



# ANNUAL ACCOUNTS 2013

**Hivos**  
people unlimited

Colofon

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# ANNUAL ACCOUNTS 2013



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# 1 FINANCIAL MANAGEMENT REPORT

Financially, 2013 was a year that we would be happy to repeat. A year ago we could already report on several positive trends, such as increased turnover, a diverse set of donors and a better financial result than the year before (though less than budgeted). In 2013 these trends continued, even though Hivos also started a reorganisation process. Overall income rose to €136 million, we kept a broad donor base, the share of MFS fell to less than 40% and we can report a positive result of €170,000. Altogether these are results to be proud of: they show that we are on the right track for a future without MFS.

The largest new grant Hivos received in 2013 was the grant for Making All Voices Count, over GBP 26.4 million in total for a period of 4 years (equivalent to €31,6 million per 31 December 2013). We also received approval for extending two of the three HIV/AIDS programmes we manage with grants from the Global Fund, for a total of USD 20.5 million (equivalent to €14,9 million per 31 December 2013). The approval of the 4S@scale programme in East Africa, a public-private partnership, illustrates the diversity of our donor base and also offers an example of how Hivos is successfully looking for new ways to finance its programmes.

## Results and Reserves

Before appropriation we recorded a negative result of €637,000. The main reason for this loss is the revaluation of the participations Hivos holds in the framework of its microfinance programme. Until 2012 these participations were presented on the balance sheet of HTF. After careful re-examination, HTF, Hivos and their mutual auditors decided that the participations should be included on Hivos's balance sheet. Although HTF was and still is responsible for managing these participations, the beneficial ownership lies with Hivos and hence they should be part of Hivos's balance sheet. As they should be presented at fair market value, they were subject to a downward revaluation of slightly more than €3 million in 2013. The amount was subsequently withdrawn from the appropriated programme fund for HTF participations (i.e. from €34,8 million to €31,4 million).

After an amount of €300,000 was added to the newly created reserve for reorganization 2014-2015, the remaining surplus of

€170,000 was added to the appropriated continuity reserve for business operations. This surplus is the result of careful budget monitoring and a sustained effort to make all programmes and projects contribute sufficiently to the organisation's overheads. This is not a given, since many international donors are reluctant to do so, even though they profit from the knowledge and expertise that Hivos and other organisations bring to the table.

With the two additions of in total €470,000 the reserve for business operations stands at €3,175,000, still a long way from the business plan target of 60% of annual operating costs. For 2014 Hivos has again set a target of €480,000, to further strengthen the reserve for business operations, the only reserve that is really at Hivos's free disposal and therefore an important indicator of the organisation's financial sustainability. The appropriated reserve for programme management is closely linked to the management of commitments towards partners and projects and is therefore not at Hivos's free disposal

## Risks

At 31 December 2015 Hivos's main grant, MFS-2, will come to an end. Inevitably that will have an impact on Hivos's programme and operating income. This is not a new development, and Hivos began preparing for this situation years ago when it decided to increase its efforts on the highly competitive international donor market. Although Hivos has achieved a fair amount of success in recent years, there are no guarantees. Experience shows that annual income may fluctuate considerably, while the pipeline with proposals for new funding is subject to the same relative unpredictability as explained before. However, we are quite confident that by investing in the development of new programmes, for example in the field of transparency & accountability, improvement of the position of women and girls, by promoting rural entrepreneurship or green energy and by improving our knowledge base about what approach works best in a particular context, we will be able to continue finding donors to finance our programmes.

The diversification of donors and the concurrent increase in funding also represent a risk for Hivos, as the new donors might want to be reimbursed if Hivos fails to deliver. Such claims may

be made up to 7 years after the programme in question has been closed. To reduce that risk, Hivos will intensify its internal planning and control and invest more in risk assessment. In addition, Hivos explores insurance options. The potential claims also add to the importance of strengthening our financial reserves.

Hivos will continue to look critically at its operating costs and seize all opportunities to cut back on them. At the same time, it is important to bear in mind that a reverse trend is also visible, as each donor has its own set of demands, putting pressure on the overall efficiency of the organisation.

One of Hivos's most important assets is its sound reputation. Damage to the Foundation's reputation as a result of fraud or corruption represents one of the greatest risks. Hivos has a long tradition of conducting its own random financial inspections at its partners. The intensity of that inspection programme will be increased – not because practice shows that the risk of fraud has increased, but because we prefer to prevent problems rather than solving them after they emerge. The internal financial audits at the regional and country offices will continue at the same high level.

## **Future**

The challenges for the near future are, in financial terms, more or less clear: a reorganisation in 2014, the discontinuation of MFS-2 after 2015 and continued pressure on our capacity to recover our operating costs from international donors. These are no small challenges, yet we feel we are well positioned and properly prepared to deal with them. There are many opportunities in areas in which we have ample expertise and an excellent track record – transparency & accountability, gender, human rights and democratisation, sustainable agriculture and innovative rural financing – and we are comfortable working together with different actors, such as the business sector and knowledge institutions. To prepare the organisation for these challenges a restructuring will take place in 2014 and 2015, to reduce operational costs to levels that coincide with the expected programme and operational income. A considerable decrease in staffing is foreseen. For the more distant future – 2016 and onwards – we have developed a new strategy that builds on our current strengths and takes into account the

changing face of development cooperation. We are used to looking at the opportunities, not at the threats – and that is what we will continue to do.

The Hague, April 2014

Edwin Huizing, Executive Director

Ben Witjes, Director of Programmes and Projects

# 2. BALANCE SHEET AS AT 31 DECEMBER 2013

amounts x EUR 1,000

After appropriation of the results

|  |                    | 31-12-2013     | 31-12-2012 *)  |
|--|--------------------|----------------|----------------|
| ASSETS   |                    |                |                |
|  | Ref. <sup>1)</sup> |                |                |
| <b>Intangible fixed assets</b>                 |                    |                |                |
| Software for business operations               | 1                  | 667            | 926            |
| <b>Tangible fixed assets</b>                   |                    |                |                |
| Buildings for business operations              |                    | 672            | 610            |
| Furniture and fixtures for business operations |                    | 326            | 348            |
| Cars for business operations                   |                    | 28             | 21             |
| Buildings for objective                        |                    | 47             | 49             |
| <b>Tangible fixed assets</b>                   | 2                  | 1.073          | 1.028          |
| <b>Financial fixed assets</b>                  |                    |                |                |
| Reserved cash                                  |                    | 19.741         | 19.493         |
| Certificates Triodos Bank                      |                    | 3.000          | 3.000          |
| HTF Participations                             |                    | 31.448         | 34.782         |
| <b>Financial fixed assets</b>                  | 3                  | 54.189         | 57.275         |
| <b>Claims, prepayments and accrued income</b>  |                    |                |                |
| Claims for grants                              | 4                  | 76.042         | 66.990         |
| Prepayments and accrued income                 | 5                  | 3.765          | 6.415          |
| <b>Claims, prepayments and accrued income</b>  |                    | 79.807         | 73.405         |
| <b>Cash at bank and in hand</b>                | 6                  | 53.941         | 34.840         |
| <b>Total</b>                                   |                    | <b>189.677</b> | <b>167.474</b> |

\*) Adjusted for comparison purposes

<sup>1)</sup> Itemised in Chapter 6: Notes to the balance sheet



# 2. BALANCE SHEET AS AT 31 DECEMBER 2013

amounts x EUR 1,000

After appropriation of the results

|  | 31-12-2013 |                | 31-12-2012 *) |                |
|--|------------|----------------|---------------|----------------|
| LIABILITIES  |            |                |               |                |
| Ref. 1)  |            |                |               |                |
| <b>Reserves and funds</b>  |            |                |               |                |
| Reserves   |            |                |               |                |
| <i>Appropriated reserve for business operations</i>                  | 2.875      |                | 2.795         |                |
| <i>Appropriated reserve for business operations - reorganisation</i> | 300        |                |               |                |
| <i>Appropriated reserve for programme management</i>                 | 5.662      |                | 4.029         |                |
| <i>Appropriated reserve for translation differences</i>              | 0          |                | 24            |                |
| 7  |            | 8.837          |               | 6.848          |
| Funds  |            |                |               |                |
| <i>Appropriated fund, Private Funds</i>                              | 2.482      |                | 2.322         |                |
| <i>Appropriated fund, Nat.Postcode Lottery</i>                       | 945        |                | 669           |                |
| <i>Appropriated fund, Stop Aids Now!</i>                             | 13         |                | 73            |                |
| <i>Appropriated fund, Refunds + Interest</i>                         | 3.751      |                | 3.120         |                |
| <i>Appropriated fund, Currency valuation</i>                         | 1.039      |                | 1.337         |                |
| <i>Appropriated fund, HTF participations</i>                         | 31.448     |                | 34.782        |                |
| 8  |            | 39.678         |               | 42.303         |
| <b>Reserves and funds</b>  |            | <b>48.515</b>  |               | <b>49.151</b>  |
| <b>Long-term liabilities</b>   |            |                |               |                |
| <i>General loan fund</i>   | 84         |                | 84            |                |
| <i>Participation in North-South Plan</i>                             | 718        |                | 718           |                |
| <i>Guarantees issued</i>   | 22.398     |                | 22.398        |                |
|  |            | 23.200         |               | 23.200         |
| Long-term project liabilities  |            | 35.297         |               | 20.220         |
| <b>Long-term liabilities 9</b>                                       |            | <b>58.497</b>  |               | <b>43.420</b>  |
| <b>Current liabilities</b>   |            |                |               |                |
| Current project liabilities  |            | 71.507         |               | 66.778         |
| Accruals and deferred income   |            | 11.158         |               | 8.125          |
| <b>Current liabilities 10</b>  |            | <b>82.665</b>  |               | <b>74.903</b>  |
| <b>Total</b>   |            | <b>189.677</b> |               | <b>167.474</b> |

\*) Adjusted for comparison purposes

1) Itemised in Chapter 6: Notes to the balance sheet

# 3. STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2013

amounts x EUR 1,000

|  |                   |  | Actual 2013    | Budget 2013   | Actual 2012 <sup>*)</sup> | Budget 2014   |
|--|-------------------|--|----------------|---------------|---------------------------|---------------|
| <b>Income</b>  | Ref <sup>1)</sup> |  |                |               |                           |               |
| <b>Income from direct fundraising</b>                              |                   |  |                |               |                           |               |
| <i>Donations and gifts</i>   |                   |  | 659            | 1.500         | 1.219                     | 1.500         |
| <i>Legacies</i>  |                   |  | 77             |               | 70                        |               |
| <i>Climate fund CO2 compensation</i>                               |                   |  | 522            |               | 510                       |               |
| Income from direct fundraising                                     | B                 |  | 1.258          | 1.500         | 1.799                     | 1.500         |
| Income from third-party campaigns                                  | 11                |  | 8.586          | 5.000         | 15.118                    | 5.000         |
| Grants from governments  | 12                |  | 128.492        | 82.956        | 97.100                    | 86.957        |
| <i>of which MFS-2 grant of Alliance partners</i>                   |                   |  | 2.891          | 3.505         | 3.605                     | 3.170         |
| <b>Income from investments</b>                                     |                   |  |                |               |                           |               |
| <i>Dividend HTF participations</i>                                 |                   |  | 805            |               | 1.061                     |               |
| <i>Net investment / realized exchange gains HTF participations</i> |                   |  | -3.334         |               | 2.601                     |               |
| Income from investments  |                   |  | -2.529         |               | 3.662                     |               |
| <b>Other income</b>  |                   |  |                |               |                           |               |
| <i>Interest minus bank costs</i>                                   |                   |  | 93             |               | 237                       |               |
| <i>Exchange gain/loss</i>  |                   |  | -30            |               | 441                       |               |
| <i>Other income</i>  |                   |  | 18             |               | 71                        |               |
| Other income   |                   |  | 81             | 1.100         | 749                       | 750           |
| <b>Total income</b>  | D                 |  | <b>135.888</b> | <b>90.556</b> | <b>118.428</b>            | <b>94.207</b> |

\*) Adjusted for comparison purposes

<sup>1)</sup> Itemised in Chapter 8: Notes to the statement of income and expense

# 3. STATEMENT OF INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2013

amounts x EUR 1,000

|   |   | Actual 2013    | Budget 2013   | Actual 2012 *) | Budget 2014   |
|---|---|----------------|---------------|----------------|---------------|
| <b>Expense</b>  |   |                |               |                |               |
| <b>Spent on objectives/Programmes (new commitments)</b>           |   |                |               |                |               |
| <i>Green Entrepreneurship</i>                                     |   | 26.275         | 22.380        | 28.235         | 23.740        |
| <i>Rights &amp; Citizenship</i>                                   |   | 55.055         | 30.785        | 42.869         | 32.079        |
| <i>Expression &amp; Engagement</i>                                |   | 45.651         | 24.591        | 28.318         | 25.205        |
| <i>Action for Change</i>  |   | 2.836          | 5.050         | 6.701          | 5.263         |
| <i>MFS-2 programmes of Alliance partners</i>                      |   | 2.891          | 3.505         | 3.605          | 3.170         |
| <b>Total expenditure on objectives</b>                            | C | <b>132.708</b> | <b>86.311</b> | <b>109.729</b> | <b>89.457</b> |
| <i>Costs spent on objective as a % of total income (= C / D)</i>  |   | 97,7%          | 95,3%         | 92,7%          | 95,0%         |
| <i>Costs spent on objective as a % of total costs (= C / F)</i>   |   | 97,2%          | 95,7%         | 96,2%          | 95,4%         |
| <b>Spent on generating income</b>                                 |   |                |               |                |               |
| Costs of direct fundraising                                       | A | 280            | 300           | 367            | 300           |
| <i>Direct fundraising: costs as a % of income (= A / B)</i>       |   | 22,3%          | 20,0%         | 20,4%          | 20,0%         |
| Costs of third-party campaigns                                    |   | 102            | 100           | 293            | 100           |
| Costs of obtaining government grants                              |   | 1.533          | 1.670         | 1.883          | 1.800         |
| <b>Total costs of generating income</b>                           |   | <b>1.915</b>   | <b>2.070</b>  | <b>2.543</b>   | <b>2.200</b>  |
| <b>Management and accounting costs</b>                            | E | <b>1.902</b>   | <b>1.825</b>  | <b>1.846</b>   | <b>2.068</b>  |
| <i>Man. and accounting costs as a % of total income (= E / F)</i> |   | 1,4%           | 2,0%          | 1,6%           | 2,2%          |
| <b>Total costs</b>  | F | <b>136.525</b> | <b>90.206</b> | <b>114.118</b> | <b>93.725</b> |
| <b>Operating Result</b>   |   | <b>-637</b>    | <b>350</b>    | <b>4.310</b>   | <b>482</b>    |
| Extraordinary expense   |   | 0              | -150          | 0              | 0             |
| <b>Results before appropriation</b>                               |   | <b>-637</b>    | <b>200</b>    | <b>4.310</b>   | <b>482</b>    |
| <b>Added to/withdrawn from:</b>                                   |   |                |               |                |               |
| - Appropriated reserve for programme management                   |   | -1.633         |               | 432            |               |
| - Appropriated reserve for translation differences                |   | 24             |               | 160            |               |
| - Appropriated reserve for business operations                    |   | 90             |               | -184           |               |
| - Appropriated reserve for business operations - Reorganisation   |   | -300           |               |                |               |
| - Appropriated reserve for HTF participations                     |   | 3.334          |               | -2.601         |               |
| - Appropriated funds for Programmes                               |   | -708           |               | -2.118         |               |
| <b>Total addition/withdrawal</b>                                  |   | <b>807</b>     | <b>0</b>      | <b>-4.310</b>  | <b>0</b>      |
| <b>Results after appropriation</b>                                |   | <b>170</b>     | <b>200</b>    | <b>0</b>       | <b>482</b>    |

\*) Adjusted for comparison purposes

# 4. CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

amounts x EUR 1,000

| Using the indirect method                              |               | 2013   |               | 2012 <sup>1)</sup> |               |
|--|---------------|--------|---------------|--------------------|---------------|
| <b>Cash flow from operating activities</b>             | Ref.          |        |               |                    |               |
| Results before appropriation                           | <sup>1)</sup> | -637   |               | 4.310              |               |
| Movements in reserves and funds                        |               |        |               |                    |               |
| Amortisation and depreciation                          | <sup>2)</sup> | 512    |               | 436                |               |
| Movements in claims for grants                         | <sup>3)</sup> | -9.052 |               | -2.946             |               |
| Movements in other claims                              | <sup>3)</sup> | 2.650  |               | -2.025             |               |
| Movements in long-term liabilities                     | <sup>3)</sup> | 0      |               | -5                 |               |
| Movements in long-term and current project liabilities | <sup>3)</sup> | 19.807 |               | -2.714             |               |
| Movements in current liabilities                       | <sup>3)</sup> | 3.033  |               | 3.284              |               |
| <b>Cash flow from operating activities</b>             |               |        | <b>16.313</b> |                    | <b>340</b>    |
| <b>Cash flow from investing activities</b>             |               |        |               |                    |               |
| Additions to tangible fixed assets                     | <sup>2)</sup> | -270   |               | -316               |               |
| Additions to intangible fixed assets                   | <sup>2)</sup> | -29    |               | -126               |               |
| Additions to financial fixed assets                    | <sup>2)</sup> | 3.086  |               | -2.821             |               |
| <b>Cash flow from investing activities</b>             |               |        | <b>2.788</b>  |                    | <b>-3.263</b> |
| <b>Cash flow from financing activities</b>             |               |        |               |                    |               |
| Income from long-term liabilities                      |               | 0      |               | 0                  |               |
| Repaid on long-term liabilities                        |               | 0      |               | 0                  |               |
| <b>Cash flow from financing activities</b>             |               |        | <b>0</b>      |                    | <b>0</b>      |
| <b>Movements in cash at bank and in hand</b>           |               |        | <b>19.101</b> |                    | <b>-2.923</b> |
| <b>Recapitulation</b>                                  |               |        |               |                    |               |
| Cash at bank and in hand at end of financial year      | <sup>3)</sup> | 53.941 |               | 34.840             |               |
| Cash at bank and in hand at start of financial year    | <sup>3)</sup> | 34.840 |               | 37.763             |               |
| <b>Movements in cash at bank and in hand</b>           |               |        | <b>19.101</b> |                    | <b>-2.923</b> |

<sup>1)</sup> Adjusted for comparison purposes

<sup>2)</sup> See Chapter 3: Statement of income and expense for 2013

<sup>3)</sup> See Chapter 6: Notes to the balance sheet

<sup>4)</sup> See Chapter 2: Balance sheet as at 31 December 2013

# 5. ACCOUNTING PRINCIPLES

These are the annual accounts of Hivos Foundation in The Hague. The annual accounts have been prepared in accordance with the Guidelines for Reporting by Fundraising Organisations and with due observance of the Financial Regulations for the MFS co-financing system of the Dutch Ministry of Foreign Affairs/Development Cooperation. The annual accounts have been compiled after appropriation of the results. All amounts in the explanatory notes are denominated in euros, except where stated otherwise. The accounting principles have remained unchanged since the previous financial year.

## 5.1 General notes

### 5.1.1 Activities

Hivos supports more than 700 partners in 27 countries in Africa, Asia and Latin America. Hivos provides those local private organisations with financial resources, expertise, advice and political support. Hivos also develops programmes of its own, while the Foundation is also active in the field of advocacy, both in the international arena and in the Netherlands. As a partner in coalitions and a broker of contacts Hivos is a member of numerous networks. Civil society building and sustainable economic development make up Hivos's central policy areas. Its programme is chiefly put into practice by the regional offices in Zimbabwe, India, Costa Rica, Indonesia, Kenya and Bolivia. Those offices are responsible for an important share of the dealings with partner organisations, which they offer advice and assistance, as well as providing capital, expertise and contacts. Hivos uses its extensive knowledge programme to encourage parties to gather, exchange and apply expertise for development.

### 5.1.2 Changes in accounting principles - participations

In 2013 accounting policies with respect to the valuation of participations Hivos Triodos Fund changed. Until 2012 participations were valued for EUR 1, The fair value of participations was included in the balance sheet of Hivos Triodos Fund. As all risks and rewards related to the participations in fact are for Hivos, in 2013 Hivos decided to include participations in Hivos' balance sheet.

The effect of this change is processed directly into the reserves and funds. The effect of the change can be quantified as follows:

|      |   |
|------|---|
| 2012 | Financial fixed assets<br>Appropriated fund, HTF participations   |
| 2013 | Net investment / realized exchange gains HTF participations<br>Financial fixed assets<br><br>Appropriated fund, HTF participations<br>Net investment / realized exchange gains HTF participations |

The effect on the individual item 'income from participations' can be quantified as follows (in € 1000):

|  |             |
|--|-------------|
| Amount of income when applying new accounting policies   | EUR - 3.334 |
| Amount of income when applying prior accounting policies | EUR 0       |
| Effect on the item 'income from participations'          | EUR - 3.334 |

The effect of this change in accounting policies is recognised directly within the reserves and funds. The 2012 figures as at 31 December have been adjusted for comparability purposes

### 5.1.3 Changes to estimates

No Changes to the estimates have been made

### 5.1.4 Consolidation

These annual accounts combine the balance sheets and statements of income and expense of the Hivos offices in the separate countries with the annual accounts of the Hivos head office. The Managing Board of Hivos has full control over all those offices. As all the offices use one system, transactions between the separate offices are eliminated. The offices included in the consolidation are the following:

- Head office (The Hague, the Netherlands)
- Southern Africa regional office (Harare, Zimbabwe)
- East Africa regional office (Nairobi, Kenya)
- Central America regional office (San José, Costa Rica)
- South America regional office (La Paz, Bolivia)
- India regional office (Bangalore, India)
- Southeast Asia regional office (Jakarta, Indonesia)
- South Africa country office (Johannesburg, South Africa)

### 5.1.5 Notes to the cash flow statement

The cash flow statement has been prepared using the indirect method. The financial resources in the cash flow statement comprise cash at bank and in hand. Cash flows denominated in foreign currencies have been translated at an average exchange rate. Interest income and expense is included in the cash flow from operating activities. Transactions that do not involve any incoming or outgoing cash flows are not presented in the cash flow statement.

### 5.1.6 Estimates

To apply the accounting principles and rules for compiling the annual accounts, the Managing Board of Hivos is required to form opinions about various matters and to make estimates that might be essential for the amounts presented in the annual accounts. Estimates have been made regarding the collectability of claims. Hivos is not exposed to any risks to its results in this respect, since the liabilities balancing the claims need not be paid if a claim proves to be a bad debt.

## **5.2 Valuation principles**

### **5.2.1 General**

The consolidated annual accounts have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements set out in par. 650 of the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board.

As a rule, assets and liabilities are presented at acquisition or manufacturing price or at current value. If no specific valuation principle is given, valuation is based on the acquisition price. The balance sheet, statement of income and expense and cash flow statement include references to the explanatory notes.

### **5.2.2 Comparison with the previous year**

### **5.2.3 Foreign currencies**

#### **5.2.3.1 Functional currency**

Items included in the financial statements of regional offices are measured using the currency of the primary economic environment in which the respective office operates (the functional currency). The consolidated financial statements are presented in euro, which is the functional and presentation currency of Hivos.

#### **5.2.3.2 Foreign currencies**

Assets denominated in foreign currencies have been translated at the exchange rates prevailing as at the balance sheet date. Translation differences are taken to the statement of income and expense.

#### **5.2.3.3 Group companies/Regional Offices**

Assets and liabilities of consolidated subsidiaries with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expenses are translated at average exchange rates during the financial year. Any resulting exchange differences are taken directly to the legal reserve for translation differences within equity.

### **5.2.4 Intangible fixed assets**

Intangible fixed assets are presented at acquisition price less amortisation. The amounts presented take into account the effect of impairment.

### **5.2.5 Tangible fixed assets**

Land and buildings are presented at acquisition price plus additional costs or manufacturing cost less straight-line depreciation calculated over the estimated remaining useful life. The amounts presented take into account the effect of any impairment that is expected as at the balance sheet date. No provision for major repairs has been formed for the costs of major repairs to the buildings.

Other fixed assets are presented at acquisition or manufacturing price including any directly attributable costs, less straight-line

depreciation calculated over the estimated remaining useful life and less impairments.

### **5.2.6 Financial fixed assets**

#### **5.2.6.1 Reserved Cash**

Reserved cash refers to cash held as security for liabilities, as required by the Dutch Ministry of Foreign Affairs/Development Cooperation's guidelines for loans and guarantees.

#### **5.2.6.2 Certificates / Participations**

Participations in partner organisations are valued at fair value taking into account possible impairments at reporting date.

### **5.2.7 Claims for grants and other claims**

Claims for grants refer to claims on governments and other authorities arising from liabilities into which the Foundation has entered based on agreements to that effect as part of its programme; these amounts include the related programme management fee.

Upon initial recognition, other receivables are presented at the fair value of the consideration, expressed in euros. Allowances for bad debts are deducted from the claim's book value.

### **5.2.8 Cash at bank and in hand**

Cash at bank and in hand is presented at face value and is denominated in euros.

### **5.2.9 Provisions**

Provisions are formed for liabilities and risks connected to the business operations. They do not pertain to specific assets. Provisions are presented at the best estimate of the amounts needed to settle the liabilities as at the balance sheet date. Provisions are presented at the face value of the projected expenditure required to settle the liabilities, unless stated otherwise.

### **5.2.10 Reserves and funds**

#### **5.2.10.a Appropriated reserves**

Appropriated reserve for business operations  
The appropriated reserve for business operations contains five different types of reserves; Continuity reserve for business operations, Reorganisation, Maintenance to buildings, ICT and Education (Hivos academy).

The continuity reserve is meant to create a sufficient-size buffer that can be used to complete pending programmes appropriately including staffing them with own people, if one or more key sources of funding were to dry up unexpectedly, and with due observance of existing legal and moral obligations. The reorganisation reserve will be used for the reorganisation in 2014 and 2015, the Maintenance buildings reserve will be used for long-term maintenance of our buildings. And last the Education

(Hivos Academy) reserve will be used in case the regular education budget is not sufficient and the training deemed essential. The appropriated reserve for business operations is freely disposable.

Appropriated reserve for programme management  
Projects approved during the reporting year are presented as expenses. The corresponding grants are presented as income, including the programme management fee. The unrealised programme management fee is held in the appropriated reserve for programme management. The portion of the programme income that has not yet been spent is added to the appropriated reserve for programme funds.

#### **5.2.10.b Appropriated funds for programmes**

All sums that are received during a given year and that relate to a specific appropriated fund are added to the funds. The programme liabilities (including the programme management fee realised) are added to the funds.

#### **5.2.11 Long-term liabilities and other liabilities**

Upon initial recognition, long-term liabilities are presented at fair value and are denominated in euros.  
Liabilities denominated in foreign currencies have been translated at the last available exchange rates as at the balance sheet date. Any translation differences are taken to the statement of income and expense. Project liabilities represent all liabilities that the Foundation has in connection with financing agreements entered into with partner organisations.

### **5.3 Principles for determination of the results**

#### **5.3.1 General**

Income and expense are allocated to the period to which they pertain in the statement of income and expense. This allocation is based on consistent practices. The balance sheet is compiled with due consideration of the amounts that pertain to a particular period but were received or paid during another period. Losses are presented as soon as they are foreseeable; income is presented as it is realised.

#### **5.3.2 Legacies**

Legacies are presented in the year during which their value can reliably be determined.

#### **5.3.3 Grant income**

Grant income, including the programme management fee, is recognised in the year in which the entitlement becomes definite. Changes to the value of grants are added to or deducted from the grant income during the year in which the grant awarded changes.

As Hivos follows the Dutch Accounting Standard 650 as described in paragraph 5.2.1, income from direct fundraising is recognised in the year it has been received. For all other income, the new commitments signed in a certain year form the basis

#### **5.3.4 Project liabilities**

Project liabilities are presented in the year during which the liability becomes definite.

#### **5.3.5 Costs**

All costs, with the exception of extraordinary items, are allocated to the various cost categories, based on business criteria and with due observance of the relevant Guidelines of the Dutch Association of Fundraising Organisations, VFI: spent on objectives / generating income / management and accounting costs.

Wages, salaries and social security charges are presented in the statement of income and expense in accordance with the terms of employment, insofar as they are payable to employees.

#### **5.3.6 Pensions**

Hivos presents all its pension schemes as defined contribution schemes. The premiums payable for the reporting year are presented as an expense.

#### **5.3.7 Translation differences**

Currency translation differences stemming from the settlement or translation of monetary items are presented in the statement of income and expense during the period in which they emerge.

#### **5.3.8 Amortisation of intangible assets and depreciation of tangible fixed assets**

Intangible fixed assets, including goodwill, and tangible fixed assets are amortised and depreciated from the moment that they are taken into use, over the expected remaining useful life of the asset. Land and investments in property are not depreciated. If the estimated remaining useful life changes, the future amortisation and depreciation are adjusted accordingly.

### **5.4 Financial instruments and risk management**

#### **5.4.1 Currency risk**

All program activities within Hivos are done in EUR, USD or GBP. To minimize the currency risk all partner contracts are financed in the same currency as the donor contract. In case a donor grants Hivos funds in a different currency than EUR, USD or GBP a translation is made to one of the three currencies and received funds are exchanged as soon as they are received. For the regional offices, a monthly exchange rate is included, based on the information provided by the local governments (national banks).

#### **5.4.2 Credit Risk**

Hivos does not have any significant concentrations of credit risk. With regards to the participation, overall management of the participations lies with the Hivos Triodos Fund. To minimize the financial risk for Hivos an appropriated fund within the liabilities has been created in which any changes of the value of the participation is included or deducted.

# 6. NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2013

amounts x EUR 1,000

## ASSETS

### 1 Intangible fixed assets

The accumulated acquisition prices of and amortisation on the fixed assets as at 31 December are as follows:

|  | acquisition price<br>31.12.2012 | disposals<br>2013 | acquisition price<br>after disposals |
|--|---------------------------------|-------------------|--------------------------------------|
| <b>Intangible assets for business operations</b> |                                 |                   |                                      |
| software (4 years)                               | 1.433                           | -53               | 1.380                                |
| <b>Total intangible fixed assets</b>             | <b>1.433</b>                    | <b>-53</b>        | <b>1.380</b>                         |

### 2 Tangible fixed assets

The accumulated acquisition prices of and depreciation on the fixed assets as at 31 December are as follows:

|  | acquisition price<br>31.12.2012 | disposals<br>2013 | acquisition price<br>after disposals |
|--|---------------------------------|-------------------|--------------------------------------|
| <b>Tangible assets for business operations</b> |                                 |                   |                                      |
| buildings (10-50 yrs) <sup>1)</sup>            | 1.235                           | 0                 | 1.235                                |
| furniture and fittings (3-10 yrs)              | 1.301                           | -271              | 1.030                                |
| cars (5 yrs)                                   | 67                              | -12               | 55                                   |
| <b>Tangible assets for objective</b>           |                                 |                   |                                      |
| building in Harare (50 yrs) <sup>2)</sup>      | 106                             | 0                 | 106                                  |
| <b>Total tangible fixed assets</b>             | <b>2.709</b>                    | <b>-283</b>       | <b>2.426</b>                         |

<sup>1)</sup> The offices premises with land and gardens in The Hague, at Raamweg 15 and 16, listed in the Land Register as Municipality of The Hague, section X, number 472, 5 ares and 55 centiares in size, and number 522, 5 ares and 55 centiares in size, were purchased for €635,292 in 1987.

The value for purposes of the Dutch Valuation of Immovable Property Act (Wet waardering onroerende zaken) in 2013 was €1,200,000.

<sup>2)</sup> The office premises in Harare, stand 2956, Salisbury Township, 2855 centiares in size, was purchased for €76,245 at the end of 1994. Any book profit realised on the sale of these office premises will accrue to the Southern Africa programme, whereas a loss will be charged to the Foundation.



| accumulated amortisation<br>31.12.2012 | disposals<br>2013 | accumulated amortisation<br>after disposals | book value<br>1.1.2013 | additions<br>2013 | amortisation<br>2013 | book value<br>31.12.2013 |
|--|-------------------|---|------------------------|-------------------|----------------------|--------------------------|
| 507                                    | -53               | 454   | 926                    | 29                | 288                  | 667                      |
| <b>507</b>                             | <b>-53</b>        | <b>454</b>                                  | <b>926</b>             | <b>29</b>         | <b>288</b>           | <b>667</b>               |

| accumulated depreciation<br>31.12.2012 | disposals<br>2013 | accumulated depreciation<br>after disposals | book value<br>1.1.2013 | addi-tions<br>2013 | depreciation<br>2013 | book value<br>31.12.2013 |
|--|-------------------|---|------------------------|--------------------|----------------------|--------------------------|
| 625                                    | 0                 | 625   | 610                    | 124                | 62                   | 672                      |
| 953                                    | -271              | 682   | 348                    | 133                | 154                  | 326                      |
| 46                                     | -12               | 34  | 21                     | 13                 | 6                    | 28                       |
| 57                                     | 0                 | 57  | 49                     | 0                  | 2                    | 47                       |
| <b>1681</b>                            | <b>-283</b>       | <b>1.398</b>                                | <b>1.028</b>           | <b>270</b>         | <b>224</b>           | <b>1.073</b>             |

### 3 Financial fixed assets

|   | 31.12.2013    | Added             | Withdrawn | 1.1.2013      |
|---|---------------|-------------------|-----------|---------------|
| - Reserved cash                               |               |                   |           |               |
| Hivos's bank accounts, North-South Plan       | 962           | 8 <sup>1)</sup>   |           | 954           |
| Deposit & guarantee for Hivos's bank accounts | 18.779        | 241 <sup>2)</sup> |           | 18.538        |
| <b>Total reserved cash</b>                    | <b>19.741</b> | 249               | 0         | <b>19.493</b> |

<sup>1)</sup> Interest receipts on dedicated bank accounts

<sup>2)</sup> Interest receipts + dividend receipt of certificates Triodos Bank on dedicated bank accounts

These funds serve to cover the deposit for the Hivos-Triodos Fund (HTF) and the guarantee provided to Stichting Triodos Sustainable Trade Fund (TSTF)

|                             | 31.12.2013 | Added | Withdrawn | 1.1.2013 |
|-----------------------------|------------|-------|-----------|----------|
| - Certificates Triodos Bank | 3.000      |       |           | 3.000    |

Related to: Triodos Bank N.V., 43,817 depositary receipts of shares with a purchase value of €2,999,932 The net asset value of these depositary receipts as at 31/12/2013 was €3,330,092

|                      | 31.12.2013 | Added | Withdrawn           | 1.1.2013 |
|----------------------|------------|-------|---------------------|----------|
| - HTF Participations | 31.448     |       | 3.334 <sup>1)</sup> | 34.782   |

<sup>1)</sup> Adjustment of the market valuation of the HTF participations

The Hivos-Triodos Fonds (HTF) participates in local credit institutions in the South. As Hivos is the economic owner, all income related to these participations are for Hivos. Because of this economic ownership the participations are included in the financial fixed assets for the actual value per 31-12-2013.

The breakdown of the HTF participations valuations are as follows:

| Company         | Geography    | 31.12.2013    | 1.1.2013      |
|-----------------|--------------|---------------|---------------|
| Africap         | South Africa | 219           | 310           |
| Akiba Bank      | Tanzania     | 643           | 617           |
| Banco Solidario | Ecuador      | 986           | 1.005         |
| Bank Andara     | Indonesia    | 1.440         | 2.808         |
| Bellwether      | India        | 2.874         | 3.280         |
| Centenary       | Uganda       | 13.087        | 10.214        |
| Eco E II        | Costa Rica   | 612           | 513           |
| LeapFrog        | South Africa | 989           | 946           |
| MFX Solutions   | USA          | 525           | 552           |
| Mibanco         | Peru         | 10.073        | 14.537        |
|                 |              | <b>31.448</b> | <b>34.782</b> |

#### 4 Claims for grants

All outstanding claims at year-end concern claims on donors and are as follows:

|                         | 2013   |                         | 2012   |                         |
|-------------------------|--------|-------------------------|--------|-------------------------|
|                         | Total  | Remaining term > 1 year | Total  | Remaining term > 1 year |
| Direct fundraising      | 184    | 26                      | 225    | 103                     |
| Third-party fundraising | 1.509  | 532                     | 3.526  | 1.582                   |
| Grants                  | 74.349 | 67.378                  | 63.238 | 39.642                  |
|                         | 76.042 | 67.936                  | 66.990 | 41.327                  |

#### 5 Prepayments and accrued income

Prepayments and accrued income as at 31 December can be broken down as follows:

All items have a remaining term of less than one year

|  | 2013  | 2012  |
|--|-------|-------|
| Debtors not including grants                         | 501   | 2.236 |
| Current account between head office/regional offices | 1.820 | 2.820 |
| Prepayments (employees/travelling)                   | 133   | 143   |
| Project prepayments                                  | 1.138 | 651   |
| Receivable (and prepaid)                             | 138   | 504   |
| Other  | 34    | 61    |
|  | 3.765 | 6.415 |

The fair value of the receivables approximates the book value, due to their short-term character.

#### 6 Cash at bank and in hand

Cash at bank and in hand is at the Foundation's disposal. Cash at bank and in hand can be broken down as follows:

|         | 2013   | 2012   |
|---------|--------|--------|
| In hand | 9      | 8      |
| Bank    | 53.932 | 34.832 |
|         | 53.941 | 34.840 |

## LIABILITIES

### 7 Reserves

The reserves serve to guarantee the continuity of the business operations in the short and medium term.

|                                | Appropriated reserve for business operations | Appropriated reserve for programme management | Appropriated reserve for translation differences *) | Total reserves |
|--------------------------------|--|---|---|----------------|
| Balance as at 1 January 2013   | 2.795  | 4.029   | 24  | 6.848          |
| Added                          | 470  | 9.739   | 0   | 10.209         |
| Withdrawn                      | 90   | 8.106   | 24  | 8.220          |
| Total movements in 2013        | 380  | 1.633   | -24   | 1.989          |
| Balance as at 31 December 2013 | 3.175  | 5.662   | 0   | 8.837          |

\*) The Hivos offices abroad use local currencies. For consolidation into the Hivos annual accounts, which are denominated in euros, the 2012 and 2013 end-of-year exchange rates have been used for the balance sheet. The average exchange rate for 2013 has been used for the statement of income and expense. The resulting differences are settled in the reserve for translation differences. As this difference does not represent a real profit or loss, the reserve can have a negative balance at year end according to par 650 of the Guidelines for Annual Reporting. A negative balance is presented in the appropriated reserve for business operations.

<sup>1)</sup> Approved programme management fee

<sup>2)</sup> Realised programme management fee

| Appropriated reserve for business operations                      | 31-12-13     | Added from results | Withdrawn and added to results | 01-01-13     |
|---|--------------|--------------------|--------------------------------|--------------|
| Continuity reserve for business operations                        | 2.435        | 170                |                                | 2.265        |
| Translation differences   | -90          |                    | 90                             | 0            |
| Maintenance to buildings  | 110          |                    |                                | 110          |
| ICT   | 200          |                    |                                | 200          |
| Education (Hivos academy)   | 220          |                    |                                | 220          |
| <i>Subtotal appropriated reserve for business operations</i>      | <i>2.875</i> | <i>170</i>         | <i>90</i>                      | <i>2.795</i> |
| Reorganisation  | 300          | 300                |                                | 0            |
| <i>Subtotal appr.reserve business operations - reorganisation</i> | <i>300</i>   | <i>300</i>         | <i>0</i>                       | <i>0</i>     |
| <b>Balance as at 31 December</b>                                  | <b>3.175</b> | <b>470</b>         | <b>90</b>                      | <b>2.795</b> |

#### Restricted purpose of reserve for business operations:

**Continuity reserve for business operations:** to guarantee the continuity of the organisation

**Reorganisation:** to be used for the reorganisation in 2014 and 2015

**Maintenance buildings:** to be used for long-term maintenance of buildings

**ICT:** to be used for investments in software which is essential for business operations

**Education (Hivos Academy):** to be used in case the regular education budget is not sufficient and the training deemed essential

## 8 Funds

| Programme funds                  | Income Category       | 31-12-13      | Added               | Withdrawn           | 01-01-13      |
|----------------------------------|-----------------------|---------------|---------------------|---------------------|---------------|
| Private Funds                    | direct fundraising    | 2.482         | 980 <sup>1)</sup>   | 820 <sup>2)</sup>   | 2.322         |
| National Postcode Lottery (NPL)  | third-party campaigns | 945           | 1.350 <sup>1)</sup> | 1.075 <sup>2)</sup> | 669           |
| Stop Aids Now! (SAN!)            | third-party campaigns | 13            | 500 <sup>1)</sup>   | 560 <sup>2)</sup>   | 73            |
| Refunds and interest             | government grants     | 3.751         | 591 <sup>1)</sup>   | -39 <sup>2)</sup>   | 3.120         |
| Currency valuation               | all categories        | 1.039         | 95                  | 393                 | 1.337         |
| HTF participations               | income investments    | 31.448        |                     | 3.334               | 34.782        |
| <b>Balance as at 31 December</b> |                       | <b>39.678</b> | <b>3.516</b>        | <b>6.142</b>        | <b>42.304</b> |

<sup>1)</sup> Additions represent the income for 2013

<sup>2)</sup> Withdrawals represent the new programme liabilities for 2013

### Restricted purpose of programme funds:

**Private Funds:** funds for CO2 compensation are used for renewable energy projects; earmarked private donations are used for the projects mentioned; unearmarked donations will be used in 2016 and later, to finance innovations and sensitive projects for which no donor can be found.

**NPL:** to be used for the objectives of the organisation. Will be used as security for loans for market-oriented projects

**SAN!:** to be used for Hiv/AIDS projects

**Refunds and interest:** to be used in 2016 and later, to finance innovations and sensitive projects for which no donor can be found

**Currency valuation:** to be used for revaluation of donor funds with source currencies other than euro

**HTF participations:** to be used for participations in microcredit- and financial institutions in the framework of Hivos' Green Entrepreneurship programme

## 9 Long-term liabilities

Hivos's long-term liabilities comprise project liabilities with terms of more than 1 year plus other liabilities.

| Long-term liabilities                    | 31-12-13 | Added | Withdrawn | 01-01-13 |
|--|----------|-------|-----------|----------|
| <i>General loan fund</i>                 | 84       |       |           | 84       |
| <i>Participation in North-South Plan</i> | 718      |       |           | 718      |
| <i>Guarantees issued</i>                 | 22.398   |       |           | 22.398   |
|  | 23.200   | 0     | 0         | 23.200   |

These liabilities are deposits for the Hivos-Triodos Fund (HTF) and the guarantee to Stichting Triodos Sustainable Trade Fund (TSTF)

| Long-term project liabilities   | Balance as at 31-12-2013 | Payment obligation beyond 2014 | Payment obligation beyond 2015 | Payment obligation beyond 2016 |
|---------------------------------|--------------------------|--------------------------------|--------------------------------|--------------------------------|
| <i>Government, co-financing</i> | 30.963                   | 22.544                         | 6.312                          | 2.107                          |
| <i>EU projects</i>              | 2.616                    | 1.334                          | 1.098                          | 184                            |
| <i>Other projects</i>           | 1.718                    | 1.438                          | 277                            | 3                              |
|                                 | 35.297                   | 25.316                         | 7.687                          | 2.294                          |

## 10 Current liabilities

Hivos's current liabilities comprise project liabilities payable within 1 year plus other liabilities.

Accruals and deferred income as at 31 December can be broken down as follows:

|                                  | 2013   | 2012  |
|----------------------------------|--------|-------|
| Creditors                        | 729    | 1.419 |
| Open amounts related to salaries | 365    | 450   |
| Outstanding costs                | 7.347  | 3.599 |
| Outstanding project payments     | 1.113  | 1.388 |
| Payments in transfer             | 1.290  | 1.168 |
| Payable taxes                    | 56     | 23    |
| Other                            | 257    | 78    |
|                                  | 11.157 | 8.125 |

## OTHER INFORMATION

### Pension charges:

Stichting Hivos Foundation of The Hague is a member of the PFZW pension fund. This pension scheme can be qualified as a defined benefit scheme. Pursuant to Article 310 of RJ Guideline 271, this scheme is presented as a defined contribution scheme.

### Commitments and contingencies not included on the face of the balance sheet:

The following long-term rental agreements have been entered into:

- Raamweg 17, ground floor and 1st floor. Lessor: Van Rossum, beleggingsmakelaardij & bedrijfsvoering. The rental obligation until 31-12-2014 is € 63.616 per year (price level for 2014).
- Rental copy and printing equipment. Lessor: Dantuma. The rental obligation until 16-05-2015 is € 26.077 per year (price level for 2014).

# 7. OVERVIEW OF FUNDING FOR PROGRAMMES AND PROJECTS FOR 2013<sup>1)</sup>

amounts x EUR 1,000

## EUR-Contracts

| Donor Group                                    | Donor   | Fund #   | Donor Reference #                                      | Currency Fund | Fund          | Received      | Contracted    | Spent (-)    |              |
|--|---|--|--|---------------|---------------|---------------|---------------|--------------|--------------|
| European Union                                 | Delegation of the European Union                            | 1000007  | ASIE/2009/202-578                                      | EUR           | 679           | 583           | 679           | 627          |              |
|  |   | 1000008  | ANE/2009/227-820                                       | EUR           | 465           | 387           | 465           | 446          |              |
|  |   | 1000010  | DCI-Food/2009/214-612                                  | EUR           | 1,044         | 767           | 1,044         | 989          |              |
|  |   | 1000011  | EIDHR/2009/166-586                                     | EUR           | 789           | 723           | 770           | 763          |              |
|  |   | 1000056  | DCI-ASIE/2010/250-133                                  | EUR           | 479           | 379           | 479           | 416          |              |
|  |   | 1000103  | DCI-MIGR/2010/253-414                                  | EUR           | 778           | 498           | 744           | 739          |              |
|  |   | 1000116  | DCI-NSAED/2010/239-285                                 | EUR           | 1,000         | 900           | 1,000         | 952          |              |
|  |   | 1000145  | DCI-NSA PVD/2009/228-110                               | EUR           | 300           | 117           | 300           | 199          |              |
|  |   | 1000146  | DCI-FOOD/2010/242-563                                  | EUR           | 1,136         | 462           | 1,136         | 830          |              |
|  |   | 1000158  | FED/2011/231-870                                       | EUR           | 1,195         | 591           | 1,063         | 563          |              |
|  |   | 1000199  | EIDHR/2011/267-078                                     | EUR           | 1,200         | 1,050         | 1,200         | 1,176        |              |
|  |   | 1000208  | UG/FED/2011/274-982                                    | EUR           | 480           | 424           | 480           | 432          |              |
|  |   | 1000289  | DCI-ENV / 2010 / 247-383                               | EUR           | 697           | 304           | 678           | 34           |              |
|  |   | 1000309  | DCI-ASIA/2012/308-116                                  | EUR           | 2,000         | 432           | 2,000         | 427          |              |
|  |   | 1000318  | EIDHR/2012/308-591                                     | EUR           | 300           | 82            | 280           | 74           |              |
|  |   | 1000320  | DCI-FOOD/2012/301-117                                  | EUR           | 1,489         | 364           | 1,152         | 276          |              |
|  |   | 1000358  | DCI-MED/2013/323-584                                   | EUR           | 1,350         | 356           | 1,350         | 100          |              |
|  | <b>Delegation of the European Union Total</b>               |  |  |               | <b>15.381</b> | <b>8.419</b>  | <b>14.821</b> | <b>9.042</b> |              |
| <b>European Union Total</b>                    |   |  |  |               | <b>15.381</b> | <b>8.419</b>  | <b>14.821</b> | <b>9.042</b> |              |
| Foundations                                    | Deutsche Gesellschaft für Internationale Zusammenarbeit     | 1000325  | 81158028   | EUR           | 1,000         | 490           | 917           | 300          |              |
|  |   | 1000356  | 81162146   | EUR           | 3,000         | 2,000         | 3,000         | 605          |              |
|  |   | <b>Deutsche Gesellschaft für Internationale Zusammenarbeit Total</b> |  |               |               | <b>4.000</b>  | <b>2.490</b>  | <b>3.917</b> | <b>905</b>   |
|  | Ford Foundation   | 1000016  | Grant# 1100-0154                                       | EUR           | 402           | 302           | 402           | 390          |              |
|  |   | <b>Ford Foundation Total</b>   |  |               |               | <b>402</b>    | <b>302</b>    | <b>402</b>   | <b>390</b>   |
|  | Friends of Dhan Foundation                                  | 1000266  | MoJ 19.04.12   | EUR           | 200           | 142           | 200           | 24           |              |
|  |   | <b>Friends of Dhan Foundation Total</b>                              |  |               |               | <b>200</b>    | <b>142</b>    | <b>200</b>   | <b>24</b>    |
|  | Human Rights Watch  | 1000262  | 120302   | EUR           | 1,200         | 1,200         | 1,193         | 1,095        |              |
|  |   | <b>Human Rights Watch Total</b>                                      |  |               |               | <b>1.200</b>  | <b>1.200</b>  | <b>1.193</b> | <b>1.095</b> |
|  | Nationale Postcode Loterij                                  | 1000220  | NPL2009  | EUR           | 428           | -             | 329           | 329          |              |
|  |   | 1000251  | 120303   | EUR           | 3,190         | 3,190         | 3,186         | 2,094        |              |
|  |   | 1000252  | 230301   | EUR           | 900           | 900           | 520           | 516          |              |
|  |   | 1000324  | 250302   | EUR           | 1,350         | 1,350         | 478           | 438          |              |
|  |   | <b>Nationale Postcode Loterij Total</b>                              |  |               |               | <b>5.867</b>  | <b>5.440</b>  | <b>4.513</b> | <b>3.376</b> |
|  | Open Society Institute (OSI)                                | 1000177  | MoJ 2011-2014  | EUR           | 454           | 423           | 406           | 375          |              |
|  |   | <b>Open Society Institute (OSI) Total</b>                            |  |               |               | <b>454</b>    | <b>423</b>    | <b>406</b>   | <b>375</b>   |
|  | Stichting DOEN  | 1000029  | projectnummer 090418                                   | EUR           | 358           | -             | 358           | 358          |              |
|  |   | 1000109  | Arts Collaboratory 2011                                | EUR           | 470           | 470           | 456           | 455          |              |
|  |   | 1000250  | 110307   | EUR           | 695           | 695           | 494           | 426          |              |
|  |   |  | <b>Stichting DOEN Total</b>                            |               |               |               | <b>1.523</b>  | <b>1.165</b> | <b>1.308</b> |
| Stop Aids Now!                                 | 1000052   |  | EUR  | 412           | 216           | 412           | 410           |              |              |
|  | 1000128   | 20110348/LvD/lvE   | EUR  | 700           | 700           | 700           | 698           |              |              |
|  | 1000249   | 120229   | EUR  | 500           | 500           | 500           | 329           |              |              |
|  | 1000329   | 20130494/lvE   | EUR  | 500           | 500           | 500           | 221           |              |              |
|  |   | <b>Stop Aids Now! Total</b>  |  |               |               | <b>2.112</b>  | <b>1.916</b>  | <b>2.112</b> | <b>1.658</b> |
| Unitarian Universalist Holdeen Indian Programm | 1000225   | Addendum to contract 20-06-2008                                      | EUR  | 250           | 250           | 250           | 250           |              |              |
|  | 1000332   | Addendum to contract 20-06-2008                                      | EUR  | 260           | 260           | 256           | 222           |              |              |
|  | <b>Unitarian Universalist Holdeen Indian Programm Total</b> |  |  |               | <b>510</b>    | <b>510</b>    | <b>506</b>    | <b>472</b>   |              |
| <b>Foundations Total</b>                       |   |  |  |               | <b>16.269</b> | <b>13.587</b> | <b>14.556</b> | <b>9.535</b> |              |
| Governments                                    | Agentschap NL (Senternovem)                                 | 1000349  | FDOV12KE06   | EUR           | 5,550         | 171           | 1,015         | 118          |              |
|  |   |  | <b>Agentschap NL (Senternovem) Total</b>               |               |               |               | <b>5.550</b>  | <b>171</b>   | <b>1.015</b> |
|  | Canadian International Development Agency                   | 1000173  | ICT EW   | EUR           | 235           | 221           | 219           | 161          |              |
|  |   |  | <b>Canadian International Development Agency Total</b> |               |               |               | <b>235</b>    | <b>221</b>   | <b>219</b>   |
|  | Department for International Development                    | 1000227  | 202351-102/ 41959/ 40050815                            | EUR           | 3,326         | 1,947         | 2,289         | 1,828        |              |
|  |   |  | <b>Department for International Development Total</b>  |               |               |               | <b>3.326</b>  | <b>1.947</b> | <b>2.289</b> |
|  | Foreign & Commonwealth Office                               | 1000375  | Digital Defenders Partnership                          | EUR           | 590           | 590           | 79            | 4            |              |
|  |   |  | <b>Foreign &amp; Commonwealth Office Total</b>         |               |               |               | <b>590</b>    | <b>590</b>   | <b>79</b>    |
|  | Ministry of Foreign Affairs The Netherlands                 | 1000015  | 18384/DMW0109305                                       | EUR           | 24,354        | 20,629        | 22,859        | 21,479       |              |
|  |   | 1000216  | MRF2012-2015; act.no. 23512                            | EUR           | 1,995         | 249           | 728           | 386          |              |
| 1000217  |   | MRF 2012-2015; Act.no. 23511   | EUR  | 1,500         | 1,249         | 1,124         | 817           |              |              |
| 1000293  |   | Act.no. 24675  | EUR  | 1,000         | 750           | 951           | 510           |              |              |

| Donor Group                | Donor   | Fund #  | Donor Reference #                 | Currency Fund | Fund           | Received       | Contracted     | Spent (-)      |
|----------------------------|---|---------|-----------------------------------|---------------|----------------|----------------|----------------|----------------|
|                            |   | 1000302 | Activity no. 25006                | EUR           | 1.298          | 648            | 1.276          | 540            |
|                            |   | 1000331 | Act.nr. 24956; DSO/EM-070/13      | EUR           | 5.947          | 2.700          | 3.367          | 1.388          |
|                            |   | 1000340 | Act.nr. 25247                     | EUR           | 248            | 235            | 241            | 120            |
|                            |   | 1000341 | Activity 25262 (DSH0116539)       | EUR           | 2.386          | 972            | 2.172          | 488            |
|                            |   | 1000383 | Act. nrs. 26010                   | EUR           | 20.150         | 3.940          | 18.625         | 2.845          |
|                            |   | Div     | MFS II - DSO/MO-28/2011           | EUR           | 256.673        | 176.469        | 182.345        | 152.231        |
|                            | <b>Ministry of Foreign Affairs The Netherlands Total</b>  |         |                                   |               | <b>315.550</b> | <b>207.840</b> | <b>233.688</b> | <b>180.805</b> |
|                            | Norwegian Ministry of Foreign Affairs                     | 1000200 | INS -11/0036                      | EUR           | 1.257          | 1.075          | 1.257          | 732            |
|                            |   | 1000366 | INS - 2159                        | EUR           | 594            | 305            | -              | -              |
|                            | <b>Norwegian Ministry of Foreign Affairs Total</b>        |         |                                   |               | <b>1.851</b>   | <b>1.379</b>   | <b>1.257</b>   | <b>732</b>     |
|                            | Royal Netherlands Embassies                               | 1000026 | ACT 19565 VS NR                   | EUR           | 5.162          | 3.288          | 5.162          | 4.754          |
|                            |   | 1000273 | SBE 1312S00 Human Rights Facility | EUR           | 1.320          | 1.303          | 1.320          | 1.320          |
|                            |   | 1000286 | Activity no 24211                 | EUR           | 4.006          | 1.850          | 4.006          | 1.075          |
|                            |   | 1000342 | RSB0115339. Activity no 24194     | EUR           | 1.351          | 1.235          | 1.351          | 1.346          |
|                            | <b>Royal Netherlands Embassies Total</b>                  |         |                                   |               | <b>11.840</b>  | <b>7.676</b>   | <b>11.839</b>  | <b>8.494</b>   |
|                            | State Secretariat for Economic Affairs                    | 1000354 | SSRC                              | EUR           | 200            | 120            | 180            | 45             |
|                            | <b>State Secretariat for Economic Affairs Total</b>       |         |                                   |               | <b>200</b>     | <b>120</b>     | <b>180</b>     | <b>45</b>      |
|                            | Swedish International Development Agency                  | 1000297 | 54030364                          | EUR           | 3.520          | 1.710          | 2.374          | 1.427          |
|                            |   | 1000378 | DDP - SIDA                        | EUR           | 1.021          | 336            | 80             | 55             |
|                            |   | 1000386 | E&E Programme                     | EUR           | 5.043          | 1.660          | -              | -              |
|                            | <b>Swedish International Development Agency Total</b>     |         |                                   |               | <b>9.583</b>   | <b>3.706</b>   | <b>2.454</b>   | <b>1.482</b>   |
|                            | Swiss Agency for Development and Cooperation              | 1000367 | 7F-07289.01                       | EUR           | 1.145          | 420            | 1.112          | 180            |
|                            | <b>Swiss Agency for Development and Cooperation Total</b> |         |                                   |               | <b>1.145</b>   | <b>420</b>     | <b>1.112</b>   | <b>180</b>     |
| <b>Governments Total</b>   |   |         |                                   |               | <b>349.870</b> | <b>224.070</b> | <b>254.133</b> | <b>193.849</b> |
| Other                      | Alliance 2015   | 1000111 | LA 1244 / ECU 1031-10             | EUR           | 1.163          | 656            | 1.022          | 666            |
|                            | <b>Alliance 2015 Total</b>                                |         |                                   |               | <b>1.163</b>   | <b>656</b>     | <b>1.022</b>   | <b>666</b>     |
|                            | Other   | 1000110 | S2008.0005                        | EUR           | 588            | 405            | 318            | 304            |
|                            |   | 1000149 | CoCooN/NEBE                       | EUR           | 236            | 236            | 236            | 236            |
|                            |   | 1000193 | LBSNN 2011-2015                   | EUR           | 2.340          | 1.755          | 2.340          | 1.755          |
|                            |   | 1000204 | Interest 2010                     | EUR           | 500            | -              | 461            | 461            |
|                            |   | 1000228 | REFUNDS 2010                      | EUR           | 1.602          | 1.412          | 132            | 116            |
|                            |   | 1000359 | GS 751                            | EUR           | 520            | -              | 480            | 476            |
|                            |   | 1000398 | Mannekus                          | EUR           | 270            | -              | 270            | 250            |
|                            | <b>Other Total</b>  |         |                                   |               | <b>6.056</b>   | <b>3.809</b>   | <b>4.237</b>   | <b>3.599</b>   |
| <b>Other Total</b>         |   |         |                                   |               | <b>7.219</b>   | <b>4.464</b>   | <b>5.259</b>   | <b>4.264</b>   |
| <b>Total EUR Contracts</b> |   |         |                                   |               | <b>388.739</b> | <b>250.540</b> | <b>288.769</b> | <b>216.690</b> |

#### USD-Contracts

|             |  |         |                        |     |              |              |              |              |
|-------------|--|---------|------------------------|-----|--------------|--------------|--------------|--------------|
| Foundations | American Jewish World Service              | 1000214 | DAF29-122011           | USD | 1.315        | 1.015        | 1.112        | 878          |
|             |  | 1000240 | DAF 29-122011          | USD | 700          | 700          | 700          | 350          |
|             |  | 1000241 | DAF 29-122011 #4021    | USD | 1.093        | 1.093        | 1.093        | 593          |
|             | <b>American Jewish World Service Total</b> |         |                        |     | <b>3.108</b> | <b>2.808</b> | <b>2.905</b> | <b>1.821</b> |
|             | Arcus Foundation                           | 1000157 | 1102-21                | USD | 200          | 200          | 200          | 191          |
|             |  | 1000388 | 1303-29                | USD | 250          | 119          | -            | -            |
|             | <b>Arcus Foundation Total</b>              |         |                        |     | <b>450</b>   | <b>319</b>   | <b>200</b>   | <b>191</b>   |
|             | Ford Foundation                            | 1000097 | 1100-0407              | USD | 400          | 151          | 400          | 395          |
|             |  | 1000101 | 1110-0474              | USD | 239          | 208          | 239          | 234          |
|             |  | 1000165 | 1085-1159              | USD | 200          | -            | 200          | 200          |
|             |  | 1000211 | 1120-1598              | USD | 1.400        | 467          | 447          | 74           |
|             |  | 1000231 | 1110-0122              | USD | 600          | 600          | 427          | 398          |
|             |  | 1000326 | Grant number 0135-0345 | USD | 200          | 200          | -            | -            |
|             |  | 1000357 | 0130-0614              | USD | 1.400        | -            | 140          | -            |
|             | <b>Ford Foundation Total</b>               |         |                        |     | <b>4.439</b> | <b>1.625</b> | <b>1.853</b> | <b>1.301</b> |
|             | Omidyar Network                            | 1000107 | ATTI                   | USD | 2.400        | 1.691        | 2.042        | 1.765        |
|             |  | 1000280 | SEATTI                 | USD | 2.139        | 1.406        | 1.337        | 612          |
|             | <b>Omidyar Network Total</b>               |         |                        |     | <b>4.539</b> | <b>3.097</b> | <b>3.379</b> | <b>2.377</b> |
|             | Open Society Institute (OSI)               | 1000360 | OR2013-07027           | USD | 250          | 246          | 135          | 120          |
|             |  | 1000361 | OR2013-06976           | USD | 200          | 196          | 162          | 84           |
|             | <b>Open Society Institute (OSI) Total</b>  |         |                        |     | <b>450</b>   | <b>442</b>   | <b>297</b>   | <b>204</b>   |



| Donor Group                | Donor   | Fund #  | Donor Reference #                           | Currency Fund | Fund           | Received      | Contracted     | Spent (-)     |
|----------------------------|---|---------|---|---------------|----------------|---------------|----------------|---------------|
|                            | William and Flora Hewlett Foundation                      | 1000197 | 2011-7037                                   | USD           | 3.000          | 3.000         | 3.000          | 2.992         |
|                            |   | 1000198 | 2011-6940                                   | USD           | 4.500          | 3.000         | 4.500          | 2.000         |
|                            |   | 1000298 | Grant # 2012-8151                           | USD           | 770            | 616           | 347            | 121           |
|                            |   | 1000303 | Grant #2012-8274                            | USD           | 345            | 345           | 345            | 340           |
|                            |   | 1000381 | #2013-9378                                  | USD           | 450            | 450           | 409            | -             |
|                            | <b>William and Flora Hewlett Foundation Total</b>         |         |   |               | <b>9.065</b>   | <b>7.411</b>  | <b>8.601</b>   | <b>5.452</b>  |
|                            | Children's Investment Fund Foundation                     | 1000307 | Uwezo - Request# 237                        | USD           | 3.700          | 2.222         | 3.700          | 2.222         |
|                            | <b>Children's Investment Fund Foundation Total</b>        |         |   |               | <b>3.700</b>   | <b>2.222</b>  | <b>3.700</b>   | <b>2.222</b>  |
| <b>Foundations Total</b>   |   |         |   |               | <b>25.750</b>  | <b>17.923</b> | <b>20.936</b>  | <b>13.568</b> |
| Governments                | Canadian International Development Agency                 | 1000160 | KMP   | USD           | 305            | 291           | 291            | 291           |
|                            | <b>Canadian International Development Agency Total</b>    |         |   |               | <b>305</b>     | <b>291</b>    | <b>291</b>     | <b>291</b>    |
|                            | Department for International Development                  | 1000192 | 200120-102/40049683                         | USD           | 3.022          | 1.588         | 1.888          | 1.594         |
|                            |   | 1000206 | PO 5731, 2011/S-36 059176                   | USD           | 7.060          | 6.276         | 6.989          | 5.983         |
|                            |   | 1000314 | ARIES Code Nr 200304/ amendment no. 02/2012 | USD           | 4.803          | 1.623         | 640            | 320           |
|                            |   | 1000346 | PO 5731                                     | USD           | 3.920          | 223           | 2.827          | 1.526         |
|                            | <b>Department for International Development Total</b>     |         |   |               | <b>18.805</b>  | <b>9.710</b>  | <b>12.343</b>  | <b>9.424</b>  |
|                            | Ministry of Foreign Affairs Finland                       | 1000189 | NIC-2289 NIC07/004 Avtale                   | USD           | 8.207          | 6.300         | 8.207          | 8.207         |
|                            |   | 1000396 | NIC-2289 NIC07/004 Avtale                   | USD           | 851            | -             | 851            | 851           |
|                            | <b>Ministry of Foreign Affairs Finland Total</b>          |         |   |               | <b>9.058</b>   | <b>6.300</b>  | <b>9.058</b>   | <b>9.058</b>  |
|                            | Norwegian Ministry of Foreign Affairs                     | 1000169 | -   | USD           | 1.462          | 1.412         | 1.462          | 1.462         |
|                            |   | 1000364 | ZIB-0013; Zib-10/0021                       | USD           | 288            | 284           | 288            | 288           |
|                            |   | 1000365 | ZIB-00007                                   | USD           | 450            | 246           | 423            | 217           |
|                            | <b>Norwegian Ministry of Foreign Affairs Total</b>        |         |   |               | <b>2.199</b>   | <b>1.941</b>  | <b>2.172</b>   | <b>1.966</b>  |
|                            | Royal Netherlands Embassies                               | 1000277 | Activity 23921                              | USD           | 1.500          | 1.000         | 1.002          | 647           |
|                            |   | 1000279 | Fondo Emancipación LAP0110874               | USD           | 12.000         | 2.494         | 12.000         | 2.190         |
|                            | <b>Royal Netherlands Embassies Total</b>                  |         |   |               | <b>13.500</b>  | <b>3.494</b>  | <b>13.002</b>  | <b>2.837</b>  |
|                            | Swedish International Development Agency                  | 1000387 | No 32100001                                 | USD           | 3.792          | 3.792         | -              | -             |
|                            | <b>Swedish International Development Agency Total</b>     |         |   |               | <b>3.792</b>   | <b>3.792</b>  | -              | -             |
|                            | Swiss Agency for Development and Cooperation              | 1000223 | 7F-01069.02                                 | USD           | 977            | 719           | 947            | 947           |
|                            |   | 1000306 | 81014847                                    | USD           | 9.400          | -             | 9.400          | 345           |
|                            | <b>Swiss Agency for Development and Cooperation Total</b> |         |   |               | <b>10.377</b>  | <b>719</b>    | <b>10.347</b>  | <b>1.292</b>  |
|                            | The Royal Danish Ministry of Foreign Affairs              | 1000213 | 104.Ken. 141-11-20-4.Nbo                    | USD           | 697            | -             | 697            | 697           |
|                            |   | 1000304 | Zimbabwe Agricultural Development           | USD           | 1.093          | 1.093         | 1.093          | 1.093         |
|                            |   | 1000382 | ZADT  | USD           | 7.415          | 7.415         | -              | -             |
|                            | <b>The Royal Danish Ministry of Foreign Affairs Total</b> |         |   |               | <b>9.205</b>   | <b>8.508</b>  | <b>1.790</b>   | <b>1.790</b>  |
|                            | US Department of State                                    | 1000283 | S-LMAQM-12-CA-1126                          | USD           | 1.250          | 425           | 74             | 45            |
|                            |   | 1000363 | S-LMQM-13-GR-1229                           | USD           | 962            | 300           | 899            | 208           |
|                            | <b>US Department of State Total</b>                       |         |   |               | <b>2.212</b>   | <b>725</b>    | <b>972</b>     | <b>253</b>    |
| <b>Governments Total</b>   |   |         |   |               | <b>69.454</b>  | <b>35.481</b> | <b>49.976</b>  | <b>26.911</b> |
| Other                      | King Baudouin Foundation                                  | 1000195 | Scholarship KBFUS                           | USD           | 989            | 762           | 989            | 846           |
|                            |   | 1000292 | Space for Human Rights                      | USD           | 1.876          | 1.691         | 1.876          | 1.539         |
|                            | <b>King Baudouin Foundation Total</b>                     |         |   |               | <b>2.865</b>   | <b>2.453</b>  | <b>2.865</b>   | <b>2.385</b>  |
|                            | The Global Fund   | 1000102 | GUA-311-G05-H                               | USD           | 21.950         | 20.790        | 21.950         | 21.056        |
|                            |   | 1000175 | MEI-011-G01-H                               | USD           | 4.314          | 4.277         | 4.221          | 4.015         |
|                            |   | 1000299 | GUA-311-G05-H                               | USD           | 3.672          | 1.819         | 3.672          | 1.790         |
|                            |   | 1000317 | BOL-910-G09-H                               | USD           | 14.491         | 8.216         | 14.491         | 7.951         |
|                            |   | 1000380 | MEI-011-G01-H                               | USD           | 6.158          | 1.158         | 2.980          | -             |
|                            | <b>The Global Fund Total</b>                              |         |   |               | <b>50.585</b>  | <b>36.260</b> | <b>47.314</b>  | <b>34.812</b> |
| <b>Other Total</b>         |   |         |   |               | <b>53.450</b>  | <b>38.713</b> | <b>50.179</b>  | <b>37.197</b> |
| <b>Total USD Contracts</b> |   |         |   |               | <b>148.655</b> | <b>92.117</b> | <b>121.091</b> | <b>77.676</b> |
| GBP-Contracts              |   |         |   |               |                |               |                |               |
| Governments                | Department for International Development                  | 1000345 | PO 6071                                     | GBP           | 26.414         | 526           | 13.820         | 697           |
|                            | <b>Department for International Development Total</b>     |         |   |               | <b>26.414</b>  | <b>526</b>    | <b>13.820</b>  | <b>697</b>    |
| <b>Governments Total</b>   |   |         |   |               | <b>26.414</b>  | <b>526</b>    | <b>13.820</b>  | <b>697</b>    |
| <b>Total GBP Contracts</b> |   |         |   |               | <b>26.414</b>  | <b>526</b>    | <b>13.820</b>  | <b>697</b>    |

<sup>1)</sup> Please note this overview is not a complete overview of all Hivos funding. The following funds have been left out:  
- In case there have been no changes in a fund in 2013 (funding, funds received, contracting and payments)  
- In case the fund total was < €/\$ 200,000

# 8. NOTES TO THE STATEMENT OF INCOME AND EXPENSE FOR 2013

amounts x EUR 1,000

|   | Realisation 2013 |               |
|---|------------------|---------------|
| <b>11 Income from third party campaigns</b>     |                  |               |
| <b>Foundations</b>                              |                  |               |
| Children's Investment Fund Foundation           | 2.799            |               |
| Nationale Postcode Loterij (NPL)                | 1.350            |               |
| Omidyar Network                                 | 1.008            |               |
| Ford Foundation                                 | 842              |               |
| William and Flora Hewlett Foundation            | 744              |               |
| Stop Aids Now!                                  | 500              |               |
| American Jewish World Service                   | 377              |               |
| Human Rights Watch                              | 329              |               |
| Unitarian Universalist Holdeen Indian Programm  | 277              |               |
| Stichting DOEN                                  | 145              |               |
| <b>Foundations Total</b>                        |                  | <b>8.371</b>  |
| <b>Other</b>                                    |                  |               |
| Alliance 2015                                   | 14               |               |
| Other   | 202              |               |
| <b>Other Total</b>                              |                  | <b>215</b>    |
| <b>Total Income from third party campaigns</b>  |                  | <b>8.586</b>  |
| <b>12 Grants from governments</b>               |                  |               |
| <b>Delegation of the European Union</b>         |                  | <b>4.429</b>  |
| <b>Governments</b>                              |                  |               |
| Department for International Development        | 21.652           |               |
| Royal Netherlands Embassies                     | 14.929           |               |
| Dutch Ministry of Foreign Affairs               | 8.073            |               |
| The Royal Danish Ministry of Foreign Affairs    | 949              |               |
| Norwegian Ministry of Foreign Affairs           | 804              |               |
| Ministry of Foreign Affairs Finland             | 618              |               |
| Canadian International Development Agency       | 74               |               |
| Ministry of Foreign Affairs Republic of Estonia | 28               |               |
| <b>Governments Total</b>                        |                  | <b>47.128</b> |

# 8. NOTES TO THE STATEMENT OF INCOME AND EXPENSE FOR 2013

amounts x EUR 1,000

|   | Realisation 2013   |                |
|---|--------------------|----------------|
| <b>MFS2 - Ministry of Foreign Affairs The Netherlands</b> |                    | <b>53.278</b>  |
| <b>Other</b>  |                    |                |
| The Global Fund   | 15.627             |                |
| Deutsche Gesellschaft für Internationale Zusammenarbeit   | 3.917              |                |
| Agentschap NL (Senternovem)                               | 1.015              |                |
| Joint Gender Fund   | 531                |                |
| Refunds   | 518                |                |
| Multi-Agency Grants Initiative                            | 489                |                |
| Other   | 1.560              |                |
|   | <b>Other Total</b> | <b>23.656</b>  |
|   |                    |                |
| <b>Totaal Grants from governments</b>                     |                    | <b>128.492</b> |

# 9. NOTES TO THE ALLOCATION OF EXPENSE FOR 2013

amounts x EUR 1,000

| Appropriation<br>Expense                | Objective              |                      |                         |                   |                         |                      | Income raised       |                       |                   |                     | Mngt & Acc             | Total 2013           | Budget 2013          | Total 2012           |
|---|------------------------|----------------------|-------------------------|-------------------|-------------------------|----------------------|---------------------|-----------------------|-------------------|---------------------|------------------------|----------------------|----------------------|----------------------|
|   | Green entrepreneurship | Rights & Citizenship | Expression & Engagement | Action for Change | MFS2 alliantie partners | Total objective      | Direct fund-raising | Third-party Campaigns | Government grants | Total income raised | Total mngt. & account. |                      |                      |                      |
| Grants and contributions                | 23.807                 | 49.883               | 41.362                  | 2.570             | 2.891                   | <b>120.512</b>       |                     |                       |                   |                     |                        | <b>120.512</b>       | <b>73.521</b>        | <b>99.116</b>        |
| Publ. and communication                 | 76                     | 159                  | 132                     | 8                 |                         | <b>374</b>           | 114                 | 0                     | 0                 | <b>114</b>          |                        | <b>488</b>           | 575                  | 508                  |
| Employee costs                          | 2.016                  | 4.224                | 3.503                   | 218               |                         | <b>9.961</b>         | 130                 | 86                    | 1.288             | <b>1.504</b>        | 1.227                  | <b>12.692</b>        | 12.670               | 11.265               |
| Costs of housing                        | 94                     | 196                  | 162                     | 10                |                         | <b>462</b>           | 8                   | 3                     | 46                | <b>57</b>           | 84                     | <b>603</b>           | 600                  | 583                  |
| Office and general expenses             | 214                    | 447                  | 371                     | 23                |                         | <b>1.055</b>         | 24                  | 10                    | 144               | <b>178</b>          | 490                    | <b>1.723</b>         | 2.340                | 2.210                |
| Amortisation, depreciation and interest | 70                     | 146                  | 121                     | 8                 |                         | <b>344</b>           | 4                   | 4                     | 54                | <b>62</b>           | 101                    | <b>507</b>           | 500                  | 435                  |
| <i>Operating costs</i>                  | <i>2.468</i>           | <i>5.172</i>         | <i>4.289</i>            | <i>266</i>        |                         | <b><i>12.196</i></b> | <i>280</i>          | <i>102</i>            | <i>1.533</i>      | <b><i>1.915</i></b> | <i>1.902</i>           | <b><i>16.013</i></b> | <b><i>16.685</i></b> | <b><i>15.001</i></b> |
| Totals                                  | 26.275                 | 55.055               | 45.651                  | 2.836             | 2.891                   | <b>132.708</b>       | 280                 | 102                   | 1.533             | <b>1.915</b>        | 1.902                  | <b>136.525</b>       | <b>90.206</b>        | <b>114.117</b>       |

## Employee costs:

The breakdown of the employee costs for 2013 are:

|                      |               |
|----------------------|---------------|
| Salaries             | 8.811         |
| Social Security      | 1.269         |
| Pension              | 930           |
| Temporary employees  | 267           |
| Other employee costs | 1.415         |
| <b>Total</b>         | <b>12.692</b> |

## Total contracted employees:

The average contracted employees during year 2013 was:

|                        |            |
|------------------------|------------|
| Hivos Head Office      | 127        |
| Hivos Regional Offices | 213        |
| <b>Total</b>           | <b>340</b> |

## Auditor costs:

The breakdown of the auditor costs for 2013 are:

|   |            |
|---|------------|
| Annual accounts                         | 200        |
| Ministry Foreign Affairs MFS II subsidy | 12         |
| Project audits                          | 19         |
| Fiscal advice                           | 2          |
| <b>Total</b>                            | <b>233</b> |

# 10. NOTES TO THE RESULTS FOR 2013

## Budget versus actual figures

### Income

The income available for Hivos's objective totalled €135.9 million in 2013, whereas €90.6 million had been budgeted. The difference is mainly due to a much higher amount for government grants than budgeted. Part of the reason for the difference lies in Hivos's deliberate decision to budget conservatively. In addition, as is again apparent, it is difficult to predict how much time will be involved in the whole process of submitting proposals, assessing them, having the donor issue approval in principle and eventually achieving approval for the budget and the plan of implementation. Sometimes calls are only made public on relatively short notice. The largest grant aside from the MFS co-financing grant came from a donor consortium led by DFID for the Making All Voices Count programme. The call for this programme was only made public after the budget 2013 was approved. Other large grants were received from the Global Fund for the second phase of two HIV/AIDS programmes of Hivos. Direct fundraising in the Netherlands performed below expectation, mostly because campaigns for specific issues such as Child Labour Free Zones did not yet yield the expected result.

In the framework of Hivos's Green Entrepreneurship programme (and its predecessors), Hivos and HTF have built up a sizeable portfolio of loans to and participations in microcredit institutions in developing countries. HTF was and still is responsible for the management of that portfolio, while Hivos was and is responsible for providing the funding and the knowledge about development issues. For many years the value of the participations was presented on HTF's balance sheet. In 2013, the auditors of HTF and Hivos jointly concluded that for accounting purposes it is best if the value of the participations were recognised on Hivos's balance sheet, as Hivos is the beneficial owner. In 2013 the total market value of the participations fell from €34.782 million in 2012 to €31.448 million in 2013, resulting in a negative income of -€3.3 million. The figures for 2012 have been adjusted for comparison purposes. In 2012 the market value increased by €2.6 million.

As the lead agency for the Hivos Alliance 'People Unlimited 4.2', Hivos realised €2.9 million in income for the other members of the Alliance (Free Press Unlimited, Mama Cash and IUCN-NI). That entire income was passed on to the Alliance members.

### Expense

Expenditure related to Hivos's objective came to €132.7 million in 2013 (including the contributions for Hivos Alliance members). Expenditure on the objective therefore represented 98% (approximately) of the total income and 97% of the total expense.

The differences between the expenditure on programmes and the budget were especially large for the Rights & Citizenship programme. The budget is based on the business plan. The ratio within the 'working supply' of proposals at institutional funds remains close to that plan on the whole; however, it is difficult

to predict what proposals will achieve success and when that will happen. As a consequence, the amounts for total income and expense tend to fluctuate strongly from one year to the next.

*Costs of direct fundraising* came to €280,000, slightly less than budgeted. Since the amount raised was also less than budgeted, the costs as a percentage of income increased from 20.4% to 22.3%. The costs of direct fundraising continue to demand Hivos's attention. The relatively low volume of funds means that any minor change will immediately impact the ratio between expense and income, as was the case in 2013. The economic downturn has had its effects on the market for direct fundraising in general. Hivos made no exception to that fact.

The costs of direct fundraising are composed of the following elements: the full employee costs for the staff responsible for direct fundraising (2.2 FTEs) plus a mark-up per FTE for material costs (accommodation, office supplies, ICT). The mark-up is calculated by translating the total of the relevant material costs to Hivos's total employee costs. Costs of mailing campaigns and other promotional material are also allocated to this item.

*Costs of fundraising on the international market* were less than in 2012 (€1.6 million compared with €2.2 million), the main reason being vacancies and a lower mark-up for material costs. The mark-up is calculated by translating the total of the relevant material costs to Hivos's total employee costs. Costs for fundraising on the international market are considerably higher than the costs of direct fundraising, but as a percentage of funds raised the costs are considerably lower. The costs of international fundraising are allocated as follows: the full employee costs of the Office for Donor Relations, 25% of the costs for the heads of programmes, directors of regional offices and senior advisers, 5% of the costs of other programme staff and a mark-up per FTE for material costs (accommodation, office supplies, ICT).

Hivos's *management and accounting costs* are low compared with other major charitable organisations. This is thanks in part to the organisation's own efforts, but is also, and more importantly, caused by the fact that Hivos passes on most of its income to organisations in the South.

Management and accounting costs are allocated in accordance with the guideline of the Dutch Association of Fundraising Organisations (VFI). The employee costs for the Executive Director and the executive secretariat, for quality control and internal controls and for the Finance department are allocated entirely to management and accounting. The proportion that these positions represent in the overall workforce at the head office is then used to allocate the employee costs for the Human Resources department. The costs of the ICT and Facility Management department are allocated based on the number of jobs.

### Financial results

On balance Hivos realised a negative result of €0.6 million before appropriation. After appropriation a positive result

remained of almost €0.2 million, which has been added to the reserve for business operations. In addition, an amount of €0,3 million has been added to the newly created appropriated reserve for reorganisation 2014-2015.

The negative result before appropriation is due to the adjustment of the market value of the HTF participations. The negative result has been withdrawn from the appropriated fund HTF participations. The resources in appropriated funds may only be used for programmes. The appropriated funds for private funds, for the National Postcode Lottery and for refunds and interest showed an increase. Hivos made a deliberate decision not to spend these funds immediately. Since the MFS-2 co-financing system will not be continued, after 2015 Hivos will have much fewer freely (or at least relatively freely) disposable resources than at present. With that situation in mind, Hivos has decided to earmark the freely disposable resources that it receives between 2012 and 2015 for expenditure from 2016 forward, and to maintain the programme fund until that time. This will enable Hivos to continue to finance a number of the innovative projects for which no donor has yet been found in 2016 and beyond. In addition, Hivos is investigating new models for financing its market-oriented programmes in the field of renewable energy, sustainable agriculture and ICT and culture. Within this framework Hivos is currently negotiating with two financial institutions for a loan. The loans will require security of around €2 million, for which Hivos will use the appropriated funds for NPL and for refunds and interest.

### ***Allocation of expense***

The table labelled 'Notes to the allocation of expense' shows a substantial increase in the grants and contributions (financial resources made available to partner organisations) compared with the budget. This matches the higher income realised in

2013. The increase compared with 2012 is substantial and almost entirely due to new commitments from non-MFS funded programmes and projects such as MAVC, 4s@scale or Actors for Change in Central America. With regard to MFS, Hivos seeks to have spent (committed) 95% of the entire MFS co-financing grant by the end of 2014. As such, expenditure on MFS will be high in 2014. Expenditure will subsequently diminish sharply in 2015 and resources will only be transferred to partners and projects, at least from the MFS co-financing grant.

Operating costs were slightly less than budgeted. The principal items are employee costs and office and general expenses. Employee costs were in line with the budget, while office and general expenses were below budget. The closure of the Hivos office in India was the most important single cause for this difference.

Worldwide Hivos's average workforce went from 342 to 340 employees in 2013. The office in Indonesia noted the largest change (40 fewer employees), as management of the biogas programme was transferred in its entirety to a new and independent organisation (YRE) which was set up by Hivos. All the implementing staff were offered the opportunity to transfer to YRE. The offices in Johannesburg, Kenya and The Hague saw the largest increases, as new programmes started. Approximately 60% of the workforce is based at the regional and country offices, where they are responsible for programme management (selecting and monitoring partner organisations) and programme development. The duties of the head office staff in The Hague include programme and policy development, programme management for Western Asia and worldwide programmes, central services such as finance, ICT and quality systems and implementation of the Action for Change programme in the Netherlands.

# 11. REMUNERATION OF THE EXECUTIVE BOARD (VFI)

The Supervisory Council determines the remuneration policy, the amount of the remuneration of the Executive Board and the amounts of the other elements of remuneration. Following an assessment in 2011, this parcel was once more confirmed in 2012, in accordance with the Remuneration Committee's advice. The Supervisory Council bases its decision on the VFI Advisory Regulations for the Remuneration of Directors of Charities, which use weight criteria to determine maximum standards for annual incomes. As a consequence, the remuneration policy and the amount of the remuneration of the Executive Board fall within the scope defined in the guidelines of the Wijffels Code and within the standard defined by the Dutch Ministry of Foreign Affairs for MFS co-financing organisations. The latter compliance is examined separately by the auditor as part of the MFS report.

The relevant actual annual incomes of the Executive Board for 2013 were € 55,396 (1,06 FTE/6 months) for the Executive Director Ms M. Monteiro, € 37,395 (1,06 FTE/4 months) for the Executive Director Mr E Huizing and €86,058 (1,0 FTE/12 months) for the Director of Programmes and Projects Mr B Witjes. The BSD scores, as they are commonly known (the scores for weight criteria based on the VFI Advisory Regulations as they applied in 2010), were 461,1 and 424 points, respectively. These remunerations remained below the relevant ceilings (Wijffels Code, VFI, MFS organisations).

The amounts and composition of the remuneration is shown in the table following.

| Name  | M.M. Monteiro      |                            | E.Huizing          |                            | B.G.M. Witjes                     |                            |
|---|--------------------|----------------------------|--------------------|----------------------------|-----------------------------------|----------------------------|
| Title   | Executive Director |                            | Executive Director |                            | Director of Programmes & Projects |                            |
| <b>Employment</b>                                 |                    |                            |                    |                            |                                   |                            |
| <b>Type of contract (duration)</b>                | permanent          |                            | 5 years            |                            | permanent                         |                            |
| hours   | 38                 |                            | 38                 |                            | 36                                |                            |
| part-time percentage                              | 105,56%            |                            | 105,56%            |                            | 100,00%                           |                            |
| period  | 1/1-30/6           |                            | 1/9-31/12          |                            | 1/1-31/12                         |                            |
| <b>Remuneration (EUR)</b>                         |                    |                            |                    |                            |                                   |                            |
| <b>Annual income</b>                              |                    |                            |                    |                            |                                   |                            |
| gross wages/salary                                | 51.293             |                            | 34.316             |                            | 75.993                            |                            |
| holiday allowance                                 | 4.103              |                            | 2.745              |                            | 6.079                             |                            |
| end-of-year bonus, 13th/14th month                |                    |                            | 334                |                            | 820                               |                            |
| variable annual income                            |                    |                            |                    |                            | 3.166                             |                            |
| <b>Total</b>                                      |                    | <b>55.396<sup>*)</sup></b> |                    | <b>37.395<sup>*)</sup></b> |                                   | <b>86.058<sup>*)</sup></b> |
| Social security charges (employer's contribution) |                    | <b>4.157</b>               |                    | <b>2.772</b>               |                                   | <b>8.315</b>               |
| Taxable allowances/additions                      |                    |                            |                    |                            |                                   |                            |
| Pension charges (employer's contribution)         |                    | <b>8.115</b>               |                    | <b>5.432</b>               |                                   | <b>11.566</b>              |
| Other future remuneration                         |                    |                            |                    |                            |                                   | <b>911<sup>1)</sup></b>    |
| End-of-employment payments                        |                    |                            |                    |                            |                                   |                            |
| <b>Total remuneration for 2013</b>                |                    | <b>67.668</b>              |                    | <b>45.599</b>              |                                   | <b>106.851</b>             |
| <i>Total remuneration for 2012</i>                |                    | <i>133.084</i>             |                    |                            |                                   | <i>100.612</i>             |

<sup>\*)</sup> Relevant for DG standard of the Dutch Ministry of Foreign Affairs

<sup>1)</sup> Reservation for employer's contribution to sabbatical leave



# 12. REMUNERATION OF THE EXECUTIVE BOARD (WNT)

Report pursuant to the Dutch Remuneration of Senior Executives in the Public and Semi-Public Sector (Standardisation) Act (Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector, 'WNT')

Notes on the preparation of the WNT report

The report pursuant to the WNT presented in this section is based on the Dutch Policy Rules for Application of the WNT (Beleidsregels toepassing WNT) of 26 February 2014, including the amendment of 12 March 2014, as issued by the Dutch Ministry of the Interior and Kingdom Relations.

Stichting Hivos is aware of the implementation difficulties identified by the Minister of Foreign Affairs and Kingdom Relations in his letter to Parliament of 27 February 2014 in connection with external non-senior executives. In accordance with section 6 of the Policy Rules for Application of the WNT (amended), the Foundation does not render account for external non-senior executives.

## Remuneration of senior executives & former senior executives - with employment contracts

| Name          | title                               | remuneration | taxable fixed and variable expense allowances | provisions for future remunerations | Total remuneration | duration of employment during the year (in years) | employment percentage during the year (FTE) |
|---------------|-------------------------------------|--------------|---|-------------------------------------|--------------------|---|---|
| M.M. Monteiro | Executive Director                  | 74.049       | 0   | 8.115                               | 82.164             | 181 days  | 1,0556                                      |
| E. Huizing    | Executive Director                  | 34.649       | 0   | 5.432                               | 40.081             | 122 days  | 1,0556                                      |
| B.G.M. Witjes | Director of Programmes and Projects | 85.950       | 0   | 11.566                              | 97.516             | 365 days  | 1,00  |

## Remuneration of Supervisory Council members - no employment contracts

| Name               | title                             | total remuneration | duration of employment during the year | employment percentage during the year (FTE) |
|--------------------|-----------------------------------|--------------------|--|---|
| Mr J.E.C. de Groot | Chair of Supervisory Council      | 1.896              | 1.1 - 31.12.2013                       | 0   |
| Mr J.P. de Jong    | Dep. Chair of Supervisory Council | 684                | 1.1 - 1.9.2013                         | 0   |
| Ms A. van Gorsel   | Dep. Chair of Supervisory Council | 0                  | 1.9 - 31.12.2013                       | 0   |
| Prof. M. Baud      | Member of Supervisory Council     | 0 <sup>1)</sup>    | 1.1 - 31.12.2013                       | 0   |
| Dr J. van de Ven   | Member of Supervisory Council     | 1.966              | 1.1 - 31.12.2013                       | 0   |
| Mr A.P. Mesker     | Member of Supervisory Council     | 0                  | 1.1 - 31.12.2013                       | 0   |
| Mr M. Karman       | Member of Supervisory Council     | 0                  | 1.1 - 31.12.2013                       | 0   |
| Mr V. Vivekanandan | Member of Supervisory Council     | 2.844              | 1.1 - 31.12.2013                       | 0   |
| Ms A. Facio        | Member of Supervisory Council     | 948                | 1.1 - 31.12.2013                       | 0   |
| Mr T. Ncube        | Member of Supervisory Council     | 1.896              | 1.1 - 31.12.2013                       | 0   |
| Ms. M.R. Winter    | Member of Supervisory Council     | 140 <sup>2)</sup>  |  | 0   |

<sup>1)</sup> Expense claim for 2013 to follow in 2014

<sup>2)</sup> Resigned effective 31/12/2012, allowance shown is for 2012

Remuneration contains fixed Supervisory Council meeting attending fees.

**Payments on termination of employment of senior executives & former senior executives**

| Name          | title              | year in which employment ended | Remuneration related to ending employment |
|---------------|--------------------|--------------------------------|---|
| M.M. Monteiro | Executive Director | 2013                           | 0   |

**Assessment**

Movement in the reservation for outstanding leave entitlement not included in the remunerations presented above to be recognised in this assessment in accordance with the applicable regulations.

E Huizing: movement in reservation for outstanding leave entitlement for 2013 is EUR 2,735

B Witjes: movement in reservation for outstanding leave entitlement for 2013 is EUR 4,120

# INDEPENDENT AUDITOR'S REPORT



To: the Supervisory Board of Stichting Hivos

We have audited the accompanying financial statements 2013 of Stichting Hivos, The Hague, which comprise the balance sheet as at 31 December 2013, the statement of income and expenditure for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

## Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Guideline for annual reporting 650 "Charity organisations" of the Dutch Accounting Standards Board and with the policy rules application Wet normering bezoldiging topfunctionarissen publieke en semi-publieke sector (WNT). Furthermore, management is responsible for the preparation of the financial statements in accordance with the WNT-requirements in respect of financial legitimation as included in the audit protocol WNT of the policy rules application WNT. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements and comply with the WNT-requirements in respect of financial legitimation that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the policy rules application WNT, including the audit protocol WNT. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation, fair presentation of the financial statements and comply with the WNT-requirements in respect of financial legitimation 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used, used WNT-requirements in respect of financial legitimation and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Hivos as at 31 December 2013, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 "Charity organisations" of the Dutch Accounting Standards Board and policy rules application WNT .

Furthermore, in our opinion, the financial statements 2013 comply in all material aspects with the WNT-requirements of financial legitimation as included in the audit protocol WNT of the policy rules application.

## No audit work performed with respect to external non-executives

In accordance with the additional policy of 12 March 2014, we have not performed audit work on the officials referred to in Art. 4.2 paragraph 2 point WNT (external non-executives).

## Announcement according to the directors' report

We have read the directors' report in order to identify material inconsistencies, if any, with the audited financial statements. Based on reading the directors' report we established that the directors' report is consistent with the information in the financial statements and that the directors' report contains all information required by Guideline for annual reporting 650 'Charity Organisations' of the Dutch Accounting Standards Board. We have not audited or reviewed the information in the directors' report.

Amsterdam, 28 May 2014

PricewaterhouseCoopers Accountants N.V.

Original has been signed by H.A. Wink RA MBA



**Hivos**  
people unlimited