

Report of the annual accounts 2020

**Foundation International Child Development Initiatives
in Leiden**



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Board and Director's report

Introduction

We are happy to present International Child Development Initiatives' 2020 Financial Audit Report.

General information

The official name of the foundation is STICHTING INTERNATIONAL CHILD DEVELOPMENT INITIATIVES and it has its seat in the municipality of Leiden, where it was established 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:
 - i. enlarging and making available expertise,
 - ii. conducting (or commissioning) research and studies,
 - iii. creating and reinforcing professional networks and interest groups,
 - iv. organizing meetings,
 - v. 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 2020:

- E. van Galen (chair)
- P. Roozeman (treasurer)
- M. Zuiderveld (secretary)
- N. Schmitz
- C. van Os

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 four times a year. ICDI's board consists of between three to seven members, Board members are appointed for a maximum period of three 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.

Highlights of ICDI Activities in 2020

2020 has been completely overshadowed by the outbreak of the Covid-19 pandemic. As soon as the pandemic really hit in March all regular activities, travel to our different project countries was suspended and we had to shift to working completely online. In the ensuing period much attention had to be focussed on shifting of project activities to accommodate to the new situation, which included things like Covid awareness raising and emergency relief in the communities we work. However difficult things have gotten for children and their families in countries in Asia and Africa, ICDI, our partners and the people we work with have shown enormous creativity and flexibility in dealing with the situation, not only in trying to overcome the pandemic itself, but also in managing to work towards many of the goals we had set in helping children and young people. Also our funders deserve a lot of credit for their willingness to let us adapt allocation of resources.

Despite the pandemic we continued with the implementation of our 2015-2020 Strategic Plan, which had two main goals:

1. By December 2020, ICDI has been instrumental in creating improvements in child protection systems, services, communities that contribute to the healthy development of children and young people (8-21) in at least 10 countries.

For the older target group we continued the Her Choice programme (combatting early marriage in Pakistan, Nepal, Bangladesh, and Ethiopia), the Nest programme (psychosocial support for children in Dutch refugee centres), the Cybersafe project (aimed at prevention of online violence



against girls), management of the child labour and child protection programme of Kinderpostzegels in Nicaragua and Guatemala, and Education Matters More (a project to prevent school drop out of adolescent girls in Ethiopia). We were also very busy with an assignment for UBS Optimus and GHR Foundations, which resulted in a much acclaimed review report of monitoring and evaluation frameworks used in children's care (care for children -at risk of- being separated from their biological families). This, in combination with projects and assignments from the preceding years, means we can conclude we achieved our goal.

2. By December 2020, families, communities and practitioners in at least 5 countries, are supported by ICDI to create accessible and equitable ECEC (Early Childhood Education and Care) initiatives that provide rich, safe and nurturing environments for young children (0-8).

With regards to Strategic Goal 2: In 2020 we were implementing four projects on improving ECEC services in seven European and one African country (Ethiopia). This, again in combination with the projects we were implementing in the previous period, means we have achieved this strategic goal as well.

2020 furthermore saw the start of exciting new projects:

Europe: Here to Stay!

Here To Stay (HTS) is a strategic partnership targeting shrinking civic space in Europe and the implications it has on young people. Youth have become less engaged as European citizens are limited in their fundamental rights to gather and express themselves freely. This disengagement of youth in decision-making processes and their social exclusion prevents young people from becoming agents of social change. The project is an initiative to counter this trend in Europe by creating an enabling and productive environment for youth work and facilitate the process of involving young people in decision-making and use of civic space. This project will have special focus on sports, dance, music, and arts and the role they can play in engaging youth in Civic Space. In short, it will use the power of sports, arts and culture to increase youth-led civic space and young people's civic engagement.

TOY for Inclusion - Access for All (Slovakia)

TOY for Inclusion is a European project and an approach which aims to promote inclusive community-based early childhood education and care and bring services for children and their families to where they are needed. TOY for inclusion is implemented in 8 countries and all activities take place in locally established Play Hubs. These are safe, non-formal, high-quality, Early Childhood Education and Care spaces where relationships between young children (0 to 10 years) and families from all backgrounds are built. There are two Play Hubs in Slovakia: one in Spišský Hrhov and one in Rošovce. Both Play Hubs are situated in the village primary schools and have been successful in bringing young children from Roma and non-Roma communities together in a playful environment. Wide Open School - Škola dokorán (WOS), the organisation implementing TOY for Inclusion in Slovakia, received support from the Kahane Foundation for the pilot project 'TOY for Inclusion: Access to All' to promote inclusivity for children with special needs in the local Play Hub and in the community's other educational services. ICDI is supporting WOS in the implementation of this project, through a research study and the development of a toolkit.

For information on all ICDI past and current projects please go to <https://icdi.nl/projects>.

In 2020 International Child Development Initiatives spent 90% of her income on the objectives (2019: 89%).

Organizational developments

In 2020 the board welcomed Maja Zuiderveld as a new board member, she will fulfill the role of secretary. The Board continued to use the policy governance approach to guide discussions at Board meetings. Based on the developments in the external environment, and the adopted policy guidelines, the Board guides and supervises the director in achieving ICDI's mission and goals.



All Board members bring their own expertise, background and network to the table, and are committed to contribute these to ICDI's goals. In 2020, the full Board met five times with the director. In September the Board met without the director in order to evaluate its own performance and to assess the performance of the director.

Besides the Covid-19 pandemic, the organization was faced with another huge challenge: in April we received the news that the Netherlands Ministry of Foreign Affairs would not support a follow-up to our highly successful Her Choice programme beyond 2020. As this was not only our biggest programme, but also our biggest source of income, this immediately forced us to shift gears and mindset. Board and team have to be applauded in how they managed to adapt to this new reality: all energy was channeled towards finding alternative sources of funding, never in the 25 year history of ICDI have more proposals been send out to donors than in this year. Sadly, despite the amazing energy that was put into this by all, it became clear during the year that we would have to make budget cuts and size down in number of staff. There were painful decisions that had to be made, ICDI has always been more than just a professional organization, the bonds between us are strong and having to let go off staff members was hard. Also here it has to be acknowledged that everybody involved dealt remarkably constructive and cooperative with the situation, so that the changes that had to be made could be made and we have given ICDI some "breathing space" towards the future. Non-the-less, the future is far from certain. Not necessarily for the coming two years, but in the longer run. We may have mostly achieved the goals set in our Strategic Plan 2015-2020, but it remains unsure if we will manage to even have a new Strategic Plan for the period until 2025 (which would mark ICDI's 30th anniversary). We are living in strange and uncertain times, as individuals and as an organization. But looking back at this year and especially looking at how we managed to deal with all the difficulties we faced, we remain hopeful and trustful with regards to the resilience of ICDI.

Financial

Financially we are happy to report a surplus of € 43.386. The total continuity reserve is now at 78% of projected annual organizational costs, which is considerably higher than the percentage we strived for (which was 75%).

For the board:

For the management:

E. van Galen, chair

M. Euwema, director



II. Management and adoption of the annual accounts

Composition of the General Board

The board of the International Child Development Foundation exists at the time of the adoption of the annual accounts from 5 members.

Adoption and Approval of the financial statements

M.A. Euwema

N.R. Schmitz

E.C.C. van Os

E.W.A. van Galen

M. Zuiderveld



III.1 Balans as per 31 december 2020

ASSETS

	<u>31 december 2020</u>	<u>31 december 2019</u>
	€	€
Fixed assets		
Intangible assets	-	-
Tangible fixed assets	2.440	2.325
	<u>2.440</u>	<u>2.325</u>
Current assets		
Receivables and prepayments	13.820	42.326
Liquid assets	<u>573.569</u>	<u>1.158.891</u>
	587.389	1.201.217
Total	<u><u>589.829</u></u>	<u><u>1.203.542</u></u>



LIABILITIES

	<u>31 december 2020</u>	<u>31 december 2019</u>
	€	€
Reserves and funds		
Continuity reserve	418.884	375.497
	<u>418.884</u>	<u>375.497</u>
Current liabilities and Accruals		
Accounts payable	35.685	11.161
Wage taxes	14.296	10.215
Accruals	<u>120.964</u>	<u>806.669</u>
	170.945	828.045
Total	<u><u>589.829</u></u>	<u><u>1.203.542</u></u>



III.2 Income statement over 2020

	2020	Budget 2020	2019
	€		€
Operating income:			
Income and direct fundraising	1.283.132	1.325.000	1.212.672
Grants from Government	776.428	740.000	766.287
Sum of operating income	2.059.560	2.065.000	1.978.959
Direct project costs	1.482.280	1.515.000	1.447.930
Operating expenses:			
Staff costs	477.680	473.000	419.726
Depreciation of fixed assets	1.268	2.000	1.310
Housing costs	34.542	42.000	34.137
Other operating costs	15.190	31.000	46.559
Publicity and communications	5.220	2.000	19.172
	-	-	-
Total operating expenses	533.900	550.000	520.904
Financial income and expenses	6	-	194
Result	43.386	-	10.319
Allocation of result			
Continuity reserve	43.386	-	10.319

III.3 Cash flow statement

	<u>2020</u>		<u>2019</u>	
	€	€	€	€
Operating result		43.386		10.319
Adjustments for:				
- depreciation	1.268		1.310	
- changes in provisions	-		-	
		<u>1.268</u>		<u>1.310</u>
Changes in current assets:				
- progress	28.505		64.701	
- short-term debts	-657.100		-195.286	
		<u>-628.595</u>		<u>-130.585</u>
Total cash flow from operating activities		-583.941		-118.956
Cash flow from investing activities				
Investments in tangible fixed assets	-1.384		-	
Divestments in property, plant and equipment	-		-	
		<u>-1.384</u>		<u>-</u>
Total cash flow from investment activities		-1.384		-
Cash flow from financing activities				
Newly drawn loans	-		-	
Repayment of long-term debts	-		-	
Other changes in equity (-)	-		-	
		<u>-</u>		<u>-</u>
Total cash flow from financing activities		-		-
Change in cash		<u><u>-585.325</u></u>		<u><u>-118.956</u></u>

III.4 General notes and accounting principles

Principles of the valuation of assets and liabilities and of the determination of the result

General

The assets and liabilities are stated at nominal value unless with the relevant balance head otherwise stated.

The income and expenses are allocated to the period to which they relate. Profits become only included insofar as they have been realized on the balance sheet date. Losses and risks that originate before the end of the reporting year will be taken into account if they are required to draw up the financial statements have been published.

Tangible fixed assets

The tangible fixed assets are valued at purchase, manufacture or approved costs less cumulative depreciation. The annual depreciation is calculated on a basis of a fixed percentage of the purchase value.

Services

A provision is formed for liabilities that are likely to be incurred settled and the size of which can be reasonably estimated. The size of the provision will be determined by the best estimate of the amounts necessary to meet the relevant obligations and settle losses as at the balance sheet date. Provisions are valued at nominal value.

Progress

Receivables are stated at nominal value less what is deemed necessary provisions for bad debts.

Income and expenses

The income and expenses are allocated to the period to which they relate based on historical costs. Losses are recognized if they are foreseeable, income is recognized if these are realized.

The rights and obligations under multi-year financial contracts, such as rental contracts, maintenance contracts etc. are not capitalized and passivated in the balance sheet. The expenses arising from this are recognized under operating expenses.

Income and expenses that do not come from ordinary business activities are recognized as extraordinary income and expenses.

III.5 Explanation to the balance

Tangible fixed assets

The tangible fixed assets can be specified as follows

	<u>31.12.2020</u>	<u>31.12.2019</u>
	€	€
Aquisition costs	53.226	51.842
Accumulated depreciation	-50.786	-49.517
	<u>2.440</u>	<u>2.325</u>

Movements in tangible fixed assets in the year under review were as follows

	€	€
Book value as at 1 January	2.325	3.635
Plus: investments	1.384	
Depreciation: depreciation	-1.269	-1.310
	<u>2.440</u>	<u>2.325</u>

Current assets

	<u>31.12.2020</u>	<u>31.12.2019</u>
	€	€
Accounts receivable	-	-
	-	-

Receivables and accrued income

Accruals	11.634	40.140
Deposits	2.186	2.186
	<u>13.820</u>	<u>42.327</u>
	-----	-----
Total receivables and accruals	<u>13.820</u>	<u>42.327</u>



Liquid assets

Tridos Bank .189	158.754	162.406
SNS Saving Account .484	946	946
Paypal Account	1.121	2.986
ASN Saving Account .034	412.691	992.498
Cash	57	54
	<u>573.569</u>	<u>1.158.891</u>

Equity

The movements in equity in the year under review are as follows

	Balance 31.12.2019	Result allocation	Other movements	Balance 31.12.2020
	€	€	€	€
Appropriation and other movements	375.498	43.386	-	418.884
Total equity	<u>375.498</u>	<u>43.386</u>	<u>-</u>	<u>418.884</u>

Short-term debt

	31.12.2020	31.12.2019
	€	€
Debts to suppliers		
Accounts payable	35.685	11.161
	-	-
	<u>35.685</u>	<u>11.161</u>

Taxes and social contributions

Payroll tax and social security contributions	14.296	10.215
	<u>14.296</u>	<u>10.215</u>

Accruals and deferred income

Holiday allowance	14.505	13.809
Other accruals	50.563	6.520
Deferred grants	55.896	786.340
	<u>120.964</u>	<u>806.669</u>



III.6 Notes to the income statement

	<u>2020</u>	<u>2019</u>
	€	€
Income from direct fundraising		
TOY for inclusion (EU)	-	85.036
SEED (EU)	52.079	106.505
1000 Days	37.497	78.573
Cybersafe	24.600	30.296
Toy to share	253.569	242.923
Education matters (Diorapthe)	63.676	50.472
KPZ Central America	696.895	542.734
Nestcenters NPL	19.370	24.000
Adolescent Relationships (OAK)	595	9.641
Exchange of good practices (EU)	3.685	4.761
Donations	290	-
Bonds	2.810	-
ISA Here to Stay	21.370	-
UBS consultancy	60.820	-
Covid emergency fund	21.571	-
Global Giving Bangladesh	8.264	-
Kahane Slovakia	4.800	-
Various	11.241	37.729
	<u>1.283.132</u>	<u>1.212.672</u>

III.6 Notes to the income statement

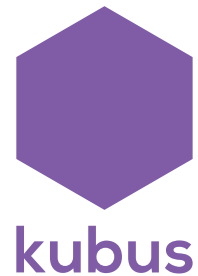
	2020	2019
	€	€
Grants from governments		
Grant for Her Choice	772.897	766.287
Her Choice - correctie dagtarief 2018	3.531	-
	<u>776.428</u>	<u>766.287</u>
Direct project costs		
Children and Youth		
Installments	1.188.494	993.765
Direct Project Costs	8.646	21.804
	<u>1.197.140</u>	<u>1.015.569</u>
Early Years		
Installments	278.914	420.680
Direct project costs	6.226	11.681
	<u>285.140</u>	<u>432.361</u>
Operating expenses		
Staff costs		
Wages and salaries	462.111	392.814
Other staff costs	15.569	26.912
	<u>477.680</u>	<u>419.726</u>
<i>Staff costs</i>		
Salaries and wages	396.602	325.044
Social Security	58.999	57.485
Pension fond	23.982	23.276
Sickness benefit	-17.472	-12.992
Travel Expenses	557	3.621
Courses and Training Costs	-	2.008
Insurances	11.755	12.573
Conferences	-	2.759
Other costs	3.257	5.951
	<u>477.680</u>	<u>419.726</u>



III.6 Notes to the income statement

	2020	2019
	€	€
Depreciation of tangible fixed assets		
Tangible fixed assets	1.268	1.310
	<u>1.268</u>	<u>1.310</u>
Housing costs		
Rental expenses	19.202	18.697
Costs for energy and water	7.950	8.002
Maintenance costs	6.155	6.254
Other housing costs	1.235	1.184
	<u>34.542</u>	<u>34.137</u>
Other operating costs		
Computer costs	431	511
Telephone costs	343	379
Postage costs	-	59
Memberships	2.035	2.128
Internet costs	515	697
Literature	16	42
Board costs	1.299	1.530
Accountancy and administrative costs	7.700	6.595
Consulting fees	-	32.942
Insurance costs	1.237	1.277
Other costs	1.614	399
	<u>15.190</u>	<u>46.559</u>
Publicity and communications		
Representation costs	540	2.159
Printing costs	1.180	3.589
Project developments	3.500	13.424
	<u>5.220</u>	<u>19.172</u>
Financial income and expenses		
Interest income less interest expense	6	194
	<u>6</u>	<u>194</u>





CONTROLEVERKLARING VAN DE ONAFHANKELIJKE ACCOUNTANT

To: the board of Foundation International Child Development Initiatives, Leiden

A. Audit report with regard to the annual accounts 2020

Our opinion

We have audited the accompanying financial statements 2020 of Foundation International Child Development Initiatives, Leiden.

In our opinion, the financial statements give a true and fair view of the financial position of Foundation International Child Development Initiatives as at 31 December 2020, and of its result for the year then ended in accordance with the relevant legal and regulatory requirements.

The annual accounts consist of:

1. The balance sheet as at 31 December 2020
2. The statement of income and expenses for the year 2020
3. Dutch generally accepted accounting principles and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities with regard to the annual accounts" section of our report.

We are independent of Foundation International Child Development Initiatives in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have adhered to the requirements as stated in the "Verordening gedrags- en beroepsregels accountants (VGBA)".

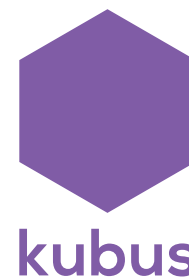
We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Statement on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information. Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

With our audit activities we have complied with the requirements stated in the Dutch standard 720. These activities do not have the same depth as our audit activities with regard to the annual accounts. The board is responsible for the composition of the other information.



C. Responsibilities of management for the financial statements

Responsibilities of the board

The board is responsible for the preparation and fair presentation of the financial statements in accordance with Dutch Accounting Standards. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the entity's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the entity's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the foundation's financial reporting process.

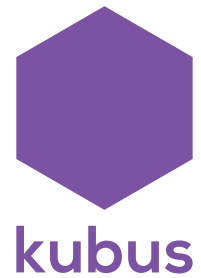
Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit 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;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our



auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Dordrecht, 29 maart 2021

Accountantskantoor KUBUS Dordrecht,

Drs. A.L. Spruit RA

1 WNT (RENUMERATION OF EXECUTIVES)

M. Euwema (director)

Duration of employment: 1/1 - 31/12

Scale of employment (fte): 1

Individual WNT-maximum: € 201.000

Total remuneration: € 64.667

ICDI's board members do their work on a voluntary basis and do not receive any remuneration for their activities.



3 ALLOCATION OF EXPENSES TO OBJECTIVES

Objectives	Children & Youth	Early Years	Cost of direct fundraising	Overhead and administration	2020	2019
Subsidies/Installments	1.188.494	278.914			1.467.408	1.414.445
Other project costs	8.646	6.226			14.872	33.484
Publicity and communication	1.872	1.428	1.159	761	5.220	19.171
Staff costs	171.290	130.703	106.086	69.601	477.680	419.726
Rent and accomodation	12.386	9.451	7.671	5.033	34.542	34.138
Office and general costs	5.447	4.156	3.373	2.213	15.190	46.334
Depreciation and interest	457	349	283	186	1.274	1.536
	1.388.592	431.227	118.572	77.794	2.016.186	1.968.834