

2020

Annual Report and
Accounts
Coöperatie ICCO U.A.



Part of
Cordaid

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Note for the reader:

As of 1st of January 2021, ICCO Foundation has transferred its assets and liabilities to the foundation Cordaid. ICCO Foundation is however still a sole member of *Coöperatie ICCO U.A.* (brand name ICCO Cooperation).

Also as of January 1, 2021 *Coöperatie ICCO U.A.* has merged into ICCO foundation.

Per 1st of January 2021 the articles of association of *Coöperatie ICCO U.A.* are amended in such a way, that the Board of Directors of Cordaid Foundation are the same as of *Coöperatie ICCO U.A.* and ICCO Foundation.

Photo cover: Kelo Elemo, 39, is a young tomato farmer who has taken advantage of tailored vegetable loans from the microfinance institution Metemamen in Meki. She has grown from taking 50,000 Ethiopian birr in her first round and now to 150,000.

As of 1 January 2021 Cordaid and ICCO have joined forces.

REPORT OF THE BOARD

From the Supervisory Board

In 2020 the Supervisory Board met eight times, more than usual. Main reason was the intensive process together with Cordaid to take all necessary steps to work towards the final decision-making in December 2020. I elaborate later further on that.

Annual report

As Supervisory Board we also had other important matters on our agenda. The delay in the finalization of ICCO's Financial Statements for 2018 and 2019 asked for our continuing attention, especially from our audit committee.

Due to the implementation of a new project management system, first the financial annual report 2017 (with Deloitte) and subsequently also 2018 (with our new auditor KPMG) was delayed. The audit of the annual figures for 2017 was delayed to such an extent that the figures for ICCO Foundation were only approved in the course of 2019. Due to pressure on the approval of the figures for the Foundation, it was decided to finalize the approval of the figures for the cooperative at a later date, which was completed October 2020.

In September 2020 the Financial Statements 2017 of Coöperatie ICCO U.A. were approved and in December 2020, the Financial Statements of ICCO Foundation 2018 were approved by the Supervisory Board, with approving statements of our auditor. In September 2021 the Financial Statements 2018 of Coöperatie ICCO U.A. were finalized and approved. The audit of the 2019 figures is combined with the Statements of 2020 in 2021 and is expected to be completed in autumn 2021. With that we have caught up our backlog. It was very important in this process with our auditors in 2019 and 2020 to note that our auditors did not have identified any issues with respect to the going concern or related to fraud.

CFO Jolanda Wakkerman left ICCO

In March 2020, Jolanda Wakkerman decided to leave the organization for personal reasons. The Supervisory Board decided not to fill the vacancy of the member of the Executive Board at this time; and to have Sybren Attema as sole director, on a temporary basis, with a view to cooperating with Cordaid. An interim CFO not being a statutory member of the Executive Board was sought and found, first with Bram van Alphen and later with Paul Nijssen.

Process with Cordaid

In 2020 many meetings were held on the Executive Board level and Supervisory Board level with ICCO and Cordaid. We discussed the outcome of the due diligence process and the business plan of the new Cordaid and ICCO organization which was elaborated on a strategic level. Also the legal dealstructure of the integration of the two organizations was discussed together with the governance structure.

With approving this business plan ICCO and Cordaid - on condition of final decision-making on the integration of the two organizations in December 2020 - the Supervisory Board also agreed with the criteria to phase out or hand over the activities and programs in certain countries where ICCO is long active, such as in Latin America, Indonesia, Vietnam and the Philippines.

As chair, together with a fellow member of the Supervisory Board, we spoke with the Works Council several times in a very constructive way to discuss the process and the consequences of the integration with Cordaid and - separately - the move of the ICCO office from Utrecht to Grote Marktstraat 45 in The Hague, the office of Cordaid, which took place per end of 2020. Also we kept close contact with the director and board of the Protestants Church organization about the developments of moving out of the office in Utrecht and discussing

the governance structure and asking to have a seat in the Supervisory Board of Cordaid on behalf of the Protestant Church.

In our meeting of 30 November 2020 we approved all the important decisions we needed to take in order to join forces together with Cordaid. This included approval of the framework agreement, mission and vision and governance structure as stated in the governance regulations, branding strategy, assets and liabilities transaction from ICCO to Cordaid in a phased manner in 2021 and 2022, and changing the articles of association of ICCO Foundation so that we have a personal union in the governance on Executive and Supervisory Board level as ICCO with Cordaid.

On 15 December together with the Supervisory Board of Cordaid we held a joint formal meeting adopting the joint budget 2021, the authorization scheme and we signed all board resolutions necessary for joining our forces. After the formal decision making and signing we memorized this historic moment, celebrated and honoured all those who have contributed to this, and said farewell to the board members whose term ended and will not continue in the joint organization. For ICCO we would like to thank Gert van Dijk greatly as Supervisory Board member for all his constructive and sometimes critical input and efforts for the good of the organization and Paul Nijssen as CFO a.i. in the last half year 2020.

In conclusion we can state that 2020 was a very dynamic, historical and at the same time sad year for the organization. I realize this and I want to sincerely thank all the staff members of all our offices around the world for their great commitment, contributions and hard work this year. We could not have done this without you all!

On behalf of the Supervisory Council,
Ton Heerts, chair, in consultation with Johan de Leeuw (chair of the Supervisory Board of Coöperatie ICCO U.A. until December, 31 2020).

The Hague, October 2021

From the Executive Board

2020 was a year not soon to be forgotten. The outbreak of the COVID-19 pandemic turned our private and professional lives upside down. Against this special and confusing background, Cordaid and ICCO worked steadily on the preparations for a historic integration.

Projects adjusted to COVID-19

From March we were housebound. A strange experience for a development organization where local and international travel is part of the daily work. Still, we managed to keep the work going. A lot happened online and in some countries field visits in-between lockdowns were possible. Current and new projects had to be adapted to provide protection against the virus or to deal with the far-reaching socio-economic consequences for local communities and small businesses of the lockdowns. Already in March ICCO made an inventory of what the effect of the pandemic would mean for the projects and our income. We considered a 20% loss in turnover, which was also offset by cost savings, such as a lower travel budget.

Preparing for the integration

In December 2019, Cordaid and ICCO signed a Letter of Intent for far-reaching cooperation. At the end of 2020, that intention became a reality. Since 1964 ICCO has been fighting poverty and injustice in the world. From 1 January 2021 that mission continues, in the Cordaid organization, under the name of Cordaid.

We took the first concrete step in April when the deal structure, a business plan on headlines and external due diligence were approved by Supervisory Boards. No imperfections were observed that could stand in the way of an integration. However, the Cordaid Supervisory Council made a reservation for the integration if the annual report of the Stichting ICCO for 2018 was not approved in time by the accountant. Fortunately, this dissolving

condition did not occur. Thanks to the great efforts of the employees of both organizations, a detailed business plan was available on 1 July and from that moment on we were able to draw up our implementation plan.

Better fit for the future

The integration with Cordaid ensures that together we have more scale to achieve a more sustainable impact. We broaden and integrate our expertise areas to remain able to anticipate the increasingly complex challenges of our generation. The new Cordaid will operate as a value-based emergency relief and development organization, emerging from the Dutch Protestant and Catholic traditions with their long standing experience in fighting poverty and social injustice.

There have been several talks about the deal structure. The preferred option of Cordaid and ICCO was a full merger, whereby Stichting ICCO becomes part of Stichting Cordaid. This option required an amendment of the Articles of Association of the Cordaid Foundation and that was not feasible. Therefore, we decided for an asset liabilities transaction and an amended Governance Code of Stichting Cordaid.

Works Council

During 2020 we had frequent consultations with the staff and the Works Council. Unfortunately, due to the corona situation, we were unable to review and organize physical meetings. But luckily, we quickly became familiar with the online tools. We would like to recall here the constructive cooperation with the Works Council. Her solid substantive comments and positive attitude have contributed to the fact that the two requests for advice were properly and timely piloted through the organization.

Worries and opportunities

An integration process hurts. You have to say goodbye to colleagues, in the Netherlands and in the regions. Offices are closed, such as the global office in Utrecht, and in other countries in the coming years as well. It feels like your family is falling apart. But we have also seen and are impressed by the agility and resilience of the staff to work on a new future, as part of a new family. The conviction of why we do our work is stronger than a concrete building or an organization.

Some words or gratitude

Without missing anyone, after all, we all worked hard and dedicated in 2020, the financial colleagues deserve a special mention. In 2020 they had to work on several annual reports of the foundation and the cooperative, which also included 2 different accountancy firms. Their endurance was tested. Finally, we consider the departure of Jolanda Wakkerman for personal reasons. Jolanda was a highly valued colleague on the Executive Board. She has done a great job to improve the financial statements and ICCO's participation portfolio.

We thank everyone who has supported ICCO over the decades and made our work possible. As the annual report shows, we have offered more perspective to the lives of many farmers, women, young people, producer organizations and people in need. As part of Cordaid, we will continue to do so. ICCO's legacy is kept alive.

On behalf of the Cordaid Board of Directors,

Kees Zevenbergen CEO, in consultation with Sybren Attema (CEO of Coöperatie ICCO U.A. until December, 31 2020).

The Hague, October 2021

01 Mission and Strategy

1.1 WHO WE ARE

In this document, where it is stated “ICCO”, we refer to the consolidated financial statements of ICCO Cooperation (Coöperatie ICCO U.A.). When, in this document, it is referred to ICCO Cooperation (Coöperatie ICCO U.A.), ICCO Foundation (Stichting ICCO) or ICCO Group (ICCO Group BV), the referral is to the individual entities.

ICCO is an independent, global non-governmental organization (NGO), established in the Netherlands in 1964. It has a decentralized structure with the global office located in Utrecht (the Netherlands), and 20 offices across Latin America, Asia and Africa. ICCO currently employs just over 400 members of staff and had in 2020 an annual income of more than EUR 44 million.

Our aim is to secure the livelihoods and rights of smallholder farmers in low and middle-income countries in the global South. In particular, we strive to improve the food and nutrition security and income of women and youth and expand their access to job opportunities in agricultural value chains. We also support agribusiness entrepreneurs as well as small- and medium-sized enterprises (SMEs) to grow their businesses.

ICCO is a member of the ACT Alliance, which brings together 135 churches and related organizations in over 120 countries.

In 2020 ICCO implemented 347 projects in 43 different countries. We reached 1,412,882 people (the ICCO Group BV excluded).

Mission	A just world without poverty and exclusion. A world where people can secure their livelihoods and live in dignity.
Vision	Empowered people that build sustainable livelihoods within a society that upholds their rights.
Strategy	We strengthen sustainable agricultural systems.
Goal	<ul style="list-style-type: none">• Food and nutrition security of smallholder farmers and their households• Economic empowerment of smallholder farmers and SME• Resilient and disaster-prepared communities (emergency response

Table 1 : Our mission and vision

1.2 WHAT WE DO

Our five-year strategy ‘Towards a Just and Dignified World 2016 - 2020’ was revised and sharpened in 2018. ICCO’s multi-year plan and program focus on strengthening sustainable agricultural systems through realizing the three interlinked goals (see table 1). The estimated values of these goals we want to achieve in 2020 were defined in 2016 as programmatic key performance indicators. Most of these are impact and long term outcome indicators. This takes time and because there are other influences, achieving these results cannot be fully controlled by the organization. Next to the programmatic key performance indicators the organization also uses indicators at an output and lower outcome level for its programs. We revised the monitoring of our results in emergency response to the number of people to meet basic livelihood needs after a disaster.

Food and nutrition security of smallholder farmers and their communities

We strengthen the capacities of individual households to produce sufficient food and promote healthy diets, while also earning an income from farming.

Our approach

We build the capacity of producer organizations and other service providers so they can support poor households to improve and diversify their production, and have better access to markets, financial services and other inputs. We also contribute to awareness raising and advocacy aimed at promoting healthy and sustainable food and nutrition practices for all household members.

Goal and results (the ICCO Group BV excluded)

In 2016, we planned to reach by 2020 500,000 people who have access to, and control over, resilient food systems, enabling them to realize their food and nutrition security.

- In 2020 616,563 people were reached.
- Between 2016 and 2020 we have supported 2,882,664 people to achieve this goal.

Economic empowerment of smallholder farmers and SMEs

We support poor farmers and producer organizations to seize economic opportunities to improve their income.

Our approach

We link smallholders and SMEs to more lucrative market opportunities. Herefore, we improve their access to agricultural inputs, technical support and finance, and provide them with marketing skills, so they improve productivity and quality of their production and generate a better income. We cooperate with larger private companies who are willing to pay better prices for a better quality product and have access to national or international markets.

Goal and results (the ICCO Group BV excluded)

In 2016 we planned to reach by 2020 450,000 farmers who are economically empowered and have access to finance and markets.

- In 2020 110,931 people were reached.
- Between 2016 to 2020 we have supported 323,668 farmers to achieve this goal.

Resilient and disaster-prepared communities

We support people in acute crises and in protracted crisis situations.

Our approach

We work through our ACT Alliance network, with local partners and sometimes with our own implementation to alleviate short term needs and to rebuild livelihoods in the longer run. We also invest in preparedness for new shocks and in the resilience of people. Thus we mitigate the impact of new disasters and make people less vulnerable in protracted crisis situations.

Goal and results (the ICCO Group BV excluded)

We supported people to meet their basic livelihood needs in response to a disaster.

- In 2020 222,423 people were reached.
- Between 2016 and 2020 we supported 933,179 people to achieve this goal.

Sustainable Development Goals

Our goals are closely linked and form a 'humanitarian-development nexus'. They are aligned to the Sustainable Development Goals (SDGs) 2 and 8 in particular. In addition, we also contribute to SDGs 6, 10, 11, 12 and 17.

1.3 OUR PRIORITY THEMES

Our goals are broadly formulated and fixed for several years. Within these strategic goals we have presented four priority themes on which the goals focus, deepen and innovate,

Inclusive Finance

We link smallholder farmers of useful and affordable financial products and services that meet their needs, such as microfinance, loans and guarantees.

Climate-Resilient Food Systems

Our food and nutrition programs take resilience to climate change into account and adopt a food system approach. This implies an integrated approach looking simultaneously at economic, food security and environmental outcomes.

New Technologies

We advance the productivity and climate-resilience of farmers and agribusinesses with new technologies that allow resource-poor farming communities to access a range of agricultural services and inputs.

Youth Employment and Entrepreneurship

We support young people to start or grow a business by delivering entrepreneurship support services, training and access to finance and new technologies. We train young women and men in technical and soft skills and in their civil rights so that they can generate a decent income in a demanding labour market.

Our fundamental belief in human beings as dignified, creative, responsible and relational beings finds expression in the core values which we hold in common.	
Compassion	We care. We consider every woman and man as a subject with dignity with the ability to improve his or her life, even with small steps at a time.
Justice	We firmly trust people's capacity to grow and assert their rights. We are a proponent of a rights-based approach to development and gender equality.
Stewardship	We accept our responsibility to promote sustainability and maintain the integrity of the earth for future generations.

Table 2: Core values of ICCO

1.4 HOW WE WORK

- We take on different roles and functions depending on the program context: developer, (co-)implementer, advocate.
- Each of our interventions is based on a problem analysis, an assessment of needs and opportunities, a Theory of Change and an exit strategy for phasing out.
- We generate on-the-ground high quality data and embrace digital new technologies to reach our goals.
- We provide a mix of financial instruments ranging from grants to non-grants based funding with return on investment.
- We use a public-private partnership approach, working with civil society organizations, NGOs, private sector actors, governments, knowledge institutions and donor organizations.

1.5 INCREASING OUR IMPACT

We make use of numerous strategies and tools for sharing and increasing knowledge within and outside the organization in cooperation with NGOs, civil society organizations, governments and the private sector. Besides, we reach out, organize and contribute to conferences and events to share and gain insights on our priority topics.

Knowledge sharing

ICCO has established various theme-oriented Google sites and a Planning, Monitoring, Evaluation and Learning (PMEL) newsletter. We also practice a buddy system and various interpersonal capacity building activities, such as Face2Face meetings, thematic training and learning workshops. Some examples of ICCO's knowledge-sharing activities include:

- In August ICCO participated and shared its experiences with smart agriculture in a webinar organized by The Food Security and COVID-19 Community of Practice on Digital Solutions in response to COVID-19 in Asian & Africa agri-food systems.
- In November KUNO and ICCO organized a Covid-Café about Zimbabwe. The country is hampered by an acute food crisis and a government that uses the pandemic to further crack down civil rights.
- On December 12, HUMAN, a partnership between ICCO Cooperation, CNV Internationaal, and VBDO organized a webinar titled: 'Human Rights Due Diligence: Preparing for Legislation'. HUMAN aims to advance the implementation of the UN Guiding Principles on Business and Human Rights.

Impact measurement

ICCO builds its program decisions on data and evidence. We collect data from individuals and households participating in our projects by means of scientifically validated questionnaires and other survey tools. ICCO uses the Household Food Insecurity Access Scale (HFIAS), the Minimum Dietary Diversity for Women survey (MDD-W), the Months of Adequate Household Food Provisioning (MAHFP) and the Poverty Probability Index (PPI).

Lobbying and advocacy

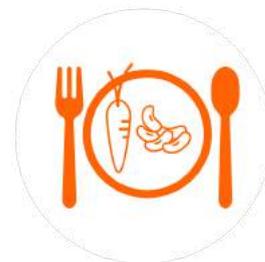
Our initiatives in the area of lobbying and advocacy are primarily organized under the Civil Engagement Alliance, which was established as part of the Strategic Partnership for Dialogue and Dissent, funded by the Ministry of Foreign Affairs of the Netherlands. Chapter 2.4 elaborates more on the work of Civic Engagement Alliance.

Public outreach and engagement

In addition to publishing diverse information products and managing a trilingual (English, Spanish and Dutch) website, ICCO has a strong presence on social media platforms such as Facebook, LinkedIn, Twitter and Youtube. In the countries where we work, we convene, or participate in events.

02 Results ICCO Foundation

2.1 FOOD AND NUTRITION SECURITY



The status of food and nutrition globally is worrying. According to the Food and Agriculture Organization of the UN (FAO), more than 820 million people experienced hunger in 2019. Moreover, the number of food-insecure people has been on the rise since 2015. In addition, two billion people, particularly women of reproductive age and children, suffer from “hidden hunger” - or micronutrient deficiencies - due to inadequate access to nutritious food.

One of ICCO’s core goals is to help improve food and nutrition security for smallholder farmers and their households and thus contribute to the realization of SDG 2: “End hunger, achieve food security and improve nutrition and promote sustainable agriculture”.

1. We promote climate resilient approaches, including sustainable land and water management, diversity and adequate post-harvest handling and marketing to contribute to sustainable local food systems. We pay due attention to inclusion, to increase the agricultural productivity and incomes of smallholder farmers, especially women, youth and indigenous people.
2. We strengthen the capacity of individual households to produce sufficient quality food, while also earning an income from farming. We work with producer organizations, small- and medium-sized enterprises (SMEs) and other service providers so they can support poor households to improve and diversify their production, and have better access to markets, financial services and other inputs.
3. We contribute to awareness raising and advocacy to promote healthy and sustainable food and nutrition practices by all household members, based on scientific evidence and hands-on experiences. In order to influence the overall enabling environment and ensure the sustainability of these interventions, we seek to address relevant legislation and link our work to related services provided by government agencies and other development actors.

Results

In 2020, we implemented 48 food and nutrition projects in 17 countries.

Indicator	2020	2016-2020 ¹	2016 - 2020 ²
		Result	Projected
Households with improved food security	134,164	568,640	360,000
People with improved dietary diversity	61,639	161,523	30,000
People with control over food systems	616,563	2,882,664	500,000

Table 3: Results food and nutrition security indicators.

¹ Please note that figures are taken from ICCO’s database. In the past manual adaptations were made to the system, so comparisons with the former year report might lead to deviations.

² These are rolling targets. New programs might lead to higher targets.

Project highlighted 1

Manq'a: Cooking schools for youths

The Manq' a project was born in Bolivia in 2014, and was extended to Colombia, Guatemala (2020) and Honduras. It works to strengthen food security and the economic empowerment of young people from vulnerable contexts in Latin America through the training of chefs and gastronomic entrepreneurs. More than 5,500 young people were trained as cooks, 2,634 jobs were created, and the food security of 6,600 households was improved.

The gastronomic training combines a practical methodology and the respect and recognition of agricultural products and the rural area, promoting a responsible consumption of local and nutritious products. After graduating from culinary schools, young people receive support to enter the labor market or they can start a business, for which they receive support.

During 2020, the pandemic impacted hundreds of families of our young cooks. Many young gastronomic entrepreneurs had to close their businesses, and several saw their training continuity threatened. In this context, a virtual teaching platform was developed, to reactivate businesses by providing financial support and solving basic food needs of families with great economic necessity.

There are several challenges that are still pending. Among them, consolidating our own platform for donations via the web, as well as replicating businesses such as our Manqa restaurant, the catering and tourism service. We are also working to expand the network of schools in countries where the model has escalated in recent years, expanding opportunities for thousands of young people from vulnerable contexts and improving their food security.

Two Manq' a students have their say:

https://www.youtube.com/watch?v=HoXBaWY_J2w

Project highlighted 2

The Strengthening African Rural Smallholders (STARS) project in Rwanda (2016 - 2021) improves the access to finance and markets for smallholder farmers. The project, funded by Mastercard Foundation, is also implemented in Ethiopia, Burkina Faso and Senegal. With ICCO as the lead organizations, many local stakeholders are involved in the STARS project: producer organizations, MFIs, government, farmers unions, federations, suppliers, buyers and processors.

In Rwanda MFIs developed loans tailored to smallholder farmer groups engaged in the rice and maize as the main value chains. They also offered loans to individual farmers of onion and other vegetables. The resulting agri-loan products took into account the seasonal cash-flows and production costs of farmers.

Some results of STARS Rwanda as December 2020 were:

- 6 agri-loan products developed and 1 refined
- 89,865 smallholder farmers (58% women) received an agri loan
- USD 11,830,814 loan disbursed to farmers by MFI
- 34,356 Farmers (13,560 women) accessed market through cooperatives
- For maize, harvest rejection decreased from 60-80% to 20-30%, whereas for rice it declined from 20-30% to almost 0%.

STARS website: <https://www.icco-cooperation.org/en/project/stars/#pr>



2.2 ECONOMIC EMPOWERMENT

Half of the world's working population is employed in the agricultural sector. In sub-Saharan Africa 33 million smallholder farms, and the farmers that live on them, contribute up to 70% of the food supply (IFAD, *The field Report*). Smallholder farmers therefore play a critical role in achieving sustainable livelihoods and food security as producers of their own food and for the market.

Among the many challenges they face, farmers struggle with limited access to land, inputs, finance, knowledge, technology and markets, and other support services. This hampers their ability to produce sufficient food, earn a sustainable income and increase their resilience to climate change and other threats to their livelihood. As a consequence, smallholder farmers have limited capacity to grasp emerging opportunities and young people are forced to abandon agriculture.

ICCO works to enhance the viability of small-farm economies as a contribution to fighting poverty and undernourishment. We do this in two main ways;

1. We contribute to improved production practices and access to inputs, markets and finances for farmers at the household level.
2. We promote employment and entrepreneurial opportunities in the agribusiness sector through building the capacities of youth to start their own business and strengthening small and medium-sized enterprises (SMEs) and cooperatives with business advice and access to finance

Results

In 2020, we implemented 86 economic empowerment projects in 24 countries.

Indicator	2020	2016 - 2020 ³	2016 - 2020 ⁴
		Result	Projected
People with an increase in income	51,895	258,004	350,000
Farmers trained	31,705	62,597	170,000
Farmers with improved access to finance	442,869	662,833	220,000
Farmers with increased productivity	62,936	111,819	160,000

Table 4: Results economic empowerment indicators.

Project highlighted 1

SpiceUp: Sustainable income from pepper farming

SpiceUp is a public-private partnership, funded by the Geodata for Agriculture and Water (G4AW) program of the Netherlands Space Office (NSO). Partners are Verstegen Spices and Sauces BV (Lead), Nelen & Schuurmans, VanderSat, Bogor Agricultural Institute (Institut Pertanian Bogor—IPB), Akvo, PT Cinquer Agro Nusantara (PT CAN), Balitro and ICCO.

Spice Up aims to provide geodata based information services to 100,000 pepper farmers in three main producing areas in Indonesia (Lampung, Bangka Belitung, and Kalimantan). The information will contribute to increase production, income, food security, optimize water use, and reduce inputs of fertilizer and pesticides.

³ Please note that figures are taken from ICCO's database. In former years, manual adaptations have been made to the system, so comparisons with the former year report might lead to deviations.

⁴ Projected targets 2016 - 2020. New programs in coming years might lead to higher targets.

The geo-data information service targets three groups, which are farmers, collectors, and businesses. SpiceUp encourages farmers to utilize digital technology (SpiceUp application) to get pepper farming information and manage their pepper farm. For farmers, there are six main features of SpiceUp App, including farm specific Good Agricultural Practices (GAP) advice, investment analytics, monitoring of health and growth, weather forecast, market price information, managing transaction and stock, and a chat feature to pepper collectors.

Until 31 December 2020, SpiceUp was used by more than 334 farmers across Indonesia and SpiceUp established 2 demonstration plots in Bangka and Lampung. As the establishment of the demo plot follows the advice and recommendations from the SpiceUp mobile app, it is expected that they will be seen as proof of success in the development of sustainable pepper farming through the SpiceUp project and thus, can convince farmers to use the mobile app.

Project video: <https://youtu.be/tyDhFY4tQcY>

Project highlighted 2

Rural peace and productivity in Colombia

The Rural Peace project contributes to peace-building and the strengthening of rural economies in 16 municipalities in Nariño and Putumayo through a territorial approach. It combines three different strategies directed to 1,800 men and women (young, small-scale producers, indigenous and mestizo) and 11 agri-food SME's. They are economic empowerment, advocacy and participation in territorial management, and people culture.

Rural Peace runs between 2017 and 2021 and is a partnership of seven NGOs and one company. The funds come from the European Union Trust Fund for Colombia, Kerk in Actie, CDLO – USAID, and the Embassy of the Netherlands in Colombia. Some of the results till now are:

- 1,820 small-scale producers improved their participation in the coffee, cocoa, chontaduro, and panela value chains.
- 450 indigenous families from the Awá reservation have strengthened their food security.
- 200 women improved their access to local markets. They have also explored e-commerce opportunities
- 11 companies participated in the business acceleration process.
- 544 small-scale producers were directly linked with SMEs as suppliers.
- 453 rural youths certified as labor technicians in gastronomy and hospitality in Nariño and Putumayo.

Project video: <https://www.facebook.com/watch/?v=631778737384088>

2.3 EMERGENCY RESPONSE

In recent years the number of crises worldwide rose significantly and the number of refugees and Internally Displaced Persons (IDPs) increased. [UNHCR](#) mentions that the number of IDPs increased over the years, from some 10,000 a day in 2005 to more than 40,000 per day in 2017. At the end of 2019 there were 79,5 million IDPs and 26 million refugees in the world.



The total of humanitarian needs continuously increases, says Mark Lowcock to the Dutch Relief Alliance (DRA), of which ICCO is a member: "In 2020, nearly 168 million people worldwide will need humanitarian assistance and protection. That represents about one person in 45 on the planet. It is the highest figure in decades." While the needs for available funding for humanitarian assistance declined.

In order to overcome this paradoxical situation, international humanitarian actors and local actors found each other in the Grand Bargain as a result of the World Humanitarian Summit in 2016. ICCO often leaves the immediate life-saving response to the first responders, the local actors, but complements with a second phase intervention when a disaster or crisis happens, in line with this Grand Bargain and ICCO's primary strength.

1. We create resilient communities that are adequately prepared for, and can effectively respond to disasters.

2. We pay particular attention to integrating disaster risk reduction and resilience strategies with our food and nutrition, and economic empowerment programs. This is because we are well aware that people's economic and social investments can be easily undermined or even wiped away by external threats, including climate change, disasters or conflict.

In 2020 ICCO completed a successful Core Humanitarian Standard (CHS) Self Assessment showing compliance with the standard. The Self Assessment was validated by the CHS Alliance. The accompanying 2 year improvement plan will be implemented together with Cordaid.

Results

In 2020, we implemented 40 projects in 15 countries

Indicators	2020	2016 - 2020 ⁵
People enabled to meet their basic food needs	3,000	518,701
People having access to sufficient and safe drinking water sources for domestic use	59,031	278,154
People having access to dignified, safe, clean and functional excreta disposal facilities	6,510	82,438
Households supported in (food) production and income generating activities	4,921	42,341

Table 5: Results emergency response indicators.

Project highlighted 1

Bale Zone: Community resilience

Climate change induced drought caused frequent loss of crops and death of livestock in low land areas of Ethiopia including Bale Zone. This left a substantial number of the population dependent on food assistance for consecutive years. ICCO with its local partners Hundee and EECMY-DASSC set up a disaster risk reduction project, to build community resilience against climate shocks. The project first took a trial period of 15 months and became a full fledged project from January 2020. Key stakeholders are the Pastoral area development office and irrigation office at district and regional level.

The project addresses three main pillars: enhancing climate smart livelihood opportunities to increase household income, strengthening community institutions and emergency response capacity. The interventions include small-scale irrigation development, drought resistant crop production, and other income generating activities. Farmer groups are also provided with business coaching, to improve their entrepreneurial skills. Furthermore, strengthening community institutions is approached through women's village saving and loan associations. Community contingency planning and early warning data collection and analysis are meant to enhance emergency response capacity.

Some results achieved are:

- 424 farmers were organized on small scale irrigation and produce vegetables for family food and the market.
- Women groups (30 members) contribute to household income with small businesses (restaurant, small ruminant fattening, solar kiosk and petty trading).
- Village savings and loan associations created an opportunity for 1,300 women to join small businesses and helped to improve household income.
- Increased level of awareness among the community to disaster preparedness, shown through environmental protection activities (tree planting, soil protection etc).

⁵ Source: ICCO database. Please note that due to manual adaptations of the monitoring system in the past, comparisons with the previous annual report might lead to deviations.

2.4 OTHER PROGRAMS

Civic Engagement Alliance

Our initiatives in the area of lobbying and advocacy were primarily organized under the Civic Engagement Alliance, which was established as part of the Strategic Partnership for Dialogue and Dissent, funded by the Ministry of Foreign Affairs of the Netherlands. ICCO was the lead agency of this coalition (2016 - 2020), which brought together 11 Dutch NGOs that support lobbying and advocacy activities implemented by 73 civil society counterparts in 13 countries.

The Alliance enhanced the lobbying capacity of civil society organizations and sought to exert influence with decision makers at the Dutch, European and global levels. The program was organized around four pathways:

- Strengthening the position of civil society organizations
- Promoting sustainable and inclusive food systems and consumption
- Strengthening the position of smallholder farmers and producers
- Responsible entrepreneurship

On average, we worked on two to three lobbying and advocacy pathways in each country, although the selection differed per country. For each pathway, we tracked an average of 18 strategic partnership indicators, which were complemented by the use of “lobby logbooks” and success stories. The table below highlights the results of lobbying and advocacy activities undertaken by the Alliance in each country, based on a sub-set of six indicators.

Indicators	Results 2016 - 2020
Laws, policies and norms / attitudes were implemented for sustainable and inclusive development	84
Laws, policies and norms / attitudes were blocked, adopted or improved for sustainable and inclusive development	238
Times civil society organizations succeeded in creating space for their demands and positions through agenda setting, influencing the debate and/or creating space to engage	1.765
Advocacy initiatives were carried out by civil society organizations, for, by or with their membership constituency	1.723
Civil society organizations increased their lobby and advocacy capacities	5.839
Civil society organizations participated in programs implemented by the Alliance	811

Table 6: Results Strategic Partnership Dialogue and Dissent indicators.

Project highlighted

The power of a poster

In the Indian state of Assam, local partners of Civic Engagement Alliance supported women’s groups that advocated for Anganwadi centres, rural child-care centres. These centers provide care for young children and pregnant and lactating mothers. The Alliance team in India decided to make a poster as part of an awareness campaign. Indian artist Mis Pooja Dhingra designed it, using gonad tribal art. The poster was presented to decision makers, amongst others, in order to provide equitable access to nutrition by pregnant and lactating mothers and their children. The campaign paid off. The women’s groups managed to establish thirty kitchen gardens at the Anganwadi centres, kitchen gardens were included in government policies and the campaign received an Innovation Challenge Award from the UN World Food Programme, the FAO, Feeding India and 1-Gen.

03 Results ICCO Group B.V.

3.1 Fair & Sustainable Consulting

Fair & Sustainable (F&S) Consulting was established by ICCO in 2010 and offers high quality consultancy services to international nonprofit and for-profit clients. F&S employs twelve consultants and works with eight regular associate consultants. The team worked on several long-term assignments and signed 54 new contracts. The annual income turnover for 2020 is EUR 597,000.

ACHIEVEMENTS

F&S Consulting made a loss in 2020 of EUR 65,000 which was caused by the outbreak of the COVID-19 pandemic, which resulted in the cancellation or postponement of most of the assignments after March 2020. F&S Consulting received NOW subsidy during 2020 to an amount of EUR 226,000, which has safeguarded F&S from a bigger loss and secured the continuity of the company. Fortunately, all staff could be retained.

During the first half of 2020 the management and the consultancy team of F&S Consulting spent time on developing new strategies to cope with the effects of the pandemic. This resulted in three lines of thought:

- First the already planned decentralisation should be given a boost. Working with national consultants has advantages in the current situation where travelling is complicated.
- Second, the consultants should offer more services online and should become good at online facilitation. So all consultants received training in online facilitation and the use of software and
- Third, in line with that F&S developed two new online trainings: Gender in Value Chains and Market System Development. Both trainings were offered and well received by quite a number of clients, especially by GIZ to whom F&S has sold about 5 Gender in Value Chains training late 2020 and early 2021.

In the last quarter of 2020 the turnover increased and F&S Consulting managed to get more home based assignments and offer online trainings. Expectations are that 2021 will be a year where business will catch up to the usual level.

Despite the corona pandemic F&S Consultant worked on establishing a representative office in Kenya, for which a YEP trainee was recruited.

31% of the F&S Consulting work was related to long term ICCO Part of Cordaid programs, 20% of the work was done for Dutch NGOs, 6% for the private sector, 16% for international NGOs, 8% for the Dutch Government (Ministries and Embassies) and 19% for international government related agencies.

New clients in 2020 were BRLI, Particip, Woord en Daad, Aqua for All, RSPO, Cowater, Church of Sweden, Opportunities Unlimited and Tropenbos. F&S also acquired new Framework Contracts with RVO and BuZa together with ADE and KIT. F&S successfully worked with the two ICCO Part of Cordaid regional offices in West Africa and Central, Eastern and Southern Africa to formulate new proposals and continued working with IDH, the Juice CSR Platform and several other regular clients. The customer satisfaction score of F&S in 2020 was 8.3.

FAIR & SUSTAINABLE ETHIOPIA

F&S BDS in Ethiopia also suffered from the corona pandemic, but losses were limited. The total loss was EUR 40,000, of which EUR 28,000 was the result of the devaluation of the Ethiopia Birr and EUR 12,000 was the loss on operations. Also, in Ethiopia all staff could be retained. F&S Ethiopia has a team of 12 staff of which 2 consultants are Dutch, the rest is Ethiopian. No government support was available in Ethiopia.

In the second half of the year the work volume increased. New long-term contracts were signed which makes the future looks bright. Collaboration with F&S in the Netherlands and with the office in Kenya goes smoothly. F&S BDS Ethiopia is well positioned to expand, also to other countries in the region.

PRODUCT DEVELOPMENT

From the start of the company, F&S chose to focus on inclusive economic development. That still is a relevant choice given the continued attention for aid and trade, not only in the Netherlands but also internationally. The focus on value chains, value chain finance, microfinance, corporate social responsibility, business & human rights, climate resilient agriculture and living wage has even become stronger. Online in-company trainings were developed and added in 2020 to the portfolio. Through the effective re-strategization exercise F&S managed to adjust its operations to the new realities caused by the corona pandemic, which makes the future look bright for 2021.

3.2 FairClimateFund

FairClimateFund is a social venture established in 2009. Its mission is to work towards a fair climate where those who contribute most to climate change invest in CO₂ reduction projects that benefit people who are most vulnerable to the effects of climate change. Together with our partners, we finance and implement climate projects. We focus on sustainable household energy projects and nature-based solutions. These climate projects reduce CO₂ emissions and deforestation, and improve the living conditions for people in developing countries.

Our climate projects are currently focused on clean cooking solutions in India, Ethiopia and Burkina Faso. In Peru we finance a reforestation project with a coffee cooperative. FairClimateFund is developing new climate projects in Rwanda, Bangladesh, Uganda and West Africa. Most of our projects are Fairtrade certified and generate Gold Standard/ Fairtrade Carbon Credits. We sell these carbon credits at a fair price to private individuals and companies in Western countries that want to offset the CO₂ emissions that they cannot (yet) reduce.

RESULT AND IMPACT BASED

The strong alignment of FairClimateFund's approach to fair trade principles and the Sustainable Development Goals (SDGs) has led to a growth of the sales turnover. In 2020, our total annual income grew to EUR 1,143,298. Over 50% of our total credits sold in 2020 were Fairtrade certified carbon credits.

70% of our income goes directly to our projects with which we achieved the following impact in 2020:

- 45,506 tonnes of CO₂ reduced
- 33,293 tonnes of wood saved (or 66,586 trees protected)
- 86,998 efficient cookstoves in use
- 333,350 people reached in less developed countries

In total over the past 10 years, we achieved the following impact:

- 636,653 tonnes of CO₂ reduced
- 463 million kilos of wood saved (or 927,575 trees protected)
- 86,998 efficient cookstoves in use
- 333,350 people reached in less developed countries

FairClimateFund and CO₂ Correct make sustainability accessible to the fruit and vegetable sector

CO₂ Correct has devised a unique approach that provides companies with quick insight into the carbon footprint of the products in the fruit and vegetable sector. From this CO₂-corrected starting point, CO₂ Correct takes its members to feasible, but effective sustainability steps, which are partly obtained from the insights provided.

In addition, CO₂ Correct motivates companies to CO₂ compensation. The first project that CO₂ Correct supports is the biogas installations project of FairClimateFund in India. The ultimate goal for CO₂ Correct will be to set up similar projects together with FairClimateFund in other parts of the world where a lot of fruit and vegetables are grown. In this way the members of CO₂ Correct can correct their impact on the place where the products come from.

04 Organization

4.1 STRUCTURE

ICCO Cooperation consists of a cooperative, a foundation and the ICCO Group BV, all established under Dutch law. The statutes of ICCO Foundation are closely linked to the statutes of *Coöperatie ICCO U.A.* Both have an identical mission and objective and a “personele unie” is arranged between the Executive Board of the cooperative and the Executive Board of ICCO Foundation. The Supervisory Board of *Coöperatie ICCO U.A.* oversees the Executive Board and approves the annual report of ICCO Foundation. The cooperative has no profit motive and may not make any profit distributions according to its statutes. The members of the Executive Board are also the directors of the ICCO Group BV.

ICCO Foundation has been ‘certified’ by the Central Bureau of Fundraising (CBF) since January 1, 2012. Unlike most CBF-qualified organizations, which raise funds from individuals, we are not a traditional charity. However, we are proud of being recognized by the CBF because we want to show accountability to our donors – such as the Nationale Postcode Loterij, as well as the Dutch public – by demonstrating that we follow the ‘Erkenningsregeling Goede Doelen’ of which Code Wijffels for Good Governance is part.’

ICCO Foundation is designated as Public Benefit Institution (ANBI) by the Dutch Tax Authorities and based on its statutes ICCO Foundation qualifies as a non profit organization.

Structure and Organizational Chart:

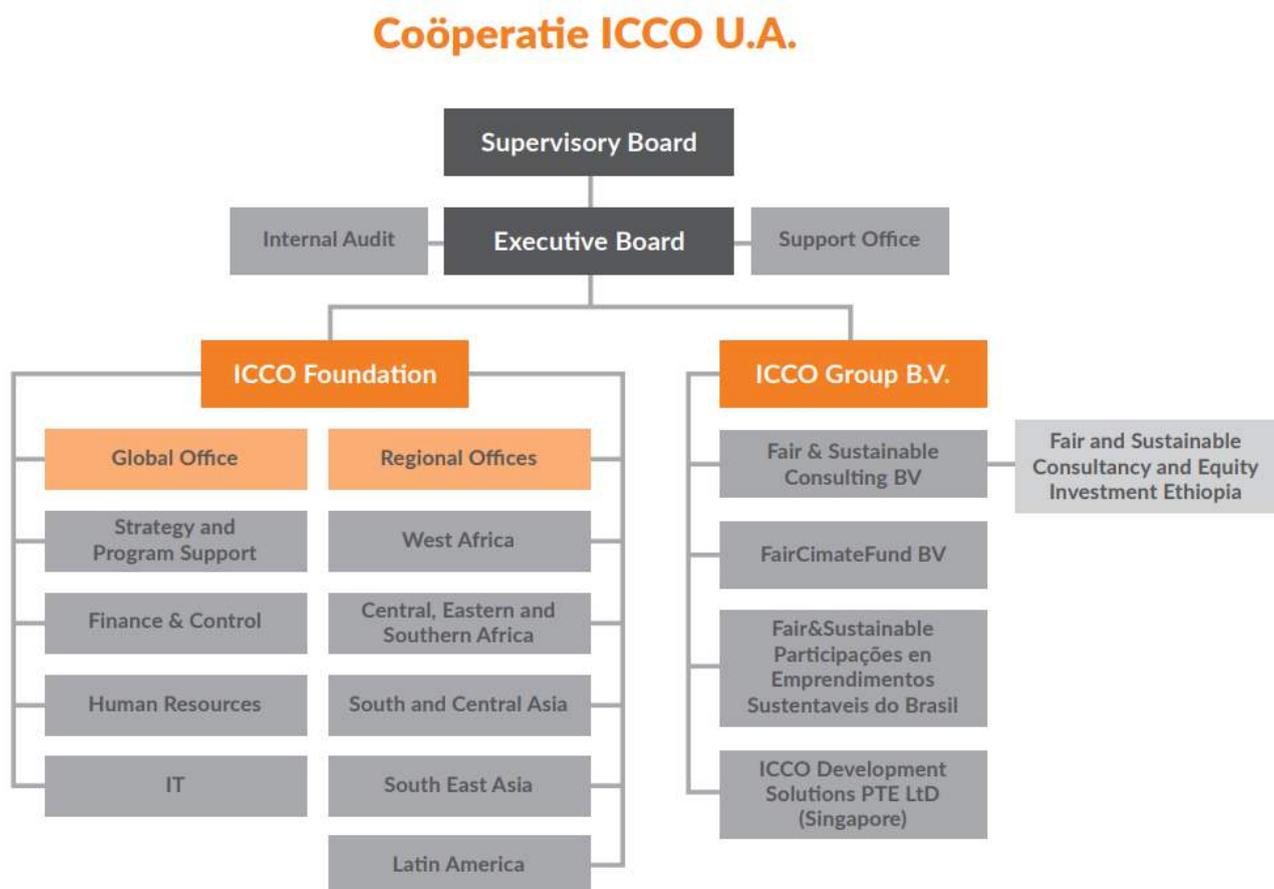


Figure 1: Organizational chart *Coöperatie ICCO U.A.*

ICCO Foundation is executed from the global office in Utrecht and five regional offices. For an outline of the legal structure we refer to 8.6 Explanatory notes to the items on the statement of income and expenses (note 17).

4.2 EXECUTIVE BOARD

The Executive Board started the year 2020 consisting of two board members; Sybren Attema (chairman) and Jolanda Wakkerman (member). Jolanda stopped as a board member as of March 31, 2020 and left the organization for personal reasons. The Supervisory Board decided that Sybren Attema would stay the only statutory Executive Board member, with support from an interim CFO.

All tasks of the Executive Board are laid down in detail in its articles of association of ICCO Foundation and 'Coöperatie ICCO U.A.'. In the fulfilment she makes effective use of the advisory function of the Supervisory Board. The tasks of the Executive Board are executed in consultation with the team of managers of the regional offices and managers in the global office. Members of the Executive Board are appointed by the Supervisory Board.

Task division within the Executive Board

The Executive Board is a collegiate board which is jointly responsible for the whole organization. The members have agreed upon a different portfolio: the chair is the figurehead with responsibility for strategy, policy, HR of the global and regional offices, integrity and external communication of the organization. The member is responsible for Finance, IT and acts as chair in the absence of the chair. The management of the regional offices and fundraising is a shared portfolio.

Composition and ancillary positions Executive Board in 2020:

Sybren Attema - Chair from 1 July 2019

Board member Manq'a SOS

Jolanda Wakkerman - Member

Board member NPM

Board member ICCO Development solutions Singapore

Board member Stichting Capital 4 Development

Member Supervisory Board Lendahand

Director ICCO South Africa NPC

Director ICCO Trust Kenya

Board member Stichting Business 4 Impact

Member Supervisory Board Zorgpartners Midden Holland

Board remuneration

The Supervisory Board has set the remuneration policy, the level of board remuneration and the level of other remuneration components. The policy is updated periodically. The last evaluation was in their meeting of 25 August 2020. When determining the remuneration policy and determining the remuneration, the Supervisory Board follows the 'Regeling beloning directeuren van goededoelenorganisaties' (Remuneration of Directors of Charity Organizations Regulation), last update Nov. 2020. In 2020, the remuneration of the Executive Board complied with the maximum remuneration as set in the Regeling.

In the financial statements in the notes to the statement of income and expenditure a disclosure is provided of the income for both the Supervisory Board members and the Executive Board members and interim director.

4.3 SUPERVISORY BOARD

Duties

The Supervisory Board has the following tasks:

- Pro-actively and retroactively supervise the policy of the Executive Board and the general run of affairs within the foundation and the enterprises linked to it.

- Support the Executive Board with advice upon request or otherwise, inclusive of an annual evaluation of individual board members and the board as a whole.
- Appoint, suspend and dismiss members of the Executive Board.

In fulfilling their tasks, the Supervisory Board members shall be guided by the interests of ICCO Foundation. Each Supervisory Board member must be able to operate independently and critically towards the other Supervisory Board members, the board and any partial interest whatsoever.

Appointment term and composition

The Supervisory Board consists of five persons. There is one vacancy. The members are drawn from the constituency and the network of ICCO Foundation. The composition shall be such that there is a balance in expertise and origin. When a vacancy arises, the Supervisory Board sets an individual profile and makes every effort to supplement its membership to five members.

Statutory rules to prevent conflicts of interest apply to both the Executive Board and the Supervisory Board. Annually, the general lines of the executed policy of the Executive Board are discussed in a joint meeting with the Supervisory Board.

An Audit Committee and Remuneration Committee supports the Supervisory Board. Members of the Supervisory Board are appointed by the General Assembly of 'Coöperatie ICCO U.A.'

Ancillary positions Supervisory Board ICCO as of December 31, 2020:

Ir. J.F. de Leeuw - Chair and chair Remuneration Committee (term ends January 2021)
Chairman CTGB (*College Toelating gewasbeschermingsmiddelen en Biociden*)

Ancillary positions:

Member of the Board of the Abraham Kuyperfonds
Chair Supervisory Board Qua Wonen (Krimpenerwaard)
Chairman Foundation IZZ
Member of the Board of Stichting Beheer LZ Agro Kwaliteitsborging (Qlip)
Member of the board of the Nationaal Groenfonds
Member of the Board of the Dutch Authority for Emission (NEa)
Chair of the independent Board of Stichting Kwaliteitsgarantie Vleeskalversector (SKV) (Quality Guarantee Foundation for the Veal Calf Sector)

Drs. W. Oosterom - Member, member Audit Committee and member Remuneration Committee (term ends January 2021)

Consultant Oosterom Advies BV, business economist

Ancillary positions:

Member Supervisory Board and Audit Committee *Reinier Haga Groep (until September 2020)*
Member Supervisory Board and Chairman Audit Committee *Stichting Rivierduinen*.
Chairman *Audit Commissie Federatie Medisch Specialisten*
Treasurer *Protestantse Gemeente Amersfoort*
Member Supervisory Board and chair of the Audit Committee of the hospital: *Gelderse Vallei*
Chair *Generale College Behandeling Beheerszaken* of the *Protestant Church in The Netherlands*.

Prof. dr. G. van Dijk - Member and chair Audit Committee (term ends January 2020- extended until integration with Cordaid 31-12-2020)

Professor Social Venturing Economics & Cooperative Entrepreneurship, TIAS, Tilburg University
Visiting professor Agribusiness Management, International Center for Advanced Mediterranean Agronomic Studies (Chania, Greece)

Managing Director The Netherlands Institute for Cooperative Entrepreneurship

Ancillary positions:

Member Governing Board *Metgezel Beheer BV*
Chair Foundation Rabobank Certificates
Chair KIC! *Kennis en Innovatie Cooperatieve Creatieve Industrie u.a.*

Chair Cooperative SquarePlay-Enabling digital agriculture for smallholder farmers
 Chair Advisory Board K3 Groep BV
 Chair Advisory Board Royal Polak BV

Mr. dr. A. Knigge - Member (term ends January 2024)

Lawyer | Co-managing Partner – Houthoff

Ancillary positions:

Member of the Board of Trustees of Research Centre *Onderneming & Recht*

Member of the Board of Trustees of *Zuidas Master (Vrije Universiteit / Universiteit van Amsterdam)*

Member of the Board of VU Master Climate Goals, Corporations and Law

Treasurer of the *Nederlandse Vereniging voor Procesrecht* and the *Stichting Procesrecht*

Meetings Supervisory Board

The Supervisory Board held eight regular meetings in 2020, more than usual. Main reason was the intensive process together with Cordaid to take all necessary steps to work towards the final decision-making in December 2020 to join forces as ICCO and Cordaid together. Issues addressed during the meetings of the Supervisory Board included the delay in the audit of the financial statements 2017 and 2018, the budget for 2021 and the finalization of the annual report. Other important issues were the impact of Covid 19 on our operations and staff and the move from the ICCO office in Utrecht to the Cordaid office in The Hague.

Regarding the retirement schedule the Supervisory Board decided to presort the new situation of the proposed integration with Cordaid. Therefore the Supervisory Board has asked Gert van Dijk - despite his due to retire on 1 January 2020 - to remain seated until the integration and to keep the vacancy vacant.

	First term	Second term	Audit Committee	Remuneration Committee
Johan de Leeuw	Jan 2013- Jan 2017	Jan 2017 - Jan 2021		x
Wim Oosterom	Jan 2013-Jan 2017	Jan 2017 - Jan 2021	x	x
Gert van Dijk	Jan 2013-Jan 2016	Jan 2016 - Jan 2020	x	
Albert Knigge	Jan 2016 - Jan 2020	Jan 2020 - Jan 2024		
Vacancy				

Table 7: Retirement schedule.

4.4 PERSONNEL

Headcount	Headcount as at 31-12-2019	New employees in 2020	Employees out in 2020	Headcount as at 31-12-2020
Regional offices	363	93	88	368
Global office	42	4	14	32
ICCO Group	16	1	3	14
Total	421	98	105	414

Table 8 : Number of employees according to the management information from the HR system. N.B. Data are excluding volunteers, 0-hour contractants, interns. The number of persons differs from the average calculated FTE due to differences in the registrations used.

In the beginning of 2020 the number of staff at the global office rose slightly, but from May 2020 onwards some staff left that were not replaced, or rather their positions were filled by interim staff, in view of the integration plans with Cordaid. This caused the relatively large decrease of the global office. During the year 4 trainees were working in Utrecht, at the end of the year there were zero left. 2 volunteers per January 1 had left the organization at the end of 2020. 1 employee had a 0-hour contract during the year. In addition, the global office had 14 consultants at the beginning of the year, 5 of whom had left the organization as of December 31, 2020.

At the regional office level there was a slight increase in human resources. The regions Latin America, West Africa and South and Central Asia saw their staff grow in numbers. Southeast Asia and the region Eastern and Southern Africa decreased their staff slightly, over the whole year.

The two companies (FairClimateFund and Fair & Sustainable Consulting) of the ICCO Group counted at the beginning of 2020 three 0-hour contractors. One 0-hour was terminated. The terms of four trainees expired before the end of the year.

4.5 WORKS COUNCIL

During the year a Works Council, consisting of four employees in the Netherlands, and four employees in other countries, discussed with the Executive Board subjects related to the organization's human resources policy, and also the year's most important subjects related to strategy and business. Next to this, regional staff representations had their own reflections and gave feedback to the policy and plans of regional managers. Main topic of the year 2020 was the intended integration with Cordaid, to which the Works Council at the end of the year gave positive advice, with monitoring points to be followed up.

4.6 QUALITY

ICCO Cooperatration's ISO/Partos 9001:2015 certificate is valid until October 2021. In 2020, the West Africa Office and the Global Office were subject to successful external ISO audits. Internal audit subjects were selected via a risk-based audit plan. In 2020, ten internal audits were implemented; one complete systems check of a Regional Office on location; four remote audits of Regional Offices; four audits of specific processes at departments in Utrecht and one audit on compliance with the Partos 9001:2018 standard. The adjustments in the audit process and formats made in 2019 were put into practice.

In the final months of 2020, the focus of Quality and Audit was on preparations for the cooperation with Cordaid. Together with Cordaid staff, a review of strengths and weaknesses of both Quality Management Systems was done, and a proposal was prepared for the merging of the Quality and Audit functions. This proposal was input for the integration Business plan.

Quality standards and codes of conduct

ICCO promotes the use of standards, guidelines and certificates to collectively improve or develop our work and prevent wrongful conduct. All staff members, as well as consultants and partners are required to sign a contract indicating that they will adhere to these codes.

We adhere to the following Codes and Policies:

- ICCO Code of Conduct (May 2020) which is compliant to the ACT Alliance Code of Conduct for the Prevention of Sexual Exploitation and Abuse, Fraud and Corruption, and Abuse of Power (in place since 02-05-2010, revised in 2016)
- Code of Conduct for the International Red Cross and Red Crescent Movement (ICRC) and NGOs in relief (in place since 02-05-2010, revised in 2012)
- ICCO and Kerk in Actie Child Safeguarding Policy (since 2016), guided by the ACT Alliance.
- ICCO Anti-fraud and -corruption Policy & Procedures ICCO (revised mid 2020)
- ICCO Whistleblower regulations (revised May 2020)
- ICCO Integrity Policy (2019) and ICCO's Integrity Standard Operating Procedures (2020)

Integrity codes and violations

After the development of our ICCO Integrity policy and system in 2019, in 2020 we continued to work on the professionalization and roll-out of our policies and investments to put our integrity system into practice.

In consultation and collaboration with our Works Council and Project Group on Integrity and in anticipation on the upcoming integration with Cordaid, we developed and adopted the following procedure and policies, which are available on ICCO's website (under 'accountability') and the special page on intranet on Integrity for staff:

- Integrity Standard Operating Procedure (including Whistleblower policy). This Standard Operating Procedure describes in detail how to report a possible breach, how to deal with a report and how to further investigate a report.
- Anti-fraud and -corruption Policy & Procedures ICCO.

Regional Integrity Focal Points were appointed to support case management and investigation capacity, and to ensure relevance and ownership of our integrity system across the countries that ICCO works in.

In line with ongoing efforts in the sector, ICCO has committed to new Safe Recruitment standards to prevent impunity and re-hiring of known perpetrators of misconduct. As a result, attention to integrity has been strengthened in our HR procedures, with a particular focus on improved background checks.

To continue the engagement of all staff, we have continued the roll-out of integrity training and awareness sessions for all staff both in person and remotely; the online ACT Alliance Code of Conduct training became mandatory to all current and new staff and has been followed by all staff.

In addition, ICCO's key actors (management and integrity focal points) participated in specialized integrity training for conducting moral deliberation sessions. Also a training was given to strengthen ICCO's Persons of Trust around the world in their role in supporting staff affected by misconduct.

The integrity focal points for interpersonal relations have all followed a well-recognized remote course of OSACO on conducting investigations, together with focal points from ACT Alliance members.

As follow up of our Integrity policy and system we further have:

- developed a dedicated intranet site on Integrity with all materials, documents and training information and how to file a report in one place;
- developed and distributed communication material in English, French and Spanish to use in our offices and programs, for further awareness;

With all our efforts we aim to improve our integrity system. This system with underlying documents is in compliance with standards from Partos, Code of Conduct of ACT Alliance, donors like the Ministry of Foreign Affairs and the EU and the Regulations of CBF .

ICCO stands for 'dignity for all'. Every form of abuse or other breach of our Code of Conduct goes against the heart of who we are. We will continue to use all instruments at our disposition to prevent misconduct, report it and handle it appropriately.

In addition, ICCO has also been active in exchanges with relevant national and international networks to identify ways to further improve the global prevention and response efforts to integrity and safeguarding concerns. Further streamlining & strengthening integrity in our projects and with partner organizations remains a focus area for 2021, together with and in the now joint Integrity Framework of Cordaid which applies as of 2021 also for ICCO.

Fraud and Financial Incapacity Procedure

As part of the 'ACT Alliance Code of Conduct for the Prevention of Sexual Exploitation and Abuse, Fraud and Corruption and Abuse of Power,' and our integrity policy, ICCO implements its own 'Anti-fraud and -corruption Policy & Procedure.' We try to prevent fraud and corruption through:

- Close monitoring and
- Abiding by strict contracting procedures.

We strive for a culture of integrity and have a zero-tolerance for non acting in case of misconduct and undesirable behaviour. Despite our commitment and efforts against any type of misconduct, we know that undesirable behaviour, misuse of power, or financial violations can and do occur. When an incident does occur, it is reported through specific channels, such as via the Integrity Officer or the management. Each case – whether alleged or proven – is taken very seriously and immediately investigated. Incidents are investigated whether internally or by a professional external party. Resulting actions are coordinated by ICCO's integrity officer.

Report of Complaints

In 2020 in total 7 alleged cases of misconduct were reported or detected, of which one anonymously. Of these 7 cases, 5 were reported via a formal report of complaint via our complaints and appeals system that ICCO has, that is accessible via our website for all our stakeholders and partners.

Types of complaints: these alleged cases consist of 4 allegations of financial misconduct, 2 allegations of sexual undesirable behaviour, 2 allegations of other interpersonal undesirable behaviour (harassment, bullying, shouting), 0 allegation of discrimination, 1 allegation of destruction & theft, 1 allegations of Conflict of Interest, 0 allegation of Violence & aggression, and 1 allegation of nepotism. Note that several cases include multiple types of allegations, hence the total number of allegations exceeds the number of cases.

Locations: 4 Central East Southern Africa, 0 Europe, 0 West Africa, 2 Central South Asia, 0 South East Asia and 0 Latin America, 1 other.

Perpetrators: In 5 of the cases, the alleged perpetrator was non-ICCO staff, however where in our scope of influence, we exercised our Duty of Care and ensured appropriate follow-up.

Persons Affected: In case of interpersonal undesirable behaviour, the alleged person affected was non-ICCO staff in 2 cases, no minors were involved.

Case Handling: 5 of the cases were handled by ICCO and 2 by partner organizations. In follow-up, 5 fact-finding inquiries and investigations took place. 2 cases were signals that we received, without sufficient information to follow up. Support to the affected was offered where appropriate.

Substantiation: 2 of all closed cases were substantiated, 2 not substantiated, and in 1 case, not enough information was available to establish the substantiation. As of 31 December 2020, 2 cases remain open and 5 are closed.

Outcomes: The closed cases led to disciplinary measures in 2 cases (termination and non-extension of contract, warning). In two substantiated cases we handed the case over to authorities. Other follow-up measures included replacement of loss, increased prevention measures, and a conversation with staff to prevent the perception of misconduct.

All complaints were handled carefully following our complaints & appeal procedure and, in case applicable, Standard Operating Procedure for Integrity.

Legal Cases

In 2020 ICCO was involved in six legal cases: one new case and five older ongoing cases of which three started in 2016. Three of the cases are HR related . One case was lodged by a former partner organization that opposed the transfer of contracted activities to another party due to non-fulfilment of the contract conditions (ongoing since 2016); one case is regarding the reclaiming of misappropriated funds of ICCO because of fraud in a civil lawsuit (ongoing since 2018). The final case is handling the legal proceedings which resulted- beyond our control - as a consequence of stopping a project due to the non-compliance of a local partner with local labor law (ongoing since 2016).

4.7 CORPORATE SOCIAL RESPONSIBILITY

ICCO's corporate social responsibility (CSR) policy is based on the criteria of ISO 26000. ISO 26000 is a universally accepted guideline on how to define and implement CSR. It applies to companies, the public sector and civil society organizations across the world. We have formalized our CSR strategy in a CSR policy. We use seven CSR principles: accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for the international norms of behavior, respect for human rights. We apply these principles to:

- organizational governance
- human rights & labor practices
- the environment
- fair operating practices
- consumer issues
- community involvement and development

Green ICCO

We pay attention to sustainability in our own business operations. Central concepts in this include reducing energy consumption, clean energy and offsetting carbon emissions. ICCO promotes less working places, reduced air travel, telework and flexible work arrangements and the use of bicycles. The remuneration of travel policy is based on public transport. The offices have new applications in office automation to encourage paperless work through facilities for charging electric cars, LED lighting and solar panels.

4.8 SAFETY AND SECURITY

Safety and security is housed at the security desk at the global office and security focal points in the regional and larger country offices. The desk provides support, advice and training worldwide and co-manages incidents with local response teams.

The security training modules cover relevant ICCO policies and codes of conduct, assessment and mitigation of risks and threats, including how to prevent and/or address (sexual) harassment and violence in different cultural contexts. The number of officially reported incidents was considerably lower compared to previous years, no serious incidents nor crises were reported. Due to the COVID-19 pandemic, international traveling almost came to a standstill and local and regional travel were restricted to essential travel only from mid-March 2020 all the year through. Security training was only provided once in Mali in February, and at the global office once early March.

4.9 ACCOUNTABILITY

ICCO is certified and recognized as an organization that meets the requirements of the CBF Regulation. The CBF has integrated their rules and regulations with the Good Governance Code for charities (Code Wijffels). The CBF certification sets requirements for administration, policy, fundraising, information and communication, spending of resources and reporting.

We report to our stakeholders and constituency according to the applicable generally accepted Dutch accounting rules. The financial statements are drawn up in accordance with RJ 650.

Relations with stakeholders

ICCO Cooperation strives for optimal relations with stakeholders, focusing on disclosure and the intake and processing of requests, questions and complaints. The stakeholders of ICCO Cooperation are the donors (e.g. the Ministry of Foreign Affairs), our partners in consortia (such as the Civic Engagement Alliance and the DRA), partner organizations, local communities, entrepreneurs and companies, the Dutch public (taxpayer) and the ultimate beneficiaries of our programs.

The stakeholders are provided with information in various ways:

- Website: Public information is provided via websites in Dutch, English (main) and Spanish . The website

- provides project results linked to our monitoring protocol, topical information and news items.
- E-zines: We produce corporate - six times a year - and regional e-zines (2 - 4 times a year) to our stakeholders.
- Annual report and donor reports. The annual report is posted online and as a pdf on the website. Additionally, donors (including ministries and the European Union) receive reports of the programs and projects to which they contribute.
- Social media: On a daily basis ICCO Cooperation communicates at global and regional level through social media: LinkedIn, Twitter, Facebook, Youtube and Instagram.
- On December 12, HUMAN, a partnership between ICCO Cooperation, CNV Internationaal, and VBDO organized a webinar titled: 'Human Rights Due Diligence: Preparing for Legislation'. HUMAN aims to advance the implementation of the UN Guiding Principles on Business and Human Rights.
- ICCO Cooperation communicates internally in English. General information about projects, activities and campaigns is also provided in Dutch (to our Dutch constituency, Spanish (in Latin America) and French (in parts of Africa).
- ICCO Cooperation is open to ideas, comments, requests and complaints from stakeholders. They can contact ICCO through various ways, for example through the staff and the Executive Board, and through the email address info@icco-cooperation.org. A response form is also available on the website. Suggestions and requests are handled by the relevant employee for that topic.
- ICCO Cooperation has a complaints and appeals system which is accessible via the website www.icco-cooperation.org

4.10 INFORMATION TECHNOLOGY

The corona pandemic required a quick transition from a situation where working in the office was the norm, to working mainly from home. The usage of online Google Workspace tools like Meet greatly increased during 2020, as well as Google Sites.

The disentanglement of the IT environments of the ICCO Cooperation and the Protestants Church (PKN) has neared completion in 2020. The bulk of the data has been moved at the beginning of 2021.

The ownership of the online monitoring tool ProMEva has been transferred to the company AllSolutions. The development team of the ICCO IT department has switched to AllSolutions as well.

Preparations for the integration were made with the IT department of Cordaid.

4.10 Fundraising and business development

ICCO's programs and projects are made possible with the support of various financiers from the public and private sector. We focused our resource mobilization efforts towards institutional donors and subsidy providers. Fundraising is closely linked to business development, and vice versa. Almost nine out of 10 times, ICCO does not execute its programs on its own, but in collaboration with other stakeholders, both private and public. In a partnership, everyone contributes value, knowledge, cash or other forms of support.

ICCO does not actively raise funds among private individuals. There is one exception. In the event of major disasters, a coalition of 11 Dutch relief organizations, among them ICCO & Kerk in Actie, join forces to raise funds in the Netherlands. This coalition is known as the "Samenwerkende Hulporganisaties" (SHO) and the fundraising campaign is popularly referred to as Giro 555. In 2020 there was one Giro 555 campaign: the explosion in Beirut. It can also be mentioned that ICCO, together with Solidaridad, Lendahand and Truvalu, launched a new crowdfunding initiative in 2020: PlusPlus.

05 Risk Management

Risk management is part of the planning and control cycle and is recorded in a register that is annexed to the ICCO annual plan. Monitoring with mitigation actions takes place through management information analyses. Risks are identified and assessed at program, region or department and strategic level. At the strategic/corporate level, risk analysis by the Executive Board is combined with a compilation of the underlying risks at the regional level, which results in an updated Risk Top 10 with mitigation actions. This Top 10 is discussed and agreed upon by the Audit Committee and by the Supervisory Board. The risks and mitigations are updated twice a year. The risk appetite is reflected in the nature and scope of mitigating actions.

The table below shows the risks identified in 2020, and the mitigation actions developed

Strategic risks 2020 (including risk type)	Mitigation actions 2020	Net risk level
1. Financial: slow financial procedures and systems (including system transition). Global office finance staff are not able to perform up to standard due to a backlog caused by transition and delayed audits leading to lack of management information, inefficiency, non compliance resulting in loss of funding and reputation loss.	Finance teams adequately staffed and managed. Implement identified improvements. Measures for the second half of 2020 depend on Cordaid integration.	high
2. Financial: inadequate response to missing the Power of Voices call leading to a shortfall in budget which endangers the continuation of the organization.	Take decisions to deal with the budget shortfall based on a correct analysis of the financial consequences and of the reason for missing the call. Explore options to submit the developed program to other donors.	high
3. Financial: COVID-19 global crisis has a negative impact on funding and on costs (both program implementation and office costs), leading to budget deficiencies. However, there are also opportunities.	Discuss implications with donors and request adjustments to program implementation; close monitoring of office budgets. Explore additional funding possibilities in the areas of Covid 19 based on Covid 19 fundraising plan.	high
4. Operational: understaffing in various functions in the global office and regional offices due to lack of unrestricted funds leading to vulnerability and overburdening resulting in high turnover, loss of quality, gaps in compliance with donor and other internal and external requirements.	Careful monitoring by supervisor; clarity from board and management; minimize use of interim managers. Other options depend on the proposed integration with Cordaid. Mitigation measures to be decided once a decision on integration has been made.	high
5. Operational: integration with Cordaid is called off because of our delayed annual accounts or other reasons	Work on annual accounts; careful/proper, correct and timely process steps with steering group, Supervisory boards, working groups, Works council etc.	significant
6. Operational: fewer and smaller grants available, more competition, no access to matching funds; leading to inability to secure funds for sustainable country programs, resulting in loss of track record; loss of staff and reputational damage.	Focus on themes and countries. Create a clear expertise and market this. Start building early strategic partnerships with donors. Manage donor expectations and try to increase margins by explaining how much it costs to run a nonprofit. Capture track record in accessible system. Involve finance staff from the proposal stage.	significant
7. Operational: limited quality in program development, implementation and reporting due to limited capacity of partners and/or staff and consultants leading to missing	Solid assessment of partners and consultants before contracting; hire highly competent (pmel) staff with understanding of self	significant

calls, not meeting program or reporting objectives resulting in ineligible costs and reputation loss.	implementation and donor requirements.	
8. Operational: current financial position of ICCO and/or proposed integration with Cordaid can lead to staff leaving the organization, excessive workload for some staff, staff costs to rise (social plan), resulting in decrease of quality of ICCO's work.	Careful and timely planning of process and communication of measures for financial situation/proposed integration.	medium
9. Operational: recruitment of suitable new staff is challenging due to the uncertain financial position of ICCO, the uncertainty about the integration with Cordaid and the impact of the COVID-19 pandemic.	Revise HR policy and salary structure. Improved visibility and reputation of ICCO. Take decisions based on a correct analysis of the situation and financial consequences. Close monitoring of developments.	medium
10. Operational: (alleged) Integrity violations (interpersonal, financial or misuse of power) by ICCO staff, contractors or partners leading to reputational damage and loss of funding.	Roll out Integrity policy and system in ICCO's offices and programs including training of staff.	medium

Table 9: Risks and management actions in 2020. Risk based on 4 levels from Low, Medium, High to Significant.

06 Outlook and Future Development

INTEGRATION WITH CORDAID

On 1 January 2021, the integration with Cordaid took effect. Both Cordaid and ICCO's foundations lie in the values of human dignity, justice, and compassion. We participate in like-minded, often faith-based networks, at a grassroots, national and international level, and are inspired by our shared Christian values. Joining forces enables us to support people in more fragile areas. It also expands our scope to include healthcare and education. By combining our networks, knowledge, and organisational infrastructure, we are enhancing the Dutch development sector and increasing our joint impact. In the annual accounts this is referred to as integration, although the deal is structured otherwise as two foundations cannot integrate legally. The effect is however the same. Per 1st of January 2021 also the ICCO Cooperation merged with the ICCO Foundation.

BUDGET 2021

Given the situation, there is no budget prepared for the year 2021 (for ICCO) as the operations are continued by Cordaid. We refer to the paragraph "Integration with Cordaid".

The annual budget 2021 Cordaid/ ICCO shows a gain of EUR 0.9 million. In 2020 projects related to COVID have been implemented, however the global situation is still hitting our beneficiaries and operations hard. Operational activities are adjusted and Cordaid / ICCO expects an operational profit of EUR 1.6 million, however still volatile due to Covid-19 in 2021. Our expected reserves and funds and our cash position ultimo 2021 will be more than sufficient to deal with potential losses or unexpected events in the future.

At this moment a five year budget plan is in preparation for Cordaid/ICCO.

COVID-19

From March 2020 we were housebound. A strange experience for a development organization where local and international travel is part of the daily work. Still, we managed to keep the work going. A lot happened online and in some countries field visits in-between lockdowns were possible. Current and new projects had to be adapted to provide protection against the virus or to deal with the far-reaching socio-economic consequences for local communities and small businesses of the lockdowns. Already in March 2020 ICCO made an inventory of what the effect of the pandemic would mean for the projects and our income. We considered a 20% loss in turnover, which was also offset by cost savings, such as a lower travel budget.

The outbreak of Covid-19 (Coronavirus) continues to impact the global economy and markets. At this time, the impact of the outbreak on our business has been limited as projects in our regions continue and new projects related to COVID-19 support are requested and planned.

Based on our current knowledge and available information, we do not expect Covid-19 to have an impact on our ability to continue as a going concern in the future.

GOING CONCERN

In 2020, the balance of funds decreased from EUR 6.3 million to EUR 5.9 million as a result of the development in guarantees, loans and participations. As a result of the movement from funds to reserves and the negative result for 2020, the balance of reserves decreased from EUR 14.3 million to EUR 10.9 million. Total of funds and reserves decreased from EUR 20.6 million to EUR 16.9 million.

The expected reserves and funds and the cash position of Cordaid / ICCO ultimo 2021 will be more than sufficient to deal with potential losses or unexpected events in the future. Therefore, ICCO is of the opinion that the financial statements can be prepared on a going concern basis.

Per 1st of January 2021 Cordaid and ICCO have joined forced. This means that in 2021 the two organisations will integrate together. From January, the employees with employment contracts under Dutch law (including Dutch expats) transferred to Cordaid. For foreign activities and employees, delivery is by means of tranches as included in the framework agreement. This is related to the phased transfer of phase-out.

Also as of January 1, 2021 Coöperatie ICCO U.A. has merged into ICCO Foundation. ICCO Foundation is the legal successor of Coöperatie ICCO U.A. .

We trust that ICCO, part of Cordaid as of 1 Januari 2021, will have the opportunity in the coming years to continue to contribute to a better world, in collaboration with governments and donors, private companies and civil society organizations. We do not want anything else. There is still a world to win.

07 Consolidated Financial Summary

ICCO is in a transition from a single donor funded organization (MFS II) to a multi donor organization. This has an impact on the financial situation of ICCO as well. The years 2017 up to 2019 are considered to be years in transition. As part of the transition, ICCO has reduced the cost level significantly, mainly at the Global Office in Utrecht. As of 2020 a positive result is budgeted. Section 7.3 provides a more detailed explanation of the realized result for 2020 compared to the budget.

In €	Actual 2020	Budget 2020	Actual 2019
Total income	46.838.151	60.541.312	45.358.094
Total expenses	49.497.348	60.109.869	48.526.821
Sum of income and expenses before financial income and expenses	-2.659.197	431.443	-3.168.727
Financial income and expenses	-1.074.445	-156.844	-321.882
Minority share	0	0	-100.475
Sum of income and expenses	-3.733.643	274.599	-3.591.084

Table 10: Analysis of the results for 2020 in comparison to 2019 and the budget for 2020.

7.1 INCOME

Total income in 2020 was EUR 46.8 million, an increase of EUR 1.4 million compared to 2019. Total income remained EUR 13.7 million below budget in 2020 due to some missed tenders, which were budgeted for and a delay in the start of some new programs. Income grants from donors have - due to the nature of these grants - an incidental character. However, due to the nature of the business, project income could be considered structural. Other sources of income tend to be more incidental.

7.2 EXPENSES

The allocation of expenses between the amounts spent on the objectives, on fundraising expenses and on management and administration expenses (M&A) is based on the actual expense on partner contracts as well as on time registration and FTEs. It is ICCO's ambition to spend at least 85% on the objectives and to always remain below 15% for the total of M&A and fundraising cost. Total M&A and fundraising costs as a percentage of total expenses in 2020 is 21.8% (2019: 23,4%).

The M&A costs as a percentage of sum of expenses is 13.1% (2019: 15.5%).

The fundraising cost as a percentage of sum of expenses is 8.7% (2019: 7.9%)

The fundraising cost as a percentage of sum of income raised is 9.2% (2019: 8.4%)

The percentages of 2020 are in line with the percentages in 2019.

Expense Utilization Rate

In €	Actual 2020	Budget 2020	Actual 2019
Total spent on objectives	38.641.955	56.060.852	37.185.158
Total expenses	49.413.350	60.109.869	48.526.821
Expense utilization rate	78%	93%	77%

The expense utilization rate is determined by dividing the total amount spent on the objectives by the total expenses.

Income Utilization Rate

In €	Actual 2020	Budget 2020	Actual 2019
Total spent on objectives	38.641.955	56.060.852	37.185.158
Total income	46.838.151	60.541.312	45.358.094
Income utilization rate	83%	93%	82%

The income utilization rate is determined by dividing the total amount spent on the program objectives by the total income.

In both rates the costs for provisions on loans, participations and guarantees are included in the total amount spent on the objectives. Any repayments are included in the provision.

7.3 NET RESULT

The net result of ICCO Cooperation for 2020 amounts to EUR -/ 3.7 million, whereas the budgeted net result amounts to EUR 275K. There are several reasons that have caused this negative variance of the actual result compared to the budgeted result, such as:

- EUR 1.1 million negative result on the financial income and expense. This relates to a non budgeted incidental realized and (mainly) unrealized foreign exchange result for an amount of EUR 1.5 million.
- EUR 1.4 million higher expense hired staff (staff costs) than budget . This relates to the backlog in the financial system and financial statements of ICCO.
- Higher expenses than budgeted for office and general costs like partnerships and legal and organizational advice. Total EUR 1.0 million higher costs than budgeted. This mainly relates to the (legal) advice and due diligence for the integration.

7.4 APPROPRIATION FUNDS AND RESERVES

As a result of the negative result for 2020, the balance of reserves decreased from EUR 14.3 million to EUR 10.9 million. In 2020, the balance of funds decreased from EUR 6.3 million to EUR 5.9 million.

Appropriation reserves are formed when revenues are partly not spent in the same year as when they come in. Appropriation reserves are subject to spending restrictions; the purpose is determined by the Executive Board when adopting the financial statements or at an interim date in a resolution on establishing a new appropriation reserve.

In the financial statements, an explanation for each appropriation reserve and appropriation fund, as well as the statement of all additions and withdrawals is provided.

The balance of the guarantee appropriation fund decreased as compared to 2019 with the decrease of the value of the liabilities to be covered. The decrease is in line with the expected reduction of the guarantee portfolio.

The FFA portfolio and the strategy will be evaluated and incorporated in the 5 years budget plan in accordance with the vision and strategy of Cordaid.

08 Consolidated Financial Statements

8.1 CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2020 (After appropriation of result)

In €		31 december 2020	31 december 2019
ASSETS			
Fixed assets			
Intangible fixed assets	8.5.1	150.463	255.544
Tangible fixed assets	8.5.2	107.358	178.062
Financial fixed assets	8.5.3	11.388.025	9.469.979
		11.645.846	9.903.585
Current assets			
Inventories	8.5.4	1.760.931	2.116.905
Accounts receivable and accrued income	8.5.5	15.485.895	17.674.934
Securities	8.5.6	74.264	74.264
Cash and cash equivalents	8.5.7	21.239.374	38.119.590
		38.560.464	57.985.693
TOTAL ASSETS		50.206.310	67.889.278
LIABILITIES			
Reserves			
Allocated Member Capital	8.5.8	45	45
Continuity Reserve		500.000	4.497.000
General Reserve		8.678.993	8.223.260
Appropriation reserve C4D Asia Fund		1.760.536	1.564.988
		10.939.575	14.285.293
Funds			
Appropriation fund guarantees	8.5.9	488.508	962.719
Appropriation fund loans and participations		5.441.325	5.355.038
		5.929.833	6.317.757
Provisions	8.5.10	1.163.402	1.084.340
Non-current liabilities	8.5.11	5.407.219	6.205.063
Current liabilities	8.5.12	26.766.282	39.996.823
TOTAL LIABILITIES		50.206.310	67.889.278

8.2 CONSOLIDATED STATEMENT OF INCOME AND EXPENSES

In €		Actual 2020	Budget 2020	Actual 2019
Income	8.6.13			
Income from private individuals		59.001	-	138.891
Income from companies		6.392.321	7.532.531	6.127.756
Income from lottery organisations		2.650.588	1.602.986	2.163.545
Income from government grants		20.903.854	39.038.976	18.672.181
Income from other non-profit organisations		14.054.142	9.585.045	14.124.606
Income raised		44.059.906	57.759.538	41.226.979
Income from delivery of products / services		2.560.561	2.463.930	3.785.438
Other income		217.684	317.844	345.677
Sum of Income		46.838.151	60.541.312	45.358.094
EXPENSES				
Expenses on Food and Nutrition Security and Sustainable Food	8.6.14	6.112.462	8.867.818	11.087.194
Expenses on Economic Empowerment and Inclusive Markets	8.6.14	20.639.602	29.943.455	15.331.466
Expenses on Responsible Business	8.6.14	4.322.179	6.270.517	6.174.972
Expenses on Emergency Aid	8.6.14	7.567.713	10.979.062	4.591.526
Fundraising expenses	8.6.14	4.301.397	2.065.535	3.822.614
Management and Administration expenses	8.6.14	6.469.998	1.983.482	7.519.049
Sum of expenses		49.413.350	60.109.869	48.526.821
Sum of income and expenses before financial income and expenses		(2.575.199)	431.443	(3.168.727)
Financial income and expenses	8.6.15	(1.158.443)	(156.844)	(321.882)
Minority share		-	-	(100.474)
Sum of income and expenses (loss)		(3.733.643)	274.599	(3.591.084)
Appropriation of sum of income and expenses				
Addition to / withdrawal from ():				
Continuity Reserve		-	-	(37.965)
General reserve		(3.717.806)	274.599	(3.669.590)
Appropriation reserve C4D Asia Fund		195.548	-	1.564.988
Appropriation reserve matching funds		-	-	(947.634)
Appropriation fund guarantees		(297.672)	-	91.509
Appropriation fund loans and participations		86.287	-	(592.393)
Result		(3.733.643)	274.599	(3.591.084)

8.3 CONSOLIDATED CASH FLOW STATEMENT

In €		2020	2019
Sum of income and expenses	8.2	(3.733.643)	(3.591.084)
<i>Adjustments for:</i>			
Depreciation	8.5.1 / 8.5.2	192.144	202.647
Unrealised foreign exchange result cash and cash equivalent	15	489.792	(49.912)
Realised result securities	8.5.6	-	(406.752)
Cash dividend and interest on securities	8.5.6	-	(54.575)
Non-cash dividends on securities	8.5.6	-	(719)
Non-cash dividends on financial fixed assets	8.5.3	-	-
Non-cash changes in equity financial fixed assets	8.5.3	(1.295.224)	1.387.653
Exchange differences financial fixed assets	8.5.3	579.372	(213.262)
Write off and impairment of financial fixed assets	8.5.3	-	198.506
Movement in in current financial fixed assets	8.5.3	68.917	569.871
Movement in financial fixed assets provision	8.5.3	(17.723)	(73.546)
Change in minority interest	8.5.8	-	(16.107)
<i>Changes in working capital:</i>			
Change in inventory	8.5.4	355.974	331.518
Change in provisions	8.5.10	79.062	(563.790)
Change of donor receivables	8.5.5	560.905	723.605
Change of other receivables	8.5.5	1.628.134	106.331
Change of advances from donors	8.5.12	(10.570.695)	313.622
Change of partner commitments	8.5.11 / 8.5.12	(1.684.231)	(123.380)
Change of other liabilities	8.5.12	(613.460)	(296.621)
Cash flow from operational activities		(13.960.676)	(1.555.995)
Investments in intangible fixed assets	8.5.1	-	(29.502)
Investments in tangible fixed assets	8.5.2	(22.589)	(109.960)
Desinvestments in tangible fixed assets	8.5.2	6.229	18.668
Investments in financial fixed assets	8.5.3	(1.895.283)	(4.414.599)
Desinvestment in financial fixed assets	8.5.3	641.895	7.713.356
Desinvestments in securities on balance	8.5.6	-	3.650.361
Cash dividend and interest on securities	8.5.6	-	54.575
Cash flow from investment activities		(1.269.748)	6.882.899
Repayment of loan	8.5.11	(1.160.000)	(290.000)
Cash flow from financing activities		(1.160.000)	(290.000)
Net cash flow		(16.390.424)	5.036.903
Exchange rate and translation differences on cash and cash equivalents		(489.792)	49.912
Changes in cash and cash equivalents		(16.880.216)	5.086.815

8.4 EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2020

General basic principles for preparation of the financial statements and principal activities

The consolidated financial statements of Coöperatie ICCO U.A. (ICCO Cooperation or ICCO) consist of the financial statements of:

- Coöperatie ICCO U.A. (ICCO Cooperation),
- Stichting Interkerkelijke Organisatie voor Ontwikkelingssamenwerking (ICCO Foundation),
- ICCO Group B.V. (ICCO Group), including its subsidiaries.

Till December 31, 2020 ICCO Cooperation has its legal address in Utrecht (Joseph Haydnlaan 2A), is a cooperative registered in the Trade Register under number 41177206. Due to the integration with Cordaid, ICCO has moved (from January 01, 2021) to The Hague.

In this document, where it is stated “ICCO”, we refer to the consolidated financial statements of ICCO Cooperation (Coöperatie ICCO U.A.). When, in this document, it is referred to ICCO Cooperation (Coöperatie ICCO U.A.), ICCO Foundation (Stichting ICCO) or ICCO Group (ICCO Group BV), the referral is to the individual entities.

ICCO 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.

The four separate entities under control of ICCO Foundation: ICCO Trust Kenya, ICCO Limited by Guarantee Kenya, ICCO Southern Africa NPC and ICCO Trust Zimbabwe, are qualitatively and quantitatively in total not significant. As it is immaterial and difficult to determine whether each transaction and balance relates to these 4 separate entities or relates to ICCO Foundation, we have included them in the financial statements of ICCO Foundation as branch office. Therefore these are not disclosed in the financial fixed assets.

Financial reporting principles

The financial statements have been prepared in accordance with Title 9, Book 2 of the Netherlands Civil Code. In line with ICCO's overall mission, as well as related activities and expectations from our stakeholders, the financial statements have also been prepared as much as possible in accordance with the Dutch Accounting Standards for Fundraising Institutions (RJ 650).

The financial year coincides with the calendar year. The applied basic principles for the valuation of assets and liabilities and the result determination are based on historical costs, unless indicated otherwise.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the organization and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Foundation. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly

recognised in the statement of income and expenses, taking into account any provisions related to the transaction.

If assets are recognised of which the organization does not have the legal ownership, this fact is being disclosed.

Income is recognised in the statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably.

Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate.

Going Concern

As of 1st of January 2021, ICCO Foundation and Coöperatie ICCO U.A. have transferred its assets and liabilities to the foundation Cordaid. ICCO Foundation is however still a sole member of *Coöperatie ICCO U.A.* (brand name ICCO Cooperation). Per 1st of January 2021 the articles of association of ICCO foundation, are amended in such a way, that the Board of Directors of Cordaid Foundation are the same as of Cooperatie ICCO U.A. and ICCO Foundation. The activities of ICCO Foundation will be continued under the flag of Cordaid/ICCO. Therefore the financial statements are prepared on a going concern basis.

Transactions in foreign currency

Transactions are reported in Euro (EUR and €) which is the organization's functional currency. Transactions in foreign currencies are converted according to the exchange rate applying on the transaction date. Monetary assets and liabilities that are denominated in foreign currencies are converted into the functional currency according to the exchange rate applying on that day. Non-monetary assets and liabilities in foreign currency that are included at their historical cost price are converted to Euro according to the exchange rate applicable on the transaction date.

Exchange rate variances are reported in the result of income and expenses. Regarding participations, exchange rate losses are not accounted for, unless these losses relate to participations in foreign currencies from which it is expected that the exchange rate will not improve. These exchange rate losses are subtracted from the value of the participation. Exchange rate profits are not accounted for. This valuation methodology and accountability applies both to transactions in foreign currency as well as the foreign operations money.

Use of estimates

The drawing up of the financial statements requires the Executive Board to form opinions and make estimates and assumptions that influence the basic principles and the reported value of assets and liabilities, as well as income and expenses. The actual outcomes may differ from these estimates. The estimates and underlying assumptions are continuously assessed.

Estimates are especially applied regarding the valuation of the portfolio of loans, participations and guarantees and regarding the provisions for reorganization. The nature of these estimates and judgements, including the related assumptions, are disclosed in the notes to the relevant items. Revisions to the estimates are unlikely to be significant given the issue date of the financial statements.

Basic principles for consolidation

The consolidated financial statements contain the financial details of Coöperatie ICCO U.A., its ICCO Group companies, and other legal entities over which the cooperative exercises predominant control, or with whose central management the cooperative has been charged.

Coöperatie ICCO U.A operates as head of the group of entities through her control over ICCO Foundation in her power to appoint board members based on article 4 of the Articles of Association of ICCO Foundation and through the 100% participation and control over ICCO Group B.V.

ICCO Group companies are subsidiaries in which the cooperative has a controlling interest, or where it can exercise a decisive influence in their management. In determining whether decisive influence can be exercised on the management, financial instruments that involve potential voting rights and which can be exercised directly are taken into account. Participating interests held in order to be disposed will not be consolidated. Newly acquired participating interests will be included in the consolidation from the moment the decisive

influence can be exercised on the management. Divested holdings are included in the consolidation until the time this influence comes to an end.

In the consolidated financial statements, the mutual debts, claims and transactions have been eliminated, including the results achieved within the ICCO Group. The companies are fully consolidated, while the minority interest of third parties has been reflected separately. For an overview of the consolidated ICCO Group companies, please refer to the explanatory notes to the cooperative financial statements.

Financial Instruments

During the normal course of business, ICCO uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risk. To control these risks, ICCO has instituted policies and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of ICCO.

The financial statements include the following financial instruments: investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, and trade and other payables. The foundation has no derivative financial instruments embedded in contracts.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originated. Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through the statement of income and expenses, then directly attributable transaction costs are directly recognised in the statement of income and expenses at the initial recognition. After initial recognition, financial instruments are valued as described below.

Financial instruments that are held for trading

Financial instruments (assets and liabilities) that are held for trading are valued at fair value and changes in fair value are accounted for in the statement of income and expenses. In the first period of recognition, transaction costs are included in the statement of income and expenses as expenses. Purchases and sales of financial assets that belong to the category held for trading are accounted for at the transaction date.

Securities

ICCO has a treasury policy stating the responsibilities and controls regarding management of securities and savings. The portfolio has to meet a set of sustainability criteria that measure the level of effort invested in achieving results with respect to their social and environmental policies.

Securities are used for the purpose of investments, amongst others to cover the amount in the continuity reserve.

Provided loans and other receivables

Provided loans and other receivables are valued at their amortized cost price on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the statement of income and expenses.

Current and non-current liabilities and other financial commitments

Current and non-current liabilities are valued at amortized cost on the basis of the effective interest rate method. The effective interest is directly recorded in the statement of income and expenses.

Tangible and Intangible Fixed Assets

The tangible and intangible fixed assets are valued at cost, less the cumulative depreciation and impairment losses. The cost comprises the price of acquisition, plus other costs that are necessary to get the assets to their location and condition for their intended use. Expenses are only capitalised when it extends the useful life of the asset. The depreciations will be calculated as a percentage of the acquisition price according to the linear method on the basis of the economic lifespan, taking into account the residual value, if any.

The depreciation percentages applied are:

Intangible fixed assets:	20%
Furniture and installations:	20%
Hardware and software – general:	33%
Hardware and software – ERP system:	20%
Company Cars:	33%

Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment. Assets retired from active use are measured at the lower of book value or net realisable value.

All tangible and intangible fixed assets are used for organizational purposes. Maintenance expenses on tangible and intangible fixed assets are accounted for as office and general costs.

Financial Fixed Assets

Participating interests in which significant influence can be exercised on the business and financial policy are valued according to the equity method on the basis of the net asset value. The valuation principles of ICCO will be used to determine the net asset value. Participations with a negative net asset value will be valued at nil and ICCO will make a provision for its share in the negative equity capital of these subsidiaries in case of liabilities for debts of the subsidiary.

The measurement at nil also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the results of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed.

Participating interests in which no significant influence can be exercised are valued at the lower of cost or realisable value. Dividends are accounted for in the period in which they are declared. Dividends from participating interests that are carried at cost, are recognised as income from participating interests (under financial income) in the period in which the dividends become payable. Interest income is accounted for in the period in which it is achieved, taking into account the effective interest rate of the relevant asset. Profits and losses, if any, are accounted for under financial income and expenses.

Loans and participations are related to the objectives and not used for organizational or investment purposes.

The further accounting policies for other financial fixed assets are included under the heading 'Financial instruments'.

Impairment of fixed assets

For intangible and tangible fixed assets, an assessment is made for each balance sheet date as to whether these assets are subject to impairment. If indications to this effect are found, then the recoverable value of the asset is estimated. The recoverable value is the higher of value in use and the net realizable value. If it is not possible to estimate the recoverable value of an individual asset, then the recoverable value of each cash flow generating unit to which the asset belongs is estimated.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount.

Subsequently, at each reporting date, the entity assesses whether there is any indication that an impairment loss that was recorded in previous years has been decreased. If any such indication exists, then the recoverable amount of the asset or cash-generating unit is estimated.

Reversal of a previously recognised impairment loss only takes place when there is a change in the assessment used to determine the recoverable amount since the recognition of the latest impairment loss. In such a case, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but not higher than the carrying amount that would have applied (net of depreciation) if no impairment loss had been recognised in previous years for the asset (or cash-generating unit).

A financial asset that is not measured at (1) fair value with value changes reflected in the statement of income and expenses, or at (2) amortised cost or lower market value, is assessed at each reporting date to determine

whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably. Objective evidence that financial assets are impaired includes significant financial difficulty of the issuer or obligor, breach of contract such as default or delinquency in interest or principal payments, granting to the borrower a concession that ICCO would not otherwise consider, indications that a debtor or issuer will enter bankruptcy or other financial restructuring, the disappearance of an active market for that financial asset because of financial difficulties or observable data indicating that there is a measurable decrease in the estimated future cash flow, including adverse changes in the payment status of borrowers or issuers, indications that a debtor or issuer is approaching bankruptcy, and the disappearance of an active market for a security. Indicators for subjective evidence are also considered together with objective evidence of impairments, such as the disappearance of an active market because an entity's financial instruments are no longer publicly traded, a downgrade of an entity's credit rating or a decline in the fair value of a financial asset below its cost or amortised cost.

The entity considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and financial assets that are held to maturity) both individually and on a portfolio basis. All individually significant assets are assessed individually for impairment. The individually significant assets that are not found to be individually impaired and assets that are not individually significant are then collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, ICCO uses historical trends of the probability of default, the timing of collections and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Impairment losses are recognised in the statement of income and expenses and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

Impairment losses below (amortised) cost of investments in equity instruments that are measured at fair value through the statement of income and expenditure, are recognised directly in the statement of income and expenses.

When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through the statement of income and expenditure (up to the amount of the original cost).

Disposal of Fixed Assets

Fixed assets available for sale are measured at the lower of their carrying amount and net realisable value.

Inventories

Inventories consist of carbon credits held in stock at FairClimateFund B.V. Inventories are stated at the lower of cost and net realizable value. Cost includes the purchase price and expenses incurred in acquiring the inventories deducted with donations received to produce the inventories.

Inventories also include prepayments made to the suppliers of carbon credits to enable them to deliver the credits in the future. All inventories are held in stock for purposes related to the objectives. If the net realizable value (estimated selling price under normal market conditions) is lower than cost price, a provision is accounted for. Purchase obligations are not valued. If the estimated selling price of carbon credits to be acquired under purchase obligations is lower than the amount of the obligation, a provision is recognised for the difference accounted for.

Receivables

The accounting policies applied for the valuation of trade and other receivables and securities are described under the heading 'Financial instruments'.

Cash and Cash Equivalents

Cash and cash equivalents are measured at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement. Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in the functional currency at the exchange rate ruling at that date. Reference is made to the accounting policies for foreign currencies. Cash and cash equivalents that are not readily available to ICCO within 12 months are presented under financial fixed assets.

Reserves and funds

The additions and withdrawals from the reserves and funds take place from the destination of results.

Continuity reserve

The continuity reserve was created to safeguard the continuity of operations in case of (temporary) losses. The amount reserved is found to be sufficient to cover for liabilities from third parties, liabilities from personnel and other short-term risks. The maximum continuity reserve is 1.5 times total operating expenses as per the Guidelines Financial Management for Charity Organizations prepared by the Dutch Association of Fundraising Organizations (Goede Doelen Nederland).

General reserve

The general reserve is the part of the equity capital that is at the free disposal of the competent bodies within the framework of the foundation's statutory objectives.

Appropriation reserve

An appropriation reserve has been created for several purposes, amongst which are: strengthening ICCO programs & products in order to make this future proof and for innovation and professionalizing purposes. The limited deployment options of the appropriation reserve have been determined by the Executive Board and are not an obligation. The Executive Board can lift these limitations if it so chooses.

Appropriation reserve matching funds

The appropriation reserve matching funds have been created for matching own ICCO contributions in donor programs. Based on proposals from donors an amount for funding can be approved by the Executive Board.

Appropriation reserve C4D Asia Fund

The appropriation reserve C4D Asia Fund has been created to be able to incur downside risks of the Foundation related to the funding and performance of the investment in the C4D Asia Fund by the Foundation. The Executive Board decided to form an appropriation reserve equal to the investment in the C4D Asia Fund by the Foundation.

Funds

Appropriation funds

Appropriation funds are those funds with a specific purpose, as indicated by third parties. It concerns the following funds:

- Appropriation fund guarantees (pertaining to ICCO's program objectives): a fund to cover the guarantee obligations, which exceed the level of the guarantee provisions made.
- Appropriation fund loans and participations (pertaining to ICCO's program objectives): a fund to cover provided loans and participating interests above the level of the risk provisions taken for loans and participating interests.

Provisions

A restructuring provision is recognised when at the balance sheet date the entity has a detailed formal plan, and ultimately at the date of preparation of the financial statements a valid expectation of implementation of the plan has been raised in those that will be impacted by the reorganization.

A valid expectation exists when the implementation of the reorganization has been started, or when the main elements of the plan have been announced to those for whom the reorganization will have consequences.

The provision for restructuring costs includes the costs that are directly associated with the restructuring, which are not associated with the ongoing activities of the organization.

Several provisions have been accounted for in the financial statements, relating to several reorganizations that ICCO has gone through. If the time value of money is material and the period over which the cash outflows are discounted is more than one year, provisions are measured at the present value of the best estimate of the cash outflows that are expected to be required to settle the liabilities and losses. The provisions are measured at nominal value if the time value of money is not material or If the period over which the cash outflows are discounted is no longer than one year.

A provision is recognised if the following applies:

- ICCO has a legal or constructive obligation arising from a past event; and
- The amount can be estimated reliably;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Non-current Liabilities

The valuation of non-current liabilities is explained under the heading 'Financial instruments'.

Current Liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

Operating leases

The Organisation may enter into finance and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.

At inception of an arrangement, the Organisation assesses whether the lease classifies as a finance or operating lease. No material instances of finance leases or the Organisation acting as lessor have been identified.

Income

General

Project income can be subject to meeting the donor's objectives and completing a project audit depending on grant requirements. The related expenses are reported in the expenses (C1-C6 categories). Some of ICCO's projects are co-financed by contributions of partners. ICCO does not recognize this co-financing as revenue, since there is no risk for or activities done by ICCO.

Project income is credited to the statement of income and expenses in the year in which the expenses on the project are made. Grants are reported as income in proportion to the project expenses, provided these expenses are in line with the terms, as included in the grant agreements.

Any deviations in project income, associated with the closing of projects, is accounted for in the year where the actual costs have been incurred. If this financial year has already been closed, these deviations are reported under other financial income and expenses in the current year.

Income from private individuals

Occasionally, private individuals donate small amounts. The income is not directly related to projects. The income is credited to the statement of income and expenses in the year it is received.

Income from companies

Company grants are credited to the statement of income and expense of the year in which the subsidized deployment takes place. Company grants are reported as income in proportion to the Expenses. The unused portion of received amounts are accounted for as advances from donors under current liabilities on the balance sheet to reflect the Organisation's repayment obligation.

Income from lottery organizations

The regular unrestricted contribution from the Dutch Postcode Lottery is recognized in the year to which the income in question relates. Proceeds from the 'Extra Drawing' are recognized in the year in which the funds are pledged.

Government / EU grants

All ICCO's income from governments are one off projects and have a specific objective, although part of the income is related to multiyear grants. All grants have an end date. The unused portion of received amounts are accounted for as advances from donors under current liabilities on the balance sheet to reflect the organisation's repayment obligation.

Income from other non-profit organizations

The unused portion of received amounts are accounted for as advances from donors under current liabilities on the balance sheet to reflect the organisation's repayment obligation.

Income from products and services

Income from products and services concerns income from commercial activities. Income from the sale of goods and services rendered is accounted for at the fair value of the consideration received or receivable, net of returns and allowances, discounts and rebates. This income is recognised in the statement of income and expenses when ICCO has transferred the significant risks and rewards of ownership of the products and services to the buyer, the amount of the income can be determined reliably, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably and there is no continuing involvement with the transferred goods or services, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

Other Income

Other income consists of the outcome from service level agreements, co-assisting in (non ICCO) projects and other small agreements. This income is recognized in the year to which the income in question relates.

Expenses

In the statement of income and expenses, the costs of ICCO's own activities are subdivided as follows: costs spent on program objectives, costs of generating income and management and administration costs. The allocation principles used by ICCO and the allocation methods to determine this subdivision have been detailed in the explanatory notes to the financial statements.

Expenses on objectives

These expenses consist of grants to third parties, contributions and execution costs. The expenses due to grants to third parties are charged to the statement of income and expenses in the year in which the grants have been made and the recipient of the grant or donation has been notified. Some of ICCO's projects are co-financed by contributions of partners. ICCO does not recognize this co-financing as expenses, since there is no risk for or activities done by ICCO.

Fundraising expenses

These costs are charged to the statement of income and expenses in the year to which they pertain.

Management and administration expenses

These costs are charged to the statement of income and expenses in the year to which they pertain.

Staff Expenses

Employee benefits are charged to the statement of income and expenses in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the organization.

If a benefit is paid in case of non-accumulating rights (e.g., continued payment in case of sickness or disability), the projected costs are recognised in the period in which such benefit is payable. For existing commitments at the balance sheet date to continue the payment of benefits (including termination benefits) to employees who

are expected to be unable to perform work wholly or partly due to sickness or disability in the future, a provision is recognised.

The recognised liability relates to the best estimate of the expense necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the statement of income and expenses.

Pension plan for Dutch personnel

Pursuant to the Dutch pension system the plan is financed by contributions to PFZW, an industry pension fund. Participation in this pension fund has been made obligatory in the collective labor agreement applicable to ICCO.

The related accrued entitlements are always fully financed in the related calendar year through – at least – cost effective contribution payments. The pension plan is a career average plan including – for both active and inactive participants (“sleepers” and retired persons) – conditional granting of supplements. The granting of supplements depends on the investment return.

The contribution to the pension fund amounts to 13,6% of the pensionable salary, which is based on gross wage per employee less a fixed amount per year. The annual employee-paid contribution is 9.9% of the pensionable salary. Based on the funding ratio and expected returns the board of the industry pension fund sets the contribution every year.

The related industry pension has stated that the funding ratio is 88.3% in 2020 (2019: 96.6%). Based on the administrative regulations the group has no obligation to make additional contributions in the event of a deficit other than through higher future contributions.

Foreign pension plans

The foreign pension plans are comparable in design and functioning to the Dutch pension system, having a strict segregation of the responsibilities of the parties involved and risk sharing between the said parties (the Foundation, the fund and its members) and are recognised and measured in accordance with Dutch pension plans (see before).

Termination benefit

For employees of several regional offices a monthly reservation is made on the balance sheet which is payable when the contract is terminated or when the employee retires, in accordance with relevant local labour laws.

Termination benefits are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognised as a liability and an expense when the Foundation is demonstrably and unconditionally committed to make the payment of the benefit. If the termination is part of a restructuring, the costs of the termination benefits as part of the restructuring provision. See the policy under the heading ‘Provisions’.

Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenditures required to settle the liability.

Financial Income and Expenses

Interest income is recognised in the statement of income and expenses on an accrual basis using the effective interest rate method. Interest expenses and similar charges are recognised in the period to which they belong.

Corporate income taxes

The activities for the larger part of the group are exempted from corporate income taxes. Because of the nature of some commercial activities in the group, corporate income taxes are due. Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences. For taxable temporary

differences, a provision for deferred tax liabilities is recognised. For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation.

Corporate income tax expenses are included and disclosed in Other general costs under C5 Office and General costs. The CIT payable is included and disclosed in Security contributions and taxes under Other liabilities.

Cash Flow Statement

The cash flow statement was drawn up on the basis of the indirect method. Cash flows in foreign currency were converted to Euro, using the weighted average conversion rates for the relevant periods. Cash and cash equivalents consist of current accounts in the Netherlands and for the regional offices, saving accounts and cash held at the global or regional offices.

Receipts and payments of interest are presented within the cash flows from operating activities. Receipts of dividends are presented as investing activities. Foreign exchange differences with regard to cash and cash equivalents are presented separately in the cash flow statement.

Determination of Fair Value

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other. The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges. The fair value of listed financial instruments is determined on the basis of the exit price.

Related Parties

Transactions with related parties (refer to note Related Parties for the identified related parties) are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions.

Subsequent Events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements. Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

8.5 EXPLANATORY NOTES TO THE ITEMS ON THE BALANCE SHEET

INTANGIBLE FIXED ASSETS (1)

Movements in intangible fixed assets are as follows:

In €	Software general	Software ERP system	Total intangible fixed assets
Acquisition/Manufacturing cost as at January 1	211.487	218.838	430.325
Cumulative depreciation and other impairment in value as at January 1	(115.645)	(59.135)	(174.781)
Carrying amount as at January 1	95.842	159.702	255.544
Investments	-	-	-
Amount of disposals (acquisition)	(10.379)	-	(10.379)
Amount of disposals (depreciation)	10.379	-	10.379
Depreciation	(58.282)	(46.798)	(105.080)
Movements during the year	(58.282)	(46.798)	(105.080)
Acquisition/Manufacturing cost as at December 31	201.108	218.838	419.946
Cumulative depreciation and other impairment in value as at December 31	(163.548)	(105.933)	(269.482)
Carrying amount as at December 31	37.559	112.903	150.463
Depreciation percentages	33%	20%	

On January 1st 2021 ICCO merged with Cordaid. ICCO will remain using both the ERP-system as the other software for the full lifetime of the assets. Therefore no additional depreciation being accounted for within 2020.

The intangible fixed assets have been retained for our operations. EUR 269K of intangible fixed assets has been fully depreciated, being 64.2% of the acquisition value.

TANGIBLE FIXED ASSETS (2)

Movements in tangible fixed assets are as follows:

In €	Furniture and installations	Hardware general	Company cars	Total tangible fixed assets
Acquisition/Manufacturing cost as at January 1	254.784	426.812	258.234	939.830
Cumulative depreciation and other impairment in value as at January 1	(232.269)	(352.169)	(177.330)	(761.768)
Carrying amount as at January 1	22.515	74.643	80.904	178.062
Investments	-	22.589	-	22.589
Amount of disposals (acquisition)	(186.269)	(161.643)	(5.014)	(352.926)
Amount of disposals (depreciation)	180.040	161.643	5.014	346.697
Depreciation	(8.661)	(40.125)	(38.278)	(87.064)
Other impairments in value and reversals thereof	-	-	-	-
Movements during the year	(14.890)	(17.536)	(38.278)	(70.704)
Acquisition/Manufacturing cost as at December 31	68.515	287.758	253.220	609.493
Cumulative depreciation and other impairment in value as at December 31	(60.890)	(230.651)	(210.594)	(502.135)
Carrying amount as at December 31	7.624	57.108	42.626	107.358
Depreciation percentages	20%	33%	33%	

EUR 502K of tangible fixed assets has been fully depreciated, being 81.1% of the acquisition value.

No major investments have occurred in 2020. The disposals during the year are mainly completely depreciated goods not in use anymore. Loss on disposal EUR 9K due to transfer to the office in The Hague.

FINANCIAL FIXED ASSETS (3)

Loans and Participations

The financial fixed assets have been retained for meeting our objectives. The movement of this item, excluding the provision for loans and participations, is as follows:

In €	Investment in unlisted shares	Receivables from third companies	Investment in associates	Total
Carrying amount as at January 1	2.619.268	2.388.615	6.534.128	11.542.011
<i>Movements:</i>				-
Purchases, loans granted	688.200	162.119	1.044.964	1.895.283
Sales, redemptions	(286.895)	-	(355.000)	(641.895)
Exchange rate differences	(69.694)	(47.218)	(462.460)	(579.372)
Write offs	-	(464.000)	-	(464.000)
Transfer to current assets	-	(68.917)	-	(68.917)
Results of participations	-	-	1.295.224	1.295.224
Carrying value as at December 31	2.950.879	1.970.599	8.056.856	12.978.334

The movement of the provision for the financial fixed assets is as follows:

In €	Investment in unlisted shares	Receivables from third companies	Investment in associates	Total
Carrying amount as at January 1	-	2.072.032	-	2.072.032
Deduction	-	(17.723)	-	(17.723)
Write offs	-	(464.000)	-	(464.000)
Carrying value as at December 31	-	1.590.309	-	1.590.309

Balance of loans and participating interests	2.950.879	380.290	8.056.856	11.388.025
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Investment in unlisted shares

As a consequence of ICCO holding shares or having provided loans, ICCO can hold a seat on the board of organizations in which it participates. ICCO has no significant influence on these parties. The participations held by ICCO are related to the program objectives. During 2020 ICCO stopped being a member of PerspActive and therefore the members equity (EUR 223K) was returned to ICCO.

In 2020 a total of EUR 56K was received in stock dividend income on shares of our investments in two microfinance banks in Bolivia: Banco Fie and Ecofuturo. The investments are recognized against cost price, therefore the received stock dividend increases the value of the investments.

In 2020 the investment in P4E was sold for the book value of EUR 64K.

The investment FACTS East Africa (10%) was impaired in 2018 for 83% of the investments value, no new insights in 2020, therefore FACTS East Africa is valued the same as in 2019.

The investment in WAAR has been increased with EUR 600K in order to support this initiative.

Receivable from third companies

At year end, the loan portfolio of ICCO, managed by Capital 4 Development Partners, contained 5 (was 5 in 2019) active loans for 5 companies. One new loan was granted in 2020 to a trust fund in Colombia, under joint control of ICCO and the beneficiary. The beneficiary will invest this amount in a project and repay the loan from the proceeds of this project. Another loan has been fully redeemed during 2020.

The short term part of the receivables is transferred to current assets within one year.

The loans to SNWC are deemed uncollectable and therefore the loans are written off during 2020; the full amount was provided for in the past.

Investment in associates

The participation in investment in associated companies relates to the investment in the Business Booster Fund (BBF). ICCO transferred this fund in 2020 to Fair & Sustainable Participations B.V. All transactions against book value.

In 2018 ICCO Cooperation (specifically ICCO Cooperative and ICCO Foundation) committed to the Capital 4 Development (C4D) Asia Fund. The fund aims to economically empower women in South East Asia and to contribute to continued inclusive economic growth. During the year ICCO Foundation and ICCO Coöperative paid EUR 1,0 million of capital calls. At the end of 2020, the investment participation percentage for ICCO Cooperative was 33% and for ICCO Foundation for 10%. The total result over 2020 of the C4D Asia Fund was USD 1,4 million and total equity (after appropriation of the result) was USD 22,2 million. ICCO Cooperative as Sponsor Investor and class A member compensates the first loss and a preferred minimum return of 2% to class B members. During the year a positive result of EUR 1.295K has been achieved. The investment balance at year-end is EUR 8,1 million (2019: EUR 6,9 million) and the undrawn commitment is EUR 3,2 million.

Provision

Annually, a provision for financial fixed assets is determined based on a structured risk assessment of the loan and participation portfolio. The risk assessment includes project risks based on business performance criteria. In the regions where ICCO operates, due to economic and political factors the appropriate information cannot always be established or confirmed. As a result, ICCO's risk assessment may differ from the actual outcome.

The provision on loans and participation is high, resulting in a low net value due to the poor likelihood of recovering the full amount of the remaining balance. This is in line with the expectation of management given the mission and strategy of ICCO and the related funding.

INVENTORIES (4)

The specification of this item is as follows:

In €	31/12/2020	31/12/2019
Inventories	740.636	1.088.009
Prepayment Inventories	1.020.295	1.028.896
Balance as at 31 December	1.760.931	2.116.905

Inventories consist of Voluntary Emission Reductions (VERs) and Certified Emission Reductions (CERs) to be sold on the voluntary markets, owned by Fair Climate Fund B.V. The VERs and CERs are valued at the lower of cost and net realizable value. The prepayment includes an amount of EUR 1.5 million paid in advance to partners which will be converted to VERs and CERs by the partners directly after generation in the coming years at agreed purchase prices and an amount of EUR 0,7 million advances received from third parties for the development of VERs and CERs.

ACCOUNTS RECEIVABLE and ACCRUED INCOME (5)

The receivables have mostly been retained for meeting our objectives. The specification of this item is as follows:

In €	31/12/2020	31/12/2019
Donor receivables	12.991.476	13.552.381
Receivables from related parties	-	122.960
Short term receivables loans	68.917	569.871
Deposits	105.289	85.058
Income from securities and interest	2.361	1.977
Receivables from employees	500	6.731
Prepayments	198.458	109.447
Other receivables and accrued income	588.494	991.721
Debtors	1.530.400	2.234.788
Balance as at 31 December	15.485.895	17.674.934

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, if necessary.

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

Donor receivables

This item relates to the amounts to be received from government grants and third parties concerning special project grants. The balance decreased from 2019 to 2020 with EUR 561K due to timing of funding received from donors. The donor receivables balance includes a provision for project losses of EUR 500K (2019: EUR 500K).

Short term receivables loans

No interest is charged over the short term receivables loans. The amount transferred to current assets from financial fixed assets relates to the change in short term receivable loans during the financial year. In 2020 the loan from Ghana Special Treatment was fully redeemed and the loan to WAAR was converted to cumulative preference shares.

Other receivables and accrued income

Other receivables and accrued income decreased from EUR 992K as of December 31, 2019 to EUR 588K as of December 31, 2020. The decrease is caused by the received inheritance of EUR 239K in 2020. For uncollectible items a provision has been taken into account, if necessary.

Debtors

Debtors decreased from EUR 2.235K as of December 31, 2019 to Eur 1,530K as of December 31, 2020. The decrease is caused by timing of receipts and reduction of non-project activities. The debtors balance includes a provision for bad debts of EUR 6K (2019: EUR 6K).

SECURITIES (6)

The securities have been retained for investment purposes and refer to the Oikocredit stocks for both years. The balance remained unchanged during the year. The Oikocredit stocks have been valued at nominal value and sold during 2021.

CASH and CASH EQUIVALENTS (7)

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

In €	31/12/2020	31/12/2019
Banks	21.217.666	38.104.414
Cash	21.708	15.176
Balance as at 31 December	21.239.374	38.119.590

The balance of cash and cash equivalents includes an amount of restricted cash for EUR 489K. Of the total amount of Guarantees of EUR 1.615K, an amount of EUR489K is included here for the guarantees provided for in the appropriation fund.

RESERVES (8)

Allocated Member Capital

The balance of the allocated member capital in the financial year is as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	45	45
Balance as at 31 December	45	45

Continuity reserve

The changes in the continuity reserve in the financial year are as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	4.497.000	4.497.000
Less: to general reserve	(3.997.000)	-
Balance as at 31 December	500.000	4.497.000

The continuity reserve is intended to cover short-term risks and to ensure that ICCO can continue to meet its moral and other obligations in the event of unforeseen adverse circumstances. We are guided in this decision by the Guidelines Financial Management for Charity Organizations prepared by the Dutch Association of Fundraising Organizations (Goede Doelen Nederland). ICCO is convinced a reservation of resources is desirable for the continuity of the support given to the charity's goals, the Guidelines maximum is 1.5 times the annual cost of maintaining the operational structure.

For 2020 the continuity reserve is decreased from EUR 4,5 million to EUR 0,5 million as a result of the integration with Cordaid. On January 1st 2021, the operational structure of ICCO moved for the most part to Cordaid which led to a decrease in annual costs of maintaining the operational structure for ICCO. Project related expenses are fully funded by donor income.

General Reserve

The movements in the general reserve in the financial year are as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	8.223.260	5.070.526
Less: to appropriation of results	(3.717.806)	(3.669.590)
Plus: Continuity reserve	3.997.000	-
Plus: from Guarantee appropriation fund	176.539	1.555.408
Plus: Loans and participations appropriation fund	-	5.266.916
Balance as at 31 December	8.678.993	8.223.260

A further explanation of the changes in the general reserve are provided below.

Appropriation Reserve Matching Funds

The movements in the appropriation reserve in the financial year are as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	-	947.634
Less: to appropriation of results	-	(947.634)
Balance as at 31 December	-	-

During the year 2019, matching funds were used for several programs executed by the several regions of ICCO. The spending is in line with the approval provided by the Executive Board. In 2019 the Executive Board decided to end the matching funds appropriation reserve so it is released in 2019.

Appropriation Reserve C4D Asia Fund

The movements in the appropriation reserve C4D Asia Fund in the financial year are as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	1.564.988	-
Plus: from appropriation of results	195.548	1.564.988
Balance as at 31 December	1.760.536	1.564.988

As of 2018 ICCO participates in the Capital 4 Development (C4D) Asia Fund. The fund contributes to women's economic empowerment in South East Asia to contribute to continued inclusive economic growth. The appropriation reserve C4D Asia Fund has been created to be able to incur downside risks of the Foundation related to the funding and performance of the investment in the C4D Asia Fund by the Foundation. The Executive Board decided to form an appropriation reserve equal to the investment in the C4D Asia Fund by the Foundation.

FUNDS (9)

Appropriation funds relate to funding received for a specific purpose as indicated by third parties. The movements of the appropriation funds are as follows:

Guarantee Appropriation Fund

In €	31/12/2020	31/12/2019
Balance as at 1 January	962.719	2.426.618
Less: to appropriation of result	(297.672)	91.509
Less: to General reserve	(176.539)	(1.555.408)
Balance as at 31 December	488.508	962.719

The guarantees provided are financed with MFSII grants. This fund is held to provide insight to the movements of the fund. The guarantee appropriation fund is used for guarantees that ICCO has provided for loans issued by financial service providers. The guarantees at risk are provided for, and the balance – being the total amount of the guarantee minus the amount provided for – is accounted for in the appropriation fund. The balance of the guarantee appropriation fund decreased as compared to 2019 with the decrease of the value of the liabilities to be covered. The decrease is in line with the expected reduction of the guarantee portfolio.

Loans and Participations Appropriation Fund

In €	31/12/2020	31/12/2019
Balance as at 1 January	5.355.038	11.214.347
Plus: from appropriation of results	86.287	(592.393)
Less: to general reserve	-	(5.266.916)
Balance as at 31 December	5.441.325	5.355.038

Part of the loans and participations is financed with MFSII grants and for this part the loans and participations fund is formed. This fund is held to provide insight to the movements of the fund. Once the original investment is repaid, the fund can be released. During the year 2020, the appropriation fund loans and participations increased mainly with the increase of the C4D Asia Fund of the Cooperation and the release of members capital due to the leave of Cooperation PerspActive.

PROVISIONS (10)

The specification of the provisions is as follows:

In €	31/12/2020	31/12/2019
Reorganization provision	568.586	750.197
Provision receivable carbon credits	27.688	27.688
Guarantee obligations	567.128	306.455
Balance as at 31 December	1.163.402	1.084.340

All provisions have an estimated maturity longer than one year. Below a further analysis is provided to the several line items of the provisions.

The movement in the provision for reorganization is as follows:

In €	31/12/2020	31/12/2019
Balance as at 1st January	750.197	924.042
Less: Payments	(226.826)	(265.428)
Add: Additional provision	80.973	212.816
Less: To other liabilities	-	-
Less: Provision released	(35.758)	(121.233)
Balance as at 31 December	568.586	750.197

Several provisions have been made in the past by ICCO due to reorganisations. Most of the reorganisations were the result of severe cut of government grants at the end of the MFSII period. An amount of EUR 226K was spent in 2020 (2019: 265K). Based on recalculation of the expected provision, an addition of EUR 447K in 2020 (2019: EUR 213K) was made. From the addition to the provision an amount of EUR 366K has been transferred to other liabilities as the settlements are paid in 2021.

In 2020 a new reorganisation provision was formed for the integration with Cordaid of EUR 438K. The provision was agreed for employees who were made redundant at the Utrecht office moving to The Hague. The other main reorganisation provision is Future Proof ICCO EUR 443K (2019: EUR 621K). Within the framework of the reorganization process under the current 'Future Proofing ICCO 2017-2018' strategy, another Redundancy Package was agreed for employees who were made redundant at the Utrecht office. The calculated provisions were similarly based on the number of redundant FTEs and the expected cost of termination and dismissal. The reorganization process under this latest strategy has also affected employees in the regional offices.

The movement in the provision for receivable carbon credits was as follows:

In €	31/12/2020	31/12/2019
Balance as at 1st January	27.688	110.087
Less: Provision released	-	(82.398)
Balance as at 31 December	27.688	27.688

The contracts made with suppliers of carbon credits anticipate the risk that credits may have to be sold at a lower price than the purchase price.

The movement in the provision for guarantee obligations is as follows:

In €	31/12/2020	31/12/2019
Balance as at 1st January	306.455	591.420
Less: Short term liabilities	(37.000)	(193.455)
Plus: provision added	297.673	-
Less: Provision released	-	(91.509)
Balance as at 31 December	567.128	306.455

ICCO provides guarantees to (bank) institutions, which use this to provide loans to third parties. A provision has been recognized for the guarantees provided by ICCO, which is based on a risk assessment of project risk and global economy risk. In calculating the provision, the payment behavior of the relevant partner is also taken into

account. While the assessed risks are based on the best practices, these risks cannot be precisely determined for some regions.

In 2020 an amount of EUR 298K was added to the provision in accordance with the risk calculation of the bank confirmations. The total liability was EUR 1,580K as per 31 December 2020 (EUR 2,298K as per 31 December 2019). The guarantee portfolio will further decrease the next coming years.

NON-CURRENT LIABILITIES (11)

In €	31/12/2020	31/12/2019
Balance as at 1st of January	6.205.063	6.078.050
Less: to short term receivables partners	(3.469.577)	(4.439.923)
Plus: new commitments	2.671.733	4.566.936
Balance as at 31 December	5.407.219	6.205.063

Partner commitments

One of the basic principles for ICCO in achieving her goals is working together with local organisations: our partners. The contracts with these partners are presented as long term liabilities and current liabilities. The amounts reflect the committed partner costs which have not been paid as of December 31, 2020. The partner commitments in total (long term and short term) decreased in 2020 compared to 2019, due to less new partner agreements. None of the partner commitments have a maturity longer than 5 years.

CURRENT LIABILITIES (12)

The specification of this item is as follows:

In €	31/12/2020	31/12/2019
Advances from donors	13.706.342	24.277.037
Partner commitments	5.833.386	6.719.773
Accruals	1.570.351	1.429.402
Accounts payable	1.544.715	1.373.230
Short term loan	-	1.160.000
Security contributions and taxes	675.935	973.495
Pension liabilities	238.459	363.682
Reservation for holiday allowance	132.338	154.825
Provision for holidays	194.847	170.122
Amounts owed to staff	688.244	611.666
Other liabilities	2.181.664	2.763.591
Balance as at 31 December	26.766.281	39.996.823

An explanation of variances of the current liabilities between 2020 and 2019 is provided below for the line items with material variances.

Advances from donors

The amounts reflect grants received from donors, of which the project costs have not yet been taken into account as of December 2020. The advances decreased over 40% in 2020 compared to 2019. In 2019 a growing number of projects and programs started for which advances were already received. In 2020 the donor advances are spent on the projects started in 2019.

Partner commitments

Please refer to note 11 for disclosure on partner commitments.

Accruals

Accruals slightly increased from 2019 to 2020. The 2020 accrual mainly relates to audit fees for the financial statements 2019 and 2020.

Accounts payable

As of December 31, 2020, the balance of the accounts payable increased compared to 2019. The increase is caused mainly by timing of invoices.

Short term loan

The loan from PKN has been fully repaid in 2020.

Security contributions and taxes

The balance payable decreased from EUR 973K to EUR 676K from the end of 2019 to the end of 2020. The decrease is mainly due to timing differences.

Other liabilities

The other liabilities decreased from EUR 2,764K by the end of 2019 to EUR 2,182K by the end of 2020. The decrease in 2020 was mainly due to the backlog on received invoices not processed yet (674K) at the end of 2019, processed in 2020.

All current liabilities have an estimated maturity shorter than one year. The carrying values of the recognised current liabilities approximate their respective fair values, given the short maturity of the positions.

Related Parties

Transactions with related parties are assumed when a relationship exists between the Cooperation and a natural person or entity that is affiliated with the Cooperation. This includes, amongst others, the relationship between the Cooperation and its subsidiaries and participations, shareholders, directors and key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged.

There have been no transactions with related parties that were outside the normal course of business.

FSP B.V. has been sold at December 31, 2019 therefore Fair & Sustainable Participaties B.V. and Agribusiness Booster B.V. are not considered as group companies anymore. They are considered as related parties of ICCO until the legal transfer of shares take place in May 2020.

Other

We refer also to the explanation under the remuneration executive board and supervisory board. ICCO has not identified other related parties.

As a consequence of ICCO holding shares or having provided loans, ICCO can hold a seat on the board of organizations in which it participates. ICCO has no significant influence on these parties. The participations held by ICCO are related to the program objectives.

FINANCIAL INSTRUMENTS

In general Management note that Financial Fixed Assets and Guarantees are financed (mainly through MFII funds) and are held for the purpose of the entity with the result that the financial risk related to these activities are embedded and accepted within this purpose. During the normal course of business, the Foundation uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, ICCO has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of ICCO.

Currency risk

ICCO is exposed to currency risk on transactions that are denominated in a currency other than the functional currency of ICCO. ICCO operates in the European Union, Africa, Asia and Latin-America in which the expenditures are largely in local currency. Income is realized mainly in Euro and US Dollar and does not

necessarily match our expenditure which is largely in local currency. Management has accepted the currency risk and has determined that the costs of structurally hedging these currency risks does not outweigh the benefits. For certain projects the donor bears the currency risk. At year end the non EUR liquid assets amount to EUR 9,3 million, of which EUR 5,8 million refers to USD and the remainder refers to local currencies in which the expenditures occur.

Credit risk

Credit risk arises principally from the ICCO loans and receivables presented under financial fixed assets, current assets and cash and cash equivalents. For the financial fixed assets the ation exposure to credit risk is influenced mainly by the individual characteristics of the loans and receivables. The credit risk arising from loans and receivables are reflected in the provision on financial fixed assets. For current assets the risks are considered low as these mainly consist of donor receivables. The credit risk on donor receivables and debtors are reflected in the provision on these receivables. For the off balance sheet guarantees the Foundation also put a provision in place to reflect this credit risk.

Credit risks associated with the cash and cash equivalents we hold at financial institutions. Cash balances held in Utrecht are held with banks that have a credit risk rating of at least 'A-', as rated by an acknowledged rating agency. Cash and cash equivalents held in Utrecht are spread over two banks: ING Bank and Rabobank. Management has not identified high concentrations of credit risk which are not reflected in the provisions and did not identify other open positions which are not disclosed which bears credit risks.

The total amount of assets on the balance sheet subject to credit risk EUR 38.940K.

Interest rate and cash flow risk

ICCO incurs interest rate risk on interest-bearing receivables (in particular those included in financial fixed assets and cash). No mitigation measures have been taken by ICCO as this risk is not considered to be significant.

Price risk

As a result of the sale of the portfolio during 2019, there is no price risk for ICCO anymore.

Market risk

Market risk is not separately disclosed as the above risks and disclosures sufficiently reflect main market risk and Management policy.

OFF BALANCE SHEET ASSETS AND LIABILITIES

Multiannual financial liabilities

First loss compensation Capital4Development Asia Fund

ICCO Cooperative has agreed to compensate the first loss of Capital4Development Asia Fund to at the maximum amount of USD 10,0 million. Any losses on the Fund Investments up to the amount of USD 10,0 million in the aggregate will be deducted from the Net Asset Value of the participations held by ICCO Cooperative. Due to the profit of the fund in 2020 and the compensation of the minimum return to the other investors, the use of the first loss compensation has decreased from USD 1,0 million at the end of 2019 to USD 0,1 million in 2020. At year end is therefore USD 0,1 million of the first loss commitment used and USD 9,9 million remains.

Rental agreement PKN

The rental agreement with PKN ends in 2021. The liability amounts to EUR 74K.

Agreements regional offices

The total liability related to rent agreements for regional offices amounts EUR 43K for the year 2021. The receivable related to hosting agreement for regional offices with third parties amounts EUR 3K for 2021.

Liabilities to subsidize liabilities of third parties

Issued bank guarantees

As at 31 December 2020, ICCO has issued bank guarantees for a total amount of EUR 1.909K, of which 489K is included in the Appropriation Fund (note 9), EUR 567K is included in the provision (note 10) and EUR 37K in the other liabilities. The remainder concerns off balance sheet obligation for EUR 816K.

Fiscal Unity

Together with ICCO Group B.V. and Coöperatie ICCO U.A. (head of fiscal unity), ICCO acts like a fiscal unity for value-added tax purposes.

Legal case

There are several labor lawsuits filed in Brazil, in relation to an investment done by ICCO. The maximum amount of all the listed processes together is EUR 1.676K; however this amount is being charged in solidarity of all executed individuals and companies (8 in total) with no exclusive targeting of a particular debtor. Therefore there is a high uncertainty because no estimate is possible if and when an amount of this sum can be claimed by one of more of the various defendants. The liability of defendants is not related to percentage of ownership. The outcome of the claims is not clear, nor is it possible to make a proper estimation of the amount of a possible claim. No provision is made in the financial statements. In the possible event that the court sentences the involved partners or ICCO to pay the claim we will and have already held other parties in default liable in this respect.

ICCO agreed with the legal representative of ICCO in Brazil to pay for the legal support in the defense of these claims, amounting to a total of approximately EUR 20K on a yearly basis.

Loan Fair Climate Fund Columbia

Foundation ICCO gave Fair Climate Fund Columbia a loan of EUR 305K in regards to project Riscales. At the end of 2020 the undrawn amount is 165K..

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

INCOME (13)

In €	Actual 2020	Budget 2020	Actual 2019
Income from private individuals	59.001	-	138.891
Income from companies	6.392.321	7.532.531	6.127.756
National Postcode Lottery	2.350.000	1.350.000	1.350.000
National Postcode Lottery - extra drawing	300.588	252.986	813.545
Income from lottery organisations	2.650.588	1.602.986	2.163.545
DGIS - Strategic Partnership	6.784.068	6.607.426	11.744.420
Dutch government - Other	3.437.167	16.747.693	1.817.369
European Union	8.953.441	12.444.276	4.087.267
Other governmental donors	1.729.178	3.239.581	1.023.126
Income from government grants	20.903.854	39.038.976	18.672.182
Dutch non-governmental organisations	8.519.663	8.793.795	7.431.242
International foundations	4.412.142	441.710	5.643.084
Protestantse Kerk Nederland - Kerk in Actie	1.122.337	349.540	999.951
SHO - Samenwerkende Hulporganisaties	-	-	50.329
Income from other non-profit organisations	14.054.142	9.585.045	14.124.606
Income from delivery of products / services	2.560.561	2.463.930	3.785.438
Other income	217.683	317.844	345.677
TOTAL INCOME	46.838.151	60.541.312	45.358.094

Sum of income

The Sum of Income in 2020 was EUR 46.8 million, an increase of EUR 1.4 million compared to 2019. Sum of Income remained EUR 13.7 million below budget in 2020 mainly due to tenders missed, which were budgeted for.

Income from private individuals

Occasionally, private individuals donate small amounts. The income is not directly related to projects.

Income from companies

Relate mainly to MasterCard Foundation (stars program) and AH Foundation. The expected increase in income as presented in the budget did not materialize, due to Covid-19 related delays in projects.

Income from lottery organizations

Relate to the regular contribution from the Dutch Postcode Lottery of EUR 1,350K and in addition an amount of EUR 1,000K for the NPL Plus plus program. In 2020 there were additional funds for projects, these are proceeds from 'Extra Drawings'.

Income from government grants

All ICCO's income from governments are one off projects and have a specific objective, although part of the income is related to multiyear grants. All grants have an end date. The budgeted increase did include some major projects which ICCO did not win or were postponed due to COVID-19.

Income from other non-profit organisations

The income remains stable against 2019. The increase versus the budget is mainly due to special programs related to COVID-19 and refugee support.

Income from delivery of products and services

This item refers to income from consulting activities, sales of carbon credits, outcome from service level agreements. This income from the companies in the consolidation which do not directly contribute to the four themes of ICCO Foundation are classified as other income. This income is recognized in the year to which the income in question relates. The two main drivers are Fair Climate Fund B.V. (revenue EUR 1.177K (2019: EUR 1.089K) , gross margin EUR 558K, (2019: EUR 543K) and Fair and Sustainable Consulting (Revenue EUR 914K (2019:EUR 1.536K), gross margin EUR 750K (2019: EUR 1.093K). The decrease is mainly due to Fair & Sustainable Participations and subsidiary Agribusiness Booster B.V.which were consolidated for 100% (EUR 1.066K) with a 50% minority share in 2019 and are not included in the consolidation of 2020 anymore after sale of FSP on December 31, 2019. Furthermore, the income from Fair & Sustainable Consultants decreased EUR 600K due to the pandemic.

Other income

This item refers to income from co-assisting in (non ICCO) projects and other small agreements. This income is classified as other income. This income is recognized in the year to which the income in question relates. The decrease in 2020 comes mainly from a decline in activities due to Covid-19.

EXPENSES (14)

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

In €	Actual 2020	Actual 2019
Main objectives		
Food and Nutrition Security and Sustainable Food		
Program Costs	1.829.883	7.158.901
Execution costs	<u>4.282.579</u>	<u>3.928.294</u>
	6.112.462	11.087.194
Economic Empowerment and Inclusive Markets		
Program Costs	10.086.737	5.041.182
Execution costs	<u>10.552.866</u>	<u>10.290.284</u>
	20.639.602	15.331.466
Responsible Business		
Program Costs	2.159.127	4.236.913
Execution costs	<u>2.163.051</u>	<u>1.938.059</u>
	4.322.179	6.174.972
Emergency Aid		
Program Costs	4.920.672	3.186.672
Execution costs	<u>2.647.041</u>	<u>1.404.854</u>
	7.567.713	4.591.526
Program Costs	18.996.418	19.623.667
Execution costs	<u>19.645.537</u>	<u>17.561.491</u>
Total Program Costs	38.641.955	37.185.158

The execution costs consist of own implementation costs and indirect costs.

EXPLANATION OF THE EXPENSE ALLOCATION

Specification and allocation of expenses according to their appropriation. 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)

In € 1.000	Expenses on objectives					Fundraising expenses			Total 2020	Budget 2020	Total 2019	
	FSSC	EE	RB	EA	Total	Other grants	Government grants	M&A				
Grants & contributions	1.830	10.087	2.159	4.921	18.996	-	-	-	18.996	27.942	19.624	
Publicity and communication	C1	522	898	121	606	2.148	35	35	97	2.315	4.450	2.498
Staff costs	C2	3.257	6.198	1.468	1.091	12.014	385	385	1.924	14.709	14.627	14.755
Direct costs	C3	357	2.814	424	282	3.878	1.047	1.047	2.572	8.544	9.397	7.667
Housing costs	C4	37	153	36	63	289	94	94	251	729	784	674
Office- and general costs	C5	109	490	114	605	1.318	543	543	1.528	3.931	2.741	3.111
Depreciation costs	C6	-	-	-	-	-	46	46	96	189	170	199
Execution costs		4.283	10.553	2.163	2.647	19.646	2.151	2.151	6.470	30.417	32.168	28.903
TOTAL EXPENSES		6.112	20.640	4.322	7.568	38.642	2.151	2.151	6.470	49.413	60.110	48.527

The allocation of Grants & contributions between the amounts spent on the objectives is based on the actual expense on partner contracts. Execution costs consist of direct and indirect costs. The allocation of direct costs is based on the actual expense as well as on time registration and FTEs between the amounts spent on the objectives, on fundraising expenses and on management and administration expenses (M&A). For the allocation of the indirect costs a separate analysis was made per cost center of the applicable percentage of costs that can be allocated to each theme, M&A and fundraising, based on time registration or on the number of FTEs. The allocation method used for division of expenses among the themes, M&A and fundraising is in accordance with the Goede Doelen Nederland guidelines. The cost of other entities have been included in M&A costs.

C1 Publicity and Communication Costs

In €	Actual 2020	Budget 2020	Actual 2019
Communication costs	2.314.532	4.449.571	2.497.876

The communication costs in 2020 are in line with the actuals in 2019.

C2 Staff Costs

In €	Actual 2020	Budget 2020	Actual 2019
Salaries	9.122.465	9.777.952	9.367.165
Holiday allowance and year-end bonus	846.147	1.039.150	1.007.439
Social security charges	852.875	1.280.944	881.427
Pension contributions	704.958	755.837	789.635
Staff costs	11.526.445	12.853.883	12.045.667
Hired staff	2.044.256	621.878	1.376.636
Compensations according to employment conditions	274.744	454.458	416.296
Recruitment and selection	2.284	22.407	68.857
Education and training	36.158	92.837	56.778
Other general staff costs	372.953	58.450	543.526
Outplacement	412.404	418.742	205.944
Occupational health and safety service, prevention and safety	39.285	104.044	40.966
Other staff costs	3.182.085	1.772.816	2.709.003
Total staff costs	14.708.530	14.626.699	14.754.670

Staff costs

The average FTE in 2020 is 354,5 FTE versus 334,3 FTE in 2019, which indicates that the average FTE increased in 2020 with 6,0% compared to 2019. The increase in FTE is higher than the increase in staff cost because most new FTE are in the region.

The average FTE in 2020 related to ICCO Foundation is 341,3 FTE (2019: 318,3 FTE). The average FTE in 2020 related to ICCO Group BV is 13,2 FTE (2019: 16 FTE). There are no employees employed by Cooperation ICCO U.A..

87% of the ICCO employees are working outside of the Netherlands.

In 2020, the average cost per FTE for salaries, security charges and pension was EUR 32,515 compared to 2019 where the average cost was EUR 36,030. The headcount in the regional offices has increased during the year compared to an unchanged headcount at the global office. This is in line with the strategy of decentralization of the organization, whereas the FTE in the regional offices increased. The average salary level in Utrecht is higher compared to the regional offices, which explains a reduction of average salary cost.

Other staff costs

The increase mainly arises from the external hired staff in 2020 due to the hired staff to speed up the financial statement process of 2019 and 2020.

C3 Outsourcing, travel and procurement costs

In €	Actual 2020	Budget 2020	Actual 2019
Travel- and accommodation expenses	1.153.477	325.450	1.894.960
External advisors	3.620.149	94.300	3.257.212
Carbon Credits cost & expenses	783.254	-	709.644
Procurement costs	2.987.680	8.977.459	1.805.114
Total outsourcing, travel and procurement costs	8.544.560	9.397.209	7.666.930

The amount spent on travel and accommodation expenses in 2020 decreased compared to 2019 due to the Covid 19. In 2020, the external advisors costs increased, due to the increase of consulting contracts on projects that are executed by ICCO. In 2020, procurement costs related to projects increased within all regions, due to the increase of projects that are executed by ICCO, whereby many small amounts result in a large change.

C4 Housing Costs

In €	Actual 2020	Budget 2020	Actual 2019
Housing costs	728.898	784.353	673.938

The actual housing expenses refer to the rented office spaces for the global office and of the regional and country offices worldwide. The actual costs 2020 include a penalty for the early breakup of a rental agreement.

C5 Office and General Costs

In €	Actual 2020	Budget 2020	Actual 2019
Office costs	1.426.325	1.825.200	1.365.074
Costs of ICT	196.985	220.398	142.270
Audit, tax advice and consultancy costs	971.950	649.687	746.084
Legal and organizational advice	548.914	156.719	207.236
Supervisory Board and Regional Councils	10.890	9.983	11.108
Partnerships	859.747	127.742	129.503
Other general costs	(83.039)	(249.055)	509.703
Total office and general costs	3.931.772	2.740.674	3.110.977

Office costs

This item mainly accounts for the costs of general printed matter, telephone, postal charges and other costs. In 2020 there is a small increase, as the number of rented offices in the regions increased.

Cost of ICT

All ICT costs, not related to the ERP system (AllSolutions) or the network environment (Google), are directly charged to the Profit and Loss account.

Audit costs

The following fees were charged by KPMG Accountants N.V. to the foundation, as referred to in Section 2:382a(1) and (2) of the Netherlands Civil Code.

In €	KPMG Accountants	Other KPMG Network	Total KPMG	Other audit firms
Audit of the financial statements	564.957	-	564.957	-
Other audit engagements	176.480	-	176.480	196.106
Other non-audit services	-	26.781	26.781	6.981
Tax-related advisory services	-	-	-	646
Total	741.437	26.781	768.218	203.733

The fees mentioned in the table for the audit of the financial statements 2020 relate to the total fees for the audit of the financial statements 2020 of Cooperatie ICCO U.A. and of the financial statements 2020 of ICCO Foundation, irrespective of whether the activities have been performed during the financial year 2020 or after 2020. The other fees mentioned in the table (not related to the audit of the Financial Statements) are costs for activities which have been performed during the financial year 2020. KPMG has started as per financial year 2018. The audit fees 2019 for the audit of the annual accounts were charged by KPMG and amounted to EUR 588K.

Legal and organizational advice

During the year 2020, the expenses relating to legal and organizational advice increased due to advice on the integration with Cordaid. Furthermore, ICCO was involved in some legal cases in different regions, mostly in the staff area.

Partnerships

The increase in partnerships relates to an incidental grant that has been received from NPL specifically to fund PlusPlus in which ICCO Foundation has found a partner and crowdfunding platform to further develop. The grant to our partner of EUR 700K is included in the 2020 costs.

Other general cost

Other general costs include insurance and other various general expenses. This item also includes the corporate income tax due for the commercial activities of FCF B.V., ICCO group B.V., FSP B.V. and FSC B.V. The total amount of the corporation tax is considered minor and therefore not further elaborated.

C6 Depreciation

Depreciation of tangible and intangible fixed assets:

In €	Actual 2020	Budget 2020	Actual 2019
Inventory and installations	5.398	8.755	16.954
Hardware and software - general	43.085	48.560	38.199
Hardware and software - ERP system	105.081	105.298	103.273
Company cars	34.977	7.189	40.339
Total depreciation	188.540	169.802	198.765

See also the explanatory note to the intangible and tangible fixed assets.

FINANCIAL INCOME AND EXPENSES (15)

In €	Actual 2020	Actual 2019
Interest income	35.162	72.415
Interest expense	(180.289)	(137.639)
Realized and unrealized foreign exchange results	(2.058.012)	402.032
Nett investment result	1.053.273	(672.403)
Impairment FFA	-	(200.000)
Provision cost FFA	-	(2.610)
Book loss assets	(8.577)	-
Results previous years	-	216.324
Total	(1.158.443)	(321.880)

Realized and unrealized foreign exchange results

The realized and unrealized foreign exchange results 2020 represents a net loss of EUR 2,058K (2019: EUR 402K gain). This is mainly caused by the devaluation of the USD exchange rate compared to the EUR rate.

Net investment result

The investment result is built up from several items. The main item is the result of C4D Asia Fund for EUR 1.296K profit (2019: loss EUR 894K).

CONSOLIDATION OVERVIEW (16)

Name	Registered Office	Share in issued share capital
ICCO Foundation	Utrecht	Not applicable
ICCO Group B.V.	Utrecht	100%
Fair & Sustainable Consulting B.V.	Utrecht	100%
Fair Climate Fund B.V.	Utrecht	100%
Fair & Sustainable Ethiopia Ltd.	Addis Ababa	100%
Fair & Sustainable Brazil Ltd.	São Paulo	99.99%
ICCO Development Solutions PTE Ltd	Singapore	100%

The ICCO Group B.V. has Cooperatie ICCO U.A. as sole shareholder.

LEGAL STRUCTURE AT DECEMBER 31, 2020 (17)

Primary institution	Legal form	Status	Explanation
Coöperatie ICCO U.A. (since 14 November 2012)	cooperative		
Secondary institutions	Legal form	Status	
Stichting ICCO			Under governance of Coöperatie ICCO U.A. and member Coöperatie ICCO U.A.
ICCO Group BV	BV		Cooperatie ICCO U.A. full owner
Fair & Sustainable Consulting	BV		ICCO full owner through ICCO Group BV
Fair & Sustainable Business Development Services PLC Ethiopia			ICCO full owner through ICCO Group BV -> F&S Consulting B.V.
Fair&Sustainable Participações en Empreendimentos Sustentáveis do Brasil	Ltd		ICCO 99,99 owner through ICCO Group BV
FairClimateFund	BV		ICCO full owner through ICCO Group BV
ICCO Development Solutions PTE.LTD (Singapore)	Private Limited Company		ICCO Group BV full owner
Regional Offices	Office	Status	Explanations
South East Asia			
Indonesia	Regional Office	NGO registration	Under articles of association of Stichting ICCO
Myanmar	Country Office	NGO registration	Under articles of association of Stichting ICCO (registration via Ministry of Home Affairs)
Cambodia	Country Office	NGO registration	under articles of association of Stichting ICCO
Vietnam	Representation	NGO registration	Under articles of association of Stichting ICCO
Central South Asia			
Nepal	Regional office	NGO registration	Under articles of association of Stichting ICCO
Bangladesh	Country office	NGO registration	Under articles of association of Stichting ICCO
Kyrgyzstan	Country office	NGO registration	Under articles of association of Stichting ICCO
West Africa			
Mali	Regional office	NGO registration	Under articles of association of Stichting ICCO
Burkina Faso	Country office	NGO-registration since 13 Oct. 2016	Under articles of association of Stichting ICCO
Senegal	Country office	NGO-registration since 22 Dec. 2016	Under articles of association of Stichting ICCO
Benin	Country office	NGO-registration since 28 June 2019	Under articles of association of Stichting ICCO

Central, Eastern and Southern Africa			
Uganda	Regional Office	NGO-registration	Under articles of association of Stichting ICCO
Ethiopia	Country office	NGO-registration	Under articles of association of Stichting ICCO
South Sudan	Country office	NGO-registration	Under articles of association of Stichting ICCO
Rwanda	Country office	NGO-registration	Under articles of association of Stichting ICCO
Burundi	Country office	NGO-registration	Under articles of association of Stichting ICCO
Kenya	Country office	Ltd (Limited by Guarantee) (since 24 Sept. 2018)	under the control of Stichting ICCO [name: ICCO Development LTD]
Kenya	Country office	Trust (registered since 15 July 2017)	under the control of Stichting ICCO
South Africa	Representation	Registered Non Profit Company	under the control of Stichting ICCO
Malawi	-	NGO-registration	Under articles of association of Stichting ICCO
Zimbabwe	-	Local Trust	Under control of Stichting ICCO
Latin America			
Nicaragua	Country Office	NGO registration	Under articles of association of Stichting ICCO
El Salvador		NGO registration	Under articles of association of Stichting ICCO
Bolivia	Regional Office	NGO registration	Under articles of association of Stichting ICCO
Peru	Representation	NGO-registration (since 2014)	Under articles of association of Stichting ICCO
Colombia	Country office	NGO-registration	Under articles of association of Stichting ICCO
Paraguay	Country office	NGO-registration (since 2014)	Under articles of association of Stichting ICCO
Jordan	In deregistration, no activities in country	NGO-registration since 21-10-2018	Under articles of association of Stichting ICCO

09 Cooperative Financial Statement

9.1 COOPERATIVE BALANCE SHEET AT 31 DECEMBER 2020

(after appropriation of result)

In €		31 December 2020	31 December 2019
ASSETS			
Fixed assets			
Financial fixed assets	9.3.1	8.123.623	6.812.687
		<u>8.123.623</u>	<u>6.812.687</u>
Current assets			
Inventories			
Accounts receivable and accrued income	9.3.2	218.917	489.507
Cash and cash equivalents	9.3.3	2.373.266	5.110.019
		<u>2.592.183</u>	<u>5.599.526</u>
TOTAL ASSETS		10.715.806	12.412.213
LIABILITIES			
Reserves			
Continuity Reserve	9.3.4	-	497.000
General Reserve		6.024.099	5.402.609
		<u>6.024.099</u>	<u>5.899.609</u>
Funds			
Appropriation fund loans and participations	9.3.5	2.542.271	2.218.732
		<u>2.542.271</u>	<u>2.218.732</u>
Long-term liabilities	9.3.6	-	-
Current liabilities	9.3.7	2.149.436	4.293.872
TOTAL LIABILITIES		10.715.806	12.412.213

9.2 COOPERATIVE FINANCIAL STATEMENT OF INCOME AND EXPENSES 2020

In €		Actual 2020	Budget 2020	Actual 2019
Income				
Income from government grants		-	-	-
Income from affiliated non-profit organisations		-	-	-
Income from other non-profit organisations		-	-	-
Income raised		-	-	-
Income from delivery of products / services				
Other income		-	-	-
Sum of Income		-	-	-
EXPENSES				
Management and Administration expenses		68.214	-	68.214
Sum of expenses		68.214	-	68.214
Sum of income and expenses before financial income and expenses				
		(68.214)	-	(68.214)
Financial income and expenses	9.3.8	658.409	-	(547.734)
Results of subsidiaries	9.3.9	(142.166)	-	(594.606)
Sum of income and expenses				
		448.029	-	(1.210.554)
Appropriation of sum of income and expenses				
Addition to / withdrawal from ():				
General reserve		124.490	-	(875.258)
Appropriation fund loans and participations		323.539		(335.296)
Result		448.029	-	(1.210.554)

9.3 EXPLANATORY NOTES TO THE COOPERATIVE FINANCIAL STATEMENTS 2020

General

For the applied principles for the valuation of assets and liabilities and the determination of the result, we refer to the explanatory notes accompanying the consolidated financial statements.

Activities *Coöperatie ICCO U.A.*

The *Coöperatie ICCO U.A.* functions as an umbrella for ICCO Foundation, for its not-for-profit, often grant-based work. Its commercial, for-profit activities are channeled through separate legal entities (in limited companies) such as Fair & Sustainable Consulting BV and Fair Climate Fund BV in the ICCO Group B.V. of which *Coöperatie ICCO U.A.* is a 100% shareholder.

In the organizational chart included in this report an overview of all our legal entities around the world is presented. Together, as a legal 'family' of several legal entities, this is a social enterprise under the brand name ICCO Cooperation.

FINANCIAL FIXED ASSETS (1)

The movement of this item, excluding the provision for loans and participating interests, is as follows:

In €	Investment in subsidiaries	Investment in unlisted shares	Receivables from group companies	Receivables from third companies	Other associated companies	Total
Carrying amount as at January 1	1.218.853	85.457	698.142	814.615	4.593.651	7.410.718
<i>Movements:</i>						
Purchases, loans granted	-	-	-	-	901.372	901.372
Exchange rate differences	-	-	-	(47.218)	(462.460)	(509.678)
Write offs		(1.135)				(1.135)
Transfer to current assets	-	-	(150.000)	(68.917)	-	(218.917)
Result	(142.166)	-	-	-	1.263.737	1.121.571
Carrying value as at December 31	1.076.687	84.322	548.142	698.480	6.296.300	8.703.931

Provision

The movement of the provision for the financial fixed assets is as follows:

In €	Investment in subsidiaries	Investment in unlisted shares	Receivables from group companies	Receivables from third companies	Other associated companies	Total
Carrying amount as at January 1	-	-	-	(598.031)	-	(598.031)
Deduction	-	-	-	17.723	-	17.723
Carrying value as at December 31	-	-	-	(580.308)	-	(580.308)
Balance of loans and participating interests	1.076.687	84.322	548.142	118.172	6.296.300	8.123.623

Investment in subsidiaries

Relating to the net asset value of the subsidiaries owned by ICCO Cooperative, through ICCO Group B.V.

Receivable from group companies

The receivable of the group company amounts to EUR 0.5 million and relates to a loan provided by ICCO

Foundation to Fair Climate Fund B.V. The short term part of the receivables is transferred to current assets within one year.

Receivable from third companies

This consists of 4 loans at the end of 2020. During 2020 only redemptions and exchange differences took place. The short term part of the receivables is transferred to current assets within one year.

Investment in associates

In 2018 ICCO Cooperative committed to the C4D Asia fund. The fund aims to economically empower women in South East Asia and to contribute to continued inclusive economic growth. During the year ICCO Coöperative paid EUR 901K of capital calls. The total result over 2020 of the C4D Asia Fund was USD 1,4 million and total equity (after appropriation of this loss) was USD 22,2 million. ICCO Cooperative as Sponsor Investor and class A member holds 33% of this investment and compensates the first loss and a preferred minimum return of 2% to class B members, in result a total positive result of EUR 1.264K is realised. The investment balance of ICCO Cooperative at year-end is EUR 6.296K (USD 7.722K) and the undrawn commitment is USD 2.825K out of the original commitment of USD 10,0 million.

ACCOUNTS RECEIVABLE & ACCRUED INCOME (2)

In €	31/12/2020	31/12/2019
Receivables from group companies	150.000	150.000
Short term receivables loans	68.917	319.871
Other receivables and accrued income	-	19.636
Balance as at 31 December	218.917	489.507

The receivables from group companies are the short term part of the loan to Fair Climate Fund. The other receivables are the short term loan receivables.

CASH & CASH EQUIVALENTS (3)

In €	31/12/2020	31/12/2019
Banks	2.373.266	5.110.019
Balance as at 31 December	2.373.266	5.110.019

The balance of cash and cash equivalents includes no restricted cash.

RESERVES (4)

Continuity Reserve

The changes in the continuity reserve in the financial year are as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	497.000	497.000
Less: to general reserve	(497.000)	-
Balance as at 31 December	-	497.000

As the Cooperative has merged with the foundation as of January 1, 2021, the continuity reserve is no longer necessary and has been transferred to the general reserve.

General Reserve

The changes in the general reserve in the financial year are as follows:

In €	31/12/2020	31/12/2019
Balance as at 1 January	5.402.609	1.010.951
Plus: from appropriation results	124.490	(875.258)
Plus: from Continuity reserve	497.000	-
Plus: from Loans and participations appropriation fund	-	5.266.916
Balance as at 31 December	6.024.099	5.402.609

Explanation consolidated and statutory accounts ICCO Cooperation

The total of funds and reserves for Cooperative statements amounts to EUR 8.6 million. The total of funds and reserves for consolidated statements amounts EUR 16.9 million. The variance is explained in the following table:

In thousands of EUR	31/12/2020	31/12/2019
Reserves and funds ICCO cooperative	8.566	8.118
Reserves and funds ICCO foundation	7.847	12.027
Intercompany elimination	455	457
Balance as at 31 December consolidated	16.868	20.602

The intercompany elimination relates mainly to the elimination of a provision for an intercompany loan.

The results can be specified as follows:

In thousands of EUR	Year 2020
Surplus ICCO cooperative	448
Deficit ICCO Foundation	(4.180)
Change in intercompany elimination	(2)
Consolidated income statement	(3.734)

FUNDS (5)

Loans and Participations Appropriation Fund

In €	31/12/2020	31/12/2019
Balance as at 1 January	2.218.732	7.820.944
Plus: from/less to appropriation results	323.539	(335.296)
Less: to general reserve	-	(5.266.916)
Balance as at 31 December	2.542.271	2.218.732

The balance of the Loans and participation appropriation fund equals the value of the participation within the C4D Asia fund.

LONG-TERM LIABILITIES (6)

In €	31/12/2020	31/12/2019
Loans payable	-	1.160.000
Transfer to current liabilities for repayment next financial year	-	(1.160.000)
Balance as at 31 December	-	-

In 2018 a new loan was obtained from PKN for an amount of EUR 1.45 million. The duration is 5 years, the interest rate zero. The loan was repaid on September 22th 2020.

CURRENT LIABILITIES (7)

In €	31/12/2020	31/12/2019
Liabilities to group companies	1.760.581	2.897.523
Short term loan payable	-	1.160.000
Other liabilities	388.855	236.346
Balance as at 31 December	2.149.436	4.293.869

Liabilities to Group Companies

Liabilities to group companies decreased by EUR 1.1 million from 2019 to 2020 mainly due settlement of balances with ICCO Foundation.

Short term loan payable

The short term loan payable was repaid on September 22th 2020.

FINANCIAL INCOME AND EXPENSE (8)

Within the financial income and expense EUR 1.264k (2019: EUR 894k loss) is included as result from Associated companies, for currency translation differences on financial fixed assets a loss of EUR 510k (2019: EUR 220k positive) and a loss of EUR 109k other currency translation differences (2019: EUR 31k positive) and EUR 45K positive (2019: EUR 58K positive) for interest income.

RESULTS OF SUBSIDIARIES (9)

The results of the participation in ICCO Group are presented in the result of subsidiaries.

9.4 REMUNERATION EXECUTIVE BOARD AND SUPERVISORY BOARD

In 2020, the organization was managed by an Executive Board consisting of two members, a chair and a member. The Supervisory Board considers the employment conditions of the Executive Board to be in accordance with the ICCO Foundation policy on remuneration of the Executive Board. The remuneration meets the requirements of the Regeling beloning directeuren van Goede Doelenorganisaties (GDN).

During 2020, the employed members of the Board were:

Amounts x € 1	Sybrein Attema	Jolanda Wakkerman	Paul Nijssen
Position	Chair Executive Board	Member Executive Board	Interim member Executive Board
Employee contract			
Nature (duration)	Fixed term	Ended	Contract/Ended
Number of hours	36	36	36
Part-time percentage	100	100	100
Period in 2020	1/1 - 31/12	1/1 - 31/3	8/6 - 31/12
Remuneration			
Gross salary	122.994	28.407	-
Paid contract fee			159.468
Holiday allowance	9.840	2.273	-
Year-end bonus	10.209	2.358	-
Variable pay	225	-	-
Total annual income	143.268	33.038	159.468 *)
Taxable reimbursements	1.390	-	-
Pension charges (employer)	13.662	3.406	-
Pension compensation	-	-	-
Other benefits on long term	-	-	-
End of contract benefits	-	-	-
Subtotal	15.052	3.406	-
Total remuneration 2020	158.320	36.444	159.468
Total remuneration 2019	77.474	144.625	-

*) Paid contract fee to an interim agency

The Supervisory Board has set the remuneration policy, the level of board remuneration and the level of other remuneration components. The policy is updated periodically. The evaluation was in their meeting of 25 August 2020 and 13 September 2021. When determining the remuneration policy and determining the remuneration, the Supervisory Board follows the 'Regeling beloning directeuren van goededoelenorganisaties' (Remuneration of Directors of Charity Organizations Regulation, last update Nov. 2020, see www.goededoelennederland.nl).

The scheme of GDN sets a maximum standard for annual income based on various criteria. The weighing of the situation of the partly two, partly one member of the Executive Board (statutory) of ICCO was done by the Supervisory Board. This led to a so-called BSD score ('Basis Score voor Directiefuncties') of 555 points for ICCO (=100%) with a maximum annual income of EUR 162,397 (per FTE/12 months).

The actual annual incomes of the Executive Board relevant for the assessment, against the applicable maximum limits, were EUR 143,268 for S. Attema (1 FTE/12 months) and EUR 33,038 for J. Wakkerman (1 FTE, 3 months). This remuneration remained within the applicable limits. Also the annual income, the taxed allowances/additions, the employer's pension contribution and other long-term benefits together, remain within the applicable limits of the regulation of Goede Doelen Nederland of EUR 201.000 per year.

On 31 March the employment contract of Jolanda Wakkerman ended. There were no benefits of termination paid. From June 8 till December 31, Paul Nijssen worked as an interim member of the Executive Board/financial director (not statutory director). He has been hired through an interim agency. The total compensation of EUR

159.468 has been paid to this interim agency. The compensation is in line with the market for interim directors and meets the conditions set out in the scheme with regard to the deployment of an interim director (not salaried).

Total remuneration, including employer's social security contributions amounts EUR 170.769 for S. Attema and EUR 39.579 for J. Wakkerman.

Supervisory Board

The remuneration of the Chair of the Supervisory Board and the Chair of the audit committee amount to EUR 3,000, and that of the other members of the Supervisory Board is EUR 1,500. The functions, tasks and ancillary positions are reported in chapter 4 *Organization*.

In €	J.F. de Leeuw	G. van Dijk	W. Oosterom	A. Knigge	Vacancy
Function	Chair	Member/ Chair Audit Commission	Member	Member	Member
Period	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	n/a
Remuneration 2020					
Remuneration	3.000	3.000	1.500	1.500	-
-/- Advance payments	n/a	n/a	n/a	n/a	n/a
Total remuneration 2020	3.000	3.000	1.500	1.500	-
Remuneration 2019					
Period	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	n/a
Remuneration	3.000	3.000	1.500	1.500	
Total remuneration 2019	3.000	3.000	1.500	1.500	-

As per 31 December 2020 there are no loans, advances or guarantees provided to the members of the Executive and Supervisory Boards.

SUBSEQUENT EVENTS

CORDAID

The Executive Board and Supervisory Board of ICCO signed on 15 december 2020 an agreement to join forces with Stichting Cordaid, a NGO with statutory seat in The Hague, The Netherlands. By joining forces, we are defragmenting the Dutch development sector. This makes us more in sync with society and more adapted to the needs of international development.

ICCO will complete their current projects in the legal entity ICCO Foundation during 2021. All new projects as of January 1, 2021, if legally possible, will start from the Cordaid organisation. All Global Office activities and Dutch legal contracts will be transferred to Cordaid as of January 1, 2021. All regional activities will be transferred as much as legally possible on December 31, 2021. Transfer possibilities depend on the timely availability of NGO-registrations in countries where Cordaid is not yet represented. Cordaid signed a guarantee to respect all ICCO contracts and accept its obligations and rights.

We will continue as one organisation, under the name of Cordaid, with one global office in The Hague. By combining our international in-country infrastructure, networks, and knowledge, and with geographic and thematic complementarity of a joint organisation, we increase our scope and scale and become more cost efficient. This allows us to create more social impact and strengthens our position in the increasingly tight and competitive funding market.

We believe that together we can better make our mark in addressing today's and tomorrow's global challenges. In standing side by side with the many millions who take the first and biggest blows. And we reach out to people of all backgrounds and faiths who want to act in solidarity.

Merger Coöperatie ICCO U.A. into ICCO Foundation

Also as of January 1, 2021 Coöperatie ICCO U.A. has merged into ICCO Foundation. ICCO Foundation is the legal successor of Coöperatie ICCO U.A. . Any remaining assets and liabilities were thus transferred by law to the legal successor ICCO Foundation.

Adoption and approval

Adoption and approval annual report and accounts

On November 29, 2021 the Executive Board of ICCO Foundation, as legal successor of ICCO Cooperation, adopted the Annual report and accounts 2020 of Cooperatie ICCO U.A..

On November 29, 2021 the Supervisory Board of ICCO Foundation, as legal successor of ICCO Cooperation, approved the Annual report and accounts 2020 of Cooperatie ICCO U.A..

Proposed appropriation of result for the financial year 2020

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, 29 November 2021

Executive Board ICCO Foundation

L.C. Zevenbergen, CEO

L. Paz Quintero, CFO

Y.C. van der Schoot, COO

Supervisory Board ICCO Foundation

A.J.M. Heerts, Chair

J.F. de Leeuw, Vice Chair

J.H.M. van Bussel, Member

M. van Beek, Member

Priest S. de Boer, Member

M.W.J.A. Landheer-Regouw, Member

R. Peetoom, Member

W. Oosterom, Member

A. Knigge, Member

J. Alders-Sheya, Member

D. Cheng, Member

10 Other Information

APPROPRIATION OF RESULT ACCORDING TO THE ARTICLES OF ASSOCIATION

According to article 21 of its Statute ICCO Cooperative U.A. is not allowed to pay any results to its members.

INDEPENDENT AUDITOR'S REPORT

To: the Board and Supervisory Board of Stichting ICCO

REPORT ON THE AUDIT OF THE ACCOMPANYING FINANCIAL STATEMENTS

Our opinion

We have audited the financial statements 2020 of Coöperatie ICCO U.A., based in The Hague.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Coöperatie ICCO U.A. as at 31 December 2020 and of its result for the year 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the consolidated and company balance sheet as at 31 December 2020;
2. the consolidated and company statement of income and expenses for the year 2020;
3. the consolidated cash flow statement for the year 2020; and
4. the notes comprising a summary of the accounting policies 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 for the audit of the financial statements' section of our report.

We are independent of Coöperatie ICCO U.A. in accordance with the Wet toezicht accountants-organisaties (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

REPORT ON THE 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 that consists of:

- Board report;
- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

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.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the other information, including the Board Report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF THE RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Responsibilities of the Board and the Supervisory Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the Coöperatie ICCO U.A. or to cease operations, or has no realistic alternative but to do so. The Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company'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 have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the 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 scepticism 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 errors or fraud, 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 errors, 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 Coöperatie ICCO U.A.'s internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;

- 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 Coöperatie ICCO U.A.'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 the company ceasing 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.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities or operations. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities or operations for which an audit or review had to be carried out on the complete set of financial information or specific items.

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.

The Hague, 29 November 2021

KPMG Accountants N.V.

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ICCO Cooperation is certified according to
ISO 9001: 2015 and
Partos 9001: 2015



We Help Farmers and Small Businesses Grow.



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