

Annual Account 2013



PAX

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Cover Photo: Tom Daams, Having a mission, Aleppo (Syria)
A PAX publication, May 2014

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1. Introduction

The 2013 consolidated annual accounts are part of our annual reporting and contain the total and complete set of financial data for the following legal persons:

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

Their shared mission is to work with civilians and partners in areas of conflict to protect civilians, to prevent and end armed violence and to build peace with justice. You can find a comprehensive explanation of our mission and goals and a detailed account of the content of our work in our annual report. This report is available free of charge from www.paxforpeace.nl. The 2013 annual report and the annual accounts are available in a digital format primarily for environmental reasons. A printed copy can be obtained on request, also free of charge.

2. Guidelines Used

The 2013 consolidated annual accounts, like the separate annual accounts for the PAX, have been drafted consistent with the Council for Annual Reporting (=RJ)'s Directive 650 governing fundraising institutions (hereinafter referred to as RJ 650) which the Council published in January 2011. For other Dutch legal persons, the report was drafted in accordance with RJ 640.

3. Notes on Legal Persons

PAX

The 20th January 2014 the statutory name of IKV Pax Christi 'IKV Pax Christi Collaborative Partnership Foundation' has been changed into 'Peace Movement PAX Netherlands Foundation'.

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

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

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

Regarding the accountability for the content of the work of the Board of Directors and the Supervisory Board in 2013, we refer you to our annual report, which includes the accountability statement as per

guidelines of the independent Dutch Central Bureau for Fundraising [Centraal Bureau voor de Fondsenwerving, hereinafter referred to as: CBF]

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

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

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

Catholic Peace Movement Foundation (STIKAV)

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

Pax Christi Horn of Africa Trust

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

4. Freedom from Fear Alliance

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

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

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

* The Serbian subprogramme ended in 2013.

** The Moroccan subprogramme phase out started in 2011 as a result of cutbacks at the Ministry of Foreign Affairs. In 2013 this program financially ended by the closure of an EU financed project.

*** From 2014, the Sudan program's financial reporting is split into a program and a Sudan South Sudan Programme.

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

2011 t/m 2015	PAX	Amnesty International	GPPAC	Free Press Unlimited	Total Alliance
Total	30,708	3,532	8,203	2,491	44,934
2013	6,109	703	1,632	496	8,940

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

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

Financial accountability in this annual account 2013 is restricted to the programmes in which PAX participated in 2013.

5. Communities of Change Alliance

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

For this programme, PAX receives the following amounts for the years 2011 through 2015 under the 2011-2015 MFS II system

2011 – 2015 budget	PAX
Total	3,360,000
2013	672.000

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

6. Quality of the Administrative Procedures

PAX has imposed stringent requirements on its ability to track and render account for financial resources, all the more because the organisation works with private and public funds.

The 2012 yearly accountant's audit suggested specific improvements on documentation of monitoring concerning different donor requirements and allocation of funds to specific projects. Additional attention was suggested on evaluation and registration of organisational skills of implementing partners, uniformity in hard copy project filing in the project administration and electronic registration of the access rights in our administrative system. These suggestions have been followed up in 2013.

The process of financial project administration and monitoring will be further improved in 2014 by realising a better fit with the primary process and gaining deeper insights and control over the specific project risks. Also the internal financial reporting will be upgraded by creating a more adequate monthly reporting cycle.

Quality systems and quality marks

Dutch Quality Institute (INK) model

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

ISO Quality system

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

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

Association of Fundraising Organisations (VFI)

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

- VFI Code of Conduct.

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

CBF

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

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

After its 2012 audit the CBF renewed the CBF-certificate to 2015.

Corporate social responsibility

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

7. Explanation of the Balance

Assets

Assets as of 31 December 2013 had increased compared to 2012 due to advanced and unused payments of funds from various grants. There are more receivables and more cash or cash equivalents.

Liabilities

Special purpose fund

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

Reserves policy

PAX complies with the guidelines of the Association of Fundraising Institutions (VFI) for the reserves of charitable organisations, which is part of the CBF regulations. In accordance with the directive, *PAX* used a PricewaterhouseCoopers model in 2010 to analyse its risks for 2011 to 2015 and the continuity reserve that would be desirable to counterbalance those risks. Based on this analysis, the Board of Directors set the desired amount of the continuity reserve in 2010, which was approved by the Supervisory Board at the end of November 2010. No changes were made in 2013.

This decision did not change in 2013, as there were no circumstances that required the risk analysis to be revised. The IKV and Pax Christi are therefore equal guarantors for covering risks up to € 2,320,000, i.e. € 1,160,000 for each partner.

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

PAX has few options for building up its own assets because MFS grant conditions forbid it from doing so by MFS funds. In 2013 the continuity reserve remained on the same level as 2012 and substantially below the maximum norm in the VFI directive. The norm was not achieved in 2013 nor will it be achieved in the coming years.

Responsible asset management

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

Responsible asset management entails the following for us:

1. *Practice what you preach:* PAX applies the same principles to its own investments as the principles it urges companies to adopt.

In 2013, PAX continued to play a role in fostering corporate social responsibility. This included applying the Voluntary Principles on Security and Human Rights and making public investments by banks and institutional investors in the weapons industry and arms trade, especially investments in inhumane weapons (cluster munitions), nuclear weapons and illegal trade in arms (arms control). In a similar vein, a special Foundation on Voluntary Principles has been set up, in which PAX, its corporate partners and the Dutch government all take part. Our participation in the Fair Banking Guide (Eerlijke Bankwijzer) reinforces our collaboration with Oxfam Novib, Amnesty International, Milieudefensie [=Friends of the Earth Netherlands] and FNV Mondiaal [=part of the FNV trade union confederation]. This guide encourages banks to adopt socially responsible business practices.

2. Within these ethical norms, our partnership's basic principle for asset management and investment is to maintain the value of the principle at the highest possible yield. PAX has opted for very risk-averse asset management. It does not invest in shares or bonds, listed or unlisted. In view of the instability of the Dutch banking sector, PAX decided to minimise risks (e.g. from banks) by spreading its assets over accounts with more diverse banks. This minimisation of risks influenced the total amount of interest.

Short-term debts

Subsidy commitments risen strongly as a result of new fundraising, for which advances have been received at the end of 2013.

Grant commitments have risen strongly in line with the stable increase of spending.

8. Explanation of the Statement of Receipts and Charges

Income: available for objectives

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

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

The total income achieved for 2013 is € 13,642,860, which is € 1,319,670 more than 2012. If we exclude the amounts relating to our Freedom from Fear Alliance partners, the income achieved in 2013 is € 10,812,650.

The total of programme activities financed by Dutch government funds increased by € 808.826. Private and institutional income increased by € 424.735. Institutional fundraising increased substantially as we partnered with various new donors.

Fundraising

Private sector fundraising

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

Consolidating the amount of this income requires increasingly more effort. The amount can remain stable by specially focusing on target groups. Specific effort continues to be put into integrating these fundraising efforts into our increased campaigning effort.

Total income from private sector fundraising comes from:

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

The Peace Week [Vredesweek] collection shows a moderate increase. Contributions and donations however show an increase, whilst legacies show a decline. Whilst PAX is implementing a legacies strategy since a number of years, revenues vary substantially from year to year and investments should be evaluated over a longer time period.

The total amount of private fundraising in 2013 was € 767.969. We exceeded the budgeted target of € 600,000 and the income in 2012. For 2014, we have budgeted this cautiously at € 650,000.

Institutional fundraising

The target for the forthcoming 5 years is to achieve a 10% increase in institutional funding each year. The reinforcement from 2011 continued into 2013. We strengthened relations with existing major institutional donors, successfully approached new funds from within the Netherlands and abroad and submitted a greater number of proposals to institutional funds for peace activities.

The spending on institutional fundraising including income from third parties rose to € 1,926,343 in 2013, which is almost 20% more than in 2012. There is a steady line of continued increase, for in 2012 there was also an increase of 20% realised.

Larger amounts of disbursement per institutional donor in 2013 are depicted in table 4

Larger institutional donations disbursed in 2013	
Adessium	€ 567,000
Postcode Lottery	€ 500,000
Swiss Government	€ 576,000
European Union	€ 428,000
V-Fonds	€ 150,000

Table 4. Larger institutional donations disbursed in 2013

Ministry of Foreign Affairs Grants

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

	Benchmarks	Achieved in 2012	Budget 2013	Achieved in 2013	Budget 2014
1	MFS II Subsidy	74%	79%	72%	73%
2	Non MFA contribution	26%	21%	28%	27%

Table 5. Consolidated benchmarks for income diversification

When calculating the benchmarks, the MFS II contribution is treated as a percentage of total income. To ensure the integrity of the figures and their comparability with those of preceding years, in our calculations we used the portion of the MFS II grant that PAX managed and used for its own activities, i.e. apart from the MFS II grant disbursed by the parties to the alliance. Funding that was received from the Ministry indirectly is not included in the calculation: neither in the “other contribution” part, nor in the MFS subsidy itself. In absolute figures, compared to 2012 PAX used more MFS2 funds in 2013. The total amount used for activities were higher than in 2012. This means we used a higher percentage other funding compared to last year.

For reasons that are inherent to the grant, the MFS II amounts in the annual accounts include the share for which PAX is responsible as the leading alliance party. This comes to € 2,830,210, which has therefore been excluded when calculating this percentage. This applies to both income and expenditures.

NB. Benchmark 1:

The MFS II grant represents 72% of total expenditures. That means that MFS II funds finance 72% of PAX's activities. This percentage includes funds received through the Communities of Change Alliance (7% CoC, 65% FFF).

NB. Benchmark 2:

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

Over 2013, this part for PAX came to 28%. This is 33% higher than was projected for 2013.

This can be explained by various factors influencing this benchmark:

1. In 2011 there was a serious delay in starting up programmes funded by MFS II. Comparatively more was spent in 2012 (half a million) and slightly more in 2013 (0,2 mln), which creates an upward tendency on the percentage.
2. In addition to some new institutional donors, *PAX* identified many funding opportunities from different funds from MFS II and indirect funds from the Dutch Ministry of Foreign Affairs. This reduces our dependence on MFS II and supports *PAX*'s strategic position. It does not reduce the relative dependence on Dutch Governmental funds. Based on strategic considerations, however, the first of these was considered to be more important.
In 2013, *PAX* has spend a total of € 992.199 of non-MFS II funds from the Dutch Government, which was € 808.826 more than in 2012. This contribution will grow to about € 2,200,000 budgetted in 2014, € 2,700,000 including an awarded strategic partnership tender with the Dutch Government on The Horn of Africa.

PAX will continue to invest in maintaining present donors and explore new sources of income. At the same time, we will continue our efforts on our strategic positioning. This is expected to have a similar influence on the benchmarks for 2014.

Income from third parties

Following a proposal that we presented to the National Postcode Lottery (NPL) in 2011, the NPL invited us to become a beneficiary for a period of five years. In 2013, we were awarded a € 500,000 grant.

Interest

In 2012, *PAX* received € 56,326 in interest on liquid assets. € 36,384 of this interest was received on MFS II resources. As is required by the conditions of the grant, this interest was retained in a special-purpose fund. The remaining interest is available for different purposes, as donors increasingly insist that interest received on advanced grants should be used for the respective specific project. An interest result of € 19,942 will be available through our own resources for our objective.

Expenses disbursed for our objectives

In 2013 after an organisation-wide midterm-review of its programmes, *PAX* decided to phase out its intervention in the Caucasus region (Armenia, Azerbeidzjan, Georgia) altogether. Despite the merits and results achieved by the Caucasus programme, it was felt that insufficient perspective of foreseeable conflict-transformation impact did exist, given both the political deadlock and our limited resources. Our programmatic withdrawal will take place in the course of 2014. The Dutch Ministry of Foreign Affairs has given permission to invest the financial resources that thus come available in activities that will have an area greater impact on conflict resolution.

- Whilst the MFS II grant runs until 2015, the Dutch Government is issuing more and more tenders for specific fields of intervention, closely linked to actual contextual developments. *PAX* appears well positioned to respond to these tenders, as underpinned by the awarding of the strategic partnership for The Horn of Africa. Nevertheless, combining and integrating our long-term strategy with the shorter-term dynamic of tenders presents a challenge.

Expenditures on objective

In this section we will explain the expenditures that *PAX* has made for the activities that it manages.

Table 7 shows *PAX*'s expenditures on each programme and sub-programme in comparison with its 2013 budget. Table 6 provides a brief explanation of these figures for each sub-programme where relevant. In

comparison to 2012 spending in 2013 rose with € 1,2 mln from € 7,3 mln to € 8,5 mln. However the ambition of the budget of € 9,7 mln was underscored with a same amount of € 1,2 mln.

The main cause of the budget underscore is the delay in start up's of different new programmes. To see a more extensive elaboration on the results, please consult our Public Report.

Programmes	Sub-programmes	Performance	Explanation
1. Human Security and Human Rights in Fragile States	Bosnia (Srebrenica)	Slightly over budget	
	Colombia	Under budget	Lower personnel cost then budgeted
	DR Congo	Under budget	Lower personnel cost then budgeted and part of programme halted due to context.
	Kosovo	Over budget	Programme impact will be evaluated in 2014.
	Uganda	Under budget	Lower personnel cost then budgeted
	Palestinian Territories	Under budget	. Lower personnel cost then budgeted due to involvement in Syria programme
	Serbia	Not planned for	Programme cost extended into early 2013; ended in 2013
	Sudan and South Sudan	On budget	Programme implementation on track
2. Human Security and Human Rights in Repressive States	Armenia	Slightly over budget	In line with Midtermreview; programme to be phased out in 2014
	Azerbaijan	Under budget	In line with Midtermreview; programme to be phased out in 2014
	Georgia	Under budget	In line with Midtermreview; programme to be phased out in 2014
	Iraq	Under budget	The violent context continues to pose challenges in programme implementation. Increase of implementation capacity is considered in 2014.
	Lebanon	Slightly over budget	Spill over of Syria conflict required additional attention on Lebanon.
	Morocco	Not planned for	End of programme.
	Syria	Exceeded	Civil war in Syria continues to posed many challenges. This nevertheless led to greater commitment to advocacy activities and to additional programme activities. The original budget was exceeded as substantial additional funds were realised.

3. Security and Disarmament	Human Security	Slightly over budget	
	Inhumane Weapons	Over budget	Programme activities implemented as planned. More indirect costs were charged than expected in original budget.
	DDR/SSR	Slightly under budget	
	Nuclear Disarmament	Under budget	Programme activities implemented as planned. Fewer indirect costs charged in accordance with original budget.
4. Networks for Conflict Prevention	Regional Action & Network Strengthening:	Slightly over budget	
	Action Learning:		
	Policy & Advocacy		
	Public Outreach		

Table 6. Explanation of Sub-programmes

Programme expenditures	2012	2013	2013	2014
Consolidated	<i>Final spend</i>	<i>Budget</i>	<i>Final spend</i>	<i>Budget</i>
Human Security in Fragile States	3,459	4,951	3,550	5,430
Srebrenica *	162	149	173	223
Colombia	595	1,033	828	1,012
DR Congo	721	777	510	812
Kosovo	338	286	420	84
Uganda	231	311	184	419
Palestinian Territories	349	372	116	474
Sudan / South Sudan **	1,063	1,350	1,319	75
South Sudan **		-		1,531
Human Security in Repressive States	1,458	2,350	2,097	2,713
Armenia	106	175	184	8
Azerbaijan	108	175	117	8
Georgia	201	492	245	33
Iraq	499	886	466	1,206
Lebanon	107	218	294	252
Syria	418	403	791	1,207
Security & Disarmament	1,669	1,370	1,560	2,028
Nuclear Disarmament *	321	876	432	720

Programme expenditures	2012	2013	2013	2014
Inhumane Weapons	790	463	662	774
Human Security ***	346	268	299	534
DDR/SSR	212	185	167	
Networks for Conflict Prevention	134	614	646	408
Network-strengthening	134	614	646	408
Total for the 4 programmes	6,720	9,035	7,853	9,779
Communities of Change Alliance	675	672	674	800
Total for the Freedom from Fear Alliance and the Communities of Change Alliance	7,311	9,706	8,527	10,579

Table 7. Programme Expenditures

* Not with MFS resources

**Since 2014 South-Sudan's financial reporting is split from the Sudan programme

***Since 2014 the subprogrammes of Human Security and DDR/SSR are integrated

Management and administration

PAX uses benchmarks to achieve efficient and cost-effective management and administration.

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

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

Efficiency benchmarks	Final result 2012	Budget 2013	Final result 2013	Budget 2014
1 Costs of fundraising	17%	24%	27%	25%
2 Costs of Management & Administration	8%	7%	7%	6%
3 Spent on objectives	87%	89%	89%	91%

Table 8. Efficiency Benchmarks

NB. Benchmark 1:

The costs of private fundraising as a percentage of the yield of private fundraising. The CBF maximum averages at 25% over 3 years. PAX remains within the set conditions. The calculation of the 2013 percentage of 26,8% was negatively influenced by a change in allocation method. This change will be reversed in 2014.

NB. Benchmark 2:

Management and administration costs as a percentage of total outlay, including the cost inherent to being the leading party, are 7.1% and therefore almost on target of the 7% budgeted.

NB. Benchmark 3:

Expenditure on objectives as percentage of total expenditure (excluding exceptional expenses). This index shows how much income is spent directly on activities to reach our objectives. 89,4% is almost on the target of 90%.

Pay and Salaries

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

The Supervisory Board sets the remuneration for members of the Board of Directors. It also gives each member of the Board of Directors an annual performance interview. The salaries of members of the Board of Directors, like the salaries of the Management Team and all other staff members fall well below the maximum pay for Board Members according to the VFI recommendation for remuneration for directors of charitable institutions. And they therefore also fall well below the level of pay scale 19 set in the Civil Servants' Pay Decree (BBRA). For the implementation of the 'Wet normering bezoldiging toefunctionarissen in de (semi)publieke sector (WNT)' PAX has complied with the 'Beleidsregel toepassing WNT' and used this policy as a frame in the preparation of the financial accounts.

For an itemisation of Board Members' salaries and remuneration for the Supervisory Board consistent with the VFI, please consult the relevant section in our annual accounts.

9. Financial Result

The consolidated result for 2013 is € 36.032. This has the following provenance:

- Interest on MFS II awards (interest over 2013) that, according to grant conditions, is stored in a special purpose reserve to be used for MFS II objectives. This is nearly € 36,000.
- The rest of the result is null.

10. Expectations for the future

With the Midtermreview, we entered into the second half of implementing our present strategic framework running till December 2015. This resulted in some shift in strategy and programme priorities. Focus and capacity will continue to be on realizing our objectives amidst the challenges of conflict contexts. The eruption of violence in South Sudan is an example of such challenge.

Our efforts in strengthening social legitimacy of our peace mission appear successful. An example is the growing number of people participating in Peace Embassies. Early 2014, we launched our new name, PAX, as to be more open to an even broader range of people. We trust that this will create an even stronger civil base for our mission and core values.

In 2013 we performed a Future Search conference, as the start to formulating our 2016 till 2020 strategy. This is now resulting in a strategic framework for that period, which will be guiding our efforts in programming and positioning over de coming years.

As the present MFSII grant will come to an end in 2015, we soon expect the Dutch government to submit a more general call for Strategic Partnerships for the year to follow. Present indications are that the final number of partners will be limited to 25 and not restricted to Dutch applicants. Next to that the overall budget is expected to decrease substantially. PAX is confident it is well positioned to apply for

such partnership, but even so, the financial frame will be challenging. Diversification of funds will therefore continue to a major strategic priority in 2014 and the years after. Results are promising till now, donors appreciate the mission and programmes efforts for their relevance, impact, innovation and persistence.



Financial Accounts 2013

Consolidated

Financial Statements 2013

Stichting Vredesbeweging Pax Nederland

woensdag 23 april 2014

BALANCE SHEET

(after appropriation of result)

		31 December 2013	31 December 2012
		€	€
ASSETS			
Intangible fixed assets	1	147.854	224.402
Tangible fixed assets	2	163.124	160.206
Financial fixed assets	3	26.879	26.470
Receivables	4	860.981	506.935
Cash and Cash Equivalents	5	4.943.822	4.158.230
		<u>6.142.660</u>	<u>5.076.243</u>

BALANCE SHEET

(after appropriation of result)

		31 December 2013	31 December 2012
		€	€
LIABILITIES			
Reserves and funds			
Continuity reserve	6	2.191.090	2.191.443
Short term reserve	7	94.805	58.421
Provisions	8	-	160.000
Short-term debts			
Subsidy commitments	9	2.903.806	1.628.392
Repayment commitment	10	-	12.606
Other accounts payable	11	276.182	309.667
Other liabilities	12	676.777	715.714
		<u>3.856.765</u>	<u>2.666.379</u>
		<u><u>6.142.660</u></u>	<u><u>5.076.243</u></u>

STATEMENT OF INCOME AND EXPENDITURE

		Actual	Budget	Actual
		2013	2013	2012
		€	€	€
INCOME				
Private fundraising	14	767.969	600.000	650.029
Grants from Institutional Donors	15	1.426.343	2.079.778	1.119.548
Income from third parties	16	500.000	500.000	500.000
Grants from Dutch government	17	8.024.082	7.898.999	7.121.820
Grants from Dutch government alliance parties		2.830.210	2.830.210	2.830.210
Interest and investment income		56.326	-	88.330
Other income		37.930	-	13.253
Total income		13.642.860	13.908.987	12.323.190
EXPENSES				
Spent on behalf of the objective				
Regional Peace Programme through 2010	18	-	-	50.844
Human Security and Human Rights in Fragile States		4.223.414	4.797.971	3.895.833
Human Security and a voice in Repressive States		2.096.755	2.277.364	1.638.580
Security & Disarmament		1.559.923	1.735.642	1.668.090
Networks for conflict prevention and Peace Building		646.391	595.022	133.787
Networks for peace building		373.401	-	143.546
Partners in Masterpeace project		250.000	-	250.000
Strengthening Civil Society		184.257	413.000	143.211
The Freedom from Fear Alliance parties MFS II liabilities		2.830.210	2.830.209	2.830.210
		12.164.351	12.649.208	10.754.101
Acquisition costs				
Cost of private fundraising	19	205.445	147.451	108.774
Cost of institutional donor fundraising		275.227	161.328	251.661
		480.672	308.779	360.435
Management and administration				
Cost of management and administration	20	961.805	951.000	977.688
Total Expenditures		13.606.828	13.908.987	12.092.224
Result		36.032	-	230.966
Appropriation of Result				
Continuity reserve		352-		
Short term reserve		36.384		
		36.032		

Cash flow Statement

	<u>2013</u>	<u>2012</u>
	€	€
Year End Result	36.032	230.963
Adjusted for		
Depreciations	131.341	184.486
Changes in provisions	160.000-	140.035
Interest on income and expenditures	56.327-	88.330-
Changes in Working Capital	<u>852.454</u>	<u>372.176</u>
Cash flow from organisation activities	803.500	839.330
Interest paid/received	88.330	84.230
Cash Flow from operating activities	891.830	923.560
Investment /disinvestment in intangible fixed assets	27.407-	53.285-
Investment/disinvestment in tangible fixed assets	<u>78.830-</u>	<u>76.189-</u>
Cash flow from investing activities	106.237-	129.474-
repayment of borrowings/take-up of long term debt	<u>N.a.</u>	<u>N.a.</u>
Cash flow from financing activities	-	-
Changes in Cash and Cash Equivalents	<u><u>785.593</u></u>	<u><u>794.086</u></u>

Notes to the 2013 Financial Statements

General

The 2013 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011) and the Ministry of Foreign Affairs' co-financing system II regulations (of Ministry of Foreign Affairs MFSII regulations).

Reporting Period

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

Reporting Directive for Fundraising Institutions

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

The consolidated annual report contains the following entities:

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

The consolidation is based on the full consolidation method.

The cash flow statement is prepared using the indirect method

Principles for the Valuation of Assets, Liabilities and Financial Results

General

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

Principles for the Translation of Foreign Currencies

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

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

Principles for the Valuation of Assets and Liabilities

Intangible Fixed Assets

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

Tangible Fixed Assets

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

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

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

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

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

Financial Fixed Assets

Financial fixed assets relate to certificates of Oikocredit shares which are valued at their nominal value. Every year dividend less management fee added in certificates.

Financial Instruments

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

Reserves

The PAX policy on continuity reserve meets the requirements of the CBF.

Special Purpose Reserve

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

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

Provisions

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

A provision is recognised if the following applies:

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

During 2012 it became clear Stikav had to include an provision due to the foreseen asbestos abatement of a total amount of 160,000 euro. In 2013 the final cost amounted 266,819 euro.

Long Term Debts and Current Liabilities

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

Commitments for which the grants are announced in the book year are fully recorded in that year.

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

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

Donations and subsidies

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

Costs

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

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

These are specified in the table explaining expense distribution.

Salary top officials

For the implementation of the standards Law remuneration of executives in the (semi) public sector (in Dutch WNT) the institution has complied with the Policy and the application WNT as frame in the preparation of these financial accounts. The WNT Adjustment Act, which is part of this standard framework, adopted by the Senate under ministerial Decree No. 6629 according Staatscourant of March 6, 2014.

Pensions

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

The pension scheme is financed externally at sector pension Zorg en Welzijn. The coverage of the sector pension as per December 31, 2013 is 109 %.

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

Consolidated PAX

Explanation of the balance sheet

	31 December 2013 €	31 December 2012 €			
1. Intangible fixed assets					
Balance as at 31/12					
Software	126.543	213.449			
Licences	21.311	10.953			
	147.854	224.402			
Movement in intangible fixed assets:	Software	Licences	Total		
Balance as at January 1					
Purchase Value	319.283	54.495	373.778		
Accumulated depreciation	105.834	43.542	149.376		
Book value	213.449	10.953	224.402		
Changes in book value					
Purchases	8.953	18.454	27.407		
Disinvestments	48.526	-	48.526		
Depreciations	47.333	8.096	55.429		
Balance	86.906-	10.358	76.548-		
Balance as at December 31					
Purchase Value	279.710	72.949	352.659		
Accumulated depreciation	153.167	51.638	204.805		
Book value	126.543	21.311	147.854		
2. Tangible fixed assets					
Balance as at 31/12					
Inventory		34.264	8.204		
Installations		19.734	7.539		
ICT hardware		42.434	71.629		
Renovation		66.692	72.834		
		163.124	160.206		
Movement in tangible fixed assets	Inventory	Installations	ICT hardware	Renovation	Total
Balance as at January 1					
Purchase Value	192.869	14.136	500.832	275.247	983.084
Accumulated depreciation	184.665	6.597	429.203	202.413	822.878
Book value	8.204	7.539	71.629	72.834	160.206
Changes in book value					
Investments	33.269	13.840	8.904	22.817	78.830
Disinvestments	-	-	-	-	-
Depreciations	7.209	1.645	38.099	28.959	75.912
Balance	26.060	12.195	29.195-	6.142-	2.918
Balance as at December 31					
Purchase Value	226.138	27.976	509.736	298.064	1.061.914
Accumulated depreciation	191.874	8.242	467.302	231.372	898.790
Book value	34.264	19.734	42.434	66.692	163.124

Consolidated PAX

Explanation of the balance sheet (cont.)

	31 December	31 December
	2013	2012
	€	€
3. Financial Fixed Assets		
Oikoscredit certificates	26.879	26.470
4. Receivables		
EU	-	23.766
Payable salaries and pension contributions	6.018	-
Other donors	298.768	93.292
Subtotal	<u>304.786</u>	<u>117.058</u>
Currents accounts alliance partners	30.435	28.062
Accounts receivable Inheritances and legacies	99.928	79.551
Prepaid acquisition cost of MFS II 2011-2015	-	47.856
Prepaid amounts and guarantees	419.150	210.985
Other receivables	6.682	23.423
	<u>860.981</u>	<u>506.935</u>
5. Cash and Cash equivalents		
Deposits (term under 3 months)	3.716.815	3.246.132
Credit balances on Dutch Bank accounts	1.221.683	904.427
Cash balance	5.324	7.670
	<u>4.943.822</u>	<u>4.158.229</u>
6. Continuity reserve		
Continuity reserve as at January 1	2.191.443	1.995.312
Allocation of the result	352-	196.131
Balance as at December 31	<u>2.191.091</u>	<u>2.191.443</u>
7. Short term reserve		
Balance as at January 1	58.421	34.834
		11.246-
Allocation of the result *	36.384	34.833
Balance as at December 31	<u>94.805</u>	<u>58.421</u>
<p>*) Interest from MFS II resources that will be disbursed for the objective The 5-year forecast shows that the amount of interest we expect to receive each year is under €100,000. This income will be used for the objective.</p>		
8. Provisions		
Provision for maintenance costs	160.000	8.719
Donation/withdrawal	160.000-	151.281
	<u>-</u>	<u>160.000</u>

Explanation of the balance sheet (cont.)

	31 December 2013	31 December 2012
	€	€
9 Subsidy commitments		
Ministry of Foreign Affairs not spent 2013 MFS II to use in 2014 *	326.218	526.429
Ministry of Foreign Affairs MR Fund not spent in 2013 to use in 2014	454.529	379.439
Ministry of Foreign Affairs Fund not spent in 2013 to use in 2014	177.876	136.514
Communities of Change Alliance not spent in 2013 to use in 2014	339.965	336.531
Cordaid Gender Fund	156.856	-
Payment obligation allotted grants	535.836	68.441
Other expenses to be paid	176.075	22.053
Prepaid by PSO	-	35.746
Other prepaid grants by donors	736.451	123.239
	<u>2.903.806</u>	<u>1.628.392</u>
* Under the grant conditions this sum can be spent in the following years of the grant period (through 2015).		
10 Repayment commitment		
Equity loan IKV donors	-	12.606
11 Accounts payable	276.182	309.667
12 Other short term liabilities		
Taxes and social security contribution	238.412	355.379
Reservation for leave days and holiday allowance	290.066	274.324
Payable salaries and pension contributions	-	3.323
Other debts, accruals and deferred income	148.299	82.688
	<u>676.777</u>	<u>715.714</u>

13. Off-Balance sheet assets and liabilities

- a PAX has € 1,091,588 in commitments to ongoing partner contracts and consultancy contracts.
- b PAX has paid € 15,370 as a guarantee for the rent and possible damage of the meeting rooms at Meeting Plaza. The annual rent amounts € 188,032.
- c PAX rents space from Corio at an annual rate of € 2,224.
- d The scanner/copier machines are leased for € 24,424 per year.
- e The maintenance contract on the KPN telephone system costs € 4,186 per year.
- f The combined cost of the ICT hardware maintenance and software contracts of the outsourced ICT services amount € 67,459 per year.
- g The maintenance contract on the CRM software costs € 3,612 per year.
- h The maintenance contract on the Inventive" administrative system costs € 20,545 per year.
- i The Ministry of Foreign Affairs has granted co-financing system (MFS II) funds for totalling €44,935,967 for the 2011 through 2015 period for the Freedom from Fear Alliance.
- j PAX is leading party in the Freedom from Fear Alliance. As such it bears legal responsibility toward the Ministry of Foreign Affairs for all obligations of the entire alliance.

Consolidated PAX

Explanation of the Income and expenditure account

	2013	2012
	€	€
14. Income from private fundraising		
Contributions and donations	611.075	448.307
Legacies	39.841	103.812
Vredesweek Collection	117.053	97.910
	767.969	650.029
15. Income from institutional fundraising		
EU	47.248	23.672
Other domestic donors	702.715	969.251
Foreign donors	676.380	126.625
	1.426.343	1.119.548
16. Income third parties		
Dutch Postcode Lottery regular contribution	250.000	250.000
Dutch Postcode Lottery extra project contribution	250.000	250.000
	500.000	500.000
17. Grants Dutch Government		
<i>Direct</i>		
Ministry of Foreign Affairs (MFS II)	6.325.660	6.143.294
Freedom from Fear Alliance parties	2.830.210	2.830.210
Other direct	992.199	183.373
	10.148.069	9.156.877
<i>Indirect</i>		
Communities of Change Alliance	668.428	589.085
PSO	-	211.776
Other indirect	37.795	5.708-
	706.223	795.153
Total grants from Dutch government	10.854.292	9.952.030
Freedom from Fear Alliance parties	2.830.210	2.830.210
	8.024.082	7.121.820

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

Explanation of the income and expenditure account (cont.)

<u>2013</u>	<u>2012</u>
% or €	% or €

18. Spent on behalf of the objective

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

Programme costs(x €1,000)	Direct	Indirect	Total
Human Security in Fragile States	2.808,3	1.415,1	4.223,4
Human Security in Repressive States	1.236,7	860,1	2.096,8
Security & Disarmament	739,9	820,0	1.559,9
Networks for conflict prevention	265,0	381,4	646,4
Networks for peacebuilding	144,7	228,7	373,4
Strengthening Civil Society	23,8	160,4	184,3
	<u>5.218,5</u>	<u>3.865,7</u>	<u>9.084,1</u>
Partners in Masterpeace project			250,0
The Freedom from Fear Alliance parties' MFS II liabilities			<u>2.830,2</u>
			12.164,4

Allocation is based on logbook results.

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

Percentage spent on objective in relation to income.	89,2%	87,3%
Percentage spent on objective in relation to liabilities.	89,4%	88,9%

19. Cost of private fundraising

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

Costs of own fundraising in percent	26,8%	16,7%
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20. Management & administration

Costs incurred for internal management and administration are not charged to the objectives or fundraising, but are listed separately. The separated Secretary Alliance FfF costs included here came to €142,240

Management and administration costs as percentage of total.	7,1%	8,1%
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Consolidated PAX

Explanation of the income and expenditure account (cont.)

	2013	2012
	€ x 1,000	€ x 1,000
Specification of personnel costs		
Gross salaries	2.893,7	2.808,9
Supplements	487,2	498,2
Social security contributions	450,0	458,0
Pension	371,3	349,5
Allocations to projects	1.347,1-	848,9-
	2.855,1	3.265,7
Travel expenses	126,6	101,8
Hired staff	387,7	133,3
Other personnel costs	252,5	178,3
	766,8	413,4
Total	3.621,9	3.679,1
Average # of FTEs in the Netherlands	69,9 FTE	66,8 FTE
Number of FTEs on balance sheet date in the Netherlands	69,2 FTE	68,6 FTE
Average # of FTEs Foreign	9,4 FTE	6,5 FTE
Number of FTEs on balance sheet date foreign	10,4 FTE	8,4 FTE

Consolidated PAX

	2013	2012
	€	€
Proposal Regarding the Appropriation of Result		
Result	36.032	230.966

Motion to adopt and approve

The annual accounts for PAX over 2013 was drafted and signed by the Board of Directors and approved by the Supervisory Board on 23 April 2014, including the already accepted proposal regarding the appropriation of result, as presented on page 22.

Explanation to the Remuneration for the Board of Directors

Itemisation of the director's remuneration as required by VFI

The institution has the Policy application WNT as frame used in the preparation of these financial statements.

	J. Gruiters	F.J.T. Landmeter
Name	J. Gruiters	F.J.T. Landmeter
Job position	General Director	Director
Type of contract	indefinite	indefinite
hours	36	36
Part-time percentage	100	100
Period	01-01/31-12	01-01/31-12
Salary (EUR)		
Annual Income, gross:		
Gross salary	80.256	73.188
Holiday allowance	6.421	5.855
Year-end allowance, 13th/14th month	6.661	6.075
Variable annual income	0	0
Total	93.338	85.118
Employers Social Security costs	8.314	8.314
Taxable Disbursement	0	0
Employers Pension contribution	11.818	10.637
Other (future) benefits	0	0
Severance entitlement	0	0
Total remuneration 2013	113.470	104.069
Total remuneration 2012	113.540	104.035

Boards of supervisors

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

Compensations	1.580	2.848
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**Table: Itemisation of expenses
in €**

Expenditures	Fragile states	Repressive states	Security & Disarmament	Networks for Conflict Prevention	Networks for Peacebuilding	Fundraising Private	Fundraising Institutional	Strengthening Civil Society	Management & Administration	Secretary costs Alliance FfF	Total 2013	Total 2012
1. Grants and contributions	1.017.498	665.036	2.989	38.195	-	-	-	587	-	-	1.724.305	847.012
2. Purchases and acquisitions	1.556.320	429.118	601.016	163.615	144.749	72.479	9.547	23.213	-	142.240	3.142.297	3.085.386
3. Publicity and Promotion	234.509	142.531	135.895	63.202	-	-	-	10	-	-	576.147	652.779
4. Personnel	1.097.356	666.959	635.903	295.747	-	102.836	206.027	124.422	599.265	-	3.728.515	3.679.517
5. Accommodations	159.293	96.816	92.308	42.931	221.645	15.241	29.907	18.061	72.741	-	748.943	254.875
6. Office expenses	20.422	12.412	11.834	5.504	3.061	1.742	3.834	2.316	24.430	-	85.555	46.135
7. General expenses	831	505	481	224	2.301	3	156	94	5.851	-	10.446	39
8. ICT	97.937	59.524	56.753	26.395	-	9.383	18.387	11.104	43.759	-	323.242	203.618
9. Depreciation and interest	39.248	23.854	22.744	10.578	1.645	3.761	7.369	4.450	17.536	-	131.185	190.136
10. Management costs	-	-	-	-	-	-	-	-	55.983	-	55.983	1.673
Total	4.223.414	2.096.755	1.559.923	646.391	373.401	205.445	275.227	184.257	819.565	142.240	10.526.618	8.961.170
	40,2%	19,9%	14,8%	6,1%	3,5%	2,0%	2,6%	1,8%	7,8%	1,4%		
Correction to Regional peace programmes through 2010											-	50.844
Partner in Masterpeace project											250.000	250.000
Freedom from Fear Alliance parties											2.830.210	2.830.210
											13.606.828	12.092.224

Explanation to expenses and distribution:

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

**STATEMENT OF INCOME AND EXPENDITURE
2014 BUDGET**

	Actual 2013	Budget 2014
	€	€
INCOME		
Private fundraising	767.969	650.000
Grants from Institutional Donors	1.426.343	1.931.233
Income joint campaigns	500.000	500.000
Grants from Dutch government	10.854.292	12.174.172
Interest and investment income	56.326	15.000
Other income	37.930	500
Total income	<u>13.642.860</u>	<u>15.270.905</u>
EXPENSES		
Spent on behalf of objective		
Human Security and Human Rights in Fragile States	4.223.414	5.430.251
Human Security and a voice in Repressive States	2.096.755	2.712.364
Security & Disarmament	1.559.923	2.028.632
Networks for conflict prevention and Peace Building	646.391	407.496
Networks for peace building	373.401	103.200
Partners in Masterpeace project	250.000	250.000
Strengthening Civil Society	184.257	112.533
The Freedom from Fear Alliance parties MFS II liabilities	2.830.210	2.850.000
	<u>12.164.351</u>	<u>13.894.476</u>
Cost of earning		
Cost of private fundraising	205.445	181.162
Costs of institutional donor fundraising	275.227	209.937
	<u>480.672</u>	<u>391.099</u>
Management and administration		
Cost of management and administration	961.805	973.130
Total liabilities	<u>13.606.828</u>	<u>15.258.705</u>
Result	<u>36.032</u>	<u>12.200</u>
Appropriation of Result		
Continuity reserve	352-	
Short term reserve	36.384	
	<u>36.032</u>	

Information about the entities

Their shared mission is to work with civilians and partners in areas of conflict to protect civilians, to prevent and end armed violence and to build peace with justice.

Further introduction see page 4.

Stichting Vredesbeweging Pax Nederland (PAX)

The legal form is foundation.

The registered office of the foundation is located in Utrecht.

Executive board

J. Gruiters MSc, managing director

ing. F.J.T. Landmeter, director

Supervisory board

Marieke de Wal, chairwoman

Carla Kuijpers-Groensmit

Marina van Notten

Peter van der Veer

Wieger E. Bakker

Sander Smits-van Oyen

Stichting Interkerkelijk Vredesberaad (IKV)

The legal form is foundation.

The registered office of the foundation is located in Den Haag.

Members

Jack Bogers, chairman interim

Jan Gruiters MSc, director

Ben Schennink

Caecillia van Peski

Cocky de Graaf

Gerrie ter Haar

Lucien van Liere

Mijnke Bosman Huizinga

Patrick Groenewegen

Vereniging Vredesbeweging Pax Christi Nederland (Pax Christi)

The legal form is association.

The registered office of the association is located in Utrecht.

Executive board

J. Gruiters MSc, managing director

ing. F.J.T. Landmeter, director

Members' council

Jan Peters sj, chairman interim

Anita Böcker

Ineke Malsch

Bert van Roermund

Désirée Verweij

Piet Kruizinga

Jan Stuyt sj

Sanneke Brouwers

Stichting Katholieke Vredesbeweging (STIKAV)

The legal form is foundation.

The registered office of the foundation is located in Utrecht.

Executive board

J. Gruiters MSc, managing director

ing. F.J.T. Landmeter, director



Financial Accounts 2013

Financial Statements 2013

PAX

woensdag 23 april 2014

BALANCE SHEET

(after appropriation of result)

		31 December <u>2013</u> €	31 December <u>2012</u> €
ASSETS			
Intangible fixed assets	1	147.854	224.402
Tangible fixed assets	2	143.390	152.667
Current accounts	3	668.696	263.128
Receivables	4	632.774	328.148
Cash and Cash Equivalents	5	3.155.173	2.507.187
		<u>4.747.887</u>	<u>3.475.532</u>

BALANCE SHEET

(after appropriation of result)

		31 December 2013	31 December 2012
		€	€
LIABILITIES			
Reserves and funds			
Continuity reserve	6	823.940	764.276
Short term reserve	7	94.805	58.421
Short-term debts			
Subsidy commitments:	8	2.903.806	1.628.392
Other accounts payable	9	276.182	309.667
Other Liabilities	10	649.154	714.776
		<u>3.829.142</u>	<u>2.652.835</u>
		<u><u>4.747.887</u></u>	<u><u>3.475.532</u></u>

STATEMENT OF INCOME AND EXPENDITURE

		Actual	Actual
		2013	2012
		€	€
INCOME			
Private fundraising	12	506.216	563.084
Grants from Institutional Donors	13	1.382.932	1.079.363
Income from third parties	14	500.000	500.000
Grants from Dutch government	15	8.024.082	7.121.820
Grants from Dutch government alliance parties		2.830.211	2.830.210
Interest and investment income		48.105	60.006
Other income		37.930	13.253
Total income		13.329.476	12.167.736
EXPENSES			
Spent on behalf of the objective	16		
Regional Peace Programme through 2010		-	50.844
Human Security and Human Rights in Fragile States		4.223.414	3.895.833
Human Security and a voice in Repressive States		2.096.755	1.638.580
Security & Disarmament		1.559.923	1.668.090
Networks for conflict prevention and Peace Building		646.391	133.787
Partners in Masterpeace project		250.000	250.000
Strengthening Civil Society		184.257	143.211
The Freedom from Fear Alliance parties MFS II liabilities		2.830.211	2.830.210
		11.790.951	10.610.555
Acquisition costs			
Cost of private fundraising	17	205.445	108.774
Cost of institutional donor fundraising		275.227	251.661
		480.672	360.435
Management and administration			
Cost of management and administration	18	961.805	772.177
Total Expenditures		13.233.428	11.743.167
Result		96.048	424.569
Appropriation of Result			
Continuity reserve		59.664	389.735
Short term reserve		36.384	34.834
		96.048	424.569

Cash flow Statement

	<u>2013</u>	<u>2012</u>
	€	€
Year End Result	96.048	424.567
Adjusted for		
Depreciations	129.696	183.072
Changes in provisions	-	11.246-
Interest on income and expenditures	48.105-	60.006-
Changes in Working Capital	<u>502.738</u>	<u>328.211</u>
Cash flow from organisation activities	680.377	864.598
Interest paid/received	60.006	46.338
Cash Flow from operating activities	740.383	910.936
Investment /disinvestment in intangible fixed assets	27.407-	53.285-
Investment/disinvestment in tangible fixed assets	<u>64.990-</u>	<u>76.189-</u>
Cash flow from investing activities	92.397-	129.474-
repayment of borrowings/take-up of long term debt	<u>N.a.</u>	<u>N.a.</u>
Cash flow from financing activities	-	-
Changes in Cash and Cash Equivalents	<u><u>647.986</u></u>	<u><u>781.462</u></u>

Notes to the 2013 Financial Statements PAX

General

The 2013 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011) and the Ministry of Foreign Affairs' co-financing system II regulations (of Ministry of Foreign Affairs MFSII regulations).

Reporting Period

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

Reporting Directive for Fundraising Institutions

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

Cash flow statement

The cash flow statement is prepared using the indirect method

Principles for the Valuation of Assets, Liabilities and Financial Results

General

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

Principles for the Translation of Foreign Currencies

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

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

Principles for the Valuation of Assets and Liabilities

Intangible Fixed Assets

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

Tangible Fixed Assets

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

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

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

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

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

Financial Instruments

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

Reserves

The PAX policy on continuity reserve meets the requirements of the CBF.

Special Purpose Reserve

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

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

Provisions

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

A provision is recognised if the following applies:

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

Long Term Debts and Current Liabilities

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

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

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

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

Donations and subsidies

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

Costs

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

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

These are specified in the table explaining expense distribution.

Salary top officials

For the implementation of the standards Law remuneration of executives in the (semi) public sector (in Dutch WNT) the institution has complied with the Policy and the application WNT as frame in the preparation of these financial accounts. The WNT Adjustment Act, which is part of this standard framework, adopted by the Senate under ministerial Decree No. 6629 according Staatscourant of March 6, 2014.

Pensions

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

The pension scheme is financed externally at sector pension Zorg en Welzijn. The coverage of the sector pension as per December 31, 2013 is 109%.

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

This mandatory text is not applicable to PAX. So no additional commitments are recorded

Explanation of the balance sheet

	31 December 2013	31 December 2012		
	€	€		
1. Intangible fixed assets				
Balance as at 31/12				
Software	126.543	213.449		
Licences	21.311	10.953		
	<u>147.854</u>	<u>224.402</u>		
Movement in intangible fixed assets:	Software	Licences	Total	
Balance as at January 1				
Purchase Value	319.283	54.495	373.778	
Accumulated depreciation	105.834	43.542	149.376	
Book value	<u>213.449</u>	<u>10.953</u>	<u>224.402</u>	
Changes in book value				
Purchases	8.953	18.454	27.407	
Disinvestments	48.526	-	48.526	
Depreciations	47.333	8.096	55.429	
Balance	<u>-86.906</u>	<u>10.358</u>	<u>-76.548</u>	
Balance as at December 31				
Purchase Value	279.710	72.949	352.659	
Accumulated depreciation	153.167	51.638	204.805	
Book value	<u>126.543</u>	<u>21.311</u>	<u>147.854</u>	
2. Tangible fixed assets				
Balance as at 31/12				
Inventory	34.264	8.204		
ICT hardware	42.434	71.629		
Renovation	66.692	72.834		
	<u>143.390</u>	<u>152.667</u>		
Movement in tangible fixed assets	Inventory	ICT hardware	Renovation	Total
Balance as at January 1				
Purchase Value	192.869	500.832	275.247	968.948
Accumulated depreciation	184.665	429.203	202.413	816.281
Book value	<u>8.204</u>	<u>71.629</u>	<u>72.834</u>	<u>152.667</u>
Changes in book value				
Investments	33.269	8.904	22.817	64.990
Disinvestments	-	-	-	-
Depreciations	7.209	38.099	28.959	74.267
Balance	<u>26.060</u>	<u>29.195-</u>	<u>6.142-</u>	<u>9.277-</u>
Balance as at December 31				
Purchase Value	226.138	509.736	298.064	1.033.938
Accumulated depreciation	191.874	467.302	231.372	890.548
Book value	<u>34.264</u>	<u>42.434</u>	<u>66.692</u>	<u>143.390</u>

Explanation of the balance sheet (cont.)

	31 December 2013	31 December 2012
	€	€
3. Current accounts		
Stichting Katholieke Vredesbeweging	233.786	20.813
Stichting IKV	56.998	23.692
Vereniging Pax Christi	347.477	190.561
Alliantie partners	30.435	28.062
	<u>668.696</u>	<u>263.128</u>
4. Receivables		
EU		23.766
Payable salaries and pension contributions	6.018	-
Other donors	207.606	45.541
Subtotal	<u>213.624</u>	<u>69.307</u>
Prepaid acquisition cost of MFS II 2011-2015	-	47.856
Prepayments and receivables and guarantees	<u>419.150</u>	<u>210.985</u>
	632.774	328.148
Accounts Receivables not due within one year		
5. Cash and Cash equivalents		
Deposits (term under 3 months)	2.407.465	1.962.646
Credit balances on Dutch Bank accounts	742.384	536.870
Cash balance	5.324	7.670
	<u>3.155.173</u>	<u>2.507.186</u>
6. Continuity reserve		
Continuity reserve as at January 1	764.276	374.542
Allocation of the result	59.664	389.734
Balance as at December 31	<u>823.940</u>	<u>764.276</u>
7. Short term reserve		
Balance as at January 1	58.421	34.834
Paid to partner		11.246-
Allocation of the result *	36.384	34.833
Balance as at December 31	<u>94.805</u>	<u>58.421</u>

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

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

Explanation of the balance sheet (cont.)

	31 December 2013	31 December 2012
	€	€
8 Subsidy commitments		
Ministry of Foreign Affairs not spent MFS II to use in 2014 *	326.218	526.429
Ministry of Foreign Affairs MR Fund not spent in 2013 to use in 2014	454.529	379.439
Ministry of Foreign Affairs Fund not spent in 2013 to use in 2014	177.876	136.514
Communities of Change Alliance not spent to use in 2014	339.965	336.531
Cordaid Gender Fund	156.856	-
Payment obligation allotted grants	535.836	68.441
Other expenses to be paid	176.075	22.053
Prepaid by PSO	-	35.746
Other prepaid grants by donors	736.451	123.239
	<u>2.903.806</u>	<u>1.628.392</u>
* Under the grant conditions this sum can be spent in the following years of the grant period (through 2015).		
9 Accounts payable	276.182	309.667
10 Other short term liabilities		
Taxes and social security contribution	238.412	355.379
Reservation for leave days and holiday allowance	290.066	274.324
Payable salaries and pension contributions	-	3.323
Other debts, accruals and deferred income	120.676	81.750
	<u>649.154</u>	<u>714.776</u>

11 Off-Balance sheet assets and liabilities

- a PAX has € 1,091,588 in commitments to ongoing partner contracts and consultancy contracts.
- b PAX has paid € 15,370 as a guarantee for the rent and possible damage of the meeting rooms at Meeting Plaza. The annual rent amounts € 188,032.
- c PAX rents space from Corio at an annual rate of € 2,224.
- d The scanner/copier machines are leased for € 24,424 per year.
- e The maintenance contract on the KPN telephone system costs € 4,186 per year.
- f The combined cost of the ICT hardware maintenance and software contracts of the outsourced ICT services amount € 67,459 per year.
- g The maintenance contract on the CRM software costs € 3,612 per year.
- h The maintenance contract on the Inventive" administrative system costs € 20,545 per year.
- i The Ministry of Foreign Affairs has granted co-financing system (MFS II) funds for totalling €44,935,967 for the 2011 through 2015 period for the Freedom from Fear Alliance.
- j PAX is leading party in the Freedom from Fear Alliance. As such it bears legal responsibility toward the Ministry of Foreign Affairs for all obligations of the entire alliance.

Explanation of the Income and expenditure account

	2013	2012
	€	€
12 Income from private fundraising		
Contributions private fundraising Vereeniging Pax Christi	441.512	493.686
Contribution private fundraising Stichting IKV	56.822	57.585
Donations	<u>7.882</u>	<u>11.813</u>
	506.216	563.084
13 Income from institutional fundraising		
EU	47.248	23.672
Other domestic donors	659.304	929.066
Foreign donors	<u>676.380</u>	<u>126.625</u>
	1.382.932	1.079.363
14 Income third parties		
Dutch Postcode Lottery regular contribution	250.000	250.000
Dutch Postcode Lottery extra project contribution	<u>250.000</u>	<u>250.000</u>
	500.000	500.000
15 Grants Dutch Government		
<i>Direct</i>		
Ministry of Foreign Affairs (MFS II)	6.325.660	6.143.294
Freedom from Fear Alliance parties	2.830.211	2.830.210
Other funds	<u>992.199</u>	<u>183.373</u>
	10.148.070	9.156.877
<i>Indirect</i>		
Communities of Change Alliance	668.428	589.085
PSO	-	211.776
Other indirect	<u>37.795</u>	<u>5.708-</u>
	706.223	795.153
Total grants from Dutch government	10.854.293	9.952.030

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

Explanation of the income and expenditure account (cont.)

	2013	2012
	% or €	% or €

16 Spent on behalf of the objective

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

Programme costs (x €1,000)	Direct	Indirect	Total
Human Security in Fragile States	2.808,3	1.415,1	4.223,4
Human Security in Repressive States	1.236,7	860,1	2.096,8
Security & Disarmament	739,9	820,0	1.559,9
Networks for conflict prevention	265,0	381,4	646,4
Strengthening Civil Society	23,8	160,4	184,3
	5.073,7	3.637,0	8.710,7
Partners in Masterpeace project			250,0
The Freedom from Fear Alliance parties' MFS II liabilities			2.830,2
			11.791,0

Allocation is based on logbook results.

Details are shown in Table Itemisation of expenses (page 54)

Percentage spent on objective in relation to income.	88,0%	87%
Percentage spent on objective in relation to liabilities.	89,0%	90%

17. Cost of private fundraising

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

Costs of own fundraising in percent	40,6%	19%
-------------------------------------	-------	-----

18. Management & administration

Costs incurred for internal management and administration are not charged to the objectives or fundraising, but are listed separately. The separated Secretary Alliance FfF costs included here came to €142.240

Management and administration costs as percentage of total.	7,3%	7%
---	------	----

Explanation of the income and expenditure account (cont.)

	<u>2013</u>	<u>2012</u>
	€ x 1,000	€ x 1,000
Specification of personnel costs		
Gross salaries	2.893,7	2.808,9
Supplements	487,2	498,2
Social security contributions	450,0	458,0
Pension	371,3	349,5
From project financing	<u>1.347,1-</u>	<u>848,9-</u>
	2.855,1	3.265,7
Travel expenses	126,6	101,8
Hired staff	387,7	133,3
Other personnel costs	<u>252,5</u>	<u>178,3</u>
	766,8	413,4
Total	3.621,9	3.679,1
Average # of FTEs	68,9 FTE	66,8 FTE
Number of FTEs on balance sheet date in the Netherlands	69,2 FTE	68,6 FTE
Average # of FTEs Foreign	9,4 FTE	6,5 FTE
Number of FTEs on balance sheet date foreign	10,4 FTE	8,4 FTE

	PAX	
	2013	2012
Proposal Regarding the Appropriation of Result	€	€
Result	96.048	424.569

Motion to adopt and approve

The annual accounts for PAX over 2013 was drafted and signed by the Board of Directors and approved by the Supervisory Board on 23 April 2014, including the already accepted proposal regarding the appropriation of result, as presented on p. 42.

Explanation to the Remuneration for the Board of Directors

Itemisation of the director's remuneration as required by VFI

The institution has the Policy application WNT as frame used in the preparation of these financial statements.

Name	J. Gruiters	F.J.T. Landmeter
Job position	General Director	Director
Type of contract	indefinite	indefinite
hours	36	36
Part-time percentage	100	100
Period	01-01/31-12	01-01/31-12
Salary (EUR)		
Annual Income, gross:		
Gross salary	80.256	73.188
Holiday allowance	6.421	5.855
Year-end allowance, 13th/14th month	6.661	6.075
variable annual income	-	-
Total	93.338	85.118
Employers Social Security costs	8.314	8.314
Taxable Disbursement	-	-
Employers Pension contribution	11.818	10.637
Other (future) benefits	-	-
Severance entitlement	-	-
Total remuneration 2013	113.470	104.069
Total remuneration 2012	113.540	104.035

Boards of Supervisors

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

Compensations

**Table: Itemisation of expenses
in €**

Expenditures	Fragile states	Repressive states	Security & Disarmament	Networks for Conflict Prevention	Fundraising Private	Fundraising Institutional	Strengthening Civil Society	Management: & Administration	Secretary costs Alliance FfF	Total 2013	Total 2012
1. Grants and contributions	1.017.498	665.036	2.989	38.195			587			1.724.305	847.012
2. Purchases and acquisitions	1.556.320	429.118	601.016	163.615	72.479	9.547	23.213		142.240	2.997.548	2.736.329
3. Publicity and Promotion	234.509	142.531	135.895	63.202			10			576.147	652.779
4. Personnel	1.097.356	666.959	635.903	295.747	102.836	206.027	124.422	599.265		3.728.515	3.679.517
5. Accommodations	159.293	96.816	92.308	42.931	15.241	29.907	18.061	72.741		527.298	254.875
6. Office expenses	20.422	12.412	11.834	5.504	1.742	3.834	2.316	24.430		82.494	46.135
7. General expenses	831	505	481	224	3	156	94	5.851		8.145	39
8. ICT	97.937	59.524	56.753	26.395	9.383	18.387	11.104	43.759		323.242	203.618
9. Depreciation and interest	39.248	23.854	22.744	10.578	3.761	7.369	4.450	17.536		129.540	190.136
10. Management costs								55.983		55.983	1.673
Total	4.223.414	2.096.755	1.559.923	646.391	205.445	275.227	184.257	819.565	142.240	10.153.217	8.612.113
	41,5%	20,7%	15,3%	6,4%	2,0%	2,7%	1,8%	8,1%	1,4%		
Correction to Regional peace programmes through 2010										-	50.844
Partners in Masterpeace project										250.000	250.000
Freedom from Fear Alliance parties										2.830.211	2.830.210
										13.233.428	11.743.168

Explanation to expenses and distribution:

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

**STATEMENT OF INCOME AND EXPENDITURE
2014 BUDGET**

	Actual 2013	Budget 2014
	€	€
INCOME		
Private fundraising	506.216	545.300
Grants from Institutional Donors	1.382.932	1.758.333
Income from third parties	500.000	500.000
Grants from Dutch government	8.024.082	9.324.172
Grants from Dutch government alliance parties	2.830.211	2.850.000
Interest and investment income	48.105	
Other income	37.930	
Total income	13.329.476	14.977.805
EXPENSES		
Spent on behalf of the objective		
Human Security and Human Rights in Fragile States	4.223.414	5.430.251
Human Security and a voice in Repressive States	2.096.755	2.712.364
Security & Disarmament	1.559.923	2.028.632
Networks for conflict prevention and Peace Building	646.391	407.496
Partners in Masterpeace project	250.000	250.000
Strengthening Civil Society	184.257	112.533
The Freedom from Fear Alliance parties' MFS II liabilities	2.830.211	2.850.000
	11.790.951	13.791.276
Acquisition costs		
Cost of private fundraising	205.445	161.762
Cost of institutional donor fundraising	275.227	209.937
	480.672	371.699
Management and administration		
Cost of management and administration	961.805	919.530
Total Expenditures	13.233.428	15.082.505
Result	96.048	104.700-
Appropriation of Result		
Continuity reserve	59.664	
Short term reserve	36.384	
	96.048	

Independent Accountant's Audit Report



Independent auditor's report

To: the Board of Supervisors and the directors of Stichting Vredesbeweging Pax Nederland

Report on the financial statements

We have audited the Financial Statements 2013 of Stichting Vredesbeweging Pax Nederland, Utrecht, on pages 19 to 55 of the Financial Accounts 2013 which comprise the consolidated and the foundation balance sheet as at 31 December 2013, the consolidated and the foundation statement of income and expenditure for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

The board of directors' responsibility

The board of directors is responsible for the preparation and fair presentation of these financial statements in accordance with the Guideline for annual reporting 650 'Fundraising Institutions' of the Dutch Accounting Standards Board and the Beleidsregels toepassing Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT. The board of directors is also responsible for the preparation of these financial statements in accordance with the Beleidsregels toepassing WNT of financial eligibility, as defined in the Controleprotocol WNT of the Beleidsregels toepassing WNT. Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the compliance to the Beleidsregels toepassing WNT of financial eligibility, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies and the applied WNT requirements regarding financial eligibility used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Vredesbeweging Pax Nederland as at 31 December 2013 and of its result for the year then ended in accordance with the Guideline for annual reporting 650 'Fundraising Institutions' of the Dutch Accounting Standards Board and the Beleidsregels toepassing WNT.

Also, in our opinion the financial statements 2013, in all material respects, comply with the WNT requirements regarding financial eligibility, as defined in the Controleprotocol WNT of the Beleidsregels toepassing WNT.

Report on annual report

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

The Hague, 24 April 2014

KPMG Accountants N.V.

J.A.A.M. Vermeeren RA



Financial Accounts 2013

Financial Statements 2013

Stichting Interkerkelijk Vredesberaad

woensdag 23 april 2014

BALANCE SHEET

(after appropriation of result)

		31 December <u>2013</u> €	31 December <u>2012</u> €
ASSETS			
Receivables	1	6.401	21.569
Cash and Cash Equivalents	2	1.447.144	1.384.244
		<u>1.453.545</u>	<u>1.405.813</u>

BALANCE SHEET

(after appropriation of result)

		31 December 2013	31 December 2012
		€	€
LIABILITIES			
Reserves and funds			
Continuity reserve	3	1.369.424	1.369.424
Short-term debts			
Equity loan	4	-	12.606
Other accounts payable	5	56.998	23.693
Other Liabilities	6	27.123	90
		<u>84.121</u>	<u>36.389</u>
		<u><u>1.453.545</u></u>	<u><u>1.405.813</u></u>

Stichting Interkerkelijk Vredesberaad

STATEMENT OF INCOME AND EXPENDITURE

		Actual 2013 €	Actual 2012 €
INCOME			
Private fundraising	7	34.343	22.432
Interest		6.247	21.771
Total income		40.590	44.203
EXPENSES			
Spent on behalf of the objective			
Networks for conflict prevention	8	38.623	43.622
		38.623	43.622
Management and administration			
Cost of management and administration	9	1.967	581
Total Expenditures		40.590	44.203
Result		-	-

Cash flow Statement

	<u>2013</u>	<u>2012</u>
	€	€
Year End Result	-	-
Adjusted for		
Depreciations	-	-
Changes in provisions	-	-
Interest on income and expenditures	6.247-	21.771-
Changes in Working Capital	<u>47.376</u>	<u>13.289</u>
Cash flow from organisation activities	41.129	8.482-
Interest paid/received	<u>21.771</u>	<u>31.095</u>
Cash Flow from operating activities	62.900	22.613
Investment /disinvestment in intangible fixed assets	-	-
Investment/disinvestment in tangible fixed assets	<u>-</u>	<u>-</u>
Cash flow from investing activities	-	-
repayment of borrowings/take-up of long term debt	<u>N.a.</u>	<u>N.a.</u>
Cash flow from financing activities	-	-
Changes in Cash and Cash Equivalents	<u><u>62.900</u></u>	<u><u>22.613</u></u>

Notes to the 2013 Financial Statements Stichting Interkerkelijk Vredesberaad

General

The 2013 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011) and the Ministry of Foreign Affairs' co-financing system II regulations (of Ministry of Foreign Affairs MFSII regulations).

Reporting Period

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

Reporting Directive for Fundraising Institutions

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

Cash flow statement

The cash flow statement is prepared using the indirect method

Principles for the Valuation of Assets, Liabilities and Financial Results

General

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

Principles for the Translation of Foreign Currencies

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

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

Principles for the Valuation of Assets and Liabilities

Intangible Fixed Assets

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

Tangible Fixed Assets

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

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

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

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

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

Financial Instruments

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

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

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

Donations and subsidies

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

Costs

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

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

These are specified in the table explaining expense distribution.

Explanation of the balance sheet

	31 December 2013	31 December 2012
	€	€
1 Receivables		
Other receivables	6.401	21.569
	<u>6.401</u>	<u>21.569</u>
2 Cash and cash equivalents		
Deposits (term under 3 months)	1.302.830	1.238.014
Credit balance on Dutch Bank accounts	144.314	146.230
	<u>1.447.144</u>	<u>1.384.244</u>
3 Continuity reserve		
Continuity reserve as at January 1	1.369.424	1.369.424
Allocation of the result	-	-
Balance as at December 31	<u>1.369.424</u>	<u>1.369.424</u>
4 Equity loan		
Drawn but not called fund units	-	8.516
Interest owed on equity loan	-	4.090
Balance as at December 31	<u>-</u>	<u>12.606</u>

Explanation of the balance sheet (cont.)

	31 December 2013	31 December 2012
	€	€
5 Current accounts		
Current accounts PAX	56.998	23.693
	<u>56.998</u>	<u>23.693</u>
6 Other short term liabilities		
VU second tranche promotion research	27.123	-
Bank and other costs	-	90
	<u>27.123</u>	<u>90</u>

Stichting Interkerkelijk Vredesberaad

Explanation of the Income and expenditure account

	2013	2012
	€	€
7 Income from private fundraising		
Gifts and donations	23.059	23.627
Vredesweek collection	60.000	54.140
Legacies	-	2.250
Release participation loan	8.106	-
Contribution private fundraising PAX	56.822-	57.585-
	<u>34.343</u>	<u>22.432</u>
8 Spent on objective Networks for peace building		
Support for research on New Wars, New Peace	27.123	27.123
Contribution Chair Vrije Universiteit M. Glasius	11.500	16.499
	<u>38.623</u>	<u>43.622</u>
9 Cost Management and administration		
Office expenses	-	24
Management costs	1.663	198
Other costs	304	359
	<u>1.967</u>	<u>581</u>

Boards of supervisors

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

Compensations	1.168	1.225
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Proposal Regarding the Appropriation of Result

	<u>2013</u>	<u>2012</u>
	€	€
Result	-	-

Motion to adopt and approve

The annual accounts for PAX over 2013 was drafted and signed by the Board of Directors and approved by the Supervisory Board on 23 April 2014, including the already accepted proposal regarding the appropriation of result, as presented on p. 62.

**STATEMENT OF INCOME AND EXPENDITURE
2014 BUDGET**

	Actual 2013 <u>€</u>	Budget 2014 <u>€</u>
INCOME		
Income from private fundraising		
Gifts and donations	23.059	23.000
Vredesweek collection	60.000	60.000
Legacies	-	-
Release participation loan	8.106	-
Contribution private fundraising PAX	<u>56.822-</u>	<u>54.400-</u>
	34.343	28.600
Other income		
Interest and investment income	6.247	12.000
	<u> </u>	<u> </u>
Total income	40.590	40.600
EXPENSES		
Networks for peace building		
Support for research on New Wars, New Peace	27.123	27.100
Contribution Chair Vrije Universiteit M. Glasius	<u>11.500</u>	<u>11.500</u>
	38.623	38.600
Cost Management and administration		
Management costs	1.663	1.500
Bank and other costs	<u>304</u>	<u>500</u>
	1.967	2.000
	<u> </u>	<u> </u>
Total liabilities	40.590	40.600
Result	<u><u>-</u></u>	<u><u>-</u></u>



Financial Accounts 2013

Financial Statements 2013

Vereniging "Vredesbeweging Pax Christi Nederland"

Woensdag 23 april 2014

Vereniging "Vredesbeweging Pax Christi Nederland"

BALANCE SHEET

(after appropriation of result)

		31 December <u>2013</u> €	31 December <u>2012</u> €
ASSETS			
Receivables	1	191.220	127.480
Cash and Cash Equivalents	2	159.236	66.222
		<u><u>350.456</u></u>	<u><u>193.702</u></u>

Vereniging "Vredesbeweging Pax Christi Nederland"

BALANCE SHEET

(after appropriation of result)

		31 December 2013	31 December 2012
		€	€
LIABILITIES			
Reserves and funds			
Continuity reserve	3	2.479	2.479
Short-term debts			
Short term debts	4	347.977	191.223
		<u>350.456</u>	<u>193.702</u>

Vereniging "Vredesbeweging Pax Christi Nederland"

STATEMENT OF INCOME AND EXPENDITURE

	Actual	Budget	Actual
	2013	2013	2012
	€	€	€
INCOME			
Private fundraising	5 65.710	65.300	64.513
Grants from institutional donors	6 43.411	43.500	40.185
Interest	177	200	223
Total income	<u>109.298</u>	<u>109.000</u>	<u>104.921</u>
EXPENSES			
Spent on behalf of the objective	7		
Networks for peace building	62.715	60.500	59.416
	<u>62.715</u>	<u>60.500</u>	<u>59.416</u>
Management and administration	8		
Cost of management and administration	46.583	48.500	45.505
Total Expenditures	<u>109.298</u>	<u>109.000</u>	<u>104.921</u>
Result	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Vereniging "Vredesbeweging Pax Christi Nederland"

Cash flow Statement

	2013	2012
	€	€
Year End Result	-	-
Adjusted for		
Depreciations	-	-
Changes in provisions	-	-
Interest on income and expenditures	177-	223-
Changes in Working Capital	92.968	3.131
Cash flow from organisation activities	92.791	2.908
Interest paid/received	223	200
Cash Flow from operating activities	93.014	3.108
Investment /disinvestment in intangible fixed assets	-	-
Investment/disinvestment in tangible fixed assets	-	-
Cash flow from investing activities	-	-
repayment of borrowings/take-up of long term debt	N.a.	N.a.
Cash flow from financing activities	-	-
Changes in Cash and Cash Equivalents	93.014	3.108

Notes to the 2013 Financial Statements Vereniging "Vredesbeweging Pax Christi Nederland

General

The 2013 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011) and the Ministry of Foreign Affairs' co-financing system II regulations (of Ministry of Foreign Affairs MFSII regulations).

Reporting Period

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

Reporting Directive for Fundraising Institutions

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

Cash flow statement

The cash flow statement is prepared using the indirect method.

Principles for the Valuation of Assets, Liabilities and Financial Results

General

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

Principles for the Translation of Foreign Currencies

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

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

Principles for the Valuation of Assets and Liabilities

Intangible Fixed Assets

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

Tangible Fixed Assets

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

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

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

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

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

Financial Instruments

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

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

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

Donations and subsidies

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

Costs

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

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

These are specified in the table explaining expense distribution.

Vereniging "Vredesbeweging Pax Christi Nederland"

Explanation of the balance sheet

	31 December 2013	31 December 2012
	€	€
1 Receivables		
Accounts receivables Inheritances and legacies	99.928	79.551
Account receivable 'Mensen van Goede Wil'	91.162	47.751
Interest and interest gifts	130	178
	191.220	127.480
 2 Cash and cash equivalents		
Deposits (no term)	159.236	66.222
 3 Continuity reserve		
Continuity reserve as at January 1	2.479	2.479
Allocation of the result	-	-
Balance as at December 31	2.479	2.479
 4 Short-term debts		
Current account 'PAX	347.477	190.560
Other short term liabilities	500	663
Balance as at December 31	347.977	191.223

Vereniging "Vredesbeweging Pax Christi Nederland"

Explanation of the Income and expenditure account

	2013	2012
	€	€
5 Income from private fundraising		
Gifts and donations	317.283	317.682
Contribution	93.045	95.185
Vredesweek collection	57.053	43.770
Legacies	39.841	101.562
Contribution private fundraising PAX	441.512-	493.686-
	65.710	64.513
 6 Income form institutional fundraising		
Mensen van Goede Wil	43.411	40.185
	43.411	40.185
 7 Networks for peace building		
Contribution Pax Christi International	62.464	59.416
Chair at the V.U.	251	-
	62.715	59.416
 8 Cost Management and administration		
Council of members	638	1.448
Costs private fundraising	43.411	40.508
Bank and other costs	2.534	3.549
	46.583	45.505

Boards of supervisors

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

Compensations	412	1.175
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Vereniging "Vredesbeweging Pax Christi Nederland"

Proposal Regarding the Appropriation of Result

	<u>2013</u>	<u>2012</u>
	€	€
Result	-	-

Motion to adopt and approve

The annual accounts for the Vereniging "Vredesbeweging Pax Christi Nederland" over 2013 was drafted and signed by the Board of Directors and approved by the Supervisory Board on 23 April 2014, including the already accepted proposal regarding the appropriation of result, as presented on p. 74

Vereniging "Vredesbeweging Pax Christi Nederland"

STATEMENT OF INCOME AND EXPENDITURE 2014 BUDGET

	Actual 2013 €	Budget 2014 €
INCOME		
Income from private fundraising		
Gifts and donations	317.283	280.000
Contribution	93.045	90.000
Vredesweek collection	57.053	55.000
Legacies	39.841	20.000
Contribution private fundraising PAX	441.512-	368.900-
	65.710	76.100
 Income form institutional fundraising		
Mensen van Goede Wil	43.411	11.200
 Other income		
Interest and investment income	177	200
Total income	109.298	87.500
 EXPENSES		
Networks for peace building		
Contribution Pax Christi International	62.464	64.100
Chair at the V.U.	251	500
	62.715	64.600
 Cost Management and administration		
Council of members	638	1.000
Costs private fundraising	43.411	19.400
Bank and other costs	2.534	2.500
	46.583	22.900
Total liabilities	109.298	87.500
 Result	-	-



Financial Accounts 2013

Financial Statements 2013

Stichting Katholieke vredesbeweging

woensdag 23 april 2014

BALANCE SHEET

(after appropriation of result)

		31 December <u>2013</u> €	31 December <u>2012</u> €
ASSETS			
Tangible fixed assets	1	19.734	7.539
Financial fixed assets	2	26.879	26.470
Receivables	3	151	1.676
Cash and Cash Equivalents	4	182.269	200.577
		<u><u>229.033</u></u>	<u><u>236.262</u></u>

BALANCE SHEET

(after appropriation of result)

		31 December 2013	31 December 2012
		€	€
LIABILITIES			
Continuity reserve	5	4.753-	55.264
Provisions	6	-	160.000
Short term debts	7	233.786	20.998
		<u><u>229.033</u></u>	<u><u>236.262</u></u>

Stichting Katholieke Vredesbeweging

STATEMENT OF INCOME AND EXPENDITURE

		Actual 2013 <hr style="border-top: 1px solid black;"/> €	Actual 2012 <hr style="border-top: 1px solid black;"/> €
INCOME			
Private fundraising	8	161.700	161.700
Income interest and from investment	9	1.797	6.330
Total income		<hr style="border-top: 1px solid black;"/> 163.497	<hr style="border-top: 1px solid black;"/> 168.030
EXPENSES			
Spent on behalf of the objective			
Gifts	10	-	161.700
		<hr style="border-top: 1px solid black;"/> -	<hr style="border-top: 1px solid black;"/> 161.700
Management and administration			
	11		
Cost of management and administration		223.513	199.933
Total Expenditures		<hr style="border-top: 1px solid black;"/> 223.513	<hr style="border-top: 1px solid black;"/> 361.633
Result		<hr style="border-top: 1px solid black;"/> <hr style="border-top: 3px double black;"/> 60.016-	<hr style="border-top: 1px solid black;"/> <hr style="border-top: 3px double black;"/> 193.603-

Cash flow Statement

	<u>2013</u>	<u>2012</u>
	€	€
Year End Result	60.016-	193.603-
Adjusted for		
Depreciations	1.645	1.414
Changes in provisions	160.000-	151.281
Interest on income and expenditures	1.798-	6.330-
Changes in Working Capital	<u>209.371</u>	<u>27.547</u>
Cash flow from organisation activities	10.798-	19.691-
Interest paid/received	<u>6.330</u>	<u>6.597</u>
Cash Flow from operating activities	4.468-	13.094-
Investment /disinvestment in intangible fixed assets	-	-
Investment/disinvestment in tangible fixed assets	<u>13.840-</u>	<u>-</u>
Cash flow from investing activities	13.840-	-
repayment of borrowings/take-up of long term debt	<u>N.a.</u>	<u>N.a.</u>
Cash flow from financing activities	-	-
Changes in Cash and Cash Equivalents	<u><u>18.308-</u></u>	<u><u>13.094-</u></u>

Notes to the 2013 Financial Statements Stichting Katholieke Vredesbeweging

General

The 2013 Financial Statements have been prepared in accordance with Guideline RJ650 for Fundraising Organisations (revised in 2011) and the Ministry of Foreign Affairs' co-financing system II regulations (of Ministry of Foreign Affairs MFSII regulations).

Reporting Period

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

Reporting Directive for Fundraising Institutions

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

Cash flow statement

The cash flow statement is prepared using the indirect method.

Principles for the Valuation of Assets, Liabilities and Financial Results

General

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

Principles for the Translation of Foreign Currencies

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

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

Principles for the Valuation of Assets and Liabilities

Intangible Fixed Assets

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

Tangible Fixed Assets

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

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

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

Financial Fixed Assets

Financial fixed assets relate to certificates of Oikocredit shares which are valued at their nominal value. Every year dividend less management fee added in certificates.

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

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

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

Financial Instruments

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

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

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

Reserves

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

Special Purpose Reserve

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

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

Provisions

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

A provision is recognised if the following applies:

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

During 2013 it became clear Stikav had to include an provision due to the foreseen asbestos abatement of a total amount of 160,000 euro.

Donations and subsidies

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

Costs

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

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

These are specified in the table explaining expense distribution.

Explanation of the balance sheet

Explanation of the balance sheet

	31 December 2013 €	31 December 2012 €
1 Tangible fixed assets		
Balance as at 31/12		
Inventory	19.734	7.539
Movement in intangible fixed assets:		
Balance as at January 1		
Purchase Value	14.136	14.136
Accumulated depreciation	6.597	5.183
Book value	7.539	8.953
Changes in book value		
Purchases	13.840	-
Disinvestments		-
Depreciations	1.645	1.414
Balance	12.195	1.414-
Balance as at December 31		
Purchase Value	27.976	14.136
Accumulated depreciation	8.242	6.597
Book value	19.734	7.539
2 Financial fixed assets		
Balance Oikocredit as at January 1	26.470	26.070
Stock dividend	409	400
Balance Oikocredit as at December 31	26.879	26.470
3 Receivables		
Accounts receivables	151	1.676
Balance account PAX		-
	151	1.676
4 Cash and cash equivalents		
Current accounts	175.749	155.105
Saving accounts	6.520	45.472
	182.269	200.577
5 Continuity reserve		
Continuity reserve as at January 1	55.264	248.867
Allocation of the result	60.016-	193.603-
Balance as at December 31	4.752-	55.264

Explanation of the balance sheet

	31 December 2013	31 December 2012
	€	€
6 Provision		
Maintenance as at January 1	160.000	160.000
Spended	160.000-	-
Maintenance as at December 31	-	160.000
7 Short-term debts		
Current account PAX	233.786	20.813
Other Liabilities	-	185
Balance as at December 31	233.786	20.998

Stichting Katholieke Vredesbeweging

Explanation of the Income and expenditure account

	2013	2012
	€	€
8 Income from private fundraising		
Donation, value of free rent	161.700	161.700
9 Income from interest and investments		
Interest	1.388	5.930
Dividend	409	400
	1.797	6.330
10 Spent on behalf of the objective		
Gifts, provision of business accommodation PAX	-	161.700
11 Cost Management and administration		
Accommodation costs	221.645	198.001
Depreciations	1.645	1.414
Other liabilities	223	518
	223.513	199.933

Proposal Regarding the Appropriation of Result

	<u>2013</u>	<u>2012</u>
	€	€
Result	60.016-	193.603-

Motion to adopt and approve

The annual accounts for the Stichting Katholieke Vredesbeweging over 2013 was drafted and signed by the Board of Directors and approved by the Supervisory Board on 23 April 2014, including the already accepted proposal regarding the appropriation of result, as presented on p. 86

**STATEMENT OF INCOME AND EXPENDITURE
2014 BUDGET**

	Actual 2013 <u>€</u>	Budget 2014 <u>€</u>
INCOME		
Private fundraising		
Donation, value of free rent	161.700	161.700
Interest	1.388	2.800
Dividend	409	500
	<hr/>	<hr/>
Total income	163.497	165.000
EXPENSES		
Spent on behalf of the objective		
Gifts, provision of business accommodation PAX	-	-
Cost Management and administration		
Accommodation costs	221.645	45.000
Depreciations	1.645	2.800
Other liabilities	223	300
	<hr/>	<hr/>
Total liabilities	223.513	48.100
	<hr/>	<hr/>
Result	<u><u>60.016-</u></u>	<u><u>116.900</u></u>