



# Annual Report 2020

## FairMatch Support Foundation

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# Management Board Report

## 1.1 General introduction

In 2017 FMS developed a 'mid-term strategy 2018-2021' for FMS with clear guidance for the future on a number of subjects. This annual report looks back at the fourth year of this mid-term strategy.

2020 has been the year of COVID-19. A year of restrictions and great uncertainties, also for FMS.

FMS has applied for the first NOW<sup>1</sup> because the impact of COVID-19 on the organisation, its partners and the possibilities to continue working was completely unclear.

Although this is not over yet, during 2020 it became more clear what was still possible and what was not possible. FMS has been able to continue its work, due to its long-term relationships with its partners and it was possible to continue most of the activities due to that. The economic insecure situation had and still has an impact on the willingness of companies and institutional donors to fund new activities; decisions took longer or were postponed. It further had an impact on our travel and the hiring of staff which effected the internal growth of the organisation.

As a result of the good relationships and hard work FMS has been able to secure a positive result of 38k after taxes, which is a very good achievement. Because of the positive result FMS has decided to not make use of the NOW.

## 1.2 Mission and Vision

FairMatch Support aims to work on the development of sustainable supply chains together with an increasing number of public and private sector partners. To give a clear direction to its activities FMS has formulated its mission as follows:

*'FairMatch Support believes that sustainable production and a fair profit distribution for everyone involved in global, agricultural supply chains is possible.'*

*FMS develops sustainable agricultural supply chains. We balance concrete market demand with fair and sustainable principles. Co-creation and long-term collaboration are key.*

*With deep knowledge and extensive experience FMS improves and accelerates sustainable business. Our international organisation of committed people supports companies in finding new sustainable sources, and producers in finding new markets and professionalizing their business.'*

FMS is an impact-oriented organisation targeting the improvement of the (income) position of producers and has the vision that their supply chain projects will enhance the transparency within the chain, thereby improving the overall performance and value creation within the chain.

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<sup>1</sup> Noodmaatregel Overbrugging voor Werkbehoud. NOW is a possible contribution from Dutch Government toward the salary costs of an organisation, if the organisation experiences a revenue loss of more than 20% as a result of COVID 19.

Value creation and growth in a sector will not jeopardise environmental sustainability, nor the health and wellbeing of all people working within the chain.

### 1.3 Organisational structure

FairMatch Support consists of two administrative organisations, *FairMatch Support foundation* (Stichting) and *FairMatch Support Limited (Ltd)*. *FairMatch Support foundation* has a management board that is consisting of the Executive Director of the Limited. Next to the management board there is a supervisory board that is controlling the management board. The report of the supervisory board is presented in chapter 2 of this report.

*FairMatch Support Ltd* is managed by a management board. The report of the management board can be found in chapter 1.4 of this document. The foundation has a 51% share in FairMatch Support Ltd.

For the foundation and the limited annual reports are presented as well as a consolidated annual report. This report contains the consolidated annual report and the foundation report. A separate report is prepared for the annual report FairMatch Support Ltd.

### 1.4 Composition of the Management Board (Foundation/Limited)

Since April 2017 the board of the Limited (BV) consists of one member: the Executive Director, Herman uit de Bosch. Senior staff is invited to provide input in the management of the organisation.

Mr H. uit de Bosch (Executive Director)

Herman uit de Bosch graduated at Wageningen University is one of the founders of FairMatch Support. He has over thirty years of working experience in innovative supply chain development, matching companies to (small-scale) producers and vice versa. He has been involved in developing new supply chains with a variety of companies like Ahold, Unilever, Intersnack, OLAM and many others in a range of commodities; nuts, fruits and vegetables, timber, cotton etc. He has also played a major role in the start-up of various initiatives.

To operate according to good governance rules and to avoid a conflict of interest in the shareholders meeting of the Ltd (BV), the management board of the Foundation (Stichting) transferred its authority to the supervisory board in the shareholders meeting and the latter operates therefor as the majority shareholder.

### 1.5 Summary of the reporting year

The COVID-19 situation has created a serious challenge for FMS like for most organisations both in Europe as well as abroad. At the start of the pandemic no one knew exactly what the effects for organisation would be. FMS is not only depending on what happened in Europe but as well what was happening in Africa. During the year it became apparent that, although there were restrictions, most of our activities could continue both in the Netherlands as well as with our partners in Africa and Central Asia. In the second half of the year it also turned out that acquisition could continue though at a slower pace of improvement as organisations and companies became more hesitant due to the situation. Travel and face to face meetings with our customers and partners have not been possible, but due to on our long-term relationships with all our partners we have been able to continue working together.



As stated we actively worked on acquisition as some of the longer-term projects are going to end in 2021. Although the expectations look good this has not yet materialised in new or extension of projects.

The franchise with FMS West-Africa has been going well. 2020 was the last year of the second franchise contract. This will be extended with a new contract for a period of 3-years in 2021. The activities with FMS West-Africa increased which resulted in a higher income for them as well as a higher franchise income for FMS NL.

The development of FMS Central-Asia is going slower than expected. Although there have been quite some activities and several options were pushed, this has not yet resulted in contracts. COVID-19 has not contributed positively to this situation.

In 2020 the number of activities in Sierra Leone increased. The trajectory with our designated partner Jula Consulting to see whether it is possible to develop this relationship into a third franchise partner for FMS has not materialised, also mainly caused by COVID-19 and the inability to travel.

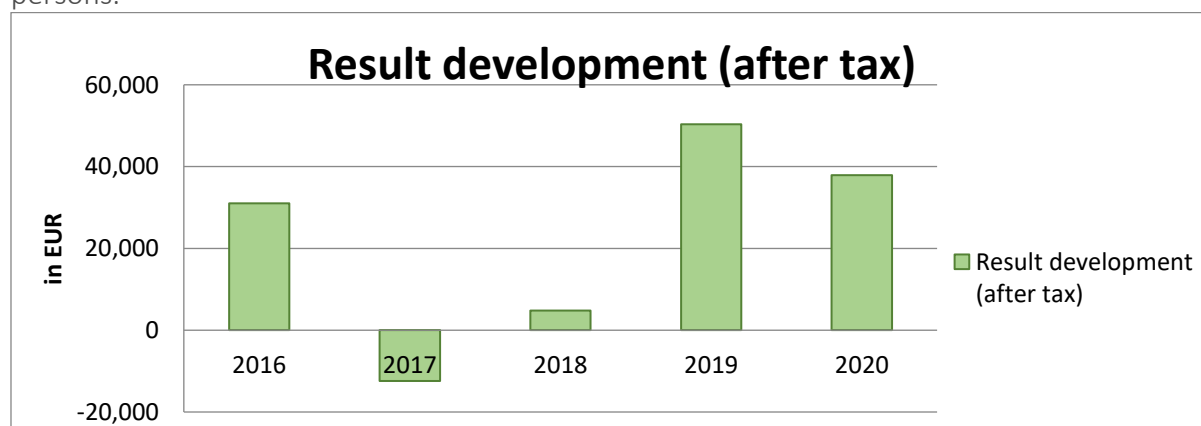
FMS is still running the secretariat for the Sustainable Nut Initiative (SNI). In 2020 SNI was able to secure a large grant, which will allow FMS to continue to play its role within SNI.

In 2020 two of our staff members unfortunately left the organisation. Although we have been able to recruit two new staff members it has not been easy to find the right candidates. The planned increase in number of staff has therefore not yet materialised yet.

## 1.6 Consolidated financials

### Result

2020 has been finalised with a positive result of €38K (2019 profit of €50k) after taxes. This is a solid result considering the pandemic and the third positive result in a row. It is higher than the budgeted result of €30K. In 2020 both total income as well as project expenditure were lower than originally anticipated. As a result the funds remaining to cover the FMS organisational expenditure also decreased to € 563K<sup>2</sup>. The overall FMS organisational expenditure were however also lower than anticipated (€ 517). This is mainly caused by lower personnel expenditure due to the departures of staff and the difficulty in hiring the right persons.



Graph 1: Result development

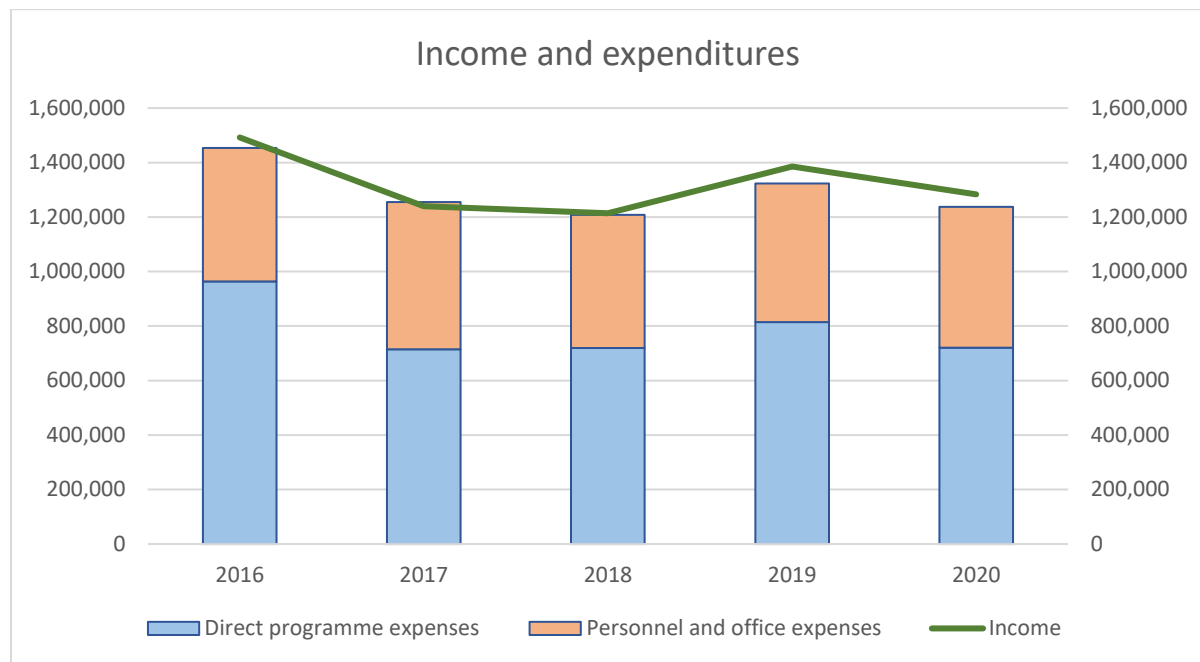
<sup>2</sup> Excluding expenses to franchisees and preferred partners

After three successive years with a positive result it was decided this year to pay out dividend to an amount of € 18,000 for the minority shareholder.

### ***Income and expenditure***

Despite COVID-19 FMS has been able to raise a revenue of € 1,283k. Although this income was lower than in 2019 (1,385k) this is seen as a great achievement, considering the circumstances. It has also been achieved with less staff available to implement the projects, due to the fact that recruitment turned out to be more difficult than expected.

The income is received from both private as well as public organisations. The income derives for a large part from multi-year contacts. It further includes an adjustment to the accrual expenses, which has been adjusted to the appropriate level.

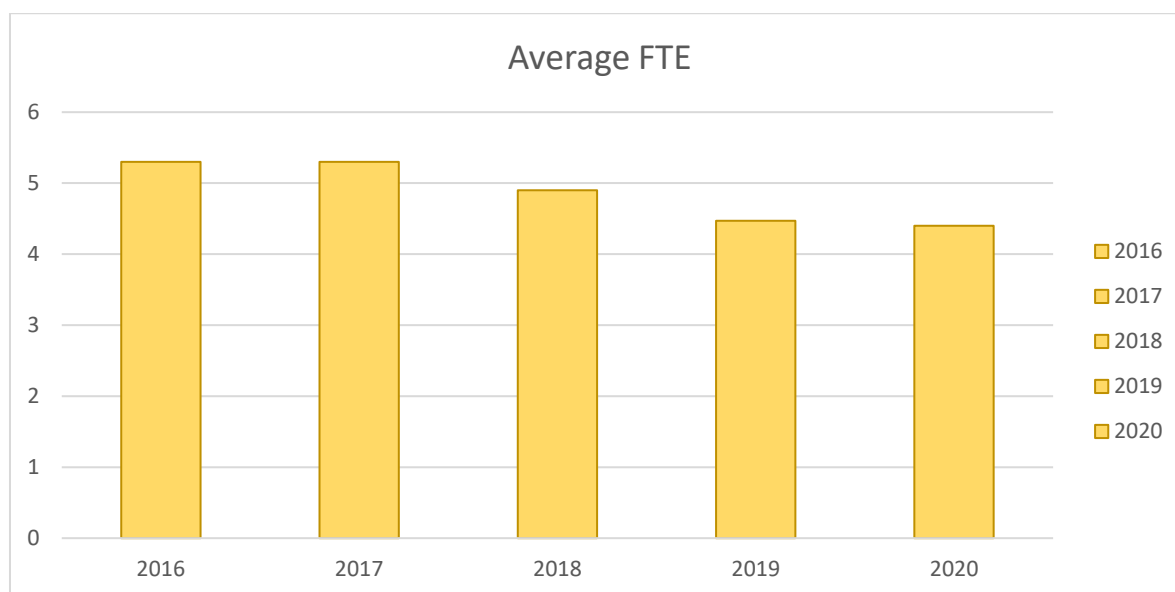


Graph 2: Income & expenditures

The total costs can be divided in direct project costs (58%) and personnel and office related expenses (42%). Direct programme expenses have decreased from 814K in 2019 to 720K in 2020 as a result of a decrease in volume of the portfolio partly as a result of corona. Our designated partners in the different countries did carry out a greater portion of the project activities, also due to the pandemic. This has been captured under direct programme expenses. Personnel and office expenses have increased slightly in comparison to 2019, from 509K in 2019 to 517K in 2020. This is mainly caused by a correction in the VAT of previous years.

### ***Staffing***

During 2020 the average FTE level reduced to an average 4.47 FTE in comparison to 4.9 average FTE in 2019.

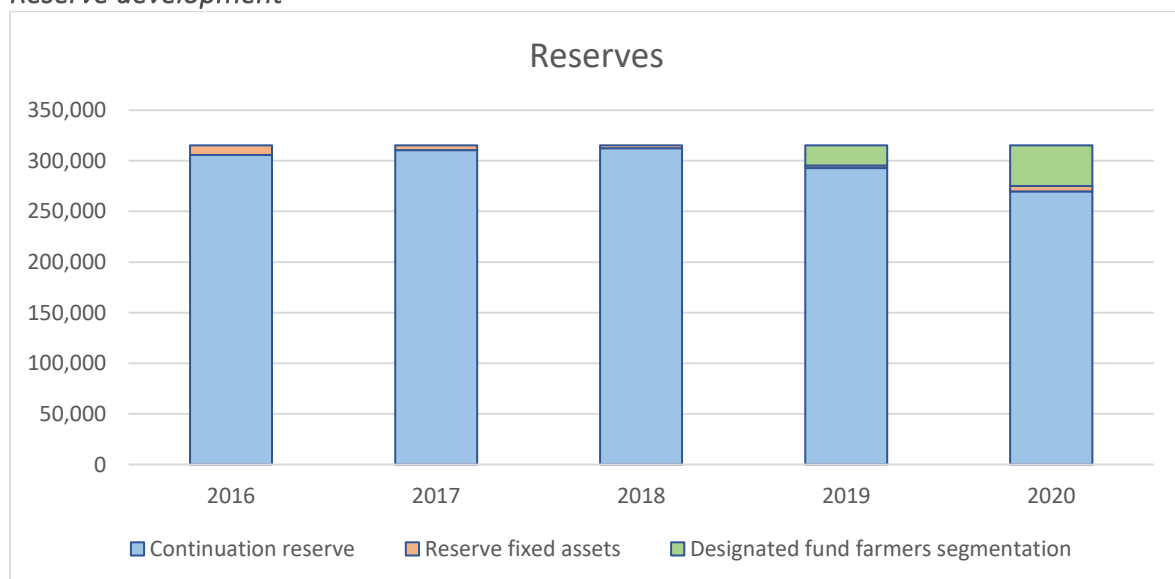


Graph 3: average FTE per year

During 2020 two staff members left the organisation and two new staff members joined the organisation. The difference is therefore mainly related to the timing of the recruitment of new staff.

On 31 December 2020 FairMatch Support had five staff members, who worked mostly part-time, totalling 4.1 FTE (snapshot).

### Reserve development



Graph 4: reserve development

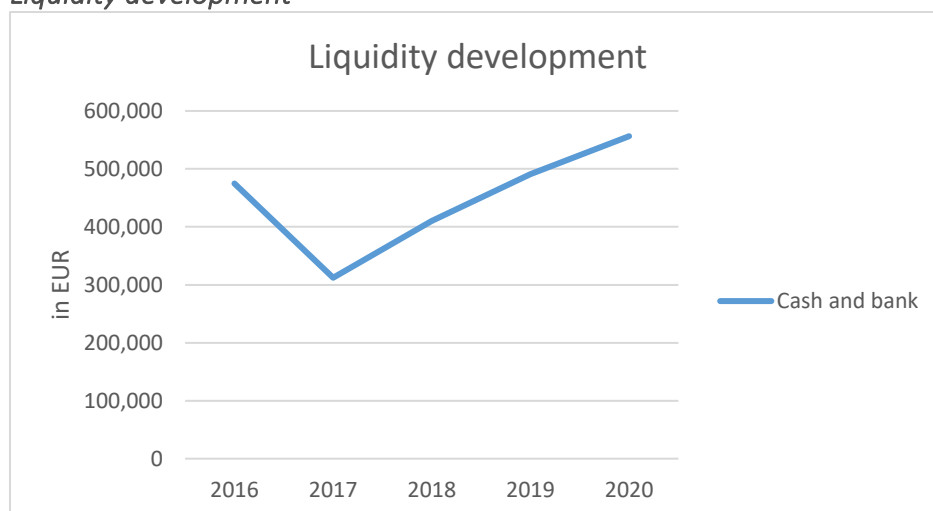
The reserves consist of the *continuation reserve*, a *reserve fixed assets*, and a *designated fund farmers segmentation*. Together they total € 315k.

At the end of 2020 the *continuation reserve* is € 270k. This is the result of an increase of the reserve fixed assets due to an investments in computers which took place in 2020. The *reserve fixed assets* reflects the book value of the tangible and intangible assets and has a value of € 5,505.

Further another € 20K from the continuation reserve was allocated to a *designated fund farmers segmentation*. This is an FMS initiated, conducted and partly co-financed research looking into the possibilities of farmers segmentation in Western Africa. The designated fund farmers segmentation has a value of €40K at the end of 2020.

The remainder of the continuation reserve is used as reserve in case of financial difficulties. The aim set by the supervisory board is to have a continuation reserve of between 6 and 9 months of the organisational expenditures. The organisational expenditures are € 517k in 2020, which amounts to 6.3 months and is therefore well within the boundaries set by the supervisory board.

### Liquidity development



Graph 5: liquidity development

The means of liquidity increased with € 66k compared to the end of 2019, which is caused by a large work advance received in 2020 for the implementation of one of the activities and the regular and strict invoicing and follow up of customers. The positive result of € 38K has also contributed to this.



## 1.7 Outlook for 2021

At the start of 2021 we have been working with the effects of COVID-19 for 9 ½ months. Although FMS has managed relatively well in 2020 the effects for the coming year are still unknown in the Netherlands as well as in Africa and Central Asia. The economic insecurity and travel restrictions will still have a great impact on how FMS will be able to work with its partners, the development of new ideas and the recruitment of staff. For the moment FMS has a good 'buffer' so should be able to survive if the crisis continuous this year.

FMS always spends part of its time on acquisitions. Given the pandemic and the current composition of the portfolio, this is now even more important. Quite a number of long-term activities will come to an end in 2021. A start has been made in 2020 for these activities to see whether project follow ups can be initiated as well. Further negotiations on new acquisition have been initiated these are expected to have a start in 2021. Acquisition is and will remain an important focus.

The main activities will take place in West Africa but building the portfolio in Central Asia and East and Southern Africa will remain focus points.

2021 will also be the start of the third period of our franchise set up with the office in West Africa. This will be based on an evaluation which outcomes will be incorporated in the ways of working together.

Further a trajectory will be developed on 'how to become a franchisee'. This should help potential franchisee partners with analysing their current organisational development and make clear which steps are to be taken to develop into a franchisee partner. The trajectory will include milestones.

The agreed new franchise with Sierra Leone partner will be further developed if COVID allows.

In 2021 FMS will further continue our search to new tooling and approaches. The internal project to reach emerging farmers, , which was started in 2019 and will be finalised in 2021. Next to that we plan to pick up the Digital Farmers Field School as well as a new exchange platform on produce and services.

Public relations and communications will built on the steps taken in 2020. We will integrate communications in projects where possible and appropriate. We will actively communicate on observations and progress of activities through our website, and other social media channels.

During 2021 it is the intention to grow with one staff member to make the team complete and have sufficient staff available necessary for growth.

Although a decrease in portfolio volume is expected in 2021, it is still expected to have a positive result of 68K after taxes at the end of the year.

## Budget 2021

	2021	
Total Revenue (including project partners)	1,300,000	
Total direct costs FMS & project partners	-674,727	
FMS revenue		625,273
Franchise income		40,000
Total net revenue		665,273
Personnel costs	482,638	
Office rent and housing	27,960	
Office costs	21,000	
Marketing/ advise & consulting / auditor	29,580	
Transport & travel	500	
Taxes (non-refundable VAT)	12,180	
Total expenses		573,858
Depreciation material fixed assets	2,640	
Depreciation immaterial fixed assets	3,493	
		6,133
<i>Net result before taxes</i>		85,282
Taxes on income		-17,056
<b>Net result after taxes</b>		<b>68,226</b>

## 1.8 Risks

The main risks for the organisation, which have been identified and experienced during 2020 are the following:

- The pandemic COVID-19: what are the effects for FMS and its (franchisee) partners. Regular online meetings were held with the partners, customers and Supervisory Board to check the current situation and assess what the best way forwards would be. Travel was postponed but most activities in the field could be carried out. Acquisition trajectories require more attention.
- Decreasing size of the volume of the projects: smaller projects demand relatively more acquisition and attention and therefore the margins are getting under further pressure. Therefore we continue to work on a number of larger projects to minimise this risk.
- Increasing administrative and financial requirements with financial consequences from funding agencies which become only apparent after proposals and budgets have been approved. Active discussions with funding agency during the proposal phase of projects will allow for this to be clear from the start of developing the project.
- Good staffing: the number of specialists in this field is limited which is creating a higher risk in recruitment and a quality and continuity risk for the organization. Internal training of young professionals and a broader team is seen as a good answer to this risk.
- Withdrawing governments in the field of development support is creating fewer options for this kind of work in the future; a good balance between private and public funds is therefore needed.

# Report of the Supervisory Board

## 2.1 Composition

During 2020 the supervisory board consisted of the following persons:

*Mrs D. Pit, member since September 2015, chairperson since December 2018*

Daphne Pit is owner of the consultancy Pit Pure Power. She has experience in sustainable energy and supply chains in both corporate and mission driven (NGO) organizations. Daphne became chairperson in December 2018.

*Mr A.J. van den Bos, member since September 2015*

Aart van den Bos is an entrepreneur with a wide range of experience in many continents. He has set up various agribusiness companies in different emerging countries over the years. It gives him energy when he gets the chance to combine social, ecological and financial success.

*Mrs J.P. van der Ven, member since September 2015*

Joke van der Ven is working as senior investment officer for the Triodos Sustainable Trade Fund, providing finance for the development of sustainable value chains covering emerging markets. She has been active in different positions in the area of enterprise development and agribusiness in Africa and Latin America over the past 20 years.

FairMatch Support has the objective to have people with different backgrounds and in related work fields in its supervisory board, worked out well.

## 2.2 Supervisory role

The responsibility for day-to-day management of the organization lies with the Board of Management. The role of the Supervisory Board is to supervise the Board of Management and to take decisions as required by the articles of association and the regulations. The Supervisory Board also plays the role of sounding board to the Management Board.

At the start of the lockdown due to Corona regular weekly and bi-weekly check-ins took place to discuss the situation and the impact for FairMatch Support.

Furthermore the Supervisory Board officially met three times in 2020, in April, October and November. During the April meeting the annual report and annual accounts were discussed. The September meeting focused on a general update on the results through August, while during the December meeting the annual plan 2021 was discussed and approved.

The main areas of discussions and decisions in the Supervisory Board were:

- Approval of the annual report 2019 and the discharge of the Board of Directors;
- Narrative and financial progress reports;
- Monitoring the impact of Corona on FairMatch Support;
- Succession members RvT;
- Planning of the new multi annual plan,
- FMS Acquisition.

Amersfoort, 22 April 2021

A.J. van den Bos  
Member

J.P. van der Ven  
Member

D. Pit  
Chairperson

# Consolidated financial statements 2020

## 3.1. Balance Sheet per 31 December (in €)

After appropriation of result

(The numbers in parentheses refer to the Explanatory Notes)

	31-12-2020	31-12-2019
<b>Assets</b>		
Tangible Fixed Assets (1)	5,504	2,405
Long-term receivables public projects (2)	36,862	371,564
Long-term receivables private projects (2)	15,678	20,310
Sub-total long-term receivables	52,540	391,874
	58,044	394,279
Receivables public projects (2)	403,837	625,306
Receivables private projects (2)	160,401	207,172
Accounts receivables (3)	312,207	235,877
Provisions (4)	-42,500	-5,000
Advance payments (5)	66,149	66,347
Sub-total receivables	900,093	1,129,702
Liquidities (6)	556,440	490,746
<b>Total Assets</b>	<b>1,514,577</b>	<b>2,014,727</b>
<b>Liabilities</b>		
<b>Reserves (6)</b>		
Continuation reserve	269,743	292,843
Reserve fixed assets	5,505	2,405
Reserve participation foundation (A)	68,275	48,930
Sub-total reserves	343,523	344,178
Shares capital foundation in FMS Ltd(A)	51	51
Minority shareholding FMS Ltd	42,225	41,638
<b>Designated reserve (7)</b>		
Designated reserve farmers segmentation	40,000	20,000
	40,000	20,000
<b>Long-term liabilities (8)</b>		
Long-term liabilities for public projects	0	355,875
Long-term liabilities for private projects	0	21,323
Sub-total long-term liabilities	0	377,198
<b>Short-term liabilities (9 + 10)</b>		
Short-term liabilities for public projects (9)	622,565	763,330
Short-term liabilities for private projects (9)	116,673	240,671
Accounts payable (10)	284,436	147,465
Salaries and taxes (10)	35,879	31,720
Company tax & Value Added Tax (10)	20,710	26,294
Other liabilities and accrued expenses (10)	8,515	22,182
Sub-total short-term liabilities	1,088,778	1,231,662
<b>Total Liabilities</b>	<b>1,514,577</b>	<b>2,014,727</b>



### 3.2 Consolidated income and expenditure statement 2020 (in €)

(The numbers in parentheses refer to the Explanatory Notes)

	Actuals 2020	Budget 2020	Actuals 2019
<b>Income (12)</b>			
Committed public projects	367,577	540,721	823,364
Committed private projects	199,084	209,279	254,554
Total income	566,661	750,000	1,077,918
Movement in public and private projects (12)	641,962	651,378	254,924
Available income for the year	1,208,623	1,401,378	1,332,842
Franchise income (13)	74,414	44,000	51,555
Other benefits	13	0	959
<b>Total income</b>	<b>1,283,050</b>	<b>1,445,378</b>	<b>1,385,356</b>
<b>Expenditures</b>			
<b>Programme expenditures (14)</b>			
Programme costs public projects	582,673	638,176	630,087
Programme cost private projects	120,915	124,730	156,219
Programme inefficiencies	16,768	0	27,919
Direct programme expenditures	720,356	762,906	814,225
<b>Organisational expenditures (15)</b>			
Personnel	417,107	541,873	421,795
Office accommodation	27,499	27,960	26,607
Office expenditures	33,433	34,220	30,424
Depreciation	3,422	3,700	1,694
Other costs	29,052	38,577	28,435
Costs previous years	6,754	0	0
Sub-total organisational expenditures	517,266	646,330	508,955
<b>Total expenditures</b>	<b>1,237,622</b>	<b>1,409,236</b>	<b>1,323,180</b>
<b>Results before tax</b>	<b>45,428</b>	<b>36,142</b>	<b>62,176</b>
Company tax	7,496	5,963	11,813
Result after tax	37,932	30,179	50,363
Minority interest	18,588	14,787	24,679
Net result foundation	19,345	15,391	25,685
Result allocation			
Continuity reserve	-23,100	14,787	-19,669
Reserve fixed assets	3,100	0	-331
Reserve participation foundation (A)	19,345	15,391	25,685
Designated reserve farmers segmentation	20,000	0	20,000
Total net result foundation	19,345	30,179	25,685

### 3.3 Consolidated cash flow statement (in €)

	2020	2019
<b>Cash flow from operating activities</b>		
Reserves	19,345	25,685
Minority shareholding FMS BV	587	24,678
	19,932	50,363
Adjustments for:		
- Depreciation of fixed assets	3,422	1,694
Changes in working capital		
- Receivables	229,609	82,048
- Short-term liabilities	-142,884	-5,153
	86,724	76,895
<b>Cash flow from operational activities</b>	<b>110,078</b>	<b>128,952</b>
<b>Cash flow from investment activities</b>		
- Investments in fixed assets	-6,522	-1,363
- Adjustments in long-term assets	339,334	285,275
	332,813	283,912
<b>Cash flow from financing activities</b>		
- Long-term liabilities	-377,198	-332,218
<b>Increases / decreases in liquidities</b>	<b>65,694</b>	<b>80,645</b>
<b>Liquidity movements</b>		
Cash and cash equivalents as of 1 January	490,746	410,101
Increase / decrease in cash and cash equivalents	65,694	80,645
<b>Cash and cash equivalents as of 31 December</b>	<b>556,440</b>	<b>490,746</b>

### 3.4 Explanatory notes for the annual accounts

#### **FairMatch Support Foundation**

FairMatch Support Foundation is located at Grote Koppel 8 in Amersfoort. The FairMatch Support Foundation was established in 2007. It is registered with the Chamber of Commerce in Amersfoort under number 817692319.

The Dutch Tax and Customs Administration has designated FairMatch Support Foundation as an 'Institution of General Interest' (Algemeen Nut Beoogende Instelling, ANBI).

#### **FairMatch Support Limited**

FairMatch Support Limited is located at Grote Koppel 8 in Amersfoort. The FairMatch Support Limited was established in 2014. It is registered with the Chamber of Commerce in Amersfoort under number 854673015.

The relationship between FairMatch Support Foundation and FairMatch Support Limited has been described in point 1.3.

#### **Guiding principles**

The annual accounts are prepared in accordance with the accounting guideline for not for profit organisations ('Directive 640) of the Dutch Accounting Standards Board (DASB).

#### **Accounting principles**

##### ***General***

The accounts concept applied to the value of assets and liabilities are based on historical costs. Revenue and expenses are allocated to the period to which they are related.

The comparative figures for the previous year are modified as appropriate in terms of classification only for comparison purposes.

The consolidated annual accounts include the following entities:

- FairMatch Support Foundation (Stichting)
- FairMatch Support Ltd (B.V.)

##### ***Foreign currency***

The currency of reporting is the Euro. Transactions in foreign currencies are recalculated at the exchange rate on the transaction date. Exchange rate differences are stated under 'office costs' and have been applied to the credit or debit of the profit and loss account.

Transactions during the year and amounts receivable and payable at year-end denominated in foreign currencies are translated at the rates applicable at the time of transaction and the year-end respectively. Resulting exchange differences are charged or credited directly to results.

### ***Fixed assets***

The fixed assets are valued at their acquisition value and are subject to the deduction of linear depreciation based on their estimated economic lifetime.

The following percentages are used:

Office furniture and equipment: 20%

Computer equipment: 33%

Software: 33%

Short-term receivables are stated net of any provision required for doubtful amounts.

### ***Reserves and participation***

FairMatch Support makes a distinction between funds and reserves.

The continuation reserve consists of freely disposable capital, which provides security for the continuity of the organisation.

In 2012 FairMatch Support supervisory board has discussed the level of the reserve with the external auditor in line with practices in the industry. Therefore FairMatch Support aims at maintaining a continuity reserve that is sufficient to cover a minimum of six months and a maximum of nine months of the anticipated organisational expenditures (50% to 75% of the annual expenses).

Reserve participation consists of the participation of FairMatch Support Foundation in FairMatch Support Ltd. Minority shareholding is the minority share in FairMatch Support Ltd. Annual profits or losses are charged to these participations in accordance with their share (51% and 49% respectively).

Designated fund farmers segmentation is a fund created out of the continuation reserve to finance the by FMS conducted research to the possibilities for farmer segmentation in West Africa.

### ***Funds***

Funds are project funds with a specific destination as stipulated in a contract. The balances of funds are designated to the continuation of the specific projects, in line with the objectives indicated in the contract.

### ***Income and expenditures***

Income and expenditures are accounted for at a historical costs basis in the year to which they relate.

Donations are taken into the income when committed based on the budget period.

Movements in funds (being the unspent or overspent committed donations) are deducted from the committed donations in order to show the available donations for the current year.

### ***Pension***

Since 1 September 2017 FairMatch Support has a defined contribution pension scheme. In this pension scheme there is no own/additional contribution for employees. The premiums payable are accounted for as a charge in the profit and loss account. Insofar as the premiums payable have not yet been paid, they are included in the balance sheet as an obligation.

### ***Cash flow statement***

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet items cash at bank. Cash flows in foreign currencies have been translated at estimated average exchange rates.

### 3.5 Explanatory notes for the balance sheet

#### Assets

##### 1. Intangible- and fixed assets

The movement in intangible- and fixed assets can be specified as follows:

	Office furniture & equipment	Computers	Software	Total 2020	Total 2019
<b>Acquisition value</b>					
Balance as of 1					
January	24,328	41,230	35,443	101,001	99,638
Additions	0	6,522	0	6,522	1,363
Deductions	0	-39,166	0	-39,166	0
<b>Balance as of 31</b>					
<b>December</b>	<b>24,328</b>	<b>8,586</b>	<b>35,443</b>	<b>68,357</b>	<b>101,001</b>
<b>Depreciation</b>					
Balance as of 1					
January	23,172	39,982	35,443	98,597	96,902
Depreciation	1,156	2,266	0	3,422	1,694
Deductions	0	-39,166	0	-39,166	0
<b>Balance as of 31</b>					
<b>December</b>	<b>24,328</b>	<b>3,082</b>	<b>35,443</b>	<b>62,853</b>	<b>98,596</b>
<b>Book value as of 31</b>					
<b>December</b>	<b>0</b>	<b>5,504</b>	<b>0</b>	<b>5,504</b>	<b>2,405</b>
Annual depreciation	20%	33%	33%		

Six new laptops were bought in 2020. No other investments were made. An adjustment was made on the value of computer equipment for it to reflect the actual computer equipment in use.

##### 2. Receivable funds

Receivable funds provide an overview of running contracts with public and private partners at the beginning and at the end of 2020. The receivable funds relate to the full period of the contract. The payment terms are an integral part of the contract. In accordance with the contracts the funds have been divided into short-term receivables, these funds are expected within the next year. Long-term receivables are expected over a period longer than one year.



<b>Long-term project receivables</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January public projects	371,564	557,405
Balance as of 1 January private projects	<u>20,310</u>	<u>119,745</u>
<b>Balance receivable funds as of 1 January</b>	<b>391,874</b>	<b>677,150</b>
Changes in public projects	-334,702	-185,841
Changes in private projects	<u>-4,632</u>	<u>-99,435</u>
<b>Changes in public and private projects</b>	<b>-339,334</b>	<b>-285,276</b>
Balance as of 31 December public projects	36,862	371,564
Balance as of 31 December private projects	<u>15,678</u>	<u>20,310</u>
<b>Balance project receivable as of 31 December</b>	<b>52,540</b>	<b>391,874</b>

Long-term receivable funds decreased in contract value with € 339k, as a result of the finalisation of some multi-annual contracts. New long-term project proposals are being developed and discussed with partners and funders at this moment. Due to COVID19 the processes take longer.

#### Short-term receivable funds

<b>Project receivables</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January public projects	625,306	574,920
Balance as of 1 January private projects	<u>207,172</u>	<u>393,050</u>
<b>Balance receivable funds as of 1 January</b>	<b>832,478</b>	<b>967,970</b>
Changes in public projects	-221,469	50,386
Changes in private projects	<u>-46,771</u>	<u>-185,878</u>
<b>Changes in public and private projects</b>	<b>-268,240</b>	<b>-135,492</b>
Balance as of 31 December public projects	403,837	625,306
Balance as of 31 December private projects	<u>160,401</u>	<u>207,172</u>
<b>Balance project receivable as of 31 December</b>	<b>564,238</b>	<b>832,478</b>

Short-term receivable funds decreased in contract value with € 268K. There is a trend noticeable in which contracts shorter than one year are becoming more usual e.g. as a pilot to a bigger project.

### 3. Accounts receivable

The receivables are short-term assets. These include invoices to customers, which were not yet been paid by 31 December 2020. 50% Of these invoices have been received by the end of February 2021.

<b>Receivables</b>	<b>2020</b>	<b>2019</b>
Account receivables	309,192	235,875
Other receivables	<u>3,015</u>	<u>2</u>
<b>Balance as of 31 December</b>	<b>312,207</b>	<b>235,877</b>

#### 4. Provisions

In 2019 a provision of € 5K has been established to cover a future liability related to public partners not refunding the total amount of costs spend and claimed on a project. This issue has unfortunately not been solved in 2020 but will hopefully be settled in 2021. An additional provision was included of € 37,500 was included to cover a future liability related to partner and government institution who might not be able to contribute to the expenses made on the project.

<b>Provisions</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January	5,000	0
Provisions for onerous contracts	37,500	5,000
<b>Balance as of 31 December</b>	<b>42,500</b>	<b>5,000</b>

#### 5. Advance payments

At the end of 2020 advance payments consists pre-payments provided to designated sub-contractors of FairMatch Support and office rent.

<b>Advance payment</b>	<b>2020</b>	<b>2019</b>
Pre-payments subcontractors	60,000	60,000
Pre-payments rent & services	6,149	6,094
Other pre-payments	0	253
<b>Balance as of 31 December</b>	<b>66,149</b>	<b>66,347</b>

#### 6. Liquidities

The cash and bank balances are free disposable liquidities except for the guarantee account. This account with a balance of € 7k is a three month guarantee for the lease of the office accommodation. Liquidities increased as a result of the timely settlement of invoices by our debtors at the end of the year and a large pre-finance received for one of the projects.

<b>Liquidities</b>	<b>2020</b>	<b>2019</b>
Cash	182	198
Current and savings accounts	556,258	490,548
<b>Balance as of 31 December</b>	<b>556,440</b>	<b>490,746</b>

## 7. Reserves

The purpose of the continuation reserve is to cover the risks in the short-term and to ensure that FairMatch Support can also meet its obligations in the future. In 2020 part of the continuation reserve (20K) has been allocated to a designated funds to finance the FMS conducted research in the possibilities to farmers segmentation.

<b>Continuation reserve</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January	292,843	312,511
Additions / deductions	-23,100	-19,668
<b>Balance as of 31 December</b>	<b>269,743</b>	<b>292,843</b>

Actual organisational cost are € 517k in 2020 while the actual continuity reserve is € 270k. This is 52% or 6.2 months and well within the aimed bandwidth set by the supervisory board.

The reserve fixed assets reflects the book value of the intangible and fixed assets

<b>Reserve fixed assets</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January	2,405	2,737
Additions / Withdrawals	3,100	-332
<b>Balance as of 31 December</b>	<b>5,505</b>	<b>2,405</b>

The reserve participations has developed as follows:

<b>Reserve participation (A)</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January	48,930	23,245
Additions/deduction	19,345	25,685
<b>Balance as of 31 December</b>	<b>68,275</b>	<b>48,930</b>

<b>Shares capital foundation in FMS ltd (A)</b>	<b>51</b>	<b>51</b>
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Reserve participation reflects the value of the share in profit and losses of FairMatch Support Foundation in FairMatch Support Ltd.

The shares and reserve of the minority shareholder has developed as follows:

<b>Reserve minority shareholder (Reserve B)</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January	41,589	16,912
Appropriation of result	18,587	24,678
Dividend	-18,000	0
<b>Balance as of 31 December</b>	<b>42,176</b>	<b>41,589</b>

<b>Shares minority shareholder (Shares B)</b>	<b>49</b>	<b>49</b>
<b>Shares and reserve minority shareholder (B)</b>	<b>42,225</b>	<b>41,638</b>

It has been decided to pay € 18,000 in dividend this year to the minority shareholder B.

## 8. Designated reserve

As mentioned a designated reserve was created in 2019 to fund an FMS initiated research on farmers segmentation. This reserve is to cover the costs of staff working on this activity. The reserve will be used in the coming two years. An additional contribution of € 20k was made into the fund in 2020

<b>Designated reserve farmers segmentation</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January	20,000	0
Addition/deduction	20,000	20,000
<b>Total</b>	<b>40,000</b>	<b>20,000</b>

## Liabilities

### 9. Fund development

Fund development provides an overview of the balance between the contractual commitments with public and private partners and the expenses already made against these contracts. The balance of project funds indicates the level of expenditures, which are budgeted for in the coming years. The funds can be divided in long-term liabilities which are longer than one year and short-term liabilities which are shorter or equal to one year.

<b>Long-term project funds</b>	<b>Balance project fund 1/1/20</b>	<b>Move-ment in funds</b>	<b>Balance project fund 31/12/20</b>	<b>Balance project fund 1/1/19</b>	<b>Move-ment in funds</b>	<b>Balance project fund 31/12/19</b>
Public projects	355,875	355,875	0	592,676	236,801	355,875
Private projects	21,323	21,323	0	116,740	95,417	21,323
<b>Total long-term project funds</b>	<b>377,198</b>	<b>377,198</b>	<b>0</b>	<b>709,416</b>	<b>332,218</b>	<b>377,198</b>

The long-term project funds are zero at the end of 2020. This means that all longer term contracts will come to an end in 2021. Negotiations are ongoing for the extension of these projects.

<b>Short-term project funds</b>	<b>Balance project fund 1/1/20</b>	<b>Move-ment in funds</b>	<b>Balance project fund 31/12/20</b>	<b>Balance project fund 1/1/19</b>	<b>Move-ment in funds</b>	<b>Balance project fund 31/12/19</b>
Public projects	763,330	140,765	622,565	612,668	-150,662	763,330
Private projects	240,671	123,999	116,673	372,080	131,409	240,671
<b>Total short-term project funds</b>	<b>1,004,001</b>	<b>264,764</b>	<b>739,237</b>	<b>984,748</b>	<b>-19,253</b>	<b>1,004,001</b>

#### 10. Short-term liabilities

Accounts payable include outstanding amounts to service providers and are all to be settled in early 2021. It also contains the reimbursement of the NOW. As indicated before, FMS has applied for it, but did, in the end not need this government subsidy. The increase is caused by the increased activities of the franchise partner which were invoiced to FMS. Salaries and taxes include reservations for holiday allowance and social security payments. It further includes a reservation for outstanding leave days and a reservation for the transition payments. Other liabilities and accrued expenses include, amongst others, the reservation for the auditor's fee.

<b>Short-time liabilities</b>	<b>2020</b>	<b>2019</b>
Accounts payable	284,436	147,465
Salaries and taxes	32,527	31,720
Pension	3,352	0
Company tax and VAT	20,710	26,294
Other liabilities and accrued expenses	8,515	22,182
<b>Balance as of 31 December</b>	<b>349,540</b>	<b>227,661</b>

#### 11. Obligations not included in the balance sheet

FairMatch Support has a tenancy agreement for the premises at Grote Koppel 8, Amersfoort. This agreement will end 30 September 2021. The rental commitment through the end of the contract is valued at € 18,446 (price value 2020). A bank guarantee of € 7k has been issued as a security in favour of the landlord.

### 3.6 Explanatory notes for the income and expenditures statement

#### 12. Income

Income was obtained by regular activities of FairMatch Support. Each project fund has its own contract with its own terms of conditions. The funds are divided in public or private projects based on the type of organisation and external advice provided by a VAT expert. Contracts with public entities are categories as public funds. Contracts with companies are mainly categorised as private funds. Regular narrative and financial reports are prepared. Invoices are submitted to customers based on targets stated in the specific contracts or disbursement schedules stated in the contract. No large one-off benefits were received in 2020.

Income was lower than anticipated in the budget. This was due to the difficulties in replacing staff with personnel with the right qualifications. Further the uncertain economic situation as a result of COVID19 had an impact on the possibilities to start new projects.

Income	Actuals 2020	Budget 2020	Actuals 2019
Committed public projects	367,577	540,721	823,364
Committed private projects	<u>199,084</u>	<u>209,279</u>	<u>254,554</u>
<b>Total commitment</b>	<b>566,661</b>	<b>750,000</b>	<b>1,077,918</b>
Movement in public and private projects	<u>641,962</u>	<u>651,378</u>	<u>254,924</u>
<b>Project income for the year</b>	<b>1,208,623</b>	<b>1,401,378</b>	<b>1,332,842</b>

#### 13. Other income

FairMatch Support has franchise agreements with her partner organisations in West Africa and Central Asia. Income derived under these agreements is reflected here. In 2019 'Miscellaneous revenue' consisted of a correction on the company tax 2018.

Other income	Actuals 2020	Budget 2020	Actuals 2019
Franchise income	74,414	44,000	51,555
Miscellaneous revenue	0	0	946
Interest received	<u>13</u>	<u>0</u>	<u>13</u>
<b>Total other income</b>	<b>74,427</b>	<b>44,000</b>	<b>52,514</b>

#### 14. Programme expenditures

Direct programme expenditure on the statement of Income and Expenditures represent the direct expenses on projects carried out by FairMatch Support and network partners.

Programme expenditures	Actuals 2020	Budget 2020	Actuals 2019
Expenditures public programmes	582,673	638,176	630,087
Expenditures private programmes	120,915	124,730	156,219
Programme efficiencies / non efficiencies	<u>16,678</u>	<u>0</u>	<u>27,919</u>
<b>Total expenditures</b>	<b>720,356</b>	<b>762,906</b>	<b>814,225</b>

Next to these direct programme expenditures FairMatch Support charges productive hours and administrative cost to the programmes.



## 15. Organisational expenditures

Organisational expenditures consist of personnel expenditures, accommodation costs, office costs and depreciation.

Personnel expenditures were lower than budgeted because of difficulties finding the qualified staff members.

<b>Personnel costs</b>	<b>Actuals 2020</b>	<b>Budget 2020</b>	<b>Actuals 2019</b>
Salaries	291,682		303,256
Social security	51,401		53,451
Pension	44,844		52,465
Other expenses	29,180		12,623
<b>Total personnel costs</b>	<b>417,107</b>	<b>541,873</b>	<b>421,795</b>

The personnel costs have decreased slightly in comparison to 2019. The number of FTE's has also slightly decreased in comparison to 2019 from 4.47 FTE to 4.40 FTE on average during the year. The number of staff members at the end of 2020 was 5.

<b>Organisation expenditures</b>	<b>Actuals 2020</b>	<b>Budget 2020</b>	<b>Actuals 2019</b>
Office accommodation	27,499	27,960	26,607
Office costs	33,433	34,220	30,424
Depreciation	3,422	3,700	1,694
Other costs	29,052	38,577	28,435
Costs previous years	6,754	0	0
<b>Total organisational expenditures</b>	<b>100,159</b>	<b>104,457</b>	<b>87,160</b>

Total organisational expenditures have increased in comparison to 2019 with € 13k. This is mainly caused by 'Office Costs' and 'Costs previous years' which relates to a correction of the VAT.

# Foundation financial statements 2020

## 4.1 Balance Sheet Foundation as of 31 December (in €)

(after appropriation of result)

(The numbers in parentheses refer to the Explanatory Notes)

	31/12/2020	31/12/2019
<b>Assets</b>		
<b>Financial assets (16)</b>		
Financial assets	68,326	48,981
Long-term receivables public funds (2)	36,862	371,564
<b>Assets</b>	<b>105,189</b>	<b>420,546</b>
<b>Receivables</b>		
Receivable public funds (2)	403,837	625,306
Current Account FMS BV	-31,390	-6,820
<b>Current Assets</b>	<b>372,447</b>	<b>618,486</b>
Cash and Bank (6)	528,503	444,402
<b>Total Assets</b>	<b>1,006,139</b>	<b>1,483,434</b>
<b>Liabilities</b>		
<b>Reserves</b>		
Continuation reserve (17)	269,743	292,842
Reserve fixed assets	5,505	2,406
Shares and reserve participation (18)	68,326	48,981
<b>Reserves total</b>	<b>343,574</b>	<b>344,229</b>
<b>Designated reserve (19)</b>		
Designated fund project farmers segmentation	40,000	20,000
<b>Designated reserve total</b>	<b>40,000</b>	<b>20,000</b>
<b>Long-Term liabilities (9)</b>		
Public projects	0	355,875
<b>Short-term liabilities (9)</b>		
Short-term liabilities public funds	622,565	763,330
<b>Total Liabilities</b>	<b>1,006,139</b>	<b>1,483,434</b>

## 4.2 Income and Expenditure statement Foundation 2020 (in €)

(The numbers in parentheses refer to the Explanatory Notes)

	Actuals 2020	Budget 2020	Actuals 2019
<b>Income (11)</b>			
Committed public projects	367,577	540,721	823,364
Total income	367,577	540,721	823,364
Movement in public projects	496,640	350,000	86,140
Available income for the year	864,217	890,721	909,504
Other benefits (12)	13	0	959
Result participation 51% FMS BV	19,345	0	25,685
<b>Total income</b>	<b>883,575</b>	<b>890,721</b>	<b>936,148</b>
<b>Expenditures</b>			
Programme expenditures (13)	582,673	638,176	630,087
Programme efficiencies	21,526	0	21,539
Total programme expenditures	604,200	638,176	651,626
Organisational expenditures allocated from limited	260,030	252,545	258,837
<b>Total expenditures</b>	<b>864,230</b>	<b>890,721</b>	<b>910,463</b>
<b>Net result after tax</b>	<b>19,345</b>	<b>0</b>	<b>25,685</b>
<b>Result allocation</b>			
Continuity reserve	-20,000	-20,000	-20,000
Reserve participation foundation (A)	19,345	0	25,685
Designated fund farmers segmentation	20,000	20,000	20,000
<b>Total net result</b>	<b>19,345</b>	<b>0</b>	<b>25,685</b>

### 4.3 Explanatory notes for the balance sheet of the foundation

#### 16. Financial assets

Financial assets reflect the participation of FairMatch Support Foundation in FairMatch Support Ltd. The foundation shares in the profit and losses of the limited at 51%. The movement in financial assets can be specified as follows:

<b>Reserve participation</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January	48,930	23,245
Additions / deductions	19,345	25,685
<b>Balance as of 31 December</b>	<b>68,275</b>	<b>48,930</b>

<b>Shares A</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January	51	51
Additions	0	0
<b>Balance as of 31 December</b>	<b>51</b>	<b>51</b>

<b>Total reserve and participation</b>	<b>68,326</b>	<b>48,981</b>
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#### 17. Reserves

The value of the continuation reserve and reserve fixed assets were created before FairMatch Support Ltd was established in 2015 in which FairMatch Support foundation has a share. Results (negative and positive) are allocated towards the participation. In 2020 part of the Continuation reserve was allocated to a designated fund for an internal project on the segmentation of farmers.

<b>Continuation reserve</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January	292,180	312,511
Additions / deductions	-16,900	-20,331
<b>Balance as of 31 December</b>	<b>275,280</b>	<b>292,180</b>

<b>Reserve fixed assets</b>	<b>2020</b>	<b>2019</b>
Balance as of 1 January	2,405	2,737
Withdrawals	3,100	-332
<b>Balance as of 31 December</b>	<b>5,505</b>	<b>2,405</b>

18. Reserve participation FMS Ltd

Reserve participation reflects the value of the share in profit and losses of FairMatch Support Foundation in FairMatch Support Ltd.

The shares and reserve of the minority shareholder has developed as follows:

**Shares and reserve participation**

	2020	2019
Reserve participation FMS Ltd		
Balance as of 1 January	48,930	23,245
Additions / deductions	19,345	25,685
<b>Sub-total</b>	<b>68,275</b>	<b>48,930</b>
Shares capital foundation in FMS Ltd	51	51
<b>Balance as of 31 December</b>	<b>68,326</b>	<b>48,981</b>

19. Designated reserve

A designated reserve was created in 2019 to fund an FMS initiated research on farmers segmentation. This reserve is to cover the costs of staff working on this activity. An additional contribution of € 20,000 was made in 2020.

	2020	2019
Designated reserve farmers segmentation		
Balance as of 1 January	20,000	0
Addition/deduction	20,000	20,000
<b>Total</b>	<b>40,000</b>	<b>20,000</b>

#### 4.4 Explanatory notes for the statement of income and expenditure of the foundation.

The income of the Foundation is based on its share in FairMatch Support BV.

Parties have agreed to formally lay down the main obligations towards each other in accordance with their respective objects, i.e. for FairMatch Support Ltd to execute the programmes and to distribute its main share of profits to FairMatch Support Foundation and for FairMatch Support Foundation to allocate those contributions for the further implementations of its objectives.

Parties realise that with the establishment of FairMatch Support Ltd, a division of responsibilities and activities will need to take place, in accordance with the respective objects of the parties.

FairMatch Support Foundation will remain responsible for the overall mission and vision and activities related to the development and funding of programmes that adds value to the community.

FairMatch Support Ltd is responsible for activities related to the fulfilment of the mission and vision of the Foundation and the implementation of other related programmes.

Parties have the intention to do all what is necessary to enable FairMatch Support Foundation and FairMatch Support Ltd to carry out their respective activities, to make any transition of activities as smooth as possible as to safeguard the overall continuity and quality of the sustainable programs.

Direct programme costs have been charged to the Foundation in line with the type of the clients, being public or private.

Personnel-, accommodation-, office- and other costs have been charged in proportion to the share of public funds in the total funds.

Amersfoort, 22 April 2021

H. uit de Bosch  
Executive Director



## 20. Project overview

The overview presented shows receipts and expenditures for some specific project funds.

Name	Receipts < 2020	Receipts 2020	Total received	Expenditure < 2020	Expenditure 2020	Total expenditures
W&D FDOV BF/BN Cracking the nut	790,718	173,078	963,796	749,113	203,472	952,585
Both Ends Omadeza Mali	81,225	47,718	128,943	67,233	54,642	121,875
W&D SAI Fruits Sierra Leone	234,480	139,145	373,625	251,245	143,187	394,432
W&D EU TDG Melo Cashew SL COIC	-	40,477	40,477	-	24,928	24,928
Other public funds receipts and expenses	863,263	528,091	1,391,354	778,683	443,401	1,222,084
<b>Public funds receipts and expenses</b>	<b>1,969,686</b>	<b>928,509</b>	<b>2,898,194</b>	<b>1,846,275</b>	<b>869,630</b>	<b>2,715,905</b>

Name	Receipts < 2020	Receipts 2020	Total received	Expenditure < 2020	Expenditure 2020	Total expenditures
Private funds receipts and expenses	432,153	323,498	755,652	369,187	343,142	712,328
<b>TOTAL Public and Private funds receipts and expenses</b>		<b>1,252,007</b>			<b>1,212,772</b>	

## Auditor's Report



**FairMatch  
Support**

Committed people creating  
future proof supply chains



**FairMatch  
Support**

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FairMatch Support  
Netherlands  
Grote Koppel 8  
3813 AA Amersfoort  
The Netherlands

Tel: (+31) 33 461 25 25

Mail:

FairMatch Support Central  
Asia  
155, Ogonbaev Street  
Bishkek  
Kyrgyzstan

Tel: (+996) 312 660 818

Mail:

FairMatch Support West Africa  
Avenue du Colonel Jamot  
Secteur 11, Bobo Dioulasso  
BP 8907 Ouagadougou  
Burkina Faso

Tel: (+226) 20 97 75 25

Mail:

[mathieu@fairmatchsupport.org](mailto:mathieu@fairmatchsupport.org)

