



THE FACTS AND FIGURES FOR 2012

ICS annual report



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ICS continues to grow in 2012



Doing business and fighting poverty: ICS already merged those two issues in 2011 into a single integrated strategy. Social entrepreneurship, child protection and good parenting became the three cornerstones. Together they are having a permanent effect on the rural areas in Asia and Africa. This strategy was implemented further in 2012.

Director Ronald Messelink saw ICS make the definite shift in 2012 from traditional development cooperation to an enterprising form of development. 'Not without losing sight of the good things from the past. As an organisation focused on children, ICS carried out projects for many years in education, water and health. ICS achieved many good results through this. It forms the basis of our current organisation. We have offices in the field and programmes have been organised which revolve around children. Programmes which also take the wider context into consideration.'

Investics

'Uniting the world of development cooperation with a new market-oriented approach gives us the 'best of both worlds'. It requires a change in the organisation at the same time. This gained impetus in 2012 when Investics was founded: a holding company which comprises a number of the social business activities developed by ICS. Initiatives which can be scaled up and replicated. Initiatives which can be profitable and ensure a lasting improvement of the socio-economic position of rural communities. Nafics arose from that principle: a corn trading company in which we cooperate with farmer groups in West Kenya.'

Entrepreneurial blood

'Nafics pumps more entrepreneurial blood into ICS, with an experienced Kenyan entrepreneur as Managing Director. This allows the business opportunity discovered by ICS to expand into a fully operating and profitable business. A business as the means for offering the farmers of West Kenya greater food security and a better outlet. It's the best possible way for entrepreneurship and social goals to merge. This is also our ambition for the water enterprises in Cambodia.'

Synergy

ICS' strength lies in integrating several social enterprises in the one region with child-oriented programmes. Messelink continues: 'For instance, Nafics works with farmers who are also part of the water projects. Farmers whose children benefit from our work in child protection. By also bringing attention to 'Skilful parenting' within the family, ICS creates a unique synergy. But it always comes from the perspective of the local context and need; so you have corn in Kenya, but cattle in North Tanzania for instance, or water in Cambodia.'



This is ICS in 2012

Vision

People all around the world are able and prepared to guarantee the well-being of children and bring about a change themselves.

Mission

In collaboration with people and their organisations, we stimulate cooperation in initiatives and enterprises that ensure continuing social and economic changes so that the well-being of children and young people is guaranteed.

Lessons learned in 2012

Of course ICS learned some lessons too from 2012. For instance, after extensive analysis of the social business activities in Suba (West Kenya), we concluded that the value chains had not been identified adequately at the beginning of the projects. ICS is already putting this lesson into practice by supporting the current social business activities with a thorough analysis. Furthermore, in 2012 ICS struggled to find qualified workers for its programme in Cambodia. This held ICS back in implementing its programme. We will be catching up on this in 2013 (see Outlook for 2013). Of course, ICS learned more lessons in 2012. In several places we indicate the most important lessons with the project descriptions which follow.



Some results from 2012

- ▶ In Cambodia, 775 farmers in 21 villages have access to rice banks with low interest rates.
- ▶ In Kenya, training helped 2,775 children to learn what children's rights mean and how they can stand up for their rights. In Tanzania, 13,912 children learned this.
- ▶ In Kenya, 2,170 farmers received seed and fertilizer through a credit system.
- ▶ In Cambodia, 3,500 children in 24 schools, 80 teachers, 44 school principals and 11 governors benefited from Child-Friendly Schools.
- ▶ In Meatu (Tanzania), the farmers who have been involved in the project since 2011 saw their corn production triple.

More results of several highlighted projects can be found below in this annual report.



PROJECTS IN 2012

In 2012, ICS carried out projects in Cambodia, Thailand, Laos, Uganda, Tanzania and Kenya. These projects all rest on the five cornerstones of ICS:

- ▶ Social entrepreneurship
- ▶ Children's rights
- ▶ Civic Driven Change
- ▶ Regional focus
- ▶ Integrated approach

ICS rounded off the projects in Thailand, Uganda and Laos in 2012.

The total project list is shown on the following pages. We have highlighted some of these projects in this annual report.

TOTAL NUMBER OF PROJECTS
1

The Netherlands

UGANDA



1,983 'PEER EDUCATORS' WERE SUPPORTED IN HANDLING DIFFICULT AND SENSITIVE SITUATIONS IN CHILDREN'S RIGHTS.

TANZANIA



TOTAL NUMBER OF PROJECTS
13

500 CHILDREN AND 750 PARENTS/CARERS WERE MADE AWARE OF ROLES AND RESPONSIBILITIES WITH RESPECT TO POSITIVE PARENTING.

Joint venture partners of ICS in 2012

The Netherlands

SOS Kinderdorpen • Wereldkinderen • Wilde Ganzen • Context, international cooperation Aflatoun • Child & Youth Finance International • Stichting Het Groene Woudt • Health[e] Foundation • Bucon Industries BV • Arcadis

Tanzania

Adilisha • C-SEMA • Orkonerei Maasai Social Initiative (OMASI) • Mkombozi • MPDI (Monduli Pastoralist Development Initiative) • Orname Dutch Orkonerei Social Initiative Limited (Dosi) • Emboret Dairy Cooperative Society limited •

Orpul Limited • IOPA - In Pastoralist Association • Animal Husbandry Vocat

Kenya

The Green Forest Social (GFSIT) • CLAN (Child L • KAARC (Kenya Alliance of Children) • Rural Edu

TOTAL NUMBER OF PROJECTS
15

KENYA



2,170 FARMERS RECEIVED SEED AND FERTILIZER THROUGH A CREDIT SYSTEM.

LAOS



A NUMBER OF ACTIVITIES WERE PERFORMED IN 2012 TO TRANSFER THE PROJECT TO LOCAL ORGANISATIONS AND THE LOCAL GOVERNMENT.

TOTAL NUMBER OF PROJECTS
1

Kampala
Nairobi
Dodoma

Vientiane

Bangkok

Phnom Penh

TOTAL NUMBER OF PROJECTS
11

CAMBODIA



IN CAMBODIA, 775 FARMERS IN 21 VILLAGES HAVE ACCESS TO RICE BANKS WITH LOW INTEREST RATES.

THAILAND



TOTAL NUMBER OF PROJECTS
3

306 MIGRATING YOUNG PEOPLE, 73 LOCAL ENTREPRENEURS AND 49 LOCAL ORGANISATIONS WERE REACHED WITH TRAINING AND INFORMATION ABOUT THE ROLE THEY CAN PLAY IN THE SAFE MIGRATION OF YOUNG PEOPLE.

Institute for Orkonerei
SAHVT - Simanjoro
National Training Centre

Investment Trust
(Legal Action Network)
Centre for the Advancement
of Education and Economic

Enhancement Programme (REEP) • Fascobi)
• Akukuranut Development Trust (ADT) •
KEWACTA (The Kenyan Woman and Child
Transformation Agenda) • Action for Child
Development trust (ACDT) • ILO Kenya

Cambodia

Commune Council Odar Meanchey • SST -
Sor Sor Troung • CIDO • ECPAT Cambodia

Thailand Raks Thai • ECPAT

Uganda Child Restoration Outreach (CRO)

International Parenting Africa Network (PAN) •
The African Child Policy Forum (ACPF)

Networks Partos • Vereniging
Fondsenwervende Instellingen (VFI)

CAMBODIA

Vegetable Farming and Marketing

Partner: CIDO

- ▶ Project initiated to improve income by means of efficient production of rice and organic vegetables at three locations.
- ▶ 41 farmers were selected for the project and trained in rice production and the production of organic vegetables.
- ▶ 41 farmers received loans of which 40% has already been paid back.
- ▶ A farmer association was set up with 24 households as shareholders.
- ▶ 48 manuals were made and distributed.

Chicken Farming

Partner: Sor Sor Troung

- ▶ A chicken farm was established which produces chicks from an improved local breed of poultry. 250 households in five villages have since been contracted for further production.
- ▶ The chicken farm also serves as a research and training centre for the local chicken farmers. Feed is also produced locally. Forty young people who no longer attend school are involved in this.

Sanitation Marketing

Partner: Sor Sor Troung

- ▶ A suitable method has been introduced for making communities aware of the importance of using toilets instead of nature to relieve oneself. The project also provides households with access to affordable toilets by means of flexible payment arrangements.
- ▶ Ten sanitation awareness campaigns were held.
- ▶ 91 households in nine villages are participating in the project for the time being.
- ▶ 80 toilets have been built.

Community Water Enterprise

Partner: ICS Cambodia

- ▶ Four new local water outlets (16 in total) in 21 villages.
- ▶ Six potential franchises have been identified and scanned to expand the water enterprise to two new provinces.

Community Multi-purpose Bank

Partner: ICS Cambodia

- ▶ Nine new satellite rice banks have been established. They are small rice banks which are still in the learning phase. The larger, successful rice banks support them in this.
- ▶ A total of 775 farmers in 21 villages have access to rice banks with low interest rates.
- ▶ A new method for more efficient rice production was introduced to 996 farmers.
- ▶ Introduction of organic fertilizer for cultivating rice. The farmers were immensely interested. Result: 300 farmers have stopped using artificial fertilizer.

Community Pig enterprise

Partner: ICS Cambodia

- ▶ Establishment of project for small-scale pig breeding.
- ▶ Three planning sessions were organised and two training cycles held on keeping pigs and management for 67 interested farmers.
- ▶ End result: 29 farmers were selected. They have all started fattening piglets.

Child-friendly Schools

Partner: ICS Cambodia

- ▶ 3,500 children in 24 schools (four new schools in 2012), 108 teachers, 44 school principals and 11 governors have benefited from this project.
- ▶ Eight different training courses were organised on interactive and child-friendly teaching methods.
- ▶ Infrastructure was improved: the grounds of four schools were renovated, roofs on two schools were repaired, two schools received a new building with 12 classrooms, at nine schools the area surrounding the school was fenced, at five schools a total of 20 classrooms were renovated and eight schools received new furniture.
- ▶ Two newly established local bookshops (established in 2011) have now provided 7,645 schoolchildren with access to affordable school materials. In 2012, another two new local points of sale were established. 47 villages can now be reached with a total of 29 points of sale.
- ▶ The project was rounded off in 2012.

CAMBODIA/THAILAND

SKYE (Society of Khmer Youth Entrepreneurs)

Partner: ICS Cambodia

- ▶ Project initiated to organise young people so they can solve socio-economic problems in their surroundings together.
- ▶ Four local SKYE divisions were set up with a total of 101 members (aged between 17 and 18 years).
- ▶ Four action research studies were carried out to identify and list socio-economic problems in the surroundings.
- ▶ Each division formulated three or four business objectives and small enterprises have been started. The young people are working on the previously identified problems by means of social entrepreneurship.

Support to Commune Councils

Partner: ICS Cambodia

- ▶ Local community councils (27 participants in five communities) follow leadership training. The aim is to boost and increase civic participation.

Global Youth Partnership Project

Partner: ECPAT (End Child Prostitution, Child Pornography and the Trafficking of Children for Sexual Purposes)

- ▶ ICS has been collaborating with ECPAT Thailand and ECPAT Cambodia since 2009 in the implementation of the Global Youth Partnership Project (YPP) for children and young people who are at risk of commercial sexual exploitation. YPP is a unique programme which offers training and the development of leadership skills to the most marginalised children and young people in risk situations so they can stand up for their own rights and protection.
- ▶ ECPAT Cambodia worked in YPP with 15 organisations in the Phnom Penh region. Because ICS has focused on geographical areas in the north of Cambodia, we decided to phase out the collaboration with ECPAT Cambodia in 2012. In the phase-out period, we invested in:
 - ▶ Strengthening the capacity of partner organisations to work with a diluted version of YPP within their own programmes.
 - ▶ Supporting young people to find ways to continue their activities without the financial support of ECPAT.

Community[e]Education in South-East Asia

Partner: Health[e]Foundation

- ▶ Specific tools concerning Sexual and Reproductive Health were developed and tested for Cambodia. They are available in an online database for 'trainers' and young people.
- ▶ Five workshops were held in Thailand and Cambodia for a total of 128 'learning facilitators' and 1,922 students. Themes included life skills, sex and relationships between men and women and sexual and reproductive health.

LAOS

In 2012, ICS rounded off or phased out its activities in Laos

Young Entrepreneurs Society in Saravane

Partner: ICS Laos

- ▶ A number of activities were performed in 2012 to transfer the project to local organisations and the local government.
- ▶ Youth groups were trained in business skills.

THAILAND

In 2012, ICS rounded off or phased out its activities in Thailand

Child Friendly Schools & Child Social and Financial Education

Partner: ICS Sri Sa Ket

- ▶ Five local community organisations were supported to take over the project.
- ▶ The project was rounded off in 2012.

Safe Migration for Youth

Partner: Raks Thai

- ▶ Two 'drop-in' centres were started in the border area between Laos and Thailand. These centres provide young people with information and training on safe migration.
- ▶ 306 migrating young people, 73 local entrepreneurs and 49 local organisations were reached with training and information about the role they can play in the safe migration of young people.
- ▶ 22 youth leaders were trained.
- ▶ 2,457 young people were reached with information and training on migration.
- ▶ 15 local government institutions, five NGOs, three hospitals, 20 local leaders, 73 local entrepreneurs together make up a network which will further support and succeed the project.
- ▶ The project was rounded off in December 2012.

KENYA

Child Rights in School Improvement Program

Partner: ACDT

- ▶ Nine schools participate in the project.
- ▶ The infrastructure at the schools has been improved according to action plans which the schools drew up.

Child Social and Financial Education

Partner: ACDT

- ▶ At 15 primary schools, child-friendly teaching methods are applied at least once per month in social and financial education.

Aflateen

Partner: ACDT

- ▶ In this project, young people learn how to save and handle money. Attention is paid specifically to the saving and lending module. As a result, three youth groups managed to save around 60,000 Kenyan Shillings (about €500) in less than three months.

Sexual Reproductive Health and Rights

Partner: ACDT

- ▶ 10 secondary schools participate in the programme for improving the sexual and reproductive health of young people.
- ▶ 24 trainers were trained in sexual and reproductive health.

Child Protection, Skillful Parenting and Legal Protection

Partner: REEP (Rural Education and Economic Enhancement Programme)

- ▶ 30 schools were supported in setting up 'children's rights' resource corners.
- ▶ 301 incidents of child abuse were reported and followed up by 'paralegals'.
- ▶ At six new schools, awareness campaigns were held on children's rights and child protection.
- ▶ Six parent groups on positive parenting were organised in six different districts. Two community debates were also organised with a total of 150 participants.

Beekeeping

Partner: ADT

- ▶ Five groups with a total of 209 beekeepers are taking part in the project.
- ▶ The 209 beekeepers have access to loan facilities, so that a total of 622 beehives could be purchased.

- ▶ The planting and selling of trees has increased as a source of income. The wood is sold to make the beehives. Thus far, 147,308 trees have been planted.
- ▶ Business in the area has increased. This has been caused by the payments between the different players in the honey value chain: farmers who produce wood, carpenters who make the beehives, farmers who sell the honey and suchlike.

Child Protection, Skillful Parenting

Partner: The Kenyan Woman and Child Transformation Agenda (KEWACTA)

- ▶ 155 parents and carers learned about positive parenting.
- ▶ 3,433 parents, carers and young people were reached with information about children's rights, traditional methods for bringing up children and child protection.
- ▶ 293 children received various forms of direct support (medical, care, legal support, educational material, etc.).
- ▶ There is an emergency shelter for children and mothers.
- ▶ 50 women were trained in the psychological counselling of children.
- ▶ Three radio programs were made about positive parenting, children's rights and child abuse and broadcast via community radio.

Child Protection & Skillful Parenting

Partner: Fascobi

- ▶ Fascobi is a local organisation (community-based organisation) and the only one in Suba which works on child protection.
- ▶ 2,265 parents and carers were counselled in how they can bring up their children (better): skilful parenting.
- ▶ Awareness about the rights and obligations of children was created through community meetings and radio.
- ▶ 40 teachers and six school committees were trained in teaching life lessons, children's rights and child-friendly disciplinary methods as an alternative to corporal punishment.
- ▶ 15 community groups were trained in giving instruction and monitoring how they can identify children who are at risk of violence, exploitation and abuse.



Child Protection

Partner: KAACR

- ▶ The quality of child and youth protection services was boosted by:
 - ▶ Four training courses for social workers, government officials, police officers, medical staff and NGO staff in the use of protocols for child and youth protection and referral to specialist services. This reached 353 service providers.
 - ▶ 210 parents and carers were reached with information on children's rights and child protection.
 - ▶ 264 local leaders, teachers and NGO staff were trained in lobbying and influencing policy for children's rights and child protection.

Child Legal Protection

Partner: CLAN (Children's Legal Action Network)

- ▶ 2,775 children were trained in what their legal rights are.
- ▶ 13 children received legal assistance during court cases.

Combating Child Labour

Partner: ILO/ICS

- ▶ A total of 1,825 children were registered for the project:
 - 800 children were removed from the place where they worked and are back at school.
 - Preventive measures were carried out (actions towards employers and carers, training courses and awareness-raising) for 1,000 children in the 'child labour' risk group.
 - 100 young people (17-18 years) were protected against dangerous work situations.
 - 300 young people followed vocational training.

Village Solar Project

Partner: Green Forest Social Investment Initiative

- ▶ 150 extra households were provided with electricity. 200 households already received this in 2011.
- ▶ By the end of 2012, a total of 350 households and five schools thus have electricity.
- ▶ 80% pay their monthly contribution on a continual basis, with which the Village Solar Committees pay the salaries of the female engineers and the maintenance.
- ▶ The committees and women were trained in financial management and the installation and maintenance of the solar panels.

Beekeeping

Partner: Green Forest Social Investment Initiative

- ▶ 13 honey production groups were organised with 15 to 30 members per group.
- ▶ The members save together, lend each other small amounts and work together to improve the honey production. They received training in organising, (financial) management, cooperation in groups and in keeping bees. They were also linked to microfinance facilities.
- ▶ 310 small farmers keep bees and have earned income with the sale of honey. This is used mainly to pay for school, medical costs, clothing and food for the children and the family.
- ▶ Local carpenters who make beehives have organised themselves into the Gwasssi Artisan Development Group with 20 members.
- ▶ The carpenters were trained in (financial) management, marketing, recordkeeping and suchlike.
- ▶ They sell beehives to the local farmer groups and IFAD. At the end of 2012, the group had generated a joint gross income of around €100,000.
- ▶ 14 women were trained in making beekeeper's suits and organised their own saving and lending group. They sold the suits to GFSI and Osienala, earning around €1,560.

Girls Secondary Education

Partner: Kagoro Girls Secondary School

- ▶ The Kagoro School is the only secondary school for girls far and wide.
- ▶ In 2012, 118 girls attended school here and received high quality education up to level three.
- ▶ The curriculum has been strengthened by things such as the Aflateen project, in which the girls learn about their rights, about financial education and how important it is to save. They are encouraged to start small enterprising activities.
- ▶ Sport classes and drama lessons have now been added. Sex education, self defence and life skills also receive a lot of attention. The local organisation Fascobi (see below) thus offers counselling to the girls.
- ▶ The kitchen and dining room have been completed and are in use.

Agribusiness

Partner: ICS Busia/Kakamega

- ▶ 73 (model) farmers have been supported to set up sample plots.
- ▶ 2,170 local farmers received seed and fertilizer through a credit system.
- ▶ Production is five times greater than in 2011.
- ▶ 5,380 local producers were made aware of the opportunities in the value chain and registered for information services.

UGANDA

In 2012, ICS rounded off or phased out its activities in Uganda.

Community Radio

Partner: CRO

- ▶ Three 'drop-in' centres were established and put into use for the promotion of children's rights.
- ▶ 879 new children were trained as 'peer educators'. A total of 1,983 'peer educators' were supported in handling difficult and sensitive situations.
- ▶ The project was rounded off in December 2012.

TANZANIA

Skilful parenting

Partner: MPDI (Monduli Pastoralist Development Initiative)

- ▶ A local 'Early Childhood Centre' (preschool) was established.
- ▶ 500 children and 750 parents/carers were made aware of roles and responsibilities with respect to positive parenting.

Child Protection & Skilful Parenting (Street Children)

Partner: Mkombozi

- ▶ Six local NGO partners were trained in child participation.
- ▶ 13,912 children were trained in children's rights.
- ▶ 45 teachers, 20 religious leaders, 12 social workers and eight police officers were trained in children's rights.
- ▶ 12 local (informal) child protection structures were set up and supported.
- ▶ 72 radio programmes were made and broadcast on children's rights and child protection.



Child Protection & Skilful Parenting

Partner: Adilisha

- ▶ Three discussion forums for children were organised at three schools.
- ▶ 35 cases of child abuse were reported and followed up.
- ▶ 29 abused children were supported (medically and financially).

Integrated Dairy Development

Partner: DOSI

- ▶ 44 households followed a course of four training sessions which tackled various parts of the project: production of feed, keeping a new breed of cow, milk production, etc. The loan of a cow was conditional on participation in the course.
- ▶ 14 bulls were purchased and lent out to the 44 participating households.
- ▶ 25% of the dairy cattle have calved and already produce milk.
- ▶ The new approach and introduction of a new breed of dairy cattle have increased the milk production, from 0.5-1 litre with the old breed to 7-9 litres per day with the new breed.

Child Helpline

Partner: C-SEMA

- ▶ Preconditions were created for the establishment of the child helpline in Tanzania:
- ▶ 72 government officials were trained, 38 local organisations were informed and trained and a database was set up on formal child protection.

Child Rights in School Improvement Programme & Child Social and Financial Education

Partner: IOPA

- ▶ A local organisation was supported in implementing a social and financial education programme at primary schools.
- ▶ 500 children were reached through training and awareness-raising concerning sanitation and hygiene.
- ▶ 20 toilets at various schools were renovated and are cleaned daily.
- ▶ 26 teachers were trained in social and financial education.
- ▶ 18 teachers were trained in hygiene and safety in and around school.

Masai Community Radio

Partner: Ormame

- ▶ The organisation that runs the radio station has taken four different training courses. For example, courses in journalism, interview techniques and making and presenting programs on sensitive themes (HIV/Aids, inequality between men and women, child abuse, etc.).
- ▶ The importance of education for girls was emphasised. 40% of the Maasai women have now been trained.
- ▶ 100 children visited the radio station and learned about making radio broadcasts.

Agribusiness

Partner: ICS Meatu

- ▶ 210 farmers followed agricultural training courses and received seed and fertilizer through a credit system.
- ▶ The production of corn by the farmers who have been involved in the project since 2011 has tripled.
- ▶ In 2012, 23 new groups with 792 farmers were recruited for the project (now a total of 1002 farmers).
- ▶ Storage facilities/warehouses for corn were established in 30 villages in collaboration with the government.

Solar Enterprises

Partner: ICS Meatu

- ▶ 807 households received solar panels.
- ▶ Eight female solar panel engineers were trained.
- ▶ 1,614 children benefit from the solar panels as they can now read and write in the evenings and thus also do their homework.

Early Childhood Development

Partner: ICS Meatu

- ▶ Four 'Early Childhood Development' centres are run by local organisations. They were supported through:
 - improved infrastructure (fencing, roof repairs, etc.).
 - development of a business plan and the establishment of activities which generate income.
- ▶ 24 carers acquired knowledge of child-friendly education and educational methods.

Child Social and Financial Education

Partner: ICS Meatu

- ▶ 1,925 children from 25 schools are participating in the project through children's clubs.
- ▶ 103 teachers and 72 supervisors received training in social and financial education.
- ▶ Various small-scale socio-economic activities were initiated at the 25 schools. For example: keeping chickens, laying out gardens, keeping bees and making works of art to sell.

Youth Empowerment

Partner: ICS Meatu

- ▶ 50 young people were selected to participate in the Meatu Youth Empowerment Programme which started in September 2012.
- ▶ These young people started on a basic training course of five months for entrepreneurs. The training includes computer training, English and basic business skills.

Water

Partner: ICS Meatu

- ▶ A new water system was constructed for 214 households.
- ▶ Two underground tanks for rainwater storage were built for two schools. More than 800 children use this water.

INTERNATIONAL

Pan-African

Partner: PAN (Parenting in Africa Network)

Skilful parenting

- ▶ 20 organisations use information material and online tools for parenting programmes.
- ▶ Access to 19 new tools was arranged via the PAN website.
- ▶ Eight organisations were trained in positive parenting.

Pan-African

Partner: African Child Policy Forum (ACPF)

Research, Lobby and Advocacy on Child Wellbeing

- ▶ The aim of ACPF is to get children on to the public and political agendas so that their rights and welfare can be realised. Intercountry adoption was a central theme in the International Policy Conference (IPC) in 2012: 'Intercountry Adoptions; Alternatives and Controversies', organized by ACPF.
- ▶ Various activities on ethical adoption were held, targeting African governments and international adoption organisations.
- ▶ With government support, the Child Legal Protection Centre in Ethiopia was reopened.
- ▶ A referral system among 35 institutions was set up (government, NGOs).
- ▶ Three investigations were conducted on the themes of children with a handicap, families with many children, and violence against children.

International

Partner: Aflatoun

Child Social and Financial Education

- ▶ In 11 new countries (total 92), educational programmes for social and financial education were started with local partners.
- ▶ Two new curriculums were developed for social and financial education for children.
- ▶ The Aflateen project, a savings programme for young people, started in 16 new countries (now a total of 29 countries).

International

Partner: Child Finance

Child Friendly Banking

- ▶ Two new child-friendly banking products were developed and tested, improving children's access to financial services.
- ▶ 'Child Finance' projects were started in three countries.
- ▶ An international meeting was held with 346 participants from 83 countries (policy-makers, governments, banks, NGOs) and 70 children from 40 countries.

International

Partner: Context, international cooperation

Capacity Strengthening on Social Business, Civic Driven Change and Social Return on Investment

- ▶ A training course in Social Return on Investment (SROI) was given in the Netherlands and in Kenya.
- ▶ The SROI manual was reviewed and rewritten, and is ready for publication at the start of 2013.
- ▶ Two academic articles were written on social entrepreneurship.



Nafics: corn in Kenya

ICS started the business plan for Nafics in Kenya in 2012. Nafics concentrates on the purchase and sale of corn from small and large farmers, and is a great example of a social business which ICS has set up.

Corn is the most important food in Kenya. In 2011, the total corn consumption in Kenya was 43 million 90-kg bags, for a population of 43 million. However, the total national production of corn in 2011 was only 30 million bags. This means there is a shortage of corn on the market in Kenya. This is striking, as corn makes up 35% of the daily food in this part of Africa.

In order to provide a (transparent and honest) market for the small farmers ICS works with, ICS established Nafics Ltd. Nafics is a Kenyan corn wholesaler. The main objectives of Nafics are to purchase more than 50% of the traded corn from small farmers and to invest profits in reaching more small farmers and in social projects. In the first instance, a market is being established for corn, but in the longer term it will also serve other crops cultivated by small farmers. Nafics thus ensures a sustainable and positive impact

on the food security for smaller farmers in West Kenya. In addition, Nafics wants to help farmers understand the market price for corn, so their bargaining position in the market is strengthened. Nafics responds to the annual price curve on the market. Nafics buys corn during the harvest season, stores it and treats it. As soon as the market prices are high, the corn is sold. Moreover, Nafics strives to guarantee a standard quality for the buyers. The plan is to purchase the first stock of corn in the harvest season of August 2013. The anticipated turnover of this business in the first sales year is around €150,000.

In 2012, ICS selected various groups of farmers according to strict criteria. This involves registered and well organised farmer groups in West Kenya, with a total of around 2,000 farmers at the end of 2012. This number will grow during the coming years. ICS works together with the farmers by advising them on the production of corn and by providing seed and fertilizer on credit. The aim is to increase production significantly. Here too, the main objective is food security. Nafics and ICS complement each other in this. The farmer groups of ICS therefore form an important target group for Nafics. In addition, a link is made to another ICS project: Skilful Parenting. All affiliated farmers attend workshops on positive parenting.



The core of the Nafics business model:

- 1 Nafics purchases corn from farmers in West Kenya, straight after the harvest season (August-October).
- 2 Nafics stores the purchased corn in a central location.
- 3 Nafics treats the corn so that the quality can be safeguarded.
- 4 Nafics sells the corn to customers such as industrial millers, schools and supermarkets, once the prices are high (March-July).

Thus investments are made not only in social business, but also in the wellbeing of children and the entire living environment of whole families.

Lessons learned

Working with farmers and farmers groups is familiar territory for ICS. A new feature in 2012 was that ICS purchased items itself such as fertilizer and sold them on to the farmers. The logistical handling and administrative processing did not always go perfectly. Important improvements will be implemented in 2013. ■

Marije Tanis (Social Business Developer ICS) on Nafics:

'In 2012, we worked out our ideas for Nafics in more detail in a business plan, had the plan tested locally by external consultants for financial viability (with a positive conclusion) and we found an experienced entrepreneur from the Kenyan corn industry who is investing in the Nafics business himself and will run it.

It was a good start for Nafics, of course with the necessary challenges such as obtaining the funding and determining the risks for Nafics. The main objective for 2013 is guaranteeing sufficient financial resources and consequently building up the business locally and buying the first corn stocks from small and larger farmers. Purchasing will take place during the harvest months in August and September.

I am really looking forward to it!



Social Return On Investment (SROI)

At ICS, various SROI analyses were carried out for projects in 2012. Usually local employees of ICS performed these analyses. They mainly examined the financial sustainability and what the projects deliver to the target group. SROI analyses were performed for the following projects: solar energy project in Tanzania, corn project in Tanzania, corn project in Kenya, honey project in Kenya, Water enterprise in Cambodia and the community bank in Cambodia. Recommendations were drawn up for the project managers on the basis of these analyses. The recommendations were shared in reports and during strategic workshops.

A start was also made on putting the SROI analyses to more effective use: instead of one separate analysis, the most important SROI analyses are already carried out during the preparation of a project. This means that the conclusions can be included in the business plan. Alongside the lessons learned, they are being processed in a practical handbook. This handbook deals with SROI for social entrepreneurship. The book will be published in 2013.

SROI analysis: an example

One example of social entrepreneurship is the water enterprise initiated by ICS together with a village council in the Northwest of Cambodia. No clean drinking water is available in this region. The inhabitants boil water or drink unpurified water. Boiling water requires a lot of work and does not clean the water fully. Drinking unpurified water results in sickness, such as diarrhoea.

In a new enterprise, the water is filtered, purified and then sold in 20-litre jerrycans. Shortly after the pilot project had been set up, an SROI analysis was carried out. A wide range of methods was used, sometimes involving working with a group of representatives from the different stakeholders. The villagers were involved regularly in interviews and 'value games'.



SROI analyse Cambodja

The most important conclusion is that the enterprise can be cost-effective from a financial perspective, and can also offer social added value. The social results are obtained through villagers drinking clean drinking water. This means they save time because they no longer have to boil water every day. It was a significant insight for some participants to realise that social results are only achieved if the enterprise is run properly and enough bottles of water are sold. It was also advised to look for different, smaller bottles because many villagers found that the 20-litre jerrycans were impractical.

The sales of bottles of water were therefore carefully monitored after the first analysis. ICS is examining the sales of the current jerrycans, but also the sales of the smaller and cheaper bottles.



Thus a successful entrepreneurial model is being developed before it is introduced on a larger scale.

SROI is a continuous process in this. ICS uses SROI to enter into discussion with the parties involved and get proper insight into the matters which are important to them. Once the analysis has been completed the first time, it is adapted according to the new information. For instance, the sales of bottles, or the opening of a new branch where water is sold.

What is SROI?

Social Return on Investment (SROI) is used to measure the social return of a local initiative. It goes further than just the financial aspects. SROI also includes the social, economic and environmental aspects. In the SROI, the investigators examine the social contribution and return of all the players who are involved in an initiative. Examples are villagers, businesses and the local authorities. That is why it is important to get all these players talking round the table. Together they investigate what the change is and its social costs and returns. A positive recommendation follows once everyone is convinced that the results are greater than the costs. The analysis can also result in the recommendation to organise an initiative differently in order to increase the return.



SKILFUL PARENTING

Farmers work on positive parenting



ICS integrates social business with programmes for children's rights and good parenting.

The increase in the family income can mean an improvement for the children in the family. If you want to be sure of that, you have to link programmes for children's rights to programmes for social business. And that is precisely what ICS is doing: in West Kenya we are working on a large-scale corn project (see page 16). We are working together with 75 groups of farmers for this purpose. Each group has at least 35 farmers. ICS provides training for them in agriculture and finances and is now also working with them on positive parenting. In 2012, ICS completed four parenting modules in West Kenya with eight groups of farmers, a total of 220 parents. The positive parenting programme in Meatu (Tanzania) works with groups involved in the solar energy programme and a number of farmer groups: a total of eight groups in 2012, with 208 parents.

Responsibility for the child

ICS Child Protection employee Maureen Buy works with the farmers in Kakamega on Skilful Parenting: "We get our parents to think together about what they see as good parenting and what kind of support

"This is a real eye-opener for many farmers. They used not to talk with their children."

they need from each other for this. We do this by working with parents in support groups and talking with them about their parental

responsibilities and how they can deal with them. It is about parents being proud and more confident about bringing up their children as best as possible. We use the 'Proud2Parents' manual for this which we developed together with Proud2B (a South African organisation with expertise in skilful parenting). We work with the groups of parents on the basis of four principles:

- ▶ The role and responsibility as a positive and proud parent
- ▶ Giving self-confidence and confirmation
- ▶ Effective communication at home
- ▶ Values and discipline at home

Solving situations by talking

Maureen tells about reactions from farmers with whom she has worked. "We receive very many reactions that show there is real improvement. It used not to be normal for many farmers to actually talk with their children. For instance, there was a farmer's wife who told us that she never used to eat

together with the children. The children would eat in the outside kitchen, while she and her husband ate in the house. Now they all eat together every evening and talk about what the children did during the day. Not only do the children feel better, but they also eat better because it is more enjoyable," says Maureen. "There was another farmer who never spoke to his children and thought that hitting the child was the only way of bringing it up. That is still very much ingrained in the culture here. He has since learned ways to solve various situations. Simply by talking. He had never realised that the children were just as much the responsibility of the husband, and that they could really learn things from him. Working on positive parenting was therefore a real eye-opener for him. And for many other farmers with him. This is also evident from the fact that the farmers now try to encourage other parents to learn about positive parenting as well."

ICS has trained a group of six partner organisations in the Skilful Parenting Method (REEP, Fascobi and Kewacta in West Kenya and Mkombozi, MPDI and Adilisha in Tanzania). In 2012, these partner organisations completed the four basic modules with 492 parents. The groups of parents these partner organisations work with are often existing groups. For instance, they can be groups which are also collaborating on organising preschool and playgroup education (ECD) for their children. ■

Maaike Stolte (Manager Child Protection) on Skilful Parenting:

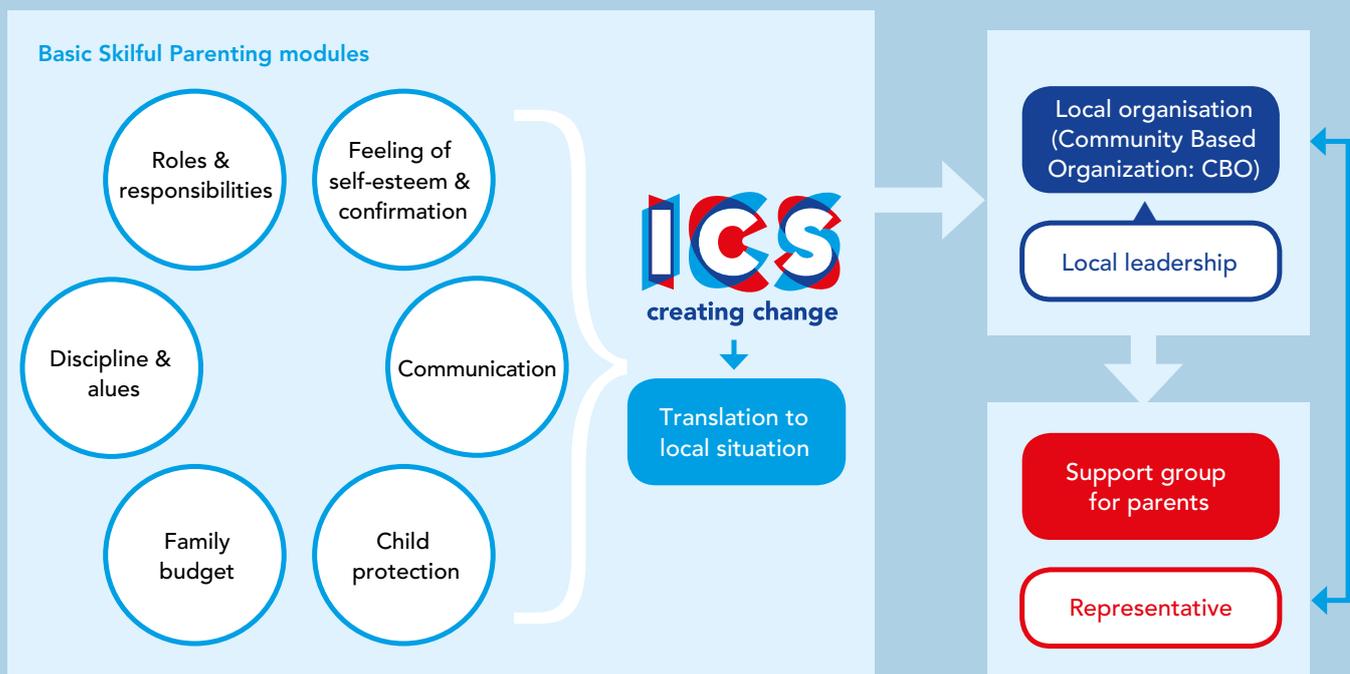
"ICS organised a Skilful Parenting introductory workshop in Cambodia in December 2012. The aim of the workshop was to see how our method of working on positive parenting fitted in with the culture and context of Cambodia. The organisations attending confirmed that the method would be an essential supplement to their work with parents and children. At the end of the workshop, we asked the participants what would stick most with them from the workshop.

A few examples were:

- ▶ Children translate love as time: the time their parents spend together with them.
- ▶ Parents have to realise that they too have to recharge their own energy so they can pay more and better positive attention to their children.
- ▶ If parents do not give their children positive attention, children will seek it elsewhere, and this can result in them coming into contact with negative influences."



HOW OUR SKILFUL PARENTING APPROACH WORKS





Clean drinking water for Northwest Cambodia

1,600 households in Beng and Kok Mon (Cambodia) have had access to clean drinking water since September 2011. The clean water comes from the water purification plant which ICS realised together with the local community in Prasat Labouk (Northwest Cambodia). This company is a great example of social entrepreneurship arising from a local initiative.

How does this investment work?

The water purification plant was made possible by investments by ICS and the rice bank in Prasat Labouk. The local population in Cambodia built this rice bank with help from ICS. The rice banks were able to make this investment thanks to the success of the rice loans. ICS invests in eleven rice banks in Cambodia, to minimise the role of intermediaries. ICS provided a loan for the purchase of the water purification plant. The rice bank management used the profit from the rice banks to construct a building for the plant.

The social enterprise then puts the purified water on the market at affordable prices. In 2012 there was a shift in the buyers of the purified water. While it was still being sold to private persons as well as local shops in 2011, in 2012 it was only still being sold to local shops. This stimulates local entrepreneurship even further.

What does it achieve?

The water purification plant provides clean drinking water. Clean water reduces the risk of disease which can be caused by polluted water. The water purification company also provides employment and thus income. In addition, once the ICS loan has been repaid, the company can start making a profit. That profit will be reinvested in the company so that it can expand and innovate. The aim is to get clean drinking water to even more people. This means less illness. As a result, less money will be required for care of the sick and people will be healthier so they can work



Did you know that? In 2012...

- ... 10,466 20-litre jerrycans with purified water were sold.
- ... 40% of the electricity required for the purification process comes from solar energy (solar panels). The rest is provided by a generator.
- ... there is a clear distinction between the purification, filling and cleaning processes. Everything is now done in separate rooms instead of in one room.

and thus earn money. Along with the clean water, a campaign was started in 2012 to make people aware of the dangers of drinking polluted water.

Where do we go from here?

Preliminary work was carried out in 2012 so that the franchise company Hydrics can be established in 2013. The aim is to build four new water purification plants in 2013 in addition to the current small water purification company, with the support of this franchise enterprise. Each plant will be a company in its own right. The goal is to provide clean drinking water to increasingly more people. This takes place in a sustainable manner.

Lessons learned

The local entrepreneur is the key to success. As franchisee, he must appreciate his full responsibility for the success of the enterprise. In addition, he must be supported in the areas where he does not yet have sufficient abilities. On the basis of the lessons learned in 2012, ICS will put more emphasis on these aspects with new franchises. ■

Joyce Ridderhof

(Social Business Developer ICS) on the water company in Cambodia:

"2012 was an important year for the water enterprise in Prasat Labouk. A great deal of experience was gained and a lot was learned. It will form a good practical example for local entrepreneurs who would like to

start up a water purification plant themselves in areas where this is sorely needed. From 2013, we will be offering them the possibility of joining our franchise concept Hydrics. This will provide people in other areas of Cambodia with access to clean drinking water.

Areas where that has thus far not been a matter of course."





Together4Change

Together4Change alliance in 2012

Capacity development of local organisations

A great deal of attention was paid in 2012 to strengthening the implementation capacity of the local organisations in the countries where Together4Change operates. The baseline measurement performed in 2011 also comprised an investigation per organisation. This investigation identified areas where improvement was necessary. In 2012, training sessions and other activities were held for many of the local partners with the aim of enhancing the qualities of the local organisations. This enabled the implementation of the concrete projects to get started.

Fundraising on a local level

In 2012, a fundraising training course was held in Kenya for local partners of ICS, Wereldkinderen and SOS Kinderdorpen. The main objective of this training was to make the local partners stronger in local fundraising. This enables the organisations to find more local funding themselves. For example, from the corporate sector and from the growing middle class in their own country. They are thus less dependent on foreign funding. Wilde Ganzen and its local partner Kenya Community Development Foundation (KCDF) took the initiative during the training to share the experience they have acquired in this area with the other local partners within Together4Change.



Participants at the meeting of fourteen local Together4Change partners in South Africa

Together4Change is made up of:
Wilde Ganzen, Wereldkinderen, SOS Kinderdorpen and ICS

ICS and Together4Change

The Together4Change alliance revolves around strengthening economic and social development. By joining forces and sharing knowledge from different fields of work, the programme can achieve more.

ICS is lead agent of the Together4Change alliance. This alliance was rewarded in 2011 with the granting of a subsidy from the Ministry of Foreign Affairs. The subsidy is for five years (2011-2015). In the alliance, ICS works together with SOS Kinderdorpen, Wereldkinderen and Wilde Ganzen, and alongside them a large number of local and international organisations.

As lead agent of the alliance, in legal terms ICS is also the organisation bearing the ultimate responsibility for the subsidy received. Among other things, it means that ICS is the direct discussion partner with the ministry and takes on a coordinating role.

Exchanging knowledge in child protection

A workshop was held in November 2012 in South Africa with fourteen local Together4Change partners which are active in child protection. This meeting was organised by Wereldkinderen and their partners AIDS Foundation South Africa (AFSA). The purpose of the meeting was the exchange of specific knowledge and experience. During the session, special attention was paid to a method developed by AFSA. This method focuses on involving all actors from a village in the care and protection of children. It is called 'community dialogues'; people work on support for social improvement of the situation of children.

Preparations for evaluations

The Together4Change alliance is participating in a large, joint evaluation with other alliances which are also subsidised by the government. This evaluation is being organised and carried out by external parties. Specific baseline measurements were performed in 2012 for the purpose of this large-scale evaluation. These measurements were made in a number of countries and with a number of local partners of Together4Change. In addition, Together4Change made preparations for its own evaluations so that it can learn from, reflect on and build up track records.



CHILD PROTECTION SYSTEM

Giving parents and children access to child and youth protection



In the Skilful Parenting programme (see below in this annual report), ICS works together with parents on their role in protecting their children. Parents consider risky situations, how they can prevent them and the kinds of help they can receive if the rights of their children are infringed. Furthermore, ICS also works on strengthening the child and youth protection services in the areas where investments are also made in social business initiatives.

In 2012, ICS worked the method of working with child and youth protection out in more detail into a systems approach. One of the starting points is not zooming in on one specific problem (such as street children), but providing access to child and youth protection services for all children and their families in the communities where ICS operates. These services are organised by the government, but need support in capacity strengthening and the organisation of a referral system with other service providers such as lawyers.

Specialised help

It is currently common for children who experience abuse to report their situation to the village elder or 'chief'. This village chief often does not know what a child with such a terrible experience needs, and he will try to calm down the situation. One method is to 'sentence' the perpetrator to buy off the situation by giving the family of the abused child a cow. ICS' aim ICS is for every child, and its family, in the community to have access to a child and youth protection service provider. A service provider who has the well-being of the child in mind and understands what a child needs in that kind of situation. It is necessary that this service provider knows how they can help the child directly or where to refer the child for specialised help. An abused child requires medical attention and the case will have to be reported to the police. If the case comes up before the court, the child needs legal aid. ICS invests in the capacity of the first line service provider and that of the specialist services. ■



Partners in child protection

In 2012, ICS commenced implementing a structured child and youth protection system in Busia County (Kenya) with a group of partners and government services. The government is supported in strengthening the coordination of the system and the quality of the service of social workers from district to village level. The partners in this project are:

CLAN (Children's Legal Action Network)

Organises child-friendly legal aid on district level. They do this with a centre where children and families can seek legal aid. They are also training 40 legal aid helpers (paralegals) on village level.

KAACR (Kenya Alliance for Advancement of Children)

Works with the community committees on improving their role in the organisation of child and youth protection. KAACR also works with 371 children in groups. These groups discuss what children themselves can do to keep themselves and other children from dangerous situations.

Childline Kenya

This partner is developing a proposal for placing communication boxes in schools in Busia County (Kenya). This makes it possible for children and teachers to report situations of abuse anonymously.

The development to increase the use of child and youth protection systems in Tanzania is being launched in the first quarter of 2013.

Beatrice Ogutu

(ICS Child Protection Regional Programme Manager, Africa)
on the Busia Child Protection System (West Kenya):

"Discussion with various government bodies (healthcare, education and police) on their roles in child protection has made it clearer that quality improvement and cooperation are urgently needed. People are now motivated to tackle this system together."





Social and financial education for children in West Kenya

Even if children in Kakamega (West Kenya) receive education, they are not sufficiently prepared to change their economic situation once they become adults. How can you break through the vicious circle if you are born into poverty and have no idea of the best way to handle money? This is now possible thanks to the social and financial teaching programme of our partner Aflatoun.

ICS integrates the Aflatoun programme within the existing teaching programme at two large primary schools in Kakamega. Extra classrooms had to be constructed at both schools, and one school required a library, so that this programme could be run. This allows the Aflatoun lessons to be integrated better in the teaching programme and creates space to provide education to even more children.

What is Aflatoun exactly?

Aflatoun is based on a combination of social and financial educational themes: Rights and Responsibilities, Saving and Spending, Planning and Budgeting (administration of income and expenditure), Social and Financial Entrepreneurship (children start their own little 'business' at school) and Self-confidence and Discovery. These themes are passed on to the children in playful ways.



Keeping chickens

It sounds great: a child at school who sets up their own little business. But how do they do that? One example is small groups of children learning how to care for chickens. They learn how many chickens they can keep, how much the feed costs and what the eggs should cost if they sell them. Thus they learn how to manage money, how to save and keep track of their costs. They are well prepared for the future and set an example for other children in their community. ■



Talitha Hammer (ICS Social Business Officer) on social and financial education:

“You can’t start teaching children early enough to handle money consciously. ICS has a great partner in Aflatoun in this endeavour. The teaching programme is not only very instructive, but also simply very enjoyable for children.”

Fundraising & Communication

ICS worked more actively in 2012 on raising funds through donor-advised funds and institutional fundraising.

Thus a combination of Dutch and international donor-advised funds supported the work of ICS this year. The Achmea Foundation, for example. Besides the Dutch market, the international market is becoming an increasingly important playing field. This necessitates strengthening the contacts with national and international service clubs for the good of the ICS projects. A number of proposals were also submitted to the Dutch and European governments. ICS considers that the public-private cooperation offers a major opportunity for its future and will specialise further in this.

Fundraising project: RAISE

Fundraising will become increasingly important for ICS in the coming years. An overarching project was established to work on a culture change whereby fundraising and sales increasingly become a permanent part of the work. The project was called RAISE; the letters are an acronym for the most important parts of the fundraising. Employees will have the opportunity in the coming year to improve their skills jointly and individually with respect to fundraising. Project-based fundraising is emphasized, whereby structure (overview, software system, marketable projects) and insight (donors, personal qualities) are required to bring about the culture change.

Water project in Cambodia

ICS received a donation of €99,900 from the Eureka Achmea Foundation, spread over three years, for scaling up the water project further. This donation makes it possible to start up local water businesses in a franchise model. It means that ICS can provide clean and safe drinking water for the local communities in an enterprising way.

Rotary LarenBlaricum: dining and donating

On Sunday 1 June 2012, Rotary Club Laren-Blaricum organised a village dinner for the seventh time. The money raised at five previous dinners was donated to ICS. More than 750 guests dressed in white dined at beautifully laid tables on the Brink in Laren. This yielded a total of more than €30,000. Rotary Club Laren-Blaricum thus contributes to the scaling up of the water project in North Cambodia.

One thing this donation enables is the start-up of two new water businesses in the franchise model. The donation was made possible by NCDO, Rotary Phnom Penh and Wilde Ganzen.



Dam to Dam Run

ICS participated in the Dam to Dam Run again in 2012. In the end, however, only 12 people ran for ICS. For a small organisation like ICS, this form of fundraising does not work well. We have therefore decided that as of 2013 we will no longer participate in the Dam to Dam Run. In 2012, people ran for clean drinking water in Cambodia. This action raised around €1,400.

From Child Ambassador to Child Reporter

ICS made a start with the Child Reporters in 2012: these are children who make films of projects of ICS. The aim is to show donors where their donations are going to. This also makes it more attractive for the donor to support ICS. The start comprised four days' training for six Child Reporters from different regions in West Kenya.

Donors of ICS have been supporting child ambassadors for years now. We call these donors Relief parents. Opportunities for children will only increase if we support the child not only directly, in the shape of books or uniforms, but also especially take their environment into consideration. ICS broadened the focus a few years ago: from just the child ambassador to the child ambassador with their community. This is in line with the strategy of ICS to support not only the child itself, but the child and its environment as well. This different approach also lightens the administrative burden of ICS: the one-on-one relationship of Relief parents



with Child ambassadors demands a great deal of administrative work by post and information processing for each child.

We held a survey among our Relief parents in 2012. The survey concerned the future of the Relief parent system. We received positive reactions. A large majority of the Relief parents wants to switch to the Child Reporters if this reduces the administrative burdens and costs of ICS. The Child Reporters also offer ICS new opportunities for fundraising.

Communication is essential. This allows ICS to inform donors about what happens with their money in Africa and Asia. Is it being well spent and do the people for whom it is intended really benefit from it? The Child Reporters shed light on this. They make the communication towards our donors clear and more attractive. Several Relief parents already switched to the Child Reporters in 2012. They could choose for a newsletter by post, with stories from the Child Reporters, or by email, with videos. The reactions we have received to the newsletter from this group of Relief parents are positive. This will be continued in 2013.

Child Reporters will also be trained in the vicinity of our projects in Tanzania and Cambodia.

Investics ICS B.V.

ICS established the company ICS B.V. in 2012. Under the name Investics, this company will establish various businesses in our programme areas from 2013 onwards. For example, the water company Hydrics Ltd., and the corn company Nafics Ltd.

The logo for Investics was designed in 2012 (see below). The Investics website will be created in 2013.

The logo for Investics was designed in 2012 (see below). The Investics website will be created in 2013.



Complaints

According to plan, the complaints procedure at ICS was reviewed in 2012. In addition, the customer relations database (Pluriform) was modified. This enabled complaints to be registered immediately with the specific contact. The complaints procedure will be fully linked to Pluriform in February 2013.

This year there were nine complaints. They mainly concerned incorrect accounting entries and the financial administration of donations. All the complaints were processed within the specified period.

We also examined the cancellations and the reasons for cancellation. Various people can no longer identify with the new ICS. The reasons for cancellation are also recorded in Pluriform, but not registered as complaints.



DAIRY PROGRAMME IN NORTH TANZANIA HELPS THE MAASAI

Integrated Dairy Development Programme (IDDP)

ICS started implementing the Integrated Dairy Development Programme (IDDP) in North Tanzania in 2010. With IDDP, ICS aims at strengthening the economic position of traditional Maasai herdsmen in Simanjiro. IDDP does this by providing access to various products and services to improve the Maasai's cattle breeding. IDDP not only has an economic impact, resulting in food security, but the social impact on the position of Maasai women especially is huge.

The food security of the inhabitants of Simanjiro is under constantly increasing pressure. Droughts and the decreasing availability of land mean that it is increasingly difficult for the Maasai to make their cattle, traditionally the cornerstone of their existence, profitable. In addition, cows are generally seen as a status possession, rather than economic property. Added to the lack of sufficient knowledge and experience, this results in low productivity and bad access to the market for meat and dairy products. This threatens the Maasai culture, and even worse, their continued existence at all.

In order to improve the productivity, ICS therefore invests on various levels of the value chain in meat and dairy products in Simanjiro. In 2012, IDDP thus focused on organising the Maasai into farmer groups (cooperatives); the first cooperative grew to 500 members in 2012. Through IDDP, these members then receive a starter's package of inputs, which they pay back to ICS at favourable rates. This package includes access to medicines and seed for cattle fodder. But it also comprises cows from an improved breed (thanks to a sophisticated breeding programme).

Cowsheds

Where the Maasai traditionally wandered across the plains as herdsmen, IDDP aims at providing knowledge about zero-grazing and semi-grazing units; cattle in sheds where fodder is present. Highly normal in the Western world, but absolutely exceptional in the traditional views of the Maasai. And yet ICS has been able to force breakthroughs here. In 2012, the farmers built the first units and results could be seen. A local agricultural school



was provided with a special curriculum for this purpose. It was developed with the help of the Dutch Prinsentuin College. Extension officers from IDDP visited farmers every two weeks, to help them in implementing the new techniques. A start was also made on fattening up the cows, with a higher meat yield per cow as a result.

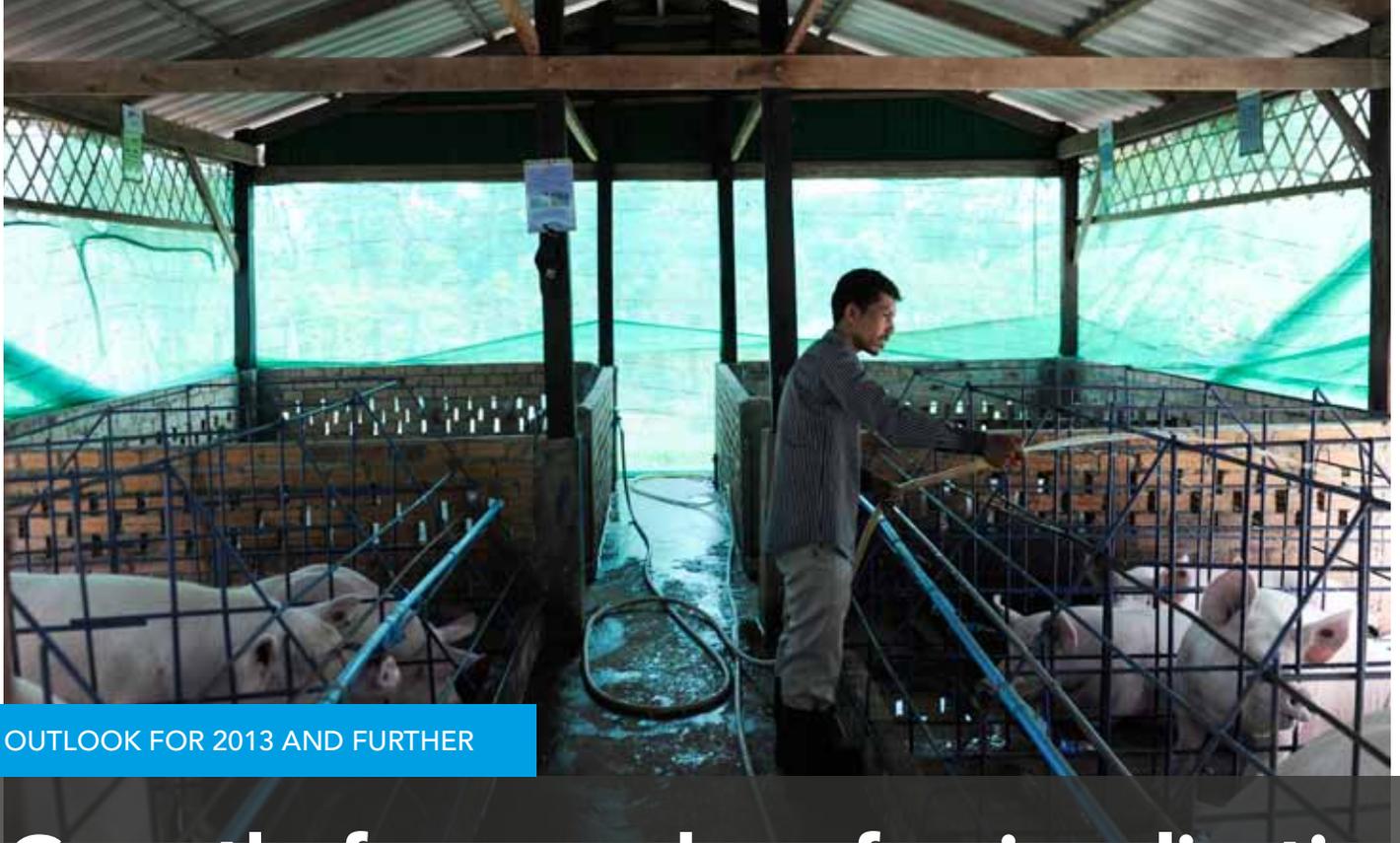
One step further in the chain, IDDP is active in building and running milk collection points. In 2012, IDDP built a milk collection centre, using a shipping container. It was then leased to the cooperative, with a water supply. Using this collection centre, the farmers are able to sell their milk via their cooperative efficiently to local dairy processing factories, the so-called Engitengs. ■

Marleen Hasselerharm (Manager Social Business ICS) on IDDP Tanzania:

“The strength of the Simanjiro programme and the work of IDDP lies in the broad approach on the social and economic levels. You need a great deal of experience in working with communities to be able to implement that approach effectively. ICS has that experience. And especially thanks to the experience of Dr. Moses Neselle, veterinary. He has specific technical knowledge about the opportunities and possibilities in the region, and is Maasai himself. Dr. Neselle developed the programme in collaboration with the communities, something I am very proud about. That is the strength of development: working on change from within the communities themselves! Dr. Neselle is very experienced in working together with people and organising farmers in cooperatives. I have got to know him as a visionary, who can think and act very practically at the same time. An ideal combination for us as ICS.



What we also learned in the past years is how much time it costs to help people this way. These are not simple projects which ICS is implementing. They require patience and perseverance. At the same time, we see that the changes are also very much anchored in the people we are working with.”



OUTLOOK FOR 2013 AND FURTHER

Growth, focus and professionalisation

In 2013, ICS will concentrate on expanding its activities in Kenya, Tanzania and Cambodia further and will focus especially on the following points:

1 Five product-market combinations

In 2013, ICS will focus further on the five product-market combinations which were defined in 2012:

- ▶ Agribusiness
- ▶ Water
- ▶ Youth Entrepreneurship
- ▶ Child Protection
- ▶ Skilful parenting

2 Social enterprise from the investors' viewpoint

In developing its social business cases, ICS will concentrate through Investics increasingly on writing 'investment proposals' for potential investors. To this aim, ICS is working in the first place on expanding its network with relevant domestic and international investors. Besides the social final goal of the projects, in these investment proposals ICS also particularly emphasises the forecast ROI (return on investment), the market potential and the management of the project. ICS and Investics can specialise and thus offer more added value by further deepening knowledge and contact networks in these five areas.

3 Social programmes: education, child protection, children's rights and parenting

The programmes for Child Protection and Skilful Parenting will be implemented in 2013 with a number of existing partners, but also with several new partners. Child protection and children's rights remain unchanged at their high position on the agenda. To that end, ICS will carry out programmes in the field and work together directly with local



organisations. But it will also the attention of national governments for children's rights via organisations like The African Child Policy Forum (ACPF). Good parenting or 'Skilful Parenting' is an important spearhead in 2013. We will expressly seek partners who can identify with these programmes and finance them. Through training courses, setting up centres and boosting the capacity of professionals, ICS collaborates with local populations on supporting the upbringing of children. This gives children a better chance of a good future. In 2013, ICS is investing in the development of modules on 'family budgeting' and 'protection of children'.

4 Cambodia: accelerate growth

In 2013, ICS will further accelerate the projects in Cambodia. Following the staffing changes in 2012, an acting Country Director will be appointed in 2013. The principal aim of this temporary Country Director is to scale up the programme further and to take up the local market potential. He or she will also further develop and shape the local team.

5 Africa: working further on scaling up

In 2013, ICS will continue the path it has taken in its African social business programmes to scale up. Nafics, the corn company in West Kenya, will increase the number of farmers with whom it collaborates in a cooperative shape, from a good 4,000 in 2012 to 10,000 in 2013. An agribusiness project in Tanzania will be further developed on the same basis. It concentrates

on forming farmer cooperatives and increasing agricultural production. Scale is a major condition in this.

6 Cooperation through co-creation and forms of finance

In 2013, ICS will further strengthen the cooperation with partners. Funds, the business sector, Public-Private Partnerships, the Private Sector Investment Programme and co-creation with the local population must strengthen this cooperation. In cooperation with Agentschap NL, ICS wants to create added value for the local population as well as the Dutch business sector. Years of experience in the field have provided ICS with a proven track record in bringing farmer groups together, and especially in selecting the right people for the right plan.

7 More focus on business development and fundraising

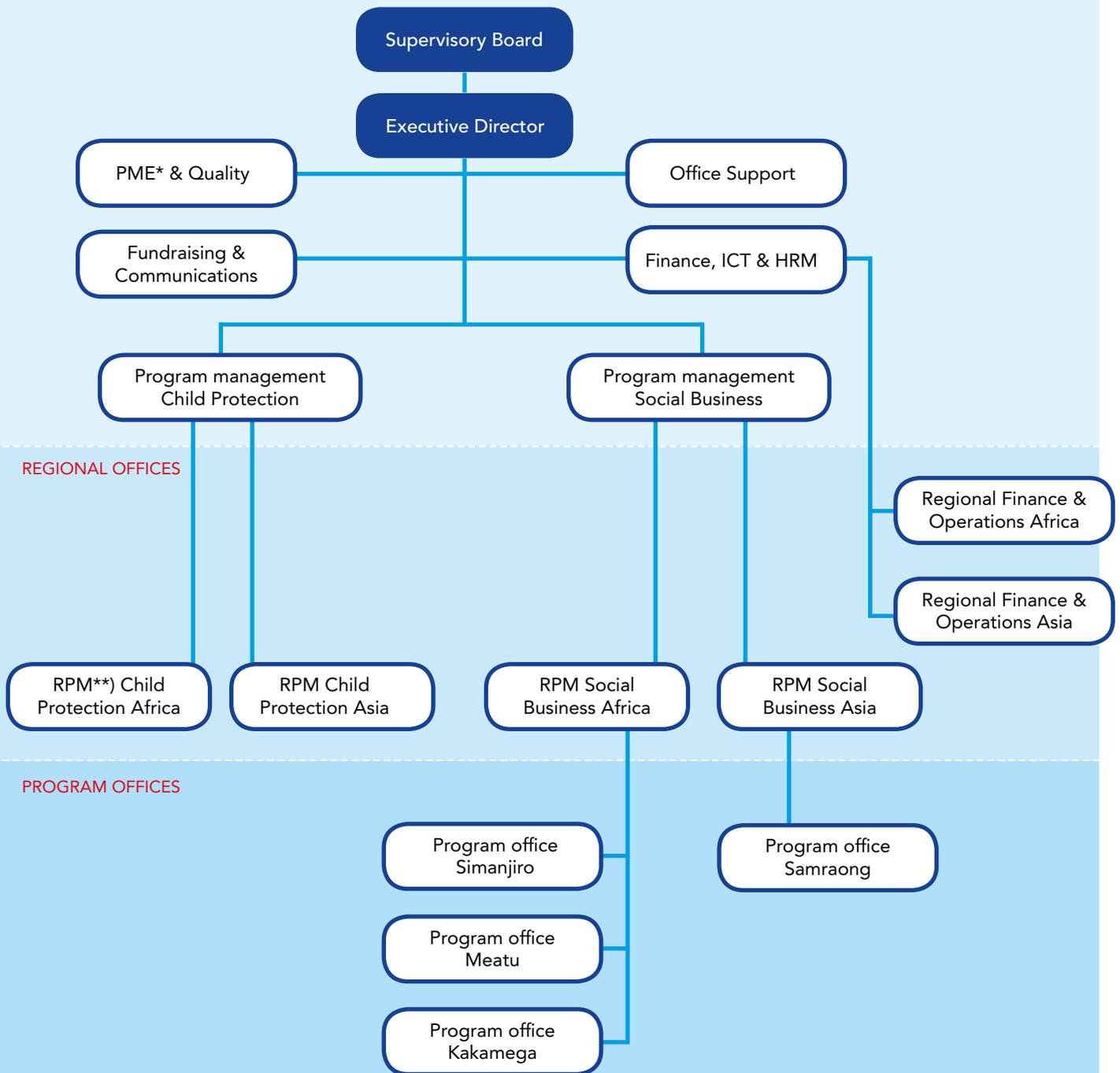
In 2013, ICS will make a greater effort in business development for all regions. New plans will be developed for each of the five product-market combinations during the year. The internal project RAISE will also ensure further professionalisation in fundraising. RAISE focuses mainly on the development of skills and structures in commercial fundraising (businesses, funds, governments and investors).

ICS in figures

ICS organisation chart

(in English for the benefit of all ICS employees)

INTERNATIONAL OFFICE
(THE NETHERLANDS)



* PME: Planning, Monitoring & Evaluation

** RPM: Regional program management

ORGANISATION

Internal organisation

The programs form the core of the organisational structure of ICS. The two program managers (Social Business and Child Protection) in the Netherlands, together with the Executive Director, Finance manager and Fundraising & Communications manager form the management team (MT), which sets out the strategic direction of ICS.

The regional program managers in Africa and Asia are responsible for running all activities undertaken in those regions. ICS has a regional office for that purpose in each region, and for the Social Business program there are program offices in the various areas where ICS operates. The regional office in Africa is located in Nairobi, Kenya. Program offices are located in Kenya (Kakamega) and Tanzania (Meatu and Simanjiro). ICS is also active in Suba district in West Kenya. ICS does not have its own program office there: the program is carried out entirely by a number of partners. The regional office in Asia moved from Ubon Ratchathani in Thailand to Siem Reap in Cambodia in mid-2012. A program office in Cambodia has also been established in Samraong in the Oddar Meanchey province. The program offices in Laos and Thailand in Asia were closed at the start of 2012.

The programs are supported in Finance, HR and Fundraising on all levels in the organisation by staff members.

In order to coordinate the activities in Africa and Asia with each other, the regional program managers form a regional management team (RMT) together with the regional finance & operations manager.

This RMT has no decision-making authority, but does play an important part in the coordination in the region. In order to organise coordination and balance on an international level as well, the MT and the RMTs met once in 2012 in an international management team meeting.

ICS endeavours as much as possible to use local employees at the regional and program offices. This has proven to be difficult, especially in Cambodia, partly due to the history of the country. That is why four expatriate employees, from the Philippines and the Netherlands, were working in Cambodia at the end of 2012.

Organisation and employees

The Netherlands: a new operating base

The change set in motion in the past years was borne out by the move of the Dutch office from Nunspeet to Amersfoort in 2012. It is a bright and modern building, with the New Way of Working forming its guiding principle. It has an open room which fosters cooperation, as well as a few closed rooms for meetings and skype or telephone conversations. Moreover, it is easy for visitors to reach, just a short walk from Amersfoort Central Station.

Seventeen people worked in the Dutch office at the end of 2012. Several new positions were created in order to provide more support for the strategy and aims of ICS in the coming two years. These positions were a Social Business Developer and an HR Officer. Two new colleagues were appointed for these positions. But we also said farewell to three colleagues. The reasons for their departure were: long-term illness, the opportunity to take up a new challenge with a different organisation, and a move overseas.

One new employee was appointed to cover this, with the rest being absorbed internally.

Various employees completed training or a course in the framework of their position. In addition, ICS has had a CIDIN trainee every year since 2007; this is a temporary employee who is also studying at the Radboud University Nijmegen. For the time being, 2012 will be the last time this happens. Two colleagues took maternity leave in 2012, which was mainly covered internally.

In 2012, ICS worked with two regular volunteers on an on-call basis. They again made a valuable contribution to our work. They helped in the administrative duties by entering the results of the survey held among the Help Parents. The volunteers also provided important support in processing the annual Christmas post for Help Parents. They entered administrative data and put the right cards with the right letters. Furthermore, a volunteer carried out research in Cambodia for ICS for a period of two months. This research concentrated on the value chain of one of the social business projects of ICS in Cambodia.

ICS NETHERLANDS EMPLOYEES

Number of paid employees as of 1 January: 15
Number of paid employees as of 31 December: 17
Number of FTE as of 31 December: 14.2
Staff turnover in 2012: 19% (3 employees)
Number of trainees: 1
Number of volunteers: 3
Male-female ratio: 40%-60%
Age: oldest 48; youngest 29; average age 37.5
Sickness absence: 6.2%, of which 3.2%
maternity-related

ICS AFRICA EMPLOYEES

Number of paid employees as of 1 January: 31
Number of paid employees as of 31 December: 33
Staff turnover in 2012: 9% (3 employees)
Number of trainees: 8
Number of volunteers: 4
Male-female ratio: 50%-50%
Age: oldest 54; youngest 25; average age 39.5
Sickness absence: unknown; no long-term sick leave

In 2012, the first steps were taken towards a more strategic approach to human resources. Clear job descriptions were created for all employees, and the competencies required for the successful performance of the position were defined. Furthermore, in consultation with their superior, all employees set out goals for the coming year. This makes it clearer to everyone what they are contributing to the general objectives of ICS.

Africa: further strengthening of the ICS activities

ICS Africa has offices in Kenya (West Kenya and Nairobi) and in Tanzania (Meatu and Arusha). The office in Arusha opened in 2012. Although ICS finished its activities in Uganda, this had no consequences for ICS employees; ICS worked with partners in Uganda and did not have its own office there.

Just as in the Netherlands, all employees received clear job descriptions and definitions of the competencies they must have to perform their position successfully. Here too, a start was made on setting personal goals. This makes it clear to each employee what their own contribution is to ICS.

In 2012, three employees left the organisation: one at the regional office in Nairobi and one each at the program offices in Meatu and Kakemega. The two positions at the program offices were filled again in 2012, while the position at the regional office will be filled at the start of 2013.

The office in Arusha opened in 2012, whereby three new positions were filled. Due to the developments in business development and the need for new competencies in the region, the position of Regional Finance & Controls Manager was created at the regional office. The new manager was appointed at the end of 2012, and will start in this new position in February 2013. The new position of Accounts & Operations Team Leader will be taken up by the

former Regional Finance & Operations Manager in Africa.

On the whole, recruitment and selection formed a considerable challenge. The most suitable candidates set higher salary demands than ICS could offer. Several selection rounds were necessary for both financial job vacancies before a suitable candidate was found.

Several employees completed training or a course in the framework of their position.

Three female employees took maternity leave while one male employee took parental leave. Their periods of leave were covered internally.

Asia: focus on Cambodia

In 2012, the activities in Laos and Thailand were finished and the focus in Asia shifted to Cambodia. The Asian regional office was therefore moved mid-year from Thailand to Cambodia, and the office in Laos was closed. There had already been a program office in Samraong in Cambodia for some time to support the activities in the province of Oddar Meanchey. The regional Social Business program manager moved along with the regional office from Thailand to Cambodia, while the other employees from the regional office in Thailand left ICS.

It has proven to be difficult to find and keep good local staff for various positions at the regional office since the shift to Cambodia. Several temporary expatriate employees were therefore employed in 2012 to fill the 'gaps' which had arisen this way. However, these employees have been instructed explicitly to coach young, local employees and prepare them for independent roles in ICS. This is supported by a talent development program which will start in 2013. The program office in Samraong, in the province of Oddar Meanchey, had to let several employees go because they did not function satisfactorily. This resulted in a relatively large staff turnover. One local financial officer was transferred

ICS ASIA EMPLOYEES

Number of paid employees as of 1 January: 31
Number of paid employees as of 31 December: 27
Number of trainees: 0
Number of volunteers: 3
Male-female ratio: 80%-20%
Age: oldest 53; youngest 25; average age 36
Sickness absence: 0.4%

from the program office to the regional office due to his good contributions and obvious potential.

A start was also made in Cambodia on clear job descriptions for all employees and the definition of the corresponding competencies.

No employees took maternity leave.

Capacity to learn

It is important to ICS to learn from our own work and from developments within and outside the organisation. This happens on an individual level as well as on the level of the organisation:

On the organisation level, a learning agenda was drawn up at the start of 2012 in cooperation with Context, international cooperation. This aims on the one hand to understand how economic emancipation and the wellbeing of children are interwoven, and on the other hand understand the roles which NGOs (non-governmental organisations) like ICS can play in social entrepreneurship.

In addition, several internal improvement projects were started in 2012 in areas such as fundraising and human resources, examining points for improvement and how we can bring them about. Employee training is often part of these projects.

On an individual level, various employees followed one or more courses and/or training sessions last year, varying from practical training to Masters courses. In 2012, 2.7% of the total organisation expenses were spent on training and development, in the Netherlands, Africa and Asia. This included individual and team coaching processes.

Quality management in the organisation

For ICS, quality management means ensuring that the resources made available are spent effectively and efficiently for the purpose of the identified projects and programs.

This comprises the executive organisation for implementing programs as well as the support organisation (Finances, Office Support, HR, etc.).

Quality is connected to the daily work and forms an integral part of the activities of ICS.

The compact quality manual of ICS describes the procedures for quality management and work processes. The corresponding responsibilities and tasks are specified. Various support systems have been used by ICS to document the processes in a uniform manner. For instance, ICS uses SharePoint as a project database. The offices in Africa and Asia also have access to this system and use it actively. Various activities were undertaken in 2012 to carry the quality management system of ICS through to the local offices in Kenya, Tanzania and Cambodia. Training sessions were organised and we worked on adjusting the processes so as to provide for the context-specific working environments.

ISO certification

ICS has been ISO certified since 2008, with the quality manual forming the basis of ISO auditing. A follow-up audit was performed at the start of 2012 by certification agency KIWA. ICS carries out an internal audit every year prior to the external audit. Self-reflection is an important part of maintaining and further developing the quality system. The audit team checks whether ICS meets the agreements made. The processes within the organisation are examined to discover points that can be improved. A number of points for improvement were identified after the internal audit of 2012. Some of them can be adjusted immediately, while others require more attention. For example, project-based working and the review of the annual planning process will be examined in 2013.

Other standards

A number of standards have been imposed, both by the outside world and by ICS itself, especially its Supervisory Board, in terms of expenditure on fundraising, management and administration and directors' remuneration. The same also applies to the policy on investments and treasury. By conforming to these norms, ICS is continually forced to be accountable for choices made and the use of the available resources on various cost items. Furthermore, a comprehensive explanation of the directors' remuneration was added to the financial statements in accordance with the format introduced sector-wide. ICS thus complies with the agreements within the sector to report as transparently as possible on the remuneration of its director(s).

RISK MANAGEMENT

ICS has introduced a risk register to set out the risks of the organisation in a structured manner. This risk register is discussed regularly with the Supervisory Board. The most important risks identified are:

The large dependence on government funding is the most important risk for the organisation. The Dutch government finances 60% of the ICS activities through the Cofinancing System (MFS). In 2012, ICS took numerous measures to ensure a broader financial basis. Investment in the form of training was made in the fundraising abilities of employees. It is evident that this is already bearing its first fruits. For instance, ICS has developed numerous new relationships with (potential) financial backers. In 2012, the Eureka Achmea Foundation commenced funding an ICS water project in Cambodia. Project proposals were submitted to various parties at the end of 2012. An American foundation has since indicated its willingness to fund ICS. Other parties will come to a decision about the proposals in the first months of 2013.

FINANCIAL MANAGEMENT

The policy of ICS relating to the management of funds and reserves and the policy on investments are explained in detail in the financial statements. In 2012, amendments were made to several sections of the financial statute in which ICS has set out its policy concerning investments, funds and reserves. The most important change is how the size of the continuity reserve is determined. The old specification was outdated and has been amended, with the introduction of a lower limit (at least the costs of the work organisation of ICS over 6 months), and the upper limit has been amended to no more than the costs of the work organisation over 18 months.

A few years ago, ICS arranged ABN AMRO Mees Pierson to be the principal banker. At the time, we selected our principal banker on purely financial criteria. The growing realisation that ICS as a social organisation must also ensure the responsible investment of its surplus resources, led to ICS establishing in the financial statute that the parties with whom ICS invests its money must also be checked on moral and ethical criteria. Given that ICS does not participate in shares or investment funds, but 'only' uses savings products, the Financial Audit Committee of ICS declared in 2012 that no proactive test on this will be applied within the current

Fundraising will continue to remain high on the agenda in 2013.

A second risk lies in human resource management. In the social business program in particular, ICS does not yet possess all the competencies which it needs. ICS is struggling in Cambodia especially to find suitable local people.

ICS is now working with expats in the short term, in order to protect the progress of the programs. A talent development program will start in 2013 to develop the necessary skills and competencies.

A third important risk is the control of the new commercial activities, such as the purchase and sale of fertilizer. These kinds of activities require checks and balances different to the traditional NGO activities. A step was taken in 2012 already, and in 2013 ICS will pay attention intensively to the development of improved processes and procedures in this area.

relations. If it turns out that the current bank relations do not handle the resources entrusted to them in a responsible manner, ICS will attach consequences to this. Should ICS look for a new (principal) banker, ethical criteria will also form part of the basis for selection.

In 2012, ICS expanded its mission-related investments further. Loans were provided to farmers and entrepreneurs in Kenya, Tanzania as well as Cambodia. These loans, provided interest-free, were used to start up a number of small-scale enterprises and enabled farmers to buy fertilizer and seed. Part of the loans has already been repaid.

The existing loan to Green Forest Social Investment Trust (GFSI) is being repaid in accordance with the repayment schedule. This loan enabled the Trust to make the necessary investments in infrastructure in the remote area in Kenya where it does its work.

ICS established a new company, ICS B.V., in 2012, of which it is sole shareholder. This company bears the trade name Investics and will concentrate mainly on participating in businesses which will be established in the coming years in our program areas. ICS has come to an agreement with the tax

ACCOUNTABILITY REPORT

As holder of the CBF quality mark for charities, ICS must implement three principles:

- 1) separation of the positions of supervision, management and execution;
- 2) optimum expenditure of resources;
- 3) optimum relations with stakeholders.

ICS endorses the importance of clarity, transparency and accountability and thus applies the guidelines from the Code for Good Governance to its own organisation.

The first principle:

Separation of the positions of supervision, management and execution

ICS has fully separated the management and supervisory functions. ICS has an Executive Board and a Supervisory Board. The Executive Board consists of one person: Ronald Messelink. He is responsible for the management of the organisation. From its position, the Supervisory Board sees to it that management and the execution take place within the framework set up for that purpose. When appointments are made for the supervisory and management bodies of ICS, criteria of professionalism, relevant knowledge and experience, commitment and networking are applied. Other positions may not result in a conflict of interests and must preferably provide added value.

authorities whereby this construction, in which Stichting ICS is sole shareholder of ICS B.V., guarantees that Stichting ICS will retain the ANBI [charity organisation] status in the future as well.

ICS has held shares in ORMAME in Tanzania for several years now. This participation has enabled ICS to exercise influence on the policy of ORMAME and induce it to make organisational changes for the purpose of better results in its programs. ICS will retain ownership of these shares for the time being.

In the period 2008-2011, ICS obtained the following interest income:

	2008 €	2009 €	2010 €	2011 €	2012 €
Net result cash and cash equivalents	150,075	98,828	66,340	110,691	112,233

Role and working procedure of the Executive Board

The Executive Board consists of 1 director/board member.

The director is charged with managing the foundation and is accountable to the Supervisory Board. The director is responsible in particular for the strategic policy, the general coordination and the external representation. In addition, he is responsible for the substantive and administrative quality control and the staffing policy. At the end of each quarter, the director reports to the Supervisory Board. He holds weekly meetings with the Management Team, which consists of the Finance manager, the Social Business program manager, Child Protection program manager and the Fundraising & Communication manager. The members of the Management Team are responsible for the preparation of policy and the execution of that policy. Decisions of the director are incorporated as much as possible in the Management Team and then documented.

Remuneration of the Executive Board

The Supervisory Board sets out the remuneration policy, the size of the directors' remuneration and the size of other remuneration components. The policy is updated regularly. The last evaluation was in 2011.

In determining the remuneration policy and setting the remuneration, ICS follows the guidelines for good governance and salary of the 'Recommendations for the remuneration of directors for charities' of the VFI and the Wijffels Code (see www.vfi.nl). The Recommendation uses criteria of importance to specify a maximum norm for the annual income. The weighting of the situation at ICS was performed by the Supervisory Board. This resulted in a BSD (Basic Score for Director positions) score of 395 points with a maximum annual income of €98,257 (FTE/12 months).

The actual annual income of the Executive Board relevant to testing against VFI maximums in 2012 was €84,624 (1.0 FTE/12 months) for Ronald Messelink. This remuneration remained within the VFI maximums.

The size and composition of the remuneration is explained in the financial statements in the notes to the statement of income and expenditure.

- ▶ Other positions of Ronald Messelink in 2012:
 - Board member of Foundation Global Call to action Against Poverty (GCAP).
 - Board member of Foundation SOMO.

Role and working procedure of the Supervisory Board

The Supervisory Board is responsible for supervising the policy of the Executive Board and the general state of affairs.

The supervision includes:

- a) realisation of the objectives of the Foundation;
- b) the strategy and the risks associated with the activities;
- c) the organisation/effect of the internal systems for risk management and control;
- d) the financial reporting.

The Supervisory Board convened six times in 2012. Quarterly reports were discussed in depth after each quarter. The articles of association of ICS were amended in 2012 and rules of procedure were drawn up for the Executive Board and Supervisory Board. The Supervisory Board also completed a self-evaluation.

No members were appointed or resigned in 2012. The Supervisory Board put together a financial audit committee that supervises the financial affairs and reporting, the administrative system and the control mechanisms. The members of this committee convened four times in 2012.

The Supervisory Board also designates an auditor who audits the accounts of ICS. Every three years, the performance of that auditor is evaluated. The Financial Audit committee carried out an evaluation in 2012 and put out a tender to four audit firms. After comparing the services of the various firms, the Supervisory Board again appointed PriceWaterhouseCoopers as auditor. PricewaterhouseCoopers reports to the Supervisory Board and the director.

The members of the Supervisory Board are appointed for a period of four years and may sit on the board for a maximum of two periods. The Supervisory Board had five members during 2012. The members of the Supervisory Board work on a voluntary basis for ICS. They can be reimbursed for expenses, such as travelling expenses. A list of the expenses of the Supervisory Board can be found in the financial statements on page 70.

Composition of the Supervisory Board

Name/Supervisory Board position/ Committee member	Term of office	Ancillary positions
J.M. de Vries chairperson/financial audit committee member	2010 - 2014	<ul style="list-style-type: none"> - Chairperson Supervisory Board Haagse Hogeschool - Chairperson Board Youth Orchestra - Board member The Hague Philharmonic - Chairperson Netherlands Polar Program - Member Egyptian Dutch Advisory Panel on Water management - Chairperson of the Audit Committee of the Ministry of Finance
S. W. Bruinsma vice-chairperson	2005 - 2013	<ul style="list-style-type: none"> - Works occasionally as election observer for the European Union

J. van der Veen member	2010 - 2014	- Supervisory Board member Wellant College
R.R. van Kessel-Hagesteijn member	2011 - 2015	- Managing director National Initiative Brain & Cognition (NIHC) - Director of Social Sciences at NWO [Netherlands Organisation for Scientific Research] - Director NWO/WOTRO (NWO division for research in and with developing countries) - Volunteer Foundation Upendo Daima - Recommendations committee member Foundation Teeuw Fonds - Recommendations committee member ZOLEON, fundraising for cancer research, West Netherlands region
C.J. Kuijvenhoven Financial Audit committee chairperson	2011 - 2015	- Chairperson Pensioenfonds Productschappen - Chairperson Supervisory Board Alfa Accountants - Chairperson Supervisory Board Actor - Chairperson Audit Committee SAZAS (insurer) - Chairperson Foundation Data communicatie - Member Supervisory Board Hortus Bulborum - Chairperson Board of Members Grondbank Glastuinbouw (SGN) - Board member Delfland Water Board - Supervisory Board member Meervoud (educational institution), - Supervisory Board member Protestants-christelijk Onderwijs Westland - Chairperson submunicipal council meetings Hoek van Holland municipality - Treasurer Koninklijke Maatschappij voor Tuin- en Plantkunde - Sport association and church activities

The second principle:

Optimum expenditure of funds

ICS adheres to a comprehensive set of instruments to monitor the effectiveness and efficiency of its spending.

Strategic long-term plans and budgets

ICS has established a long-term plan for the period 2011-2015. This plan forms the basis of specific annual plans and budgets for each individual year. The long-term and annual plans are monitored continually by means of quarterly and yearly reports.

Internal monitoring

In order to understand the progress of its programs and the achievement of its results better, ICS tightened its internal monitoring further in 2012. The introduction of score cards and management reports was continued, so that management gains more understanding of its planning and progress according to that planning. The progress of the projects and the support processes is monitored every quarter, and if necessary, adjusted. ICS also adheres to several financial key indicators with corresponding standards.

External monitoring

The legitimacy of the expenditure of ICS and its justification are verified annually by independent auditors. This enables ICS to render account to its donors, partners and the Ministry of Foreign Affairs. KIWA carries out an external audit every year to test the ICS quality system on the requirements of ISO certification.

The contents of the ICS programs are tested by external evaluators. To that aim, ICS participates in the joint evaluations in the context of MFS II (Cofinancing System II) which are organised by the sector organisation Partos. Most alliances that receive MFS II subsidies participate in this. In this way, the programs subsidised by MFS II are evaluated systematically in the period up to 2015. As ICS also attaches value to the evaluation of programs that are not part of the random test of the joint evaluations, ICS will also organise its own evaluations in the same period. ICS can thus account for the results of its programs and learn from them for the future. As evaluations are only meaningful once a track record has been built up, the first evaluations will take place halfway through the period 2011-2015, so in 2013. No evaluations therefore took place in 2012.

Anti-corruption and sanctioning policy

ICS has a detailed anti-corruption and sanctioning policy set down in steps. This policy applies both to our own organisation and to the projects carried out by the partner organisations. Besides their own financial accountability, partner organisations that receive funding from ICS also have their reports checked by an independent auditor. They also receive regular visits from ICS staff.

Enforcing the anti-corruption policy in 2012

An internal investigation was held in 2012 at one of the program offices, as there were indications of irregularities at that office. This investigation showed that a number of procedures indeed had not been followed and steps were taken to improve this. No evidence was found of fraud having taken place.

Together with a co-subsidy provider, ICS also decided to execute a fraud investigation at a partner in Africa. This investigation revealed irregularities which resulted in internal measures at this partner.

Enforcing the sanctioning policy in 2012

In a number of cases, partner organisations did not meet the agreed arrangements and procedures. The sanctioning policy was applied in those cases. A number of partner organisations submitted reports to ICS which did not comply with the agreements or were not able to perform their activities according to the planning. That is why ICS postponed the contributions to their projects.

The third principle:

Optimum contact with stakeholders

ICS belongs to the category of medium-sized development organisations in the Netherlands. Relationships with strategic partners, benefactors and donors are highly important to ICS. Private benefactors and the funds and businesses that support ICS form the public support base of the organisation and its projects. That is why ICS believes that open and honest communication is important. ICS uses various media for communication with the benefactors, including newsletters and the website www.ics.nl.

ICS also attaches importance to a good relationship with the Dutch government, which is currently funding around 82% of the activities of ICS through the Cofinancing System (MFS) (this amounts to 73% with correction for payments to the alliance partners). A major part of the execution of the projects of ICS is done by partners. Due to the importance of achieving optimum results, obviously it is important to maintain good contact with these partners. These partners are visited regularly for that purpose, with the offices in Africa and Asia playing an important part.

ICS spends a lot of time with its partners in the further development of new programs. We have been doing this for years with the Stichting Het Groene Woudt in the social business initiatives in Kenya and Tanzania. In 2012, ICS started a number of public-private partnerships, for example to develop and further work out water projects together in Africa. In addition, we implemented the Skilful Parenting program further together with our local partners in 2012.



Financial statements 2012

BALANCE SHEET AS AT 31 December 2012

After allocation of balance statement of income and expenditure	31 December 2012 €	31 December 2011 €
Assets		
1. Tangible fixed assets	377,989	131,915
2. Financial fixed assets	331,279	182,826
3. Receivables and current assets	3,048,479	532,138
4. Cash	2,217,868	4,042,782
Total assets	5,975,614	4,889,661
Liabilities		
5. Reserves and funds		
Continuity reserve	981,899	901,862
Designated reserves	561,677	401,824
Total reserves	1,543,576	1,303,686
Designated funds	229,624	245,392
Total funds	229,624	245,392
Total reserves and funds	1,773,200	1,549,078
6. Provisions	18,762	33,393
7. Short-term liabilities	4,183,652	3,307,190
Total liabilities	5,975,614	4,889,661

STAAT STATEMENT OF INCOME AND EXPENDITURE 2012

	Actual 2012 €	Budget 2012 €	Actual 2011 €	Budget 2013 €
INCOME				
8. Income from own fundraising	1,929,659	2,055,225	1,811,217	2,765,000
9. Income from campaigns of third parties	116,308	200,000	247,255	250,000
10. Income from subsidies	10,577,740	10,016,941	8,365,233	9,991,180
11. Interest income	112,233	50,000	110,691	85,000
12. Other income	71,107	20,000	23,637	95,000
Total income	12,807,047	12,342,166	10,558,033	13,186,180
EXPENDITURE				
<i>Committed to objectives</i>				
13. Structural support	11,481,066	11,368,906	9,513,715	12,098,729
14. Awareness raising	191,296	163,361	230,350	178,483
	11,672,362	11,532,267	9,744,065	12,277,212
<i>Committed to raising income</i>				
15. Own fundraising	239,909	329,750	240,387	368,835
16. Campaigns of third parties	56,700	35,174	38,935	28,138
17. Subsidies	221,270	188,440	201,855	222,825
	517,879	553,364	481,177	619,798
<i>Committed to administration</i>				
18. Administration	392,684	341,442	385,887	289,170
Total expenditure	12,582,925	12,427,073	10,611,130	13,186,180
Balance	224,122	-84,907	-53,097	0
<i>Allocation of balance</i>				
Continuity reserve	80,037	0	-98,138	0
Designated reserves	159,853	-84,907	-200,351	0
Designated funds	-15,768	0	245,392	0
	224,122	-84,907	-53,097	0

CASH FLOW STATEMENT 2012

	Ref	2012 €	2011 €
BALANCE OF STATEMENT OF INCOME AND EXPENDITURE		224,122	-53,097
<i>Adjustments</i>			
- Depreciation and amortisation	1	98,193	71,690
- Exchange difference of book value at start of financial year	1	-116	304
- Changes in provisions	6	-14,631	-10,810
		83,445	61,183
<i>Changes in working capital</i>			
- Receivables and current assets	3	-2,516,341	161,928
- Short-term liabilities	7	876,462	-3,030,536
		-1,639,878	-2,868,608
Operational cash flow		-1,332,312	-2,860,522
Investments in tangible fixed assets	1	-344,150	-47,790
Investments in financial fixed assets	2	-148,453	57,174
Investment cash flow		-492,603	9,384
Increase/decrease of cash in the financial year	4	-1,824,915	-2,851,138
Balance of cash and cash equivalents on 1 January		4,042,782	6,893,920
Balance of cash and cash equivalents on 31 December		2,217,867	4,042,782

The cash position decreased by almost 1.8 million euros. This was caused by a significantly lower sum being advanced in 2012 by the Ministry of Foreign Affairs, so that at the end of 2012 the receivables in the balance sheets include 2.1 million euros to be received from MFS. Another cause of the decreasing liquidity are the relatively large investments in both tangible and financial assets in 2012.

ACCOUNTING PRINCIPLES

General

The 2012 financial statements were drawn up in accordance with the accounting principles for Fundraising Institutions in the Netherlands.

The financial statements include the financial data of Stichting ICS in Amersfoort, the Netherlands, including the data from the regional offices in Nairobi, Kenya (Africa) and Siem Reap, Cambodia (Asia).

ICS B.V. was established at the end of 2012. This company is a subsidiary of and 100% owned by Stichting ICS. As no activities have taken place as yet in this company, and the size of ICS B.V. is negligible, no consolidation took place. These financial statements are therefore the individual financial statements of Stichting ICS.

Comparison with preceding year

The accounting principles adhered to are unchanged with respect to the preceding year.

Accounting policies for the balance sheet

Foreign currency

Assets and liabilities in foreign currency are converted to euros at the exchange rates valid on the balance sheet date. Realised and non-realised exchange rate profits and exchange rate losses are credited or debited to the year in which they occurred.

Tangible fixed assets

The tangible fixed assets are valued at the acquisition price less depreciation and amortisation determined on the basis of the estimated economic life. 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%
Vehicles	25%

Investments in the financial year are depreciated in proportion to the time elapsed.

Financial fixed assets

The financial fixed assets are valued at nominal value, or lower market value.

Receivables and current assets

The accounts receivable are valued at nominal value, taking account in so far as necessary of possible irrecoverability.

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.

Provisions

Provisions are formed for legally enforceable or actual obligations that exist on the balance sheet date, whereby it is probable that an outflow of funds is necessary and whose size can be estimated reliably. The provisions are valued at the best estimate of the amounts that are necessary to settle the obligations as at the balance sheet date.

Other assets and liabilities

All other items on the balance sheet are valued at 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 participations 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 own fundraising

Income from own fundraising is generally accounted for in the reporting year in which the donations and contributions were received. Income from inheritances is included in the financial year in which the size can be established reliably. Income from funds and companies is included in the financial year in which the donation was committed by the donor.

Income from campaigns of third parties

The income from campaigns by third parties is accounted for in the year in which the campaign took place in so far as the size of the income resulting from it can be established reliably.

Income from government subsidies

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

Interest income and income from investments

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 in which it is received.

Expenditure

The expenditure is divided over the objectives:

1. *Objectives*
 - ▶ Structural support;
 - ▶ Awareness raising.
2. *Raising income*
 - ▶ Own fundraising;
 - ▶ Campaigns of third parties;
 - ▶ Joint campaigns;
 - ▶ Subsidies.
3. *Administration*

The publicity and communication expenses are allocated to the 'Awareness raising' objective and the costs of raising income based on an estimate in percentage terms per cost type.

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

The other costs 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 administration costs are allocated to the objectives of raising income and administration, on the basis of the following economic criteria:

The personnel costs are divided on the basis of an estimate of weighted fulltime equivalents (FTE) that the employees of ICS have spent on an activity.

The term "weighted" means that a fulltime unit of a relatively expensive employee weighs proportionately more heavily in the division of the personnel costs.

The other administration costs are divided on the basis of an estimate of the FTEs actually spent on an activity.

Impairments of fixed assets

On every balance sheet date, 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.

If it is determined that an impairment that was justified in the past no longer exists or has decreased, the increased book value of the asset in question is no longer set higher than the book value that would be determined if no impairment for the asset was justified.

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 used in their entirety for the operations of ICS.

1. TANGIBLE FIXED ASSETS

	2012 €	2011 €
Book value as at 1 January	131,915	156,118
Exchange difference of book value at start of financial year	116	-304
Investments	344,150	47,790
	476,181	203,604
Depreciation	98,193	71,690
Book value as at 31 December	377,989	131,915
Accumulated purchase value	628,098	484,869
Accumulated depreciation	250,110	352,954
Book value as at 31 December	377,989	131,915

The tangible fixed assets consist to a significant extent of vehicles that are at the disposal of the employees of ICS in the different countries where ICS works for the purpose of implementing and monitoring the projects of ICS and its partners. In 2012, significant investment was made in new vehicles (approximately 190,000 euros in total); fixtures and furniture and ICT were also invested in, in both the Netherlands and the regions, in connection with offices moving location.

2. FINANCIAL FIXED ASSETS

	31 December 2012 €	31 December 2011 €
Participation in Orkonerei Mass Media Ltd	0	0
Participation in ICS B.V.	0	0
Loan to Green Forest Social Investment Trust	120,000	180,000
Loans to social entrepreneurs	114,145	2,826
Loans to farmers and farmer groups	97,134	0
	331,279	182,826

In 2009 ICS acquired a participation of 20% in Orkonerei Mass Media Ltd (ORMAME). ORMAME is established in Terrat, Tanzania and is part of the Omasi initiative of which ICS is one of the investors. ORMAME was set up as a social business and develops commercial activities, so that part of its activities at any rate can be funded by its own income.

For the time being ICS has not yet paid any share capital; the current value of the shares is nil. At the end of 2012, a private company with limited liability, ICS B.V., was established which will invest under the trade name of Investics in various social business projects in ICS program areas. ICS B.V. has its registered office in Amersfoort, the Netherlands,

and Stichting ICS is sole shareholder. Stichting ICS has not paid up any capital and at the end of 2012 the net assets are nil.

In 2009 ICS provided a loan to Green Forest Social Investment Trust (GFSIT). GFSIT is established in Magunga, Kenya, and is part of the Suba Green Forest Initiative. The loan was provided to enable GFSIT to carry out a number of infrastructure activities in preparation of its work in the Suba district of Kenya. The loan will be paid off in 5 years; 4% interest is calculated.

The course of the loan is as follows:

	2012 €	2011 €
Book value as at 1 January	180,000	240,000
Repayment	60,000	60,000
Book value as at 31 December	120,000	180,000

From 2011 a number of loans have been provided to social entrepreneurs in the ICS program area in Cambodia. These loans are used as start-up capital, for instance to open a bookshop or purchase a water purification plant. Eight loans were still outstanding at the end of 2012. Repayment of these loans varies up to 2015 at the latest. No interest is charged, nor is any security provided.

	2012 €	2011 €
Book value as at 1 January	11,578	0
Loans provided during financial year	102,567	16,718
	114,145	16,718
Repayment in financial year	0	5,140
Outstanding balance as at 31 December	114,145	11,578
Less: short-term part included under receivables and current assets	0	8,752
Book value as at 31 December; long-term part	114,145	2,826

In 2012, loans were provided to farmers and farmer groups in Kenya and Tanzania. These loans were used to purchase fertilizer and seed, or to buy solar panels. Loans were also provided in Cambodia for the purchase of pigs.

Several hundred relatively small loans are still outstanding at the end of 2012. Repayment generally occurs during the harvest period in Africa; in Asia, the term of the loans is longer. No interest is charged, nor is any security provided.

	2012 €
Book value as at 1 January	0
Loans provided during financial year	150,363
	150,363
Repayment in financial year	53,229
Outstanding balance as at 31 December	97,134
Less: short-term part included under receivables and current assets	0
Book value as at 31 December; long-term part	97,134

3. RECEIVABLES AND CURRENT ASSETS

	31 December 2012	31 December 2011
	€	€
Guarantee deposits	118,636	17,273
MFS II subsidy to be received	2,100,681	0
Interest to be received	20,385	26,317
To be received from funds and campaigns of third parties	547,429	286,303
To be received from legacies & inheritances	101,088	80,267
Inputs for agricultural projects paid in advance	20,435	0
Paid in advance for future businesses	41,956	0
Pension premiums paid in advance	764	4,227
Loans to personnel	41,366	461
Short-term part of loans to social entrepreneurs	0	8,752
Miscellaneous	55,738	108,538
	3,048,479	532,138

At the end of 2012, ICS concluded futures contracts as exchange risk cover against the Kenyan shilling. As part of these transactions, a deposit of approximately 88,000 euros was paid. In connection with a reduced advance payment for 2012, ICS still has receivables and current assets of more than 2 million at the Ministry of Foreign Affairs in the context of MFS II. During 2012, ICS implemented its social business activities further. Part of this involved things such as the purchase of water technology and seed, which will be offered to entrepreneurs and farmers in 2013.

4. CASH AND CASH EQUIVALENTS

	31 December 2012	31 December 2011
	€	€
Petty cash	4,938	5,820
Bank accounts	738,643	1,011,020
Savings accounts	1,160,575	2,725,943
Fixed deposits	313,712	300,000
	2,217,868	4,042,782

The cash and cash equivalents have limited availability for an amount of €313,712.

A relatively low advance payment was received from the Ministry of Foreign Affairs in 2012 in connection with underspending in the Together4Change alliance in 2011, so that the level of liquidity declined substantially at the end of 2012.

ICS INVESTMENT POLICY

The investment policy of ICS is part of the Financial Statute of ICS. The most recent version of this statute was approved in April 2012 by the Supervisory Board of ICS. In its investment policy, ICS laid down that the sum of the continuity reserve and the designated funds must always be available as liquid funds or callable within a reasonable period and for a reasonable penalty interest. In the event ICS has a (temporary) surplus of cash and cash equivalents at its disposal, this surplus may be invested for a certain period. A maximum of 50% of this surplus may be invested in bonds with a triple A status.

The investment policy of ICS provides for the possibility of making mission-related investments, for example in the form of loans or shares for social businesses. The maximum amount of allowable mission-related investments is equal to the balance of the designated reserve 'Structural Support'.

Application of the investment policy by ICS in 2012

At the end of 2012 the accumulated size of the continuity reserve and the designated funds was more than 1.1 million euros. The total amount of cash in hand and directly callable bank and savings accounts was more than 1.9 million euros at the end of 2012. This means that ICS stayed inside the scope of its set policy. In 2003 it was decided to invest part of the surplus funds in a deposit of €300,000. In view of the balance of the liquid funds in 2012, it could be argued that this invested amount does not have to be used immediately by ICS. However, there is also no reason to expand the investment portfolio or to invest in bonds.

The total amount of mission-related investments at the end of 2012 is €331,279. This is well inside the set range, in view of the fact that the designated reserve 'Structural Support' amounted to €561,677 at the end of 2012.

ICS treasury policy

The treasury policy of ICS is part of the Financial Statute of ICS. The most recent version of this statute was approved in April 2012 by the Supervisory Board of ICS. The treasury policy sets out the principles of ICS in the area of cash and treasury management. The basic principle is that on the treasury level ICS prioritises risk avoidance at the expense of revenue maximisation.

The policy of ICS is to spread its liquidity across different banks in order to minimise dependence and liquidity risks. ICS will only do business with banks

that have a good, reliable reputation. For foreign currencies that are relevant to ICS' program execution and that have a certain degree of volatility, ICS enters into currency futures contracts.

ICS exercises restraint in providing security and guarantees. The Supervisory Board of ICS must provide explicit approval for numerous treasury-related decisions such as providing security and guarantees and entering into or modifying bank relations. As part of its cash management, ICS provides its regional and program offices with advance payments that are maximised to the liquidity needs of one quarter. Cash payments and advance payments to personnel must be limited as much as possible; specific arrangements have been made concerning settlement and repayment for advance payments to local personnel. Within the range of the treasury policy, and taking into consideration the minimisation of risks, ICS seeks possibilities for realising as efficient as possible a mix of liquidities available in cash, in bank accounts and (fixed) deposits.

Application of the treasury policy by ICS in 2012

ICS does business in the Netherlands with 3 reputable banks (ABN AMRO, Rabobank and ING). This number is still deemed sufficient spread. Most of ICS' liquid funds are with the ABN AMRO; this is caused for a large part by the fact that MFS funds run via ABN AMRO accounts.

In 2012, ICS used currency futures contracts for the purchase of American dollars in connection with its activities in Cambodia. At the end of 2012, forward exchange contracts were entered into for risk management of the Kenyan shilling.

A bank guarantee of €13,712 was provided in 2012 in connection with the rent of the new office in Amersfoort. The Supervisory Board provided permission for this bank guarantee. During 2012, ICS prefinanced on average one to two months of liquid funds to its regional and program offices.

Liabilities

5. RESERVES AND FUNDS

ICS equity policy

In accordance with the Guideline for Fundraising Institutions (Guideline 650), ICS has a number of different reserves and funds, namely:

- ▶ Continuity reserve
- ▶ Designated reserves
- ▶ Other reserves
- ▶ Designated funds

Continuity reserve

The continuity reserve serves as a buffer for the event future calamities take place. The continuity reserve comes to less than the amount equal to the cost of the work organisation of ICS for 1.5 years and is at least the amount equal to the costs of the work organisation of ICS in the Netherlands for 6 months. This fulfils the requirements of VFI in the context of the Code for Good Governance.

Designated reserves

ICS aims to work in a budget-neutral way, whereby income and expenditure are in balance during a financial year. Should a surplus or deficit be realised

during a financial year, they can be added to or respectively withdrawn from these reserves on the understanding that such a change can be satisfactorily substantiated in the light of the objective of one of these reserves. ICS has one designated reserve in the context of its Structural Support objective.

Any temporary deficit or surplus is withdrawn from or added to the designated reserve by ICS, in so far as this deficit or surplus is caused by underspending or overspending on this objective. Should a deficit or surplus be caused by a different reason, they are withdrawn or respectively added to the continuity reserve.

Designated funds

Designated funds are formed whenever subsidies or donations are earmarked by donors for a specific project or program section and the subsidies or donations have not yet been fully spent at the end of the financial year. The aim of ICS is to limit the duration of these funds as much as possible, which depends on the progress of the project and specific requirements of the donor.

Reserves

	31 December 2012	31 December 2011
	€	€
Continuity reserve	981,899	901,862
Designated reserves	561,677	401,824
	1,543,576	1,303,686

Continuity reserve

The course of this reserve is as follows:

	2012	2011
	€	€
Balance as at 1 January	901,862	1,000,000
Surplus or deficit respectively in financial year	80,037	-98,138
Balance as at 31 December	981,899	901,862

Application of the equity policy to the continuity reserve by ICS in 2012

On the basis of the calculation in accordance with the equity policy, the balance of the continuity reserve should be set at no less than €685,000 and no more than €2,055,000.

ICS is approximately 300,000 euros above the minimum level, so that its reserve is sufficiently large.

Designated reserves

	31 December 2012	31 December 2011
	€	€
Designated reserve Structural Support	309,277	401,824
Designated reserve Structural Support – revolving fund	252,400	0
	561,677	401,824

As of 2012, ICS has commenced setting up a revolving fund, so ICS is able to provide loans to farmers, farmer groups, local entrepreneurs and social businesses. ICS has set up a specific reserve within the designated reserve Structural Support in order to control the risks of these loans and also to release liquidity so that it can be provided.

The course of the designated reserves in 2012 is as follows:

	2012	2011
	€	€
Balance as at 1 January	401,824	606,817
	401,824	606,817
Less: withdrawn due to phase-out borne by reserves	92,547	200,351
Less: added to 'other reserves'	0	4,642
	309,277	401,824
Plus: addition to revolving fund	252,400	0
Balance as at 31 December	561,677	401,824

Funds

Designated funds

In connection with a number of projects in Cambodia and Tanzania, funds were acquired in 2011 and 2012. To a greater or lesser extent these funds were not spent in 2012 and they will be used in 2013 to implement the projects for which they were acquired.

	31 December 2012	31 December 2011
	€	€
Designated fund Structural Support	229,624	245,392

The course of this designated fund is as follows:

	2012	2011
	€	€
Balance as at 1 January	245,392	0
Less: spent on projects during the financial year	232,727	0
	12,665	0
Plus: designated income, to be spent on projects in the next financial year	216,959	245,392
Balance as at 31 December	229,624	245,392

Application of the equity policy by ICS in 2012

The duration of the designated fund for relevant projects is until no later than 31 December 2013.

6. PROVISIONS

The ICS office in Asia has built up a provision for its permanent personnel. Employees are paid an amount if they leave employment. This provision has a mainly long-term character.

	2012	2011
	€	€
Balance as at 1 January	33,393	44,203
Change in the financial year	-14,631	-10,810
Balance as at 31 December	18,762	33,393

In 2012, the offices in Thailand and Laos closed, thus fully releasing the provisions for the employees in these countries.

7. SHORT-TERM LIABILITIES

	31 December 2012	31 December 2011
	€	€
MFS II subsidy received in advance	0	1,163,527
Contributions to partner organisations	3,721,510	1,791,066
Creditors	240,229	132,127
Tax withheld	27,481	24,078
Provision for severance payments	41,791	65,258
Provision for holiday allowances	34,247	28,202
Provision for leave days	32,059	24,971
Auditor's fees	27,163	49,853
Consultancy fees	9,508	9,142
Miscellaneous	49,664	18,965
	4,183,652	3,307,190

The short-term liabilities have a term of less than one year. For the change of the subsidy received in advance, see the notes to the Receivables and current assets; the outstanding contributions to partner organisations are linked to the reduced advance payment. Due to lagging expenditure by partners, the administration of ICS still contains a number of large outstanding amounts.

The increase in the 'Miscellaneous' entry is mainly caused by an investment in a water purification plant for which the second instalment of approximately €18,000 was still owing at the end of the financial year.

OFF-BALANCE SHEET ITEMS

Important financial rights

Subsidy

In 2010 the Ministry of Foreign Affairs granted ICS, as lead agent of the alliance Together4Change, an MFS II subsidy for the period 2011-2015. Of the total subsidy with a maximum €46,384,275, an amount of €27,582,290 is still available for the period to 2015.

Important financial obligations

Together4Change alliance

Following from the subsidy provided in the scope of MFS II, ICS as lead agent of Together4Change has entered into a number of long-term obligations with the following partners:

	Term until	2013 - 2015 €
Alliance partners		
Wilde Ganzen	31 December 2015	2,729,439
SOS Kinderdorpen	31 December 2015	7,052,732
Wereldkinderen	31 December 2015	1,972,740
Strategic partners		
Context	31 December 2015	617,717
ACPF	31 December 2015	1,746,722
Aflatoun	31 December 2013	72,049
Child and Youth Finance	31 December 2015	946,675
Health(e)Foundation	31 December 2013	98,033
		15,236,107
Local partners		
		USD
SST	31 December 2014	69,298
CIDO	31 December 2014	69,245
		138,543

Besides subsidies, loan agreements were entered into with two partners, whereby the following amounts were committed for the near future:

	Loans committed until	2013 - 2014 USD
Local partners		
SST	31 December 2014	54,624
CIDO	31 December 2014	56,655
		111,279

An alliance agreement was signed with the alliance partners in 2009. The amounts committed to them were established at the start of 2011 on the basis of the MFS II subsidy decision. The contracts with the strategic partners were signed in 2011. Long-term contracts were signed with a number of local partners in 2012.

Rental obligations

ICS Netherlands

The office of ICS in Amersfoort is rented under a lease that expires on 30 June 2021. The annual rental expenses amount to €40,900 (price level 2012).

ICS Asia

The regional office in Siem Reap, Cambodia, is rented under a lease that expires on 30 April 2014.

The program office in Samraong, Cambodia, is rented under a lease that expires on 30 June 2013. The total rental amount for all offices in Asia in 2013 comes to around €6,800.

ICS Africa

The regional office in Nairobi, Kenya, is rented on the basis of a lease with a term until 30 September 2017.

The program office in Kakamega, Kenya, is rented under a lease that expires on 31 December 2012.

The program office in Mwanhuzi, Tanzania, is rented under a lease that expires on 31 December 2012.

The program office in Arusha, Tanzania, is rented under a lease that expires on 31 December 2012.

The total rental amount for all offices in Africa in 2012 came to around €52,544.

Bank guarantee

A bank guarantee of €13,712 was provided in 2012 in connection with the rent of the office in Amersfoort.

Forward future contracts

ICS has entered into forward future contracts for the Kenyan shilling. These contracts result in the obligation of purchasing €880,725 in Kenyan shillings in 2012. A 10% deposit (€88,072) was paid for this in 2012; it is accounted for under the Receivables and current assets on the balance sheet.

Due date	Exchange rate	Contract amount in euros	Contract amount in foreign currency
Kenyan shillings			
15 January 2013	110,15	205,266	22,610,000
15 March 2013	111,51	277,374	30,930,000
17 June 2013	112,43	203,238	22,850,000
16 September 2013	113,49	142,832	16,210,000
15 November 2013	115,35	52,016	6,000,000
		880,725	98,600,000

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

Income

8. INCOME FROM OWN FUNDRAISING

	Actual 2012 €	Budget 2012 €	Actual 2011 €	Budget 2013 €
<i>Mailings</i>	112,720	175,000	172,353	100,000
<i>Donations and gifts</i>				
Help parents / Child ambassadors	583,973	617,500	693,077	600,000
Schoolchild fund	88,529	100,000	108,693	100,000
Other donations and gifts	72,715	207,500	53,775	150,000
	745,217	925,000	855,545	850,000
<i>Inheritances</i>	95,725	50,000	64,443	50,000
<i>Other income</i>				
Funds and companies	975,997	905,225	718,876	1,765,000
Total income from own fundraising	1,929,659	2,055,225	1,811,217	2,765,000

The income from own fundraising rose slightly in 2012 in comparison with 2011.

The growth is explained mainly by the growth in fundraising under funds and companies, especially due to the increase in the number of donors.

The private donations show a significant drop in all sections, except for estates. This can be explained by the drop in the number of donors supporting ICS, partly because child ambassadors have been phased out (especially in Uganda) and the changed profile of ICS.

9. INCOME FROM CAMPAIGNS OF THIRD PARTIES

	Actual 2012 €	Budget 2012 €	Actual 2011 €	Budget 2013 €
<i>Rotary campaigns (incl. premiums from Wilde Ganzen/NCDO)</i>	116,308	200,000	247,255	250,000
Total income from campaigns of third parties	116,308	200,000	247,255	250,000

Rotary held one large campaign in 2012 for ICS. This campaign was doubled by Wilde Ganzen. Amounts were also received in connection with campaigns from previous years.

10. INCOME FROM SUBSIDIES

	Actual 2012 €	Budget 2012 €	Actual 2011 €	Budget 2013 €
<i>Ministry of Foreign Affairs (MFS II)</i>	10,491,802	9,822,309	8,310,183	9,891,180
International Labour Organisation (ILO)	83,777	62,000	17,154	0
Subsidy Indian government	0	32,632	0	0
Other subsidies	2,160	100,000	37,896	100,000
Total income from subsidies	10,577,740	10,016,941	8,365,233	9,991,180

The expenditure on the programs increased substantially in 2012. This meant that the allocation of MFS II subsidy also grew significantly in 2012 in comparison with 2011. The other subsidies were lower than originally estimated. Various subsidy applications are still outstanding at the end of 2012; they produced no effect in 2012.

11. INTEREST INCOME

	Actual 2012 €	Budget 2012 €	Actual 2011 €	Budget 2013 €
Interest income	112,233	50,000	110,691	85,000
Total interest income	112,233	50,000	110,691	85,000

Just as in 2011, the high interest income was caused by relatively high bank balances in 2012. The reason for this is the late collection of advance payments by partners. The reduction of the MFS advance payment at the end of 2012 has not affected this (yet).

In 2012, €4,800 interest was calculated on the loan to Green Forest Social Investment Trust. Of the interest received, an amount of €83,263 is to be allocated to MFS II. This is interest received on the advance payments of the subsidy received from the Ministry.

12. OTHER INCOME

	Actual 2012 €	Budget 2012 €	Actual 2011 €	Budget 2013 €
Sale of assets	61,211	20,000	0	0
Other income	9,896	0	23,637	95,000
Total other income	71,107	20,000	23,637	95,000

The sale of depreciated assets resulted in significant book profits in 2012. Furthermore, ICS sold agricultural necessities to farmers, especially in Africa. The cost price of these transactions has been processed in the project expenditure.

Expenditure

Committed to objectives						
MODEL C - 2012	Structural support				Awareness raising	Sub total
	Program A	Program B	Program C	sub total		
	13A	13B	13C	13	14	
	€	€	€	€	€	€
Contributions to third parties	5,065,087	2,433,627	982,719	8,481,433	0	8,481,433
Contributions to own projects	2,229,771	255,170	809	2,485,750	0	2,485,750
Publicity and communication expenses	0	0	0	0	99,771	99,771
	7,294,858	2,688,797	983,528	10,967,183	99,771	11,066,954
Operational expenses						
Salaries	193,990	56,623	6,353	256,967	43,854	300,821
Social insurance and pension charges	47,733	13,933	1,563	63,230	10,791	74,020
Other staff expenses	27,227	7,947	892	36,066	6,155	42,221
Travel and lodging expenses	29,361	7,074	776	37,211	7,254	44,465
Office expenses	51,392	12,382	1,358	65,132	12,696	77,828
Depreciation and amortisation	13,990	3,371	370	17,730	3,456	21,186
Board expenses	1,821	439	48	2,307	450	2,757
Consultancies	24,828	5,982	656	31,466	6,134	37,600
General expenses	2,979	718	79	3,775	736	4,511
	393,320	108,468	12,094	513,883	91,525	605,408
Total expenditure	7,688,178	2,797,265	995,623	11,481,066	191,296	11,672,362

Percentage of expenditure

	Actual 2012	Budget 2012	Actual 2011	Budget 2013
Total expenditure on objectives as % of total income	91,1%	93,4%	92,3%	93,1%
Total expenditure on objectives as % of total expenses	92,8%	92,8%	91,8%	93,1%

	Committed to raising income				Committed to administration	Total actual 2012	Total budget 2012	Total actual 2011	Total budget 2013
	Own fund raising	Campaigns of third parties	Subsidies	sub total					
	15	16	17		18				
	€	€	€	€	€	€	€	€	€
Contributions to third parties	0	0	0	0	0	8,481,433	8,339,129	6,782,879	7,563,333
Contributions to own projects	0	0	0	0	0	2,485,750	2,647,786	2,320,649	4,044,104
Publicity and communication expenses	100,267	3,483	6,801	110,551	0	210,322	227,202	330,675	231,893
	100,267	3,483	6,801	110,551	0	11,177,505	11,214,117	9,434,204	11,839,330

Operational expenses

Salaries	72,074	26,944	113,571	212,589	194,788	708,198	676,720	562,314	747,591
Social insurance and pension charges	17,735	6,630	27,945	52,310	47,930	174,260	151,761	134,507	181,466
Other staff expenses	10,116	3,782	15,940	29,837	27,339	99,396	37,600	106,447	53,500
Travel and lodging expenses	9,377	3,744	13,460	26,581	28,950	99,995	68,676	59,480	104,537
Office expenses	16,412	6,554	23,559	46,525	50,671	175,024	103,800	115,655	113,552
Depreciation and amortisation	4,468	1,784	6,413	12,665	13,793	47,644	31,600	26,120	50,254
Board expenses	581	232	835	1,648	1,795	6,201	10,200	98,359	8,500
Consultancies	7,929	3,166	11,382	22,477	24,480	84,556	105,700	112,084	56,350
General expenses	951	380	1,366	2,697	2,937	10,146	26,900	-38,040	31,100
	139,642	53,217	214,469	407,328	392,684	1,405,420	1,212,956	1,176,926	1,346,850
Total expenses	239,909	56,700	221,270	517,879	392,684	12,582,925	12,427,073	10,611,130	13,186,180

Operational expenses

The most significant differences in the actual operational costs in 2012 compared with the budgets have the following causes:

The (non-budgeted) strengthening of office support and the appointment of an HR staff member made the staff expenses higher than budgeted in 2012. As part of the reinforcement of office support was

acquired via an external agency, the other staff expenses were also significantly higher.

Depreciation and office expenses are higher mainly due to the shift of our office to Amersfoort. Investments were made in new ICT and furniture and fittings, and at the same time there were the necessary one-time expenses.

13. STRUCTURAL SUPPORT

13 A. Program A: 'Investment in Social and Economic Change'

	Actual 2012	Budget 2012	Actual 2011	Budget 2013
	€	€	€	€
Contributions to third parties				
SOS Kinderdorpen	2,235,790	2,235,790	1,972,918	2,218,878
Aflatoun	147,050	147,050	222,050	72,049
Child & Youth Finance International	600,000	600,000	217,919	557,081
Health[e]Foundation	98,033	100,260	98,033	95,806
Context	207,000	207,000	214,433	207,000
Local partners of ICS in Kenya	1,055,640	750,595	893,219	650,000
Local partners of ICS in Tanzania	681,767	600,000	153,675	300,000
Local partners of ICS in Uganda	0	0	59,693	0
Local partners of ICS in Cambodia	39,807	0	69,814	100,000
	5,065,087	4,640,695	3,901,754	4,200,814
Contributions to own projects				
Implementation of projects in program areas				
Projects of ICS in Kenya	781,165	620,793	515,820	768,220
Projects of ICS in Tanzania	745,428	661,707	759,035	1,308,220
Projects of ICS in Cambodia	569,851	910,386	464,987	896,319
Projects of ICS in Thailand	46,270	34,907	58,833	0
Projects of ICS in Laos	26,017	0	80,944	0
	2,168,731	2,227,792	1,879,619	2,972,760
Other contributions to own projects				
T4C linking & learning/evaluations	5,666	38,500	245,573	332,500
Curriculum development	0	30,600	11,550	0
Learn4Work	0	0	10,000	0
TVET	0	1,500	5,918	0
Training and courses	18,636	8,400	14,050	10,000
Missions, field visits and miscellaneous	36,739	31,500	28,477	34,672
	61,040	110,500	315,568	377,172
	2,229,771	2,338,292	2,195,187	3,349,932
Operational expenses				
Allocation in accordance with Model C	393,320	289,085	297,339	359,932
	7,688,178	7,268,072	6,394,280	7,910,678

Considerably more was spent than had been budgeted. It must be noted that this applies especially to ICS' activities in Kenya and Tanzania; the program in Cambodia was slower to get up and running.

13 B. Program B: 'Child Protection'

	Actual 2012 €	Budget 2012 €	Actual 2011 €	Budget 2013 €
Contributions to third parties				
Wereldkinderen	837,372	837,372	185,133	829,032
The African Child Policy Forum (ACPF)	932,064	1,028,343	845,272	633,772
Local partners of ICS in Kenya	314,990	360,000	201,057	370,000
Local partners of ICS in Tanzania	199,106	290,000	140,981	350,000
Local partners of ICS in Uganda	70,000	50,000	70,051	0
Local partners of ICS in Cambodia	0	150,000	0	175,000
Local partners of ICS in Thailand	80,095	0	137,855	0
	2,433,627	2,715,715	1,580,349	2,357,804
Contributions to own projects				
Implementation of projects in program areas				
Projects of ICS in Kenya	92,350	107,379	83,083	158,350
Projects of ICS in Tanzania	58,374	91,818	58,258	158,350
Projects of ICS in Cambodia	0	0	0	144,044
Projects of ICS in Thailand	77,493	58,786	101,382	0
	228,217	257,984	242,723	460,744
Other contributions to own projects				
T4C linking & learning/evaluations	1,619	11,000	72,227	95,000
Courses	2,162	26,010	5,695	2,000
Missions, field visits and miscellaneous	23,172	9,000	3,697	12,368
	26,952	46,010	81,620	109,368
	255,170	303,994	324,343	570,112
Operational expenses				
Allocation in accordance with Model C	108,468	82,102	98,247	119,587
	2,797,265	3,101,811	2,002,939	3,047,503

In 2012, the final undertakings towards partners turned out significantly lower. No new partners were contracted in 2012, which had been budgeted for in Tanzania and Cambodia in particular. Steps have since been taken to keep the program growing here in 2013.

13 C. Programma C: 'Action for Children'

	Actual 2012	Budget 2012	Actual 2011	Budget 2013
	€	€	€	€
Contributions to third parties				
Wilde Ganzen	982,719	982,719	1,058,624	1,080,715
Contributions to own projects				
T4C linking & learning/evaluations	809	5,500	43,273	48,060
Operational expenses				
Allocation in accordance with Model C	12,094	10,804	14,600	11,773
	995,623	999,023	1,116,497	1,140,548

14. AWARENESS RAISING

	Actual 2012	Budget 2012	Actual 2011	Budget 2013
	€	€	€	€
Publicity and communication expenses				
Printing and postage expenses, direct mail and Welddoen/CC	44,201	24,350	32,956	24,000
Advertisements	10,362	10,500	2,101	10,000
Website	3,679	3,000	17,959	5,000
Radio and television	1,225	1,871	7,514	1,500
Stands and events	1,393	12,784	1,379	1,400
Brochures	4,072	2,907	5,168	3,000
CRM database	15,382	4,500	132	5,000
ICS' positioning and branding	0	0	13,490	0
Consultancies	9,280	0	53,755	3,000
Other	10,176	8,250	10,322	16,668
	99,771	68,160	144,777	69,568
Operational expenses				
Allocation in accordance with Model C	91,525	95,201	85,573	108,915
	191,296	163,361	230,350	178,483

The expenses for awareness raising in 2012 were substantially lower than in 2011. This is due mainly to the costs of the positioning and rebranding of ICS (with associated modification of the website) and replacement in connection with maternity leave in 2011.

The CRM database incurred significantly higher expenses; this is due to the implementation of Pluriform in 2012.

15. OWN FUNDRAISING

	Actual 2012	Budget 2012	Actual 2011	Budget 2013
	€	€	€	€
Publicity and communication expenses				
Printing and postage expenses, direct mail and Weldoen/CC	44,201	56,816	32,956	56,000
Advertisements	10,362	24,500	2,101	10,000
Website	1,577	7,000	7,697	5,000
Radio and television	2,859	4,365	17,532	3,500
Stands and events	2,090	29,828	2,069	5,600
Brochures	1,745	6,783	2,215	3,000
CRM database	15,382	10,500	132	15,000
ICS' positioning and branding	0	0	21,853	0
Consultancies	13,920	0	7,679	27,000
Other	8,131	19,250	12,424	37,225
	100,267	159,042	106,657	162,325
Operational expenses				
Allocation in accordance with Model C	139,642	170,708	133,730	206,510
	239,909	329,750	240,387	368,835

As the publicity and communication expenses are shared between awareness raising and own fundraising, the analysis of the difference between 2011 and 2012 for own fundraising expenses follows the analysis for the awareness raising expenses. Since the expenses of replacement due to maternity leave in 2011 were allocated to awareness raising, the lower costs of the website and positioning in 2012 are compensated by the higher costs connected with the implementation of Pluriform in 2012.

Percentage of own fundraising

	Actual 2012	Budget 2012	Actual 2011	Budget 2013
Expenses of own fundraising as a percentage of income from own fundraising	12,4%	16,0%	13,3%	13,3%

The Central Fundraising Bureau (CBF) adheres to a standard of 25% as maximum percentage of own fundraising. The Supervisory Board adheres to the same standard for ICS.

ICS expected a higher own fundraising percentage in 2012, in view of the anticipated necessity of having to invest considerably more in fundraising activities. This investment ended up lower than budgeted. ICS is therefore satisfied that it remained well inside the standard of 25%.

16. CAMPAIGNS OF THIRD PARTIES

	Actual 2012	Budget 2012	Actual 2011	Budget 2013
	€	€	€	€
Publicity and communication expenses				
Stands and events	3,483	0	3,448	0
Operational expenses				
Allocation in accordance with Model C	53,217	35,174	35,487	28,138
	56,700	35,174	38,935	28,138

ICS invested a great deal of time in 2012 in maintaining relations with various Rotary organisations, which resulted in a significant increase in the allocation of the operational expenses in 2012.

17. SUBSIDIES

	Actual 2012	Budget 2012	Actual 2011	Budget 2013
	€	€	€	€
Publicity and communication expenses				
Consultancies	0	0	2,380	0
Other	6,801	0	5,863	0
	6,801	0	8,243	0
Operational expenses				
Allocation in accordance with Model C	214,469	188,440	193,612	222,825
	221,270	188,440	201,855	222,825

ICS submitted a number of new subsidy proposals in 2012 to the Dutch government. This explains the higher allocation of the operational expenses in 2012.

18. ADMINISTRATION

	Actual 2012	Budget 2012	Actual 2011	Budget 2013
	€	€	€	€
Publicity and communication expenses				
ICS' positioning and branding	0	0	48,278	0
Consultancies	0	0	15,358	0
Other	0	0	3,913	0
	0	0	67,549	0
Operational expenses				
Allocation in accordance with Model C	392,684	341,442	318,338	289,170
	392,684	341,442	385,887	289,170

Percentage of own fundraising

	Actual 2012	Budget 2012	Actual 2011	Budget 2013
Costs of administration as % of the total expenses	3,1%	2,7%	3,6%	2,2%

The Supervisory Board has set a standard of 5% for this percentage. This may be deviated from only in occasional cases, with satisfactory explanation to be assessed by the Supervisory Board.

In connection with the strengthening of the team in the Netherlands, in particular through the appointment of an HR employee and office support, the allocation of operational expenses increased greatly in 2012 compared to the budget. This meant that the percentage of these expenses also rose above 3%. This percentage is well inside the standard of 5%.

Allocation of expenses to objectives, acquisition of income and administration

Operational costs of ICS are allocated to the objectives, expenses of income and costs of management and administration on the basis of an estimate of division of time spent by the employees of ICS.

For the calculation of the allocation of the operational costs, ICS works with the format as prescribed by the Fundraising Institutions Association (VFI).

ICS does not use the format entirely in accordance with the guidelines of VFI; ICS differs from these

guidelines in applying the following principles:

- ▶ ICS allocates the costs of the regional and program offices in Africa and Asia directly to the objective of 'Structural support'.
- ▶ ICS distinguishes two types of costs for the operational costs in the Netherlands: personnel expenses (salaries, social insurance and pension expenses and other staff costs) and other operational costs (travel and lodging expenses, office expenses, depreciation and amortisation, administration costs, consultancies and general expenses).

Staff expenses are allocated on the basis of the estimate of time spent on the objectives, acquisition of income and management and administration, and the difference in salary per employee is taken into account. ICS does justice in this way to the fact that allocation of effort of employees for certain activities requires specific expertise, which is translated in the expenses of these employees. This method is not used for the other operational costs. These costs are allocated on the basis of estimated hours spent per activity, without taking the difference in salary per employee into account.

The following percentages were used in 2012:

Staff category	Objectives		Acquisition of income			Administration	Total
	Structural support	Awareness raising	Own fundraising	Campaigns of third parties	Subsidies		
Executive director	26%	4%	12%	5%	15%	38%	100%
Program managers	82%	0%	5%	0%	13%	0%	100%
Program employees	96%	0%	0%	0%	4%	0%	100%
Quality & PM&E	21%	0%	0%	0%	55%	24%	100%
Office support	7%	15%	8%	0%	3%	67%	100%
Finance & HR	12%	5%	6%	1%	7%	69%	100%
Fundraising & communication	5%	20%	28%	16%	8%	23%	100%
Average allocation of costs:							
Staff expenses	36%	6%	10%	4%	16%	28%	100%
Other operational expenses	37%	7%	10%	4%	13%	29%	100%

REMUNERATION OF THE MANAGEMENT BOARD

In 2012, the Executive Board of ICS consisted of one executive director, Mr Ronald Messelink. The salaries of the Executive Board are placed in a pay scale on the basis of the Civil Servants' Pay Decree (BBRA). In its financial statements ICS uses the format of 'Responsible Management Remuneration' established by the VFI.

	R.D.D. Messelink executive director	
Employment contract		
Nature (term)	indefinite	
Hours	36	
Part-time percentage	100%	
Period	1 January - 31 December	
Remuneration		
Annual income		
Gross salary	78.356	
Holiday pay	6.268	
Total annual income		84.624
Social insurance costs (employer's share)		
Employer's share social insurance premiums		8.919
Taxable payments/additions		
Addition for private use of company car		8.225
Pension costs (employer's share)		
Pension premiums payable by employer		9.929
Other payments in the short to medium term		
Supplementary invalidity insurances		2.340
Total remuneration 2012		114.036
Total remuneration 2011 *)		58.779

*) This concerned the period from 13 June to 31 December.

The annual income of the directors is within the maximum of the VFI remuneration scheme.

Remuneration of the 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 2012 was €1,009 (2011: €3,538). No loans, advance payments or guarantees were provided to the members of the Supervisory Board.

Number of employees

In 2012 ICS employed 69.7 employees in full-time units (2011: 77.4 FTE) who were divided across the regions as follows:

	Actual 2012 FTE	Actual 2011 FTE
The Netherlands		
Executive director	1,0	0,5
Program managers	1,9	2,0
Program employees	2,8	2,1
Office support employees	2,1	1,8
Quality and PM&E employees	1,7	2,0
Financial and HR employees	2,1	1,8
Fundraising & Communication employees	3,1	2,2
	14,7	12,4
Africa		
Regional office	13,0	13,0
Program offices	20,0	18,0
	33,0	31,0
Asia		
Regional office	9,0	7,0
Program offices	13,0	27,0
	22,0	34,0
Total number of employees	69,7	77,4

Amersfoort, 18 April 2013



R.D.D. Messelink
Executive director

OTHER INFORMATION

Auditor's report

The Financial statements of ICS were audited by PriceWaterHouseCoppers Accountants n.v. In the annual report 2012 published in Dutch language, the auditor's report is included

MULTI-YEAR BUDGET 2011-2015

	Budget (original) 2011 - 2015 €	Actual 2011 - 2012 €	Budget (adjusted) 2013 €	Budget 2014 - 2015 €	Projection 2011 - 2015 €
INCOME					
Income from own fundraising	9,540,000	3,740,876	2,765,000	4,005,000	10,510,876
Income from campaigns of third parties	1,140,000	363,563	250,000	645,000	1,258,563
Subsidies	46,684,274	18,942,973	9,991,180	17,834,355	46,768,508
Interest income	250,000	222,924	85,000	100,000	407,924
Other income	0	94,744	95,000	0	189,744
Total income	57,614,274	23,365,080	13,186,180	22,584,355	59,135,615
EXPENDITURE					
Committed to objectives					
Structural support	53,015,909	20,994,781	12,098,729	20,532,266	53,625,776
Awareness raising	831,419	421,646	178,483	328,901	929,029
	53,847,329	21,416,427	12,277,212	20,861,167	54,554,806
Raising income					
Own fundraising	1,822,267	480,296	368,835	720,358	1,569,489
Campaigns of third parties	90,454	95,636	28,138	36,109	159,883
Subsidies	765,207	423,125	222,825	304,896	950,846
	2,677,929	999,057	619,798	1,061,364	2,680,219
Administration					
Administration	1,657,067	778,571	289,170	661,824	1,729,565
Total expenditure	58,182,324	23,194,055	13,186,180	22,584,355	58,964,590
RESULT	-568,050	171,025	0	0	171,025

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CoC 411 886 64
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IBAN NL81FTSB0707 0704 06
SWIFT FTSBNL2R

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