

DORCAS

annual report

ANNUAL REPORT 2019 - WWW.DORCAS.ORG

2019:
Mobilising
Communities

The land of milk and honey

An atmosphere of activity prevails across Kenya's sprawling farmlands. An elderly man in blue overalls stands in front of a huge hay barn. Just out of reach of the hot midday sun, he works with a machine that turns hay into square bales.



A warming planet

In Eastern Africa many people rely on their own agricultural produce to survive. Yet, due to climate change, the weather is much less predictable than before; with long periods of drought resulting in unsuccessful harvests. By way of our Value Chain programme, Kenyan farmers learn how to grow or produce products that remain largely untouched by drought: hay, milk, honey and green grams (also known as mung beans).

Added value

One advantage of such products is that there is much demand but little supply - meaning they can be produced and put on the market in bulk. Even better, they can be processed - transformed from one form of food into another, such as moong dal dumplings or sweet halwa made from mung beans. Our local colleague explains:

"Vulnerable people from the community are carrying out the production process so that they can earn a good income and take care of their families. They become role models who encourage and convince their neighbours to deal with products in an innovative and sustainable way."

Stories of hope

And who are these people? In addition to the men and women harvesting crops in the drylands, we meet beekeeper Paul, cattle farmer Godfried and milk seller Mary. They all have a powerful story to tell. What may have begun with poverty and hardship, has now turned into a personal account of hope, self-belief - and a motivation to help others.

Learn more at dorcass.org/annual-report.

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*'They become
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innovative way.'*

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Publishing Information

Dorcas Annual Report 2019

This annual report of Stichting Dorcas Aid International has been compiled in accordance with Title 9 Book 2 of the Civil Code of the Netherlands and complies with guideline RJ 650 for fundraising organisations. The financial year corresponds to the calendar year. A full copy of this report can be found on our website: dorcass.org.

Executive Board: Leo Visser (CEO). Chair of the Supervisory Board: Mrs. Dr. C.A. Voorham. Financial report compiled by: Finances department. Annual Report editorial staff: Hans Alblas (omnicus.nl), Leo Visser, John Wolff, Iris Brouwer, Wim den Hartog. Text editor: Martha Shardalow (mshardalow.com). Design: Redmatters  (redmatters.com). Printed by: Pieters Media (pietersmedia.nl). Photographs: Dorcas, Cindy Schilperoord, George Moubayed, Jan Jacob Hoefnagel, Matthijs Voskuil.

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Summary



Foreword CEO

Mobilising Communities

This was the theme that underpinned the year of 2019 - and there was good reason for it.

Communities take a very central place in our work. They are the very place where individuals can thrive. And where national development plays out and obtains real meaning. Whether Dorcas works in a humanitarian aid or development context, the local community is our most important entry point. Strengthening Communities has even become a central theme in our approach.

Unfortunately, many things can go wrong in communities as well. People may be marginalised or excluded and global issues such as urbanisation, migration or armed conflict often play a role in the undoing of a (sense of) community. Therefore, it is vital that we work towards their restoration and growth in order to successfully implement our programmes. As a member of one such community once said to me: "Thanks to Dorcas' help, we now work together to overcome our problems. I've also learnt to place more value in myself as someone who can contribute to my community".

Our strategy to strengthen communities is not only valid in places where we support communities to overcome the impact of poverty, but also in places where we mobilise our resources. Hundreds of them provide a significant amount of the resources we need. Thousands of volunteers in our thrift shops dedicate their time and energy to our cause. Thousands more give money and prayers, for example, through churches. Many supporters find a strong sense of fulfilment in advancing the Dorcas mission. During 2019 we introduced a coordinated approach to strengthen this further.

In our shops, I regularly meet refugees who are trying to build a new future for themselves. All of them recognise the importance of their involvement in that community - for their well-being - enabling them to envisage a future again.

'One Dorcas' is another point to pause on. Passion for our mandate cannot be achieved without a sense of internal community. Therefore, we emphasise the growth of professional communities in both the International Office and Country Offices. We stand united in our commitment to the work of the organisation. Our ongoing efforts to build a strong and future-fit Dorcas is an important issue during this strategic period.

In light of the COVID-19 pandemic, we will need this strong sense of community even more. The crisis will have huge, yet largely unknown, consequences for global society.

At Dorcas we believe man is more than an individual, created by God with a relational purpose. We believe in mutual relationships and place great value in social structures. We are very thankful to God and to all those who share our vision of vibrant communities around the world.

For the Executive Board,

Leo Visser

Chief Executive Officer



From the Supervisory Board

"Any organisation that is improving itself, must stay close to its calling."



Which themes dominated the agenda in 2019?

As of 2019, Dorcas has a new Strategic Plan. It has been encouraging to see the robust manner in which it has been implemented. In late 2018, CFO Mr. Nico Hoogenraad announced his resignation which led the Supervisory Board (SB) to reconsider the composition of the Executive Board. Changing dynamics across the organisation emphasised the need for a greater focus on operational processes. To address this, we appointed a Chief Operations Officer (COO), Mr. Peter Palsma, who, following consultation with the CEO, MT and Works Council, took up the position as of 1 June.

An old wish to relocate the International Office to a more central location in the Netherlands resurfaced. In 2019, we secured a competitive price for the sale of the current buildings and a relocation plan was drawn up by the Executive Board. The SB has put a number of measures in place to mitigate negative consequences for staff. Prior to the COVID-19 pandemic, our aim was to complete the move by the middle of 2020.

Which developments do you foresee for 2020?

In tandem with the appointment of the COO, all operational processes will be reassessed. This will be led by increased investment in quality and business systemisation, with ISO-certification and full adherence to international norms (Core Humanitarian Standard) front of mind. We will also invest in our IT systems, based on a multi-annual IT strategy plan and a methodical review. The SB has agreed upon a trajectory of roughly two years.

Improving the image of volunteer work as well as the experience of Dorcas Shop volunteers and associated practices is a key priority. A Volunteer Policy Plan, based on mutual learning and best practice, is in development with plans for implementation over the course of the year.

In relation to this, we have also set in motion strategies to strengthen our International Human Resource (HR) policies with the aim of better protecting our staff-base and cultivating new skills.

At the beginning of 2020 it became clear that the COVID-19 pandemic would have a very disruptive effect on our plans for the year. This was unforeseen during the approval of the 2020 plans and budget.

Dorcas is in the midst of an important transition. How will Dorcas stay Dorcas?

Any organisation that is improving itself, must stay close to its calling. The SB is happy to share that the Executive Board, staff and volunteers appear to be wholly informed about what is at the heart of Dorcas, while remaining flexible and open to new ideas.

Change is needed to fulfil our mandate. But we can only change for the better when we remain rooted in the love of God. Our constituency urges us to be inspired by the gospel and committed to the love of Jesus Christ. Let's continue to stand for our shared values.

Dr. Ine Voorham

Chair of the Supervisory Board



Chapter 1

Purpose

We desire justice, both for people and their communities, so that they flourish. We strive for lasting change for those who live in poverty, are excluded or are caught in a crisis. This is how we follow Jesus Christ.

1.1 We Are Dorcas

Who

We are Dorcas. We stand for justice and peace. We are inspired by the potential that lies within every human being. When we look at the world we see unique people everywhere. Yet every individual has had different opportunities in life. Some are exposed and at risk of manipulation. Some are neglected and cast aside. Still, resilience can be restored - even in the most adversarial circumstances.

What

Dorcas works exclusively to deliver lasting change and empowerment for those who live in poverty, are excluded or are caught in a crisis. We go where the going is tough - striving for deliverance where lives are threatened. Creating opportunities where hope seems lost.

Our ultimate goal is to include everyone in the work that we do - regardless of any distinction, be that race, ethnicity, religious belief, sexual orientation and so on. To do this we focus our attention at the local level - through tailor-made community building projects that work with beneficiaries, local networks and community leaders on the ground.

Where

Our work extends far beyond the borders of our base in the Netherlands. Dorcas is active in 14 countries in Eastern Europe, the Middle East and Africa. Our presence in these regions is never fleeting. We provide support before, during and after a period of instability - for example, where the effects of economic crisis, disaster or armed conflict are being felt with immediacy.

How

We are a powerful combination of staff and volunteers in the Netherlands and abroad. From the volunteers in our shops to our bookkeepers; from our workers in Eastern Europe to those in Africa and the Middle East - together we make Dorcas work.

Together is a key word for us. We collaborate with partners and organisations across the globe to ensure our reach is always growing. We currently work with around 100 partners internationally to implement our programmes and get closer to vulnerable people in hard-to-reach areas.

The same goes for tens of thousands who support us; be that on a regular or part-time basis. Dorcas simply would not exist without their prayers, donations and efforts. Infact, their help has allowed us to mobilise and deliver vital resources to the people we serve, in increased numbers.

1.2 Why

Dorcas is a Christian organisation led by biblical values. We do not accept that people live with injustice and in poverty. We believe it should be different. That's what we aim for.

What we believe (our convictions)

We believe in God.

We believe that each human being is valuable and has been endowed with potential.

We have love and hope for everyone who lives in poverty, is excluded, or is caught in a crisis.

What we see (our vision)

In this world, we observe poverty, exclusion and crisis,

Our History

Dorcas was founded by Dutch entrepreneur Dirk-Jan Groot in 1986 as part of a wider approach - that started in 1980 - to support people in Eastern Europe who were persecuted for their religious beliefs during the Cold War. In the 1990s the organisation expanded its activities to Africa and, in the last decade, to the Middle East. We quickly gained the support of a variety of donors that, alongside tens of thousands of supporters, are of infinite importance to us. Ten years after the birth of Dorcas, we began to work with institutional donors, who, today co-fund the majority of our programmes.

Our Identity

One major characteristic of Dorcas is the commitment of thousands of volunteers. They shape who we are by contributing in a number of significant ways, e.g. by running our thrift shops. We are also defined by our Christian identity. We have strong connections with some 1,000 churches and congregations from various backgrounds and denominations. Inspired by their faith, many of our supporters consider their contributions to Dorcas' mission an expression of the love of Jesus Christ.

Dorcas is named after a woman called Dorcas (Tabitha) in the Bible. She made a great impact in the lives of widows by providing clothes and other materials for them (Acts 9,36).

Anyone in need

Our Christian faith compels us to support anyone in need, regardless of race, ethnicity, religious belief, sexual orientation, political views or any other distinction.

including the resulting lack of dignity. We do not give in to this. Instead, we desire justice, both for people and their communities, so that they flourish. This is how we follow Jesus Christ.

What we do (our strategy)

We strive for lasting change for people who live in poverty, are excluded, or are caught in a crisis.

Commitment to the people we support

Where there is poverty, exclusion or crisis, we empower people to flourish - with access to basic services, restored dignity and resilience, in strong communities, with an eye for the marginalised, without showing favouritism.

Commitment to stakeholders we work with

We proactively seek to partner with others to increase the long-term impact of our combined efforts. We are a committed partner who delivers quality and shares expertise.

Commitment to those who support our work

We see everyone who contributes to our work - through prayer, time, money or other means - as a valued partner. We involve them in our work and its outcomes through transparent reporting and stories of change.

What we are good at (unique strengths)

Personal attention: We look people in the eye and help them gain confidence.

Decisive: We stand against injustice and we persevere.

Trustworthy: We do what we say, work deliberately and are good stewards of resources.

Local presence: We are present on site and work with local people who are able to put their situation into context.

Commitment to integrity

We are committed to the protection of vulnerable people from sexual exploitation and all forms of abuse. We operate to the highest ethical standards and uphold financial integrity.

How we work (core values)

Christlike: We are a Christian organisation and we work prayerfully.

Courageous: We value entrepreneurship and are ready to go off the beaten track.

Collaborative: We desire to partner with everyone who shares our mission.

society levels and integrate different sectors according to identified needs and opportunities.

The ToC acts as a comprehensive guidance tool for the assessment of each programme. The relationship between programmes is of particular importance. For example, we link relief and rehabilitation to development - in line with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA)'s [Humanitarian Development Nexus](#).

We work with local partners, community-based organisations, governments and other native structures - those who know the specific context best. And we did so from the start - long before the international community prioritised localised development efforts.

Our goal - to help people and communities flourish for the long-term - can be achieved in a number of ways. These are articulated in our Theory of Change document.

Approach

Everyone has a unique perspective on the world around us. These perspectives are grounded in our deeper beliefs and inner convictions.

In addition to the Theory of Change, we also utilise the 'Dorcas Lens'. This so-called lens is

1.3 How

Theory of Change (ToC)

Dorcas has developed a Theory of Change (ToC) which employs a multi-dimensional approach in order to guarantee sustainable change. Our programmes work simultaneously on individual, community and





an instrument to visualise how our mission and vision translates in our main change strategies. This overarching framework dictates our programme choices - in light of our desire to make a substantive difference to the lives of the most vulnerable people. This impact is achieved through establishing a community-based care and protection system within the societies in which we operate. This results in increased individual and community resilience and improved livelihoods amongst people affected by conflict.

The Lens breaks down our approach into three key categories, with a focus on marginalised and disadvantaged groups within society: Enterprising People, Early Recovery and Resilient Livelihoods and Relief.

Quality and Added Value

We measure success based on quality and innovation. Our value proposition is strengthened by our relationship with external partners and agencies. Therefore we must continuously improve the quality of the work we do by developing and fine-tuning our programmes and methods; and investing in the networks that best promote our cause. To do

this we take a systematic approach - one that sets standards that must be met in order to bring about high-quality projects in specific areas. We also apply The Core Humanitarian Standards (CHS) to our work, to improve the quality and effectiveness of the assistance we provide.

In 2019, Dorcas continued to fortify its strategic partnerships. We are now actively participating in the following networks: Dutch Relief Alliance (Joint Responses in selected countries), PerspActive (employment programmes in developing countries), Start Network (first responses for smaller humanitarian crises), EU-Cord (cooperative learning and building coalitions for humanitarian aid and development) as well as pursuing close ties with colleague organisations. Quality and added value are the key performance indicators within these strategic partnerships.

Strategic Ambitions

For the strategic period 2019-2021 we have formulated four key ambitions (as seen in our Strategic Plan 2019-2021):

- ▶ Our impact is felt by the most vulnerable across all Dorcas programmes: people and communities are enabled and empowered to flourish.
- ▶ Dorcas is known for and positioned as a key player/partner in community-based inclusive development and disaster response.
- ▶ Dorcas is able to mobilise communities, resources and funds to be involved in and support transformative change - increasingly and sustainably.
- ▶ Dorcas establishes itself as a professional organisation.

1.4 Opportunities and Risks

In order to improve our decision making and reduce risk we regularly update our analysis of potential opportunities.

The following opportunities were identified:

Type of Opportunity	Prospect	Enabling Policies
1. Programmes		
Developing specific expertise	Sharing knowledge	Sharp focus Learning agenda
2. Fundraising		
Additional income	Boost high value and high quality programmes Increased quality /profile Strategic partnerships	Build track record
3. Staff and International Organisation		
Develop team with expertise More in-country responsibility and mandate	Create added value More ownership, focus and in-country funding	Focused learning agenda Decentralise
4. Various		
Flexible work environment, multi-disciplinary teams	Greater ownership Better results	Abolish departments and silo thinking Reorganise primary and support processes



The following risks were also established:

Type of Risk	Consequences	Mitigating risk
1. Programmes		
Misuse of funds	Repayment of grant Damaged reputation	Clear protocols Regular audits Monitoring systems
2. Fundraising		
Sudden drop in income	Stop funding programmes Cuts in organisation	Rebuilding reserves Flexible funding mechanism Continuous adaptation of marketing
3. Staff and International Organisation		
Unacceptable actions and behaviour	Damaged reputation	Effective leadership Caution with selection Codes of Conduct
Security incidents	Personal consequences Organisational continuity	Early warning systems Security policy/training
Other breaking away of branches Country Offices, Fundraising entities, etc	Liability, damaged reputation Organisational continuity Sudden drop in income or capacity Damaged reputation	Crisis Team training Insurance policies Good governance policies Develop Management Maintaining relations
4. Various		
IT	Damaged reputation Interrupted work implementation	IT crisis plan Backups/External support Crisis Communication
Negative publicity	Damaged reputation Loss of income, staff	Crisis Team

1.5 Mobilising Communities - evaluation of 2019 goals

For 2019 we adopted the theme Mobilising Communities. This theme concerned a coordinated effort to build a focused OneDorcas community with shared ideals, vision, goals and strategies.

It involved the various - and diverse - parts of the Dorcas communities from local fundraising communities to communities of participating beneficiaries; from the International Office to the various Country Offices and local partners. In order to achieve OneDorcas, our Annual Plan 2019 focused on the following key goals and objectives:

Goals/objectives	Status
Redistribution of programme responsibilities from the International Office to Country Offices.	Well underway. A process of 4 years started in May 2018. In 2019 the International Management Team and International Council were implemented. The distinct roles and responsibilities of the International and Country Offices need to be further calibrated.
Reorganising funding towards our new programme priorities: Community Safety Nets, Relief, Early Recovery and Resilient Livelihoods, Enterprising People and Communities	Funding has been reorganised. The need for new controls with respect to undesignated funding was identified and is being addressed.
Reconfiguring our processes regarding resource mobilisation and programme implementation.	The redesign of processes was a formidable task. In making progress, the new ISO 9001/Partos 2015 was an important tool. By the end of 2019, this goal was virtually completed.
Human Resource Management (HRM) - the improvement of HR policies, standards and systems in order to strengthen the capacity of Dorcas Country Offices.	Important steps to upgrade HR policies and systems were taken in the International Office and Country Offices with a large staff base. There is more work to do with regards to the systemisation, benchmarking and update of local policies and practices.
Local resource mobilisation - increased investment in resources in order to expand the capacity of our Country Offices. Programmatic audits - to stimulate a joint learning cycle, build evidence-based track records and contribute to continuous improvements allowing for greater impact.	Strengthening capacities in Country Offices is ongoing. High prospect countries - with respect to local resource mobilisation -were prioritised. First results are known. The subject needs ongoing attention in the years to come.
Core Humanitarian Standards (CHS) - greater inclusion of the CHS commitments through the introduction of self assessments in priority countries.	Gap analysis has been completed and we are working on closing the gaps. This will take the best part of 2020 with a 2021 deadline.
The effective mobilisation of Dorcas NL communities into a wider Dorcas movement, led by one shared goal - advancing justice and achieving lasting change for the most vulnerable people.	Policy development underway. Needs more effort to take root.
Strengthening our backbone by upgrading Quality Management Systems (QMS) and supporting IT systems and leadership structures in order to increase our effectiveness and ability to react quickly to new developments and changing circumstances.	Integrated approach underway. QMS will be further advanced in 2020. Future IT systems are being implemented and this process will take all of 2020.

1.6 2020 and Beyond

In 2019 we made important steps in the early establishment and implementation of the Dorcas Strategic Plan 2019-2021, contributing to well defined and positioned Dorcas communities. In 2020 we are well prepared to focus on achieving our four key ambitions (see 1.3) through the seven priorities

mentioned below. Most importantly, these priorities are focused around the issue of strengthening the organisation by making it even more quality focused and future-fit. Therefore our annual theme for 2020 will be *Building Together*. At the end of each year, we begin the thought process behind and planning for our next strategic period.

Strategic Priority 2019-2021		Contributes to strategic ambition
1. Capacity Building	Building the capacity of our Country Offices staff in personal competences and professional expertise, strengthening local partner organisations.	4
2. Corporate Positioning	Policies are translated into international and local action plans and activities - including lobby and advocacy activities - in order to increase visibility amongst networks and build local partnerships.	3
3. Local Resource and Partnership Development	Policies are translated into local strategies and action plans so that all Country Offices can actively participate in relevant networks and multi-stakeholder partnerships.	2
4. Dorcas Movement	Engaging with Dorcas communities and individuals (both volunteers and donors) to further contribute to the OneDorcas movement.	3
5. Programmatic Quality & Functioning MEAL	Development of an evidence-based Way of Working via the evolution of a meaningful Results Framework (RF) and a renewed robust Monitoring and Evaluation (M&E) system. Includes the introduction of regional learning weeks.	1
6. Quality Management	Roll out of an organisation-wide Quality Management System including adequate internal audit structures and compliance.	4
7. Project Future IT	The implementation of a Salesforce system for project planning, monitoring and evaluation and customer relationship management.	4

2020: In the wake of the COVID-19 Pandemic

During the finalisation of this annual report, it became apparent that the year 2020 will be the year of the COVID-19 pandemic. At the moment of writing (March 2020) it is still impossible to forecast how this pandemic will twist and turn during the year and how different communities around the world will be affected. It has already become clear that all our plans and the intended road map will have to be thoroughly revised in

order to cope with the immediate and long term effects of this pandemic on our work, funding and organisation. Due to the temporary closure of our shops in the Netherlands we foresee a considerable drop in our private income. However, Dorcas remains committed to the communities we work with and, together with our partners, we will take every action necessary to mitigate the impact of this pandemic on the lives of the most vulnerable.

1.7 Sustainable Development Goals

This picture shows how our work is contributing to the United Nation's Sustainable Development Goals (SDGs)



All Dorcas' activities - in both a humanitarian aid and development capacity - contribute to the immediate and long-term alleviation of (extreme) vulnerability and poverty, increased food and water security and the (re)building of resilient livelihoods. Inclusion of marginalised and crisis-affected groups - via improved access to protection services - is key to what we do. Our Relief approach is underpinned by humanitarian principles in order to save lives and alleviate suffering.



Our Community-Based Care and Protection approach sees us strengthen safety nets and social protection mechanisms for the improved health and wellbeing of vulnerable elderly people and families. We work to offer inclusive education and relevant skills training for disadvantaged children, promote gender equality and accountable leadership (government) and combat abuse, exploitation and trafficking.



Our Early Recovery and Resilient Livelihoods programmes give special attention to improved security and nutrition so that production systems become more sustainable and adaptive to climate change. WASH interventions are community-based and promote entrepreneurial solutions.



Our Enterprising People and Communities approach offers entrepreneurial and employability training for all - with a focus on the inclusion of vulnerable and disadvantaged groups. We facilitate access to inclusive market systems and natural resources and - where relevant - we create and participate in multi-stakeholder and public-private partnerships.



Chapter 2

Work

2.1 Eastern Europe

Community Safety Nets and more

2.1.1 Regional Strategy

Where we are

Dorcas works in four countries in Eastern Europe: Albania, Ukraine, Romania and Moldova.

Regional Context

Some 30 years after the fall of communism, these countries remain among the poorest in Europe. Despite economic growth, employment rates are low with large groups of people living below the poverty line. Surging emigration has seen young people move away from rural communities and parents leave children in the care of relatives. Multidimensional poverty and social exclusion are widespread and see no sign of abating amongst the extreme poor. In our countries of operation, dealing with loneliness and the exclusion of minority groups is of continued priority.

Our Work:

Our 2019-2021 strategic plan outlined three focus areas:

- ▶ Economic development;
- ▶ Child protection;
- ▶ Community Safety Nets for the elderly.

Dorcas has been present in Eastern Europe for 40 years. During that time our approach has changed significantly - from practical assistance to strategic cooperation with community organisations, businesses, schools and governments - with the aim of bringing about sustainable change for vulnerable people and communities.

In our work we promote intergenerational programmes that focus on strengthening cohesion within communities as well as inclusive economic development. Our highlight project for Eastern Europe shows how different elements of our approach come together.

In 2019 we undertook pilot projects in each country to test new approaches for inclusive economic development. These pilots go hand in hand with our family development programme which supports vulnerable families to increase their income in a sustainable manner.

Our Adopt a Granny programme provided psychosocial support and care to 13,000 elderly people. Through our local networks and partners we worked hard to create and develop Community Safety Nets for the elderly. This has significantly improved their living conditions and quality of life.

An example of our initiatives to mobilise local support for elderly people is the Blue Bucket Campaign. In 2019 the campaign took place in Romania, Ukraine and Moldova with 3,425 buckets filled and distributed by community members. With the support of the Dorcas Food Campaign in the Netherlands, we were able to distribute a total of 27,129 food parcels.

Our Future for Children programme supports children and youth to develop their potential and restore and strengthen their relationship with parents. Dorcas uses Aflatoun's life skills programme as a key method for this. Together with our partners and other organisations we raise awareness among children and youth on domestic violence, sexual exploitation and human trafficking. We establish community protection platforms and advocate alongside governments to improve national child protection systems.

In the Netherlands Dorcas supports cooperation between organisations via the Christelijk Platform Oost-Europa (CPOE). Jointly we organised a Local Resource Mobilisation training and conferences on human trafficking in the Netherlands and Romania.

2.1.2 Highlight project: Inclusive Communities in Albania

Albania is a true jewel, hidden for decades. Its history of isolation from the rest of Europe has prevented people from capitalising on their country's

strongest assets. Tropoja in the north is an area with stunning nature and scenery - full of agricultural potential. Yet many people live in situations of poverty and exclusion; fighting to support their families and lead meaningful lives.

2019 saw Dorcas roll-out an initiative to build on the potential of both the region and its inhabitants. Our goal was to develop the area to see unemployment rates drop and safety nets created for poorer community members. Connecting local people with community-based organisations is at the heart of our approach - and this has been met with a number of key successes.

The project combines entrepreneurial training, social protection and youth empowerment activities for enhanced effect. Our integrated approach sees individuals from all levels of society come together to protect the poorest and most marginalised groups within their community and bring about small-scale economic change. By drawing upon the skillsets of the youth population as well as practiced farmers we were able to facilitate the start-up and growth of a number of business endeavours - in close collaboration with local municipalities and micro-loan organisations. The year as a whole saw these groups turned mini entrepreneurs grow their farm or agro-tourism business - with everything from tour guide to guest house owner on the list.

Country updates

2.1.3 Moldova

In 2019, Dorcas Moldova:

- Mobilised volunteers and beneficiaries to bring about community transformation using local resources, building on the Asset Based Community Development (ABCD) process established in 2018.
- Provided a facilitative environment for communities, churches, schools, businesses and authorities to support children, families

and elderly in need. A good example is the Blue Bucket Campaign serving 1200 people.

- Helped some 200 volunteers offer regular practical support strengthening linkages between generations.
- Created an enabling environment and safe space for socialisation and joint activities for hundreds of elderly in our Adopt a Granny programme.
- Undertook financial and business training with poorer families to help them run a family business or find a job and increase their income - part of our Family Development Programme.
- Helped found Christian Alliance Moldova Without Orphans (ACMO) and organised a conference on child protection and good parenting with the aim of ensuring a loving family for every child.

2.1.4 Ukraine

In 2019, Dorcas Ukraine:

- Continued to provide Relief and livelihood assistance to over 1,000 beneficiaries in the Donbass region, focusing on areas most affected by the ongoing armed conflict.
- Implemented a new community development programme in Donetsk to strengthen community relations, support local initiatives to improve the liveability of villages and facilitate collaboration to improve livelihoods.
- Offered individual support to 1,100 vulnerable elderly people via Dorcas sponsorship projects. We enlisted the help of local churches who also played a role in the strengthening of Community Safety Nets.
- Provided 700 families with material assistance from Dorcas partners as well as individual coaching and support - often regarding financial matters and parenting problems. Depending on their needs, parents could participate in entrepreneurial or professional skills trainings, join support groups or get specialised help to find employment. Over 400 children joined pre-school clubs or after-school tutoring, gaining important social skills in a supportive environment.

Eastern Europe

Our reach and what we spent*

Sustainable Development Goals (SDG)

See how our work contributes to the SDGs on page 17.



Enterprising People and Communities

 **4,244** beneficiaries

 **0.54** budget spent



Early Recovery and Resilient Livelihoods

 **120** beneficiaries

 **0.04** budget spent



Relief

 **2,070** beneficiaries

 **0.71** budget spent



Research and Pilot Projects

 **0.92** budget spent

Community-Based Care and Protection		
Elderly Care and Safety Nets	Future for Children	General
 13,585 beneficiaries	 2,634 beneficiaries	 4,050 beneficiaries
 1.71 budget spent	 0.36 budget spent	 0.05 budget spent
		 30,554 beneficiaries received a foodparcel

*in millions of euros

In the service of God's Kingdom

Tibor and Juliana From Ukraine

Born and raised in Ukraine, Tibor spent many years in charge of the local post office - a rewarding job. But when he and his wife Juliana retired, their financial situation changed. Suddenly, they had to live on a pension of €50 a month which quickly proved difficult.

Grateful

Together with volunteer Jolanka we visit Tibor and Juliana at their home. In their modest kitchen, Tibor tells us about his life. After we have thanked and prayed to God, Tibor says: "I have to say something. You should do something for the volunteers, a small token of appreciation, because they do so much for us. Would that be possible?"

"I Felt blessed to become a blessing."

Community Safety Nets

The couple are part of our Community Safety Nets programme in Ukraine. They both have a sponsor from the Netherlands. Under the passionate leadership of local pastor Laszlo Beresh and his wife Ildiko Beresh, assistance is offered to some 275 elderly people. They do this along with the help of many dedicated volunteers.

A helping hand

One of these volunteers is Jolanka. She makes around 20 visits a week and



ensures that the food packages are delivered. Together with other volunteers, she delivers hot meals five times a week to elderly people who can no longer take care of themselves.

Blessed

Jolanka tells us what made her decide to become a volunteer: "A few years ago my family faced a major disaster. Our house burned to the ground. We lost everything. Then something very special happened: the people in the village helped us. With their help we were able to rebuild our house. At that moment I decided to dedicate my life to the service of God's Kingdom. I felt truly blessed to become a blessing."

2.1.5 Romania

In 2019, Dorcas Romania:

- ▶ Tested our first Roma Women's Self Help Group model in Western Romania. Women participated in community events and generated a stable income, gaining self-esteem.
- ▶ Developed five Community Safety Nets serving vulnerable people, especially elderly. Dorcas conducted a study to help create a model for sustainable and integrated safety nets.
- ▶ Continued to generate funds in support of Dorcas programmes via our second hand shops and economic branch.
- ▶ Collected and distributed more than 1,750 food buckets in seven counties as part of the Blue Bucket Campaign. A testament to its success, the event also became a regional campaign for Eastern Europe.
- ▶ Joined a Federation of NGOs for Development Romania (FOND) and are cooperating with other NGOs in the development field.
- ▶ Upped our efforts to support the fight against human trafficking by organising consultations and a conference on increased cooperation in this area.

2.1.6 Albania

In 2019, Dorcas Albania:

- ▶ Delivered emergency humanitarian assistance to 680 people in response to one of the strongest earthquakes to hit Albania in decades.
- ▶ Rolled-out three programmes to strengthen cohesion within communities and foster inclusive economic development - drawing on the power of partnerships with local governments, social enterprises and agro-tourism businesses.
- ▶ Developed an integrated approach that combines all four programme areas for enhanced effect. This included investment in staff development and led to a number of new learning opportunities.
- ▶ Strengthened our relationship with both local humanitarian actors and key stakeholders - a move which could see hundreds of additional people benefit from our methods.
- ▶ Provided training to strengthen the capacity of community members - particularly youth

- to provide psychosocial support to elderly and minority groups. This process saw the development of Community Safety Nets to include intergenerational activities.

2.2 Middle East

Community Centres and more

2.2.1 Regional Strategy

Where we are

Dorcas is active in five countries across the Middle East: Iraq, Lebanon, Syria, Egypt and Yemen.

Regional Context

Dorcas has served the region since 2012 via a combination of Relief and Early Recovery and Resilient Livelihoods programmes - with protection, psychosocial support and increased access to basic services as major components. Rising incomes through (self)-employment has gained momentum in the region, creating favourable conditions for people wishing to return home. Through Dorcas Community Centres we offer an integrated approach focusing on the specific needs of the community we serve including legal services, skills training and informal early learning. Simultaneously, we deliver vital protection activities for the most vulnerable.

Our work

In 2019 we extended our work in the Middle East to Yemen - a country now home to the world's largest humanitarian crisis. Millions of children, youth and adults face starvation, armed violence and rising insecurity. Over the course of the year the crisis and interregional conflict worsened leaving millions of people in dire need of humanitarian aid. Through a trusted local partner we have been able to support by providing food to those hit hardest.

In Egypt vulnerable target groups suffer at the hands of poverty, marginalisation, gender-based violence and high youth unemployment rates. Dorcas has a long track record of child protection, employability and Resilient Livelihoods services in the country. We focus in particular on women empowerment



accompanied by community mobilisation and small business development.

Dorcas is working in Ninewa Governorate and the Kurdistan Region of Iraq, which remained reasonably stable throughout 2019. The phase-out of Relief funding has been slower than expected thus the situation in refugee camps largely remains the same. Dorcas works predominantly with the Yezidi community in partnership with Nadia's Initiative to help them rebuild their communities, focusing on Protection, Food Security and Livelihoods (FSL) and access to Water, Sanitation and Hygiene (WASH).

Nearly eight years of civil war in Syria has taken its toll, shaping adults and children for the rest of their lives. The political and economic situation - brought about by the war and sanctions from the international community - prevents more than six million refugees from returning home. We increase access to healthcare and provide integrated services, including community based protection in north-east and south-west Syria via Dorcas Community Centres. Lebanon hosts more than 1.5 million Syrian refugees amongst an estimated Lebanese population of 6.8 million. In October 2019 political protests highlighted the stagnant economy in Lebanon caused by unemployment, corruption and government failure to provide public services. The impact of the political

crisis on the banking sector has also hindered Dorcas' work. At our community centres we provide feeding programmes and integrated services, including community based protection that promote social cohesion between the Lebanese host community and Syrian refugee population.

2.2.2 Highlight Project: Aleppo Livelihoods (ALIVE)

Three years after the fall of Aleppo, the city radiates an ethereal air of calm. The ALIVE project helps people start over by developing new skills to launch their own business or income generating activity. In 2019 the project brought together life skills and entrepreneurial training as well as access to means to (re)start a business activity. Following a pilot project, many requests from communities in western and eastern Aleppo arose. Participants from

A community leader in eastern Aleppo commented: "It was a new idea for the community - that women could participate in such activities - but the results are clear. Women started to work in parallel with men. This training helped them to stand on their own two feet to support their families in the near future."

households facing extreme hardship, including widows and family members with a disability, were selected.

ALIVE creates space for teaching skills but also for participants to share their experiences and trauma. Women expressed that the project had given them new-found self-esteem and hope. Equipped with new skills, more than 80% of female participants have started - or will initiate - their own hairdressing salon or sewing workshop. At the end of the training most men prepared a simple business plan for a shop or income generating activity in plumbing, electrical, mobile phone repair or metal works. The majority of them now earn a steady income. The Dorcas team continues to provide advice and encouragement to all participants after start-up.

A combination of concrete skills training, small business facilitation and follow-up support enables both men and women to undertake an income generating activity and support their families. The project demonstrates that it is crucial to stand side by side with the community and create an environment where people are able to share.

Country updates

2.2.3 Egypt

In 2019, Dorcas Egypt:

- Supported vulnerable women and girls through our ongoing partnership with Life Vision for Development.
- Improved livelihood opportunities for 1,300 youth and female farmers through the continued development of our Farmer Field School and Technical and Vocational Education and Training (TVET) programmes.
- Adopted a participatory approach; empowering all beneficiaries to be active participants in the various stages of project design and implementation.
- Sustained the success of our learning-by-doing facilitation methods by using curricula that

promotes experiential learning, group discussion, workshops, arts and illustrative drama.

- Ensured the inclusive, sustainable and scalable outcomes of our interventions by delivering them in partnership with community based organisations, local actors, knowledge institutions and private businesses.
- Embraced a 'tri fold track' approach focusing on tangible results at the individual and community micro levels as well as addressing the society at the macro level (e.g. influence policy development).

2.2.4 Lebanon

In 2019, Dorcas Lebanon:

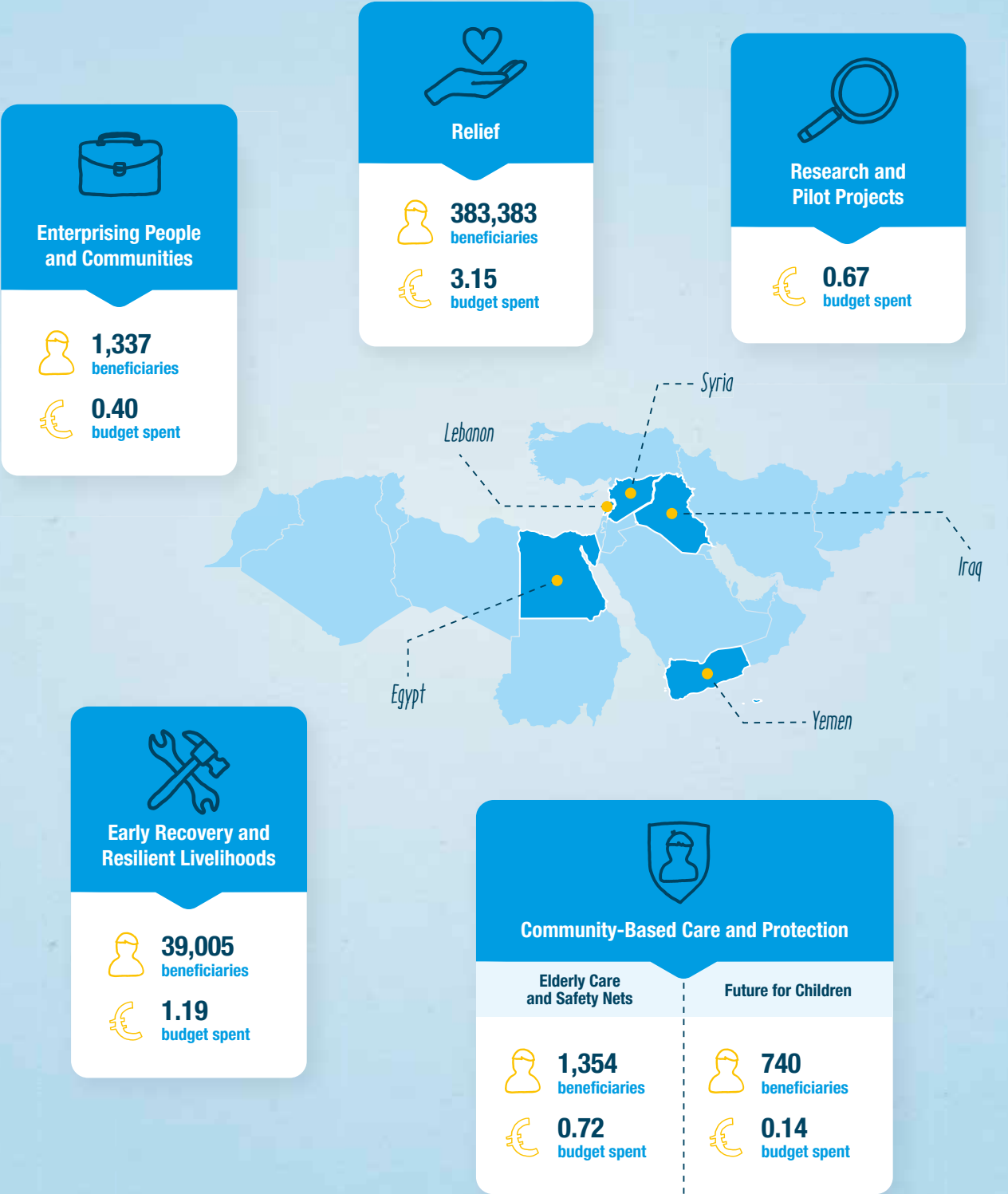
- Promoted social cohesion between the Lebanese host community and Syrian refugees via ongoing community-based protection activities and skills training at Dorcas community centres in Aley and Batroun.
- Facilitated access to justice through legal services, counselling and awareness raising. Comprehensive protection services for survivors of gender-based violence were provided in Aley. The organisation of social activities such as Mother's Day, Father's Day and Christmas Day were happy highlights for beneficiaries and staff.
- Gained access to institutional funding from the Danish International Development Agency (DANIDA), United Nations World Food Programme (WFP) and United Nations Office for the Coordination of Humanitarian Affairs (OCHA).
- Provided child protection including psychosocial support to vulnerable children.
- Continued to conduct a feeding programme via Mary's Meals (a project of several years) providing 1300 children with healthy and nutritional meals on a daily basis.

Middle East

Our reach and what we spent*

Sustainable Development Goals (SDG)

See how our work contributes to the SDGs on page 17.



The road to recovery

Rosette From Syria

“Before the war begun, I had only ever heard about destruction and violence. My life was so safe and happy that I simply refused to believe that people were capable of killing each other. But all too fast my worldview changed, together with my life and the life of those I love...”

Stay or go

“Before the war I had no fear. That changed when we had to choose between staying at home or fleeing. At home we were in danger, but a trip to an unknown destination also seemed terrible. Where will you end up? What language do they speak? Which temperatures are normal? How should you dress?

“HopeFully someday there will be peace in my country again, and peace in my heart.”

“More and more people tried to cross the sea. This was called ‘the method of death’. One day it was my turn. I ended up in Greece for six months but I came back to Syria. Four years later I travelled to Sweden. But I never managed to stay for long. It was too hard to leave the places of my childhood; our customs and traditions. I had to return home.

“I now live in Syria again, but my family lives all over the world. We have never been together since the war. I suffer from depression and anxiety but at the same

time I can see so much personal growth. I am now a passionate woman with a strong motivation to help others.”

A lasting commitment

“Since May 2019 I have committed myself to Dorcas. I see Dorcas as an organisation that strives to protect people at all levels. We serve our people with passion and love. It especially saddens me to see children hurt while they have the right to play, laugh and learn. We support them in a way that matches their age and listen to their stories.

From my own experience I know that you can only recover from war if there are people who listen to you and who offer psychosocial support. I am grateful that I have received this and that I can now give the same to others.”



2.2.5 Syria

In 2019, Dorcas Syria:

- ▶ Gained access to institutional funding from the Danish International Development Agency (DANIDA), BlackRock, The Japan Platform, Stichting De Carolus Gulden, Catholic Diocese of Stockholm-Sweden and Mission East.
- ▶ Improved access to healthcare services in North East and South West Syria via funding from the Syrian Humanitarian Fund (SHF).
- ▶ Developed a successful integrated women-first approach that links health, community-based protection and food security in Aleppo and Rural Damascus.
- ▶ Delivered community-based protection services - including psychosocial support, child protection and early learning - in Aleppo, Rural Damascus and Homs. Services to people with special needs and those affected by Gender Based Violence (GBV) increased.
- ▶ Trained people in technical or micro-business skills in selected areas in Aleppo, supporting them in a micro-business or income-generating activity. Some beneficiaries also established a micro-enterprise.
- ▶ Worked within the parameters of a fraught economic situation posing serious risks for operations and sometimes complicating implementation.

2.2.6 Iraq

In 2019, Dorcas Iraq:

- ▶ Increased our offering, now covering three sectors: Protection, Food Security and Livelihoods (FSL) and Water, Sanitation and Hygiene (WASH). This comes despite a number of key staff changes at the Country Office.
- ▶ Received institutional funding from the United Nations OCHA Iraq Humanitarian Fund (IHF) for three FSL and protection projects run in partnership with World Vision International and local partner Harikar.
- ▶ Phased out the Dutch Relief Alliance Joint Response in June as funding came to an end.
- ▶ Introduced three new projects - two on FSL and

one on WASH - with partner Nadia's Initiative, founded by Nobel prize winner Nadia Murad. The donors are Governments of Taiwan, Germany (GIZ) and United Arab Emirates.

- ▶ Focused our interventions on our target group (95% Yezidis) in two IDP camps in Duhok and three districts in Ninewa governorates.
- ▶ Became more sustainable thanks to increased implementation capacity from various newly funded projects.

2.2.7 Yemen

In 2019, Dorcas Yemen:

- ▶ Responded to the crisis and interregional conflict via a series of organisations on the ground delivering humanitarian aid to millions of people in urgent need.
- ▶ Formed a consortium with Tearfund and PMU working together with a trusted local implementation partner to support 5746 people with sufficient food supplies in the Taiz area over the course of the year. While Dorcas could not respond directly on the ground due to insecurity and access issues, the consortium allowed us to reduce additional paperwork and combine knowledge.
- ▶ Continued to call for improved access for humanitarian organisations in Yemen so that they are able to operate and respond efficiently - and ultimately help Yemen achieve peace. Lack of this poses ongoing challenges for Dorcas and the INGO community and thus will continue to be our focus.

2.3 Africa

Community Development and more

2.3.1 Regional Strategy

Where we are

Dorcas is active in five African countries: Ethiopia, South Sudan, Kenya, Tanzania and Mozambique. In 2019 we extended our activities to Somalia (where we have worked earlier) in response to the protracted humanitarian crisis.

Regional Context

A rise in extreme poverty was seen across East Africa in 2019 due to natural disaster and unpredictable weather conditions. This has further exacerbated the situation for a continent also experiencing an upsurge in political and ethnic conflict.

On 14 March, tropical Cyclone Idai made landfall at the port of Beira. Millions of people in Mozambique and neighbouring countries have been affected by the worst natural disaster to hit southern Africa in at least two decades. Worsening food insecurity is expected in early 2020 and in Mozambique nearly 38,000 children will be at risk of malnutrition.

In 2019 South Sudan continued to feel the effects of the humanitarian crisis. Two thirds of the country's population were dependent on humanitarian aid for their daily survival. Despite the signing of a peace agreement in September 2018, the situation remains fragile with outbreaks of armed violence never far away.

Due to unprecedented conflicts and displacement, Ethiopia faced a number of key challenges including the ability to sustain positive economic growth and accelerate poverty reduction strategies. Much like Kenya and Tanzania, there is great need for the formulation of adaptation and mitigation strategies to help farmers cope with the effects of climate change.

The upshot of rising temperatures and changes in precipitation - to name a few - are undeniably clear; most felt in the impact on ecosystems, biodiversity and people. Simultaneously, capacity for adaptation is low. Poverty equates to reduced choice at the individual level while governance generally fails to prioritise and act on climate change. Furthermore, gender inequality has had a profound impact on the lives of women and children in Eastern and Southern Africa. Women and girls carry the majority of care responsibilities, face high rates of violence and are less likely to be employed in the professional sector or influence government policy.

Our work

Last year, Dorcas mobilised communities on disaster preparedness, climate-smart food security and livelihood opportunities - including inclusive market development - driven by integrated community development. To achieve this, we trained hundreds of smallholder farmers - largely women - in climate-smart agriculture techniques. In four countries, Dorcas delivered vocational and life skills training to youth helping them gain real prospects for the future. In three countries, Dorcas' major goal was to strengthen the humanitarian-development nexus approach working towards collective outcomes that reduce need, risk and vulnerability over multiple years. In tandem, Dorcas strengthened our advocacy efforts, pressuring governments and local institutions to provide basic services and care to the most marginalised people in their constituency.

2.3.2 Highlight project: Skills for Work in South Sudan

Years of violence has left the majority of the population in South Sudan deprived of the most basic needs such as food and access to clean drinking water. Many children were robbed of their chance to complete primary education. The conflict also had a devastating impact on the economy. Via a series of interventions, Dorcas South Sudan aims to address these needs. Together with consortium partners Light for the World and Edukans, Dorcas has chosen to complement these relief programmes with a project aiming to strengthen resilience and provide opportunities for development through Skills for Work. This project provides vulnerable youth with the opportunity to 'catch up' on lost years of education through skills training. Following completion they are supported to find a job or to start their own business. The latter is facilitated through the provision of small grants. For this, youth are encouraged to mobilise themselves in small groups and work together on the development of a business plan as well as run their own small business. In this way, Skills for Work also contributes to the rebuilding of trust among communities. The success of this project is clearly reflected in

local markets. Today you'll find many former beneficiaries of Dorcas running all types of businesses - from a tailor, busy with her machine as she alters a dress in the shade of a large tree; to a Swahili baker selling scrumptious homemade mandazis - a popular local treat.

Country updates

2.3.3 Ethiopia

In 2019, Dorcas Ethiopia:

- ▶ Introduced four new projects with an aim to develop proof of concept (PoC) in the Ethiopian context of the Dorcas way of working. Via the adoption of an asset-based community development strategy, the projects - targeted at micro-entrepreneurship for youth in rural and urban contexts and the expansion of self-help groups - had a positive impact on income generation and the growth of local structures. One project, implemented in the Somali region in an area prone to conflict and draught, focused on the set-up of self-help groups for women enabling them to save money, develop ideas together and ultimately take their livelihoods into their own hands.
- ▶ Tested a business-based solution for energy saving stoves - together with ZOA, with funding from the Dutch government.
- ▶ Helped thousands of youth secure employment or set up micro-enterprising groups via the Employable Youth in Ethiopia (EYE) programme, led by Woord & Daad.

2.3.4 South Sudan

In 2019, Dorcas South Sudan:

- ▶ Implemented an integrated humanitarian response in Western Bahr El Ghazal including Water, Sanitation and Hygiene (WASH) and Food Security and Livelihoods (FSL) interventions; complemented by Help a Child's protection services.
- ▶ Provided nutritional support to malnourished children and lactating or pregnant women in Akon North (Warrap State). An emergency food project

was later introduced to alleviate the suffering of flood victims.

- ▶ Enhanced our long-term humanitarian aid provision with the Skills for Work project in partnership with Light for the World and Edukans. The project saw participants strengthen their professional skillsets via skills training, start-up grants and business development opportunities. This kind of support is unusual in the South Sudanese context; particularly due to the active participation of people living with a disability.
- ▶ Strengthened the capacity of local partners and community-based organisations (CBO's) in different areas.
- ▶ Established an accountability to affected populations (AAP) system to further improve our services.

2.3.5 Kenya

In 2019, Dorcas Kenya:

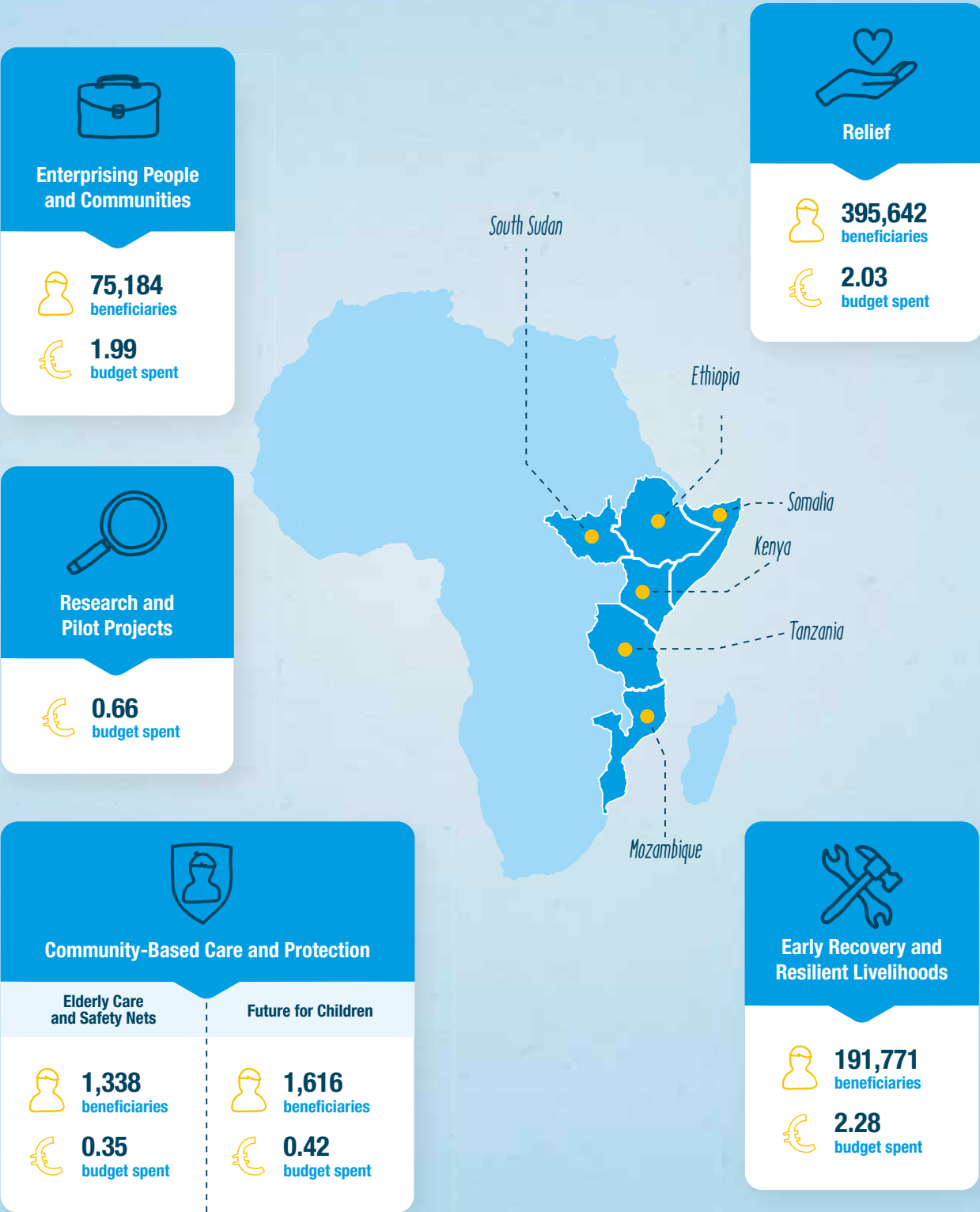
- ▶ Facilitated 1,947 small-holder farmers to increase their income and better prepare for climate change via two pilot projects on honey and chicken value chains and support to three value chain projects in pasture commercialisation, dairy milk and green grams.
- ▶ Increased sustainable access to clean drinking water in rural communities via three projects reaching 54,696 people. In addition, we helped 44,338 people gain access to improved sanitation facilities via the application of sanitation marketing across two projects.
- ▶ Helped 490 children gain future prospects through life skills and financial literacy training and economic empowerment and parenting skills coaching for parents and guardians. The programme linked vulnerable children to existing Community Safety Nets.
- ▶ Continued to embrace multi-stakeholder partnerships across all our programmes in order to develop connections with a range of organisations.
- ▶ Helped form the Kenya Climate Change Consortium; facilitating climate change discussions for stakeholders in eight counties.

Africa

Our reach and what we spent*

Sustainable Development Goals (SDG)

See how our work contributes to the SDGs on page 17.



*in millions of euros



A glimmer of hope

Nyanliang Deng From Africa

South Sudan is among the most underdeveloped countries in the world. Years of violence have left the majority of the population dependent on humanitarian aid for their daily survival.

Women, children and people living with disabilities are often the hardest hit. Yet there is a glimmer of hope - reflected in the eyes of Nyanliang Deng.

Skills for Work

Nyanliang (27) is a mother of four children. She has polio - a life-threatening virus that infects the spinal cord - and is unable to walk. For a long time she was fully dependent on her mother. Thanks to the Skills for Work project, that Dorcas is implementing together with Light for the World and Edukans, her life has changed completely.

"Now I invite respect and are considered to be equal to those with able bodies."

The smell of success

Nyanliang was selected to participate in a bakery course, together with a handful of others from the same village. She was provided with a tricycle to be able to attend the course. Grabbing the opportunity with both hands, she graduated with full marks; inspired to reach even higher levels. Soon, Nyanliang became our very first female bakery trainer, opening up her own tea shop alongside it where she sells a selection

of tea and baked goods. With business thriving, she also employed an additional person to help out.

Role model

A lady that was once fully dependent on others for her survival is now a powerful and inspiring role model for females and people living with a disability. Nyanliang: "Bakery training was the first step to my liberation. It has taught me that I can be independent. People like me don't have to beg for money anymore. Now I invite respect and am considered to be equal to those with able bodies because I can pay the rent and school fees for my children and my family is doing well. Skills for Work has restored my dignity."

In the humanitarian context of South Sudan, the Skills for Work project is largely unique. It focuses on the nexus between humanitarian aid and development, strengthening people's resilience and providing opportunities for development for the whole community.

2.3.6 Tanzania

In 2019, Dorcas Tanzania:

- ▶ Amplified our Early Recovery and Resilient Livelihoods efforts including the establishment of new Community Safety Nets.
- ▶ Delivered training to 5,800 people on ways in which to mitigate the effects of climate change and strengthen their environmental resilience. This saw 200 community members switch to gasifier cooking stoves and biomass pellets.
- ▶ Delivered social and financial skills training to 450 children and youth resulting in improved employment rates and the enrolment of 125 students at a TVET (Technical and Vocational Education and Training) Centre.
- ▶ Helped 15,000 people start or grow their business with micro-credit loans via Village Community Banking.
- ▶ Created an enabling environment for 5,000 school girls via our entrepreneurial menstrual hygiene project - resulting in increased attendance throughout the year.
- ▶ As part of Dorcas Prison Care, helped 12,000 prisoners and parolees regain dignity and reintegrate into society upon release.

2.3.7 Mozambique

In 2019, Dorcas Mozambique:

- ▶ Led a far-reaching fast aid response in the immediate aftermath of Cyclone Idai, reaching 15,000 people.
- ▶ Provided 45,677 beneficiaries with access to clean drinking water - the result of a grant received by Dorcas from UNICEF. The request called upon the adoption of manual drilling techniques and education on Water Sanitation and Hygiene (WASH) management. 20 boreholes have been drilled and 25 rehabilitated.
- ▶ Set up a shelter project for vulnerable families who lost their homes during Idai which saw 71 new houses constructed with families selected to run the brick manufacturing process using locally available materials. This inspired all participants to dig their own pits for latrines.

- ▶ Protected 177 at-risk children and elderly through life skills and safety nets training. Our focus changed to life saving activities and rehabilitation in the immediate aftermath of the disaster.
- ▶ Served 14,377 beneficiaries with our HIV-Free Future project run in collaboration with local partners.

2.3.8 Somalia

In 2019, Dorcas Somalia:

- ▶ Delivered a multi-faceted response to the protracted humanitarian crisis in Somalia in collaboration with Medair; with financial support from the Dutch Relief Alliance (DRA).
- ▶ Provided Food Security and Livelihoods (FSL) support to 3,621 beneficiaries via increased availability of, access to and consumption of food.
- ▶ Improved the Water Sanitation and Hygiene (WASH) of 21,175 beneficiaries by improving water storage and ensuring household level water treatment.
- ▶ Rehabilitated two health facilities and a waste management system and provided two sets of waste handling tools as well as reproductive health services in three locations, benefitting 89,720 people.
- ▶ Provided nutritional services at three health facilities, benefitting 45,536 people.
- ▶ Trained 540 volunteers to deliver multi-sectoral integrated health, nutrition and hygiene promotion, and Food Security and Livelihoods (FSL) messaging through the Care Group model; with an aim to create a holistic sustainable impact in the target community.

2.4 Beyond our focus regions

Whilst our work is concentrated in three regions, during times of crisis or natural disaster, Dorcas extends its hand - utilising existing networks - to other parts of the world (see also Chapter 3).

In 2019 Dorcas contributed financially to Relief and Early Recovery projects in Sulawesi, Indonesia, following the earthquake and tsunami in October 2018. The projects were implemented by two strategic partners (ZOA, TEAR) and their local and international partners. A total of 15,601 people received vital assistance spanning food support, Cash for Work, Water, Sanitation and Hygiene (WASH), temporary shelter and housing and health clinic reconstruction.

2.5 Capacity building & MEAL

2.5.1 Capacity building

Dorcas invests in all our staff and key partner staff and addresses their capacity in order to maintain and improve the quality of our work. Building capacity takes a variety of forms including training, coaching, exchange visits and learning sessions.

2019 highlights

- ▶ A group of Dorcas staff from Moldova, Albania and Romania visited Ukraine for an exchange visit on approaches used in the Future for Children programme.
- ▶ In Moldova, the first Dorcas Regional Learning Week took place. Our Moldovan staff were joined by colleagues from Romania, Ukraine and Albania to develop an integrated regional programme combining various Dorcas approaches; also receiving Community Safety Net training.
- ▶ In all regions Country Office staff participated in regional trainings on Local Resource Mobilisation and Partnership Development.
- ▶ Follow-up training in Asset Based Community Development (ABCD) and Multi Stakeholder Partnerships for a number of our staff based in various Country Offices.
- ▶ Training in Safety & Security for our Country and International Office staff.
- ▶ Family Development Training for Country Office staff in Albania, Moldova & Romania.
- ▶ Egypt staff received training on how to generate

business ideas, start a business and coach poorer micro-entrepreneurs.

- ▶ Outcome Mapping training for staff in Kenya, Tanzania and the International Office.

2.5.2 Monitoring, Evaluation, Accountability & Learning (MEAL)

2019 highlights

We monitor and evaluate our programmes - continuously measuring outcomes and impact - with the goal of delivering increasingly relevant work and remaining accountable.

In 2019, a number of initiatives were undertaken to strengthen Monitoring, Evaluation, Accountability and Learning (MEAL) within Dorcas, such as:

- ▶ Dorcas MEAL processes, templates and manuals were revised, along with Long and Medium Term Goals and associated indicators.
- ▶ MEAL Officers based in Dorcas Country Offices participated in an intensive workshop in the Netherlands.
- ▶ 12 Pilot and five Track Record Builder (TRB) projects were implemented across eight countries to test new approaches and methodologies in the areas of Asset Based Community Development (ABCD), Multi Stakeholder Partnerships (MSP), Value Chain Development (VCD), Self Help Groups (SHG) and entrepreneurship, before designing and implementing larger scale interventions.
- ▶ New evaluation methods were identified such as the Qualitative Impact Assessment Protocol (QuIP) which will be used in upcoming evaluations.
- ▶ With the introduction of a new project database in 2020, considerable input was made into the design of the database to ensure MEAL is embedded throughout it.
- ▶ A number of evaluations were conducted, including (mid-term) evaluations of our Dairy Farm Equipment Project in Ethiopia, our Maternal, Newborn and Child Health Project in Kenya and our Dedo WASH Project in Ethiopia.



Chapter 3

Working Together

In the Netherlands and abroad we work together with tens of thousands of volunteers and donors - many of them part of Dorcas communities. On a global scale we collaborate with corporates, churches, government agencies, foundations, knowledge institutions, international non-governmental organisations (INGOs) and networks with whom we share common goals.

We maintain a close relationship with these partners in various ways, through personal interaction and in groups. The mode of collaboration can be, for instance, a Public Private Partnership, an implementing consortium or a funding agreement for specific programmes.

Together - with tens of thousands of volunteers and private donors and hundreds of thousands of customers in the Dorcas Shops - we are a thriving international movement.

As a whole, this movement enabled us to raise over €25 million in 2019, for which we are very grateful. Indeed, these donors and institutions are more than people and organisations that back us. We need them in order to carry out our relief and development aid but simultaneously we facilitate them with a means to make this world a better place. We collaborate. We work together. It's in our DNA.

Dorcas mobilises thousands of volunteers across the global North and South. In the North, we focus on resource mobilisation in several ways with a strong base of committed Dorcas communities. In the South, the focus is on grassroots-linked implementation and local networks. By embedding ourselves in a grassroots movement that subscribes to a mutual cause, we are able to bring about lasting change.

3.1 Public Engagement

Social Media and Websites

In 2019 we continued to adopt a digital-first approach by sharing meaningful, multi-media content on social media. Through vivid testimonies - in words, images and also regularly video format - from beneficiaries, staff and donors, Dorcas was able to share the impact of our work with the world.

The total audience for our Facebook channel grew by 30% to over 9,000 individual followers. We were able to create a solid Instafeed and doubled the number of followers to 560 at the end of the year.

Our website dorcas.nl - of which a new version was launched in 2018 - facilitated us to better connect with online communities in the Netherlands as well as generate new leads. Use of Google Adwords and related content is an ongoing priority. 2019 also saw the launch of our revised dorcas.org website - focusing on our corporate relations and partners. The migration of all websites, including those of the Dorcas Shops and Dorcas Countries - to either dorcas.nl or dorcas.org - is a work in progress, to be completed in 2020.

Digital mailings - with stories of lasting change and inspiring testimonies of communities and volunteers in the Netherlands - were sent out bi-monthly to around 20,000 subscribers. A bi-monthly prayer letter was sent to some 1,700 subscribers.

Magazine

Our magazine, Hartslag, saw some 75,000 subscribers in 2019. For the first time, we took the decision to enrich this magazine with booklets especially designed for entrepreneurs and sponsors. In 2020 we will complete this process by delivering booklets that also target churches and volunteers.

This year we published a brief summary of the Annual Report in Dutch, focusing on our impact. This booklet received great feedback within our constituency.

Highlight Campaign: Mozambique

In March 2019 more than 3 million people were affected by Cyclone Idai in Mozambique - while over 1,300 others lost their lives. Dorcas was able to respond quickly and effectively because we had a presence in the affected region. In the Netherlands we joined forces with EO Metterdaad, Red een Kind, Tear Netherlands, Woord en Daad and ZOA to gain support and funding. New to us - two communications staff travelled to the area, enabling Dorcas, our partners and several journals and broadcasting stations to share a stream of content including stories, images and video from the field. This helped us reach a wide audience.

Customers, shop volunteers, churches and working groups raised a significant amount of additional funding. For the first time, online donations through our website exceeded €100,000 - while private donations totalled around €500,000, Two church denominations stepped up; initially contributing €80,000 towards aid and later an additional €275,000 for recovery. In addition, ZOA assisted directly by making expert staff available at the time of the emergency response guided and assisted by the Dorcas Country Office. Finally, UNICEF approached us to run an extensive water and sanitation programme donating more than €500,000. All in all, we were able to leverage several types of collaboration - a fruitful synergy - in order to serve the affected population in Mozambique. Perhaps the most important achievement - our Relief efforts in 2019 evolved into long term development aid

afterwards. EO Metterdaad dedicated their 2019/2020 winter campaign to that - yielding another €500,000.

Other campaigns

Additional campaigns included Yemen (Relief) and Albania (Relief), the long-established Dorcas Food Campaign and the Winter Campaign. All engaged Dutch communities and individuals with our work via stories of lasting change from the programme countries. We also addressed the National Kringloopdag and National Elderly Day.

Furthermore, we bolstered our corporate identity by developing a robust and unambiguous appearance. High quality images and impact stories are now better stored and can be more easily located by staff from the International Office and Country Offices.

G50 Meeting

Spring 2019 saw Dorcas organise our first G50 Meeting. We welcomed some 50 participants from our major donors, business partners, churches, Dorcas Shops and partner organisations. This was organised during our Spring Meeting with the Country Directors so that they could join. The meeting facilitated a meaningful conversation around the Dorcas vision, our strategic plans and collaboration in daily practice.

3.2 Working Together with Volunteers

Dorcas Shops

In all corners of the Netherlands our prevailing network of Dorcas Shops sell second-hand goods. These shops provide significant funding for our development aid, contribute to a circular national economy and create a community of volunteers that share tasks and take care of each other.

Customers value the Dorcas Shops for being modern, clean and hospitable. Each shop is managed by a local (voluntary) board and run by 20-200 volunteers. In December 2019 we totalled 37 shops with five new shops in Apeldoorn, Dronten, Hattem, Heerenveen and Zaandam. The shops in Hoorn and Eindhoven

Net proceeds of Dorcas Shops		
Actual 2018	Budget 2019	Actual 2019
€4.0 million	€4.7 million	€4.3 million

were expanded and the shop in Rijssen moved to a new location.

Many companies support the development of these shops by sharing their expertise and low-cost delivery services. In 2019 the turnover of the shops increased by 16%. Due to rising costs such as rent, net revenues progressed at a slower rate but nonetheless saw an increase of 8%.

Clothing Sales

An additional 1,000 volunteers in the Netherlands helped increase our reach in 2019 by collecting second hand clothes for sale and arranging door-to-door pickups. Many of them have embraced our mission for years. The clothes were collected in some 200 depots and organised in around 25 regional or sorting depots. The items were shipped from regional depots in Woudenberg, Drachten, De Lier, Bergambacht and Andijk and sold to three clients: Dorcas Romania, Dorcas Hungary and Reshare Netherlands. Unfortunately, Dorcas Hungary and Reshare Netherlands decided to terminate their purchase contracts - which gives us a new challenge to solve in 2020.

Net proceeds of Sales		
Actual 2018	Budget 2019	Actual 2019
€376,000	€250,000	€218,000

Highlight Project: Dorcas Food Campaign

In 2019 the annual Dorcas Food Campaign took place at 386 grocery shops, 244 churches and 25 schools across the Netherlands, led by 270 coordinators. Overall, we provided people in need with over 27,000 food parcels - valued at €31 each. In addition,

we received €276,000 in cash donations, bringing our fundraising efforts for this campaign to a total of over €1.1 million. Thousands of volunteers acted as Dorcas ambassadors to care for the poorest. The 25th Dorcas Food Campaign will take place in 2020.

Our Working Groups contribute to local visibility within several Dutch towns. They organise door-to-door collections, organise and prepare the Dorcas Food Campaign and facilitate lectures within churches and schools. Several Working Groups created a Dorcas studio where handcrafted products are made and sold. Note: part of the contribution from Working Groups cannot be measured in currencies.

Net proceeds of Working Groups and collections		
Actual 2018	Budget 2019	Actual 2019
€101,000	€100,000	€137,000

3.3 Working Together with Donors

Sponsorships

In order to deliver on our promise of lasting change for the most vulnerable, we further bolstered our emphasis on life skills training for children, reactivation projects for the elderly and community mobilisation. We did so by creating circles of support around our beneficiaries and involving local governments. At the International Day for Elderly People, many elderly participants across our projects gathered together in a bid to call more attention to their fundamental rights. We also launched new Community Safety Nets and Adopt a Granny projects in Mozambique and Tanzania.

Number of sponsor contracts		
	31 December, 2018	31 December, 2019
Granny's	5,153	5,240
Children	2,420	2,486
Total income in 2019 from sponsorship contracts: €2.7 million.		

Legacies

A special way in which people can support Dorcas is through the creation of a legacy fund. A legacy fund falls under the umbrella of ‘planned giving’ and refers to bequests to the NGO upon a donor’s death. But we know that determining the details of someone’s will is a sensitive process. Dorcas provides the practical support to manage the funds properly and the emotional support to manage the relationship with care. This includes a number of home visits. In 2019 we also piloted consultations in the Dorcas Shops to further inform those who consider Dorcas to be included in their legacy about the fund options. Over the next year we will elaborate on what we’ve learned.

In 2019, 30 deceased people left Dorcas a legacy. For example, one woman donated her life earnings to the work of a number of NGOs - of which €300,000 she gave to Dorcas. We are humbled every day by such generosity.

Income through Legacies		
Actual 2018	Budget 2019	Actual 2019
€930,000	€750,000	€1.2 million

Churches

The Dorcas Movement in the Netherlands includes over 1,000 churches that have donated at least once in the last five years. Together they cover the full spectrum of Protestant, Catholic and Pentecostal identity.

Some donate their offerings; others set up a collection point at the church for the Dorcas Food Campaign or sponsor a granny or child. While they support us with vital funding, we help them in fulfilling their diaconal duties. Many of them value direct contact with Dorcas e.g. by giving a presentation to the congregation.

In 2019 we entered into a partnership with the Christian cabaret group Op en Top Vrouw. Together, we visited our women empowerment projects in

Addis Ababa in Ethiopia and began touring with seven Dutch churches. We will commence an additional 14 tours in 2020.

Income through Churches		
Actual 2018	Budget 2019	Actual 2019
€589,000	€525,000	€994,000

Companies (in the Netherlands)

Private companies partner with us in providing funding for Dorcas projects as part of their Corporate Social Responsibility (CSR) commitment. We welcomed 140 new business relationships in 2019. One of our business relations assured a donation of €500,000 over a period of five years. The Business group in the Region West has been successfully integrated into the new Dorcas Shop in Katwijk.

Income through Companies		
Actual 2018	Budget 2019	Actual 2019
€871,000	€1.0 million	€1.0 million

Other Private Donors

Some 85,000 people make up our Dorcas Community - measured by the number of Dorcas magazine subscriptions. In the 2018 Annual Report we identified a declining number of new donors over the last couple of years. In 2019 we worked to combat this by recruiting a total of 2,398 new donors. We also prepared communications strategies with a stronger focus on online marketing. We expect to see the first results from that in 2020.

Other income through Private Donors not including sponsorships, churches, companies and legacies		
Actual 2018	Budget 2019	Actual 2019
€3.9 million	€4.2 million	€4.1 million

Our communities

- **Dorcas Food Campaign**
A Dutch project that collects and delivers food parcels to the most vulnerable people in Eastern Europe
- **Working groups**
Community groups who work together to create fundraising ideas and activities
- **Business groups**
We connect companies and entrepreneurs, building on shared passions to strive for lasting change
- **Depots**
Here we collect and sort second-hand clothing and other textiles to raise funds for our work
- **Dorcas Churches**
We use our faith to look - and work - beyond the walls of one church or physical border
- **Dorcas Shops**
Our Thrift Shops foster a sustainable lifestyle and bring local communities together whilst directly supporting the Dorcas Communities



3.4 Working Together with Partners

At Dorcas we believe that working together creates synergy and leads to sustainable results. Multi-stakeholder partnerships lead to better programmes, more efficient ways of working and ultimately thriving communities.

We partner with local communities in order to deliver lasting change in people’s lives. People and communities are included in the design, implementation, monitoring and evaluation of our programmes. We recognise that during this process we have to remain accountable to those we aim to help. Partner organisations and community-based groups are all trained in downward accountability. This helps them gain vital feedback and identify community needs and priorities.

Fruitful relationships with governments is key to our success. We focus on respecting each other’s roles and responsibilities. Dorcas Country Offices ensure that the liaison function with the government is strong. In our International Office we have ongoing relationships with governments, donor agencies and networks.

We work together with a number of local and international NGOs. Just to mention three examples: Dorcas is part of the EYE programme led by Woord en Daad in Ethiopia, focusing on youth employment. In South Sudan, Dorcas takes the lead in a Skills for Work programme with partners Light for the World

and Edukans and funding from the EU. In Syria we started a joint programme with Mission East.

In 2019 we began implementing our Local Resource and Partnership Development strategy. The aim is to support Dorcas Country Offices and practices in building local resource capacity in order to substantially diversify resources and partnerships which in turn can lead to enhanced local embedding, local ownership and balanced relations between global and local resourcing partners.

In the past year we have seen an increased level of compliance requirements for many of these partners and we have worked hard at maintaining a high standard of reporting and accountability.

In 2019 institutional and private grant funding made up 46% of our total income. 75% of our grant funding was for emergency humanitarian action and 25% for long-term development programmes. We see an increase in grant funding, both institutional and private, secured through the Dorcas Country Offices. In 2019 this was 50% of total grant funding (see table below).

The main partner for Institutional Grant Funding is the Dutch Ministry of Foreign Affairs which takes places largely via the Dutch Relief Alliance (see also Chapter 4). In addition, we received funding from the European Union, UK and several UN agencies. In 2019 Dorcas received grants from 14 institutional partners of which 10 came through the Dorcas Country Offices.

	International Office		Country Offices		Total	
Relief	€4.3 million	66%	€5.4 million	85%	€9.7 million	75%
Development	€2.2 million	34%	€1.0 million	15%	€3.2 million	25%
Total	€6.5 million		€6.4 million		€12.9 million	

Table: Designations of Dorcas Grant Funding in 2019

Institutional	€5.1 million	79%	€4.0 million	62%	€9.1 million	71%
Foundations	€1.4 million	21%	€2.4 million	38%	€3.8 million	29%
Total	€6.5 million		€6.4 million		€12.9 million	

Table: Sources of Dorcas Grant Funding received in 2019



A detailed breakdown is included in Chapter 5 (S3). We are the lead partner in two Public Private Partnerships in East Africa, jointly funded by the Netherlands Enterprise Agency (RVO), local governments, businesses and Dorcas private donors. The 121 Innovation Project, run in collaboration with the DRA is funded by the Ministry of Foreign Affairs and develops scalable new delivery models for cash-based humanitarian assistance. Dorcas is the project’s consortium lead. The innovation provides an open source platform that makes a direct link between the donor and individual beneficiary household.

For Private Grant Funding we partner with over 70 foundations of which 17 partnerships are managed by the Dorcas Country Offices. We work in close cooperation to jointly explore the best match between the Dorcas programmes and the strategic objectives of the foundations.

Dorcas received funding from - among others - Dioraphte Foundation and Stichting Pharus in 2019. We also received financial support from EO Metterdaad for our programmes in Mozambique, Yemen, Tanzania, Egypt, Albania and Ethiopia.

Income through Institutional Grant Funding		
Actual 2018	Budget 2019	Actual 2019
€8.3 million	€7.6 million	€9.1 million

Highlight partner: Nadia Murad
Dorcas partners with Nadia’s Initiative in Iraq. The organisation, created by Nobel Peace Prize winner Nadia Murad, actively works to persuade governments and other organisations to financially support efforts to rebuild Sinjar - the Yezidi

homeland destroyed by ISIS. Thanks to the support of Nadia's Initiative, Dorcas has acquired substantial funding for projects covering food security, livelihood development, drinking water and sanitation.

With some companies we work together to develop programmes such as Public Private Partnerships. With others we work on developing joint programmes often around innovative solutions for developmental challenges such as efficient cooking stoves, pre-paid water meters or the availability of affordable sanitary pads for adolescent girls. Overall income as a result of these joint programmes is increasing. Our Country Offices play an important role in developing and managing these partnerships.

Income through Private Grant Funding			
	Actual 2018	Budget 2019	Actual 2019
Total	€2.5 million	€1.8 million	€3.8 million
From EO Metterdaad	€415,000	-	€364,000

We also seek new partnerships with investors who play a key role in developing profitable business cases for sustainable development. An opportunity for businesses, foundations and individuals to partner with us is the Dorcas Shops Investment Fund, which involves mixed-term, mixed interest rate contractual loans to finance a rapid growth of the number of Dorcas Shops.

Loans through investors in the Dorcas Shops Investment Fund	
Total at 31 December, 2018	€325,000
Total at 31 December, 2019	€625,000

In 2019 we continued our efforts to develop Dorcas Aid America with a focus on relationships with foundations and institutional donors. Dorcas staffing numbers in the US Office have been kept to a minimum due to the active role the volunteer Board members have taken in the development of

partner relationships. The International Office has also supported the transition via proposal writing and monitoring.

3.4.1 Network participation

Dorcas is an active member of a variety of networks in the Netherlands and in our countries of operation. Dorcas staff actively participate in these networks and take on responsibilities in several of the boards and working groups within them.

Dutch Relief Alliance (DRA)

The DRA is the primary platform for government funding in support of NGOs in the Netherlands. It consists of 16 Dutch humanitarian aid organisations and focuses on providing assistance in acute and protracted crises around the world. In 2019 Dorcas was part of DRA Joint Responses in South-Sudan and Syria. The Iraq and and Ukraine (where Dorcas was the lead organisation) came to an end during the course of the year.

Christelijk Noodhulp Cluster (CNC)

Dorcas is part of the CNC together with EO Metterdaad, Red een Kind, Tear, Woord en Daad and ZOA. The cluster jointly responds to humanitarian crisis situations caused by natural disaster or armed conflict, such as relief in Mozambique after the typhoon Idai in the beginning of 2019.

PerspActive

PerspActive is a cooperative of 10 Dutch NGOs focused on youth employment and economic development with an emphasis on fair opportunities for the next generation. Country proposals are developed for donors interested in this area. Dorcas collaborates with PerspActive on joint proposals for Ethiopia, Kenya and Iraq. End 2019 an evaluation has started of this network, which will lead to changes in membership during 2020.

Start Network

Start is an international network of 42 members that focuses on improving the international Humanitarian Aid system e.g. by reducing the impact and cost of potential disasters and crises by providing

pre-approved funding at a very early stage. The Start Network looks at innovative ways of working as well as the localisation of humanitarian aid.

EU-Cord

EU-Cord is an association of 24 Christian Europe-based NGOs focused on alliance building for joint programme initiatives, learning, innovation and lobbying.

Prisma

Prisma is a network of around 20 Christian organisations, working around the world to encourage social participation.

Christelijk Platform Oost Europa (CPOE)

CPOE brings together organisations in Eastern Europe and the Netherlands to exchange information and facilitate joint learning and networking opportunities.

Nederlands Water Platform (NWP)

NWP is a network of Dutch organisations in the water sector. They are the first point of call for anyone seeking Dutch water expertise. NWP facilitates the Dutch water sector in having an even greater impact internationally. The NWP has an NGO platform in which Dorcas actively participates.

Dutch Coalition on Disability and Development (DCDD)

The DCDD is a platform for lobbying, linking and learning on disability inclusion in international cooperation. They promote equal opportunities for people with disabilities in low and middle-income countries together with their members.

HelpAge Global Network

The HelpAge Global Network fights for older people's rights in nearly 90 countries. From small grassroots groups to large international bodies, the network is a diverse group of like-minded organisations which support millions of older people to live safe, dignified and healthy lives.

Aflatoun International

Aflatoun International offers social and financial education to millions of children and young people worldwide, empowering them to make a positive change for a more equitable world. Dorcas uses the Aflatoun curriculum in its programmes.

Partos

Partos is an umbrella organisation which represents the Dutch humanitarian and development sector to governments and institutions. Partos participates in policy debates with these institutions in regards to sector regulations and related matters.



Taking fills your hand, giving fills your heart

Ans Groot from the Netherlands

Dorcas volunteer Ans Groot has spent seven years in the Broek op Langedijk shop - a place she calls her second home. "It is nice to be committed to each other", she says. "Taking fills your hand but giving fills your heart."

Together

"In our store it is never 'me', it is always 'us'. Alone you'll achieve nothing. Together we can move mountains and that's what we do. Our Dorcas Shop is 1,500 square meters. Our sales volume is more than 400 thousand euros a year. Some 80 volunteers help run the store. We really need that many helping hands. If the store opens at 10am, there is normally already 20 people waiting at the door to enter."

Taking action for the poorest of the poor

"We are very known in this area. Local people like to bring their second-hand stuff to us because they want to contribute to our mission. All proceeds go to lasting change in the lives of the poor."

'The shop is also a meeting place for visitors.'

New found friendship

"As volunteers we also build strong relationships. We are close to each other. Many of us are elderly, which means we regularly have to deal with illness or loss."



So we send each other flowers and cards. The volunteers who come back after a difficult period often experience their return as a warm embrace from a loving family."

A place of meeting

"The shop is also a meeting place for visitors. For example, there is a large coffee table in the store. That table is always full. It's a way; a space to stand up against the loneliness experienced by so many elderly people across the Netherlands."



Chapter 4

Organisation

Dorcas is a healthy organisation with a streamlined and inclusive approach. Through our internal operations and external dealings, we offer a culture where everyone can thrive. In this chapter we share the model of governance, compliance standards and organisational structure that helped us achieve our objectives in 2019. We start with an overview of the organisational developments of 2019.

4.1 Organisational Development

Dorcas aims to be present wherever vulnerable people are in need of support. We monitor and evaluate our work with an outlook of continuous improvement and the development of high-quality programmes. We are compelled to react quickly whilst also delivering lasting impact. As our capacity is limited, we must constantly adapt to ensure we use our resources to their utmost effect.

In 2017 Dorcas embarked on a journey of internal organisational change - one that will continue until 2021. Already half way there, we set out with a goal to become a professional international organisation with strong Country Offices who are in the lead in the planning and implementation of our programmes. Recognising it as a coproduction, we named this process the 'Best Way of Working Together'. Several milestones were reached in 2019:

- ▶ **The conception of a new organisational structure.** The far-reaching independent authority of the Country Offices dictated an important change in both the role of the Country Directors and the International Office - as well as a significant change in the design and management of the organisation. In the current phase, it is essential to construct the organisation in such a way that, on the one hand, processes are well designed and, on the other hand, the hierarchical (governance) structure is clear to

everyone and appropriate for the new situation. In order to stay well connected to rapid external developments, it is important that the make-up of the organisation is sufficiently flexible. It is a process of continuous learning and development.

- ▶ **The development of a Quality Management System (QMS).** To complement the new structure, this system contains a description of the existing organisation with information about how we do our work - our strategies, policies and procedures. It is also the dynamic learning core of our organisation spanning continuous improvement steps and other quality instruments. In 2020 we will continue implementation with a focus on the learning cycle.
- ▶ **The establishment of professional HRM support throughout the organisation. In 2019 we started to update the job structure and classification model for the International Office.** This will centre around a shift from hierarchical and task-oriented jobs to competence and result-oriented ones.
- ▶ **The introduction of benchmark salary scales for every Dorcas country with like-minded organisations** as input for an updated job structure and classification model for the Country Offices. This is the foundation for sufficient capacity demands: well trained, informed and appreciated staff. In 2020 this trajectory will be completed with next steps including the development of standard job descriptions and corresponding templates for recruitment.

Furthermore we facilitated a wider discussion around how the International Office can offer sufficient support to the Country Offices, alongside HRM capacity-building. This discussion will continue in 2020 with the outcome captured in procedures, templates and job descriptions. And in 2019 we created and updated several documents, such as the HRM Manual, Code of Conduct, Integrity Policy and Complaints Procedure.

► **The improvement and implementation of a number of Safety and Security** protocols including the establishment and training of a Crisis Management Team and a new travel procedure which indicates that for every country visit a security check must be done with staff obliged to have recently completed security training.

4.2 Management and Governance

Stichting Dorcas Aid International is a Dutch foundation; registered in the Netherlands as a Relief and Development Agency. The new international organisational structure resulted in a new organisational chart, effective from February 2020.

Dorcas opted for the model in 2018 whereby internal supervision, executive responsibilities and implementation are assessed independently.

Executive Board

The Executive Board has ultimate responsibility for all activities of the organisation. The Executive Board (internally known as the Board of Directors) consists of the Chief Executive Officer (CEO) and the Chief Operating Officer (COO). Together they act as an

Responsibilities	Persons-in-charge
Supervision	Supervisory Board
Executive mandate	Executive Board
Implementation	Country Directors, Managers and Staff

independent governing body; equivalent in power within Dorcas but with a different portfolio. The CEO is the chairman of the Executive Board and is primarily responsible for the strategy and external positioning of the organisation. In contrast, the COO oversees daily decision-making and related operations. The responsibilities and mandate of the Executive Board are determined by government regulations as well as the Dorcas constitution. The COO function was created in 2019 following the departure of the former Chief Financial Officer on 1 April. The COO - Peter Palsma - was appointed on June 1, 2019 to respond to and manage a time of transition for Dorcas.

Country Directors

The Country Directors - who officially represent Dorcas in their assigned country - have a very important role to play. Their authorisations have been written down in a Power of Attorney (PoA) document which is externally registered in the various countries. In addition to the PoA, we are working on a management charter to further define the mandate and responsibilities of the Country Director, based on the new organisational structure and mandatory policies and taking into account the country-specific (NGO- and other) legislation.

Partner organisations

In most of the countries, Dorcas works with local partner organisations (see paragraph 3.4). In terms of governance, they are contracted by the Country Directors based on an agreement between the Country Director and the Director of the partner organisation.

International Council

The Dorcas International Council is comprised of members of the Dutch Management Team and all twelve Country Directors. They meet twice a year to discuss and decide on strategic organisation-wide topics as well as annual planning and budgeting.

International Management Team

Tactical and operational decisions - with international ramifications - are issued by the International Management Team (IMT). The IMT also discusses strategic issues which warrant immediate attention or need to be prepared for the International Council Meeting. The IMT is comprised of all members of the Dutch Management Team and three Country Directors - appointed to represent the three regions of work (Africa, Middle East, Eastern Europe).

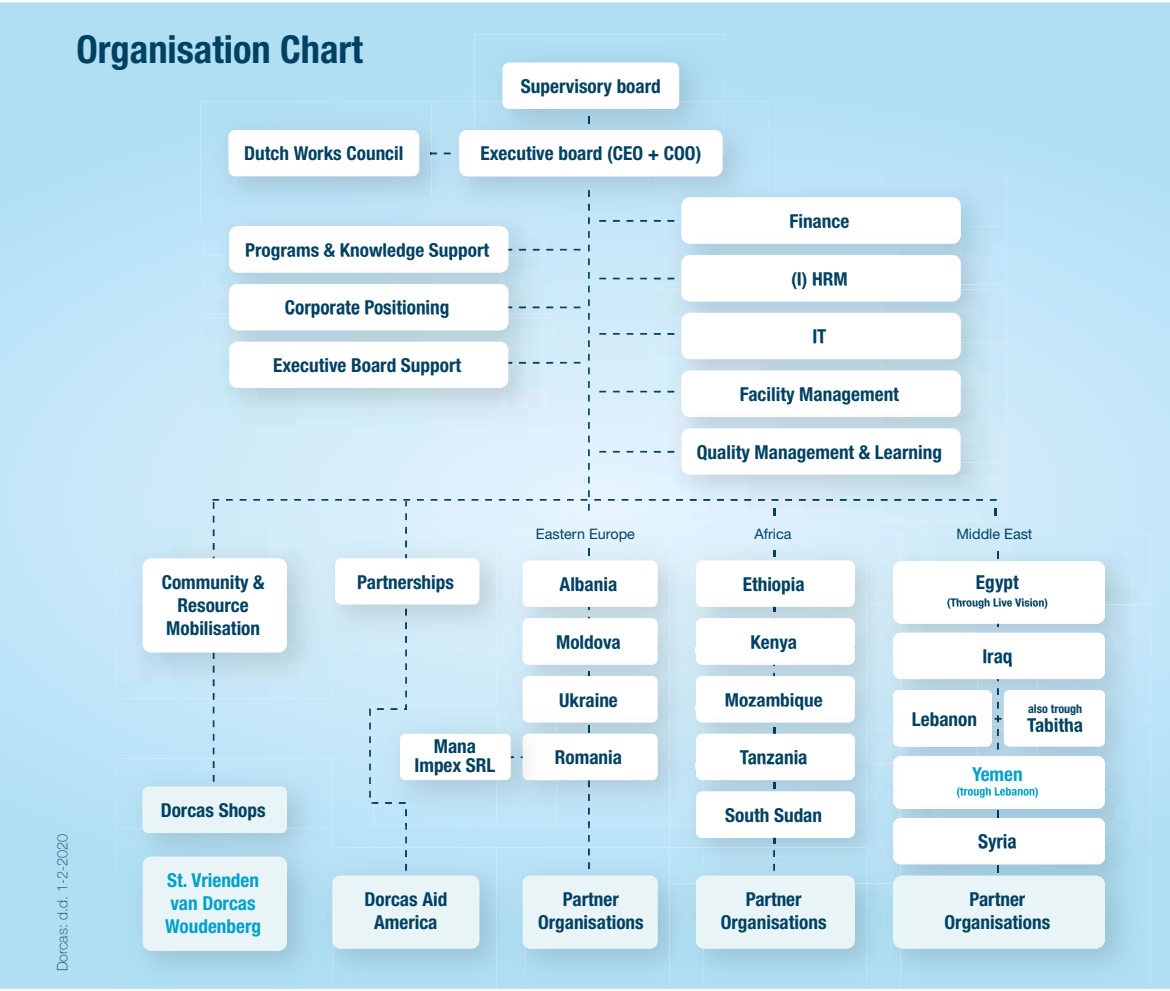
Dutch Management Team

The Dutch Management Team (NL-MT) includes the Executive Board and managers of the Finance, Programs and Knowledge Support, Community and Resources Mobilisation and Human Resource Management departments. In 2019 the MT met every two weeks to discuss matters within the jurisdiction of the International Office including strategy and policy and finance and risk management as well as the ongoing concerns of the organisation.

Supervisory Board

Dorcas has a Supervisory Board (SB) which is responsible for supervising, monitoring and advising the Executive Board. The SB has the power to approve adjustments to the Dorcas constitution, hire and fire members of the Executive Board, approve strategic plans; and is responsible for guarding the strategic direction of the organisation in line with organisational statutory goals.

The board assumes these duties over the course of four governance meetings and two additional in-depth policy meetings a year. In addition to the full board meetings, the SB discuss a few topics more in detail in two committees: the Audit Committee and the Remuneration Committee.



In 2019 topics of discussion included:

- ▶ 2018 Annual Report and 2020 Annual Plan and Budget
- ▶ Performance of members of the Executive Board and change of composition
- ▶ Auditor's Report and Compliance
- ▶ Organisational development process
- ▶ Programme policy and Fundraising
- ▶ Plans to sell real estate and relocation
- ▶ And deciding on opening the COO vacancy

All SB members work on a voluntary basis and offer specific expertise to Dorcas. Every year the board has at least one meeting with the Workers Council. Periodically the SB self-evaluates their own functions with respect to the effectiveness of their monitoring and supervisory role.

Audit Committee

Two members of the Supervisory Board also serve as members of the Audit Committee. This committee discusses financial and legal issues within the organisation and makes recommendations on financial reporting and risk management issues to the full Supervisory Board.

4.3 Quality Management

In the last year and a half, we have built a Quality Management System (QMS) resulting in a sustainable foundation for the organisation which has allowed Dorcas to optimise processes and concentrate fully on our mission. It enables employees to focus on the quality of the result (=effective) free from unnecessary bureaucracy (=efficient) and secure the result (=continuity) while continuously improving it (=learning organisation). The main criteria for our QMS is that it's user friendly. It must be intuitive and support its users to have an impact.

The QMS meets the ISO 9001:2015 and Partos 9001:2015 standard. We combined the ISO norms with existing processes, documents and systems so that it becomes an integrated part of our way of working. In Q1 of 2020 our approach is officially

endorsed, because we had a successful audit and received we expect to be the ISO-certificate. This is an extra encouragement for theed and will continue further implementation of the QSM.

The foundation of the QMS represents the design of the organisational structure of Dorcas. On top of that we have a process structure which enables us to develop our process-based way of working. The QMS reflects and facilitates 80% of our work. We use several quality instruments to continuously assess our processes, check if the QMS is up-to-date and facilitate a learning culture. We use a dashboard to monitor the results of the quality instruments and take control in the follow up. The other 20% of our work comprises of programmatic and organisational development which we continuously work to realise; as formulated in our Annual Plan. We monitor the achievement of goals laid out in the Annual Plan with quarterly progress reports.

Conduct and Integrity

In 2018 the global humanitarian sector was shocked by allegations of misconduct and unethical behaviour. Institutional donors stress that Protection against Sexual Exploitation and Abuse (PSEA or Safeguarding)-policies - including all procedures and practices - of INGOs should align with international standards. This is becoming a donor requirement. Indeed, the failure to align increases the risks for beneficiaries as well as financial and reputational risks for Dorcas. Demonstrated in our way of working, Dorcas underlines the obligation to maintain - and subscribe to - the highest level of public trust and accountability. With this in mind, in 2018 we established a taskforce on PSEA with the following objectives:

- ▶ To maintain integrity as an integral part of our Way of Working at all levels of the organisation
- ▶ To meet ISO Partos 9001:2015 and DRA requirements for certification

In regard to this taskforce we reviewed our Code of Conduct and Integrity Policy in 2019, and we designed a new complained mechanism. We also added clauses about this subject to several



formats for agreement with partners. Minimising risks within our programmes and safeguarding beneficiaries - especially children and vulnerable women - from acts of misconduct is of highest priority to us. During 2018 we also began to align our activities

with the global Core Humanitarian Standards (CHS). This work was actualised and further elaborated on in 2019 with an assessment of compliance with these standards carried out in the second half of the year. In 2020 this will be followed up with concrete plans to ensure that Dorcas fully complies with the CHS.

Compliance

Compliance is an essential element of our work. It sets the criteria for the results we deliver - as well as how we work. Dorcas adheres to several international and sectoral codes. Additionally, we have our own internal standards as established in our policies.

► Central Bureau for Fundraising (CBF)

The CBF awards Dutch charities that meet their predefined rules and regulations. Dorcas is a fully certified organisation. Every third year CBF conduct an in-depth review before issuing an extension of the certification. This review has successfully been conducted in 2019.

► Raad voor de Jaarverslaggeving

An advisory body that exists to improve the quality of the external reporting of non-listed organisations and companies in the Netherlands. Dorcas is examined once a year and the Annual Report is certified by a registered RJ accountant.

► Partos

A trade association for development cooperation and humanitarian aid - the largest network of development organisations (100) in the Netherlands. Dorcas accepts and applies the Partos Code of Conduct.

► ISO 9001:2015 / Partos 9001:2015

In 2019, Dorcas prepared the ISO certification for development cooperation with the aim of meeting the Partos 9001 standard (which was achieved in January 2020).

► The new Joint Action Plan Integrity Partos

was designed and accepted in 2018. As a member of Partos, we are busy in the implementation phase.

► Richtlijn Financieel Beheer

A Treasury Management Instruction from Goede Doelen Nederland (GDN - Charity Netherlands). Dorcas complies to this rule but is not a member of GDN.

► “Toewijzing van kosten voor beheer en administratie”

(Allocation of costs for management and administration) of GDN. Dorcas applies this recommendation voluntarily.

► Core Humanitarian Standard (CHS)

for quality and accountability - Dorcas is working towards making all procedures and systems CHS-compliant. We aim to be ready for full certification at the end of 2020.

► Code of Conduct for the International Red Cross and Red Crescent Movement

and NGO organisations in emergency aid - Dorcas complies with this Code of Conduct (no certification possible).

► The guidelines for Protection against Sexual Exploitation and Abuse (PSEA)

of the Dutch Relief Alliance (DRA) were recognised in 2018. As a member of the DRA, Dorcas adheres to these standards.

► The Framework Partnership Agreement (FPA)

with ECHO -

Dorcas is in the process of renewing our humanitarian FPA partnership with the European Commission. This partnership is a prerequisite to receive funds from ECHO. The audit will be conducted in March and April 2020.

► EU-Cord quality declaration

- This is a joint declaration and commitment to quality work by 24 -Christian Organisations for Relief and Development within the EU. Dorcas, as a member, follows this promise.

► The Istanbul Principles on Development Effectiveness

- Eight internationally accepted principles that maintain the effectiveness of non-governmental organisations such as ours. We respect all principles in the implementation of our work.

4.4 Objectives and results

In our Strategic Plan 2019-2021 we focused on three strategic ambitions. In addition to these primary ambitions we formulated a supporting organisational ambition (see paragraph 1.3). At the

start of 2019 the International Management Team constructed six concrete objectives from the Annual Plan 2019, linked to the four ambitions. During 2019 we monitored these objectives using an indicator framework and progress reports. A summary of the achieved results is listed in the following table.



Ambition 1: Our impact is felt by the most vulnerable across all Dorcas programmes: people and communities are enabled and empowered to flourish.

Objective	Result
1. Our programmatic way of working is implemented effectively across all three regions of work.	▶ Our Project Planning and Monitoring process is up to date in response to several developments including the new organisational structure. ▶ Three programmatic concepts are developed within the regions. ▶ A Core Humanitarian Standard self-assessment has been carried out in the International Office and two Country Offices.

Ambition 2: Dorcas is known for and positioned as a key player/partner in community-based inclusive development and disaster response.

Objective	Result
2. The Dutch and international public and partners know Dorcas for what we want to be known for.	▶ A Corporate Positioning Strategy Paper is approved, including building blocks with elements of the identity of Dorcas that we are working towards. ▶ Implementation of the strategy paper has begun. A new cluster is set up and every Country Office is working on their own corporate positioning strategy and corresponding facilities.

Ambition 3: Dorcas is able to mobilise communities, resources and funds to be involved in and support transformative change - increasingly and sustainably.

Objective	Result
3. There is a stable Dorcas Movement with partners; community-wide and individually sharing our mission.	▶ In 2019 we reached more potential participants of our Dorcas Movement by harnessing a digital-first approach centred around meaningful content across social media, data analyses and the successful migration of our shops and country office websites. ▶ Our volunteers are at the core of the Dorcas Movement. In 2019 we saw them grow in number to five new Dorcas Shops and thousands of volunteers who made the annual Food Campaign a success again.

Ambition 4: Dorcas establishes itself as a professional organisation.

Objective	Result
4. There is a clear international governance structure and appropriate support for the Country Offices.	▶ We designed a new organisational structure. This is the foundation of a clear governance structure and in 2020 will be translated into a management charter. ▶ A process has begun surrounding what Country Offices expect and need regarding support from the International Office. This will be completed in 2020 and the relevant processes and job descriptions will be adjusted accordingly. ▶ The support to the Country Offices is improved with several HRM developments, such as updated labour conditions, manuals and templates, and the implementation of Safety and Security policy and protocols.
5. The government structure and leadership style are clear.	▶ The government structure is part of the newly designed organisational structure. ▶ A process around leadership style commenced in the Dutch MT widening to the International Council in November. It will remain an important topic in 2020.
6. There is a clear learning culture.	▶ Learning culture is an integrated part of the Quality Management System, including several quality instruments such as audits, the planning and control cycle, complaint procedure and a management dashboard. ▶ Learning is an increasingly important part of the Project Planning, Monitoring and Evaluation process. When updating this process, several learning instruments were created or renewed.



4.5 Corporate Social Responsibility Priorities

Dorcas takes Corporate Social Responsibility (CSR) very seriously. We've tracked its evolution from an internal organisational policy to mandatory transnational schemes. Our application of CSR is far reaching - from the self-regulation of our fundraising programmes to ethical standards for our constituency and partner relations; to the operational business model for our staff and volunteer base; to our carbon footprint. We review our policies on a regular basis.

▶ **Compliance with integrity and other humanitarian standards**

The way we comply to the several integrity and humanitarian standards, such as Safeguarding the Core Humanitarian Standard, is described in paragraph 4.3.

▶ **Complaints**

Our Complaints System - nationally and internationally - is an important instrument for improving quality. In 2019, we received a total of 44 complaints. We note a downward trend in the number of complaints: 107 in 2016,

67 in 2017 and 72 in 2018. The complaints in 2019 concerned a variety of operational issues; from opening times, prices of items and requests for refunds in a Dorcas Shop to complaints about the number of postal shipments and the Dorcas Food Campaign. We also received a few complaints with more impact such as issues with volunteers and complaints about the website.

We regret every complaint and although they are part of the regular process we use them as input for continuous learning.

▶ **Sustainability**

Corporate Social Responsibility (CSR) is an integrated part of our corporate values. It is not only a focus area for our internal processes but also a criteria for selecting partners and suppliers. Sustainability is a priority for us shown in our adoption of it as a cross cutting theme in our programmatic way of working and integrated in supporting processes. For example, we compensate CO2 emissions for every flight we take and sustainability is a criteria for the selection of a new building for the International Office. We believe in making small but significant changes to our operations.

5.2 Statement of Income and Expenses

In euro's	2019		Budget 2019		2018	
INCOME						
Private individuals (S1)	8,365,452		7,870,000		7,767,664	
Companies (S2)	1,052,944		1,070,000		907,585	
Government grants (S3)	9,179,912		7,595,250		7,555,223	
Affiliated non-profit organisations (S4)	105,290		75,000		98,131	
Other non-profit organisations (S5)	3,246,561		2,366,000		2,410,446	
Total income raised	21,950,159		18,976,250		18,739,049	
Income in exchange for delivery of products and/or services (S6)	3,615,966		3,812,079		3,360,143	
Total income	25,566,125		22,788,329		22,099,192	
EXPENSES						
Spent on objectives (S7)						
Awareness	928,013		920,561		858,963	
Relief	8,613,717		6,643,466		7,963,365	
Early Recovery and Resilient Livelihoods	3,423,978		1,525,540		1,828,628	
Enterprising People and Communities	3,970,248		5,992,403		2,826,401	
Community-Based Care and Protection	4,088,945		4,500,864		4,211,508	
	21,024,901		19,582,834		17,688,865	
Fundraising expenses (S8)	1,527,762		1,578,002		1,397,078	
Management and administration expenses (S9)	1,099,210		1,139,743		1,071,334	
Total expenses	23,651,873		22,300,579		20,157,277	
Balance of income and expenses		1,914,253		487,750		1,941,915
Financial income and expenses (S10)		419,628		0		60,308
Surplus (deficit)		2,333,881		487,750		2,002,223

RESULT APPROPRIATION 2019

Added to/withdrawn from	
Designated reserve financing assets	-371,347
Continuity reserve	2,465,694
Project allocation reserve	105,000
Designated funds projects	134,533
	2,333,881

ATTRIBUTION OF COSTS

Attribution	objectives					expenses		totals		
	awareness	relief	early recovery & res. livelih.	enterprising people	comm. based care & protection	fund-raising	manage-ment and admini-stration	total 2019	budget 2019	total 2018
Expenses										
Direct project spending cash and goods	0	7,541,007	2,949,750	3,255,929	3,428,606	0	0	17,175,292	15,863,590	14,178,315
Salaries	378,052	412,858	185,474	302,659	269,752	585,709	524,979	2,659,482	3,116,170	2,750,464
Social insurance	93,057	162,078	68,803	98,014	92,179	147,715	134,029	795,874	574,794	626,818
Pension	59,169	88,590	38,208	56,694	52,442	93,075	84,071	472,251	337,397	376,484
Other staff expenses	133,107	184,735	80,379	121,877	111,766	208,529	187,969	1,028,363	736,812	788,948
Communication	153,091	20,159	12,502	13,013	13,301	306,182	2,864	521,114	734,234	477,415
Accomodation	10,636	44,924	20,531	22,157	27,933	27,345	21,272	174,798	204,852	179,622
Logistics/warehouse	4,328	3,457	1,637	2,971	2,547	6,631	5,909	27,479	0	0
Office and general	88,403	125,858	54,596	82,176	75,580	138,680	125,092	690,385	619,841	667,715
Depreciation	8,170	30,050	12,098	14,759	14,839	13,896	13,025	106,836	112,890	111,497
Totals	928,013	8,613,717	3,423,978	3,970,249	4,088,945	1,527,762	1,099,210	23,651,873	22,300,579	20,157,277

	2019	2018	Dorcasc-norm
Spent on objectives as a percentage of total income	82,2%	80,0%	>85%
Spent on objectives as a percentage of total costs	88,9%	87,8%	>85%
Fundraising expenses as a percentage of total income raised	7,0%	7,5%	<10%
Management and administration expenses as a percentage of total costs	4,6%	5,3%	4%

Compared to last year the benchmark percentages are marginally more favourable.

In March 2019 Cyclone Idai made landfall in Mozambique. Dorcas received a lot of funding that we spent on relief and rehabilitation - reaching a large amount of beneficiaries.

Due to this large allocation of funds, our Dutch private income for other development projects came under pressure. To counteract this, we took the decision to temper the development of new projects resulting in less project spending across the board. At the end of the year, Dutch private funding recovered due to legacies.

In addition, we took the decision to grow the continuity reserve - leaving a portion of our income unspent. All-in-all the income of Dorcas in 2019 was satisfactory and better than expected. However, due to the slow-down in the development of new projects, the indicator 'spent on objectives as a percentage of total income' is marginally less than the parameter sets itself.

5.3 Notes to the Annual Accounts

Consolidation

In most cases, the Dorcas Country Offices are branch offices; they are legally and financially part of Stichting Dorcas Aid International. This is why the financial figures of the country offices are included in this report.

Dorcas Romania, Dorcas Egypt and Tabitha for Relief and Development (Lebanon) are independent organisations with their own boards. However, due to defining influence or agreements, Dorcas has a say on the governing and policy of these organisations; consequently, the financial information of these country offices has been consolidated in this report.

Dorcas Romania has a subsidiary in a Romanian limited liability company: SC Mana Impex SRL. This company imports second-hand clothing which it buys from Dorcas Netherlands, to sell in Romania in second-hand wholesale and retail markets. The profit made from these activities is available to Dorcas Romania to finance its projects. SC Mana Impex SRL. has been consolidated into the annual accounts since 2018.

Stichting Dorcas Aid International has signed a charter agreement with Dorcas Aid America Inc., an American 501c3 organisation in which it was agreed that the American organisation can use the name 'Dorcas' and its branding to raise funds in the USA for Dorcas projects worldwide. In addition, within the parameters of responsibility and autonomy of a 501c3 organisation,

Dorcas USA is part of the Dorcas family of organisations. Therefore, the finances of Dorcas USA are included in the consolidated figures.

Stichting Dorcas Aid International founded a Dutch closed limited liability company: Tabitha for Enterprising People B.V. This company has mainly been founded as a holding company for foreign companies that are used to establish business enterprises in the context of development activities and public/private partnership initiatives. As of yet, Tabitha for Enterprising People B.V. does not hold any shares in such types of enterprises. As Dorcas Aid International is the founder and sole shareholder, Tabitha for Enterprising People B.V. is fully consolidated into these annual accounts.

The parties in the consolidation can be summarised as follows:

Consolidated organisation	Place of office	Governance	Goal
Dorcas Aid Romania Association	Cluj-Napoca, Romania	Meeting of members (4) with highest authority Board of directors (3) for overall leadership, chosen from membership. Executive director (1 of the 3 directors)	Relief and development
SC Mana Impex SRL	Cluj-Napoca, Romania	Shareholder is Dorcas Aid Romania Ass., executive director is same executive director as of Dorcas Aid Romania Ass.	Wholesale of clothing and footwear
Tabitha for relief and development	Beirut, Lebanon	Association with General Assembly and Administrative Assembly with 5 positions, who function as the executive board	Relief and development
Dorcas Aid America Inc	Denver, CO, USA	Board with chairman, secretary and treasurer, with one representative of Dorcas Netherlands	Fundraising for relief and development projects
Tabitha for enterprising people B.V.	Andijk, Netherlands	Shareholder is Stichting Dorcas Aid International, shareholder meeting is highest authority, board of directors is the executive board; directors are the same as in Stichting Dorcas Aid International	Facilitating economic development for self-sustainability of people in developing countries

General Accounting Principles

This annual report is stated in euros, unless otherwise mentioned. Compilation of this annual report requires management to make estimates that influence the accounted for values of assets and liabilities and of income and expenses. The actual outcomes may deviate from the estimates. The estimates and underlying assumptions are assessed periodically. The annual report is written in accordance with

the provisions in the Dutch guidelines Reporting Fundraising organisations (Richtlijn Verslaggeving 650 'Fondsenwervende organisaties'). The report was prepared on the basis of paid expenses, with the exception of in-kind donations that have been valued at the estimated fair value when traded. The stock in the Dorcas Shops have been valued at no value. We refer to the comments made on the valuation principles of the assets. In this 2019 Annual Report, the project intervention type Relief, Early

Recovery and Resilient Livelihoods is divided into two separate project intervention types: Relief and Early Recovery and Resilient Livelihoods. The comparative figures of 2018 on project expenditures have been divided accordingly.

Foreign Currency

Receivables, liabilities and obligations in foreign currency are translated against the rate at date of balance sheet. Transactions in foreign currency during the reporting period have been processed into this financial report against the exchange rate valid for the month in which the transaction took place. The resulting exchange rate differences are taken into account in the statement of income and expenditure.

Principles of valuation

Fixed assets

Intangible and tangible fixed assets are valued at acquisition cost minus depreciation, taking into account possible residual values. In establishing residual values of real estate, it is considered that real estate has a residual value of at least half the actual value. To prevent additional costs to establish actual values by valuations, the actual value of real estate in the Netherlands is derived from the annual valuation of the WOZ (Law on Immovable Assets) and, for real estate in other countries, from the most recent information for which buildings are valued every few years in a rotating cycle. Depreciation is applied using a 'straight-line' method based on the estimated economic life span. Depreciation is calculated from the moment of actual use.

Depreciation is not applicable to land. Costs regarding maintenance of assets have been expensed. When calculating depreciation, residual values are taken into account. Under 'Financial Fixed Assets' an interest in an Association (in Dutch: Vereniging) has been valued at the nominal value of the deposited membership capital.

Stocks

Stocks that were purchased are valued at acquisition price or lower actual value. Stocks from donated

goods to be shipped to Dorcas projects in the next year are valued at the estimated market value in the Netherlands. At the 2019 balance sheet date, this only concerns food parcels that are gathered through the Dorcas Food Campaign, whereas at the 2018 balance sheet date, this was made up of remaining second-hand goods that were shipped to projects in the first months of 2019.

The stock in the Dorcas Shops is second-hand items and therefore the value in itself is zero. Additional stock at the depots, that is not destined to be shipped to projects but might be either shipped to Dorcas Shops or to Mana (Romania) or given to other organisations, is not valued due to the uncertain nature of the proceeds and/or the fact that these were surplus materials that Dorcas needed to dispose of in a timely manner. Stock at Mana in Romania that has been purchased from the Dutch organisation is valued at cost price.

Receivables

Receivables have been recorded at amortised cost price from which a reserve for bad debts has been deducted where necessary.

Reserves and funds

The designated reserve financing assets are defined as necessary financing for fixed assets and 25% of stocks, from which long-term debts are deducted insofar as the long-term debts are not reserved for future purchases for Dutch thrift shops (DRIF loans). The size of this reserve is established each year with information from the balance sheet position.

In 2017, Dorcas undertook an analysis of risk assessment and the ideal size of the continuity reserve. This analysis was discussed by the directors and audit committee and subsequently approved by the Supervisory Board. Two types of risks were taken into consideration: 'point risks' which manifest themselves at a point in time and 'process risks' that manifest over a certain period of time. The required continuity reserve was calculated in the event that the three highest point risks would materialise, in the event that the three highest process

risks would materialise and in the event that the three highest point and process risks would materialise. The unweighed outcome of this exercise determined the continuity reserve and it was set at €3,750,000. However, looking at the increase in the operating scope of Dorcas, the increase of IF and the number of Dorcas Shops it is advisable that Dorcas might undertake an analysis in 2020 again and the outcome to be taken into account for 2021.

The ideal size is significantly lower than the maximum standard set by CBF (Central Bureau for Fundraising) and Goede Doelen Nederland (branch organisation) at 1.5 times annual expenses of the working organisation; for Dorcas this would mean a reserve of approximately €10 million.

Due to the implementation of the 'Funding Allocation Framework' - a method to assign Dutch private funding as allocation for project spending - allocations were made for each country to develop and implement projects. Due to big Relief programmes in some countries, a portion of these 2019 allocations has not been used and will be available in 2020. This is called the 'Project Allocation Reserve'. As this amount is already reserved for project spending, it is not available to cover organisational risks like the continuity reserve, unless absolute emergencies occur.

Designated funds are donations and other income to be used for specific projects that have not yet been spent. Upon completion of a project, any surplus in designated funds may be re-designated by management. As much as possible, this re-designation will be in line with the original designation. All designated funds may be used for funding projects in the following year. When a project that is entirely financed by earmarked income has overspent during a timeframe of one to several years, a negative designated fund balance will remain so that future spending can compensate for previous expenses.

Other

Off-balance sheet liabilities and contingencies are valued at amortised cost price. Unless otherwise

noted, other assets and liabilities are stated at amortised cost price.

Principles of result determination

Income

Revenue is accounted for in the period to which it pertains. Income of non-contractual gifts and donations is accounted for when received, unless designated for a specific period. In this situation, it is accounted for in the designated period, even when revenue was received later. Legacies are accounted for at the time when content can be reliably determined.

In-kind donations are valued at market value. Contractual gifts and donations (often referred to as grants) are accounted for as income in the year that these funds were spent. If they have been received in a year, but spending takes place in the next year(s), the funds are accounted for as pre-received income and reflected in the balance sheet under short-term liabilities. When they are spent in the next year, they are reflected as income and the spending as project expenditures. Proceeds of sold items (books, clothes and other second hand goods) are accounted for in the year in which the goods were delivered.

Expenses

Expenses are charged to the result of the year to which they pertain.

Personnel expenses

Salaries and social insurance are assigned to the reporting period in which they are owed, according to labour contracts. The foundation in the Netherlands has a pension plan that is administered by an insurance company and all annual premiums are accounted for as expenses. Premium adjustments as a result of salary changes only have an effect on future pension premiums and not on past premiums.

Taxes

The foundation is not taxable for corporate income tax in the Netherlands, nor in project countries,

or there are exemptions in place for taxable activities of the foundation due to its fundraising nature and spending of the proceeds in line with the charitable goal. Therefore, there are no expenditures for corporate income tax or other taxes that are levied on profits. In the Netherlands, the foundation is taxable for value-added tax (VAT/BTW) on specific activities. Consequently, VAT charged on taxable activities is settled in the VAT tax returns, as well as part of the VAT on general costs. In this annual report all amounts are excluding VAT which have to be paid or can be reclaimed. The commercial enterprise SC Mana Impex SRL in Romania is subject to Romanian corporation tax. The tax is accounted for (subtracted from) the line item in the Statement of Income and Expenses called 'Income in exchange for delivery of products'.

5.4 Notes to the Balance Sheet

ASSETS

Intangible fixed assets (B0)

The development in this year is as follows

Purchase costs as of 1 January

Accumulated depreciation as of 1 January

Book value as of 1 January

Additions to consolidation purchase value

Additions to consolidation accumulated depreciation

Reclassification purchase value

Reclassification accumulated depreciation

Purchases

Depreciation

Purchase price sold/obsolete items

Depreciation sold/obsolete items

Purchase price as of 31 December

Accumulated depreciation as of 31 December

Book value as of 31 December

Investments and equity policy

Dorcas adheres to a policy that "no means are invested", and reserves are as small as necessary while maintaining a prudent reserve strategy. Temporary surplus funds are retained in relatively safe saving accounts with trustworthy banks.

Cash Flow Statement

The Cash Flow Statement is compiled via an indirect method in which there is a distinction between cash flows and operational activities, cash flows from purchases and cash flows from financial activities. The information for the Cash Flow Statement is directly taken from the Statement of Income and Expenses as well as from the changes in Balance Sheet positions at the beginning and end of the year.

Depreciation has been calculated at 30% of purchase costs. Of the intangible fixed assets per balance sheet date, a book value of approximately €175K is used in business operations and a book value of another €116K for direct use for the objectives of the organisation. 'Business operations' is defined as fundraising, the Dorcas Shops, Mana

operation, management and administration and supporting functions. 'Direct use for the objectives of the organisation' is defined as fixed assets in the countries where projects are implemented and intangible fixed assets used for project monitoring, design and management.

	Real estate	Furniture and fixtures	Vehicles	In progress	Total
Material fixed assets (B1)					
Purchase costs as of 1 January	3,350,335	641,990	858,485	52,542	4,903,352
Accumulated depreciation as of 1 January	-635,844	-430,665	-488,360	0	-1,554,869
Book value as of January	2,714,491	211,325	370,125	52,542	3,348,483
Additions to consolidation purchase value	0	0	0	0	0
Additions to consolidation accumulated depreciation	0	0	0	0	0
Reclassification purchase value	47,822	4,524	0	-52,542	-196
Reclassification accumulated depreciation	0	0	0	0	0
Purchases	321,078	238,650	102,133	73,950	735,812
Depreciation	-102,636	-112,736	-143,223	0	-358,595
Purchase price sold/obsolete items	-1,100,150	-11,634	-44,784	0	-1,156,568
Depreciation of sold/obsolete items	373,505	9,481	31,127	0	414,113
	-460,381	128,285	-54,746	21,408	-365,434
Purchase price as of 31 December	2,619,085	873,530	915,834	73,950	4,482,399
Accumulated depreciation as of 31 December	-364,975	-533,920	-600,455	0	-1,499,350
Book value as of 31 December	2,254,110	339,610	315,379	73,950	2,983,049

Depreciation has been calculated with the following percentages:

Real estate property (including remodelling of rental property)	0 - 10
Furniture and fixtures	20 - 30
Vehicles (new) and all freight trucks and trailers	20
Vehicles, second-hand passenger cars	30

In 2019 Dorcas sold part of its immovable property - the International Office in Andijk. (Bedrijvenweg 3,5

and 7). Dorcas has concluded a rental agreement with this buyer to rent it for a certain period.

Of the fixed assets per balance sheet date, a book value of approximately €1,7 million is used in business operations and a book value of another €1,2 million for direct use for the objectives of the organisation. 'Business operations' is defined as fundraising, the Dorcas Shops, Mana operation, management and administration and supporting functions. 'Direct use for the objectives of the organisation' is defined as fixed assets in the countries where projects are implemented and

tangible fixed assets used with project monitoring, design and management.

Financial fixed assets (B2)

Dorcas is a member of 'Coöperatie PerspActive U.A'. This a Dutch cooperative of ten organisations working in development cooperation. Empowering people in developing countries is the main goal of this new initiative. Dorcas has paid an amount of EUR. 74.043 as membership capital PerspActive.

Stocks (B3)

Designated for business execution:

Sales items and promotion materials

Sales items Mana Romania

Designated for business objectives:

Donations in kind

Stock at Country Offices

Total stock as of 31 December

2019	2018
12,253	2,468
50,133	53,519
300,208	350,184
4,580	1,980
367,174	408,151

Receivables (B4)

Accounts receivable

Balance as of 31 December

Provision for bad debts

Balance as of 31 December

Other receivables and prepaid expenses

Prepaid expenses

Legacies receivable

Receivables from donors

Other receivables

Balance as of 31 December

2019	2018
114,496	51,306
-19,356	0
95,140	51,306
138,744	62,615
1,343,761	548,884
1,201,088	563,185
783,021	495,198
3,466,615	1,669,882
3,561,755	1,721,188

Of all liquid assets, an amount of €238,082 is fully restricted in a collateral account at Rabobank which issues bank guarantees for several rental arrangements. The liquid assets are predominantly

classified as investments in the sense that they absorb cash flow variations during the next year and fund the spending of designated funds and project allocation reserve for projects.

Receivables are predominantly used in business operations.

Liquid assets (B5)

Petty cash/Netherlands banks

Petty cash/banks shops and commercial enterprise

Petty cash/banks business and workgroups

Petty cash/banks Country Offices excluding outstanding checks

Money in transfer

2019	2018
8,366,680	6,596,878
433,460	359,314
133,552	90,772
2,004,934	1,345,161
15,759	36,360
10,954,385	8,428,485

Of all liquid assets, an amount of €238,082 is fully restricted in a collateral account at Rabobank which issues bank guarantees for several rental arrangements. The liquid assets are predominantly classified as investments in the sense that they absorb cash flow variations during the next year and fund the spending of designated funds and project allocation reserve for projects.

EQUITY AND LIABILITIES

Reserves and funds (B6)

Reserves

Designated reserve financing assets

Balance as of 1 January

Subtracted/added through result distribution

Balance as of 31 December

2019	2018
3,038,329	3,095,500
-371,347	-57,171
2,666,982	3,038,329

Project allocation reserve

Balance as of 1 January

Subtracted/added through result distribution

Balance as of 31 December

784,288	0
105,000	784,288
889,288	784,288

Continuity reserve

Balance as of 1 January

Addition to consolidation Dorcas USA (2017) and Mana (2018)

Exchange differences net value Dorcas USA and Mana

Subtracted/added through result distribution

Balance as of 31 December

3,267,400	2,289,883
0	105,150
-4,418	21
2,465,694	872,346
5,728,676	3,267,400

Four reserves (funds) are distinguished:

- 1. Designated funds for projects (see hereafter) which have spending obligations but according to Directive 650 has to be presented as equity.
- 2. Designated reserve financing assets for financing assets.
- 3. Project allocation reserve for allocated project spending 2019 that has been delayed to 2020.
- 3. Continuity reserve, to ensure continuity of the organisation.

The purpose of the continuity reserve is: 1) levelling seasonal nature of income during the calendar year; and 2) absorbing variations in actual income in comparison to budget so that if income is low, the organisation, as well as programme execution is adjusted to the decrease in income in a systematic manner and 3) risks that might occur that cause a sudden decrease in liquidity. In 2019 a quite substantial amount is added to the continuity reserve that might be used to cover any impact of the COVID-19 crisis in 2020.

The Reserve for financing assets is established each balance sheet date on the basis of the assumptions mentioned as part of the Principles of Valuation in chapter 5.3 of this annual report.

In the present year a budgeted growth of the continuity reserve was planned of a little over 0.5 million. It came out higher at almost 2.5 million. The sale of immovables, the release of the reserve

financing assets and the prudence of the project spending of the portfolio from Dutch private funding are the three main reasons for this increase.

Funds

Upon completion of a project, if there is a surplus of designated funds for the project, management may reallocate it. Management will seek to redesignate these funds in line with original designation as much as possible. This is managed with the utmost care. Designated funds will be used for funding projects in 2020 and beyond.

When interpreting the term 'result' (or 'profit' and 'loss') in a fundraising organisation, it is important to know the system to determine results. Income (excl. government subsidies and contractual grants) received in a specific year is accounted for in that year, even if the income is not spent for the project in that year. Government subsidies and contractual grants received in a specific year are accounted for in that year when this income has been spent. The project expenses are accounted for in the year expenses actually occur. Consequently, major fluctuations in the 'result' occur from year to year. Terms such as 'profit', 'loss', 'surplus', 'shortage' and 'result' therefore must be used with restraint in a fundraising organisation. A detailed specification per project is available in the financial administration. Development of total project designated funds is seen as follows:

	2019	2018
Designated Funds		
Balance as of 1 January	2,583,293	2,180,533
Subtracted/added through result distribution	134,533	402,760
Balance as of 31 December	2,717,826	2,583,293

Long term liabilities (B7)

Private loans

Balances as of 1 January	140,946	173,208
Add: new loans	0	60,000
Less: payments on principal	-39,500	-92,262
Total	101,446	140,946
Accounted for under short term liabilities	-59,500	-44,500
Balance as of 31 December	41,946	96,446

These loans are summarised as:		
Loans with a term of less than 5 years	96,908	135,500
Loans with a term of longer than 5 years	4,538	5,446
Total	101,446	140,946

These are several private loans. No collateral has been provided. Almost all present loans are interest-free.



Mortgage loans

Balance as of 1 January	199,411	220,399
Add: new loans	0	0
Less: payments on principal	-20,988	-20,988
Total	178,423	199,411
Accounted for under short term liabilities	-20,988	-20,988
Balance as of 31 December	157,435	178,423

These mortgage loans are summarised as:

Mortgage loans with a term of less than 5 years

Mortgage loans with a term of more than 5 years

Total

	2019	2018
Balance as of 1 January	199,411	220,399
Add: new loans	0	0
Less: payments on principal	-20,988	-20,988
Total	178,423	199,411
Accounted for under short term liabilities	-20,988	-20,988
Balance as of 31 December	157,435	178,423
These mortgage loans are summarised as:		
Mortgage loans with a term of less than 5 years	86,303	98,099
Mortgage loans with a term of more than 5 years	92,120	101,312
Total	178,423	199,411

DRIF loans

Balance as of 1 January	350,000	25,000
Add: new loans	275,000	325,000
Less: payments on principal	0	0
Total	625,000	350,000
Accounted for under short term liabilities	-102,917	0
Balance as of 31 December	522,083	350,000

These DRIF loans are summarised as:

DRIF loans with a term of less than 5 years

DRIF loans with a term of more than 5 years

Balance as of 1 January	350,000	25,000
Add: new loans	275,000	325,000
Less: payments on principal	0	0
Total	625,000	350,000
Accounted for under short term liabilities	-102,917	0
Balance as of 31 December	522,083	350,000
These DRIF loans are summarised as:		
DRIF loans with a term of less than 5 years	589,285	299,464
DRIF loans with a term of more than 5 years	35,715	50,536
Total	625,000	350,000

Financial lease

Balance as of 1 January	83,918	0
Add: new loans, net	14,900	79,200
Add: new loans, interest	1,379	13,388
	100,197	92,588
Less: payments on principal	-19,346	-8,669
	80,850	83,918
Less: interest therein	-7,899	-10,984
Net liability	72,951	72,934
Accounted for under short term liabilities	-21,547	-18,518
Balance as of 31 December	51,404	54,417

These financial lease obligations can be summed up as follows

Leases with a term of less than 5 years

Leases with a term of more than 5 years

Total

	2019	2018
Balance as of 1 January	83,918	0
Add: new loans, net	14,900	79,200
Add: new loans, interest	1,379	13,388
	100,197	92,588
Less: payments on principal	-19,346	-8,669
	80,850	83,918
Less: interest therein	-7,899	-10,984
Net liability	72,951	72,934
Accounted for under short term liabilities	-21,547	-18,518
Balance as of 31 December	51,404	54,417

Total long term liabilities

772,868

679,286

There are two mortgages on the property of the Dorcas shop in Nijverdal. The two identical loans, each with an original balance of €115,000, carry interest of 6,1% through 31 December 2019 and 3,6% through 31 December 2019, respectively. From 2020 onwards the interest percentages of these two loans will be 3,3% for a period of 5 years. The payment on the principal for each of these loans is €1,149 per quarter. Collateral for these loans is a mortgage on the real estate property of the shop in Nijverdal.

A mortgage of €118,000 on the Dorcas shop in Bergambacht was obtained in 2013 to finance purchase of the building, which is adjacent to the rented shop. The loan has a fixed term interest of 3,55% through 31 May 2020.

The payment on the principal is €983 per month. Collateral for this loan is a mortgage on the real estate property in Bergambacht. The DRIF loans are private loans obtained to finance a rapid increase of

the number of Dorcas Shops planned for 2018 and beyond. The number of shops at the end of 2019 was 37 and the goal is 50 Dorcas Shops by 2025. DRIF stands for Dorcas Retail Investment Fund. It is not an investment vehicle, but these are ordinary private contractual loans with fixed terms and fixed interest. The interest varies from 3 to 5% and the repayment term varies from 3 to 10 years. At 2019 balance sheet date, there are 13 loans outstanding. The concept behind DRIF loans is to prevent financing for new shops to take away money from projects, but to pay them back from the additonal proceeds of the new shops. For the lenders it provides a way of investing their money in a relatively safe vehicle with moderate proceeds as a way of 'social investing'.

The financial lease pertains 6 lease contracts for small freight trucks for shops, a depot and Mana. These assets are the collateral for these financial lease obligations and are included in the material fixed assets.

Short term liabilities (B8)

Liabilities to credit institutions and private loans

	2019	2018
Repayment obligation mortgage loans	20,988	20,988
Repayment obligation private loans	59,500	44,500
Repayment obligation DRIF loans	102,917	0
Repayment obligation financial lease	21,547	18,518
Total	204,952	84,006

Accounts payable

382,357 312,887

Taxes and social security payments

VAT	235,923	215,467
Salary taxes and social security payments	97,598	129,953
Total as of 31 December	333,521	345,420

Other liabilities

Unspent government grants	3,306,460	1,937,468
Holiday (vacation) allowance	143,789	138,092
Holidays	82,094	70,759
Other payables and accrued expenses	1,002,558	708,873
Total as of 31 December	4,534,901	2,855,192
Total short term liabilities as of 31 December	5,455,731	3,597,505

Off-balance sheet liabilities, contingencies and rights

The organisation has entered into long and short-term obligations for rental of business real estate for the Dorcas Shops and depots. The contracts for the international office and depots are generally short-term and those for shops are longer term, largely between 5 and 10 years.

Furthermore, Dorcas has entered into operational lease contracts for cars, which have terms of 4 or 5 years, and contracts for the copiers/printers. The total obligation is summarised as follows (increases of rental and or lease costs due to contractual obligations are not included because these depend on future price indices; in the amounts below, reclaimable VAT is not included):

Obligations

	< 1 year	1-5 years	> 5 years	Totals
Rental contracts International Office	10,815	0	0	10,815
Rental contracts Dorcas Shops	1,596,964	3,682,815	811,765	6,091,545
Rental contracts depots	93,664	98,175	3,333	195,172
Car operational lease obligations	58,640	105,389	2,653	166,682
Copier/printer lease/service obligations	8,693	32,600	0	41,294
	1,768,777	3,918,979	817,752	6,505,508

The foundation has three-year partner/project agreements at longest. These agreements are with partner organisations about implementation and funding of projects. Under these three-year contracts, the foundation has accepted conditional basic obligation to fund projects for the duration of the agreement. At the time of this financial report, the 2020 obligations are approximately € 8.3 million, for 2021 approximately €1.2 million and €0.3 million for 2022.

In 2019, the organisation entered into purchase/installation/service contracts for €97,367 to be carried out in 2020. They are related to IT, immovables and the Dorcas thrift shops.

Dorcas is privileged to receive additional government grants after balance sheet date (2020 through 2023) in the amount of more than €3.5 million for a number of projects. These funds are, among others, from the EU, RVO, HDIF and the UN.

5.5 Notes to the Statement of Income and Expenses

INCOME

Private individuals (S1)

Door-to-door collections	72,530			89,213	
Legacies designated	905,608			340,000	
Legacies not designated	338,580			589,874	
Sponsorships	2,313,076			2,507,409	
Donations/gifts designated Netherlands	1,344,140			1,347,900	
Donations/gifts not designated Netherlands	2,225,525			1,710,812	
Donations/gifts designated Country Offices	124,909			52,522	
Donations/gifts not designated Country Offices	19,858			22,905	
Net proceeds Working Groups (ex collections and subsidies)	64,100			59,586	
Via Dorcas USA	12,210			33,707	
Goods through depots	939,501			1,013,736	
Goods through Country Offices	5,415			-	

8,365,452 7,870,000 7,767,664

Companies (S2)

Donations/gifts designated Netherlands	812,073			711,813	
Donations/gifts not designated Netherlands	200,357			159,217	
Donations/gifts designated Country Offices	37,314			29,968	
Donations/gifts not designated Country Offices	-			6,587	
In kind from companies	3,200			-	

1,052,944 1,070,000 907,585

Government subsidies (S3)	2019		Budget 2019		2018	
WFP/South Sudan	100,202				133,849	
Unicef/South Sudan	105,234				111,219	
IOM/through country office South Sudan	9,880				-	
UNFPA+OCHA/through country office Lebanon	245,742				18,294	
UN(OCHA)/through country office Iraq	757,495				647,901	
UN(OCHA) via World Vision through country office Iraq	705,110				-	
UN (OCHA)/Syria	609,610				84,557	
UN(OCHA)/through country office Ukraine	39,994				-	
Dutch embassy in Albania	-				12,993	
Egypt country office	55,103				68,332	
EU/VTC's South Sudan	802,598				323,001	
Start Network/DFID Albania flood relief	-				2,914	
Start Network/Moyale, Ethiopia through Save the Children	289,498				358	
Moldovan Ministry of Finance/country office Moldova	219				226	
MoFA/Horn of Africa, Ethiopia	-				420,466	
MoFA/Iraq Joint Response, through Terre des Hommes	136,670				412,369	
MoFA/Syria Joint Response, through ZOA	785,469				887,930	
MoFA/South Sudan Joint Response, through Save the Children	887,945				654,557	
MoFA/Ukraine Joint Response	728,498				2,911,805	
MoFA/Somalia, through Oxfam	1,082,820				-	
MoFA/Dutch Relief Alliance through Cordaid	57,978				-	
MoFA/Dutch Relief Alliance	370,002				-	
MoFA/ARC-Eye through Ethiopia country office	351,688				318,725	
HDIF/Tanzania	188,354				93,824	
The Charities Aid Foundation/Mozambique	42,601				-	
Unicef/Mozambique	391,803				-	
Dutch municipalities	582				10,230	
RVO/Kenya, Siaya Water	331,047				350,717	
RVO/Woord & Daad Ethiopia	11,391				8,015	
RVO/Ethiopia, dairy equipment	92,380				82,940	
	9,179,912		7,595,250		7,555,223	

Affiliated non-profit organisations (S4)						
Stichting Vrienden van Dorcas Woudenberg	105,290				98,131	
	105,290		75,000		98,131	
Other non-profit organisations (S5)	2019		Budget 2019		2018	
Pope for Ukraine	5,760				-	
Terre des Hommes/Ukraine	24,595				17,907	
ZOA/Lebanon	-				14,374	
ZOA/Ethiopia	14,001				-	
ZOA/Mozambique	58,253				-	
Nadia's Initiative/Iraq	56,005				-	
Oxfam/Lebanon	8,802				44,381	
Mary's Meals/Lebanon & Syria	354,848				245,190	
Terre des Hommes/Lebanon	184,744				130,183	
Save the Children/Lebanon	156,892				-	
Life to Good/Lebanon	64,084				-	
Stop Aids Now/Ethiopia	10,013				10,936	
HEKS/Ethiopia	61,561				38,419	
Edukans for VTC's in South Sudan	31,250				-	
Light for the World for VTC's in South Sudan	28,750				-	
Food Resource Bank/Kenya	18,064				16,198	
World Vision/Mozambique	-				88,519	
Kom over en Help through country office Albania	59,640				60,819	
New Day Impcht through country office Albania	22,490				-	
Gender Alliance Development Center through country office Albania	351				-	
NGO's/through Egypt country office	106,782				-50,294	
Pre-emptive Love Coalition/Syria	36,986				48,229	
EO Metterdaad/Prisma	330,025				346,711	
Weeshuis der Doopsgezinden/Kenya	10,000				10,000	
Cornerstone Fund via Dorcas USA	18,084				-	
Churches, designated	521,205				304,326	
Churches, not designated	285,397				284,516	
Other unnamed organisations	777,948				800,033	
	3,246,561		2,366,000		2,410,446	
Total Income Raised	21,950,159		18,976,250		18,739,049	

The income from private individuals has risen by almost €589K. Income from legacies grew significantly during 2019 as well as our non-designated income. The designated income doesn't change in total, but it shows differences per intervention area due to the Relief campaigns in 2019. Income from sponsorship has decreased, which is a point of attention. The surplus of income from private individuals compared to the budget is mainly due to increased legacy income. Income from companies has increased with almost €145K mainly because of our Relief Campaigns, but is visible in the non-designated income as well.

Total income from government grants has increased quite substantially. However, government grants received in the Netherlands decreased due to less money that was granted to Dorcas from the Dutch Relief Alliance. For example, the Ukraine Joint Response phased out last year. On the flip side, Dorcas received much more government income outside the Netherlands. Especially in the Middle East, South Sudan and Mozambique.

Each subsidy is outlined in a grant decision in which the conditions, aim and obligations are agreed upon. Most of the time, the funds must be spent in a certain timeframe. The subsidy has a financial ceiling, above which no reimbursement of expenses will be given. For some subsidies, an 'own contribution' applies, which Dorcas must finance from private sources. If a subsidy is not entirely spent for the project for which it was awarded, the surplus must be paid back. Most of the grants stated under S3 are already reported to the grant donor, but still need to be approved. Income from other non-profit organisations increased by €836K. Bearing in mind the unspent income of 2019, the surplus is even bigger, mainly because of significant income from Nadia's Initiative in Iraq. We are thankful that many Dutch churches choose Dorcas to be the channel for expressing their commitment to people in need. Dorcas received more income from churches - especially for Relief.

All-in all, Dorcas is thankful for the realised income, especially when we add the €3.3 million that was received in 2019, but not accounted for as income in that year and recorded as pre-received income for later years.

The development of government subsidies is as follows:

	2019	2018
Received last year, not spent that year	1,450,618	429,465
Received this year, spent this year	9,029,024	8,576,375
Received this year, not spent this year	-1,299,729	-1,450,618
Accounted for as income	9,179,913	7,555,223

The development of income of other non-profit organisations is as follows:

	2019	2018
Received last year, not spent that year	486,850	752,501
Received this year	4,766,445	2,144,795
Received this year, not spent this year	-2,006,733	-486,850
Accounted for as income	3,246,562	2,410,446

Income in exchange for the delivery of products and/or services (S6)

The net income from sales is summarised as follows:

	Shops	Clothing etc.	Total
Sales exclusive of VAT	7,039,400	425,639	7,465,039
Costs at a local level	-2,754,153	-207,804	-2,961,957
Costs at a national level	-709,180	-177,936	-887,116
Net proceeds	3,576,067	39,899	3,615,966
Costs at a local level as % of sales	39,1%		39,7%
Costs at a national level as % of sales	10,1%		11,9%
Total cost of sales	49,2%		51,6%

The comparative figures for 2018 are as follows:

	Shops	Clothing etc.	Total
Sales exclusive of VAT	6,074,013	559,034	6,633,047
Costs at a local level	-2,089,673	-183,350	-2,273,023
Costs at a national level	-830,086	-169,795	-999,881
Net proceeds	3,154,254	205,889	3,360,143
Costs at a local level as % of sales	34,4%		34,3%
Costs at a national level as % of sales	13,7%		15,1%
Total cost of sales	48,1%		49,3%

The Dorcas Shops are so called 'thrift shops'. The local public donates second-hand goods to the local shops. Volunteers screen the goods, repair them if necessary and display them in the shop. The shops have limited opening times - between 20 and 30 hours per week. The strength of the Dorcas Shops is that they are run by volunteers. For these volunteers, running a Dorcas Shop is a meaningful and focused way to lend a hand to raise funds to alleviate poverty. The concept also prioritises recycling, cradle-to-cradle and sustainability. The sales of the Dorcas Shops increased by almost €1 million, due to the increase in the number of shops.

The expenses subtracted from sales are (very few) goods purchased and services and expenses that can be directly allocated to the sales efforts, such as support of shops by the shops team at the Dorcas International Office, the shop rental costs, heating and electricity and all other direct costs for the shops. For other sales (clothing, etc.) expenses are directly allocated to these sales, including pre-paid transport costs that have been recharged to the clients in the sales prices.

The increase of the direct costs of the shops compared to the sales is also related to the opening of new

shops. They have relatively more expenses at start-up. Next to that, Dorcas efforts to professionalise the shops, including the implementation of an automated cash register system and LED lighting, resulted in some additional expenses.

Each shop has a non-formal 'management team' that operates the shop and all functions of the shop are carried out by volunteers, who work together and develop a strong bond between them. The fact that Dorcas Shops are run entirely by volunteers means that formal controls used with employees cannot be implemented with volunteers. However, in all Dorcas Shops, internal controls are in place and enforced.

In Dorcas Shops we work with second-hand items received as in-kind donations and the value in itself is zero. From an economics and practical perspective, the combination of working with volunteers and the limited value of thousands of second-hand goods, poses significant challenges to the set-up of a stock administration - through which goods are tracked and there is more certainty of the accounted for turnover. The Dorcas International Office and local shop

management monitor financial and other control mechanisms at the Dorcas Shops to establish internal controls that function as optimally as possible. Next to that, each shop is closely evaluated once every three years. Overall, Dorcas management believes it has done everything in its power to ensure appropriate and sound oversight of the Dorcas Shops and that maximum measures have been taken to guarantee completeness of turnover.

The year saw income from clothing sales via other channels come under pressure due to a decrease in the price per kilogram.

Sustainability of income

Dorcas management gives due attention to the sustainability of income in future years. Dorcas has varied income streams fed from many different sources. The result is a complex organisation with different types of fundraising activities. It also means the risk is mitigated when certain sources decrease. We expect that cash income will be maintained over the next years, even with ebbs and flows. Due to these various sources, it is predicted that Dorcas will continue to have a sustainable income in the future.



EXPENDITURE

Spent on objectives (S7)

Awareness

Activities/projects	-	-	-
Execution expenses own organisation	928,013	920,561	858,963

Total	928,013	920,561	858,963
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Relief

Activities/projects	7,541,007	5,719,144	6,959,931
Execution expenses own organisation	1,072,709	924,323	1,003,434

Total	8,613,717	6,643,466	7,963,365
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Early recovery, resilient livelihoods

Activities/projects	2,949,750	1,313,287	1,598,210
Execution expenses own organisation	474,228	212,252	230,419

Total	3,423,978	1,525,540	1,828,628
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Enterprising people

Activities/projects	3,255,929	5,027,492	2,109,943
Execution expenses own organisation	714,320	964,911	716,459

Total	3,970,249	5,992,403	2,826,401
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Community Based Care and Protection

Activities/projects	3,428,606	3,803,667	3,510,233
Execution expenses own organisation	660,339	697,197	701,275

Total	4,088,945	4,500,864	4,211,508
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Grand total spent on objectives	21,024,901	19,582,835	17,688,865
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The following numbers are shown excluding expenses on awareness raising:

	2019	Budget 2019	2018
Total direct project spending	17,175,292	15,863,590	14,178,316
Total execution expenses own organisation	2,921,596	2,798,683	2,651,587
Total spent on objectives	20,096,888	18,662,273	16,829,902
Expenses own organisation as % of direct project spending	17,0%	17,6%	18,7%

The increase of the total direct project spending - compared to budget and 2018 - is a result of the growth of the income of government grants and non-profit organisations.

In 2019 the project intervention type Relief, Early Recovery and Resilient Livelihoods is divided into two separate project intervention types: Relief andEarly Recovery and Resilient Livelihoods. The comparative figures of 2018 on project expenditures have been divided accordingly.

Allocation of expenses to awareness raising activities came out at the same level as in the budget but more in comparison to last year. From 2019 onwards Dorcas is focusing much more on Corporate Positioning to include related strategy.

The direct project expenditures on Relief and Early Recovery and Resilient Livelihoods have increased significantly. Cyclone Idai in Mozambique, teamed with the fact that a large percentage of government grants are for Relief and Early Recovery and Resilient Livelihoods, are the reason for the increase in funds allocated to these two intervention areas. First, due to Relief aid, but after that rehabilitation. It makes sense that the international office has put more effort into helping set up these plans and programmes.

Because of the increase in Relief income, the Dutch private income for other development projects came under pressure. Dorcas decided to temper the development of new projects which resulted in less project spending of the portfolio from Dutch private funding. This effect is visible at the intervention area

Enterprising People compared to budget. Compared to last year, more has been spent on, for example, our VTC programme in South Sudan. All-in-all the income of Dorcas in 2019 was good and better than expected. But because of the slow-down of the development of new projects, the indicator 'spent on objectives as a percentage of total income is a bit less than the parameter sets itself.

The decrease in direct project spending for Community-Based Care and Protection reflects, among others, the decrease in income regarding sponsorship. Since 2018 major efforts were made to develop the old Social Care projects into Community-Based Care and Protection projects, including the Adopt-a -Granny projects. In places, this has caused some delays in the implementation of projects.

Fundraising expenses (S8)

Fundraising expenses increased by €130,000 in absolute terms, but decreased from 7,5% to 7,0% of income raised. This is an acceptable level. In general, fundraising for government grants is relatively 'cheap', while fundraising from private sources is expensive. At the same time, Dorcas aims for a balance of the two types of funding because it provides sustainability to programmes and to the organisation as a whole. The main increases were in personnel costs (€100,000) and communication costs (28,000). Dorcas executed multiple Relief campaigns in 2019.

Management and administration expenses (S9)

The cost for management and administration are accounted for as follows:

Item	2019	2018
Personnel	931,048	898,031
Communication	2,864	2,436
Accomodation	21,272	23,116
Office and general	125,092	131,774
Depreciation	13,025	15,977
	1,093,301	1,071,334

In assigning personnel costs to management and administration, the following assumptions were made:

Item	2019
Financial administration staff	100%
Finance Manager	60%
Financial officer programmes	10 -70%
Back office employee programmes	100%
Project coordinators (for general tasks)	0-20%
HRM Netherlands employees	100%
International HRM	50%
Facility employees	70%
ICT coordinator	100%
Application manager CRM	20%
PMEL ICT project manager	20%
Receptionists	80%
COO	20%
CEO secretary	50%
Process manager	25%
CEO	20%
Works Council members	5-15%

It is evident from the figures that the expenses for management and administration are quite fixed. The total of expenses in comparison with income or project expenditures can only be increased or decreased incrementally. Moreover, the requirements due to institutional funding for accountability, administration, control and audit, cause costs for management and administration to increase. Although the expenses stayed more or less the same, in a percentage of total expenditures

they decreased from 5,3% to 4,6%. This was due to the increase in project spending.

Financial income and expenses (S10)

Below an overview is given of income and expenses. In 2019 Dorcas sold part of its immovable property - the International Office in Andijk (Bedrijvenweg 3, 5 and 7). The little interest received on sizable savings accounts signifies the historically low interest banks paid in 2018 and 2019.

	2019	2018
Received interest	463	624
Paid interest	-311	-649
Exchange differences	62,110	50,127
Incidental gains and losses	-8,758	-4,380
Book profits sold assets	366,124	14,586
	419,628	60,308

5.6 Expenses own organisation

		Objectives					Costs under 'expenses'		Totals under 'expenses'		
		Awareness	Relief	Early recovery & res. livelihood	Enterpris- ing people	Comm based care and protection	Fund- raising	Manage- ment and admini- stration	Total 2019	Budget 2019	Total 2018
Salaries	L1	378,052	412,858	185,474	302,659	269,752	585,709	524,979	2,659,482	3,116,170	2,750,464
Social insurance	L2	93,057	162,078	68,803	98,014	92,179	147,715	134,029	795,874	574,794	626,818
Pension	L3	59,169	88,590	38,208	56,694	52,442	93,075	84,071	472,251	337,397	376,484
Other staff expenses	L4	133,107	184,735	80,379	121,877	111,766	208,529	187,969	1,028,363	736,812	788,948
Communication	L5	153,091	20,159	12,502	13,013	13,301	306,182	2,864	521,114	734,234	477,415
Accommodation	L6	10,636	44,924	20,531	22,157	27,933	27,345	21,272	174,798	204,852	179,622
Logistics/warehouse	L7	4,328	3,457	1,637	2,971	2,547	6,631	5,909	27,479	0	0
Office and general	L8	88,403	125,858	54,596	82,176	75,580	138,680	125,092	690,385	619,841	667,715
Depreciation	L9	8,170	30,050	12,098	14,759	14,839	13,896	13,025	106,836	112,890	111,497
		928,013	1,072,709	474,228	714,320	660,339	1,527,762	1,099,210	6,476,581	6,436,990	5,978,962

		Costs subtracted from income shops		Overall totals		
		Team Shops	Other sales	Total 2019	Budget 2019	Total 2018
Salaries	L1	304,519	49,426	3,013,427	3,642,966	3,229,319
Social insurance	L2	61,513	11,138	868,525	685,421	726,719
Pension	L3	40,471	7,328	520,050	392,710	442,572
Other staff expenses	L4	16,640	16,733	1,061,736	788,567	836,493
Communication	L5	14,259	20,221	555,594	778,492	518,810
Accommodation	L6	79,473	60,734	315,005	308,871	252,508
Logistics/warehouse	L7	36,238	587	64,304	45,008	21,573
Office and general	L8	138,243	11,059	839,687	761,531	817,516
Depreciation	L9	17,824	709	125,369	118,344	133,333
		709,180	177,936	7,363,697	7,521,910	6,978,843

Allocation method

These expenses have been distributed on the basis of historically used methods of distribution. The distribution keys of these expenses are based on the estimated worked hours of each employee and distributed by percent across the categories according to economical principles, considering real estimated activities of the employee.

The principles upon which expenses have been assigned is summarised as follows: People that work at Program and Knowledge Support (P&KS) at the international office assist the country offices in designing projects, providing knowledge and assistance and flagging programmatic issues. The related costs are assigned as 100% indirect project costs on the basis of the type of intervention for which they give assistance. If they have additional tasks, such as being members of the Works Council, formulating strategy or involvement in fundraising, a portion of their time and costs are assigned to these activities.

The expenses of fundraisers are assigned to fundraising activities, and also to awareness raising. In conjunction with fundraising activities, they often fulfill a role in raising awareness among the public regarding poverty and the necessity to respond concretely by advocating in the Netherlands. Depending on the employee and the activities that are undertaken, between 30 and 70% of the time and personnel expenses are assigned to awareness raising.

The expenses of supporting services are assigned to the activities for which they are executed. HRM employees and those working at Finance are assigned to management and administration at 100%. Financial officers for projects are assigned to management and administration at 45 to 70% and, the remainder is assigned to objectives spending.

Employees that are working in international HRM are also involved in providing hands-on assistance to staffing projects and therefore there salaries are partly (50%) allocated as indirect project costs.

OVERALL EXPENSES

The total expenses of the organisation increased from €6,978,843 to €7,363,697 - an increase of €384,854. The source of this increase can be summarised as follows:

Increase costs international office	465,612
Increase costs country offices	32,007
Decrease costs commercial activities for fundraising	-112,765
Total increase organisational costs	384,854

Personnel expenses (L1-L4)

Of total expenses of almost €7.4 million, more than €5.5 million are personnel expenses. That is 75% of the total which is the same as 2018.

Regarding salaries (L1-L3) it gives the following breakdown:

	2019
Gross salary costs	6,207,823
Social insurance	870,306
Pension costs	520,050
Total gross salary-related costs	7,598,179
Charged against income sales (Mana)	-66,933
Charged to projects	-3,129,244
Net salary-related costs	4,402,002

The Dutch pension system is a defined contribution scheme. The costs of the premiums are accounted for in the year to which they pertain.From 2019 onwards, Dorcas switched pension insurer. The pension system is bases on an investment arrangement.

During 2019 there were 449 FTE (2018: 426) on average working for Dorcas, of which 67 in the Netherlands (2018: 68) and 382 (2018: 358) in the country offices.

In the Netherlands staff numbers decreased by 1 FTE and in the country offices by 24 FTE.

A large portion of the country office staff are project employees, of whom the personnel costs are accounted for in whole or in part as project expenses. About 42% of all salary costs are charged to projects. These are predominantly projects that Dorcas self-implements, without the assistance of partner organisations.

The members of the Dutch Supervisory Board receive no remuneration for their work. In 2019 €7,865 of Dutch board expenses were paid (2018: €10,706). The 2018 figure includes expenses for a field visit by members of the Supervisory Board in January of 2018 to Egypt, wherein they visited projects and spoke with beneficiaries and local employees of the country office. Once every two years the Supervisory Board members visit one of the project countries to

see and experience Dorcas programmes and gain an understanding of the activities carried out, which they have to supervise. The expenses of the Supervisory Board also include an external secretary that assists the Supervisory Board in minute taking and other secretarial tasks.

Total taxable salaries in the Netherlands in 2019 were €2,975,291 (2018: €2,752,963) for 67 FTE (2018: 68). On average this is almost €44,000 per FTE (2018: €40,000). These figures include a small number of interns.

Dorcas has a structured and moderate remuneration policy, fitting for a relief and development organisation. Many people who work for Dorcas from a for-profit background see some decrease in remuneration. Nevertheless, Dorcas seeks to be an attractive employer by using a structured remuneration policy with function classification, a transparent salary scheme, annual steps in that scheme, indexing of the salary scales and a fiscally optimal, premium-free pension plan.

Management remuneration

The Supervisory Board sets the remuneration policy, the level of director's salaries and the level of other remuneration components. The remuneration policy is updated periodically. The evaluation of the directors is planned in the first quarter of 2020. The Supervisory Board is responsible for management remuneration policy, setting management salaries and setting the level of fringe benefits.

Name	Leo Visser	Peter Palsma	Nico Hoogenraad AA
Function	CEO (Chief Executive Officer)	COO (Chief Operating Officer)	CFO (Chief Financial Officer)
<i>Employment</i>			
Kind	indefinite	indefinite	indefinite
Hours	36	36	40
Parttime percentage	90%	60%	100%
Period	1-1/31-12	1-6/31-8	1-1/31-3
Parttime percentage		90%	
Period		1-9/31-12	
<i>Remuneration</i>			
Gross salary	85,759	42,000	22,366
Year-end allowance	135	135	0
Severance pay	0	0	0
Total annual income	85,894	42,135	22,366
Taxable reimbursements/additions	5,663	1,296	400
Pension costs for employer	22,373	8,195	4,854
Total other expenses and reimbursements	28,036	9,491	5,254
Total remuneration 2019	113,930	51,626	27,620
Total remuneration 2018	111,090	0	92,357

There are no variable components, bonuses or other incentives in the remuneration package.

The Supervisory Board sets the director's salaries using the GDN-guideliness for directors' remuneration. (GDN: Goede Doelen Nederland,

a Dutch branch organisation for charitable organisations). For meeting the established criteria set out by GDN and identifying how this impacts the directors remuneration of Dorcas, the following points system is used:

Spending on objectives	120 points
Number of FTE	105 points
Diversity organisation	115 points
Yes/no part of umbrella organisation	80 points
Management and policy	80 points
Number of points	500 points

	CEO	C00 (started June 1st 2019)
Director's model (changed per June 1st 2019)	87%	80%
Outcome weighing difficulty of management	435	400
Accompanying fulltime salary 2019 acc. GDN	121,708	109,162
Accompanying part-time salary 2019 acc. GDN	109,537	49,123
Dorcas directors salaries	85,894	42,135

Due to Dorcas receiving grants from the Ministry of Foreign Affairs and from RVO (Government Services of Entrepreneurial Netherlands), in principal the Law of the Norms for remuneration of management of (semi-)public officers applies because funding is from public resources . However, in these cases income has to comprise of at least 50% government subsidies before these Norms for management are applied.

Communication expenses (L5)

Communication expenses were higher than last year (€36,784). This is because of the Relief Campaigns in 2019 and related printing matters and postage.

Accomodation costs (L6)

Accomodation costs increased by €62,497 over 2018. The increase is due to expenses related to the sale of part of the immovables in Andijk and renting it back from the buyer. This was anticipated.

	CEO	C00 (started June 1st 2019)
Director's model (changed per June 1st 2019)	87%	80%
Outcome weighing difficulty of management	435	400
Accompanying fulltime salary 2019 acc. GDN	121,708	109,162
Accompanying part-time salary 2019 acc. GDN	109,537	49,123
Dorcas directors salaries	85,894	42,135

Logistics/warehouse (L7)

The logistical costs are mostly assigned to commercial activities. This part is mostly related to the Dorcas Food Campaign.

Office and general expenses (L8)

These increased marginally by €22,172, mainly because of subscriptions (network organisations) and auditing.

Depreciation (L9)

Depreciation came out more or less the same as last year. Due to investments in our IT systems and the relocation of the international office it is expected that depreciation will increase in 2020. Of the entire depreciation, only parts show up in the overview of the organisation costs, as part is subtracted from the commercial income and shown as a net amount. This can be summarised as follows:

	2019	2018
Depreciation in the Statement of Income and Expenditure	106,836	111,497
Depreciation in costs other sales, including Mana	7,730	18,109
Depreciation in national shops costs	15,356	20,945
Depreciation in local shops costs	232,818	173,042
	362,740	323,593
Of which on material fixed assets	358,595	310,947
Of which on intangible fixed assets (software)	4,145	-12,646
	362,740	298,301

5.7 Cash Flow Statement 2019

	2019	2018	
Cash flows from operations:			
Result of the year	2,333,881		2,002,223
Add: Depreciation	362,740		298,301
Less: Increase/decrease of stock	40,977		199,714
	2,737,598		2,500,238
Changes in working capital:			
Addition to consolidation (Mana, c.q. Dorcas USA)	-4,425	110,402	
Increase/decrease receivables	-1,840,567	212,525	
Increase/decrease short term liabilities	1,858,226	1,073,619	
	13,234		1,396,546
	2,750,832		3,896,785
Cash flows from financing:			
Member capital Perspactive	-37,022	-37,021	
Increase/decrease long term liabilities	93,582	399,205	
	56,560		362,184
Cash flow from purchases and sales			
Purchases	-1,023,947	-466,814	
Sales	742,455	31,641	
	-281,492		-435,174
Increase/decrease in cash	2,525,900	3,823,795	
Liquid assets as of 31 December	10,954,385		8,428,485
Liquid assets as of 1 January	8,428,485		4,604,690
	2,525,900	3,823,795	

The cash flow position improved significantly year-on-year in 2019. Broadly speaking, this is due to the increase in the continuity reserve. In 2019 a budgeted growth of the continuity reserve was planned of a little over €0,5 million. It came out higher at almost €2,5 million. The sale of immovables, the release of the reserve financing assets and the prudence of the project spending of the portfolio from Dutch private funding are the three main reasons for this increase.

5.8 Events after balance sheet date

During the finalisation of this annual report, it became apparent that the year 2020 will be the year of the COVID-19 pandemic. At the moment of writing (March 2020) it is still impossible to forecast how this pandemic will twist and turn during the year and how different communities around the world will be affected. It has already become clear that all our plans and the intended road map will

have to be thoroughly revised in order to cope with the immediate and long term effects of this pandemic on our work, funding and organisation.

Due to the temporary closure of our shops in the Netherlands we foresee a considerable drop in our private income. However, Dorcas remains committed to the communities we work with and, together with our partners, we will take every action necessary to mitigate the impact of this pandemic on the lives of the most vulnerable.

5.9 Signing by Executive Board and Supervisory Board

The original papers were signed by the Supervisory Board and the Executive Board.

Andijk, 7 mei 2020

Supervisory Board

Mrs. dr. C.A. Voorham
Chair of the Supervisory Board

Mrs. A. Westerduin-de Jong MA
Mr. J.C. van der Linden, RA
Mr. C.N. de Kat
Mr. dr. H.F. Massink

Executive Board

Mr. L.D. Visser
Chief Executive Officer

Mr. P.G. Palsma
Chief Operating Officer

5.10 Auditor's Report



Stichting Dorcas Aid International
Bedrijvenweg 3
1619 BK ANDIJK

INDEPENDENT AUDITOR'S REPORT

To: the Board of Directors and the Supervisory Board of Stichting Dorcas Aid International

Report on the audit of the financial statements 2019 included in the annual report

Our qualified opinion
We have audited the financial statements 2019 (page 60-92) of Stichting Dorcas Aid International, based in Andijk.

In our opinion, except for the possible effects of the matter described in the basis for our qualified opinion paragraph, the accompanying financial statements give a true and fair view of the financial position of Stichting Dorcas Aid International as at 31 December 2019 and of its result for 2019 in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board.

The financial statements comprise:

- the balance sheet as at 31 December 2019 (with a balance sheet total of € 18,231,370);
- the statement of income and expenditure for 2019 (with a total positive result of € 2,333,881); and
- the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our qualified opinion
As indicated on page 81-82, section S6, in the note to 'Income in exchange for the delivery of products and/or services', there are control deficiencies with respect to the recognition of revenue from the Dorcas shops. Owing to the specific characteristics of the shops, which are run exclusively by volunteers, a number of essential internal controls are not in place. As a consequence we have been unable to verify the completeness of net revenue from Dorcas shops.

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 'Our responsibilities for the audit of the accompanying financial statements' section of our report.

We are independent of Stichting Dorcas Aid International in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening Gedrags- en Beroepsregels Accountants (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management board's report;
- other information;

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KvK 28112484

- annex A – Budget 2020;
- annex B – Distribution: direct project expenses 2019;
- appendix C – Composition of the Supervisory Board and Board of Directors on January 1st, 2020.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by the Guideline for annual reporting 650 “Fundraising Organizations”.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the management board’s report and other information in accordance with the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors and the Supervisory Board for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 “Fundraising Organizations” of the Dutch Accounting Standards Board. Furthermore, the Board of Directors is responsible for such internal control as management 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 Board of Directors is responsible for assessing the company’s ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company’s ability to continue as a going concern in the company financial statements.

The Supervisory Board is responsible for overseeing the company’s financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Was signed in Slidrecht, 8 May 2020.

WITh accountants B.V.
P. Alblas RA

Enclosure.

Enclosure to our auditor’s report by the accompanying financial statements 2019 of Stichting Dorcas Aid International, based in Andijk

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the company 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 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 management;
- concluding on the appropriateness of management’s use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events 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 company 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. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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

Annex A - Budget 2020

	Budget 2020	
Income:		
Private individuals	8,160,000	
Companies	1,150,000	
Government subsidies	10,200,000	
Affiliated non-profit organisations	75,000	
Other non-profit organisations	4,320,000	
Total income raised		23,905,000
Income in exchange for the delivery of products and/or services	3,825,279	
Other income	0	
		3,825,279
Total income		27,730,279
Expenses:		
Spent on objectives		
Awareness	1,072,343	
Relief	10,190,007	
Early Recovery & Resilient Livelihoods	4,074,937	
Enterprising people	4,744,614	
Community based care and protection	4,924,603	
	25,006,505	
Fundraising expenses	1,706,466	
Management and administration expenses	1,247,643	
Total expenses		27,960,614
Balance of income and expenses		-230,334
Financial income and expenses		0
Budgeted surplus		-230,334

Forecasted benchmark percentages:

Spent on objectives as percentage of total income	90.2%
Spent on objectives as percentage of total costs	89.4%
Fundraising as percentage of total income raised	7.1%
Management and administration as percentage of total costs	4.5%

The budget for 2020 aims at a higher income than the realised income of 2019. Dorcas expects an increase of income outside NL from government subsidies and non-profit organisations. Next to that, an increase in income from the shops is foreseen due to the fact that the new shops that were opened in the last quarter of 2019 will be operational throughout 2020. The rest of the expected income in the Netherlands is budgeted at the same level as 2019. Due to increased purchases and expenses regarding the expected relocation and the roll-out of the Future IT project, Dorcas foresees a small decline of the Continuity Reserve.

Annex B - Distribution: Direct Project Expenses 2019

	Payments in cash 2019 in euros	Contributions in kind 2019 in euros	Total 2019 in euros	Payments in cash 2018 in euros	Contributions in kind 2018 in euros	Total 2018 in euros
Distribution per intervention:						
Relief	7,541,007	0	7,541,007	6,959,931	0	6,959,931
Early Recovery & Resilient Livelihoods	2,949,750	0	2,949,750	1,598,210	0	1,598,210
Enterprising people	3,087,543	168,386	3,255,929	1,944,643	165,299	2,109,943
Community Based Care and Protection	2,602,101	826,505	3,428,606	2,416,465	1,093,768	3,510,233
	16,180,401	994,891	17,175,292	12,919,249	1,259,067	14,178,316
Distribution by country:						
Romania	335,229	184,336	519,565	308,922	317,669	626,591
Moldova	553,522	302,604	856,126	453,261	342,894	796,155
Ukraine	1,297,465	465,332	1,762,797	3,266,262	515,612	3,781,874
Albania	436,174	42,620	478,794	381,873	82,404	464,277
Russia	0	0	0	133,278	0	133,278
Total Eastern Europe	2,622,391	994,891	3,617,282	4,543,596	1,258,579	5,802,175
Egypt	779,108	0	779,108	497,401	0	497,401
Sudan	0	0	0	2,004	0	2,004
South Sudan	2,088,935	0	2,088,935	1,477,557	0	1,477,557
Ethiopia	2,085,921	0	2,085,921	1,850,669	0	1,850,669
Kenya/Uganda	873,671	0	873,671	843,929	0	843,929
Tanzania	745,894	0	745,894	471,538	0	471,538
South Africa	0	0	0	0	0	0
Mozambique	962,510	0	962,510	253,723	0	253,723
Lesotho	0	0	0	27,240	0	27,240
Somalia	1,042,716	0	1,042,716	0	0	0
Total Africa	8,578,755	0	8,578,755	5,424,062	0	5,424,062
Syria	911,370	0	911,370	1,418,100	0	1,418,100
Lebanon	1,768,136	0	1,768,136	276,749	0	276,749
Iraq	1,600,886	0	1,600,886	1,101,380	0	1,101,380
Yemen	178,650	0	178,650	0	0	0
Total Middle East	4,459,042	0	4,459,042	2,796,229	0	2,796,229
Sulawesi	131,005	0	131,005	0	0	0
Other countries, general and transport fund	389,208	0	389,208	155,362	488	155,850
Total other countries, general and transport fund	520,213	0	520,213	155,362	488	155,850
			0			
Grand total	16,180,401	994,891	17,175,292	12,919,249	1,259,067	14,178,316

Annex C - Composition of the Supervisory Board and Executive Board as of 1 January, 2020

Composition of the Supervisory Board

As of 1 January, 2020, Dorcas’ Supervisory Board is composed as follows:

Lt. Colonel Mrs. Dr. C.A. Voorham (1946)
Supervisory Board Chairperson, Remuneration Committee Chairperson
Profession: Salvation Army Officer (previously Director of the Salvation Army Welfare and Healthcare Foundation)
Additional positions: Supervisory Board Member of Stichting Timongroep (Timongroep Foundation), Board Member of Stichting SchuldenlanNL, Member of Maatschappelijke Raad Gevangenzorg Nederland (Netherlands Social Council for Prisoners Care), Member of Members Council of the Nederlands Bijbelgenootschap (Dutch Bible Society), Ambassador for Youth for Christ, Lifespots and Micha Nederland
End of current term: 2022, cannot be reappointed

Mrs. Drs. A. Westerduin-de Jong MBA (1971)
Supervisory Board Member, Remuneration Committee Member
Profession: Director of Stichting Sprank in Zwolle
Additional positions: Supervisory Board Chairperson of Scholengroep De Passie, Supervisory Board Member of Het Baken Care Centre in Elburg
End of current term: 2023, cannot be reappointed

Mr. J.C. van der Linden, RA (1960)
Supervisory Board Vice-Chairperson, Audit Committee Chairperson
Profession: Accountant and Financial Advisor
Additional positions: Candidates and Evaluation Chairperson of Frisian Company of the Year, Board Member of VNO-NCW Friesland, Treasurer of Stichting HIS Hulp, Treasurer of Friesland Vaart
End of current term: 2021, may be reappointed once

Mr. C.N. de Kat (1968), Supervisory Board Member, Audit Committee Member
Profession: CEO of Royal FruitMasters

Additional positions: Board Member of Dutch Produce Association, Board Member of Greenstar Kanzi Europe, Board Member of European Fruit Cooperation, Board Member of GroentenFruit Huis, Board Member of GS1, Board Member of Fresh Upstream, Board Member of Hervormd Jeugdwerk
End of current term: 2023, may be reappointed once

Mr. Dr. H.F. Massink (1962)
Supervisory Board Member, Remuneration Committee Member
Profession: Coordinating Policy Officer at Dutch Ministry of Agriculture, Nature and Food Quality
Additional positions: Central Board Member of the Staatkundig Gereformeerde Partij (SGP), Board of the Foundation Member for the Support of Central and Eastern European Organisations for Mission Studies
End of current term: 2023, may be reappointed once

Supervisory Board remunerations

Members of the Supervisory Board do not receive any remuneration for fulfilling their duties. However, they may be reimbursed for expenses incurred.

Appointment Procedure

Supervisory Board members are appointed by the Supervisory Board using a profile which stipulates the qualities and/or capacities that Supervisory Board members are required to possess. The recruitment and selection of Supervisory Board members takes place using a procedure defined by the existing Supervisory Board. The Selection and Remuneration Committee supports the Supervisory Board in recruiting and selecting candidates. Any Supervisory Board member will retire by rotation no later than five years after his appointment. The retired member can be reappointed once. In the recruitment, selection and appointment procedure, the Executive Board has an advisory role.

Composition of the Executive Board

As of 1 January, 2020, the Executive Board is composed as follows:

Mr. L. D. Visser (1957), Chief Executive Officer (0.9 FTE)
Kampen
Additional positions: Board Member of Tabitha B.V., corporate entity of Dorcas Aid International (unpaid), Member of EU-Cord Administrative Council in Brussels (unpaid), Commissioner of De Jong Beheer BV, Sliedrecht (paid)

Mr. P. G. Palsma (1972), Chief Operating Officer (0.9 FTE)
Swifterbant
Additional positions: Board Member of Tabitha B.V., corporate entity of Dorcas Aid International (unpaid), Treasurer of the board of the Confederation of European Probation (unpaid)

Additional positions risk analysis

Supervisory Board:
Additional positions that our Supervisory Board members hold do not influence their position at Dorcas, nor their availability, formally or informally. Therefore, there is no risk for the organisation.

Executive Board:
Additional positions that our Executive Board members hold do not influence their position at Dorcas, nor their availability, formally or informally. Mr. L.D. Visser’s role as a commissioner for a commercial organisation is no threat to his performance at Dorcas, according to our Board of Supervisors. His appointment of 0.9 FTE is associated with his duties as a commissioner. His role as a member of the EU-Cord Board is beneficial due to Dorcas’ membership with this network - a group of European Christian relief and development organisations.

Together is a key word
for us. We collaborate
with partners and
organisations across
the globe to ensure our
reach is always growing.
Together we make
Dorcas work.