



**F I N A N C I A L
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Stichting Human Security Collective
Riviermarkt 5, 2513 AM Den Haag

Den Haag, 20 februari 2019

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1. Introduction

HUMAN SECURITY COLLECTIVE

Financial Report 1 January – 31 December 2018

The report gives an overview of the income and expenses of the Foundation Human Security Collective (HSC) in the following annexes:

Annex A: The Balance sheet up to and including 31 December 2018. HSC general reserve (equity) is € 484.235

Annex B: The Statement of Income and Expenses. The operating account shows a positive balance of € 106.750 (financial result)

Annex C: General notes with an explanation of accounting principles for determining the financial result.

Annex D: An Explanation of the Balance Sheet up to and including December 31 2018.

Annex E: Notes on the Status of Income and Expenses. The operating account shows 1) income from projects, third party lease (consultancy assignments), interest of bank accounts and other (overhead related to projects), and 2) expenses broken down into costs for personnel, organization, general expenses, housing, services and activities conducted on the projects. € 306.906 For project funding will be transferred to 2019 and a result of € 44.330 income on projects has been generated for 2018.

Annex F: A complete Overview of 2018 on projects income and expenses.

Annex G: An Overview of the Project budget for 2018.

Annex H: An Overview of Projects in 2017.

HSC closes the financial year 2018 with sufficient financial resources to sustain the organization in the coming year (see financial forecast 2019). In 2019 HSC will have to acquire a number of projects to enable sustainability from 2020 and onwards. The anticipated unrestricted funding from Open Society Foundation will partially support our fund raising strategy. We also anticipate funding from calls for proposals from the Dutch Ministry of Foreign Affairs and other government and philanthropy donors in 2019. HSC is exploring a number of partnerships to submit these proposals.

Lia van Broekhoven
Executive Director
February 2019

2. Financial position

	Actual 2018 x € 1.000	Budget 2018 x € 1.000	Actual 2017 x € 1.000
<i>Income</i>			
Contributions HSC	1.058	1.203	1.187
Mutation project prerequisites	44	203	-39
	1.102	1.406	1.148
Direct Project Expenses	453	692	665
Gross margin	650	714	483
<i>Expenditures</i>			
Personnel	531	550	504
Organisation	30	20	34
General	31	102	7
Housing	9	14	9
Services	0	1	0
ICT	15	7	7
	617	693	561
Shortage	32	21	-78
Other Income	74	0	101
Interest	0	2	2
Total other income	75	2	104
Result	107	23	26

Financial position

For an assessment of the financial position of the foundation, the amounts of the balance sheet (Annex A) grouped as follows:

	31-12-2018	31-12-2017
<u>Prolonged Available Capacity</u>		
Equity	484.235	384.125
Facilities	25.729	19.088
	509.964	403.214
Increase compared to previous year		
Operating surplus/ deficit	100.109	25.793
Addition/ withdrawal facilities	6.641	5.042
	106.750	30.835

Available working capital

Receivables	77.261	14.036
Cash and cash equivalents	867.759	867.759
	<u>945.020</u>	<u>881.795</u>
Current Liabilities	82.683	127.345
	<u>862.337</u>	<u>754.450</u>
Working capital		
	<u>107.887</u>	<u>59.973</u>
Increase compared to previous year		
Prepaid project costs	0	0
Positive balance and increase of facilities	106.750	30.835
	<u>106.750</u>	<u>30.835</u>

At year end 2018 the financial position of HSC is solid.

Treasurer
Klaas Jansen

Foundation Human Security Collective
Attn.: Mrs. C.J. van Broekhoven
Riviervismarkt 5
2513 AM 's-Gravenhage

INDEPENDENT AUDITOR'S REPORT

A. Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the financial statements 2018 of Foundation Human Security Collective at 's-Gravenhage.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Foundation Human Security Collective as at 31 December 2018, and of its result for 2018.

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. the profit and loss account for 2018;
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Foundation Human Security Collective in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

B. Description of responsibilities regarding the financial statements

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework

mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Our responsibilities for the audit of the financial statements

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

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

Schoonhoven, March 29, 2019

**Versluis Accountancy B.V.
J. Versluis RA**

Balance Sheet as at 31 December 2018**Annex A**

<u>Assets</u>	<u>31-12-2018</u>	<u>31-12-2017</u>
Current Assets		
<i>Accounts receivable</i>	77.261	14.036
<i>Current account</i>	<u>822.291</u>	<u>867.759</u>
	<u>899.552</u>	<u>881.795</u>
 Liabilities		
<i>Equity</i>	<u>484.235</u>	<u>384.125</u>
	484.235	384.125
<i>Facilities</i>		
Professional Development	25.729	<u>19.088</u>
	25.729	19.088
<i>Current liabilities / accounts payable</i>	82.683	127.345
<i>Advanced project payments</i>	306.906	351.236
	<u>899.553</u>	<u>881.795</u>

Operating Account

Statement of income and expenses

Annex B

<u>Income</u>		<u>Actual 2018</u>	<u>Actual 2017</u>	<u>Budgeted 2018</u>
Contribution to HSC	1.058.040	1.186.888	1.202.964	
Mutation advanced project payment	44.330	-38.517	202.693	
Interest	471	2.193	1.800	
Other Income	74.052	101.466	0	
		1.176.892	1.252.030	1.407.457

Expenditures

Staff costs	531.356	503.575	549.712	
Organisation Expenses	30.458	34.004	20.000	
General Expenses	31.231	6.942	101.615	
Housing Costs	8.904	8.956	13.925	
Services	282	312	660	
ICT	15.113	6.957	7.161	
Project Charges	452.797	665.492	691.723	
		1.070.142	1.226.237	1.384.796

Results Financial Year

	<u>106.750</u>	<u>25.793</u>	<u>22.661</u>
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Breakdown of results

Provision Professional Development	6.641	9.379	
General Reserve	100.109	16.414	22.661
	<u>106.750</u>	<u>25.793</u>	<u>22.661</u>

Accounting Principles

Annex C

Receivables

The receivables are valued at their nominal value.
All receivables are reviewed individually and decided upon whether it is doubtful.
In case of doubt a provision for bad debt is created.

Other Assets and Liabilities

Unless mentioned otherwise, these are valued at their nominal value.

Provision for Professional Development

A provision has been created for keeping and developing the knowledge and expertise of the staff members.

Principles for Determining the Results

Revenues and expenses are accounted for in the period they are related to, regardless of whether they have been received or paid at that moment.

Revenues are incorporated if they have been realized. Expenses are accounted for if they are foreseeable.

Notes to the Balance Sheet as at 31 December 2018**Annex D**

<u>Assets</u>		<u>2018</u>	<u>2017</u>
Accounts receivable			
Interest ABN/Amro	398	1.663	
Wadi Tidwa	0	7.155	
Warranty	1.150	1.150	
Ministerie van Buitenlandse Zaken	47.372	0	
St. Participe	15.765	0	
Wo=Men	3.600	0	
ECNL	1.431	0	
Other	7.545	4.068	
		<u>77.261</u>	<u>14.036</u>
Total accounts receivable			
		<u>77.261</u>	<u>14.036</u>
<i>Liquid assets</i>			
Cash	1.205	1.202	
Bank Account	377.677	424.791	
Bank Account (savings)	443.408	441.766	
		<u>822.291</u>	<u>867.759</u>
Total Liquid Assets			
		<u>822.291</u>	<u>867.759</u>
<i>These are directly requestable balances.</i>			
<u>Liabilities</u>			
<i>General Reserve</i>			
Balance as of 1 January		384.125	367.712
Increase: result financial year 2018/2017	100.109	16.414	
		<u>100.109</u>	<u>16.414</u>
Balance at 31 December		<u>484.235</u>	<u>384.125</u>
<i>Provision Professional Development</i>			
Balance at 1 January		19.088	14.046
Increase: endowment	9.000	9.379	
Decrease: various trainings and courses	2.359	4.337	
		<u>6.641</u>	<u>5.042</u>
Balance at 31 December		<u>25.729</u>	<u>19.088</u>

2018**2017**Accounts payable

Still to be paid holiday contribution/ days	22.699	22.945
Justice and Peace	13.700	18.084
project Kyrgyz Republic	0	9.757
Nog te betalen projectkosten	7.495	8.400
Tax authorities	10192	10.086
Accountant	5.500	4.866
Perpectivity	10.415	12.972
Diverse buitenlandse Crediteuren	1.753	33.101
PFZW Pension	0	5.567
Miscellaneous	10.929	1.567
	<hr/>	<hr/>
Total accounts payable	<u>82.683</u>	<u>127.345</u>

In advanced received contributions:

Projects (see annex F)	306.906	351.236
Correction balance 1 January		
Projects (see annex F)	0	0
	<hr/>	<hr/>
Balance at 31 December	<u>306.906</u>	<u>351.236</u>

Financial obligations not featured in the balance sheet:

Rental contract with " Stichting het Nutshuis " concerning office space Riviervismarkt 5, the Hague.
The contract has an open end and can be closed within 1 year. The rent including services is € 9.219 yearly.
(price level for 2018)

Notes to the Operating Account*On the Status on Income and Expenses****Bijlage E***

<u>Income</u>	<u>Actual 2018</u>	<u>Actual 2017</u>	<u>Budgeted 2018</u>
Contributions:			
Mofa	226.705	277.831	303.168
OSF	240.910	371.878	329.050
Norwegian Church	265.000	225.000	252.740
Cordaid Youth	0	1.327	0
Fonds 1818	0	25.947	0
ECNL	18.765	15.161	0
Wanep	27.249	27.695	0
Cordaid NAP	170.195	180.000	155.046
ECNL / OAK	41.136	0	29.105
NWO	10.565	0	10.000
Zon MW	15.765	0	0
Mensen met een Missie	15.600	0	0
Justice and Peace	4.212	0	0
ICCT Rehab	0	27.920	0
Other	0	12.132	0
Fundraising project	21.937	21.997	83.855
			0
	1.058.040	1.186.888	1.162.964
Mutation Project Requirement:			
Balance at 1 January	351.236	312.720	353.484
Balance at 31 December	<u>306.906</u>	<u>351.236</u>	<u>150.790</u>
Mutation Required	44.330	-38.517	202.693
<i>* For a complete overview on projects income and expenses see Annex F</i>			
Interest Income			
Interest Banks	<u>471</u>	<u>2.193</u>	<u>1.800</u>
	471	2.193	1.800
Other Income			
lease staff for third parties	43.329	72.081	0
Miscellaneous	<u>30.723</u>	<u>29.385</u>	<u>0</u>
	74.052	101.466	0
Total Income	<u>1.176.892</u>	<u>1.252.030</u>	<u>1.367.457</u>

Expenditures

		Actual <u>2018</u>	Actual <u>2017</u>	Budgeted <u>2018</u>
Personnel Expenses				
Salaries	421.435	375.166	405.874	
Social Security Expenses	61.534	54.412	64.606	
Verg.zkv	2.001	2.031	2.305	
Pension wg	40.711	36.627	42.456	
Travel expenses w/w	7.229	7.072	9.058	
Other pers.expenses	-1.735	6.878	2.350	
Hired personnel	7.513	16.963	15.138	
Arboservice	572	549	1.170	
Insurance ZW	2.976	3.875	5.581	
Professional Development	2.359	0	12.176	
Sick pay	-13.237	0	-11.002	
		531.356	503.575	549.712
Organisation Expenses				
Phone costs etc.	2.112	5.394	5.250	
Postage	14	18	300	
Banking costs	753	467	900	
Exchange rate difference	23.096	0	0	
Office supplies	201	757	600	
Insurances	1.544	1.756	2.300	
Subscriptions / documentation	0	0	300	
Copying costs, etc.	600	600	650	
Conferences / seminars (abroad)	1.434	2.766	9.000	
Contributions	0	0	0	
Other organisational costs	546	22.245	700	
ISO certification	157	0	0	
Expenses earlier years	0	0	0	
		30.458	34.004	20.000
General Expenses				
Audit fees	5.869	3.000	3.500	
KKA-TAD/administration	2.142	1.876	2.760	
Publicity	0	55	3.000	
Cost management (board)	944	1.141	4.000	
Travel-accomm. expenses (NL)	339	870	4.000	
General Costs	0	0	500	
Own contribution projects	21.937	0	83.855	
Meeting costs	0	0	0	
		31.231	6.942	101.615

Expenditures

	Actual 2018	Actual 2017	Budgeted 2018
Housing Expenses			
Rent	<u>8.904</u>	<u>8.956</u>	<u>13.925</u>
	8.904	8.956	13.925
Services			
Housekeeping services	282	312	660
depreciation inventory	<u>0</u>	<u>0</u>	<u>0</u>
	282	312	660
Automation			
ICT (including hardware)	<u>15.113</u>	<u>6.957</u>	<u>7.161</u>
	15.113	6.957	7.161
Activity-project Expenses			
Third party	<u>452.797</u>	<u>665.492</u>	<u>691.723</u>
	452.797	665.492	691.723
Total	<u>1.070.142</u>	<u>1.226.237</u>	<u>1.384.796</u>

<u>Staffing</u>	Number Fte's	Number Fte's	Number Fte's
Executive Director	1,00	1,00	1,00
Co-Directors	2,00	2,00	2,00
Program Officer	3,40	2,60	3,40
Communication Officer	0,80	0,80	0,80
Administration	0,57	0,37	0,20
	<u>7,77</u>	<u>6,77</u>	<u>7,40</u>
Total	7,77	6,77	7,40
Internships positions 1 persons	0,00	0,00	0,00

Overview Project 2018

Income	OSF Indonesia	OSF De-risking I	OSF G-20	OSF Core Funding	OSF FATF and GSP Praktisen	NWO WORTR0	CVE Masterclass	CVE Toolkit	Tunisi@ phase 1	Tunisi@ Doit phase 2	Mali ARC	Wenep Mill	Libya 1925 NAP	OAK FATF expert hub	Leosduise Isamer	Tunisia MPO Gov. engage/FATF	Time 4 Your future	PVE Workshop Cameroon	ECNL Phase 2	Workshop Cameroon	Other	Total Projects
Balance Sheet as of 1/1-2018	-2.680	15.248	0	0	22.515	-2.886	57.818	50.000	-13.558	165.899	-4.590	-15.000	77.544	0	-4.262	0	0	0	6.049	0	139	351.236
MOFA																						226.705
ECNL							120.000	45.000	14.333	47.372							18.765					18.765
OSF			59.092	181.818									170.195									240.910
Cordaid NAP 1325																						170.195
ECNL / OAK														41.136								41.136
Fonds 1818																						0
NWO						10.565																10.565
Norwegian Church Aid (NCA)											265.000											265.000
GPPAC												27.249										
Mensen met een Missie																						27.249
Zon MW																	15.765	15.600				15.600
Other															4.212							4.212
Total External Income	-2.680	15.248	59.092	181.818	22.515	7.679	177.818	95.000	775	213.271	260.410	11.249	247.739	41.136	-50	18.765	15.765	15.600	6.049		139	1.387.339
Own contribution	3.111				108				-775			-11.249		31.791	5.000				-6.049			21.937
Total External Income	431	15.248	59.092	181.818	22.623	7.679	177.818	95.000	0	213.271	260.410	0	247.739	72.927	4.950	18.765	15.765	15.600	0	0	139	1.409.276
Expenditures																						
Salary costs	0	5.400	20.455	124.062	16.591	10.000	33.600	56.000	98.700	98.700	110.706		129.200	21.818	5.950	5.091	12.000	0	0	0	0	649.573
Project expenses	431	9.848	0	52.433	6.032	18	38.786	1.774	114.792	114.792	145.509		48.025	20.740	-1.000	13.774	0	1.634	0	0	0	452.797
Total Expenditures	431	15.248	20.455	176.495	22.623	10.018	72.386	57.774	0	213.492	256.215	0	177.225	42.558	4.950	18.865	12.000	1.634	0	0	0	1.102.370
Balance Projects 31-12-2018	0	0	38.637	5.323	0	-2.339	105.432	37.226	0	-221	4.195	0	70.514	30.369	0	-100	3.765	13.966	0	139	0	306.906

Overview Project Budget 2018

Income	OSF Indonesia	OSF De-risking I	OSF Core Funding	OSF FATF and GSP Pakistan	NWO WORTRO	CVE Masterclass	CVE Toolkit	Tunesië Delft phase 2	Mali ARC	Libya 1325 NAP	OAK FATF expert hub	Nog af te sluiten	Other	Total Projects
<i>Balance Sheet as of 1/1-2018</i>	7.836	20.574	0	29.672	-3.330	60.000	50.000	104.405	32.707	92.693	0	-51.555	10.482	353.484
MOFA														303.168
ECNL	16.850	6.200	250.000	56.000		140.000	50.000	113.168		155.046				0
OSF														329.050
<i>Cordaid NAP 1325</i>														155.046
ECNL / OAK											29.105			29.105
Fonds 1818														0
NWO					10.000									0
<i>Norwegian Church Aid (NCA)</i>									252.740					10.000
Other														252.740
Total External Income	24.686	26.774	250.000	85.672	6.670	200.000	100.000	217.573	285.447	247.739	29.105	-51.555	10.482	1.432.592
<i>Own contribution</i>		8.300	25.000								25.555		25.000	83.855
Total Income	24.686	35.074	275.000	85.672	6.670	200.000	100.000	217.573	285.447	247.739	54.660	-51.555	35.482	1.516.447
Expenditures														0
Salary costs	4.430	4.727	175.000	18.900	10.000	60.000	30.000	83.342	101.980	130.000	45.555	0	25.000	688.934
Project expenses	12.420	9.773	100.000	37.100	0	140.000	70.000	29.826	150.760	117.739	9.105			676.723
Total Expenditures	16.850	14.500	275.000	56.000	10.000	200.000	100.000	113.168	252.740	247.739	54.660	0	25.000	1.365.657
Balance Projects	7.836	20.574	0	29.672	-3.330	0	0	104.405	32.707	0	0	-51.555	10.482	150.790

Overview Project 2017

Income	ECNL Phase 2	OSF Indonesia	OSF De-risking	OSF Pakistan	Tunesië Delft phase 1	Tunesië Delft phase 2	Mali ARC	Wanep Mail	Libya 1325 NAP	BUZA CVE Masterclass	BUZA Development Toolkit	Loosduinse Huiskamer	Overige	Total Projects
<i>Balance Sheet as of 1/1-2017</i>	15.164	0	0	0	88.692	254.578	-259	-65.692	0	0	0	0	20.237	312.720
<i>MOFA Norwegian Church Aid</i>						163.650	225.000			60.000	50.000		4.181	277.831
<i>ECNL</i>	15.161													225.000
<i>OSF</i>		81.818	148.636	141.424					180.000					15.161
<i>Cordaid</i>														371.878
<i>Fonds 1818</i>													1.327	181.327
<i>ICCT Rehab</i>												25.947		25.947
<i>Wanep</i>								27.695					27.920	27.920
<i>Other</i>													12.132	27.695
Total External Income	30.325	81.818	148.636	141.424	88.692	418.228	224.741	-37.997	180.000	60.000	50.000	25.947	65.797	1.477.610
<i>Own contribution</i>								21.997						21.997
Total Income	30.325	81.818	148.636	141.424	88.692	418.228	224.741	-16.000	180.000	60.000	50.000	25.947	65.797	1.499.608
Expenditures														
Salary costs	14.545	17.728	50.909	18.727	58.900	70.700	100.000	0	72.000	0	0	24.550	54.820	0
Project expenses	9.730	66.771	82.479	100.181	43.350	181.628	129.331	0	30.456	2.182	0	5.659	13.724	0
Total Expenditures	24.276	84.498	133.388	118.909	102.250	252.328	229.331	0	102.456	2.182	0	30.209	68.544	1.148.371
Balance Projects	6.049	-2.680	15.248	22.515	-13.558	165.899	-4.590	-16.000	77.544	57.818	50.000	-4.262	-2.748	351.236