

Fiscal Year 2012

**FINANCIAL
STATEMENTS**



World Servants Netherlands

www.worldservants.nl/english



Report of Independent Auditor

We have audited the fiscal year 2012 financial statements of World Servants Netherlands included in this report. The financial statements consists of the balance as of December 31, 2012 (with a total balance of € 901.463) and the consolidated statement of financial position over 2012 (with a negative result of €197.854) with the notes to the consolidated financial statements.

The board of World Servants Netherlands is responsible for preparing the financial statements, in accordance with Guideline 650 for Fundraising Institutions. The board is also responsible for such an internal control as it deems necessary to enable the preparation of the financial statements without material misstatement due to fraud or mistakes.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with Dutch law, including the Dutch auditing standards. Those standards require that we meet the ethical standards that apply to us and that we plan and perform the audit in such a way as to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes examining, on the basis of tests, evidence supporting the amounts and disclosures in the financial statements. In addition, an audit includes assessing the accounting principles, evaluating the significant estimates made by the board of the foundation, and evaluating the overall presentation of the financial statements.

We believe that the audit information obtained by us provides a sufficient and suitable basis for our opinion.

In our opinion, the financials statements present fairly, in all material respects, the financial position of World Servants Netherlands as of December 31, 2012, and the results of its operations in 2012 in conformity with Guideline 650 for Fundraising Institutions.

We report that the board and management report - for as far as we can asses - conform to the financial statements as required in Guideline 650 for Fundraising Institutions.

Signed,

Sliedrecht, May 7 2013
WITh accountants B.V.
P. Alblas, Registered Accountant

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION*with summarized financial information for the year ended December 31, 2012*

All amounts in €		31 December 2012	31 December 2011
Assets			
1	Material fixed assets	99.249	131.392
2	Financial fixed assets	<u>59.169</u>	<u>22.060</u>
		158.418	153.452
3	Supplies	1.513	1.884
4	Receivables and short-term assets	318.932	178.926
5	Liquid assets	<u>422.550</u>	<u>699.122</u>
		742.995	879.932
	Total	<u>901.413</u>	<u>1.033.384</u>
Liabilities			
6	Reserves and funds		
	- Reserves		
	- Contingency reserves	379.157	577.011
	- Designated reserves	<u>0</u>	<u>0</u>
	subtotal	379.157	577.011
7	- Provisions	8.000	0
8	- Short-term debt	<u>514.256</u>	<u>456.374</u>
	Total	<u>901.413</u>	<u>1.033.384</u>
Key figures			
	Capital ratio	13,9 %	20,1 %
	Solvency	42,1 %	55,8 %

All amounts in €

	Actual 2012	Budget 2012	Actual 2011
Revenue			
9 - Revenue from own fundraising actions	1.896.548	2.258.418	2.106.735
10 - Revenue from joint fundraising actions	0	0	9.100
11 - Revenue from fundraising actions by third parties	492.762	413.551	428.781
12 - Government grants	305.272	303.021	309.165
13 - Interest	12.623	10.000	11.475
14 - Other revenue	28.414	25.000	11.564
Total revenue	2.735.619	3.009.990	2.876.820
Expenses			
Program services			
15 - Construction projects	706.450	698.623	718.200
16 - Gifts from participants to partners	34.492	0	27.963
17 - Program support	119.486	90.000	108.750
18 - Participant expenses	1.216.585	1.383.470	1.260.889
19 - Contribution to administration costs	360.074	368.178	347.577
Total	2.437.087	2.540.271	2.463.380
Fundraising expenses			
19 - Expenses related to own fundraising	176.211	179.444	169.930
19 - Expenses related to actions by third parties	36.378	36.175	33.265
19 - Expenses related to obtaining grants	58.913	68.595	59.362
Total	271.501	284.214	262.557
Administration expenses			
19 - Administration expenses	224.885	221.204	205.721
Total expenses	2.933.473	3.045.689	2.931.659
Result	-197.854	-35.699	-54.839
Result designations:			
- contingency reserves	-197.854	-35.699	-9.342
- designation reserves: Project reserves			-45.497
Investment reserves			0
Total	-197.854	-35.699	-54.839
Key figures			
Utilization ratio revenue	89,1 %	84,4 %	85,6 %
Utilization ratio expenses	83,1 %	83,4 %	84,0 %
Fundraising expenses	9,3 %	7,9 %	8,1 %
Administration expenses	7,7 %	7,3 %	7,0 %

NOTES ON THE RESULT FOR 2012

General notes

For 2012 a negative result had been budgeted for. However, because the total number of participants was more than 100 participants less than budgeted for, and because the total amount of (project) gifts received fell behind in relation to the budget, the result was much worse than foreseen.

Notes on the most significant deviations from the budgets

- 104 participants less than budgeted for amounted to a € 218.000 reduction in revenue .
- The project-related gifts and general gifts were respectively € 78.000 and € 55.000 less than budgeted for - which has partly been compensated for by a € 27.000 increase in participant contributions.
- We saved € 17.000 on administration expenses.
- WSN employed in 2012 on average 13,3 full-time equivalent (FTE). (Budget 2012: 13,7 FTE).

CONSOLIDATED STATEMENTS OF CASH FLOW*with summarized financial information for the year ended December 31, 2012*

All amounts in €

	2012	2011
Financial position by 1 January	699.122	687.563
Balance revenue and expenses	-197.854	-54.839
Depreciation in result	32.596	32.156
Mutation in provisions	8.000	0
Cash flow from operational activities		
Mutation in work capital:		
Financial fixed assets	-37.109	5.868
Supplies	372	-806
Receivables	-140.007	61.519
Short-term debt	57.882	19.461
Cash flow from investment activities		
Investment in material fixed assets	-453	-51.799
Financial position by 31 December	422.550	699.122

The consolidated statements of cash flow represent the actual cash flows within the financial year. The cash flow for FY 2012 is negative due to the negative result and an increase in advanced-payments for FY 2013. The FY 2013 budget has been updated to ensure a positive cash flow for FY 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General | The annual statements for FY 212 have been prepared in conform the Guideline RJ 650 for fundraising institutions. All amounts are in Euro's.

Material fixed assets | The material fixed assets have been appreciated at the purchase price minus linear depreciations. Assets, including computer equipment, are depreciated in five years. Alterations to the building are depreciated in ten years.

Supplies | Supplies consist of articles used for public relations. Appreciation of the supplies is based on the latest purchase price. Where necessary, the fact that some items can no longer be sold or used for other purposes has been taken into account.

Receivables | Receivables have been appreciated at their nominal value. Where necessary, non-returnability has been taken into account.

Foundations for determining the financial result | Revenues and expenses are accounted for in the year in which they were received or spent.

Norm percentages | According to the norm of the Central Bureau for Fundraising, fundraising expenses are not allowed to exceed 25% of the total income from fundraising. With a percentage of 9,3 percent (2011: 8,1 %) WSN meets this norm.

Administration costs | Conform Guideline RJ 650 costs have been attributed to:

1. Program costs
2. Fundraising costs concerning:
 - a. own fundraising actions
 - b. costs for obtaining grants
 - c. fundraising actions by third parties
3. Administration

Personnel costs are attributed on the basis of time allocation. Travel and accommodation costs, as well as housing costs are attributed in the same way as personnel costs.

Board and executives | The executive director left the organisation on 1-11-2012. She was replaced by two former board members, who fulfilled the position of interim directors. The gross salary of the director (1,0 fte) till 1-11-2012 was € 52.179. The contribution to the pension premium was € 8.532. The interim directors received € 4.800, excluding VAT and including travel costs.

Revenue from fundraising actions by third parties | The Wilde Ganzen foundation reports the contributions from our participants Revenue from their own fundraising actions. Therefore, we report it as revenue from third parties.

Specification of balance

All amounts in €		2012	2011
1	Material fixed assets		
	Purchase value on per 1 January	275.937	244.762
	add: investments	453	51.799
	subtract: disinvestments	-46.988	-20.624
	Purchase value on 31 December	229.402	275.937
	Afschrijvingen t/m vorig boekjaar	144.545	133.013
	add: depreciations for this year	32.596	32.156
	subtract: disinvestments	-46.988	-20.624
	Depreciations till fiscal year	130.153	144.545
	Value of goods on 31 December	99.249	131.392
	Specification assets		
	Facilities	51.662	62.623
	Office equipment	1.283	1.467
	Computer equipment	33.140	49.306
	Vehicles (field partners)	13.164	17.996
	Total	99.249	131.392
2	Financial fixed assets		
	Participation/co-ownership Co-Prisma	43.077	0
	Loan refurbishment	15.892	20.660
	Loan to employee	200	1.400
	Total	59.169	22.060
3	Supplies		
	Supplies publicity material	323	342
	Supplies merchandise	1.190	1.542
	Total	1.513	1.884
4	Receivables and accrued assets		
	Debtors	4.882	250
	VAT	10.141	9.035
	Interest	10.899	10.061
	Grants	34.555	36.593
	Participant contributions	7.080	6.726
	Project gifts	14.675	25.932
	Advanced payments	231.713	87.434
	Participant travel expenses	4.105	0
	Other	881	2.895
	Total	318.932	178.926

All amounts in €		2012	2011
5	Liquid assets		
	Saving account	286.764	627.204
	Bank account	133.609	70.334
	Cash	2.177	1.585
		<u>422.550</u>	<u>699.122</u>
	Change in liquid assets:	<u>-276.573</u>	<u>11.560</u>
6	Reserves		
	- Reserves		
	- Contingency reserves	379.157	577.011
	- Designation reserves		
	- Project reserves	0	0
	Total	<u>379.157</u>	<u>577.011</u>
	Turn-over overview reserves:		
		Continuity reserve	Project reserve
	Balance by 1 January	577.011	0
	Addition result 2011	-197.854	0
	Balance by December 31	<u>379.157</u>	<u>0</u>
			Total
			577.011
			-197.854
			<u>379.157</u>
7	Provisions		
	Partner conference	8.000	0
8	Short-term debts		
	Creditors	12.332	5.660
	Participant contributions	397.579	360.756
	Grants	3.350	28.067
	Gifts from participants for partners	7.429	7.464
	Social security contributions	11.809	12.739
	Social expenses	3.903	500
	Vacation pay reserve	22.015	21.184
	Administration expenses	22.445	10.480
	Project expenses	925	8.000
	Debt participation Co-Prisma	32.308	0
	Other	160	1.525
	Total	<u>514.256</u>	<u>456.374</u>

Obligations that do not show up in the balance:

Rent | The building has been rented. The rent agreement was entered into on May 1, 2006 and ends on May 1, 2016. The annual rent was € 26.081 for 2012. Indexation over 2012 = 102,7.

Lease obligations | World Servants Nederland has lease obligations concerning the lease of a copy machine. The contract is for a duration of 60 months ending in 2013. The annual obligation was € 4.486 in 2012. Indexation over 2012 = 104,9.

Specification of consolidated financial statements

Revenue

	Actual	Budget	Actual
All amounts in €	2012	2012	2011
8 Participant contributions			
- Participant contributions	1.741.460	1.959.225	1.848.075
- Extra participant contributions	102.067	75.000	113.514
- Correction actions by third parties	-294.019	-266.807	-276.633
Total	1.549.508	1.767.418	1.684.956
8 Project-related gifts and donations			
- Project gifts	152.186	260.000	213.200
- Additional contributions	0	16.000	0
- Contributions program partners	0		0
- Gifts from participants for partners	34.492		27.963
Total	186.678	276.000	241.163
8 General gifts and donations			
- Regular private donors	73.057	90.000	80.836
- Mailings	28.061	35.000	33.238
- Private gifts	40.567	40.000	34.746
- Gifts from churches	7.821	17.500	12.679
- Gifts from schools	0	1.000	855
- Gifts from companies	1.929	19.000	5.656
- Gifts from foundations	1.449	8.000	4.900
- General donations and legacies	3.349	2.000	5.212
- Collections	4.130	2.500	2.494
Total	160.362	215.000	180.616
9 Revenue from own fundraising actions	1.896.548	2.258.418	2.106.735
10 Revenue from joint actions			
- Joint action with Tear Netherlands	0	0	9.100
Total	0	0	9.100
11 Revenue from actions by third parties			
- Premium Wilde Ganzen	165.067	146.744	152.148
- EO Metterdaad	33.676	0	0
- Actions by participants (in relation to Wilde Ganzen)	294.019	266.807	276.633
Total	492.762	413.551	428.781
12 Government grants			
- MFS via ICCO/Prisma for WSN projects	146.398	151.831	225.927
- MFS via ICCO/Prisma for partner programs	82.236	75.676	0
- MFS via ICCO/Prisma for administration	14.083	19.664	16.645
- SBOS	62.555	55.850	66.593
Total	305.272	303.021	309.165
13 Interest			
- Interest bank account	11.431	9.000	10.283
- Interest receivables	1.192	1.000	1.192
Total	12.623	10.000	11.475

All amounts in €	Actual 2012	Budget 2012	Actual 2011
14 Other revenue			
- Administration fees gifts for partners	493		979
- Administration fees projects modules	9.082	25.000	3.688
- Result previous years	8.508		4.012
- Administration fees Prisma	2.761		1.125
- Administration fees EO metterdaad	526		623
- Other	7.044		1.136
Total	28.414	25.000	11.564
Total revenue	2.735.619	3.009.990	2.876.820

Expenses

15 Const ruction projects			
- Fixed construction costs	479.151	454.278	485.483
- Variable construction costs	101.101	116.168	107.124
- Set-up costs	32.864	40.400	48.058
- Local administration costs	93.334	87.777	77.535
Total	706.450	698.623	718.200
16 Gifts for partners	34.492	0	27.963
17 Partner support	119.486	90.000	108.750
18 Participant expenses			
- Travel	796.858	918.905	824.594
- Accommodation	202.803	217.415	201.957
- Services	75.178	107.865	90.318
- Training	141.746	139.285	144.021
Total	1.216.585	1.383.470	1.260.889
19 Personnel expenses			
- Salaries	458.222	489.500	424.918
- Social expenses	60.595	59.796	63.672
- Pensions	44.568	35.000	29.157
- Other	38.636	29.000	21.577
Total personnel expenses	602.022	613.296	539.323
- Travel and accommodation	20.346	23.200	25.340
- Board and other volunteers	7.660	9.700	7.353
- Facilities	50.760	47.000	49.580
- Office expenses	27.474	29.300	25.702
- ICT	54.425	40.000	51.056
- Publicity & communication	47.089	57.600	56.784

- General expenses	32.568	28.750	28.092
- Expenses related to obtaining grants	9.073	18.750	13.813
- Contribution administration expenses	-2.956	-2.000	-3.165
- Partner conference	8.000	8.000	21.979
Total	856.460	873.596	815.856
Total expenses	2.933.473	3.045.689	2.931.659

Key figures

	Actual 2012	Budget 2012	Actual 2011
Number of FTE	13,3	13,7	12,5
Average expenses per FTE	45.265	44.766	43.146
Average revenue per FTE	205.686	219.707	230.46

Specification and division of expenses by designation

Actual 2012						
	Fundraising revenue				Total	
Program services	Fundraising	Actions by third parties	Obtaining grants	Administration		
- Construction projects	706.450				706.450	
- Gifts from part. for partners	34.492				34.492	
- Program support	119.486				119.486	
- Participant expense	1.216.585				1.216.585	
- Personnel	288.971	102.344	30.101	42.142	138.465	602.022
- Traven and accommodation	9.766	3.459	1.017	1.424	4.680	20.346
- Board and other volunteers	0	766	0	0	6.894	7.660
- Facilities	24.365	8.629	2.538	3.553	11.675	50.760
- Office expenses	5.495	10.989	0	0	10.989	27.474
- ICT	5.443	21.770	2.721	2.721	21.770	54.425
- Publicity & communications	18.836	28.253	0	0	0	47.089
- General expenses	0	0	0	0	32.568	32.568
- Obtaining grants	0	0	0	9.073	0	9.073
- Contribution to admin.	0	0	0	0	-2.956	-2.956
- Partner conference	7.200	0	0	0	800	8.000
Actual 2012	2.437.087	176.211	36.378	58.913	224.885	2.933.473
Budget 2012	368.178	179.444	36.175	68.595	221.204	873.596
Actual 2011	347.577	169.930	33.265	59.362	205.721	815.856

	Actual 2012	Budget 2012	Actual 2011	Actual 2010	Actual 2009
Average number of FTE	13,3	13,7	12,5	11,3	10,9

Budget 2013

All amounts in €	Budget 2013	Actual 2012	Budget 2012	Actual 2011
Number of participants:	776	742	850	793
Number of projects	29	26	27	26

Revenue

9 - Revenue from own fundraising actions	2.051.243	1.896.548	2.258.418	2.106.735
10 - Revenue from joint fundraising actions	0	0	0	9.100
- Revenue from fundraising actions by				
11 third parties	492.249	492.762	413.551	428.781
12 - Government grants	354.115	305.272	303.021	309.165
13 - Interest	10.000	12.623	10.000	11.475
14 - Other revenue	25.000	28.414	25.000	11.564
Total revenue	2.932.607	2.735.619	3.009.990	2.876.820

Expenses

Program services				
15 - Construction projects	709.710	706.450	698.623	718.200
16 - Gifts from participants to partners	0	34.492	0	27.963
17 - Program support	112.277	119.486	90.000	108.750
18 - Participant expenses	1.295.008	1.216.585	1.383.470	1.260.889
19 - Contribution to administration costs	330.849	360.074	368.178	347.577
Total	2.447.844	2.437.087	2.540.271	2.463.380
Fundraising expenses				
19 - Expenses related to own fundraising	170.875	176.211	179.444	169.930
- Expenses related to actions by third				
19 parties	32.145	36.378	36.175	33.265
19 - Expenses related to obtaining grants	59.921	58.913	68.595	59.362
Total	262.941	271.501	284.214	262.557
Administration expenses				
19 - Administration expenses	215.822	224.885	221.204	205.721
Total expenses	2.926.607	2.933.473	3.045.689	2.931.659
Result	6.000	-197.854	-35.699	-54.839

Key figures

Utilization ratio revenue	83,5%	89,1%	84,4%	85,6%
Utilization ratio expenses	83,6%	83,1%	83,4%	84,0%
Fundraising expenses	8,3%	9,3%	7,9%	8,1%
Administration expenses	7,4%	7,7%	7,3%	7,0%

Director's Compensation

The supervisory body has determined the compensation policy, the executive director's salary and other compensation components. The compensation policy is periodically updated. The last evaluation was in 2011.

The compensation policy and salary conform to the Collective Labor Agreement for the Wellness sector on the basis of salary group 8 with salary grade 9.

	2012	2011
Name	Mrs. E. Nijman	Mrs. E. Nijman
Position	Executive Director	Executive Director
Contract		
Nature(duration)	permanent	permanent
Hours	40	40
Part-time percentage	100	100
Period	1/1-31/10	1/1-31/12
Compensation (EUR)		
Annual income		
Salary	48.504	55.119
Vacation Pay	3.675	4.341
Year-End Bonuses	0	-
Variable annual income	0	-
Total	52.179	59.460
Social serv. expenses (employer's part)	7.044	7.143
Taxable compensations	-	-
Pension expenses (employer's part)	8.532	8.266
Other long-term compensation	-	-
Separation benefits	16.000	-
Total compensation 2012	83.755	74.869