

REPORT ON THE ANNUAL ACCOUNTS 2014

**FOUNDATION INTERNATIONAL CHILD
DEVELOPMENT INITIATIVES IN LEIDEN**

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To the Board of the Foundation
International Child Development Initiatives
Hooglandse Kerkgracht 17 F
2312 HS Leiden

Bodegraven, 23 march 2015

Reference: 019660/JRK/SKO/ERI

Dear members of the Board,

Enclosed you find the auditor's report 2014 of Foundation International Child Development Initiatives.

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements 2014 of the Foundation International Child Development Initiatives, Leiden, which comprise the balance sheet as at 31 December 2014, the statement of income and expenses for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and in accordance with general accepted accounting policies in the Netherlands. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion with respect to the financial statements

In our opinion, the financial statements give a true and fair view of the financial position of the Foundation International Child Development Initiatives as at 31 December 2014 and of its result for the year then ended in accordance with general accepted accounting policies in the Netherlands and in accordance with Guideline RJ 650 for fundraising organizations.

If necessary, we are prepared to provide further information.

Yours sincerely,
Kreston Syncount Audit B.V.

drs. S. Koeleman RA

Board and Director's report

Introduction

We are happy to present International Child Development Initiatives' 2014 board and director's report.

General information

The name of the foundation is: STICHTING INTERNATIONAL CHILD DEVELOPMENT INITIATIVES and its seat is situated in the municipality of Leiden, where it was officially founded on the 28th of April 1994.

Objectives:

1. The objectives of the foundation are to promote the policy, practice and theory regarding intervention programmes for the benefit of children from disadvantaged backgrounds.
2. The foundation tries to achieve this goal by enlarging and making available expertise, conducting (or commissioning) research and studies, creating and reinforcing professional networks and interest groups, organizing meetings, producing, issuing and publishing (or commissioning), as well as financing (or commissioning) intervention programs.

Constitution of the board:

The board of the foundation has the following members on 31 December 2014:

- M.J.J.M. Malmberg, chairman
- A. Vervoord
- A. Wensing
- J.J.A. Wismans

Responsibilities and procedures of board and management:

ICDI's board members do their work on a voluntary basis and do not receive any remuneration for their activities. The board meets at least three times a year. ICDI's board consists of between three to seven members, Board members are appointed for a maximum period of six years. Board members retire by rotation; a board member retiring by rotation shall forthwith be eligible for reappointment. The board of ICDI acts as a supervisory board; day-to-day management of the organization is the responsibility of the Director.

Activities in 2014

2014 saw the start of several new projects.

Fighting Early Marriages

Together with Dutch organizations Kinderpostzegels and The Hunger Project, and together with our local partners in Pakistan, Nepal and Bangladesh, we have embarked on a one year project titled 'Suddenly not a child anymore'. The objective of the program is to reduce the practice of child marriage by making sure that:

1. Girls are empowered to choose when they will marry and with whom.
2. An enabling environment is created to combat child marriage.

We aim to reach these objectives by:

- Strengthening the position of girls
- Improving access to the formal school system for girls
- Improving access to sexual and reproductive health services for married and unmarried girls and women
- Improving the socioeconomic situation for girls and their families
- Changing harmful social, traditional and religious norms in collaboration with local communities
- Promoting the application of laws and policies that combat child marriage

Improving Early Childhood Education and Care for Roma children in Eastern Europe

In the past year ICDI has given technical support to the Budapest based Roma Education Fund to improve Early Childhood Education and Care services for young Roma children. We have provided training to key-REF staff, have introduced new tools to measure quality of services for young Roma children, have done a baseline study to measure impact of services for young Roma children and have given advice to REF on how to develop their early childhood programmes further. The cooperation has been very successful, and a continuation is expected for 2015.

Also several other projects continued or were rounded off in 2014.

The international Together Old and Young (TOY) project which began in 2012 and which ICDI coordinates came to a close in December. This project has been very successful in raising awareness about the benefits to both young children and older people of shared learning and creative activities. The principle of Together Old and Young is to re-instate what previous generations took for granted; that we should know, live, work and have fun together with people of all ages. During the year ninety-five people took part in TOY Training Workshops in five countries; 13 TOY Pilot Actions in five countries were supported and documented and ICDI hosted the TOY International Conference in Leiden in October. The TOY Toolkit is available to download from the TOY Project website. TOY in Action, the very attractive report of the TOY Pilot Actions is also available to download in 8 language versions. See also the TOY Stories, personal testimonies from children, older people and professionals about the difference the TOY Project has made in their lives.

We also continued our work with the Girl Power programme, our 2011-2016 collaboration with five other Dutch organizations, in which we focus on improving protection against violence for adolescent girls. ICDI and its local partners implement this programme in six countries: Ethiopia, Sierra Leone, Nicaragua, Nepal, Pakistan and Bangladesh. In 2014 we organized several training activities, to further build the capacity of partner organizations to improve their services for adolescent girls and young women. Although in general progress was good, the Ebola epidemic in Sierra Leone has seriously affected the work of our partner organization OFP in that country.

In 2014 Foundation International Child Development Initiatives spent 81% of her income on the objectives (2013: 85%).

Organizational developments

In the past year our long standing colleague Esther Miedema left us to start working at the University of Amsterdam. We welcomed two new colleagues, Remi Goossens as programme manager and Noeleen O'Hara as communications manager. Noeleen has been very active in raising our (social-) media profile in the past year, which –amongst others- has led to a large increase in our Facebook and Twitter following.

The Board of ICDI met three times during the year: in April, June and November. During these meetings the Board discussed and approved the Annual Accounts 2013, the Budget for 2015 and the newly developed communications plan. Every three months the Board is informed by the Director on expenditures versus budget, and financial updates are always on the agenda of the Board meetings.

In March our organization received the sad tidings that boardmember Joan Ferrier had passed away. She is greatly missed. During the year the Board said goodbye to long-term member Evelijne Bruning, whose knowledge of the NGO sector has proven of great value to ICDI. We thank her for all her contributions. We have welcomed Anneke Wensing as new board member.

2014 was the year of ICDI's 20 Years Anniversary. Through the years it has grown into an organization with a lot of expertise in child development and with knowledge of the countries it works in and the child and youth issues that are important there. ICDI constantly looks for opportunities with funds and governments to develop and implement projects with true impact. On the 19th of June we celebrated our anniversary with gusto, and many of our partners and friends were present at a joyful, content filled afternoon, during which we could look back on many achievements.

Financial

Financially it was another good year for the organization. The overall result is positive with a surplus of € 62.185 (about 4 % of the annual income), which will be added to the continuity reserve. This means that the total continuity reserve is almost 69% of annual organizational costs (which means we have almost reached the goal we had set ourselves five years ago in this respect).

For 2015 total estimated income and expenditures are € 1.362.000

For the board:

For the management:

M.J.J.M. Malmberg, chairperson

M. Euwema, director

Foundation International Child Development Initiatives, Leiden

BALANCE SHEET AS AT 31 DECEMBER 2014

		<u>31-12-2014</u>	<u>31-12-2013</u>
		€	€
Assets	ref.		
<u>FIXED ASSETS</u>			
Tangible fixed assets	4	6.020	905
		=====	=====
<u>CURRENT ASSETS</u>			
Debtors and accrued income	5	0	6.168
Receivables and prepayments	6	125.354	32.659
Cash and bank	7	718.663	505.583
		<u>844.017</u>	<u>544.410</u>
		=====	=====
<u>TOTAL ASSETS</u>		850.037	545.315
		=====	=====
Reserves and liabilities			
<u>RESERVES AND FUNDS</u>			
Continuity reserve	8	376.823	314.638
		=====	=====
<u>CURRENT LIABILITIES</u>			
Taxes and social security	9	11.925	9.406
Accruals	10	461.289	221.271
		<u>473.214</u>	<u>230.677</u>
		=====	=====
<u>TOTAL LIABILITIES</u>		850.037	545.315
		=====	=====

Foundation International Child Development Initiatives, Leiden

STATEMENT OF INCOME AND EXPENSES FOR THE YEAR 2014

	Ref.	<u>2014</u> €	<u>Budget 2014</u>	<u>2013</u> €
Income				
Income from direct fundraising	12	572.081	777.500	547.622
Grants from governments	13	933.034	780.000	866.193
Other income		0	0	0
Interest		0	6.000	0
Total income		<u>1.505.115</u> =====	<u>1.563.500</u> =====	<u>1.413.815</u> =====
Expenditures on objectives				
Objective Child Protection		807.908	801.675	767.216
Objective Child & Youth Participation		155.620	208.502	208.554
Objective Newly Emerging Issues		71.629	109.180	63.028
Objective E.C.E.C.		189.222	218.958	157.359
Total expenditures on objectives	14	<u>1.224.379</u> =====	<u>1.338.315</u> =====	<u>1.196.157</u> =====
Expenditures for generating income				
Cost of direct fundraising		126.194	127.138	113.184
Overhead and administration				
Overhead and administration		92.357	93.047	86.718
Total expenses		<u>1.442.930</u> =====	<u>1.558.500</u> =====	<u>1.396.059</u> =====
Surplus/Deficit		<u>62.185</u> =====	<u>5.000</u> =====	<u>17.756</u> =====

Foundation International Child Development Initiatives, Leiden

Cash flow overview

	2014	2013
	€	€
Cash flow from operational activities		
Income	1.505.115	1.413.815
Expenses	- 1.442.930	- 1.396.059
	62.185	17.756
<i>Adjustment for:</i>		
Depreciation on tangible fixed assets	1.927	6.345
<i>Changes in working capital:</i>		
Disinvestment fixed assets	0	2.500
Investment fixed asset	7.042-	0
Debtors and accrued income	6.168	6.168-
Receivables and prepayments	92.695-	2.309-
Taxes and social security	2.519	1.160-
Accruals	240.018	191.176-
	132.414	198.313-
Cash flow from operational activities	213.080	174.212-

Foundation International Child Development Initiatives, Leiden

NOTES TO FINANCIAL STATEMENTS

1 General

1.1 Activities

The Foundation International Child Development Initiatives was founded in Leiden on 28th April 1994. ICDI is a Dutch non-profit organization with a world wide brief, and a focus on developing countries. ICDI promotes the well-being of children growing up in difficult circumstances. We work to improve the policies and practices which affect these children by assisting in the development of local capacity (of children, their communities, organizations, and authorities). We believe in the power of children and young people, supporting their rights and addressing the underlying causes for the problems they face.

1.2 Cash flow overview

The cash flow overview is put together according to the indirect method. The received and paid interest is included in the cash flow from operational activities.

1.3 Comparisons with previous years

The accounting principles that are used have changed compared to the previous year. The annual accounts are made according to accounting principles generally accepted in the Netherlands pursuing guideline RJ 650 (for fundraising organisations)

1.4 Cost of direct fundraising

In 2014, Foundation International Child Development Initiatives total income from direct fundraising was € 572.081. The total cost for fundraising in 2014 was € 126.194. The percentage of fundraising cost (cost of direct fundraising/income from direct fundraising) for Foundation International Child Development Initiatives is 22%. The total cost of fundraising is 8% of total income. This is well below the 25% as stipulated by the CBF, this is the Dutch Certificate for charitable institutions.

1.5 Cost of overhead and administration

The total cost of overhead and administration for Foundation International Child Development Initiatives were € 92.357. The percentage of the total cost of overhead and administration divided by the total cost was 6%.

1.6 Cost spend on objectives

Foundation International Child Development Initiatives has spent a total of € 1.224.379 on the objectives of the organization. The total income in 2014 is € 1.505.115. In 2014 Foundation International Child Development Initiatives spent 81% of her income on the objectives (2013: 85%).

1.7 Cost allocation of expenditures

Foundation International Child Development Initiatives has done the cost allocation based on percentages. We used the estimated time spent per fte as the most important allocation percentages. Management has approved these allocation percentages.

Foundation International Child Development Initiatives, Leiden

2 General notes for valuation assets and liabilities

2.1 General

The annual accounts are drawn up according to the accounting principles generally accepted in the Netherlands pursuing RJ 650 (Fundraising Organizations). The annual account is in euro's and will be compared by the Board with the approved budget 2014 and the annual accounts 2013.

Assets and liabilities are in general valued at the historical purchase price. When no specific valuation methods are mentioned the valuation of acquisition is used.

2.2 Tangible fixed assets

Tangible fixed assets are valued at historical purchase price less depreciation, determined on a straight line basis over the estimated useful economic lives of the assets concerned, taking into account any residual values.

2.3 Receivables

Receivables are valued at face value less provision for possible uncollectible amounts.

Continuity reserve

A continuity reserve is formed for the covering of risks in the short term and to ensure that the organisation can live up to its liabilities in the future.

The continuity reserve is mutated with the yearly surpluses or deficits.

2.4 Current liabilities

Current liabilities are valued at face value.

2.5 Off-balance-sheet assets and liabilities

The off-balance-sheet assets and liabilities are, unless otherwise stated, valued at face value.

Foundation International Child Development Initiatives, Leiden

3 Principles of determination of result

3.1 General

Revenue and expenses in the statement of income and expenses are allocated to the period in which they relate. The result is determined as the difference between income generated by contributions and others, and the costs and other charges for the year.

3.2 Revenue recognition

Income

Income of Foundation International Child Development Initiatives may be taken into account as soon as been committed or has already been received and has been confirmed formal and in writing.

3.3 Depreciation of tangible fixed assets

Tangible fixed assets are from the time of commission amortized over the estimated life expectancy of the asset in the future. If a change in an accounting estimate is made of the economic life, the future depreciation will be adjusted.

3.4 Expenses

The expenses are attributed to the year to which they relate.

Foundation International Child Development Initiatives, Leiden

NOTES ON THE BALANCE SHEET AS AT 31 DECEMBER 2014

ASSETS

FIXED ASSETS

4 Tangible fixed assets	<u>31-12-2014</u>	<u>31-12-2013</u>
	€	€
Opening balance on 1 January 2014		
Acquisition costs	39.534	42.034
Accumulated depreciation	- 38.629	- 32.284
Book value	<u>905</u>	<u>9.750</u>
	=====	=====
Investment	7.042	0
Disinvestment	0	- 2.500
Depreciation	<u>- 1.927</u>	<u>- 6.345</u>
Balance	<u>5.115</u>	<u>- 8.845</u>
	=====	=====
Closing balance 31 December 2014		
Acquisition costs	46.576	39.534
Accumulated depreciation	- 40.556	- 38.629
Book value	<u>6.020</u>	<u>905</u>
	=====	=====

Office equipment is depreciated 20% over a life term of 5 years.

CURRENT ASSETS

5 Debtors and accrued income

<u>Debtors and accrued income</u>	<u>31-12-2014</u>	<u>31-12-2013</u>
	€	€
Debtors and accrued income	0	6.168
	<u>0</u>	<u>6.168</u>
	=====	=====

6 Receivables and prepayments

<u>Receivables and prepayments</u>	<u>31-12-2014</u>	<u>31-12-2013</u>
	€	€
Deposits	2.186	2.186
Accrued assets	123.168	30.473
	<u>125.354</u>	<u>32.659</u>
	=====	=====

7 Cash and bank

<u>Cash and bank</u>	<u>31-12-2014</u>	<u>31-12-2013</u>
	€	€
Cash	425	154
ING	32.859	3.382
ASN	498.240	437.500
TRIODOS	187.139	64.547
	<u>718.663</u>	<u>505.583</u>
	=====	=====

The liquid assets are freely available.

RESERVES AND LIABILITIES

8 Reserves and funds

<u>CONTINUITY RESERVE</u>	<u>31-12-2014</u>	<u>31-12-2013</u>
	€	€
Continuity reserve at 1 January	314.638	296.882
Appropriated result	62.185	17.756
	<u>376.823</u>	<u>314.638</u>
	=====	=====

The board agrees that the optimal amount covers nine months of cost for staff and overhead and administration cost. The aim is to build the continuity reserve in the upcoming years.

CURRENT LIABILITIES

9 Taxes and social security

<u>Taxes and social security</u>	<u>31-12-2014</u>	<u>31-12-2013</u>
	€	€
Wage taxes	11.925	9.406
	=====	=====

10 Accruals

<u>Accruals</u>	<u>31-12-2014</u>	<u>31-12-2013</u>
	€	€
Deferred grants	389.995	164.937
Auditing and administration costs	11.000	11.000
Reservation holiday allowance	13.685	13.223
Other	46.609	32.111
	<u>461.289</u>	<u>221.271</u>
	=====	=====

11 Rights and Obligations not included in the balance sheet

Obligations that are not included in the balance sheet

As from 2014, there is a rental obligation till 2015. The yearly amount of the rental obligation amounts to € 17.686 a year.

Foundation International Child Development Initiatives, Leiden

NOTES ON THE STATEMENT OF INCOME AND EXPENSES FOR THE YEAR 2014

12 Income from direct fundraising

	<u>31-12-2014</u>	<u>Budget 2014</u>	<u>31-12-2013</u>
	€	€	€
<i>Income from direct fundraising:</i>			
Ethiopia ECCE (Eureko Achmea Found.)	34.041		43.473
Grundtvig workshop Positive Deviance	0		22.630
CYD Course	0		19.850
Palestine ECCE (EU)	67.541		59.114
Together Old and Young (EU)	38.980		27.020
All Children included Belarus (EU)	12.310		65.769
Alcoholic Families Belarus (EU)	82.180		79.569
IDEA Debate for Europe	0		24.994
Children Rough Sleepers (EU)	71.291		40.234
Keeping Youth Away From Crime (EU)	7.519		10.477
Righting the Future (Master Card)	83.807		111.304
ComeOn (EU)	26.018		7.811
Roma Education Fund Partnership	38.661		4.898
Various	32.091		30.479
SOS Children's Villages Belarus (EU)	11.682		0
Prevention of Bullying (EU)	823		0
Cooperland (EU)	7.600		0
UPSI-5 (Liberty Foundation)	19.858		0
Foundations for the Future Palestine (EU)	37.679		0
Total	<u>572.081</u>	<u>777.500</u>	<u>547.622</u>
	=====	=====	=====

	<u>31-12-2014</u>	<u>Budget 2014</u>	<u>31-12-2013</u>
	€	€	€
13 Grants from government			
<i>Grants from Governments (Netherlands Ministry of Foreign affairs):</i>			
MFS	778.187	780.000	866.193
Child Marriage Fund	154.847	0	0
	<hr/>	<hr/>	<hr/>
Total	933.034	780.000	866.193
	=====	=====	=====

14 Allocation of expenses to objectives

Objectives	Child- protection	Child/Youth Participation	C Newly emerging issues	D E.C.E.C.	Cost of direct fundraising	Overhead and administration	Total 2014	Total 2013
Grants and contributions	644.639	45.494	0	84.990			775.123	753.144
Work done by third parties	58.379	25.259	15.866	14.942			114.446	152.030
Publicity and communication	2.649	2.143	1.408	2.255	3.187	2.332	13.973	15.524
Staff costs	86.804	70.233	46.148	73.894	104.434	76.431	457.944	415.443
Rent and accommodation	6.393	5.173	3.399	5.442	7.692	5.629	33.728	34.215
Office and general costs	6.516	5.272	3.464	5.547	7.840	5.738	34.378	28.616
Depreciation and interest	2.528	2.046	1.344	2.152	3.042	2.226	13.338	2.912 -
	807.908	155.620	71.629	189.222	126.194	92.357	1.442.930	1.396.059

15 Staff costs

<u>Wages and salaries</u>	<u>2014</u>	<u>Budget 2014</u>	<u>2013</u>
	€	€	€
Salary director	66.222	70.000	65.163
Salary and wages	302.748	270.000	274.985
Social security	59.147	60.000	46.045
Pensions	18.895	25.000	17.334
Sickness benefit	- 4.591	0	- 80
	<u>442.421</u>	<u>425.000</u>	<u>403.447</u>
	=====	=====	=====

Personnel

In the year 2014 there were 10 employees employed (2013: 8).

<u>Other staff costs</u>	<u>2014</u>	<u>Budget 2014</u>	<u>2013</u>
	€	€	€
Insurance	11.029	10.000	7.238
Travel costs staff	3.083	3.500	2.714
Courses and training costs	1.017	6.000	2.000
Congresses	1.573	0	0
Others	355	10.000	44
	<u>17.057</u>	<u>29.500</u>	<u>11.996</u>
	=====	=====	=====

<u>Publicity and communication</u>	<u>2014</u>	<u>Budget 2014</u>	<u>2013</u>
	€	€	€
Travel and representation costs	582	1.000	914
Project development	9.100	14.000	13.834
Printing Costs	4.291	0	776
	<u>13.973</u>	<u>15.000</u>	<u>15.524</u>
	=====	=====	=====

<u>Housing Costs</u>	<u>2014</u>	<u>Budget 2014</u>	<u>2013</u>
	€	€	€
Costs energy and water	10.017	0	8.308
Rental costs building	17.686	35.000	17.406
Maintenance costs	6.025	7.500	6.414
Depreciation	0	0	2.087
	<u>33.728</u>	<u>42.500</u>	<u>34.215</u>
	=====	=====	=====

<u>Other operating costs</u>	<u>2014</u>	<u>Budget 2014</u>	<u>2013</u>
	€	€	€
Literature	267	200	66
Memberships	2.474	3.000	3.519
Telephone costs	1.332	4.000	1.443
Postage	598	500	281
Insurance costs	1.764	1.500	1.044
Auditing and administration costs	14.439	12.000	15.296
Office essentials	0	1.500	0
Board costs	1.661	1.500	1.684
Publications	0	1.000	0
Internet costs	1.351	0	2.235
Little investments	35	0	1.827
Computer costs	1.376	1.000	1.288
Bank costs	402	800	0
Others	8.677	10.000	-68
Depreciation	1.927	8.500	6.345
	<u>36.303</u>	<u>45.500</u>	<u>34.960</u>
	=====	=====	=====