

DORCAS

annual report

ANNUAL REPORT 2018 - WWW.DORCAS.ORG

2018:
Protecting
the Most
Vulnerable



The extra mile for a second chance

We first met Navoi from Tanzania some ten years ago. A beautiful girl, full of potential – with a great deal of life experience for someone so young. Thanks to her sponsor in the Netherlands she was able to attend elementary and middle school. And every year, she was one of the top students. But one day Navoi began to fail her exams; then, she was expelled from school...



A lost future
Navoi shares: 'My father died when I was a baby. I never got to know him. A year and a half ago my mother also passed away.' This was a terrible situation in itself – and the timing couldn't have been worse. Navoi had to deal with the loss of her mother whilst studying for her exams. 'Because of my grief, I couldn't study and that's why I failed. I lost my mother and then I lost my opportunity for a better future.'

Support from the community
Navoi isn't going through this alone. Her neighbours took on the role of foster parents. 'I can barely feed my own four children on a daily basis, but I made a commitment to this

child. I will do everything I can for her', says her foster father. He is going the extra mile for Navoi, and so are we.

A second chance
Dorcas gave Navoi the opportunity to return to school. Instead of telling her that she has failed, we reminded her that everybody deserves a second chance from time to time. We also provide support for those closest to her. Through Dorcas training, her foster father is learning new entrepreneurial skills as well as ways in which he can increase his agricultural yields and earn a steady income in the years ahead. Navoi has real hope for the future – and those around her do too.


<
'I lost my mother and then I lost my opportunity for a better future'

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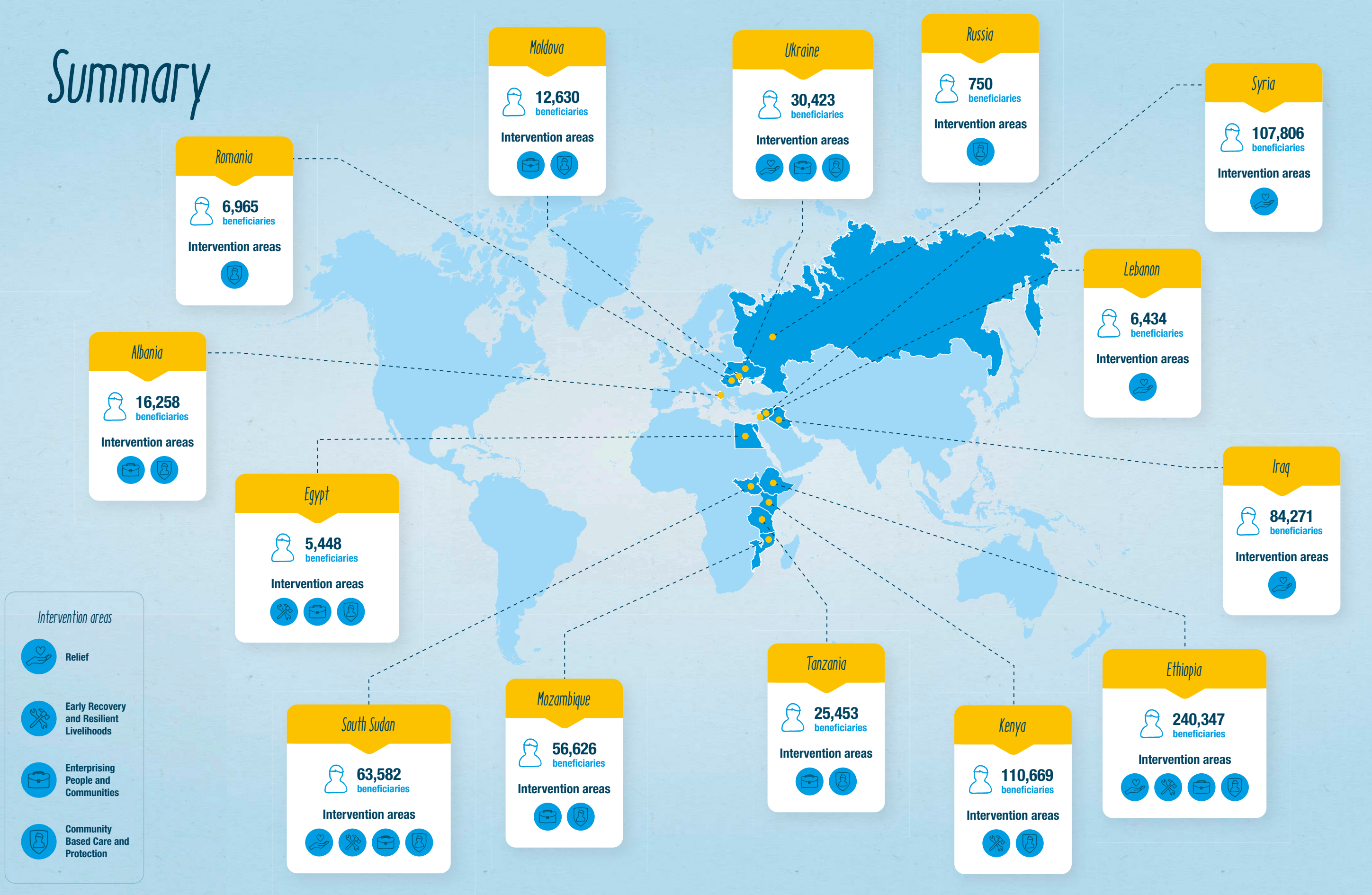
Annual Report 2018
This is the annual report of Stichting Dorcas Aid International. The report has been compiled in accordance with Title 9 Book 2 of the Civil Code of the Netherlands and complies with guideline RJ 650 for fundraising organisations. The financial year corresponds to the calendar year. A full copy of this report can be found on our website: www.dorcas.org.

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Summary



Protecting the Most Vulnerable

When confronted with tough decisions, I recall my own encounters with those affected by Dorcas' choices.

I see the expression on the face of the father fighting to protect his family from the violence in Syria. The resilience of children caught up in South Sudan's prolonged civil war. I recognise the fear that widows all over the world share - who suffer unanimously from the breakdown of the social fabric within their communities. I look into the eyes of the most vulnerable people Dorcas reaches. And vow to tackle the challenges that we face in our bid to help them.

This year's theme – Protecting the Most Vulnerable – reflects who we are as an organisation. Throughout Dorcas' strategy, we harness a simple tool – dubbed our 'lens'. What do we look for in every dilemma we face? Who are 'the most vulnerable' individuals? And how do our policies impact and protect them?

We answer difficult questions on a daily basis. But how do we compare a bad situation with a humanitarian crisis? In this year's report we address that, with an in-depth account of the methods employed, choices made and the quantifiable impact.

2018 began with the Haiti scandal which rocked the global NGO world. It spurred conversations within Dorcas about how we

can better protect those most at risk, across policy and actions. We asked important questions such as, how can Dorcas ensure that the principle of human dignity is upheld? And how can we guarantee that our involvement creates a lasting difference in the lives of the people we work with: ultimately building resilience and sustainable opportunities for the future?

Our 2018 Annual Report provides a breakdown of Dorcas' actions across all areas of the organisation. As always, our ambitions are greater than the immediate resources available to us. We are very thankful to everyone who enables us to overcome this. The same gratitude felt when people begin to see their lives rebuilt.

At Dorcas we are inspired by our Christian faith. We refuse to characterise any situation as hopeless. Instead we focus our energy on the people who need help most – and the ways in which we make this distinction. This is where we are in 2018, and where we vow to remain in the years ahead.

For the Executive Board,

Leo Visser

Chief Executive Officer



From the Supervisory Board

A new era: Just as the challenges facing our organisation continue to change, so too our way-of-working must evolve.



A series of major developments took place across the organisation in 2018. Following years of discussion and preparation, our new Theory of Change gained momentum. The start of decentralisation process at Dorcas came hand-in-hand with a review of the Board's change management strategy.

'What relationship should the International Office have with our Country Offices? And how can we facilitate this?'

I observed a great commitment from the Country Directors to this process, but it will come neither easily nor quickly. The makeup of the Board also changed significantly due to the resignation of key individuals. Given the present phase of development, we decided to change our composition by appointing a Chief Operating Officer.

It has brought the Board great joy to see our policies in practice. During a field trip to the Middle East, we could see that the issues we had addressed in our policy documents had come to life. I was particularly struck by the

adversities that minority groups face on a daily basis. And I was touched by the spirit of children in extreme circumstances. It gave me real hope to see our programme begin to improve their lives.

'Amongst vast slums, our presence provided a temporary oasis – one filled with love and encouragement, a safe haven for children to play and escape for a moment.'

The determination of young girls and women was inspiring. I saw women from different religious backgrounds collaborate – working in harmony, for a better future. An unforgettable symbol of togetherness in an otherwise fractured and war-torn region.

In the past year, the Supervisory Board brought a number of important policy issues to the table. Topics included risk management, financial planning, organisational development and staff competences. We also paid attention to developments in the humanitarian sector – with an in-depth analysis of what these meant for Dorcas.

'Times change, and they change rapidly – so we must adapt in order to survive. We have to be more agile and effective in everything we do, delivering new solutions to increasingly acute challenges.'

As Dorcas, we must always remember to make hard choices. We will never be able to reach all of the world's most vulnerable people.

We are also fully aware of the uncertainties facing the world in 2019. The planning is there but never fixed. The most important thing is to remain faithful to our calling and harness the talents that God gave us. The result of this is shown in our advancement of the decentralisation process, the transfer of skills from international to local level, leadership training for staff and volunteers, resource mobilisation and a refined Mission statement. Through prayers we commit ourselves to God and ask Him to bless the work that we do. We hope that you will join us.

Dr. Ine Voorham

Chair of the Supervisory Board



Chapter 1

Purpose

We desire justice, both for people and their communities, so that they flourish. We strive for lasting change for those who live in poverty, are excluded or are caught in a crisis. This is how we follow Jesus Christ.

1.1 We are Dorcas

Who

We are Dorcas. We stand for justice and peace. We are inspired by the potential that lies within every human being. When we look at the world we see unique people everywhere. Yet every individual has had different opportunities in life. Some are exposed and at risk of manipulation. Some are neglected and cast aside. Still, resilience can be restored - even in the most adversarial circumstances.

What

Dorcas works exclusively to deliver lasting change and empowerment for those who live in poverty, are excluded or are caught in a crisis. We go where the going is tough - striving for deliverance where lives are threatened. Creating opportunities where hope seems lost.

Our ultimate goal is to include everyone in the work that we do - regardless of any distinction, be that race, ethnicity, religious belief, sexual orientation and so on. To do this we focus our attention at the local level - through tailor-made community building projects that work with beneficiaries, local networks and community leaders on the ground.

Where

Our work extends far beyond the borders of our base in the Netherlands. Dorcas is active in Eastern Europe, the Middle East and Africa. Our presence in these regions is never fleeting. We provide support before, during and after a period of instability - for example where the effects of economic crisis, disaster or armed conflict are being felt with immediacy.

How

We are a powerful combination of staff and volunteers in the Netherlands and abroad. From the volunteers in our shops to our bookkeepers; from our workers in Eastern Europe to those in Africa and the Middle East - together we make Dorcas work.

Together is a key word for us. We collaborate with partners and organisations across the globe to ensure our reach is always growing. We currently work with around 100 partners internationally to implement our programmes and get closer to vulnerable people in hard-to-reach areas.

The same goes for tens of thousands who support us; be that on a regular or part-time basis. Dorcas simply would not exist without their prayers, donations and efforts. Their help has allowed us to mobilise and deliver vital resources to the people we serve, in increased numbers.

Consequently, Dorcas is a fundamental part of something far greater. Something that strives to break the chain of poverty and inequality; of chaos and injustice. As long as this chain exists, Dorcas will work to break it.

We are Dorcas. We believe in God. We believe in the people God has made.

1.2 Why

Dorcas is a Christian organisation led by biblical values. We do not accept that people live with injustice and in poverty. We believe it should be different. That's what we aim for.

Our History

Dorcas was founded by Dutch entrepreneur Dirk-Jan Groot, since 1980. Groot was inspired by a foundation that supported Eastern Europeans persecuted for their religious beliefs during the Cold War. In the 1990s, the organisation expanded its activities to Africa – and, in the last decade, to the Middle East. We quickly gained the support of a variety of donors that, alongside tens of thousands of supporters, are of infinite importance to us. Ten years after the birth of Dorcas, we began to work with institutional donors, who, today co-fund the majority of our programmes.

Our Identity

One major characteristic of Dorcas is the commitment of thousands of volunteers. They shape who we are by contributing in a number of significant ways, e.g. by running our thrift shops. We are also defined by our Christian identity. We have strong connections with some 1,000 churches and congregations from various backgrounds and denominations. Inspired by their faith, many of our supporters consider their contributions to Dorcas' mission an expression of the love of Jesus Christ.

Dorcas is named after a woman called Dorcas (Tabitha) in the Bible. She made a great impact in the lives of widows by providing clothes and other materials for them (Acts 9,36).

Everyone in need: Our Christian faith compels us to support anyone in need, regardless of race, ethnicity, religious belief, sexual orientation, political views or any other distinction.

What we believe (our convictions)

We believe in God.
We believe that each human being is valuable and has been endowed with potential.
We have love and hope for everyone who lives in poverty, is excluded, or is caught in a crisis.

What we see (our vision)

In this world, we observe poverty, exclusion and crisis, including the resulting lack of dignity. We do not give in to this. Instead, we desire justice, both for people and their communities, so that they flourish. This is how we follow Jesus Christ.

What we do (our strategy)

We strive for lasting change for people who live in poverty, are excluded, or are caught in a crisis.

Commitment to the people we support

Where there is poverty, exclusion or crisis, we empower people to flourish – with access to basic services, restored dignity and resilience, in strong communities, with an eye for the marginalised, without showing favouritism.

Commitment to stakeholders we work with

We proactively seek to partner with others to increase the long-term impact of our combined efforts. We are a committed partner who delivers quality and shares expertise.

Commitment to those who support our work

We see everyone who contributes to our work – through prayer, time, money or other means – as a valued partner. We involve them in our work and its outcomes through transparent reporting and stories of change.

What we are good at (unique strengths)

Personal attention

We look people in the eye and help them gain confidence.

Decisive

We stand against injustice and we persevere.

Commitment to integrity

We are committed to the protection of vulnerable people from sexual exploitation and abuse of power, etc.
We uphold financial integrity and high ethical standards.

Trustworthy

We do what we say, work deliberately and are good stewards of resources.

Local presence

We are present on site and work with local people.

How we work (core values)

Christ like

We are a Christian organisation and we work prayerfully.

Courageous

We value an entrepreneurial spirit and are ready to go off the beaten track.

Collaborative

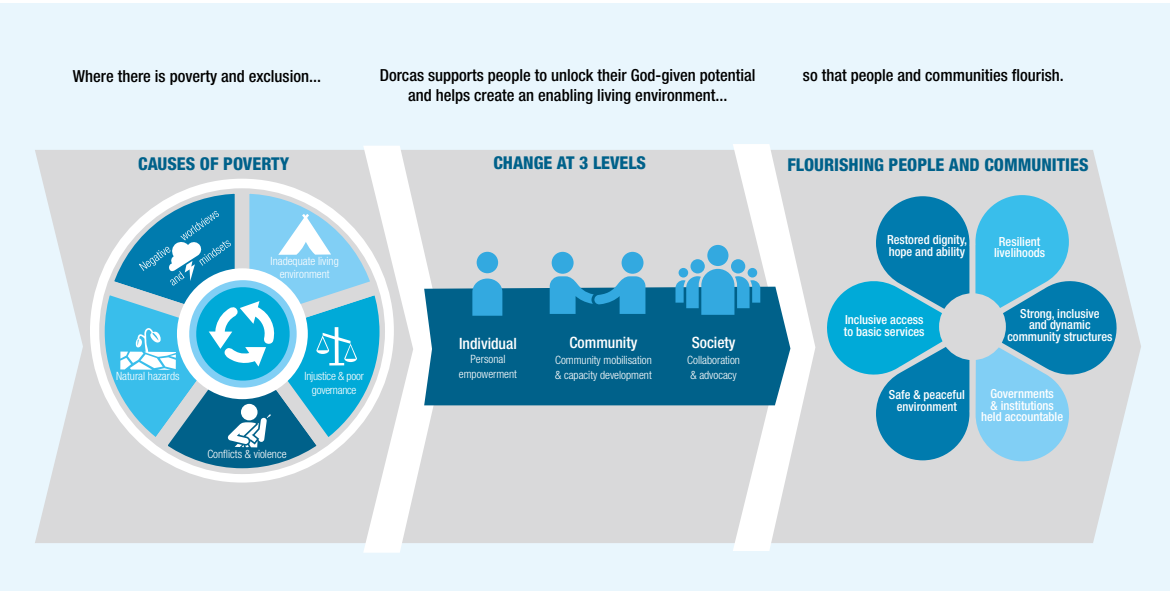
We desire to partner with everyone who shares our mission.

1.3 How

Theory of Change (ToC)

Dorcas has developed a Theory of Change (ToC) which employs a multi-dimensional approach in order to guarantee sustainable change. Our programmes work simultaneously on individual, community and societal levels and integrate different sectors according to identified needs and opportunities. The ToC acts as a comprehensive guidance tool for the assessment of each programme. The relationship between programmes is of particular importance. For example, we link relief and rehabilitation to development – in line with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA)'s Humanitarian Development Nexus.

We work with local partners, community-based organisations, governments and other native structures – those who know the specific context best. And we did so from the start – long before the international community prioritised localised development efforts. Our goal - to help people and communities flourish for the long-term - can be achieved in a number of ways. These are articulated in our Theory of Change document.

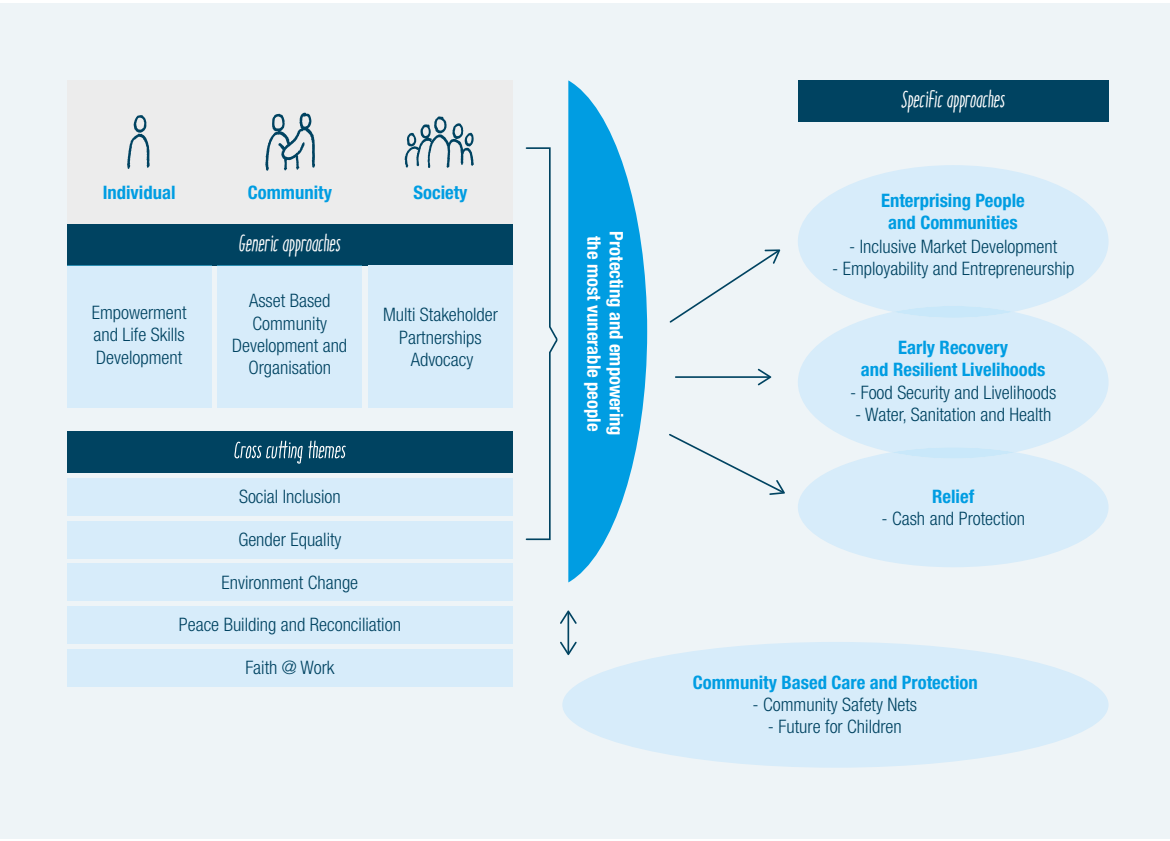


Approach

Everyone has a unique perspective on the world around us. These perspectives are grounded in our deeper beliefs and inner convictions. In addition to the Theory of Change we also utilise the ‘Dorcas Lens’. This overarching framework dictates our programme choices - in light of our desire to make a substantive difference to the lives of the most vulnerable people. This results in increased individual and community resilience and improved livelihoods amongst people affected by conflict. The Lens breaks down our approach into four key Intervention Areas, with a focus on marginalised and disadvantaged groups within society: Enterprising People and Communities, Early Recovery and Resilient Livelihoods, Relief and Community Based Care and Protection. Please note that our entry point may vary depending on the specific context.

Quality and Added Value

We measure success based on quality and innovation. Our value proposition is strengthened by our relationship with external partners and agencies. Therefore we must continuously improve the quality of the work we do by developing and fine-tuning our programmes and methods; and investing in the networks that best promote our cause. To do this we take a systematic approach – one that sets standards that must be met in order to bring about high-quality projects in specific areas. We also apply The Core Humanitarian Standards (CHS) to our work, to improve the quality and effectiveness of the assistance we provide. In 2018, the organisation has fortified it’s strategic partnerships. We are now active in the following networks: Dutch Relief Alliance (DRA) (focusing on Joint Responses in select countries), PerspActive (employment programmes in development), Start



Dorcas Lens



Network (first responses for smaller humanitarian crises), EU-Cord (for cooperative learning and building coalitions for humanitarian aid and development). Quality and added value are the key performance indicators in these networks.

opportunities. In 2018 we reviewed and improved our policies in three key areas – the prevention of sexual exploitation and abuse, safety and security, and the security of our digital systems. The following opportunities were identified:

1.4 Opportunities and Risks

In order to improve our decision making and reduce risk we regularly update our analysis of potential

Type of Opportunity	Prospect	Enabling Policies
1. Programmes		
Developing specific expertise	Sharing knowledge Increased quality /profile	Sharp focus Learning agenda
2. Fundraising		
Additional income	Boost high value and high quality programmes	Build track record Market propositions
3. Staff and International Organisation		
Develop team with expertise More in-country responsibility and mandate	Create added value More ownership, focus and in-country funding	Focused learning agenda Decentralise
4. Various		
Flexible work environment, multi-disciplinary teams	Greater ownership Better results	Abolish departments and silo thinking Reorganise primary and support processes

Type of Risk	Consequences	Mitigating risk
1. Programmes		
Misuse of funds	Repayment of grant Damaged reputation	Clear protocols Regular audits Monitoring systems
2. Fundraising		
Sudden drop in income	Stop funding programmes Cuts in organisation	Rebuilding reserves Flexible funding mechanism Continuous adaptation of marketing
3. Staff and International Organisation		
Unacceptable actions and behaviour	Damaged reputation	Effective leadership Caution with selection Codes of conduct
Security incidents	Personal consequences Organisational continuity Liability, damaged reputation Organisational continuity	Early warning systems Security policy/training Crisis Team training Insurance policies
Other breaking away of branches Country Offices, Fundraising entities, etc.	Sudden drop in income or capacity Damaged reputation	Good governance policies Develop Management Maintaining relations
4. Various		
IT	Damaged reputation Interrupted work implementation	IT crisis plan Backups/External support
Negative publicity	Damaged reputation Loss of income, staff	Crisis Communication Crisis Team

1.5 Preview of 2019 and Beyond

In 2016 and 2017 we re-evaluated and extended the Dorcas strategy. This was followed by an organisational review designed to achieve greater agility in responding to the changing international context as well as to new paradigms, strategies and policies in the humanitarian aid and development sector. In 2018 we continued to implement new policies and processes. These include (but are not limited to):

- ▶ Redistributing programme responsibilities from the International Office to Country Offices
- ▶ Reorganising our funding allocation to service our new programme priorities: community safety nets, relief and early recovery, resilient livelihoods and entrepreneurial people
- ▶ Reconfiguring our processes for resource mobilisation and programme implementation
- ▶ Strengthening our external corporate positioning

In order to advance our international operations in 2019, we have prioritised the following areas:

- ▶ Human Resource Management (HRM) - the improvement of HR policies, standards and systems in order to strengthen the capacity of Dorcas’ Country Offices

- ▶ Corporate positioning – the development of a comprehensive and coordinated strategy for the International Office and Country Offices, led by robust strategic decisions
- ▶ Local resource mobilisation – increased investment in resources in order to expand the capacity of our Country Offices
- ▶ Programmatic audits - to stimulate a joint learning cycle, build evidence-based track records and contribute to continuous improvements for greater impact
- ▶ Core Humanitarian Standards (CHS) – greater inclusion of the CHS commitments through the introduction of self assessments in priority countries

With respect to the International Office we will also focus on:

- ▶ The effective mobilisation of Dorcas communities into a wider Dorcas movement, led by one shared goal - advancing justice and achieving lasting change for the most vulnerable people
- ▶ Strengthening our backbone by upgrading Quality Management systems and supporting IT systems and leadership structures in order to increase our effectiveness and ability to react quickly to new developments and changing circumstances 🔄



Chapter 2

Work

2.1 Eastern Europe

Regional Strategy

Where we are

Dorcas works in four countries in Eastern Europe: Albania, Ukraine, Romania and Moldova.

Country Context

More than 25 years after the fall of communism, the wealth gap between Eastern and Western Europe endures. Surging emigration has seen young people move away from rural communities and parents leave children in the care of relatives. Almost half the population in Moldova has left the country.

Poverty in the form of income shortage, material deprivation, lack of work and social exclusion, is widespread. 800,000 people in Albania (almost one quarter) live in extreme poverty, surviving on the equivalent of US \$2 a day.

All four countries have archaic production models and low productivity, despite fertile farmlands. Various international reports in 2017-2018 cited concerns around the falling rate of public spending on health and education as well as the relentless discrimination against Roma. In our countries of operation, dealing with loneliness and the exclusion of minority groups is a continued priority.

Our Work

Our 2018-2021 strategic plan outlined three focus-areas:

- ▶ Economic development;
- ▶ Child protection;
- ▶ Community safety nets for the elderly

Our Adopt a Granny programme delivered practical care and psychosocial support to 35,000 elderly men and women in 100 communities in Ukraine, Romania and Moldova. We established a far-reaching network of 500 local churches and gained the support of local government and civil society. Through medical care, home support and food

provisions we were able to significantly improve living conditions and quality of life.

In Albania, Moldova and Ukraine, Dorcas worked alongside six local NGOs to deliver livelihood opportunities for over 2,000 families. We identified skill gaps and communities that would benefit most from future initiatives by conducting extensive market research. In all four countries we delivered life skills training and income-generating activities for children and parents – designed to better protect children at risk of abuse, exploitation and trafficking.

In 2018 Dorcas Country staff formed several new alliances: amongst others, with beginning of Life and Salvation Army to develop an anti-trafficking alliance in Moldova; and with Beginning of Life to establish Christian Alliance Moldova without Orphans. We also set up Roma Inclusion Bihor through our partnership with Diakonia and Bethania (local NGOs) and Eriks (international).

We also bolstered existing relationships e.g. with the Dutch Relief Alliance and Dutch Ministry of Foreign Affairs - delivering humanitarian aid to families affected by the war in Eastern Ukraine.

The Dorcas Food Campaign in the Netherlands distributed over 30,000 food parcels to elderly and vulnerable families in Moldova and Ukraine – part of the community safety nets approach.

Regional Innovation Example

Highlight Project: ABCD in Moldova

According to the UN's Human Development Index (HDI), Moldova is one of Europe's poorest countries. In rural areas – that rely heavily on agriculture – communities are struck by poverty and hardship.

In 2018, together with a local partner organisation, we launched our Asset Based Community Development (ABCD) methodology in the Floresti District.

Based on the premise that communities can drive the process themselves, ABCD provides a robust

strategy for sustainable development. The approach reveals strengths and potential within social groups of all ages – translating needs-based thinking into opportunity-based ideas.

Through a Community Mapping exercise, we created an inventory of the formal and informal organisations in Floresti. Associations (mostly those working with the elderly) were invited to share their mission and define their assets. During this meeting the groups also indicated which resources they would like to share.

At the end of the three-four-week period, institutions were encouraged to visit each other's premises. This gave them a real insight into each other's operations

– as well as what they could offer in terms of space, experience, equipment etc. The objective of the workshop was to connect likeminded individuals and associations; and pool resources in order to maximise impact. By becoming more outward-oriented, the institutions were able to change mind sets, establish common goals as well as approach new beneficiaries.

Country Updates

Moldova

- Out of all four Eastern Europe countries, the number of elderly people supported by Dorcas is highest in Moldova. In 2018 we established two new elderly care programmes in Balti and Rezina

Sustainable Development Goals

Our Intervention Areas are directly linked to the UN's Sustainable Development Goals. All Dorcas activities - both *development* and *relief* - contribute towards the alleviation of poverty and food insecurity, resilient livelihoods and the inclusion and protection of marginalised groups. Amongst other factors, our *Community Based Care and Protection* approach strengthens safety nets and social protection networks for vulnerable elderly people and families. In our *Early Recovery and Resilient Livelihoods* approach we give special attention to the development of production systems and WASH interventions that meet the needs of climate change. Via *Enterprising People and Communities* we drive economic growth by delivering self-employment and entrepreneurial opportunities, promoting access to labour rights and building multi-stakeholder and public private partnerships.



Eastern Europe
in millions of euros

Sustainable Development Goals (SDG)
See all the Sustainable Development Goals on page 18.



Community Based Care and Protection		
Elderly Care and Safety Nets	Future for Children	General
4,596 beneficiaries	1,859 beneficiaries	430 beneficiaries
1.2 budget spent	0.3 budget spent	0.1 budget spent
		33,130 beneficiaries received a foodparcel

Regaining Hope

Zoje and Skender From Albania



How Dorcas is helping families in Albania rebuild their lives in the wake of tragedy and economic hardship.

Thirty years ago, Zoje and Skender were happily married in the town of Dojan in Tropojë, Albania. At that time, the country was in the grips of a brutal communist regime. Despite a crumbling economy, Skender was able to hold down a job and offer their five children a real start in life - an unusual state of affairs for Albania in the '90s.

But in 2009, their world fell apart. The couple's 13-year-old son committed suicide. A few years later, Skender lost his job. With little hope for the future, and struggling to deal with the loss of her brother, their 17-year-old daughter tragically took her own life.

*'God's ways are infinite.
Dorcas has brought us light,
in the darkest of times.'*

Together with a local organisation, Dorcas is helping the family start over. To boost household income, we built a chicken shed in their garden and a bird incubator. Skender and Zoje quickly grew their farm with ducks, turkeys and a few hundred chickens - and, with new-found purpose, sold their eggs and meat to the community. Restaurants and hotels have even added their produce to the menu, remarking at the 'excellent quality'.



Zoje Buçpapaj said:

'This is the first time someone has really helped us. It's not only given us a shot at a better life but also the confidence to keep going.'

Integration Association, our partner organisation in Tropoja, believes working with families like these is synonymous with our wider mission.

Ermira Kolbibaj, a representative from the Association added: 'These people have suffered unimaginable loss in their life - but have also found the strength to move forward. Their gratitude, and the hope that we can stir, is the greatest reward to us.'

As change came for Zoje and Skender, it too has transpired for hundreds of people across rural Albania. In 2018, Dorcas helped 600 families overcome adversity by helping them build a farm or greenhouse. 🏡

with 300 elderly men and women.

- ▶ In the same communities, Dorcas developed a Future 4 Children programme – specifically designed to prevent child trafficking. With the support of two local partners – La Strada and Beginning of Life - and key NGOs, we will provide specialised materials and training to children, staff and school teachers in 2019.
- ▶ Our Family Development programme delivered motivational training, financial skills and entrepreneurial courses to families affected by economic crisis. This also helped participants open a family business.
- ▶ Dorcas Moldova - together with a number of NGOs – launched a new network of organisations, advocating for better protection of children's rights.

Ukraine

- ▶ In 2018 we delivered self-esteem, financial and life skills training designed to support the transition from family and child care to family development. We also introduced start up support for income-generating activities.
- ▶ Our work with the elderly went through an important transition phase with concrete steps made to build locally-rooted community safety nets. In addition, we launched a new Adopt a Granny project in the Zaporizhia region.
- ▶ We delivered emergency livelihoods support and humanitarian assistance for 4,500 people in war-torn Eastern Ukraine. This included small scale farming assistance and provision of cash for food and heating so that the basic needs of vulnerable families could be met. We also provided life skills and financial literacy training for teenagers; and (protection) group sessions for adults on topics such as stress management, positive parenting and financial management in difficult times.

Romania

- ▶ In 2018, Dorcas Romania supported the development of social enterprises aimed at the inclusion of Roma, elderly and children in society. We increased access to local resources by harnessing sustainable community structures.

- ▶ Three Dorcas second hand shops continue to fund our projects.
- ▶ The Blue Bucket campaign – an annual food collection action run by local organisations and churches – delivered 12 liters of ailments for 1620 Romanian people.
- ▶ In partnership with three NGOs, Dorcas formed an alliance that worked to improve the integration of Roma in society.
- ▶ We made steps towards the prevention of human trafficking by establishing a strong network of support organisations, conducting research into root causes and advocating for new laws.

Albania

- ▶ We created a more inclusive programme concept by conducting studies in three geographical areas.
- ▶ Dorcas developed a number of new partnerships with key actors and organisations:
 - ANTTARK – research, assessments and programme design
 - Agro Social Fund – loans for smallholders
 - Yunus Social Business – testing the social enterprise concept
 - Swiss Contact – on employability of vulnerable families/persons
- ▶ 2018 saw the launch of six pilot projects to test new ideas and innovations e.g. linking local food production with tourism and introducing the concept of social farming amongst Roma and vulnerable groups.
- ▶ We developed community safety nets in Korca and Kukes in cooperation with farmers, local business and institutions.
- ▶ The Municipality of Korça funded the maintenance of four elderly day care centers due to our sustained lobbying.

Russia

- ▶ In 2017 we took the decision to phase out our interventions in Russia. The summer of 2018 saw the last two programmes come to a close, which provided support for a total of 750 elderly people over the course of 15 years.



2.2 Middle East

Regional Strategy

Where we are

Dorcas is active in four countries in the Middle East: Iraq, Lebanon, Syria and Egypt.

Country Context

Dorcas' involvement in Iraq, Lebanon and Syria stems from a protracted state of humanitarian crisis. The nature of armed conflict continues to grow in complexity throughout the Middle East.

According to the United Nations Humanitarian Response Plan (UNHCR) mid-year 2018, a total of 12.8 million people are in need of humanitarian assistance in Syria alone – including 6.2 million

internally displaced persons (IDP). Across the country, disregard for human life is overwhelming.

Lebanon has experienced a vast influx of Palestinian and Syrian refugees in recent years - with ageing infrastructure and crowded IDP camps struggling to manage numbers.

In Iraq, although fighting has ceased following the defeat of Islamic State (IS), some 8 million people are in need of urgent assistance. Towns are stripped of basic services, food is scarce and over 5 million children are exposed to rights violations – including forced recruitment by armed groups and sexual violence.

Whilst 2018 was a relatively stable year for Egypt, in terms of major conflict, the country is still subject

to significant security/terrorism threats. And the economy, which relies heavily on agriculture and tourism, is an ongoing source of unrest. Due to rapid population growth and the limited amount of cultivable land, the country's resources are under strain. Despite major strides in parliament, a recent poll saw Egypt rank worst for women's rights out of all the Arab States.

Our work

In 2018 we put women, children and marginalised groups at the heart of our interventions. In Syria, Iraq and Lebanon we provided vital humanitarian support to 198,511 people.

In Iraq we began to make the shift from Relief to Early Recovery (ER) – with new programme components designed to build resilience and generate self-sustained, nationally owned development opportunities.

In Syria, we've almost doubled our number of programme activities. Dorcas also identified sustainable income solutions for makeshift communities with the success of a micro-entrepreneurship pilot.

Refugees and internally displaced people were at the forefront of our work in Lebanon and Syria. The expansion of the community centers was central to this.

In Egypt, we intensified our development efforts around child protection, livelihood opportunities and disability inclusion. In 2018 we further embraced our theme of Women Empowerment through advocacy and awareness-raising activities – and the continued success of our Farmer Field programme.

Regional Innovation Example

Highlight Project: Harnessing new technology in Lebanon

Recent developments in government policy – in response to the mass influx of displaced persons –

have pushed over 750,000 Syrian refugees onto the wrong side of the law in Lebanon.

Migrants carrying illegal papers are at high-risk of arrest, detention and abuse – particularly those who are forced onto the street in order to find work and seek basic services.

In 2018 Dorcas provided legal support and counselling to more than 1,000 displaced Syrians in Lebanon. In partnership with Migration Services and Development (MSD) we developed a mobile app that transformed the way in which refugees are able to seek help and access information. Beneficiaries register for the app confidentially in their native language – and this unlocks access to personalised services, relevant to the individual's existing knowledge and network. The app is designed in two parts;

- 1) **Information services:** Contains information about the rights and responsibilities of migrant workers and refugees; as well as legal information and obligations, essential contacts and practical advice designed to help people integrate and adapt to life in Lebanon.
- 2) **Interactive services:** Allows migrant workers to connect with each other and suggest and file complaints to the organisation; which are then followed up by the case worker through the proper channels. Features include surveys, a suggestion box and push notifications from migrant organisations and personal networks.

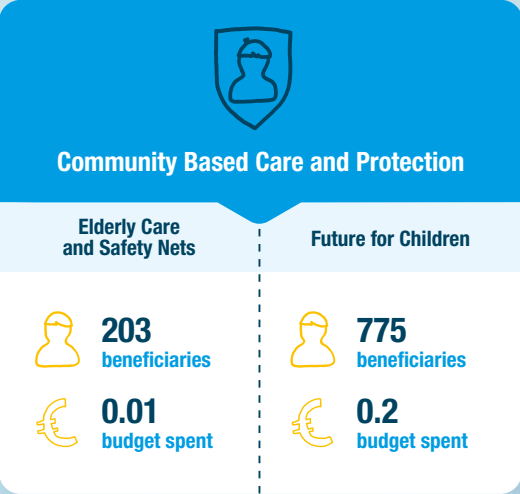
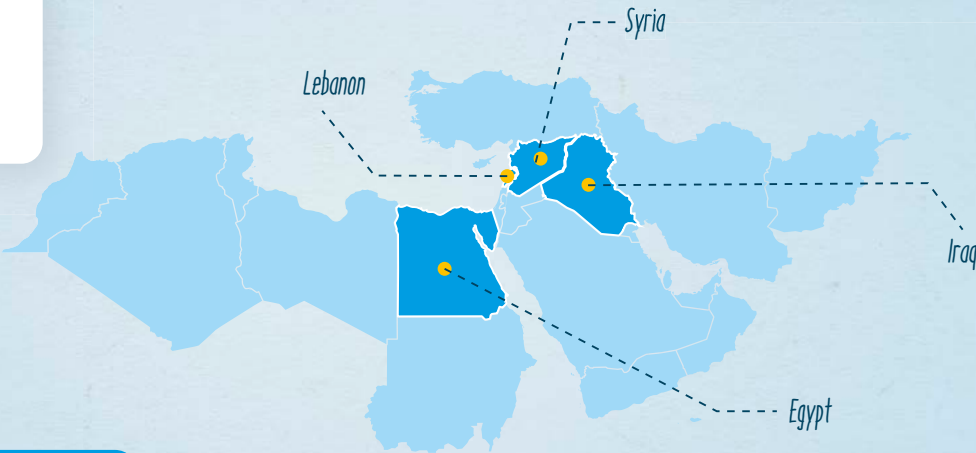
Country Updates

Egypte

- ▶ In 2018 Dorcas supported vulnerable women and girls in Egypt through our ongoing partnership with Life Vision for Development. Together, we delivered four life skills and entrepreneurial training programmes, led by the theme of Women Empowerment.
- ▶ We improved livelihood opportunities for 450 female farmers in Upper Egypt, through the

Middle East
in millions of euros

Sustainable Development Goals (SDG)
See all the Sustainable Development Goals on page 18.





Salvation in War

Asmaa From Syria

Fleeing Syria's brutal civil war, over one million people have sought safety in Lebanon – where refugees now represent a quarter of the population. Dorcas is working to empower women and girls – who look to support each other in a new reality.

Asmaa was 16 years old when her life changed completely. 'When the war broke out, lots of girls were abducted. My school in Syria closed its doors – and I could no longer walk outside on the street.'

Many parents – fearing for their daughters' safety – arranged for them to marry at an extremely young age. But Asmaa's family chose a different approach. 'It was my brother's idea', she recalls. 'He told us to leave the country.'

'I try to reach the women that people don't see. The girls that find themselves alone in this world.'

Five years later, Asmaa is a regular volunteer at the Dorcas Community Centre in Aley, Lebanon. Here she helps vulnerable refugees seek support. 'My story can help other Syrian ladies', she says. 'I find them and encourage

them to come to the centre. A safe haven where they can rest and get help.'

When she arrived in Aley, Asmaa struggled to adjust. But, surrounded by a close-knit community at the centre, she's hopeful for the future. 'When I was young, my dream was to become a psychologist. But it's hard to do even the smallest things as a refugee. Now I dream of children, my own family; and how I would teach and protect them.'

As for her parents... 'My mum and dad have changed their views on marriage. They're more on guard when a man proposes to me. Where is he from? What does he do? Asmaa laughs. 'Which means I'm allowed to meet him and consider a life with him.'

Dorcas operates two Community Centres in Lebanon, one in Batroun and another in Aley District. In 2018 we supported 4,531 vulnerable people at various centres by providing practical care and psychosocial sessions. [🔗](#)

continued development of our Farmer Field School programme. The programme enables women to develop agricultural and entrepreneurial skills through regular coaching sessions on topics such as literacy and peer to peer support - and by connecting them to online services.

- ▶ October 2018 saw the implementation of a new Waste Management programme in Minya – helping communities re-use and sell agricultural waste.
- ▶ In 2018 we provided protection against Female Genital Mutilation and Cutting (FGM/C) and abuse for 800 Egyptian children through psychosocial, life skills and awareness-raising activities.
- ▶ With EU funding, we implemented a Technical Vocational Education and Training programme, reaching 400 youth in four locations.

Lebanon

- ▶ 2018 was marked by the success of a new Community Centre in Batroun. We provided psychosocial support and legal services (e.g. case management) - helping 670 Syrian refugees and vulnerable Lebanese build resilience.
- ▶ A new project at our Aley Community Centre in Lebanon followed in its footsteps. The project offered practical and psychosocial support to victims of abuse - namely migrant domestic workers, refugees and children.
- ▶ Dorcas delivered food and nutritional support to vulnerable children and families in schools and refugee camps through the implementation of four Emergency Feeding Programmes (ESF).
- ▶ Through educational activities, psychosocial support, summer camps and child protection services we served a further 1,142 children and parents.
- ▶ To better support victims of Sexual and Gender-Based Violence (SGBV) – and tackle the rising number of Syrian refugee cases – we expanded our range of legal and social support services.

Syria

- ▶ In rebel-held Hanano area in Aleppo our Community Centre staff provided psychosocial support and protection to people who are affected by the conflict. Services included medical

treatment and management of Child Protection (CP) and Gender-Based Violence (GBV) cases.

- ▶ 40,800 patients in El-Hassakeh, Ar-Raqqa and Deir-ez-Zoor received emergency medical treatment as a result of our project - funded by UNOCHA - to improve access to quality healthcare.
- ▶ Alongside 11 Dutch relief organisations (Syria Joint Response) Dorcas provided vital equipment and medication to Primary Health Care Centres and Hospitainers in Aleppo. We also partnered with local NGOs to ensure the provision of physiotherapy in Hanano Community Centre.
- ▶ Our School Feeding Programme supplied daily meals to 2,962 children in nine schools in Aleppo and food vouchers/parcels to 1,700 families in Aleppo and Damascus – funded by the Dutch Ministry of Foreign Affairs.
- ▶ We helped 97 young people launch their own business through a micro-entrepreneurship pilot.

Iraq

- ▶ Two regional Health projects in Dohuk and Nineveh improved access to vital medical services for 26,000 people.
- ▶ We provided short-term food assistance - food vouchers - to 5,000 vulnerable people in Bashiqa.
- ▶ To boost livelihoods for the long-term we built home and poultry gardens and community greenhouses. 143 households received chickens, chicken shelters and fodder. 116 people participated in related Cash for Work activities such as the cleaning of road sides and water channels.
- ▶ The launch of two protection programmes in Wana and Sinjar delivered monitoring and legal assistance and community awareness activities to 30,000 people.
- ▶ A new Back to School Campaign addressed enrollment of children in schools in Sinjar and Wana through creative workshops with children and parents. A comic book on child rights – designed by the children themselves – was a particular highlight. Enrollment increased by 50% (280 in 2017 to 420 in 2018) in Wana.

2.3 Africa

Regional Strategy

Where we are

Dorcas is active in five African countries: Ethiopia, South Sudan, Kenya, Tanzania and Mozambique.

Country Context

2018 saw a rise in extreme poverty across East Africa. A surge of droughts, floods and unpredictable weather swept the region – affecting food security and livelihoods.

In Ethiopia women are largely confined to traditional roles and nearly 1.2 million people live with HIV/AIDS.

In South Sudan, years of internal ethnic conflict rests heavily on the shoulders of young people. The education system is particularly fragile.

67.9% of the population of Tanzania live below the poverty line. Around 42% of children under five suffer from chronic malnutrition.

Since 2014, Kenya has categorised itself as a lower-middle-income country. The fight against female genital mutilation (FGM) (banned in 2011) has been met with success and failure.

In 2018, Mozambique boasted the fastest growing economy in Sub-Saharan Africa yet 70% of the population continue to survive on less than 1.90 USD a day. In March 2019 Cyclone Idai wreaked havoc on Mozambique and neighbouring countries, exacerbating the situation.

Our work

In 2018 Dorcas provided humanitarian assistance to 250,000 people in Ethiopia and South Sudan.

We trained hundreds of vulnerable smallholder farmers in climate-smart agriculture techniques. In four out of five countries we delivered vocational and life skills training to youth, helping them gain prospects for the future.

Dorcas helped some of the poorest women set up small-scale business, providing their communities



with clean cook stoves, sanitation products and agricultural produce - a major part of our operations.

In tandem, we amplified advocacy efforts – pressuring government and local institutions to provide basic services and care to the most marginalised people in their constituency.

In conservative communities in South Kenya we sought to abolish FGM/C and early marriage via dialogue and sensitisation sessions. In Tanzania we taught girls aged 10-21 about menstrual hygiene and helped create a more supportive school and home environment.

Regional Innovation Example

Highlight Project: Eco-friendly cooking in Tanzania
Woodfuel is the most common form of energy used for cooking and heating households in Tanzania. In poor, rural communities, women rely heavily on traditional stoves - associated with a host of diseases. And while

Indoor Air Pollution (IAP) causes cancer, respiratory infections and premature deaths, the burning also releases harmful emissions into the environment.

The Supamoto project, run by Dorcas Tanzania and Lions Club Tilburg, aims to reduce the dependence on charcoal and firewood by enabling Tanzanian women in rural communities to switch to clean, high-efficiency solar powered biomass cookers. We set up a number of micro collection centres where locals - turned entrepreneurs - manage the shredding and transport process. The biomass is delivered to the manufacturer, who produces sustainably-sourced pellets and briquettes.

During its short lifespan, Supamoto has shown the merits of local production and clean energy – delivering real solutions to some of the poorest communities in Tanzania. In Ugoro village, where the project began, clean cooking is now an affordable and accessible option for women.



In 2019, Dorcas has big ambitions for the project, with plans to improve livelihoods by increasing household income, enabling savings and generating new income opportunities in rural areas.

Country updates

Ethiopia

- ▶ Some 240,000 Ethiopians received humanitarian support in 2018.
- ▶ Dorcas and partners delivered eight agricultural and business development programmes, helping people in remote communities find stable work.
- ▶ Our programme with Woord en Daad enabled young people in Ethiopia to start their own micro-enterprise or gain employment. We strengthened our dialogue with local governments, technical schools and the private sector.
- ▶ In rural areas, we gave communities the tools to develop and maintain clean water programmes. In urban settings, we helped youth and women set up their own water and waste management businesses.
- ▶ In Southern Ethiopia, Dorcas helped communities prepare for drought through disaster preparedness training and the establishment of Self Help Groups.
- ▶ Through awareness-raising projects we helped girls and women reduce their risk of HIV infection, unplanned pregnancy and Sexual and Gender-Based Violence (SGBV). We also increased access to Sexual and Reproductive Health and Rights (SRHR) services by removing social and financial barriers.

South Sudan

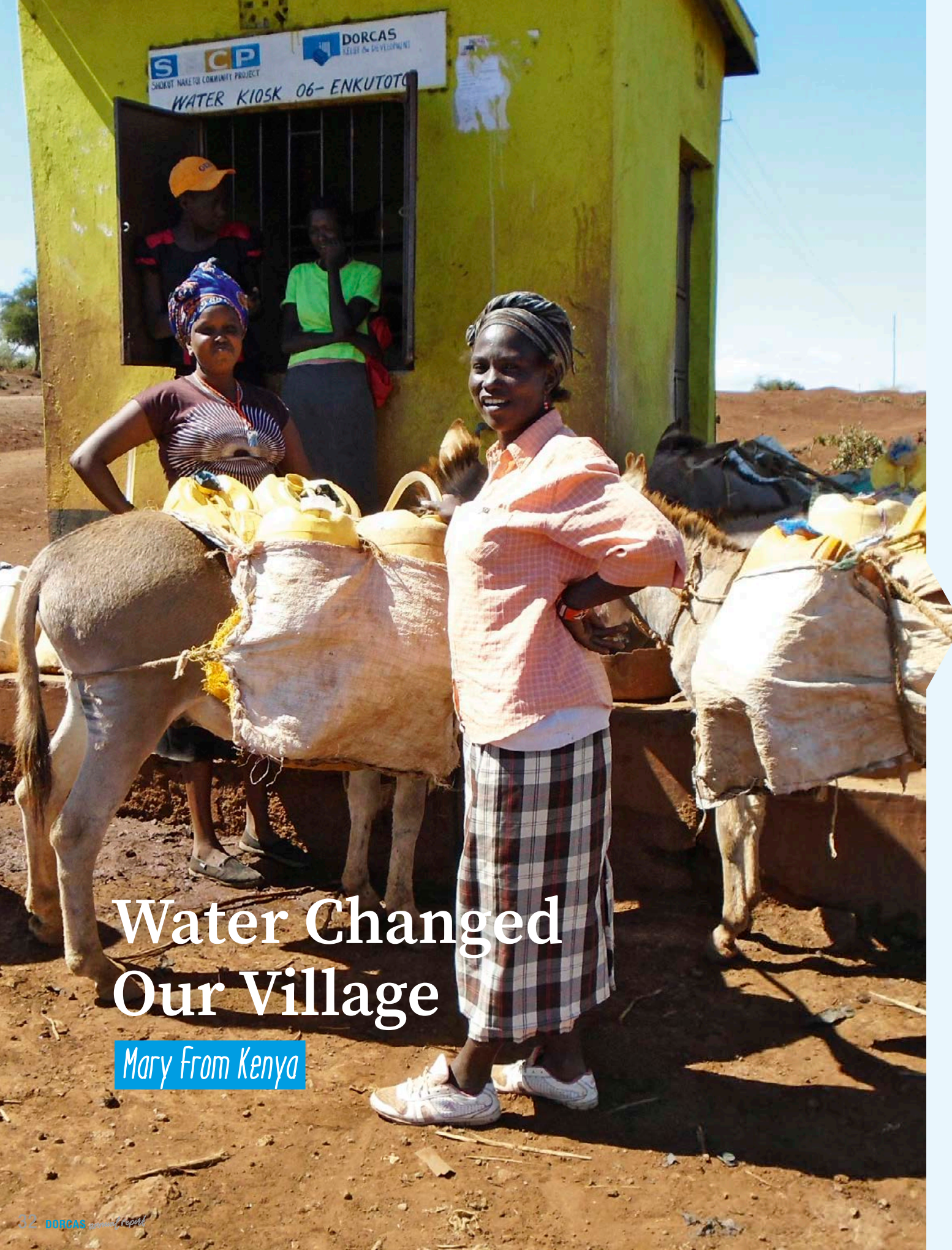
- ▶ Dorcas South Sudan continued to focus on providing basic aid and livelihood and youth employment opportunities in 2018.
- ▶ With support from the Dutch Government and donors, we launched an integrated programme that continues to provide food security, water, sanitation and malnutrition treatment to 32,000 people.
- ▶ We stimulated long-term food security and resilience for more than 12,000 people through The World Food Programme (WFP)’s Food Assistance for Assets (FFA) initiative.



- ▶ Dorcas’ Vocational Training Centres (VTCs), in collaboration with Edukans and Light for the World delivered quality skills training to some 2,000 unemployed youth in the city of Wau and nearby areas. This included the implementation of micro-credit programmes and Self Help Groups (SHGs) to help young people launch their own business and increase capital. We also delivered training for VTC teachers.

Kenya (incl. Uganda)

- ▶ Dorcas and local partners reached 110,539 people via nine Early Recovery and Resilient Livelihoods and Community Based Care and Protection interventions.
- ▶ A new project – in partnership with the County Government of Siaya, Maji Milele and North Gem Community Development Program - provided clean drinking water and sanitation for communities in Siaya County, co-funded by Netherlands Enterprise Agency (RVO).
- ▶ 17,000 girls and women affected by harmful cultural practices, including FGM and early marriage, received psychosocial support and antenatal care.
- ▶ Dorcas helped 756 children prepare for the



Water Changed Our Village

Mary From Kenya

In Kenya, slums and remote villages often go without the water they need. With a population of 46 million, 41% still rely on contaminated sources while 59% use unimproved sanitation solutions. Even ‘safe’ water kiosks come with risks, as 28-year-old Mary discovered...

For over five years, Mary spent every day in her second home – a water kiosk in the local village. She didn’t mind the long days selling water; the money she earned was just enough to put food on the table for her family. But in the Spring of 1,999 people began to fall ill, so she couldn’t sell the water anymore.

'Water truly changed our village. Our health, our work - everything depends on it.'

Today the story is very different. An engineered pipeline, made possible by a

Dorcas project, delivers clean drinking water to thousands of people on a daily basis. Mary has a job and enough money to send her son to school.

She smiles: 'Water truly changed our village. Our health, our work - everything depends on it. The whole village is involved with the new pipeline.'

Two engineers are responsible for the maintenance of the pipeline – which stretches over 33 kilometres long. 13 staff members work at the local water kiosks. And, during the installation, many villagers received specialised Dorcas training which provided them with insights and practical knowledge on hygiene, health and the prevention of diseases.



future with life skills (e.g. financial literacy) and medical training.

- ▶ Vaccinations were administered to disadvantaged children under 5 years old.
- ▶ We helped over 45,900 people in the Kathonzwani District overcome problems of food insecurity, drought and poor sanitation via agricultural production and water collection projects. To help start-ups get off the ground we also developed business plans and provided funding or goods.

Tanzania

- ▶ We supported more than 25,000 Tanzanians in 2018.
- ▶ Dorcas and AFRIPads launched the Menstrual Hygiene Management for Her (#MHM4Her) programme in Handeni District, funded by the Department for International Development (DFID). MHM4Her offers safe and dignified solutions (re-usable menstrual pads) for school girls, improving self-esteem and class attendance.

- ▶ Our Olokii VTC – an initiative that provides career training for primary school leavers in the Arumeru District - saw the enrolment of 255 students in further studies. We transferred this VTC to an officially registered Savings and Credit Society.
- ▶ Preparations were completed for the Tanzania Clean Cooking project, to commence in Q1 2019.
- ▶ Close to 25,000 beneficiaries were supported with some kind of entrepreneurial, SRHR or life skills training in 2018.
- ▶ Dorcas' Prison Care helped prisoners and parolees reintegrate into society upon release.
- ▶ Via Income Generating Activities and Child Sponsorship our Family Development programme helped families identify sustainable ways to support each other.

Mozambique

- ▶ We provided humanitarian support to over 6,500 people in 2018 – with a focus on Water Sanitation

and Hygiene (WASH), agriculture and protection of vulnerable children and women.

- ▶ In central Mozambique we introduced manual drilling in under-served schools and communities. By harnessing locally available materials in remote sites we reduced costs (by a factor of 2-3), increased access to clean drinking water and delivered youth employment opportunities. Alongside Village Water, we helped Dorcas-qualified well drillers apply their skills. We established 34 User Committees to manage the water facilities and additional WASH training. 40 new well drillers received technical training.
- ▶ New agricultural training courses helped 20 local farmers utilise the land in a sustainable and eco-friendly way. We applied the group-based Farmer Field School (FFS) method to do so - carrying out a number of experiential learning activities.
- ▶ We empowered 275 at-risk children, youth and grandmothers in three districts through life skills and safety nets training.

countries have developed pilot projects off the back of this, set to launch in 2019.

- ▶ All 12 Country Directors and a group of staff from the International Office (Programme and Knowledge Support) were trained on how to establish Multi Stakeholder Partnerships.
- ▶ A group of Dorcas and local partner staff from Moldova, Albania, Ukraine, Romania and Russia visited Kyrgyzstan for an exchange visit designed to help them learn about the development of safety nets, self-help groups and advocacy for the elderly.
- ▶ Based on the Farmer Field School (FFS) and Farmer Business School (FBS) approach, Dorcas arranged an exchange visit to Egypt for staff. Colleagues from Mozambique and Iraq visited the country for training purposes and developed their own FFS or FBS (pilot) project ideas.
- ▶ Key staff at the International Office followed an MBC training course on micro-entrepreneurship development for poor and marginalised people. Modules were shared with several Country Offices.

Monitoring, Evaluation, Accountability and Learning

Monitoring, Evaluation, Accountability and Learning (MEAL) plays a key role in quality control and improvement within Dorcas.

2018 highlights

This year we shifted a number of Accountability and Monitoring roles from the International Office to our Country Offices – a process still ongoing. To improve Learning in 2018, we delivered our annual Capacity Development course, conducted programme evaluations and implemented a series of pilot projects. These included for example an assessment of the projects carried out over the past five years in Ethiopia and programme evaluations in Albania and Kenya under Early Recovery and Resilient Livelihoods.

Pilot projects were implemented in 10 countries and have helped us learn more about the effectiveness of our work via the testing of new approaches and methodologies. ☺

2.4 Capacity building and MEAL

Capacity building

Every year Dorcas invests in the quality of our work through a Capacity Development course for staff involved in programme implementation. This often takes the form of training and coaching but can also be delivered via exchange or learning trips. On these trips, staff get an insight into – and the opportunity to learn from - similar programmes run by related organisations.

Priorities for the course depend on the programme focus per country. Below you can find the highlights from our Capacity Development activities in 2018.

- ▶ Country staff and local partners were trained in Asset Based Community Development (ABCD) in Romania, Moldova, Ukraine, Albania, Egypt, Kenya, Tanzania, Mozambique and Ethiopia – both at the regional and local level. Many

Africa

in millions of euros

Sustainable Development Goals (SDG)

See all the Sustainable Development Goals on page 18.



Relief

 **245,309**
beneficiaries

 **1.3**
budget spent



Enterprising People and Communities

Employability

 **62,072**
beneficiaries

 **1.4**
budget spent



Early Recovery and Resilient Livelihoods

 **133,535**
beneficiaries

 **1.0**
budget spent



Community Based Care and Protection

Elderly Care and Safety Nets

 **1,331**
beneficiaries

 **0.3**
budget spent

Future for Children

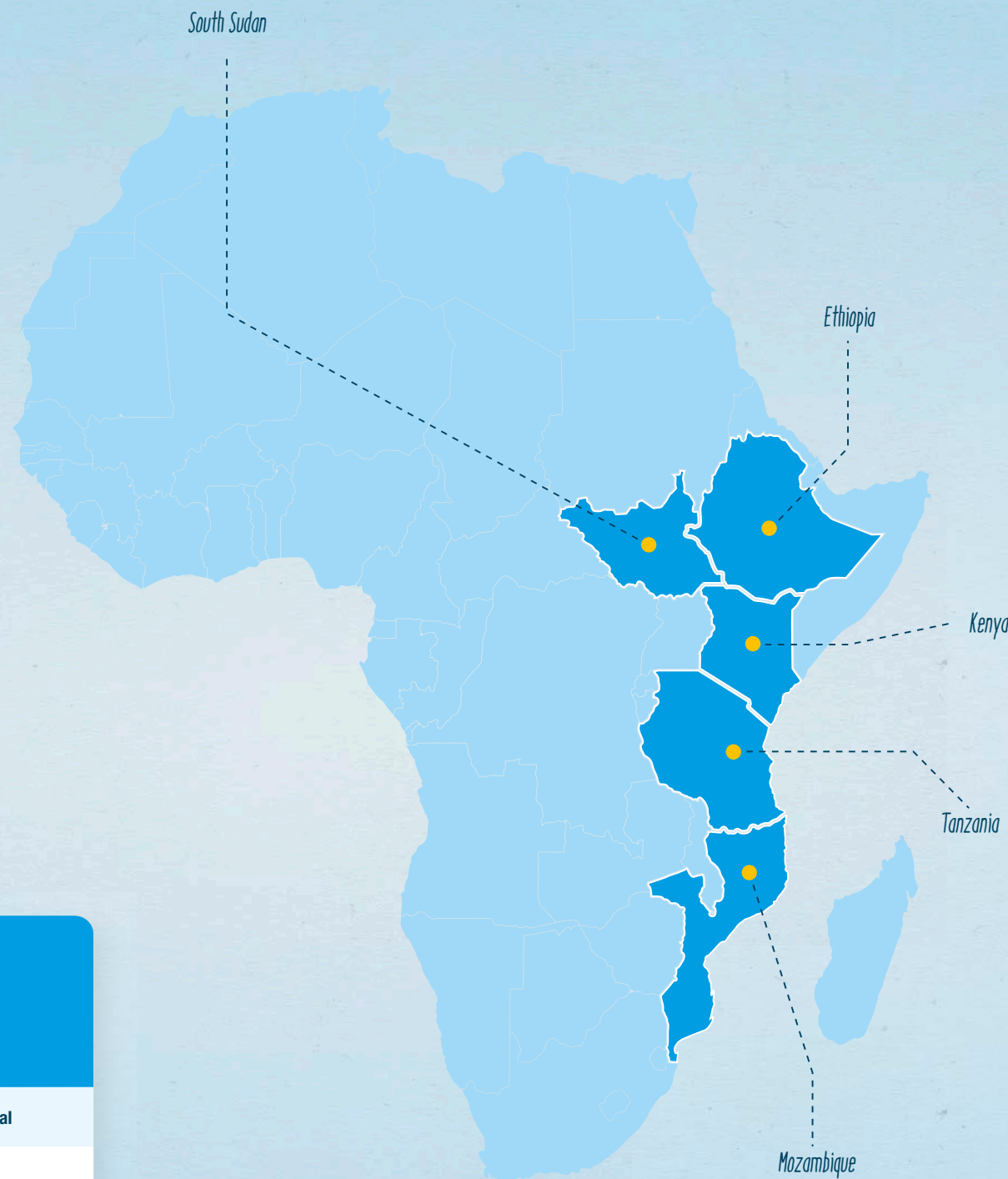
 **2,422**
beneficiaries

 **0.4**
budget spent

General

 **52,008**
beneficiaries

 **0.2**
budget spent



Research and Pilot Projects

 **0.1**
budget spent



Chapter 3

Working Together

Our raison d'être is those we seek to help. Our heartbeat - the people that back us. In the Netherlands and abroad, Dorcas works with partner organisations, government institutions, communities, volunteers, donors and more – that together hope to grow to a movement of one million supporters.

We're extremely thankful for every contribution we receive, without which we simply cannot do our work. The generosity of both our supporters and institutional donors enabled us to raise over €22 million euros in 2018.

In The Netherlands our constituency is thriving. Beyond their donation efforts, a group of Dorcas Shop volunteers instigate unity and mutual care. Entrepreneurs gather in Business Clubs to collaborate and inspire each other. Working Groups, ready to take action at the local level, have been the lifeblood of our constituency for decades. That we are preparing the 25th edition of the Dorcas Food Campaign in 2020 is thanks to more than 700 communities across the country.

We engage our supporters – and facilitate their work – in several ways, subject to the manner in which they would like to contribute: by donating time or goods, by donating money, via prayers or public advocacy; funding or investment, or by entering into partnerships with us.

3.1 Volunteer Enterprise

A large part of our operations focus on the principles of a Volunteer Enterprise. The primary support we receive comes from community groups and individuals who wish to donate time, goods or knowledge on a voluntary basis. Collectively, they are our heartbeat.

Dorcas Shops

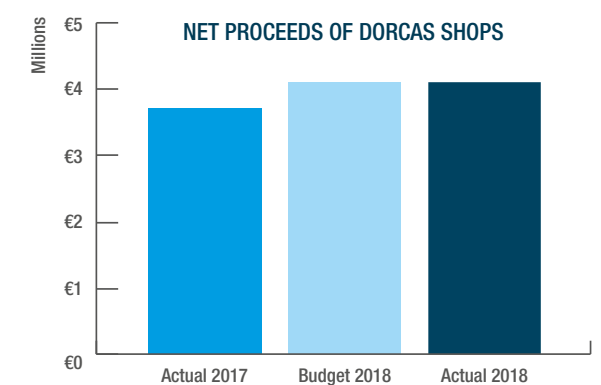
In all corners of the Netherlands, our prevailing network of Dorcas Shops sell second-hand goods –

funding our interventions and development work. Each shop is managed by a local board and run by 20-200 volunteers. In December 2018, we totalled 32 shops (two more than in December 2017) with 8 new locations in the pipeline. Their efforts are invested enterprisingly toward our cause and mission.

Volunteers receive compliments from visitors and pledge allegiance to 'their' shop – contributing to social cohesion in the town. Searching for a place in society, refugees form strong bonds with locals; while elderly people enjoy a new daytime hobby. And then there's the 'circular economy'. By giving clothes a second life we've been able to reduce waste and harness local resources. The atmosphere is endlessly inspiring.

Some 2,000 volunteers serve our Dorcas Shops – a true representation of God's love. A number of not-for-profit shop partners also support our development by sharing their expertise and low-cost delivery services.

Since we launched our first Dorcas Shop in 2013, the number of active locations has grown to 32. In 2018,



net proceeds were up by 14% from 2017 - thanks to the launch of two new shops in Hoorn and Katwijk and the extension of existing stores.

An additional 1,000 volunteers in the Netherlands helped increase our reach in 2018 by collecting second hand clothes for sale, and arranging door-to-door pickups. Many of them have embraced our mission for years. The clothes were collected in some 200 depots and organised in around 25 regional or sorting depots. In 2018, we sold 1.5 million kilograms of clothes. The items were shipped and sold in Romania and other Eastern European cities.

What you don't learn from these numbers is that until the end of 2017, Dorcas distributed second-hand clothes for free in Eastern Europe.

Highlight Campaign: Dorcas Food Campaign
In 2018, the annual Dorcas Food Campaign took place at 417 grocery shops, 274 churches and 29 schools across the Netherlands, led by 288 coordinators. Overall we raised €1 million euro, yielding over 30,000 food parcels - valued at €31 each. In addition, we received €270 thousand in cash donations, bringing our fundraising efforts to a total of nearly €1.3 million. Once again, this campaign put Dorcas' firmly in the public eye, mobilising thousands of people in support of our cause.

Our Working Groups contribute to local visibility within several Dutch towns. They organise door-to-door collections, organise and prepare products for

the Dorcas Food Campaign and facilitate lectures within churches and schools. Several working group created a Dorcas studio where handcrafted products are made and sold.

In May 2018, we organised a national meeting for Dorcas volunteers in Veenendaal. This was a great opportunity to articulate the Dorcas mission and come together on shared goals. Country Directors presented examples of their work.

3.2 Public Engagement

Dorcas further rallies support by engaging with the wider public. Our followers in The Netherlands are diverse. Tens of thousands donate money; many say prayers; others speak out in their community.

Websites and Social Media
Supporters are joining us online in greater numbers too. In 2018, we continued to adopt a digital-first approach by sharing meaningful, multi-media content on social media. Through vivid testimonies – often in video format - from beneficiaries, staff and donors, Dorcas was able to share the impact of our work with the world.

The total audience for our Facebook channel grew to 7,298 individual followers over the course of 2018 – up from 3,970 in 2017. This was largely thanks to an online campaign to support our Dorcas Food Campaign.

We also laid the groundwork for a new Instagram strategy, working towards a solid Instafeed in 2019.

2018 saw the launch of our new website – dorcas.nl. With fresh capabilities and design expertise we were able to better connect with online communities – individuals, churches, and entrepreneurs in the Netherlands – and generate new leads. Use of Google Adwords and related content is an ongoing priority. In 2019, we will also upgrade our dorcas.org website, country profiles and Dorcas Shops landing pages. The .org site will focus on corporate relationships and partners.

Campaigns
In 2018, we launched two Portraits of Power campaigns in The Netherlands – a compelling tribute to women all over the world. The concept stripped women of 'labels' (such as 'refugee', 'poor' or 'weak'); celebrating them for who they are, irrespective of their situation.

Through video and photography, we told the stories of women from Eastern Ukraine and Lebanon. In Lebanon we captured them in high-fashion outfits, designed by De Bijenkorf stylists from clothes in our Dorcas Shops. The campaign was displayed in De Bijenkorf stores in Amsterdam, Utrecht and Rotterdam – and several more locations across the country.

In addition, we launched three public campaigns in order to raise funds for our development programmes.

For the Adopt a Granny campaign in the Spring, we shared the story of Ana – a grandmother from Moldova. A documentary about her life was broadcast on Dutch television. Despite a strong narrative, the campaign did not perform well. This has led us to place greater emphasis on customer journeys.

The Dorcas Food Campaign triumphed again (highlighted on pg. 40).

We developed our winter campaign in co-creation with potential donors in The Netherlands through

extensive A/B testing. We also A/B tested two different beneficiary stories on social media, measuring engagement in clicks and donations. In 2019, we will explore this way-of-working further.

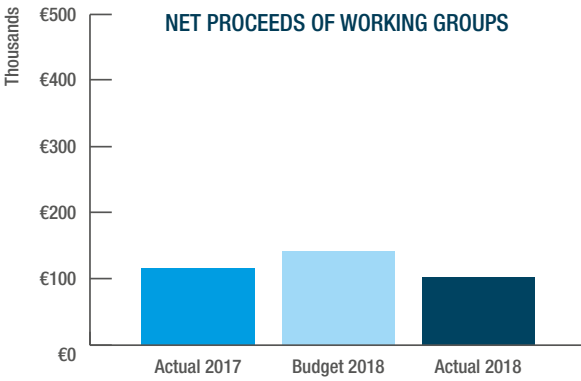
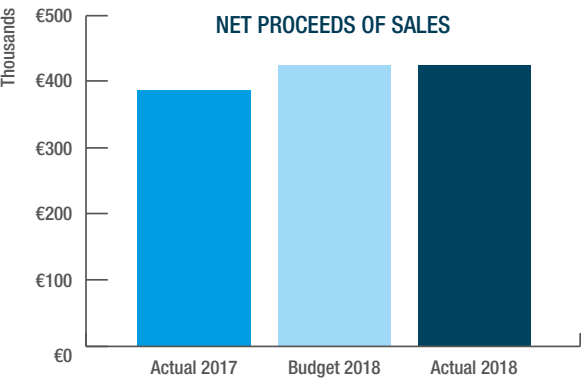
Our campaign to grant regular donors a tax advantage was a particular success. By signing a periodic donation agreement of 5 or more years, donors received a tax reduction. This helped Dorcas secure 173 new contracts in 2018, from a total of 904 periodic donation agreements. Out of 4,700 letters sent to promote the campaign, we received a positive response from over 5% of recipients.

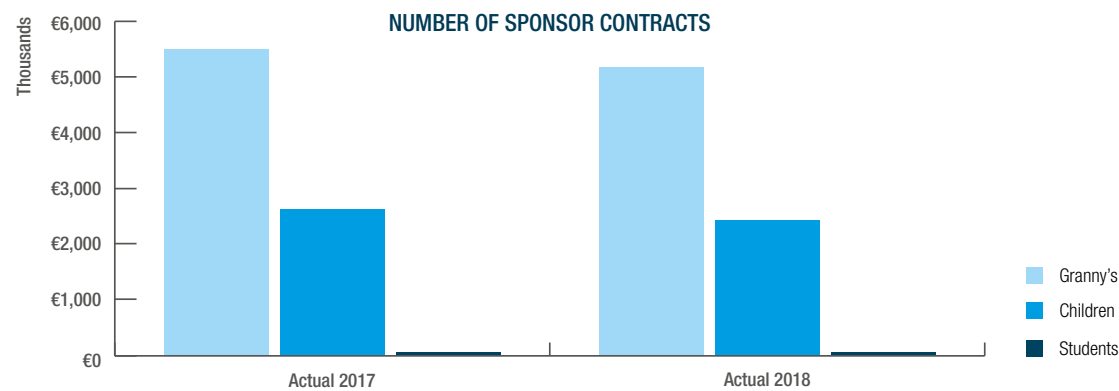
Dorcas also set up an emergency relief project to deliver humanitarian aid on the Indonesian island of Sulawesi, in response to the earthquake and tsunami in September 2018.

Sponsorships
In order to deliver on our promise of lasting change for the most vulnerable people, we adopted a number of new programme methodologies in 2018. We placed new emphasis on life skills training for children, reactivation projects for the elderly and community mobilisation by creating new circles of support around our beneficiaries and involving local governments.

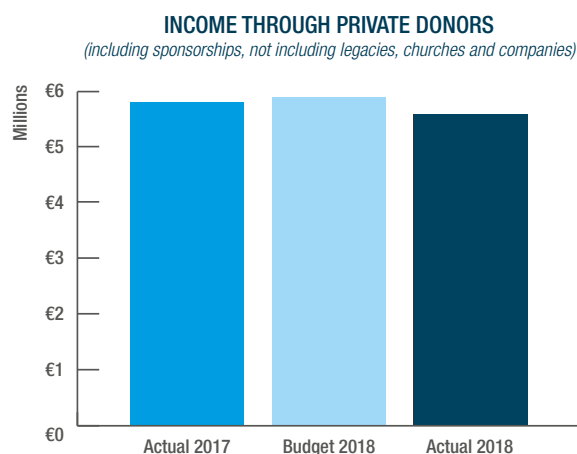
Following our decision to discontinue operations in Russia and Lesotho, we phased out our sponsorship projects in these countries during the course of 2018. Naturally, this led to a decrease in contracts. In contrast, we launched new sponsorship projects this year including Adopt a Granny in Moldova and Ukraine, as well as an Adopt a Child scheme in Kenya. The decrease in sponsorship contracts for students (see figure) reflects our decision to refocus our work on children and elderly.

Legacy Funds
A special way in which people can support Dorcas is through the creation of a legacy fund. A legacy fund falls under the umbrella of planned giving and refers to bequests to the NGO upon a donor's death. But we know that determining the details of someone's will is a sensitive process. Dorcas





The total income in 2018 on sponsorship projects was €2.9 million.



provides the practical support to manage the funds properly and the emotional support to manage the relationship with care. This includes a number of home visits.

2018 saw the creation of 30 Dorcas legacy funds. For example, one woman donated her life earnings to the work of a number of NGO's – of which €300 thousand euros she gave to Dorcas. We are humbled every day by such generosity.

Churches

Dorcas Communities include over 1,000 churches that have donated at least once in the last five years. Together, they cover the full spectrum of denominations, including Reformed, Protestant and Evangelical churches. Some donate their offerings; others set up a collection point at the church for the Dorcas Food Campaign. While they support us with vital funding,

we help them fulfil their diaconal duties. Many of them value direct contact with Dorcas e.g. by giving a presentation to the denomination. In 2018, we published the second edition of Dorcas Diaconaal – a yearly magazine for our churches. We also sent them three online newsletters.

Companies

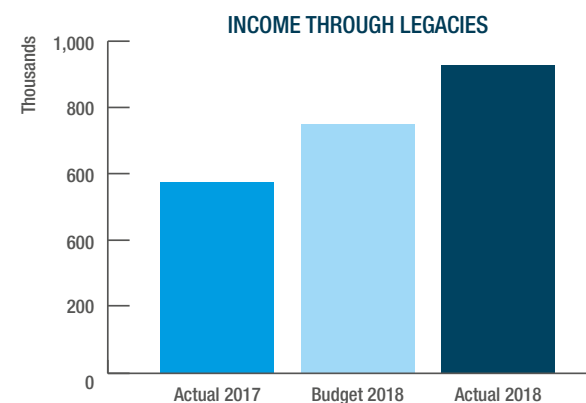
By working with us in local communities, private businesses are able to attract new Corporate Social Responsibility (CSR) opportunities.

In 2018, together we:

- ▶ Organised two business trips with a dozen entrepreneurs.
- ▶ Raised €30 thousand euros via One Million Steps for Justice - a peer to peer fundraising event in Albania.
- ▶ Celebrated the 75th company anniversary of Ouwehand Bouw, one of our major business donors. The event, and related fundraising, delivered over €100 thousand euros in funding for our youth livelihood programmes in Ethiopia.
- ▶ Launched a new Dorcas Shop in Katwijk in collaboration with Business Group Region West.

Corporate Brand Identity

Last year we decided to publish our 2018 Annual Report in English only. Unlike previous years – where we also distributed a Dutch Annual Report for the general public – we have chosen to explicitly address our international corporate partners.



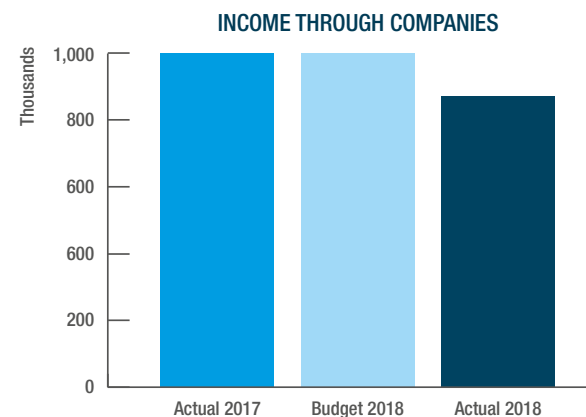
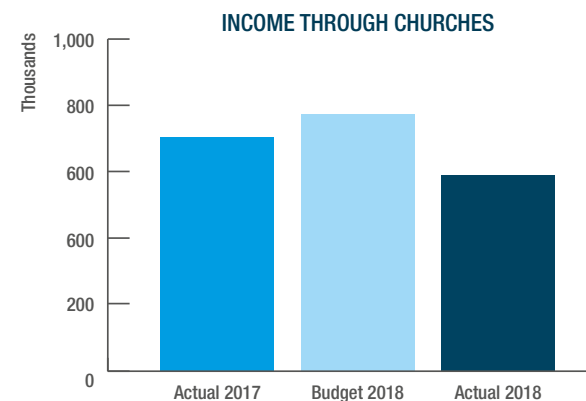
look and feel across our online and offline channels, including in the Dorcas Shops.

Room for Improvement

Some 85,000 people make up our Dorcas Community – measured by the number of Dorcas magazine subscriptions. In our 2017 Annual Report, the number of donors shrunk from 57,818 at the end of 2012 to 44,768 in December 2017. By the end of 2018, there was a total of 41,659 donors – a drop of around three thousand. Our capacity to recruit new donors is declining. In 2013-2015, we recruited around 3,500 new donors per year. In 2016-2017, this number declined to 2,000. In 2018, we recruited a total of 1,613 new donors. In 2019 we will address the reasons behind this and put into practice a number of action points.

3.3 Partnerships

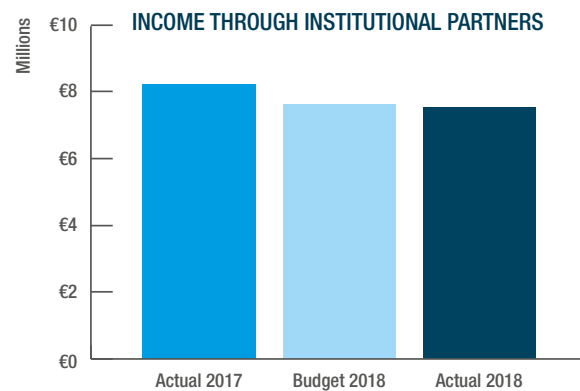
At Dorcas, we believe in the power of collaboration; the sharing of knowledge and resources for a higher purpose and the financial safeguarding of our programmes.



Grant funding comes from a wide range of organisations such as governments, corporate bodies, multi-lateral organisations, charitable foundations and international organisations. Such funds are issued for specific programmes and objectives and come with robust accountability instruments which are part of the contractual requirements agreed upon by Dorcas and the donor. In 2018, some 40% of our funding was grant funding.

To include our large Dutch constituency, we created a four-page Annual Report summary (mostly infographics) within a new magazine publication – Hartslag. We published three editions in 2018. Our new corporate identity was captured in a handbook which allows us to communicate in a uniform way, and elevate the Dorcas brand. We rolled out this

Together with institutional donors, such as the Dutch Ministry of Foreign Affairs (MoFa, mostly through the Dutch Relief Alliance; see also Chapter 4), the European Union, and several UN agencies, we work continuously to align our strategic goals – ensuring the biggest impact with the resources available to us. In 2018 Dorcas received funding from 12 institutional partners, of which 8 through the Dorcas Country Offices. A detailed breakdown is included in Chapter 5.



	Actual 2018
MoFa, through the Dutch Relief Alliance	€5.3 million
Netherlands Enterprise Agency	€725 thousand
EU	€323 thousand
UN	€751 thousand
Other	€401 thousand

In East Africa, we are the lead partner in two Public Private Partnerships, jointly funded by the Netherlands Enterprise Agency (RVO), local governments, businesses and Dorcas private donors.

We also work in partnership with some 75 foundations, of which 11 are through the Dorcas Country Offices. Together we fund and implement our programmes in Eastern Europe, the Middle East and East Africa. The 2018 income through foundations was 1.8 million euros, of which 247 thousand euros through EO Metterdaad.

It is our ambition to establish a match between the strategic objectives of Dorcas and these partners. In 2018 Dorcas received funding from - among others - Dioraphte, Pharos and De Hofsteestichting. We also received extensive financial support from EO Metterdaad, towards our relief programmes in Lebanon and Syria, prison work in Tanzania and more. We employed two new staff members and

boosted our acquisition activities which resulted in potential new donors. Dorcas continues to work closely with some 700 companies. Some focus on adopted funding (see above 3.2 Public Engagement); while others work together to develop innovative ideas and the joint resourcing of our programmes. This is in line with our Enterprising People and Communities focus area (see Chapter 1) whereby sustainable solutions for economic development are amplified. In 2018, we formed a new alliance with Afripads in Tanzania (Chapter 2), funded – in part – by the Human Development Innovation Fund. We continued to collaborate with a diverse range of companies including Mueller in Ethiopia, Maji Milele in Kenya, and Lions in Tanzania. Together with Lions we developed a clean energy programme (See Highlight Project: Chapter 2).

Overall income through these joint programmes is increasing. Total revenue is calculated from partnerships with companies, foundations and private donors and is reported under these headings. Our Country Offices play an increasingly important role in managing and bolstering these partnerships. We also seek new partnerships with investors who play a key role in developing profitable business cases for sustainable development. An opportunity for businesses, foundations and individuals to partner with us is the Dorcas Shops Investment Fund, which are mixed-term, mixed interest contractual loans to finance a rapid growth of the number of Dorcas Shops. In 2018 we received 325 thousand euros through investors in the Dorcas Shops Investment Fund.

Our partners

DRA, START Network, Eu-Cord, Perspactive, MOFA, RVO, EU, UN, Mueller, Maji Milele, Afripads

In 2018, we relaunched Dorcas Aid America. A strategic decision was made to boost our relationships with foundations and institutional donors, moving away from private funding. First

signs are encouraging. Dorcas staffing numbers in the US office has been kept to a minimum due to the active role volunteer Board members have taken in the development of partner relationships. The International Office has also supported the transition via proposal writing and monitoring.

3.4 Reflection: in transition

For many years, this chapter was titled: Fundraising and Communications. Such terminology no longer satisfies us. In order to do our work to the best possible standard, we require a face to our funding activities. We need real people and communities as our ambassadors - be that individual spokespersons, churches or institutions. We need those who share our vision; and mirror our approach. They also need us. We are the catalyst in their quest for justice. Ultimately, we must work together.

But this leaves Dorcas in a state of transition. In 2019 we will apply a revised concept enabling us to raise new partnerships, develop dynamic funding opportunities and engage with more volunteers. In our roadmap to 2021 we plan to establish a one million strong Dorcas Movement – made up of partners that amplify our profile on the international and non-governmental stage. This corresponds to the 3.0-stage in the figure and table presented above. It is widely recognised that while changing an old paradigm into a new one, an organisation is likely to suffer from a period of discontinuity. Indeed, we feel that. In order to mitigate this period and grow our reach, we have established three guidance principles:

► Clear Corporate Positioning

The Dorcas Movement will be led by a new brand identity. Attached to our mission statement, this identity will focus on transparent accounts, credible track records and a clear break down of where Dorcas can – and does – add value. For years, we have been known as a Dutch NGO, working in several countries. The reality – we are an international relief and development

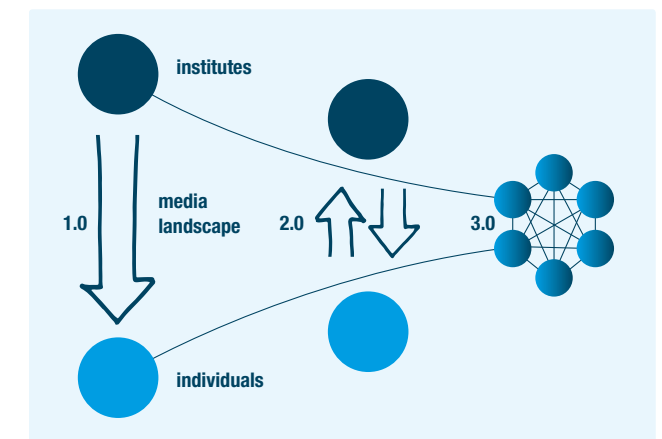
organisation active in fourteen countries, with an influential base in the Netherlands.

► Powerful Community Engagement

The Dorcas Movement will increase our efforts to engage communities and individuals who feel that they are known – and seen – by us. We will invest in innovative marketing strategies comprised of reliable data-analysis and systematic research and testing. This will allow us to generate new leads and foster meaningful relationships.

► In Co-creation with our constituency and partners

The Dorcas Movement demonstrates that we must always work together in our mission to deliver lasting change for those who live in poverty, are excluded, or are caught in a crisis. From 2019 onwards, we will work exclusively in the creation of campaigns with our base networks – instead of campaigns by-and-large *for* them. 🏠



Stage	1.0	2.0	3.0
Central	Products	Customers	Values
Type	Transaction	Relation-ship	Partner-ship
Value	Price	Investment	Business case
Commu-nication	Inform	Connect	Engage
Accent	What	How	Why

Dorcas transistions

Our communities

We are Dorcas. A powerful and effective combination of staff and volunteers in the Netherlands and abroad. We employ our talents with passion, in a spirit of equality. We are a community of thousands - be they business partners, institutions or our powerful network of churches and donors. We are a community where everyone is welcome, and able to help in their own - unique - way. This is how we connect people in the Netherlands to people in need. Together we make Dorcas work.

Dorcas Food Campaign
A Dutch project that collects and delivers food parcels to the most vulnerable people in Eastern Europe

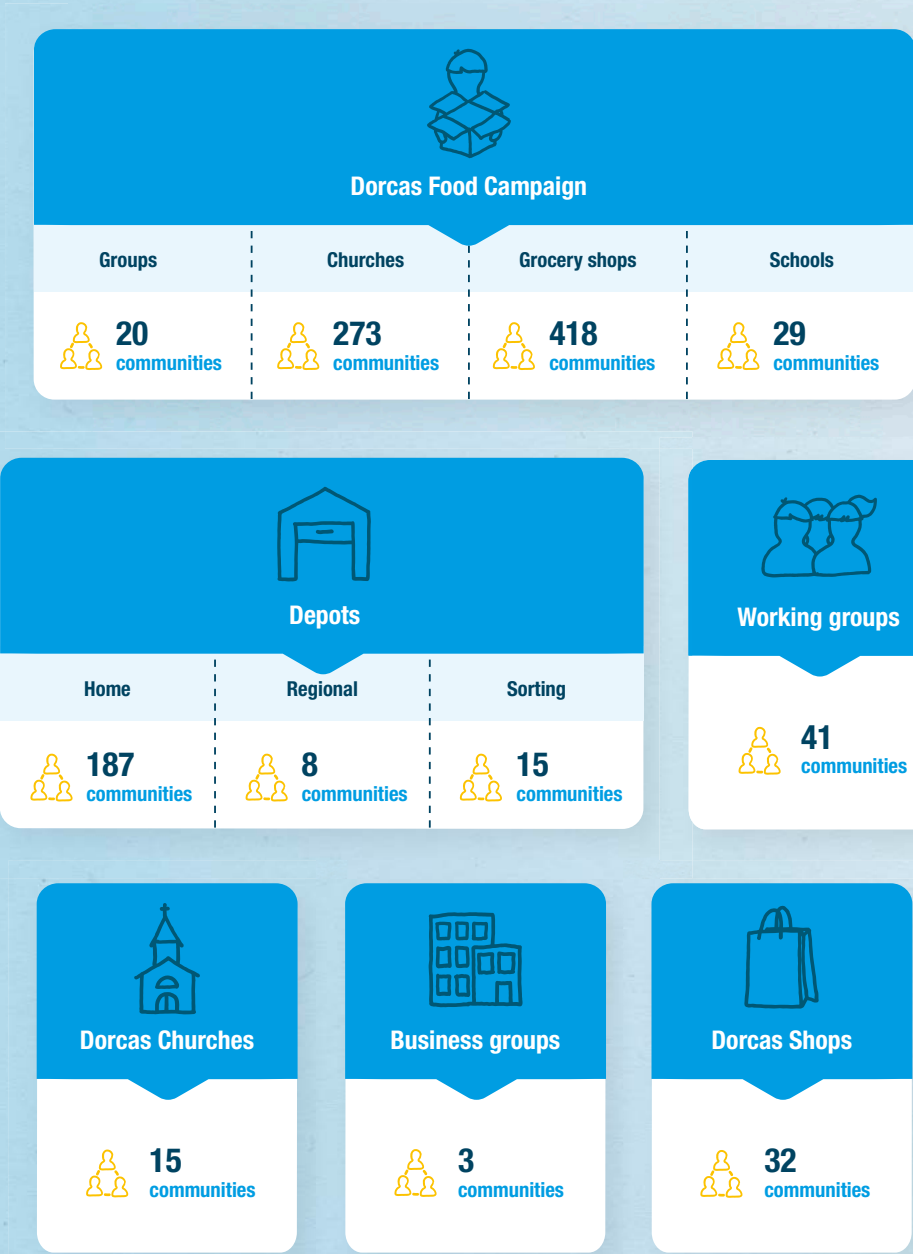
Working groups
Community groups who work together to create fundraising ideas and activities

Business groups
We connect companies and entrepreneurs, building on shared passions to strive for lasting change

Depots
Here we collect and sort second-hand clothing and other textiles to raise funds for our work

Dorcas Churches
We use our faith to look - and work - beyond the walls of one church or physical border

Dorcas Shops
Our Thrift Shops foster a sustainable lifestyle and bring local communities together whilst directly supporting the Dorcas Communities





Chapter 4

Organisation

We are a healthy organisation with a streamlined and inclusive approach. Through our internal operations and external dealings, we offer a culture where everyone can thrive. In this chapter we share our corporate values, model of governance, staff and human resources policies, and organisational developments. We also reflect on our external relationship with stakeholders and networks.

4.1 Organisational Development

2017 saw a process of internal organisational change commence at Dorcas – one that continued well into 2018.

This year – as throughout our 39-year history – our work will present insurmountable challenges. In Syria alone – eight years of conflict has caused the deaths of 400,000 people. 80% of Roma in the EU are gripped by poverty and exclusion.

Dorcas aims to be present wherever vulnerable people are in need of support. We are compelled to react quickly, but also deliver lasting impact. But our capacity is limited, so we must adapt to ensure we use our resources to their utmost effect.

In 2018, we updated our organisational model based on the present operating environment. A number of action-points were established:

- ▶ Empowerment and Responsibility – We introduced a competency-based learning model for staff at our Country Offices. To increase efficiency, we also shifted responsibility from our International Office in the Netherlands to those on the front line – setting up a strong Requests for Support network. We took the same principles that influence our decisions at the top – income-generating, added value etc. – and applied them to the country setting. This has given our

Country staff more power to make key decisions themselves. Our programmes are now directly implemented by Country Offices and/or partners with a focus on capacity-building, empowerment and positioning.

- ▶ Evidence-based – Our aim is that every one of our programmes will be backed by exhaustive evidence. In 2018, we invested in new MEAL (Monitoring, Evaluation, Assessments, Learning) capacity, re-organised knowledge support and renewed our IT software infrastructure. This strengthened evidence-gathering methods and learning capacity enhancing our results-oriented approach. These actions will lead to a continuous improvement cycle in our interventions, empower our beneficiaries and work towards sustainable change. In 2018, we started working with multi-disciplinary teams for designate assignments.

Our mandate was based on clearly defined objectives designed to measure and properly record results. By clearly identifying added value, this will also improve our visibility and corporate positioning.

4.2 Management and Governance

Dorcas is registered in the Netherlands as a Relief and Development Agency. The Central Bureau for Fundraising (CBF) monitors our fundraising activities with specific Quality requirements. They review our work once a year to ensure we are

fulfilling CBF regulations. Every third year (next in 2019) they conduct an in-depth review before issuing an extension of the certification.

In 2018, Dorcas opted for the model in which internal supervision, executive responsibilities and implementation are assessed independently.

Executive Board

Our Chief Executive Officer (CEO) has final responsibility – while the Executive Director (Chief Operating Officer or Chief Financial Officer) has a statutory role. Late 2018 it was communicated that the CFO will leave the organisation by April 1, 2019. The Supervisory Board decided to appoint a COO. The responsibilities and mandate of the Executive Board are laid down in the constitution of the organisation.

Management Team

The CEO leads the Management Team (MT) which includes key members such as the Chief Financial Officer (CFO or COO), Finance manager, Programs and Knowledge Support Manager, Community and Resources Mobilisation Manager and Human Resources Manager. The MT meets every 2 weeks to discuss matters of strategy and policy, finance and risk management as well as the ongoing concern of the organisation.

International Management Team

For decisions with international ramifications, the Management Team extends to the International Management Team (IMT). The IMT is comprised of three Country Directors (Africa, Middle East, Eastern Europe) appointed to represent the three regions. The IMT meets every four to six weeks and focuses on strategy and policy issues affecting the Country Offices.

International Council

The Dorcas International Council meets twice a year to ensure overall international policy as well as the annual planning and budgeting. The International Council is comprised of members of the Management Team and the Country Directors.

Responsibilities	Persons-in-charge
Supervision	Supervisory Board
Executive mandate	Executive Board
Implementation	Country directors, managers and staff

Supervisory Board

In accordance with Dutch charity codes and regulations, a clear division must be upheld between the managerial and executive responsibilities of an organisation and its supervisory responsibilities. We comply with this structure as outlined in the Dorcas constitution.

The Dorcas Supervisory Board (SB) is responsible for supervising, monitoring and advising the Executive Board. The Board assumes these duties during four annual governance meetings and two additional in-depth policy meetings.

In 2018 topics of discussion included:

- ▶ 2017 Annual Report and 2019 Annual Plan and Budget
- ▶ Performance of members of the Executive Board and change of composition
- ▶ Auditor’s Report and Compliance
- ▶ Organisational development process
- ▶ Programme policy and Fundraising
- ▶ Plans to sell real estate and relocation
- ▶ Opening the vacancy of a COO

All Supervisory Board members work on a voluntary basis and offer specific expertise to Dorcas.

In February 2018 the Supervisory Board and Management Team funded a joint field visit to our programme areas in The Middle East. The trip cultivated a greater understanding of our Theory of Change (Chapter 1, pg. 11) and what it means in practice. In August 2018 a full-day strategy session was held with an external expert in order to tackle

future challenges facing the humanitarian sector. Every year the Supervisory Board has at least one meeting with the Workers Council.

Periodically the Supervisory Board is self-evaluating their own functions with respect to the effectiveness of their supervising and monitoring role.

Composition of the Supervisory Board

The 2018 Supervisory Board was comprised of five members:
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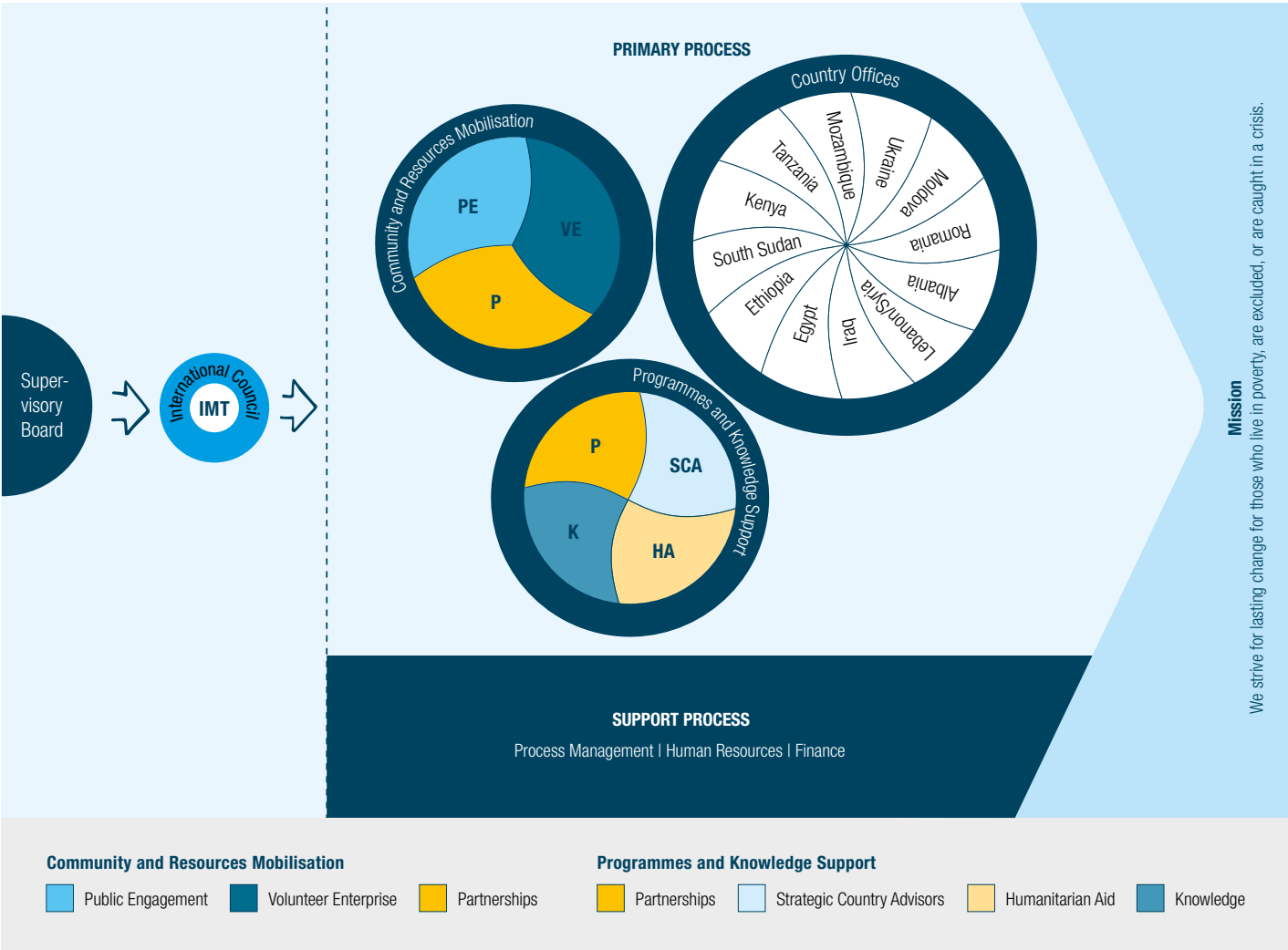
- ▶ Mrs. Dr. C.A. Voorham, Chair, Member of the Remuneration Committee (entered second term in 2017)

- ▶ Mr. J.C. van der Linden, Vice Chair and Chair of the Audit Committee
- ▶ Mr. C.N. de Kat, Member and Member of the Audit Committee
- ▶ Mrs. A. Westerduin-de Jong, Member and Member of the Remuneration Committee
- ▶ Mr. Dr. H.F. Massink, Member and Member of the Remuneration Committee.

Mr. K. Kloosterboer Chair of the Audit Committee, Member of the Remuneration Committee. Left the Board in March 2018 due to the end of his final term.

Audit Committee

Two members of the Supervisory Board also serve as members of the Audit Committee. This committee



discusses financial and legal issues within the organisation and makes recommendations on financial reporting and risk management issues to the full Supervisory Board. The Committee meets four times a year, when necessary.

Auditors

The Supervisory Board is responsible for appointing external Auditors to review Dorcas’ financial administration. For the fourth year running, WITH Auditors issued a detailed Auditor’s Report and review of our Accounts for the Annual Report. They also issued a Management Letter, which was discussed in an Annual Accounts meeting with the Supervisory Board.

Remuneration Committee

The Supervisory Board on the recommendation of the Remuneration Committee determined the level of management remuneration and the amount of other remuneration components during 2018. Three

members of the Supervisory Board are appointed to do this.

Alongside Statutory Directors, they are responsible for delivering evaluations and appraisals of Board Directors and the remuneration of Directors to the Board. The Committee meets twice per year or as often as necessary.

4.3 Staff and Human Resource Policies

In 2018, the global humanitarian sector was shaken by allegations of misconduct and unethical behaviour which triggered a self-assessment of Dorcas’ operations.

Prior to this assessment, we raised a number of important questions:

	2017 Dorcas NL	2017 Country Offices	Total 2017	2018 Dorcas NL	2018 Country Offices	Total 2018
New employees	14	54	68	20	113	133
Employees out of service	17	107	124	15	88	103
Number of employees	79	255	334	84	371	455
Number of FTEs	66	253,8	319,8	68	357,6	425,6
Part time	63%	0,5%	31,8%	66%	3.5%	34,8%
Female employees	49%	36%	43%	51%	38%	44%
Male employees	51%	64%	57%	49%	62%	56%
Average age	45	38	42	45	39	42

Employee overview (excl. interns), polling data 31-12-2017 and 31-12-2018

	Country Office	Number of employees	Comments
1	Albania	9	
2	Romania	9	
3	Ukraine	32	
4	Kenya	4	
5	Mozambique	13	
6	Tanzania	7	
7	Egypt	14	
8	Moldova	5	
9	Ethiopia	78	
10	South Sudan	126	Excl. Dutch employees
11	Lebanon and Syria	43	
12	Iraq	31	Excl. Dutch employees
Total		371	

Number of employees per Country Office (31-12-2018)

- ▶ How do our protection policies and ethical codes of conduct work?
- ▶ Are our reporting and whistle-blowing structures enough?
- ▶ Where are the gaps?

Our goal: to maintain – and endorse - the highest level of public trust and accountability.

Looking Back

In 2018, Dorcas actively contributed to a sector-wide improvement of policies and practice in the NGO sector with respect to the issue of Prevention of Sexual Exploitation and Abuse. An emerging scandal in the NGO sector, prompted all organisations to a thorough evaluation of our own record.

In the years 2005-2007, Dorcas was informed of potential employee misconduct and integrity violations in three African countries. Straightaway we conducted investigations into all three claims which lead to the immediate dismissal of three Country staff members involved.

Moving Forward

Since 2007 we have not received any credible information regarding punishable misconduct or integrity violations by staff. All reported incidents are subject to a full investigation. Dorcas is a values-based organisation and we’re out to prove it. Our core values are refined and improved all the time.

External Codes of Conduct

In addition to internal regulations, Dorcas adheres to a number of international and/or sectoral codes. We aim to live by the following external codes. When an official certification is required it is mentioned whether that is completed or in process.

- ▶ **Central Bureau for Fundraising (CBF)**
The CBF awards Dutch charity organisations who are meeting their pre-defined rules and regulations. Dorcas is a fully certified organisation.
- ▶ **Council for Annual Reporting (Raad voor de Jaarverslaggeving)**
An advisory body that exists to improve the quality of the external reporting of non-listed organisations and companies in the Netherlands. Dorcas is examined once a year and the Annual Report is certified by a registered RJ auditor.
- ▶ **Partos**
A sector association for development cooperation and humanitarian aid – the largest collection (100) of development organisations in the Netherlands. Dorcas accepts and applies the **Partos Code of Conduct**.
- ▶ In 2019, Dorcas plans to acquire the **ISO-certification** for development cooperation for the **Partos 9001:2015** Norm.
- ▶ The new **Joint Action Plan Integrity of Partos (Gezamenlijk Actieplan Integriteit Partos)** was designed and accepted in 2018. As a Member of Partos we are in the process of implementation.
- ▶ **Instruction Treasury Management (Richtlijn Financieel Beheer)**
An instruction by Goede Doelen Nederland (GDN - Charity

Netherlands). Dorcas has accepted this rule as policy, but is not a member of GDN.

- ▶ **Recommendation ‘Allocation of cost for management and administration’ (Aanbeveling ‘kosten toerekening beheer en administratie)** of GDN.
Dorcas voluntarily applies this recommendation.
- ▶ **Core Humanitarian Standard (CHS) on Quality and Accountability**
Dorcas is in the process of making all procedures and systems CHS proof. Quality and Accountability is key. We will be ready for full certification in 2020.
- ▶ **Code of Conduct for the International Red Cross and Red Crescent Movement and NGO Organisations in Disaster Relief**
Dorcas conforms with this Code of Conduct. (No certification possible).
- ▶ **The Protection from Sexual Exploitation and Abuse (PSEA) guidance notes** of the **Dutch Relief Alliance** (DRA) were acknowledged in 2018. As a member of the DRA, Dorcas adheres to these standards.
- ▶ **Statement of Quality van EU-Cord**
This a joint declaration and commitment towards high quality work by all members of the EU - Christian Organisations for Relief and Development, Brussels. Dorcas, as a member, follows this promise.
- ▶ **The Istanbul Principles on development effectiveness**
Eight internationally accepted principles that uphold the effectiveness of non-governmental organisations like ours. Dorcas respects all principles in the implementation of our work.

Work progressed throughout 2018 to fully align our activities with the global Core Humanitarian Standards (CHS). Further assessment of our adherence to these standards will be conducted in 2019; with concrete plans to undertake CHS-approved training and coaching for staff in high-risk areas.

Our Human Resource (HR) policies are defined in the following documents:

- ▶ **Dorcas Labour Conditions**
This document – in part for employees of the Dutch organisation, in part for international (expatriate) employees – regulates all issues and conditions regarding employment and staff/employer relations. An annual review of the Executive Board and Dorcas Employees Council ensures that it's content is up to date. Each Country Office has its own labour conditions, in accordance with local rules and regulations.
- ▶ **Dorcas Code of Conduct and Child Protection Policy**
A wide-ranging document which states the rules in regards to the conduct of Dorcas employees. A key area is the prevention of misconduct (including physical, psychological and sexual misconduct) with clearly defined actions in a case of wrongdoing. A whistle blower policy and related procedure is also included. This document is approved by the Dorcas Employees Council and it must be signed by all employees when they are hired.

Safety and security

Dorcas' Safety and Security policies are regularly updated and enhanced. Our Workers Council in the Netherlands and Country Directors abroad are important stakeholders in this process. We regularly review benchmarks with like-minded organisations. With regard to salaries and conditions and given the nature and identity of our organisation, we normally position ourselves on or just below the average of like-minded organisations.

Other Developments in 2018:

- ▶ **Dorcas Academy**
As a learning organisation we invest in the knowledge, skills and competence of our staff. Due to lengthy illness of the responsible staff member this element could not be completed as planned. Some key activities were taken over by colleagues.
- ▶ **Appraisals**
To harness individual competencies based on a clear matrix, we provided most Dutch staff members with a Competency Passport. This complimented the introduction of Multi-Disciplinary Teams. We also prepared for a 360-degree review system of the Dutch organisation – designed to enhance the assessment and development of staff. We will carry this task forward into 2019.
- ▶ **New Functionality and Salary Structure**
Our organisational structure is changing from hierarchal and task-oriented to competence and results-driven. Functions are changing - with new roles, responsibilities and salary structures in development. This is a major undertaking and will be finalised during the course of 2019.
- ▶ **Leadership**
To accommodate organisational change, a new approach to leadership was required. The Dorcas Leadership Compass established a number of new leadership qualities that will be further advanced in the coming years. We are also exploring the ideal leadership model of the future. This process will continue in 2019.

4.4 Stakeholders

Dorcas has a multitude of stakeholders with a variety of specialisms. They are an important part of our interdependent network; our relationship with them influences the entire organisation. It is our policy to maintain strong, meaningful and productive relations with all our stakeholders.

In a globalised environment with instant connections, this network is replacing the traditional institutional approach.

Support base

Our large constituency gives us legitimacy. Within a solid support base of 85,000 people, some 45,000 regular donors contribute to our mission. In addition, hundreds of thousands of people visit Dorcas Shops and their purchases directly contribute to our objectives. We would not exist without them. Around 10,000 people donate their time and talents as volunteers in shops, depots and beyond in the Netherlands. We engage our support base in the policy making process through team visits, hosting volunteer days and staging focus groups on specific policy issues. We also promote Dorcas by facilitating local community groups in expanding volunteer recruitment in their own communities.

Target communities

We partner with target communities in order to deliver lasting change in people's lives. One of our main strategies in achieving this is Empowering People and Communities – which is why they are included in the design, implementation, monitoring and evaluation of our programmes. We recognise that during this process we have to remain accountable to those we aim to help. Staff, partner organisations and community-based groups are all trained in downward accountability. This helps them gain vital feedback from beneficiaries and identify community needs and priorities.

Governments

Strong relationships with governments and their officials is key to our success. We focus on respecting each other's roles and responsibilities. Dorcas Country Offices ensure that the liaison function with the government is strong. In our International Office we have ongoing relationships with governments, donor agencies and networks.

Donors

Dorcas has many donors with whom we share common goals: private individuals, churches,

corporations, foundations and trusts. We often work with support from the European Union (EU) and United Nations (UN). We maintain a close relationship with our donors in various ways, personally and in groups. Private institutional donors form our primary support base, which also plays an important role in defining our mission and preserving our identity and mandate. This source of funding allows us to scale up, respond rapidly and continuously improve and test quality. In 2018 we look to further our diversified funding offer and thus safeguard our mandate and relevance.

Networks

Dorcas is an active member of a variety of networks in The Netherlands and in our countries of operations. You can find our primary networks below:

► *Dutch Relief Alliance (DRA)*

The DRA is the primary platform for government funding in support of NGOs in The Netherlands. It consists of 16 Dutch humanitarian aid organisations and focuses on providing assistance in acute and protracted crises around the world. In 2018, Dorcas was part of Joint Responses of the DRA in: Horn of Africa, Iraq, South-Sudan, Syria and Ukraine (lead organisation).

► *PerspActive*

A Cooperative of 10 Dutch NGOs focused on youth employment and economic development with an emphasis on fair opportunities for the next generation. Country proposals are developed for donors interested in this area. Dorcas collaborates with PerspActive on joint proposals for Africa and the Middle East as well as migration-related programmes.

► *Start Network*

Start is an international network of 42 members that focuses on renewal of the international aid system, e.g. by reducing the impact and cost of potential disasters and crises by providing pre-approved funding at a very early stage.

► *EU-Cord*

An association of 24 Christian Europe-based NGOs focused on alliance building for joint programme initiatives – namely fundraising, learning and innovation and EU lobbying. Dorcas participates in all of these initiatives, unless they are outside our scope. Our CEO is a member of the Administrative Council.

► *Partos*

An umbrella organisation which represents the Dutch humanitarian and development sector to governments and institutions. Partos participates in policy debates with these institutions in regards to sector regulations and related matters; and also negotiates with corporations on joint purchasing activities. Dorcas' CFO continued to be Treasurer of the Partos Board during 2018.

► *Prisma*

Prisma is a network of around 20 Christian organisations, working across the world to encourage social participation. During 2018 two Dorcas expert staff members finalized their contribution to a jointly written book on Christian development work. Dorcas participates in the lobby group as well as the general network meetings.

4.5 Corporate Social Responsibility Priorities

Dorcas takes Corporate Social Responsibility (CSR) very seriously. We've tracked its evolution from an internal organisational policy to mandatory transnational schemes. Our application of CSR is far reaching – from the self-regulation of our fundraising programmes to ethical standards for our constituency and partner relations; to the operational business model for our staff and volunteer base; to our carbon footprint. We review our policies on a regular basis.

► *Compliance with Integrity Standards*

In 2018 we reassessed our Compliance and

Integrity protocols and policy activities in regards to the prevention of sexual exploitation and abuse. Minimising risks within our programmes and safeguarding beneficiaries - especially children and vulnerable women – from acts of misconduct is of highest priority to us.

► *Core Humanitarian Standards*

Dorcas has adopted the Core Humanitarian Standards (CHS) as the leading standard for our work. In order to fulfil this, 2018 saw an in-depth Self-Assessment commence at our International Office. In 2019 we will roll out this process in our Country Offices and expand CHS training across the organisation.

► *Volunteer Policy*

Dorcas is grateful for the many volunteers who contribute to our mission. While staff and volunteers have different legal responsibilities, Dorcas seeks to maintain the same standards across the organisation. This is reflected in ongoing efforts to increase awareness about the importance of adhering to our Code of Conduct.

► *Complaints*

Our Complaints System – nationally and internationally – is an important instrument for improving quality. In 2018, we received a total of 72 complaints – comparable with 67 complaints in 2017 and a low number compared to previous years. The complaints concerned a variety of general issues e.g. the opening times of a Dorcas Shop, prices of items in the shops, the number of postal shipments, sponsorship fees, the way in which something was presented on the website and the location of a clothing container. One complaint was filed as an employment discrimination claim. A meeting with the Meldpunt Discriminatie and a representative of Dorcas was conducted and relevant action taken. We regret every complaint, but regard these also as part of the regular process. ☺



Chapter 5

Finances

5.1 Balance sheet as of December 31th 2018

In euros	December 31th 2018		December 31th 2017	
ASSETS				
FIXED ASSETS				
Intangible fixed assets (B0)	6,773		17,651	
Material fixed assets (B1)	3,348,483		3,205,963	
Financial fixed assets (B2)	37,021		0	
		3,392,277		3,223,614
CURRENT ASSETS				
Stocks (B3)	408,151		607,865	
Receivables (B4)	1,721,188		1,933,713	
Liquid assets (B5)	8,428,485		4,604,690	
		10,557,824		7,146,268
Total	13,950,101		10,369,882	
EQUITY AND LIABILITIES				
RESERVES AND FUNDS (B6)				
Reserves				
Designated reserve financing assets	3,038,329		3,095,500	
Project allocation reserve	784,288		0	
Continuity reserve	3,267,400		2,289,883	
	7,090,017		5,385,383	
Funds Designated funds projects	2,583,293		2,180,533	
		9,673,310		7,565,916
LIABILITIES				
Long term liabilities (B7)		679,286		280,081
Short term liabilities (B8)		3,597,505		2,523,885
Total	13,950,101		10,369,882	

5.2 Statement of Income and Expenditures 2018

In euro's	This year		Budget this year		Last year	
INCOME						
Private individuals (S1)	7,767,664		7,693,344		8,115,438	
Companies (S2)	907,585		1,020,552		1,604,715	
Government grants (S3)	7,555,223		7,615,000		8,282,154	
Affiliated non-profit organisations (S4)	98,131		121,500		70,577	
Other non-profit organisations (S5)	2,410,446		2,328,073		4,026,772	
Total income raised	18,739,049		18,778,469		22,099,656	
Income in exchange for delivery of products and/or services (S6)	3,360,143		3,433,924		3,531,331	
Total income	22,099,192		22,212,393		25,630,987	
EXPENSES						
Spent on objectives (S7)						
Awareness	858,963		845,815		895,890	
Relief, Early Recovery, Resilient Livelihoods	9,791,993		7,070,169		12,179,646	
Enterprising People and Communities	2,826,401		6,075,102		3,281,227	
Community Based Care and Protection	4,211,508		4,532,835		5,849,751	
	17,688,865		18,523,921		22,206,514	
Fundraising expenses (S8)	1,397,078		1,447,200		1,634,563	
Management and administration expenses (S9)	1,071,334		1,100,902		1,054,238	
Total expenses	20,157,277		21,072,023		24,895,315	
Balance of income and expenses	1,941,915		1,140,370		735,672	
Financial income and expenses (S10)	60,308		-5,000		-51,692	
Surplus (deficit)	2,002,223		1,145,370		683,980	

RESULT APPROPRIATION 2018

Added to/withdrawn from	
Designated reserve financing assets	-57,171
Continuity reserve	872,346
Project allocation reserve	784,288
Designated funds projects	402,760
	2,002,223

ATTRIBUTION OF COSTS

Attribution	objectives				expenses		totals		
	awareness	relief, early recovery, resilient livelihoods	enterprising people	community based care and protection	fund-raising expenses	manage-ment and admini-stration	total 2018	budget 2018	total 2017
Expenses									
Direct project spending cash and goods	0	8,558,140	2,109,942	3,510,233	0	0	14,178,315	15,251,337	18,801,628
Salaries	370,061	580,708	353,756	332,014	567,263	546,662	2,750,464	2,878,004	2,841,464
Social insurance	81,004	141,916	80,282	78,390	124,828	120,398	626,818	515,569	550,907
Pension	52,060	75,446	48,564	44,296	79,524	76,593	376,484	297,785	305,199
Other staff expenses	104,216	172,128	101,276	96,817	160,133	154,377	788,948	607,050	695,432
Communication	140,893	24,018	12,937	15,344	281,786	2,436	477,415	545,998	547,980
Accomodation	11,558	58,830	19,996	35,717	30,405	23,116	179,622	176,754	231,461
Logistics/warehouse	0	0	0	0	0	0	0	0	30,896
Office and general	89,092	143,118	85,804	81,211	136,716	131,774	667,715	682,482	636,552
Depreciation	10,079	37,689	13,842	17,486	16,423	15,977	111,497	117,043	253,797
Totals	858,963	9,791,993	2,826,401	4,211,508	1,397,078	1,071,334	20,157,277	21,072,023	24,895,315

	This year	Last year	Dorcas-norm
Spent on objectives as a percentage of total income	80.0%	86.6%	>85%
Spent on objectives as a percentage of total costs	87.8%	89.2%	>85%
Fundraising expenses as a percentage of total income raised	7.5%	7.4%	<10%
Management and administration expenses as a percentage of total costs	5.3%	4.2%	4%

The benchmark percentages are somewhat less favourable than last year.

In 2018, the organisation started working with a Funding Allocation Framework - a structured way to assign project portfolios to the various project countries from Dutch private funding.

The Framework works well and is an excellent method via which to prevent overspending. However, it causes some delay in actual project implementation which has led to a decrease in project spending during the introduction phase. In addition, we implemented our plan to grow the continuity reserve to a desirable size. For that to happen, less overall income had to be spent. These are the two main reasons why the benchmark percentages have declined. As the continuity reserve is almost at optimum level and the Funding Allocation Framework has now passed the implementation phase, we predict that the percentages will recover and stabilise in the next two years.

Looking at absolute figures, the fundraising expenses decreased in 2018, while management and administration remained at the same level.

5.3 General notes

Consolidation

In most cases, the Dorcas Country Offices are branch offices; they are legally and financially part of Stichting Dorcas Aid International. This is why the financial figures of the Country Offices are included in this Annual Report.

Dorcas Romania, Dorcas Egypt and Tabitha for Relief and Development (Lebanon) are independent organisations with their own boards. However, when defining influence or agreements, Dorcas has a say on the governing and policy of these organisations.

Consequently, the financial information concerning these Country Offices has also been included in the 2018 Annual Report.

Dorcas Romania has a subsidiary in a Romanian limited liability company - SC Mana Impex SRL. This company imports second-hand clothing which it buys from Dorcas Netherlands, to later sell in Romania in second hand wholesale and retail markets. The profit made from these activities goes to Dorcas Romania in order to finance their projects. SC Mana Impex SRL has been consolidated and included in our 2018 annual accounts for the first time.

In 2017, a new charter agreement was signed with Dorcas Aid America Inc. - an American 501c3 organisation - to grow the existing relationship. In the charter agreement the relationship between Dorcas Netherlands and Dorcas Aid America Inc. was stipulated in detail, including permission for the organisation to use the name Dorcas and related branding to raise funds in the USA for global Dorcas projects. In addition, within the parameters of responsibility and autonomy of a 501c3 organisation, Dorcas USA is part of the Dorcas family of organisations.

Therefore, the finances of Dorcas USA are included in the consolidated figures from 2017 onwards.

In 2017, Stichting Dorcas Aid International founded a Dutch Close Limited Liability Company (LLC) - Tabitha for Enterprising People B.V. It mainly acts as a holding company for foreign companies that commonly establish business enterprises in the context of development activities and public/private partnership initiatives. As of yet, Tabitha for Enterprising People B.V. does not hold any shares in these types of enterprises. As Dorcas Aid International is the founder and sole shareholder, Tabitha for Enterprising People B.V. is fully incorporated in our 2018 accounts.

The parties in the consolidation can be summarised as follows:

Consolidated organisation	Place of office	Governance	Goal
Dorcas Aid Romania Association	Cluj-Napoca, Romania	Meeting of members (4) with highest authority Board of directors (3) for overall leadership, chosen from membership. Executive director (1 of the 3 directors)	Relief and development
SC Mana Impex SRL	Cluj-Napoca, Romania	Shareholder is Dorcas Aid Romania Ass., executive director is same executive director as of Dorcas Aid Romania Ass.	Wholesale of clothing and footwear
Tabitha for relief and development	Beirut, Lebanon	Association with General Assembly and Administrative Assembly with 5 positions, who function as the executive board	Relief and development
Dorcas Aid America Inc	Denver, CO, USA	Board with chairman, secretary and treasurer, with one representative of Dorcas Netherlands	Fundraising for relief and development projects
Tabitha for enterprising people B.V.	Andijk, Netherlands	Shareholder is Stichting Dorcas Aid International, shareholder meeting is highest authority, board of directors is the executive board; directors are the same as in Stichting Dorcas Aid International	Facilitating economic development for self-sustainability of people in developing countries

General principles

The 2018 Annual Report figures are stated in euros, unless otherwise mentioned. Compilation of the Annual Report requires that the Management Team makes a series of estimates that influence the accounted for values of assets and liabilities and of income and expenses. The actual outcomes may deviate from the estimates. The estimates and underlying assumptions are assessed periodically. The Annual Report is written in accordance with the provisions of the Dutch

guidelines Reporting Fundraising organisations (Richtlijn Verslaggeving 650 'Fondsenwervende organisaties'). The report was prepared on the basis of paid expenses, with the exception of donations in kind that have been valued at the estimated fair value when traded.

The stock in the Dorcas Shops have been valued at no value. We refer to the comments made on the valuation principles of the assets. In this year's report, a new division of programme

Intervention Areas is used. Shipping of second-hand goods for use in programmes was discontinued at the beginning of 2018 and the Social Care category has been abolished. The four intervention types that have now been established are: Early Recovery and Resilient Livelihoods, Enterprising People and Communities, Relief and Community Based Care and Protection. The comparative figures of 2017 on project expenditures have been re-categorised accordingly.

With effect from 2018 the income of Other non-profit organisations (with a repayment obligation) are accounted for as income in the year that these funds have been spent. Before 2018 this income was accounted for when received. Following the RJ140 this change has been processed retrospectively.

The consequences regarding this change are visible as follows:

Change in accounting and valuation principles and presentation

	this year	last year
Designated Funds		
Balance before change in accounting policy	3,263,686	2,533,235
Balance after change in accounting policy	2,583,292	2,180,532
Impact	-680,394	-352,703
Result		
Balance before change in accounting policy	2,329,914	1,036,683
Balance after change in accounting policy	2,002,223	683,980
Impact	-327,691	-352,703
Unspend project contract grants		
Balance before change in accounting policy	1,450,618	429,465
Balance after change in accounting policy	1,937,468	617,451
Impact	486,850	187,986
Receivables from donors		
Balance before change in accounting policy	756,729	937,015
Balance after change in accounting policy	563,185	772,298
Impact	-193,544	-164,717
Income other non-profit organisations		
Balance before change in accounting policy	2,738,137	4,379,475
Balance after change in accounting policy	2,410,446	4,026,772
Impact	-327,691	-352,703

Foreign Currency

Receivables, liabilities and obligations in foreign currency are translated against the rate at the date of balance sheet. Transactions in foreign currency during the reporting period have been processed in this financial report against the exchange rate valid for the month in which the transaction took place. The resulting exchange rate differences are taken into account in the statement of income and expenditure.

Principles of valuation

Fixed assets

Intangible and tangible fixed assets are valued at acquisition cost minus depreciation, taking into account possible residual values. In establishing residual values of real estate, it is understood that real estate has a residual value of at least half the actual value. To prevent additional costs and establish actual values by valuations, the actual value of real estate in the Netherlands is derived from the annual valuation of the WOZ (Law on Immovable Assets) - and, for real estate in other countries, from the most recent information for which buildings are valued every few years in a rotating cycle. Depreciation is applied using a straight-line method based on the estimated economic lifespan. Depreciation is calculated from the moment of actual use and is not applicable to land. Costs regarding maintenance of assets have been expensed. When calculating depreciation, residual values are taken into account. Under Financial Fixed Assets an interest in an Association (in Dutch: Vereniging) has been valued at the nominal value of the deposited membership capital.

Stocks

Stocks that were purchased are valued at acquisition price or lower actual value. Stocks from donated goods to be shipped to Dorcas projects in the next year are valued at the estimated market value in the Netherlands. The 2018 balance sheet date only concerns food parcels that are gathered through the Dorcas Food Campaign, whereas the 2017 balance sheet date was a remainder of second hand goods that was shipped to projects in the beginning months of 2018. The stock in Dorcas Shops is valued

at nil because the value cannot be determined reliably. This is due to the small value of thousands of stock items as well as the fact that there is no stock administration. In addition, the immediate liquidation value of the stock in shops is small, if not negative. The stocks in store only have value in the context of continued contribution of time by volunteers. This is the reason it was decided not to attach a value to these stocks. Additional stock at the warehouse in Andijk and the various depots - that will not be shipped to projects but might be shipped to Dorcas Shops, Mana (Romania), or other organisations - is not valued due to the uncertain nature of the proceeds and/or the fact that these were surplus materials that Dorcas needed to dispose of in a timely manner. Stock at Mana in Romania that has been purchased from the Dutch organisation is valued at cost price.

Receivables

Receivables have been recorded at amoratised cost price from which a reserve for bad debts has been deducted where necessary.

Reserves and funds

The Designated Reserve Financing Assets are defined as necessary financing for fixed assets and 25% of stocks, from which long term debts are deducted, in as far as the long term debts are not reserved for future purchases for Dutch Thrift Shops (DRIF loans). The size of this reserve is established each year with information from the balance sheet position.

In 2017, Dorcas undertook an analysis of risk assessment and the ideal size of the continuity reserve. This analysis was discussed by the Directors and Audit Committee and subsequently approved by the Supervisory Board. Two types of risks were taken into consideration: point risks which manifest themselves at a point in time and process risks that manifest over a certain period of time. The required continuity reserve was calculated when the three highest point risks materialised, when the three highest process risks materialised or in the event where the three highest point and process risks would materialise. The unweighed outcome of this exercise

determined the continuity reserve and it was set at €3,750,000.

The ideal size is significantly lower than the maximum standard set by CBF (Central Bureau for Fundraising) and Goede Doelen Nederland (branch organisation) at 1.5 times annual expenses of the working organisation; for Dorcas this would mean a reserve of approximately €10 million. Dorcas believes the Goede Doelen Nederland norm is high and has set a lower and prudent reserve goal, so that more funds can be spent on Dorcas' objectives.

Due to the implementation of the Funding Allocation Framework - a method to assign Dutch private funding as allocation for project spending - allocations were made for each country to develop and implement projects. As this method is new, and the process takes time, a portion of the 2018 allocations has not been used and will be available in 2019. This is partly the reason why there is significantly higher income over expenditures in 2018 than budgeted. The portion of the allocation of 2018 that will still be available to spend in 2019 is added to a new reserve, named Project Allocation Reserve. As this amount is already committed to project spending, it can not be used to cover organisational risks like the continuity reserve, unless an absolute emergency would arise.

Designated Funds are donations and other income to be used for specific projects that have not yet been spent. Upon completion of a project, any surplus in designated funds may be re-designated by management. As far as possible, this re-designation will be in line with the original designation. All designated funds may be used for funding projects in the following year. When a project that is entirely financed by earmarked income has over spent during a time frame of one to several years, a negative designated fund balance will remain so that future spending can compensate for previous expenses.

Other

Off-balance sheet liabilities and contingencies are valued at amoratised cost price. Unless otherwise

noted, other assets and liabilities are stated at amoratised cost price.

Principles of result determination

Income

Revenue is accounted for in the period to which it pertains. Income of non-contractual gifts and donations is accounted for when received, unless designated for a specific period. In this situation, it is accounted for in the designated period, even when revenue was received later. Legacies are accounted for at the time when content can be reliably determined. Donations in kind are valued at market value. Contractual gifts and donations (often referred to as grants) are accounted for as income in the year that these funds have been spent. If they have been received in a year, but spending takes place in the next year(s), the funds are accounted for as pre-received income and reflected in the balance sheet under short term liabilities. When they are spent in the next year, they are reflected as income and the spending as project expenditures. Proceeds of sold items (books, clothing and other second hand goods) are accounted for in the year in which the goods were delivered.

Expenses

Expenses are charged to the result of the year to which they pertain.

Personnel expenses

Salaries and social insurance are assigned to the reporting period in which they are owed, according to labour contracts. The foundation in the Netherlands has a pension plan that is administered by an insurance company and all annual premiums are accounted for as expenses. Premium adjustments as a result of salary changes only have effect on future pension premiums and not on past premiums.

Taxes

The foundation is not taxable for corporate income tax in the Netherlands, nor in project countries - or there are exemptions in place for taxable activities due to the foundation's fundraising nature and spending of the

proceeds in line with the charitable goal. Therefore, there are no expenditures for corporate income tax or other taxes that are levied on profits. In the Netherlands, the foundation is taxable for value-added taxes (VAT/BTW) on specific activities. Consequently, VAT charged on taxable activities is settled in the VAT tax returns, as well as part of the VAT on general costs. In this Annual Report all amounts are excluding VAT which have to be paid or can be reclaimed. The commercial enterprise in Romania - SC Mana Impex SRL - is subject to Romanian corporation tax. The tax is accounted for (subtracted from) the line item in the Statement of Income and Expenses - income in exchange for delivery of products.

Investments and equity policy

Dorcas adheres to a policy that 'no means are invested', and reserves are as small as necessary while maintaining a well advised reserve strategy. Temporary surplus funds are retained in saving accounts with trustworthy banks.

Cash Flow Statement

The Cash Flow Statement is compiled via indirect method in which there is a distinction between cash flows and operational activities and cash flows from purchases and cash flows from finance activities. The information for the Cash Flow Statement is taken directly from the Statement of Income and Expenditure as well as from the changes in Balance Sheet positions at the beginning and end of the year.

5.4 Comments on the Balance Sheet

ASSETS

Intangible fixed assets (B0)

The development in this year is as follows

Purchase costs as of 1 January

Accumulated depreciation as of 1 January

Book value as of 1 January

Additions to consolidation purchase value

Additions to consolidation accumulated depreciation

Purchases

Depreciation

Purchase price sold/obsolete items

Depreciation sold/obsolete items

Purchase price as of 31 December

Accumulated depreciation as of 31 December

Book value as of 31 December

Software developments	
Purchase costs as of 1 January	538,355
Accumulated depreciation as of 1 January	-520,704
Book value as of 1 January	17,651
Additions to consolidation purchase value	432
Additions to consolidation accumulated depreciation	-181
Purchases	1,517
Depreciation	-12,646
Purchase price sold/obsolete items	0
Depreciation sold/obsolete items	0
	-10,878
Purchase price as of 31 December	540,304
Accumulated depreciation as of 31 December	-533,531
Book value as of 31 December	6,773

Depreciation has been calculated at 30% of purchase costs. Intangible fixed assets are entirely used for business operations, that is, for fundraising and management and administration including HRM.

	Real estate	Furniture and fixtures	Vehicles	In progress	Total
Material fixed assets (B1)					
Purchase costs as of 1 January	3,240,807	553,633	696,973	7,731	4,499,144
Accumulated depreciation as of 1 January	-556,114	-334,797	-402,270	0	-1,293,181
Book value as of January	2,684,693	218,836	294,703	7,731	3,205,963
Additions to consolidation purchase value	0	18,157	29,553	0	47,709
Additions to consolidation accumulated depreciation	0	0	-27,899	0	-27,899
Reclassification purchase value	0	7,731	0	-7,731	0
Reclassification accumulated depreciation	0	0	0	0	0
Purchases	128,503	80,476	203,776	52,542	465,297
Depreciation	-79,730	-108,391	-122,826	0	-310,947
Purchase price sold/obsolete items	-18,975	-18,007	-71,817	0	-108,799
Depreciation of sold/obsolete items	0	12,523	64,635	0	77,158
	29,798	-7,511	75,422	44,811	142,520
Purchase price as of 31 December	3,350,335	641,990	858,485	52,542	4,903,352
Accumulated depreciation as of 31 December	-635,844	-430,665	-488,360	0	-1,554,869
Book value as of 31 December	2,714,491	211,325	370,125	52,542	3,348,483

Depreciation has been calculated with the following percentages:

Real estate property (including remodelling of rental property)	0-10
Furniture and fixtures	20-30
Vehicles (new) and all freight trucks and trailers	20
Vehicles, second hand passenger cars	30

Of the fixed assets per balance sheet date, a book value of approximately €1.8 million is used in business operations and an additional €1.5 million for direct use towards the objectives of the organisation. Business operations are defined as fundraising, the Dorcas Shops, the Mana operation, Management and Administration and supporting functions.

Direct use for the objectives of the organisation is defined as fixed assets in the countries where

projects are implemented and tangible fixed assets used with project monitoring, design and management.

Financial fixed assets (B2)

Since 2018 Dorcas is a member of Coöperatie PerspActive U.A - a Dutch cooperative of ten organisations working in humanitarian development sector. Empowering people in developing countries is the main goal of this new initiative. Dorcas has paid €37,021 in membership capital to PerspActive.

Stocks (B3)

Designated for business execution:

Sales items and promotion materials

Sales items Mana Romania

Designated for business objectives:

Donations in kind

Stock at Country Offices

Total stock as of 31 December

This year	Last year
2,468	2,912
53,519	0
350,184	595,027
1,980	9,926
408,151	607,865

Receivables (B4)

Accounts receivable

Balance as of 31 December

Provision for bad debts

Balance as of 31 December

Other receivables and prepaid expenses

Prepaid expenses

Legacies receivable

Receivables from donors

Other receivables

Balance as of 31 December

This year	Last year
51,306	187,305
0	0
51,306	187,305
62,615	61,026
548,884	623,896
563,185	772,298
495,198	289,188
1,669,882	1,746,408
1,721,188	1,933,713

Receivables are predominantly used in business operations.

Liquid assets (B5)

Petty cash/Netherlands banks

Petty cash/banks shops and commercial enterprise

Petty cash/banks business and workgroups

Petty cash/banks Country Offices excluding outstanding checks

Money in transfer

This year	Last year
6,596,878	3,343,639
359,314	231,161
90,772	130,489
1,345,161	862,511
36,360	36,890
8,428,485	4,604,690

Of all liquid assets, an amount of €151,253 is fully restricted in a collateral account at Rabobank which issued bank guarantees for several rental arrangements.

The liquid assets are predominantly classified as investments in the sense that they absorb cash flow variations during the next year and are utilised as designated funds for spending on projects.

EQUITY AND LIABILITIES	This year	Last year
Reserves and funds (B6)		
Reserves		
Designated reserve financing assets		
Balance as of 1 January	3,095,500	3,247,902
Subtracted/added through result distribution	-57,171	-152,402
Balance as of 31 December	3,038,329	3,095,500
Project allocation reserve		
Balance as of 1 January	0	0
Subtracted/added through result distribution	784,288	0
Balance as of 31 December	784,288	0
Continuity reserve		
Balance as of 1 January	2,289,883	922,839
Addition to consolidation Dorcas USA (2017) and Mana (2018)	105,150	1,442
Exchange differences net value Dorcas USA and Mana	21	0
Subtracted/added through result distribution	872,346	1,365,602
Balance as of 31 December	3,267,400	2,289,883

Four reserves (funds) are distinguished:

1. Designated funds for projects (see hereafter) which has spending obligations, but according to Directive 650 must be presented as equity.
2. Designated reserve financing assets, for financing assets.
3. Project allocation reserve, for allocated project spending in 2018 that has been delayed to 2019.
3. Continuity reserve, to ensure continuity of the organisation.

The purpose of the continuity reserve is: 1) levelling seasonal nature of income during the calender year; and 2) absorbing variations in actual income in comparison to budget so that - if income is low - the organisation and the execution of programmes adjusts to the decrease in income in a systematic manner and 3) risks that might occur that cause a sudden decrease in liquidity.

The Reserve for Financing Assets is established each balance sheet date on the basis of the assumptions

mentioned as part of the Principles of Valuation in chapter 5.3 of the 2018 Annual Report.

In the present year, a budgeted growth of over €1 million of the continuity reserve was predicted. It came out a little lower - at almost €0.9 million. Additionally, Mana Romania has been included in the figure, which prompted a paper addition to the reserve of a little over €0.1 million.

Funds

If there is a surplus of designated funds upon the completion of a project, Management may reallocate it. Management will seek to redesignate these funds in line with the original designation as far as possible. This is handled with utmost care. Designated funds

Designated Funds

Balance as of 1 January	2,533,236	2,709,753
Adjustment due to change of accounting principles	-352,703	0
Recalculated balance as of 1 January	2,180,533	2,709,753
Subtracted/added through result distribution	402,760	-529,220
Balance as of 31 December	2,583,293	2,180,533

Long term liabilities (B7)

Private loans

Balances as of 1 January	173,208	196,662
Add: new loans	60,000	0
Less: payments on principal	-92,262	-23,454
Total	140,946	173,208
Accounted for under short term liabilities	-44,500	-117,538
Balance as of 31 December	96,446	55,670
These loans are summarised as:		
Loans with a term of less than 5 years	135,500	155,038
Loans with a term of longer than 5 years	5,446	18,170
Total	140,946	173,208

These are several private loans. No collateral has been provided. The present loans are all interest-free.

will be used for funding projects in 2019 and beyond. When interpreting the term result (or profit and loss) in a fundraising organisation, it is important to know the system whereby results are determined. Income received in a specific year is accounted for in that year, even if the income is not spent on the project in that year. The project expenses are accounted for in the year expenses actually occur. Consequently, major fluctuations in the 'result' occur from year to year. Therefore, terms such as profit, loss, surplus, shortage and result must be used with restraint in a fundraising organisation.

A detailed specification per project is available in the financial administration. Development of total project designated funds are calculated as follows:

This year	Last year
2,533,236	2,709,753
-352,703	0
2,180,533	2,709,753
402,760	-529,220
2,583,293	2,180,533
This year	Last year
173,208	196,662
60,000	0
-92,262	-23,454
140,946	173,208
-44,500	-117,538
96,446	55,670
135,500	155,038
5,446	18,170
140,946	173,208

Mortgage loans

Balance as of 1 January

Add: new loans

Less: payments on principal

Total

Accounted for under short term liabilities

Balance as of 31 December

These mortgage loans are summarised as:

Mortgage loans with a term of less than 5 years

Mortgage loans with a term of more than 5 years

Total

This year	Last year
220,399	241,387
0	0
-20,988	-20,988
199,411	220,399
-20,988	-20,988
178,423	199,411
98,099	83,952
101,312	136,447
199,411	220,399

DRIF loans

Balance as of 1 January

Add: new loans

Less: payments on principal

Total

Accounted for under short term liabilities

Balance as of 31 December

25,000	0
325,000	25,000
0	0
350,000	25,000
0	0
350,000	25,000
299,464	7,143
50,536	17,857
350,000	25,000

These DRIF loans are summarised as:

DRIF loans with a term of less than 5 years

DRIF loans with a term of more than 5 years

Financial lease

Balance as of 1 January

Add: new loans, net

Add: new loans, interest

Less: payments on principal

Less: interest therein

Net liability

Accounted for under short term liabilities

Balance as of 31 December

This year	Last year
0	
79,200	
13,388	
92,588	
-8,669	
83,918	
-10,984	
72,934	
-18,518	
54,417	

These financial lease obligations can be summed up as follows

Leases with a term of less than 5 years

Leases with a term of more than 5 years

Total

72,934	
0	
72,934	

Total long term liabilities

679,286

280,081

There are two mortgages on the property of the Dorcas Shop in Nijverdal. Each loan is identical, with an original balance of €115,000, carry interest of 6.1% through 16 December 2019 and 3.6% through 31 December 2019, respectively. The payment on the principal for each of these loans is €1,149 per quarter. Collateral for these loans is a mortgage on the real estate property of the shop in Nijverdal.

A mortgage of €118,000 on the Dorcas Shop in Bergambacht was obtained in 2013 to finance purchase of the building, which is adjacent to the rented shop. The loan has a fixed term interest of 3.55% through 31 May 2019. The payment on the principal is €983 per month. Collateral for this loan is a mortgage on the real estate property in Bergambacht.

The DRIF loans are private loans obtained to finance a rapid increase in the number of Dorcas Shops

planned for 2018 and beyond. The number of shops at the end of 2018 was 32 and the goal is 50 Dorcas Shops in 2025. DRIF stands for Dorcas Retail Investment Fund. It is not an investment vehicle, but these are ordinary private contractual loans with fixed terms and fixed interest. The interest varies from 3% to 5% and the repayment term varies from 3 to 10 years. At the 2018 balance sheet date, there are 8 loans outstanding. The concept behind DRIF loans is to prevent financing for new shops that take away money from projects, and instead pay back to the project with additional proceeds from the new shops. In addition, it allows Lenders to invest their money in a safe vehicle with moderate proceeds - as a way of social investing.

The financial lease pertains 5 lease contracts for small freight trucks for shops and a depot. These assets are the collateral for the financial lease obligations and are included in the material fixed assets:

Short term liabilities (B8)

Liabilities to credit institutions and private loans

	This year	Last year
Repayment obligation mortgage loans	20,988	20,988
Repayment obligation private loans	44,500	117,538
Repayment obligation DRIF loans	0	0
Repayment obligation financial lease	18,518	0
Total	84,006	138,526

Accounts payable

312,887199,642

Taxes and social security payments

VAT	215,467	184,254
Salary taxes and social security payments	129,953	96,406
Total as of 31 December	345,420	280,660

Other liabilities

Unspent government grants	1,937,468	617,451
Holiday (vacation) allowance	138,092	128,407
Holidays	70,759	75,597
Other payables and accrued expenses	708,873	1,083,602
Total as of 31 December	2,855,192	1,905,057
Total short term liabilities as of 31 December	3,597,505	2,523,885

Off-balance sheet liabilities, contingencies and rights

The organisation has entered into longer term obligations for rental of business real estate for Dorcas Shops and depots. The contracts for depots are generally short term and those for Shops are longer term - between 5 and 10 years.

Furthermore, Dorcas has entered into operational lease contracts for autos, which have terms of 4 or 5 years, and contracts for the copiers/printers. The total obligation is summarized as follows (increases of rental and or lease costs due to contractual obligations are not included because these depend on future price indices; in the amounts below, reclaimable VAT is not included):

Obligations

	< 1 year	1-5 years	> 5 years	Totals
Rental contracts Shops	1,141,595	2,038,446	215,720	3,395,760
Rental contracts depots	34,792	3,453	0	38,245
Car lease obligations	63,978	109,708	7,126	180,812
Copier/printer lease/service obligations	15,119	0	0	15,119
	1,255,484	2,151,607	222,846	3,629,937

The Foundation has partner/project agreements of three years at the longest. These agreements are made with partner organisations regarding the implementation and funding of projects. Under these three-year contracts, the foundation has accepted conditional basic obligation to fund projects for the duration of the agreement. At the time of this financial report, the 2019 obligations are approximately €3.5 million for 2020, €0.6 million and €47.000 for 2021.

In 2018, the organisation entered into purchase, installation and service contracts worth €26,200 - to be carried out in 2019. They are all related to the Dorcas Thrift Shops.

Dorcas is privileged to receive additional government grants after balance sheet date (2019 through 2022) of more than €4.2 million for a number of projects. These funds are, among others, from the European Union (EU), Rijksdienst voor Ondernemend Nederland (RVO), Human Development Fund (HDIF) and the United Nations (UN).

5.5 Comments on the Statement of Income and Expenditure

INCOME

Private individuals (S1)

	This year	Budget this year	Last year
Door-to-door collections	89,213		91,317
Legacies	929,874		574,040
Sponsorships	2,507,409		2,610,714
Donations/gifts designated Netherlands	1,347,900		607,657
Donations/gifts not designated Netherlands	1,710,812		2,540,716
Donations/gifts designated Country Offices	52,522		48,057
Donations/gifts not designated Country Offices	22,905		35,438
Net proceeds Working Groups (ex collections and subsidies)	59,586		67,398
Via Dorcas USA	33,707		30,202
Goods through depots	1,013,736		1,507,520
Goods through Country Offices	-		2,379
	7,767,664	7,693,344	8,115,438

Companies (S2)

Donations/gifts designated Netherlands	711,813		729,426
Donations/gifts not designated Netherlands	159,217		280,653
Donations/gifts designated Country Offices	29,968		8,035
Donations/gifts not designated Country Offices	6,587		-
Goods from companies	-		586,601
	907,585	1,020,552	1,604,715

Government subsidies (S3)	This year		Budget this year		Last year	
WFP/South Sudan	133,849				2,404	
WFP/South Sudan goods	-				28,461	
Unicef/South Sudan	111,219				2,281	
IOM/through CountryOffice South Sudan	-				110,318	
UNFPA+OCHA/through Country Office Lebanon	18,294				95,696	
UN(OCHA)/through Country Office Iraq	647,901				823,789	
UN/Syria	84,557				-	
Municipality Tropoja in Albania	-				3,633	
Dutch embassy in Albania	12,993				9,272	
Egypt Country Office	68,332				14,659	
EU/VTC's South Sudan	323,001				265,391	
Start Network/Country Office Kenya	-				25,768	
GIZ through WHH/through Country Office Iraq, winter support IDP's	-				114,064	
Start Network/DFID Albania flood relief	2,914				30,363	
Start Network/DFID Armyworm Ethiopia	-				112,799	
Start Network/Moyale, Ethiopia	358				-	
Moldovan Ministry of Finance/Country Office Moldova	226				-	
MoFA/protracted crisis Horn of Africa	-				409,326	
MoFA/Horn of Africa, Ethiopia	420,466				-	
MoFA/Syrian refugees in Lebanon	-				-	
MoFA/Iraq Joint Response, through Cordaid and TdH	412,369				650,549	
MoFA/Syria Joint Response, through ZOA	887,930				1,158,382	
MoFA/South Sudan Joint Response, through Save the Children	654,557				1,451,068	
MoFA/Ethiopia, through World Vision	-				-	
MoFA/Ukraine Joint Response	2,911,805				2,035,462	
MoFA/Somalia, through Care Netherlands	-				473,009	
MoFA/ARC-Eye through Ethiopia Country Office	8,015				200,501	
HDIF/Tanzania	93,824				-	
Dutch municipalities	10,230				11,880	
RVO/Kenya, Siaya Water	350,717				53,327	
RVO/Woord & Daad Ethiopia	318,725				-	
RVO/Ethiopia, dairy equipment	82,940				199,752	
	7,555,223			7,615,000	8,282,154	

Affiliated non-profit organisations (S4)					
Stichting Vrienden van Dorcas Woudenberg	98,131			70,577	
	98,131		121,500	70,577	

Other non-profit organisations (S5)	This year		Budget this year		Last year	
Pope for Ukraine	-				171,979	
Unicef/Terre des Hommes/Ukraine	17,907				-	
ZOA/Lebanon	14,374				12,845	
Oxfam/Lebanon	44,381				-	
World Vision/Lebanon	-				169,427	
Mary's Meals/Lebanon & Syria	245,190				176,938	
Terre des Hommes/Lebanon	130,183				-	
Woord en Daad/Ethiopia	-				75,513	
Stop Aids Now/Ethiopia	10,936				23,582	
HEKS/Ethiopia	38,419				-	
Edukans for VTC's in South Sudan	-				31,250	
Light for the World for VTC's in South Sudan	-				28,750	
Food Resource Bank/Kenya	16,198				-	
World Vision/Mozambique	88,519				-	
Kom over en Help/through Country Office Albania	60,819				47,025	
ICCO/through Ethiopia Country Office	-				-	
NGO's/through Egypt Country Office	-50,294				84,301	
Samaritan's Purse/refugees in Macedonia	-				-	
Pre-emptive Love Coalition/Syria	48,229				1,463,751	
Gereformeerde Zendingbond	-				17,069	
Kids Alive	-				24,038	
Aqua 4 All	-				-	
EO Metterdaad/Prisma	346,711				250,045	
Weeshuis der Doopsgezinden/Kenya	10,000				-	
Churches, designated	304,326				385,830	
Churches, not designated	284,516				316,461	
Other unnamed organisations	800,033				747,970	
	2,410,446		2,328,073	4,026,772		
Total Income Raised	18,739,049		18,778,469	22,099,656		

The income from private individuals has decreased by almost €35,000. In 2018, no more second hand goods were collected in the Netherlands to send to project countries, which caused a decrease of income in kind of approximately €500,000. Income from inheritances grew significantly during 2018 to a figure close to €1 million. It appears that income from sponsorship has decreased, but that is mainly due to the fact that the family care project has changed from an individual sponsorship programme to a development fund. The income for this fund has no longer been accounted for as sponsorship income. The small surplus of income from private individuals compared to the budget is mainly due to increased inheritance income.

Any income from second hand goods that are provided by the public are now accounted for under the heading: Income in exchange for delivery of products. This is because they are no longer shipped for project purposes; instead they are sold as commercial goods of which the proceeds are used to finance the projects.

Income from companies has decreased by almost €0.7 million, due to the fact that no income in kind has been accounted for in 2018. Any goods received from companies in 2018 have been accounted for under Income in exchange for delivery of products, of which the proceeds have been used to finance projects. Apart from the income in kind, the cash income from companies decreased by €110,000.

Income from government grants almost reached the 2018 target, but diminished by nearly €0.75 million. Next to the income that is accounted for in 2018,

another €1.9 million was received in contractual grants (IF and non-IF), but not accounted for as income due to the fact that they have not been spent yet.

As shown in the breakdown of Government Subsidies in 2018 and 2017, Dorcas is a key agency in the field of institutional funding. That is why we can state that the income received from Government Subsidies is structural. To continue in this role, Dorcas must define - and develop - its expertise to existing intervention partners.

Income from other non-profit organisations - almost €2.4 million - reached the target. Comparison with 2017 is not conclusive as substantial income for Syria was calculated from the Pre-emptive Love Coalition in 2017. That income from churches was lower in 2018 than in 2017 (- €113,000), is an ongoing discussion point.

All-in-all, Dorcas is content with the realised income, especially when we include the €1.9 million that was received in 2018, but not accounted for as income in that year - and recorded as pre-received income for later years.

Each subsidy is outlined in a grant decision in which the conditions, aim and obligations are agreed upon. Most of the time, the funds must be spent in a certain time frame. The subsidy includes a financial ceiling, above which no reimbursement of expenses will be given. For some subsidies, an own contribution applies, which Dorcas must finance from private sources. If a subsidy is not entirely spent on the project for which it was

awarded, the surplus must be paid back. Most of the grants stated under S3 are already reported to the grant donor, but still need to be approved.

Income in exchange for the delivery of products and/or services (S6)
The net income from sales is summarised as follows:

	Shops	Clothing etc.	Total
Sales exclusive of VAT	6,074,013	559,034	6,633,047
Costs at a local level	-2,089,673	-183,350	-2,273,023
Costs at a national level	-830,086	-169,795	-999,881
Net proceeds	3,154,254	205,889	3,360,143
Costs at a local level as % of sales	34,4%		34,3%
Costs at a national level as % of sales	13,7%		15,1%
Total cost of sales	48,1%		49,3%

The comparative figures for 2017 are as follows

	Shops	Clothing etc.	Total
Sales exclusive of VAT	5,376,620	598,271	5,974,891
Costs at a local level	-1,773,665	-211,238	-1,984,903
Costs at a national level	-276,852	-181,805	-458,657
Net proceeds	3,326,103	205,228	3,531,331
Costs at a local level as % of sales	33,0%		33,2%
Costs at a national level as % of sales	5,1%		7,7%
Total cost of sales	38,1%		40,9%

Dorcas Shops are called thrift shops. The public donates second hand goods to local Dorcas shops. Volunteers screen the goods, repair them if necessary and display them in the shop. The shops have limited opening times - between 20 and 30 hours per week. The strength of the Dorcas Shops is that they are run by volunteers. For these volunteers, running a Dorcas shop is a meaningful and focused way to contribute to our cause and raise funds to alleviate poverty. The concept also prioritises

recycling, cradle-to-cradle and wider sustainability. Although sales of the Dorcas Shops increased by almost €0.7 million, the net proceeds decreased by €172,000. This is largely due to the fact that the operating capacity of the former Logistics Department - by which goods were shipped to project countries - has mainly been used for the operation of shops in 2018, without properly downsizing it. This process was only initiated at

	This year	Last year
<i>The development of government subsidies is as follows:</i>		
Received last year, not spent that year	429,465	1,459,943
Received this year, spent this year	8,576,375	7,251,676
Received this year, not spent this year	-1,450,618	-429,465
Accounted for as income	7,555,223	8,282,154

the end of 2018, to be finalised in 2019. With this, alongside the expected increase in the number of shops, it is expected that net proceeds of the shops will increase again.

Expenses subtracted from sales are (very few) goods purchased, services and expenses that can be directly allocated to sales purposes, such as support of shops by the shops team at Dorcas' International Office, the shop rental costs, heating and electricity and all other direct costs. For other sales (clothing, etc.), expenses are directly allocated, including prepaid transport costs that have been recharged to clients at sale price.

In 2018, figures concerning the proceeds of second-hand clothing and the accounts of Mana Romania have been calculated for the first time. Net proceeds stayed at the same level with a lower turnover in comparison to last year. This difference is mainly due to the profit margin of Mana Romania - which is now included in the figures, unlike in 2017.

Each shop has a informal Management Team that operates the shop. All functions are carried out by volunteers, who work together and form strong bonds. Because Dorcas Shops are run entirely by volunteers, formal rules laid out for employees cannot be implemented. However, in all Dorcas Shops internal controls are in place and enforced.

In Dorcas Shops we work with second-hand items received as donations in kind, often with little value. From an economic and practical perspective, working with volunteers combined with the limited value of thousands of second-hand goods means that it does not help to have a stock administration through which goods are tracked. This would normally provide more certainty regarding the accounted for turnover.

The Dorcas Management and local shop management monitor financial and other control mechanisms at the Dorcas Shops to establish internal controls that function at optimal standards. This process begun in 2014 with the intention that each shop will be closely evaluated once every three years.

By the end of 2018 almost all shops have undergone this check-up (especially when the share in total turnover is considered).

Overall, Dorcas Management has done everything in its power to ensure the appropriate and sound oversight of the Dorcas Shops. Maximum measures have been taken to guarantee completeness of turnover. At the same time our Auditor highlights a number of gaps that cannot be closed - or only against disproportionate costs and (rightful) resistance of volunteers.

Sustainability of income

Dorcas Management gives due attention to the sustainability of income in future years. Dorcas has varied income streams fed from many different sources. The result is a complex organisation with different types of fundraising activities. It also means that risk is mitigated when certain sources decrease. We expect that cash income will be maintained over the next years, even with ebbs and flows. Due to various sources, it is predicted that Dorcas will sustain it's income well into the future.

	This year		Budget this year		Last year	
EXPENDITURE						
Spent on objectives (S7)						
Awareness						
Activities/projects	0		0		0	
Execution expenses own organisation	858,963		845,815		895,890	
Total	858,963		845,815		895,890	
Relief, early recovery, resilient livelihoods						
Activities/projects	8,558,140		6,200,000		11,301,588	
Execution expenses own organisation	1,233,853		870,169		878,058	
Total	9,791,993		7,070,169		12,179,646	
Enterprising people and Communities						
Activities/projects	2,109,943		5,051,337		2,325,496	
Execution expenses own organisation	716,459		1,023,765		955,731	
Total	2,826,401		6,075,102		3,281,227	
Community Based Care and Protection						
Activities/projects	3,510,233		4,000,000		5,174,544	
Execution expenses own organisation	701,275		532,835		675,207	
Total	4,211,508		4,532,835		5,849,751	
Grand total spent on objectives	17,688,865		18,523,921		22,206,514	

The following numbers are shown excluding expenses on awareness:

Total direct project spending	14,178,316	15,251,337	18,801,628
Total execution expenses own organisation	2,651,587	2,426,769	2,508,995
Total spent on objectives	16,829,903	17,678,106	21,310,623
Expenses own organisation as % of direct project spending	18,7%	15,9%	13,3%

From the overview of project expenses, it is clear that predicted spending has lagged behind. This is due to delays in the implementation of the allocated project portfolio. From 2018, a new division in programme intervention types - as reflected above - has been used; the 2017 figures have been adjusted accordingly.

Allocation of expenses to awareness-raising activities was calculated at the same level as in the budget - and is a little lower compared to last year.

The direct project expenditures on Relief and Early Recovery and Resilient Livelihoods have decreased significantly, from €11.3 million to €8.5 million. This is because we received significantly less government funding in 2018, of which all was spent.

The department to help set up and monitor these projects at the International Office in the Netherlands has seen a number of major upgrades in 2018 - with the intention to absorb new efforts in the future. This is the reason why indirect project expenditures have increased from almost €0.9 million in 2017 to more than €1.2 million in 2018.

Direct project expenditures on Enterprising People and Communities have decreased by €215,000. Indirect project expenses have also decreased. This Intervention Areas was the affected by the delay in programme implementation during 2018. We concluded that the budgeted for amount of direct project expenditures was too optimistic - as well as the fact that part of the spending on Early Recovery and Resilient Livelihoods was initially calculated under the budget for Enterprising People.

The decrease in direct project spending for Community Based Care and Protection - from €5.2 million to €3.5 million - reflects the decrease in spending of goods in this area. In 2017, €2.5 million was spent on projects in this Intervention Area. By the end of 2018 this had decreased to €1.1 million.

In 2018, major time was spent transitioning projects from the old Social Care area into Community Based Care and Protection - including the Adopt a Granny projects. This has caused some delays during implementation.

Fundraising expenses (S8)

Fundraising expenses decreased by €237,000 in absolute terms, but increased from 7.4% to 7.5% of income raised. This is an acceptable development. In general, fundraising for government grants is relatively cheap, while fundraising from private sources is expensive. Dorcas aims for a healthy balance between the two types of funding in order to deliver long-lasting programmes and a sustainable organisation as a whole.

The main decreases were seen in personnel costs (- €66,000), communication costs (- €72,000) and depreciation (- €40,000). Depreciation was largely due to investments in CRM software in previous years - which had already fully depreciated.

Management and administration expenses (S9)

The cost for management and administration are accounted for as follows:

Item	This year	Last year
Personnel	898,031	853,108
Communication	2,436	1,856
Accomodation	23,116	27,696
Office and general	131,774	123,326
Depreciation	15,977	48,252
	1,071,334	1,054,238

In assigning personnel costs to management and administration, the following assumptions were made:

Item	This year
Financial Administration Staff	100%
Financial Team leader	40%
Financial Officer programmes	10 -70%
Back Office employee programmes	100%
Project Coordinators (for general tasks)	0-20%
HRM Netherlands employees	100%
International HRM	50%
Facility employees	70%
ICT Coordinator	100%
Application Manager CRM	20%
PMEL ICT Project Manager	20%
Receptionists	80%
CFO	60%
CEO Secretary	50%
Process Manager	20%
CEO	25%
Works Council members	5-15%

It is evident from the figures that the expenses for Management and Administration are largely fixed. Total expenses; in contrast to income and project expenditures can only be increased or decreased incrementally. Moreover, institutional funding requirements - in the areas of accountability, administration, control and audit - led to an increase in Management and Administration costs. Although expenses flatlined in 2018, a percentage of total expenditures increased from 4.2% to 5.3%. Project expenditures are expected to pick up in 2019. However, due to delays in project allocations, the percentage of total expenditures is expected to decrease in 2019.

Financial income and expenses (S10)	This year	Last year
Received interest	624	509
Paid interest	-649	-416
Exchange differences	50,127	-62,680
Incidental gains and losses	-4,380	0
Book profits sold assets	14,586	10,895
	60,308	-51,692

The small amount of interest that was received on sizable savings accounts reflects the historically low interest rates that banks gave in 2017 and 2018.

5.6 Expenses own organisation

		Objectives				Costs under 'expenses'		Totals under 'expenses'		
		Awareness	Relief and Early recovery, resilient livelihoods	Enter-prising people and com-munities	Comm based care and protection	Fund-raising	Manage-ment and admini-stration	Total 2018	Budget 2018	Total 2017
Salaries	L1	370,061	580,708	353,756	332,014	567,263	546,662	2,750,464	2,878,004	2,841,464
Social insurance	L2	81,004	141,916	80,282	78,390	124,828	120,398	626,818	515,569	550,907
Pension	L3	52,060	75,446	48,564	44,296	79,524	76,593	376,484	297,785	305,199
Other staff expenses	L4	104,216	172,128	101,276	96,817	160,133	154,377	788,948	607,050	695,432
Communication	L5	140,893	24,018	12,937	15,344	281,786	2,436	477,415	545,998	547,980
Accommodation	L6	11,558	58,830	19,996	35,717	30,405	23,116	179,622	176,754	231,461
Logistics/warehouse	L7	0	0	0	0	0	0	0	0	30,896
Office and general	L8	89,092	143,118	85,804	81,211	136,716	131,774	667,715	682,482	636,552
Depreciation	L9	10,079	37,689	13,842	17,486	16,423	15,977	111,497	117,043	253,797
		858,963	1,233,853	716,459	701,275	1,397,078	1,071,334	5,978,962	5,820,686	6,093,688

		Costs subtracted from income		Overall totals		
		Shop team	Other sales	Total 2018	Budget 2018	Total 2017
Salaries	L1	437,614	41,240	3,229,319	3,353,103	3,078,937
Social insurance	L2	91,031	8,870	726,719	615,340	602,340
Pension expenses	L3	60,220	5,868	442,572	347,670	331,479
Other staff expenses	L4	36,022	11,523	836,493	631,377	741,563
Communication expenses	L5	22,772	18,623	518,810	594,046	569,625
Accommodation expenses	L6	0	72,887	252,508	291,183	234,441
Logistics/warehouse	L7	21,573	0	21,573	75,770	36,348
Office and general expenses	L8	139,908	9,893	817,516	859,352	695,883
Depreciation	L9	20,945	891	133,333	118,921	261,727
		830,086	169,795	6,978,843	6,886,762	6,552,344

Allocation method

The above expenses were distributed using historically recognised methods. The distribution keys of these expenses are based on the estimated working hours of each employee - distributed across the categories by percent according to economic principles that reflect the estimated activities

of the employee.

The principles upon which expenses have been assigned are summarised as follows: Program and Knowledge Support (P&KS) employees at the International Office assist the Country Offices in the design of projects and provide knowledge, assistance and support on programmatic issues.

These are typically assigned as indirect project costs, dependent on the Intervention Area for which assistance is provided. If P&KS employees take on additional rasks or responsibilities - such as membership of the Works Council, strategy roles or involvement in fundraising - a portion of their time and costs are assigned to these activities.

Expenses associated with fundraisers are assigned to fundraising and awareness-raising activities. Fundraisers often raise awareness amongst the public around the issue of poverty - namely, the need to respond directly by advocating and lobbying in the Netherlands. Personnel expenses are assigned to awareness-raising activities 30 to 70% of the time, dependent on the employee and activities undertaken.

The expenses of Supporting Services are assigned to the activities for which they are executed. HRM and Finance employees are fully assigned to Management and Administration. 45 to 70% of Financial Officers for projects are assigned to management and administration; the remainder are assigned to objectives spending.

International HRM employees are also involved in providing hands-on assistance to project staff, and therefore are partly (50%) assigned to indirect project costs. As logistics were primarily used for commercial purposes (Dorcas shops and sale of second hand clothes) in 2018, these costs have been entirely subtracted from the Income in Exchange for Delivery of Products - except for direct costs associated with the Dorcas Food Campaign, which have been assigned to communication costs.

OVERALL EXPENSES

The total expenses of the organisation increased from €6,552,344 to €6,978,843, an increase of €426,499. The source of this increase can be summarised as follows:

Decrease costs International Office	-630,586
Increase costs Country Offices	515,860
Increase costs commercial activities for fundraising	541,224
Total increase organisational costs	426,498

Personnel expenses (L1-L4)

Of almost €7 million in total expenses, more than €5.2 million are personnel expenses - that is 75% of the total and an increase of 72.6% from 2017. Personnel expenses under commercial endeavours (shops, sale of second hand clothes) were significantly higher than last year (+ €0.4 million), as the logistics department that shipped the goods to projects in previous years was mainly involved in

commercial activities in 2018. The outflow of staff members in 2019 should see this normalise again.

From 2018 onwards, the process regarding redirected personnel costs and sick leave reimbursements received from insurance companies has changed. This is so that gross personnel costs are better known, as shown below:

	2018
Gross salary costs	5,762,821
Social insurance	728,182
Pension costs	442,572
Total gross salary-related costs	6,933,575
Charged against income sales (Mana)	-62,841
Charged to projects + insurance remittances	-2,472,124
Net salary-related costs	4,398,610

The Dutch Pension System is a defined contribution scheme. Costs of the premiums are accounted for in the year to which they pertain. The pension system guarantees the payment of pensions, although participants can also choose an investment arrangement - meaning higher risk for the employee but higher return opportunities.

The participant can choose either the guaranteed system or the investment plan, following informed and educated guidance from a Pension Advisor. In 2019 Dorcas will switch pension provider as the contract for the period 2014-2018 expired at the end of 2018.

During 2018 there were, on average, 426 full-time employees (FTEs) (2017: 334) working for Dorcas - of which 68 were based in the Netherlands (2017: 66) and 358 (2017: 254) in the Country Offices. In the Netherlands, staff numbers increased in 2018 - 2 FTEs and 104 new Country Office employees joined the organisation. A large portion of Country Office staff are project employees. Associated personnel costs are accounted for in-whole or in-part as project expenses.

About two thirds of all salary costs are charged to projects. These are predominantly projects that Dorcas implements by itself, without the assistance of partner organisations.

The members of the Dutch Supervisory Board receive no remuneration for their work. In 2018, €10,706 of Dutch board expenses were paid (2017: €6,829).

The 2018 figure includes the costs incurred from a field trip to the Middle East by members of the Supervisory Board in January 2018, wherein they visited projects and spoke with beneficiaries and local employees at the Country Office. Once every two years, Supervisory Boad members visit one of the project countries to experience Dorcas programmes first-hand and gain an enhanced understanding of the activities carried out, which they are responsible for supervising. Supervisory Board expenses also pertain to an external Secretary that assists the Supervisory Board in minute taking and other secretarial tasks.

In 2018 taxable salaries in the Netherlands totalled at €2,752,963 (2017: €2,662,219) for 68.69 FTE's (2017: 67.39). On average this is a little more than €40.000 per FTE (2017: €39,500). These figures include a small number of interns. Dorcas has a moderate Remuneration Policy, which matches the needs of a relief and development organisation.

Many people who work for Dorcas, but come from a for-profit background, see some decrease in remuneration. Dorcas seeks to be an attractive employer by using a structured Remuneration Policy inclusive of function classification, a transparent salary scheme with annual steps, indexing of the salary scales and a optimal fiscal policy regarding premium-free pension plans.

Management remuneration

The Supervisory Board defines the Remuneration

Policy, the salaries of Director's and the level of other remuneration components. The policy is updated periodically. The last evaluation of Directors was in November/December 2018, in which a 360 degree

review was used. The Supervisory Board is responsible for Remuneration Policy management, setting management salaries and the level of fringe benefits:

Name	Leo Visser	Nico Hoogenraad AA	Michel Gendi
Function	CEO (Chief Executive Officer)	CFO (Chief Financial Officer)	CPO (Chief Programmes Officer)
<i>Employment</i>			
Kind:	indefinite	indefinite	indefinite
Hours	38	40	40
Parttime percentage	95%	100%	100%
Period	1-1/31-12	1-1/31-12	1-1/28-2
<i>Remuneration</i>			
Gross salary	81,862	73,264	14,828
Year-end allowance	135	150	0
Severance pay	0	0	0
Total annual income	81,997	73,414	14,828
Taxable reimbursements/additions	5,663	2,838	0
Pension costs for employer	23,430	16,105	1,349
Total other expenses and reimbursements	29,093	18,943	1,349
Total remuneration 2018	111,090	92,357	16,177
Total remuneration 2017	100,232	89,386	85,884

There are no variable components, bonuses or other incentives in the remuneration package.

In 2018, the Supervisory Board decided to start using the GDN-guideliness for directors' remuneration. (GDN: Goede Doelen Nederland, a Dutch branch organisation for charitable organisations)

The used criteria of GDN and how they turn out for the directors remuneration of Dorcas, the following point system is used:

Spending on objectives	110 points
Number of FTE's	105 points
Diversity organisation	90 points
Yes/no part of umbrella organisation	80 points
Management and policy	65 points
Number of points	450 points

	CEO	CFO/CPO
Director's model	92%	80%
Outcome weighing difficulty of management	414	360
Accompanying fulltime salary 2018	€114,247	€91,871
Dorcas directors salaries at 80% of the norm	€91,398	€73,497

It was decided by the Supervisory Board to set the Director's salaries at 80% of the GDN norm.

Due to a number of grants received by Dorcas from the Ministry of Foreign Affairs (MoFA) and RVO (Government Services of Entrepreneurial Netherlands), the Law of the Norms for remuneration of management of (semi-)public officers should apply. However, in these cases, income has to comprise of at least 50% government subsidies for the law to be binding. The salaries of management at Dorcas (three Directors) are significantly below the applicable maximum.

Communication expenses (L5)

Costs incurred by the Communications Team were lower than last year (- €51,000) - particularly at the International Office where a decrease of €78,000 was experienced. Country Office expenses and the costs

associated with commercial activities increased somewhat. The decrease in costs at the International Office are accredited to the introduction of an indirect marketing approach.

Accomodation costs (L6)

Accomodation costs increased by €18,000 from 2017 to 2018. The expenses themselves are very low. With the intended move to a new location, no major upkeep has been carried out. The remaining accomodation costs are largely rental costs for depots, which are now used mostly for commercial activities and assigned to costs of sales.

Logistics/warehouse (L7)

Logistics costs are mostly assigned to commercial activities, as logistical capabilities are no longer used for programmatic purposes (since March 2018). Logistics costs further decreased from €36,348 in 2017 to €21,573 in 2018.

Office and general expenses (L8)

These increased by almost €122,000. At the International Office they decreased with €31,000, for the commercial activities they increased by €90,000 and for the Country Offices with €62,000. Under these general costs, all transportation costs are included as well, which is the main factor for the variations. The commercial activities are now absorbing all the car and truck expenses from the former logistical department. In 2019 the truck was disposed of.

Depreciation in the Statement of Income and Expenditure

Depreciation in costs of other sales

Depreciation in national shops costs

Depreciation in local shops costs

Of which on material fixed assets

Of which on intangible fixed assets (software)

Depreciation (L9)

Depreciation came out at €128,000 lower than last year. This was anticipated as there was hardly any depreciation on the immaterial fixed assets in 2018 (CRM software).

Of entire depreciation, only part shows up in the overview of organisational costs, as part is subtracted from commercial income and shown as a net amount.

This can be summarized as follows:

This year	Last year
111,497	253,797
18,109	7,295
20,945	636
173,042	129,987
323,593	391,715
310,947	260,792
-12,646	130,923
298,301	391,715

5.7 Cash Flow Statement 2018

	This year		Last year	
Cash flows from operations:				
Result of the year		2,002,223		683,980
Add: Depreciation		298,301		391,715
Less: Increase/decrease of stock		199,714		943,175
		2,500,238		2,018,870
Changes in working capital:				
Addition to consolidation (Mana, c.q. Dorcas USA)	110,402		243	
Increase/decrease receivables	212,525		-452,531	
Increase/decrease short term liabilities	1,073,619		-230,296	
		1,396,546		-682,584
		3,896,785		1,336,286
Cash flows from financing:				
Member capital Perspective	-37,021		0	
Increase/decrease long term liabilities	399,205		-63,526	
		362,184		-63,526
Cash flow from purchases and sales				
Purchases	-466,814		-421,512	
Sales	31,641		11,131	
		-435,174		-410,381
Increase/decrease in cash		3,823,795		862,379
Liquid assets as of 31 December		8,428,485		4,604,690
Liquid assets as of 1 January		4,604,690		3,742,311
		3,823,795		862,379

The cash flow position continued to grow significantly in 2018. This was budgeted for - in part - in order to grow the continuity reserve (aimed at a €1 million increase, realised at almost €0,9 million).

Non-used project allocation funds (€0,75 million) was another addition in 2018 - still to be used in 2019 .

The third significant factor is the increase in pre-received grants of €1.3 million, also to be spent in 2019.

These three factors sum up the increase in liquidity, together with some minor changes.

5.8 Signing by Executive Board and Supervisory Board

The original papers were signed by the Directors and the Supervisory Board members.

Woudenberg, 7 mei 2019

Mrs. Dr. C.A. Voorham
Chair of the Supervisory Board

Mrs. A. Westerduin-de Jong MA
Mr. J.C. van der Linden, RA
Mr. C.N. de Kat
Mr. dr. H.F. Massink

Mr. L.D. Visser
Chief Excutive Officer

5.9 Auditor's report



Stichting Dorcas Aid International
Postbus 12
1619 ZG ANDIJK

INDEPENDENT AUDITOR'S REPORT

To: the board of directors and the supervisory board of Stichting Dorcas Aid International

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

Our qualified opinion

We have audited the financial statements 2018 (page 58-91) of Stichting Dorcas Aid International, based in Andijk.

In our opinion, except for the possible effects of the matter described in the basis for our qualified opinion paragraph, the accompanying financial statements give a true and fair view of the financial position of Stichting Dorcas Aid International as at 31 December 2018 and of its result over the period 1 January 2018 up to 31 December 2018 in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board.

The financial statements comprise:

- 1. the balance sheet as at 31 December 2018 (with a balance sheet total of € 13,950,101);
- 2. the statement of income and expenditure for the period 1 January 2018 to 31 December 2018 (with a total positive result of € 2,002,223); and
- 3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our qualified opinion

As indicated on page 79-80, section S6, in the note to 'Income in exchange for the delivery of products and/or services', there are control deficiencies with respect to the recognition of revenue from the Dorcas shops. Owing to the specific characteristics of the shops, which are run exclusively by volunteers, a number of essential internal controls are not in place. As a consequence we have been unable to verify the completeness of net revenue from Dorcas shops.

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

We are independent of Stichting Dorcas Aid International in accordance with the 'Verordering inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening Gedrags- en Beroepsregels Accountants (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management board's report;
- other information;
- annex A - Budget 2019;
- annex B - Distribution: direct project expenses 2018;

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KvK 28112484



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- appendix C - Composition of the Supervisory Board and Board of Directors on January 1st, 2019;
- annex D - Overview local partner organisations 2018.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, does not contain material misstatements and that all information is included which is requested by the Guideline for annual reporting 650 "Fundraising Organizations". We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the management board's report and other information in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board.

Description of responsibilities regarding the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 "Fundraising Organizations" of the Dutch Accounting Standards Board. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the company financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Was signed in Sliedrecht, 7 May 2019.

WITH accountants B.V.
P. Alblas RA

Enclosure.



Enclosure to our auditor’s report by the accompanying financial statements 2018 of Stichting Dorcas Aid International, based in Andijk

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

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

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

Annex A - Budget 2019

	Budget 2019	
Income:		
Private individuals	7,870,000	
Companies	1,070,000	
Government subsidies	7,595,250	
Affiliated non-profit organisations	75,000	
Other non-profit organisations	2,366,000	
Total income raised		18,976,250
Income in exchange for the delivery of products and/or services	3,812,079	
Other income	0	
		3,812,079
Total income		22,788,329
Expenses:		
Spent on objectives		
Awareness	920,561	
Relief, Early Recovery and Resilient Livelihoods	8,169,006	
Enterprising People and Communities	5,992,402	
Community Based Care and Protection	4,500,864	
		19,582,834
Fundraising expenses	1,578,002	
Management and administration expenses	1,139,743	
Total expenses		22,300,579
Balance of income and expenses		487,750
Financial income and expenses		0
Budgeted surplus		487,750

Forecasted benchmark percentages:

Spent on objectives as percentage of total income	85.9%
Spent on objectives as percentage of total costs	87.8%
Fundraising as percentage of total income raised	8.3%
Management and administration as percentage of total costs	5.1%

The budget for 2019 aims a little higher than the realised income of 2018. With €1.9 million in pre-received contractual grants recorded on the balance sheet at the end of 2018, this should be achievable. A smaller tranche, included in the budget, will be added to the continuity reserve, bringing it to the desired level. In 2019, Dorcas has plans to move it's International Office - another location. However, we were unsure if and when these plans would be realised and therefore the 2019 budget was compiled without consideration of the consequences of a sale and move.

Annex B - Distribution: direct project expenses 2018

	Payments in cash 2018 in euros	Contributions in kind 2018 in euros	Total 2018 in euros	Payments in cash 2017 in euros	Contributions in kind 2017 in euros	Total 2017 in euros
Distribution per intervention:						
Relief, Early Recovery and Resilient Livelihoods	8,558,140	0	8,558,140	11,272,535	29,052	11,301,588
Enterprising People and Communities	1,944,643	165,299	2,109,943	1,847,324	478,173	2,325,496
Community Based Care and Protection	2,416,465	1,093,768	3,510,233	2,621,722	2,552,822	5,174,544
	12,919,249	1,259,067	14,178,316	15,741,581	3,060,047	18,801,628
Distribution by country:						
Romania	308,922	317,669	626,591	295,252	999,458	1,294,710
Moldova	453,261	342,894	796,155	385,158	467,629	852,787
Ukraine	3,266,262	515,612	3,781,874	2,585,154	1,021,130	3,606,284
Albania	381,873	82,404	464,277	401,764	291,919	693,683
Russia	133,278	0	133,278	227,844	0	227,844
Total Eastern Europe	4,543,596	1,258,579	5,802,175	3,895,172	2,780,137	6,675,309
Egypt	497,401	0	497,401	433,562	0	433,562
Sudan	2,004	0	2,004	87,385	0	87,385
South Sudan	1,477,557	0	1,477,557	2,195,928	28,461	2,224,389
Ethiopia	1,850,669	0	1,850,669	1,680,395	0	1,680,395
Kenya/Uganda	843,929	0	843,929	1,081,113	0	1,081,113
Tanzania	471,538	0	471,538	348,806	0	348,806
South Africa	0	0	0	15,212	0	15,212
Mozambique	253,723	0	253,723	214,365	0	214,365
Lesotho	27,240	0	27,240	46,226	0	46,226
Total Africa	5,424,062	0	5,424,062	6,102,992	28,461	6,131,453
Syria	1,418,100	0	1,418,100	3,056,748	0	3,056,748
Lebanon	276,749	0	276,749	573,890	591	574,481
Iraq	1,101,380	0	1,101,380	1,544,712	0	1,544,712
Total Middle East	2,796,229	0	2,796,229	5,175,349	591	5,175,941
Nepal	0	0	0	57,635	0	57,635
Other countries and transport fund	155,362	488	155,850	510,432	250,858	761,290
Total other countries and transport fund	155,362	488	155,850	568,067	250,858	818,925
			0			
Grand total	12,919,249	1,259,067	14,178,316	15,741,581	3,060,047	18,801,628

Appendix C - Composition of the Supervisory Board and Board of Directors on January 1st, 2019

Composition of the Supervisory Board

As of January 1st, 2019, the Supervisory Board is composed as follows:

Lt. Colonel Mrs. Dr. C.A. Voorham (1946), Chairperson of Supervisory Board, Chairperson of Remuneration Committee
Profession: Salvation Army officer (previously director of the the Salvation Army Welfare and Healthcare Foundation).
Additional positions: vice-chairperson Supervisory Board Stichting Timongroep (Timongroep Foundation), boardmember of Stichting SchuldenlanNL, member of the Maatschappelijke Raad Gevangenenzorg Nederland (Netherlands Social Council for Prisoners Care), member of the Members Council of the Nederlands Bijbelgenootschap (Dutch Bible Society), ambassador for Youth for Christ, Lifespots and Micha Nederland.
Stepping down in 2022 and cannot be reappointed

Mrs. A. Westerduin-de Jong MA (1971), Member of Supervisory Board, Member of Remuneration Committee
Profession: Director of Stichting Sprank in Zwolle
Additional positions: member of the Supervisory Board of Het Baken Care Centre in Elburg
Stepping down in 2020 and may be reappointed once.

Mr. J.C. van der Linden, RA (1960), Vice chairperson of Supervisory Board, Chairperson of Audit Committee
Profession: Accountant advisor.
Additional positions: Chairperson Candidates and Evaluation of Frisian Company of the Year, Board member VNO NCW Friesland, Treasurer Stichting HIS Hulp, Treasurer Friesland Vaart
Stepping down in 2021 and may be reappointed once.

Mr. C.N. de Kat (1968), Member of Supervisory Board,Member of Audit Committee
Profession: CEO Royal FruitMasters
Additional positions: Board member Dutch Produce

Association, Board member Greenstar Kanzi Europe, Board member European Fruit Cooperation, Board member GS1, Board member FrugiCom, Board member Fresh Upstream, Board member Hervormd Jeugdwerk
Stepping down in 2023 and may be reappointed once

Mr. dr. H.F. Massink (1962), Member of Supervisory Board, Member of Remuneration Committee
Profession: Coordinating Policy Officer at Dutch Ministry of Agriculture, Nature and Food Quality
Additional positions: Member of the Central Board of the SGP
Member of the Board of the Foundation for the Support of Central and Eastern European Organisations for Mission Studies
Stepping down in 2023 and may be reappointed once

Supervisory Board remunerations

The members of the Supervisory Board do not receive any remuneration for fulfilling their duties. However, they may be reimbursed for expenses incurred.

Appointment Procedure

Supervisory Board. Appointment to the Supervisory Board takes place using a profile defined by the Supervisory Board stipulating the qualities and/or capacities which Supervisory Board members are required to meet. The recruitment and selection of Supervisory Board members takes place using a procedure defined by the Supervisory Board. The Selection and Remuneration Committee supports the Supervisory Board in recruiting and selecting candidates for the Supervisory Board. Any Supervisory Board member will retire by rotation, but no later than five years after his appointment. A Supervisory Board member retiring by rotation can be reappointed once. In the procedure for recruitment, selection and appointment, the Board of Directors has an advisory role.

Composition of the Board of Directors

As of January 1st, 2019, the Board of Directors is composed as follows:

Mr. L.D. Visser (1957), Chief Executive Officer (0,9 FTE)
Kampen
Additional positions: member of EU-Cord Administrative Council, Brussels (unpaid), commissioner at De Jong Beheer BV, Sliedrecht (paid)

Mr. N. Hoogenraad (1958), Chief Finance Officer (1,0 FTE)
Aalsmeer
Additional positions: Treasurer of the Partos Board (unpaid)

Additional positions risk analysis

Supervisory Board:
Additional positions of our Supervisory Board members do not influence their position with Dorcas and their availability, formally nor informally. Therefore, there is no risk for the organisation.

Board of Directors:
Additional positions of our Board of Directors members do not influence their position with Dorcas and their availability, formally nor informally. Mr. L.D. Visser’s role as a commissioner for a commercial organisation is no threat to his performance with Dorcas, according to our Board of Supervisors. His appointment of 0,9 FTE is associated with his duties as a commissioner. His role as a member of the EU-Cord board is beneficial due to Dorcas’ membership with this European group of Christian aid and development organisations.

Annex D - Overview local Partner Organisations 2018

Albania
Diakonia Agapes – *Tirana*
Emanuel Mission Foundation – *Korça*
Integration Association Tropoja – *Bajram Curri*

Moldova
A.O. El-Sadai – *Chisinau*
Asociatia de Binefacere ‘Elim-Moldova’ – *Singerei*
Baptist Evangelical Church – *Rezina*
Christian Foundation Titus – *Telenesti*
Dinar – *Chisinau*
Emmanuel Baptist Church – *Balti*
Hope to Children – *Floresti*
The Salvation Army – *Chisinau*

Ukraine
Charitable Organisation ‘New Hope Center’ – *Zaporozje*
Dobra Vistka – *Krivoy Rog*
Favor – *Krivoy Rog*
Good Samaritan Children’s home – *Nagydobrony*
Khortitsa Baptist Church – *Zaporozje*
Light of Resurrection – *Donetsk*
New Beginning – *Mukachevo*
New Life – *Mukachevo*
Phoenix – *Mukachevo*
Reformed Church – *several locations*
Ukrainian Gospel Mission – *Lutsk*

Romania
Baptist Church Negresti – *Vaslui*
Christian Center Betania – *Oradea*
Christian Foundation Diakonia – *Cluj-Napoca*

Lord’s Army Association – *Gherla*
Pro Christo et Ecclesia Association (CE) – *Targu Mures, Zalau, Oradea*

Russia
Charitable fund Nadezhda Est – *Tula*
NOMCC – *Vladikavkaz*
Preobrazovanie – *Togliatti, Samara region*

Lebanon
Palestinian Women Humanitarian Organisation - *PWHO*
Tabitha

Syria
Pre-emptive love coalition
Tabitha

Ethiopia
Addis Hiwot Integrated Sustainable Development Organisation (AHISDO) – *Addis Ababa*
Bole Kifle Ketema Ideroch Council – *Addis Ababa*
Ethiopian Guenet Church Development and Welfare Organisation – *various locations*
Ethiopian Mulu Wongel Amagnoch Church Development Organisation – *various locations*
HOPE Enterprises – *Addis Ababa*
Selam Awassa Business Group – *Awassa*
Swiss Church Aid (HEKS) – *Oromia*

South Sudan
Mary Help Association

Kenya
Anglican Church of Uganda, Kisiizi Hospital – *Kabale, Uganda*
Kitise Rural Development – *Kitise, Mwanja, Makueni*
Muthetheni Parents Committee – *Muthetheni*
North Gem Community Development Program – *Siaya*
Redeemed Gospel Church – *several locations*
Shokut Naretoi Community Project – *Naretoi*

Lesotho
Pulane Children’s Centre

Mozambique
Assemblia De Deus Africana - Avante na Fe Ministries – *Inhaminga*
Kubatsirana – *Ajuda Mutua*
Shingirirai – *Chimoio*
Village Water Girl Child Rights

Tanzania
ELCT - Terrat & Orkesumet
Lutheran Parish – *Arusha*
Free Pentecostal Church of Tanzania – *Handeni*
International Evangelism Church – *Arusha*
Babati Lutheran Parish – *Babati*
New Life in Christ – *Kilimanjaro*
Olokii Lutheran Parish – *Arusha*
St. Steven Anglican Church Hai Parish-Rundugai

We desire justice, both
for people and their
communities, so that they
flourish. We strive for lasting
change for those who live in
poverty, are excluded, or are
caught in a crisis. This is how
we follow *Jesus Christ*.