

Impact, facts and figures



# Annual report



2019



## **FINANCIAL STATEMENTS                      2019**

### **STICHTING ICS**

Smallepad 30H  
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The Netherlands

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## **Board report 2019**

A good start in life – it is not only the greatest gift that we can give children, it is the greatest gift we can give mankind. Only children who grow up in a safe and nurturing environment grow up to become adults who can contribute to the world in a positive way. Creating a safe and nurturing environment is central in the work of ICS. Parents are a key entry point. Their role is of the utmost importance, especially in the first, formative years of life. In our skillful parenting program, parents are supported in their role as parents. We transfer knowledge and skills, and we create a safe environment for parents to discuss the challenges that they face.

### **Changing the way we work**

The annual report you have before you only contains the financial statements of Stichting ICS. Over the last couple of years, ICS has gone through a process of decentralization. All operational activities in developing countries are performed under the responsibility of ICS SP in Nairobi. ICS SP is now set up as a local Kenyan NGO. In 2019, part of the work of ICS was performed by Agrics, the social enterprise started by ICS is working from its headquarters in Kakamega, Kenya. Since last year, these entities are no longer consolidated in the financials of Stichting ICS. The role of Stichting ICS was limited to the management of big projects (together with ICS SP and Agrics), fundraising, and strategic management of the ICS group.

In 2020, this process will see important new steps. The remaining major projects that were managed by Stichting ICS have been finalized. All new projects are directly managed by ICS SP in Nairobi. For Stichting ICS, the key remaining task is management of the Dutch donor base of ICS. For efficiency reasons, ICS is exploring a partnership with a similar Dutch organization.

For Agrics, 2019 was a difficult year. Sales were disappointing. This was caused by a number of factors, both internal and external. Agrics supplied almost 8.000 farmers with quality seeds, fertilizer and training in 2019 (2018: 19.000). Financially, it managed to get through the year, but its working capital position was severely undermined. Management decided that stand alone continuation of Agrics was not feasible. Agrics is now negotiating with other, likeminded organizations to take over (part of) Agrics operations. The key focus is to protect the interests of the farmers, and to preserve the valuable learnings that Agrics accumulated over the years. In December 2019, ICS sold its shares in ICS BV (owner of the Agrics shares) to Stichting Landbouw en Ontwikkeling in Africa. As per 31 December 2019, ICS has no longer has any involvement in Agrics.

### **Corona**

The global impact of the Covid-19 pandemic is only beginning to reveal itself. It is affecting businesses, individuals, and governments. The regions in which ICS operates are seriously affected, although for the time being not as deeply as - for example- the Netherlands. For ICS in Africa, it means that there are some delays in execution of projects, and that staff is working from home as much as possible. We have been in constant dialogue with our (project) funders, and they are very flexible in their approach. At this moment, we estimate that all projects will be able to deliver on their outcomes, and that there will be only very limited financial consequences.

### **Board**

The executive board of Stichting ICS consists of one person, Ronald Messelink. The supervisory board of ICS supervises the work of the executive board.

**BALANCE SHEET AS AT DECEMBER 31, 2019**

After allocation of balance statement of income and expenditure

	December 31, 2019 €	December 31, 2018 €
<b>ASSETS</b>		
<b>Fixed assets</b>		
1 Tangible fixed assets	513	9.096
2 Financial fixed assets	0	0
<b>Current assets</b>		
3 Receivables and current assets	196.770	372.288
<b>Cash</b>		
4 Cash and cash equivalents	177.685	163.296
<b>Total assets</b>	<b>374.968</b>	<b>544.681</b>
<b>LIABILITIES</b>		
5 <b>Equity</b>		
<i>Reserves</i>	-98.599	-21.371
Designated funds	0	0
<i>Total funds</i>	0	0
<i>Total equity</i>	-98.599	-21.371
6 <b>Long-term liabilities</b>	0	179.477
7 <b>Short-term liabilities</b>	473.566	386.574
<b>Total liabilities</b>	<b>374.967</b>	<b>544.681</b>

# STATEMENT OF INCOME AND EXPENDITURES 2019

	Actual	Budget	Actual
	2019	2019	2018
	€	€	€
<b>INCOME</b>			
8 Income from donations	418.135	566.000	626.750
9 Income from subsidies	0	0	324.037
10 Financial income	1.710	0	10.306
<b>Total income</b>	<b>419.845</b>	<b>566.000</b>	<b>961.093</b>
<b>EXPENDITURES</b>			
11 Contributions to third parties	-250.755	0	636.716
12 Contributions to own projects	-867	13.500	33.564
13 Publicity and communication expenses	14.120	19.000	15.890
14 Salaries and charges	307.352	202.011	384.723
15 Depreciation and amortization	6.774	8.000	9.733
16 Financial expenses	22.734	0	11.835
17 Other expenses	129.438	126.448	320.836
<b>Total expenditures</b>	<b>228.795</b>	<b>368.959</b>	<b>1.413.297</b>
<b>Balance before result subsidiaries</b>	<b>191.049</b>	<b>197.041</b>	<b>-452.204</b>
<b>18 Result subsidiaries</b>	<b>-268.194</b>	<b>0</b>	<b>-249.141</b>
<b>Balance</b>	<b>-77.145</b>	<b>197.041</b>	<b>-701.345</b>
<b>Allocation of balance</b>			
Reserves	-77.145	197.041	-236.068
Designated funds	0	0	-465.277
	<b>-77.145</b>	<b>197.041</b>	<b>-701.345</b>

## CASH FLOW STATEMENT 2019

	Ref	2019 €	2018 €
<b>BALANCE OF STATEMENT OF INCOME AND EXPENDITURE</b>		-77.145	-701.345
<i>Adjustments</i>			
- Depreciation and amortisation	1	4.420	9.829
- Exchange difference of book value at start of financial year	1	-83	0
		----- 4.337	----- 9.829
<i>Changes in working capital</i>			
- Receivables and current assets	3	175.518	351.618
- Short-term liabilities	7	86.992	-103.875
		----- 262.510	----- 247.743
<b>Operational cash flow</b>		<b>189.703</b>	<b>-443.773</b>
<i>Investments long-term liabilities</i>	6	-179.477	-9.192
<b>Financing cash flow</b>		<b>-179.477</b>	<b>-9.192</b>
<i>Investments in tangible fixed assets</i>	1	4.163	0
<i>Investments in financial fixed assets</i>	2	0	379.689
<b>Investment cash flow</b>		<b>4.163</b>	<b>379.689</b>
Increase/decrease of cash in the financial year	4	14.388	-73.276
Balance cash and cash equivalents January 1		163.297	236.573
<b>Balance cash and cash equivalents December 31</b>		<b>177.685</b>	<b>163.297</b>

## **ACCOUNTING POLICIES**

### **GENERAL**

Stichting ICS is seated in Amersfoort, the Netherlands and is registered at Chamber of Commerce with number 41188664. Stichting ICS invests in social enterprises in Eastern Africa and raises funds for agricultural and parenting projects in Africa.

The financial statements were drawn up in accordance with the accounting principles for small-sized Non-Profit Organizations in the Netherlands (RjkC1). Stichting ICS also applied the general accounting principles for Non-Profit Organizations in the Netherlands.

### **Estimates**

In using the principles and rules for drawing up the financial statements, the Executive Board of Stichting ICS forms several opinions and estimates which can be essential for the amounts which are included in the financial statements. If necessary for the insight the nature of these opinions and estimates including the corresponding assumptions, are included in the explanatory notes for the relevant financial statement items.

### **Budget**

The budget 2020 presented in the 2019 financial statement has not been subject to the financial audit.

### **Continuity**

The financial statements have been prepared on a going-concern basis. As ICS has a negative equity of € 98,599 as per 31/12/2019, and a significant negative result over 2019 of € 77,145, this has been subject of debate. However, as ICS income is expected to be structurally above its cost level for the coming years, financial sustainability is not in question. Income from donors is expected to be above € 500.000 in the coming years, and the structural costs of the organization have been brought back to less than € 100,000 in 2020. Strategically, a far reaching collaboration with another private donor based organization might add value to both the private donors and to our beneficiaries in developing countries. As a result, ICS is exploring options of collaboration.

## **ACCOUNTING POLICIES FOR THE BALANCE SHEET**

### **General**

Assets and liabilities are generally valued at the acquisition or manufacturing cost or the current value. If no specific accounting principle is mentioned, valuation is based on the acquisition cost. The balance sheet, the statement of income and expenditure and the cash flow statement contain references. These references refer to the explanatory notes.

### **Foreign currency**

The items in the financial statements of the subsidiaries are valued taking into consideration the currencies of the economic environment in which the subsidiary mainly performs its business activities (the functional currency). The consolidated financial statements are made in euros; this is the functional currency as well as the presentation currency of Stichting ICS.

Transactions in foreign currency during the accounting period are processed in the financial statements at the exchange rate on the first day of the relevant quarter.

Monetary and non-monetary assets and liabilities in foreign currency are converted at the exchange rate valid on the balance sheet date. The exchange differences which arise from the settlement and translation are credited or debited to the statement of income and expenditure under 'Financial income'.

The assets and liabilities of the participations included in the consolidation with a functional currency which is different to the presentation currency are translated at the exchange rate valid on the balance sheet date; the income and expenditure are converted at the average exchange rates during the financial year. The ensuing conversion differences are credited or debited directly to the capital of ICS in the legal reserve translation differences.

## **Tangible fixed assets**

The tangible fixed assets are valued at historical costs less depreciation and amortisation and impairments, based on expected lifetime.

The depreciation and amortisation amount to a fixed percentage of the acquisition price.

The calculation is based on the percentages below:

ICT	25-50%
Fixtures and furniture	11-20%
Investments in the financial year are depreciated in proportion to the time elapsed.	

## **Financial fixed assets**

### *Subsidiaries*

Subsidiaries in which significant influence can be exercised are valued according to the equity accounting method (net asset value). If 20% or more of the voting rights can be exercised, it is assumed that there is significant influence.

The net asset value is calculated according to the principles which apply to these financial statements.

If the valuation of a subsidiary according to the net asset value is negative, it is valued as zero. If and to the extent that in this situation Stichting ICS guarantees the debts of the subsidiary fully or partly or has the firm intention of enabling the subsidiary to pay its debts, a provision is recognized for this.

The amount by which the book value of the subsidiary has changed since the previous financial statements as a consequence of the result achieved by the subsidiary is accounted for as result.

If impairments are involved, valuation is made at the realisable value; downgrading is debited from the statement of income and expenditure.

### *Receivables*

The receivables included under financial fixed assets comprise loans granted and other receivables. These receivables are initially stated at fair value, and subsequently valued at the amortized cost. If discount or premium are involved in the granting of loans, this is credited or respectively debited during the term to the result as part of the effective interest rate. Transaction costs are also processed in the first valuation and debited to the result as part of the effective interest rate. Impairment of assets is deducted from the statement of income and expenditure.

Possible irrecoverability is taken into account as far as necessary as regards loans and credits granted.

**Impairments of fixed assets**

On every balance sheet date, Stichting ICS reviews whether there are indications that a fixed asset can be subject to impairment. If there are such indications, the realisable value of the asset is determined.

Impairment is involved if the book value of an asset is higher than the realisable value; the realisable value is the larger of the net realisable value and the value in use. An impairment loss is processed directly as expenditure in the statement of income and expenditure and the book value of the relevant asset is reduced at the same time.

**Receivables and current assets**

Receivables and current assets are initially valued at the fair value of the consideration. Provisions due to irrecoverability are deducted from the book value of the receivables and current assets.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, bank balances and deposits. Cash and cash equivalents are valued at nominal value.

**Long-term liabilities**

In initial recognition long-term liabilities are recognized at fair value. Transaction costs which can be directly attributed to the acquisition of the long-term liabilities are included in the initial recognition. After initial recognition long-term liabilities are recognized at the amortized cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

The difference between stated book value and the mature redemption value is accounted for as interest cost in the profit and loss account on the basis of the effective interest rate during the estimated term of the long-term liabilities.

**Short-term liabilities**

In initial recognition short-term liabilities are recognized at fair value. After initial recognition short-term liabilities are recognized at the amortized cost price, being the amount received taking into account premiums or discounts and minus transaction costs.

This is usually the nominal value.

**Notes to the cash flow statement**

The cash flow statement is drawn up according to the indirect method. The financial resources in the cash flow statement consist of the cash and cash equivalents.

Cash flows in foreign currency are converted at an estimated average exchange rate in accordance with the accounting principles of ICS.

Income and expenditure arising from interest are included under the cash flow from operational activities. The acquisition price of the acquired subsidiaries is included under the cash flow from investment activities, in so far as payment in cash has taken place.

## **ACCOUNTING POLICIES FOR THE STATEMENT OF INCOME AND EXPENDITURE**

The income and expenditure are determined taking into consideration the above-mentioned accounting principles and allocated to the reporting year to which they relate.

### **Income**

#### ***Income from donations***

Income from donations is generally accounted for in the reporting year in which the donations and contributions were received.

Income from inheritances and legacies is included in the financial year in which the size can be established reliably. Income from equity funds are accounted for in the financial year in which the donation was committed by the donor.

#### ***Income from subsidies***

Income from subsidies is accounted for in the year in which the subsidized expenditure is accounted for in the statement of income and expenditure.

#### ***Income from sales***

Gross margin comprises the income from the supply of goods and services after deduction of discounts and suchlike and taxes imposed on the turnover less the costs directly related to these supplies.

Income from the sale of goods is processed as soon as all important rights and risks related to the ownership of the goods have been transferred to the buyer.

Income from the supply of services is accounted for in proportion to the performances delivered, on the basis of the services performed up to the balance sheet date in proportion to the total of services to be performed.

#### ***Financial income***

Interest income is processed in proportion to time, taking into consideration the effective interest rate of the assets and liabilities concerned.

#### ***Other income***

The other income is accounted for in the year to which they relate.

### **Expenditures**

Expenditures are accounted for in the year to which they relate, which means that if necessary, items paid in advance or yet to be paid are taken into consideration.

The depreciation and amortization take place in proportion to time, on the basis of the expected economic life.

Interest expenses are processed in proportion to time, taking into consideration the effective interest rate of the

### **Pensions**

The Dutch office of ICS has a defined benefit plan on the basis of average salary. This is a pension scheme that awards a pension to the employees, whereby the size depends on age, salary and years of service.

The pension scheme is processed in the financial statements as if it were a defined contributory scheme. The premiums due are accounted for as expenditure in the statement of income and expenditure. In so far as the premium due has not yet been paid, it is included in the balance sheet as obligation.

## NOTES TO THE BALANCE SHEET

### ASSETS

The assets are entirely used for the operations of ICS.

#### 1 Tangible fixed assets

	2019 €	2018 €
Book value as at January 1	9.096	18.925
Plus:		
Exchange difference of book value at start of financial year	0	0
Investments	0	0
	9.096	18.925
Less:		
Disinvestments	4.163	0
Transfer to ICS-SP	0	0
Depreciation	4.420	9.829
<b>Book value as at December 31</b>	<b>513</b>	<b>9.096</b>
Accumulated acquisition value	28.982	44.658
Accumulated depreciation	28.469	35.562
<b>Book value as at December 31</b>	<b>513</b>	<b>9.096</b>

#### 2 Financial fixed assets

	December 31, 2019 €	December 31, 2018 €
Subsidiary ICS B.V.	0	0

All shares of ICS B.V. owned by Stichting were sold all in 2019. Sales price of these shares was 0.

#### 3 Receivables and current assets

	December 31, 2019 €	December 31, 2018 €
To be received from subsidies and grants	164.837	195.607
To be received from legacies and inheritances	22.274	75.005
Short term loan to group company	0	90.363
Pension premiums paid in advance	948	39
Deposits	831	831
Other advance payments	1.022	9.868
Miscellaneous	6.858	575
	<b>196.770</b>	<b>372.288</b>

#### 4 Cash and cash equivalents

	December 31, 2019 €	December 31, 2018 €
Petty cash	13	269
Bank accounts	165.503	150.859
Savings accounts	435	435
Fixed deposits	11.734	11.734
	<b>177.685</b>	<b>163.296</b>

The fixed deposits of € 11,734 are not accessible as it serves as a deposit for a bank guarantee.

## LIABILITIES

### 5 Reserves and funds

#### Reserves

The reserves proceeded as follows:

	2019 €	2018 €
Balance as at January 1	-21.371	214.697
Plus:		
Exchange rate result designated funds financial year	-83	0
Less:		
Result financial year	77.145	236.068
Transfer equity to ICS-SP	0	0
	77.145	236.068
<b>Balance as at December 31</b>	<b>-98.599</b>	<b>-21.371</b>

## 6 Long term liabilities

	2019 €	2019 €
Balance as at January 1	179.477	188.670
Plus: revaluation foreign currency	4.454	8.909
	183.931	197.579
Less: repayment in financial year	38.728	18.101
Less: repayment next financial year (short-term liability)	145.203	0
<b>Balance as at December 31</b>	<b>0</b>	<b>179.477</b>

Stichting ICS has been committed a loan by an external investor in 2016:

**Disbursement date:** May 27, 2016

**Interest:** 7.5% per year. First interest payment after 1 year.

**Repayment schedule:** it was agreed with the investor that the total remaining amount will be repaid before July 1, 2020.

## 7 Short-term liabilities

	December 31, 2019 €	December 31, 2018 €
Contributions to partner organisations	256.835	226.407
Short term payable loan	145.203	0
Payable to affiliate organisation	34.762	98.046
Trade creditors	8.518	20.721
Payroll tax	6.014	8.449
Provision for holiday allowances	7.587	13.348
Provision for leave days	126	4.628
Audit fees	9.075	12.139
Miscellaneous	5.446	2.836
	<b>473.566</b>	<b>386.574</b>

## **OFF BALANCE SHEET ITEMS**

### **Important financial rights**

#### Value added tax

ICS has claimed value added tax (VAT) for the period between January 1, 2007 and December 31, 2015 which has not been approved yet by the Dutch tax office.

The total amount of these claims is € 750.258.

In 2017 the court as confirmed ICS' claims partly; in 2018 the higher court declined ICS' claim. As a result ICS does not present a receivable in its balance sheet. ICS as the tax office went in appeal to this court ruling at the Supreme Court.

### **Important financial obligations**

#### Bank guarantee

A bank guarantee was provided in 2014 for the office in Amersfoort. This bank guarantee amounts to € 11.734. As of December 31, 2019 ICS does no longer rent the office, hence the guarantee will be released in 2020.

## NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

### INCOME

#### 8 Income from donations

	Actual	Budget	Actual
	2019	2019	2018
	€	€	€
<b>Donations</b>			
Direct mail	25.186	51.000	53.957
Hellpparents / Child ambassadors	288.835	325.000	321.374
School child fund	51.941	56.000	57.360
Legacies and inheritances	112.930	45.000	85.650
Equity funds	-4.339	0	20.000
Actions third parties	-143.955	0	0
Companies	0	3.000	0
Other donations	87.537	86.000	88.409
<b>Total income from donations</b>	<b>418.135</b>	<b>566.000</b>	<b>626.750</b>

#### 9 Income from subsidies

	Actual	Budget	Actual
	2019	2019	2018
	€	€	€
G4AW	0	0	322.961
Other subsidies	0	0	1.076
<b>Total income from government subsidies</b>	<b>0</b>	<b>0</b>	<b>324.037</b>

## 10 Financial income

	Actual	Budget	Actual
	2019	2019	2018
	€	€	€
Exchange rate result (net)	1.710	0	2.839
Income loans group companies	0	0	7.467
Other income interest	0	0	0
<b>Total financial income</b>	<b>1.710</b>	<b>0</b>	<b>10.306</b>

## EXPENDITURES

### 11 Contributions to third parties

	Actual	Budget	Actual
	2019	2019	2018
	€	€	€
<i>Partnerships Agribusiness</i>			
Agrics Kenya	-89.524	0	253.401
Agrics Tanzania	-15.598	0	12.654
Alizetics	0	0	0
Other partners G4AW alliance	25.517	0	58.034
	-79.605	0	324.089
<i>Partnerships Skilful parenting</i>			
ICS SP	0	0	113.063
Local partners ICS in Tanzania	0	0	0
	0	0	113.063
<i>Partnerships Water</i>			
Agrics Kenya	-171.150	0	199.564
Agrics Tanzania	0	0	0
	-171.150	0	199.564
<b>Total contributions to third parties</b>	<b>-250.755</b>	<b>0</b>	<b>636.716</b>

## 12 Contributions to own projects

	Actual	Budget	Actual
	2019	2019	2018
	€	€	€
<i>Agribusiness</i>			
Project expenditures in Kenya	0	0	0
Project expenditures in Tanzania	0	0	0
Project expenditures in Europe	-1.079	7.500	26.739
	-1.079	7.500	26.739
<i>Water</i>			
Project expenditures in Kenya	0	0	0
Project expenditures in Tanzania	0	0	0
	0	0	0
<i>Youth employment</i>			
Project expenditures in Kenya	0	0	0
	0	0	0
<i>Other contributions to own projects</i>			
Linking & learning / evaluations	212	3.000	3.000
Missions and field visits		3.000	3.825
	212	6.000	6.825
<b>Total contributions own projects</b>	<b>-867</b>	<b>13.500</b>	<b>33.564</b>

## 13 Publicity and communication expenses

	Actual	Budget	Actual
	2019	2019	2018
	€	€	€
Direct mail and newsletter, printing and postage expenses	13.364	15.000	16.855
Advertisements	0	0	0
Marketing campaigns	0	0	0
Website	357	2.000	999
Brochures	0	0	0
CRM database	399	0	305
Consultancies	0	0	0
Miscellaneous	0	2.000	-2.268
<b>Total publicity and communication expenses</b>	<b>14.120</b>	<b>19.000</b>	<b>15.890</b>

#### 14 Salaries and charges

	Actual 2019	Budget 2019	Actual 2018
	€	€	€
Salaries	232.234	152.658	300.441
Social and pension premiums	75.118	49.353	84.281
<b>Total salaries and charges</b>	<b>307.352</b>	<b>202.011</b>	<b>384.723</b>

#### 15 Depreciation and amortization

	Actual 2019	Budget 2019	Actual 2018
	€	€	€
Depreciation furniture and ICT	4.718	8.000	9.828
Book profit furniture and ICT	2.057	0	-95
<b>Total depreciation and amortization</b>	<b>6.774</b>	<b>8.000</b>	<b>9.733</b>

#### 16 Financial expenses

	Actual 2019	Budget 2019	Actual 2018
	€	€	€
Interest loans	22.734	0	11.835
<b>Total financial expenses</b>	<b>22.734</b>	<b>0</b>	<b>11.835</b>

#### 17 Other expenses

	Actual 2019	Budget 2019	Actual 2018
	€	€	€
Other staff expenses	13.437	4.100	-2.227
Travel and lodging expenses	18.885	17.640	18.595
Office expenses	48.355	58.708	60.849
Board expenses	3.274	3.500	2.970
Consultancies	40.041	36.500	29.336
VAT-claim (return)	0	0	205.406
Other expenses	5.446	6.000	5.906
<b>Total other expenses</b>	<b>129.438</b>	<b>126.448</b>	<b>320.836</b>

#### 18 Result subsidiaries

	Actual 2019	Budget 2019	Actual 2018
	0	0	0
Result ICS B.V.	-268.194	0	-249.141
<b>Total result subsidiaries</b>	<b>-268.194</b>	<b>0</b>	<b>-249.141</b>

## Remuneration of the Executive Board

In 2019 the Executive Board consisted of the executive director, Mr Ronald Messelink.

The salaries of the Executive Board is based on ICS remuneration system. The salary scales applicable to public servants (BBRA) served as the basis of this system, but from 2015 ICS detached its system from the BBRA.

In its financial statements ICS uses the format of 'Responsible Management Remuneration' established by Goede Doelen Nederland (GDN).

### Employment contract

Term

indefinite

Hours

36

Parttime percentage

100%

Period

January 1 - December 31

€

### Remuneration

Annual income

Gross salary

102.171

Holiday allowance

8.174

**Total annual income**

**110.345**

Social insurance premiums

10.916

Pension premiums

15.129

Other premiums for future benefits

966

**Total remuneration 2019**

**137.356**

**Total remuneration 2018**

**135.496**

The annual income of the director is within the maximum of the GDN remuneration scheme.

### Remuneration Supervisory Board

The members of the Supervisory Board do not receive remuneration, except a reimbursement of expenses actually incurred in the context of their functioning as supervisor. The total amount of paid expenses in 2019 was € 1,254 (2018: € 948).

No loans, advance payments or guarantees were provided to the members of the Supervisory Board.

### Number of employees

In 2019 ICS employed 3,6 employees in full-time units (2018: 5,3 FTE) who were divided across the regions as follows:

	Actual 2019	Actual 2018
	ftes	ftes
<b>The Netherlands</b>		
Executive director	1,0	1,0
Portfolio management	0,7	1,3
Finance & control	0,5	1,9
Fundraising & communication	1,4	1,1
<b>Total number of employees</b>	<b>3,6</b>	<b>5,3</b>

### Regulation in the articles of association concerning appropriation of surplus or deficit

The articles of association specify, as stipulated in article 16, that the financial statements are adopted by the Executive Board. This decision for adoption requires prior approval from the Supervisory Board.

The articles of association do not contain any regulations which specifically deal with profit appropriation. In the financial statements a proposal for the appropriation of surplus or deficit is included as standard.

### Subsequent events

The Netherlands and the rest of the world are confronted with the coronavirus in the first months of 2020. Nobody can over what the total impact will be and what measures have to be taken to prevent further spread of the virus. Regarding the impact of the coronavirus on the current situation of the organisation of ICS see the explanation in the board report 2019.

## **OTHER INFORMATION**

### **Auditor's report**

**ANNEX 1 - STATEMENT OF INCOME AND EXPENDITURES 2019 ACCORDING TO RJ650**

	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>	<b>€</b>
<b>INCOME</b>			
Income from private donors	559.842	563.000	599.447
Income from companies	2.468	3.000	3.444
Income from government subsidies	0	0	324.037
Income from other charities and NGOs	-144.174	0	23.859
<b>Total income</b>	<b>418.135</b>	<b>566.000</b>	<b>950.787</b>
<b>EXPENDITURES</b>			
<i><b>Committed to objectives</b></i>			
Structural support	-48.367	141.313	931.305
Awareness raising	29.302	27.437	58.857
	<b>-19.065</b>	<b>168.750</b>	<b>990.162</b>
Raising income	83.820	110.838	167.693
Administration	141.307	89.371	243.606
<b>Total expenditures</b>	<b>206.062</b>	<b>368.959</b>	<b>1.401.461</b>
<b>Balance before financial income</b>	212.073	197.041	-450.674
Balance financial income and expenses	-21.024	0	-1.530
<b>Balance before result subsidiaries</b>	<b>191.049</b>	<b>197.041</b>	<b>-452.204</b>
<b>Result subsidiaries</b>	-268.194	0	-249.141
<b>Balance</b>	<b>-77.145</b>	<b>197.041</b>	<b>-701.345</b>

**ANNEX 2 - EXPENDITURES ACCORDING TO MODEL C (RJ 650)**

	Committed to objectives			Raising income	Admini- stration	Total actual 2019	Total budget 2019	Total actual 2018
	Structural support	Awareness raising	subtotal					
	€	€	€	€	€	€	€	€
Contributions to third parties	-250.755	0	<b>-250.755</b>	0	0	<b>-250.755</b>	0	636.716
Contributions to own projects	-867	0	<b>-867</b>	0	0	<b>-867</b>	13.500	33.563
Publicity and communication expenses	0	4.359	<b>4.359</b>	9.562	199	<b>14.120</b>	19.000	15.890
	-251.622	4.359	<b>-247.263</b>	9.562	199	<b>-237.502</b>	32.500	686.169
Operational expenditures								
Salaries	112.271	12.099	<b>124.370</b>	38.882	68.982	<b>232.234</b>	152.658	300.441
Social and pension premiums	36.315	3.913	<b>40.228</b>	12.577	22.313	<b>75.118</b>	49.353	84.281
Other staff expenses	6.496	700	<b>7.196</b>	2.250	3.991	<b>13.437</b>	4.100	-2.227
Travel and lodging expenses	7.410	1.266	<b>8.676</b>	3.161	7.048	<b>18.885</b>	17.640	18.595
Office expenses	18.973	3.242	<b>22.215</b>	8.093	18.047	<b>48.355</b>	58.708	60.849
Depreciation	2.658	454	<b>3.112</b>	1.134	2.528	<b>6.774</b>	8.000	9.733
Board expenses	1.285	219	<b>1.504</b>	548	1.222	<b>3.274</b>	3.500	2.970
Consultancies	15.711	2.684	<b>18.395</b>	6.702	14.944	<b>40.041</b>	36.500	29.336
Other general expenses	2.137	365	<b>2.502</b>	911	2.032	<b>5.446</b>	6.000	211.312
	203.255	24.943	<b>228.198</b>	74.258	141.107	<b>443.564</b>	336.459	715.292
<b>Total expenditures</b>	<b>-48.367</b>	<b>29.302</b>	<b>-19.065</b>	<b>83.820</b>	<b>141.307</b>	<b>206.062</b>	<b>368.959</b>	<b>1.401.461</b>

**Operational expenditures**

The most significant variances between actual and budgeted expenses in 2019 can be explained as follows:

In the budget 2019 ICS expected that part of its staff would be allocated to one of its subsidiaries. As it was decided to phase out the business operations in the course of the year, ICS also did not allocate these salary expenses as budgeted. Hence the salaries and social charges are higher than budgeted in 2019.

Percentage raising income	Actual 2019	Budget 2019	Actual 2018
Expenditures of raising income as a percentage of total income	20,0%	19,6%	17,6%



## Independent Auditor's Report

To: The supervisory board and management of Stichting ICS

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

We have audited the financial statements 2019 of Stichting ICS based in Amersfoort.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting ICS as at December 31, 2019 and of its result for 2019 in accordance with the 'RJ-Richtlijn RJK kleine Organisaties zonder winststreven' (Guideline for annual reporting 'small Not-for-profit organisations' of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the balance sheet as at December 31, 2019;
2. the profit and loss account for 2019; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

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

We are independent of Stichting ICS 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 opinion.

### B. 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 board report;
- other information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

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.



Management is responsible for the preparation of the other information in accordance with 'RJ-Richtlijn Rjk kleine Organisaties zonder winststreven' (Guideline for annual reporting 'small Not-for-profit organisations' of the Dutch Accounting Standards Board).

## **C. Description of responsibilities regarding the financial statements**

### **Responsibilities of management and the supervisory board for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 'RJ-Richtlijn Rjk kleine Organisaties zonder winststreven' (Guideline for annual reporting 'small Not-for-profit organisations' of the Dutch Accounting Standards board). Furthermore, management 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, management is responsible for assessing the foundation'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 foundation or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the foundation's financial reporting process.

### **Our responsibilities for the audit of the financial statements**

Our objective is to plan and perform the audit engagement 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.

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

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the 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 foundation'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 foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Ede, July 15, 2020  
Schuiteman & Partners Registeraccountants B.V.

Signed by  
G. de Fluiter RA