



# Collaborating **for impact**



Philips  
Foundation

Annual Report 2015



We believe that through innovation and collaboration we can solve some of the world's toughest challenges and **create a healthier, happier, more sustainable future for all** – especially those most in need.



Philips Foundation Board, from left to right: Prof. Dr. Herman Wijffels, Ronald de Jong and Prof. Dr. Mirjam van Reizen

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## Hello and welcome to our Annual Report 2015

This past year has been a significant one for the Philips Foundation. In our first full year of operations, we made substantial strides in identifying and setting up key partnerships and focus projects, engaging our employees through fundraisers and skilled volunteering opportunities, and working with our Philips country offices to roll out over 30 local projects.

In 2015, the international community also bid farewell to the Millennium Development Goals and welcomed in the Sustainable Development Goals (SDGs). The inclusion of business and the focus on robust partnerships is an exciting development and one that we hope to play an instrumental part in.

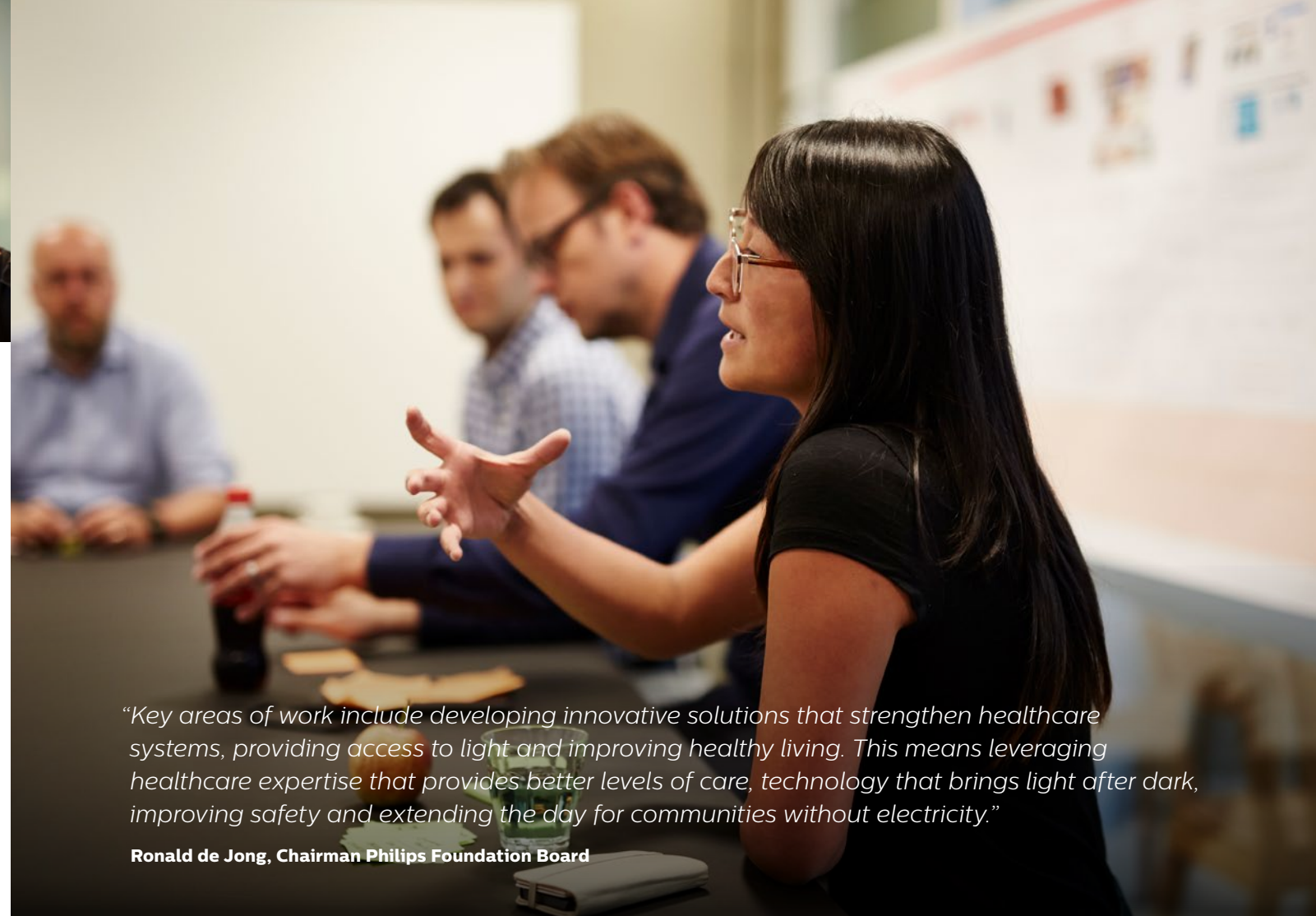
At a time when the world is facing unprecedented challenges, such as mass migration, war and climate change, we believe that it is the responsibility of the private sector to play a part in finding solutions to these problems. By focusing on the needs of our partners, in combination with wide-range of innovation of Philips, healthcare and lighting expertise, we look forward to co-creating new solutions that will add to the progress of the SDGs.

Ronald de Jong, Chairman  
On behalf of the Philips Foundation Board



# Establishing and running an innovative charitable organization

In conversation with Head of the Philips Foundation, Katy Hartley



*Katy, please tell us about the Philips Foundation, its objectives and origins:*

We set up the Philips Foundation in 2014 to help improve the lives of vulnerable populations, especially mothers and children who are most affected in any disaster or crisis situations. In simple terms, we aim to use the innovation power, technology and expertise of Philips as a company to bring meaningful innovation to those who need it most.

*Explain the innovative approach the Philips Foundation employs in order to make a difference where it matters most?*

From the outset, we wanted to be different from a traditional grant-making Foundation because we knew that a huge multinational company with an enormous amount of talented, committed people, innovation power and knowledge that can be applied to different situations could really make a difference.

To do this we chose two strategic partners – the International Red Cross and Red Crescent Movement and UNICEF – who we could really work with in a deep way. Both partners truly understand the needs of affected communities and how to respond to disaster and crisis to save lives.

*How do you utilize Philips Co-Create thinking to solve challenges?*

Co-creation starts with the articulation of the problem that you are facing and want to solve, and it's not always easy to pinpoint. The next step is for the teams involved to define what each party can bring to the table, in other words "the win-win." This seemed a logical way to work with partners for the benefit of vulnerable communities, as they also work from a needs-based approach. It is also the standard way Philips works, so it is a very natural process for us to use.

*How do Philips employees get involved and share their skills to benefit the Philips Foundation?*

Employees are involved at all levels of the Philips Foundation's work. In terms of informing our strategy and operations, we work with volunteers from all over the company.

For the local market projects in our Philips country offices, employees volunteer their time with local non-profit organizations and employee fundraisers.

For our global partnership projects with the Red Cross and UNICEF, we work closely with skilled volunteers to support partners with on the ground research, design and technical healthcare and lighting expertise.

*The Philips Foundation operates on a principle of 'shared value'. What is this?*

Our philosophy is inspired by Michael Porter's theory of 'shared value' which shows how companies can contribute value to society by focusing on issues that intersect with their core business.

*In 5 years, what do you hope the Philips Foundation will have accomplished?*

I hope people will read our stories, see our projects and think, "Wow, they started this in 2014 and now these type of partnerships seem so normal, everyone is doing this..." It would be great to see more humanitarian organizations and businesses (of all sizes) join together to share their expertise for the benefit of those who need it most. There are 500,000 people working in the humanitarian sector, and over 100,000 just working in Philips. If more organizations share their people and expertise we can help create better outcomes. Together, we really can affect lasting change on a global level.

*"Key areas of work include developing innovative solutions that strengthen healthcare systems, providing access to light and improving healthy living. This means leveraging healthcare expertise that provides better levels of care, technology that brings light after dark, improving safety and extending the day for communities without electricity."*

**Ronald de Jong, Chairman Philips Foundation Board**



*"Our Lighting strategy leverages upon our ability to innovate and service lighting needs in the various humanitarian and developmental contexts around us. By enabling access to light, education, health, sanitation and enhancing safety and security, our non-commercial activities are offering proof of the value of light beyond illumination."*

**Shalini Sarin, Philips Lighting**



# Philips Foundation 2015 – A year in review

“After just one full year of operations, we are proud to have a portfolio of projects in three focus areas; disaster relief, community engagement and social entrepreneurship.”

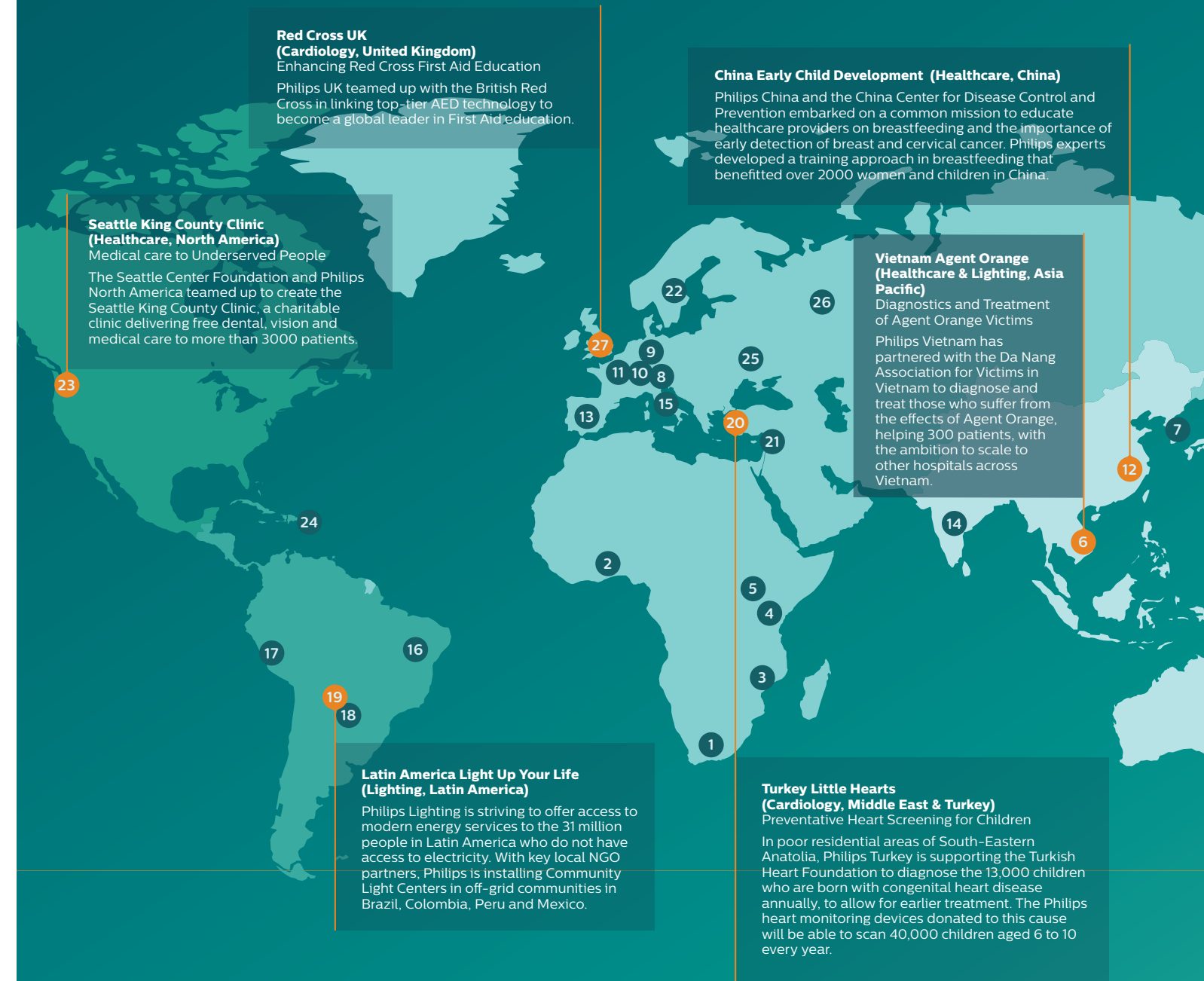
**Sarah Schaeffer, Philips Foundation**

“When working with the Foundation I use similar skills to my everyday work, but the smaller size of the team means that I can have a more immediate impact. I enjoy the contact with our Philips Foundation partners, as they have very different skills and perspectives to ours but a shared vision to make the world a better place.”

**Brad Smorgon, Philips employee and Philips Foundation volunteer**

- Jan** Launch of partnerships with the International Red Cross & Red Crescent and UNICEF
- End Of Jan** “Strengthening Healthcare System through Collaboration and Innovation”, a co-hosted World Economic Forum, Davos event with the International Committee of the Red Cross
- March** Launch of Community Care Program in Ivory Coast with the Netherlands Red Cross
- April** Nepal global employee fundraiser
- May** Launch of UNICEF Global Innovation Centre – with Philips Design workshop
- June** “Fragility Violence and Conflict” speech (Katy Hartley) at the World Economic Forum, Davos, Global Agenda Council
- Sept** Launch of Mother and Neonatal Health Innovations program with UNICEF
- Sept** UNICEF children and emergencies breakfast
- Sept** Refugee support in Greece and Jordan global employee fundraiser
- Q4** “Make the difference campaign” in Q4 2015 with Philips employees
- Oct** UNICEF Innovation Summit speaker platform (Katy Hartley and Maarten van Herpen)
- Dec** Key note speech at the 32<sup>nd</sup> International Conference of the Red Cross and Red Crescent, Frans van Houten, CEO Philips
- Dec** Chennai floods local employee fundraiser

# Collaborating all over the world



## Amount of money raised for disaster relief

**EUR 297,000**

(Nepal earthquake, Refugee support services in Greece and Jordan)



## Number of countries running projects: 27

- |                 |                 |                           |
|-----------------|-----------------|---------------------------|
| 1. South Africa | 10. Switzerland | 19. Bolivia               |
| 2. Ghana        | 11. France      | 20. Turkey                |
| 3. Mozambique   | 12. China       | 21. Jordan                |
| 4. Kenya        | 13. Spain       | 22. Sweden                |
| 5. Uganda       | 14. India       | 23. USA (Seattle/Andover) |
| 6. Vietnam      | 15. Italy       | 24. Haiti                 |
| 7. Korea        | 16. Brazil      | 25. Ukraine               |
| 8. Austria      | 17. Peru        | 26. Russia (Moscow)       |
| 9. Germany      | 18. Paraguay    | 27. UK                    |

# Maker Movement Program, Kenya

In 2015, the Philips Foundation and UNICEF launched a joint innovation partnership. Focused on the 'first 1000 days' (from inception to the age of two), the partnership aims to co-create new health innovations for mothers and children.

## Supporting two key initiatives

This multi-year partnership started with two key initiatives, the Maternal and Neonatal Health Innovations (also known as Maker Movement) project, and the sponsorship of the UNICEF Global Innovation Centre (GIC).

## Build, scale and accelerate innovations to improve the lives of children

Based in Kenya, the UNICEF Global Innovation Centre is designed to build, scale and accelerate innovations to improve the lives of children. The Philips Foundation was involved in the Steering Committee meetings and lent the expertise of Philips Design and Strategy colleagues to assist with identifying priorities in the Centre's innovation pipeline.

## Collaborating to co-create a better future

Also based in Nairobi, the Maternal and Neonatal Health Innovations project pulls together the expertise of UNICEF, Concern Worldwide, Maker and Gearbox.

Under the leadership of the Government of Kenya and the project's Steering Committee, this cooperation will help catalyze novel health interventions for the benefit of the most vulnerable mothers and children, and contribute to reducing the number of deaths of pregnant women and their newborn babies.

On behalf of the Philips Foundation, Philips Design led a three-day workshop in Kenya with the project steering committee in order to analyze, evaluate and prioritize the most pressing needs of pregnant women in Kenya and ideate solutions and services to address these needs.

Through the workshop four meta themes were identified, including 'quality to primary healthcare', 'caring for professional carers', 'emergency referral systems', and 'reliable information and behavior change'. These themes will drive and frame the next phase of the project for the steering group, technical experts and social entrepreneurs.

*"By 2018, all partners in this movement together with local innovation hubs aim to develop and scale up innovative, low-cost and locally designed health care devices. These will contribute to improved and more equitable access to life-saving quality care for women and children across Kenya."*

**Dr. Christopher Ouma, UNICEF**



UNICEF/Kenya/2015/Huxta

## About UNICEF

UNICEF, the United Nations Children's Fund, is the driving force that helps build a world where the rights of every child are realized. Active in more than 190 countries and territories through country programs and National Committees, UNICEF has the global authority to influence decision-makers, and a variety of partners at grassroots level to turn the most innovative ideas into reality.



*"Working with the Philips Foundation was a natural fit for Philips Design. For over ten years we've been working with NGO's to support social innovation and share our design expertise"*

*"My hope is that the Philips Foundation will start to break down the barriers that still divide the humanitarian world from the corporate world."*

**Simona Rocchi, Philips employee and Philips Foundation volunteer**



# Community Care Program, Ivory Coast

The ambition of the partnership with the Red Cross and Red Crescent Movement is to combine the expertise of each partner to strengthen healthcare systems and alleviate suffering in underserved communities.

In March 2015, the Philips Foundation and the Netherlands Red Cross started a joint project focusing on innovation in community resilience in the Ivory Coast.

## Five year community care program

In the Bolequin region of the Ivory Coast, healthcare is hard to come by. Poor infrastructure, inadequate resources and a lack of skilled medical professionals are the causes of high maternal and infant mortality rates.

In order to address this problem, the Netherlands Red Cross reached out to the Philips Foundation for support. Two new clinic structures are being built by the community and presented the perfect opportunity to incorporate Philips' expertise on how best to equip the clinics based on the local surroundings, lack of reliable energy sources and community needs.

## Strengthening and creating a sustainable healthcare eco-system

The team worked to prepare the project and developed a two-phase approach to improve access to high quality healthcare service delivery based on patient needs and community-based triage. Phase one – in-depth socio-cultural analysis together with Philips Design and the Red Cross as well as a comprehensive evaluation of the local health system and the health needs of the community. Phase two – implementation of co-created tools and the equipment of the two new health clinics.

## Local input and insights

In September, two researchers and a technical healthcare expert from Philips traveled to the Ivory Coast with members from the Netherlands Red Cross to work with the Ivory Coast Red Cross and conduct an in-depth research and needs assessment. The team interviewed community members (such as the local chief, health workers, traditional birth attendants, pregnant women and their husbands), toured local health facilities and developed a plan to improve access to healthcare and embed the new clinics into the fabric of the community.

The outcome of the field visit was a plan outlining a multi-year project that will improve the healthcare system and ensure sustainable outcomes for all families in Bolequin, including:

- Two well-functioning governmental primary health care clinics providing affordable, accessible and quality care in Tomepleu and Guigobli
- Access to maternal waiting homes for pre- and post-natal women
- Adequate outreach services provided by the primary health care facilities



*“Health is at the core what we do and what Philips does. There are many overlaps throughout the health care continuum. We can learn from each other in terms of processes, approaches and technologies. As the Red Cross, we can share our perspective with the Philips Foundation, for instance the challenges we are facing in complex and fragile environments. Both the Red Cross and Philips / the Philips Foundation base their interventions on a thorough and structured need assessment.”*

**Martijn van den Heuvel, Netherlands Red Cross**

*“It is a privilege to volunteer and be involved. My role has been to help provide clinical and technical consulting, social and micro-economic entrepreneurship, project management and research and business model innovation development.*

*Working in partnership with the Netherlands Red Cross has been a positive learning process. We've forged a strong partnership where both partners empower each other and work closely together...with a lot of humor. And we're saving lives together!”*

**Luc de Clerk, Philips employee and Philips Foundation volunteer**

## About the International Red Cross and Red Crescent movement

The International Red Cross and Red Crescent Movement is a global humanitarian network of 80 million people that helps those facing disaster, conflict and health and social problems. It consists of the International Committee of the Red Cross (ICRC), the International Federation of Red Cross and Red Crescent Societies (IFRC) and the 190 National Red Cross and Red Crescent Societies. In the partnership with Philips Foundation the Movement is represented by the ICRC and the Netherlands Red Cross.





# Financial report

## Balance Sheet as at 31 December 2015

(in Euros after result appropriation)

		2015	2014
		EUR	EUR
<b>Current assets</b>			
Cash and cash equivalents	1	9,481,652	1,500,000
Short term receivables	2	7,389	1,218
<b>Total assets</b>		<b>9,489,041</b>	<b>1,501,218</b>
<b>Equity</b>			
Other reserves	3	8,386,996	1,457,176
<b>Total equity</b>		<b>8,386,996</b>	<b>1,457,176</b>
<b>Current liabilities</b>			
Accounts payable	4	786,912	0
Accruals	5	315,133	44,042
<b>Total current liabilities</b>		<b>1,102,045</b>	<b>44,042</b>
<b>Total equity and liabilities</b>		<b>9,489,041</b>	<b>1,501,218</b>

## Statement of income and expenditure 2015

		2015	2014
		EUR	EUR
<b>Contributions</b>			
Contribution from Koninklijke Philips N.V.	8	10,000,000	1,500,000
Other contributions		21,519	1,218
<b>Total contributions</b>		<b>10,021,519</b>	<b>1,501,218</b>
<b>Expenses</b>			
Donations	9	3,065,035	31,516
Other expenses	10	26,664	12,526
<b>Total expenses</b>		<b>3,091,699</b>	<b>44,042</b>
<b>Result</b>		<b>6,929,820</b>	<b>1,457,176</b>

# Notes

## Notes to the Balance sheet and the Statement of income and expenditure

### General

The Foundation, having its address at Amstelplein 2, 1096 BC Amsterdam, is a foundation under Dutch law.

#### Financial reporting period

These financial statements cover the year 2015, which ended at the balance sheet date of 31 December 2015. The Foundation was incorporated on 09 July 2014, as a result, the comparative figures cover the period starting 09 July 2014, which ended at the balance sheet date of 31 December 2014.

#### Basis of preparation

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code.

#### Application of Section 396, Book 2 of the Netherlands Civil Code

The Foundation has applied the exemptions in accordance with Section 396, Book 2 of the Netherlands Civil Code.

#### Going concern

These financial statements have been prepared on the basis of the going concern assumption.

### Accounting policies

#### General

The principles applied for the valuation of assets and liabilities and result determination are based on the historical cost convention. Unless stated otherwise, assets and liabilities are shown at nominal value. Valuation takes place at nominal value less any provision deemed necessary. Provisions for receivables are determined based on individual assessments of the collectability of receivables.

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognized in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognized in the statement of income and expenditure when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognized when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured

with sufficient reliability. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability. Income and expenses are allocated to the period to which they relate. Income from contributions are recognized in the statement of income and expenses when the amount can be determined in a reliable manner, and collection of the related contribution to be received is probable.

#### Use of estimates

The preparation of the financial statements requires the Board of the Foundation to make judgments, estimates and assumptions that affect the application of accounting principles and reported amounts of assets, liabilities and income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are continually reviewed. The earnings impact of revised estimates is reflected in the period in which the estimate is revised.

#### Functional currency

The financial statements are presented in euros, which is the Foundation's functional currency. Transactions denominated in foreign currency are translated into euros at the exchange rate applying on the transaction date. Translation gains and losses are taken to the profit and loss account as expenditure. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into to the functional currency at the exchange rate applying on that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognized in the statement of income and expenditure in the period in which they arise.

#### Financial Instruments

Financial instruments comprise only primary financial instruments, such as receivables and payables. For the principles applying to these instruments, please refer to the treatment of each relevant balance sheet item.

#### Receivables

Receivables are measured at initial recognition at fair value. After initial recognition, the assets are measured at amortised costs using the effective interest method, less a provision for uncollectible debts. These provisions are determined by individual assessment of the receivables.

#### Current liabilities

At initial recognition, current liabilities are measured at fair value. After initial recognition, the liabilities are measured at amortised cost using the effective interest method.

## Basis for the determination of results

### Income recognition

Income from contributions are recognized in the statement of income and expenses when the amount can be determined in a reliable manner and collection of the related contribution to be received is probable.

### Expenditure

Expenses are recognized in the period to which they relate.

## Notes to the Balance sheet

### 1. Cash and cash equivalents

Cash and cash equivalents mainly relate to current account positions with Citibank. The balance sheet position also contains a small amount of cash at hand. Cash and cash equivalents are available without restrictions.

### 2. Short-term receivables

The short-term receivables relate to contributions granted by Philips employees via a fund raising tool (Ammado) or contributions, which were deposited on a Philips account and which should still be transferred to the Philips Foundation. These contributions have been granted in 2015 and will be received in 2016.

### 3. Equity

#### Other reserves

	2015	2014
	EUR	EUR
Opening balance	1,457,176	0
Additions	6,929,820	1,457,176
<b>Total</b>	<b>8,386,996</b>	<b>1,457,176</b>

The other reserves consists fully of the results of both previous year as well as current year. During 2016 the other reserves will be partially used for commitments which have to be paid in 2016 and to ensure that long term commitments with the strategic partners (Red Cross and UNICEF) can be met.

### 4. Accounts Payable

	2015	2014
	EUR	EUR
Payables in EUR	557,853	0
Payables in Foreign Currency (USD, CHF, ZAR)	229,059	0
<b>Total</b>	<b>786,912</b>	<b>0</b>

The Accounts Payable position on 31 December is related to Markets CSR Projects as well as related to a project on request of the Red Cross. Market CSR Projects are projects run by Philips country offices together with local non-profit organizations. The increase in the outstanding payables versus 2014 is the result of the increased activities of the Foundation. The Foundation is exposed to currency risk on payables that are denominated in a currency other than the respective functional currency of the Foundation. This exposure is also applicable to payables outstanding on 31 December. The payables in foreign currency still outstanding at yearend are denominated in USD, CHF and ZAR. Given the favourable direction of these currencies versus the Euro throughout the year from the moment of recognition, the Philips Foundation reported a positive revaluation result on the outstanding payables of €6,324.

### 5. Accruals

	2015	2014
	EUR	EUR
Accruals related to Markets CSR Projects	151,782	
Accruals related to transfer and matching of employee contributions to Red Cross and UNICEF	141,821	31,516
Other Accruals	21,530	12,526
<b>Total</b>	<b>315,133</b>	<b>44,042</b>

The obligations related to Market CSR Projects are related to projects in Austria and the UK, which took place in 2015.

The obligations related to the transfer and matching of employee contributions link to several fund raising activities, which mostly took place at the end of 2015.

In 2015, the other accruals are related to audit fees and representation costs. In 2014, the other accruals related to audit fees and consultancy expenses.

### 6. Off-balance sheet commitments

	2016	2017	2018	Total
	EUR	EUR	EUR	EUR
Red Cross (1)	600,000	600,000		<b>1,200,000</b>
UNICEF	1,200,000	1,200,000	200,000	<b>2,600,000</b>
Red Cross Project Ivory Coast (2)	201,361			<b>201,361</b>
Market CSR Projects (3)	218,000			<b>218,000</b>
<b>Total</b>	<b>2,219,361</b>	<b>1,800,000</b>	<b>200,000</b>	<b>4,219,361</b>

(1) The Philips Foundation committed itself to donating the following amounts to its two strategic partners.

- Red Cross: €600,000 per year (of which €200,000 to The Netherlands Red Cross and €400,000 to the International Committee of the Red Cross) in 2016/2017
- UNICEF: €1.2 million per year in 2016/2017 and €0.2 million in 2018

(2) The Philips Foundation committed an amount of €300,000 in 2015 to a primary health care project in the Ivory Coast to the Dutch Red Cross who are working in the field together with the Ivory Coast Red Cross. In 2015, around €100,000 of invoices were paid, while the remaining activities moved to 2016 due to a delay in the construction and completion of the primary healthcare centers.

(3) In 2015, the Foundation Board committed itself to four Market CSR projects for which the activities (partially) will take place in 2016. These four projects result in an expected spend of €218,000 in 2016. One of these projects is a project in Vietnam related to Agent Orange, for which activities for €112,000 will take place in 2016. Another example is a project together with the Red Cross in Austria, for which a spend of €50,000 is expected in 2016.

In addition to the formal commitments, the Philips Foundation Board also already expressed the intention to allocate budget to three groups of activities that will lead to expected expenditures in 2016.

First of all, in 2014, the Philips Foundation Board expressed the intention to provide a grant of €128,000 to Gearbox, an open maker-space for design and rapid-prototyping in Nairobi, Kenya. The grant is conditional upon the signing of a joint project agreement between the Philips Foundation, UNICEF, Concern Worldwide and Gearbox that is under development. Although the contract was expected to be closed in 2015, the process is still under way and it is expected to be closed in 2016.

Secondly, the Philips Foundation Board approved proposed Markets CSR projects with a total expected value of approximately €1,3 million. The related contracts will be signed in 2016 and the projects are expected to be completed during 2016 as well.



# Other information

## Independent auditor's report

To: the Board of the Stichting Philips Foundation

### Report on the financial report

We have audited the accompanying financial report 2015 of the Stichting Philips Foundation, Amsterdam, which comprises the balance sheet as at 31 December 2015 and the statement of income and expenditure for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

### The board's responsibility

The board is responsible for the preparation and fair presentation of this financial report and for the preparation of the board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the board is responsible for such internal control as it determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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

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

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

## Subsequent events

On 9 May 2016 Koninklijke Philips N.V. made the commitment to donate €6,7 million to the foundation in 2016. Philips Lighting Holding B.V. made the commitment to donate €3,1 million to the foundation in 2016.

Finally, the Philips Foundation Board approved the spend of €300,000 for a globalizer project for social entrepreneurship with Ashoka. Also for this project, activities will be completed in 2016. The contract was signed in Q1 2016.

### 7. Fair value

The fair value of the financial instruments stated on the balance sheet, including receivables, cash and cash equivalents and current liabilities, is approximately equal to their carrying amount.

## Notes to the statement of income and expenditure

### 8. Contribution Koninklijke Philips N.V.

On 24 February 2015, Koninklijke Philips N.V. formally committed itself towards the Foundation to fund €10 million of the future initiatives of the Philips Foundation. The contribution increased in 2015 by €8,5 million compared to 2014.

### 9. Donations

	2015	2014
	EUR	EUR
Donations to Strategic Partners	1,800,000	
Donations related to Market CSR	970,046	
Global Donations	98,639	
Donations related to employee fundraisers	196,350	31,516
<b>Total</b>	<b>3,065,035</b>	<b>31,516</b>

The spend during 2015 consisted of four types of donations. The first type is related to the partnership donations to the International Committee of the Red Cross, Dutch Red Cross and UNICEF. The second type of donation is related to market CSR projects proposed and implemented by Philips country offices with local partners. The third type of donation relates to a project on request of the Red Cross. The last type of donation consists of matching employee donations for disaster relief appeals such as responding to the Nepal earthquake, and floods in Chennai, India. The donations in 2015 increased by €3,033,519 compared to 2014 and is the result of the increased activities of the foundation. The donations in 2014 mainly consisted out of the matching of Koninklijke Philips N.V. employee donations for the Ebola Fundraiser and was donated to the International Red Cross' relief appeal.

### 10. Other expenses

The other expenses in 2015 consist of audit fees, consultancy expenses, communications costs, currency results, Board expenses, representation costs and banking fees. The currency results are related to both paid invoices denominated in foreign currency as well as the revaluation result of the outstanding accounts payable at the end of the year. Positive and negative currency results almost offset each other. In total, the Philips Foundation was positively impacted by €2,500 in 2015. The other expenses in 2014 consisted of audit fees and consultancy expenses.

### 11. Personnel

As at 31 December 2015, the Foundation had, other than three board members, no staff members employed. The Board Members receive no remuneration for their duties. Expenses can be reimbursed. In 2015 expenses have been reimbursed with a total value of less than €1,000. The Foundation's operational team consists of employees of Koninklijke Philips N.V. who are seconded to the Foundation. Their salaries and expenses are paid by Koninklijke Philips N.V.

The Board:

Prof. Dr. M. van Reisen

Prof. Dr. H. Wijffels

R. de Jong

Amsterdam, 30 June 2016





# Philips Foundation