

ANNUAL REPORT 2015-2016

NYENRODE FOUNDATION

(STICHTING NYENRODE)



LEADERSHIP,
ENTREPRENEURSHIP,
STEWARDSHIP

ANNUAL REPORT 2015/2016

NYENRODE FOUNDATION (STICHTING NYENRODE)

REPORT OF THE BOARD OF DIRECTOR OF NYENRODE FOUNDATION	3
CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2016	6
CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016.....	8
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016.....	9
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	10
COMPANY BALANCE SHEET AS AT 31 AUGUST 2016	28
COMPANY INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016.....	30
NOTES TO THE COMPANY BALANCE SHEET AND INCOME STATEMENT	31
OTHER INFORMATION	35
APPROPRIATION OF RESULTS	35
EVENTS AFTER THE BALANCE SHEET DATE	35
INDEPENDENT AUDITOR'S REPORT.....	37

Report Board of Directors of Nyenrode Foundation concerning financial year 2015-2016

In 2015-2016, there were no changes in the composition of Nyenrode's Foundation Board (FB). FB consisted of Jan Nooitgedagt (chair), Petri Hofsté, Hugo van der Goes, Malcolm Gillies, Cees de Kluyver, Jan Bernard Nolst Trenité, Peter van Breda, Tjarda Molenaar and Geert Jan Poorthuis. Both Malcolm Gillies and Cees de Kluyver have been reappointed as FB member in the FB meeting of September 2015. The reappointment of both Jan Nooitgedagt and Jan Bernard Nolst Trenité, due in 2016, was approved in the FB meeting of September 2016. Cees de Kluyver announced his stepping down by the end of 2016.

In 2015-2016 the FB met 5 times. There were 4 meetings of the Real Estate Committee (REC) and the Audit Committee (AC). The Executive Committee (EC) met 3 times. The Remuneration Committee (Remunco) and the Governance Committee (GC) met when necessary.

The main topics on the agenda of the FB were:

- Strategy;
- the approval of the budget and the annual accounts of both Universiteit Nyenrode B.V. (the University) and the Nyenrode Foundation, including the independent auditor's board report and management letter;
- financial performance;
- finance arrangements at both University and Foundation level;
- Nyenrode New Business School B.V. (NNBS);
- the relationship between the University and the alumni association VCV;
- the liquidation of NIVRA-Nyenrode Foundation;
- market positioning and portfolio of customized programs;
- risk management at University level;
- collective labor negotiations at University level;
- ANBI Policy Succession of the University's Associate Dean Degree;
- accreditation matters at University level (EQUIS, AMBA, AACSB and NVAO);
- the acquisition of the so called enclave at Broekdijk Oost, Breukelen.

As for the budget and the annual accounts 2015-2016 of the Nyenrode University, the FB acts on behalf of Nyenrode Foundation in its role as General Shareholder of the University. The FB has the authority of:

- approving the report of the University's Board of Directors (UB) including the Universities annual account;
- discharging the University Board;
- having the annual accounts published.

The FB has paid specific attention to the following:

a. Financial performance

The consolidated revenue in the year 2015/16 amounts to Euro 55 million, a 5,7% rise as compared to the previous academic year. The increase in revenue is mainly realized by Degree and Executive Programs, totaling Euro 3,3 mln.

In realizing that revenue growth, total personnel expenses have grown by 4% and all other operational expenses by 4,5%. This leads to a net result significantly above previous year: operating profit is Euro 2,0 mln and net profit Euro 1,9 mln. We again managed to show positive results for both Universiteit Nyenrode B.V. (NBU) and for Nyenrode New Business School B.V. (NNBS), while results for NIVRA-Nyenrode Foundation (NN) and Nyenrode BBA (BBA) remain negative.

The financial performance reflects the positive business development this year. The positive financial result in 2015/16 further reinforces the strong financial position of the Nyenrode Foundation. Illustrating are a solvency of 29% and a current ratio of 1,1.

	<u>2015/2016</u>	<u>2014/2015</u>
Solvency ratio	29%	26%
Current ratio	1,1	1,1
Working capital (x € 1,000)	3.254	1.357

b. NNBS

In May 2016, the University Board (UB) of NBU was informed of possible misconduct by several NNBS lecturers and the director during a study visit to China. The UB then decided to launch an investigation into this. The independent investigation committee appointed by the UB concluded at the end of August 2016 that the report was unfounded. Due to the absence of the director, another interim director has been appointed.

c. NIVRA-Nyenrode Foundation

In anticipation of the intended liquidation of NIVRA-Nyenrode Foundation, in August 2016 a large part of its capital (Euro 6,7 mln) was donated to Nyenrode Foundation. Nyenrode Foundation has used this gift to strengthen the capital of NBU. Nyenrode has reached a gentlemen's agreement with the NBA, the association of Dutch Accountants on how, in future, to spend the Euro 6,7 mln capital on accountancy education and research (in broad sense, without definite appropriation of the capital and without obligation).

d. Accreditation matters at University level

In April the full-time and part-time Master of Science in Management program was reviewed for the NVAO accreditation regarding the improvement plan. The panel recommended a re-accreditation for both programs and Nyenrode received in November 2016 the final accreditation, which is valid until November 2020. In June all our MBA programs were reviewed by AMBA (the international Association of MBAs). The recommendation of the panel is a re-accreditation for a period of five years and this decision has been formally endorsed by the decision body of AMBA in October 2016. Since 2000 Nyenrode (on university level) has received the EQUIS accreditation from the European Foundation for Management Development (EFMD). In 2015 we received the re-accreditation for three years.

e. Risk management

Building on the results of the risk management monitor executed in 2015, a risk management and mitigation plan was approved. Focus is on addressing the main strategic risk, which is a revenue drop because of a general economic downturn or because of the loss of large accounts.

f. Students

Student numbers are growing throughout Nyenrode. Various surveys point to the fact that our students in general are satisfied about the education offered and especially about the attention dedicated to personal development. An especially important indicator supporting this, is the "Nationale Studenten Enquête", where Nyenrode programs score consistently high and often best in their different categories.

The FB adheres to the Dutch Corporate Governance Code as much as possible. The FB has maximum terms for its members to stay on its Board, uses the assistance of the University's General Secretary and has another EC member than FB's chair as Remunco chair.

It has By-Laws dealing with:

- FB composition profiles;

- the duties of its chair and both AC and REC chairs plus the other standing committees;
- FB Reserved Matters (to be respected by University's UB).

Of its 9 FB members, 2 are of the female gender. By its Remunco, the FB sees to a correct way at University level to deal with salaries and bonuses. The FB appointed PwC as auditing firm. PwC reports on the University's financial and operational procedures/activities as well as of the University's subsidiaries.

Breukelen, January 10th 2017

The Nyenrode Foundation Board,

Jan Nooitgedagt (Chairman)

Peter van Breda

Hugo van der Goes

Malcolm Gillies

Petri Hofsté

Tjarda Molenaar

Geert Jan Poorthuis

Jan Bernard Nolst Trenité

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet as at 31 August 2016

(amounts x € 1.000 after appropriation of result)

	<u>2015/2016</u>	<u>2014/2015</u>
NON-CURRENT ASSETS		
Property, plant and equipment (5)		
Land and buildings	16.457	17.049
Furniture, fixture & ICT	3.985	4.212
Projects in progress	<u>550</u>	<u>155</u>
	20.992	21.416
Financial fixed assets (6)		
Deferred tax asset	474	152
Loans receivable	<u>0</u>	<u>20</u>
	474	172
	21.466	21.588
CURRENT ASSETS		
Receivables		
Trade receivables (7)	6.524	7.530
Other receivables (8)	<u>1.296</u>	<u>1.225</u>
	7.820	8.755
Securities (9)	406	917
Cash and cash equivalents (10)	<u>18.459</u>	<u>13.957</u>
	26.685	23.629
	<u>48.151</u>	<u>45.217</u>

Consolidated balance sheet as at 31 August 2016

(amounts x € 1.000 after appropriation of result)

	<u>2015/2016</u>	<u>2014/2015</u>
EQUITY AND LIABILITIES		
Group equity (11)	13.848	11.954
Provisions		
Maintenance (12)	310	300
Reorganization (13)	128	215
Student loans (14)	48	55
Jubilee benefits (15)	<u>310</u>	<u>239</u>
	796	809
Non-current liabilities (16)	10.075	10.182
Current liabilities		
Trade payables	1.851	2.222
Prepayments on fee (17)	13.661	13.578
Taxes and pension payments (18)	1.307	873
Accruals and deferred income (19)	<u>6.613</u>	<u>5.600</u>
	23.432	22.272
	<u>48.151</u>	<u>45.217</u>

Consolidated income statement for the year ended 31 August 2016*(amounts x € 1.000)*

	<u>2015/2016</u>	<u>2014/2015</u>
Revenue (21)	55.328	52.348
Expenses (22)		
Wages and salaries	21.970	22.177
Hires and other personnel expenses	14.241	12.597
Depreciation	2.480	2.677
Housing expenses	3.746	3.634
Other expenses	<u>10.854</u>	<u>10.035</u>
Total expenses	53.291	51.120
Operating result	2.037	1.228
Financial income and expenses (23)	-464	-436
Result before income tax	1.573	792
Income tax expenses (24)	322	-241
Result after income tax	<u>1.895</u>	<u>551</u>

Consolidated Cash Flow statement for the year ended 31 August 2016*(amounts x € 1.000)*

	<u>2015/2016</u>	<u>2014/2015</u>
Cash flows from operating activities		
Operating result	2.037	1.228
Adjustments for		
Changes in rent incentive	-107	-108
Depreciation	2.480	2.677
Movements in provisions (12-13-14-15)	-13	90
Movement Deferred tax	322	0
Changes in securities	<u>0</u>	<u>34</u>
	2.682	2.693
Changes in working capital		
Receivables (7-8)	935	177
Current liabilities (17-18-19)	<u>1.159</u>	<u>-1.268</u>
	2.094	-1.091
Cash generated from operations		
Interest paid	<u>-464</u>	<u>-436</u>
Net Cash generated from operating activities		
	6.349	2.394
Cash flow from investing activities		
Net investment in financial assets	-302	0
Investment in Property,Plant,Equipment (5)	<u>-2.056</u>	<u>-1.853</u>
	-2.358	-1.853
Cash flow from financing activities		
Movement in securities (9)	511	573
Repayments from borrowing (16)	<u>0</u>	<u>-1.506</u>
	511	-933
Net Cash Flow		
	<u>4.502</u>	<u>-392</u>
Movements in cash		
	<u>2015/2016</u>	<u>2014/2015</u>
At September 1st	13.957	14.349
Movements during the year	<u>4.502</u>	<u>-392</u>
At August 31st	<u>18.459</u>	<u>13.957</u>

Notes to the Consolidated Financial Statements

1. GENERAL INFORMATION

1.1 Operations

The consolidated financial statements concern the annual accounts of Nyenrode Foundation, founded on 1 July 1946 and having its registered office in Breukelen, Straatweg 25.

The objectives of Nyenrode Foundation are:

- to promote educational and research objectives of Universiteit Nyenrode B.V. (recognized as such by the ministry of Education, Culture and Science) and to promote the participation of students in courses provided by Universiteit Nyenrode B.V.;
- to maintain and manage the landscape and cultural-historical value of the rural estate Nyenrode in Breukelen, as well as any buildings and monuments that are situated on the estate;
- and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

The assets of Nyenrode Foundation will serve to attain the objectives of Nyenrode Foundation. The holding of shares in the capital of Universiteit Nyenrode B.V. is a means to achieve the objectives of Nyenrode Foundation.

1.2 Group structure

Nyenrode Foundation owns 100% of the shares of Universiteit Nyenrode B.V.

The financial statements of Universiteit Nyenrode B.V. and Stichting Jongerenhuisvesting are included in the consolidated financial statements of Nyenrode Foundation.

1.3 Changes in accounting policies

The accounting policies have not changed in 2015/2016.

1.4 Consolidation

The consolidation includes the financial information of Nyenrode Foundation, its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which Nyenrode Foundation exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or whose financial and operating policies it otherwise has the power to govern. Potential voting rights that can directly be exercised at the balance sheet date are also taken into account.

Group companies and other entities in which Nyenrode Foundation exercises control or whose central management it conducts are fully consolidated. Intercompany transactions, profit and balances among group companies and other consolidated entities are eliminated.

The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

The consolidated entities are listed below:

- Universiteit Nyenrode B.V., Breukelen (100%);
- Stichting NIVRA-Nyenrode, Breukelen;
- Nyenrode Services B.V., Breukelen (100%);
- Nyenrode BBA B.V., Breukelen (100%);
- Nyenrode New Business School B.V., Amsterdam (100%);
- Stichting Jongerenhuisvesting, Breukelen.

1.5 Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Foundation are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required in order to provide a true and fair view.

Most important activities are the tenancies of the buildings between Nyenrode Foundation, Stichting Jongerenhuisvesting and Universiteit Nyenrode B.V. and the conduct of the administration by Universiteit Nyenrode B.V.

1.6 Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents. Interest paid and received and income taxes are included in cash from operating activities.

1.7 Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Dutch Civil Code, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

Accounting policies for the balance sheet

2.1 General information

The consolidated financial statements have been prepared in accordance with the statutory provisions of Part 2, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The consolidated financial statements are presented in euros, which is the functional and presentation currency of Nyenrode Foundation.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet, income statement and cash flow statement include references to the notes.

2.2 Property, plant and equipment

Land, buildings and office equipment are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated future useful lives. Investment subsidies are deducted from the historical cost or manufacturing price of the assets to which the subsidies relate. Land is not depreciated.

2.3 Operational lease

Lease contracts for which a large part of the risks and rewards incidental to ownership of the assets does not lie with the Foundation, are recognized as operating leases. Obligations under operating leases are recognized on a straight-line basis in the income statement over the term of the contract, taking into account reimbursements received from the lessor.

2.4 Impairment of non-current assets

As at each balance sheet date, the Foundation tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount

exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Fair value less costs to sell is determined based on the active market. An impairment loss is directly expensed in the income statement.

If it is established that a previously recognized impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognized.

The Foundation assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognized in the income statement.

2.5 Inventories

Consumables are stated at the lower of cost and net realizable value. Cost is determined using the first in, first out (FIFO) method.

Inventories of finished or partially finished goods are stated at the lower of manufacturing price and net realizable value. Manufacturing price comprises all purchase or conversion costs, and other costs incurred in bringing the inventories to their present location and condition. Conversion cost includes direct labour costs and mark-ups for fixed and variable production overheads, including costs of the production planning department, maintenance division and internal logistics. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Net realizable value is determined making allowance for obsolescence of inventories.

2.6 Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost. Interest gains are recognized using the effective interest method. When a trade receivable is un-collectible, it is written off against the allowance account for trade receivables.

2.7 Securities

Securities are carried at fair value after initial recognition. Changes in the fair value are recognized directly in profit or loss..

2.8 Cash and cash equivalents

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

2.9 Provisions

General

Provisions are recognized for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which is probable to require an outflow of resources whose extent can be reliably estimated. Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations at the balance sheet date. Unless indicated otherwise, provisions are stated at the present value (with a 0.5% notional interest rate) of the expenditure expected to be required to settle the obligations.

All provisions have a long-term character.

Reorganization

The reorganization provision is intended to cover costs directly related to reorganizations in progress and the costs of the redundancy payments including on-going salary costs if the employee will no longer provide services to Nyenrode.

Pension benefits

Nyenrode Foundation has accounted for the multi-employer defined benefit plan as if it were a defined contribution plan. Nyenrode Foundation has no legal or constructive obligations to pay further contributions if the pensionfund does not hold sufficient assets to pay all employees the

benefits relating to employee service in the current and prior periods other than higher future contributions.

Nyenrode Foundation pays premiums based on (legal) requirements, contractual or voluntary basis to pension funds and insurance companies. Premiums are recognized as personnel costs when they are due. Prepaid contributions are recognized as deferred assets if these lead to a refund or reduction of future payments.

Jubilee benefits

The provision for jubilee benefits is formed for expected benefits payable to current employees. Main features are: gross monthly salary, special and holiday allowances, year-end bonus and estimation about the chance one stays employed in relation to the benefits at 25 and 40 years.

Deferred income tax assets

Deferred income tax assets are recognized to provide for temporary differences between the tax bases of assets and liabilities, and their carrying amounts in the financial statements, on the understanding that deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences and fiscal losses can be utilized.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized.

Deferred income taxes are recognized at face value.

2.10 Liabilities

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest in the income statement over the period of the borrowings using the effective interest method.

2.11 Financial instruments

Nyenrode Foundation applies cost-price hedge accounting to hedge variable-interest risk on borrowings. The gain or loss relating to the ineffective portion is recognized in the income statement within finance costs.

Where possible, Nyenrode Foundation applies cost-price hedge accounting for the interest rate swaps (IRS), which ensure that the variable interest rate risk on certain current and future (mortgage) loans is fixed for a certain period. This is aimed to protect Nyenrode Foundation against rising interest costs. In cost-price hedge accounting, the IRS are posted to the balance sheet and the income statement at the same time that the interest on the underlying mortgage loans is accounted for in the income statement. In order to apply cost-price hedge accounting, Nyenrode Foundation has documented the hedge relationships and periodically tests their effectiveness. If applicable, the ineffective portion of the change in value of the IRS is accounted for in the income statement under the financial revenues and expenses.

3. ACCOUNTING POLICIES FOR THE INCOME STATEMENT

3.1 General information

Profit or loss is determined as the difference between the realisable value of the services rendered and goods delivered, and the costs and other charges for the year. Revenues on transactions are recognized in the year in which they are realized. The result is also calculated taking into account the incorporation of unrealized value changes in securities that are valued at current value and included under current assets.

3.2 Revenue recognition

Revenue from sales of services is recognized under the percentage-of-completion method based on the services performed to the balance sheet date as a percentage of the total services to be performed.

Other revenues consist of sponsorship for academic chairs. These are assigned to the financial year in conformity with the content of the agreement.

3.3 Depreciation

Property, plant and equipment are depreciated over their estimated useful lives as from the inception of their use. Land is not depreciated. Future depreciation is adjusted if there is a change in estimated future useful life. Gains and losses on sales of property, plant and equipment are included in depreciation.

3.4 Employee benefits

Short-term employee benefits

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

Pensions

For its defined contribution plans, Nyenrode Foundation, pays contributions into pension funds and insurance companies on a compulsory, contractual or voluntary basis. Except for paying contributions, Nyenrode Foundation has no other obligations to pay further contributions by virtue of these pension plans. Contributions are recognized as expenses when incurred.

3.5 Selling expenses and general and administrative expenses

Selling expenses and general and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

3.6 Financial income and expenses

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

3.7 Income tax expense

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, and plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

4.1 Currency risk

Nyenrode Foundation mainly operates in the Eurozone, therefore currency risk is not material.

4.2 Price risk

Nyenrode Foundation incurs risk regarding the valuation of securities disclosed under financial fixed assets and securities within current assets. The Foundation manages market risk by stratifying the portfolio and imposing limits.

4.3 Interest rate and cash flow risk

Nyenrode Foundation incurs interest rate risk on interest-bearing receivables (in particular those included in financial fixed assets, securities and cash) and on interest-bearing non-current and current liabilities (including borrowings).

Where floating-interest loans and receivables are concerned, Nyenrode Foundation incurs risk regarding future cash flows. In addition, Nyenrode Foundation incurs risk on fixed-interest loans

and receivables with respect to the fair value due to changes in the market rate of interest. No financial derivatives for interest rate risk are contracted with regard to the receivables. Nyenrode Foundation has contracted interest rate swaps for specific floating-interest liabilities. Consequently, it receives floating interest and pays fixed interest.

4.4 Credit risk

Nyenrode Foundation does not have any significant concentrations of credit risk. Goods and services are sold subject to payment deadlines ranging between eight and 60 days. Nyenrode Foundation has issued loans to participants and associates.

4.5 Liquidity risk

Nyenrode Foundation uses several banks in order to avail itself of a range of overdraft facilities. Where necessary, further securities will be furnished to the bank for available overdraft facilities.

Notes to the Consolidated Balance Sheet

5. PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment can be broken down as follows:
(amounts x € 1.000)

	Land and buildings	Furniture, fixture & ICT	Projects in progress	Total
Balance as at 1 September 2015 :				
Cost price	41.213	11.877	155	53.246
Accumulated depreciation	24.164	7.665	0	31.830
Carrying value	17.049	4.212	155	21.416
Movements in book value	0	155	-155	0
Investments	709	797	550	2.056
Depreciation	-1.267	-1.213	0	-2.480
Balance	-558	-261	395	-424
Balance as at 31 August 2016 :				
Cost price	41.923	12.829	550	55.302
Accumulated depreciation	25.466	8.844	0	34.310
Carrying value	16.457	3.985	550	20.992

The depreciation is calculated based on initial costs and starts at the inception of their use based on the following terms:

- Buildings : 40, 30, 25, 20, 10 and 5 years
- Furniture and fixtures : 10, 5 and 3 years

The 54,8 hectare estate, including its buildings, is valued on the balance sheet at € 16,0 million. The fair value of the estate is higher than the value as mentioned in the balance sheet.

6. FINANCIAL FIXED ASSETS

DEFERRED TAX ASSETS

The deferred tax asset reflects the value of the fiscal losses which are expected to be compensated with profits within the next few years. The nominal value of the losses of the fiscal entity Universiteit Nyenrode B.V., including this year's result, is about € 3,0 million which has been valued in the balance sheet for € 0,5 million.

The nominal value of the fiscal losses of Nyenrode New Business School B.V. is about € 1,0 million which has not been valued in the balance sheet as deferred taxed asset.

(amounts x € 1.000)	2015/2016	2014/2015
At September 1 st	153	394
Charged to P&L	321	-241
At August 31 st	474	153

7. TRADE RECEIVABLES

The summary of short-term accounts receivable is as follows:

<i>(amounts x € 1.000)</i>	<u>31 August 2016</u>	<u>31 August 2015</u>
Trade Receivables	7.381	8.238
Allowance bad debts	-857	-708
Total receivables	<u>6.524</u>	<u>7.530</u>

All trade-receivables fall due in less than one year.

8. OTHER RECEIVABLES

<i>(amounts x € 1.000)</i>	<u>31 August 2016</u>	<u>31 August 2015</u>
Stichting Nyenrode Universiteits Fonds en overig	0	5
Prepaid costs	384	113
Revenue to be billed	323	300
Guarantee deposits	42	43
Inventories	75	75
Other receivables	472	689
Total	<u>1.296</u>	<u>1.225</u>

All other receivables fall due in less than one year.

9. SECURITIES

Securities and bonds consist of the surplus cash that is invested in fixed-interest securities. These are all freely tradable and quoted on the stock market.

<i>(amounts x € 1.000)</i>	<u>31 August 2016</u>	<u>31 August 2015</u>
4 3/8% Ned. Waterschapsbank 08/18	0	136
4 % ING bank 11/16	0	152
3 5/8% Caisse amort dette soc 06/16	0	207
3 7/8% Eur inv bank 06/16	208	216
4 1/8% Ned. Waterschapsbank 07/17	198	206
	<u>406</u>	<u>917</u>

10. CASH AND CASH EQUIVALENTS

<i>(amounts x € 1.000)</i>	<u>31 August 2016</u>	<u>31 August 2015</u>
In deposit	2.732	7.960
Cash	2	1
Current account at banks	15.725	5.996
Total	<u>18.459</u>	<u>13.957</u>

Cash and cash equivalents include saving accounts to the amount of 18,5 million with maturities of less than a month.

11. GROUP EQUITY

Group equity consists of the equity of Nyenrode Foundation, Universiteit Nyenrode B.V., Stichting NIVRA-Nyenrode and Stichting Jongerenhuisvesting.

Group equity (amounts x € 1.000)	31 August 2016	31 August 2015
Share capital Nyenrode Universiteit	5.000	5.000
General reserve	8.758	-26
Appropriated reserve	90	6.980
Total	<u>13.848</u>	<u>11.954</u>

Movement in the General reserve:

(amounts x € 1.000)	2015/2016	2014/2015
At September 1 st	-26	-837
Capital infusion from Stichting Nivra Nyenrode	6.691	0
Result for the year	<u>2.093</u>	<u>811</u>
At August 31 st	<u>8.758</u>	<u>-26</u>

Movement in the appropriated reserve Stichting NIVRA Nyenrode:

(amounts x € 1.000)	2015/2016	2014/2015
At September 1 st	6.980	7.240
Capital infusion in Nyenrode Foundation	-6.691	0
Result for the year	<u>-199</u>	<u>-260</u>
At August 31 st	<u>90</u>	<u>6.980</u>

The appropriated reserve consists of the equity of Stichting Nivra Nyenrode. Reallocation from the appropriated reserve in 2015/2016: see note 32.

12. MAINTENANCE

The provision for maintenance covers the costs related to required dredging operations at the estate.

Provision for maintenance (amounts x € 1.000)	2015/2016	2014/2015
At 1 September 2015	300	0
Used	-12	0
Released to P&L	0	0
Addition charged to P&L	<u>22</u>	<u>300</u>
At 31 August 2016	<u>310</u>	<u>300</u>

13. REORGANIZATION

Provision for reorganisation (amounts x € 1.000)	<u>2015/2016</u>	<u>2014/2015</u>
At 1 September 2015	215	424
Used	-87	-209
Released to P&L	0	0
At 31 August 2016	<u>128</u>	<u>215</u>

The reorganization provision covers costs directly related to reorganizations in progress and the costs of the redundancy payments including on-going salary costs. The provision is formed at the moment a detailed plan to reorganise the company is formalized and communicated to those affected. This provision is formed on the basis of the calculation at nominal value of the future additional pension and redundancy obligations.

14. STUDENT LOANS

This provision is made for possible partial repayment of loans given to foreign students by ABN-AMRO, in the period 2007-2011. At 1 September 2016, the total amount of outstanding loans to the students is € 131.000 of which Nyenrode bears 50% of the risk of default. The loan arrangement for students has ended. No new loans have been granted since 2011.

Provision for student loans (amounts x € 1.000)	<u>2015/2016</u>	<u>2014/2015</u>
At 1 September	55	66
Released/addition charged to P&L	-7	-11
At 31 August	<u>48</u>	<u>55</u>

15. JUBILEE BENEFITS

This relates to a provision for long-service bonus payments. It is built up on the basis of possible anniversaries in the coming years at cash value with a 0,5 % notional interest rate.

Provision for jubilee benefits (amounts x € 1.000)	<u>2015/2016</u>	<u>2014/2015</u>
At 1 September 2015	239	230
Withdrawal	-11	-12
Addition to P&L	82	21
At 31 August 2016	<u>310</u>	<u>239</u>

16. NON-CURRENT LIABILITIES

	<u>2015/2016</u>	<u>2014/2015</u>
<i>(amounts x € 1.000)</i>		
Rabobank Stichting Nyenrode	4.900	4.900
Rabobank Stichting JongerenHuisvesting	4.500	4.500
Incentive rent	<u>675</u>	<u>782</u>
	<u>10.075</u>	<u>10.182</u>

The details for the term loans are as follows:

The loan of € 4,5 million has a duration until 2018.

The loan of € 4,9 million has a duration until 2023.

As arranged in the credit agreement, the interest payable on both loans from Rabobank is based on the 3-month Euribor rate plus a surcharge of 0,95% and 0,50% respectively. The interest on both loans is fixed for the duration of the loans via Interest Rate Swap agreements (IRS) with Rabobank. There is no obligation to redeem either loan before the termination date.

As at the end of August 2015, the 3-month Euribor rate is considerably lower than the rate that formed the basis for the swap agreements. This means that these agreements currently have a negative (redemption) value of € 1.683.817 (swap related to the loan of € 4.900.000 on Nyenrode Foundation, with a duration until 2023) and € 394.115 (swap related to the loan of € 4.500.000 on the Stichting Jongerenhuisvesting with a duration until 2018), respectively.

The municipality of Breukelen has given Rabobank a municipal guarantee in the sum of € 4,5 million for the term loan of € 4,5 million to Stichting Jongerenhuisvesting. As pledge for its guarantee, an entry has been made in the register of mortgages in the name of the municipality, citing the land and campus buildings belonging to Stichting Jongerenhuisvesting.

The land and buildings of Nyenrode Foundation and Stichting Jongerenhuisvesting are used as security for both mortgages in the sum of € 13 million.

Of this, € 8,5 million is registered in the name of Rabobank for the € 4,9 million term loan to Nyenrode Foundation. The Albert Heijn building, the De Rooij building and the Plesman building including their land, are mortgaged to Rabobank Hilversum, Vecht en Plassen.

The incentive rent concerns an allowance for the rent of Keizersgracht 285 in Amsterdam (Nyenrode New Business School B.V.). The allowance is released monthly during the rent agreement (10 years). Part of the incentive (1/10e) is presented as a current liability. The other part as a non-current liability. Originally the incentive amounted in totally € 1.079.240.

Incentive rent

<i>(amounts x € 1,000)</i>	<u>31 August 2016</u>	<u>31 August 2015</u>
Principal amount (Dec 2013)	1.079	1.079
Part to current liabilities (1/10th)	<u>-108</u>	<u>-108</u>
Balance	971	971
Accumulated deducted from rent	<u>-296</u>	<u>-189</u>
Balance of incentive rent	<u>675</u>	<u>782</u>

17. PREPAYMENTS ON FEE

<i>(amounts x € 1.000)</i>	<u>31 August 2016</u>	<u>31 August 2015</u>
Degree Programs	9.963	9.825
Executive Programs	2.590	1.709
Research	893	825
Faculty	215	188
Staff	0	1.031
Total	<u>13.661</u>	<u>13.578</u>

More than 90% falls due in less than one year.

18. TAXES AND PENSION PAYMENTS

<i>(amounts x € 1.000)</i>	<u>31 August 2016</u>	<u>31 August 2015</u>
Tax	474	0
Income tax and social security	692	611
VAT	-75	43
Pension payments	216	219
Total	<u>1.307</u>	<u>873</u>

19. ACCRUALS AND DEFERRED INCOME

The summary of accruals is as follows:

<i>(amounts x € 1.000)</i>	<u>31 August 2016</u>	<u>31 August 2015</u>
Accrued costs	4.832	3.799
Accrual holiday allowance and holiday pay	1.243	1.224
Accrual year-end payment	532	580
Other	6	-3
Total	<u>6.613</u>	<u>5.600</u>

All current liabilities fall due in less than one year.

20. RIGHTS AND COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET

ARRANGEMENTS

Within the framework of the agreements relating to the financing of various academic chairs by third parties, a total amount of € 2,8 million has been granted for the coming years.

A part of the buildings (732 m²) has been sublet on a long-term basis. As balance sheet date, the annual rent amounts to € 118.264.

As at 3 December 2012, Nyenrode New Business School B.V. concluded a 10 year rent agreement with Credit Suisse for the building '5 Keyzers' in Amsterdam (some 2.750m²) with an option to cancel the rent of approximately 630m² after 5 years. The rent agreement commenced as of 1 December 2013. Rent per year (including service costs and VAT-compensation) amounts to some € 774.000.

A bank guarantee was issued to the lessor amounting to € 194.034.

Notes to the Consolidated Income statement

21. REVENUE

Virtually the entire turnover was achieved in the Netherlands.

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Degree Programs	32.100	30.359
Executive Programs	18.325	16.713
Research	1.725	2.085
Faculty	391	419
Sponsorships	761	850
Facilities and other revenues	<u>2.026</u>	<u>1.921</u>
Total	<u>55.328</u>	<u>52.348</u>

22. EXPENSES

WAGES AND SALARIES

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Salaries	17.735	18.298
Pension costs	1.923	2.161
Other social security costs	2.502	2.460
Withdrawal personnel provisions	-13	-512
Received benefits sickness	<u>-177</u>	<u>-231</u>
Total	<u>21.970</u>	<u>22.176</u>

HIRES AND OTHER PERSONNEL EXPENSES

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Hires & temporary non teaching personnel	3.061	1.803
Contracted teaching capacity	10.285	9.753
Endowments personnel provisions	117	298
Other personnel costs	<u>778</u>	<u>744</u>
Total	<u>14.241</u>	<u>12.597</u>

DEPRECIATION

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Depreciation buildings	1.267	1.401
Depreciation furniture-fixture	<u>1.213</u>	<u>1.276</u>
Total	<u>2.480</u>	<u>2.677</u>

HOUSING EXPENSES

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Rent	1.263	1.106
Energy costs	574	537
Maintenance expenses	872	609
Other housing expenses	<u>1.037</u>	<u>1.081</u>
Total	<u>3.746</u>	<u>3.334</u>

OTHER EXPENSES

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Catering and other household expenses	3.420	3.184
Marketing costs	2.152	2.103
Office supplies, materials and learning tools	1.719	1.743
IT, automation and communications	1.298	1.344
Accountant and consultancy costs	909	784
Travel and accommodation expenses	1.352	1.374
Office expenses	668	557
VAT effect	-983	-739
Special costs and reductions	<u>319</u>	<u>-315</u>
Total	<u>10.854</u>	<u>10.035</u>

VAT effect

At the university, part of the programme portfolio revenue is VAT liable. This results in a pro-rated rebate for the general costs. This pro-rated rebate is determined at the end of each year. The total amount of the VAT rebate is presented as a VAT effect, being a negative cost item in the total expenses.

Special costs and reductions

In 2015/16 Euro 300.000 have been recognized as special costs and reductions related to a VAT reassessment by Tax authorities.

Special costs and reductions 2014/2015 mainly consist of the release of a commitment to third parties.

AUDIT FEE

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Audit of the financial statements	177	198
Tax services	<u>25</u>	<u>81</u>
Total	<u>202</u>	<u>279</u>

23. FINANCIAL INCOME AND EXPENSES

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Change in market value securities	-37	-41
	-37	-41
Income from securities	34	51
Interest loans	-515	-560
Interest income other	54	114
	-427	-395
Total	<u>-464</u>	<u>-436</u>

24. INCOME TAX EXPENSES

The losses Universiteit Nyenrode incurred in previous years are partially recognized as deferred tax asset, refer to note 6.

25. REMUNERATION OF THE MEMBERS OF THE BOARD

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Current and former members of the foundation board	90	82
Total	<u>90</u>	<u>82</u>

Through 31 August 2016, the foundation board of Nyenrode Foundation consisted of 9 members. Total remuneration regarding the foundation board amounts to € 90.000; the chairman is entitled to € 15.000 and the other members are entitled to a maximum of € 10.000 on a yearly basis.

26. NUMBER OF EMPLOYEES

The number of employees at the end of August amounts to:

	as of year end		as of year end	
	2015/16	in %	2014/15	in %
Fte male	112,7	39%	113,3	40%
Fte female	178,2	61%	172,1	60%
Total fte's	290,9	100%	285,4	100%
Fixed contracts				
Fte male	93,6	41%	88,4	41%
Fte female	132,2	59%	127,4	59%
Total	225,8	100%	215,8	100%
Fixed in % of total	78%		76%	
Temporarily contracts				
Fte male	19,5	30%	24,9	36%
Fte female	45,6	70%	44,7	64%
Total	65,1	100%	69,6	100%
Temporarily in % of total	22%		24%	
Headcount				
Fulltime male	85	50%	84	50%
Fulltime female	84	50%	83	50%
Total fulltime	169	100%	167	100%
Parttime male	70	32%	58	30%
Parttime female	150	68%	134	70%
Total parttime	220	100%	192	100%
Total fulltime	169	43%	167	47%
Total parttime	220	57%	192	53%
Total headcount	389	100%	359	100%
Total fte's in % of headcount	75%		79%	

Total sickness absence, excluding pregnancy leave, was 2,4% in 2015/2016 (2,7% in 2014/2015).

Company financial statements

Company balance sheet as at 31 August 2016

(amounts x € 1.000 after appropriation of result)

NON-CURRENT ASSETS

	<u>2015/2016</u>		<u>2014/2015</u>
Property, plant and equipment (28)			
Land and buildings	12.613		13.182
Furniture, fixture and ICT	505		475
Projects in progress	<u>83</u>		<u>24</u>
		13.201	13.681
Financial fixed assets			
Universiteit Nyenrode	5.521		0
		5.521	0
CURRENT ASSETS			
Receivables			
Amounts from affiliated entities (30)	523		0
Other receivables	<u>47</u>		<u>22</u>
	570		22
Cash and cash equivalents (31)	<u>2.197</u>		<u>1.639</u>
		2.767	1.661
		<u>21.489</u>	<u>15.342</u>

EQUITY AND LIABILITIES	<u>2015/2016</u>	<u>2014/2015</u>
Company equity (32)		
General reserve	<u>15.007</u>	<u>9.065</u>
	15.007	9.065
Provisions		
Maintenance (12)	<u>310</u>	<u>300</u>
	310	300
Non-current liabilities (33)	4.900	4.900
Trade payables	76	109
Amounts to affiliated entities (34)	1.056	672
Taxes	-4	
Accruals and deferred income	<u>144</u>	<u>296</u>
	1.272	1.077
	<u>21.489</u>	<u>15.342</u>

Company income statement for the year ended 31 August 2016

(amounts x € 1.000)

	<u>2015/2016</u>	<u>2014/2015</u>
Revenue (35)	3.570	3.545
Expenses (36)		
Hires and other personnel expenses	205	183
Depreciation	1.014	1.107
Housing expenses	1.650	1.716
Other expenses	5	184
Total expenses	<u>2.874</u>	<u>3.190</u>
Operating result	696	355
Financial income & expenses (37)	-274	-270
Result associate Universiteit Nyenrode (29)	-1.171	0
Result before income tax	-749	85
Result after tax	<u><u>-749</u></u>	<u><u>85</u></u>

NOTES TO THE COMPANY BALANCE SHEET AND INCOME STATEMENT

27. GENERAL INFORMATION

In 2014/2015, Universiteit Nyenrode B.V. had a negative equity. In the company balance sheet of the Foundation Nyenrode, the equity of Universiteit Nyenrode was valued at zero. Therefore the negative equity of Universiteit Nyenrode in 2014/15 was not accounted for on the company balance of Foundation Nyenrode. A payment on share premium in 2015/16 by Foundation Nyenrode resulted in a positive net equity balance of Universiteit Nyenrode. The difference between the negative equity value of Universiteit Nyenrode as at 31 August 2015 and the zero balance is accounted for as a result in the company's income statement.

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

The accounting policies for the company financial statements and the consolidated financial statements are the same. Group companies are stated at net asset value in accordance to the consolidated financial statements, or zero when the equity value of the group company is negative and the parent company will not provide financial support to the group company.

For the accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statements on page 12 to 15.

28. PROPERTY, PLANT AND EQUIPMENT

(amounts x € 1.000)

	Land and buildings	Furniture, fixture & ICT	Projects in progress	Total
Balance 1 September 2015:				
Cost price	29.684	2.052	24	31.760
Accumulated depreciation	16.502	1.577	0	18.079
Carrying value	13.182	475	24	13.681
Transfers	0	24	-24	0
Investments	320	131	83	534
Depreciation	889	125	0	1.014
Balance	-569	30	59	-480
Balance 31 August 2016:				
Cost price	30.004	2.207	83	32.294
Accumulated depreciation	17.391	1.702	0	19.093
Carrying value	12.613	505	83	13.201

29. ASSOCIATES

(amounts x € 1.000)	<u>31 August 2016</u>	<u>31 August 2015</u>
Universiteit Nyenrode	5.521	0
Total	<u>5.521</u>	<u>0</u>

Movement in equity of associate Universiteit Nyenrode (amounts x € 1.000)

	<u>31 August 2016</u>
At September 1st	0
Pick up equity	-2.472
Payment on share premium	6.691
Result Universteit Nyenrode 2015/2016	<u>1.302</u>
At August 31 st	<u>5.521</u>

30. AMOUNTS FROM AFFILIATED ENTITIES

(amounts x € 1.000)	<u>31 August 2016</u>	<u>31 August 2015</u>
Receivables affiliated entities		
Stichting Jongerenhuisvesting	523	0
Total	<u>523</u>	<u>0</u>

31. CASH AND CASH EQUIVALENTS

(amounts x € 1.000)	<u>31 August 2016</u>	<u>31 August 2015</u>
Current account at Banks	2.197	1.639
Total	<u>2.197</u>	<u>1.639</u>

32. COMPANY EQUITY

Movement in general reserve

(amounts x € 1.000)	<u>31 August 2016</u>	<u>31 August 2015</u>
General reserve	15.007	9.065
	<u>15.007</u>	<u>9.065</u>

General reserve (amounts x € 1.000)	<u>31 August 2016</u>	<u>31 August 2015</u>
As at 1 September 2015	9.065	8.981
Capital infusion from Stichting Nivra Nyenrode	6.691	0
Result of the year	-749	85
As at 31 August 2016	<u>15.007</u>	<u>9.065</u>

In August 2016 Stichting Nivra Nyenrode transferred a cash balance to Nyenrode Foundation amounting to € 6,7 million. Since this transfer represents a transaction between two group companies and is comparable to a transaction between a parent company and a subsidiary the transfer is treated as a capital infusion in Nyenrode Foundation.

Differences in equity between the company and consolidated financial statements

Differences in equity

<i>(amounts x € 1.000)</i>	<u>31 August 2016</u>	<u>31 August 2015</u>
Consolidated equity	13.848	11.954
Group equity Universiteit Nyenrode B.V.	0	-1.638
Company equity St.Jongeren Huisvesting	-1.255	-1.251
Group equity BBA	2.504	0
Company equity Stichting Nivra Nyenrode	-90	0
Company equity	<u>15.007</u>	<u>9.065</u>

Differences in profit and loss

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Result consolidated financial statement	1.895	551
exclude impact of		
Result BBA	366	0
Result Stichting Nivra Nyenrode	-199	0
Result Universiteit Nyenrode B.V.	0	401
Result Stichting Jongerenhuisvesting	5	66
	<u>172</u>	<u>467</u>
	-172	-467
Pick up result Universiteit Nyenrode prior years (27)	-2.473	
Company financial statement	<u>-749</u>	<u>84</u>

33. NON-CURRENT LIABILITIES

This is a term loan from Rabobank for € 4,9 mln (2015 € 4,9 mln) – see note 16.

34. AMOUNTS DUE FROM AND TO AFFILIATED ENTITIES

<i>(amounts x € 1.000)</i>	<u>31 August 2016</u>	<u>31 August 2015</u>
Receivables affiliated entities		
Stichting Jongerenhuisvesting	523	0
Total	<u>523</u>	<u>0</u>

All receivables fall due in less than one year.

35. REVENUE

The revenue fully consists of the rent received from Universiteit Nyenrode B.V., charged for the office buildings.

36. EXPENSES

Housing expenses

(amounts x € 1.000)

	<u>2015/2016</u>	<u>2014/2015</u>
Rent expenses to Stichting Jongerenhuisvesting	893	887
Rente expenses	0	
Maintenance expenses	632	441
Other housing expenses	125	88
Total	<u>1.650</u>	<u>1.416</u>

37 FINANCIAL INCOME AND EXPENSES

(amounts x € 1.000)

	<u>2015/2016</u>	<u>2014/2015</u>
Interest income	10	11
Interest expense	-284	-281
	<u>-274</u>	<u>-270</u>

38. AVERAGE NUMBER OF EMPLOYEES

Nyenrode Foundation has no personnel.

39. ARRANGEMENTS AND COMMITMENTS NOT INCLUDED IN THE BALANCE SHEET

Refer to those included in the consolidated statements, note 20.

TAX GROUP LIABILITY

Corporate income tax

- Nyenrode Foundation is an ANBI-institute and for that reason exempt from corporate income tax.
- Universiteit Nyenrode B.V. is part of a corporate income tax group with Nyenrode Services B.V., NBBA B.V. and Stichting NIVRA Nyenrode.

VAT

- Nyenrode Foundation is part of a VAT group with Universiteit Nyenrode B.V., Stichting Jongerenhuisvesting and Nyenrode Services B.V.

OTHER INFORMATION

STATUTORY REGULATION RELATING TO APPROPRIATION OF RESULTS

The articles of incorporation contain no stipulations relating to appropriation of results except to specify that the profits should serve the purpose of the Foundation, that is to say the continued existence of a University for Business Administration and the related academic research.

APPROPRIATION OF RESULTS

The appropriation of results for 2015/16 can be specified as follows:

<i>(amounts x € 1.000)</i>	<u>2015/2016</u>	<u>2014/2015</u>
Result of the year	<u>-749</u>	<u>84</u>
Addition to general reserve		

Events after the balance sheet date

In October 2016 the foundation acquired the so called enclave at Broekdijk Oost, Breukelen. These premises are surrounded by already owned premises of the foundation.

The Nyenrode Foundation Board

Breukelen, January 10th, 2017

Jan Nooitgedagt (Chairman)

Peter van Breda

Hugo van der Goes

Malcolm Gillies

Petri Hofsté

Tjarda Molenaar

Geert Jan Poorthuis

Jan Bernard Nolst Trenité

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report

To: the Foundation Board of Stichting Nyenrode

Report on the financial statements 2015/2016

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Nyenrode as at 31 August 2016, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2015/2016 of Stichting Nyenrode ('the company'). The financial statements include the consolidated financial statements of Stichting Nyenrode and its subsidiaries (together: 'the Group') and the company financial statements.

The financial statements comprise:

- the consolidated and company balance sheet as at 31 August 2016;
- the consolidated and company income statement for the year then ended;
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of Stichting Nyenrode in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

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

Ref.: e0393646

*PricewaterhouseCoopers Accountants N.V., Newtonlaan 205, 3584 BH Utrecht, P.O. Box 85096,
3508 AB Utrecht, The Netherlands
T: +31 (0) 88 792 00 30, F: +31 (0) 88 792 95 08, www.pwc.nl*

'PwC' is the brand under which PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287), PricewaterhouseCoopers Compliance Services B.V. (Chamber of Commerce 51414406), PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (Chamber of Commerce 54226368), PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289) and other companies operate and provide services. These services are governed by General Terms and Conditions ('algemene voorwaarden'), which include provisions regarding our liability. Purchases by these companies are governed by General Terms and Conditions of Purchase ('algemene inkoopvoorwaarden'). At www.pwc.nl more detailed information on these companies is available, including these General Terms and Conditions and the General Terms and Conditions of Purchase, which have also been filed at the Amsterdam Chamber of Commerce.



Responsibilities of The Foundation Board's

The Foundation Board's is responsible for:

- the preparation and fair presentation of the financial statements and for the preparation of the Foundation board's report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the Foundation board's determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Foundation board's is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Foundation board's should prepare the financial statements using the going-concern basis of accounting unless the Foundation board's either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Foundation board's should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

Report on other legal and regulatory requirements

Our report on the Foundation board's report and the other information

Pursuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Foundation board's report and the other information):

- we have no deficiencies to report as a result of our examination whether the Foundation board's report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed;
- we report that the Foundation board's report, to the extent we can assess, is consistent with the financial statements.

Utrecht, 10 January 2017
PricewaterhouseCoopers Accountants N.V.

Original signed by drs. J.W. Middelweerd RA



Appendix to our auditor's report on the financial statements 2015/2016 of Stichting Nyenrode

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of the Foundation.
- Concluding on the appropriateness of the Foundation Board's use of the going concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the board of the Foundation regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NYENRODE BUSINESS UNIVERSITEIT, STRAATWEG 25, 3621 BG BREUKELLEN
P.O.BOX 130, 3620 AC BREUKELLEN, THE NETHERLANDS

 INFO@NYENRODE.NL  +31 (0)346 291 291

NYENRODE.NL