Amsterdam in July 2018, in which the donors will be announcing their new donation packages.

The National Action Plan on sexual health will come to the conclusion in 2018 and the ASG scheme will be evaluated. We will be concretely pursuing our national ambitions under the new strategy.

Pressure on fundraising from private donors continues. Our Advocacy activities are primarily focused on getting AIDS higher on the agenda and getting the urgency across to a broader public. As long as that public continues to experience AIDS as just another chronic disease that is only happening somewhere else, fundraising among the general populace is an uphill battle. The international AIDS conference in Amsterdam is a good opportunity to generate a great deal of attention, and so is a chance to make progress in conveying that urgency.

BALANCE SHEET AS AT 31 DECEMBER 2017

(in euros x 1,000)	Note	31 December 2017	31 December 2016
Assets			
Tangible fixed assets	1	1,305 ¹	1,431 ¹
Intangible fixed assets	2	196 ¹	238 ¹
Receivables	3	5,836 ¹	6,146 ¹
Cash and cash equivalents	4	32,492 ¹	31,770 ¹
Total assets		39,829¹	39,586¹
Liabilities			
Reserves and funds			
<i>Reserves</i>			
Continuity reserve	5	2,805	2,759
Special-purpose reserves	6	7,322	7,157
Other reserve	7	845	1,197
		10,972 ¹	11,113 ¹
<i>Funds</i>			
Earmarked funds	8	1,818 ¹	2,265 ¹
		12,790 ¹	13,378 ¹
Provisions	9	112 ¹	112 ¹
Long-term liabilities	10	2,172 ¹	1,351 ¹
Current liabilities	11	24,755 ¹	24,745 ¹
Total liabilities		39,829¹	39,586¹

STATEMENT OF INCOME AND EXPENDITURE FOR 2017

(in euros x 1,000)		2017 actual	2017 budget	2016 actual*
Income:				
Income from private donors	12	9,674	10,097	10,775
Income from business donors	13	19	545	527
Income from lottery organisations	14	4,689	3,100	3,600
Government funding	15	35,116	33,507	27,229
Income from other non-profit organisations	16	1,633	631	1,610
Total fundraising income		51,131	47,880	43,742
Income as performance in kind for products and/or services	17	152	159	213
Total income		51,283	48,039	43,955
Expenditure:				
Expenditure on objectives				
More people tested	18	5,861	5,963	5,006
Fewer barriers for most affected	19	15,916	17,235	15,292
Strong civil societies	20	20,636	19,144	14,528
More scientific knowledge	21	1,781	1,712	2,646
Advocacy	22	4,295	4,349	4,150
		48,489	48,403	41,621
Costs of fund raising	23	2,535	2,555	2,125
Management & administration	24	1,430	1,252	1,488
Total expenditure		52,454	52,210	45,234
Net income/(expenditure) before net finance income/(expense)		-1,171	-4,171	-1,279
Net finance income/(expense)	25	583	70	-44
Total net income/(expenditure)		-588	-4,101	-1,323
Appropriation of result				
Addition to/withdrawal from:				
- continuity reserve		46	0	93
- special-purpose reserves		165	-2,090	992
- other reserve		-351	-210	-796
- earmarked funds		-448	-1,801	-1,613
		-588	-4,101	-1,323

* Actual 2016: the 2016 income classification was adapted to the most recent RJ 650 for the purposes of comparison.

CASH FLOW STATEMENT

(in euros x 1,000)		2017	2016
Cash flow from operating activities			
		-588	-1,323
Adjustments for:			
- Depreciation	1	230	222
- Reserves and funds		0	0
- Changes in provisions	8	0	47
- Changes in long-term project obligations	9	821	-1,303
Changes in working capital:			
- Changes in other receivables and prepayments/accrued income	2	310	-1,483
- Changes in other payables, accruals and deferred income	10	10	7,742
Total		784	3,901
Cash flow from investing activities	1	-62	-295
Cash flow from financing activities		0	0
Movement in cash and cash equivalents		722	3,606
Cash and cash equivalents at 1 January		31,770	28,164
Cash and cash equivalents at 31 December		32,492	31,770
		722	3,606

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

The investing activities pertain to the tangible and intangible fixed assets.

The numbering refers to the notes to the balance sheet as at 31 December 2017.

ACCOUNTING POLICIES

Place of establishment

The Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland has its place of establishment at Keizersgracht 392 in Amsterdam. The foundation is registered in the trade register of the Chamber of Commerce under number 41207989.

Activities

The activities of Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland are built around five objectives that we believe can lead to a world without HIV/AIDS and other STIs. These are:

- 1 More people tested for HIV and other STIs
- 2 Fewer barriers for most affected
- 3 Strong civil society
- 4 More scientific knowledge
- 5 Advocacy

For the 2018-2021 period, we have adopted a new strategy: No time to lose - accelerate, focus and boost our efforts now. From 2018 on, we will be working towards the following strategic objectives:

- 1 Radical reduction in the Big Six STIs and zero new HIV infections in the Netherlands
- 2 < 200,000 new HIV infections globally
- 3 Everyone living with HIV worldwide receiving treatment
- 4 A cure for HIV
- 5 Awareness, support in society, and full funding of the AIDS and STI response

General

The annual accounts have been prepared in accordance with the legal requirements and the mandatory stipulations of the Reporting Guidelines issued by the Dutch Accounting Standards Board, including Guideline 650 for fundraising institutions.

New Dutch reporting guidelines apply as from 2017. As the result of this change in system, under RJ 650, income is now attributed only to the type of legal entity from which it originates, and the way in which the income was generated no longer plays a role. This makes for a clearer and more transparent presentation of the source of the income. The annual accounts have been prepared in accordance with the new guidelines.

This means that a number of things are different from the previous financial year: 'income from third-party fundraising' has been broken down into two items, 'income from lottery organisations' and 'income from other non-profit organisations'. The 'income from direct fundraising' is broken down into 'income from private donors', 'income from companies' and 'income from other non-profit organisations'. Based on this new structure, the income from the Bill and Melinda Gates Foundation is no longer accounted for under 'income from direct fundraising', but under 'income from other non-profit organisations'. This also applies for the income from the Amsterdam Diner Foundation, which in the past financial year was partially accounted for under 'income from direct fundraising'.

Another consequence of the change of system is that the calculation of the costs of fundraising is different. Now, all costs of activities with the object of inducing private donors, companies, lottery organisations, public bodies and other fundraising organisations to give money to one or more of the causes are classified as 'costs of fundraising income'. This means that the costs for publicity are classified as costs of fundraising income, unless they can be

classified as PR costs. Because of this change, the 'percentage of costs of direct fundraising' has been replaced by 'percentage of fundraising costs'.

The annual accounts have been prepared under the historical cost convention..

The balance sheet has been prepared after appropriation of the result.

Comparison with previous year

The annual accounts have been prepared in accordance with the new reporting guidelines. To allow the 2017 figures to be compared with those of 2016, in these annual accounts the figures for 2016 are presented according to the new guidelines. As a result, some of the amounts and key figures may differ from the ones published in the 2016 annual accounts. This is explained in more detail in the individual sections.

Apart from this, the accounting policies are the same as applied in the previous year, with the exception of the applied changes to calculation system and estimates as set out in the sections above.

Use of estimates

The preparation of the annual accounts requires that the board of the foundation make judgments, estimates and assumptions that are of influence on the application of principles and the reported value of assets and liabilities, and income and expenditures. The actual results may differ from these estimates. The estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are accounted for in the period to which the estimate pertains and in future periods if affected by the revision.

Currency

The annual accounts are prepared in euros; this is both the functional and presentation currency of the Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland.

Transactions in foreign currency during the reporting period are included in the annual accounts at the rate on the transaction date.

Monetary assets and liabilities in foreign currency are converted to the functional currency at the exchange rate applicable on the balance sheet date. The translation differences resulting from the settlement and conversion are recognised in the statement of income and expenditure. There are no non-monetary assets in foreign currency.

Translation differences arising in the settlement or conversion of cash items are recognised in the statement of income and expenditure in the period in which they arise.

Principles for valuing assets and liabilities

Unless otherwise stated, assets and liabilities are stated at cost.

Business premises and other tangible fixed assets are stated at cost less depreciation on a straight-line basis over their estimated useful lives.

Impairment losses on tangible fixed assets

On every balance sheet date, the Foundation evaluates whether there are indications that a capital asset may be subject to impairment. If there are any such indications, the recoverable value of the asset is determined. If it is not possible to determine the recoverable value of the individual asset, then the recoverable value is determined from the cash flow-generating unit to which the asset belongs.

Impairment is defined as when the carrying amount of an asset is higher than the recoverable amount; the recoverable amount is the higher of the fair value less costs to sell and its value in use. Impairment losses recognised directly in the statement of income and expenditure, with simultaneous lowering of the carrying amount of the asset in question.

The foundation has determined that in view of the fact that the most significant assets are buildings that are written down annually, and in consideration of the value trends on the property market in Amsterdam, there is no reason for any impairment.

Financial instruments

Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland does not utilise complex financial instruments. Financial instruments comprise exclusively receivables, cash and cash equivalents, accounts payable, and other payable items.

Upon initial recognition, financial instruments are accounted for at fair value. After initial recognition, the financial instruments are valued in the manner described below. The fair value approaches the book value.

Interest and cash flow risks are extremely limited. The foundation has no interest-bearing long-term liabilities. Likewise, the credit risks are extremely limited. All liquid assets are held with 'systemic banks' in the Netherlands.

Receivables are stated at fair value of the counter-performance at the time they are first accounted for. Trade receivables are stated at amortised cost after initial recognition. If payment of the receivable is deferred on the basis of an extended agreed payment period, its fair value is determined on the basis of the cash value of the expected collections and recognised in the statement of income and expenditure on the basis of the effective interest revenues. Provisions for bad debt are deducted from the book value of the receivable.

Cash and cash equivalents consist of cash on hand and bank balances with a term of less than 12 months. Cash and cash equivalents are stated at face value.

Long-term liabilities are stated at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition of the long-term liabilities are accounted for on first recognition. Where necessary, long-term liabilities are valued at amortised cost after initial recognition, this being the amount received, taking into account any share premium or discount and net of transaction costs. The difference between the book value paid and the ultimate redemption value is accounted for in the statement of income and expenditures as interest charges, on the basis of the effective interest rate over the estimated term of the long-term liabilities.

Short-term liabilities are stated at fair value on initial recognition.

Valuation of bequests

The valuation of bequests is subject to estimates, particularly when the foundation receives bequests with a value that fluctuates, such as investments and immovable property. As a result, the bequests receivables are approximated. For each bequest, a detailed analysis of the expectable revenue is made. These estimates are made conservatively. The analysis is revised periodically. Valuations are updated up until the preparations of the annual accounts.

The revenues from bequests are accounted for in the year in which the amount can be reliably determined.

Reserves and funds

The limited options for expenditure of the special-purpose reserves is determined by the board, and is not an obligation; the board may lift this restriction at its own initiative.

Special-purpose reserves are the resources acquired for a specific purpose designated by third parties.

Continuity reserve and equalisation reserve policy

Effective and efficient application of the resources is central to the financial policy. Further, retaining assets to ensure the continuity of the organisation is a necessity.

For the activities under the label Soa Aids Nederland, we retain an equalisation reserve of 10% of the annual costs that fall under this label. This is the maximum that the funding institution, the Dutch National Institute for Public Health and the Environment (RIVM), allows. That is sufficient to cover potential financial risks. The chance that a substantial portion of the income of Soa Aids Nederland might suddenly dry up is very small. Any changes in the amount of the funding will be gradual and in dialogue with the funding institution. At the end of 2017, the equalisation reserve stood at €262,000.

For Aidsfonds, the organisation maintains a single continuity reserve of €2 million plus 10 per cent of the annual organisation costs. This puts the required reserve at €2.8 million. The addition of €46,000 at the end of 2017 brought the continuity reserve to that level.

Aidsfonds' income comes from multiple sources. Aidsfonds has substantial income from various different types of fundraising. In addition, the labels receive money from the Dutch government and foreign governments, as well as from private-sector funds including lotteries.

This spread of income sources effectively eliminates the risk of all income disappearing at the same time.

The income is offset by obligations with regard to personnel and organisation. Additionally, we enter into obligations with receivers of funding and cooperation partners.

Aidsfonds' P&O obligations are €8.1 million per year. This is approximately 15% of the income under the name Aidsfonds. The rest pertains to obligations towards funding recipients and partners. Virtually all obligations towards funding recipients and partners are entered into under the condition that we have actually received the money from our funders and donors. This means the risk of us being unable to meet our funding and project obligations as a result of a sudden drop of income is minimal. With a continuity reserve of €2.8 million, we have sufficient resources available to guarantee the continuity of the organisation in the event that one of our major sources of income disappears.

The continuity reserve falls within the set maximum of the 'Good Causes Reserves' guidelines of Charity Netherlands, as set out in the regulations of the Central Bureau on Fundraising (CBF). The maximum permitted continuity reserve according to these guidelines is one-and-a-half times the annual cost of the operating organisation of Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland. In view of the costs of the operating organisation, this maximum was €19.9 million in 2017.

Provisions

Provisions are created for legally enforceable or actual obligations existing on the balance sheet date when it is probable that a settlement will be required and the value of such payment can be reliably estimated. The provisions are measured at the best estimate of the expenditure required to settle the obligations at the balance sheet date. Provisions are measured at the face value of the expenditure that is expected to be required to settle the obligations, unless otherwise stated.

The provision for continued payment of salary in the event of illness is made up of obligations existing on the balance sheet date to make continued salary payments in the future to members of personnel who on the balance

sheet date are expected to continue to be permanently or partially unable to perform their work as a result of illness or occupational disability. This provision also includes any dismissal packages to be paid to these employees.

Basis for determining profit or loss

General

Profit or loss is calculated as revenue from products and services delivered less costs and other expenses for the year. The revenues on transactions are accounted for in the year in which they are earned.

The foundation does not generate any multi-year structural income of its own. Government funding is always allocated for a period of multiple years, and can in that sense be considered structural. The fixed contributions of lottery organisations are likewise also extended for a period of multiple years; alongside this source of income, the foundation also receives nonstructural extra contributions. Income from private individuals is partially structural, based on long-term direct debit commitments. Other income from private individuals, including income from bequests, and from companies and non-profit organisations, is largely nonstructural in nature.

Revenues from sales

Revenues from the sale of articles is shown with income, at gross profit. Gross profit is net turnover less the cost price of the articles sold. Net turnover is defined as revenue less discounts and taxes levied on the sales. Cost price is defined as the acquisition cost of the goods plus direct acquisition costs (paid to third parties) relating to the purchase and sale. The internal costs incurred by the foundation in this regard are accounted for as costs of fundraising.

Funding received

Funding received is recognised as income in the statement of income and expenditure in the year in which the expenses funded are incurred.

Funding extended

Aidsfonds provides funding from the money received from donors (income from fundraising) and from lotteries. Funding extended is recognised as expenses in the statement of income and expenditure at the moment that the funding obligation is entered into, provided that the foundation has actually received the financial resources for the funding from donors, lotteries and other capital providers.

For the Aidsfonds grants, this means in practice that funding obligations are only entered into once there is sufficient assurance that the money needed for the funding will be received from the donors and lotteries.

As fund manager of the Robert Carr Civil Society Network Fund (RCNF), Aidsfonds provides grants to international networks. On the basis of the financial commitments of the funders of the RCNF, Aidsfonds awards preliminary grant obligations to grantees under the explicit reservation of actual receipt of the financial resources from the funders.

For this reason, the grant obligations undertaken towards the grantees are only recognised as expenses at the moment that the financial resources are received from the funders of the RCNF.

Financial transfers from government-funded international programmes

Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland conduct a number of multiyear international programmes that are fully or partially financed by government funding. This includes the strategic partnerships with the Ministry of Foreign Affairs. This involves multiyear commitments on content and funding made between Aidsfonds and the governmental bodies in question.

For the performance of these programmes, the foundation enters into multiyear contracts with partners, which include the commitments on financial transfers from Aidsfonds to these partners. These financial transfers are recognised as expenses in the statement of income and expenditure at the moment that the funds are actually transferred by way of advance from Aidsfonds to the partner organisations *and* the governmental body in question has transferred the funding to Aidsfonds.

Cost allocation

Costs are allocated to the objective, fundraising income, and management and administration on the basis of the following standards:

- directly allocatable costs are allocated directly.
- the administration costs of the internal organisation are allocated to the objective, fundraising income, and management and administration by means of the time accounting linked to an hourly rate.

Operating costs of internal organisation

Administration costs of the internal organisation comprises personnel costs, cost of accommodation, and office and general costs including depreciation. The apportionment of the administration costs of the internal organisation over the programmes and projects is on the basis of the actual hours charged to the programmes and projects.

Remuneration of staff

Personnel remuneration (wages, social insurance charges, etc.) are not a separate line in the statement of income and expenditure. These costs are shown within other components of the statement of income and expenditure. Further information can be found in the explanatory note to the cost allocation provided in the annual accounts. Wages, salaries and social insurance charges based on employment conditions are recognised in the statement of income and expenditure insofar as they are owed to employees or the tax authorities.

The Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland pension fund is placed with the pension fund for the care and welfare sector (*Pensioenfonds Zorg en Welzijn*). The premiums are accounted for as personnel costs as soon as they are incurred. The premiums paid in advance are accounted for as prepayments and accrued income if this leads to repayment or a reduction of future payments. Premiums not yet paid are accounted for on the balance sheet as a liability. Apart from the premium payments, there are no other liabilities.

Costs of management & administration

Costs of management and administration are the costs that the organisation incurs in the context of the (internal) control and administration measures and which are not allocated to the objective or fundraising income.

Charity Netherlands has drafted recommendations for the application of this guideline. Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland follows these recommendations, and has adopted the following components into the management and administration item:

- management: administration costs for the board members and managers, insofar as these are not incurred directly as part of the objective, in accordance with the timekeeping.
- operations: administration costs for the Services team (facilities, event organisation), insofar as these are not incurred directly as part of the objective, in accordance with the timekeeping.
- finance/controlling.

The organisation strives to keep the costs of management and administration to within 3-6% of total expenditure. The administration costs of the departments Personnel, IT, Documentation, and Quality & Learning are allocated to the objective, to fundraising, and to management and administration in proportion to the staffing of each unit.

Leases and operational lease contracts

There may be rental contracts and leases in which a large portion of the risk and rewards of ownership are not borne by the organisation. These are accounted for as rent or operational leasing. Rent and lease payments are recognised in the statement of income and expenditure on a straight-line basis over the term of the contract, taking into account the reimbursements received from the lessor.

Financial income and expenses

Interest income and expenses

Interest income and expenses are accrued on a time basis, taking into account the effective interest rate for the assets and liabilities in question.

Exchange rate differences

Exchange rate differences arising in the settlement or conversion of cash items are recognised in the statement of income and expenditure in the period in which they arise.

Costs of fundraising and awareness-raising

48.8% of the costs involved in private donor fundraising qualify as costs for the objective (information campaigning for awareness-raising). For Aidsfonds, knowledge about AIDS issues and engendering social involvement are important elements of achieving the objectives. For this reason, fundraising activities include attention to information campaigning and awareness-raising. The allocation of costs to fundraising and to information campaigning/awareness-raising is based on the most factual possible assessment of this interrelationship.

The allocation percentage is based on an assessment by the board of the informational nature of all fundraising activities and their contribution to the Advocacy objective. This assessment was made in 2016 as part of the drafting of the 2017 budget. For example, 75% of the costs of the efforts to inform our regular donors of HIV/AIDS issues is charged to information campaigning/awareness-raising. Informing potential new donors is charged to fundraising (50%) and information campaigning/awareness-raising (50%). The costs incurred for answering donor questions and administering the gifts (such as banking and database costs) are allocated entirely to fundraising costs.

In the formulation of the new strategy 2018-2021 and the drafting of the 2018 budget, the objective Advocacy was made a component of the new strategic objective Awareness-Raising, support base and full financing for fighting AIDS and STIs.

The approach behind our fundraising is also changing, which is why the board reassessed the allocation percentage once again in the course of drafting the new strategy and the 2018 budget. The budget and 2018 annual accounts allocate 31% of the costs of private donor fundraising as expenditures towards the objective.

Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. Cash and cash equivalents in the cash flow statement consist of liquid assets. Cash flows in foreign currency are calculated at an estimated average rate. Income and expenditures based on interest are included in the cash flow from operating activities.

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2017

(in euros x 1,000)

1 Tangible fixed assets

Movements in property, plant and equipment were:

	cost 1 January	accumulated depreciation 1 January	book value 1 January	cost disposal	cost investment	depreciation disposal	depreciation investment	cost 31 December	accumulated depreciation 31 December	book value 31 December
Plant/ property	1,395	-363	1,032	0	0	0	-28	1,395	-391	1,004
Furnishings	1,467	-1,245	222	0	0	0	-47	1,467	-1,293	174
Fixtures & fittings	411	-350	61	0	7	0	-17	418	-368	51
Hardware	345	-229	116	-72	24	72	-65	298	-222	76
2017	3,618	-2,187	1,431	-72	32	72	-157	3,578	-2,272	1,305
2016	3,492	-2,080	1,412	-35	161	35	-142	3,618	-2,187	1,431

2 Intangible fixed assets

Movements in intangible fixed assets were:

	cost January	accumulated amortisation 1 January	book value 1 January	cost disposal	cost investment	amortisation disposal	amortisation investment	cost 31 December	accumulated amortisation 31 December	book value 31 December
Software	616	-378	238	-80	31	80	-73	566	-371	196
2016	653	-469	184	-171	134	171	-80	616	-378	238

Depreciation/amortisation on periods

	Plant/property 50 years	Fixtures, fittings and equipment 7 years	Software 5 years	Hardware 3 years
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Tangible and intangible fixed assets are used for operations. The buildings belong to the assets of Aidsfonds. The foundation has determined that on the balance sheet date there is no impairment of goodwill.

Costs for major maintenance are taken directly to the statement of income and expenditure.

Disposals pertain to acquisitions that are no longer in use; for hardware, these are the acquisitions from 2011, and for software, these are the acquisitions from 2009.

	31 December 2017	31 December 2016
3 Receivables		
Lotteries	3,642	2,018
Estates and bequests	886	996
Receivables (project funding)	378	932
Interest receivable	4	74
Accounts receivable	27	157
Advance costs paid	607	290
Pension premiums	86	0
Prepaid financial contributions	0	1,326
Miscellaneous	207	352
	5,836	6,146

The receivables have a term of less than one year.

4 Cash and cash equivalents

ING accounts	8,005	7,797
ING savings accounts	4,210	8,841
ABN AMRO savings accounts	20,275	15,121
Collected donations (cash) in safe and other cash on hand	2	12
	<hr/>	<hr/>
	32,492	31,770

The management of the financial resources is risk-averse. The minimisation of risks means that in all savings and/or investments, the principal must at least be preserved and the risks must be spread. The financial resources are not invested in shares, corporate bonds, state bonds or property. They are only placed in bank accounts, savings accounts and deposit accounts. For reasons of risk spreading, they are placed in at least two banks. In the choice of bank, we make a consideration between return, risk and responsible banking. On this last point, we consider the honest banking ratings published on the Honest Banking Guide (*Eerlijke Bankwijzer*) at www.eerlijkebankwijzer.nl.

All cash and cash equivalents are available on demand.

Reserves

	Balance at 1 January	Added	Withdrawn	Balance at 31 December
Continuity reserve	2,759	46	0	2,805
Special purpose reserves	7,157	3,430	-3,265	7,322
Other reserves	1,197	1,746	-2,098	845
<u>2017</u>	<hr/>	<hr/>	<hr/>	<hr/>
	11,113	5,222	-5,363	10,972
<u>2016</u>	<hr/>	<hr/>	<hr/>	<hr/>
	10,823	3,405	-3,116	11,113

5 Continuity reserve

	Balance at 1 January	Added	Withdrawn	Balance at 31 December
<u>2017</u>	<hr/>	<hr/>	<hr/>	<hr/>
	2,759	46	0	2,805
<u>2016</u>	<hr/>	<hr/>	<hr/>	<hr/>
	2,666	93	0	2,759

Effective and efficient application of the resources is central to the financial policy. Further, retaining assets to ensure the continuity of the organisation is a necessity. This refers to both the obligations in regard to personnel & organisation and the necessity to continue the financial contributions to third parties. At Soa Aids Nederland the continuity reserve is the equalisation reserve of 10 per cent of the annual costs permitted by the funding institution (RIVM). For Aidsfonds, there is a single continuity reserve of €2 million plus 10 per cent of the annual organisation costs. On the basis of the foregoing, at the end of 2017 a continuity reserve of a total of €2.805 million was required. At 1 January, the continuity reserve stood at €2.759 million. The addition to the reserve was €46,000.

In accordance with the 'Good Causes Reserves' guidelines of Charity Netherlands, as set out in the regulations of the Central Bureau on Fundraising (CBF), the continuity reserve may be a maximum of 1.5 times the costs of the operating organisation. The continuity reserve falls within this maximum.

The maximum permitted continuity reserve is:

€19.9 million

6 Special-purpose reserve

	Balance at 1 January	Added	Withdrawn	Balance at 31 December
Information campaign material	146	0	-59	87
Funding and expenditures	3,953	1,777	-1,346	4,384
Big Data project ZOOM	262	0	-112	150
Investment fund STOP AIDS NOW!	1,653	0	-1,653	0
Assigned STOP AIDS NOW! projects within the framework of the Investment Fund	76	1,653	-56	1,673
Reserve financing, operational assets	1,066	0	-39	1,027
<u>2017</u>	<u>7,157</u>	<u>3,430</u>	<u>-3,265</u>	<u>7,322</u>
<u>2016</u>	<u>6,164</u>	<u>2,457</u>	<u>-1,465</u>	<u>7,157</u>

There is no obligation placed on the special-purpose reserves identified above. The limited options for expenditures from them are determined by the board.

Information campaign material

This reserve is applied towards the production of information campaign material (reprints and digital).

Funding and expenditures

This reserve consists of reservations for:

Victoria Lake Project (H&O, is also financed from the STOP AIDS NOW! investment fund) Funding for scientific research and international

Grants 2017-2019

2018 International AIDS Conference in Amsterdam

Marketing strategy and marketing innovation

International HIV efforts (H&O)

Projects of Soa Aids Nederland, financed by sponsors

Big Data project ZOOM

This reserve was formed for the organisation's contribution to the Bridging the Gaps I programme. This reserve was released in 2016 and reallocated to the Big Data Project ZOOM.

STOP AIDS NOW! investment fund and assigned projects

As part of the merger of the labels Aids Fonds and STOP AIDS NOW! into Aidsfonds, the STOP AIDS NOW! investment fund was converted into special-purpose reserves for projects directed towards young people and young women in developing countries. A total of €1.7 million has been allocated for the following projects: TAFU (Uganda), TAFZ (Zimbabwe) and HE Victoria Lake.

Reserve financing, operational assets

This reserve has been created in connection with the office building that is owned by the foundation.

(in euros x 1,000)

7 Other reserve

	Balance at 1 January	Added	Withdrawn	Balance at 31 December
<u>2017</u>	<u>1,197</u>	<u>1,746</u>	<u>-2,098</u>	<u>845</u>
<u>2016</u>	<u>1,992</u>	<u>855</u>	<u>-1,650</u>	<u>1,197</u>

The addition to the other reserve is the balance of freely available resources that have not yet been earmarked. The withdrawal is a reallocation of resources for international call grants, for project Kenya Double Transition and for the phaseout of the SAN! partner fund; see also the explanatory notes to Funding and Expenditures.

8 Earmarked funds

	Balance at 1 January	Added	Withdrawn	Balance at 31 December
Equalisation reserve VWS/RIVM	342	3	-83	262
HIV efforts in developing countries	26	0	-13	13
MaxART II (Early Access to ART for All)	1,842	0	-1,633	209
HIV alarm phase in Eastern Europe and Central Asia	0	1,051	0	1,051
Gates project Strengthen and sustain Dutch engagement ODA for Health	0	269	0	269
The online test guide	41	0	-41	0
AmsterdamDiner 2012 (HIV & Livelihoods)	5	0	0	5
AmsterdamDiner 2014	9	0	0	9
<u>2017</u>	<u>2,265</u>	<u>1,323</u>	<u>-1,771</u>	<u>1,818</u>
<u>2016</u>	<u>3,878</u>	<u>31</u>	<u>-1,643</u>	<u>2,265</u>

The limited options for expenditures from the funds are dictated by third parties.

Equalisation reserve VWS/RIVM

The equalisation reserve comprises funds from the institutional funding for the programmes of Soa Aids Nederland that have not yet been spent.

HIV efforts in developing countries

At 31 December 2017, the fund consisted of labelled gifts of donors to STOP AIDS NOW! for a project ART for children in Uganda.

MaxART II (Early Access to ART for All)

The National Postcode Lottery allocated €2 million to the project MaxArt II, Early Access to ART for All. This project was launched on 1 July 2014. The remaining funds are to be spent in 2018.

HIV alarm phase in Eastern Europe and Central Asia

The National Postcode Lottery allocated over €1 million to the project HIV alarm phase in Eastern Europe and Central Asia. This project will start in 2018.

Gates project

The Bill and Melinda Gates Foundation provided €269,000 for the project Strengthen and sustain Dutch engagement ODA for Health. The project will start in 2018.

The online test guide

The Friends Lottery (*Vriendenloterij*) extended an extra contribution to the Aids Fonds for the Online Testing project.. The project was launched in 2015. This year, the remaining amount of €41,000 in this fund was spent.

AmsterdamDiner 2012 and 2014

The revenue from the AmsterdamDiner 2012 was spent on an HIV & Livelihoods project in Ethiopia. The revenue from the AmsterdamDiner 2014 was spent on two projects: the Ndllovu Research Consortium in South Africa and research into rapid treatment of new HIV infections in the Netherlands. The funds not yet spent have been placed in earmarked funds. These will be spent in 2018.

(in euros x 1,000)

9 Provisions	<u>31 December</u>	<u>31 December</u>
	<u>2017</u>	<u>2016</u>
Provision for continued payment of salary during sick leave	112	112

The provision is included for the benefit of employees with long-term conditions of occupational disability. This is a short-term provision.

10 Long-term liabilities	<u>31 December</u>	<u>31 December</u>
	<u>2017</u>	<u>2016</u>
Committed financial contributions 2-5 years	2,172	1,351
Committed financial contributions >5 years	0	0
	<u>2,172</u>	<u>1,351</u>

The long-term liabilities include liabilities included in the accounting for a period of longer than one year. There are no liabilities undertaken for a period longer than 5 years. The committed financial contributions pertain to multiyear projects, primarily scientific and other research.

11 Current liabilities	<u>31 December</u>	<u>31 December</u>
	<u>2017</u>	<u>2016</u>
Committed financial contributions	9,075	8,392
Advance funding received	12,664	13,057
Accounts payable	946	1,100
Pension premiums	0	51
Personnel expenses	706	680
Taxes – wage tax	584	521
Taxes – VAT	44	43
Other liabilities, accruals and deferred income	735	901
	<u>24,755</u>	<u>24,745</u>

Liabilities with a term of less than one year are shown within current liabilities.

The primary cause of the increase in current liabilities is higher committed financial contributions.

Personnel expenses includes all liabilities relating to social insurance premiums, pension premiums, provisions for holiday allowance and holidays.

Advance funding received

PITCH Project	5,350	6,031
BTGII Project	6,094	5,897
GUSO Project	344	223
Hands Off! Project	344	491
Other projects	399	415
	<u>12,531</u>	<u>13,057</u>

In 2017, we received advanced funding from the Ministry of Foreign Affairs for Bridging the Gaps II and PITCH. This will be spent in 2018.

Off-balance-sheet liabilities

	Total	< 1 year	2-5 years	> 5 years
Property rent (operations)	398	202	196	0
Rental of printers/copiers	92	46	46	0
Multiyear financial liabilities	490	248	242	0
Financial contributions allocated under reservation	2,662	2,662	0	0
Contingent liabilities	2,662	2,662	0	0
At 31 December 2017	3,151	2,909	242	0

The foundation rents two office locations in Amsterdam (Keizersgracht 390-392 and Prinsengracht 515). The current leases run until 30 November 2019. On the rent obligations, two bank guarantees have been issued, one in the amount of €22,689 and one in the amount of €16,500.

The foundation has a rental contract with a vendor of printers and copiers. The contract runs until 1 January 2020.

During the year, the following was accounted for in the statement of income and expenditures.

	Total
Property rent (operations)	€198,800
Rental of printers/copiers	€42,315
Multiyear financial liabilities	€241,115

Total liabilities of the RCNF at 31 December were €6.4 million, €2.7 million of which were conditional liabilities because the income from the donors had not yet been received. As soon as the contributions from the donors have been received, the liabilities can be paid. On balance, hard liabilities at 31 December 2017 were €3.7 million.

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE 2017

(in euros x 1,000)

	Actual 2017	Budget 2017	Actual 2016
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For the differences between the labels Aidsfonds and Soa Aids Nederland, see Annex 1.

12 Income from private donors

Collections	0	0	20
Donations and gifts	8,760	8,874	9,700
Bequests	941	1,223	1,055
Total	9,674	10,097	10,775

The income from private donors was 4 per cent lower than budgeted due to lower income from bequests (€0.4 million) and donations (€0.1 million).

The income was 11 per cent lower than in 2016. Donations were down €0.9 million and bequests were down €0.1 million on 2016. Looking at it from a multi-year perspective, we saw the income from bequests increase slightly and the income from donations in slight decline.

The revenues from bequests are accounted for in the year in which their amount can be reliably determined. In 2017, 26 new files were opened (34 in 2016), 11 from legacies and 15 from specific legacies. The total number of files still open at the end of 2017 was 36. Of these, 11 were encumbered with a usufruct.

Earmarked income from private donors			
Support for people with HIV - Aidsfonds	92		115
Information campaigning and care in the Netherlands - Aidsfonds	47		55
Scientific research - Aidsfonds	280		597
HIV efforts in developing countries - Aidsfonds	537		615
Private instrument of donation, AmsterdamDiner - Aidsfonds	0		150
	956		1,532

13 Income from business donors

Sponsoring	19	545	527
Earmarked income from business donors			
HIV in Europe – Aidsfonds	0		390
Various projects – Soa Aids Nederland	19		137

The earmarked income was spent in accordance with the designated use in 2017.

In 2017, the decision was made to no longer have the Gilead contribution for HIV go through Aidsfonds. Aidsfonds also decided to decline Gilead's €80,000 grant for national projects. As a result of this, the actual donations received were much lower than estimated. The earmarked income was spent in accordance with the designated use in 2017.

14 Income from lottery organisations

VriendenLoterij earmarked for STOP AIDS NOW!	0	0	80
VriendenLoterij earmarked for Aidsfonds	897	850	897
VriendenLoterij non-earmarked Aidsfonds	0	600	0
VriendenLoterij Vriendenfonds Aidsfonds	2	0	2
Subtotal, VriendenLoterij	889	1,450	978
National Postcode Lottery Aidsfonds	2,250	1,350	2,250
National Postcode Lottery Aidsfonds (project)	1,051	0	0
subtotal, National Postcode Lottery	3,301	1,350	2,250
SLV de Lotto and scratch lottery Aidsfonds 2017	369	300	349
SLV de Lotto and scratch lottery Aidsfonds 2016	103	0	0
SLV Fund Special Payment Aidsfonds	17	0	22
subtotal, SLV	490	300	371
Total lotteries	4,689	3,100	3,600

The regular contribution from the National Postcode Lottery increased from €1,350,000 to €2,250,000. This was not accounted for in the budget. As a result, the non-earmarked contribution from the Vriendenloterij was eliminated. On balance, the standard contribution of the lotteries of the National Postcode Lottery, with €300,000 in revenue from the earmarked lotteries of the Vriendenloterij, was €47,000 higher than budget. The revenues of the SLV were €190,000 higher. This was largely due to the fact that the 4th quarter 2017 contribution of €119,000 was accounted for here in accordance with the new RJ 650 guidelines. In previous years, the contributions of the SLV up to and including the 3rd quarter were accounted for in the annual accounts. In 2017, the contribution was the 4th quarter 2016 to the 4th quarter 2017. The 4th quarter 2016 contribution was €103,283.

On 15 February 2018 the National Postcode Lottery extended an extra contribution of nearly €1,051,000 million from the 2017 draw for the project 'HIV alarm phase in Eastern Europe and Central Asia'.

Earmarked income from lottery organisations are

National Postcode Lottery (project contribution)	1,051	0	0
VriendenLoterij Vriendenfonds	2	0	2
SLV Lotteries – earmarked national	490	0	371
	1,542	0	373

The earmarked income of the National Postcode Lottery will be spent beginning in 2018. The other earmarked income was spent in accordance with the designated use in 2017.

(in euros x 1,000)	Actual 2017	Budget 2017	Actual 2016
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15 Government funding

RIVM institution funding	3,270	3,224	3,469
Ministry of Foreign Affairs project funding	20,850	20,832	15,539
Robert Carr civil society Networks Fund	9,242	8,031	7,217
DREAMS Innovation Challenge	660	738	165
Other government funding	1,094	682	840
	35,116	33,507	27,229

RIVM institution funding

Allocated institution funding including OVA	3,270	3,224	3,469
	3,270	3,224	3,469

The Ministry of Foreign Affairs finances the following projects:

Bridging the Gaps II	9,379	8,769	8,964
PITCH	9,199	9,446	3,122
PITCH portion for RCNF	600	600	600
Getting Up, Speaking Out (GUSO)	539	549	342
Hands Off!	1,025	1,364	1,002
MaxART II	83	104	458
Stepping Stones	0	0	385
Stepping Up, Stepping Out II	0	0	314
Link Up	0	0	176
ASK	0	0	176
Dutch Booth IAS Paris	25	0	0
	20,850	20,832	15,539

Funding from the Ministry of Foreign Affairs is in accordance with the forecast. The income pertains primarily to the strategic partnerships PITCH, GUSO and Bridging the Gaps II.

Aidsfonds is the secretary for the programmes PITCH and BtGII. In total, the ministry is funding these projects with €41 million and €50 million, respectively. Rutgers is secretary of GUSO. The expected total financing for Aidsfonds is approximately €2.5 million. These programmes will continue until the end of 2020.

Hands Off! started on 1 December 2014 and will continue until July 2019; the ministry is financing €4.4 million from the regional programme.

MaxART II started on 1 July 2014 and will be concluding in 2018; the ministry finances €1.4 million.

Aidsfonds is secretary of the project.

The Robert Carr civil society Networks Fund (RCNF) will be financed by the following governmental institutions:

Norwegian Ministry of Foreign Affairs (NORAD)	1,272		1,321
British Ministry of Foreign Affairs (DfID)	1,988		1,528
Global Fund to fight AIDS, Tuberculosis and Malaria	0		2,476
UNAIDS / PEPFAR	5,982		1,892
	9,242	8,031	7,217

Alongside the governmental institutions referred to above, the Dutch Ministry of Foreign Affairs is also contributing to the RCNF. This contribution is reported at Ministry of Foreign Affairs Project Funding. The contribution of the Norwegian government came out lower than estimated due to a CFM case; see management report.

The other government subsidies pertain primarily to the programmes Young People (VWS/RIVM), Prostitution and MSM (RIVM LCI).

In 2016 we successfully submitted a €1.3 million project proposal to the DREAMS Innovation Challenge. This project started at the end of 2016 and continues through 2018. In 2017, €660,000 was received.

(in euros x 1,000)	Actual	Budget	Actual
	2017	2017	2016

16 Income from other non-profit organisations

Income from organisations total	1,633	631	1,610
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Earmarked income from other non-profit organisations are

Bill and Melinda Gates Foundation - RCNF - Aidsfonds	0	920
Bill and Melinda Gates Foundation - ODA for Health - Aidsfonds	268	0
Amsterdam Dinner Foundation - Aidsfonds	813	431
SGS Spaarneland - Aidsfonds	200	0
AIGHD - SANL	280	0
Other income from various organisations	72	0

The earmarked income from the Bill and Melinda Gates Foundation is earmarked for the project 'Strengthen and sustain Dutch engagement in ODA for Health' and will be spent in the 2018-2020 period.

The contribution from the Amsterdam Dinner Foundation will be applied in 2018 towards the H-team, project the Wallet and Proud Partners.

The donation by SGS Spaarneland was made for the TAFU project in Uganda and was spent in 2017.

The AIGHD pertains to various Soa Aids Nederland projects and was spent in 2017.

The other earmarked income from various organisations was spent in 2017.

	Actual 2017	Budget 2017	Actual 2016
17 Income in consideration of products and/or services			
Sale of goods	1	0	4
Information campaign material	43	50	41
Training, workshops, conference and miscellaneous	108	109	168
	152	159	213

The income from information campaign materials pertains primarily to activities under the Young People programme and Communications consulting.

The other income pertains primarily to national activities of various programmes, including reimbursement for workshops and the STI-HIV-sex annual national conference.

Sale of goods

Net turnover	1	40	6
Cost price	0	-10	-2
Net profit	1	30	4

(in euros x 1,000)	Actual 2017	Budget 2017	Actual 2016
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18 More people tested

Financial contributions to third parties	3,781	3,492	2,620
Direct costs	662	627	771
Operating costs of internal organisation	1,418	1,844	1,615
	5,861	5,963	5,006

The financial contributions pertain primarily to the projects MaxART Swaziland and TAFU (HIV and development aid); international call grants; for the H-team from the income from AmsterdamDiner; the other costs pertain to the national activities of the programmes Prostitution, Professionals and MSM. This also includes the expenditures towards strategy and advocacy as part of the objective More testing.

Spending was €0.1 million lower than the budget for 2017; spending in the area of testing was up €0.9 million on 2016.

19 Fewer barriers for most affected

Financial contributions to third parties	9,952	11,539	9,701
Direct costs	1,754	1,727	1,629
Operating costs of internal organisation	4,210	3,968	3,962
	<u>15,916</u>	<u>17,235</u>	<u>15,292</u>

The financial contributions pertain primarily to the programmes Bridging the Gaps; Hands Off! (Prostitution); GUSO, DREAMS, Young People in Charge (HIV and Development Aid). This also includes funding allocations on Individual Relief Work and Small Grants. The other costs pertain to the national activities of the programmes Prostitution, Young People and Ethnic Minorities. This also includes the expenditures towards strategy and advocacy as part of the objective Fewer barriers for most affected.

Spending was €1.3 million lower than the budget for 2017; spending in the area of Fewer barriers for most affected was up €0.6 million on 2016.

(in euros x 1,000)	Actual 2017	Budget 2017	Actual 2016
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20 Strong civil society

Financial contributions to third parties	17,411	15,875	12,088
Direct costs	1,093	1,054	840
Operating costs of internal organisation	2,132	2,215	1,600
	<u>20,636</u>	<u>19,144</u>	<u>14,528</u>

The financial contributions pertain to the Robert Carr civil society Networks Fund and the PITCH programme. Various organisations in the Netherlands (including *HIV Vereniging*) receive funding.

The funding extended to the five partners of STOP AIDS NOW! from the Partner fund was discontinued in 2017.

The heading 'Other costs' includes national activities of the Professionals programme and expenditures on Strategy and advocacy directed towards the Strong civil society objective.

Spending was €1.5 million higher than the budget for 2017; spending in the area of Strong civil society was up €6.1 million on 2016.

21 More scientific knowledge

Financial contributions to third parties	1,356	1,425	1,928
Direct costs	197	165	312
Operating costs of internal organisation	227	122	406
	<u>1,781</u>	<u>1,712</u>	<u>2,646</u>

The financial contributions pertain primarily to the allocations for scientific research nationally by the programme funding. The other costs pertain to the scientific research conducted in the programmes H&O, Prostitution, Professionals, Young People, and Policy. Other costs also includes the costs for Strategy and advocacy directed towards the objective More scientific knowledge.

Spending was €0.1 million higher than the budget for 2017; spending in the area of More Scientific Research was down €0.9 million on 2016. This difference can be explained by the fact that there were two funding rounds in 2016.

(in euros x 1,000)	Actual 2017	Budget 2017	Actual 2016
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22 Advocacy

Direct costs	2,965	3,005	2,880
Operating costs of internal organisation	1,330	1,344	1,271
	<u>4,295</u>	<u>4,349</u>	<u>4,150</u>

This pertains to activities in the area of information campaigns and communications in support of Advocacy.

23 Fundraising income

Direct costs	1,716	1,780	1,307
Operating costs of internal organisation	819	775	818
	<u>2,535</u>	<u>2,555</u>	<u>2,125</u>

This pertains to activities in the area of marketing relating to fundraising.

24 Management & administration

Operating costs of internal organisation	1,430	1,252	1,488
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Cost percentage of management & administration

The ratio of the costs of management & administration to the total expenditures is given as a percentage below.

Total expenditures	52,454	52,210	45,234
Costs of management & administration	1,430	1,252	1,488
Cost percentage of management & administration	2.7%	2.4%	3.3%

The costs of management and administration were nearly €0.2 million higher than in 2016. Due to the growth of the number of programmes and the increasingly demanding requirements in the areas of compliance, project management and financial governance, additional resources went towards these aspects. The organisation strives to keep the costs of management and administration to within 3-6% of total expenditure. The average percentage in the sector is 5.2%.

25 Net finance income or expense

Interest	101	70	125
Realised exchange differences	-630	0	117
Unrealised exchange differences	1,113	0	-286
	<u>583</u>	<u>70</u>	<u>-44</u>

Financial income and expenses comprise realised and unrealised exchange rate differences and interest income. The exchange differences pertain to the Robert Carr civil society Networks Fund, for which a USD bank account was opened at the end of 2013. The project DREAMS also uses this USD account. The interest income arises because liquid assets on deposit accounts, savings accounts and current accounts are deposited at fixed or market-linked interest rates. No liquid assets are invested. Net finance income or expense over the past five years:

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
583	-44	351	-115	436

Expenditure percentages

(in euros x 1,000)

Actual 2017	Budget 2017	Actual 2016
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The table below shows expenditure on the objective as a percentage of total income:

Total income	51,283	48,039	43,955
Total spent on the objective	48,489	48,403	41,621
Spending percentage	94.6%	100.8%	94.7%

The table below shows expenditure on the objective as a percentage of total expenditure:

Total expenditure	52,454	52,210	45,234
Total spent on the objective	48,489	48,403	41,621
Spending percentage	92.4%	92.7%	92.0%

NOTES TO COST ALLOCATION

Specification and allocation of costs by use
(in euros x 1,000)

	Objective More People Tested	Fewer barriers for most affected	Strong civil society	More scientific knowledge	Advocacy	Fundraising income	Management and Administration	Total 2017	Budget 2017	Total 2016
Grants and contributions	3,781	9,952	17,411	1,356	0			32,500	32,331	26,337
Purchases and acquisitions	662	1,754	1,093	197	2,965	1,716		8,387	8,360	7,738
Personnel costs ¹	1,251	3,717	1,881	201	1,175	722	1,263	10,211	9,979	9,859
Accommodation costs	39	115	58	6	36	22	39	317	367	333
Office and general expenses	99	294	149	16	93	57	100	809	869	745
Depreciation and interest	28	84	42	5	26	16	28	230	304	222
Total	5,860	15,916	20,634	1,781	4,295	2,533	1,430	52,454	52,210	45,234
The 'administration costs of the internal organisation' are the sum total of personnel costs, accommodation costs, office and general expenses, and depreciation and interest.										
Administration costs	1,417	4,210	2,130	228	1,330	817	1,430	11,567	11,519	11,159

The administration costs of the internal organisation were essentially in line with estimates. Personnel costs were 2% higher than estimated. This item includes, in addition to salary costs, a number of other factors, including training costs, sourcing of personnel not in employment, and costs of recruitment of new employees. The other operational costs were, by contrast, lower than estimated. As compared with 2016, the administration costs increased by 4 per cent, principally as a result of higher personnel costs. The number of employees rose as compared with 2016 by 2.5 FTEs, to 130 FTEs, as the result of growth in several projects. The national government also implemented a wage increase of, in total, approximately 1.4% in accordance with the national government salary trends. None of the employees work outside the Netherlands.

The pension scheme is an average pay scheme. In 2017, the pension payments were not indexed. The pension fund's policy funding ratio was 98.6% at the end of 2017; the actual policy funding ratio was 101.1%.

The total accounting costs for 2017 were €102,470. The accounting costs are allocated to the financial year to which the audit pertains.

The accounting costs for the audit of the annual accounts, €56,870, are shown under the heading 'Office and general costs'.

The accounting costs for the audit of specific projects, €45,600, are shown under the heading 'Purchases and acquisitions'.

¹ Personnel costs										
Wages and salaries	922	2,737	1,386	148	865	532	930	7,521	7,259	6,999
Employee insurance	135	402	203	22	127	78	137	1,104	1,089	1,052
Pension insurance	102	303	153	16	96	59	103	832	871	769
Other staff costs	92	275	139	15	87	53	93	754	760	1,038
Total staff costs	1,251	3,717	1,881	201	1,175	722	1,263	10,211	9,979	9,859
Number of employees (FTEs)	average number of employees									
2017	14.2	43.1	20.1	2.2	24.2	10.2	16.0	130.0	128.8	127.5
2016	16.0	42.8	16.0	3.1	22.3	10.3	17.0	127.5		

REMUNERATION OF BOARD MEMBERS

Name Louise van Deth
Job title Board of the foundation

Employment

Nature of the contract (term)	indefinite
Hours per week	36
Part-time percentage	100%

Remuneration (euros)

Annual income		
	Gross wage/salary	96,131
	Holiday allowance	7,499
	End-of-year bonus	8,601
	Variable annual income	0
	Total annual income	112,231
Social insurance premiums (employer portion)		9,161
Taxable expense reimbursements/additions		0
Pension expenses (employer portion)		13,177
Pension compensation		0
Other short-term remuneration		0
Payments upon termination of employment		0
Total remuneration in 2017		134,569
Total remuneration in 2016		129,306

Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland has a single-member board. The board member is Louise van Deth. The annual income of the director (on salary) remains within the maximum of €129,559 (1 FTE/12 months), in accordance with the regulation on the remuneration of charities for members of the board of directors and supervisory board.

Likewise, the annual income, the tax remuneration/additions, the pension charges, and the other periodic emoluments remain within the maximum stipulated in the regulation of €187,000 per year.

For an explanation of the policy and the premises for the director remuneration, see the chapter 'Management and supervision' in the annual report.

The director is not extended any loans, advances or guarantees.

The members of the Supervisory Board receive no remuneration and no reimbursement of expenses.

Amsterdam, 24 April 2018

Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland

Original signed by L. van Deth

OTHER INFORMATION

Adoption and approval of annual accounts

The supervisory board of Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland approved the 2017 annual accounts in the meeting of 24 April 2018

Appropriation of result

The result is apportioned in accordance with the appropriation of result as set out in the statement of income and expenditure for 2017 under the heading 'Appropriation of result'.

C. AUDIT REPORT

Independent auditor's report

To: the management board and supervisory board of Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland

Report on the financial statements 2017

Our opinion

In our opinion, Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland'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 Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland, Amsterdam ('the Foundation').

The financial statements comprise:

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

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

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 Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland in accordance with 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).

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands

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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;
- other information

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

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

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

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

The management board 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 management board and the supervisory board for the financial statements

The management board 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 management board 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 management board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. The management board 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, 24 April 2018
PricewaterhouseCoopers Accountants N.V.

The original version has been signed by W. Poot RA

Appendix to our auditor's report on the financial statements 2017 of Stichting Aids Fonds - STOP AIDS NOW! - Soa Aids Nederland

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 management board.
- Concluding on the appropriateness of the management board'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.

D. ANNEXES

ANNEX 1: BREAKDOWN OF OPERATION BY LABEL

(in euros x 1,000)	Aidsfonds			Soa Aids Nederland		
	2017 actual	2017 budget	2016 actual	2017 actual	2017 budget	2016 actual
Income:						
Income from private donors	9,674	10,097	10,755	0	0	21
Income from business donors	0	300	395	19	245	132
Income from lottery organisations	4,689	3,100	3,600	0	0	0
Government grants	30,760	29,604	22,934	4,356	3,903	4,295
Income from other non-profit organisations	1,345	457	1,386	287	174	224
Total fundraising income	46,469	43,558	39,070	4,663	4,322	4,672
Income as performance in kind for products and/or services	8	16	47	144	143	165
Total income	46,477	43,574	39,118	4,807	4,465	4,838
Expenditure:						
Expenditure on objectives						
More People Tested	4,390	4,400	3,097	1,472	1,563	1,913
Fewer barriers for most affected	13,212	15,042	13,131	2,704	2,193	2,161
Strong civil society	20,431	18,952	14,473	205	192	48
More scientific knowledge	1,659	1,585	2,346	122	127	299
Advocacy	4,166	4,189	4,000	129	159	155
	43,857	44,169	37,046	4,632	4,234	4,575
Fundraising	2,535	2,555	2,123	0	0	2
Management & administration	996	883	1,012	435	369	476
Total expenditure	47,388	47,607	40,181	5,067	4,603	5,053
Net income/(expenditure) before net finance income/(expense)	-911	-4,033	-1,063	-260	-138	-215
Net finance income/(expense)	583	70	-44	0	0	0
Total net income/(expenditure)	-328	-3,963	-1,108	-260	-138	-215
Appropriation of result						
Addition to/withdrawal from:						
Continuity reserve	46	0	93	0	0	0
Special purpose reserves	304	-2,044	966	-139	-45	26
Other reserve	-351	-210	-796	0	0	0
Earmarked funds	-327	-1,708	-1,372	-121	-93	-241
	-328	-3,963	-1,108	-260	-138	-215

ANNEX 2: ROBERT CARR CIVIL SOCIETY NETWORKS FUND

Financial contributions to networks in 2017 for grant period pooled Fund 2016-2018		Maximum amount in	
Organisation	Lead organisation	Euross	US Dollar
Caram Asia	Caram Asia	48,503	58,100
ITPC-ARASA Consortium	International Treatment Preparedness Coalition (ITPC)	258,060	309,120
Consortium of networks led by young people	Youth LEAD	114,421	137,060
Sex Worker Networks Consortium	Global Network of Sex Work Projects	194,597	233,100
HIV Justice Global Consortium	ARASA	155,444	186,200
Positive Network Consortium (PNC+)	Global Network of People Living With HIV (GNP+)	194,597	233,100
Inclusive and Affirmative Ministries (IAM)	Inclusive and Affirmative Ministries (IAM)	38,569	46,200
International Community of Women Living with HIV	ICW Global	292,188	350,000
The consortium of networks of people who use drugs	INPUD & ANPUD	97,357	116,620
Red Latinoamericana y del Caribe de personas trans (REDLACTRANS)	Asociacion de Travestis, Transexuales y Transgeneros de Argentina (A.C)	43,828	52,500
The Harm Reduction Consortium	International Drug Policy Consortium	170,053	203,700
Asia Pacific Transgender Network (APTN)	Asia Pacific Transgender Network	48,503	58,100
Consortium of MSM and Transgender Networks	The Global Forum on MSM & HIV (MSMGF)	306,797	367,500
International Network of Religious Leaders Living with or affected by HIV and AIDS (INERELA +)	International Network of Religious Leaders Living with or affected by HIV and AIDS (INERELA +)	53,178	63,700
Peers to Zero (P2Z) Coalition	PATA (pediatric aids Treatment for Africa)	87,657	105,000
Caribbean Vulnerable Communities Coalition (CVC)	Caribbean Vulnerable Communities (CVC)	61,359	73,500
Eastern European Key Population Health Network (EKHN)	International HIV/aids Alliance in Ukraine	61,359	73,500
Eurasian Harm Reduction Association	Eurasian Harm Reduction Association	155,444	186,200
	Total granted 2017 (fund 2016 - 2018)	2,381,914	2,853,200
	Total release	-283,882	-298,076
	Financial contribution to networks	2,098,032	2,555,124

ANNEX 3: BUDGET 2018

(in euros x 1,000)	Budget 2018	2017 actual	2016 actual
Income:			
Income from private donors	10,095	9,674	10,775
Income from business donors	210	19	527
Income from lottery organisations	3,400	4,689	3,600
Government grants	35,223	35,116	27,229
Income from other non-profit organisations	1,193	1,633	1,610
Total fundraising income	50,121	51,131	43,742
Income in consideration of products and/or services	242	152	213
Total income	50,363	51,283	43,955
Expenditure:			
Expenditure on objectives			
<u>Objectives as from 2018</u>			
1. Radical reduction of HIV and STIs in the Netherlands	5,466		
2. < 200,000 HIV infections globally	17,128		
3. Everyone living with HIV worldwide receiving treatment	17,049		
4. A cure for HIV	2,078		
5. Awareness, support in society, and full funding of AIDS and STI efforts	7,509		
<u>Objectives through 2017</u>			
More People Tested		5,861	5,006
Fewer barriers for most affected		15,916	15,292
Strong civil society		20,636	14,528
More scientific knowledge		1,781	2,646
Advocacy		4,295	4,150
	49,230	48,489	41,621
Costs of fundraising	3,142	2,535	2,125
Management & administration	1,282	1,430	1,488
Total expenditure	53,654	52,454	45,234
Net income/(expenditure) before net finance income/(expense)	-3,291	-1,171	-1,279
Net finance income/(expense)	0	583	-44
Total net income/(expenditure)	-3,291	-588	-1,323
Costs of management and administration (as a percentage of total expenditure)	2.4%	2.7%	3.3%
Spent on objective (as a percentage of total income)	97.8%	94.6%	94.7%
Spent on objective (as a percentage of total expenditure)	91.8%	92.4%	92.0%