

2016

dance4life's financial report





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01 - Introduction

Dear reader,

Welcome to dance4life's 2016 financial report. It gives me great pleasure to introduce and recap on quite a year of change. In these pages you will find the highlights of an eventful and transformational period for the organisation, our people and our programmes.

It might be a cliché, but change really does come from within. To illustrate this let me take you on a journey to Ghana where I met an extraordinary young girl called Mia. Mia was only 16 years old when she got pregnant and had to leave school. Now, three years later, she has healthy young son and, and despite of the stigma she has had to face, she is attending school again. The challenges she overcame showcase the personal resilience and determination of this young woman. She was empowered to realize that education is the key to a prosperous future and dedicated herself to achieving that dream no matter what. Her inner resolve really touched me. To me it showed one thing very clearly, the change came from the power within!

2016 has been a year of organisational evolution in dance4life as we revisited our *why*, *how* and *what*. Our 2013-2016 strategy came to an end and taught us a lot. For once that, unfortunately, there is no need to change our *why* – *our reason of being* - because unsafe sex remains one of the biggest health threats to young people today. In fact it is the fastest growing health threat. The huge change will be in our *how and what*. *How are we, together with our partner network, going to tackle the challenges, and what will we do to turn the situation around*. In order to succeed we need more concentrated focus on what we do best: building the confidence and skills of young people. Our new curriculum absorbs these and transforms our youth engagement and personal leadership model renewing dance4life's mission. Our period of self-reflection has resulted in a brand new strategy that will be put into action in 2017. We are taking a 4 year transition period to further develop and prove our model, to get buy-in for it and to develop a franchise structure that will enable sufficient scale of the model through a partner network that will be ready to bring the impact.

Talking about sex in many of the countries we work in is still a delicate task. Encouraging safe sexual health practices requires an open-hearted embrace of the local environment to enable our wonderful peer leaders to open up the spaces where young people can safely engage and be engaged.

Challenging social norms is never easy. However, done in the right way and the correct context it ensures that sexual behaviors and questions that may go unnoticed or unanswered can be addressed. Shedding light on simple, straightforward, sexual awareness information in a creative way is central to dance4life's mission to protect as many young people as possible from easily avoidable sexually transmitted diseases.

Eveline Aendekerk

Executive director

02 - Why we dance4life

Think about this.

One in four people alive today are between the ages of 10 and 24. That's 1,8 billion young people on our planet. The biggest youth population ever. That's 1,8 billion futures. Unleash their collective energy and potential to its fullest and the social and economic progress could be astounding. It could change the world.

Frustratingly, too many of those young lives simply do not have a chance to blossom. Too many live in extreme poverty. The intersection of poverty and sexuality can have lasting effects on sexual norms, such as constraining sexual expression, confidence and self-esteem.

Too many young people have to deal with basic gender inequality. And too many, in this age of information overload, lack the basic information that leads to empowered lives and empowered living. A lack of awareness is holding young lives back.

Not knowing the risks or having the confidence to discuss contraception use leads to unsafe sex. **And unsafe sex is the fastest growing health threat to young people today.** It wasn't even in the top ten in 1990. For girls it is the number one health risk.

That's a trend we are determined to tackle head on. It doesn't have to be this way.

Imagine all young people being able to make informed decisions about healthy and safe sex because they know the options available to practice it. Imagine them establishing equal and stable relationships because they have relatable examples of how to achieve one. Imagine young women having children only when they are ready because they know they have a choice.

Empowerment is our currency, let's invest it wisely.

1,8 billion young lives in the making.

Think about that.



03 - The urgency

The facts don't lie. Here are just a few facts to remind you of scale of the problem and why it's so urgent to address it:

- Almost 6.000 people are infected with HIV every day.
- AIDS is again the number one cause of death among young people aged between 10 and 19 in Africa.
- The number of young people under the age of 25 that died of AIDS related causes increased by 50% between 2004 and 2014.
- Every year, a total of 7,3 million teenage girls give birth, 2 million before they turn 15.
- 35% of women have been victims of sexual violence.
- An estimated 225 million women in developing countries would like to delay or stop childbearing but are not using any method of contraception. This is 6% of all women on the planet.
- Every year there are an estimated 80 million unintended pregnancies in developing countries. This results in 30 million unplanned births, 40 million abortions and 10 million miscarriages and the death of over 100.000 women.
- Complications related to pregnancy and childbirth is a leading cause of death among girls aged between 15 and 19.

04 - Our Vision and Mission

Our vision

Harnessing the energy of youth to empower and positively shape their lives is what dance4life is all about. We envision a world where every young person has the ability to make informed decisions leading to sexually healthy lives. We envision a world of young leaders as active change makers shaping their local communities and peer groups. Shaping their future the way they see it.

Not everyone has the confidence, awareness and knowledge to make healthy sexual choices and develop healthy relationships. Confidence building makes all the difference. Confident young people inspire their peers. Everyone notices it. You stand out from the crowd. It's infectious. Confidence breeds confidence. Confident young people are not afraid to articulate their needs –to their parents, their teachers, their mentors.

The more young people we can inspire and shape into role models, the more shining examples we give to others to follow. A virtuous circle. Leaders of their own lives and change makers in their own communities and beyond.

We provide the megaphone to amplify their voice. We instill them with the self-confidence to help realise that untapped potential. Investing in a healthy future starts with investing in young people's sexual and reproductive health. It's a right for all young people wherever they live in the world.

Our mission

Our promise to the world is to empower young people so they can develop the personal leadership skills they need for healthy sexual choices and relationships. We use youth culture, music and dance to create dynamic dialogue spaces and engaging awareness environments. We offer young people the experiential tools to build self-esteem and autonomy, to make them courageous and confident.

This promise is translated into our mission statement:

**“We empower young people to
take personal leadership in
their sexual lives”**

05 - Where we work

In 2016, dance4life worked in 17 countries, across five continents: Africa, Asia, Europe, South America and North America.



*Argentina - Barbados - Ethiopia - Ghana - India - Indonesia- Kenya - Mexico -
Netherlands - Nepal - Pakistan - Peru - Russia - Spain - Uganda - Tanzania - Zambia*

Reach

The number of young people we reached in 2016 was actually lower than in 2015, but this was expected as many of our programs were still in start-up phase this year. However, overall we have been steadily building on implementing our programs across the globe.

In 2016, we reached a total of almost 100.000 young people in 17 countries through our programs. Almost 30.000 young people became agents4change, making a significant change in their community. The total number of agents4change since dance4life started in 2004 is now over 845.000 - and we are proud to say that our total reach is now over 2,1 million young people. We also know that each agent4change shares acquired knowledge with an estimated 5 other people, meaning that dance4life has indirectly reached over 4 million individuals!

Direct reach 2016		
Africa	19.485	19,4 %
Asia	70.281	70,0 %
Americas	3.661	3,6 %
Europe	6.935	7,0 %
Totals	100.362	100 %

Agents4change 2016		
Africa	4.900	17,2 %
Asia	20.359	71,6 %
Americas	1.514	5,3 %
Europe	1.675	5,9 %
Totals	28.448	100 %

06 - Our 2016 story

2016 was a year of organisational soul-searching within dance4life. Our 2013-2016 strategic plan came to an end and we decided to take a reflective, critical look at our track record and our place in the world.

The Impact

We focused on conducting research on our approach and set up evaluation studies for different programs globally. Worth highlighting here are the results of our research in Russia and Nepal, where baseline studies have been conducted to assess the impact of the dance4life program.

In Russia we want to find out how the dance4life approach of campaigning with ambassadors leads to voluntary HIV-testing amongst Russian youngsters. Baseline data has been gathered and in December 2016 a new campaign started to target young people. Mid-2017 the research will be finished and the findings will inspire our current strategies of working with ambassadors in countries.

In Nepal an extensive baseline study has been conducted on the Save the Date project (refer to Save the Date Nepal). The objective of this research is to increase our knowledge about the current situation on child marriages in Nepal and serve to facilitate the decision making. Furthermore, at the end of the project base- and end line results will be compared to measure the outcomes and impact of the project on child marriages in Nepal.

Finally, we developed a comprehensive overview of the key research that has been conducted on the dance4life approach the last decade. This overview builds our track record and shows the positive impact dance4life has on the confidence, gender equal attitudes, knowledge and personal leadership of young people. It also provided valuable insights into the success of our key strategies, such as our peer-led experiential learning approach, building personal leadership and enabling safe spaces for sharing and learning.

The results

Back in 2013 dance4life decided to focus on 4 main goals:

1. Reach 1,4 million young people through our 2013-2016 program (bringing the total reach since 2004 to 2,8 million)
2. 75% of participants in our programs will have increased knowledge around positive sexual health practices and at least 375.000 agents4change will show improved attitude, skills, risk perception and self efficacy.
3. Visible difference and demonstrable influence by young people on post 2015 agenda and national or district policies
4. A stronger dance4life network with increased commitment at all levels.

As mentioned earlier by the end of 2016 we have reached 2,1 million young people in total since 2004, of which almost 1 million young people became agents4change. However, as you will see below, numbers alone only tell half the story. Our findings are

based on input and research done internally and externally with all stakeholders involved in dance4life activities.

Behaviour Change

Over the past three years dance4life carried out impact research on multiple occasions, in multiple countries to see what difference our programs actually make on the ground. It is clear. The dance4life program leads to improved confidence levels. Our research in Zambia illustrates this. The inclusion of peer educators in the schools has enabled the programme to be effective in the delivery of educate. The pupils are able to open up and share more with the peer educators on some of the issues they face as young people, such as dating, engaging sex and challenges they face at home.

Also, in Nepal research showed that young people show significant knowledge improvement on gender, SRH and HIV issues. The research in Russia showed that participants became more competent in discussing sensitive issues around HIV.

Influence

Measuring effect on policy is always hard, especially in relation to international advocacy and the UN agenda. However, dance4life's role on the international development stage has been refined in the last few years. One of the best examples of this evolution is with the ChangeMakers project. Through a group of young advocates from all over the world, we bring the realities and stories of young people to the international stage. This included high level political forums in New York in the first half of the year and the European Week of Action for Girls in Brussels in the latter half. These ChangeMakers are currently from countries such as Zambia, Pakistan and Ghana and are guided and trained by dance4life. They are offered the opportunity to advocate at different UN conferences. This way we ensure that the voice of young people is heard loud and clear at critical moments in these important venues.

Commitment

We also focused on creating a stronger dance4life family. Again, we turned our yearly International Meeting into a sharing and learning platform for all our partners and we further developed the tools to help them implement the dance4life program. In the spirit of renewal we have also looked critically at some of our partnerships and decided to scale back. In 2012 we worked in 25 countries, we now work in 17. This decision was made in order to offer our remaining partners the best quality support scale up in those countries we see potential. We are focusing our resources and energy instead of spreading ourselves too thin over too many countries in order to make the biggest possible impact.

Do what we do best

The strategic period 2013-16 taught us a lot. It showed us our undoubted strengths and highlighted some weaknesses. We drew on leading research evidence, extensive (youth) consultations and conducted a SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) to devise a new organisational strategy and place empowerment at its center. In order to succeed we need more concentrated focus on what we do best: building the confidence and skills of young people. The way we engage with young people was found to be our number one strength. That is:

- our unique focus on empowerment
- our embrace of youth culture to ignite personal leadership.
- our open, positive attitude, with a heart connection at its core.

Our new curriculum absorbs these and transforms our youth engagement and personal leadership model renewing dance4life's mission. By doing so youngsters bring the change, own the challenges and apply their energy to tackling harmful social norms holding them back in their communities.

Our period of self-reflection has resulted in the following long term goal for 2030: 'Together with our partners empower more than 5 million young people to lead healthy sexual lives and feel confident about their future; leading to demonstrable improvements in sexual health outcomes'.

To be able to achieve this ambitious goal, we are taking a 4 year transition period to further develop and prove our model, to get buy-in for it and to develop a franchise structure that will enable sufficient scale of the model through a partner network that will be ready to bring the impact. This 4 year transition period is translated into a Business Plan for 2017-2020. During this transition period we will take time to further develop the model and the franchise structure and will do a thorough pilot and evaluation in 2 to 4 countries. We will do research on how the model leads to behavior change and contributes to sexual health outcomes, and will pursue an engagement strategy that will lead to key stakeholders buying in to our model.



07 - Alliances

Collaboration and co-creation form a huge part of dance4life's DNA as our work in previous alliances like ASK and UFBR already illustrated. We can't do what we do all by ourselves. Working together with multiple partners fosters important bonds and relationships that enable us take a step closer to achieving our long term goal of a healthier, safer, youth sexuality climate.

Get up Speak out

2016 was also the year the Get Up Speak Out programme (GUSO) in partnership with the Dutch Ministry of Foreign Affairs as part of the SRHR fund. It is a consortium of organisations all working together towards improved Sexual and Reproductive Health and Rights for young people, especially girls and young women. dance4life is a member alongside lead agency Rutgers, IPPF, Choice for Youth and Sexuality, Aidsfonds and Simavi. The work is being carried out in 7 countries, with dance4life working in 6 of these: Kenya, Uganda, Ghana, Indonesia, Ethiopia and Pakistan.

This programme is based on the Multi-Component Approach: working simultaneously on ensuring sexuality education, youth-friendly services and building a supportive environment. The program builds on the experiences and results from the UFBR and ASK programmes, and works with national SRHR alliances. These platforms are important resources where different national organisations can cooperate and learn from each other, ultimately creating and enabling peers, parents and policy makers to work positively towards young people's sexuality awareness.

The dance4life partners specifically take a strong lead in empowering young people. The GUSO programme ensures that this work is always connected as part of the wider program. For instance, a young person going through the 4 steps of dance4life who is in need of healthcare can be referred to a clinic that is trained in youth friendly practices by one of the other partners in the alliance. This connection is hugely important, as seeking sexual health services for young, unmarried people is considered taboo in most countries. 2016 saw an emphasis on the preparation and initial development of the overall alliance.

The preparatory framework established in the start-up phase of alliance building and proposal drafting is now in place. The framework includes recruiting & training peer leaders, establishing relationships with schools and communities, developing manuals and guidelines and piloting activities with parents and teachers. We are now ready for a high quality, large scale roll-out in 2017.

Right Here Right Now

Right Here, Right Now (RHRN) is a another strategic partnership which started in 2016 between Rutgers, dance4life, ARROW, CHOICE for Youth and Sexuality, Hivos, IPPF AR, LACWHN and the Dutch Ministry of Foreign Affairs.

RHRN is implemented in 10 countries in Africa, Asia and Latin America, and aims to improve access to comprehensive sexuality education and youth-friendly SRHR services through enhanced and concerted advocacy at (sub) national, regional and international level. dance4life's role in this partnership is to reach out to and involve young people and the general public through innovative campaigns reflecting the realities of young people

on the ground. We use our expertise in youth consultations, youth empowerment, and campaigning to support young people and the organisations they work with at all levels, from their lobbying activities at the UN, to providing trainings in-country.

In 2016 National platforms were established in the ten participating countries that consisted of youth-led and adult-led organisations working jointly to advocate for the sexual health and rights of young people. dance4life had a key role developing the content and structure, and co-facilitating start-up workshops in a number of the countries.

In addition to the start-up activities last year, dance4life organized a workshop for all RHRN consortium partners in Geneva. It focused on the most important aspects of the UN Human Rights Council's work for RHRN.

This newly gained knowledge was brought to one of the RHRN countries to train the organisations on youth consultations and lobby at the UN Human Rights Council in Geneva.

This resulted in the submission of a youth shadow report reflecting the realities of young people, collected by nationwide youth consultations which were facilitated by young people. This is the first youth-shadow report ever submitted to the UN.

08 - Who we are

Behind every organisation there are a group of individuals working above and beyond, applying their expertise to make a difference. Successful organisations are based on this.

Let's take a look 'behind-the-scenes' at dance4life.

A social franchise

We pursue our vision and mission with our strong network of partners from around the globe. Having such a network ensures sustainability and leads to the preferred high quality scale.

Recruit hard, Train well, Manage Easy

New partners will be recruited that share our vision about the future and see the dance4life model as a vehicle to meet their own goals. Partners will be trained to successfully bring them on board into our network. Along with an intensive training, partners receive best practice guidance, tools and templates. Partners are required to only report on simple output levels and on the execution of the model. Once every 3 years they will do an extensive outcome evaluation on behaviour change. The purposely "hands-off" nature of the implementation is employed to keep the process as lean as possible.

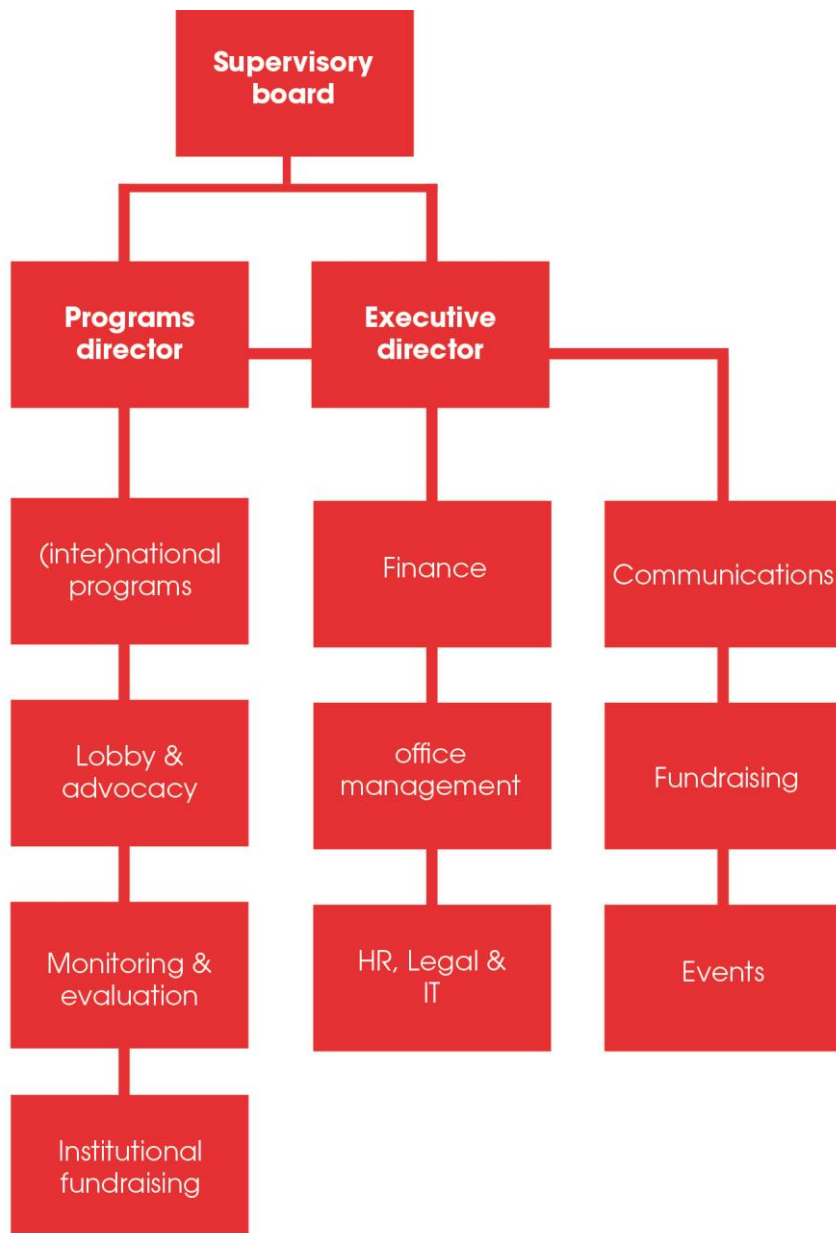
Governance

To retain a lean central team as the network grows, our senior partners will take on some of the responsibility for supporting other partners and ongoing quality control. This is crucial to building and maintaining an effective global network of partners. As we wish to foster an active, curious network of partners, we feel it is imperative that partners are represented in our governance structure. Shared ownership ensures decisions reflect the opinions of all. Together we stimulate collaboration and shared learning across the network.

Our team

From our Amsterdam office, our team supports partners in developing and implementing the model, and rigorously testing the impact of our model. There is also an important objective to fundraise in order to be able to continuously update our model so that they reflect the latest insights on youth empowerment and personal leadership. The team in Amsterdam also develops and implements the school program in Dutch schools. During 2016 dance4life operated with a management team of two members: an Executive Director and a Programs Director. The two directors together formed the daily management team of dance4life.

The organisation per 31st of December 2016 consists of 24 employees. In total an average of 19,63 fte (24,1 fte in 2015) worked at our head office in 2016. We're also pleased to be able to count on the support of many volunteers and trainees, mainly during fundraising activities.



Executive director

Our executive director, Eveline Aendekerk, is responsible for designing, developing and implementing strategic plans for the organisation in a cost-effective and time-efficient manner. She is also responsible for the day-to-day operation of the organisation. This includes managing the management team, as well as developing business plans. The executive director is accountable to the chairman of the Supervisory Board and reports to the board on a regular basis. Her earnings were € 90.347 (based on 0,8 fte) in 2016, which is below the maximum of € 143.200 (0,8 fte) as stipulated in the Code of Good Governance.

The supervisory board

The Supervisory Board is responsible for supervising the executive director and the planned activities and budget of dance4life. Its members are appointed for a period of (max. two terms of) four years. As in previous years, the board received no emoluments.

According to the by-laws the supervisory board meets at least once a year. In 2016 there have been 6 supervisory board meetings on 2 February, 19 April, 5 July, 27 September, 31 October and 13 December. In every meeting the executive director reported on the (financial) performance of the organisation as well as on the various programmes and activities. In case there were deviations from the original year plan and budget she reported these to the supervisory board.

Every year there are a number of recurring topics on the agenda of the supervisory board. Also for 2016 these were: approval of the annual report (incl. the financial statements) 2015, progress of the year plan 2016 and progress of the multi year strategy (2013-2016). Also the yearly appraisal of the executive director is a recurring topic. In 2016 this conversation, in which the chair of the supervisory board and the human resource manager of the organisation participated, took place 24 May. In preparing the evaluation the chair consulted all individual supervisory board members.

Besides these 'regular' agenda points a very specific topic for 2016 has been the development of the new long term strategy of dance4life in which the supervisory board has been involved. Moreover the supervisory board has paid attention to evaluate its functioning and composition especially related to the new strategy. This has led to clear agreements (see composition supervisory board).

The supervisory board has also been involved in the process to acquire the CBF erkenningsregeling. The Central Bureau on Fundraising (CBF) is an independent foundation which has been monitoring fundraising by charities since 1925. The CBF's task is to promote trustworthy fundraising and expenditure by reviewing fundraising organisations and giving information and advice to government institutions and the public. When a charity has been recognized as a charity by the CBF (CBF-erkend goed doel), you can trust that the organisation has been closely reviewed. dance4life got reviewed in 2016-2017 and the CBF in its evaluation report issued a positive opinion. dance4life got the final approval 10 April 2017.

There have been 2 separate meetings with the treasurer of the supervisory board, Wietse Tjoelker. On 13 April to prepare the approval of the supervisory board of the annual report 2015 (including auditor's report) and on 19 September to discuss the management letter of the auditor based on the interim audit.

Composition of the supervisory board as per 31-12-2016;

- ❖ Thérèse van Schie (chairperson), independent consultant
- ❖ Joris Aperghis, CEO at WE Fashion
- ❖ Laura Lasance, child participation and advocacy manager at KidsRights
- ❖ Wietse Tjoelker (treasurer), certified auditor, investor and consultant

Jacobina Brinkman left the board early 2016. She is replaced by Wietse Tjoelker, a certified auditor with 33 years' experience at KPMG and currently active as investor and consultant. Tex Gunning, CEO at TNT Express, left the board end of 2016. Currently we

are – with the help of Stanton Chase – recruiting 2 new board members that can support in bringing the new strategy to life.

Inspirational board

During the last few years, dance4life has accumulated a network of inspiring individuals. Since the end of 2013, we've been calling these individuals collectively our Inspirational Board. The members of the Board are a source of inspiration for dance4life, they give us both invited and uninvited advice, and they explore specific topics with us, and of course are important ambassadors of dance4life.

Composition of the inspirational Board:

- ❖ Duncan Stutterheim, founder ID&T
- ❖ Erica Terpstra, former Olympic swimming champion, state secretary, Member of Parliament and chairperson of the NOC*NSF
- ❖ Frank Houben, Global Brand Director KLM
- ❖ James Veenhoff, Partner Fronteer Strategy
- ❖ Jonas de Groot, expert in (youth) marketing
- ❖ Menno Wagenaar, Global Business Partner Facebook
- ❖ Ralph Wisbrun, Managing Partner JWT Amsterdam
- ❖ Rik Ruts, Managing Director Media agency UM



09 - Financial Report 2016

Result

The dance4life foundation realized a positive result of EUR 209.996.

Financial position

The financial position of the dance4life foundation is healthy. The foundation can meet its short and long term payment obligations. At the end of 2016 our organisational solvency is 72% (2015: 53%, target: > 25%) and we have a liquidity ratio of 1,7 (2015: 1,6, target > 1). As in previous years, the dance4life foundation did not experience any cash flow problems throughout the year.

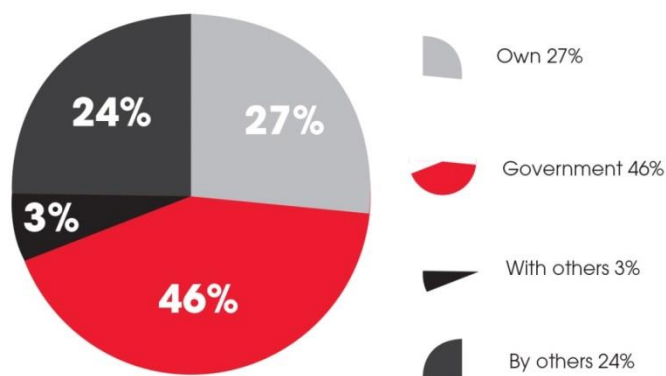
Budget versus realization

Our total income in 2016 was €4 million. This is a decrease of 13% compared to 2015. The main reason for this decrease is the fact that 2016 was a year in which we focused on defining our long term strategy and less on business development. For this reason we started the year with a decreased budget of €4,3 million.

We didn't realize this budget because of the lower income of fundraising with others, especially the New York Marathon. It turned out that recruiting runners was challenging. Moreover business development efforts geared towards INGO's, UN Bodies, foundations and EU has not been realized in 2016. Compared to 2015 the income of our own fundraising decreased significantly because there was no income from the schools programme in the Netherlands this year. The reason is that, as part of the new long term strategy, the program has been redesigned in 2016. There has been a pilot but without a fundraising component. From 2017 onwards the revised programme will be implemented again.

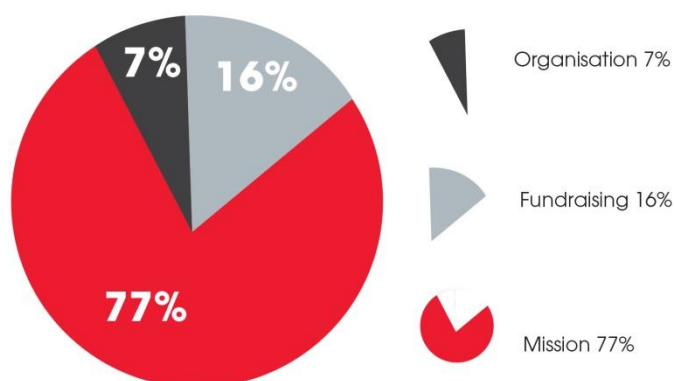
The developments in income are also visible in the costs objectives and the costs fundraising. For specific differences between realization and budget we refer to the notes in the income statements.

The figure below illustrates the division of income over the sources. Own fundraising refers to our friends4life network, corporate donations, our own auctions and in-kind donations. Government refers to the Dutch Ministry of Foreign Affairs. Fundraising with others refers to New York Marathon, product collaborations and support actions. Fundraising by others refers to the Dutch Postcode Lottery and other NGOs.



How the budget is spend

In 4 years' time, we aim to spend 80% of our total income on our objectives – at the moment this is 73%. From the total costs of € 3,8 million, 77% has been spend on the objectives, 7% on organisation and administration and 16% on fundraising.



We also want to build up a healthy reserve of €800.000 to cover program activities for at least 6 months. At the end of 2016 our continuity reserve was €707.022. Furthermore, additional reserves have been created to cover future costs of implementing the new strategy (also refer to understanding text).

In 2016 dance4life developed, with the help of external advisors such as ICSF, a new 2017-2030 strategy which is based on a new business model. Social franchising is the

key word to describe this new approach. With the franchising structure dance4life wants to create more local ownership and be perceived less as a donor. The role of implementing partners will also be different in the new strategy. The partners will for instance have their own responsibility to fundraise for implementation.

Prognosis 2017

2017 will be the first of our 4 year transitioning period. During this period we need to transition our positioning, organisation and network to ensure we are able to realize our 2030 goal:

Together with our partners, we want to have empowered more than 5 million young people to lead healthy sexual lives and feel confident about their future; leading to demonstrable improvements in health outcomes.

The year plan 2017 is a detailed subset of our business plan 2017-2020 and is based on our strategy framework. The main focus of 2017 will be development. Development of the value proposition and package for partners, trainers and peer leaders, development of our pool of trainers, development of the 2-4 pilots incl. impact research, development of new communications materials, development of our concept for sharing the realities of youth and development of our new Global Citizenship Program. For some work streams however the focus is not on development but on 'business as usual' like fundraising and our work within the 2 Ministry of foreign affairs programs RHRN and GUSO. For the latter goes we will deliver according to the agreed work plans 2017.

The overview below lists the main objectives for 2017 per area of work. The budget 2017 is based on these activities.

Engagement (leads to buy-in)

1. We have raised €995.000 unearmarked funds through our friends network and various sports events, complying to the CBF norm of 25% costs own fundraising.
2. We have secured our Postcode Lottery grant of €500.000 for the next 5 years (2018-2022).
3. Our Global Citizenship Program for Dutch schools is fully developed and tested, reaching at least 25 schools and 7.500 youngsters who raise awareness amongst their peers and raise at least €70.000 for programs of our partners and €23.000 for dance4life international.
4. We have started to position ourselves as the go-to-point on the realities of young people:

Franchising (leads to scale)

1. We have acquired 2-4 pilot partners and have secured at least €1,5 million for at least 2 pilots in Africa for implementation to start end 2017. Additional to that we have 3 concrete hot leads to fund at least 1 pilot in Asia to start in 2018.
2. We have developed and tested the major products and processes necessary for franchising:
 - a. We have a tested value proposition in place, translated into a clear franchise prospectus.

- b. We have developed and tested the start-up package for partners consisting of start-up training, localization workshop, project planning templates and comprehensive operations manual.
 - c. We have the legal framework and monitoring and evaluation standards in place.
- 3. Based on partner profile and assessment, we have transition or exit plans in place for all current partners to be implemented in 2018, leading to 14 partners committed to the new partnership model.
- 4. We have kicked-off the partner board and established the linking and learning network structure.

Research & development (leads to proof)

- 1. We have finalized the theory of change of the model including visual, narrative, key assumptions and explorative research on added value of specific elements.
- 2. We have developed, prototyped and tested the start-up package for peer leaders consisting of extensive training on the model and contextualization workshop, a full model curriculum to be delivered by peer leaders and the online knowledge library.
- 3. We have evaluated and benchmarked the model as being cost-effective.
- 4. We have established the pool of 10-12 trainers incl. the entire infrastructure for assessment, accreditation and capacity building.
- 5. We have set up our first impact research for the pilot partners; the research framework is in place and MoU with research institute(s) is signed.

Implementation (leads to impact)

Our 14 partners have empowered 70.000 youngsters through the model, have reached 200.000 youngsters through the inspire step and 350.000 youngsters have been indirectly reached through the activate step bringing the total reach in 2017 to 550.000 youngsters.

Organisation and administration

1. We have implemented the new organisation structure based on the 'agile structure'.
2. We have the team in place that is capable of realizing the new strategy.
3. We have acquired the CBF erkenningsregeling and are ISO certified.

The new strategy affects the total amount and the distribution of the income. Based on our 2030 goal we foresee global annual costs of €20 million of which €4 million will be dance4life international's budget. This means our budget won't grow that much the coming years as: 1) partners will fundraise the remaining €16 million themselves, 2) dance4life international will no longer re-grant funds and 3) the international team will remain mean and lean.

dance4life expects a decrease in income of 4 million in 2016 to 3,1 million in 2017. The overall income of 2016 however shows a large amount of government fundraising caused by the accounting policy of GUSO grants which assigns the total grants 2016-2017 as costs and (indirectly) income of 2016. As 2017 is the inception phase of the new business model, the revenues are expected to increase during the period 2017-2020.

2017 is the first year of the 4 year transitioning period with a focus on development. It therefore is a year with additional costs for the dance4life foundation and the implementing partners. In the 2017 budget a total amount of € 100.000 has been included for transition purposes (such as prototyping). Due to this the budget shows a negative result of € 96.572. The financial basis however (as mentioned before) is stable. The 2017 budget is included on the next page. The format is based on the new financial reporting guidelines of the 'Richtlijn 650 Fondsenwervende instellingen'.

The disclosure of costs is based on the areas of work identified in the new strategy (completed with the Richtlijn 650 objectives):

- Engagement
- Franchising
- R&D
- Fundraising
- Organisation and administration

	<u>Budget 2017 €</u>
<u>A. Income</u>	
- Income of persons	242.438
- Income of companies	876.000
- Income of lottery organisations	829.500
- Income regarding grants from institutions	781.854
- Income from other companies without profit	350.000
- Interest	5.000
<i>Total A. Income</i>	<u><u>3.084.792</u></u>
<u>B. Costs</u>	
<i>B1 Expenditure on objectives</i>	
- Engagement:	
Engagement	332.028
Costs internal organisation	422.594
- Franchising:	
Franchising	629.000
Costs internal organisation	646.615
- R&D:	
R&D	250.000
Costs internal organisation	121.687
<i>Total B1 Expenditure on objectives</i>	<u><u>2.401.924</u></u>
<i>B2 Costs of fundraising</i>	
-Direct costs fundraising	291.150
-Costs internal organisation	279.377
<i>Total B2 Costs of fundraising</i>	<u><u>570.527</u></u>
<i>B3 Organisation and administration</i>	
-Costs internal organisation	208.912
<i>Total B3 Organisation and administration</i>	<u><u>208.912</u></u>
<i>Total B. Costs</i>	<u><u>3.181.363</u></u>
Result	<u><u>-96.572</u></u>

Financial statements



Balance sheet dance4life foundation as at 31 December, 2016

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
ASSETS		
1. Intangible fixed assets	<u>11.733</u>	<u>25.533</u>
2. Tangible fixed assets	<u>4.997</u>	<u>11.280</u>
3. Financial fixed assets	<u>41.454</u>	<u>41.454</u>
4. Receivables		
- Subsidies to be received	574.770	253.911
- Taxes and social securities	20.775	12.769
- Debtors	136.165	262.039
- Other receivables, prepayments and accrued income	<u>17.510</u>	<u>55.528</u>
Total receivables	<u>749.220</u>	<u>584.247</u>
5. Cash and cash equivalents	<u>1.601.046</u>	<u>1.793.720</u>
Total assets	<u><u>2.408.450</u></u>	<u><u>2.456.235</u></u>
LIABILITIES		
6. Reserves		
- Continuity reserve	707.022	500.000
- Allocated reserves	<u>300.000</u>	<u>297.026</u>
Total reserves	<u>1.007.022</u>	<u>797.026</u>
7. Provisions	<u>0</u>	<u>156.048</u>
8. Long term liabilities	<u>41.454</u>	<u>41.454</u>
Current liabilities		
- Creditors	222.880	180.074
9. - Other liabilities, accruals and deferred income	<u>1.137.094</u>	<u>1.281.633</u>
Total current liabilities	<u>1.359.974</u>	<u>1.461.707</u>
Total liabilities	<u><u>2.408.450</u></u>	<u><u>2.456.235</u></u>

Income statement 2016

	Realization <u>2016</u> €	Budget <u>2016</u> €	Realization <u>2015</u> €
INCOME			
10. Own fundraising	1.064.528	750.000	1.589.924
11. Fundraising with others	119.447	300.000	269.243
12. Fundraising by others	945.413	1.059.647	1.009.915
13. Fundraising government	1.838.153	2.144.820	1.681.907
14. Other income	<u>9.986</u>	<u>0</u>	<u>7.555</u>
Total income	<u>3.977.527</u>	<u>4.254.467</u>	<u>4.558.544</u>
COSTS			
15. Costs objectives			
- Implementing dance4life in DAC countries	2.111.323	2.000.922	2.194.781
- Implementing dance4life in Non-DAC countries	211.381	399.479	464.026
- Building the Movement	<u>562.926</u>	<u>738.914</u>	<u>410.337</u>
Total costs objectives	<u>2.885.630</u>	<u>3.139.315</u>	<u>3.069.143</u>
16. Costs fundraising			
- Costs own fundraising	331.031	272.380	525.249
- Costs fundraising with others	148.663	242.191	182.817
- Costs fundraising by others	35.396	98.806	93.505
- Costs fundraising government	<u>98.346</u>	<u>190.043</u>	<u>71.701</u>
Total costs fundraising	<u>613.436</u>	<u>803.420</u>	<u>873.272</u>
17. Organisation and administration	<u>268.465</u>	<u>195.429</u>	<u>301.238</u>
Total costs	<u>3.767.531</u>	<u>4.138.164</u>	<u>4.243.653</u>
Result	<u>209.996</u>	<u>116.303</u>	<u>314.892</u>
Allocation result:			
- Continuity reserve	207.022	116.303	157.866
- Allocated reserves	<u>2.974</u>	<u>0</u>	<u>157.026</u>
Total	<u>209.996</u>	<u>116.303</u>	<u>314.892</u>

Specification allocation result

Reserve positioning schools	-297.026
Reserve developing new strategy internal	200.000
Reserve developing new strategy external	100.000
Continuity reserve	<u>207.022</u>
Total	<u>209.996</u>

The Development Assistance Committee (DAC) listed all countries receiving official development assistance, we call those DAC countries. The DAC countries mentioned above for 2016 are: Argentina, Barbados, China, Ethiopia, Ghana, India, Indonesia, Kenya, Mexico, Nepal, Pakistan, Peru, South-Africa, Tanzania, Uganda and Zambia. The Non-DAC countries in 2016 are: Netherlands, Russia and Spain.

Cash flow statement

The cash flow statement analyses the changes in cash and cash equivalents between 31 December 2015 and 31 December 2016 and is prepared according to the indirect method.

	<u>2016</u>	<u>2015</u>
	€	€
<u>Cash flow from operational activities</u>		
Balance of income and costs	209.996	314.892
Depreciation	<u>20.083</u>	<u>23.403</u>
Gross cash flow from operational activities	<u>230.079</u>	<u>338.295</u>
Changes in working capital		
- Change in receivables	-164.973	-229.448
- Change in provisions	-156.048	-26.763
- Change in short-term debt	<u>-101.733</u>	<u>805.043</u>
Total changes in working capital	<u>-422.754</u>	<u>548.832</u>
<u>Cash flow from investing activities</u>		
Movements in fixed assets	0	0
Movements in financial assets	<u>0</u>	<u>-11.513</u>
Cash flow from investing activities	<u>0</u>	<u>-11.513</u>
<u>Cash flow from financing activities</u>		
Change in long-term debt	<u>0</u>	<u>0</u>
Total	<u>-192.674</u>	<u>875.614</u>
Cash and cash equivalents at year end	1.601.046	1.793.720
Cash and cash equivalents at beginning of year	<u>1.793.720</u>	<u>918.106</u>
Changes in cash and cash equivalents	<u>-192.674</u>	<u>875.614</u>

General notes to the balance sheet and income statement

1. Introduction

1.1 General

As in previous years, the core activities of dance4life in 2016 have been split up in three different objectives:

- implementing the dance4life program in DAC countries;
- implementing the dance4life program in Non-DAC countries;
- building the movement.

1.2 Budget versus realization 2016

The total amount of both income Own Fundraising (€ 1.064.528) and Fundraising with others (€ 119.447) is in line with the budget 2016 for these categories (€ 1.050.000). The lower income Fundraising by others and Fundraising government compared to the budget is caused by the fact that additional (budgeted) income from INGO's, UN Bodies and EU have not been realized in 2016. The developments in income (decrease) are also visible for the costs objectives and the costs fundraising. For specific differences between realization and budget refer to the notes to the income statement.

1.3 Funding strategy

To avoid depending on one source of funding, dance4life aims to equally raise its funds from institutional organisations, corporates, foundations and the general public. Our long term objective is that the costs for own fundraising should not exceed 25% of the revenues by own fundraising, in line with the standard as set by the Central Bureau for Fundraising (CBF) in the Netherlands. To meet this long standing ambition, we have started to right size our fundraising staff and costs early 2016. At the other hand dance4life will implement a new Dutch School Programme in 2017 and the years coming next to increase the income of own fundraising. In 2016 the new Dutch School Programme was piloted.

2. Principles of valuation of assets and liabilities

2.1 General

The financial statements have been prepared in accordance with accounting principles generally accepted in the Netherlands. The financial statements are denominated in Euros.

In general, assets and liabilities are stated at the amount at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized as the amount at which they were acquired or incurred.

The annual report has been set up according to the guidelines of the 'Richtlijn 650 Fondsenwervende instellingen'.

2.2 Going concern

The accounting policies within the financial statements are based on the assumption that dance4life will be able to continue as a going concern.

2.3 Comparison with prior year

The principles of valuation and determination of result remain unchanged compared to the prior year.

2.4 Foreign currencies

Transactions denominated in foreign currencies during the reporting period are recognized in the annual accounts at the exchange rate ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are charged or credited to the statement of revenue and expenditure.

2.5 Intangible and tangible fixed assets

Fixed assets are valued at purchase price, less straight-line depreciation over the estimated useful economic life.

2.6 Receivables

Receivables are recognized at nominal value, where necessary less provision for possible uncollectible accounts.

2.7 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at bank. Current account liabilities at banks are recognized under bank overdrafts forming part of current liabilities.

3. Principles for determination of the result

3.1 General

The result represents the difference between the value of the revenues generated and the costs and other charges for the year. The revenues are recognized in the year they are realized.

Revenues received in goods or services are valued at fair value, as far as these revenues can be specified. The revenues and services that have not been valued are listed in note 10.

3.2 Subsidies

Project subsidies are recorded as income in the statement of revenue and expenditure in the period in which the related costs are recorded. Institutional subsidies are recorded in the period mentioned in the award letters of the subsidizers.

Subsidies are recognized as income when all the conditions can be satisfied and it is probable that the subsidies will be received.

3.3 Revenues from own fundraising

Result from fundraising is recorded in the annual accounts of dance4life since the foundation is the beneficial entity of the fundraising.

The revenues from fundraising are recognized in the year they are realized. Refer to notes 10, 11, 12, en 13.

3.4 Costs

Costs are recognized on the historical cost convention and are allocated to the reporting year to which they relate.

3.5 Granted subsidies

Granted subsidies are recorded as project costs in the statement of revenue and expenditure in the period in which the decision of the grant is taken, resulting in legally enforceable and actual obligations.

3.6 Personnel remuneration

Salaries, wages and social security costs are charged to the statement of revenue and expenditure when due, and in accordance with employment contracts and obligations. In 2015 we have started up a pension scheme for our staff.

Notes to the balance sheet

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
1. <u>Intangible fixed assets</u>		
Acquisition costs	41.400	41.400
Accumulated depreciation	<u>-15.867</u>	<u>-2.067</u>
Total intangible fixed assets January 1st	<u>25.533</u>	<u>39.333</u>
Mutations		
- Additions	0	0
-		
Disinvestments	0	0
- Depreciation	<u>-13.800</u>	<u>-13.800</u>
Total mutations	<u>-13.800</u>	<u>-13.800</u>
Acquisition costs	41.400	41.400
Accumulated depreciation	<u>-29.667</u>	<u>-15.867</u>
Total intangible fixed assets December 31st	<u>11.733</u>	<u>25.533</u>
<i>Depreciation rates</i>	33%	33%

The online tool which dance4life bought in 2014 has proved to be very useful in generating funds for the Dutch Schools Program and the New York Marathon.

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
2. <u>Tangible fixed assets</u>		
Acquisition costs	35.390	19.949
Accumulated depreciation	<u>-24.110</u>	<u>-10.579</u>
Total intangible fixed assets January 1st	<u>11.280</u>	<u>9.370</u>
Mutations		
- Additions	0	11.513
- Disinvestments	0	-3.928
- Depreciation	<u>-6.283</u>	<u>-9.603</u>
Total mutations	<u>-6.283</u>	<u>1.910</u>
Acquisition costs	35.390	35.390
Accumulated depreciation	<u>-30.393</u>	<u>-24.110</u>
Total intangible fixed assets December 31st	<u>4.997</u>	<u>11.280</u>
<i>Depreciation rates</i>	33%	33%

Additions to the assets are software licenses and various ICT hardware. These assets are used for the day-to-day business.

3. <u>Financial fixed assets</u>		
Cash advanced to dance4life USA	146.176	146.176
Expenses advanced for dance4life USA	53.658	53.658
Reservation loan repayment	-51.455	-51.455
Cash received on behalf of dance4life USA	<u>-106.925</u>	<u>-106.925</u>
Total financial fixed assets	<u>41.454</u>	<u>41.454</u>

In 2012 a foundation "dance4life USA" was set up in New York. To finance the starting up of dance4life USA, a loan has been agreed of USD 233k. In 2017 the organisation will be dissolved and there is a possibility that the outstanding balance will not be refunded. Therefore a reservation has been created, refer to note 8.

	31-12-2016 €	31-12-2015 €
4. <u>Receivables</u>		
- Subsidies to be received	<u>574.770</u>	<u>253.911</u>
The total amount of € 574.770 consists of:		
GUSO	€ 275.234	
RHRN	€ 54.558	
MFS2-UFBR	€ 55.142	
ASK	€ 157.258	
ICPD	€ 11.169	
Other	€ 21.409	
- Taxes and social securities		
VAT to be received for reporting year	<u>20.775</u>	<u>12.769</u>
- Debtors		
Outstanding debtors	136.165	274.689
Reservation debtors	<u>0</u>	<u>-12.650</u>
Total debtors	<u>136.165</u>	<u>262.039</u>
- Other receivables, prepayments and accrued income		
Prepayments	12.480	18.242
Interest	2.669	5.524
Donations	0	3.741
Other	<u>2.361</u>	<u>28.023</u>
Total other receivables, prepayments and accrued income	<u>17.510</u>	<u>55.528</u>

All receivables including debtors as per 31 December 2016 are expected to be settled during 2017. No provision for uncollectible items is deemed necessary.

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
5. <u>Cash and cash equivalents</u>		
Banks - savings accounts	1.332.987	1.523.006
Banks - paying accounts	268.059	269.309
Cash	<u>0</u>	<u>1.404</u>
Total cash at banks and in hands	<u>1.601.046</u>	<u>1.793.720</u>

All amounts in the banks are directly and freely accessible, except for a rent deposit of € 13.625.

6. Reserves

- Continuity reserve

Balance as per 1 January	500.000	342.135
Result	209.996	314.892
Added to reserve developing new strategy external	-2.974	0
Extracted donations - Tanzania and Zambia	0	140.000
Added to donations - Strategic repositioning	0	-80.601
Added to donations - Southern Africa	<u>0</u>	<u>-216.425</u>
Balance as per 31 December	<u>707.022</u>	<u>500.000</u>

- Allocated reserves

Reserve positioning schools

Balance as per 1 January	297.026	140.000
Extracted donations added to continuity reserve	0	-140.000
Donations Schools NL - Southern Africa	0	216.425
Strategic repositioning	0	80.601
Extraction grants Tanzania and Zambia	-140.000	0
Extraction strategic repositioning	-157.026	0
Donations Schools NL - Tanzania and Zambia	<u>0</u>	<u>0</u>
Balance as per 31 December	<u>0</u>	<u>297.026</u>

Reserve developing new strategy internal (pilots)

Balance as per 1 January	0	0
Addition	<u>200.000</u>	<u>0</u>
Balance as per 31 December	<u>200.000</u>	<u>0</u>

	<u>31-12-2016</u>	<u>31-12-2015</u>
	€	€
<i>Reserve developing new strategy external</i>		
Balance as per 1 January	0	0
Addition	<u>100.000</u>	<u>0</u>
Balance as per 31 December	<u><u>100.000</u></u>	<u><u>0</u></u>

Appropriation of result 2016

dance4life applies the 'Richtlijn Financieel Beheer' of Goede Doelen Nederland to decide the amount of the continuity reserve. The aim of management is that the continuity will increase to € 800.000 the following years. Furthermore management decided to create an additional reserve for developing the new strategy (both internally and externally).

7. Provisions

Balance as per 1 January	156.048	182.811
Payments received current year	16.452	22.578
Payments made in current year	-172.500	0
Additions current year	0	0
Deductions current year	<u>0</u>	<u>-49.341</u>
Total provisions	<u><u>0</u></u>	<u><u>156.048</u></u>

In 2015 dance4life came to terms with the tax office regarding the VAT status. The claims for the years until 2015 have been settled in 2016.

8. Long term liabilities

Loan from ID&T relating to dance4life USA	<u>41.454</u>	<u>41.454</u>
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In 2012 a loan of € 115.000 has been agreed upon with ID&T Partners BV for starting up the dance4life USA foundation. The terms state that dance4life will pay the money back only when sufficient funds have been raised in the USA. This debt refers to the objectives of dance4life. The dance4life USA foundation will be dissolved in 2017, after which this loan will be cancelled. Also refer to note 3.

	31-12-2016	31-12-2015
	€	€
<u>Current liabilities</u>		
9. - Other liabilities, accruals and deferred income		
Contracted obligations to NCO partners	551.687	168.258
Subsidy received in advance	407.240	904.241
Donations received in advance	69.852	77.511
Balance holiday fees and leave hours	59.877	89.101
Invoices to be received	48.438	34.298
Other liabilities	<u>0</u>	<u>8.224</u>
Total other liabilities, accruals and deferred income	<u>1.137.094</u>	<u>1.281.633</u>

All current liabilities have a remaining term of less than one year. Subsidies received for next year include the funding by the Dutch Postcode Lottery of the 'Save the date' project in Nepal.

The contracted obligations to NCO partners have increased because the obligations regarding the implementing partners for the GUSO project have been assigned for the period 1 August 2016 - 31 December 2017.

The donations received in advance relate to the contributions of the friends4life for the coming years. Invoices to be received include part of the auditor's expenses.

COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET

Contingent liabilities

Rental agreement accommodation

Our rental agreement at the Keizersgracht 177 started the 1st of February 2015 until the 31st of January 2018. The yearly rent excluding services is € 55.000 per year. dance4life has a deposit of € 13.625 for this agreement.

Lease contract copier

This contract will continue for another 17 months with a monthly amount of € 396.

Contract IT supplier

The contract with the IT supplier will end on the 1st of June 2017. Monthly amount € 1.253.

Contract hardware

The contract with the hardware supplier will end on the 1st of November 2017. Monthly amount € 550.

Notes to the income statement

	Realization 2016 €	Budget 2016 €	Realization 2015 €
INCOME			
10. <u>Own fundraising</u>			
Auctions (own)	372.100		226.263
Friends4life membership	141.146		163.112
Various donations	121.638		71.619
Fundraising event	106.678		161.714
MAC Cosmetics	90.791		66.850
Income from in kind donations	89.922		212.945
General public	32.995		41.371
Private major donors	32.500		26.700
Female Health Company	27.000		40.000
Dam-tot-Dam loop	23.473		31.294
ViiV Healthcare	21.409		23.480
Schools Netherlands donations	3.539		238.767
Sale merchandise	1.337		3.373
WE Europe	0		123.967
Christmas Sweater donation	0		100.000
Gogo	0		25.000
Vodafone	0		18.543
Lucas Bols	0		14.926
Total own fundraising	<u>1.064.528</u>	<u>750.000</u>	<u>1.589.924</u>

The income of Schools Netherlands donations decreased because the programme ended in the beginning of 2016. A new Dutch School Programme (2017-2020) will start in 2017.

	Realization 2016 €	Budget 2016 €	Realization 2015 €
11. <u>Fundraising with others</u>			
New York marathon	93.160		213.188
I am Hardwell donations	14.363		42.410
Support actions	158		3.061
Danceathon	0		3.076
Royalties music	0		935
Scapino	0		0
Contribution from dance4life NCO's	0		-2.107
Other	<u>11.766</u>		<u>8.681</u>
Total fundraising with others	<u>119.447</u>	<u>300.000</u>	<u>269.243</u>

The income of the New York marathon decreased because the number of runners has decreased compared to 2016. Due to this fact the actual fundraising costs also decreased. The danceathon was cancelled in 2016.

12. <u>Fundraising by others</u>			
Dutch National Postcode Lottery	500.000		500.000
Dutch National Postcode Lottery - Nepal 'Save the date'	424.475		375.990
Royal Tropical Institute - Sharenet projects	22.900		23.500
ICCO	-1.962		62.499
Others	<u>0</u>		<u>47.926</u>
Total fundraising by others	<u>945.413</u>	<u>1.059.647</u>	<u>1.009.915</u>

Since 2008, the Dutch National Postcode Lottery assigned subsidy on a yearly basis (€ 500.000 every year). Our contract with the Postcode Lottery has been extended by another 5 years until 2017, receiving the last transfer in 2018

In 2015 the Dutch National Postcode Lottery has granted an amount of € 1.180.050 for our project 'Save the date' in Nepal. These funds will be used from 2015 till 2018.

<i>Dutch National Postcode Lottery - Nepal 'Save the date'</i>	€
Total granted	1.180.050
Spent in 2015	-375.990
Spent in 2016	<u>-424.475</u>
Unspent project funds per 31 December 2016	<u>379.585</u>

	Realization 2016 €	Budget 2016 €	Realization 2015 €
13. <u>Fundraising government</u>			
Dutch Ministry of Foreign Affairs GUSO	1.334.422		0
Dutch Ministry of Foreign Affairs RHRN	327.510		0
Dutch Ministry of Foreign Affairs ICPD	99.900		16.256
Dutch Ministry of Foreign Affairs MFS2	42.529		632.521
UNFPA	23.656		26.302
Dutch Ministry of Foreign Affairs ASK	9.246		934.437
Dutch Ministry of Foreign Affairs UACM	890		32.050
Dutch Ministry of Foreign Affairs other projects	0		25.000
Local counties	0		13.361
Others	0		1.980
Total fundraising government	<u>1.838.153</u>	<u>2.144.820</u>	<u>1.681.907</u>

- Regarding all subsidies

The amount received in subsidies cannot be considered definitely settled until all subsidizers have approved the evaluation and financial report of dance4life International. The Board does not expect to need to pay back any funds since the foundation has complied with the needs and demands of the subsidizers.

- Dutch Ministry of Foreign Affairs 'Get up Speak Out (GUSO)'

In February 2016 the Ministry of Foreign Affairs granted a subsidy of € 39.500.000 to the SRHR partnership for the period 2016-2020. As a member of this alliance, dance4life was granted an amount of € 469.874 for 2016 and an amount of € 469.872 for 2017. Furthermore the alliance assigned an extra amount of € 905.727 to dance4life for country budgets. This contains the period 2016-2017.

- Dutch Ministry of Foreign Affairs ICPD

In December 2012 the Ministry of Foreign Affairs granted a subsidy of € 125.000 to dance4life for the period October 2012 - September 2015. The project it related to is called 'Youth and ICPF Partnership, activity 24811'. In the fall of 2015 the Ministry has granted us an extension for this project till December 2016, and allocated an extra € 105.570 to this project.

As in previous years the Ministry of Foreign Affairs has not approved the revenues for these projects yet (with the exception of MSF2). This will probably be done in 2017.

- Dutch Ministry of Foreign Affairs 'Right Here Right Now (RHRN)'

In 2016 the Ministry of Foreign Affairs granted a subsidy of € 34.667.680 to the SRHR partnership for the period 2016-2020. As a member of this alliance, dance4life was granted an amount of € 1.411.188 for this period.

- Dutch Ministry of Foreign Affairs MSF2

In November 2010 the Ministry of Foreign Affairs granted within the MFS2 framework a subsidy of € 44.958.000 to the SHSR Alliance for the period 2011-2015. As a member of this alliance, dance4life was granted an amount of € 3.277.000 for the same period. The overall grant has been settled by the Ministry of Foreign Affairs.

- Dutch Ministry of Foreign Affairs ASK

In November 2012 the Ministry of Foreign Affairs granted within the ASK framework a subsidy of € 39.649.000 to the SRHR Alliance for the period 2013-2015. As a member of this alliance, dance4life was granted an amount of € 2.541.000 for the same period.

- Dutch Ministry of Foreign Affairs UACM

In July 2014 the Ministry of Foreign Affairs granted within the UACM framework a subsidy of € 1.370.000 to the SRHR Alliance for the period 2014-2015. As a member of this alliance, dance4life was granted an amount of € 145.000 for the same period.

	Realization <u>2016</u>	Budget <u>2016</u>	Realization <u>2015</u>
	€	€	€
14. <u>Other income</u>			
Charge personnel	8.680		1.400
Interest	<u>1.306</u>		<u>6.155</u>
Total other income	<u><u>9.986</u></u>	<u><u>0</u></u>	<u><u>7.555</u></u>

Specification of costs by category

	15. Objectives			16. Fundraising				17.	Total
	DAC	Non-DAC	Movement	Funds own	Funds with	Funds by	Funds	Organisation	
	countries	countries			others	others	government	& Admin.	
	€	€	€	€	€	€	€	€	€
Grants to NCO's	1.294.413	52.810	39.961	4	2	0	2	5	1.387.197
Salaries and social securities	380.788	97.967	195.198	143.873	71.774	19.389	60.713	192.817	1.162.519
Outsourced Work	211.213	16.351	181.161	12.840	5.022	4.426	10.086	12.336	453.435
External costs for fundraising	0	0	0	119.346	48.760	2.335	2.284	0	172.725
Communications	40.518	7.878	60.143	3.814	363	2.866	5.573	2	121.157
Office costs	51.220	13.168	26.238	19.339	9.648	2.606	8.160	25.757	156.136
Other personnel costs	31.489	8.101	16.142	11.898	5.936	1.603	5.021	15.845	96.035
Mission Travels	50.125	5.286	19.676	17	2	17	34	0	75.157
Accommodation	18.438	4.744	9.452	6.966	3.476	939	2.940	9.278	56.233
Financial costs	853	-213	826	4.802	220	60	186	585	7.319
General costs	25.923	3.882	7.735	5.701	2.844	768	2.406	10.276	59.535
Depreciation	6.343	1.407	6.394	2.431	616	387	941	1.564	20.083
Total costs	<u>2.111.323</u>	<u>211.381</u>	<u>562.926</u>	<u>331.031</u>	<u>148.663</u>	<u>35.396</u>	<u>98.346</u>	<u>268.465</u>	<u>3.767.531</u>

Wage costs are calculated by offsetting actual wage expenses per employee against the hours marked in the time registration system. Time (and costs) related to communications have been allocated for 50% to Movement, for 34% to DAC Countries, for 6% for non-DAC countries and the remaining 10% to fundraising. Time (and costs) related to (international) meetings and PME has been allocated for 51% to DAC Countries, for 9% to non-DAC Countries, for 30% to the Movement and the remaining 10% to fundraising. Indirect personnel costs, accommodation, office and other general costs are calculated by applying the ratio of the total wage costs per objective.

	Realization 2016 €	Realization 2015 €
<u>Grants projects</u>		
Grants to dance4life projects Ministry of Foreign Affairs GUSO	905.727	0
Grants from NPL for Nepal 'Save the date'	225.370	83.607
Grants to dance4life projects in Asia and Africa from Dutch Schools	140.000	135.740
Schools programme Netherlands	42.537	192.267
Grants ICPD	39.957	0
Grants to dance4life projects from other funders & support Dance4life	28.299	13.942
Grants ViiV Healthcare	21.991	21.132
Grants to dance4life projects Ministry of Foreign Affairs RHRN	14.023	0
Grants for Sharenet projects	11.500	14.750
Grants to dance4life projects Ministry of Foreign Affairs MFS2 - UFBR	-8.684	448.461
Grants to dance4life projects Ministry of Foreign Affairs - ASK	-41.023	459.000
Grants from ICCO for Ethiopia	0	56.806
Grants to dance4life projects Ministry of Foreign Affairs UACM	0	23.425
Other	7.500	0
Total grants projects	<u>1.387.197</u>	<u>1.449.130</u>

Personnel costs

Gross wages (included holiday fee)	895.000	1.047.444
Social securities	167.833	180.333
Pension costs	<u>43.580</u>	<u>64.572</u>
Subtotal personnel costs	1.106.413	1.292.349
Hiring interim and freelance personnel	88.532	0
Release leave and holiday hours and lunch deduction	<u>-32.426</u>	<u>0</u>
Total direct personnel costs	<u>1.162.519</u>	<u>1.292.349</u>

Employees

At the end of 2016 the foundation was employing a total of 24 people, or 19,1 FTE. The average for the year 2016 was 19,63 FTE (2015: 24,1 FTE). The foundation does not employ volunteers on a structural basis.

The gross wages include an amount for transition allowance of € 20.663. dance4life uses the benchmark of Goede Doelen Nederland to determine the individual salaries. This includes the Code of Good Governance (Code Wijffels) for the director salary.

	Realization <u>2016</u>	Realization <u>2015</u>
	€	€
<u>Salary director</u>		
Executive director: gross salary	66.084	65.107
Executive director: 8% holiday	<u>5.287</u>	<u>5.209</u>
Total salary costs executive director	71.371	70.316
Executive director: pension	9.059	9.139
Taxes for employer	<u>9.917</u>	<u>9.049</u>
Total salary director	<u><u>90.347</u></u>	<u><u>88.503</u></u>

The executive director has a labor contract for an indefinite period and works for 32 hours per week.

Other operational costs

Outsourced work	453.435	490.684
Celebration & fundraise events	97.722	139.846
Mission travels	75.157	69.302
Fundraise costs	75.003	206.648
Other costs (IT, insurances, telephone, fax, postage)	71.683	89.015
Other personnel costs	96.035	91.935
Accommodation costs	56.233	69.087
Non reclaimable VAT	84.453	16.970
Communications	121.157* ¹	242.870
Depreciation	20.083	23.403
General costs (including auditing)	59.535* ²	27.826
Financial costs	7.319* ³	34.587
	<hr/>	<hr/>
Total other operational costs	1.217.815	1.502.173
	<hr/>	<hr/>

*1 Including an in kind amount of € 89.922.

*2 This includes external advice for tax advice, finance advice and the hiring of external finance employees.

*3 The decrease is caused by higher interest costs and higher write offs for bad debt in 2015.

Other notes to the income statement

	Realization <u>2016</u>	Budget <u>2016</u>	Realization <u>2015</u>
	€	€	€
<i>Income versus objectives</i>			
Total income	3.977.527	4.254.467	4.558.544
Total spent on objectives	2.885.630	3.139.315	3.069.143
Relation income / objectives	73%	74%	67%
<i>Income and costs all fundraising</i>			
Income fundraising	3.967.541	4.254.467	4.550.989
Costs fundraising	613.436	803.420	873.272
Relation income / costs all fundraising	15%	19%	19%
<i>Income and costs own fundraising</i>			
Income fundraising	1.064.528	750.000	1.589.924
Costs own fundraising	331.031	272.380	525.249
Relation income / costs own fundraising	31% *	36%	33%
<i>Costs versus objectives</i>			
Total costs	3.767.531	4.138.164	4.243.653
Costs objectives	2.885.630	3.139.315	3.069.143
Relation costs / costs objectives	77%	76%	72%
<i>Costs organisation and administration</i>			
Total costs	3.767.531	4.138.164	4.243.653
Costs organisation and administration	268.465	195.429	301.238
Relation costs / costs objectives	7%	5%	7%

*Also refer to note 1.3.

Other information

Appropriation

The balance of income and costs of € 209.996 is processed as presented on page 30 (income statement 2016).

Post balance sheet events

There have been no significant events post balance date which would materially affect the annual accounts.

Independent auditor's report

The independent auditor's report is included at the next page of the annual accounts.

Amsterdam, 18 April 2017

Representing the Supervisory
Board,

Representing the Daily
Board,

Thérèse van Schie

Eveline Aendekerk

dance4life foundation
Keizersgracht 177
1016 DR, Amsterdam
The Netherlands

Independent auditor's report
