



## FINANCIAL STATEMENTS 2017

### STICHTING ICS

Smallepad 30H  
3811 MG Amersfoort  
The Netherlands

CONTENT	PAGE
<b>Financial statements</b>	
Balance sheet as at December 31, 2017	2
Statement of income and expenditures 2017	3
Cash flow statement	4
Accounting policies	5
Notes to the balance sheet	10
Off balance sheet items	15
Notes to the statement of income and expenditures	16
<b>Other information</b>	22
<b>Annexes</b>	

**BALANCE SHEET AS AT DECEMBER 31, 2017**

After allocation of balance statement of income and expenditure

	December 31, 2017 €	December 31, 2016 €
<b>ASSETS</b>		
<b>Fixed assets</b>		
1 Tangible fixed assets	18.925	37.303
2 Financial fixed assets	0	96.882
3 Loans to group companies	379.688	782.523
<b>Current assets</b>		
4 Receivables and current assets	723.907	552.756
<b>Cash</b>		
5 Cash and cash equivalents	236.573	789.741
<b>Total assets</b>	<b>1.359.094</b>	<b>2.259.204</b>
<b>LIABILITIES</b>		
6 <b>Equity</b>		
<i>Reserves</i>	214.697	708.001
Designated funds	465.278	773.897
<i>Total funds</i>	465.278	773.897
<i>Total equity</i>	679.975	1.481.898
7 <b>Long-term liabilities</b>	188.670	214.511
8 <b>Short-term liabilities</b>	490.449	562.796
<b>Total liabilities</b>	<b>1.359.094</b>	<b>2.259.204</b>

# STATEMENT OF INCOME AND EXPENDITURES 2017

	Actual 2017	Budget 2017	Actual *) 2016	Budget 2018
	€	€	€	€
<b>INCOME</b>				
9 Income from donations	998.252	985.200	1.548.218	806.500
10 Income from subsidies	560.798	584.200	864.568	348.366
11 Income from sales	-2.072	120.000	94.734	20.000
12 Financial income	15.442	90.000	79.997	15.000
13 Other income	0	0	25.357	0
<b>Total income</b>	<b>1.572.420</b>	<b>1.779.400</b>	<b>2.612.874</b>	<b>1.189.866</b>
<b>EXPENDITURES</b>				
14 Contributions to third parties	772.292	852.400	876.953	630.276
15 Contributions to own projects	116.517	73.700	1.076.467	21.000
16 Publicity and communication expenses	82.261	134.000	113.794	52.500
17 Salaries and charges	686.342	683.673	638.527	430.348
18 Depreciation and amortization	17.303	17.400	25.687	10.000
19 Financial expenses	14.591	25.000	9.640	12.000
20 Other expenses	-9.735	223.102	368.663	156.790
<b>Total expenditures</b>	<b>1.679.572</b>	<b>2.009.275</b>	<b>3.109.730</b>	<b>1.312.914</b>
<b>Balance before result subsidiaries</b>	<b>-107.152</b>	<b>-229.875</b>	<b>-496.856</b>	<b>-123.048</b>
<b>21 Result subsidiaries</b>	<b>-305.409</b>	<b>75.761</b>	<b>-550.455</b>	<b>0</b>
<b>Balance</b>	<b>-412.561</b>	<b>-154.114</b>	<b>-1.047.311</b>	<b>-123.048</b>
<b>Allocation of balance</b>				
Reserves	-466.849	-82.114	-1.229.915	25.352
Designated funds	54.288	-72.000	182.604	-148.400
	<b>-412.561</b>	<b>-154.114</b>	<b>-1.047.311</b>	<b>-123.048</b>

\*) The 2017 budget and actual income and expenditures reflect the budget of ICS in the Netherlands. In 2016 the budget still included income and expenditures of ICS Africa which was established as a separate entity in 2017.

# CASH FLOW STATEMENT 2017

	Ref	2017 €	2016 €
<b>BALANCE OF STATEMENT OF INCOME AND EXPENDITURE</b>		-412.561	-1.047.311
<i>Adjustments</i>			
- Depreciation and amortisation	1	17.044	35.828
- Exchange difference of book value at start of financial year	1	0	-3.935
- Changes in provisions	7	0	-41.672
		17.044	-9.779
<i>Changes in working capital</i>			
- Receivables and current assets	5	-171.151	493.380
- Short-term liabilities	9	-72.347	-1.216.482
		-243.498	-723.102
<b>Operational cash flow</b>		<b>-639.015</b>	<b>-1.780.192</b>
<i>Investments in equity ICS SP</i>		-389.362	0
<i>Investments long-term liabilities</i>		-25.841	214.511
<b>Financing cash flow</b>		<b>-415.203</b>	<b>214.511</b>
<i>Investments in tangible fixed assets</i>	1	1.334	-9.288
<i>Investments in financial fixed assets</i>	2 & 3	499.716	-131.484
<b>Investment cash flow</b>		<b>501.051</b>	<b>-140.772</b>
Increase/decrease of cash in the financial year	6	-553.168	-1.706.453
Balance cash and cash equivalents January 1		789.741	2.496.194
<b>Balance cash and cash equivalents December 31</b>		<b>236.573</b>	<b>789.741</b>

## ACCOUNTING POLICIES

### GENERAL

The financial statements for 2017 were drawn up in accordance with the accounting principles for small-sized Non-Profit Organizations in the Netherlands (RjkC1). Stichting ICS also applied the general accounting principles for Non-Profit Organizations in the Netherlands.

The financial statements 2017 only includes the financial data of Stichting ICS in Amersfoort. In the financial statements 2016 the financial data from its offices in Nairobi, Kenya (Africa) and Siem Reap, Cambodia (Asia) were consolidated in ICS' separate financial statements.

By the end of 2016 the operations of ICS in Asia were completely closed and its operations in Africa were transferred to ICS-SP in Nairobi, Kenya which is a legal entity on its own. As a result the financial statements of ICS no longer includes any of the expenses made by its local organizations and offices.

### Consolidation

In its 2016 consolidated financial statements ICS included the financial data of Stichting ICS together with its subsidiaries over which it can exercise predominant control or of which it has central management. Subsidiaries are legal entities over which Stichting ICS can exercise predominant control directly or indirectly because it has the majority of voting rights or can control the financial and operational activities in any other way. Potential voting rights which can be exercised directly on the balance sheet date are also taken into consideration.

As a result of change in principle (to be explained below) ICS no longer draws up consolidated financial statements as RjkC1 no longer requires ICS to provide consolidated statements.

Stichting ICS is the mother company of ICS-group. It contains the following subsidiaries:

- **ICS B.V.**, in which Stichting ICS has a 100% share, with its registered office in Amersfoort, the Netherlands. This participation invests in and manages a number of companies in Kenya, Tanzania and Cambodia. Stichting ICS conducts the management of this company.
- **Nafics Ltd.**, in which ICS B.V. has a 90% share, with its registered office in Nairobi, Kenya. This participation purchases and sells maize in Kenya and Tanzania.
- **Hydrics Cambodia Ltd.**, in which ICS B.V. has a 100% share, with its registered office in Siem Reap, Cambodia. This participation was established for ICS' water activities in Cambodia, but is currently dormant.
- **Alizetics Ltd.**, in which ICS B.V. has a 70% share, with its registered office in Shinyanga, Tanzania. This participation purchases sunflower seeds from farmers in northern Tanzania and sells them to the processing industry.
- **Agrics Company Ltd.**, in which ICS B.V. has a 100% share, with its registered office in Kakamega, Kenya. Agrics Ltd. (operational as of January 1, 2015). This company trades inputs to smallholder farmers in Kenya.
- **Agrics Social Business Ltd.**, in which ICS B.V. has a 100% share, with its registered office in Shinyanga, Tanzania (operational as of 1 January 2015). This company trades inputs to smallholder farmers in Tanzania.

### **Change in accounting policies**

The accounting principles adhered to have changed with respect to the preceding year. As of the financial year 2017 ICS complies with the accounting principles for small-sized foundations in the Netherlands (RjkC01). Until 2016 ICS complied to the accounting principles for Fundraising Organizations in the Netherlands.

Reason for this change is the increased relevant importance of the social enterprises within the ICS group. As a result the major part of ICS group's income is generated from commercial turnover.

Accounting principles for Non-Profit organizations are more relevant to its financial statements compared to the accounting principles for Fundraising Organizations in the Netherlands. Based on legal criteria ICS is qualified to comply with the accounting principles for small-sized foundations (RjkC01) instead of accounting principles for foundations in general (RJ640).

In comparison with Stichting ICS' separate financial statements of 2016 this change has a number of implications in the presentation of certain income and expenditure categories.

First of all, financial income is represented as 'Income' under the new accounting principles; financial expenses is represented as 'Expenditures'. In the 2016 statements the balance of financial income and expenses was represented separately and for that reason not included under income nor expenditures.

As a result 'Income' of 2016 is € 2.612.874 in the 2017 financial statements instead of € 2.532.876 in the separate financial statements of 2016.

'Expenditures' of 2016 are € 3.109.730 in the 2017 financial statements instead of € 3.100.090 in the separate financial statements of 2016.

Besides the expenditure categories in the financial statements of 2017 are different from those in the 2016 statements. As Stichting ICS applied accounting principles for fundraising organisations in 2016 it was supposed to categorize its expenditures according to its allocation to ICS' objectives, raising income and administration. The new accounting principles require ICS to categorize its expenditures according to cost types.

This does not impact the total expenditures, but only refers to the presentation of the expenditures.

### **Estimates**

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

### **Budget**

The budget 2018 presented in the 2017 financial statement has not been subject to the financial audit.

ICS transferred its operations in Africa to ICS-SP in 2017. As a result the actual income and expenditures of 2017 do not include the expenses of ICS' operations in Africa. The budget 2017 in the annual accounts refers to the income and expenditures excluding the expenses of ICS in Africa.

In the annual accounts 2016 the separate budget 2017 of ICS still included the income and expenditures of ICS in Africa.

### **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**

### **General**

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

## Foreign currency

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

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

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

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

## Tangible fixed assets

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

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

The calculation is based on the percentages below:

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

## Financial fixed assets

### *Subsidiaries*

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

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

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

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

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

### *Receivables*

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

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

**Impairments of fixed assets**

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

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

**Receivables and current assets**

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

**Cash and cash equivalents**

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

**Long-term liabilities**

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

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

**Short-term liabilities**

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

This is usually the nominal value.

**Notes to the cash flow statement**

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

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

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

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

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



## **Income**

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

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

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

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

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

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

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

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

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

### ***Financial income***

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

### ***Other income***

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

## **Expenditures**

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

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

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

## **Pensions**

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

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

For the pension schemes in Kenya and Tanzania, obligations which arise from foreign pension schemes are processed and valued in accordance with the valuation of the Dutch pension schemes.

## NOTES TO THE BALANCE SHEET

### ASSETS

The assets are entirely used for the operations of ICS.

#### 1 Tangible fixed assets

	2017 €	2016 €
Book value as at January 1	37.303	63.335
Plus:		
Exchange difference of book value at start of financial year	0	508
Investments	5.848	18.288
	43.151	82.131
Less:		
Disinvestments	0	9.000
Transfer to ICS-SP	7.182	0
Depreciation	17.044	35.828
<b>Book value as at December 31</b>	<b>18.925</b>	<b>37.303</b>
Accumulated acquisition value	122.532	175.349
Accumulated depreciation	103.606	138.045
<b>Book value as at December 31</b>	<b>18.925</b>	<b>37.303</b>

#### 2 Financial fixed assets

	December 31, 2017 €	December 31, 2016 €
Subsidiary ICS B.V.	0	0
Receivable grant	0	96.882
	<b>0</b>	<b>96.882</b>

<i>Subsidiary ICS B.V.</i>	December 31, 2017 €	December 31, 2016 €
Book value as at January 1	-1.233.917	-654.704
Minus: deficit subsidiary in financial year	305.409	550.455
Minus: exchange rate adjustment equity subsidiary	0	28.758
	-1.539.326	-1.233.917
Plus: accumulated deficit covered by control account ICS B.V.	1.539.326	1.233.917
<b>Book value as at December 31</b>	<b>0</b>	<b>0</b>

#### 3 Loans to group companies

	December 31, 2017 €	December 31, 2016 €
ICS B.V. - control account	191.019	568.012
Agrics Company Ltd (Kenya) - loan	188.670	214.511
	<b>379.688</b>	<b>782.523</b>

**ICS B.V. - control account**

Stichting ICS has a control account arrangement with ICS B.V. to enable ICS B.V. to invest in its subsidiaries. Interest percentage is 1.95%; ICS B.V. did not provide any securities, nor did Stichting ICS and ICS B.V. agree on a repayment schedule.

Stichting ICS values the control account at the nominal value with deduction of a provision at maximum the negative book value of the equity of ICS B.V.

	2017 €	2016 €
Book value as at January 1	1.801.929	1.402.625
Plus: additional investments during financial year (net)	-71.584	399.303
	1.730.345	1.801.928
Less: provision due to negative equity subsidiary	1.539.326	1.233.917
<b>Book value as at December 31</b>	<b>191.019</b>	<b>568.012</b>

**Agrics Company Ltd (Kenya) - loan**

Stichting ICS has received a loan from an investor which is committed to Agrics Company Ltd through an on-lending agreement. Interest is 7.5% per year; the first interest payment is paid in May 2017. First repayment is supposed to be paid in May 2018. Agrics will repay in 10 terms of USD 20,545 and a final term of USD 20,550.

	2017 €	2016 €
Book value as at January 1	214.511	0
Plus: loan disbursed during financial year (USD 226.000)	0	214.511
	214.511	214.511
Less: revaluation foreign currency	25.841	0
<b>Book value as at December 31</b>	<b>188.670</b>	<b>214.511</b>

**4 Receivables and current assets**

	December 31, 2017 €	December 31, 2016 €
To be received from subsidies and grants	324.062	446.885
To be received from legacies and inheritances	34.649	10.533
Short term loan to group company	119.749	0
Pension premiums paid in advance	3.659	3.975
Advances and loans to personnel	149	3.482
Deposits	1.707	831
Interest to be received	0	349
Tax to be received	214.197	4.082
Other advance payments	15.347	52.938
Miscellaneous	10.389	29.682
	<b>723.907</b>	<b>552.756</b>

ICS provided a short term loan to one of ICS BV's subsidiary to enable them to pay its suppliers in the 2nd half of 2017. This will be repaid in the first half of 2018.

In 2017 the court partly confirmed ICS' VAT claim from previous years. The amounts related to the courts approval are included under receivables. Both ICS and the tax authorities went in appeal, which means a higher court will need to decide and receipt of the tax claim may still take more than one year.

## 5 Cash and cash equivalents

	December 31, 2017	December 31, 2016
	€	€
Petty cash	269	1.437
Bank accounts	224.136	662.844
Savings accounts	434	113.747
Fixed deposits	11.734	11.712
	<b>236.573</b>	<b>789.741</b>

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

## LIABILITIES

### 6 Reserves and funds

#### Reserves

The reserves proceeded as follows:

	2017 €	2016 €
Balance as at January 1	708.001	1.950.886
Plus:		
Exchange rate result designated funds financial year	5.626	0
Less:		
Result financial year	466.849	1.229.915
Exchange rate result designated funds financial year	0	9.542
Transfer equity to ICS-SP	32.081	0
Other deductions	0	3.428
	498.930	1.242.885
<b>Balance as at December 31</b>	<b>214.697</b>	<b>708.001</b>

#### Funds

#### Designated funds

	December 31, 2017 €	December 31, 2016 €
Designated fund 'Structural support'	465.278	773.897

The designated fund proceeded as follows:

	2017 €	2016 €
Balance as at January 1	773.897	581.751
Minus:		
Designated funds previous year(s) ICS-SP	357.281	0
Designated funds previous year(s) spent in financial year	297.926	581.751
Exchange rate results	5.626	0
	113.064	0
Plus:		
Exchange rate results	0	9.542
Designated income to be spent to projects in next financial year	352.214	764.355
<b>Balance as at December 31</b>	<b>465.278</b>	<b>773.897</b>

## 7 Long term liabilities

	2017 €	2017 €
Balance as at January 1	214.511	0
Plus: received loan	0	214.511
	214.511	214.511
Less: revaluation foreign currency	25.841	0
<b>Balance as at December 31</b>	<b>188.670</b>	<b>214.511</b>

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

**Disbursement date:** May 27, 2016

**Securities:** All shares held by Stichting ICS in ICS B.V.; all claims of Stichting ICS on ICS B.V. and all claims of ICS B.V. on Agrics Kenya. The value of these securities should be at least 110% of the outstanding loan balance.

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

**Repayment schedule:** 7 years, first repayment after 2 years. 11 terms of equal amounts. 10 terms of USD 20,545 + final term of USD 20,550.

## 8 Short-term liabilities

	December 31, 2017 €	December 31, 2016 €
Contributions to partner organisations	348.523	290.647
Payable to ICS-group entities	29.358	0
Trade creditors	29.069	70.438
Payroll tax	19.929	15.047
Reservation for severance payments	0	4.283
Provision for holiday allowances	22.840	22.935
Provision for leave days	5.082	19.389
Audit fees	16.000	76.070
Project expenditures	750	1.582
Staff expenditures	7.846	0
Consultancies	677	6.323
Miscellaneous	10.375	56.081
	<b>490.449</b>	<b>562.796</b>

## OFF BALANCE SHEET ITEMS

### Important financial rights

#### Value added tax

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

The total amount of these claims is € 750.258.

In 2017 the court has confirmed ICS' claims partly. As a result ICS presents an amount of € 218.864 as a receivable in its balance sheet.

Both ICS as the tax office went in appeal to this court ruling.

#### Subsidies from governments

The following subsidies from governments are committed to ICS with a duration beyond 2017:

	Duration	Commitment after December 31, 2017	
Name subsidy			€
Geodata for Agriculture and Water Facility (G4AW)	August 31, 2018		322.991
			<b>322.991</b>

### Important financial obligations

#### Tax unity

Since January 2016 ICS B.V. and Stichting ICS have formed a tax unity for value-added tax (VAT) in the Netherlands. As a result ICS B.V. and Stichting ICS are individually liable for obligations which are due to this tax unity.

#### Partner commitments

The Geodatics alliance, led by ICS, includes three partners who receive subsidy from the G4AW subsidy. The amounts committed to these partners beyond 2017 are:

	Duration	Commitment after December 31, 2017	
Local partner			€
Wageningen University (WUR)	August 31, 2018		50.756
Biomass Research	August 31, 2018		1.666
Manobi	August 31, 2018		5.612
			<b>58.033</b>

#### Rental obligations

The rental agreement for the office of ICS in Amersfoort expires on December 31, 2020. The annual rent, including service charges, amounts to € 25,049 (price level 2017).

#### Bank guarantee

A bank guarantee was provided in 2014 for the new office in Amersfoort. This bank guarantee amounts to € 11.734.

## NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

### INCOME

#### 9 Income from donations

	Actual	Budget	Actual	Budget
	2017	2017	2016	2018
	€	€	€	€
<b>Donations</b>				
Direct mail	67.882	63.000	68.301	61.000
Hellpparents / Child ambassadors	352.234	354.000	386.569	337.000
School child fund	62.078	65.000	66.664	57.000
Legacies and inheritances	91.771	50.000	50.310	45.000
Equity funds	150.932	171.200	885.953	210.000
Actions third parties	181.234	136.500	-220	0
Companies	3.263	3.000	3.674	3.000
Other donations	88.857	142.500	86.967	93.500
<b>Total income from donations</b>	<b>998.252</b>	<b>985.200</b>	<b>1.548.218</b>	<b>806.500</b>

#### 10 Income from subsidies

	Actual	Budget	Actual	Budget
	2017	2017	2016	2018
	€	€	€	€
G4AW	545.037	496.800	469.478	248.366
DREAMS IC	0	0	39.372	0
Other subsidies	15.761	87.400	355.718	100.000
<b>Total income from government subsidies</b>	<b>560.798</b>	<b>584.200</b>	<b>864.568</b>	<b>348.366</b>



### 11 Income from sales

	Actual 2017	Budget 2017	Actual 2016	Budget 2018
	€	€	€	€
Managementfee subsidiaries	-2.072	100.000	70.650	20.000
Consultancies	0	20.000	24.084	0
<b>Total income from sales</b>	<b>-2.072</b>	<b>120.000</b>	<b>94.734</b>	<b>20.000</b>

### 12 Financial income

	Actual 2017	Budget 2017	Actual 2016	Budget 2018
	€	€	€	€
Exchange rate result (net)	-18.798	0	35.565	0
Income loans group companies	34.224	75.000	39.263	15.000
Other income interest	16	15.000	5.170	0
<b>Total financial income</b>	<b>15.442</b>	<b>90.000</b>	<b>79.997</b>	<b>15.000</b>

### 13 Other income

	Actual 2017	Budget 2017	Actual 2016	Budget 2018
	€	€	€	€
Other income	0	0	25.357	0
<b>Total other income</b>	<b>0</b>	<b>0</b>	<b>25.357</b>	<b>0</b>

## EXPENDITURES

### 14 Contributions to third parties

	Actual 2017	Budget 2017	Actual 2016	Budget 2018
	€	€	€	€
International partners MFS II-alliance		0	-3.545	0
<i>Partnerships Agribusiness</i>				
Agrics Kenya	247.572	431.000	242.424	284.242
Agrics Tanzania	32.453	167.100	61.762	54.000
Alizetics	4.600	0	29.934	0
Other partners G4AW alliance	214.363	214.300	336.253	138.034
	498.988	812.400	670.373	476.276
<i>Partnerships Skilful parenting</i>				
ICS SP	253.598	0	0	154.000
Local partners ICS in Kenia	0	0	0	0
Local partners ICS in Tanzania	-87	0	33.223	0
Local partners ICS in Cambodia	0	0	25.932	0
	253.510	0	59.155	154.000
<i>Partnerships Water</i>				
Agrics Kenya	19.794	40.000	107.176	0
Agrics Tanzania	0	0	4.573	0
	19.794	40.000	111.749	0
<i>Partnerships Youth employment</i>				
Agrics Kenya	0	0	21.553	0
Local partners ICS in Cambodia	0	0	17.669	0
	0	0	39.222	0
<b>Total contributions to third parties</b>	<b>772.292</b>	<b>852.400</b>	<b>876.953</b>	<b>630.276</b>

## 15 Contributions to own projects

	Actual	Budget	Actual	Budget
	2017	2017	2016	2018
	€	€	€	€
<i>Agribusiness</i>				
Project expenditures in Kenya	51.871	0	27.520	5.000
Project expenditures in Tanzania	30.498	0	0	5.000
Project expenditures in Europe	7.583	55.700	59.267	5.000
	89.952	55.700	86.787	15.000
<i>Skilful parenting</i>				
Project expenditures in Kenya	0	0	312.863	0
Project expenditures in Tanzania	0	0	262.338	0
Project expenditures in Ivory Coast	0	0	10.278	0
Project expenditures in Cambodia	0	0	4.456	0
Project expenditures in the Netherlands	0	0	0	0
	0	0	589.935	0
<i>Water</i>				
Project expenditures in Kenya	7.906	0	16.771	0
Project expenditures in Tanzania	1.330	0	371.563	0
Project expenditures in Cambodia	0	0	0	0
	9.236	0	388.334	0
<i>Youth employment</i>				
Project expenditures in Kenya	2.500	0	0	0
Project expenditures in Cambodia	0	0	-7.158	0
	2.500	0	-7.158	0
<i>Other contributions to own projects</i>				
Linking & learning / evaluations	0	0	638	0
Missions and field visits	14.830	18.000	17.932	6.000
	14.830	18.000	18.569	6.000
<b>Total contributions own projects</b>	<b>116.517</b>	<b>73.700</b>	<b>1.076.467</b>	<b>21.000</b>

## 16 Publicity and communication expenses

	Actual	Budget	Actual	Budget
	2017	2017	2016	2018
	€	€	€	€
Direct mail and newsletter, printing and postage expenses	28.810	40.000	29.861	25.000
Advertisements	15.608	2.000	3.369	2.000
Marketing campaigns	19.269	75.000	60.103	20.000
Website	4.667	4.000	5.144	2.000
Brochures	2.148	0	2.398	0
CRM database	1.189	3.000	489	0
Consultancies	2.178	5.000	2.131	0
Miscellaneous	8.392	5.000	10.300	3.500
<b>Total publicity and communication expenses</b>	<b>82.261</b>	<b>134.000</b>	<b>113.794</b>	<b>52.500</b>

## 17 Salaries and charges

	Actual 2017	Budget 2017	Actual 2016	Budget 2018
	€	€	€	€
Salaries	527.779	533.617	486.984	332.787
Social and pension premiums	158.564	150.056	151.543	97.561
<b>Total salaries and charges</b>	<b>686.342</b>	<b>683.673</b>	<b>638.527</b>	<b>430.348</b>

## 18 Depreciation and amortization

	Actual 2017	Budget 2017	Actual 2016	Budget 2018
	€	€	€	€
Depreciation furniture and ICT	17.303	17.400	25.687	10.000
<b>Total depreciation and amortization</b>	<b>17.303</b>	<b>17.400</b>	<b>25.687</b>	<b>10.000</b>

## 19 Financial expenses

	Actual 2017	Budget 2017	Actual 2016	Budget 2018
	€	€	€	€
Interest loans	14.591	25.000	9.640	12.000
<b>Total financial expenses</b>	<b>14.591</b>	<b>25.000</b>	<b>9.640</b>	<b>12.000</b>

## 20 Other expenses

	Actual 2017	Budget 2017	Actual 2016	Budget 2018
	€	€	€	€
Other staff expenses	4.925	8.480	26.043	4.480
Travel and lodging expenses	54.186	61.650	61.878	31.050
Office expenses	72.967	62.082	80.753	64.460
Board expenses	4.989	3.040	11.672	5.500
Consultancies	66.351	82.300	186.639	45.300
VAT-claim (return)	-218.864	0	0	0
Other expenses	5.711	5.550	1.678	6.000
<b>Total other expenses</b>	<b>-9.735</b>	<b>223.102</b>	<b>368.663</b>	<b>156.790</b>

## 21 Result subsidiaries

	Actual 2017	Budget 2017	Actual 2016	Budget 2018
	0	0	0	0
Result ICS B.V.	-305.409	75.761	-550.455	0
<b>Total result subsidiaries</b>	<b>-305.409</b>	<b>75.761</b>	<b>-550.455</b>	<b>0</b>

## Remuneration of the Executive Board

In 2017 the Executive Board consisted of the executive director, Mr Ronald Messelink.

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

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

<b>R.D.D. Messelink Executive director</b>	
<b>Employment contract</b>	
Term	indefinite
Hours	36
Parttime percentage	100%
Period	January 1 - December 31
	€
<b>Remuneration</b>	
Annual income	
Gross salary	100.661
Holiday allowance	8.053
<b>Total annual income</b>	<b>108.714</b>
Social insurance premiums	9.945
Pension premiums	15.207
Other premiums for future benefits	924
<b>Total remuneration 2017</b>	<b>134.790</b>
<b>Total remuneration 2016</b>	<b>130.650</b>

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

## Remuneration Supervisory Board

The members of the Supervisory Board do not receive remuneration, except a reimbursement of expenses actually incurred in the context of their functioning as supervisor. The total amount of paid expenses in 2017 was € 2,118 (2016: € 1,243).

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

## Number of employees

In 2017 ICS employed 10,3 employees in full-time units (2016: 29,4 FTE) who were divided across the regions as follows:

	<b>Actual 2017 ftes</b>	<b>Actual 2016 ftes</b>
<b>The Netherlands</b>		
Executive director	1,0	1,0
Portfolio management	3,4	3,5
Finance & control	3,1	3,1
Fundraising & communication	2,7	2,8
	<b>10,3</b>	<b>10,4</b>
<b>Africa</b>		
ICS SP (Kenya and Tanzania)	0,0	19,0
<b>Total number of employees</b>	<b>10,3</b>	<b>29,4</b>

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

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

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

## **OTHER INFORMATION**

### **Auditor's report**



**SCHUITEMAN**  
REGISTERACCOUNTANTS

## Controleverklaring van de onafhankelijke accountant

Aan: de Raad van Toezicht en het bestuur van Stichting ICS

### A. Verklaring over de in het jaarverslag opgenomen jaarrekening 2017

#### Ons oordeel

Wij hebben de in dit rapport opgenomen jaarrekening 2017 van Stichting ICS te Amersfoort gecontroleerd.

Naar ons oordeel geeft de in dit jaarverslag opgenomen jaarrekening een getrouw beeld van de grootte en de samenstelling van het vermogen van Stichting ICS per 31 december 2017 en van het resultaat over 2017 in overeenstemming met de in Nederland geldende RJ-Richtlijn RJk C1 kleine Organisaties zonder winststreven.

De jaarrekening bestaat uit:

1. de balans per 31 december 2017;
2. de staat van baten en lasten over 2017; en
3. de toelichting met een overzicht van de gehanteerde grondslagen voor financiële verslaggeving en andere toelichtingen.

#### De basis voor ons oordeel

Wij hebben onze controle uitgevoerd volgens het Nederlands recht, waaronder ook de Nederlandse controlestandaarden vallen. Onze verantwoordelijkheden op grond hiervan zijn beschreven in de sectie 'Onze verantwoordelijkheden voor de controle van de jaarrekening'.

Wij zijn onafhankelijk van Stichting ICS zoals vereist in de Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) en andere voor de opdracht relevante onafhankelijkheidsregels in Nederland. Verder hebben wij voldaan aan de Verordening gedrags- en beroepsregels accountants (VGBA).

Wij vinden dat de door ons verkregen controle-informatie voldoende en geschikt is als basis voor ons oordeel.

### B. Verklaring over de in het jaarverslag opgenomen andere informatie

Naast de jaarrekening en onze controleverklaring daarbij, omvat het jaarverslag andere informatie, die bestaat uit:

- de overige gegevens;

Op grond van onderstaande werkzaamheden zijn wij van mening dat de andere informatie:

- met de jaarrekening verenigbaar is en geen materiële afwijkingen bevat;
- alle informatie bevat die op grond van de in Nederland geldende RJ-Richtlijn RJk C1 kleine Organisaties zonder winststreven vereist is.

Wij hebben de andere informatie gelezen en hebben op basis van onze kennis en ons begrip, verkregen vanuit de jaarrekeningcontrole of anderszins, overwogen of de andere informatie materiële afwijkingen bevat.



Met onze werkzaamheden hebben wij voldaan aan de vereisten in de in Nederland geldende RJ-Richtlijn RJk C1 kleine Organisaties zonder winststreven en de Nederlandse Standaard 720.

Deze werkzaamheden hebben niet dezelfde diepgang als onze controlewerkzaamheden bij de jaarrekening.

Het bestuur is verantwoordelijk voor het opstellen van de andere informatie, waaronder de overige gegevens in overeenstemming met de in Nederland geldende RJ-Richtlijn RJk C1 kleine Organisaties zonder winststreven.

### **C. Beschrijving van verantwoordelijkheden met betrekking tot de jaarrekening**

#### **Verantwoordelijkheden van de Raad van Toezicht en het bestuur voor de jaarrekening**

Het bestuur is verantwoordelijk voor het opmaken en getrouw weergeven van de jaarrekening in overeenstemming met de in Nederland geldende RJ-Richtlijn RJk C1 kleine Organisaties zonder winststreven. In dit kader is het bestuur verantwoordelijk voor een zodanige interne beheersing die het bestuur noodzakelijk acht om het opmaken van de jaarrekening mogelijk te maken zonder afwijkingen van materieel belang als gevolg van fouten of fraude.

Bij het opmaken van de jaarrekening moet het bestuur afwegen of de stichting in staat is om haar werkzaamheden in continuïteit voort te zetten. Op grond van genoemd verslaggevingsstelsel moet het bestuur de jaarrekening opmaken op basis van de continuïteitsveronderstelling, tenzij het bestuur het voornemen heeft om de stichting te liquideren of de activiteiten te beëindigen of als beëindiging het enige realistische alternatief is.

Het bestuur moet gebeurtenissen en omstandigheden waardoor gerede twijfel zou kunnen bestaan of de stichting haar activiteiten in continuïteit kan voortzetten, toelichten in de jaarrekening.

De Raad van Toezicht is verantwoordelijk voor het uitoefenen van toezicht op het proces van financiële verslaggeving van de stichting.

#### **Onze verantwoordelijkheden voor de controle van de jaarrekening**

Onze verantwoordelijkheid is het zodanig plannen en uitvoeren van een controleopdracht dat wij daarmee voldoende en geschikte controle-informatie verkrijgen voor het door ons af te geven oordeel.

Onze controle is uitgevoerd met een hoge mate maar geen absolute mate van zekerheid waardoor het mogelijk is dat wij tijdens onze controle niet alle materiële fouten en fraude ontdekken.

Afwijkingen kunnen ontstaan als gevolg van fraude of fouten en zijn materieel indien redelijkerwijs kan worden verwacht dat deze, afzonderlijk of gezamenlijk, van invloed kunnen zijn op de economische beslissingen die gebruikers op basis van deze jaarrekening nemen. De materialiteit beïnvloedt de aard, timing en omvang van onze controlewerkzaamheden en de evaluatie van het effect van onderkende afwijkingen op ons oordeel.

Wij hebben deze accountantscontrole professioneel kritisch uitgevoerd en hebben waar relevant professionele oordeelsvorming toegepast in overeenstemming met de Nederlandse controlestandaarden, ethische voorschriften en de onafhankelijkheidseisen. Onze controle bestond onder andere uit:

- het identificeren en inschatten van de risico's dat de jaarrekening afwijkingen van materieel belang bevat als gevolg van fouten of fraude, het in reactie op deze risico's bepalen en uitvoeren van controlewerkzaamheden en het verkrijgen van controle-informatie die voldoende en geschikt is als basis voor ons oordeel. Bij fraude is het risico dat een afwijking van materieel belang niet ontdekt wordt groter dan bij fouten.





Bij fraude kan sprake zijn van samenspanning, valsheid in geschrifte, het opzettelijk nalaten transacties vast te leggen, het opzettelijk verkeerd voorstellen van zaken of het doorbreken van de interne beheersing;

- het verkrijgen van inzicht in de interne beheersing die relevant is voor de controle met als doel controlewerkzaamheden te selecteren die passend zijn in de omstandigheden. Deze werkzaamheden hebben niet als doel om een oordeel uit te spreken over de effectiviteit van de interne beheersing van de stichting;
- het evalueren van de geschiktheid van de gebruikte grondslagen voor financiële verslaggeving en het evalueren van de redelijkheid van schattingen door het bestuur en de toelichtingen die daarover in de jaarrekening staan;
- het vaststellen dat de door het bestuur gehanteerde continuïteitsveronderstelling aanvaardbaar is. Tevens het op basis van de verkregen controle-informatie vaststellen of er gebeurtenissen en omstandigheden zijn waardoor gerede twijfel zou kunnen bestaan of de stichting haar activiteiten in continuïteit kan voortzetten. Als wij concluderen dat er een onzekerheid van materieel belang bestaat, zijn wij verplicht om aandacht in onze controleverklaring te vestigen op de relevante gerelateerde toelichtingen in de jaarrekening. Als de toelichtingen inadequaat zijn, moeten wij onze verklaring aanpassen. Onze conclusies zijn gebaseerd op de controle-informatie die verkregen is tot de datum van onze controleverklaring. Toekomstige gebeurtenissen of omstandigheden kunnen er echter toe leiden dat een stichting haar continuïteit niet langer kan handhaven;
- het evalueren van de presentatie, structuur en inhoud van de jaarrekening en de daarin opgenomen toelichtingen; en
- het evalueren of de jaarrekening een getrouw beeld geeft van de onderliggende transacties en gebeurtenissen.

Wij communiceren met de Raad van Toezicht en het bestuur onder andere over de geplande reikwijdte en timing van de controle en over de significante bevindingen die uit onze controle naar voren zijn gekomen, waaronder eventuele significante tekortkomingen in de interne beheersing.

Ede, 20 november 2018  
Schuiteman & Partners Registeraccountants B.V.

Was getekend  
G. de Fluiter RA



**ANNEX 1 - STATEMENT OF INCOME AND EXPENDITURES 2017 ACCORDING TO RJ650**

	Actual 2017	Budget 2017	Actual 2016	Budget 2018
	€	€	€	€
<b>INCOME</b>				
Income from private donors	662.822	674.500	635.103	593.500
Income from companies	3.263	3.000	3.674	3.000
Income from government subsidies	560.798	584.200	864.568	348.366
Income from other charities and NGOs	332.167	307.700	909.441	210.000
<b>Total raised income</b>	<b>1.559.050</b>	<b>1.569.400</b>	<b>2.412.786</b>	<b>1.154.866</b>
Gross margin sales	-2.072	20.000	24.084	20.000
Other income	0	100.000	96.007	0
<b>Total income</b>	<b>1.556.978</b>	<b>1.689.400</b>	<b>2.532.876</b>	<b>1.174.866</b>
<b>EXPENDITURES</b>				
<i><b>Committed to objectives</b></i>				
Structural support	1.203.681	1.282.890	2.408.662	879.494
Awareness raising	81.463	112.380	112.431	58.667
	<b>1.285.143</b>	<b>1.395.270</b>	<b>2.521.092</b>	<b>938.161</b>
Raising income	199.452	320.798	322.978	183.166
Administration	180.386	268.206	256.020	179.587
<b>Total expenditures</b>	<b>1.664.981</b>	<b>1.984.275</b>	<b>3.100.090</b>	<b>1.300.914</b>
<b>Balance before financial income</b>	-108.003	-294.875	-567.214	-126.048
Balance financial income and expenses	851	65.000	70.358	3.000
<b>Balance before result subsidiaries</b>	<b>-107.152</b>	<b>-229.875</b>	<b>-496.856</b>	<b>-123.048</b>
<b>Result subsidiaries</b>	-305.409	75.761	-550.455	0
<b>Balance</b>	<b>-412.561</b>	<b>-154.114</b>	<b>-1.047.311</b>	<b>-123.048</b>

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

	Committed to objectives			Raising income	Admini- stration	Total actual 2017	Total budget 2017	Total actual 2016	Total budget 2018
	Structural support	Awareness raising	subtotal						
	€	€	€	€	€	€	€	€	€
Contributions to third parties	772.292	0	<b>772.292</b>	0	0	<b>772.292</b>	852.400	876.953	630.276
Contributions to own projects	116.517	0	<b>116.517</b>	0	0	<b>116.517</b>	73.700	1.076.467	21.000
Publicity and communication expenses	0	28.403	<b>28.403</b>	51.492	2.366	<b>82.261</b>	134.000	113.794	52.500
	888.809	28.403	<b>917.213</b>	51.492	2.366	<b>971.071</b>	1.060.100	2.067.213	703.776
Operational expenditures									
Salaries	239.523	40.326	<b>279.849</b>	112.557	135.373	<b>527.778</b>	533.617	486.984	332.787
Social and pension premiums	71.961	12.115	<b>84.077</b>	33.816	40.671	<b>158.564</b>	150.056	151.543	97.561
Other staff expenses	2.235	376	<b>2.611</b>	1.050	1.263	<b>4.925</b>	8.480	26.043	4.480
Travel and lodging expenses	23.609	4.956	<b>28.565</b>	10.988	14.634	<b>54.186</b>	61.650	61.878	31.050
Office expenses	31.791	6.674	<b>38.465</b>	14.796	19.706	<b>72.967</b>	62.082	80.753	64.460
Depreciation	7.539	1.583	<b>9.121</b>	3.509	4.673	<b>17.303</b>	17.400	25.687	10.000
Board expenses	2.174	456	<b>2.630</b>	1.012	1.347	<b>4.989</b>	3.040	11.672	5.500
Consultancies	28.909	6.068	<b>34.977</b>	13.454	17.920	<b>66.351</b>	82.300	186.639	45.300
Other general expenses	-92.869	-19.495	<b>-112.364</b>	-43.222	-57.567	<b>-213.153</b>	5.550	1.679	6.000
	314.871	53.060	<b>367.931</b>	147.959	178.021	<b>693.911</b>	924.175	1.032.878	597.138
<b>Total expenditures</b>	<b>1.203.681</b>	<b>81.463</b>	<b>1.285.143</b>	<b>199.452</b>	<b>180.386</b>	<b>1.664.981</b>	<b>1.984.275</b>	<b>3.100.091</b>	<b>1.300.914</b>

Operational expenditures

The most significant variances between actual and budgeted expenses in 2017 can be explained as follows:

In 2017 the court confirmed ICS' VAT claims. As this referred to VAT on ICS' expenses in 2012 until 2015 this is recognized as 'negative' expenses in 2017. Hence the other general expenses represent a negative amount.

Percentage raising income	Actual 2017	Budget 2017	Actual 2016	Budget 2018
Expenditures of raising income as a percentage of total income	12,8%	20,4%	13,4%	15,9%