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CORDAID FINANCIAL STATEMENTS 2023

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

(after proposed appropriation of funds)

X € 1.000	NOTE	31 DEC 2023	31 DEC 2022
Assets			
Fixed assets			
- Intangible fixed assets	01	101	118
- Tangible fixed assets	02	265	570
		366	688
Financial fixed assets			
- Issued in connection with the objectives	03	48,418	61,751
- Investments	04	24,886	22,814
		73,304	84,565
Receivable from grants	05	54,370	67,004
Other receivables			
- Inventories	06	1,617	1,385
- Work advances partner organisations	06	7,852	2,858
- Receivable from inheritances	06	620	506
- Interest receivable	06	588	1,637
- Derivatives	06	1,384	3,694
- Other receivables	06	6,476	1,872
		18,536	11,953
Cash and Bank	07	78,076	70,141
Total assets		224,652	234,351
X € 1.000	NOTE	31 DEC 2023	31 DEC 2022
Liabilities			
Reserves and funds			
- Reserves			
▪ Continuity reserve	08	11,500	11,500
▪ Earmarked reserves	08	1,114	1,816
		12,614	13,316
- Funds			
▪ Restricted funds	08	14,438	9,814
▪ Semi-restricted funds	08	20,572	11,568
▪ Loans & guarantees fund	08	48,418	70,618
		83,428	92,000
Total Reserves and Funds		96,042	105,316
Provisions	09	13,419	6,036
		13,419	6,036
Long Term Commitments			
- Project commitments to partners	10	8,458	10,154
- Project commitments to grants	11	21,945	
		30,403	10,154
Current liabilities			
- Project commitments to partners	10	19,126	26,219
- Project commitments to grants	11	51,204	64,527
- Other current liabilities	12	14,459	22,099
		84,790	112,845
Total liabilities		224,652	234,351

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CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES 2023

X € 1,000	NOTE	2023	BUDGET 2023	2022
Income				
Income from private individuals	14	26,605	20,770	23,578
Income from companies	15	573	700	3,224
Benefits of lottery organisations	16	5,474	5,037	5,850
Government grants	17	181,050	150,931	186,709
Income from related (international) organisations	18	2,551	1,803	1,299
Income from other non-profit organisations	19	20,404	44,936	17,880
Total acquired income		236,657	224,177	238,540
Other Income				
Income from sale of goods and or rendering of services	20	4,825	-	4,461
Other income	21	-316	-440	4,979
Total Other Income		4,509	-440	9,440
Total Income		241,166	223,737	247,980
Expenditures on Objectives				
- Program costs				
▪ Healthcare	22	125,236	127,717	124,522
▪ Humanitarian Aid	22	47,596	25,484	54,138
▪ Security & Justice	22	21,454	22,423	8,334
▪ Resilience	22	4,912	808	6,702
▪ Private sector development	22	126	-	2,202
▪ Sustainable livelihoods	22	13,296	24,310	18,250
▪ Education	22	4,813	2,907	1,872
▪ Investments	22	1,416	-	4,949
▪ Other activities	22	8,066	359	6,168
Total expenditure on objectives		226,915	204,008	227,137
- Public information / awareness campaigns	22	4,585	6,250	3,489
- Result from financial assets	23	-1,101	-	9,162
Other expenditure on the objectives		3,484	6,250	12,651
Expenditure on fundraising	22	6,428	3,767	4,291
Management and administration	24	13,716	16,088	9,459
		20,144	19,855	13,750
Total expenditures		250,542	230,113	253,538
Sum of income and expenditures before financial income and expenses		-9,376	-6,376	-5,558
Financial income and expenses				
Financial income and expenses	25	84	183	-3,491
Corporate income tax	25	18	-	-3
Balance of income and expenditures		-9,274	-6,193	-9,052

APPROPRIATION OF FUNDS

X € 1.000	2023	2022
Reserves		
- Semi restricted funds	0	0
- Earmarked reserves	-702	-10,219
	-702	-10,219
Funds		
- Restricted funds	4,624	6,532
- Semi-restricted funds	9,004	3,359
- Loans & guarantees fund	-22,200	-8,724
	-8,572	1,167
Balance of income and expenditures	-9,274	-9,052

In the table below the result per segment is shown. Next to the projects which are implemented with the funds received from private and institutional donors, Cordaid is also using part of its funds and reserves for investments with a social impact. These investments are managed by Cordaid Investment Management BV.

X € 1.000	2023			2022		
	Projects	(Social) Invest-ments	Total	Projects	(Social) Invest-ments	Total
Income						
Income from private individuals and companies	27,178	0	27,178	26,802	-	26,802
Income from (institutional) donors	204,005	0	204,005	205,887	-	205,887
Income from social investments	0	1,101	1,101	-	1,049	1,049
Other income	8,882	0	8,882	14,242	-	14,242
Total Income	240,065	1,101	241,166	246,931	1,049	247,980
Expenditure						
On objective	-226,915	0	-226,915	-228,990	-10,798	-239,788
Fundraising, management & administration	-23,628	0	-23,628	-13,750	-	-13,750
Total Expenditure	-250,543	0	-250,543	-242,740	-10,798	-253,538
Financial income and expenses	84	0	84	-4,346	855	-3,491
Corporate income tax	18	0	18	-3	-	-3
Result	-10,375	1,101	-9,274	-158	-8,894	-9,052
Adjustments in Reserves and Funds	0	0	0	-170	170	-
Result Allocation	-10,375	1,101	-9,274	-328	-8,724	-9,052

PERFORMANCE INDICATORS

In 2023 the following performance indicators were derived from the statement of income and expenditure, these are offset against the indicators of previous year and based on the budget:

PERFORMANCE INDICATORS	2023	BUDGET 2023	2022
Ability to spend income on charitable activities			
- Income-to-pending ratio	95.5%	91%	96.7%
(% total expenditure on objectives vs. total project income)			
Overall efficiency of the organisation			
- Total program-to-spending ratio	92.0%	91%	94.6%
(% total expenditure on objectives vs. total expenditures)			
- Program-management-to-pending ratio	6.9%	2%	1.8%
(% of program management costs vs total expenditures)			
- Fundraising-to-spending ratio	2.6%	2%	1.7%
(% of expenditure on fundraising costs vs. total expenditures)			
- Management and administration ratio	5.5%	7%	3.7%
(% management and administration vs. total expenditures)			
Efficiency of fundraising			
- Fundraising ratio (% cost of generating funds vs. total acquired income)	2.7%	2%	1.8%

- **Income-to-spending ratio:** 95.5%. Income and expenditure on objectives follow the same trend compared to the previous year.
- **Program-to-spending ratio:** 92.0%. This ratio is compared to 2022 lower and in line with the approved budget. Program expenditure follows the same pattern as overall expenditure. The decrease of this ratio is an indication that the indirect program costs increased in percentage compared to the direct project costs.
- **Program-management-to-spending ratio:** 6.9%. Program management costs are relatively low compared to overall expenditure. The increase compared to 2022 is mainly due to ineligible project costs.
- **Fundraising-to-spending ratio:** 2.6%. 2023 is higher than the previous year, mainly due to higher (€1.1m) expenditure on the "door-to-door" campaigns.
- **Management & administration ratio:** 5.5%. Management & administration costs have increased compared to 2022. This increase is mainly due to a higher dotation to the general provisions in 2023. We refer to note 10.
- **Fundraising ratio:** 2.7%. Fundraising costs have increased compared to 2022.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

The movement of cash and cash equivalents is as following:

X € 1.000	2023	2022
Cash flows from operating activities		
Incoming resources	241,166	247,980
Resources expended	-250,542	-253,538
Operating Result	-9,376	-5,558
Adjustments for:		
- Amortisation intangible fixed assets	40	46
- Depreciation tangible fixed assets	257	369
- Result on disposal of tangible fixed assets	-48	-3
- Movement in provisions	7,383	693
- Unrealized investments gains and losses	-2,072	3,840
	5,560	4,945
Movements in working capital:		
- Receivables	6,051	-17,904
- Financial fixed assets (connected to the objectives)	13,333	869
- Project commitments	-8,790	-3,813
- Project commitments to grants	8,622	12,189
- Other current liabilities	-7,654	4,175
	11,563	-4,484
Cash generated from operations		
- Corporate Income tax	18	-
- Interest paid/received	195	156
	213	156
Cash flows from operating activities	7,960	-4,941
Cash flows from investing activities		
Investments in intangible fixed assets	12	-95
Investments in tangible fixed assets	-48	-63
Investments/Divestments not related to the objective	12	-330
Cash flows from investing activities	-24	-488
Net cash flow	7,935	-5,429
X € 1.000	2023	2022
Cash and cash equivalents as at 1 January 2023	70,141	75,570
Change in cash and cash equivalents	7,935	-5,429
Cash and cash equivalents as at 31 December 2023	78,076	70,141
	78,076	

GENERAL NOTES & ACCOUNTING PRINCIPLES

1. GENERAL NOTES

1.1 Activities

Cordaid is an internationally operating, value-based development and humanitarian assistance organisation. It has emerged from the Dutch Protestant and Catholic traditions of fighting poverty and social injustices both in the Netherlands and worldwide. Christian social teachings on human dignity and the values of justice, compassion and care for the earth inspire and guide Cordaid's work. Cordaid does this by promoting equality and social inclusion, by offering humanitarian aid and by increasing the health, security & justice and resilience of people and their communities as well as by strengthening the relationships between citizens, civil society, private sector and governments. Cordaid focuses aid efforts in some of the world's most conflict-torn and volatile countries like South Sudan, Afghanistan, the Democratic Republic of Congo. In the Netherlands, Cordaid encourages cooperative entrepreneurship for people with a low income and poor job prospects.

Cordaid is a foundation. Its objectives as described in its Articles of Association are as follows (translated from Dutch):

In accordance with the evangelical message and inspired by the Christian community in the Netherlands, the purpose of the foundation is to carry out activities focused on:

- a. providing emergency and refugee aid;*
- b. providing aid to specific groups, such as the elderly, the disabled and children;*
- c. providing medical aid; and*
- d. all aspects related to structural poverty relief of subordinated groups, especially in developing countries, and in Central and Eastern Europe and the Netherlands.*

The group consists of the following entities:

- Stichting Cordaid, The Hague
- Stichting Cordaid Participaties, The Hague
- Corpav BV, The Hague
- Stichting Cordaid Expats, The Hague
- Stichting ICCO, The Hague
- ICCO Southern Africa NPC
- Cordaid Investment Management BV, The Hague
- West Africa Bright Future Fund GP BV (until 19-12-2023)
- ICCO Group BV, The Hague
- FairClimateFund BV, Utrecht *
- Fair & Sustainable Participations, Brazil *
- Cordaid SA NPC

The objective of Stichting Cordaid Expats is to employ expatriates working for Stichting Cordaid. All income and costs for expats are administrated by Stichting Cordaid. Stichting Cordaid Participaties' objective is to invest in social enterprises worldwide via loans or through participation. Both foundations have the same Board of Directors as Stichting Cordaid.

Corpav BV made direct and indirect investments in social enterprises all over the world with Stichting Cordaid Participaties as its only shareholder. Corpav is no longer active since 2022.

Cordaid Investment Management BV has the objective to act as asset manager for one or more investment institutions. Currently Cordaid Investment Management BV manages the social impact investment portfolio of Stichting Cordaid, which holds 100% of the shares of Cordaid Investment Management BV.

Stichting Cordaid holds 100% of the shares of Cordaid SA NPC. The nature of business and principal activities of this subsidiary is relief and development aid in line with the objectives of Stichting Cordaid.

ICCO Group holds, directly and indirectly, all or the majority shares in all the entities mentioned above, marked with a star (*).

The address of all foundations and companies is:

Grote Marktstraat 45
2511 BH
The Hague
The Netherlands
Dutch Chamber of Commerce: 41160054

The Board of Directors of Stichting Cordaid bears the ultimate responsibility for the general course of affairs at Stichting Cordaid. The Board of Directors is tasked with the management of the foundation, including running its day-to-day business and implementing its programs and activities. The Board is responsible for Cordaid's corporate governance structure and its compliance with good governance rules.

The budget, the annual report and the annual accounts which are all prepared by the Board of Directors, are subject to adoption by the Supervisory Board after advice from the Audit Committee. The composition of the Supervisory Board is such that its members can act critically and independently from one another, from the Board and of any particular interests. The Supervisory Board is responsible for supervising the Board and the general course of affairs at Cordaid. The Supervisory Board also adopts the multi-annual strategic policy plan drafted by the Board of Directors and approves the annual plan.

The members of the Board of Directors of Stichting Cordaid in 2023 were:

- L.C. Zevenbergen, CEO (until 1-07-2023)
- H. van den Berg, CEO (since 01-10-2023)
- L. Paz Quintero, CFO
- Y. van der Schoot, COO

During 2023, the Supervisory Board members of Stichting Cordaid were:

- A.J.M. Heerts, Chair (until 1-04-2024)
- R. Peetboom, Vice chair and member Remuneration Committee
- J. Alders-Sheya, Chair and member Audit Committee
- D. Cheng, member Audit Committee
- J.M. Niessen, Member Remuneration Committee (since 04-01-2023)
- L. Mulder, Member Remuneration Committee (since 04-01-2023)
- M.I. de Wal, member (since 18-04-2023)

- J.A. van den Bos, member (since 01-04-20223)
- J.A.N. Stuyt, member (since 04-01-2023)
- M.W.J.A. Landheer-Regouw (until 31-03-2023)
- M. van Beek (until 1-11-2023)

The Board members of Stichting ICCO, Stichting Cordaid Participations, Corpav BV, Stichting Cordaid Expats, Cordaid Investment Management B.V. and the ICCO Group are the same as for Stichting Cordaid at 31 December 2023.

On 31 December 2023, R.C. van der Geest is the director of Fair Climate Fund BV, W.J.J. Schasfoort is the director of Fair & Sustainable Consulting BV. We don't have any directors in F&S Participacoes Empreendimentos Sustentaveis do Brasil. ICCO Group BV is the only shareholder of these companies.

1.2 Relevant events during 2023 and 2024

As the foundation operates in fragile and volatile settings where communities and governments alike struggle to absorb and mitigate economic, political and environmental shocks and risks, the inherent (financial) risks are also higher for Cordaid. The integrity breaches of 2022, in the Democratic Republic of Congo (hereafter DRC) and other countries, have been investigated (and confirmed) and adequately dealt with at the different managerial levels. These events have brought to light the need to further strengthen our compliance and control processes and to continue investing in integrity and risk awareness. The organisation drew lessons learned from the cases and embarked on a trajectory to strengthen the Internal Control Framework, as well as the knowledge on the adequate use of internal controls across the organisation as a preventative strategy. The main findings included the need to strengthen the internal controls regarding the project administration and monitoring of the timely closure of projects. In 2023 there were no new major integrity issues.

Cordaid formulated an action plan to tackle the different findings in a structured and organised manner. This builds further on the action plan for the organisation 'Resilient Cordaid' and the internal control trajectory 'Bolster our Base' that was rolled out from end of 2022 and is strengthened further in 2023. Cordaid will continue on this road in the following years.

The main areas in the action plan are as follows:

- Continuous improvements in the Integrity Policy & Procedure Framework and effectiveness of this framework;
- Structured documentation of integrity reports;
- Improvement of the financial administration in relation to project administration in country offices;
- Implementation of the strategic process that was started in 2021, with specific focus on the following trajectories:
 - Business and operational model review and next steps
 - New financial framework and consistent implementation throughout all countries
 - Internal Control framework review and identification/closure of "gaps"
 - Review Internal Audit function
 - Culture trajectory with specific focus on cultural aspects of integrity and accountability
 - Remaining follow-up DRC findings, including discussions and settlements with donors
 - Staffing of the finance function at the global head office
 - Visible follow-up of findings by our auditor in our management letter and audit findings report and other internal and external audit findings (including periodic scheduling in the Audit Committee meetings).

Furthermore, due to the high turnover of staff in the finance departments of the country offices and at the global office in the Netherlands, up to changes in the composition of the board of directors, we are also facing delays in the publication of our annual accounts. We realise that due to this delay, we are not fully compliant with accountability standards. We remain fully committed to delivering our mission according to expected standards and we stay committed to resolve the current delay. Cordaid has proactively informed its main donors and stakeholders in case of non-compliance with contract conditions and filing obligations and has received continued support and extensions to meet the requirements.

Despite the many efforts, the year 2023 was a very challenging year for Cordaid, as our operational capabilities were stretched. We needed to further professionalise our internal controls and risk management, increase the quality of income, and reorganise to enhance the overall effectiveness and efficiency of our organisation. In 2023, Cordaid started a new strategy project that will be ready by the end of 2024 to make sure that our impact stays strong and our results at least break even. Further work on the roll out of the business model, finance function, internal control function and internal audit function will continue in the upcoming years. It is expected that the organisation, upon completion, will be able to deliver our strategic ambitions for the future.

In 2024, questions were raised in some donor projects which needed to be answered before the financial statements 2023 could be closed.

1.3 Going concern

The financial statements are prepared on the going concern basis.

The financial year 2023 closed with a loss of €9.3m and total reserves and funds for €96.0m. The total reserves and funds includes a continuity reserve of €11.5m. The latest estimate of the financial result for 2024 amounts to a loss of €11.0m. For 2025 the goal is an operational break-even result. The foundation has negative operational results for multiple years now, but the funds and reserves were sufficient to absorb these losses. To achieve a healthy and financially sustainable organisation, the management has developed a strategic compass until 2030. Cordaid will further focus its programmatic strategy and the core elements in the upcoming years. Therefore, the management is winding down the investment programme managed by CIM BV. This means a repurpose of the Loans & Guarantees (L&G) reserves, including the West Africa Bright Future Fund in 2024. It is expected that most of the loans will be repaid in 2025 as the entire unwinding process can be concluded in 2029.

For 2025, there is a break-even budget which is possible because loss making activities were stopped and budgets and fte's are reduced.

Management has prepared a cashflow analysis for the period 2024-2028. Based on the analysis performed, management is of the opinion that the assumed going concern triggers do not cast reasonable doubt on the entity's ability to continue as a going concern in the foreseeable future. However, management is committed to taking steps to improve the long-term financial sustainability of the organisation and safeguard the continuity reserve.

1.4 Estimates

In applying accounting policies and standards for preparing annual accounts, the Board of Cordaid is required to make estimates and judgments that might significantly influence the amounts disclosed in the annual accounts. If necessary for the purposes of providing the view required under Section 362(1), Book 2 of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, are disclosed in the notes to the relevant items. We refer to note 4 provisions in 'Issued in connection with the objectives', note 7 doubtful debts in 'Other receivables' and note 10 'Provisions'.

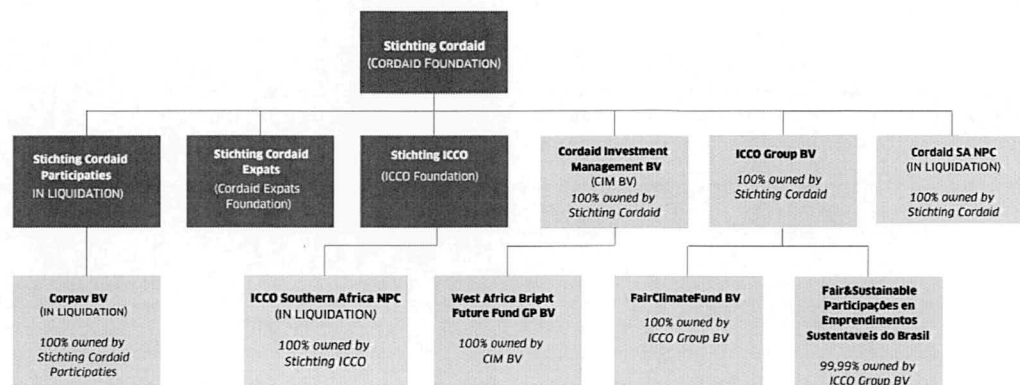
1.5 Consolidation

The consolidation includes the financial information of Stichting Cordaid and the entities over which Stichting Cordaid exercises control, or whose central management it conducts. All entities over which Cordaid exercises control or whose central management it conducts are consolidated in full.

Intercompany transactions, profits and balances among consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are eliminated as well, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities were changed where necessary in order to align them to the prevailing group accounting policies. Shares without voting rights are disregarded in determining whether there is a group company.

1.6 Legal Structure

The legal structure of Cordaid per 31-12-2023 is:



2. ACCOUNTING PRINCIPLES

2.1 General

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

The financial information of the Company is fully incorporated in the consolidated annual accounts. Using article 2:402 of the Dutch Civil Code, a condensed profit and loss account in the foundation only financial statements is sufficient.

2.2 Foreign currency

Functional currency

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

Transactions, receivables and payables

Transactions in foreign currencies during the period are included in the financial statements at the exchange rate as per the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate.

The exchange differences arising from the settlement and translation are credited or charged to the statement of income and expenditure.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions.

Translation differences on non-monetary assets such as equities held at fair value through income or expenditure are recognised through income or expenditure as part of the fair value gain or loss.

2.3 Intangible fixed assets

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

2.4 Tangible fixed assets

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

2.5 Financial fixed assets

Issued in connection with the objectives:

Loans, guarantees and participations

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

Derivatives

Derivatives are valued at fair value. Derivatives with a negative value are presented under current liabilities.

Changes in the value of derivatives and transactions costs are recognised directly in the statement of income and expenditure.

Investments:

Bonds and shares

Bonds and shares are measured at fair value. Changes in value and transaction costs are recognised through income or expenditure.

Transaction costs are charged directly to the statement of income and expenditure.

2.6 Non-current asset impairment

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

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

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

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

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

2.7 Receivables

General

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

Receivables from inheritances

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

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

2.8 Cash and cash equivalents

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

2.9 Reserves and funds

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

- The continuity reserve is created to ensure that Cordaid can meet its legal and moral obligations in case of a significant fall in income in the future. The reserve is determined by the possible risks Cordaid might face in the future. This reserve can be used to cover the negative results related to these risks, in the situation that the negative result cannot be covered by any other reserves. The continuity reserve has remained below the maximum size (1.5 times the work organisation's annual cost), as stated in the Association of Fundraising organisations 'Reserves of Charities' code (Goede Doelen Nederland). The maximum continuity reserve according to the code is €113.9 million.
- Earmarked reserves are earmarked for future spending on the objectives of Cordaid. The Board of Directors decides on the actual purpose of the reserves, based on internally-agreed criteria.
- The restricted funds are earmarked for a specific project as agreed upon with third-party donors.
- Semi-restricted funds are earmarked for activities related to a certain topic, but not limited to specific projects.
- The loans and guarantees fund is committed for loans, guarantees and equities connected to the objectives of Cordaid. The result on these financial assets and the costs of managing this portfolio reflect the changes in the fund in a year.

2.10 Provisions

Provisions are recognised for legally enforceable or constructive obligations existing at the balance sheet date, the settlement of which will probably require an outflow of resources whose extent can be reliably estimated.

Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations at the balance sheet date.

Unless indicated otherwise, provisions are stated at the present value of the expenditure expected to be required to settle the obligations.

2.11 Project commitments

The partner commitments are recognised in accordance with the guideline from 'Goede Doelen Nederland'. For contracts which are classified as an unconditional subsidy, the expenses will be recognised as soon as a contract is issued and are stated at the fair value stated in the contract, net of any payments.

The contracted expenses will be recognised fully in the statement of income and expenses at the signing of the contract. On the balance sheet, the amount is registered as a liability to the project partner.

2.12 Liabilities

General

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

Operating lease

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

Project commitments

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

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

3.1 General

Income and expenses are recognised in the statement of income and expenditure in the year to which they relate. The allocation is made consistently with

previous years. The balance of funds is defined as the difference between income and expenses. Income is accounted for in the year it was realised, and losses are accounted for as soon as they are identified.

3.2 Income recognition

Income from private individuals and companies

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

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

Income from lottery organisations

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

Income from other non-profit organisations

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

Income from government grants

Grants and subsidies are recognised in the statement of income and expenditure in the year in which the subsidised costs are incurred. The income is recognised based on the actual project expenses related to the grant. Under this category, income is included which is received directly from government organisations, like ministries, embassies, and donors which get their funding from government organisations, for example similar INGOs as Cordaid, World Bank and Global Fund.

Gifts in kind

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

Result of loans, guarantees and participations

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

Income from sale of goods and/or rendering of services

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

3.3 Exchange rate differences

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

3.4 Depreciation on (in) tangible fixed assets

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

3.5 Employee benefits

Short-term employee benefits

Salaries, wages and social security contributions are recognised in the statement of income and expenditure based on the pay and benefits package to the extent that they are payable to employees.

Pensions

Cordaid's pension plan is administered by the Zorg en Welzijn Pension Fund (PFZW), a pension fund for the health and welfare sector. Employees retirement and accrued pension entitlements partner pensions are based on their pensionable salary for full-time employment, net of the state-pension offset. The pension fund endeavours to index-link all pensions in payment based on the general salary development in the collective labor agreements that apply to the affiliated employers in a particular year. The pension fund decides every year whether index-linking would be appropriate and, if so, what index to use given the financial situation and expected developments in that situation. In doing so, the pension fund uses nominal and realistic coverage ratios as benchmarks. Although the pension fund may decide to apply catch-up index linking, such a decision will not have a retroactive effect and will not trigger subsequent payments. Index linking is funded partially from contributions and partially from the return on plan assets. The coverage ratio on the 31st of December 2022 was 109,5%. The cover ratio on 31 December 2023 was 106,3%.

Contributions are recognised as employee benefit expenses as soon as they are payable. Prepaid contributions are recognised within prepayments and accrued income if they entail a refund or a reduction in future payments. Contributions payable are disclosed as liabilities in the balance sheet.

3.6 Financial income and expenses

Interest paid and received

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

Interest income and income from investments

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

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

Changes in financial instruments at fair value

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

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

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

4.1 Market risk

Currency risk

Cordaid operates in a wide variety of countries. The currency risk for Cordaid largely concerns positions in USD and currencies that are closely related to the USD.

Cordaid management is monitoring the FX risk and maintaining awareness on the topic at headquarters as well as at the Country Office level.

The most relevant foreign exchange exposures related to the loan & guarantee investments are hedged via swap and forward contracts: this applies both for the USD positions and the most exotic currencies in which Cordaid invested.

Price risk

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

Interest rate and cash flow risk

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

Credit risk

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

Liquidity risk

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

4.2 Ethical risk

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

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

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

In this context we make specific reference to note 10 setting out the financial effects and uncertainties in relation to allegations of integrity breaches in our country office in the Democratic Republic Congo (hereafter: DRC).

5. NOTES TO THE CASH FLOW STATEMENT

The cash flow statement is prepared by using the indirect method. The funds in the cash flow statement comprise cash and cash equivalents. Cash flows in foreign currencies are translated at an average rate.

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTANGIBLE FIXED ASSETS

Movements of the intangible fixed assets are as follows:

X € 1,000	IT SYSTEM	SOFTWARE	TOTAL
Balance as at 1 January 2023			
Cost	390	95	485
Accumulated amortisation	-364	-3	-367
Carrying value as at 1 January 2023	26	92	118
Changes			
Purchases	0	26	26
Disposals	-14	0	-14
Amortisation	0	-40	-40
Amortisation on disposals	12	0	12
Total changes	-2	-15	-16
Balance at 31 December 2023			
Cost	376	120	497
Accumulated amortisation	-352	-43	-395
Carrying value as at 31 December 2023	24	77	101
Amortisation percentages	20%	33%	20%/33%

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The IT system mainly concerns the development of the IT system which the ICCO foundation has developed. During the phase-out period of the ICCO foundation until 2024, the IT system will still be used. The software consists of licences used during the operation activities of parts the Cordaid Group.

All assets are held for business operations.

2. TANGIBLE FIXED ASSETS

Movements of the tangible fixed assets are as follows:

X € 1.000	BUILDINGS	IT EQUIPMENT	FURNITURE AND FITTINGS	VEHICLES	TOTAL
Balance as at 1 January 2023					
Cost	1,220	4,648	1,898	188	7,954
Accumulated depreciation	-760	-4,646	-1,793	-185	-7,384
Carrying value as at 1 January 2023	460	3	105	3	570
Changes					
Purchases	-	-	-	-	-
Disposals	-	-22	-13	-13	-48
Depreciation	-245	-	-42	-	-287
Depreciation on disposals	-	19	-	10	29
Total changes	-245	-3	-55	-3	-306
Balance at 31 December 2023					
Cost	1,220	4,626	1,884	175	7,905
Accumulated depreciation	-1,005	-4,627	-1,835	-175	-7,641
Carrying value as at 31 December 2023	215	-0	50	0	265
Depreciation percentages	10%	33%	20%	33%	

The tangible assets mainly concern the investments in the office in The Hague, as well as the furniture and fittings. All assets are held for business operations.

3. FINANCIAL FIXED ASSETS ISSUED IN CONNECTION WITH THE OBJECTIVES

Outstanding loans and participations are recognised as financial assets issued in connection with the objectives.

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

Movements in the financial assets were as follows in 2023.

X € 1.000	LOANS	PARTICIPATIONS	TOTAL
Balance 1 January 2023			
Value of portfolio at 1 January 2023	57,259	19,037	76,296
Provision at 1 January 2023	-14,545	0	-14,545
Carrying amount 1 January 2023	42,714	19,037	61,751
Changes in portfolio			
Loans and guarantees issued	7,721	0	7,721
Loans and guarantees repaid	-14,629	0	-14,629
Participations acquired/committed	0	399	399
Participations sold/commitments withdrawn	0	-647	-647
Impaired loans and guarantees/withdraw from provision	-2,524	7	-2,517
Revaluation of participations	0	-1,963	-1,963
Currency gains and losses	-2,435	243	-2,192
Change in value of portfolio at 31 December 2023	-11,868	-1,961	-13,828
Changes in the provision			
Impaired loans and guarantees/withdraw from provision	1,739	0	1,739
Allocated to provision for participations/loans and guarantees	-1,216	-28	-1,244
Provision at 31 December 2023	523	-28	495
Value of portfolio at 31 December 2023	45,391	17,077	62,468
Provision at 31 December 2023	-14,022	-28	-14,050
Carrying amount 31 December 2023	31,370	17,049	48,418

Loans

The provision on loans and guarantees remained at the same level as in 2022 (increase in 2022 was €7.3m), however €2.1m of the provision end of 2022 was used for its purpose while €2.2m was added in 2023. The total provision as a percentage of the outstanding portfolio is 32% (2022:25%). The provision has increased significantly in 2022 due to tough economic market conditions and negative currency exchange results mainly in our portfolio in Myanmar, Sierra Leone and Mali. These conditions have not significantly changed in 2023 compared to 2022, therefore the underlying assumptions for the value of the loans have not changed in 2023.

The outstanding loans are the amounts actually transferred to partner organisations.

To secure the loans and guarantees portfolio, the following types of collateral have been pledged on a portion of the loans "loan portfolio pledges, debentures, corporate and/or personal guarantees, mortgages and subordinating loans to our loans and guarantees. The average interest rate on the loans and guarantees is 11%.

Loans and guarantees

Loans and guarantees will fall due in the following periods:

X € 1.000	LOANS
< 1 year	9,078
1-5 years	37,200
	46,278

Participations

Cordaid takes a prudent approach to the valuation of its participations. They are carried at acquisition cost adjusted for impairment. Previously recognised impairments can be (partially) reversed if the original reasons for impairment are no longer valid. The reversal will not result in a carrying amount that exceeds what the amortised cost would have been had the impairment never been recognised. Payments in foreign currencies are recorded at the payment date. Cordaid has the policy of selling all foreign currencies, besides USD, directly upon receipt. Cordaid operates in fragile countries where there is no active market for these equity stakes. Accurate and timely information on valuation is often limited. As a result of these factors, Cordaid adopts a conservative approach towards the valuation of participations. Their fair value is however determined considering suitable valuation methods such as book value principle, price earnings ratios and recent prices of similar investments. The fair value of the participations is equal to or greater than the valuation in the balance sheet according to the valuation at acquisition price adjusted for impairment.

List of participations (in €1.000)

NAME OF ORGANISATION	COUNTRY	OPENING BALANCE 2023	PURCHASED/COM MITED	CURRENCY GAINS & LOSSES	IMPAIRMENT	SOLD	ENDING BALANCE 2023
AAVISHKAR	India	120	0	0	-83	0	37
AGRICROWD BV	The Netherlands	28	14	-14	0	0	28
CAPITAL 4 DEVELOPMENT ASIA FUND COOPERATIEF - A	The Netherlands	2,010	0	0	-1,784	-226	0
CAPITAL 4 DEVELOPMENT ASIA FUND COOPERATIEF - B	The Netherlands	8,206	284	153	742	0	9,385
DIA VIKAS	India	2,893	0	-383	0	0	2,510
FACTS EAST AFRICA BV	The Netherlands	84	0	0	-84	0	0
FPM SA	DRC	3,506	0	112	0	0	3,618
HANDS-ON BV	The Netherlands	467	0	0	-233	0	234
HEKIMA Micro Finance SA	DRC	405	0	0	47	0	452
LIBERATION	United Kingdom	226	0	0	-226	0	1
PROGRESSION CAPITAL AFRICA LTD	Mauritius	635	-178	256	-329	-78	306
PYME CAPITAL	Panama	1	0	0	-1	0	0
SICSA	Panama	1	0	0	-1	0	0
BANCO Fie Bolivia	Bolivia	322	21	0	0	0	343
BANCO ECOFUTURO	Bolivia	71	3	0	0	0	74
CAJA RURAL LOS ANDES	Peru	61	0	0	0	0	61
Manq'a Sociedad	Bolivia	1	0	0	0	0	1
Total value participations		19,037	144	124	-1,952	-304	17,049

As part of the decision taken in 2023 to wind down the investments and loans portfolio, Cordaid will only make new investments if a short term additional investment will support the winding down. The number of participations end of year 2023 is 17 (2022: 26). The total value of the participations has decreased with €2.5m from €19.0m end of year 2022 to €17.0m end of year 2023. This is mainly due to the recognized impairment in 2023.

4. INVESTMENTS

Cordaid selected ING and Van Lanschot in 2015 as their asset managers. Both asset managers were instructed to invest following a defensive to neutral green sustainable profile. The investment strategy has a horizon of 5 to 10 years. Both asset managers receive a fee based on the invested amount only and not a performance-based fee. ING bank and Van Lanschot Bankiers invest in businesses that have sound staff policies in place, that protect the environment and that respect human rights. Cordaid applies its own investments policy, based on the UN Global Compact and the Standard for Financial Management of Fundraising Institutions of Goede Doelen Nederland.

In 2024, the Board of Directors of Cordaid has decided to sell all investments.

The current portfolio investments can be specified as follows:

X € 1.000	31 DEC 2023	31 DEC 2022
Bonds		
Government bonds	6,244	5,481
Corporate bonds	9,045	8,198
Other bonds	929	1,491
Total bonds	16,218	15,170
Shares	7,934	6,944
Other funds	734	700
	24,886	22,814

X € 1.000	SHARES	BONDS	OTHER FUNDS	TOTAL
Opening balance 1 January 2023	6,944	15,170	700	22,814
Purchases	301	389	-	690
Sales	-359	-304	-	-663
(Un)realized gains and losses	1,105	905	35	2,045
Closing balance 31 December 2023	7,991	16,160	735	24,886

The portfolio is carried at fair value based on the known market prices for the specific bonds, shares and funds in the portfolio.

The fair value of the portfolio increased by €2.1m to €24.9m. The favourable foreign exchange rates is the main driver for the increase of the fair value of the investment portfolio. The historical cost price of the portfolio as at 31 December 2023 amounts €20m.

5. RECEIVABLES FROM GRANTS

X € 1.000	31 DEC 2023	31 DEC 2022
Receivables from grants		
Receivables from grants	58,451	72,410
Provision uncollectable receivables from grants	-4,081	-5,406

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Total receivables from grants	54,370	67,004
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Contracts with donors lead to a receivable if costs incurred are higher than advances received from the donor.

The related receivables from grants decreased to €58.5m (2022: €72.4m). The decrease is caused by projects of which the recorded expenses are lower than the of funds received from donors. In 2023 €1.3m of the provision for uncollectable receivables from grants was settled. This has led to a decrease of the provision.

6. OTHER RECEIVABLES

X € 1.000	31 DEC 2023	31 DEC 2022
Other receivables		
Inventories	1,617	1,385
Work advances partner organisations	7,852	2,858
Receivables from inheritances	620	506
Interest receivables	588	1,637
Unrealized exchange result from derivatives	1,383	3,694
Short term loans	3,992	0
Other receivables	2,994	1,930
Doubtful debts	-510	-57
Total Other Receivables	18,536	11,953

Inventories

Inventories relate to the emission rights (Carbon Credits) owned by Fair Climate Fund BV.

Work advances partner organisations

Compared to 2022, advance payments to implementing partners increased by €5.0m to €7.7m. During implementation and execution of projects, Cordaid Country Offices provide advance payments to its implementing partners. These advances are subsequently justified by the partners after implementation of the activities. Given the assignments provided by Cordaid, these partners do not fall under the RJ640/650 regulations. These advances are therefore not accounted for under partner commitments, presented under note 11.

Receivable from inheritances

At the end of year 2023 Cordaid has two cases of usufruct inheritances. The total value of this cases is €408.601,- (2022: €227.961,-).

Interest receivables

Interest receivables relate to the bonds in the investment portfolio, outstanding deposits, savings deposits and outstanding loans and guarantees relating to Cordaid's objectives. Because of the wind down of the loans & guarantees portfolio in 2023, the interest to be received on loans & guarantees end of 2023 has decreased by €1.0m compared to 2022.

Unrealized exchange result from derivatives

To mitigate foreign exchange risks Cordaid uses financial instruments (SWAPS). End of year 2022 the net unrealized exchange result from derivatives was €3.0m. (€3.7m receivable and € -733.0 payable). In 2023 the receivable is €1.4m and the payable € -0.3m. The decrease of both the receivables and payables compared to 2022 is mainly due to the wind down of the financial fixed assets portfolio in 2023.

Short term loans

The short term loans relate to the financial fixed assets on the balance sheet of WABFF (West Africa Bright Future Fund). Cordaid has full control over WABFF.

Other receivables

The other receivables relate mainly to outstanding deposits and securities (2023: €746k, 2022: €777k), outstanding travel advances (2023: €260k, 2022: €348k) and other receivables due to provided SLA services €1.001k.

Doubtful debts

The provision for doubtful receivables relates to prepaid work advances (€50k), staff advances (€110k) and receivable from Caritas Afghanistan (€350k).

Receivable from inheritances

X € 1.000	31 DEC 2023	31 DEC 2022
Receivable from inheritances		
Usufruct	409	228
Other Inheritances	211	278
Total Receivable from inheritances	620	506

Interest Receivables

X € 1.000	31 DEC 2023	31 DEC 2022
Interest Receivables		
Bank & Deposits	13	1
Bonds	4	2
Loans & guarantees issued in connection to the objective	570	1,634
Total Interest Receivable	588	1,637

7. CASH AND CASH EQUIVALENTS

Cash and bank comprise the cash and bank balances of the Cordaid office in The Hague, of the Country Offices abroad, consolidated entities as well as deposits falling due in less than one year. The increase of the cash and cash equivalents from €70.1m to €78.1m during 2023 is mainly due to the wind down of the Loans and participations portfolio. In the consolidated cash flow statement the movements in cash and cash equivalents are explained more.

X € 1.000	31 DEC 2023	31 DEC 2022
Cash and cash equivalents		
Deposit	-	1,559
Bank accounts	77,867	68,112
Cash at hand	209	470
Total Cash and cash equivalents	78,076	70,141

Cordaid has a bank guarantee facility up to a maximum of €2.5m. Bank guarantees have been issued for a total amount of €0.2m (2022: €0.2m):

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one guarantee for the rent agreement of €0.2m (office). Usage of Cordaid bank balances is limited by €0.6m following pension liabilities towards local South Sudan staff (2022: €0.6m).

8. RESERVES AND FUNDS

X € 1.000	CONTINUITY RESERVE	EARMARKED RESERVES	RESTRICTED FUNDS	SEMI-RESTRICTED FUNDS	RESTRICTED FUND LOANS & GUARANTEES	TOTAL RESERVES AND FUNDS
Balance as at 1 January 2023	11,500	1,816	9,814	11,568	70,618	105,316
Changes						
Dotation	0	0	22,969	30,486	0	53,455
Extraction	0	-702	-18,345	-43,682	0	-62,729
Other movements	0	0	0	22,200	-22,200	0
Balance at 31 December 2023	11,500	1,114	14,438	20,572	48,418	96,041

Continuity reserve

The continuity reserve is designed to create a sufficiently large buffer to enable Cordaid to complete ongoing programs appropriately, with due observance of existing legal and moral obligations and staffing them with our own people, if one or more key sources of funding were to dry up unexpectedly or if an unforeseen outflow of cash occurs. At year-end 2018 the continuity reserve was set on €11.5m based on a risk analysis of future events that might lead to unforeseen outflow of funds. Neither additions to, nor withdrawals from the continuity reserve, were made in 2023.

On 31 December 2023, the continuity reserve amounted to €11.5m. This is below the maximum of 1.5 times total costs for the work organisation, formulated by Goede Doelen Nederland. The costs for the work organisation are €75.9 million in 2023 (2022: €69.8). According to the guidelines from Goede Doelen Nederland the maximum of the continuity reserve is €113.9m. The continuity reserve for 2023 complies with these guidelines. The costs for management & administration and fundraising in 2023 were €19.9m.

Earmarked reserves

Earmarked reserves comprise interest income, exchange results, income from investments of temporary surpluses of semi-restricted and restricted funds and income not earmarked for specific topics. The reserves are earmarked for spending on objectives and coverage of operational losses. The allocation of these reserves to different themes, programs and objectives is subject to decision by the Board of Directors. Decision making is based on internally agreed upon criteria.

Restricted funds

Restricted funds are funds received for an earmarked purpose, such as incoming resources for project specific campaigns or other funds specifically allocated to one or more projects.

X € 1.000	BALANCE AS AT 1 JANUARY 2023	INCOMING RESOURCES	PROJECT RESOURCES EXPENDED	BALANCE AS AT 31 DECEMBER 2023
Adoptions, specified donations	1,915	6,739	-2,067	6,587
SHO Acties	7,821	16,112	-16,160	7,773
Fondsen op naam	78	0	0	78
Total restricted funds	9,814	22,851	-18,227	14,438

Restricted funds increased by €4.6m to €14.4m as per 31 December 2023 (2022: €9.8m). The increase is mainly due to specific fundraising campaigns, like "Emergency livelihood support in Logar Province" (€1.4m), "Addressing the pressing needs of shock affected people" (€2.4m) and "Improving quality basic education Burundi" (€0.7m). The SHO incoming resources for Cordaid for the earthquake turkey & syria campaign were €14.4m. For the campaign "Samen in Actie voor Ukraine" the incoming resources in 2023 were €1.7m.

SHO - SAMEN IN ACTIE VOOR UKRAÏNE

X € 1.000	2023	TOTAL (until current book year)
Income		
Incoming resources from third party campaigns	1,684	19,531
Interest	0	1
Total incoming resources	1,684	19,532
Costs for Preparation and coordination (AKV)		
Preparation and coordination	0	723
Total available for charitable activities	1,684	18,809

Resources expended

Breakdown of resources expended locally		
- support offered through local relief providers	0	0
- support offered through international umbrella organisation	5,435	14,349
- support offered through participant	94	1,506
Total resources expended	5,529	15,855

SHO - SAMEN IN ACTIE VOOR BEIROET

X € 1.000	2023	TOTAL (until current book year)
Income		
Incoming resources from third party campaigns	0	1,800
Interest	0	0
Total incoming resources	0	1,800
Costs for Preparation and coordination (AKV)		

Preparation and coordination	0	96
Total available for charitable activities	0	1,704

Resources expended		
Breakdown of resources expended locally		
- support offered through local relief providers	0	640
- support offered through international umbrella organisation	0	1,074
- support offered through participant	0	1
Total resources expended	0	1,715

SHO - EARTHQUAKE TURKEY & SYRIA

X € 1.000	2023	Total (until current book year)
Income		
Incoming resources from third party campaigns	14,428	14,428
Interest	0	0
Total incoming resources	14,428	14,428
Costs for Preparation and coordination (AKV)		
Preparation and coordination	0	0
Total available for charitable activities	14,428	14,428
Resources expended		
Breakdown of resources expended locally		
- support offered through local relief providers	0	0
- support offered through international umbrella organisation	10,631	10,631
- support offered through participant	0	0
Total resources expended	10,631	10,631

SHO allocation key

The key for allocating the income from fundraising activities by the SHO is based on the 3-year average of the volume of emergency aid and reconstruction activities and the income from own fundraising of the participants of SHO.

In the table below the relevant figures for Cordaid in the period 2021-2023 are provided.

X € 1.000	2023	2022	2021
1. Volume of emergency aid and reconstruction activities	41,926	41,513	43,671
2. Income from own fundraising	34,575	31,100	26,291

The volume of delivered emergency aid and reconstruction activities is excluding SHO funds and excluding funds transferred to other organisations in the role of administrative lead agency/horizontal lead agency (for example in the role of lead agency in the Dutch Relief Alliance). The income from own fundraising for 2021 up to 2023 is calculated by the sum of:

- Income from private individuals
- Income from companies
- Income from other non-profit organisations minus income from SHO
- Income from sale of goods and or rendering of services

Semi-restricted funds

Semi-restricted funds are accruals of income from own fundraising that is not earmarked for one specific project, but earmarked for a broadly defined purpose.

In 2023, the balance of the "restricted fund Loans & guarantees" is equalized with the financial fixed assets "Issued in connection with the objectives".

Due to this adjustment, €22.2m has moved from "restricted fund Loans & guarantees" to "Semi-Restricted funds". The specific movement is the main driver behind the increase of the balance of these funds.

Loans & Guarantees Fund

The Loans & Guarantees Fund relates the Loans & Guarantees Program. The resources of the Loans & Guarantees Fund stem from the co-financing program and from own resources. As no new funds are being added to the fund by Cordaid, the portfolio can only grow due to the results from the social impact investments themselves. Grant approvals for projects supporting the social impact investments are deducted from the fund Loans & Guarantees. only change through the result from the social impact investments itself. Grant approvals for projects supporting the social impact investments are deducted from the fund Loans & Guarantees. The operating costs consist of the cost of Cordaid Investment Management BV (CIM BV), including overhead charged from Stichting Cordaid to CIM BV based on the service-level-agreement between these parties. Also, social impact investments outside the scope of the funds managed by CIM BV are financed through this fund up to a cumulative of €5m. The movement in 2023 is to reconcile the fund with the balance of the financial fixed assets. The adjusted amount is moved to unrestricted funds. The balance sheet of the "Restricted fund loans & guarantees" is intended to cover the outstanding loans and participations as included under the financial fixed assets.

X € 1.000	31 DEC 2023	31 DEC 2022
Balance as at 1 January	70,618	79,342
Income from financial assets issued for objectives	0	1,049
Investment income (assets not issued for objectives)	0	-555
Unrealised change in value of derivatives	0	855
Operating costs	0	-2,853
Movement in provision for Loans & Guarantees	0	-7,334
Grant approvals	0	-56
Financial result assets connect to objectives	0	-8,894
Other - movement between funds/reserves	-22,200	170

Closing balance 31 December	48,418	70,618
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9. PROVISIONS

The composition of- and the movements in the provisions in 2023 were as follows:

X € 1.000	REDUNDANCY PROVISION	LONG TIME ILLNESS	BACKDONOR PROJECTS	GUARANTEE OBLIGATION	OTHER PROVISION	TOTAL
Balance as at 1 January 2023	1,009	0	4,481	546	-	6,036
Movements in 2023						
- Addition	416	232	10,869	-	2,084	13,601
- Withdrawn	-581	-	-3,064	-546	-	-4,191
- Released	-	-	-2,027	-	-	-2,027
Total Movements in 2023	-165	232	5,778	-546	2,084	7,383
Balance as at 31 December 2023	844	232	10,259	0	2,084	13,419

Redundancy Provision

The addition to the provision in 2023 relates to Cordaid Global office (€228k), CIM (€36k), CET (€72k) and CSS (€80k).

Long Time Illness

The Long time Illness provision is formed at Global Office and relates to one staff member.

Back Donor Provision

The signals of fraud at partner organisations in the DRC, received in 2021, led to an internal investigation in 2022 and to an additional back donor provision of €1m. In 2023, analysis of terminated Global Fund projects shows potentially ineligible project costs. Cordaid has made a provision of €5.8 million for these ineligible project costs. The back donor provision end of year 2022 at DRC (€2.3m) was almost fully used in 2023. Cordaid has also formed a provision for loss making contracts. The analysis of these projects shows an additional loss of €4.0m.

The 2022 provision of €1.0m for the the CAR office was partly used (€0.3m) and partly released (€0.7m) in 2023. In 2023 an additional provision for potential ineligible project costs of €0.3m was taken into account.

Guarantee Obligation

Cordaid provides guarantees to (bank) institutions who use this to provide loans to third parties. A provision was recognised for the guarantees provided by ICCO, based on an assessment of project risk and global economy risk. In calculating the provision, the payment behaviour of the relevant partner is also taken into account. While the assessed risks are based on the best practices, these risks cannot be precisely determined for some regions. In early 2023 an amount of €111k was called in and paid to a bank institution. Because the activities around providing loans to third parties ended in 2023 a provision is no longer needed and was therefore released.

Other Provisions

Because of cancelled agreements with suppliers a potential legal claim (€656k) from suppliers is taken into account.

In line with the recommendation of our local lawyers, Cordaid has provided for potential legal claims (€1.4m). Both provisions are presented as "Other Provisions". Almost all provisions have a short term character.

10. PROJECT COMMITMENTS

X € 1.000	31 DEC 2023	31 DEC 2022
Partner Commitments		
Long Term Partner Commitments	8,458	10,154
Short Term Partner Commitments	19,126	26,219
Total Partner Commitments	27,584	36,373

The decrease of the partner commitments is due to the increased progress of the project implementation.

11. PROJECT GRANTS RECEIVED IN ADVANCE

X € 1.000	31 DEC 2023	31 DEC 2022
Deferred grants		
Long Term Donor Commitments	21,945	19,457
Short Term Donor Commitments	51,204	45,399
Total Deferred Grants	73,149	64,856

Project Commitments towards donors reflect the total amount of funds received from donors which Cordaid has not yet spend on project implementation.

12. OTHER CURRENT LIABILITIES

X € 1.000	31 DEC 2023	31 DEC 2022
Other Current liabilities		
Accounts payable	330	1,909
Taxes and social security contributions	1,300	2,103
Reservation for leave days and holiday allowance	1,220	1,516
Redundancy provision (short term)	0	387
Participations payable	0	256
Guarantee obligations (short term)	0	111
Derivatives - Liability	286	734
Other accruals and deferred income	11,323	15,083
Total Other Current Liabilities	14,459	22,099

Current liabilities decreased from €22.1m in 2022 to €14.2m in 2023.

13. OFF BALANCE SHEET RIGHTS AND CONTINGENCIES

Off balance sheet rights

Financing contracts with donors

Cordaid recognises the incoming resources from the financing of donor contracts and grant decisions in accordance with the Dutch Accounting Standard 274. This means that incoming resources are recognised at the time resources are spent. The difference between the income recognised and the actual amount received in the form of contributions from donors is recorded on the balance sheet. This results in a "Claims for Grants" position if more resources have been spent than received or in a "Grants Received in Advance" if incoming resources are greater than those spent. Therefore, the full amount of the contract is not disclosed in the financial statements.

Below is an overview of contracts with a spendable amount in future years. Contracts with a spendable amount above €5 million are individually presented.

Funding Organisation	Project Description	Duration	Donor	Cumulative Income	Balance to be
The Global Fund	Investment in fighting AIDS, tuberculosis	2021 - 2024	332.849.200	268.025.019	64.824.181
Ministry of Foreign Affairs	Advocating for peaceful, secure &	2021 - 2025	37.128.635	28.799.473	8.329.162
Netherlands Embassy Ethiopia	Strengthening the health system in	2023 - 2026	23.423.099	5.120.806	18.302.293

Other off balance sheet rights

Inheritances for which a "Rekening van Verantwoording" has been drawn up are recorded as an amount receivable at year end giving a more accurate picture of the receivable amount. The inheritances for which a 'Rekening van Verantwoording' has been received after balance sheet date should be disclosed as off-balance sheet rights. A total amount of €5,8m (2022: €1,3m) has therefore been considered as an off-balance sheet receivable and has not been included in the annual accounts.

Off balance sheet commitments pertaining to lease obligations.

All commitments (including project commitments) are recognised on the balance sheet. For organisational costs, Cordaid's policy, wherever possible, is to avoid long-term contracts with suppliers that include fixed commitments. All contracts can be terminated within 1 year or amounts payable are based on actual usage. Contracts for office rent are the only exceptions.

Cordaid is renting its office building at Grote Marktstraat 45, the Hague. The rental contract commenced on 1 July 2019 and expired on the 30th of June 2024. In 2023 the contract is renewed. The new end date is 30th of June 2029.

As of December 2023, the off-balance sheet liabilities pertaining to the office lease are as follows:

Payable:	Office lease at the Hague in EUR
Within 1 year	346,457
Between 2 to 5 years	2,253,290
Total	2,599,747

During the reporting period, lease payments amounting to €0.5m are included in the statement of income and expenditure. Based on the consumer price index of the Statistics Netherlands, an index rate of 1.044 has been used to calculate the rental increment for amounts payable in 2024 and beyond.

Legal case Brazil

There are several labour lawsuits filed in Brazil, in relation to an investment made by ICCO. The maximum amount of all the listed processes together is €1.8m; however, this amount is being charged in solidarity of all executed individuals and companies (8 in total) without exclusively targeting a particular debtor. There is a high uncertainty as no estimate is possible if and when an amount of this sum can be claimed of one of more of the various defendants. The liability of defendants is not related to percentage of ownership. The outcome of the claims is not clear and it is not possible to make a proper estimate of the potential claim. No provision is made in the financial statements.

In the possible event that a court sentences the involved partners or ICCO to pay the claim, we will (and have already) hold other parties in default liable in this respect. ICCO agreed with the legal representative of ICCO in Brazil to pay for the legal support in the defence of these claims, amounting to a total of approximately € 20.000 on a yearly basis.

Global Fund

The Global Fund funded Cordaid and its partners from 1 January 2021 till 1 July 2024, in the Democratic Republic of the Congo (DCR) for a multiyear project HIV/TB and additional funding for Covid 19. The total budget for this period was approximately EUR 300 million and has meanwhile come to an end. The program implemented by Cordaid and its partners has made great impact in the DRC and helped millions of people. In 2022, Cordaid alerted The Global Fund investigations team of potential fraud and corruption in the project. The Global Fund as well as Cordaid embarked on investigations. The investigations are coming to an end soon. The expectation is that The Global Fund's final investigation report will be received in 2025. We are confident that the outcome of the investigation will not impact the organization much given it has already dealt with findings discovered by Cordaid itself. However, as long as there is no final report from The Global Fund there is a potential risk that Cordaid has to refund e.g. ineligible costs and the financial impact could be (in the worst case scenario) be material. We have not taken a provision for potential claims from Global Fund because as of this moment there is no indication for such claims regarding this issue.

14. INCOME FROM PRIVATE INDIVIDUALS

X € 1.000	CONTRIBUTIONS, DONATIONS AND GIFTS	LEGACIES	OTHER	TOTAL 2023	BUDGET 2023	TOTAL 2022
Donations from private individuals	18,315	8,290	-	26,605	20,770	23,578
Total Income from private individuals	18,315	8,290	0	26,605	20,770	23,578

The income from private individuals increased in 2023 with €3.0m compared to 2022. The increase is mainly driven by the income from legacies. Income from private fundraising remained at the same level as in 2022.

The number of supporters and income from individuals remained relatively stable over the years, despite the very competitive market for private fundraising.

15. INCOME FROM COMPANIES

X € 1.000	CONTRIBUTIONS, DONATIONS AND GIFTS	GRANTS	OTHER	TOTAL 2023	BUDGET 2022	TOTAL 2022
Grants from companies	-	573	-	573	700	3,224
Total Income from companies	0	573	0	573	700	3,224

The income from companies shows, like in 2022, a decrease due to a lower contribution from private foundations and the RVO. In 2022 the income was €2.3m lower than in 2021. In 2023 the decrease compared to 2022 is €2.6m.

16. BENEFITS FROM LOTTERY ORGANISATIONS

X € 1.000	2023	BUDGET 2023	2022
Nationale Postcode Loterij	4,050	4,050	4,050
Nationale Postcode Loterij - additional amount	1,424	987	1,800
Total Income from NPL	5,474	5,037	5,850

The general benefits from lottery organisations 2023 are on budget and equal the previous year. The income from lottery organisations consist of the annual and regular contribution from the Dutch National Postcode Lottery (NPL). Like in 2022, Cordaid received in 2023 an additional amount of €987k (2022: €1.8m) from the Dutch National Postcode Lottery (NPL).

17. GOVERNMENT GRANTS

X € 1.000	2023	BUDGET 2023	2022
Dutch Government	27,745	24,459	30,258
Global Fund	80,789	64,115	79,314
World Bank	9,681	6,229	7,705
European Union	2,341	11,922	14,748
Other	60,494	44,206	54,684
Total Income from Government Grants	181,050	150,931	186,709

Government grants comprise project funding provided by bodies such as the European Union, the Dutch government, the Global Fund, the World Bank and various United Nations organisations. Income is recognised based on the project expenditure made within the framework of the financing contract with the donor. Due to ongoing programmes, in 2023 the net income from government grants decreased only with 3,0% compared to 2022. The decrease is mainly due to the closure of ended projects during 2023.

As a result of ended project, in 2023 the incoming resources from the Dutch Government are in line with budget and have decreased with €2,5m compared to 2022.

Incoming resources from Global Fund relate to the project grant agreement to fight HIV/AIDS, tuberculosis and malaria in the Democratic Republic of the Congo. The volume of the new phase of this project, which started in 2021, amounts to circa €200m. This project ended in 2023. The income from this project amounts to €80,7m in 2023 (2022:€79.3m).

Incoming resources from the World Bank, related to Performance Based Financing (PBF) programs and health projects, totalled €9,7m in 2023. The activities of this project are mainly concentrated in Zimbabwe.

Compared to 2022, income from the European Union decreased from €14.7m to €2.3m in 2023. This is mainly due to projects ended in 2022 en 2023.

Cordaid signed several large financing contracts with donors to carry out specific projects with end dates in 2023 and beyond. Income from these grants is only recognised if subsidised costs are incurred or if a legal payment obligation towards partner organisations exists. An overview of the amount to be spent per contract with a total value above €5.0m can be found under note 14.

18. INCOME FROM RELATED (INTERNATIONAL) ORGANISATIONS

X € 1.000	2023	BUDGET 2023	2022
Caritas Internationalis (members)	2,551	1,803	1,299

Incoming resources from related (international) organisations in 2023 increased by €1.3m compared to 2022. Apart from being a source of income, Caritas provides Cordaid with an important network through which Cordaid can execute its activities, especially in humanitarian aid.

19. INCOME FROM OTHER NON-PROFIT ORGANISATIONS

X € 1.000	2023	BUDGET 2023	2022
Samenwerkende Hulp Organisaties	16,112	44,936	17,847
Other organisations	4,292	0	33
Total Income from other NPO	20,404	44,936	17,880

In 2022 SHO started the Campaign 'Samen in actie voor Ukraine', to provide humanitarian aid in Ukraine. In 2023 Cordaid received €1.7m (2022: €17.8m) for this campaign. For the campaign "Earthquake response Turkey and Syria" Cordaid received an amount of €14.4m in 2023. ICCO Foundation has realized an income from other non-profit organizations of €4.5m.

20. INCOME FROM SALE OF GOODS AND OR RENDERING OF SERVICES

X € 1.000	MATERIALS SOLD	RENDERING OF SERVICES	TOTAL 2023	BUDGET 2023	TOTAL 2022
Income from sale of goods/services	3,830	995	4,825	0	4,461
Total Income from sale of goods/services	3,830	995	4,825	0	4,461

Income presented under the rendered services is related to Fair Climate Fund BV and Fair & Sustainable Consulting BV. Fair & Sustainable Consulting BV is an international consultancy company and gives advice on how to create sustainable economic opportunities for people in developing countries. The income in 2023 is €3.5m. Fair Climate Fund BV is selling emission rights which they gain by executing projects CO2-reducing projects in developing countries. The remaining part consists of several small income streams.

21. OTHER INCOME

X € 1.000	2023	BUDGET 2023	2022
Result on financial assets	0	0	4,377
Other	-316	-440	602
Total Other Income	-316	-440	4,979

22. PROGRAM COSTS

Comparison of 2022 program costs and program management costs with the budget and the previous year:

DRAFT

X € 1.000	2023				2022
	DIRECT PROGRAM COSTS	PROGRAM MANAGEMENT COSTS	TOTAL 2023	TOTAL BUDGET 2023	TOTAL 2022
Healthcare	123,971	1,266	125,236	127,717	124,522
Humanitarian Aid	32,198	15,398	47,596	25,484	54,138
Security & Justice	21,454	0	21,454	22,423	8,334
Resilience	4,912	0	4,912	808	6,702
Private sector development	126	0	126	0	2,202
Sustainable livelihoods	13,296	0	13,296	24,310	18,250
Education	4,813	0	4,813	2,907	1,872
Investment Projects	1,547	-131	1,416	0	4,949
Other activities	7,376	690	8,066	359	6,168
Total costs of programs	209,692	17,224	226,915	204,008	227,137

Program costs in 2023 amounted to €227,1m and remained at the same level as in 2022.

Like in 2022, the actual expenditure for the Humanitarian assistance program was higher-than-budgeted. This is mainly caused by the increase of new projects.

COST ALLOCATION TO THE DIFFERENT ACTIVITIES

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

Costs are allocated in two stages:

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

For the 2023 budget the public information and fundraising costs were categorised, and a list was prepared for each category outlining the specifics of the percentage of costs that should be allocated to fundraising (FR) and to public information (PI). The list of key activities/costs was used to decide on the 2023 budget for both fundraising costs and public information.

The relative division between the two activities was:

- Fundraising: 50.0% (2022: 50.0%)
- Public Information/Awareness campaigns: 50.0% (2022: 50.0%)

These percentages were used to allocate the total 2023 marketing & funding budgets over the two activities. The fundraising costs also include the fundraising for funds from institutional donors.

Costs incurred per activity and per cost category:

X € 1.000	EXPENDITURE ON THE OBJECTIVES	EXPENDITURE ON FUND-RAISING	MANAGEMENT AND ADMINISTRATION	TOTAL 2023	TOTAL BUDGET 2023	TOTAL 2022
Grants and contributions	81,666	0	313	81,979	76,176	83,930
Own Implementation	65,754	0	0	65,754	66,969	73,786
Publicity and communication	319	6,423	20	6,762	5,156	5,681
Staff	36,077	0	4,213	40,290	35,002	38,565
Travel and accommodation	4,679	2	193	4,874	6,030	6,644
Housing	3,050	0	912	3,962	3,798	4,185
Office & General	37,608	3	7,895	45,506	28,667	31,585
Financial results	1,246	0	170	1,416	8,316	9,162
TOTAL 2023	230,398	6,428	13,716	250,543	230,113	253,538

X € 1.000	PROGRAM COST	PUBLIC INFORMATION / AWARENESS CAMPAIGNS	RESULT FROM FINANCIAL ASSETS	EXPENDITURE ON THE OBJECTIVES
Grants and contributions	82,673	0	0	82,673
Own Implementation	70,627	0	0	70,627
Publicity and communication	319	0	0	319
Staff	31,491	4,580	0	36,071
Travel and accommodation	4,679	2	0	4,681
Housing	3,050	0	0	3,050
Office & General	31,909	3	0	31,912
Financial results	2,167	0	-1,101	1,066
TOTAL 2023	226,915	4,585	-1,101	230,398

23. RESULT FROM FINANCIAL ASSETS

Results from financial assets comprise operating gains and losses on the loans, guarantees and participations program.

X € 1.000	2023	2022
Revaluation of participations	2,613	795
Unrealised change in value of derivatives	0	-
(Un)realised currency gains and losses	2,168	-562
Interest Income from loans	-4,093	0

DRAFT

Allocated to/withdrawn from provision for loans, guarantees and projects	-1,789	8,929
Total result on financial assets	-1,101	9,162

The result on financial assets increased with €10.3m compared to 2022. The main driver of this increase is a release of the provision for loans and guarantees of €1.8m in 2023. The release of the provision is due to the final write down of some specific Loans in 2023.

For the purpose of the calculation of the maximum continuity reserve the costs for the work organisation has to be determined. The costs for the work organisation consist of the costs for staff, travel & accommodation, housing and office & general. This totals to €75.9m (2022: €69.8m). The maximum of the continuity reserve is 1.5 times the work organisation's annual cost, which is €113.9m.

24. MANAGEMENT AND ADMINISTRATION (COST OF STAFF)

The total number of staff within Cordaid with a Dutch labour contract is as follows.

X € 1.000	2023	BUDGET 2023	2022
Average head count in The Hague	129.0	133.6	159.0
Average head count expats at field offices	33.0	30.0	40.0
Average head count	162.0	163.6	199.0
Average number FTEs with a Dutch labour contract	154.1	127.1	175.0
Program staff	80.0	66.0	91.4
Fundraising/Awareness staff	22.9	18.9	21.2
Other departments	51.2	42.2	62.4
	154.1	127.1	175.0

At year-end 2023, Cordaid had a headcount of 162 (2022: 199). This decrease is mainly due to reorganisation exercises and the wind down of the CIM portfolio.

X € 1.000	2023	2022
- Salaries and wages	22,962	20,860
- Addition redundancy provision	232	597
- Social security contributions	2,101	3,717
- Pension costs	1,101	1,775
- Temporary staff	1,107	1,382
- Cost of training and education	324	233
- Other personnel expenses	8,555	10,001
	36,382	38,565

Cordaid's pension plan is administered by the Zorg en Welzijn Pension Fund, a pension fund for the health and welfare sector. Employees' retirement and partner pensions are based on their pensionable salary for full-time employment, net of the state pension offset. The pension fund endeavours to index-link any accrued pension entitlements and pensions in payment, based on general salary trends in the collective bargaining agreements that govern its affiliated employers in a particular year. The pension fund decides every year whether index-linking would be appropriate and, if so, what index to use given the financial situation and as expected developments in that situation. In doing so, the pension fund uses nominal and realistic coverage ratios/benchmarks. Although the pension fund may decide to apply catch-up index linking, such a decision will not have retroactive effect and will not trigger subsequent payments. Index linking is funded partially from contributions and partially from the return on plan assets. The actual coverage ratio was 112,0% on the 31st of December 2023 (31 December 2022: 111,5%).

AUDIT FEE

Total audit fees charged by Ernst & Young Accountants LLP stood at €1.8m in 2023 (2022: €2.0m).

X € 1.000	2023	2022
Project audit	528	519
Corporate audit	1,795	2,059
Other non audit services	21	0
Total audit fee	2,322	2,578

The above mentioned fee relates to the work performed for Stichting Cordaid and entities included in the consolidated accounts by the audit firms and auditors mentioned in article 1, section 1 Wta (Wet toezicht accountantsorganisaties) and the fees charged by the audit firm's network. The fees relate to the 2023 fiscal year, although the related work can be executed in other years.

25. FINANCIAL INCOME AND EXPENSES

Financial income and expenses includes interest and other income from bonds, interest earned on the bank account and currency gains and losses that are not related to the social impact investments.

The following is a five-year summary of this item:

X € 1.000	2023	BUDGET 2023	2022	*2021	2020	2019
Interest received on bonds	195	0	233	210	124	498
Interest received on cash and cash equivalents	12	0	-77	-10	-4	3
Realised exchange gains and losses	-1,214	0	-199	-464	-1,740	597
Unrealised exchange gains and losses	1,091	0	-3,320	6,573	-5,285	2,823
Gross investment income	84	0	-3,363	6,309	-6,905	3,921
Investment costs	0	183	-128	-114	-101	-101
Net investment income	84	183	-3,491	6,195	-7,006	3,820

The net investment result in 2023 was negligible as the realised and unrealised foreign exchange were almost in balance. The positive corporate income tax relates to carry back losses of FairClimateFund BV.

26. RELATED PARTIES

Stichting Cordaid has established a legal structure to support its objectives and has full control of all these entities, they are therefore classified as related parties.

Cordaid identified the following related parties:

- Stichting Cordaid Participaties, The Hague
- Corpav BV, The Hague
- Stichting Cordaid Expats, The Hague
- Stichting ICCO, The Hague
- ICCO Southern Africa NPC
- Cordaid Investment Management BV, The Hague
- West Africa Bright Future Fund GP BV (until 19-12-2023)
- ICCO Group BV, The Hague
- FairClimateFund BV, Utrecht
- Fair & Sustainable Participations, Brazil
- Cordaid SA NPC

The Stichting Beheer Subsidiegelden Dutch Relief Alliance was founded in 2018 with the objective to channel grants from the Dutch Ministry of Foreign Affairs for acute crises and innovation funds to participating organisations of the Dutch Relief Alliance (DRA). The DRA is not included in the consolidation of the Cordaid accounts. A Cordaid employee has been appointed as member of the Board of the foundation and Cordaid is the secretary of the foundation. However, Cordaid does not exercise control over the foundation.

27. EXECUTIVE REMUNERATION

The Supervisory Board has adopted an executive remuneration policy including the level of executive remuneration as well as other pay and benefits.

The policy is updated periodically and was evaluated most recently in 2016. In determining the remuneration policy and adopting the level of the remuneration, Cordaid follows the regulation for executive remuneration of Goede Doelen Nederland.

The regulation uses weighting criteria to set a maximum for an executive's annual compensation. The most recent Goede Doelen Nederland standard of 1 November 2020 was used to determine these weighting criteria. This has resulted in a so-called BSD score of 575 points for the CEO and 500 points for the CFO and COO, with a maximum annual compensation for all the positions of €221.400.

The total annual compensation in 2023 for the CEO, Kees Zevenbergen was €161.494 (2022: €170.162), for the CFO, Lorena Paz Quintero €167.288 (2022: €153.359), for Ylse van der Schoot COO, €178.075 (2022: €162.030) and for the new CEO Heleen van den Berg, who started with Cordaid on 01-10-2023 the total annual compensation in 2023 was €46.560. The total annual income is within the maximum remuneration limits of the regulation of Goede Doelen Nederland.

Executive remuneration comprises gross salary costs including holiday allowance, social security contributions, pension costs, expense allowances and year-end allowance. As a rule, all employees receive a year-end allowance.

During 2023, the employed members of the Board were:

Employment contract

x € 1	L.C. Zevenbergen	H.E. van den Berg	L. Paz Quintero	Y. van der Schoot
	CEO	CEO	CFO	COO
Number of hours	36	36	36	36
Part-time percentage	100	100	100	100
Period in 2023	1/1-30/06	1/10-31/12	1/1-31/12	1/1-31/12
Gross salary	61,837	33,552	116,892	126,368
Holiday allowance	3,768	3,166	9,317	9,919
Year-end allowance	5,474	2,957	10,312	10,979
Variable pay				
Total annual income	71,079	39,675	136,521	147,266
Social security contributions (employer's share)	7,579	2,953	15,159	15,159
Taxable allowances (Public transport abonnement)	-	-	-	-
Pension costs (employer's share)	7,836	3,932	15,608	15,650
Other benefits on long term	-	-	-	-
End of contract benefits	75,000	0	0	0
	90,415	6,885	30,767	30,809
Total remuneration for 2023	161,494	46,560	167,288	178,075
Maximum remuneration for 2023	185,700	55,350	221,400	221,400
Total remuneration for 2022	170,162	0	153,359	162,030

The members of the Board of Directors did not have any outstanding loans, advances or guarantees at year-end or during 2023.

Supervisory Board

The cost of the Supervisory Board consists of an annual remuneration which is paid to members and the hiring of expertise and advisors on request of the Supervisory Board. As per Cordaid's policy for good governance, Supervisory Board members are entitled to a remuneration. They have the opportunity to cover their out-of-pocket expenses through a fixed expense allowance.

Amounts paid for individual members of the Supervisory Board in 2023 were as follows:

x € 1	A.J.M. Heerts	M.I. de Wal	J.A. van den Bos	J.A.N. Stuyt	J. Alders-Sheya	R. Peetboom
Function	Chair	member	Member	Member	Chair and member Remuneration Committee	Vice Chair and member Remuneration Committee
Duration of function in 2023 (days)	183	258	274	274	365	365

DRAFT

Remuneration	0	1,063	1,500	1,415	1,500	1,500
Provisions for future payments	-	-	-	-	-	-
Total remuneration 2023	0	1,063	1,500	1,415	1,500	1,500
Total remuneration 2022	0	0	0	0	1,500	1,500

x € 1	L. Mulder	J.M. Niessen	D. Cheng	M. van Beek	M.W.J.A. Landheer-Regouw
Function	Member of Remuneration Committee	Member Remuneration Committee	Member of Audit Committee	Member Remuneration Committee	Member
Duration of function in 2023 (days)	275	275	365	243	64
Remuneration					
Provisions for future payments	1,500	0	1,500	0	0
Total remuneration 2023	-	-	-	-	-
	1,500	0	1,500	0	0
Total remuneration 2022	0	0	1,500	0	0

28. SUBSEQUENT EVENTS

Subsequent events have been evaluated up to December 2024, the date the financial statements were issued. Cordaid identified the following subsequent events:

As of March 2024 Y. van der Schoot (COO) left Cordaid. L. Paz Quintero (CFO) will leave Cordaid as of 01 January 2025.

As of April 2024, F. Grapperhaus joined the Supervisory Board as chair.

The Global Fund HIV/TB contract (EUR 80-90 million a year) in DRC ended on 1 July 2024. As a result, our Kinshasa office became smaller in the second half of 2024.

Cordaid incurred delays in publishing its audited financial statements for the year 2023. The delay triggered a risk analysis where risks of non-compliance were analysed by Cordaid and mitigated by obtaining waivers or communication from our main stakeholders and donors. Although management has maintained a strong relationship with its donors, it is not guaranteed that further extensions will be granted and this may lead to further non-compliance, loss of funding or penalties. For the financial year ending 31 December 2024, it is expected that mid 2025 the financial statements will ready.

FOUNDATION ONLY FINANCIAL STATEMENTS OF STICHTING CORDAID

FOUNDATION ONLY BALANCE SHEET AS AT 31 DECEMBER 2023

x € 1,000	NOTE	31 DEC 2023	31 DEC 2022
Assets			
Fixed assets			
- Intangible fixed assets	29	1	26
- Tangible fixed assets	30	249	531
		250	557
Financial fixed assets			
- Subsidiaries	31	-	305
- Issued in connection with the objectives	31	46,057	61,294
- Investments	31	24,887	22,814
		70,944	84,413
Receivable from grants	32	54,370	61,669
Other receivables			
- Receivable from group companies	33	15,515	15,407
- Work advances partner organisations	33	7,862	2,677
- Receivable from inheritances	33	620	506
- Interest receivable	33	552	1,637
- Derivatives	33	1,384	3,694
- Other receivables	33	6,722	2,406
		32,654	26,327
Cash and Bank	34	64,733	52,711
Total assets		222,951	225,677

x € 1,000	NOTE	31 DEC 2023	31 DEC 2022
Liabilities			
Reserves and funds			
- Reserves			
▪ Continuity reserve	35	11,500	11,500
▪ Earmarked reserves	35	892	1,594
		12,392	13,094
- Funds			
▪ Restricted funds	35	14,429	9,814
▪ Semi-restricted funds	35	21,084	11,568
▪ Loans & guarantees fund	35	48,114	70,314
		83,627	91,696
Total Reserves and Funds		96,019	104,790
Provisions	36	13,383	6,034
		13,383	6,034
Long Term Commitments			

DRAFT

- Project partner commitments	37	8,750	11,176	
- Project commitments to grants	38	21,097	16,869	
		29,847		28,045
Current liabilities				
- Project commitments to partners	37	16,952	22,691	
- Project commitments to grants	38	49,227	39,360	
- Other current liabilities	39	17,524	24,757	
		83,702		86,808
Total liabilities		222,951		225,677

FOUNDATION ONLY STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2023

€ 1.000	NOTE	2023	2022
Result of subsidiaries		-1,675	-509
Foundation only balance of income and expenditure		-6,427	-8,543
Write down equity of subsidiaries		-1,172	0
Balance of funds		-9,274	-9,052

Because of the negative outlook of a subsidiary, Cordaid has decided to write down its interest in this legal entity. This write down led to a difference between the consolidated and foundation only equity and result.

NOTES ON THE FOUNDATION ONLY FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

General

The foundation only financial statements are part of the 2023 financial statements of Stichting Cordaid. The financial statements have been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 640/650).

PRINCIPLES FOR THE MEASUREMENT OF ASSETS AND LIABILITIES AND THE DETERMINATION OF THE RESULT

The principles for the recognition and measurement of assets and liabilities and determination of the result (herein after referred to as principles for recognition and measurement) of the foundation only financial statements of Stichting Cordaid are the same as those applied for the consolidated financial statements. Consolidated participating interests, over which significant influence is exercised, are stated based on net asset value. The share in the result of participating interests consists of the share of Stichting Cordaid in the result of these participating interests. Results on transactions are not incorporated as far as they can be deemed to be unrealised if the transfer of assets and liabilities between Stichting Cordaid and its participating interests and mutually between participating interests themselves. The financial information of the Company is fully incorporated in the consolidated annual accounts. Using article 2:402 of the Dutch Civil Code, a condensed profit and loss account in the foundation only financial statements is sufficient.

29. INTANGIBLE FIXED ASSETS

Movements of the intangible fixed assets are as follows:

€ 1.000	IT SYSTEM
Balance as at 1 January 2023	
Cost	390
Accumulated amortisation	-364
Carrying value as at 1 January 2023	26
Changes	
Amortisation	-25
Total changes	-25
Balance at 31 December 2023	
Cost	390
Accumulated depreciation	-389
Carrying value as at 31 December 2023	1

Amortisation percentages 33%

30. TANGIBLE FIXED ASSETS

Movements of the tangible fixed assets are as follows:

€ 1.000	BUILDINGS	IT EQUIPMENT	FURNITURE AND FITTINGS	VEHICLES	OTHER ASSETS	TOTAL
Balance as at 1 January 2023						
Cost	1,228	4,612	1,844	62	283	8,029
Accumulated depreciation	-787	-4,612	-1,754	-62	-283	-7,498
Carrying value as at 1 January 2023	441	0	90	0	0	531
Changes						
Purchases	708	0	1	0	0	709
Disposals	0	0	0	0	0	0
Depreciation	-942	0	-50	0	0	-992
Depreciation on disposals	0	0	0	0	0	0
Total changes	-234	0	-49	0	0	-283
Balance at 31 December 2023						
Cost	1,936	4,612	1,845	62	283	8,738
Accumulated depreciation	-1,729	-4,612	-1,804	-62	-283	-8,490
Carrying value as at 31 December 2023	207	0	42	0	0	249

Depreciation percentages

10%

33%

20%

33%

33%

The difference between the tangible fixed assets in the consolidated balance sheet and the foundation only balance sheet can be explained by the investments CIM BV made upon moving into the new office building, assets which Stichting ICCO has at their Regional Offices and assets of other subsidiaries. All assets are held for business operations. Refer to note 6 in the consolidated financial statements for more information.

31. FINANCIAL FIXED ASSETS

SUBSIDIARIES

The subsidiaries are valued at nil.

ISSUED IN CONNECTION WITH OBJECTIVES

Stichting Cordaid holds two types of financial assets. Outstanding loans, participations and guarantees are recognised as financial assets issued in connection with the objectives. This relates to loans issued to and a number of participations in partner organisations for the purposes of funding usually small-scale economic activities (e.g. through microfinance institutions), for which partner organisations find it difficult or impossible to secure finance from commercial banks. Interest rates on these loans are determined by country and by customer.

X € 1,000	Loans	Participations	Total
Balance 1 January 2023			
Value of portfolio at 1 January 2023	55,927	18,576	74,503
Provision at 1 January 2023	-13,209	0	-13,209
Carrying amount 1 January 2023	42,718	18,576	61,294
<i>Changes in portfolio</i>			
Loans and guarantees issued	5,934	0	5,934
Loans and guarantees repaid	-14,362	0	-14,362
Participations acquired/committed	0	312	312
Participations sold/commitments withdrawn	0	-1,039	-1,039
Impaired loans and guarantees/withdraw from provision	-1,830	7	-1,823
Revaluation of participations	0	-1,963	-1,963
Currency gains and losses	-2,435	243	-2,192
Change in value of portfolio at 31 December 2023	-12,693	-2,440	-15,133
<i>Changes in the provision</i>			
Impaired loans and guarantees/withdraw from provision	2,124	0	2,124
Allocated to provision for loans and guarantees	-2,228	-28	-2,256
Provision at 31 December	-104	-28	-132
Value of portfolio at 31 December 2023	43,234	16,136	59,370
Provision at 31 December 2023	-13,313	0	-13,313
Carrying amount 31 December 2023	29,921	16,136	46,057

LOANS

The loans will fall due in the following periods:

X € 1,000	LOANS
< 1 year	9,032
1-5 years	34,202
	43,234

32. RECEIVABLE FROM GRANTS

X € 1,000	31 DEC 2023	31 DEC 2022
Receivables from grants		
Receivables from grants	57,951	66,575
Provision uncollectable receivables from grants	-3,581	-4,906
Total receivables from grants	54,370	61,669

In the foundation only balance sheet, the ICCO receivables from grants are not included.

33. OTHER RECEIVABLES

The receivables in the foundation only balance sheet of Stichting Cordaid are specified as follows:

X € 1,000	31 DEC 2023	31 DEC 2022
Receivables		
Receivable from group entities	15,515	15,407
Work advances partner organisations	10,075	2,734
Doubtful debts	-2,213	-57
Receivable from inheritances	620	506
Interest receivables	552	1,637
Derivatives - Receivable	1,383	3,694
Other receivables	6,721	2,406
	32,654	26,327

The receivable balance from group entities consists mainly of a receivable position of €5.2m from Cordaid Investment Management BV and of €9.6m from Stichting ICCO. These are movements of balance positions between Cordaid and its subsidiaries, resulting from the asset-liability transaction between these entities and various transactions during 2023, which have not yet been settled. The receivables from group companies include a loan receivable with ICCO Group B.V. of €0.5m in relation to financing of the loan to and investment in SCOPEinsight Holding B.V. The loan does not bear interest, but is subject to payment of received dividends or commissions until the date of repayment. The loan is receivable within one year.

34. CASH AND BANK

Cash and bank comprises the cash and bank balances of the Cordaid office in The Hague, the Country Offices abroad and deposits falling due in less than one year.

X € 1.000	31 DEC 2023	31 DEC 2022
Cash and cash equivalents		
Deposit	5,237	1,428
Bank accounts	59,349	50,872
Cash at hand	147	411
Total Cash and Bank	64,733	52,711

The most important explanations for the change in cash and cash equivalents can be found in the consolidated cash flow statement.

35. RESERVES AND FUNDS

The reserves and funds in the foundation only balance sheet of Stichting Cordaid are specified as follows:

X € 1.000	CONTINUITY RESERVE	EARMARKED RESERVES	RESTRICTED FUNDS	SEMI-RESTRICTED FUNDS	RESTRICTED FUND LOANS & GUARANTEES	TOTAL RESERVES AND FUNDS
Balance as at 1 January 2023	11,500	1,594	9,814	11,568	70,314	104,790
<i>Changes</i>						
Dotation	0	0	194,494	28,359	0	222,853
Extraction	0	-702	-189,878	-41,043	0	-231,623
Other movements	0	0	0	22,200	-22,200	0
Balance as 31 December 2022	11,500	892	14,429	21,084	48,114	96,019

The foundation total reserves and funds of € 96.019 deviates from the consolidated total reserves and funds of €96.041. The difference has occurred in relation to the merger with ICCO Group in 2021. In 2023 also an additional write down of financial fixed asset in the foundation only financial statement was processed.

36. PROVISIONS

The provisions in the foundation only balance sheet of Stichting Cordaid are specified as follows:

X € 1.000	REDUNDANCY PROVISION	LONG TIME ILLNESS	BACKDONOR PROJECTS	GUARANTEE OBLIGATION	OTHER PROVISION	TOTAL
Balance as at 1 January 2023	1,009	0	4,481	546	-	6,036
<i>Movements in 2023</i>						
- Addition	380	232	10,869	-	2,084	13,565
- Withdrawn	-581	-	-3,064	-546	-	-4,191
- Released	-	-	-2,027	-	-	-2,027
Total Movements in 2023	-201	232	5,778	-546	2,084	7,347
Balance as at 31 December 2023	808	232	10,259	0	2,084	13,383

The provisions are disclosed in note 10 to the consolidated financial statement.

37. PROJECT COMMITMENTS TO PARTNERS

X € 1.000	31 DEC 2023	31 DEC 2022
Partner Commitments		
Long Term Partner Commitments	8,750	11,176
Short Term Partner Commitments	16,952	22,691
Total Partner Commitments	25,702	33,867

The decrease of the partner commitments is due to the increased progress of the project implementation.

38. PROJECT COMMITMENTS TO GRANTS

X € 1.000	31 DEC 2023	31 DEC 2022
Deferred grants		
Long Term Donor Commitments	21,097	16,869
Short Term Donor Commitments	49,227	39,360
Total Deferred Grants	70,324	56,229

Project Commitments towards donors reflect the total amount of funds received from donors which Cordaid has not yet spend on project implementation.

39. OTHER CURRENT LIABILITIES

The composition of the current liabilities in the foundation only balance sheet of Stichting Cordaid is as follows:

X € 1.000	31 DEC 2023	31 DEC 2022
Accounts payable	4,077	5,956
Taxes and social security contributions	1,540	1,714
Reservation for leave days and holiday allowance	1,161	1,298
Redundancy provision (short term)	0	2,856
Derivatives - Liability	0	734
Participations payable	0	256
Other accruals and deferred income	10,746	11,944
Total	17,524	24,758

In 2023 Cordaid has no short term provisions. When certainty regarding an upcoming payment is recognized, the character of the obligation changes from "provision" to "other current liabilities".

40. RESULT OF SUBSIDIARIES

The financial position as at 31 December 2023 and the 2023 results of subsidiaries can be specified as follows:

X € 1.000	CIM BV	CORPAV	SCP	Stg. ICCO	ICCO Group BV	TOTAL
Assets						
Tangible fixed assets	9	0	0	0	0	9
Social impact investments	391	0	0	712	664	1,767
Other receivables	5,653	0	0	320	3	5,975
Cash and banks	487	0	0	12,259	38	12,784
Total assets	6,540	0	0	13,290	705	20,535
Liabilities						
Equity / Reserves and funds	1,012	-652	-12	-2,057	-71	-1,781
Provisions	36	0	0	0	0	36
Liability to Stichting Cordaid	5,202	652	12	9,048	591	15,506
Current liabilities	265	0	0	6,743	0	7,008
Total liabilities	6,514	0	0	13,734	520	20,769
X € 1.000	CIM BV	CORPAV	SCP	Stg. ICCO	ICCO Group BV	TOTAL
Net revenues	2,068	0	0	14,939	101	17,108
Personnel expenses	1,324	0	0	3,124	16	4,464
General and administrative expenses	765	-1	0	13,613	84	14,461
Operating expenses	2,089	-1	0	16,737	101	18,925
Financial income and expenses	0	0	0	-194	0	-194
Result from ordinary activities before tax	-20	1	0	-1,604	0	-1,624
Corporate income tax	-51	0	0	0	0	-51
Net result	-71	1	0	-1,604	0	-1,675

Stichting Cordaid has a 100% interest in Cordaid SA NPC, Cape Town (South Africa). The nature of business and principal activities of Cordaid SA is relief and development aid in line with the objectives of Stichting Cordaid. Cordaid has no activities in South Africa anymore. In 2023 there were no activities.

Cordaid Investment Management BV (CIM BV) acts as asset manager for the Stichting Cordaid social impact investment portfolio. Current liabilities relate to personnel accruals such as holiday allowances, wage taxes and social security premiums. Net revenue consists predominantly of the asset management fee 2023 charged to Stichting Cordaid. General and administrative expenses are mainly driven by the cost of service level agreement between Stichting Cordaid and CIM BV and automation expenses including licenses, software maintenance and development, as well as consultants. CIM will be liquidated in 2024.

On behalf of Stichting Cordaid, Corpav BV makes direct and indirect investments in social enterprises all over the world. Stichting Cordaid Participaties (SCP) is the only shareholder of Corpav BV and had no activities in 2023. Corpav BV has a social impact portfolio consisting of €0.7m in loans to innovative social enterprises. These loans were all provided for in the prior financial year. Corpav BV will be liquidated in 2025 at the latest.

After the asset-liability transaction all the Global Office activities of Stichting ICCO have moved to Stichting Cordaid. However, there are still projects being implemented in countries where ICCO has been working in previous years. The project implementation has not been shifted to Cordaid yet. Stichting ICCO closed 2023 with a negative financial result of €1.6m. Mainly due to the formed provision for the transition of ICCO Latin America into Conexion, the loss in 2023 is €1.0m higher compared to 2022.

Stichting Cordaid has a 100% interest in ICCO Group BV, who holds various participations on consolidated entities. The financial result of these entities was moved towards Stichting Cordaid as a movement on the value of the participation.

OTHER INFORMATION

PROVISION IN THE CONSTITUTION GOVERNING THE APPROPRIATION OF BALANCES

The Supervisory Board shall adopt the annual report and the financial statements prepared by the Board of Directors for the past financial year in line with article 11.4 of the constitution of Cordaid. Included in the financial statements is a proposal for the appropriation of positive or negative financial balances in the financial year concerned. The appropriation of the balance is in line with RJ 650 and takes into account the imposed restrictions on spending by third parties and guidelines from the branch organisation Goede Doelen Nederland. Section 392, subsection 1, Book 2 of the Dutch Civil Code requires a disclosure of the statutory provisions governing the appropriation of profit. This view should not consist of a single reference to the relevant articles of the articles of association. A literal reproduction of those articles or a summary of their contents (DAS 420.105) is required.