



Access to Seeds  
Index

# Annual Report Access to Seeds Foundation 2015

Bridging the gap between the  
world's leading seed companies  
and the smallholder farmer




# About the Access to Seeds Foundation

The Access to Seeds Foundation was established to encourage the seed industry to bridge the gap between the productivity and potential of smallholder farmers.

It aims to reach that goal in particular by developing and publishing an independent Access to Seeds Index.

The Index measures the extent to which individual seeds companies enhance smallholders' access to their knowledge, technologies, varieties and seed.

The Index seeks to benchmark and improve performance over time.



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This document contains an overview and explanation of the figures of the Access to Seeds Foundation's ('the Foundation') Balance Sheet and Statement of Income and Expenses for the accounting period ending December 31, 2015.

# 1. Executive Board Report

## 1.1 Introduction

The past year was dedicated to the development of the first Access to Seeds Index. Publication was originally scheduled for November 2015. However, at its October 5 meeting, the Supervisory Board of the Access to Seeds Foundation decided to postpone publication to allow additional time for analysis and investments in the relationships with the seed industry. The Index's two funders, the Dutch government and the Bill & Melinda Gates Foundation, supported this decision.

The Index evaluates the role seed companies play in facilitating smallholder farmer access to quality seeds of improved varieties. The Methodology Report for the first Index, which was the result of a thorough multi-year process of stakeholder consultation and expert review, was published in February 2015. Since then, the Access to Seeds Foundation has focused on (1) data collection, (2) data analysis and verification and (3) development of the first Index Report. These activities are described in more detail on the following pages.

Early 2015 saw the launch of Index Initiative, a new project to assess the feasibility of five new Indexes. It was established at the request of the Dutch Ministry of Foreign Affairs, which awarded it a separate budget, and is hosted temporarily by the Access to Seeds Foundation. This project is also described in more detail later in this report.

An important step made this year was the transformation of the governance structure of the Access to Seeds Foundation to a two-tiered model with a Supervisory Board and Executive Board. This was at the request of the Foundation's funders, in order to ensure sustainability and the participation of international experts from various relevant backgrounds in the Supervisory Board. In addition, the Foundation revisited the original governance model and bylaws to allow for a well-balanced composition of its Board and advisory bodies with members from various relevant fields of expertise and stakeholder backgrounds.

## 1.2 Activities and Achievements

In January, the **Expert Review Committee (ERC) approved the methodology** for the Global Access to Seeds Index. Following a previous meeting in December 2014, the ERC proposed several adjustments to the draft methodology. The amended second draft was submitted in January to the ERC, which confirmed it was ready for publication.

Also in January, **Index Initiative was launched** at the request of the Dutch government. In the following months, the possible contribution of a shortlist of 15 industries to the Sustainable Development Goals was evaluated. Based on the resulting landscape study, five industries were selected and subsequent studies were initiated to determine the feasibility of five additional industry indexes. Index Initiative is temporarily hosted by the Access to Seeds Foundation as a separate project with its own budget.

On February 3, the **Regional Expert Review Committee (RERC) convened in Nairobi, Kenya** to discuss the methodology for the Regional Access to Seeds Index for Eastern Africa. The RERC agreed with the proposed draft methodology, while adding and fine-tuning some of the topics the Index addresses. At this meeting, the RERC concluded that the regional methodology was ready for publication. The **Regional Index was presented in Nairobi on February 19** to representatives from seed companies, national seed certification institutions, seed trade

associations and other stakeholders from throughout the region. The meeting was organized by regional partner Cardno Emerging Markets, in cooperation with the Access to Seeds Foundation. Essau Mwendo Phiri, Chairman of the National Smallholder Farmers' Association of Malawi, moderated the meeting. Francis Musau Ndambuki, R&D Manager for Kenya Seed Company, stressed that the Regional Index provides an opportunity for seed companies in the region to introduce themselves to each other and demonstrate publicly how they assist farmers in improving their business.

On February 27, the **Methodology Report for the Access to Seeds Index was published**. The Access to Seeds Foundation made the report available on its website and sent printed copies to all the companies in the Index scope as well as to other stakeholders and experts who had played a role in the development process.

Also in February, Coosje Hoogendoorn, seconded from KIT (Royal Tropical Institute) in Amsterdam, joined the **Access to Seeds Foundation as head of research**. In this capacity, she oversees the Index's data collection, carried out by the award-winning responsible investment research firm Sustainalytics.

On June 22, the **Supervisory Board convened for the first time** in its new international and multi-stakeholder composition in Haarlem, the Netherlands to discuss the full methodology and data collection process.

On August 27 and 28, a delegation from the Access to Seeds Foundation (Anil Jain, Dennis Byron, Constantino Casasbuenas, Coosje Hoogendoorn, Ido Verhagen) **visited the Bill & Melinda Gates Foundation in Seattle**. The delegation met with Walter de Boef, Senior Program Officer, and Sara Boettiger, Deputy Director of the Agricultural Development Program, to give an update on the development of the first Index.

The Supervisory Board convened for a second time on October 5. At this meeting, the Board discussed and **approved the scoring guidelines for the first Index**. According to plan, the preliminary scoring guidelines were refined based on the available data, to allow for the identification of leading practices on each indicator.

On various occasions throughout the year, the Access to Seeds Foundation communicated and **discussed progress with the seed industry**. For this purpose, Executive Director Ido Verhagen and Head of Research Coosje Hoogendoorn attended the AFSTA Congress (Victoria Falls) in March, the ESA Congress (Vienna) in October and the APSA Congress (Goa) in November. In addition, in November the Bill & Melinda Gates Foundation hosted a meeting at its headquarters in Seattle with a delegation of board and team members from the Access to Seeds Foundation and a delegation from the International Seed Federation (ISF).

As the Index Report took shape, the Supervisory Board agreed at its October meeting to delegate the initial review to a 'sounding board' of its members. On December 6, this sounding board **discussed the first draft of the Index Report** and agreed that it was ready for finalization.

On December 21, the Access to Seeds Foundation **moved to its new offices** in KIT (Royal Tropical Institute) in Amsterdam. The office in Haarlem had become too small to accommodate both the Access to Medicine Index and the Access to Seeds Index.

### 1.3 Development Process of the First Access to Seeds Index

The data collection process is crucial to creating a meaningful Index. As many of the companies selected for the Index are not listed, the amount and detail of the information they make publicly available is generally lower than for listed companies. It was therefore essential for a large number of companies to participate actively in gathering and providing data. To this end, a carefully designed company engagement process was developed.

All companies included in the Index had already been approached in 2014 and primary contacts for most companies had been identified. The data collection and analysis were carried out by research firm Sustainalytics, supported by regional partner Cardno in Eastern Africa. The data collection process was overseen by the Access to Seeds Foundation's head of research.

On February 26, the CEO of each company was sent a letter officially inviting them to participate in the data collection process. This was followed in mid-March with a printed version of the Methodology Report and a detailed description of the data collection process.

The process started in March with training sessions to explain the methodology and assist companies in filling out the questionnaire. Cardno organized three training sessions in Nairobi (Kenya), Lusaka (Zambia) and Kampala (Uganda) for regional companies. Sustainalytics hosted 14 individual online training sessions for global companies. In addition, Cardno and Sustainalytics were on hand to answer questions during this period. A total of 187 queries were made via email and telephone. The answers were made available to all companies through a dedicated Q&A website.

The actual data collection took place from April to July, giving companies four weeks to fill out the questionnaire and another four weeks to supply any additional information. In between the two data submission periods, Sustainalytics and Cardno contacted the companies in instances where clarification was required. The process resulted in a high response rate of 62% of the Global Index companies and 77% of the Regional Index companies.

Following clarification and verification during the summer, the full dataset applicable for analysis was sent back to each company for fact-checking. This was concluded in September, after which the analysis phase started.

The Access to Seeds Index is a relative ranking. It compares companies with each other rather than against an ideal state. The best-in-class performance of a company on a certain indicator determines what receives the highest score. Therefore, the scoring guidelines were finalized after the data collection and verification. The Supervisory Board discussed and approved the scoring guidelines at its meeting on October 5.

The scoring of company performance and analysis of the data was completed in November. The first draft of the Index Report was discussed and approved for finalization by a sounding board of Supervisory Board members on December 6. The full Supervisory Board convened on January 21, 2016 to approve the final Index Report.

### 1.4 Index Initiative

Index Initiative, temporarily hosted by the Access to Seeds Foundation, was established to determine the feasibility of five additional industry indexes. To this end, a landscape study was carried out to identify the potential contribution of 15 industries to the Sustainable Development Goals. The results of this study, titled

‘Unraveling the Role of the Private Sector’, was published on September 18, just before the official launch of the Sustainable Development Goals by the United Nations. A draft of the study was discussed at a roundtable event in London in June with governments, investors, experts and NGO representatives.

Based on this landscape study, five industries were selected for a subsequent feasibility study: (1) agricultural commodity traders, (2) seafood, (3) chemicals, (4) mobile telecommunications services and (5) oil and gas. All feasibility studies commenced before December 2015 and will be finalized in 2016. These feasibility studies will inform the decision of whether to proceed with the actual development of each Index.

Index Initiative is run by a separate project team within the Access to Seeds Foundation. The responsibility for this project was delegated by the Supervisory Board to its Operational Committee. Industry leaders were appointed for each feasibility study. A dedicated steering committee oversees the development of each feasibility study.

### 1.5 Transformation of the Governance Model of the Access to Seeds Foundation

The Access to Seeds Foundation transformed its governance model to create a Supervisory Board made up of international members with a broad range of backgrounds relevant to the Access to Seeds Index. This is described in the amended Articles of Association of April 24, 2015. Since that date, the Foundation has had a two-tiered governance model with both a Supervisory Board and an Executive Board.

The Expert Review Committee complements the Foundation’s Boards, with specific responsibility for developing and reviewing the methodology. It also plays a substantial advisory role to the Executive Board.

Further to a discussion with the Foundation’s funders, the Supervisory Board agreed at its meeting in October to strengthen the Board’s role and revise the Foundation’s Governance Charter accordingly. This Governance Charter now states explicitly that the Supervisory Board:

- Approves the composition of the Expert Review Committee;
- Approves the methodology review process;
- Approves the methodology;
- Approves the final Index Report before publication;
- Approves the communications strategy;
- Allows representatives of the Foundation’s funders to take part in Supervisory Board meetings as observers.

The following overviews provide the composition of the key governance bodies. The members act as private individuals. Nevertheless, their main professional background is included for informational purposes:

#### Supervisory Board

Dennis Byron, former Vice President Crop Product Development, DuPont Pioneer  
 Constantino Casasbuenas, former advisor, Oxfam  
 Anil Jain, former Chief Marketing Officer, Bayer CropScience  
 Patricia Kameri-Mbote, Professor and Dean School of Law, University of Nairobi  
 Arnoud Kuijpers, Auditor (Chairman ad int.)  
 Ann Tutwiler, Director General, Bioversity International  
 Wouter Scheepens, Sustainability Advisor, Steward Redqueen  
 Surinder Tikoo, Director of Research, Tierra Seed Science, Hyderabad  
 Wim Leereveld stepped down as Chairman of the Board in June 2015

### Operational Committee of the Supervisory Board

Arnoud Kuijpers, Auditor  
Wouter Scheepens, Sustainability Advisor, Steward Redqueen

### Global Expert Review Committee

Paula Bramel, Deputy Executive Director, Global Crop Diversity Trust  
Heleen van den Hombergh, Senior Advisor, IUCN  
Gigi Manicad, Senior Program Manager, Oxfam  
Christoph Amberger, former board member, KWS  
Michael Halewood, Head of Policy Research, Bioversity International  
Ram Kaundinya, former CEO and Managing Director, Advanta  
Philip Kiriro, President, Eastern Africa Farmers Federation  
Thomas Osborn, former Senior Agricultural Officer, FAO  
David Spielman, Senior Research Fellow, IFPRI

### Regional Expert Review Committee for Eastern Africa

Dawit Alemu, Senior Researcher, Ethiopian Institute of Agricultural Research  
Dominic Gitau, former General Manager, Simlaw Seed Company  
Flora Mpanju, Senior Examiner, African Regional Intellectual Property Organization  
Stephen Mugo, Principal Scientist & Kenya Country Representative, CIMMYT  
John Kanyuthia Mutunga, Chairman, Kenya Nat. Fed. of Agricultural Producers  
Essau Mwendo Phiri, Chairman, National Smallholder Farmers' Association of Malawi

### Access to Seeds Index Team

Ido Verhagen, Executive Director  
Theo Quaijtaal, Operations Director  
Coosje Hoogendoorn, Head of Research  
Sanne Helderma, Program Manager Regional Index  
Anke van Bruggen, Communication Manager  
Xiangyu Rao, Program Manager Data Collection/Researcher  
Wouter Kleijn, Researcher  
Amal El Basrhiri, Financial Controller  
Stefan Lammers, Project Assistant (until May 2015)

### Advisors

Orlando de Ponti, former Head of Research, Nunhems  
Clemens Stolk, industry consultant, de Innovatiemakelaar  
Kevin Ranney, Director Advisory Services, Sustainalytics  
Wim Leereveld, founder, Access to Seeds Index

### Index Initiative Team

Gerbrand Haverkamp, Program Director/Industry Leader Seafood  
Lisanne Urlings, Lead Researcher  
Anna Suttorp, Project Manager  
Hendrik Steeringa, Industry Leader Oil and Gas  
Gonnie Been, Industry Leader Mobile Telecommunications Services  
Ed Monchen, Industry Leader Agricultural Commodity Traders  
Deb Appel, Industry Leader Chemicals



## 1.6 Finance in Progress

The Access to Seeds Foundation has improved its management reporting and forecasting cycles. Smart ICT add-in technologies and automatic bank interfaces have been implemented. The transformation of the governance model has led to the tightening of rules and processes around the organizational administration and procurement.

## 1.7 Figures 2015 – Actuals versus Budget

The most relevant variances between actuals and budget are in the following categories:

### Income/deferred income

The deferred income is higher due to the receipt of several grant instalments in 2015. In the budget the grant instalments are recognized as income, however they should be recognized as income/deferred income. The amount of grant instalments can also be incurred for future activities (January 2016-March 2016). The Access to Seeds Foundation allocated the grant arrangements based on the percentage of the total budget of monthly costs and recognized it as income for the period to which it is related.

### Salaries

The budget includes more employees than are employed. The positions of (senior) researcher and project assistant are currently vacant. At the same time, the Foundation is externally supported by two team members (head of research and senior researcher) from KIT (Royal Tropical Institute).

### Travel

The positive variance in travel relates to the postponement of the release of the Index Report. Some costs, for example for stakeholder engagement and round-tables, will be incurred at the beginning of 2016 instead of at the end of 2015.

### Consultancy

The positive variance in consultancy expenses is mainly due to consultancy savings. The Foundation reduced its consultancy costs in 2015.

### Supplies and similar expenses

The positive variance in supplies and similar expenses is mainly due to savings, such as reduced spending on canteen supplies, made by the Foundation in 2015.

With the later release of the Index Report, the Foundation expects to postpone some costs related to the preparation and launch of the Index. In addition, the Foundation expects to incur the costs of designing, printing and launching the report in early 2016 instead of at the end of 2015.

## 1.8 Continuity

The Access to Seeds Index follows a two-year development cycle. Funding for the first cycle, resulting in the first Methodology Report and the first Index Report, was provided by the Dutch Ministries of Economic and Foreign Affairs and the Bill & Melinda Gates Foundation.

The original plan was to engage a third funder for the first cycle. In 2014 and 2015, interested governments, foundations and financial institutions were identified. However, most potential funders indicated that they would base their funding decision on the quality and reception of the first Index.

Various measures were taken to ensure that the project could be completed with the existing two funders. The Access to Seeds Foundation adjusted its spending, most notably the consultancy budget for the research partner and personnel. The exchange rate of the dollar had a positive effect on the Foundation's budget in euros.

With the remaining funds from the first cycle, the Access to Seeds Foundation has sufficient budget to cover its costs until October 2016. Conversations with the Dutch government and the Bill & Melinda Gates Foundation on continuation of the funding relationship are ongoing. In addition to the current funders, AgriCord, an international alliance of agri-agencies, has indicated its willingness to become one of the funders for the second cycle. Irish Aid has also shown interest in funding the Regional Index for Eastern Africa. In November 2015, the Access to Seeds Foundation had promising talks with the Bill & Melinda Gates Foundation in Delhi on funding a Regional Index for South and Southeast Asia and/or India. Despite these positive indications, it is of critical importance that long-term funding be secured in early 2016 to ensure continuity of the organization.

Index Initiative is run as a separate project and has secured funding for all of its activities in 2016. The five feasibility studies on which the Initiative is currently working will be finalized in 2016. An element of the feasibility studies is the inventory of potential funders for each Index. In the event that the feasibility study of a particular industry shows an Index to be viable and funding is secured, the further development of this Index will be transferred to a separate foundation. To this end, five foundations were established in late 2015.

### 1.9 Outlook 2016

The coming year will be exciting and challenging, as the efforts of the past three years come to fruition. Milestones for 2016 are:

- The launch of a new internet platform to support the publication of the first Access to Seeds Index and facilitate communication with stakeholders. The platform will go live in early 2016.
- The publication of the first Index in February 2016. Continued talks with potential funders for the second Index.
- In cooperation with the Bill & Melinda Gates Foundation, the Access to Seeds Foundation intends to organize an event at which insights from the TASAI and World Bank's EBA monitor on the role of the public sector in access to seeds will be discussed, in conjunction with the Index's findings on the role of the private sector.
- The publication of the first Index also marks the start of the second Index cycle, in which the current methodology will be evaluated and refined. Opportunities for consultation and review, including meetings of the Expert Review Committee, are planned.
- The 2016 budget for the Access to Seeds Foundation is enclosed as Appendix 1.

### 1.10 Concluding Remarks

The feasibility study for the Access to Seeds Index was conducted in 2012. The first Index will be published in early 2016. In the intervening years, not only has a thoughtful and rigorous methodology been developed, but a foundation with a strong international, multi-stakeholder governance model has also been established. In addition, a great deal of time has been invested in stakeholder engagement and involvement.

In short, the Access to Seeds Foundation is ready for take-off. The publication of the first Index is not the end of a process; rather, it marks a new beginning. After all, the Index was developed with the goal of facilitating the dialogue on the role of the seed industry in increasing smallholder farmer productivity. That dialogue will commence with the publication of the Index's findings in early 2016.

Amsterdam, February 16, 2016  
Access to Seeds Foundation

A handwritten signature in black ink, appearing to read 'Ido Verhagen', written in a cursive style.

Ido Verhagen  
Executive Director

## Balance Sheet as at December 31, 2015 (after appropriation of result)

	Note	12/31/2015		12/31/2014	
		Euro	Euro	Euro	Euro
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4		10.777		13.806
Financial fixed assets	5		2.250		2.250
<b>Current assets</b>					
Receivables, prepayments and accrued income	6		8.490		11.188
Cash and cash equivalents	7		1.245.495		594.397
			<b>1.267.012</b>		<b>621.641</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Destination fund	8		376.903		33.299
<b>Current Liabilities</b>					
Accounts payables		19.588		48.607	
Taxes and social security contributions	10	20.315		19.189	
Deferred income	11	686.613		425.000	
Other debts and accruals	12	163.593		95.546	
			890.109		588.342
			<b>1.267.012</b>		<b>621.641</b>

## Statement of Income and Expenses for the year ended December 31, 2015

	Note	Budget 2015 Euro	Results 2015 Euro	Results 2014 Euro
<b>Income</b>				
Grants and subsidies	14	2.775.000	2.204.244	844.006
Financial income	15	-	2.514	4.038
Exchange difference	16	-	1.983	(627)
<b>Total income</b>		<b>2.775.000</b>	<b>2.208.741</b>	<b>847.417</b>
<b>Expenses</b>				
Salaries and wages	17	996.777	768.449	174.203
Social security and pension contributions	18	111.813	77.461	26.509
Other personnel expenses	19	89.641	93.965	183.820
Depreciation of plant, property and equipment		-	5.243	2.038
Proceeds sale fixed assets		-	4.825	-
Travel expenses		143.966	34.157	22.727
Financial expenses		-	969	729
Housing expenses	20	39.600	41.718	21.178
Consultancy expense	21	1.132.062	810.192	410.136
Supplies and similar expenses	22	94.940	28.158	13.875
<b>Total Equity</b>		<b>2.608.799</b>	<b>1.865.137</b>	<b>855.215</b>
<b>Net result</b>		<b>166.201</b>	<b>343.604</b>	<b>(7.798)</b>
<b>Distribution of net result</b>				
<b>Addition to destination fund</b>		<b>-</b>	<b>343.604</b>	<b>(7.798)</b>

# Notes to the Financial Statements

## 1 General Information

### 1.1 Activities

Stichting Access to Seeds Foundation (the 'Foundation'), domiciled in Amsterdam, the Netherlands, is a foundation ('stichting') incorporated according to Dutch law. The Foundation's registered office is Mauritskade 63, 1092 AD Amsterdam. The Access to Seeds Foundation was established to encourage the seed industry to bridge the gap between the productivity and potential of smallholder farmers. It aims to reach that goal in particular by developing and publishing an independent Access to Seeds Index. The Index measures the extent to which individual seeds companies enhance smallholders' access to their knowledge, technologies, varieties and seeds. The Index seeks to benchmark and improve performance over time. The Foundation was established on October 13, 2011 and its first accounting period ended on December 31, 2012. Thereafter, the Foundation has reported its figures on a calendar-year basis (12 months). The current reporting period covers the period from January 1 to December 31, 2015.

### 1.2 Going concern

The equity of the Foundation amounts to EUR 376.903 as at December 31, 2015. It is financed in full with grants and subsidies. The continuity of the Foundation depends to a significant extent on the willingness of funding organizations to continue these financing facilities.

Based on the conversations held with the funding organizations, as well as with potential new funders, the Foundation expects that sufficient funding may be secured early 2016. Should this not be successful, the Foundation will need to terminate all activities in relation to the Seeds Index by mid 2016 to avoid a shortage.

On this basis, the accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of continuity of the Foundation.

### 1.3 Estimates

In applying the principles and policies for drawing up the financial statements, the management of the Foundation makes different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

## 2 Accounting policies for the balance sheet

### 2.1 General Information

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the general accepted accounting policies for non-profit organizations, as published by the Dutch Accounting Standards Board ('Richtlijn voor de Jaarverslaggeving 640'). Assets and liabilities are generally valued at historical cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, statement of income and expenses, references are made to the notes.

### 2.2 Prior-year Comparison

The accounting policies have been consistently applied to all the years presented.

### 2.3 Foreign Currencies

#### 2.3.1 Functional Currency

The financial statements are presented in euros, which is the functional and

presentation currency of the Foundation. Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the respective Foundation operates (the functional currency).

### **2.3.2 Transactions, assets and liabilities**

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the income statement.

Translation differences on non-monetary assets held at cost are recognized using the exchange rates prevailing on the dates of the transactions.

### **2.4 Property, plant and equipment**

Property, plant and equipment are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated future useful lives. Allowance is made for any impairment losses expected on the balance sheet date.

### **2.5 Financial fixed assets**

Financial fixed assets like deposits are valued at historical cost or manufacturing price. Impairment losses are deducted from amortised cost and expensed in the income statement.

### **2.6 Receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognized using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

### **2.7 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are valued at nominal value.

### **2.8 Current liabilities and deferred income**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, being the amount received taking into account any premium or discount, less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest in the income statement over the period of the borrowings using the effective interest method.

All donor payments received by the Access to Medicine Foundation but not spent, are presented as 'deferred income' under current liabilities.

## **3. Accounting policies for the income statement**

### **3.1 General information**

The result is determined as the difference between total income and total expenses. Income and expenses are recognized in the income statement in the period that they are realized.

### **3.2. Grants and subsidies**

Donations, grants and subsidies are recognized as income when there is reasonable assurance that they will be received and that the Foundation will comply with the conditions associated with these contributions. Donations, grants and subsidies that compensate the Foundation for expenses incurred are recognized as income on a systematic basis in the same periods in which the expenses are recognized. Donations, grants and subsidies that compensate the Foundation for the cost of an asset are recognized as income on a systematic basis over the useful life of the asset.

### **3.3 Financial income**

Interest income is recognized on a time-weighted basis, taking into account the effective interest rate of the assets concerned.

### **3.4 Other income**

Other income refers to incoming amounts other than donations, grants and subsidies and is recognized as income when there is a reasonable assurance that the contribution will be received.

### **3.5 Exchange differences**

Exchange differences arising upon the settlement or conversion of monetary items are recognized in the income statement in the period that they arise.

### **3.6 Expenses**

Development costs for the Access to Seeds Index are recognized as expenses, since no future benefits are expected.

The Foundation is the owner of the intellectual property rights of the Access to Seeds Index. These rights are internally developed and on that basis not capitalized (in accordance with Dutch law).

### **3.7 Employee benefits**

Salaries, wages and social security contributions are reported on the income statement based on the terms of employment, where they are due to employees.

### **3.8 Depreciation**

Property, plant and equipment are depreciated over their estimated useful lives from the inception of their use. Future depreciation is adjusted if there is a change in estimated future useful life.

### **3.9 Financial expenses**

Interest paid is recognized on a time-weighted basis, taking into account the effective interest rate of the liabilities concerned. When recognizing interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

### **3.10 Taxes**

The Foundation is exempt from both income taxes and VAT.



#### 4 Property, plant and equipment

Movements in property, plant and equipment can be broken down as follows:

	Furniture Euro	Equipment Euro	Total Euro
<b>Balance as at December 31, 2013</b>			
Cost	8.854	7.353	16.206
Accumulated depreciation	(1.243)	(1.158)	(2.400)
<b>Book value</b>	<b>7.611</b>	<b>6.195</b>	<b>13.806</b>
<b>Movements in book value</b>			
Additions	2.453	4.586	7.039
Depreciation	(1.795)	(3.448)	(5.243)
Disposals	5.853	747	6.600
Depreciation disposals	(1.463)	(311)	(1.774)
<b>Balance</b>	<b>5.047</b>	<b>1.574</b>	<b>6.622</b>
<b>Balance as at December 31, 2014</b>			
Cost	5.453	11.192	16.646
Accumulated depreciation	(1.575)	(4.294)	(5.869)
<b>Book value</b>	<b>3.879</b>	<b>6.898</b>	<b>10.777</b>
<b>Depreciation rate</b>	20% - 33%	20% - 33%	

#### 5 Financial Fixed Assets

	12/31/2015 Euro	12/31/2014 Euro
Security deposit for rental payments	2.250	2.250

#### 6 Receivables, prepayments and accrued income

	12/31/2015 Euro	12/31/2014 Euro
Prepayments	4.214	5.385
Interest income	2.514	3.892
Wages prepayments	-	118
Current account Access to Medicine Foundation	-	1.794
Other receivables	1.762	-
	8.490	11.188

The fair value of the receivables equals the book value, given the short-term character of these receivables.

## 7 Cash and cash equivalents

Cash and cash equivalents are at the Foundation's free disposal.

## 8 Equity

### Destination fund

Movements in the Foundation's reserves can be broken down as follows:

	Destination fund Euro
<b>Balance as at January 1, 2014</b>	41.096
<b>Movements</b>	
Result for the year Access to Seeds	(7.798)
<b>Balance as at December 31, 2014</b>	<b>33.299</b>

	Destination fund Euro
<b>Balance as at January 1, 2015</b>	33.299
<b>Movements</b>	
Result for the year Access to Seeds	343.604
Result for the year Index Initiative	-
<b>Balance as at December 31, 2015</b>	<b>376.903</b>

This fund consists of funds earmarked for the publication of the first Access to Seeds Index Report according to the objectives of the Foundation. As the positive result in 2015 will specifically be used to cover the costs in the first half of 2016, this result is put in a destination fund. The result in 2014 was taken out of the destination fund, which remains positive in spite of the small loss.

## 9 Current liabilities

All current liabilities are due in less than one year. The fair value of the current liabilities approximates the book value due to their short-term character.

## 10 Taxes and social security contributions

	12/31/2015 Euro	12/31/2014 Euro
Wage tax	20.315	14.555
Pension premiums	-	4.634
	<b>20.315</b>	<b>19.189</b>

## 11 Deferred income

Deferred grant income amounts to EUR 686.613 (2014: EUR 425.000). These amounts were paid by the Dutch Ministry of Economic Affairs (EUR 316.436), the Bill & Melinda Gates Foundation (EUR 288.258) and Dutch Ministry of Foreign Affairs (EUR 81.919). The Foundation allocated the grant arrangements based on the percentage of the total budget monthly costs and recognized it as income for the period to which it is related.

**12 Other debts and accruals**

	12/31/2015 Euro	12/31/2014 Euro
Research work regional partner	120.744	78.233
Accrued vacation days	14.079	1.584
Accrued vacation allowance	13.970	9.132
Accrued auditor's fees	5.856	6.000
Current account Access to Medicine Foundation	1.306	-
Bank costs	330	196
Other liabilities	7.307	401
	<b>163.593</b>	<b>95.546</b>

**13 Contingencies and commitments****13.1 Financial obligations**

The Foundation has an office rent obligation of EUR 5.064 per month with the Royal Tropical Institute (KIT), which can be terminated with six months' notice. The Foundation has received a claim from an applicant. The claim is disputed. No reliable estimate can be made of the potential compensation, if any.

**14 Grants and subsidies**

	Results 2015 Euro	Results 2014 Euro
Dutch Ministry of Economic Affairs	1.058.565	525.000
Bill & Melinda Gates Foundation	627.599	319.006
Dutch Ministry of Foreign Affairs	518.081	-
	<b>2.204.244</b>	<b>844.006</b>

**15 Financial income**

	Results 2015 Euro	Results 2014 Euro
Interest	2.514	4.006
Other income	-	32
	<b>2.514</b>	<b>4.038</b>

**16 Exchange rate differences**

	Results 2015 Euro	Results 2014 Euro
Exchange rate differences	1.983	627-

**17 Salaries and wages**

	<b>Results 2015</b> Euro	<b>Results 2014</b> Euro
Gross salaries and wages	724.166	161.911
Holiday allowance	31.841	10.709
Accrued vacation days	12.442	1.584
	<b>768.449</b>	<b>174.203</b>

**18 Social security and pension contributions**

	<b>Results 2015</b> Euro	<b>Results 2014</b> Euro
Social security charges and pension costs	54.201	20.083
Compensation health care insurance	23.260	6.426
	<b>77.461</b>	<b>26.509</b>

**19 Other personnel expenses**

	<b>Results 2015</b> Euro	<b>Results 2014</b> Euro
Travel expenses employees	41.270	51.589
Management fees	22.083	123.634
Training expenses	2.229	1.692
Salary administration	1.293	509
Other personnel expenses	27.090	6.396
	<b>93.965</b>	<b>183.820</b>

**20 Housing Expenses**

	<b>Results 2015</b> Euro	<b>Results 2014</b> Euro
Office rent	36.921	17.000
Cleaning	2.374	2.426
Energy	2.012	1.352
Other housing expenses	411	400
	<b>41.718</b>	<b>21.178</b>

**21 Consultancy and Similar Expenses**

	<b>Results 2015</b> Euro	<b>Results 2014</b> Euro
Research subcontractors	654.090	285.411
PR and communications expenses	77.465	15.842
Web design expenses	18.954	12.364
Auditor's expenses	6.439	7.634
Other consultancy expenses	53.244	88.886
	<b>810.192</b>	<b>410.136</b>

## 22 Supplies and Similar Expenses

	Results 2015 Euro	Results 2014 Euro
ICT expenses	9.209	3.130
Print expenses	7.665	1.493
Telecommunication expenses	3.944	3.249
Canteen expenses	3.281	1.728
Office supplies expenses	522	834
Domain name registration expense	58	48
Subscriptions	15	2.602
Other office expenses	3.464	791
	<b>28.158</b>	<b>13.875</b>

## 23 Audit Fees

The following audit fees were expenses in the income statement in the reporting period.

	Results 2015 Euro	Results 2014 Euro
Statutory audit of annual accounts	5.856	6.000
Other audit fees	583	1.634
	<b>6.439</b>	<b>7.634</b>

## 24 Average number of employees

During the financial year, the average number of employees, based on full-time equivalents, was 9.85 (2014: 2.0). Of these employees, nil were employed outside the Netherlands (2014: nil).

## 25 Management remuneration

During the reporting period, the Foundation paid EUR 124.213 as remuneration for the Executive Director (2014: EUR 88.235). Additionally, the Supervisory Board members of the Foundation were paid EUR 22.083 as a reimbursement of expenses (2014: EUR 37.736).

	Results 2015 Euro	Results 2014 Euro
Gross wage salary	103.020	79.638
Social charges	8.867	5.639
Vacation allowance	8.201	680
Pensions	4.125	2.278
	<b>124.213</b>	<b>88.235</b>

Amsterdam, February 16, 2016.  
Stichting Access to Seeds Foundation

Executive Board:  
Ido Verhagen Executive Director  
Supervisory Board:  
Arnoud Kuijpers Chairman a.i.

# Independent Auditor's Report

## JPA Van Noort Gassler & Co

opgericht 1 september 1919

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## Auditing



### INDEPENDENT AUDITOR'S REPORT

To: the Board of Stichting Access to Seeds Foundation

#### **Report on the financial statements**

We have audited the accompanying financial statements 2015 (as set out on pages 12 until 21) of Stichting Access to Seeds Foundation, Haarlem, which comprise the balance sheet as at December 31<sup>st</sup>, 2015, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

#### **Management's responsibility**

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the annual report both in accordance with the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board. Furthermore management is responsible for such internal control as it determines "as necessary" to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Access to Seeds Foundation as at December 31<sup>st</sup>, 2015, and of its result for the year then ended in accordance with the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board.

#### **Report on other legal and regulatory requirements**

Pursuant to the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board, we report, to the extent of our competence, that the annual report (as set out on pages 4 until 11) is consistent with the financial statements as required by the Guideline for annual reporting 640 "Not-for-profit organisations" of the Dutch Accounting Standards Board.

Bloemendaal, February 16th, 2016

JPA Van Noort Gassler & Co B.V.

Original signed by  
Drs. J.P. Walter  
Registeraccountant (member NBA)

## Appendix 1

### Budget of Income and Expenses 2016

	<b>Access to Seeds Index</b>	<b>Index Initiative</b>	<b>Total</b>
	Euro	Euro	Euro
<b>Income</b>			
Grants and subsidies	2.315.877	655.400	2.971.277
Donations	-	-	-
Financial income	-	-	-
Exchange difference	-	-	1.983
<b>Total income</b>	<b>2.315.877</b>	<b>655.400</b>	<b>2.971.277</b>
<b>Expenses</b>			
Salaries and wage	592.625	158.952	751.577
Social security and pension contributions	73.368	30.048	103.416
Other personnel expenses	73.320	19.300	92.620
Depreciation of plant, property and equipment	5.310	442	5.752
Travel expenses	219.200	80.000	299.200
Financial expenses	750	450	1.200
Housing expenses	42.000	24.307	66.307
Consultancy expense	1.298.630	314.951	1.613.580
Supplies and similar expenses	10.200	3.000	13.200
<b>Total expences</b>	<b>2.315.402</b>	<b>631.450</b>	<b>2.946.852</b>
<b>Net result</b>	<b>475</b>	<b>23.950</b>	<b>24.425</b>

**Disclaimer**

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**BILL & MELINDA**  
**GATES** *foundation*



Government of the Netherlands



**Access to Seeds**  
**Index**

Bridging the gap between the  
world's leading seed companies  
and the smallholder farmer