



ANNUAL ACCOUNT 2012

A weapon belonging to a Toposa warrior from South Sudan
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1. Introduction

The 2012 consolidated annual accounts are part of our annual reporting and contain the total and complete set of financial data for the following legal persons:

- IKV Pax Christi Collaborative Partnership Foundation
[Stichting Samenwerkingsverband IKV Pax Christi, (hereinafter referred to as: IKV Pax Christi)]
- Interchurch Peace Council Foundation
[Stichting Interkerkelijk Vredesberaad, hereinafter referred to as: IKV]
- Pax Christi Peace Movement Netherlands Association
[Vereniging Vredesbeweging Pax Christi Nederland, hereinafter referred to as: Pax Christi]
- Catholic Peace Movement Foundation
[Stichting Katholieke Vredesbeweging, hereinafter referred to as: STIKAV]
- Pax Christi Horn of Africa Trust

Their shared mission is to work with civilians and partners in areas of conflict to protect civilians, to prevent and end armed violence and to build peace with justice. You can find a comprehensive explanation of our mission and goals and a detailed account of the content of our work in our annual report. This report is available free of charge from www.ikvpaxchristi.nl. The 2012 annual report and the annual accounts are available in a digital format primarily for environmental reasons. A printed copy can be obtained on request, also free of charge.

2. Guidelines Used

The 2012 consolidated annual accounts, like the separate annual accounts for the IKV Pax Christi partnership have been drafted consistent with the Council for Annual Reporting (=RJ)'s Directive 650 governing fundraising institutions (hereinafter referred to as RJ 650) which the Council published in January 2011. For other Dutch legal persons, the report was drafted in accordance with RJ 640.

3. Notes on Legal Persons

IKV Pax Christi Collaborative Partnership Foundation (IKV Pax Christi)

Since 2007, all peace work done by the Interchurch Peace Council Foundation (IKV) and the Pax Christi Peace Movement Netherlands Association (Pax Christi) have been combined in the IKV Pax Christi Collaborative Partnership Foundation (IKV Pax Christi). IKV Pax Christi carries out all peace programmes; it is also the employer of all staff members. IKV Pax Christi's Board of Directors is appointed in accordance with its articles of association. It consists of a general director and one director. The Board of Directors must render account to IKV Pax Christi's Supervisory Board for the policy it pursues. IKV Pax Christi's Supervisory Board appoints and dismisses the Board of Directors.

The Board of Directors bases its annual plan and budget on the strategic long-range plan and long-range budget and the new insights and expectations. The annual plan and budget describe objectives, peace programmes, intended results as well as the people deployed and resources used in them. The annual plan and budget are submitted to IKV Pax Christi's Supervisory Board for approval.

Within six months of the end of the financial year, the Board of Directors drafts the annual accounts in accordance with RJ 650. The annual accounts require approval from the Supervisory Board.

Regarding the accountability for the content of the work of the Board of Directors and the Supervisory Board in 2012, we refer you to our annual report, which includes the full accountability statement as per guidelines of the independent Dutch Central Bureau for Fundraising [Centraal Bureau voor de Fondsenwerving, hereinafter referred to as: CBF]

Pax Christi Peace Movement Netherlands Association (Pax Christi) and the Interchurch Peace Council Foundation (IKV)

Pax Christi (established in 1948) and IKV (established in 1966) continue to exist as separate peace organisations with their own identity and distinct characteristics even after they combined their peace work in 2007. They are the IKV Pax Christi Partnership Foundation's primary commissioning bodies.

IKV's board builds on its ecumenical identity and Pax Christi's Membership Council on its Roman Catholic identity to inspire the work organisation with perspectives on current peace issues and thus to provide a broad orientation for the strategic development of their peace work. IKV and Pax Christi each appoint three members to the IKV Pax Christi work organisation's Supervisory Board.

Catholic Peace Movement Foundation (STIKAV)

The Catholic Peace Movement Foundation (STIKAV) manages the property located at Godebaldkwartier 74 in Utrecht, the Netherlands, where IKV Pax Christi's headoffice is housed. For this purpose, the foundation has signed a lease agreement for a symbolic amount with the legal owner of the property, the congregation Sisters of the Eucharist. The lease runs to 2028. One of the provisions in the contract is that STIKAV will be the beneficiary should the property be sold. To underpin consistency in policy and the connection of the various legal persons, the IKV Pax Christi's Board of Directors is also also became STIKAV's board. It was agreed that Pax Christi's Supervisory Board would supervise STIKAV's as per 2011.

Pax Christi Horn of Africa Trust

Pax Christi has established a foundation for its work in the Horn of Africa. The management, organisation and financing of the Pax Christi Horn of Africa Trust, which is based in Kenya, are closely linked to the other legal persons named. As the activities stopped in 2010 there is no annual accounts included anymore in this overview. This entity is a dormant organisation at this moment.

4. Freedom from Fear Alliance

On 1 January 2011 IKV Pax Christi, Amnesty International Netherlands, Free Press Unlimited and the Global Partnership for the Prevention of Armed Conflict (GPPAC) established the Freedom from Fear Alliance. IKV Pax Christi, Amnesty International Netherlands, Free Press Unlimited and GPPAC are recognised experts in their fields. This alliance is no legal entity. It has set up four programmes, each of which has several subprogrammes. These foster peace, human rights and freedom for civilians and communities in countries that have to contend with dominant security problems. The programmes 1 and 2 will help civilians, communities and civil society organisations in fragile and repressive states to set up programmes aimed at protecting security and human rights and at enlarging democratic space. Programme 3 focuses on campaigns and interventions to promote security and disarmament as well as foreign and defence policies aiming protecting and enhancing the human security of civilians in fragile and repressive states. In programme 4 the first 3 programmes are supported by pleading international networks of civil society organisations to convince international and regional intergovernmental organisations to put conflict prevention first.

The Freedom from Fear Alliance's Programmes		
Programmes	Parties to the Alliance	Subprogrammes
1. Human Security and Human Rights in Fragile States	IKV Pax Christi Amnesty International	Bosnia (Srebrenica) Colombia Democratic Republic of Congo (DRC) Kosovo Uganda Palestinian Territories Serbia* Sudan and South Sudan
2. Human Security and Human Rights in Repressive States	IKV Pax Christi Free Press Unlimited	Armenia Azerbaijan Georgia Iraq Lebanon Morocco** Syria
3. Security and Disarmament	IKV Pax Christi	Nuclear Disarmament Human Security Inhumane Weapons DDR /SSR
4. Networks for Conflict Prevention	GPPAC IKV Pax Christi	Regional Action & Network Strengthening Action Learning Policy & Advocacy Public Outreach

Table 1 The Freedom from Fear Alliance's Programmes and Subprogrammes

* The Serbian subprogramme ended in 2012.

** The Moroccan subprogramme phase out started in 2011 as a result of cutbacks at the Ministry of Foreign Affairs. In 2012 this program financially ended by the closure of a EU financed project.

The alliance has obtained a grant for the years 2012 through 2015 from the Dutch Ministry of Foreign Affairs under the new co-financing system (MFS II) for 2011 - 2015.

2011 t/m 2015	IKV Pax Christi	Amnesty International	GPPAC	Free Press Unlimited	Total Alliance
Total	30,708	3,532	8,203	2,491	44,934
2012	6,109	703	1,632	496	8,940

Table 2 Amount of MFS II grant to the Freedom from Fear Alliance (amount x € 1000)

IKV Pax Christi is the leading party for the Freedom from Fear Alliance. It bears legal and economic responsibility before the Ministry of Foreign Affairs for all alliance parties' compliance with MFS II grant requirements.

Financial accountability in this annual account 2012 is restricted to the programmes in which IKV Pax Christi participated in 2012.

5. Communities of Change Alliance

IKV Pax Christi also takes part in the Communities of Change Alliance for which Cordaid is the leading party. In it, we carry out a programme dealing with mining, mineral ores and conflict. This alliance, too, is no legal entity.

For this programme, IKV Pax Christi receives the following for the years 2011 through 2015 under the 2011-2015 MFS II system

2011 – 2015 budget	IKV Pax Christi
Total	3,360,000
2012	672.000

Table 3 Amount of MFS II grant to the Communities of Change Alliance (amount x € 1000)

6. Quality of the Administrative Procedures

IKV Pax Christi has imposed stringent requirements on its ability to track and render account for financial resources, all the more because the organisation works with private and public funds. To ensure that it can continue to meet these requirements, IKV Pax Christi has chosen to reinforce its capacity. In 2012 it invested in the in house capacity and quality regarding the in 2011 implemented new automated financial system. This investment resulted in better recording, monitoring and management of income and expenditure.

The yearly accountant's audit suggested specific improvements on documentation of monitoring concerning different donor requirements and allocation of funds to specific projects. Additional attention was suggested on evaluation and registration of organisational skills of implementing partners, uniformity in hard copy project filing in the project administration and electronic registration of the access rights in our administrative system. These suggestions are being followed up in 2013.

Quality systems and quality marks

Dutch Quality Institute (INK) model

IKV Pax Christi uses quality systems as to ensure quality standards in its working process. IKV Pax Christi uses the INK model as a frame of reference for organising its result areas and an instrument for developing plans and monitoring improvements to and renewal of its organisation.

ISO Quality system

IKV Pax Christi considers INK's quality management system an instrument to enhance our quality, while we use the ISO quality system to measure this quality periodically and to have it verified externally.

IKV Pax Christi is fully ISO-certified (ISO 9001:2008). This means that IKV Pax Christi has a documented quality-management system consisting of quality requirements, specified objectives and standard tasks and procedures. Adopting this ISO norm as standard enables us to guarantee internal process management and improve our ability to monitor our activities fully. We view ISO and the audits made to acquire its certification a valuable next step on the path to improvement set out in the INK model. Every year there are internal audits, a management assessment and external audits of our procedures, the latter by an authorised certification bureau. In 2012 the external auditor approved our quality system and renewed the ISO-certificate to 2015.

Association of Fundraising Organisations (VFI)

IKV Pax Christi is a member of the Association of Fundraising Organisations (VFI) and complies with all of VFI's codes of conduct, including

- VFI Code of Conduct.

- Good Governance Code. The Dutch Central Fundraising Bureau (CBF) monitors compliance.
- Guidelines for the Reserves of Charitable Organisations
- The Guideline for Remuneration for Directors of Charitable Institutions.
- The ENP-VFI Directive on the Settlement of Estates
- The VFI recommendation on cost allocation management and administration
- Practical guide to responsible asset management

CBF

In addition, IKV Pax Christi holds certification from the Dutch Central Bureau for Fundraising (CBF) The Good Governance for Good Causes Code has been a part of this quality mark since 2008. The quality mark means that the Dutch Central Fundraising Bureau periodically and independently checks whether IKV Pax Christi meets its criteria and principles regarding:

1. management and supervision
2. procedure
3. fundraising, public information and communication
4. disbursement of resources
5. accountability toward stakeholders.

After it's 2012 audit the CBF renewed the CBF-certificate.

Corporate social responsibility

Building on its mission and objectives, IKV Pax Christi pursues corporate social responsibility. For explanatory remarks we refer to our annual public report.

7. Explanation of the Balance

Assets

Assets as of 31 December 2012 had increased compared to 2012 due to advanced and unused payments of funds from various grants. There are fewer receivables and more cash or cash equivalents.

Liabilities

Special purpose fund

The special purpose fund for our objectives contains interest received on MFS II resources and can be used for MFS II objectives.

Reserves policy

IKV Pax Christi complies with the guidelines of the Association of Fundraising Institutions (VFI) for the reserves of charitable organisations, which is part of the CBF regulations. In accordance with the directive, IKV Pax Christi used a PricewaterhouseCoopers model in 2010 to analyse its risks for 2011 to 2015 and the continuity reserve that would be desirable to counterbalance those risks. Based on this analysis, the Board of Directors set the desired amount of the continuity reserve in 2010, which was approved by the Supervisory Board at the end of November 2010. No changes were made in 2012.

This decision did not change in 2012, as there were no circumstances that required the risk analysis to be revised. The IKV and Pax Christi are therefore equal guarantors for covering risks up to € 2,320,000, i.e. € 1,160,000 for each partner.

The STIKAV supports Pax Christi's guarantee. The assets that the two legal entities provided for this purpose total € 276,000. The remaining guarantee is covered by the established forced-sale value of the office building under STIKAV management. Under the long-term lease that runs through to 2028, the STIKAV will be the beneficiary of the proceeds of the property should it be sold. The valuation (forced-sale value) was newly indicated in 2012 and fixed, still in excess of Pax Christi's total guarantee. IKV's own assets cover IKV's guarantee.

IKV Pax Christi has few options for building up its own assets because MFS grant conditions forbid it from doing so by MFS funds. At the end of 2012, the continuity reserve reached 46% of the norm in the VFI directive, which assumes one year's operating expenses. 46% is a higher level than last year (38%) due to the positive result. The norm was not achieved in 2012 nor will it be achieved in the coming years.

Responsible asset management

IKV, Pax Christi (including its supporting foundations) and IKV Pax Christi owe it to their mission and their social constituency to manage their assets in a socially responsible way. That means that, in addition to financial criteria, non-financial and ethical criteria play an important role in the choices we make when it comes to managing our financial resources.

Responsible asset management entails the following for us:

1. *Practice what you preach:* IKV Pax Christi applies the same principles to its own investments as the principles it urges companies to adopt.
In 2012, IKV Pax Christi continued to play a role in fostering corporate social responsibility. This included applying the Voluntary Principles on Security and Human Rights and making public investments by banks and institutional investors in the weapons industry and arms trade, especially investments in inhumane weapons (cluster munitions), nuclear weapons and illegal trade in arms (arms control). In a similar vein, a special Foundation on Voluntary Principles has been set up, in which IKV Pax Christi, its corporate partners and the Dutch government all took part. Our participation in the Fair Banking Guide (Eerlijke Bankwijzer) reinforced our collaboration with Oxfam Novib, Amnesty International, Milieudefensie [=Friends of the Earth Netherlands] and FNV Mondiaal [=part of the FNV trade union confederation]. This guide encourages banks to adopt socially responsible business practices.
2. Within these ethical norms, our partnership's basic principle for asset management and investment is to maintain the value of the principle at the highest possible yield. IKV Pax Christi has opted for very risk-averse asset management. It does not invest in shares or bonds, listed or unlisted. In view of the instability of the Dutch banking sector, IKV Pax Christi decided in 2012 to minimise risks (e.g. from banks) by spreading its assets over more diverse bank accounts. This minimisation of risks influenced the total amount of interest.

Short-term debts

Grant commitments have stabilised due to as yet undisbursed grant funds, mainly from MFS II.

Accounts payable have risen. This amount is related to many small unpaid partner contracts and invoices as of the date of the balance.

Short term liabilities: it became clear in 2012 that there was less outstanding MFS funding specific to one of the alliance members, and more tax liabilities due to new international tax regulations introduced in 2010.

8. Explanation of the Statement of Receipts and Charges

Income: available for objectives

The strategic long-range plan for 2011-2015 contains the following assumptions regarding fundraising:

- income from private and institutional fundraising will grow at an average rate of 10% per year for the next five years
- cost of private fundraising will not exceed 25% of the proceeds from private fundraising
- dependence on a single source (MFS) will preferably be kept below 50% and will certainly not exceed 75%. Our aim is to have at least 5 sources of income, each providing at least 10% of our income.

The total income achieved for 2012 is € 12,323,190, which is € 60,000 more than 2011. If we exclude the amounts relating to our Freedom from Fear Alliance partners, the income achieved in 2012 is € 9,492,980, which is € 158,720 more than in 2011.

The total of programme activities financed by Dutch government funds decreased by € 300,000. Private and institutional income increased by € 380,000. Institutional fundraising increased substantially as we partnered with various new donors. This means success in our strategic aim of diversifying sources of income.

Fundraising

Private sector fundraising

By private sector fundraising we mean income from individual members of the general public, e.g. in the form of membership fees, donations or legacies.

Consolidating the amount of this income requires increasingly more effort. The amount can remain stable by specially focusing on target groups. Specific effort was put into integrating these fundraising efforts into our increased campaigning effort. One new addition was the first mass fundraiser for Syria, the initiative to set this up was highly appreciated.

Total income from private sector fundraising comes from:

- occasional donations
- regular donations/contributions
- collections
- sales of materials for peace work activities
- legacies.

In 2011, IKV Pax Christi had 5,318 members that paid € 95,185 in membership fees and gave an average of € 30.30 in gifts. In 2012, 4,388 donors gave an average of € 30.

The total amount of private fundraising in 2012 was € 650,000. We did not reach the budgeted target of € 700,000 but stayed in line with income in 2011. For 2013, we have budgeted this more cautiously at € 600,000.

Institutional fundraising

The target for the forthcoming 5 years is to achieve a 10% increase in institutional funding each year. The reinforcement from 2011 continued into 2012. We strengthened relations with existing major institutional donors, successfully approached new funds from within the Netherlands and abroad and submitted a greater number of proposals to institutional funds for peace activities. A major achievement was the acceptance of our application to become a beneficiary of the National Postcode Lottery (NPL), which will generate € 500,000 a year.

Institutional fundraising including income from third parties rose to € 1,619,000 in 2012. With this new subsidy of € 500,000 from the National Postcode Lottery (defined as income from third parties), the total amount increased by € 370,000 to € 1.62 million, which is almost 20% more than in 2011. This was precisely in line with the target budget for 2012.

Larger institutional donations disbursed in 2012 (above € 10,000)	
Adessium	€ 470,000
Postcode Lottery	€ 500,000
V-Fonds	€ 150,000
Norwegian Government	€ 27,000
European Union	€ 24,000
St. Vluchteling	€ 14,800

Table 4. Consolidated benchmarks for cost differentiation

Ministry of Foreign Affairs Grants

As indicated above, the strategic long-term plan contains certain benchmarks in order to monitor the achievement of our strategic ambitions. Diversification of funds is a key ambition, as is partially reflected in the comparison table below.

	Benchmarks	Achieved in 2011	Budget 2012	Achieved in 2012	Budget 2013
1	MFS II Subsidy	67%	63%	73%	79%
2	Private contribution	25%	27%	25%	21%

Table 5. Consolidated benchmarks for income diversification

When calculating the benchmarks, the MFS II contribution is treated as a percentage of total income. To ensure the integrity of the figures and their comparability with those of preceding years, in our calculations we used the portion of the MFS II grant that IKV Pax Christi managed and used for its own activities, i.e. apart from the MFS II grant disbursed by the parties to the alliance. Funding that was received from the Ministry indirectly is not included in the calculation: neither in the “other contribution” part, nor in the MFS subsidy itself. Compared to 2011 IPC used more MFS2 funds. The total amount used for activities were in line with 2011. This means we used a higher percentage MFS2 funding compared to last year.

For reasons that are inherent to the grant, the MFS II amounts in the annual accounts include the share for which IKV Pax Christi is responsible as the leading alliance party. This comes to € 2,830,000, which has therefore been excluded when calculating this percentage. This applies to both income and expenditures.

NB. Benchmark 1:

The MFS II grant represents 73% of total expenditures. That means that MFS II funds finance 73% of IKV Pax Christi's activities. This percentage includes funds received through the Communities of Change Alliance.

NB. Benchmark 2:

This percentage represents the private share in total income. This private input represents funds that do not come directly (MFS II) or indirectly from the Dutch Ministry of Foreign Affairs.

Over 2012, this part for IKV Pax Christi came to 25%, the same as it was in 2011. This is 2% lower than was projected for 2012.

This can be explained by various factors influencing this benchmark:

1. In 2011 there was a serious delay in starting up programmes funded by MFS II. Comparatively more was spent in 2012 (half a million), which brought the percentage to a higher level.
2. In addition to some new institutional donors, IKV Pax Christi identified many funding opportunities from different funds from MFS II and indirect funds from the Dutch Ministry of Foreign Affairs. This reduces our dependence on MFS II and supports IKV Pax Christi's strategic position. It does not reduce the relative dependence on Dutch Governmental funds. Based on strategic considerations, however, the first of these was considered to be more important.
In 2012, IKV Pax Christi received a total of € 389,441 of non-MFS II funds from the Dutch Government, which was € 900,000 less than in 2011. This contribution will grow to € 850,000 in 2013, for two substantial projects funded by non-MFS II funds received from the Dutch Government which were set up during 2012. Income through the PSO, (Staff Cooperation with Developing Countries) will cease in 2013 as PSO is now no longer subsidised by the Ministry.

IKV Pax Christi will continue to invest in maintaining present donors and explore new sources of income. At the same time, we will continue our efforts on our strategic positioning. This is expected to have a similar influence on the benchmarks for 2013.

Income from third parties

Following a proposal that we presented to the National Postcode Lottery (NPL) in 2011, the NPL invited us to become a beneficiary for a period of five years. In 2012, we were awarded a € 500,000 grant.

Interest

In 2011, IKV Pax Christi received € 60,000 in interest on liquid assets. € 34,834 of this interest was received on MFS II resources. As is required by the conditions of the grant, this interest was retained in a special-purpose fund. The remaining interest is available for different purposes, as donors increasingly insist that interest received on advanced grants should be used for the respective specific project. An interest result of € 14,355 will be available through our own resources for our objective.

Expenses disbursed for our objectives

General Information

Following 2011's far-reaching political developments such as the Arab Spring and the Dutch Government's cuts on development budgets, 2012 was a year for consolidation. The Arab Spring posed serious challenges for our positioning, programmatic responses and our collaboration with partners.

- The popular uprising in the Middle East has passed from an Arab Spring to a Bloody Winter. In many countries, the outcome of the power struggle between the young population and the old rulers is still unresolved and unpredictable. In Syria, the uprising was initially non-violent but was overtaken by a violent struggle between armed rebels and a repressive regime that, at this stage, seems to behave more like a militia than a national authority. Neither side is strong enough for a military victory or weak enough for a military defeat. Potential political solutions to this conflict run aground when faced with the reluctance of the conflicting parties and the impotence of the international community. Because of this, the conflict threatens to take on a sectarian character, which makes room for jihadist fighters and mercenaries from Syria or abroad. This civil war, or rather, this war against civilians, is taking an unbearable humanitarian toll and is increasingly taking on the traits of an international conflict that threatens the stability of the entire region. Obviously, the programmes pertaining to Syria and Lebanon are especially vulnerable to these developments, which will have an impact on the implementation of, and accountability for, these programmes and on the degree to which planned results can be achieved. The Arab Spring seems to have had little effect on the Israeli-Palestinian conflict. Stagnation continues; a political solution seems to have disappeared from sight. The situation in Iraq has also deteriorated.

- In many resource-rich countries, the commercialisation of oil, coal, and gold plus disputes about land ownership have led to political and social friction, armed violence and human rights violations. We see that shortages are very rarely the sole cause of a conflict, but they do serve as a threat multiplier when combined with other causes of conflict. The threat of armed conflict depends in part on the extent to which populations, ecosystems, economies and political institutions are vulnerable to the scarcity of natural resources. It is evident that fragile states are the ones most vulnerable to threats of armed conflict and human rights violations. In a fragile state, the population is vulnerable to a shortage of water and food, and the government cannot or will not defend itself against the theft of resources by other countries or non-state actors. Dissent in extraction areas often puts local communities at peril. This can affect the strategy and progress of our programmes. There is continuing dissent due to unresolved post-secession negotiations and the lack of an agreement between Sudan and South Sudan on border demarcations in oil-rich areas. The agreement between the presidents of Sudan and South Sudan (late September 2012) was intended to lead to the establishment of a demilitarised zone but has left major security questions unresolved. In Ituri, DR Congo, conflicting mining concessions resulted in tense relations between industrial and small-scale gold miners. Relations between communities and mining companies in Colombia were also strained as a result of conflicting mine concessions and fear of environmental damage. Activists opposing mining operations are also under threat. Land disputes in Northern Uganda, sparked by oil exploration around Lake Albert and other factors, are a threat to peace there, while in Karamoja, where the security situation has improved, conflicts connected to gold mining have risen to the surface.

Furthermore, there were several developments in IKV Pax Christi's immediate environment that affected its strategy; they included:

- The financial crisis led to the Rutte administration announcing an additional overall €16 billion cutback, including a €1 billion cutback in development aid. The allocation of this cutback remained unspecified all over 2012, leading to uncertainty on the possibilities of longterm commitments. Spring 2013 it became apparent that the MFSII budget would not be subject to further cutbacks till 2016.
- Whilst the MFS II grant runs until 2015, the Dutch Government is issuing more and more tenders for specific fields of intervention, closely linked to actual contextual developments. IKV Pax Christi appears well positioned to respond to these tenders, though combining and integrating our long-term strategy with the shorter-term dynamic of tenders presents a challenge.

Expenditures on objective

In this section we will explain the expenditures that IKV Pax Christi has made for the activities it manages.

Table 7 shows IKV Pax Christi's expenditures on each programme and sub-programme in comparison with its 2012 budget. Table 6 provides a brief explanation of these figures for each sub-programme where relevant. To see a more extensive elaboration on the results, please consult our Public Report.

Programmes	Sub-programmes	Performance	Explanation
1. Human Security and Human Rights in Fragile States	Bosnia (Srebrenica)	Slightly over budget	Additional opportunities for advocacy.
	Colombia	Within budget	
	DR Congo	Within budget	
	Kosovo	Final spend slightly over budget	Additional opportunities for advocacy.
	Uganda	Within budget	
	Palestinian Territories	Final spend slightly over budget	Additional opportunities for advocacy.
	Serbia	Not planned for, but spending within budget	Additional funds raised in 2012.
	Sudan and South Sudan	Final spend slightly under budget	Freedom from Fear Alliance activities budget was underspent following shift to field implementation capacity. This reduced costs and strengthened programme implementation. Communities of Change Alliance's implementation was delayed throughout 2012; additional programme activities are planned for 2013.
2. Human Security and Human Rights in Repressive States	Armenia	Under budget	Due to political stagnation at home and abroad, the Armenia/Azerbaijan strategy had to be redeveloped. New strategy will lead to new activities in 2013.
	Azerbaijan	Under budget	Due to political stagnation at home and abroad, the Armenia/Azerbaijan strategy had to be redeveloped. New strategy will lead to new activities in 2013.
	Georgia	Under budget	Limited Implementation capacity partner
	Iraq	Final spend lower than budget	The original amount spent on Iraq was within budget. Additional funds were allocated and the start-up of these additional programme activities was delayed.
	Lebanon	Under budget	Concentrating on developments in surrounding countries continued to result in lower spending.
	Morocco	Within budget	End of programme. Final financial settlement with partners.
	Syria	Under budget	Civil war in Syria posed many challenges. This nevertheless led to greater commitment to advocacy activities and to additional programme activities. The original budget was slightly overspent. Additional funds were then allocated and the start-up of these additional programme activities was delayed; resulting in a lower overall spend than expected.

3. Security and Disarmament	Human Security	Final spend higher than budget	More activities due to additional resources.
	Inhumane Weapons	Final spend higher than budget	Programme activities implemented as planned. More indirect costs were charged than expected in original budget.
	DDR/SSR	Final spend higher than budget	Programme activities implemented as planned. More indirect costs were charged than expected in original budget.
	Nuclear Disarmament	Final spend lower than budget	Programme activities implemented as planned. Fewer indirect costs charged in accordance with original budget.
4. Networks for Conflict Prevention	Regional Action & Network Strengthening:	Budget for 2012 spent as budgeted	Staffed Advocacy Antennas installed in Brussels and New York.
	Action Learning:		
	Policy & Advocacy		
	Public Outreach		

Table 6. Explanation of Sub-programmes

Programme expenditures	2011	2012	2012	2013
Consolidated	Final spend	Budget	Final spend	Budget
Human Security in Fragile States	3,333	3,997	3,459	4,951
Srebrenica *	119	140	162	149
Colombia	603	716	595	1,033
DR Congo	596	855	721	777
Kosovo	324	274	338	286
Uganda	130	170	231	311
Palestinian Territories	212	352	349	372
South Sudan and Sudan	1,272	1,491	956	1,350
Serbia	77	80	107	-
Human Security in Repressive States	1,467	1,721	1,458	2,350
Armenia	94	118	106	175
Azerbaijan	91	109	108	175
Georgia	163	405	201	492
Iraq	355	573	499	886
Lebanon	122	251	107	218
Morocco	115	75	19	-
Syria	527	189	418	403

Programme expenditures	2011	2012	2012	2013
Security & Disarmament	1,944	1,370	1,669	1,791
Nuclear Disarmament *	632	694	321	876
Inhumane Weapons	568	360	790	463
Human Security	220	184	346	268
DDR/SSR	523	132	212	185
Networks for Conflict Prevention	48	278	134	614
Network-strengthening	48	278	134	614
Total for the 4 programmes	6,792	7,367	6,720	9,035
Communities of Change Alliance	380	675	675	672
Colombia	197	200	249	200
DR Congo	44	110	94	110
Sudan and South Sudan	139	365	248	362
Total for the Freedom from Fear Alliance and the Communities of Change Alliance	7,172	8,042	7,311	9,706

Table 7. Programme Expenditures

* Not with MFS resources

Management and administration

IKV Pax Christi uses benchmarks to achieve efficient and cost-effective management and administration. The target figures set out in our long-range estimate are reviewed in the light of actual developments before being fixed in our annual budget. Over the course of the year, periodical management reports paint a picture that team leaders can use to render account to the Board of Directors and that the Board of Directors can use to render account to the Supervisory Board.

Benchmarks are listed in the following table, and an explanation of each one is given in the text that follows. Calculations are based on the consolidated figures.

Efficiency benchmarks	Final result 2011	Budget 2012	Final result 2012	Budget 2013
1 Costs of fundraising	23%	23%	17%	24%
2 Costs of Management & Administration	7%	6%	8%	7%
3 Spent on objectives	90%	90%	87%	89%

Table 8. Efficiency Benchmarks

NB. Benchmark 1:

The costs of private fundraising as a percentage of the yield of private fundraising. The CBF maximum averages at 25% over 3 years. IKV Pax Christi remains within the set conditions. The percentage is 6% lower as a result of lower costs for the various marketing tools selected.

NB. Benchmark 2:

Management and administration costs as a percentage of total outlay, including the cost inherent to being the leading party, are 8.1% and therefore higher than the 6% budgeted. This percentage was for 1.5% influenced by exceptional expenses. During 2012 it became clear Stikav (where the costs of the office are managed) had to include an provision due to the foreseen asbestos abatement of 160,000 euro.

NB. Benchmark 3:

Expenditure on objectives as percentage of total expenditure (excluding exceptional expenses). This index shows how much income is spent directly on activities to reach our objectives. 87% is slightly below the target of 90%. This was caused by us not using all our income, as this percentage represents the relationship between income and expenditures. We have therefore foreseen a higher percentage for 2013.

Pay and Salaries

The members of the Supervisory Board, IKV's Board and Pax Christi's Membership Council are all volunteers. They receive no salary or attendance fees. Travel expenses are repaid for the costs incurred.

The Supervisory Board sets the remuneration for members of the Board of Directors. It also gives each member of the Board of Directors an annual performance interview. The salaries of members of the Board of Directors, like the salaries of the Management Team and all other staff members, fall well below the maximum pay for Board Members according to the VFI recommendation for remuneration for directors of charitable institutions. And they therefore also fall well below the level of pay scale 19 set in the Civil Servants' Pay Decree (BBRA). For an itemisation of Board Members' salaries and remuneration for the Supervisory Board consistent with the VFI, please consult the relevant section in our annual accounts.

9. Financial Result

The consolidated result for 2012 is € 230,966. This has the following provenance:

- Interest on MFS II awards (interest over 2012) that, according to grant conditions, is stored in a special purpose reserve to be used for MFS II objectives. This is nearly € 35,000.
- The rest of the positive result comes from our own funds (€ 196,000) and will be added to our own assets, consistent with the allocation of profit.

These private resources will be used over the next years for anticipated additional costs in 2013 and to fund future innovations.

10. Expectations for the future

History seemed to be repeating itself in the sense that at the time of drafting these annual accounts, the dutch government was about to specify its policy decision on the € 1 billion budget cuts in development cooperation. It became clear that till 2016, the MFSII budget would not face additional cuts adding to the budgetcuts already imposed early 2011.

In 2013, IKV Pax Christi will strengthen the social legitimacy of its peace mission. This reinforced social legitimacy should enhance our impact on processes of political change. Investment will be made into widening communication with the public, into more integrated campaigning and into rebranding our public image.

Our achievements in diversifying funds in 2012 will be built upon to achieve our strategic ambitions to both avoid being disproportionately dependent and to ensure continuity. Private fundraising will be a more integrated part of our campaigning and new partnership models will be explored. Our successful strategic positioning and innovative projects inspire a feeling of confidence that we will be able to actively participate in the rapidly changing settings in which we perform our mission of peace.



ANNUAL ACCOUNT 2012

Consolidated

Financial Statements 2012

IKV Pax Christi Stichting Samenwerkingsverband

woensdag 17 april 2013

BALANCE SHEET

(after appropriation of result)

		31 December	31 December
		2012	2011
		€	€
ASSETS			
Intangible fixed assets	1	224.402	241.844
Tangible fixed assets	2	160.206	197.775
Financial fixed assets	3	26.470	26.070
Receivables	4	506.935	742.473
Cash and Cash Equivalents	5	4.158.229	3.364.143
		5.076.242	4.572.305

BALANCE SHEET

(after appropriation of result)

		31 December 2012	31 December 2011
		€	€
LIABILITIES			
Reserves and funds			
Continuity reserve	6	2.191.442	1.995.313
Short term reserve	7	58.421	34.834
Provisions	8	160.000	8.719
Short-term debts			
Subsidy commitments:	9	1.628.392	1.551.496
Repayment commitment	10	12.606	14.771
Other accounts payable	11	309.667	124.892
Other Liabilities	12	715.714	842.280
		<u>2.666.379</u>	<u>2.533.439</u>
		<u><u>5.076.242</u></u>	<u><u>4.572.305</u></u>

STATEMENT OF INCOME AND EXPENDITURE

		Actual	Budget	Actual
		2012	2012	2011
		€	€	€
INCOME				
Private fundraising	14	650.029	650.000	646.845
Grants from Institutional Donors	15	1.119.548	1.403.000	1.258.923
Income from third parties	16	500.000	-	-
Grants from Dutch government	17	9.952.030	10.046.883	10.274.679
Interest and investment income		88.330	10.000	84.230
Other income		13.253	-	10.032
Total income		12.323.190	12.109.883	12.274.709
EXPENSES				
Spent on behalf of the objective	18			
Regional Peace Programme through 2010		50.844	-	63.877-
Partners in Masterpeace project		250.000		-
Human Security in Fragile States		3.895.833	3.904.000	3.784.276
Human Security in Repressive States		1.638.580	1.927.000	2.023.131
Security & Disarmament		1.668.090	1.469.000	1.961.657
Networks for conflict prevention		133.787	189.000	47.245
Networks for peacebuilding		143.546	-	89.524
Strengthening Civil Society		143.211	346.000	163.047
The Freedom from Fear Alliance parties' MFS II liabilities		2.830.210	2.927.883	2.927.883
		10.754.101	10.762.883	10.932.886
Acquisition costs				
Cost of private fundraising	19	108.774	149.000	154.357
Cost of institutional donor fundraising		251.661	297.000	196.808
		360.435	446.000	351.165
Management and administration				
Cost of management and administration	20	977.688	939.000	800.080
Total Expenditures		12.092.224	12.147.883	12.084.131
Result		230.966	38.000-	190.578
Appropriation of Result				
Continuity reserve		196.132		
Short term reserve		34.834		
		230.966		

Consolidated IKV Pax Christi

Cash flow Statement

	<u>2012</u>	<u>2011</u>
	€	€
Year End Result	230.963	190.578
Adjusted for		
Depreciations	184.486	170.139
Changes in provisions	140.035	-
Interest on income and expenditures	88.330-	84.230-
Changes in Working Capital	372.176	1.575.322
Cash flow from organisation activities	<u>839.330</u>	<u>1.851.809</u>
Interest paid/received	84.230	61.220
Cash Flow from operating activities	923.560	1.913.029
Investment /disinvestment in intangible fixed assets	53.285-	199.034-
Investment/disinvestment in tangible fixed assets	76.189-	41.182-
Cash flow from investing activities	<u>129.474-</u>	<u>240.216-</u>
repayment of borrowings/take-up of long term debt	N.a.	N.a.
Cash flow from financing activities	-	-
Changes in Cash and Cash Equivalents	<u><u>794.086</u></u>	<u><u>1.672.813</u></u>

Notes to the 2012 Financial Statements

General

The 2012 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011) and the Ministry of Foreign Affairs' co-financing system II regulations (of Ministry of Foreign Affairs MFSII regulations).

Reporting Period

The statements are based on a reporting period of one year. The fiscal year coincides with the calendar year.

Reporting Directive for Fundraising Institutions

This report has been drawn up in accordance with the 2008 guidelines for fundraising institutions (RJ650) as published by the Dutch Council for Annual Reporting. These guidelines provide the public with clear criteria for assessing fundraising cost ratios, expenditure of funds and whether these funds have been spent on the goals for which they were intended. Compliance with these reporting guidelines is an important precondition for a charity to obtain and retain the seal of approval from the Central Bureau of Fundraising of the Netherlands (CBF). The following consolidated financial statements have been prepared from the accounting records of IKV Pax Christi and in accordance with the organisation's accounting policies.

The consolidated annual report contains the following entities:

- Stichting Samenwerkingsverband IKV Pax Christi (IKV Pax Christi);
- Stichting Interkerkelijk Vredesberaad (IKV);
- Vereniging Vredesbeweging Pax Christi Nederland (Pax Christi);
- Stichting Katholieke Vredesbeweging (Stikav);

The consolidation is based on the full consolidation method.

The cash flow statement is prepared using the indirect method

Principles for the Valuation of Assets, Liabilities and Financial Results

General

The principles applied in evaluating assets and liabilities and determining financial results are based on nominal value. Revenues and expenses are matched to the period in which they occurred (according to the matching principle). Revenues from legacy are recorded in the year that their size can be reliably established.

Principles for the Translation of Foreign Currencies

The currency used throughout this report is the Euro (€).

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates applying on the transaction date. Translation gains and losses are taken to the profit and loss account as expenditure.

Principles for the Valuation of Assets and Liabilities

Intangible Fixed Assets

Intangible fixed assets (software) are valued at purchase price. Amortization is calculated according to the straight-line method in 5 years.

Tangible Fixed Assets

Tangible fixed assets are valued at acquisition price minus depreciation using their estimated economic life time. Any residual value is taken into account.

The annual depreciation is set as basis for the following structure:

- IT equipment and software: First year 40%, second year 30%, third year 20%, fourth year 10%
- furniture and other equipment: According to the straight-line method in 5 years
- system for membership records: According to the straight-line method in 5 years
- refurbishing costs: According to the straight-line method in 10 years

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.)

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

Financial Instruments

Financial Instruments include receivables, cash and cash equivalents, cash and accounts receivables, current liabilities and other liabilities. Financial instruments are initially recognised at fair value. After initial recognition the financial instruments are measured at amortised costs on the basis of the effective interest method. The amortised costs equals the fair value. The fair value is based on the estimated present value of the future net cash flows. Purchased loans and other receivables are measured at amortised costs on the basis of the effective interest method, less impairment losses. Financial commitments that are not held for trading are carried at amortised cost on the basis of the effective interest rate method.

Reserves

The IKV Pax Christi policy on continuity reserve meets the requirements of the CBF.

Special Purpose Reserve

The purpose of the special purpose reserve is determined by the Board.

Special purpose reserves are resources provided for fixed purposes as specified by a third party.

Provisions

Provisions should be valued at the nominal value of the expenses expected to be incurred in settling the liabilities and losses.

A provision is recognised if the following applies:

- the company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably; and
- it is probable that an outflow of economic benefits will be required to settle the obligation

During 2012 it became clear Stikav had to include an provision due to the foreseen asbestos abatement of a total amount of 160,000 euro.

Long Term Debts and Current Liabilities

The valuation of the long-term debts and current liabilities are described under the paragraph financial instruments.

Commitments of which the grant is announced in the book year are fully recorded in that year.

Balance positions for current projects consist of grants yet to be received and costs yet to be paid for these projects.

The start up expenses MFS2 are in a straight-line method in 3 years booked.

Donations and subsidies

In 2006, IKV foundation's ruling body and Pax Christi's Membership Council decided to book the two organisation's income from individuals and institutional funding as the partnership's income. This is done after deducting the resources that the two entities require for their own activities and organisational expenses. Legacies left specifically to IKV or Pax Christi are not included here, nor are results from previous financial years. IKV and Pax Christi contract out the implementation of their programmes and services to Stichting Samenwerkingsverband IKV Pax Christi

Costs

The organisational expenses are allocated on the basis of actual cost of the number of hours really worked.

- a. Objectives
- b. Cost of fundraising
- c. Management and administration costs

These are specified in the table explaining expense distribution.

Pensions

Pensions as part of the employee benefit. The main principle is that the pension charge to be recognised for the reporting period should be equal to the pension contributions payable to the pension fund over the period. Insofar as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future

The pension scheme is financed externally at sector pension Zorg en Welzijn. The coverage of the sector pension as per December 31, 2012 is 101%.

In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is likely that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the staff and other (explicit or implicit) commitments to staff. The liability is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date.

This mandatory text is not applicable to IKV Pax Christi. So no additional commitments are recorded

Consolidated IKV Pax Christi

Explanation of the balance sheet

	31 December 2012 €	31 December 2011 €
1. Intangible fixed assets		
Balance as at 31/12		
Software	213.449	226.491
Licences	10.953	15.353
	<u>224.402</u>	<u>241.844</u>
Movement in intangible fixed assets:	Software	Licences
Balance as at January 1		
Purchase Value	270.757	49.736
Accumulated depreciation	44.266	34.383
Book value	<u>226.491</u>	<u>15.353</u>
Changes in book value		
Purchases	48.526	4.759
Disinvestments	-	-
Depreciations	61.568	9.159
Balance	<u>13.042-</u>	<u>4.400-</u>
Balance as at December 31		
Purchase Value	319.283	54.495
Accumulated depreciation	105.834	43.542
Book value	<u>213.449</u>	<u>10.953</u>
2. Tangible fixed assets		
Balance as at 31/12		
Inventory	8.204	20.657
Installations	7.539	8.952
ICT hardware	71.629	67.807
Renovation	72.834	100.359
	<u>160.206</u>	<u>197.775</u>
Movement in tangible fixed assets	Inventory	Installations
Balance as at January 1		
Purchase Value	184.389	14.136
Accumulated depreciation	163.732	5.183
Book value	<u>20.657</u>	<u>8.953</u>
Changes in book value		
Investments	8.480	-
Disinvestments	-	-
Depreciations	20.933	1.414
Balance	<u>12.453-</u>	<u>1.414-</u>
Balance as at December 31		
Purchase Value	192.869	14.136
Accumulated depreciation	184.665	6.597
Book value	<u>8.204</u>	<u>7.539</u>

Consolidated IKV Pax Christi

Explanation of the balance sheet (cont.)

	31 December 2012	31 December 2011
	€	€
3. Financial Fixed Assets		
Oikoscredit certificates	26.470	26.070
4. Receivables		
Matra	-	75.211
EU	23.766	20.591
PCI / SIPP	-	145.490
Other donors	93.292	56.752
Subtotal	117.058	298.044
Currents accounts alliance partners	28.062	-
Accounts receivable Inheritances and legacies	79.551	79.000
Prepaid acquisition cost of MFS II 2011-2015	47.856	95.712
Prepaid amounts and guarantees	210.985	228.691
Other receivables	23.423	41.026
	506.935	742.473
5. Cash and Cash equivalents		
Deposits (term under 3 months)	3.246.132	2.652.733
Credit balances on Dutch Bank accounts	904.427	695.549
Cash balance	7.670	15.860
	4.158.229	3.364.142
6. Continuity reserve		
Continuity reserve as at January 1	1.995.312	1.839.570
Allocation of the result	196.131	155.743
Balance as at December 31	2.191.443	1.995.313
7. Short term reserve		
Balance as at January 1	34.834	-
	11.246-	-
Allocation of the result *	34.833	34.834
Balance as at December 31	58.421	34.834
*) Interest from MFS II resources that will be disbursed for the objective		
The 5-year forecast shows that the amount of interest we expect to receive each year is under €100,000. This income will be used for the objective.		
8. Provisions		
Provision for maintenance costs	8.719	8.719
Donation	151.281	-
	160.000	8.719

Explanation of the balance sheet (cont.)

	31 December 2012 €	31 December 2011 €
9 Subsidy commitments		
Ministry of Foreign Affairs not spent 2012 MFS II to use in 2013 *	526.429	582.650
Ministry of Foreign Affairs MR Fund not spent in 2012 to use in 2013	379.439	174.421
Ministry of Foreign Affairs Fund not spent in 2012 to use in 2013	136.514	-
Communities of Change Alliance not spent in 2012 to use in 2013	336.531	270.995
Payment obligation allotted grants	68.441	233.655
Other expenses to be paid	22.053	253.273
Prepaid by PSO	35.746	36.502
Other prepaid grants by donors	123.239	-
	<u>1.628.392</u>	<u>1.551.496</u>
* Under the grant conditions this sum can be spent in the following years of the grant period (through 2015).		
10 Repayment commitment		
Equity loan IKV donors	12.606	14.771
11 Accounts payable	309.667	124.892
12 Other short term liabilities		
MFS II grant still to be paid to Freedom from Fear Alliance parties	-	357.128
Taxes and social security contribution	355.379	211.476
Reservation for leave days and holiday allowance	274.324	238.554
Payable salaries and pension contributions	3.323	6.903
Other debts, accruals and deferred income	82.688	28.219
	<u>715.714</u>	<u>842.280</u>
13. Off-Balance sheet assets and liabilities		
a IKV Pax Christi has €95,058 in commitments to ongoing partner contracts.		
b IKV Pax Christi has given a bank guarantee for €13,977 for the property located at Korte Elisabethstraat. The lease runs at least to June 2013. The annual rent is €66,250.		
c The scanner/copier machine is leased for €21,098 per year.		
d The maintenance contract on the 'Inventive' administrative system costs €13,198 per year.		
e The Ministry of Foreign Affairs has granted co-financing system (MFS II) funds for totalling €44,935,967 for the 2011 through 2015 period for the Freedom from Fear Alliance.		
f IKV Pax Christi is leading party in the Freedom from Fear Alliance. As such it bears legal responsibility toward the Ministry of Foreign Affairs for all obligations of the entire alliance.		

Consolidated IKV Pax Christi

Explanation of the Income and expenditure account

	2012	2011
	€	€
14. Income from private fundraising		
Contributions and donations	448.307	463.576
Legacies	103.812	75.068
Vredes Week Collection	97.910	108.201
	<u>650.029</u>	<u>646.845</u>
15. Income from institutional fundraising		
EU	23.672	35.710
Other domestic donors	969.251	980.211
Foreign donors	126.625	228.343
Discounts received	-	14.659
	<u>1.119.548</u>	<u>1.258.923</u>
16. Income third parties		
Dutch Postcode Lottery	500.000	-
17. Grants Dutch Government		
<i>Direct</i>		
Ministry of Foreign Affairs (MFS II)	6.143.294	5.689.558
Freedom from Fear Alliance parties	2.830.210	2.927.883
Other direct	183.373	338.716
	<u>9.156.877</u>	<u>8.956.157</u>
<i>Indirect</i>		
Communities of Change Alliance	589.085	409.496
PSO	211.776	162.619
PCI / SIPP	-	299.702
Other indirect	5.708-	446.705
	<u>795.153</u>	<u>1.318.522</u>
Total grants from dutch government	9.952.030	10.274.679

The Ministry of Foreign Affairs Subsidy (MFS II) allocated an amount totalling €44,935,967 for the Freedom from Fear Alliance for the period 2011 through 2015

Explanation of the income and expenditure account (cont.)

2012	2011
% or €	% or €

18. Spent on behalf of the objective

Expenditures on the objective were subdivided by project over six categories. All costs were ascribed to the programmes.

Programme costs(x €1,000)	Direct	Indirect	Total
Human Security in Fragile States	2.178,6	1.717,2	3.895,8
Human Security in Repressive States	755,0	883,6	1.638,6
Security & Disarmament	659,0	1.009,1	1.668,1
Networks for conflict prevention	133,8	-	133,8
Networks for peacebuilding	143,5	-	143,5
Stengthening Civil Society	30,2	113,0	143,2
	3.900,2	3.722,9	7.623,0
Regional peace programmes through 2010			50,8
Partners in Masterpeace project			250,0
The Freedom from Fear Alliance parties' MFS II liabilities			2.830,2
			10.754,1

Allocation is based on logbook results.

Details are shown in Table Itemisation of expenses (page 34)

Percentage spent on objective in relation to income.	87,3%	89%
Percentage spent on objective in relation to liabilities.	88,9%	90%

19. Cost of private fundraising

The full direct and indirect cost of fundraising is thought necessary to guarantee continuance of fundraising consistent with CBF quality mark guidelines, an average of 25% over the past 3 years is the maximum allowed.

Costs of own fundraising in percent	16,7%	23%
-------------------------------------	-------	-----

20. Management & administration

Costs incurred for internal management and administration are not charged to the objectives or fundraising, but are listed separately. The seperated Secretary Alliance FfF costs included here came to €159,382

Management and administration costs as percentage of total.	8,1%	7%
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Explanation of the income and expenditure account (cont.)

	<u>2012</u>	<u>2011</u>
	€ x 1,000	€ x 1,000
Specification of personnel costs		
Gross salaries	2.808,9	2.563,4
Supplements	498,2	412,7
Social security contributions	458,0	386,6
Pension	349,5	310,9
From project financing	<u>848,9-</u>	<u>391,6-</u>
	3.265,7	3.282,0
Travel expenses	101,8	112,6
Hired staff	133,3	209,4
Other personnel costs	<u>178,3</u>	<u>286,7</u>
	413,4	608,7
Total	3.679,1	3.890,7
Average # of FTEs in the Netherlands	66,8 FTE	64.7 FTE
Number of FTEs on balance sheet date in the Netherlands	68,6 FTE	65.1 FTE
Average # of FTEs Foreign	6,5 FTE	5.8 FTE
Number of FTEs on balance sheet date foreign	8,4 FTE	4,6 FTE

	Consolidated IKV Pax Christi	
	2012	2011
Proposal Regarding the Appropriation of Result	€	€
Result	230.966	190.578

Motion to adopt and approve

The annual accounts for the IKV Pax Christi Stichting Samenwerkingverband over 2012 was drafted and signed by the Board of Directors and approved by the Supervisory Board on 24 April 2013, including the already accepted proposal regarding the appropriation of result, as presented on p. 18.

Explanation to the Remuneration for the Board of Directors

Itemisation of the director's remuneration as required by VFI

Name	J. Gruiters	F.J.T. Landmeter
Job position	General Director	Director
Type of contract	indefinite	indefinite
hours	36	36
Part-time percentage	100	100
Period	01-01/31-12	01-01/31-12
Salary (EUR)		
Annual Income, gross:		
Gross salary	80.256	73188
Holiday allowance	6.421	5855
Year-end allowance, 13th/14th month	6.661	6075
variable annual income	0	0
Total	93.338	85.118
Employers Social Security costs	8.518	8518
Taxable Disbursement	135	2
Employers Pension contribution	11.549	10397
Other (future) benefits	-	-
Severance entitlement	-	-
Total remuneration 2012	113.540	104.035
Total remuneration 2011	111.942	102.573

Boards of Directors

The members of the Supervisory board receive no salary, vacation pay or attendance fees for their work. Travel and other expenses are compensated on the basis of cost incurred.

IKV Pax Christi Stichting Samenwerkingsverband Supervisory Board	1.673	1.400
IKV's Supervisory Board	-	533
Pax Christi's Membership Council	1.175	1.853
	2.848	3.786

**Table: Itemisation of expenses
in €**

Expenditures	Fragile states	Repressive states	Security & Disarmament	Networks for Conflict Prevention	Networks for Peacebuilding	Fundraising Private	Fundraising Institutional	Strengthening Civil Society	Management: & Administration	Secretary costs Alliance FFF	Total 2012	Total 2011
1. Grants and contributions	667.030	96.317	32.698	23.447	-	-	-	13.154	14.366	-	847.012	1.796.449
2. Purchases and acquisitions	1.201.063	498.880	443.844	110.340	143.546	14.841	71.570	17.072	424.848	159.382	3.085.386	2.251.855
3. Publicity and Promotion	310.524	159.782	182.473	-	-	-	-	-	-	-	652.779	444.647
4. Personnel	1.446.228	744.166	849.845	-	-	79.109	151.672	95.156	313.341	-	3.679.517	3.890.738
5. Accommodations	100.178	51.547	58.868	-	-	5.480	10.506	6.591	21.705	-	254.875	334.425
6. Office expenses	18.134	9.331	10.655	-	-	992	1.902	1.193	3.928	-	46.135	30.099
7. General expenses	15	8	9	-	-	1	2	1	3	-	39	3.934
8. ICT	80.031	41.181	47.029	-	-	4.378	8.393	5.266	17.340	-	203.618	294.280
9. Depreciation and interest	71.965	37.030	42.289	-	-	3.937	7.547	4.735	22.633	-	190.136	169.089
10. Management costs	665	338	380	-	-	36	69	43	142	-	1.673	4.609
Total	3.895.833	1.638.580	1.668.090	133.787	143.546	108.774	251.661	143.211	818.306	159.382	8.961.170	9.220.125
	43,6%	18,3%	18,6%	1,5%	1,6%	1,2%	2,8%	1,6%	9,1%	1,8%		
Correction to Regional peace programmes through 2010											50.844	63.877-
Partner in Masterpeace project											250.000	-
Freedom from Fear Alliance parties											2.830.210	2.927.883
										977.688	12.092.224	12.084.131

Explanation to expenses and distribution:

1. Payments to partner organisations with whom we work when carrying out projects.
2. Direct programme costs, i.e. purchasing, hiring, travel and accommodation expenses
3. Direct programme costs for communication
- 4.-10. The total cost of the organisation is based on a retrospectively charted hourly rate allocated to the programmes.

STATEMENT OF INCOME AND EXPENDITURE
2013 BUDGET

	Actual 2012 €	Budget 2013 €
INCOME		
Private fundraising	650.029	600.000
Grants from Institutional Donors	1.119.548	2.579.778
Income joint campaigns	500.000	672.000
Grants from Dutch government	9.952.030	10.057.209
Interest and investment income	88.330	-
Other income	13.253	-
Total income	12.323.190	13.908.987
EXPENSES		
Spent on behalf of objective		
Regional Peace programme through 2010	50.844	-
Partner in Masterpeace	250.000	-
Human Security in Fragile States	3.895.833	4.797.971
Human Security in Repressive States	1.638.580	2.277.364
Security & Disarmament	1.668.090	1.735.642
Networks for conflict prevention	133.787	595.022
Networks for peacebuilding	143.546	-
Strengthening Civil Society	143.211	413.000
The Freedom from Fear Alliance parties' MFS II liabi	2.830.210	2.830.209
	10.754.101	12.649.208
Cost of earning		
Cost of private fundraising	108.774	147.451
Costs of institutional donor fundraising	251.661	161.328
	360.435	308.779
Management and administration		
Cost of management and administration	977.688	951.000
Total liabilities	12.092.224	13.908.987
Result	230.966	-
Appropriation of Result		
Continuity reserve	196.132	
Short term reserve	34.834	
	230.966	



ANNUAL ACCOUNT 2012

Financial Statements 2012

Stichting Samenwerkingsverband IKV Pax Christi

17 April 2013

BALANCE SHEET

(after appropriation of result)

		31 December 2012 €	31 December 2011 €
ASSETS			
Intangible fixed assets	1	224.402	241.844
Tangible fixed assets	2	152.667	188.823
Current accounts	3	263.128	148.989
Receivables	4	328.148	622.447
Cash and Cash Equivalents	5	2.507.186	1.725.724
		3.475.531	2.927.827

BALANCE SHEET

(after appropriation of result)

		31 December 2012	31 December 2011
		€	€
LIABILITIES			
Reserves and funds			
Continuity reserve	6	764.275	374.542
Short term reserve	7	58.421	34.834
Short-term debts			
Subsidy commitments:	8	1.628.392	1.551.496
Other accounts payable	9	309.667	124.892
Other Liabilities	10	714.776	842.063
		<u>2.652.835</u>	<u>2.518.451</u>
		<u><u>3.475.531</u></u>	<u><u>2.927.827</u></u>

Stichting Samenwerkingsverband IKV Pax Christi

STATEMENT OF INCOME AND EXPENDITURE

		Actual 2012 €	Actual 2011 €
INCOME			
Private fundraising	12	563.084	582.438
Grants from Institutional Donors	13	1.079.363	1.246.357
Income from third parties	14	500.000	-
Grants from Dutch government	15	9.952.030	9.974.977
Interest and investment income		60.006	46.338
Other income		13.253	10.032
Total income		12.167.736	11.860.142
EXPENSES			
Spent on behalf of the objective	16		
Regional Peace Programme through 2010		50.844	63.877-
Partners in Masterpeace project		250.000	-
Human Security in Fragile States		3.895.833	3.484.573
Human Security in Repressive States		1.638.580	2.023.131
Security & Disarmament		1.668.090	1.961.657
Networks for conflict prevention		133.787	47.245
Strengthening Civil Society		143.211	150.481
The Freedom from Fear Alliance parties' MFS II liabilities		2.830.210	2.927.883
		10.610.555	10.531.093
Acquisition costs			
Cost of private fundraising	17	108.774	154.357
Cost of institutional donor fundraising		251.661	196.808
		360.435	351.165
Management and administration			
Cost of management and administration	18	772.177	790.407
Total Expenditures		11.743.167	11.672.665
Result		424.569	187.477
Appropriation of Result			
Continuity reserve		389.735	
Short term reserve		34.834	
		424.569	

Cash flow Statement

	2012	2011
	€	€
Year End Result	424.567	187.477
Adjusted for		
Depreciations	183.072	168.725
Changes in provisions	11.246-	-
Interest on income and expenditures	60.006-	46.338-
Changes in Working Capital	328.211	954.898
Cash flow from organisation activities	864.598	1.264.762
Interest paid/received	46.338	16.230
Cash Flow from operating activities	910.936	1.280.992
Investment /disinvestment in intangible fixed assets	53.285-	199.034-
Investment/disinvestment in tangible fixed assets	76.189-	41.182-
Cash flow from investing activities	129.474-	240.216-
repayment of borrowings/take-up of long term debt	N.a.	N.a.
Cash flow from financing activities	-	-
Changes in Cash and Cash Equivalents	781.462	1.040.776

Notes to the 2012 Financial Statements Stichting Samenwerkingsverband IKV Pax Christi

General

The 2012 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011) and the Ministry of Foreign Affairs' co-financing system II regulations (of Ministry of Foreign Affairs MFSII regulations).

Reporting Period

The statements are based on a reporting period of one year. The fiscal year coincides with the calendar year.

Reporting Directive for Fundraising Institutions

This report has been drawn up in accordance with the 2008 guidelines for fundraising institutions (RJ650) as published by the Dutch Council for Annual Reporting. These guidelines provide the public with clear criteria for assessing fundraising cost ratios, expenditure of funds and whether these funds have been spent on the goals for which they were intended. Compliance with these reporting guidelines is an important precondition for a charity to obtain and retain the seal of approval from the Central Bureau of Fundraising of the Netherlands (CBF). The following consolidated financial statements have been prepared from the accounting records of IKV Pax Christi and in accordance with the organisation's accounting policies.

Cash flow statement

The cash flow statement is prepared using the indirect method.

Principles for the Valuation of Assets, Liabilities and Financial Results

General

The principles applied in evaluating assets and liabilities and determining financial results are based on nominal value. Revenues and expenses are matched to the period in which they occurred (according to the matching principle). Revenues from legacy are recorded in the year that their size can be reliably established.

Principles for the Translation of Foreign Currencies

The currency used throughout this report is the Euro (€).

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates applying on the transaction date. Translation gains and losses are taken to the profit and loss account as expenditure.

Principles for the Valuation of Assets and Liabilities

Intangible Fixed Assets

Intangible fixed assets (software) are valued at purchase price. Amortization is calculated according to the straight-line method in 5 years.

Tangible Fixed Assets

Tangible fixed assets are valued at acquisition price minus depreciation using their estimated economic life time. Any residual value is taken into account.

The annual depreciation is set as basis for the following structure:

- IT equipment and software: First year 40%, second year 30%, third year 20%, fourth year 10%
- furniture and other equipment: According to the straight-line method in 5 years
- system for membership records: According to the straight-line method in 5 years
- refurbishing costs: According to the straight-line method in 10 years

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.)

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

Financial Instruments

Financial Instruments include receivables, cash and cash equivalents, cash and accounts receivables, current liabilities and other liabilities. Financial instruments are initially recognised at fair value. After initial recognition the financial instruments are measured at amortised costs on the basis of the effective interest method. The amortised costs equals the fair value. The fair value is based on the estimated present value of the future net cash flows. Purchased loans and other receivables are measured at amortised costs on the basis of the effective interest method, less impairment losses. Financial commitments that are not held for trading are carried at amortised cost on the basis of the effective interest rate method.

Reserves

The IKV Pax Chrsti policy on continuity reserve meets the requirements of the CBF.

Special Purpose Reserve

The purpose of the special purpose reserve is determined by the Board.

Special purpose reserves are resources provided for fixed purposes as specified by a third party.

Provisions

Provisions should be valued at the nominal value of the expenses expected to be incurred in settling the liabilities and losses.

A provision is recognised if the following applies:

- the company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably; and
- it is probable that an outflow of economic benefits will be required to settle the obligation

Long Term Debts and Current Liabilities

The valuation of the long-term debts and current liabilities are described under the paragraph financial instruments.

The start up expenses MFS2 are in a straight-line method in 3 years booked.

Commitments of which the grant is announced in the book year are fully recorded in that year.

Balance positions for current projects consist of grants yet to be received and costs yet to be paid for these projects.

Donations and subsidies

In 2006, IKV foundation's ruling body and Pax Christi's Membership Council decided to book the two organisation's income from individuals and institutional funding as the partnership's income. This is done after deducting the resources that the two entities require for their own activities and organisational expenses. Legacies left specifically to IKV or Pax Christi are not included here, nor are results from previous financial years. IKV and Pax Christi contract out the implementation of their programmes and services to Stichting Samenwerkingsverband IKV Pax Christi

Costs

The organisational expenses are allocated on the basis of actual cost of the number of hours really worked.

- a. Objectives
- b. Cost of fundraising
- c. Management and administration costs

These are specified in the table explaining expense distribution.

Pensions

Pensions as part of the employee benefit. The main principle is that the pension charge to be recognised for the reporting period should be equal to the pension contributions payable to the pension fund over the period. Insofar as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future

The pension scheme is financed externally at sector pension Zorg en Welzijn. The coverage of the sector pension as per December 31, 2012 is 101%.

In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is likely that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the staff and other (explicit or implicit) commitments to staff. The liability is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date. (bron BV KPMG).

This mandatory text is not applicable to IKV Pax Christi. So no additional commitments are recorded

Explanation of the balance sheet

	31 December	31 December	
	2012	2011	
	€	€	
1. Intangible fixed assets			
Balance as at 31/12			
Software	213.449	226.491	
Licences	10.953	15.353	
	224.402	241.844	
Movement in intangible fixed assets:			
	Software	Licences	Total
Balance as at January 1			
Purchase Value	270.757	49.736	320.493
Accumulated depreciation	44.266	34.383	78.649
Book value	226.491	15.353	241.844
Changes in book value			
Purchases	48.526	4.759	53.285
Disinvestments	-	-	-
Depreciations	61.568	9.159	70.727
Balance	13.042-	4.400-	17.442-
Balance as at December 31			
Purchase Value	319.283	54.495	373.778
Accumulated depreciation	105.834	43.542	149.376
Book value	213.449	10.953	224.402
2. Tangible fixed assets			
Balance as at 31/12			
Inventory	8.204	20.657	
ICT hardware	71.629	67.807	
Renovation	72.834	100.359	
	152.667	188.823	
Movement in tangible fixed assets			
	Inventory	ICT hardware	Renovation
Balance as at January 1			
Purchase Value	184.389	433.123	275.247
Accumulated depreciation	163.732	365.316	174.888
Book value	20.657	67.807	100.359
Changes in book value			
Investments	8.480	67.709	-
Disinvestments	-	-	-
Depreciations	20.933	63.887	27.525
Balance	12.453-	3.822	27.525-
Balance as at December 31			
Purchase Value	192.869	500.832	275.247
Accumulated depreciation	184.665	429.203	202.413
Book value	8.204	71.629	72.834

Explanation of the balance sheet (cont.)

	31 December 2012	31 December 2011
	€	€
3. Current accounts		
Stichting Katholieke Vredesbeweging	20.813	-
Stichting IKV	23.692	2.525
Vereniging Pax Christi	190.561	146.464
Alliantie partners	28.062	-
	<u>263.128</u>	<u>148.989</u>
4. Receivables		
Matra	-	75.211
EU	23.766	20.591
PCI / SIPP	-	145.490
Other donors	45.541	56.752
Subtotal	<u>69.307</u>	<u>298.044</u>
Prepaid acquisition cost of MFS II 2011-2015	47.856	95.712
Prepaimants and recievables and guarantees	<u>210.985</u>	<u>228.691</u>
	<u>328.148</u>	<u>622.447</u>
Accounts Receivables not due within one year		
5. Cash and Cash equivalents		
Deposits (term under 3 months)	1.962.646	1.339.096
Credit balances on Dutch Bank accounts	536.870	370.768
Cash balance	7.670	15.860
	<u>2.507.186</u>	<u>1.725.724</u>
6. Continuity reserve		
Continuity reserve as at January 1	374.542	221.899
Allocation of the result	389.734	152.643
Balance as at December 31	<u>764.276</u>	<u>374.542</u>
7. Short term reserve		
Balance as at January 1	34.834	-
Paid to partner	11.246	
Allocation of the result *	34.833	34.834
Balance as at December 31	<u>58.421</u>	<u>34.834</u>

*) Interest from MFS II resources that will be disbursed for the objective

The 5-year forecast shows that the amount of interest we expect to receive each year is under €100,000. This income will be used for the objective.

Explanation of the balance sheet (cont.)

	31 December 2012 €	31 December 2011 €
8 Subsidy commitments		
Ministry of Foreign Affairs not spent 2012 MFS II to use in 2013 *	526.429	582.650
Ministry of Foreign Affairs MR Fund not spent in 2012 to use in 2013	379.439	174.421
Ministry of Foreign Affairs Fund not spent in 2012 to use in 2013	136.514	-
Communities of Change Alliance not spent in 2012 to use in 2013	336.531	270.995
Payment obligation allotted grants	68.441	233.655
Other expenses to be paid	22.053	253.273
Prepaid by PSO	35.746	36.502
Other prepaid grants by donors	123.239	-
	<u>1.628.392</u>	<u>1.551.496</u>
* Under the grant conditions this sum can be spent in the following years of the grant period (through 2015).		
9 Accounts payable	309.667	124.892
10 Other short term liabilities		
Current accountant StIKAV		7.267
MFS II grant still to be paid to Freedom from Fear Alliance parties	-	357.128
Taxes and social security contribution	355.379	211.476
Reserveration for leave days and holiday allowance	274.324	238.554
Payable salaries and pension contributions	3.323	6.903
Other debts, accruals and deferred income	81.750	20.735
	<u>714.776</u>	<u>842.063</u>

11 Off-Balance sheet assets and liabilities

- a IKV Pax Christi has €95,058 in commitments to ongoing partner contracts.
- b IKV Pax Christi has given a bank guarantee for €13,977 for the property located at Korte Elisabethstraat. The lease runs at least to June 2013. The annual rent is €66,250.
- c The scanner/copier machine is leased for €21,098 per year.
- d The maintenance contract on the 'Inventive' administrative system costs €13,198 per year.
- e The Ministry of Foreign Affairs has granted co-financing system (MFS II) funds for totalling €44,935,967 for the 2011 through 2015 period for the Freedom from Fear Alliance.
- f IKV Pax Christi is leading party in the Freedom from Fear Alliance. As such it bears legal responsibility toward the Ministry of Foreign Affairs for all obligations of the entire alliance.

Stichting Samenwerkingsverband IKV Pax Christi

Explanation of the Income and expenditure account

	2012	2011
	€	€
12 Income from private fundraising		
Contributions private fundrasing Vereniging IKV Pax Christ	493.686	474.873
Contribution private fundraising Stichting IKV	57.585	86.765
Donations	11.813	20.800
	<u>563.084</u>	<u>582.438</u>
13 Income from institutional fundraising		
EU	23.672	35.710
Other domestic donors	929.066	967.645
Foreign donors	126.625	228.343
Discounts received	-	14.659
	<u>1.079.363</u>	<u>1.246.357</u>
14 Income third parties		
Dutch Postcode Lottery	500.000	-
	<u>500.000</u>	<u>-</u>
15 Grants Dutch Government		
<i>Direct</i>		
Ministry of Foreign Affairs (MFS II)	6.143.294	5.689.558
Freedom from Fear Alliance parties	2.830.210	2.927.883
Other funds	183.373	338.716
	<u>9.156.877</u>	<u>8.956.157</u>
<i>Indirect</i>		
Communities of Change Alliance	589.085	409.496
PSO	211.776	162.619
Other indirect	5.708-	446.705
	<u>795.153</u>	<u>1.018.820</u>
 Total grants from dutch government	 9.952.030	 9.974.977

The Ministry of Foreign Affairs Subsidy (MFS II) allocated an amount totalling €44,935,967 for the Freedom from Fear Alliance for the period 2011 through 2015

Explanation of the income and expenditure account (cont.)

2012	2011
% or €	% or €

16 Spent on behalf of the objective

Expenditures on the objective were subdivided by project over six categories. All costs were ascribed to the programmes.

Programme costs(x €1,000)	Direct	Indirect	Total
Human Security in Fragile States	2.178,6	1.717,2	3.895,8
Human Security in Repressive States	755,0	883,6	1.638,6
Security & Disarmament	659,0	1.009,1	1.668,1
Networks for conflict prevention	133,8	-	133,8
Stengthening Civil Society	30,2	113,0	143,2
	3.756,6	3.722,9	7.479,5
Regional peace programmes through 2010			50,8
Partners in Masterpeace project			250,0
The Freedom from Fear Alliance parties' MFS II liabilities			2.830,2
			10.610,6

Allocation is based on logbook results.

Details are shown in Table Itemisation of expenses (page 34)

Percentage spent on objective in relation to income.	87,0%	89%
Percentage spent on objective in relation to liabilities.	90,0%	90%

17. Cost of private fundraising

The full direct and indirect cost of fundraising is thought necessary to guarantee continuance of fundraising consistent with CBF quality mark guidelines, an average of 25% over the past 3 years is the maximum allowed.

Costs of own fundraising in percent	19,3%	27%
-------------------------------------	-------	-----

18. Management & administration

Costs incurred for internal management and administration are not charged to the objectives or fundraising, but are listed separately. The seperated Secretary Alliance FfF costs included here came to €159,382

Management and administration costs as percentage of total.	6,6%	7%
---	------	----

Explanation of the income and expenditure account (cont.)

	2012	2011
	€ x 1,000	€ x 1,000
Specification of personnel costs		
Gross salaries	2.808,9	2.563,4
Supplements	498,2	412,7
Social security contributions	458,0	386,6
Pension	349,5	310,9
From project financing	848,9-	391,6-
	3.265,7	3.282,0
Travel expenses	101,8	112,6
Hired staff	133,3	209,4
Other personnel costs	178,3	286,7
	413,4	608,7
Total	3.679,1	3.890,7
Average # of FTEs	66,8 FTE	64.7 FTE
Number of FTEs on balance sheet date in the Netherlands	68,6 FTE	65.1 FTE
Average # of FTEs Foreign	6,5 FTE	5,8 FTE
Number of FTEs on balance sheet date foreign	8,4 FTE	4,6 FTE

Stichting Samenwerkingsverband IKV Pax Christi

	2012	2011
Proposal Regarding the Appropriation of Result	€	€
Result	424.569	187.477

Motion to adopt and approve

The annual accounts for the IKV Pax Christi Stichting Samenwerkingsverband over 2012 was drafted and signed by the Board of Directors and approved by the Supervisory Board on 24 April 2013, including the already accepted proposal regarding the appropriation of result, as presented on p. 37

Explanation to the Remuneration for the Board of Directors

Itemisation of the director's remuneration as required by VFI

Name	J. Gruiters	F.J.T. Landmeter
Job position	General Director	Director
Type of contract	indefinite	indefinite
hours	36	36
Part-time percentage	100	100
Period	01-01/31-12	01-01/31-12
Salary (EUR)		
Annual Income, gross:		
Gross salary	80.256	73188
Holiday allowance	6.421	5855
Year-end allowance, 13th/14th month	6.661	6075
variable annual income	<u>0</u>	<u>0</u>
Total	93.338	85.118
Employers Social Security costs	8.518	8518
Taxable Disbursement	135	2
Employers Pension contribution	11.549	10397
Other (future) benefits	-	-
Severance entitlement	-	-
Total remuneration 2012	113.540	104.035
Total remuneration 2011	111.942	102.573

Boards of Directors

The members of the Supervisory board receive no salary, vacation pay or attendance fees for their work. Travel and other expenses are compensated on the basis of cost incurred.

IKV Pax Christi Stichting Samenwerkingsverband Supervisory Board	1.673	1.400
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**Table: Itemisation of expenses
in €**

Expenditures	Fragile states	Repressive states	Security & Disarmament	Networks for Conflict Prevention	Fundraising Private	Fundraising Institutional	Strengthening Civil Society	Management: & Administration	Secretary costs Alliance FfF	Total 2012	Total 2011
1. Grants and contributions	667.030	96.317	32.698	23.447			13.154	14.366	-	847.012	1.796.449
2. Purchases and acquisitions	1.201.063	498.880	443.844	110.340	14.841	71.570	17.072	219.337	159.382	2.736.329	1.850.063
3. Publicity and Promotion	310.524	159.782	182.473	-	-	-	-	-	-	652.779	444.647
4. Personnel	1.446.228	744.166	849.845	-	79.109	151.672	95.156	313.341	-	3.679.517	3.890.738
5. Accommodations	100.178	51.547	58.868	-	5.480	10.506	6.591	21.705	-	254.875	332.399
6. Office expenses	18.134	9.331	10.655	-	992	1.902	1.193	3.928	-	46.135	30.072
7. General expenses	15	8	9	-	1	2	1	3	-	39	113
8. ICT	80.031	41.181	47.029	-	4.378	8.393	5.266	17.340	-	203.618	294.280
9. Depreciation and interest	71.965	37.030	42.289	-	3.937	7.547	4.735	22.633	-	190.136	167.676
10. Management costs	665	338	380	-	36	69	43	142	-	1.673	2.223
Total	3.895.833	1.638.580	1.668.090	133.787	108.774	251.661	143.211	612.795	159.382	8.612.113	8.808.660
	45,1%	19,0%	19,3%	1,6%	1,3%	2,9%	1,7%	7,1%	1,9%		
Correction to Regional peace programmes through 2010										50.844	63.877-
Partners in Masterpeace project										250.000	
Freedom from Fear Alliance parties										2.830.210	2.927.883
										11.743.167	11.574.993

Explanation to expenses and distribution:

1. Payments to partner organisations with whom we work when carrying out projects.
2. Direct programme costs, i.e. purchasing, hiring, travel and accommodation expenses
3. Direct programme costs for communication
- 4.-10. The total cost of the organisation is based on a retrospectively charted hourly rate allocated to the programmes.



Independent auditor's report

To: the Board of Directors of Stichting Samenwerkingsverband IKV Pax Christi

Report on the financial statements

We have audited in this report from page 17 to page 49 accompanying financial statements 2012 of Stichting Samenwerkingsverband IKV Pax Christi, Utrecht, which comprise the balance sheet as at 31 December 2012, the profit and loss account for the year then ended and the notes comprising a summary of the accounting policies and other explanatory information.

The directors's responsibility

The directors of the Foundation is responsible for the preparation and fair presentation of the financial statements and for the preparation of annual report, both in accordance with the Guideline for annual reporting 650 'Fundraising Institutions' of the Dutch Accounting Standards Board. Furthermore, the directors are responsible for such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 Samenwerkingsverband IKV Pax Christi as at 31 December 2012, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 'Fundraising Institutions' of the Dutch Accounting Standards Board.

Report on annual report

We have no deficiencies to report as a result of our examination whether the annual report, to the extent we can assess, has been prepared in accordance with the Guideline for annual reporting 650 'Fundraising Institutions' of the Dutch Accounting Standards Board. Further, we report that the management board report, to the extent we can assess, is consistent with the financial statements.

The Hague, 24 april 2013

KPMG Accountants N.V.

J.A.A.M. Vermeeren RA



ANNUAL ACCOUNT 2012

Financial Statements 2012

Stichting Interkerkelijk Vredesberaad

woensdag 17 april 2013

BALANCE SHEET

(after appropriation of result)

		31 December 2012 €	31 December 2011 €
ASSETS			
Receivables	1	21.569	31.659
Cash and Cash Equivalents	2	1.384.244	1.361.631
		1.405.813	1.393.290

BALANCE SHEET

(after appropriation of result)

		31 December 2012	31 December 2011
		€	€
LIABILITIES			
Reserves and funds			
Continuity reserve	3	1.369.424	1.369.424
Short-term debts			
Equity loan	4	12.606	14.771
Other accounts payable	5	23.693	2.525
Other Liabilities	6	90	6.570
		<u>36.389</u>	<u>23.866</u>
		<u>1.405.813</u>	<u>1.393.290</u>

Stichting Interkerkelijk Vredesberaad

STATEMENT OF INCOME AND EXPENDITURE

		Actual 2012	Actual 2011
		€	€
INCOME			
Private fundraising	7	22.432	1.243
Interest		21.771	31.095
Total income		44.203	32.338
EXPENSES			
Spent on behalf of the objective	8		
Networks for conflict prevention		43.622	31.501
		43.622	31.501
Management and administration	9		
Cost of management and administration		581	837
Total Expenditures		44.203	32.338
Result		-	-

Cash flow Statement

	2012	2011
	€	€
Year End Result	-	-
Adjusted for		
Depreciations	-	-
Changes in provisions	-	-
Interest on income and expenditures	21.771-	31.095-
Changes in Working Capital	13.289	608.729
Cash flow from organisation activities	8.482-	577.634
Interest paid/received	31.095	27.341
Cash Flow from operating activities	22.613	604.975
Investment /disinvestment in intangible fixed assets	-	-
Investment/disinvestment in tangible fixed assets	-	-
Cash flow from investing activities	-	-
repayment of borrowings/take-up of long term debt	N.a.	N.a.
Cash flow from financing activities	-	-
Changes in Cash and Cash Equivalents	22.613	604.975

Notes to the 2012 Financial Statements Stichting Interkerkelijk Vredesberaad

General

The 2012 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011) and the Ministry of Foreign Affairs' co-financing system II regulations (of Ministry of Foreign Affairs MFSII regulations).

Reporting Period

The statements are based on a reporting period of one year. The fiscal year coincides with the calendar year.

Reporting Directive for Fundraising Institutions

This report has been drawn up in accordance with the 2008 guidelines for fundraising institutions (RJ650) as published by the Dutch Council for Annual Reporting. These guidelines provide the public with clear criteria for assessing fundraising cost ratios, expenditure of funds and whether these funds have been spent on the goals for which they were intended. Compliance with these reporting guidelines is an important precondition for a charity to obtain and retain the seal of approval from the Central Bureau of Fundraising of the Netherlands (CBF). The following consolidated financial statements have been prepared from the accounting records of IKV Pax Christi and in accordance with the organisation's accounting policies.

Cash flow statement

The cash flow statement is prepared using the indirect method.

Principles for the Valuation of Assets, Liabilities and Financial Results

General

The principles applied in evaluating assets and liabilities and determining financial results are based on nominal value. Revenues and expenses are matched to the period in which they occurred (according to the matching principle). Revenues from legacy are recorded in the year that their size can be reliably established.

Principles for the Translation of Foreign Currencies

The currency used throughout this report is the Euro (€).

Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates applying on the transaction date. Translation gains and losses are taken to the profit and loss account as expenditure.

Principles for the Valuation of Assets and Liabilities

Intangible Fixed Assets

Intangible fixed assets (software) are valued at purchase price. Amortization is calculated according to the straight-line method in 5 years.

Tangible Fixed Assets

Tangible fixed assets are valued at acquisition price minus depreciation using their estimated economic life time. Any residual value is taken into account.

The annual depreciation is set as basis for the following structure:

- IT equipment and software: First year 40%, second year 30%, third year 20%, fourth year 10%
- furniture and other equipment: According to the straight-line method in 5 years
- system for membership records: According to the straight-line method in 5 years
- refurbishing costs: According to the straight-line method in 10 years

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.)

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

Financial Instruments

Financial Instruments include receivables, cash and cash equivalents, cash and accounts receivables, current liabilities and other liabilities. Financial instruments are initially recognised at fair value. After initial recognition the financial instruments are measured at amortised costs on the basis of the effective interest method. The amortised costs equals the fair value. The fair value is based on the estimated present value of the future net cash flows. Purchased loans and other receivables are measured at amortised costs on the basis of the effective interest method, less impairment losses. Financial commitments that are not held for trading are carried at amortised cost on the basis of the effective interest rate method.

Commitments of which the grant is announced in the book year are fully recorded in that year.

Balance positions for current projects consist of grants yet to be received and costs yet to be paid for these projects.

Donations and subsidies

In 2006, IKV foundation's ruling body and Pax Christi's Membership Council decided to book the two organisation's income from individuals and institutional funding as the partnership's income. This is done after deducting the resources that the two entities require for their own activities and organisational expenses. Legacies left specifically to IKV or Pax Christi are not included here, nor are results from previous financial years. IKV and Pax Christi contract out the implementation of their programmes and services to Stichting Samenwerkingsverband IKV Pax Christi

Costs

The organisational expenses are allocated on the basis of actual cost of the number of hours really worked.

- a. Objectives
- b. Cost of fundraising
- c. Management and administration costs

These are specified in the table explaining expense distribution.

Explanation of the balance sheet

	31 December 2012	31 December 2011
	€	€
1 Receivables		
Other receivables	21.569	31.659
	<u>21.569</u>	<u>31.659</u>
2 Cash and cash equivalents		
Deposits (term under 3 months)	1.238.014	1.306.966
Credit balance on Dutch Bank accounts	146.230	54.665
	<u>1.384.244</u>	<u>1.361.631</u>
3 Continuity reserve		
Continuity reserve as at January 1	1.369.424	1.369.424
Allocation of the result	-	-
Balance as at December 31	<u>1.369.424</u>	<u>1.369.424</u>
4 Equity loan		
Drawn but not called fund units	8.516	9.877
Interest owed on equity loan	4.090	4.894
Balance as at December 31	<u>12.606</u>	<u>14.771</u>

Explanation of the balance sheet (cont.)

	31 December 2012 €	31 December 2011 €
5 Current accounts		
Current accounts Stichting Samenwerkingsverband IKV Pax Christi	23.693	2.525
	<u>23.693</u>	<u>2.525</u>
6 Other short term liabilities		
VU Chair M-J Faber 2008 en 2009	-	6.501
Bank and other costs	90	69
	<u>90</u>	<u>6.570</u>

Stichting Interkerkelijk Vredesberaad

Explanation of the Income and expenditure account

	2012	2011
	€	€
7 Income from private fundraising		
Gifts and donations	23.627	27.920
Vredesweek collecten	54.140	60.088
Legacies	2.250	-
Contribution private fundraising Stichting IKV pax Christi	57.585-	86.765-
	22.432	1.243
8 Spent on objective Networks for peacebuilding		
Support for research on Human Security from Below	27.123	25.000
Contribution Chair Vrije Universiteit MJ Faber	16.499	6.501
Miscellaneous expenses	-	-
	43.622	31.501
9 Cost Management and administration		
Office expenses	24	27
Management costs	198	533
Other costs	359	277
	581	837

Proposal Regarding the Appropriation of Result

	<u>2012</u>	<u>2011</u>
	€	€
Result	-	-

Motion to adopt and approve

The annual accounts for the IKV Pax Christi Stichting Samenwerkingverband over 2012 was drafted and signed by the Board of Directors and approved by the Supervisory Board on 14 May 2013.



ANNUAL ACCOUNT 2012

Financial Statements 2012

Vereniging "Vredesbeweging Pax Christi Nederland"

woensdag 17 april 2013

Vereniging "Vredesbeweging Pax Christi Nederland"

BALANCE SHEET

(after appropriation of result)

[illegible]

Vereniging "Vredesbeweging Pax Christi Nederland"

BALANCE SHEET

(after appropriation of result)

		31 December 2012	31 December 2011
		€	€
LIABILITIES			
Reserves and funds			
Continuity reserve	3	2.479	2.479
Short-term debts			
Short term debts	4	191.223	147.378
		193.702	149.857

Vereniging "Vredesbeweging Pax Christi Nederland"

STATEMENT OF INCOME AND EXPENDITURE

		Actual 2012	Actual 2011
		€	€
INCOME			
Private fundraising	5	64.513	63.164
Grants from institutional donors	6	40.185	12.566
Interest		223	200
Total income		104.921	75.930
EXPENSES			
Spent on behalf of the objective	7		
Networks for peace building		59.416	58.023
		59.416	58.023
Management and administration	8		
Cost of management and administration		45.505	17.907
Total Expenditures		104.921	75.930
Result		-	-

Vereniging "Vredesbeweging Pax Christi Nederland"

Cash flow Statement

	<u>2012</u>	<u>2011</u>
	€	€
Year End Result	-	-
Adjusted for		
Depreciations	-	-
Changes in provisions	-	-
Interest on income and expenditures	223-	200-
Changes in Working Capital	3.131	7.082-
Cash flow from organisation activities	<u>2.908</u>	<u>7.282-</u>
Interest paid/received	200	208
Cash Flow from operating activities	<u>3.108</u>	<u>7.074-</u>
Investment /disinvestment in intangible fixed assets	-	-
Investment/disinvestment in tangible fixed assets	-	-
Cash flow from investing activities	<u>-</u>	<u>-</u>
repayment of borrowings/take-up of long term debt	N.a.	N.a.
Cash flow from financing activities	<u>-</u>	<u>-</u>
Changes in Cash and Cash Equivalents	<u><u>3.108</u></u>	<u><u>7.074-</u></u>

Notes to the 2012 Financial Statements Vereniging "Vredewebeweging Pax Christi Nederland

General

The 2012 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011) and the Ministry of Foreign Affairs' co-financing system II regulations (of Ministry of Foreign Affairs MFSII regulations).

Reporting Period

The statements are based on a reporting period of one year. The fiscal year coincides with the calendar year.

Reporting Directive for Fundraising Institutions

This report has been drawn up in accordance with the 2008 guidelines for fundraising institutions (RJ650) as published by the Dutch Council for Annual Reporting. These guidelines provide the public with clear criteria for assessing fundraising cost ratios, expenditure of funds and whether these funds have been spent on the goals for which they were intended. Compliance with these reporting guidelines is an important precondition for a charity to obtain and retain the seal of approval from the Central Bureau of Fundraising of the Netherlands (CBF). The following consolidated financial statements have been prepared from the accounting records of IKV Pax Christi and in accordance with the organisation's accounting policies.

Cash flow statement

The cash flow statement is prepared using the indirect method.

Principles for the Valuation of Assets, Liabilities and Financial Results

General

The principles applied in evaluating assets and liabilities and determining financial results are based on nominal value. Revenues and expenses are matched to the period in which they occurred (according to the matching principle). Revenues from legacy are recorded in the year that their size can be reliably established.

Principles for the Translation of Foreign Currencies

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Principles for the Valuation of Assets and Liabilities

Intangible Fixed Assets

Intangible fixed assets (software) are valued at purchase price. Amortization is calculated according to the straight-line method in 5 years.

Tangible Fixed Assets

Tangible fixed assets are valued at acquisition price minus depreciation using their estimated economic life time. Any residual value is taken into account.

The annual depreciation is set as basis for the following structure:

- IT equipment and software: First year 40%, second year 30%, third year 20%, fourth year 10%
- furniture and other equipment: According to the straight-line method in 5 years
- system for membership records: According to the straight-line method in 5 years
- refurbishing costs: According to the straight-line method in 10 years

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.)

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

Financial Instruments

Financial Instruments include receivables, cash and cash equivalents, cash and accounts receivables, current liabilities and other liabilities. Financial instruments are initially recognised at fair value. After initial recognition the financial instruments are measured at amortised costs on the basis of the effective interest method. The amortised costs equals the fair value. The fair value is based on the estimated present value of the future net cash flows. Purchased loans and other receivables are measured at amortised costs on the basis of the effective interest method, less impairment losses. Financial commitments that are not held for trading are carried at amortised cost on the basis of the effective interest rate method.

Commitments of which the grant is announced in the book year are fully recorded in that year.

Balance positions for current projects consist of grants yet to be received and costs yet to be paid for these projects.

Donations and subsidies

In 2006, IKV foundation's ruling body and Pax Christi's Membership Council decided to book the two organisation's income from individuals and institutional funding as the partnership's income. This is done after deducting the resources that the two entities require for their own activities and organisational expenses. Legacies left specifically to IKV or Pax Christi are not included here, nor are results from previous financial years. IKV and Pax Christi contract out the implementation of their programmes and services to Stichting Samenwerkingsverband IKV Pax Christi

Costs

The organisational expenses are allocated on the basis of actual cost of the number of hours really worked.

- a. Objectives
- b. Cost of fundraising
- c. Management and administration costs

These are specified in the table explaining expense distribution.

Vereniging "Vredesbeweging Pax Christi Nederland"

Explanation of the balance sheet

	31 December 2012	31 December 2011
	€	€
1 Receivables		
Accounts receivables Inheritances and legacies	79.551	79.000
Account receivable 'Mensen van Goede Wil'	47.751	7.566
Interest and interest gifts	178	177
	<u>127.480</u>	<u>86.743</u>
2 Cash and cash equivalents		
Deposits (no term)	66.222	63.114
3 Continuity reserve		
Continuity reserve as at January 1	2.479	2.479
Allocation of the result	-	-
Balance as at December 31	<u>2.479</u>	<u>2.479</u>
4 Short-term debts		
Current account 'Samenwerkingsverband IKV Pax Christi	190.560	146.464
Other short term liabilities	663	914
Balance as at December 31	<u>191.223</u>	<u>147.378</u>

Vereniging "Vredesbeweging Pax Christi Nederland"

Explanation of the Income and expenditure account

	2012	2011
	€	€
5 Income from private fundraising		
Gifts and donations	317.682	320.592
Contribution	95.185	81.698
Vredesweek collection	43.770	48.113
Legacies	101.562	75.068
Contribution private fundraising Stichting IKV pax Christi	493.686-	462.307-
	<u>64.513</u>	<u>63.164</u>
6 Income form institutional fundraising		
Mensen van Goede Wil	40.185	12.566
	<u>40.185</u>	<u>12.566</u>
7 Networks for peacebuilding		
Contribution Pax Christi International	59.416	58.023
8 Cost Management and administration		
Council of members	1.448	1.853
Costs private fundraising	40.508	12.566
Bank and other costs	3.549	3.488
	<u>45.505</u>	<u>17.907</u>

Vereniging "Vredesbeweging Pax Christi Nederland"

Proposal Regarding the Appropriation of Result

	<u>2012</u>	<u>2011</u>
	€	€
Result	-	-

Motion to adopt and approve

The annual accounts for the Vereniging "Vredesbeweging Pax Christi Nederland" over 2012 was drafted and signed by the Board of Directors on 29 May 2013.



ANNUAL ACCOUNT 2012

Financial Statements 2012

Stichting Katholieke vredesbeweging

woensdag 17 april 2013

BALANCE SHEET

(after appropriation of result)

		31 December 2012	31 December 2011
		€	€
ASSETS			
Tangible fixed assets	1	7.539	8.953
Financial fixed assets	2	26.470	26.070
Receivables	3	1.676	8.892
Cash and Cash Equivalents	4	200.577	213.671
		236.262	257.586

BALANCE SHEET

(after appropriation of result)

		31 December 2012	31 December 2011
		€	€
LIABILITIES			
Continuity reserve	5	55.264	248.867
Provisions	6	160.000	8.719
Short term debts	7	20.998	-
		236.262	257.586

Stichting Katholieke Vredeweging

STATEMENT OF INCOME AND EXPENDITURE

		Actual 2012	Actual 2011
		€	€
INCOME			
Private fundraising	8	161.700	195.072
Income interest and from investment	9	6.330	6.597
Total income		168.030	201.669
EXPENSES			
Spent on behalf of the objective			
Gifts	10	161.700	195.072
		161.700	195.072
Management and administration	11		
Cost of management and administration		199.933	3.495
Total Expenditures		361.633	198.567
Result		193.603-	3.102

Cash flow Statement

	2012	2011
	€	€
Year End Result	193.603-	3.102
Adjusted for		
Depreciations	1.414	1.413
Changes in provisions	151.281	-
Interest on income and expenditures	6.330-	6.597-
Changes in Working Capital	27.547	30.816-
Cash flow from organisation activities	19.691-	32.898-
Interest paid/received	6.597	14.182
Cash Flow from operating activities	13.094-	18.716-
Investment /disinvestment in intangible fixed assets	-	-
Investment/disinvestment in tangible fixed assets	-	-
Cash flow from investing activities	-	-
repayment of borrowings/take-up of long term debt	N.a.	N.a.
Cash flow from financing activities	-	-
Changes in Cash and Cash Equivalents	13.094-	18.716-

Notes to the 2012 Financial Statements Stichting Katholieke Vredesbeweging

General

The 2012 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011) and the Ministry of Foreign Affairs' co-financing system II regulations (of Ministry of Foreign Affairs MFSII regulations).

Reporting Period

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Reporting Directive for Fundraising Institutions

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Cash flow statement

The cash flow statement is prepared using the indirect method.

Principles for the Valuation of Assets, Liabilities and Financial Results

General

The principles applied in evaluating assets and liabilities and determining financial results are based on nominal value. Revenues and expenses are matched to the period in which they occurred (according to the matching principle). Revenues from legacy are recorded in the year that their size can be reliably established.

Principles for the Translation of Foreign Currencies

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Transactions denominated in foreign currency are translated into the relevant functional currency of the group companies at the exchange rate applying on the transaction date. Monetary assets and liabilities denominated in foreign currency are translated at the balance sheet date into the functional currency at the exchange rate applying on that date. Non-monetary assets and liabilities in foreign currency that are stated at historical cost are translated into euros at the applicable exchange rates applying on the transaction date. Translation gains and losses are taken to the profit and loss account as expenditure.

Principles for the Valuation of Assets and Liabilities

Intangible Fixed Assets

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Tangible Fixed Assets

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The annual depreciation is set as basis for the following structure:

- IT equipment and software: First year 40%, second year 30%, third year 20%, fourth year 10%
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- system for membership records: According to the straight-line method in 5 years
- refurbishing costs: According to the straight-line method in 10 years

Assets with a long life should be tested for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverability of assets in use is determined by comparing the carrying amount of an asset with the estimated present value of the future net cash flows which the asset is expected to generate.)

If the carrying amount of an asset exceeds the estimated present value of the future cash flows, impairment is charged to the difference between the carrying amount and the recoverable amount.

The Stichting Katholieke vredesbeweging (STIKAV) has signed a lease agreement with the lessor for a period extending through 2028. The rent is free of charge; its value is estimated at €161,000 per year. The lessee makes this property available to the IKV Pax Christi Partnership Foundation. These donations are included in STIKAV's and IKV Pax Christi partnership's annual accounts; the virtual rent is booked in the most recent annual accounts.

Financial Instruments

Financial Instruments include receivables, cash and cash equivalents, cash and accounts receivables, current liabilities and other liabilities. Financial instruments are initially recognised at fair value. After initial recognition the financial instruments are measured at amortised costs on the basis of the effective interest method. The amortised costs equals the fair value. The fair value is based on the estimated present value of the future net cash flows. Purchased loans and other receivables are measured at amortised costs on the basis of the effective interest method, less impairment losses. Financial commitments that are not held for trading are carried at amortised cost on the basis of the effective interest rate method.

Commitments of which the grant is announced in the book year are fully recorded in that year.

Balance positions for current projects consist of grants yet to be received and costs yet to be paid for these projects.

Reserves

The IKV Pax Christi policy on continuity reserve meets the requirements of the CBF.

Special Purpose Reserve

The purpose of the special purpose reserve is determined by the Board.

Special purpose reserves are resources provided for fixed purposes as specified by a third party.

Provisions

Provisions should be valued at the nominal value of the expenses expected to be incurred in settling the liabilities and losses.

A provision is recognised if the following applies:

- the company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably; and
- it is probable that an outflow of economic benefits will be required to settle the obligation

During 2012 it became clear Stikav had to include an provision due to the foreseen asbestos abatement of a total amount of 160,000 euro.

Donations and subsidies

In 2006, IKV foundation's ruling body and Pax Christi's Membership Council decided to book the two organisation's income from individuals and institutional funding as the partnership's income. This is done after deducting the resources that the two entities require for their own activities and organisational expenses. Legacies left specifically to IKV or Pax Christi are not included here, nor are results from previous financial years. IKV and Pax Christi contract out the implementation of their programmes and services to Stichting Samenwerkingsverband IKV Pax Christi

Costs

The organisational expenses are allocated on the basis of actual cost of the number of hours really worked.

- a. Objectives
- b. Cost of fundraising
- c. Management and administration costs

These are specified in the table explaining expense distribution.

Explanation of the balance sheet

Explanation of the balance sheet

	31 December 2012 €	31 December 2011 €
1 Tangible fixed assets		
Balance as at 31/12		
Inventory	7.539	8.953
Movement in intangible fixed assets:		
Balance as at January 1		
Purchase Value	14.136	14.136
Accumulated depreciation	5.183	3.770
Book value	8.953	10.366
Changes in book value		
Purchases	-	-
Disinvestments	-	-
Depreciations	1.414	1.413
Balance	1.414-	1.413-
Balance as at December 31		
Purchase Value	14.136	14.136
Accumulated depreciation	6.597	5.183
Book value	7.539	8.953
2 Financial fixed assets		
Balance Oikocredit as at January 1	26.070	25.676
Stock dividend	400	394
Balance Oikocredit as at December 31	26.470	26.070
3 Receivables		
Accounts receivables	1.676	1.624
Balance account IKV Pax Christi	-	7.268
	1.676	8.892
4 Cash and cash equivalents		
Current accounts	155.105	207.001
Saving accounts	45.472	6.670
	200.577	213.671
5 Continuity reserve		
Continuity reserve as at January 1	248.867	245.766
Allocation of the result	193.603-	3.101
Balance as at December 31	55.264	248.867

Explanation of the balance sheet

	31 December 2012	31 December 2011
	€	€
6 Provision		
Maintenance as at January 1	8.719	8.719
Donation	151.281	-
Maintenance as at December 31	160.000	8.719
7 Short-term debts		
Current account Samenwerkingsverband IKV Pax Christi	20.813	-
Other Liabilities	185	-
Balance as at December 31	20.998	-

Explanation of the Income and expenditure account

	<u>2012</u>	<u>2011</u>
	€	€
8 Income from private fundraising		
Donation, value of free rent	161.700	195.072
9 Income from interest and investments		
Interest	5.930	6.202
Dividend	400	394
	<u>6.330</u>	<u>6.596</u>
10 Spent on behalf of the objective		
Gifts, provision of business accommodation	161.700	195.072
IKV Pax Christi Samenwerkings verband		
11 Cost Management and administration		
Accommodation costs	198.001	2.026
Depreciations	1.414	1.413
Other liabilities	518	56
	<u>199.933</u>	<u>3.495</u>

Proposal Regarding the Appropriation of Result

	<u>2012</u>	<u>2011</u>
	€	€
Result	193.603-	3.102

Motion to adopt and approve

The annual accounts for the Stichting Katholieke vredesbeweging over 2012 was drafted and signed by the Board of Directors on 22 April 2013, including the already accepted proposal regarding the appropriation of result, as presented on p. 33