



THE FACTS AND FIGURES FOR 2013

ANNUAL REPORT



ICS AMERSFOORT

ICS ASIA
CAMBODIA

ICS AFRICA
KENYA

ICS AFRICA
TANZANIA

ICS in facts

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FOREWORD



Director Ronald Messelink about ICS:

'The combination of social and economic change in the lives of parents has an immediate effect on the well-being of children.'

'Our aim is to bring about sustainable social and economic change in the rural areas of developing countries in collaboration with their local communities. We work on sustainable, market-oriented solutions in the agricultural sector, drinking water supplies, young entrepreneurship, access to jobs, Skillful parenting and child protection.'

Development in 2013

'Our programs developed excellently in 2013. We provide a comprehensive overview in this annual report, but I would like to give an example here already.'

'In Africa we have an extensive economic development program with farmers and farmer groups. We took significant steps in 2013 by scaling up this agribusiness program and making it more professional. We contacted a total of 6,300 farmers. One of the things they learned was how to make optimal use of seed and fertilizer. Almost 5,000 small farmers bought high-quality seed and fertilizer from ICS. They did this on credit, so they can repay in instalments. This support leads to a spectacular increase in what the land yields, sometimes more than three times as much.'

'We combine our economic work with the farmers with our social program. In 2013, more than 2,800 families participated in Skillful Parenting sessions in Kenya, Tanzania and Cambodia. Over the next two years this

program will grow to around 17,000. This combination of social and economic development in the lives of parents has an immediate effect on the well-being of children.'

Fundraising

'Fundraising did not develop sufficiently in 2013. This is a cause for concern, definitely in the light of the changing role of the government, which will result in decreasing subsidies. It takes time to build up new financial channels. In 2013 we worked hard on our skills in this area, and we anticipate that this will start yielding results in 2014, under the direction of the new fundraising manager.'

Employees

'The employee satisfaction survey performed in the second half of 2013 shows that the employees of ICS generally do their work with great pleasure and enthusiasm.'

Outlook

'In brief, the focus of the programs has been sharpened and the foundations are solid. In 2014 too, we will be able to make a significant contribution to the families and children for whom we work. The prospect of the cessation of the current subsidy agreement at the end of 2015 means we will concentrate in the coming two years on expanding our funding basis.'



Vision

People 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.

SOME RESULTS FROM 2013

- In Cambodia a total of 361 farmers (247 members from 2012 + 114 members from 2013) had access to high-quality seed at a low interest rate. The farmers' 2013 rice harvest was larger than that of 2012, thanks to the high-quality seed from ICS in combination with sufficient rainwater.
- Clean drinking water was sold to 205 households in 14 villages in Cambodia. The water is distributed from these water stations to 21 local outlets where it is then sold by local entrepreneurs to the villagers.
- 2,500 farmers in Meatu, Tanzania acquired sufficient income to pay all the bills for their families (school, doctor etc). The farmers' production rose by 100% for maize and sunflowers. The harvest of the farmers increased on average by five bags per 0.4 hectares (1 acre) to 10 bags. Engaging in their farming activities is now a business activity, whereby they cultivate certain crops for their own food security and others for sale.
- In Kenya, 2,219 local farmers received seed and fertilizer through a credit system. This is an increase of 857 farmers in comparison with 2012. The maize production was 3 times greater in 2013 than in 2012.

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

IN 2013 THE ICS PROGRAMS IN KENYA, TANZANIA AND CAMBODIA WERE DEVELOPED FURTHER. SHARPENED FOCUS MEANT THAT SOME PROGRAMS AND COOPERATIONS WERE TERMINATED, PILOTS WERE PERFORMED AND OTHER PROGRAMS WERE EXPANDED.

DEVELOPMENT OF ICS PROGRAMS IN 2013

West Kenya

There were many developments in West Kenya in 2013. The number of farmers participating in the agribusiness program increased, with 2,219 Kenyan farmers using the credit system. This is 857 farmers more than in 2012. The increase means that even more families are now benefiting from the program.

The farmers' repayment to the input credit program has risen from 65% to 70%, and pilots have been started with new products such as insurances, seeds for vegetables and a pilot for a chicken farm. ICS also wants to run more pilots for new products in the future as well.

Large project proposals were developed for the Young Entrepreneurship Program (Vijana Reloaded), clean drinking water, Child Protection and Skillful Parenting in West Kenya. Depending on the funds raised, these projects will start in 2014.

Termination of program

In 2008, ICS commenced setting up a girls' school in the Suba district and strengthening the community's economy. The school has been established; the economic program was stopped in 2014. ICS continues to work in the Suba district together with partner Fascobi to implement the Child Protection program. This cooperation will be wound down in 2014.

Tanzania

In 2013, ICS expanded its program in Tanzania from the Meatu district to the Shinyanga district. There are various advantages for ICS in program development thanks to this expansion. For example, the agribusiness program benefits a great deal from the expansion, because there are more possibilities in Shinyanga for setting up viable social enterprises. It is also easier in this area to recruit

the right employees. ICS can continue to support the farmers and families in Meatu from the Shinyanga location because the districts border on one another. In 2014 the agribusiness program in Shinyanga will be expanded with a social business in sunflower seeds: Alizetics.

The young people's program also benefits from the expansion to Shinyanga. There are more opportunities on the job market in this area for young people, so that the young people's program (YEP) can be put to more effective use. As a result of research, a pilot is being set up in 2014 with courses for jobs in the agricultural sector. The application of the Skillful Parenting and Child Protection programs is being investigated and worked out in more detail. In the Arusha region, ICS will continue to cooperate with the current partners on its Skillful Parenting and Child Protection programs.

Termination of program

The cooperation with Stichting Het Groene Woudt in Tanzania to improve cattle breeding in the Maasai community and the assistance for Maasai Radio (Ormame) have been terminated. Stichting Het Groene Woudt decided to no longer fund the program. ICS does not have sufficient financial resources to continue this program independently.

Cambodia

It has been difficult in previous years to get the ICS programs off the ground in Cambodia. ICS' move from Thailand to Cambodia was one of the causes. Furthermore, there were problems in recruiting good staff in Cambodia, and the business models of several social business projects turned out not to be financially viable. An ICS Country Director was appointed in 2013

and the programs were redefined. We investigated which projects had real potential to grow into healthy enterprises and terminated programs which did not have this potential.

Termination and modification of programs

In 2013, the pig enterprise and the trade in organic fertilizer in Cambodia were terminated due to the lack of results. The program for creating access to clean drinking water has been modified. To ensure more effective and faster up-scaling with less risk, a cooperation agreement was entered into with 1001 Fontaines, a French NGO with a similar and proven concept. The programs to advance organic agriculture, young entrepreneurship and access to jobs have been directed more towards the local market and are being dealt with more professionally.

ICS also invested in Cambodia in 2013 in the development of the Child Protection program; international employees were employed to develop programs and find suitable partners for them. The Child Protection program focuses on developing the Skillful Parenting program in Cambodia.



PARTNERS IN IMPLEMENTATION, KNOWLEDGE AND FUNDING 2013



The Netherlands

- ➔ SOS Kinderdorpen
- ➔ Wereldkinderen
- ➔ Wilde Ganzen
- 📖 Context, international cooperation
- ➔ Aflatoun
- ➔ Child and Youth Finance International
- € 📖 Stichting Het Groene Woudt
- ➔ Health[e]Foundation
- 📖 Bucon Industries BV
- 🌐 Vebego
- € 📖 Aqua for All
- 📖 Universiteit van Utrecht
- 📖 ➔ Sengerema Foundation
- 📖 ProPortion Foundation
- 📖 Metameta – research and consultancy services
- 📖 PUM- senior expert organization
- € Rotary club Laren-Blaricum
- € Rotary Club Epe
- € Rotary Club Oldebroek
- € Rotary Club Harderwijk
- € Rotary Club Hattem-Heerde

International

- ➔ Parenting Africa Network (PAN)
- ➔ The African Child Policy Forum (ACPF)
- 📖 EAGC- East African Grain Council

Cambodia

- ➔ SST – SorSorTroung
- ➔ CIDO
- 🌐 1001 Fontaines
- ➔ Ponleur Kumap (PK)
- ➔ Krousar Yoeung (KrY)
- ➔ Cambodian Women's Crisis Center (CWCC)
- 📖 Royal University of Phnom Pen (RUPP)

Tanzania

- ➔ C-SEMA
- ➔ OrkonereiMaasai Social Initiative (OMASI)*
- ➔ Mkombozi
- ➔ MPDI (Monduli Pastoralist Development Initiative)
- ➔ Orname*
- ➔ Dutch Orkonerei Social Initiative Limited (Dosi)*
- ➔ Emboret Dairy Cooperative Society limited*
- ➔ IOPA – Institute for Orkonerei Pastoralist Association*
- ➔ SAHVTC – Simanjiro Animal Husbandry Vocational Training Centre* ➔
- 📖 TRIAS

Kenya

- ➔ The Green Forest Social Investment Trust (GFSIT)*
- ➔ CLAN (Child Legal Action Network)
- ➔ KAARC (Kenya Alliance for the Advancement of Children)
- ➔ Rural Education and Economic Enhancement Programme (REEP)
- ➔ Fascobi
- ➔ ChildLine Kenya
- ➔ Akukuranut Development Trust (ADT)
- ➔ KEWACTA (The Kenyan Woman and Child Transformation Agenda)
- ➔ Action for Child Development trust (ACDT)
- € ILO Kenya (afgelopen in 2013)

Networks:

- 🔗 Partos
- 🔗 Vereniging Fondsenwervende Instellingen (VFI)
- 🔗 The Netherlands-African Business Council (NABC)

* phased out in 2013

WHAT IS AGRIBUSINESS KENYA & TANZANIA?

ICS PROVIDES FARMERS WITH ACCESS TO KNOWLEDGE ABOUT MODERN AGRICULTURAL TECHNIQUES, HIGH-QUALITY SEED AND FERTILIZER AND TO THE MARKET, NOT ONLY GUARANTEEING FOOD FOR THE FARMERS, BUT ALSO A HIGHER INCOME.

AGRIBUSINESS KENYA & TANZANIA

Food security and income for farmers in Africa

Farmers in Africa often have to cope with disappointing harvests and usually they are also paid too low a price for their products. That is why ICS works on developing various programs for agribusiness.

The concept

ICS helps farmers in Africa get ahead in various ways. One way is by teaching farmers essential knowledge and skills of modern agricultural methods, while another method is a credit program which enables the farmers to access valuable high-quality products such as good seed and fertilizer. The farmers purchase these products through ICS and make repayments in instalments. The combination of the right knowledge and skills and the use of good quality agricultural products results in efficient and effective production. The farmers benefit greatly from this: they can provide for their own food needs, and by selling excess production they have extra income. Farming families and communities participating in this ICS program are also involved in the Skillful parenting method of ICS (see page 12).

In practice

ICS works with various parties in Kenya, including the Ministry of Agriculture. Since 2013 ICS has been working with the Equity Bank, one of the larger Kenyan banks. This bank puts its knowledge to use for ICS, for instance by teaching farmers how to develop a simple business plan and estimate the profitability of their agricultural enterprise. The farmers thus gain more knowledge about the financial health of their agricultural business. The Ministry of Agriculture cooperated in 2013 in boosting

the capacity of facilitators in the field, and this yielded interesting results. The farmers in the communities became technical experts who were able to teach their fellow villagers innovative agricultural techniques.

The input credit program - the supply of high-quality products on credit - formed the basis last year for an initiative involving sunflower cultivation in Tanzania. ICS performed market research in Meatu, Tanzania, into the production and sales possibilities of sunflower oil and by-products. Many farmers showed interest in growing sunflowers due to the significant demand for this oil, so ICS established a pilot project in 2013. We supplied sunflower seed on credit and trained the farmers in the cultivation of sunflowers.

ICS worked together with farmer groups in order to motivate farmers to join this pilot. Groups were selected or composed in communities. Eight hundred new farmers registered for participation in 2013. ICS will continue developing the sunflower program in Tanzania in 2014.

ICS cooperates closely with the government in the programs in Kenya and Tanzania. ICS trains the local farmer consultants from the government so they can give the farmers better advice. The consultants are involved directly with the program. This has an effect on them, and it enables them to see the possibilities of social entrepreneurship. It is how ICS ensures that the capacity of the farmers and the local authorities is strengthened.



Mrs Ng'wamba runs an agricultural business together with her husband in Lingeka, Tanzania
'We learned how to use and work our land better. We have gained a lot through that. We have been able to expand our business by two-and-a-half hectares. And we were in a position to build a house, with three rooms and a tin roof. There are two tables, chairs and a bed with a mattress.'

Marije Tanis, Social Business Developer ICS:

'Het opzetten van een sociale onderneming is uitdagend en kost tijd en energie. Het bedrijfsmodel moet kloppen zodat je uit de kosten komt, je moet een product leveren waar boeren, ook de kleine boeren, de waarde van inzien en in willen investeren. Het vinden van een geschikte en enthousiaste onder'Setting up a social enterprise is a challenge and it takes time and energy. The business model has to be right so that you cover your costs, and the value of the product you offer has to be clear to the farmers, including the small farmers: it has to be something they want to invest in. Of course, it is also crucial to find a suitable and enthusiastic entrepreneur. The great thing about this approach is that you are building on a structural and sustainable development. That makes every bit of the energy worth it.'



Research into social entrepreneurship

ICS believes there is a clear future for social entrepreneurship, not only within its own objectives, but also as an important social trend. These are enterprises which regard social problems as opportunities for doing business. For example, ICS considers agribusiness as one of its social enterprises. Profit is not the primary goal for social enterprises. In order to give greater publicity to this topic in the future, an investigation was set up into social enterprises, in close cooperation with Context, international cooperation. One of the purposes of this research is to inform governments of the opportunities offered by social enterprises. More progress needs to be made, however, because all too often traditional solutions are the ones which end up being considered.

IMPACT

Impact agribusiness West Kenya, Tanzania and Nafics

- ▶ In 2013, €297,765 was spent on agribusiness in West Kenya.
- ▶ In 2013, €101,288 was spent on Nafics.
- ▶ In Kenya, 2,219 local farmers received seed and fertilizer through a credit system. This is an increase of 857 farmers in comparison with 2012. The maize production was 3 times greater in 2013 than in 2012.
- ▶ Nafics (a subsidiary of ICS) bought 500 bags of maize (90 kg apiece) from the local small farmers in the ICS program. Nafics was able to offer the farmers a transparent price in line with market conditions, which meant greater profit for them.
- ▶ 2,500 farmers in Meatu, Tanzania acquired sufficient income to pay all the bills for their families (school, doctor etc). The farmers' production rose by 100% for maize and sunflowers. The harvest of the farmers increased on average by five bags per 0.4 hectares (1 acre) to 10 bags. Engaging in their farming activities is now a business activity, whereby they cultivate certain crops for their own food security and others for sale.



Nafics Ltd.

In Kenya ICS established the social enterprise Nafics, which concentrates on the maize trade in Kenya. Maize is a valuable crop for farmers, not only because it is used as food, but also because it is an important trading item. Nafics pays farmers a good price for their maize, which benefits the small farmers as well. But it is also very important to purchase from large farmers, in order to make the business model cost-effective swiftly. The farmer first receives a basic price for his harvest through a coupon system (Warehouse Receipt system). Nafics stores the maize and later, when the market price is the best possible, it sells the maize. Following that sale, the farmer is paid out and thus profits from the added value.



Within 5 years Nafics will buy at least 50% of the total purchase of maize from small-scale farmers. This will improve the economic position of at least 10,000 households in West Kenya. In those five years, Nafics aims at a turnover of 3.5 million euros with a gross margin of 26% and a profit of about 170,000 euros. Nafics aims to be a reputable East African social enterprise within ten years which provides a market for the various crops of farmers.

Developments Nafics and agribusiness

- In some areas, small farmers do not produce enough maize to be able to sell part of their harvest. They need the entire harvest to feed themselves and their family. This makes it difficult for Nafics to achieve its social objective and provide access to the market for a significant number of small farmers (first year 25% to at least 50% in the coming years). The necessity of increasing production by means of the ICS agribusiness program thus becomes very clear.
- Credit was generally paid in cash, but this has an inherent risk, since the money goes through different hands: the money can disappear. At the end of 2013 ICS therefore made a start with shifting to payments via mobile telephone.



Isaac Chege (Nafics manager, Kenya):

'Nafics has been in existence now for just over one year. I am proud of the huge results we have achieved in such a short time. We have reached about 5,000 small farmers. These farmers benefit directly and indirectly from our purchase and sales activities, stock management service and training sessions for the WRS (Warehouse Receipt System), among other things. We succeeded in buying a total of more than 600 tonnes of maize from large and small farmers from the region and the numbers continue to grow. The East Africa Grain Council in Eldorat (Kenya) gave Nafics the 'Warehouse Receipt System' certification because farmers are paid in advance and receive a better price for their maize. This certification proves that the grain sector has confidence in Nafics. With our social business strategy we continue to strive for the improvement of the lives of small farmers in rural Kenya!'



WHAT IS SKILLFUL PARENTING?

THE ICS SKILLFUL PARENTING PROGRAM MAKES PARENTS IN KENYA, TANZANIA AND CAMBODIA AWARE OF THE EFFECT OF POSITIVE PARENTING ON THEIR CHILDREN AND WORKS TOGETHER WITH THEM ON IMPROVING THEIR OWN PARENTING SKILLS. A SAFE AND STABLE HOME ENVIRONMENT IS HUGEY IMPORTANT SO THAT CHILDREN CAN GROW INTO POSITIVE ADULTS.

SKILLFUL PARENTING KENYA, TANZANIA & CAMBODIA

The power of upbringing

'I brought my children up very strictly, I used to get angry all the time and I punished them a lot. Just like my parents did with me. Now I realise that a positive upbringing makes my family happy.' In 2013, Lanh Kimheung from Cambodia followed the ICS program for Skillful Parenting. ICS also gives courses on Skillful parenting to farming families in Kenya and Tanzania.

The concept

A positive upbringing has a huge impact on the well-being of children. Because parents become aware of this impact and learn skills for improving the way they bring up their children, they can offer their children a safe environment and have a positive effect on their future. The ICS Skillful Parenting method was developed especially for families in poor rural areas. It focuses on working on the upbringing skills of parents, handling the family budget, protecting children and preventing child abuse and neglect. Parents work in peer groups, so they learn together and support each other in developing knowledge and skills in parenting. Topics such as self-esteem and confirmation, conflict management in the family, positive discipline, family budget and child protection are discussed.

In practice in Kenya and Tanzania

In 2013 a total of 2,706 parents participated in the

Skillful Parenting courses of ICS in Kenya and Tanzania.

These parents are members of the farmer cooperatives with which ICS works in the agribusiness program (see page 8). ICS uses its own trainers who train farmers as well as partner organisations (REEP, ADT, BUCOC and FLEP in West Kenya and MPDI and Mkombozi in North Tanzania) so that even more people can benefit from the Skillful Parenting program. ICS also invests in activities which make the community aware of the importance of Skillful Parenting. Stage plays, discussion afternoons and reports on radio and television are used for this purpose. ICS also worked further on the new 'Family budgetting' module in 2013. In this module parents learn about the usefulness of saving, making plans jointly within the family, managing their finances and setting financial priorities. Parent groups will start working with this module in 2014.

Influencing policy

In Kenya and Tanzania ICS has brought the importance of the father role in the upbringing of children to people's attention. The media (including radio) paid extensive attention to the father role through panel discussions. Playful actions were undertaken on the same day to make fathers conscious of their role.

The second documentary of ICS about the role of the father as primary parent came out in 2013. It



concentrates on the backgrounds of fathers who harm their children through violence, abuse or neglect. The first documentary came out in 2012 and deals with what Kenyan youth and children from various layers of the population think about fatherhood. Both documentaries were broadcast on Father's Day in Kenya and Tanzania.

IMPACT

Skillful Parenting Kenya and Tanzania:

- ▶ In 2013, €134,359 was spent on Skillful Parenting in West Kenya.
- ▶ In 2013, €80,665 was spent on Skillful Parenting in Tanzania.
- ▶ ICS reached 2,706 parents (832 fathers and 1,446 mothers) in Kenya and Tanzania in 2013.
- ▶ In 2013, in cooperation with Utrecht University, ICS started an impact investigation into the effects of Skillful Parenting in Kenya. This research will take place in 2014 and 2015.

Maureen Buyu, Skillful Parenting trainer Kakamega and Busia County, West Kenya

'I help parents to recognise the problems and challenges they face at home, and then to think up realistic and suitable solutions. In our experience, there is a large gap between parents and children. Parents spend around 80% of their time without their children, and they don't have much idea at all of their lives and development. At the same time, children want to be heard and cared for, and feel loved, safe and secure. We succeed in closing the gap. Our training really impacts on the way parents bring up their children. Parents tell us that the program has brought families together. Most participants are permanently conscious of the importance of communication and their function as a role model.

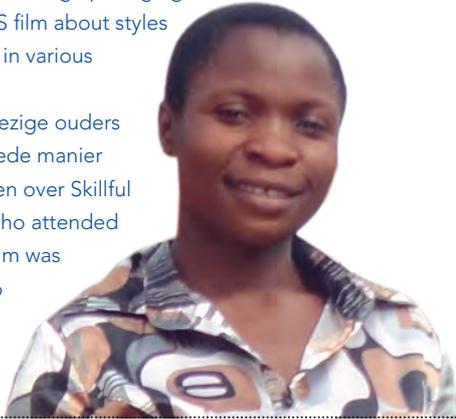
My work as a trainer gives me a lot of inner peace. It is wonderful to be part of this fantastic program. Every night I go to sleep with a smile on my face. That's because of the thought that I have yet again contributed something positive to the life of a child and his or her parents.'



**Paschazia Robert, Skillful Parenting trainer
Meatu, Tanzania**

'Together with community workers from Lingeka and Sakasaka, ICS trained 397 parents last year. We worked with groups of 20 to 30 people, helping them to become more responsible and skillful parents. We also organised interactive theatre performances to stimulate awareness of the issues concerning upbringing. We showed an ICS film about styles of upbringing in various villages.

Volgens aanwezige ouders is film een goede manier om hen te leren over Skillful Parenting. The parents who attended thought the film was a good way to teach them about Skillful Parenting.'



Parenting in Africa Network (PAN)

In 2013 ICS partner PAN organised a conference on teenage parents which was attended by 69 representatives from eleven African countries. During the conference, the obstacles facing teenage parents were discussed: access to work, income, education and being able to care properly for their children. The conference provided the opportunity for participants to develop plans on policy level for supporting teenage parents.

The African Union acknowledged ICS partner PAN as an important partner in the area of support for upbringing. This gives PAN the status of observer of the problems of children in Africa.

In practice in Cambodia

Violence against women and children is a big problem in Cambodia. That is why the Cambodian Skillful Parenting program pays special attention to that topic. Besides the basic modules, trainers pay attention to relationships between father and mother, parents and children, which are respectful, gender-equal and free of violence. It is unique in Cambodia that we invest in training local organisations and community workers there as well. In 2013 ICS worked together with partner organisations Ponleu Kumar and Krousar Yoeung. In 2014 and 2015, ICS wants to become a registered training agency which teaches organisations how to include positive parenting in their own programs. In addition, ICS anticipates that it will work on Skillful Parenting with three new partners in 2014: CIDO, CWCC and Water Enterprise.

IMPACT

Skillful Parenting Cambodia:

- ▶ In 2013, €158,530 was spent on Skillful Parenting in Cambodia.
- ▶ ICS also translated its Skillful Parenting program to the Cambodian culture and context in 2013.
- ▶ 25 community workers at four local NGOs were trained to give Skillful Parenting courses.
- ▶ Together with local NGOs, ICS reached 120 parents in Cambodia in 2013 through the Skillful Parenting program (the program started in Cambodia in 2013).
- ▶ 80 percent of the participants in the first courses reported that they inflicted less physical and humiliating punishment on their children after completing the course. 90 percent felt that the relationships and communication in the family improved.

Ros Pheak, parenting trainer Cambodia

'All children should know happiness and peace in their lives. This starts in the phase in which a child depends totally on their family. Parents and carers are the most important people in a child's life. It is their responsibility to provide for the emotional and physical needs of the child. I am a father myself, and I learned from my parents and environment how I should bring up my own children. But sometimes we learn things which are not in the best interests of our children. Parents can have doubts, and not know where to turn to for help. The Cambodian Skillful Parenting program provides solutions to parents. It supports parents in bringing up their children, so they can create a new generation of active citizens, healthy adults and good parents.'





Developments in Skillful Parenting (general)

- It is difficult to mobilize parents for a program about parenthood. Particularly in the rural areas, where parents are very busy working on the land, it is not easy to get the parents together. That is why it is important to integrate Skillful Parenting in other interventions. For example, the farmer groups in Kenya and Tanzania and the savings groups in Cambodia.
- Always start working in a community with the most interested and motivated persons. They are usually not the most vulnerable, but positive changes in these families can inspire other families with greater problems to participate in Skillful Parenting courses themselves as well. A quote from Cambodia: "Other villagers are also interested and observe their group members to see whether they stop using violence against their children."
- It is difficult to get fathers involved in Skillful Parenting. A specific strategy is required to approach men and motivate them to be more involved in the upbringing of their children.
- Not everyone is a good facilitator by nature. This means that the practical exam at the end of the facilitator training course is crucial for verifying the quality of the Skillful Parenting program.
- Children learn from what they see in their family and environment. Skillful parents provide a good and safe environment for their children to grow up in. They also offer their children good life skills for the future.

WAT IS WATER CAMBODIA?

ICS IS BUILDING WATER PURIFICATION STATIONS IN ISOLATED VILLAGES IN CAMBODIA. EACH STATION IS RUN BY A LOCAL ENTREPRENEUR WHO SELLS THE WATER TO THE LOCAL COMMUNITY. TECHNICAL MAINTENANCE, EDUCATION OF THE LOCAL ENTREPRENEUR AND QUALITY CONTROL OF THE WATER ARE ORGANISED CENTRALLY. THIS GIVES THE PEOPLE IN THE ICS PROGRAM AREAS PERMANENT ACCESS TO CLEAN DRINKING WATER.

WATER CAMBODIA

Permanent access to clean drinking water

Clean drinking water is vitally important. And yet almost half of the rural inhabitants of Cambodia have little or no access to it, with all the consequences. Children there still die from the effects of diarrhoea. ICS is making a change.

The concept

The aim of the ICS Community Water Enterprise is to provide access to clean water to rural municipalities. ICS is establishing water purification stations at strategic locations, close to water sources and at central points in communities. Each water purification station is run by a local entrepreneur who is trained especially for this purpose. The clean drinking water is sold to the community. The local entrepreneur pays a monthly sum to a central platform from which maintenance and quality control of the drinking water are performed. The Cambodians thus gain permanent access to clean drinking water. The Community Water Enterprise increases the access to clean drinking water and thus works on improving the health of the rural inhabitants, while providing an impulse to local employment.

In practice

The focus is on combining forces, and ICS adheres to a two-track policy in this respect. On the one hand, the organisation works with local parties to start new water purification stations. On the other hand, ICS establishes relations with strategic partners in Europe and Cambodia in order to expand the project further. Local NGOs which support the local entrepreneurs are also involved in the project. Thus ICS is developing a sustainable business

model with its partners, so that more people gain access to clean drinking water structurally. ICS started small with a pilot project, and thus far has established two water enterprises, in Prasat Lbeuk and in Kok Mon. The enterprise in Prasat Lbeuk was closed at the end of 2013 because the local authorities in this area could not sufficiently guarantee access to a good water source. The lessons learned are now being put to practical use in Kok Mon. Examples are the need to take care in setting up a good distribution system, tie in with customer demand and use and maintain the water system efficiently. In 2013 a partnership was entered into with 1001 Fontaines to scale up to a total of 160 water enterprises in 2016 in the provinces of Siem Reap, Oddar Meanchey and Kampong Thom (North Cambodia). The water project is co-funded by the Achmea Foundation, Rotary Laren-Blaricum and Wilde Ganzen.

IMPACT

water Cambodia

- ▶ In 2013, €102,946 was spent on Water Cambodia.
- ▶ Following improvement of the production process, regular water tests have proven that the quality of the water is consistently good.
- ▶ Clean drinking water was sold to 205 households in 14 villages (Kok Mon) via 21 local sales points.



Ontwikkelingen Water Cambodia

- It is vital to find the right location. The size of the outlet area contributes to the ultimate success.
- There must be good access to the water source throughout the year, and of course it should not dry out at the end of the dry season. It should be properly protected to prevent people from bathing in it and cattle from drinking.
- It takes a lot of time and energy to select the (local) entrepreneur. The local authority generally puts itself forward or a family member, but they do not always have the desired qualities. Good, transparent preparation is required to keep the authorities involved and get the right entrepreneur at the water station.
- Special attention needs to be paid to increasing the total number of people who are reached in the relevant village. Currently ICS is aiming at 10% of the community, but this will definitely have to increase in the future (to 20-30%) in order to have sufficient effect and be financially sustainable. Social Marketing is essential in this case. Besides spreading the message (for example, that clean water is good for your health), work will also have to be done on marketing the product of clean drinking water itself. This can involve things like different bottle designs, playful actions, promotion, etc.

Joyce Ridderhof, Social Business Developer ICS Nederland:

'In order to offer drinking water in a financially sustainable way to families in the rural areas of Cambodia, scale and sufficient sales are important. Definitely if you want to sell the drinking water for a price which is affordable for as many people as possible. To achieve that, in 2013 we worked on setting up partnerships for this project. Local and international partnerships, on executive and strategic levels. Partnerships in which ICS and the partners complement each other and keep each other sharp. We are in discussion with parties which have been operating in Cambodia for years in this field so that we can scale up the water project faster and more effectively. By combining forces we can initiate joint fundraising, cover a larger geographical area, provide people with clean drinking water faster, provide more employment, cut costs and continue to sharpen the economic model on the basis of the joint experiences.'



WHAT IS YEP?

THE ICS JOB & BUSINESS OPPORTUNITIES PROGRAM OFFERS YOUNG PEOPLE THE CHANCE TO SET UP A BUSINESS. THE PROGRAM ALSO OFFERS ACCESS TO JOBS. FINANCIAL EDUCATION IS PART OF THE JOB & BUSINESS OPPORTUNITIES PROGRAM.

THE YOUNG ENTREPRENEURSHIP PROGRAM (YEP) WAS STARTED IN MEATU, TANZANIA, IN 2013. IT OFFERS YOUNG PEOPLE KNOWLEDGE AND COACHING IN TRANSLATING THEIR BUSINESS IDEA INTO A BUSINESS. THE YOUNG PEOPLE SUBSEQUENTLY RECEIVE A STARTER'S LOAN ON THE BASIS OF A GOOD BUSINESS PLAN. YEP OFFERS YOUNG PEOPLE THE OPPORTUNITY TO CREATE THEIR OWN INCOME AND CONTRIBUTE TO THE LOCAL ECONOMY.

YEP TANZANIA

Coaching and investing

Starting a business. For ambitious young people in Tanzania this has come a step closer through the Young Entrepreneurship Program (YEP) of ICS.

The concept

Of course, a business starts with an idea. But few people will succeed in starting up a solid business or building further on an existing one if they have no entrepreneurial skills. That is why young entrepreneurs in Meatu can follow coaching and training courses. They learn about matters such as finances, market research, sales and promotion. ICS developed this program together with the Dutch Sengerema Foundation. Young people learn to take steps themselves to ensure the success of their business.

In practice

In 2013 more than 50 young people registered for the first basic training of YEP in Meatu, Tanzania. They learned computer skills, finance management and how to make a good business plan. Thirty-six young people subsequently participated in the nine-day workshop 'How to start my own business' and followed an internship process with tasks. They all developed a business plan for their own ideas, presented it and received start-up capital from ICS to actually implement their plans. The young people have three years to pay back the investment.

FINANCIAL AND BUSINESS EDUCATION

Financial education in 2013

In 2013 ICS Kenya hosted the fourth international meeting of Aflatoun in Nairobi. Aflatoun is a network of organisations; together they make social and financial education possible for children and young people worldwide. More than 200 participants from 90 countries attended the meeting. Aflatoun was reinforced in 2013 with the addition of several stakeholders, including several teacher training institutions.

Child Youth and Finance International, partner of ICS, held its second annual meeting in Istanbul in May 2013. The meeting was attended by 413 adults from 102 different countries. There were also 101 children and young people aged between eight and twenty-five. The children and young people had a clear voice during the meeting and together with policymakers they were able to discuss what they believe is important in financial education.

Cambodia: National Social Enterprise Conference

ICS held the National Social Enterprise Conference on 25 October 2013. The conference dealt specifically with the creation of opportunities for young Cambodians through social entrepreneurship. Co-organizers were Friends International, the University of Phnom Penh and the National University of Singapore. More than 300 participants from the whole of Cambodia attended the conference. This included young people, social enterprises, NGOs, academics and policymakers.



Developments YEP

- Social skills are at least as important as all the business skills acquired by the young people.
- The young entrepreneurs can borrow (start) capital. It is important that the parents and person or persons who stand surety for the loan are involved before the contract is signed. That way they are more aware of what starting up an own business means and what the consequences are of taking on a loan.

IMPACT

YEP Meatu

- ▶ In 2013, €94,171 was spent on YEP Meatu.
- ▶ After a year of training courses and internships as part of the young entrepreneurship program, 31 young people (17 men, 14 women) were eligible for a loan that would enable them to set up or expand their business.
- ▶ Ten of the young people had already started a small-scale business, and a loan supports them in this. Twenty-one young people are now working on establishing their own business. ICS provides them with guidance.

Talitha Hammer, medewerker Social Business ICS.

'Local experts train and coach young people so they can face their future full of confidence.

They are starting up their own business or expanding their existing business. No fewer than 31 young people successfully concluded a year of training under the Young Entrepreneurship Program at the end of 2013. They will receive capital as a loan so they can really make a start. That really is a good result.'



WHAT IS THE ICS CHILD PROTECTION PROGRAM?

ICS ENSURES THAT PARENTS, CARERS AND CHILDREN HAVE ACCESS TO HIGH-QUALITY HELP SERVICES IN CHILD PROTECTION. TO THAT AIM, ICS INFORMS PARENTS/CARERS ABOUT THE AVAILABLE SERVICES TO WHICH THEY ARE ENTITLED. ICS ALSO SUPPORTS LOCAL AUTHORITIES AND SERVICE PROVIDERS TO ORGANISE CHILD PROTECTION BETTER FROM THE VARIOUS DISCIPLINES AND INTEGRATE QUALITY CONTROL.

CHILD PROTECTION KENYA AND TANZANIA

Prevention and help for children and parents

Preventing the mistreatment, abuse, neglect and exploitation of children and providing access to professional help. These are the central objectives of the Child Protection program of ICS in Africa. Major steps were taken in West Kenya and Tanzania in 2013.

The concept

Parents, carers and counsellors (such as teachers) have the care and protection of children in their hands. But if child abuse, mistreatment or neglect occurs, adults and children alike must have access to professional help. ICS works on professionalizing this help and making it accessible by working together with parents, communities and local authorities such as the police or the village chief. But ICS also works with parties in education, care and the justice system on national and local levels.

In practice

In Busia County, West Kenya ICS works together with the National Department of Children's Services, the Busia County Children's Services, CLAN, KAAACR, Childline Kenya and REEP. ICS invests in an integral approach in which the government plays a coordinating role, and children and parents know what kind of primary care is available as well as specialised help such as legal support. ICS invests in the development of quality controls, referral systems and data collection. The Skillful Parenting program also includes prevention as an important element (see page 12). Primary care on a local level

also receives attention.

One example is the child helpline. Since 2013, children in Tanzania have been able to call a special 'child helpline' for help. ICS invested in this free helpline together with the C-SEMA organisation. In areas where it is difficult to get to a telephone, children can report problems via 'speak-out boxes' at school.

Influencing policy

County Child Protection System guidelines have been developed thanks to the cooperation of ICS with the Children Services department on national and provincial levels. These guidelines signify the start of a joint project to implement a National Framework on Child Protection systems. ICS demonstrates how the government and child protection organisations can undertake coordinated action to organise and implement an effective Child Protection system.

By showing how you can organise an effective system, ICS takes the lead in influencing the government policy and gaining more attention for Child Protection. Cooperation between ICS, UNICEF and Child Helpline International in Tanzania has resulted in the Tanzanian Child Helpline. The Child Helpline was set up by ICS partner C-SEMA. The Tanzanian Ministry of Community Development, Gender and Children is convinced of the importance of the child helpline and has made a free telephone line available.



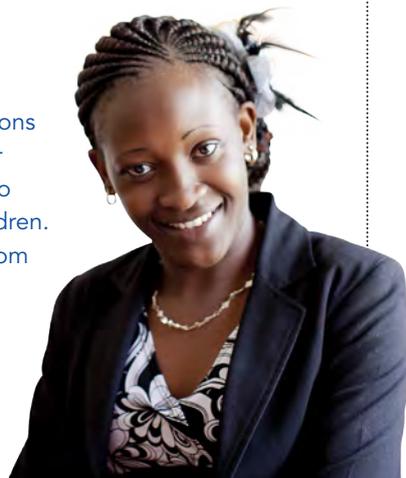
African Child Policy Forum (ACPF)

The first report of ICS partner ACPF about African governments and their policies on child wellbeing came out in 2008. Five years later, in November 2013, ACPF launched the *African Report on Child Wellbeing 2013: Towards accountability to Africa's children*.

Beatrice Ogutu, Regional Program Manager Child Protection, Africa

'Providing children with safe possibilities for reporting abuse or violence. Two years ago this was still a plan, and today it is reality. It's real for children in Dar es Salaam, Tanzania, who can call the 116 helpline for free. And for children in Busia County, West Kenya.

There local Child Protection organisations are working together on a joint response to violence against children. These major steps from plan to reality were possible thanks to close cooperation with government and local organisations.'



IMPACT

Child Protection Afrika

- ▶ In 2013, €209,162 was spent on Child Protection Kenya.
- ▶ In 2013, €240,251 was spent on Child Protection Tanzania.
- ▶ Various local service providers (e.g. government, community workers, police, etc.) involved in Child Protection were supported by knowledge, funds and materials so that they are now in a position to jointly offer the right help to children and their parents.
- ▶ Various training courses were organised for teachers, community workers, government officials and police officers in the use of legal protocols for child and youth protection. This reached 95 service providers.
- ▶ In Kenya 50 court cases were heard on children's rights and child protection. The children were supported by lawyers who provided counsel for the cases voluntarily.
- ▶ During various national celebrations such as the 'Day of the African Child', discussions were held on child protection. A total of 200 parents participated in these discussions.
- ▶ The special 'child helpline' which children in Tanzania have been able to call since 2013 thanks to C-SEMA and ICS receives an average of 122 calls per day. Every day around ten new cases are added which are referred to the right aid agencies.

ALLIANCE TOGETHER 4 CHANGE IN 2013

The Together4Change alliance revolves around inspiring and motivating people and their organisations to take initiatives which result in long-term social and economic change. Objective: safeguarding the well-being of children and young people. By joining forces and sharing knowledge from different fields of work, the program can achieve more. ICS is lead agent of the alliance which consists further of SOS Kinderdorpen, Wereldkinderen and Wilde Ganzen, and a large number of local and international organisations.

One of the large joint training pathways in the alliance is strengthening the local partner organisations in (local) fundraising. Acquiring funds, for instance from the local business community or the growing middle class in their own country, helps organisations become less dependent on foreign funding. The first fundraising training course was held for organisations from Kenya and Tanzania in 2012. A follow-up meeting was organised in November 2013.

ICS and Together4Change

ICS is lead agent of the Together4Change alliance. This alliance was rewarded in 2011 with a subsidy granted by the Dutch Ministry of Foreign Affairs. The subsidy is for five years (2011-2015). ICS cooperates in the alliance with SOS Kinderdorpen, Wereldkinderen and Wilde Ganzen, and 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.

Together4Change is made up of:

- Wilde Ganzen
- Wereldkinderen
- SOS Kinderdorpen
- ICS



Together4Change workshop AFC resource mobilisation, Kisumu (Kenya)

FUNDRAISING & COMMUNICATION

RAISE project

The RAISE project was established last year to raise the consciousness of the whole ICS organisation of the necessity and the how and what of fundraising. The Dutch government has a new opinion on the development agenda; with this in mind, 2015 will be a tense year. The RAISE project has ensured that colleagues are very aware of how essential it is to improve mutual coordination and for everyone to participate actively in investigating and approaching potential funds and donors. The RAISE project will no longer be considered a separate project from 2014, but will form part of the fundraising approach.

Walking for water: Rotary Club Noordwest Veluwe

The annual 'Walking for water' event took place on 20 March 2013. Schoolchildren walked 6 kilometres carrying 6 litres of water, so they could gain an idea of how children in developing countries have to do that every day. No fewer than four associations and ten schools participated in this event. Together they collected €34,000 for ICS. This amount will be used to provide clean water and sanitation in Teso North (Kenya). Aqua for All increased the amount from Rotary Noordwest Veluwe by more than €27,000 and shared its knowledge for this project.

Eating for a good cause: Rotary Club Laren-Blaricum

On Sunday 26 May 2013, Rotary Club Laren-Blaricum held the eighth Village Dinner at the Brink in Laren. More than 600 guests enjoyed a communal dinner for the good cause. The sum of €30,000 was donated to ICS for the sixth time in a row. This time the money went to the Young Entrepreneurship Program in Cambodia which provides young people with the opportunity to start up a business and with access to jobs. Wilde Ganzen increased the donation of Rotary LarenBlaricum by more than €16,000.

Corporate Partnership: Hygiene education program

ICS has entered into a partnership with Stichting Hi-Gene for the coming three years. This foundation is part of Vebego, an international enterprise which has been involved in cleaning and specialised cleaning for more than 70 years. Stichting Hi-Gene, together with ICS, wants to put this specific knowledge about hygiene to use with the objective of reducing child mortality due to diarrhoea. Stichting Hi-Gene and ICS will realise access to clean water in close cooperation, and share

knowledge about hygiene and sanitation in Busia province, Kenya.

Partnership Verkiezing 2013

In November 2013 Stichting Hi-Gene and ICS participated in the Partnership Verkiezing 2013, organised by the Dutch Ministry of Foreign Affairs and The Punchy Pack, among others. The aim of this annual vote is to stimulate cooperation between the business community and NGOs. ICS and Stichting Hi-Gene won the encouragement award thanks to the great confidence of the jury in this project and the collaboration.



Rabobank Share4More Fund: clean drinking water

Rabobank Share4More, the fund of and for Rabobank employees, supports international initiatives. In 2013, employees of the Rabobank Noord Veluwe contributed €15,000 to the ICS water project in the Meatu district in Tanzania.

Mireille Dingelstad (Facility Manager Vebego):

'Vebego chose ICS because the social and economic programs of ICS create sustainable change. In addition, the strong local infrastructure guarantees effective implementation. Reason enough for Vebego to cooperate with ICS to achieve the set objectives.'



Vebego and ICS win the encouragement award at the Partnership Verkiezing 2013.



New means of communication for private benefactors

For many years ICS offered private benefactors the possibility of becoming Help Parents. As Help Parent, a private benefactor sponsored one or more children and their environment.

ICS decided to innovate this form of donorship in 2012. This is because ICS wants to show its benefactors what they are contributing to in a clearer and more concrete fashion. ICS wants to show clearly what the positive effect is on children when the social and economic circumstances of their parents and their environment improve.

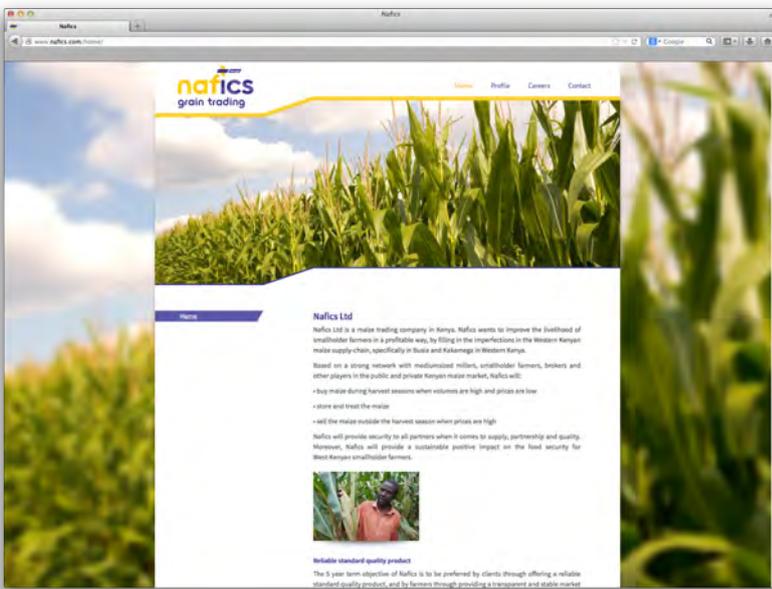
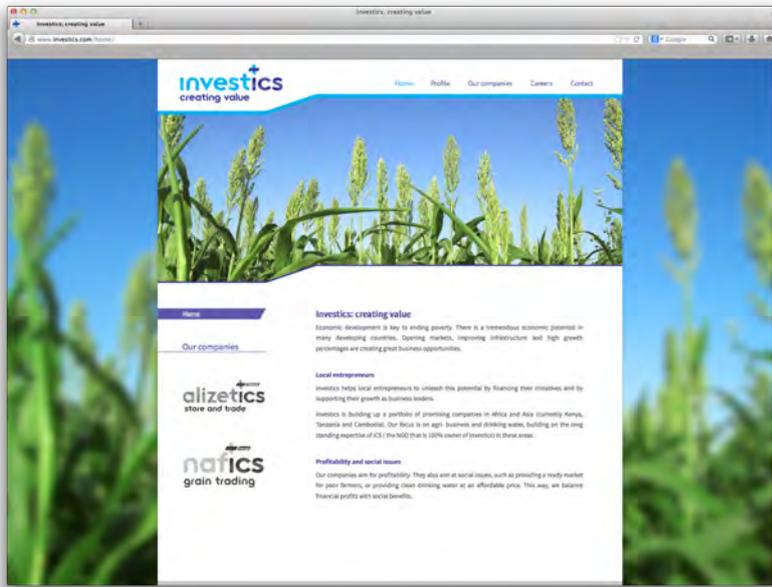
From 2013, children in Kenya, Tanzania and Cambodia use video four times a year to show the benefactors all the things happening in their environments. These children are called the 'ICS Child Reporters'. The videos are sent to the benefactors in a digital newsletter. Benefactors who have no email address receive the

newsletter with reports and photos via the post. In 2012 six Child Reporters were trained in Kenya, while in 2013 another eight were trained in Cambodia and eight in Tanzania. The children are closely involved in the ICS projects. The benefactors have reacted very positively.

Means of communication Investics & Nafics

Stichting ICS established the company ICS B.V. in 2012. Under the name Investics it develops and invests in social enterprises in agribusiness and water in Africa and Asia. In 2013, Investics established Nafics Ltd, with its headquarters in Nairobi. Nafics, a maize wholesaler, offers small farmers access to the market, among other things (see page 10).

In 2013 websites were made for Investics and Nafics, and various means of communication produced, such as letterhead, business cards and promotional materials.



Crowdfunding: 1%Club

Last year ICS gained experience in crowdfunding for the first time. Donations totalling €5,000 came in through the website of the 1% Club (<http://onepercentclub.com>). This money has been used for the clean water project in Cambodia. Crowdfunding will be continued through this website in 2014.

Complaints

The complaints procedure at ICS was reviewed in 2012. In February 2013 the complaints procedure was linked fully to the CRM database of ICS: Pluriform. This enables complaints to be registered immediately with the specific contact and linked to the employee who deals with the complaint.

IN 2013 ICS CARRIED OUT PROJECTS IN CAMBODIA, TANZANIA AND KENYA. THE TOTAL PROJECT LIST IS PRESENTED HERE. SOME OF THESE PROJECTS ARE HIGHLIGHTED IN THIS ANNUAL REPORT.

PROJECTS IN 2013

K E N Y A		
Partner	Project	Highlights 2013
ICS	Agribusiness	<ul style="list-style-type: none"> ▶ 2,219 local farmers received seed and fertilizer through a credit system. This is an increase of 857 farmers in comparison with 2012. The maize production was 3 times greater in 2013 than in 2012. ▶ ICS initiated a cooperation with the USTADI foundation in the production and marketing of chickens. A market forum was used to bring various players together with the aim of learning from each other and strengthening their shared network. ▶ The two most progressive farmers in the ICS program were selected to participate in the 'green houses' pilot. Both farmers are doing very well. One of them has already sold his first harvest (tomatoes).
Nafics	Maize Trading	<ul style="list-style-type: none"> ▶ Nafics (in cooperation with ICS) ensured that the local farmers were mobilized. This enabled Nafics to buy 500 bags of maize (90 kg apiece) from the local small farmers in the ICS program. Nafics was able to offer the farmers a transparent price, which meant greater profit for them. ▶ Nafics now has two warehouses. One is in West Kenya and the other in the Rift Valley. Having warehouses at these two locations enables Nafics to increase its maize purchasing, which has a positive effect on the later sales.
ACDT	Financial Literacy and SRHR for schools	<ul style="list-style-type: none"> ▶ Five Aflatoun clubs achieved great success in the ACDT school enterprise competition. They developed their own mini businesses and these are now operational. The mini businesses give children the opportunity to learn according to the learning-by-doing principle. Examples: cultivating vegetables, gardening and running a small shop. ▶ Two schools were nominated to present their activities in social and financial education during the regional Education Day events.
ADT	Bee Keeping, Micro-credit	<ul style="list-style-type: none"> ▶ 209 beekeepers registered for the informational activities of the Kenyan government and ADT employees in cooperation with ICS. ▶ 50 representatives from five beekeeping groups participated in an educational visit in Kenya. This stimulated them to consider the construction of a local production unit in order to increase the value of their locally harvested honey.
ICS	Skillful Parenting	<ul style="list-style-type: none"> ▶ Local theatre was used at local markets in the ICS program area to hold highly successful awareness-raising campaigns with the theme of Skillful Parenting. It is a great way to reach a lot of people at a time (about 200 to 300 per location).

Partner	Project	Highlights 2013
ICS	Skillful Parenting	<ul style="list-style-type: none"> ▶ ICS has entered into collaborative arrangements with local organisations in the communities (community-based organisations) in order to spread the program further. Local trainers were selected and trained. They make local farmer groups aware of the importance of Skillful Parenting. In 2013 forty farmer groups were already contacted this way (a group has around twenty members). ▶ A team is formed in each group which takes care of the compliance among the parents, but also makes sure the news about the Skillful Parenting program is distributed in their communities.
KAAGR	Child Protection Systems	<ul style="list-style-type: none"> ▶ The quality of child and youth protection services was boosted by: Various training courses for social workers, government officials, police officers, medical staff, youth groups, local council members and NGO staff in the use of protocols for child and youth protection, bringing this information down to community level and referral to specialist services. This reached 601 service providers and local council members. ▶ 270 children participated actively in organised activities around the theme of child protection and children's rights. ▶ Sixteen children found their way to service agencies and reported various matters (including neglect and domestic violence).
KAAGR	Child Protection Lobbying and Advocacy	<ul style="list-style-type: none"> ▶ 40 local organisations were informed about the national Child Protection framework. This framework connects various agencies, municipal initiatives and government services to ensure optimal cooperation. ▶ 240 council members were trained on this national framework concerning child protection.
KEWACTA	Child Protection	<ul style="list-style-type: none"> ▶ Local committees and district advisory bodies were formed and trained in positive parenting. The intention is to strengthen and improve the care from communities for orphaned and vulnerable children and for people living with HIV/AIDS. ▶ Six community meetings and campaigns created awareness of Child Protection. ▶ The police section responsible for child-related matters was trained in the best way to deal with those matters (and with the children themselves). ▶ The ICS initiative to train orphaned and vulnerable children in occupational skills (such as carpentry) was appreciated greatly by the communities. It helps these children to stand up for themselves and create a future for themselves and those dependent on them.
FASCOBI	Skillful Parenting	<ul style="list-style-type: none"> ▶ 580 parents and carers followed courses in Skillful Parenting. ▶ Training given to 20 members of a large number of municipalities in the Gwasi area strengthened them in the area of Skillful Parenting. ▶ 587 parents reported that thanks to the earlier training courses in Skillful Parenting given by FASCOBI they can now see a positive change in the way people treat each other within families (e.g. communication, seeking dialogue).
FASCOBI	Legal child protection	<ul style="list-style-type: none"> ▶ 50 cases were heard in court on children's rights and child protection. Justice has since prevailed in 17 of the cases. The children were supported by lawyers who provided counsel for the cases voluntarily. ▶ Fifteen paralegals received training to refresh their knowledge in the area of Child protection services.

Partner	Project	Highlights 2013
FASCOBI	Child Protection Systems	<ul style="list-style-type: none"> ▶ Various training courses were organised for teachers, community workers, government officials and police officers in the use of legal protocols for child and youth protection. This reached 95 service providers. ▶ Four awareness-raising campaigns were held on national radio in the area of Skillful Parenting and Child Protection. ▶ 100 parents were trained in the area of children's rights and child protection, using the protocols and systems now available. ▶ 83 schools in the Gwasi district were visited and information provided on all kinds of areas, including health and hygiene, children's rights, sexual and reproductive health, etc. ▶ Two policy documents were developed and taken up by the local service organisations. They concern a child protection policy and a similar policy targeting village level.
FASCOBI	CP Lobby and Advocacy	<ul style="list-style-type: none"> ▶ During various national celebrations such as the 'Day of the African Child', discussions were held on child protection. A total of 200 parents participated in these discussions.
REEP	Child Protection Systems	<ul style="list-style-type: none"> ▶ Seven doctors were trained in forensic investigation specifically for victims of sexual violence. ▶ 40 local 'therapists' were trained in Child Protection. ▶ Various initiatives were started, such as support groups, children's rights clubs and school campaigns, to raise the awareness of local communities of the rights of the child and the responsibility which may be expected of parents. ▶ 164 house visits were made to expose the incidents of violence against children by parents/carers and make it possible to discuss them. ▶ 188 cases concerning many forms of child abuse were reported by children themselves. ▶ 402 cases concerning many forms of child abuse were reported by parents/carers. ▶ 487 cases of child abuse were reported and 65 of those cases were brought to court with the help of the paralegals. ▶ Eight parent trainers followed a refresher course in Skillful Parenting. ▶ 328 parents followed training courses in Skillful Parenting.
PAN	Skillful Parenting	<ul style="list-style-type: none"> ▶ PAN focuses on the problems concerning teenage parents. Various networking meetings were organised in 2012 in order to ensure that this issue gets on to the agenda of active NGOs and other organisations.

Partner	Project	Highlights 2013
ICS	Agribusiness	<ul style="list-style-type: none"> ▶ 2,500 farmers in Meatu acquired sufficient income to pay all the bills for their families (school, doctor etc). Engaging in their farming activities is now a business activity, whereby they cultivate certain crops for their own food security and others for sale. ▶ 2,000 of these farmers were able to guarantee food security for their entire environment. The farmers followed agricultural training courses and received seed and fertilizer through a credit system. This increased their food production drastically. The 500 'new' farmers have just started the program and will also reach this level next year.
ICS	YEP (jonge ondernemers)	<ul style="list-style-type: none"> ▶ After a year of training courses and internships as part of the young entrepreneurship program, 31 young people (17 men, 14 women) were eligible for a loan that would enable them to start their business idea. ▶ Ten of these young people had already started a small-scale business, and were supported in this through a loan. Twenty-one of the young people are now working on setting up their own business. ICS provides them with guidance.
ICS	Child Protection	<ul style="list-style-type: none"> ▶ Thirty-one persons in the various communities were trained in topics connected to Child Protection (legal advice, violence interventions, etc.). ▶ Various local formal Child Protection structures were supported and provided with the necessary matters which enable them now to offer a safe place to children who come to them. ▶ Awareness-raising campaigns resulted in more donations and convictions of offenders.
ICS	Sunflower Trading	<ul style="list-style-type: none"> ▶ Local farmers were trained in cultivating and harvesting sunflowers, for which they received seed through the credit system of ICS. ICS bought their harvest, and this yielded 755 bags of sunflower seeds. The profit from the sale has been put towards the programs of ICS.
ICS	Child Social & Financial Education (CSFE) Aflatoun	<ul style="list-style-type: none"> ▶ 1,500 children participated in the project. ▶ Twenty-five children's clubs organised small-scale activities (particularly the cultivation of sunflowers) as a practical part of the financial education they follow. ▶ 300 children earn pocket money through this, which supplements the joint family income.
ICS	Renewable energy (Solar)	<ul style="list-style-type: none"> ▶ Around 1,700 households profit from the solar panels they were able to purchase thanks to an interest-free loan granted by ICS. ▶ The children in these families benefit from this, as they can now read and write in the evenings and thus also do their homework. ▶ Training by ICS has enabled local organisations to take up the responsibility for the distribution and payment/repayment of the solar panels by the farmers.
ICS	Water	<ul style="list-style-type: none"> ▶ Four underground tanks for rainwater storage were built for four primary schools in Meatu. They provide 1,787 schoolchildren and their 29 teachers with sufficient water. ▶ The construction of a water system in one of the communities in Meatu has freed more than 214 households (around 2,578 persons) of water-related diseases. Furthermore, they now have enough water for daily use.
ICS	Skillful Parenting	<ul style="list-style-type: none"> ▶ 391 parents from 18 parent groups followed the training courses on Skillful Parenting. Through their efforts in providing demonstrations in their own communities, they create an immediate change themselves. ▶ Twelve representatives from local organisations were trained in the Skillful Parenting program.

Partner	Project	Highlights 2013
Mkombozi	Frontline CP	<ul style="list-style-type: none"> ▶ Thirteen local child protection committees carried out Mkombozi's activities. ▶ The cases of 52 vulnerable children were followed up and supported. ▶ Eighty-five council members have combined in informal groups which jointly tackle the problems concerning child protection in the communities. They do this in cooperation with the government. ▶ Thirty-six teachers were trained in child protection.
Mkombozi	Lobby and Advocacy	<ul style="list-style-type: none"> ▶ - Sixty research documents concerning children's rights were published. ▶ Ninety-six radio programmes were made and broadcast on children's rights and child protection. ▶ In reaction to these radio broadcasts, 190 telephone calls and 1,130 messages were received.
MPDI	Skillful Parenting	<ul style="list-style-type: none"> ▶ Fifteen parents were trained to continue the training courses in Skillful Parenting in their communities. ▶ 340 children and 800 parents/carers were made aware of their roles and responsibilities with respect to Skillful Parenting. ▶ Sixty new parent groups were contacted with information on positive parenting.
C-SEMA	Frontline CP	<ul style="list-style-type: none"> ▶ Ninety-one formal government officers were informed about the national child helpline. ▶ Seventy-two local government agencies, (local) NGOs and community groups were informed about the child helpline.
C-SEMA	Lobby and Advocacy	<ul style="list-style-type: none"> ▶ A lot of work was done to spread the news about the child helpline. Eight articles were published and conferences were visited and organised concerning the sharing of information between actors and experts in child protection.

Partner	Project	Highlights 2013
ICS	Multi Purpose Bank (MPB)	<ul style="list-style-type: none"> ▶ A total of 805 farmers in 38 villages have access to multi-purpose banks with low interest rates. ▶ In Cambodia a total of 361 farmers (247 members from 2012 + 114 members from 2013) have access to high-quality seed at a low interest rate. The farmers' 2013 rice harvest was larger than that of 2012, thanks to the high-quality seed from ICS in combination with sufficient rainwater. ▶ 42 farmers in five villages have access to cash loans with low interest rates. ▶ A total of 250 farmers have access to the Community Agri Shops where they can purchase animal feed, organic fertilizer and fuel, among other things. These products have low prices and the shops are located close to the villages so the farmers have easy access to the products. ▶ De MPB committees were supported by ICS to implement changes in their groups. This resulted in a number of new members and a monthly meeting structure.
ICS	Hydrics / Community Water Enterprise (CWE)	<ul style="list-style-type: none"> ▶ The business and production process of the Water Enterprise in Prasat Lbeuk was improved and a new water station was opened in Kok Mon. ▶ Clean drinking water was sold to 205 households in 14 villages. The water is distributed from these water stations to 21 local outlets where it is then sold to the villagers. ▶ Following the implementation of improvements to the production process, the regular water tests were consistently positive. These tests are repeated regularly. ▶ Due to a lack of commitment from the entrepreneur in Prasat Lbeuk, ICS decided to close the pilot station there. The lessons learned will be included when new future stations are set up. ▶ During the serious floods in October, water was distributed free of charge in the affected areas where ICS operates.
ICS	Community Pig Enterprise (CPE)	<ul style="list-style-type: none"> ▶ Thirty-three loans (amounting to \$31,600) were granted in kind (in the shape of pigs and feed). In addition, 25 contract breeders in the Oddar Meanchey province were given a financial loan for a low interest rate. ▶ Internal and external investigation showed that investments in this project could not weigh up against the anticipated impact in the future. It was therefore decided to terminate the project and close the Community Pig Enterprise. The phase-out of this project was commenced at the start of 2014.
ICS	Society of Khmer Youth Entrepreneur (SKYE)	<ul style="list-style-type: none"> ▶ Four SKYE groups were established in three provinces with a total of 101 members aged between 14 and 23 years. ▶ Three small agricultural enterprises were set up, including a chicken farm and a frog farm. ▶ Forty-eight SKYE members from various provinces participated actively in a social business activities workshop and reflected on this. ▶ At the end of 2013 the 3rd national Social Enterprise Conference of Cambodia was held. The theme for this year was: "Social Enterprise for Youth and Community Integration". ICS organised this large conference together with the Royal University of Phnom Penh, Friends-International and the University of Western Sydney in Australia. Six SKYE leaders attended this conference in order to share ideas and derive inspiration they could take back to their SKYE groups.

Partner	Project	Highlights 2013
ICS	Society of Khmer Youth Entrepreneur (SKYE)	<ul style="list-style-type: none"> ▶ Sixty-eight SKYE young people and leaders participated in training courses and symposiums on sexual and reproductive health. These various meetings were organised by the Health[e]Foundation with the support of ICS. ▶ Thirty-four SKYE members from three provinces were offered English lessons and computer training from various schools and institutions. ▶ Over the period of SKYE's existence it has emerged that a number of the young people need individual support in setting up an enterprise and that others have come to the realisation that they prefer to seek a job rather than set up their own business. This resulted in the development of two programs: ▶ Career Exploration For Youth (CEFY) in which young people up to the age of 23 years are helped to find a job on the job market and the relevant training course. ▶ Young Startups (YS) which offers starting entrepreneurs support. This switch was made at the end of 2013, and it will be implemented further in 2014. ▶ The CEFY training and service centre was built and opened officially in December 2013. More than 700 people attended this opening. The CEFY centre concentrates on vocational training for young people, with subjects such as organic agriculture and cattle farming, but also computer training and the use of the Internet.
ICS	Skillful Parenting Facilitator Training	<ul style="list-style-type: none"> ▶ The Skillful Parenting program and the Facilitator training materials were developed and tested. The official Facilitator Guide was launched at the start of 2014. ▶ A qualitative case study was carried out among the first 22 parents who participated in the Skillful Parenting program. ▶ Twenty-five facilitators from five different local NGOs received training from ICS. ▶ A workshop was organised in which facilitators could share their experiences so they could learn from each other. ▶ ICS provided support to the organisation of a national training course for 100 religious leaders with the theme: Positive Parenting. This was done in preparation for the Day of Prayer in January 2014, which is organised by UNICEF and the relevant ministries with the support of ICS and Save the Children.
Ponleur Kumar	Enabling Local Empowerment Action for Child Protection Environment (LEAP)	<ul style="list-style-type: none"> ▶ Two savings groups were set up as test groups and they proved successful. ▶ Eight parent groups (with a total of 120 members) were trained in Skillful Parenting. These groups include parents who participate in the multi-purpose banks of ICS and the savings groups of Ponleur Kumar. ▶ Local authorities in five communities expanded their capacities for child protection. They are now better equipped to support parents and other municipality members in creating a safe environment for children to go to for issues and worries about child abuse, violence against children and other forms of child exploitation in the communities.
Krousar Yoeung	Skillful Parenting Cambodia	<ul style="list-style-type: none"> ▶ A baseline was established in Skillful Parenting. This baseline ensures that later we can properly examine the impact of the program on Skillful Parenting. ▶ Parents/families were selected and invited to start on Skillful Parenting training courses in January 2014.

Partner	Project	Highlights 2013
TLC & ICS Cambodja	Coordinated Prevention of Violence against Women and Children	<ul style="list-style-type: none"> ▶ At the end of 2013 TLC and ICS entered into a strategic collaborative agreement concerning the development and implementation of a project targeting violence against women. <p>A study was started to obtain clarity on the local communities' perception of violence against women. The study results will serve as a basis for the project start in March 2014.</p>
ICS Cambodja	Child Protection Policy ICS Asia	<ul style="list-style-type: none"> ▶ At a two-day workshop for all ICS employees, everyone's ideas and thoughts about child protection and child abuse were considered. This input was used to draw up the ICS Child Protection policy. - The role of every ICS employee in guaranteeing the safety of the children in the ICS programs was considered explicitly. This policy was then finalised and has been implemented in ICS.
CIDO	Vegetable Farming and Marketing	<ul style="list-style-type: none"> ▶ 149 families from five different villages have united as farming cooperatives. An experiment will be carried out in 2014 to enter into contracts with the farmers for the production of previously agreed quantities for the hotels and restaurants in Siem Reap. The incomes of these farmers could double as a result. ▶ Twelve farmers were trained in organic rice and vegetable production. ▶ Six organic rice farmers produced 1 tonne of rice together. All of this rice was sold. ▶ Three test fields were established for agricultural demonstrations. Different communities were thus able to share knowledge and techniques and learn from each other. ▶ Fifteen farmers participated in an exchange in the context of organic vegetable growing. ▶ Fourteen families received start-up capital for cultivating organic rice and vegetables. Eighty percent of them have already repaid this loan. ▶ Sixteen farmers produced organic vegetables (weighing a total of 47,529 kg), and these vegetables were sold at the local market. ▶ Farmers producing organic vegetables now earn around US\$400 more annually thanks to this.
SST	Community Poultry Production Cooperative	<ul style="list-style-type: none"> ▶ Twenty-six households were contracted for the total production of 3,500 chickens. ▶ Ten workshops on keeping chickens were held for the new poultry farmers. ▶ Three poultry farms producing chicks were opened. ▶ Twenty poultry farmers together sold 3,507 chickens and thus earned extra income for their families. They earned between US\$50 to US\$150 per poultry farmer.
SST	Social Sanitation Marketing	<ul style="list-style-type: none"> ▶ Seven awareness-raising campaigns were held at schools and in villages to make communities aware of the importance of using toilets instead of nature to relieve themselves. ▶ Twenty-five families had an affordable toilet built next to their houses.

ICS IN FIGURES

ORGANISATION

Organisation in development

ICS is going through a significant program change which affects the internal organisation. Success counts on the organisation and HR policy supporting the strategic objectives.

The organisational structure was greatly simplified for that reason in 2013. The regional and program offices were given a more important role in program development and fundraising, with control and internal communication lines being shortened.

In concrete terms, the following changes are involved:

1. The two programs (Social Business and Child Protection) have been merged into a single Program department controlled by the Program manager;
2. A separate Social Business Development position was distinguished, separate to Programs, aiming specifically at the development of social business cases;
3. The role of Regional Program Manager Social Business was dropped in both Africa and Asia. In Africa, the Program Area Managers, responsible for a specific program area, now report directly to the Program Manager in the Netherlands. A Country Director has been appointed in Cambodia, not only taking over the role of regional program manager, but also taking on a broader management and coordinating position.

As of 1 July 2013, the ICS organisation works as follows, functionally:

In effect this means the division into program offices (Kenya, Tanzania, Cambodia), regional offices (Kenya, Cambodia) and the international office in the Netherlands.

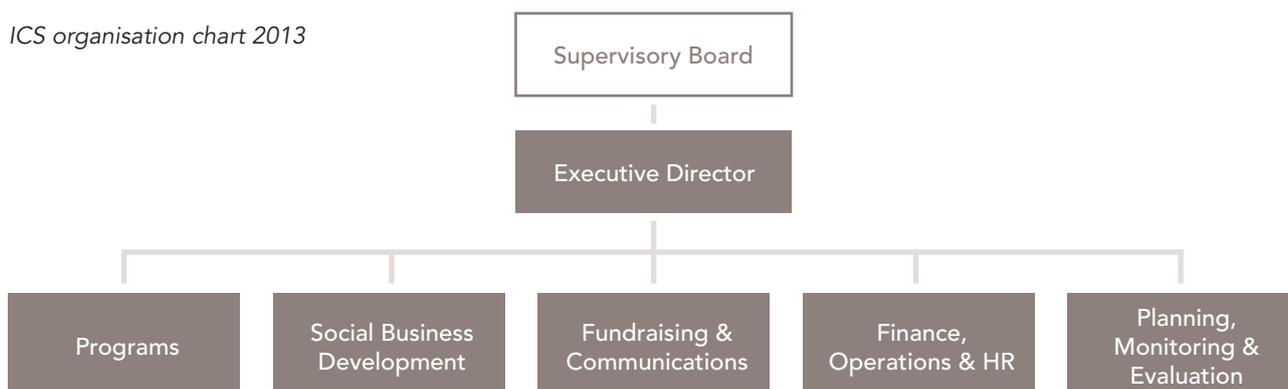
Program offices

The program offices are located centrally in the areas in which ICS operates. The programs are run from there and also partly developed further there. There are program offices in Busia and Kakamega in West Kenya, Meatu and Arusha in Tanzania and Samraong in Cambodia. Each program office is managed by a Program Area Manager, except for the office in Samraong, Cambodia, which comes under the responsibility of the Country Director Cambodia.

Regional offices

The regional offices in Kenya (Nairobi) and Cambodia (Siem Reap) have a coordinating character and play an important part in the development of the programs and fundraising in the region. Coordination on a regional level occurs in Africa through the Regional Management Team (RMT) consisting of the two Program Area Managers (West Kenya and Tanzania), the regional Finance & Controls Manager and the regional Program Manager Child Protection (who also chairs the RMT).

ICS organisation chart 2013



Investics

Stichting ICS set up ICS BV (Investics) in 2012 with the aim of establishing social enterprises. Stichting ICS has full ownership of this company. Investics is the holding under which various economic activities take place, each in a separate BV [private limited company]. Thus far these are Nafics Ltd in Kenya and Hydrics Cambodia Ltd in Cambodia. Plans are currently being developed and investors sought for several other enterprises. In their start-up phase the Investics companies use ICS employees to a large extent (the entrepreneur/director forms an important exception); once the income warrants this, the enterprise employs people itself.

The Dutch office

The office in Amersfoort functions as the international headquarters, where the ICS Management Team sets out the general strategic course, and ICS reports on 'group level' are made, for instance to the Ministry of Foreign Affairs. A large number of the fundraising activities take place here as well.

International Management Team (IMT)

The Dutch MT, African RMT and the Country Director Cambodia meet for a few days once per year to discuss specific topics on a strategic level. In 2013 this meeting took place in Kenya in May.

STAFF

The organisational changes have had consequences for some staff.

The regional program manager Social Business in Africa became Program Area Manager in West Kenya at his own request following a vacancy for this position (separate to the organisational change). The Dutch manager of the Social Business program took a step down; on 1 July she transferred her program management duties and from that moment onwards has put her experience into several specific, complex projects.

The new structure had the greatest consequences for the management in Cambodia. The three members of the Regional Management Team there have left ICS.

HR policy

In 2012, the first steps had already been taken towards a HR policy which supports and strengthens the strategic objectives of the organisation. This was continued in 2013, with the introduction of 'performance management' as an important part. This involves personal objectives for employees being matched with the organisational objectives, so that employees have a good understanding of how they contribute to the results of ICS. Progress, barriers and dependencies were discussed

several times during the year; the end-of-year evaluation in December takes stock and looks ahead to the next year.

Local and international staff

ICS prefers to work only with local staff in the regional and program offices. Just as in preceding years, in 2013 there was a fully local workforce in Africa.

Several international employees reinforced the local team in Cambodia; these employees came from the Netherlands, Italy, France and the United States (there were 5 persons on 31 December). However, the Country Director appointed in July has received explicit instructions to prepare the organisation for and transfer it to a local management team.

Recruitment and selection

There were several job vacancies to be filled in 2013. Online job sites, newspapers (only Africa) and a recruitment and selection agency (only Cambodia) were used for recruitment, supplying good candidates in all cases. One interesting detail was that there was considerable attention from people outside the sector who felt attracted by the strategic direction of ICS.

Absence

One Dutch and one Cambodian employee took maternity leave. In 2013 there was one long-term sick employee in the Netherlands (partly work-related), while in Cambodia there were two (non work-related). Sickness absence was not recorded centrally in Africa in 2013, so no figures are available for this. See also the employee statistics.

	THE NETHERLANDS	KENYA AND TANZANIA	CAMBODIA
Number of employees as of 1 January	16	33	26
Number of employees as of 31 December	19	37	33
Number of interns	1	7	0
Number of volunteers	3	0	6
Male-female ratio	20-80	60-40	70-30
Age of oldest employee	57	50	54
Age of youngest employee	22	25	22
Average age all employees	38	37	33
Sickness absence	see breakdown	unknown	5.4%

Employee statistics

The table shows the staffing situation at ICS in the Netherlands, Kenya and Tanzania and Cambodia in 2013.

Sickness absence ICS Netherlands

Long-term sickness absence	2,7 %
Maternity-related sickness absence	1,9 %
Other sickness absence	1,5 %

Capacity to learn

Professional development of individual employees as well as of the team is very important to an organisation which is undergoing significant change. Various meetings were therefore held in the Netherlands and in Africa and Asia concerning knowledge sharing, collaboration and strategic direction. Professional development also received explicit attention as part of the previously mentioned performance management process through the definition of challenging functional and development objectives.

Formal study or training is only one of the resources for professional development. We also emphasize the fact that activities such as reading books and articles, asking more experienced colleagues questions or requesting feedback are also very valuable means.

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 2013, 1.4% of the total organisation expenses were spent on training and development, in the Netherlands, Africa and Asia. This included individual coaching processes and a reintegration process.

Quality assurance

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.

Attention was paid in 2013 to strengthening the management information with respect to the annual planning process and the quarterly reports. This also involved specific attention for monitoring the financing relationships with local partners.

ISO

ICS werkt met een kwaliteitsmanagementsysteem dat The ICS quality management system has been certified under the ISO 9001: 2001 standard. Certification agency KIWA performed a recertification audit in December 2013, following which the ISO certification was renewed for another three years. 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 processes within the organisation are examined to discover points that can be improved.

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).

ICS takes the following certifications, quality marks and guidelines into account:

ISO 9001 : 2008	Certificate
CBF	Quality mark
VFI	Guideline
Wijffels Code	Guideline
Richtlijn voor de Jaarverslaggeving 650	Guideline
Partos 9001	Certificate; ICS is considering certification in accordance with this quality standard as well.
IATI	ICS is considering publication according to this standard as of the end of 2014.

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 Dutch government finances approximately 81% of the ICS activities through the Cofinancing System (MFS). This is a large risk in view of the uncertainty of financing after 2015. The fundraising through other funders did not get going sufficiently in 2013. In 2013 significant investment was put into recruiting employees in the Netherlands and Africa whose task is to improve this situation. The pipeline is now well filled with outstanding proposals and promising relationships. The degree of success in 2014 will be monitored closely, so that adjustments can be made immediately if necessary.

An associated risk is that financing for overhead (including costs of office and support staff) is expected to become increasingly difficult to find. In project financing the inclusion of these general costs is often only allowed to a limited extent. ICS will naturally try to use the space offered by donors as best as possible. Moreover, on the basis of a thorough analysis in the second quarter of 2014 conclusions will be drawn relating to this overhead. If necessary, the level of these costs will be adjusted downward.

Another major risk lies in Human Resource Management. High demands are imposed on ICS in this competitive market, and at the same time ICS cannot and does not want to pay high salaries. It is not always simple to fill job vacancies properly in Africa and Asia, and to a lesser degree in the Netherlands. This has an effect on the work. A salary benchmark is currently being performed in Africa to examine whether the ICS salary structure is still in proportion to the market.

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.

ABN AMRO Mees Pierson has been the principal banker of ICS for several years. ICS also has bank accounts with two other banks in the Netherlands (Rabobank and ING); in Africa and Asia ICS works with several local banks. Given that ICS does not participate in shares or investment funds, but only uses savings products, ICS has decided that this will not be tested proactively in the implementation of the financial status within the current relationships. 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.

Almost all of the income of ICS is supplied in euros, the expenditure of ICS takes place to a large extent in other currencies, mainly US dollars and Kenyan and Tanzanian shillings. Because the currencies of income and expenditure differ so much, ICS runs the risk that the exchange rates can fluctuate strongly and the expenditure in local currencies can end up much greater than initially budgeted.

In order to minimise this risk, ICS has been working for several years with option contracts in US dollars, which cover the risk of a more expensive dollar to a great extent. ICS works with future forward contracts for the Kenyan and Tanzanian shillings, which cover approximately 70 to 80% of the annual budget in Tanzania and Kenya.

An additional advantage is that as of 2013 we can enter into contracts with all our partners in local currencies, which means that they no longer run an exchange risk either.

It was decided in 2013 to build up a reserve to cope with exchange rate fluctuations. For the time being, this reserve has been built up with the positive exchange results obtained by ICS in 2013. The intention in the coming years is for positive exchange results to result in an addition to this reserve and for negative exchange results to be charged to this reserve.

In 2013, ICS expanded its mission-related investments, providing loans to farmers and entrepreneurs in Kenya, Tanzania as well as Cambodia. These loans enabled a number of entrepreneurs to start a small business and helped farmers in Tanzania and Kenya buy fertilizer and seed for their farms. Finally, farmers and entrepreneurs in Cambodia received loans to purchase pigs and feed. Part of the loans has already been repaid.

The loan to Green Forest Social Investment Trust (GFSI) was repaid up to and including 2012 in accordance with the repayment schedule. In connection with the termination of our partnership, this loan was repaid early in full in 2013.

Since ICS is also ceasing its work in Simanjoro, Tanzania, the shares of ICS in ORMAME Ltd were offered for free to a partner organisation.

In 2012 ICS established a new company, ICS B.V., of which it is sole shareholder. This company carries the brand name Investics and concentrates mainly on participation in social enterprises in our program areas. ICS has come to an agreement with the tax authorities whereby this construction, in which Stichting ICS is sole shareholder of ICS B.V., guarantees that Stichting ICS will retain the ANBI [public benefit organisation] status in the future as well.

At the end of 2013 Investics had two subsidiaries, namely Nafics Ltd in Kenya (90% participating interest) and Hydrics Cambodia Ltd (100% participating interest). The figures of these enterprises have been included in the consolidated financial statements of Stichting ICS. In 2013 ICS provided Investics with the amount of approximately €146,000 in the form of a current account. ICS did not charge any interest on this in 2013. Investics has mainly used this amount to finance Nafics Ltd, also in the form of a current account in 2013.

In the period 2009-2013, ICS obtained the following interest income:

	2009 (€)	2010 (€)	2011 (€)	2012 (€)	2013 (€)
Net result cash and cash equivalents	98.828	66.340	110.691	112.233	56.625

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. Ancillary positions may not result in a conflict of interests and must preferably provide added value.

Role and working procedure of the Executive Board

The Executive Director is charged with managing the foundation and is accountable to the Supervisory Board. The Executive 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 Executive Director reports to the Supervisory Board. He holds weekly meetings with the Management Team, which consists of the Finance Manager, the Program Manager and the Fundraising & Communications Manager. The members of the Management Team are responsible for the preparation of policy and the execution of that policy. Decisions of the Executive 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.

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 Director relevant to testing against VFI maximums in 2013 was €xx (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.

Ancillary positions of Ronald Messelink in 2013:

- Board member of Foundation Global Call to Action Against Poverty (GCAP).
- Board member of Foundation SOMO.

Supervisory Board

The Supervisory Board supervises the policy determination and operations at ICS and the performance of the Executive Director. The supervision includes:

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

The Supervisory Board is also employer of the Executive Director.

The composition of the Supervisory Board is in accordance with the profile as established in April 2013. This means there is ample knowledge and experience in the Board in the areas of development aid, finances, organisation and economy. Representation on the Supervisory Board of technical knowledge in the area of the projects of ICS is also sought. The duties and powers of the members of the Supervisory Board are guaranteed in the articles.

Monitoring and advice

The Supervisory Board has at least five and no more than nine members. Currently there are five members on the Board. The members do this work voluntarily and are not remunerated, although 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 36.

Besides the supervision of the Executive Director in respect of the determination and implementation of the policy, the internal state of affairs and the finances, the Board also acts as advisor and sounding board for the Executive Director.

The Board evaluates strategic decisions of the Executive Director. It assesses whether ICS is fulfilling its social function properly. The Board convenes for that purpose at least four times per year, in any case after the conclusion of each quarter. A yearly meeting also takes place with respect to the strategic policy.

The Supervisory Board also designates the external auditor who audits the financial administration of ICS. The current auditor PwC was appointed again in 2012 by the Supervisory Board following an evaluation and tender process. PwC reports to the Supervisory Board and the Executive Director.

The Supervisory Board convened five times during 2013. The Financial Audit Committee (FAC) set up by the Supervisory Board supervises the financial affairs and reporting, the administrative system and the control mechanisms. It convened four times in 2013.

Appointment to the Supervisory Board

The members of the Supervisory Board are appointed each time for a period of four years and may sit on the board for a maximum of two periods. If there is a vacancy on the Supervisory Board, the members of the Supervisory Board as well as the Executive Board may put forward candidates. A new member is appointed by the members of the Supervisory Board.

One member resigned in the second semester of 2013. In order to fill the vacancy which arose, a recruitment procedure was initiated at the end of 2013.

Composition of the Supervisory Board in 2013

Name/Supervisory Board position/ Committee member	Term of office	Ancillary positions
J.M. de Vries chairperson / member of the financial audit committee	2010 - 2014 (2nd term)	<ul style="list-style-type: none"> - Chairperson Board Youth Orchestra - Board member The Hague Philharmonic - Chairperson Netherlands Polar Programme - Chairperson of the Audit Committee of the Ministry of Finance - Member of the Advisory Board of the Legal Aid Board
J. van der Veen member vice chairperson	2010 - 2014 (2nd term)	<ul style="list-style-type: none"> - Supervisory Board member Wellant College
C. Kuijvenhoven chairperson Financial Audit Committee	2011 - 2015	<ul style="list-style-type: none"> - Chairperson Pensioenfonds Productschappen - Chairperson Supervisory Board Alfa Accountants - Chairperson Supervisory Board Actor - Chairperson Audit Committee SAZAS (insurer)
C. van der Riet member	2013 - 2017	<ul style="list-style-type: none"> - Sector coordinator Horticulture, Vegetables and Fruits at PUM - Board member IOOF - Advisory board member Promesis
R.R. van Kessel-Hagesteijn member	2011 - 18.07.2013	<ul style="list-style-type: none"> - 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

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 the plans and budgets for each individual year.

Internal monitoring

ICS uses score cards and management reports to obtain insight into the progress of the programs in comparison with the annual plan and achieving the objectives. Over the past two years this has greatly improved management's insight into the progress of the planned activities.

The progress of the projects and the support processes is monitored every quarter, and if necessary, adjusted. Furthermore, ICS 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 external auditors, which 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 also organises its own evaluations in the same period. ICS can thus account for the results of its programs and learn from them for the future.

ICS initiated various evaluations in 2013 to demonstrate the results of projects. One evaluation was carried out

into the effects and sustainability of the water project in Meatu. In addition, two long-term evaluations were started: the effects of the Agribusiness program in West Kenya which will be completed in October 2014, and the effectiveness of Skilful Parenting in collaboration with Utrecht University. The latter evaluation will be finalised in 2015.

Anti-corruption and sanctioning policy

ICS has a detailed anti-corruption and sanctioning policy set out 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 external auditor. They also receive regular visits from ICS staff. An external auditor investigated one of the program offices in 2013, as there were indications of irregularities at that office. This investigation revealed a limited degree of fraud (amounting to several hundred euros), but in particular that internal procedures were not being followed. The services of the employee involved were dispensed with as a result, and a number of procedures were tightened up.

Together with two other subsidy providers, ICS ordered an investigation at one of our partner organisations in Cambodia, since there were also indications of irregularities there. The investigation showed that the internal organisation of this organisation was extremely weak. Fraud was not proven directly, but irregularities of a sufficiently serious size were observed to warrant terminating the relationship with this partner.

ICS terminated the contract before the term with one of its partners in Tanzania in 2013. The partner was unable to set up a good program. ICS went through an intensive process together with the partner, but this partner was nevertheless unable to produce a realistic long-term plan to give the program the right direction.

Moreover, undertakings to partners were cut back in 2013 in connection with underspending or delays in implementation. Finally, ICS delayed payments of funds to partner organisations which did not meet agreed arrangements and procedures concerning reports and cash flow requests.

The third principle:

Optimum contact with stakeholders

ICS belongs to the category of medium-sized development organisations in the Netherlands. 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.

The projects of ICS are carried out to a significant extent by partners and obviously it is important to maintain good contact with them due to the importance of achieving optimum results. ICS visits these partners regularly for that purpose, with the offices in Africa and Asia playing an important part. ICS works together a great deal with its partners in the further development of new programs.

In 2012, ICS participated in collaboration with sector organisation Partos in a customer satisfaction survey among local strategic partners in Africa and Asia. All the local organisations with which we cooperate were asked their opinion about important aspects of the collaboration with ICS. ICS received the results of the survey at the start of 2013.

The survey was performed fully independently by Keystone, a British research agency. The survey gives ICS insight into what the partners think about the cooperation with ICS, not only the positive points, but more importantly, the points which could be improved. The research report shows that ICS can mean even more for its partners on a number of points, and that relationships can be improved. ICS is keen to take up the challenge with partners to strengthen and improve the relationships with local organisations. Because the context in which cooperation occurs is constantly changing, it is important to check regularly how partner organisations experience that cooperation. ICS also intends to participate in a follow-up survey in two to three years.

In 2013, ICS started a number of public-private partnerships, for example to develop and further work out water projects together in Africa. In addition, we successfully added further detail to the Skilful Parenting program together with our local partners in 2013.

ICS also attaches importance to a good relationship with the Dutch government, which currently funds around 88% of the activities of ICS through the Cofinancing System (MFS)(this amounts to 81% with correction for payments to the alliance partners).

FINANCIAL STATEMENTS 2013

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

After allocation of balance statement of income and expenditure	31 december 2013	31 december 2012
	€	€
ASSETS		
1. Tangible fixed assets	385,455	377,988
2. Financial fixed assets	141,335	331,279
3. Inventory	48,425	20,435
4. Receivables and current assets	4,162,739	3,028,044
5. Cash	1,521,329	2,217,868
Total assets	6,259,283	5,975,614
LIABILITIES		
6. Reserves and funds		
Continuity reserve	962,250	981,899
Designated reserves	657,037	561,677
Total reserves	1,619,287	1,543,576
Designated funds	364,007	229,624
Total funds	364,007	229,624
Total reserves and funds	1,983,294	1,773,200
Share of third parties	-10,129	0
7. Provisions	26,864	18,762
8. Short-term liabilities	4,259,254	4,183,652
Total liabilities	6,259,283	5,975,614

CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE 2013

	Actual 2013 €	Budget 2013 €	Actual 2012 €	Budget 2014 €
INCOME				
9. Income from own fundraising	1,204,704	2,765,000	1,929,659	1,250,000
10. Income from campaigns of third parties	91,699	250,000	116,308	200,000
11. Income from subsidies	10,227,533	9,991,180	10,577,740	10,903,665
12. Interest income	56,625	85,000	112,233	60,000
13. Other income	16,214	95,000	71,107	0
Total income	11,596,775	13,186,180	12,807,047	12,413,665
EXPENDITURE				
<i>Committed to objectives</i>				
14. Structural support	10,437,245	12,098,729	11,481,066	11,296,192
15. Awareness raising	132,342	178,483	191,296	127,090
	10,569,587	12,277,212	11,672,362	11,423,282
<i>Committed to raising income</i>				
16. Own fundraising	209,401	368,835	239,909	192,972
17. Campaigns of third parties	42,515	28,138	56,700	41,588
18. Subsidies	215,136	222,825	221,270	192,532
	467,052	619,798	517,879	427,091
<i>Committed to administration</i>				
19. Administration	375,171	289,170	392,684	395,886
Total expenditure	11,411,810	13,186,180	12,582,925	12,246,259
Balance of income and expenditure	184,965	0	224,122	167,406
Result of subsidiaries	15,000	0	0	0
Share of third parties	10,129	0	0	0
Balance	210,094	0	224,122	167,406
<i>Allocation of balance</i>				
Continuity reserve	-19,649	0	80,037	0
Designated reserves	95,360	0	159,853	400,000
Designated funds	134,383	0	-15,768	-232,594
	210,094	0	224,122	167,406

CONSOLIDATED CASH FLOW STATEMENT 2013

	Ref		2013 €		2012 €
BALANCE OF STATEMENT OF INCOME AND EXPENDITURE			210,094		224,122
<i>Adjustments</i>					
Depreciation and amortisation	1	150,262		98,193	
Exchange difference of book value at start of financial year	1	6,189		-116	
Changes in provisions	7	8,102		-14,631	
			164,554		83,446
<i>Changes in working capital</i>					
- Inventory	3	-27,990		-20,435	
- Receivables and current assets	4	-1,134,695		-2,495,906	
- Short-term liabilities	8	75,602		876,462	
			-1,087,083		-1,639,879
Operational cash flow			-712,436		1,332,311
Investments in tangible fixed assets	1	-163,919		-344,150	
Investments in financial fixed assets	2	179,816		-148,453	
Investment cash flow			15,897		-492,603
Increase/decrease of cash in the financial year	5		-696,539		-1,824,914
Balance of cash and cash equivalents on 1 January			2,217,868		4,042,782
Balance of cash and cash equivalents on 31 December			1,521,329		2,217,868

The cash position decreased by almost 700,000 euros. This was caused to a large extent by the growth of 'Receivables and current assets', particularly due to advance payments on inputs and the relatively low prefinancing by the Ministry of Foreign Affairs, so that the amount receivable from the Ministry has increased.

ACCOUNTING PRINCIPLES

General

The financial statements for 2013 were drawn up in accordance with the accounting principles for Fundraising Institutions in the Netherlands. The financial statements comprise the financial data of Stichting ICS in Amersfoort, together with the data from the regional offices in Nairobi, Kenya (Africa) and Siem Reap, Cambodia (Asia) in consolidated form.

The financial statements for 2013 include the financial data of the following participation of Stichting ICS:

- ▶ ICS B.V., in which Stichting ICS has a 100% share, with its registered office in Amersfoort, the Netherlands.

The financial statements also include the financial data of the following subsidiaries of ICS B.V.:

- ▶ Nafics Ltd., in which ICS B.V. has a 90% share, with its registered office in Nairobi, Kenya
- ▶ Hydrics Cambodia Ltd., in which ICS B.V. has a 100% share, with its registered office in Siem Reap, Cambodia.

Comparison with preceding year

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

Continuity

The financial statements have been prepared on a going-concern basis. Over the past years ICS has reviewed its strategy and commenced its implementation.

The continuity reserve of ICS is sufficient to serve as a buffer in the event of future calamities.

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 subsidiaries in group companies are valued at net asset value.

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

Inventory

The inventory is valued at average purchase price, or lower market value, taking into account in so far as necessary the unsaleability of the inventories.

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 subsidiaries is included under the cash flow from investment activities, in so far as payment in cash has taken place.

ACCOUNTING POLICIES FOR THE STATEMENT OF INCOME AND EXPENDITURE

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

Income

Income from own fundraising

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

Income from estates is included in the financial year in which the size can be established reliably. Income from funds and businesses is included in the financial year in which the donation was promised by the giver.

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.
3. Administration
 - Acquisition of government subsidies.

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 management and administration, on the basis of the following economic criteria: The personnel costs are divided on the basis of an estimate of weighted fulltime units (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 CONSOLIDATED BALANCE SHEET

Assets

The assets are used in their entirety for the operations of ICS.

1 TANGIBLE FIXED ASSETS

	2013 €	2012 €
Book value as at 1 January	377,988	131,915
Exchange difference of book value at start of financial year	-6,189	116
Investments	163,919	344,150
Depreciation	535,718	476,181
Book value as at 31 December	385,455	377,988
Accumulated purchase value	661,574	628,098
Accumulated depreciation	276,118	250,110
Book value as at 31 December	385,455	377,988

The investments in 2013 consisted almost entirely of vehicles which mainly replaced old cars that had already been depreciated. The depreciation and amortisation rose by more than 50% in comparison with 2012. This increase was caused mainly by higher depreciation and amortisation on cars in our programs in Africa and investments in the newly established maize wholesaler.

2. FINANCIAL FIXED ASSETS

	31 december 2013 €	31 december 2012 €
Participation in Orkonerei Mass Media Ltd	0	0
Loan to Green Forest Social Investment Trust	0	120,000
Loans to farmers and social entrepreneurs	281,432	211,279
	281,432	331,279
Less: provision due to possible irrecoverability	140,098	0
	141,335	331,279

In 2009 ICS acquired a participation of 20% in Orkonerei Mass Media Ltd (ORMAME).

ICS offered this participation for free to a partner organisation in 2013. To date this transaction has not yet been formally finalised.

In 2009 ICS provided a loan to Green Forest Social Investment Trust (GFSIT) which was to be repaid in 5 years. Given that ICS has ceased its activities with GFSIT, the loan was paid off early. Interest of 4% was calculated.

The course of the loan is as follows:

Loan to Green Forest Social Investment Trust

	2013 €	2012 €
Book value as at 1 January	120,000	180,000
Repayment	120,000	60,000
Book value as at 31 December	0	120,000

From 2011 a number of loans have been granted to farmers, partner organisations and social entrepreneurs in our program areas. These loans were used, for example, as credit for the purchase of inputs, or as start-up capital for small businesses.

Eleven portfolios were still outstanding at the end of 2013. Repayment of these loans will continue until no later than the end of 2015. No interest is charged, nor is any collateral provided. A portfolio can consist of a loan to a partner organisation, to a group of small entrepreneurs or to groups totalling several thousand farmers. For this last group, repayment generally occurs during the harvest period; the term of the loans is longer for the loans to entrepreneurs and partner organisations.

Some of the old outstanding loans were written off in 2013, because they turned out to no longer be recoverable. A provision was included for two loans to a partner organisation and a number of portfolios of loans to groups of farmers, since the partner probably has insufficient repayment capacity and the groups of farmers will probably not be able to repay their credits in full.

The course of these loans is as follows:

Loans to farmers and social entrepreneurs

	2013 €	2012 €
Book value as at 1 January	211,279	11,578
Loans provided during financial year	329,140	252,930
	540,419	264,508
Repayment in financial year	230,674	53,229
	309,746	211,279
Less: exchange result on book value	13,201	0
Less: write-off due to irrecoverability	15,113	0
	281,432	211,279
Outstanding balance as at 31 December	281,432	211,279
Less: provision due to possible irrecoverability	140,098	0
Book value as at 31 December; long-term part	141,335	211,279

3. INVENTORY

	31 december 2013	31 december 2012
	€	€
Inventory of inputs for agricultural projects	25,397	20,435
Inventory of maize	23,028	0
	48,425	20,435

No provisions due to unsaleability have been deducted from this inventory. The inputs were purchased in order to be provided on credit in the near future to the farmers in the program areas in Kenya and Tanzania. Finally, in 2013 Nafics Ltd purchased its first inventory of maize. This inventory will be sold in the first half of 2014.

4. RECEIVABLES AND CURRENT ASSETS

	31 december 2013	31 december 2012
	€	€
Deposits	111,318	118,636
MFS II subsidy to be received	3,090,593	2,100,681
Interest to be received	14,513	20,385
To be received from funds and campaigns of third parties	552,280	547,429
To be received from legacies & inheritances	10,750	101,088
Turnover tax to be received	5,183	0
Paid in advance for inputs purchase	126,016	0
Materials paid in advance for programs	21,764	0
Paid in advance for evaluations	120,000	0
Paid in advance for future businesses	1,497	41,956
Pension premiums paid in advance	40	764
To be received in connection with transfer of Nafics shares	15,000	0
Loans to personnel	17,578	41,366
Miscellaneous	76,207	55,739
	4,162,739	3,028,044

At the end of 2013, ICS concluded futures contracts as exchange risk cover against the Kenyan and Tanzanian shillings. As part of these transactions, a deposit of approximately 91,000 euros was paid.

The advance funding from the Ministry of Foreign Affairs in the context of MFS II does not run parallel with the actual expenditure. As a result, a significant amount receivable from the Ministry has arisen in the past two years, which will be made up to a large extent in 2014 and 2015.

A large down payment was already made in 2013 for the provision of inputs in 2014 so as to ensure a good price for purchasing

5. CASH AND CASH EQUIVALENTS

	31 december 2013	31 december 2012
	€	€
Petty cash	6,043	4,938
Bank accounts	253,445	738,643
Savings accounts	947,942	1,160,575
Fixed deposits	313,899	313,712
	1,521,329	2,217,868

The cash and cash equivalents have limited availability for an amount of €313,899. ICS made significant investments in its business activities in 2013, by establishing Nafics, granting loans and paying inputs in advance. In addition, the amount receivable from the Ministry of Foreign Affairs in the context of MFS II rose further in 2013. As a result, the cash position of ICS has decreased further.

ICS investment policy

The investment policy of ICS is part of the Financial Statute of ICS, the most recent version of which was approved in April 2012 by the Supervisory Board of ICS.

In its investment policy, ICS sets out 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 and debentures 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 Aid'.

Application of the investment policy by ICS in 2013

At the end of 2013 the accumulated size of the continuity reserve and the designated funds was more than 1.3 million euros. The total amount of cash in hand and directly callable bank and savings accounts was approximately 1.2 million euros at the end of 2013. This means that ICS remains about 100,000 euros behind on its policy objective.

This can be explained by the amount that was already added in 2013 to the designated fund, but which has not yet been received in cash and cash equivalents from the donors concerned (265,000 euros in total). In

2004 it was decided to invest part of the surplus funds in a deposit of €300,000. The term of the deposit runs until 1 September 2014. In view of the state of the cash and cash equivalents, this deposit will probably not be renewed in 2014, so that this amount can be added to the cash and cash equivalents which are freely available. The total amount of mission-related investments at the end of 2013 is €141,335, after deduction of the provision for irrecoverable loans. This is well inside the set range, in view of the fact that the designated reserves in the context of 'Structural Support' amounted to more than €636,000 at the end of 2013.

ICS treasury policy

The treasury policy of ICS is part of the Financial Statute of ICS. The most recent version of which 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 2013

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' cash is with the ABN AMRO, due largely to the fact that MFS funds run via ABN AMRO accounts.

At the end of 2013, forward exchange contracts were entered into for risk management of the Kenyan and Tanzanian shillings. This covered an important portion of the budget in these currencies. Contracts have also been entered into for 2014.

A bank guarantee was provided in 2012 in connection with the rent of the new office in Amersfoort. The Supervisory Board provided permission for this bank guarantee which amounts to €13,899.

During 2013, ICS prefinanced on average one to two months of cash to its regional and program offices.

LIABILITIES

6. 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 is no more 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. In addition, it was decided in 2013 to build up a designated reserve to handle any future negative price developments. Any temporary deficit or surplus is withdrawn from or added to the designated reserve by Stichting 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 2013	31 december 2012
	€	€
Continuity reserve	962,250	981,899
Designated reserves	657,037	561,677
	1,619,287	1,543,576

Continuity reserve

The course of this reserve is as follows:

	2013	2012
	€	€
Balance as at 1 January	981,899	901,862
Surplus or deficit respectively	-19,649	80,037
Balance as at 31 December	962,250	981,899

Application of the equity policy to the continuity reserve by ICS in 2013

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 €716,000 and no more than €2,147,000.

ICS is approximately 250,000 euros above the minimum level, so that its reserve is sufficiently large.

Designated reserves

	31 december 2013	31 december 2012
	€	€
Designated reserve Structural Support	212,780	309,277
Designated reserve Structural Support – revolving fund	423,460	252,400
Designated reserve Exchange rate risk	20,797	0
	657,037	561,677

As of 2012, ICS has commenced setting up a revolving fund, so that Stichting 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.

Application of the equity policy by ICS in 2013

In 2013, €120,000 of the loan to GFSI Trust was repaid, and at the same time more than €300,000 of new loans was granted (see Financial fixed assets). Since €150,000 was repaid on the loans and provided in connection with (possible) irrecoverability, the total balance of mission-related investments amounts to more than €141,000 at the end of the financial year.

In connection with Structural support the designated reserves amount to more than €636,000, with which approximately 22% of the reserve is used at the end of the financial year to provide mission-related investments. During 2013, the designated reserve Structural support was not used as guarantee capital for the implementation of activities.

The course of the designated reserves in 2013 is as follows:

	2013 €	2012 €
Balance as at 1 January	561,677	401,824
Less: expenditure in the context of the phase-out of programs	0	92,547
negative result of business activities	96,497	0
write-down of credits against reserve Revolving fund	129,807	0
	335,373	309,277
Plus: addition to reserve Revolving fund	300,867	252,400
exchange result added to reserve Exchange rate risk	20,797	0
Balance as at 31 December	657,037	561,677

FUNDS

Designated funds

In connection with a number of projects, funds were acquired in 2012 and 2013. To a greater or lesser extent these funds were not spent in 2013 and they will be used in 2014 to implement the projects for which they were acquired.

	31 december 2013 €	31 december 2012 €
Designated fund Structural Support	364,007	229,624

The course of this designated fund is as follows:

	2013 €	2012 €
Balance as at 1 January	229,624	245,392
Less: spent on projects during the financial year	229,624	232,727
	0	12,665
Plus: designated income from campaigns of third parties, to be spent on projects in the following financial year	364,007	216,959
Balance as at 31 December	364,007	229,624

Application of the equity policy by ICS in 2013

The duration of the designated fund for relevant projects is until no later than 31 December 2014.

7. PROVISIONS

The ICS office in Asia has built up a provision for its employees whereby employees are paid an amount if they leave employment. This provision is of a mainly long-term character.

	2013 €	2012 €
Balance as at 1 January	18,762	33,393
Change in the financial year	8,102	-14,631
Balance as at 31 December	26,864	18,762

The provision has grown due to the increased number of employees in Cambodia.

8. SHORT-TERM LIABILITIES

	31 december 2013 €	31 december 2012 €
Contributions to partner organisations	3,827,610	3,721,510
Creditors	181,952	240,229
Tax withheld	32,226	27,481
Provision for severance payments	57,640	41,791
Provision for holiday allowances	34,183	34,247
Provision for leave days	31,976	32,059
Auditor's fees	28,134	27,163
Consultancy fees	7,811	9,508
Miscellaneous	57,722	49,664
	4,259,254	4,183,652

The short-term liabilities have a term of less than one year.

The contributions to partner organisations involve commitments to partner organisations which have not yet been paid. This is caused in most cases by the delayed request for funds by partners, or by underspending in the projects performed by these partners.

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 awarded of a maximum €46,384,275, an amount of €17,364,783 is still available for the period 2014 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	2014 - 2015 €
Alliance partners		
Wilde Ganzen	31 December 2015	1,648,724
SOS Kinderdorpen	31 December 2015	4,833,854
Wereldkinderen	31 December 2015	1,079,291
Strategic partners		
Context	31 December 2015	410,717
ACPF	31 December 2015	1,105,173
Child and Youth Finance	31 December 2015	389,594
		9,467,353
Local partners		
Mkombozi (Tanzania)	31 December 2015	170,000
		170,000

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 and the local partner were signed in 2011.

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 €32,760 (price level 2013).

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 31 October 2014.

In the context of the programs a piece of land (term until December 2022) and a training centre (term until 30 June 2014) have also been leased. The total annual rent for these locations in Asia came to around €14,800 (price level 2013).

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 2014.

The program office in Shinyanga, 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 January 2014. This contract will not be renewed. The total rental amount for all offices in Africa in 2013 came to around €47,561.

Bank guarantee

A bank guarantee of €13,899 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 both the Tanzanian and the Kenyan shilling. These contracts result in the obligation of purchasing more than €1.8 million in Kenyan and Tanzanian shillings in 2014. A 5% deposit (€91,654) was paid for this in 2013; 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			
3 January 2014	111.72	35,804	4,000,000
	115.95	77,188	8,950,000
3 February 2014	112.06	35,695	4,000,000
	116.07	51,262	5,950,000
3 March 2014	112.39	35,590	4,000,000
	116.18	51,644	6,000,000
1 April 2014	112.73	35,483	4,000,000
	116.30	105,761	12,300,000
2 May 2014	113.07	35,376	4,000,000
	116.41	31,784	3,700,000
3 June 2014	113.41	35,270	4,000,000
	116.53	78,091	9,100,000
1 July 2014	113.80	35,149	4,000,000
	116.65	110,159	12,850,000
1 August 2014	114.20	35,026	4,000,000
	116.76	32,117	3,750,000
2 September 2014	114.60	34,904	4,000,000
	116.88	58,179	6,800,000
1 October 2014	115.00	34,783	4,000,000
	117.00	91,880	10,750,000
3 November 2014	115.40	34,662	4,000,000
	117.11	35,010	4,100,000
1 December 2014	115.81	34,539	4,000,000
	117.23	32,841	3,850,000
		1,178,197	136,100,000

Due date	Exchange rate	Contract amount in euros	Contract amount in foreign currency
Tanzanian shillings			
2 January 2014	2,123.00	160,740	341,250,000
1 April 2014	2,127.00	216,855	461,250,000
1 July 2014	2,133.00	126,582	270,000,000
1 October 2014	2,140.00	150,701	322,500,000
		654,878	1,395,000,000
		1,833,075	

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

Income

9. INCOME FROM OWN FUNDRAISING

	Actual 2013 €	Budget 2013 €	Actual 2012 €	Budget 2014 €
<i>Mailings</i>	113,125	100,000	112,720	100,000
<i>Donations and gifts</i>				
Help parents / Child ambassadors	510,881	600,000	583,973	450,000
Schoolchild fund	97,340	100,000	88,529	100,000
Other donations and gifts	64,676	150,000	72,715	50,000
	672,897	850,000	745,217	600,000
<i>Inheritances</i>	-13,003	50,000	95,725	50,000
<i>Other income</i>				
Funds and companies	431,685	1,765,000	975,997	500,000
Total income from own fundraising	1,204,704	2,765,000	1,929,659	1,250,000

The income from own fundraising declined strongly in 2013 in comparison with 2012 and also lagged behind with respect to the budget 2013. ICS did not succeed in slowing down the declining trend on the private market and putting the planned new fundraising products on the market. Two inheritances were also written down in 2013. The amount expected from inheritances was set too high in preceding years, which creates negative income from inheritances. Finally, the fundraising among funds and companies remained far behind the budget and 2012. This was caused to a large extent by our departure from Suba, Kenya as well as from Simanjoro, Tanzania, for which we received large contributions from Stichting Het Groene Woudt in past years.

10. INCOME FROM CAMPAIGNS OF THIRD PARTIES

	Actual 2013 €	Budget 2013 €	Actual 2012 €	Budget 2014 €
<i>Wilde Ganzen / Rotary</i>	33,150	250,000	116,308	200,000
<i>Aqua 4 All</i>	53,549	0	0	0
<i>1% Club</i>	5,000	0	0	0
Total income from campaigns of third parties	91,699	250,000	116,308	200,000

There were two campaigns in 2013, one for the SKYE project in Cambodia carried out by Rotary with a premium from Wilde Ganzen, and one for water in West Kenya, carried out by Rotary with a premium from Aqua 4 All. A number of payments from previous years was also received.

11. INCOME FROM SUBSIDIES

	Actual 2013 €	Budget 2013 €	Actual 2012 €	Budget 2014 €
Ministry of Foreign Affairs (MFS II)	10,217,507	9,891,180	10,491,802	10,310,467
International Labour Organisation (ILO)	10,026	0	83,777	0
Other subsidies	0	100,000	2,160	593,198
Total income from subsidies	10,227,533	9,991,180	10,577,740	10,903,665

There was more expenditure on the MFS subsidy in 2013. In 2013 more projects were carried out to which an MFS contribution was granted.

12. INTEREST INCOME

	Actual 2013 €	Budget 2013 €	Actual 2012 €	Budget 2014 €
Interest income	56,625	85,000	112,233	60,000
Total interest income	56,625	85,000	112,233	60,000

Relatively little interest was received in 2013 due to the low interest rate and considerably lower cash position. In 2013, €2,400 interest was calculated on the loan to Green Forest Social Investment Trust.

Of the interest received, an amount of €33,304 is to be allocated to MFS II. This is interest received on the advance payments of the subsidy received from the Ministry.

13. OTHER INCOME

	Actual 2013 €	Budget 2013 €	Actual 2012 €	Budget 2014 €
Sale of assets	1,789	0	61,211	0
Other income	14,425	95,000	9,896	0
Total other income	16,214	95,000	71,107	0

When offices were closed in 2012, assets were sold, which meant that higher other income of an incidental nature was received in 2012. In 2013, a management fee was budgeted for the businesses to be established. Since the enterprises are still in a start-up phase, it was decided that the management fee would not be charged on.

Expenditure

Committed to objectives						
MODEL C	Structural support				Voorlichting	Subtotaal
	Program A	Program B	Program C	subtotaal		
	14A	14B	14C	14	15	
	€	€	€	€	€	€
Contributions to third parties	3,781,355	2,120,298	1,080,715	6,982,369	0	6,982,369
Contributions to own projects	2,391,375	457,483	7,169	2,856,026	0	2,856,026
Publicity and communication expenses	0	0	0	0	52,515	52,515
	6,172,730	2,577,781	1,087,884	9,838,395	52,515	9,890,911
Operational expenses						
Salaries	262,736	52,355	6,922	322,012	40,334	362,346
Social and pension charges	67,461	13,443	1,777	82,681	10,356	93,037
Other staff expenses	37,941	7,560	1,000	46,501	5,825	52,326
Travel and lodging expenses	34,861	6,695	810	42,367	6,689	49,056
Office expenses	33,087	6,355	769	40,211	6,348	46,559
Depreciation and amortisation	22,395	4,301	521	27,217	4,297	31,514
Board expenses	1,844	354	43	2,241	354	2,594
Consultancies	34,404	6,608	800	41,812	6,601	48,413
General expenses	-5,094	-978	-118	-6,191	-977	-7,169
	489,634	96,693	12,523	598,850	79,826	678,676
Total expenditure	6,662,365	2,674,474	1,100,407	10,437,245	132,342	10,569,587

	Committed to raising income				Admini- stration	Total actual 2013	Totaal budget 2013	Totaal actual 2012	Totaal budget 2014
	Own fundraising	Campaigns of third parties	Subsidies	subtotal					
	16	17	18		19				
	€	€	€	€	€	€	€	€	€
Contributions to third parties	0	0	0	0	0	6,982,369	7,563,333	8,481,433	6,644,706
Contributions to own projects	0	0	0	0	0	2,856,026	4,044,104	2,485,750	4,081,907
Publicity and communication expenses	78,668	910	2,117	81,694	7,809	142,019	231,893	210,322	116,560
	78,668	910	2,117	81,694	7,809	9,980,414	11,839,330	11,177,505	10,843,173

Operational expenses

Salaries	69,814	22,001	117,536	209,352	193,086	764,784	747,591	708,198	794,664
Social and pension charges	17,926	5,649	30,179	53,754	49,577	196,368	181,466	174,260	200,156
Other staff expenses	10,082	3,177	16,973	30,232	27,883	110,441	53,500	99,396	43,100
Travel and lodging expenses	9,443	3,092	13,868	26,403	27,779	103,238	104,537	99,995	109,160
Office expenses	8,963	2,935	13,162	25,060	26,365	97,984	113,552	175,024	107,926
Depreciation and amortisation	6,067	1,986	8,909	16,962	17,846	66,322	50,254	47,644	42,000
Board expenses	499	164	733	1,396	1,469	5,460	8,500	6,201	7,150
Consultancies	9,320	3,052	13,686	26,057	27,415	101,886	76,850	84,556	93,730
General expenses	-1,380	-452	-2,027	-3,858	-4,060	-15,087	10,600	10,146	5,200
	130,733	41,605	213,020	385,358	367,362	1,431,396	1,346,850	1,405,420	1,403,086
Total expenses	209,401	42,515	215,136	467,052	375,171	11,411,810	13,186,180	12,582,925	12,246,259

Percentage of expenditure

	Actual 2013	Budget 2013	Actual 2012	Budget 2014
Total expenditure on objectives as % of total income	91.1%	93.1%	91.1%	92.0%
Total expenditure on objectives as % of total expenses	92.6%	93.1%	92.8%	93.3%

Operational expenses

The most significant differences in the actual operational costs in 2013 compared with the budget have the following causes:

Other staff expenses turned out much higher than initially budgeted. In connection with replacement due to maternity leave and the hiring of an external employee for office support, the budget for temporary staff was exceeded. Consultancies also turned out higher than estimated, because there were a number of consulting processes in HR. The general expenses are negative. This is caused by positive exchange results which are posted with the general expenses.

14. STRUCTURAL SUPPORT

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

	Actual 2013	Budget 2013	Actual 2012	Budget 2014
	€	€	€	€
Contributions to third parties				
SOS Kinderdorpen	2,218,878	2,218,878	2,235,790	2,942,531
Aflatoun	72,049	72,049	147,050	0
Child & Youth Finance International	557,081	557,081	600,000	194,797
Health[e]Foundation	98,033	95,806	98,033	0
Context	207,000	207,000	207,000	177,910
Local partners of ICS in Kenya	421,362	650,000	1,055,640	50,000
Local partners of ICS in Tanzania	174,322	300,000	681,767	30,000
Local partners of ICS in Cambodia	32,630	100,000	39,807	30,000
	3,781,355	4,200,814	5,065,087	3,425,238
Contributions to own projects				
Implementation of projects in program areas				
Projects of ICS in Kenya	881,488	768,220	781,165	1,322,144
Projects of ICS in Tanzania	848,975	1,308,220	745,428	799,889
Projects of ICS in Cambodia	572,314	896,319	569,851	886,975
Projects of ICS in Thailand	0	0	46,270	0
Projects of ICS in Laos	0	0	26,017	0
	2,302,777	2,972,760	2,168,731	3,009,008
Other contributions to own projects				
T4C linking & learning/evaluations	39,661	332,500	5,666	362,548
Training and courses	182	10,000	18,636	0
Program development	8,994	0	0	0
Missions, field visits and miscellaneous	39,762	34,672	36,739	29,800
	88,597	377,172	61,040	392,348
	2,391,375	3,349,932	2,229,771	3,401,356
Operational expenses				
Allocation in accordance with Model C	489,634	359,932	393,320	476,496
	6,662,365	7,910,678	7,688,178	7,303,090

Considerably less was spent in program A than had been budgeted. The major cause was the phase-out from Suba, Kenya and Simanjiro, Tanzania. This meant that the realised contributions to partners as well as our own implementation, in Tanzania especially, turned out considerably lower in 2013 than had been budgeted.

14 B. Program B: 'Child Protection'

	Actual 2013	Budget 2013	Actual 2012	Budget 2014
	€	€	€	€
Contributions to third parties				
Wereldkinderen	893,449	829,032	837,372	698,127
The African Child Policy Forum (ACPF)	641,549	633,772	932,064	582,252
Local partners of ICS in Kenya	323,724	370,000	314,990	472,503
Local partners of ICS in Tanzania	173,601	350,000	199,106	253,731
Local partners of ICS in Uganda	0	0	70,000	0
Local partners of ICS in Cambodia	82,868	175,000	0	186,750
Local partners of ICS in Thailand	5,107	0	80,095	0
	2,120,298	2,357,804	2,433,627	2,193,363
Contributions to own projects				
Implementation of projects in program areas				
Projects of ICS in Kenya	151,699	158,350	92,350	134,204
Projects of ICS in Tanzania	128,633	158,350	58,374	220,086
Projects of ICS in Cambodia	139,543	144,044	0	158,740
Projects of ICS in Thailand	0	0	77,493	0
	419,875	460,744	228,217	513,030
Other contributions to own projects				
T4C linking & learning/evaluations	16,850	95,000	1,619	103,014
Courses	7,283	2,000	2,162	0
Missions, field visits and miscellaneous	13,475	12,368	23,172	13,000
	37,608	109,368	26,952	116,014
	457,483	570,112	255,170	629,044
Operational expenses				
Allocation in accordance with Model C	96,693	119,587	108,468	80,395
	2,674,474	3,047,503	2,797,265	2,902,802

In 2013 the contributions to own projects in the Child Protection program grew considerably in comparison with 2012. Two partners have now been contracted in Cambodia. The program is expected to grow further in 2014.

14 C. Programma C: 'Action for Children'

	Actual 2013	Budget 2013	Actual 2012	Budget 2014
	€	€	€	€
Contributions to third parties				
Wilde Ganzen	1,080,715	1,080,715	982,719	1,026,105
Contributions to own projects				
T4C linking & learning/evaluations	7,169	48,060	809	51,507
Operational expenses				
Allocation in accordance with Model C	12,430	11,773	12,094	12,688
	1,100,314	1,140,548	995,623	1,090,300

15. AWARENESS RAISING

	Actual 2013	Budget 2013	Actual 2012	Budget 2014
	€	€	€	€
Publicity and communication expenses				
Printing and postage expenses, direct mail and CC	22,587	24,000	44,201	15,000
Advertisements	2,061	10,000	10,362	1,000
Website	6,430	5,000	3,679	2,800
Radio and television	37	1,500	1,225	0
Stands and events	364	1,400	1,393	0
Brochures	3,294	3,000	4,072	1,400
CRM database	2,141	5,000	15,382	2,140
Consultancies	5,547	3,000	9,280	6,000
Other	10,055	16,668	10,176	14,500
	52,515	69,568	99,771	42,840
Operational expenses				
Allocation in accordance with Model C	79,826	108,915	91,525	84,250
	132,342	178,483	191,296	127,090

Due to the staffing situation, considerably less was spent on publicity and communication expenses (advertisements and media in particular) in 2013, with the result that the total costs in 2013 were lower than had been budgeted and the costs in 2012.

16. OWN FUNDRAISING

	Actual 2013 €	Budget 2013 €	Actual 2012 €	Budget 2014 €
Publicity and communication expenses				
Printing and postage expenses, direct mail and CC	52,703	56,000	44,201	35,000
Advertisements and inserts	2,061	10,000	10,362	1,000
Website	2,756	5,000	1,577	1,200
Radio and television	85	3,500	2,859	0
Stands and events	546	5,600	2,090	0
Brochures	1,412	3,000	1,745	600
CRM database	2,141	15,000	15,382	2,140
Consultancies	8,321	27,000	13,920	9,000
Other	8,644	37,225	8,131	12,500
	78,668	162,325	100,267	61,440
Operational expenses				
Allocation in accordance with Model C	130,733	206,510	139,642	131,532
	209,401	368,835	239,909	192,972

Less was spent on publicity and communication expenses than had been budgeted and in comparison with 2012. Due to the staffing situation, a number of activities in fundraising were postponed or not realised. This lower expenditure relates in particular to investments in the CRM database, consultancies and expenditure on media statements.

The operational costs were likewise lower with respect to the budget. On the one hand this has to do with the lower level of activity in own fundraising (no investment in the CRM database, fewer media statements). On the other hand, the focus of the ICS employees in the Netherlands has shifted even further to program implementation and business development, so that relatively fewer costs were allocated to own fundraising.

Percentage of own fundraising

	Actual 2013	Budget 2013	Actual 2012	Budget 2014
Expenses of own fundraising as a percentage of income from own fundraising	17.4%	13.3%	12.4%	15.4%

Less income from own fundraising resulted in the percentage of costs of own fundraising being higher than had been budgeted. Management at ICS is paying attention to the challenges of fundraising and these will be prioritised at ICS in the coming years.

17. CAMPAIGNS OF THIRD PARTIES

	Actual 2013	Budget 2013	Actual 2012	Budget 2014
	€	€	€	€
Publicity and communication expenses				
Stands and events	910	0	3,483	0
	910	0	3,483	0
Operational expenses				
Allocation in accordance with Model C	41,605	28,138	53,217	41,588
	42,515	28,138	56,700	41,588

Raising campaigns of third parties cost relatively more time in 2013 than had initially been budgeted. ICS employees consequently spent more time on this and the resultant costs are higher.

18. SUBSIDIES

	Actual 2013	Budget 2013	Actual 2012	Budget 2014
	€	€	€	€
Publicity and communication expenses				
General PR expenses	2,117	0	6,801	3,000
	2,117	0	6,801	3,000
Operational expenses				
Allocation in accordance with Model C	213,020	222,825	214,469	189,532
	215,136	222,825	221,270	192,532

19. ADMINISTRATION

	Actual 2013	Budget 2013	Actual 2012	Budget 2014
	€	€	€	€
Publicity and communication expenses				
General PR expenses (annual report, CRM database)	7,809	0	0	9,280
	7,809	0	0	9,280
Operational expenses				
Allocation in accordance with Model C	367,362	289,170	392,684	386,606
	375,171	289,170	392,684	395,886

Percentage of own fundraising

	Actual 2013	Budget 2013	Actual 2012	Budget 2014
Costs of administration as % of the total expenses	3.3%	2.2%	3.1%	3.2%

In comparison with the budget for 2013, the allocation of a number of employees to 'Administration' has ended up higher in reality. In addition, there was temporarily a double staffing level in office support. This means that the actual allocation to 'Administration' was higher than had been budgeted.

For that reason the percentage of own costs of administration is also higher than the budget, but still way inside the set range.

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, which 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 2013:

Staff category	Objectives		Raising income			Administration	Total
	Structural support	Awareness raising	Own fundraising	Campaigns of third parties	Acquisition of subsidies		
Executive director	31%	4%	12%	5%	15%	33%	100%
Program managers	82%	0%	5%	0%	13%	0%	100%
Program employees	100%	0%	0%	0%	0%	0%	100%
Quality & PM&E	22%	0%	0%	0%	54%	24%	100%
Office support	21%	8%	8%	0%	3%	59%	100%
Finance & HR	13%	3%	4%	1%	5%	75%	100%
Fundraising & communication	8%	24%	30%	12%	11%	15%	100%

Average allocation of costs in 2013:

Staff expenses	42%	5%	9%	3%	15%	25%	100%
Other operational expenses	41%	6%	9%	3%	13%	27%	100%

Average allocation of costs in 2012:

Staff expenses	36%	6%	10%	4%	16%	28%	100%
Other operational expenses	37%	7%	10%	4%	13%	29%	100%

REMUNERATION OF THE EXECUTIVE BOARD

In 2013, 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	80,712	
Holiday pay	6,457	
Total annual income		87,169
Social insurance costs (employer's share)		
Employer's share social insurance premiums		8,838
Taxable payments/additions		
Addition for private use of company car		8,225
Pension costs (employer's share)		
Pension premiums payable by employer		10,638
Other payments in the short to medium term		
Supplementary invalidity insurances		2,346
Total remuneration 2013		117,216
Total remuneration 2012		114,036

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 2013 was €2,276 (2012: €1,009).

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

Number of employees

In 2013 ICS employed 86.6 employees in full-time units (2012: 69.7 FTE) who were divided across the regions as follows:

	Actual 2013 FTE	Actual 2012 FTE
The Netherlands		
Executive director	1.0	1.0
Program managers	2.0	1.9
Program employees	2.9	2.8
Office support employees	1.4	2.1
Quality and PM&E employees	1.8	1.7
Financial and HR employees	2.5	2.1
Fundraising & Communication employees	3.0	3.1
	14.6	14.7
Africa		
Regional office	13.0	13.0
Program offices	23.0	20.0
Nafics Ltd	7.0	0.0
	43.0	33.0
Asia		
Regional office	18.0	9.0
Program offices	11.0	13.0
	29.0	22.0
Total number of employees	86.6	69.7

Amersfoort, 25 april 2014



R.D.D. Messelink
Executive director

OTHER INFORMATION

The Financial statements of ICS were audited by PricewaterhouseCoopers Accountants NV. In the annual report 2013 published in the Dutch language, the auditor's report is included.

Controleverklaring van de onafhankelijke accountant

Aan: de Raad van Toezicht en de directie van Stichting ICS

Wij hebben de in dit verslag op pagina 9 tot en met 37 opgenomen geconsolideerde jaarrekening 2013 die deel uitmaakt van de jaarrekening van Stichting ICS te Amersfoort gecontroleerd. Deze geconsolideerde jaarrekening bestaat uit de geconsolideerde balans per 31 december 2013 en de geconsolideerde staat van baten en lasten over 2013 met de toelichting, waarin zijn opgenomen een overzicht van de grondslagen voor financiële verslaggeving en andere toelichtingen.

Verantwoordelijkheid van de directie

De directie van de stichting is verantwoordelijk voor het opmaken van de geconsolideerde jaarrekening die het vermogen en het resultaat getrouw dient weer te geven in overeenstemming met Richtlijn 650 voor fondsenwervende instellingen van de Nederlandse Raad voor de Jaarverslaggeving en in overeenstemming met de Beleidsregels toepassing Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT). De directie is tevens verantwoordelijk voor een zodanige interne beheersing als de directie noodzakelijk acht om het opmaken van de geconsolideerde jaarrekening mogelijk te maken zonder afwijkingen van materieel belang als gevolg van fraude of fouten.

Verantwoordelijkheid van de accountant

Onze verantwoordelijkheid is het geven van een oordeel over de geconsolideerde jaarrekening op basis van onze controle. Wij hebben onze controle verricht in overeenstemming met Nederlands recht, waaronder de Nederlandse controlestandaarden en de Beleidsregels toepassing WNT, inclusief het Controleprotocol WNT. Dit vereist dat wij voldoen aan de voor ons geldende ethische voorschriften en dat wij onze controle zodanig plannen en uitvoeren dat een redelijke mate van zekerheid wordt verkregen dat de geconsolideerde jaarrekening geen afwijkingen van materieel belang bevat.

Een controle omvat het uitvoeren van werkzaamheden ter verkrijging van controle-informatie over de bedragen en de toelichtingen in de geconsolideerde jaarrekening. De geselecteerde werkzaamheden zijn afhankelijk van de door de accountant toegepaste oordeelsvorming, met inbegrip van het inschatten van de risico's dat de geconsolideerde jaarrekening een afwijking van materieel belang bevat als gevolg van fraude of fouten.

Bij het maken van deze risico-inschattingen neemt de accountant de interne beheersing in aanmerking die relevant is voor het opmaken van de geconsolideerde jaarrekening en voor het getrouwe beeld daarvan, alsmede voor de naleving van de WNT-eisen van financiële rechtmatigheid, gericht op het opzetten van controlewerkzaamheden die passend zijn in de omstandigheden. Deze risico-inschattingen hebben echter niet tot doel een oordeel tot uitdrukking te brengen over de effectiviteit van de interne beheersing van de stichting. Een controle omvat tevens het evalueren van de geschiktheid van de gebruikte grondslagen voor financiële verslaggeving en van de redelijkheid van de door de directie van de stichting gemaakte schattingen, alsmede een evaluatie van het algehele beeld van de geconsolideerde jaarrekening.

Wij zijn van mening dat de door ons verkregen controle-informatie voldoende en geschikt is om een onderbouwing voor ons oordeel te bieden.

Oordeel betreffende de geconsolideerde jaarrekening

Naar ons oordeel geeft de geconsolideerde jaarrekening een getrouw beeld van de grootte en de samenstelling van het vermogen van Stichting ICS per 31 december 2013 en van het resultaat over 2013 in overeenstemming met Richtlijn 650 voor fondsenwervende instellingen van de Nederlandse Raad voor de Jaarverslaggeving en de Beleidsregels toepassing WNT.

Mededeling betreffende het jaarverslag

Wij hebben het jaarverslag gelezen teneinde van materieel belang zijnde inconsistenties, indien aanwezig, met de gecontroleerde jaarrekening te onderkennen. Op basis van het doorlezen van het jaarverslag vermelden wij dat het jaarverslag, voor zover wij dat kunnen beoordelen, verenigbaar is met de informatie in de jaarrekening en dat het jaarverslag alle informatie bevat die vereist is volgens Richtlijn voor de Jaarverslaggeving 650 'Fondsenwervende instellingen'. Wij hebben geen controle- of beoordelingswerkzaamheden uitgevoerd op de informatie in het jaarverslag.

Utrecht, 25 april 2014
PricewaterhouseCoopers Accountants N.V.

Origineel getekend door drs. W.A. van Ginkel RA

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MULTI-YEAR BUDGET 2011-2015

	Budget (original)	Actual	Budget (adjusted)	Budget	Projection
	2011 - 2015	2011 - 2013	2014	2015	2011 - 2015
	€	€	€	€	€
INCOME					
Income from own fundraising	9,540,000	4,945,580	1,250,000	2,040,000	8,235,580
Income from campaigns of third parties	1,140,000	455,262	200,000	360,000	1,015,262
Subsidies	46,684,274	29,170,506	10,903,665	8,624,514	48,698,685
Interest income	250,000	279,549	60,000	50,000	389,549
Other income	0	110,958	0	0	110,958
Total income	57,614,274	34,961,855	12,413,665	11,074,514	58,450,034
EXPENDITURE					
Committed to objectives					
Structural support	53,015,909	31,432,026	11,296,192	10,038,311	52,766,529
Awareness raising	831,419	553,988	127,090	166,078	847,156
	53,847,329	31,986,014	11,423,282	10,204,390	53,613,685
Raising income					
Own fundraising	1,822,267	689,697	192,972	363,745	1,246,414
Campaigns of third parties	90,454	138,151	41,588	18,233	197,972
Subsidies	765,207	638,261	192,532	153,957	984,750
	2,677,929	1,466,109	427,091	535,936	2,429,136
Administration					
Administration	1,657,067	1,153,742	395,886	334,188	1,883,817
Total expenditure	58,182,324	34,605,865	12,246,259	11,074,514	57,926,638
RESULT	-568,050	355,990	167,406	0	523,396



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