

2023

Financial Statement of Stichting ICCO



Part of
Cordaid

FINANCIAL STATEMENT

Balance Sheet 2023

(After appropriation of results)

x € 1.000	Note	31 December 2023		31 December 2022	
ASSETS					
Fixed assets					
Tangible fixed assets	1	0		2	
Financial fixed assets	2	712		703	
			712		705
Current assets					
Accounts receivable and accrued income	3	2.107		4.424	
Cash and cash equivalents	4	12.259		15.719	
			14.366		20.143
TOTAL ASSETS			15.078	20.848	
LIABILITIES					
Reserves					
Foundation Capital	5	0		0	
Earmarked Reserves		202		0	
General Reserve		-2.876		-897	
			-2.674		-897
Funds					
Appropriation fund loans and participations	5	478		305	
			478		305
Provisions			686	0	
Long-term liabilities			481	637	
Current liabilities			16.107	20.803	
TOTAL LIABILITIES			15.078	20.848	

Statement of Income and Expenses 2023

x € 1.000	Note	2023	Budget 2023	Actual 2022
Income	9			
Income from private individuals		11	0	8
Income from companies		573	0	2.570
Income from lottery organisations		24	0	218
Income from government grants		9.914	9.342	9.789
Income from other non-profit		4.293	4.808	5.314
Project Income		14.815	14.150	17.899
Income from products / services		31	0	51
Other income		21	366	14
Total income		14.867	366	17.964
EXPENSES	10			
Food, Nutrition, Security & Sustainable Food		540	506	721
Economic Empowerment & Inclusive Markets		13.719	12.869	14.391
Responsible Business		126	118	2.326
Emergency Aid		106	100	110
Total expenditure on objectives		14.491	13.593	17.548
Management & Administration	11	2.031	901	1.409
Total expenditure		16.522	14.494	18.957
Total of income and expenses				
Sum of income and expenditures before financial income and expenses		-1.655	22	-993
Financial income and expenses	12	51	0	383
Result financial year		-1.604	22	-610

Appropriation of result	2023	Budget 2023	Actual 2022
Addition to / withdrawal from:			
Other reserves	-1.777	-151	-1
Appropriation fund guarantees	173	173	-609
Balance of income and expenditures	-1.604	22	-610

Cash Flow Statement 2023

X € 1,000	2023	2022
Cash flows from operating activities		
Incoming resources	14.867	17.964
Resources expended	-16.471	-18.574
Operating Result	-1.604	-610
Adjustments for:		
Depreciation	2	6
Unrealised foreign exchange result	-191	-194
Non-cash dividends on financial fixed assets	193	-48
Total Adjustments	4	-236
Changes in working capital:		
Change in provisions	686	0
Change in donor receivables	2.244	-514
Change in other receivables	75	315
Change in advances from donors	-4.106	1.348
Change in other current liabilities	-1.229	-4.600
Change in long-term liabilities	481	-827
Total Change in working capital	-1.849	-4.278
Cash flow from operating activities		
Disinvestments in tangible fixed assets	-2	10
Investments in financial fixed assets	0	887
Disinvestment in financial fixed assets	-9	0
Cash flow from investing activities	-11	897
Total change in cash and cash equivalents	-3.460	-4.227
Cash and cash equivalents as of 1 January	15.719	19.946
change in cash and cash equivalents	-3.460	-4.227
Cash and cash equivalents as of 31 December	12.259	15.719

Notes to the Financial Statements 2023

GENERAL NOTES & ACCOUNTING PRINCIPLES

1. GENERAL NOTES

1.1 Activities

Stichting Interkerkelijke Organisatie voor Ontwikkelingssamenwerking (ICCO Foundation or ICCO), is an internationally operating, value-based development and humanitarian assistance organisation that contributes to the reduction of poverty by undertaking development programs relating to four key themes: Food Security and Sustainable Consumption, Economic Empowerment, Responsible Business and Emergency Response.

By the Tax Authorities, ICCO foundation has been designated as a Public Benefit Institution (ANBI) and based on its statutes ICCO Foundation qualifies as a non-profit organization.

ICCO Foundation has branch offices in the regions where we work and four local legal entities under the governance and control of ICCO Foundation. All branch offices are one and the same legal entity worldwide: a foundation under Dutch law and are therefore included in this financial statements.

ICCO has its statutory address in The Hague (Grote Marktstraat 45, 2511 BH) and is registered in the Trade Register under number 56484038.

The financial statement of ICCO Foundation is included in the consolidated financial statements of the Cordaid Foundation.

1.2 Going concern

The financial statements are prepared on the going concern basis.

ICCO foundation is part of Cordaid foundation. Therefore, we refer to the consolidated annual accounts of the Cordaid foundation.

1.3 Estimates

In applying accounting policies and standards for preparing annual accounts, the Board of ICCO is required to make estimates and judgments that might significantly influence the amounts disclosed in the annual accounts. If necessary for the purposes of providing the insight, required under Section 362(1), Book 2 of the Dutch Civil Code, the nature of these estimates and judgments, including the related assumptions, are disclosed in the notes to the relevant items.

2. ACCOUNTING PRINCIPLES

2.1 General

The financial statement has been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. More specifically, the financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 640/650). Balances and results in 2023 are compared to the budget as approved by the Supervisory Board and the 2022 results and balances. Assets and liabilities are generally valued at acquisition cost, production cost or at current fair value. If no specific valuation method is indicated, the valuation is done at the acquisition price. References are included in the balance sheet and statement of income and expenses. In accordance with Dutch Audit Standard 650.301 we choose to deviate from the standard balance model, as this is more appropriate given the characteristics of ICCO.

The financial information of the Foundation is fully incorporated in the consolidated annual accounts. Using article 2:402 of the Dutch Civil Code, a condensed statement of income and expenditures in the foundation only financial statements is sufficient.

2.2 Foreign currency

Functional currency

The financial statements are presented in Euro, which is the functional and presentation currency of ICCO.

Transactions, receivables and payables

Transactions in foreign currencies during the period are included in the financial statements at the exchange rate as per the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate. The exchange differences arising from the settlement and translation are credited or charged to the statement of income and expenditure.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing on the dates of the transactions. Translation differences on non-monetary assets such as equities held at fair value through income or expenditure are recognised through income or expenditure as part of the fair value gain or loss.

2.3 Intangible fixed assets

IT systems and other intangible assets are all valued at historical cost or manufacturing price including directly attributable expenditures, less straight-line amortisation over their estimated useful lives and impairment losses.

2.4 Tangible fixed assets

Buildings, IT equipment, furniture and fittings, vehicles and other assets are all valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line depreciation over their estimated useful lives and impairment losses. Grants are deducted from the acquisition or manufacturing cost of the assets to which they relate.

2.5 Financial fixed assets

Issued in connection with the objectives:

Loans, guarantees and participations Loans and guarantees disclosed under financial assets are recognised initially at fair value of the amount owed and subsequently measured at amortised cost adjusted for impairments at reporting date. Participations are valued at acquisition cost adjusted for impairments at reporting date.

A financial instrument is derecognized from the balance sheet if a transaction results in all or substantially all of the rights to economic benefits and all or substantially all of the risks associated with the position being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the consolidated financial statements in accordance with the economic reality of the contractual provisions.

2.6 Non-current asset impairment

ICCO assesses at each reporting date whether there is any evidence of assets being subject to impairment. If any such evidence exists, the recoverable amount of the relevant asset is determined. An asset is subject to impairment if the carrying amount of the asset is higher than its recoverable amount; the recoverable amount is the higher of net realisable value and value in use. If it is established that a previously recognised impairment loss no longer applies or has decreased, the increased carrying amount of the asset in question is not set higher than the carrying amount that would have been determined had no impairment loss been recognised.

ICCO assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in carrying amounts of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

If an impairment loss has been incurred on an investment in an equity instrument carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The impairment loss shall be reversed only if the evidence of impairment is objectively shown to have been removed.

2.7 Receivables

General

Receivables are initially recognised at fair value and subsequently carried at amortised cost. Allowances for doubtful debts are deducted from the carrying amount of receivables.

Receivables from inheritances

Inheritances, on which third parties have a right of usufruct, are recognised in the annual accounts. Recognition is based on the best practices as prescribed by the Dutch branch organisation 'Goede Doelen Nederland' and RJ.

ICCO recognises the income as soon as a file is at the final stage (Rekening en Verantwoording' or 'Akte van Verdeling'). Receivables are only recognised and included in the balance sheet for files which are in the final stage of settlement. Income is recognised through the statement of income and expenditure, after which the benefits are included in a designated fund until the moment of release.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. Cash and cash equivalents are stated at face value.

2.9 Reserves and funds

The equity of ICCO is divided into the following reserves and funds:

- The continuity reserve is created to ensure that ICCO can meet its legal and moral obligations in case of a significant fall in income in the future. The reserve is determined by the possible risks ICCO might face in the future. This reserve can be used to cover the negative results related to these risks, in the situation that the negative result cannot be covered by any other reserves.
- Earmarked reserves are earmarked for future spending on the objectives of ICCO. The Board of Directors decides on the actual purpose of the reserves, based on internally agreed criteria.
- The restricted funds are earmarked for a specific project as agreed upon with third-party donors.
- Semi-restricted funds are earmarked for activities related to a certain topic, but not limited to specific projects.
- The "loans and guarantees fund" is committed for loans, guarantees and equities connected to the objectives of ICCO. The result on these financial assets and the costs of managing this portfolio reflect the changes in the fund in a year.

2.10 Provisions

Provisions are recognised for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which will probably require an outflow of resources whose extent can be reliably estimated. Provisions are stated at nominal value because they have in general a short-term character.

Provisions are measured based on the best estimate of the amounts required to settle the obligations at the balance sheet date. Unless indicated otherwise, provisions are stated at the present value of the expenditure expected to be required to settle the obligations.

2.11 Partner Commitments

The partner commitments are recognised in accordance with the guideline from 'Goede Doelen Nederland'. For contracts which are classified as unconditional subsidy, the expenses will be recognised as soon as a contract is issued and are stated at the fair value stated in the contract, net of any payments. The contracted expenses will be recognised fully in the statement of income and expenses at the signing of the contract. On the balance sheet, the amount is registered as a liability to the project partner.

2.12 Liabilities

General

Liabilities are initially recognised at fair value. Transaction costs directly attributable to the incurrence of the liabilities are included in the measurement on initial recognition. Liabilities are subsequently measured at amortised cost; this is the amount received plus or minus any premium or discount and net transaction costs.

Operating lease

Liabilities under operating leases (such as the lease of premises) are accounted for in the statement of income and expenditure equally over the term of the contract, considering reimbursements received from the lessor.

Project commitments

All other partner commitments are recognised as soon as a contract is issued and are stated at the fair value stated in the contract, net of any payments.

3. ACCOUNTING PRINCIPLES FOR THE CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURE

3.1 General

Income and expenses are recognised in the statement of income and expenditure in the year to which they relate. The allocation is made consistently with previous years. The balance of funds is defined as the difference between income and expenses. Income is accounted for in the year it was realised, and losses are accounted for as soon as they are identified. All income is realized in the Netherlands because the country offices are branches and no separate legal entities.

3.2 Income recognition

Income from private individuals and companies

Income from private individuals and companies comprises gifts and donations, mailings, collections and legacies. Income from gifts and donations, contributions, collections and mailings are accounted for in the year in which they are received. Exceptions to these are written undertakings that have been received before year-end as these can be accounted for in the current year.

Legacies are recognised based on a statement of 'Rekening en Verantwoording' or 'Akte van Verdeling' received from the executor in the year of the statement or when an advance on a legacy is received in the year of reception. The value of the legacies which reach the final stage of settlement after ending the book year, but before signing of the Annual Accounts, will be reflected in the off-balance sheet commitments.

Income from lottery organisations

The income from lottery organisations is recognised in the year in which the funds are received.

Income from other non-profit organisations

Income from non-profit organisations is accounted as such when ICCO has no role and/or involvement in the fundraising campaign. The income from non-profit organisations is recognised in the year in which the income is received or pledged. However, grants and subsidies from other non-profit organisations are recognised in the statement of income and expenditure in the year in which the subsidised costs are incurred. The grants are recognised when it is likely that they will be received and ICCO will comply with all the conditions attached.

Income from government grants

Grants and subsidies are recognised in the statement of income and expenditure in the year in which the subsidised costs are incurred. The income is recognised based on the actual project expenses related to the grant. Under this category, income is included which is received directly from government organisations, like

ministries, embassies, and donors which get their funding from government organisations, for example similar INGOs as ICCO, World Bank and Global Fund.

Gifts in kind

Gifts in kind are stated at their fair market value in the Netherlands. Where items involving gifts in kind are sent directly to emergency areas, their value is recognised as a gift and as an expended resource. ICCO accounts for gifts in kind if the discount/gift has a connection with the nature of ICCO's activities and objectives and ICCO would have purchased the services or goods if the gift/discount had not been received.

Result of loans, guarantees and participations

The result of loans, guarantees and participations is made up of interest received on loans and guarantees under the Loan and Guarantee Program, realised and unrealised changes in the valuation of loans and participations, dividends and fees for restructuring loans.

Income from sale of goods and/ or rendering of services

Income from sale of goods and/or rendering of services are accounted for in the year in which the materials are sold or services are provided.

3.3 Exchange rate differences

Transactions denominated in foreign currencies conducted during the reporting period are recognised in the annual accounts at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange at the reporting date. Any resulting exchange differences are recognised through income or expenditure. Non-monetary assets and liabilities stated at cost and denominated in foreign currencies are translated at the rate of exchange at the transaction date (or the approximate rate of exchange).

3.4 Amortisation/depreciation on (in)tangible fixed assets

(In)tangible fixed assets are carried at cost less straight-line amortisation/depreciation over their estimated useful lives. (In)tangible assets are amortised/depreciated from the time they are taken into use over their estimated useful lives. Future amortisation/depreciation is adjusted if the estimate of future useful life changes. Gains and losses on the sale of (In)tangible fixed assets are booked in the Statement of Income and Expenses as a loss or profit.

3.5 Financial income and expenses

Interest paid and received

Interest paid and received is recognised on a time-weighted basis, considering the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Income from interest and investments

The line-item interest income and income from investments contains the (gross) interest, dividends and realised and unrealised capital gains. Interest income and expense are recognised proportionally.

Interest income is recognised as investment income exclusive of interest received on loans and guarantees issued in the context of the Loans & Guarantees Program, which is recognised entirely as gains on financial assets issued in connection with the objectives.

Changes in financial instruments at fair value

Financial instruments are initially valued at fair value. Changes in the value of the following financial instruments are recognised directly in the statement of income and expenditure:

- purchased loans, bonds (unless held to maturity) and equity instruments that are quoted in an active market.
- changes in derivative financial instruments to hedge their foreign currency risks and interest rate risks.

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

4.1 Market risk

Currency risk

ICCO operates in a wide variety of countries. The currency risk for ICCO largely concerns positions in USD and currencies that are closely related to the USD. ICCO management monitors the FX risk and maintains awareness on the topic at headquarters as well as at the Country Office level. The most relevant foreign exchange exposures related to the loan & guarantee investments are hedged via swap and forward contracts: this applies both for the USD positions and the most exotic currencies in which ICCO invested. ICCO has the policy of selling all foreign currencies, besides USD, directly upon receipt.

Price risk

ICCO invests its temporary cash balances according to a defensive to neutral strategy. Consequently, ICCO faces a limited market risk related to its portfolio of bonds and shares that is valued at market value.

Interest rate and cash flow risk

ICCO incurs interest rate risk on interest-bearing receivables (in particular, those included in financial assets and cash).

Credit risk

ICCO does not have any significant concentrations of credit risk. Receivables mainly relate to grants from solid governments or multilateral institutions.

Liquidity risk

ICCO uses several banks to avail itself of a range of overdraft facilities. Where necessary, further securities will be furnished to the bank for available overdraft facilities.

4.2 Ethical risk

ICCO operates in a sector and geographical environment that is associated with increased risk of ethical issues, including corruption, fraud and non-compliance with local and international laws and regulations. These risks may materialise in performing operations and doing business with third parties, but it cannot be excluded that these may also originate from inappropriate conduct by own employees and partner organisations. It is furthermore noted that local business practices may differ from those in Western Europe and/or may be disrupted or otherwise not effective because of local circumstances. For instance, in some of the countries of operation the banking system is immature, requiring transactions to be settled in cash. In case of malpractices, witnesses may not benefit from the same protection as in other parts of the world, which may be a reason not to report or address the matter.

ICCO is aware of the inherently higher ethical and compliance risk factors and has put mitigating controls in place including (but not limited to) a code of conduct, zero-tolerance policies and whistle-blower policies. Also, the foundation strives to rotate key employees on a regular basis, seconds staff on an expat basis and exercises direct supervision from the Global Office, either remotely or by visiting the local offices on a regular basis. In performing oversight, it is noted that safety and other travel restrictions may apply, which may limit the effectiveness of that oversight.

Although efforts are made to avoid unethical practices and to act in compliance with all relevant local and international laws and regulations, a complete elimination of ethical and compliance risk cannot be fully guaranteed. Any violation of any relevant law or regulation could have an adverse effect on our operational performance, earnings, cash flows and financial condition.

Notes to the Consolidated Financial Statement

1. TANGIBLE FIXED ASSETS

x € 1.000	Furniture and installations	Hardware general/IT Equipment	Vehicles	Total tangible fixed assets
Acquisition cost as of January 1. 2023	24	29	95	148
Cumulative depreciation and other impairment in value as of January 1. 2023	-24	-27	-95	-146
Carrying amount as of January 1. 2023	0	2	0	2
Amount of disposals (acquisition)	0	-14	0	-14
Amount of disposals (depreciation)	0	14	0	14
Depreciation	0	-2	0	-2
Other impairments in value and reversals thereof				
Carrying amount as of December 31. 2023	0	-2	0	-2
Acquisition cost as of December 31. 2023	24	29	95	148
Cumulative depreciation and other impairment in value as of December 31. 2023	-24	-29	-95	-146
Carrying amount as of December 31. 2023	0	0	0	0
<i>Depreciation percentages</i>	20%	33%	33%	

All assets are held for business operations.

2. FINANCIAL FIXED ASSETS

Outstanding loans and participations are recognised as financial assets issued in connection with the objectives. The participations do not involve a structural commitment for the purpose of ICCO's own operations. This relates to loans issued to SMEs for the purpose of funding small-scale economic activities (e.g. through microfinance institutions) and for organisations for which it is difficult or impossible to secure finance from commercial banks. Interest rates on these loans are determined by country and by customer.

Participations

ICCO takes a prudent approach to the valuation of its participations. They are carried on acquisition cost adjusted for impairment. Previously recognised impairments can be (partially) reversed if the original reasons for impairment are no longer valid. The reversal will not result in a carrying amount that exceeds what the amortised cost would have been had the impairment never been recognised. Payments in foreign currencies are recorded at the payment date. Cordaid has the policy of selling all foreign currencies, besides USD, directly upon receipt.

ICCO operates in fragile countries where there is no active market for these equity stakes. Accurate and timely information on valuation is often limited. As a result of these factors, ICCO adopts a conservative approach towards the valuation of participations. Their fair value is, however, determined by suitable valuation methods such as book value principle, price earnings ratios and recent prices of similar investments. The fair value of the participations is equal to or greater than the valuation in the balance sheet according to the valuation at acquisition price adjusted for impairment. The value of the participations in the balance sheet cannot be higher than the acquisition costs adjusted for impairment.

Movements in the financial assets were as follows in 2023.

x € 1.000	Opening Balance	Invested	Repayments	Provisions	Ending Balance as of December 31, 2023
Participation					
BANCO FIE Bolivia	322	21	0	0	343
ECOFUTURO Bolivia	71	3	0	0	74
CAJA RURAL Peru	61	0	0	0	61
Manq'a Sociedad C	1	0	0	0	1
Total participations	455	24	0	0	479
Loans					
Bolivia Agronat	88	0	0	-3	85
ICCO Coop in Colombia FCF	140	0	0	0	140
Manq'a Sostenible	20	0	-12	0	8
Total loans	248	0	-12	-3	232
Total Financial Fixed Assets	703	24	-12	-3	712

Loans

The provision on loans and guarantees decreased by 3% from €87.851 in 2022 to €85.227 in 2022. This is mainly due to the FX result after revaluation of the loan "Bolivia Agronat" in 2023. The remaining provision as a percentage of the outstanding portfolio is 27% (2022:26%).

The outstanding loans are the amounts transferred to partner organisations.

3. ACCOUNTS RECEIVABLE & ACCRUED INCOME

The receivables have been retained to meet our objectives. The specification of this item is as follows:

x € 1.000	31/12/2023	31/12/2022
Donor receivables	1.867	4.228
Debtors	194	8
Deposits	0	131
Prepayments	26	33
Receivables from interest	9	1
Other receivables and accrued income	11	23
Total Accounts receivables & Accrued Income	2.107	4.424

All accounts receivable and accrued income have an estimated maturity shorter than one year. The carrying values of the recognised receivables approximate their respective fair values, given the short maturities of the positions and the fact that allowances for doubtful debts have been recognised.

Below an explanation is provided for several line items of the accounts receivable and accrued income with a high variance or with high outstanding balances.

Donor receivables

Donor contracts result in receivables when the costs incurred exceed the advances received from the donor. Receivables from grants decreased to EUR 1.8 million in 2023 (2022: EUR 4.2 million). The decrease is due to funds received from funding donors.

Debtors

Receivables from non-donor debtors mainly relate to outstanding invoices for the annually provided services

to CIM BV, FairClimateFund BV and to “De Vogelbescherming Nederland”. As per balance sheet date these invoices were not yet settled.

Deposits

The outstanding deposits in 2022 were settled in 2023.

Prepayments

Like in 2022 the prepayments in 2023 only relate to prepaid insurance expenditure.

Receivables from interest

Due to a positive development of the interest rates the receivables from interest increased in 2023 compared to 2022.

Other receivables and accrued income

The other receivables and accrued income mainly concern prepaid travel expenses. The decrease compared to 2022 is driven by the processed expense reports.

4. CASH AND CASH EQUIVALENTS

The cash and cash equivalents have mostly been retained to meet our objectives. The specification of this item is as follows:

x € 1.000	31/12/2023	31/12/2022
Banks	12.197	15.659
Cash	62	60
Total cash and cash equivalents	12.259	15.719

All cash and cash equivalents are unrestricted.

5. FUNDS & RESERVES

x € 1.000	Earmarked Reserves	Other Reserves	Loans & Guarantees Fund	Total Funds & Reserves
Balance as of 1 January	0	-897	305	-592
Addition	202	0	173	375
Withdrawal	0	-1.979	0	-1.979
Balance as of 31 December	202	-2.876	478	-2.196

This earmarked reserve which was created in 2023 is to cover potential losses of local offices in Bolivia, Colombia and Nicaragua.

6. PROVISIONS

x € 1.000	Phase-out	Transition	Total
Balance as of 1 January	0	0	0
Addition	336	350	686
Withdrawal	0	0	0
Balance as of 31 December	336	350	686

These provisions were created in 2023 is to cover phase out and transition costs of local offices in Bolivia, Colombia and Nicaragua.

7. LONG TERM LIABILITIES

x € 1.000	31/12/2023	31/12/2022
Partner commitments	1.893	2.506
Less: to short term partner commitments	-1.412	-1.869
Balance as of 31 December	481	637

Partner commitments

One of the basic principles for ICCO in achieving her goals is working together with local organisations: The contracts with these partners are presented as long term liabilities and current liabilities. The long-term liabilities refer to all liabilities with a maturity of 1 year and longer. The amounts reflect the committed partner costs which have not been paid as of December 31, 2023. The partner commitments in total (long term and short term) decreased in 2023 compared to 2022 due to less new partner agreements. None of the partner commitments have a maturity longer than 5 years.

8. CURRENT LIABILITIES

The specification of this item is as follows:

x € 1.000	31/12/2023	31/12/2022
Advances from donors	4.543	8.796
Partner commitments	1.412	1.869
Accruals	446	96
Accounts payable	161	413
Liabilities to group companies	9.285	9.321
Security contributions and taxes	19	68
Pension liabilities	169	122
Amounts owed to staff	72	116
Balance as of 31 December	16.107	20.803

An explanation of variances of the current liabilities between 2023 and 2022 is provided below for the line items with material variances. All current liabilities are expected to be realized within one year after balance sheet date.

Advances from donors

Advances from donors reflect the total amount of funds received from donors which ICCO has not yet spent on project implementation. In 2023 a decrease of 48% compared to 2022 is due to the increased project implementation in 2023.

Partner commitments

Please refer to note 10 for disclosure on partner commitments.

Accruals

Accruals show realised general- and project costs for which ICCO has not yet received invoices as of balance sheet date. The increase in 2023 compared to 2022 is due to accrued expenses for the wind down of the activities in Latin America.

Accounts payable

In 2023 the balance of the accounts payable decreased compared to 2022. The decrease is mainly caused by the decrease in the general ICCO activities.

Liabilities to group companies

The liabilities to group companies relate mainly to Stichting Cordaid.

Security contributions and taxes

The payable security contributions and taxes relate mainly payroll tax.

Pension liabilities

The pension liabilities in 2023 have increased compared to 2022. This is in line with the increase of the salary costs in 2023 compared to 2022.

Amounts owed to staff

The amounts owed to staff slightly decreased from EUR 116K to EUR 72K. No significant change compared to the previous year.

EXPLANATORY NOTES TO THE ITEMS ON THE STATEMENT OF INCOME AND EXPENSES

9. PROJECT AND NON-PROJECT INCOME

x € 1.000	Actual 2023	Budget 2023	Actual 2022
Income from private individuals	11	0	8
Income from companies	573	0	2.570
National Postcode Lottery	24	0	218
DGIS - Strategic Partnership	0	0	-92
Dutch government - Other	7.867	7.413	5.793
European Union	1.558	1.468	2.584
Other governmental donors	489	461	1.504
Income from government grants	9.914	9.342	9.789
Dutch non-governmental organisations	2.509	2.810	4.426
International foundations	1.743	1.953	887
Protestantse Kerk Nederland - Kerk in Actie	41	46	1
Income from other non-profit organisations	4.293	4.808	5.314
Income from delivery of products / services	31	0	54
Other income	21	366	11
Other income	52	366	65
SUM OF INCOME	14.867	14.516	17.964

The total income in 2023 is in line with budget, but EUR 3.1 million lower compared to the income in 2022. This decrease is mainly due to the drop in income- from companies (EUR -2.0 million), NPL (EUR -0.2 million), European Union (EUR -0.9 million), Other government donors (EUR -1.0 million) and the Dutch NGO's (EUR -1.9 million), adding up to a decrease in income of EUR -6.1 million. Furthermore, we see an improvement in income from for example the Dutch government of (EUR +2.1 million) and in the income from international NGOs of (EUR +0.9 million). The combined impact of the in- and decrease in income is EUR -3.1 million.

10. PROJECT EXPENSES

The program costs in 2023 show, like the project income, a decrease compared to 2022 due to ended programmes.

The expenses on the program objectives are divided over the themes as follows:

x € 1.000	2023	2022
Main objectives		
Food and Nutrition Security and Sustainable Food	540	721
Economic Empowerment and Inclusive Markets	13.719	14.391
Responsible Business	126	2.326
Emergency Aid	106	110
Total expenses on program objectives	14.491	17.548

PROGRAM COSTS

Expenses on objectives are split between four themes:

- Food and Nutrition Security and Sustainable Food (FSSC)
- Economic Empowerment and Inclusive Markets (EE)
- Responsible Business (RB)
- Emergency Aid (EA)

Specification and allocation of Expense according to their appropriation:

In € 1.000	Actuals 2023	Budget 2023	Actuals 2022
Grants & contributions	8.193	8.000	9.960
Own implementation	4.321	4.219	5.246
Publicity and communication	296	289	360
Travel and accommodation costs	840	820	1.020
Housing costs	61	60	74
Office- and general costs	780	762	888
Total costs of programs	14.491	14.150	17.548

Due to ended projects in 2022 and subsequently a lower implementation in 2023, the program costs decreased in 2023 by 17% from EUR 17.5 in 2022 to EUR 14.4m in 2023.

COST ALLOCATION TO DIFFERENT ACTIVITIES

ICCO uses different allocation keys to allocate costs, making allowance where possible for the recommendations of Goede Doelen Nederland.

Costs are allocated in two ways:

1. Costs relating directly to programs, fundraising and management & administration are directly allocated to these activities. This involves the costs of the thematic program units (programs), private fundraising & communication (public information/awareness campaigns and fundraising), the board of directors (management & administration) and finance & control (management & administration). Costs of the department for institutional account management are fully labelled as expenditure on fundraising.
2. Other costs allocated to programs, fundraising and management & administration include the costs of departments such as human resource management, IT and facility management and quality assurance. FTEs of departments that can be directly allocated are used as a key to allocating the costs of the departments mentioned to programs, fundraising, or management & administration.

11. MANAGEMENT AND ADMINISTRATION (COST OF STAFF)

Average FTE	2023	2022
Average head count in The Hague	0	0
Average head count expats at field offices	106	123
Average head count	106	123
Program staff	88	89
Fundraising/Awareness staff	3	4
Other departments	15	30
Average number FTE's	106	123

At year-end 2023, ICCO had a headcount of 106 (2022: 123). This decrease is due to ended programs, consequently leading to dismissal of program related staff.

X € 1.000	2023	2022
Salaries and wages	2,394	2,924
Social security contributions	121	90
Pension costs	140	183
Temporary staff	1,342	2,191
Cost of training and education	10	27
Other personnel expenses	343	346
Total staff costs	4,350	5,761

Staff costs

The average FTE in 2023 is 106 FTE versus 123 FTE in 2022 which indicates that the average FTE decreased in 2023 with 13.8% compared to 2022. The decrease is due to ended programs. Consequently, labour contracts with project staff were not extended.

In 2023, the average costs per FTE for salaries, security charges and pension was EUR 35.047. In 2022 this average was EUR 31.836. The increased cost per FTE is due to increase in gross salaries in 2023 compared to 2022 and because of a change in the composition of the staff. In 2023, mainly employees with lower salaries left ICCO, leading to higher costs per FTE.

Other staff costs

The decrease in 2023 compared to 2022 is mainly driven by the lower level of external hired staff in 2023.

Because of the recharge of staff and non-staff costs to projects, the total management and accounting costs in 2023 are EUR 2.0m (2022: EUR 1.4m).

12. AUDIT COSTS

The following fees were charged by Ernst & Young Auditors LLP to the foundation, as referred to in Section 2:382a (1) and (2) of the Netherlands Civil Code.

X € 1.000	2023			2022
	Ernst & Young Auditors LLP 2023	Other Auditors 2023	Auditors' costs 2023	Auditors' costs 2022
Corporate audit assignment	29	-	29	14
Other Audit assignment	0	98	98	122
Total audit fee	29	98	127	136

The above-mentioned audit fees relate to all the work done for Stichting ICCO by the auditors.

13. FINANCIAL INCOME AND EXPENSES

X € 1.000	2023	2022
Interest received on cash and cash equivalents	32	17
Interest received on loans	23	5
Realised exchange gains and losses	-58	-8
Unrealised exchange gains and losses	262	49
Gross investment income	260	63
Investment income/costs	-209	320
Net Financial Income and Expenses	51	383

14. REMUNERATION EXECUTIVE BOARD AND SUPERVISORY BOARD

Since the merger of Stichting ICCO with Stichting Cordaid, ICCO and Cordaid share one supervisory board. We therefore refer to note 28 of the consolidated 2023 annual accounts of the Stichting Cordaid.

15. SUBSEQUENT EVENTS

We refer to note 29 of the consolidated 2023 annual accounts of the Stichting Cordaid.

16. ADOPTION AND APPROVEMENT

Adoption and approval annual report and accounts

On March 28, 2025 the Executive Board of Stichting ICCO adopted the Annual Accounts 2023 of Stichting ICCO.

On March 28, 2025 the Supervisory Board of Stichting ICCO approved the Annual Accounts 2023 of ICCO Foundation.

Proposed appropriation of result for the financial year 2023

The Executive board proposes, with the approval of the Supervisory Board, the appropriation of results as adjusted in the statement of income and expenses.

The Hague, 28 March 2025