

Stichting Schone Kleren Campagne/Clean Clothes Campaign
T.a.v. mevrouw C. Janssens
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Amsterdam, 19 april 2018

Behandeld door: A. Koek
Referentie: 77252.C.17/27754

Geachte mevrouw Janssens,

Hierbij zenden wij u één door ons ondertekend exemplaar van onze controleverklaring bij de jaarrekening 2017 van Stichting Schone Kleren Campagne/Clean Clothes Campaign te Amsterdam, alsmede twee exemplaren waarin verwezen wordt naar het door ons origineel getekende exemplaar. Tevens zenden wij u één door ons geïdentificeerd exemplaar van de jaarrekening.

Het door ons ondertekende exemplaar van de controleverklaring en het geïdentificeerde exemplaar van de jaarrekening zijn bestemd voor uw archief. De exemplaren van de controleverklaring waarin verwezen wordt naar het door ons origineel getekende exemplaar, zijn bestemd voor inbinding in de jaarrekening. Dit conform het advies van de beroepsorganisatie NBA ter vermijding van fraude met handtekeningen van accountants.

Wij geven u toestemming de controleverklaring met de tekst 'origineel getekend door' gedateerd op 19 april 2018 op te nemen in de jaarrekening 2017. De jaarrekening dient te worden uitgebracht overeenkomstig het door ons geïdentificeerde exemplaar.

Wij merken op dat wij in de controleverklaring de statutaire naam hanteren, namelijk: Stichting Schone Kleren Kampagne/Clean Clothes Campaign.

Wij vertrouwen erop u hiermee van dienst te zijn geweest.

Hoogachtend,
Dubois & Co. Registeraccountants

G. Visser RA

Bijlagen

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19 April 2018

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Amsterdam, 19 APR. 2018

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REPORT OF THE BOARD

History and objective

The *Schone Kleren Campagne* (SKC) or the Clean Clothes Campaign was launched in 1989 when Dutch and British women as well as solidarity groups protested against the dismissal of garment factory workers in the Philippines who were on strike. The women who worked for the supplier of William Baird (GB) and C&A (NL) were sacked after asking that they be paid the statutory minimum wage. In the same year the workers organised picket lines whilst a solidarity campaign was conducted in the Netherlands and in Great Britain. This marked the launch of the '*Schone Kleding* or 'Clean Clothes' campaign to raise awareness for the demands of southern women's and workers' organisations.

Over the years SKC has evolved into a global network recognised internationally as the Clean Clothes Campaign (CCC). This network consists of trade unions, women's rights and work-related civil society organisations, from both production and consumer countries.

SKC/CCC aims to improve the working conditions and position of workers in the global garment industry. The organisation's ultimate goal is to end suppression, exploitation and abuse of workers - mainly women - in the garment sector. SKC/CCC seeks to achieve these objectives as follows:

1. By putting pressure on companies and governments to take responsibility to ensure that the rights of manufacturing workers in global supply chains are respected and implemented
2. Working in solidarity with organised workers in global supply chains fighting for their rights anywhere from the workplace to the global level; and take action on concrete cases of violations of the rights of workers and activists
3. Raising awareness and mobilise people to undertake individual and collective action (linked to consumption, citizenship, work, investment or other areas of life);
4. Exploring judicial mechanisms and lobby for legislation to protect workers' rights and hold companies accountable;
5. Promoting public and private procurement that ensures workers' rights are respected in the production process;
6. Working together to develop our own network and strengthen the global alliance for workers' rights.

Considerable strides have meanwhile been made in raising awareness; consumers nowadays are aware that their clothing is usually produced in low-wage countries and that human rights are likely to have been violated in the process. This concerns the right to freedom of association, a living wage and a safe and healthy workplace, or violation of the child labour ban, forced labour and discrimination. Local human rights activists are regularly unjustly prosecuted, physically assaulted or their right to freedom of speech has been curbed. In collaboration with its partners SKC/CCC identifies these violations and subsequently brings these to the attention of business and industry, the government(s) and the wider public. We always provide a perspective for action: all those who buy clothes whether individually or wholesale can contribute to a fairer world.

It is now widely acknowledged that consumers not only have the right to good quality clothing for a reasonable price but equally to clothing produced in a socially responsible manner. Awareness has also successfully been raised in business and industry for socially responsible business practice. A significant number of companies in the garment sector have meanwhile developed policy concerning the work situation in their production chain. By implementing codes of conduct and through specific organisations tasked with monitoring compliance with fair working conditions, efforts are being undertaken to improve the human rights and quality of life of around 30 million people - largely women - worldwide who produce our clothes. In the last few years a trend is even being seen whereby ethical clothing is acquiring a niche market segment. SKC/CCC is proud that it has contributed to garnering public support for this development.

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2017 Highlights

Freedom of Association

In 2017, CCC worked on 34 Urgent Appeal Cases, of which 20 cases were on FoA violations including mass dismissals and arrests of human rights defenders. In most of the FoA cases the demand is immediate reinstatement with full rights and payment of back-wages.

In early 2017 CCC, in alliance with international and Bangladeshi labour rights organisations, coordinated a campaign on brands and embassies to stop the crack-down on workers and trade unions in Bangladesh. Demands included releasing 34 union activists and workers, dropping all charges and reinstating around 3000 dismissed workers. Result: an informal agreement was reached for releasing unionists, reinstatement of workers, but *no* time-line for dropping all

Wages

Achieving Living Wage is a priority for CCC. In July 2017 CCC formed a Working Group with partners and allies on developing Global Campaign strategies. CCC published Europe's Sweatshops Report documenting endemic poverty wages and other stark working conditions in Eastern and South-Eastern Europe. SKC released a Dutch translation. SKC and ICN mobilized 11,000 people calling on Dutch brands and Ministry to ensure Indian garment workers get a living wage (after publishing our joint research in 2016) and handed over the signatures to the Minister.

Workers Safety

The CCC continued work on remediation for factory closures under the Bangladesh Accord, through using its complaint mechanism and engaging with the Steering Committee.

At the occasion of the 4th anniversary of the Rana Plaza the CCC network organised street actions and lobbied the EU focusing on the extension of the Bangladesh Accord. In consultation with Bangladeshi partners, CCC and the other Witness Signatories proposed the extension and strengthening of the Accord. The three year renewal -transition Accord 2018 covers a guarantee on Freedom of Association in the listed factories, and remediation, including the protection of wages, in cases of factory closure. By the end of 2017, around fifty brands signed the Transition Accord 2018 and more brands are to follow. A breakthrough settlement for US\$ 2.3 million was reached in an arbitration case under the Accord.

An agreement was reached with Kik textilien for US\$5.6 million compensation for the victims of the Ali enterprises factory fire in Pakistan in 2012. CCC and partners worked with ILO to set the parameters for payout.

Transparency

CCC launched a public campaign #GoTransparent with a coalition of allies (CCC, HRW, ICAR, ILRF, WRC, Maquila Solidarity Network, IndustriAll, ITUC, UNI Global Union) for a Transparency Pledge targeting over 70 brands to publish their supply chain. 70.000 signatures and public pressure lead to several more brands publishing data, and a shift towards increased supply chain transparency as the norm. In July 2017, SKC published a position paper on Transparency including recommendations for brands and the Dutch and European governments.

The SKCs pop-up sweatshop in The Hague attracted much interest from the public and Dutch and EU parliamentarians, the public was asked to sign a petition demanding more transparency from brands.

In April the European Parliament adopted a motion demanding mandatory due diligence in the textile sector and mandatory transparency in the supply chain. The Dutch Covenant on Sustainable Garments and Textiles published an aggregated list of production sites and first annual report. From the outset, however, the SKC and SOMO have been critical about the lack of transparency: the annual report does not disclose information on the risks, priorities, actions taken and plans for improvement by the companies.

Lobby & Advocacy

CCC, in collaboration with SOMO jointly formulated recommendations to Fair Wear Foundation to improve the Myanmar policy based on SOMO's 2017 report "The Myanmar Dilemma".

Dutch Parliament questions have been raised in relation to the Bangladesh crackdown, transparency in supply chains, the first annual report of the Dutch Agreement, the 2018 Transition Accord, different reports including SKC's publication on European Sweatshops, ICN's publication Fabric of Slavery and SOMO's report The Myanmar Dilemma.

The CCC participated and contributed to UN and intergovernmental policy meetings: at the International Labor Conference in Geneva discussing Bangladeshi worker rights, FoA crackdown in Bangladesh and other countries; the OECD round-table Due Diligence in Garment Sector; and presenting and contributing to sessions at the UN Forum on Business and Human Rights.

Network Building

In 2017, the CCC Global network and regional coalitions were strengthened with strategic meetings and trainings. The South Asia regional meeting concentrated on GSP/GSP+. The East Asian and South-East Asian (SEA) regional meetings focused on shrinking space for civil society, in South East Asia (SEA) this included also how workers' rights are undermined through new forms of precarious employment relations. This was the official start of the SEA regional coalition. Other Regional Coalitions welcomed new members and discussed new strategies.

GSP – Trade

The European Union Generalised Scheme of Preferences (GSP/GSP+) allows developing countries to export their goods to the European market with reduced or tariffs free access. These preferences are granted to producing countries with a requirement to ratify and implement core international conventions relating to human and labour rights, environment and good governance. In reality the absence of a systematic monitoring on the implement these requirements allows countries to ignore and violate these rights while enjoying the trade benefits.

CCC organised a visit for two European parliamentarians to Sri Lanka, and lobbied the EU for better implementation. The Sri Lankan government committed to allowing trade union access to export processing zones, as well as to a revision of the labour law. After pressure, the Minister of Labour expressed commitment to ensure that at least 50 per cent of the benefits of the GSP+ status will go to the workers.

CCC/SKC lobbied the European Union to start a trade investigation under the GSP 'Everything but Arms' scheme – which allows Bangladesh preferential access to the EU market. So far the European Commission has not taken that path, but the concerns are widely noted. In a letter in March 2017, the European Union urged the Bangladeshi government to improve the labour situation before the annual review of the Sustainability Compact between Bangladesh, the EU and the ILO, followed up by a second memo.

In November CCC, IndustriALL and ITUC called upon the EU to include labour conditions in its reconsideration of trade agreements with Sri Lanka (GSP +).

CCC joined GSP Reform Platform, coalition to work on GSP midterm review.

Profile

SKC/CCC is a network organisation consisting of a strong international partner network. The network consists of trade unions and civil society organisations (women's organisations, consumer organisations, research institutes, fair trade organisations, solidarity groups, youth organisations, churches etc.). Our international partner network comprises civil society organisations, trade unions, individuals and institutes in most countries where garments are produced. SKC/CCC also works in association with sister organisations in countries including the United States of America and Canada. This network model was explicitly chosen even though it means that the name SKC/CCC will sometimes feature less prominently. Collaboration with organisations that have a considerable constituency after all means a wider reach and greater impact.

The SKC/CCC office in Amsterdam consists of three teams: the International Office (CCC-IO), the Dutch Secretariat (SKC) and administrative support (the Bureau).

In 2017 the average number of employees was 15.5 FTEs. In January headcount was 15.3 FTEs and in December 16.4 FTEs were employed. In addition a staff member from the Work and Income Department of the municipality of Amsterdam works at the Office under a four-day secondment contract.

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The International Office (CCC-IO)

- coordinates international activities and campaigns;
- facilitates the development of network strategy and policy;
- facilitates the structure of international campaigns and communication;
- is responsible for publications, makes information accessible to a wide audience and conducts research or commissions an external agency to carry out research;
- provides training to the network.

The Dutch Secretariat (SKC)

The Dutch Secretariat is engaged in raising awareness and activating the Dutch public through activities such as providing information and conducting campaigns. Furthermore SKC actively lobbies among Dutch clothing firms and contributes to seeking constructive solutions for implementing socially responsible choices in their supply chain. SKC also supports workers and their organisations with urgent appeals in which Dutch companies are involved. Lastly, SKC calls for the Dutch government to formulate and implement effective corporate accountability legislation and to ensure that the government itself conducts a responsible procurement policy.

The Bureau

The office provides services to the Dutch and International Secretariats and is responsible for finance, planning and monitoring planning, quality assurance, administrative duties, human resource policy, ICT, maintaining websites and providing other facilities. The office also serves as the general contact centre for the organisation.

The Board

The SKC/CCC governance principles are set out in the Articles of Association and in further regulations. The organisation has a five-member Board. The Board members do not receive remuneration, a salary or any other form of compensation from the organisation. Board members are entitled to claim reasonable expenses incurred for the performance of their position.

The Board's duties are as follows:

- monitoring the financial situation, and adopting the annual budget and financial and other reports;
- responsibility for human resource policy;
- supervising the performance of the International and Dutch Secretariats and monitoring implementation of the annual plan;
- Supporting the International and Dutch Secretariats in implementing various campaigns.

Composition of the Board

Evert de Boer

Board member since 1995, expiry of current term of office: June 2018.

Position: chair and responsibility for supporting human resource policy.

Evert de Boer has been working as coordinator of the Philippine Solidarity Group Netherlands since 1987. In the 1980s he was involved in campaigns supporting the garment workers in the Philippines who had opposed the closure and relocation of the factories where they worked. One campaign led to the decision to launch the Clean Clothes Campaign. He thus was one of the founders of the Clean Clothes Campaign in 1989. He has actively participated in the Clean Clothes Consultation and the Clean Clothes Platform since launch.

From 1995 he was also closely involved in setting up the Fair Wear Foundation (FWF).

Hester Klute

Board member since December 2009, expiry of current term of office: December 2018.

Position: secretary and Human Resource adviser.

After having worked in public relations, marketing and communication, coordination and business management in the cultural sector for a decade, Hester Klute took up a new position at Ideëel Organiseren, an event management agency, in 1999. She subsequently joined the VARA Broadcasting Association where she was responsible for membership recruitment and retention as well as marketing communication for RTVI programmes featuring nature and the environment, drama and culture, and information and debate. She coordinated financial matters for the Communication and Marketing Department and organised 'Op weg naar Het Lagerhuis' (On the road to the Lower House of the Dutch Parliament), a large-scale debating contest for secondary school pupils. She currently works as a fundraiser for Médecins sans Frontières.

Just van der Hoeven

Board member since March 2011, expiry of current term of office: March 2017.

Position: general member of the Board and legal affairs adviser.

After having worked as a project team member for Nederland Bekent Kleur, Amsterdam Anders/De Groenen and after a brief stint at the Clean Clothes Campaign (Play Fair 2002 FIFA World Cup), Just van der Hoeven joined the Equal Treatment Commission in the role of legal policy adviser. He subsequently worked for the Legislation Advisory Department of the Netherlands Council of State as parliamentary draftsman. He currently works in the Private Law sector of the Legislation and Legal Affairs Department at the Ministry of Security and Justice. He also serves as deputy secretary for the Parenthood Government Review Commission. Board membership offers him an opportunity, alongside legislation, to devote efforts towards achieving more tangible fair trade objectives.

Sjef Stoop

Board member since January 2013, expiry of current term of office: January 2019.

Position: treasurer.

Sjef Stoop began working for SOMO, the Centre for Research on Multinational Corporations in 1990. In 2000 he moved to FNV Formaat to take on the role of trainer/adviser for European Works Councils. From 2003-2007 he worked as International Verification Coordinator for the Fair Wear Foundation. In 2007 he returned to FNV Formaat where he also initiated projects themed around Corporate Social Responsibility. Moreover he still feels strongly committed to initiatives aimed at improving the position of garment workers.

Nina Ascoly

Board member since September 2013, expiry of current term of office: September 2019.

Position: general member of the Board and campaign adviser.

Nina Ascoly worked for the Clean Clothes Campaign for 12 years (1998-2010). Her wide-ranging activities include developing the international network. In the first few years she was mainly involved in setting up and expanding the Urgent Appeal Network. She has been working for Friends of the Earth International as international programme facilitator since 2010. In that capacity she develops international strategies and campaigns for ecologically sustainable and fair alternatives to the current global neoliberal model.

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Financial Statements

Budget versus actual variance analysis

The difference between the 2017 budget and the actual spendings is explained as following. A global meeting on the Urgent Appeals system was postponed from November 2017 to January 2018, due to change of location in response to changing political context in the South-East Asian region. In addition, several lobby and advocacy opportunities were used that required less expenses on activities, but instead relied primarily on staff time.

Financial position

SKC/CCC is a member of the Fair Green and Global Alliance. This Alliance has a Strategic Partnership with the Ministry of Foreign Affairs concerning Lobby and Advocacy for the period 2016 - 2020. The Strategic Partnership remains SKC/CCC's main source of funding. Mid-2017 the Women *Power* Fashion project with Mama Cash, funded by the Dutch Postcode Lottery, ended. However, by the end of 2017 the US based NOVO foundation approved a grant for 3 years to CCC and allies to continue its work on living wages, worker safety and urgent appeals.

In 2018 fund-raising efforts will continue; SKC/CCC aims to have a yearly budget of approximately €2.000.000.

SKC / CCC's equity as at 31 December 2017 amounted to € 539,390. The organisation posted a result of € 59,595 for 2017. The result will be added to equity/earmarked reserves.

Fund-raising costs amounted to € 56,374 in 2017 and mainly concern staff costs. SKC/CCC acquires funds almost entirely by applying for grants rather than relying, for instance, on the generosity of the Dutch public.

Investment policy

SKC/CCC holds no shares or bonds. Any funds not required immediately are credited to the organisation's savings account. SKC/CCC has expressly chosen to take out a savings account with ASN Bank since the bank's objectives are in line with the organisation's vision.

Volunteer policy

SKC/CCC works with volunteers on a regular basis. Before undertaking activities for the organisation, an intake interview is first conducted with prospective volunteers. The organisation also contacts their references. Prospective volunteers must sign a volunteer agreement which sets out agreements on various aspects including a modest volunteer allowance.

Evert de Boer
Chairman of the Board

SKC / CCC
Budget 2018

Activities	IO / International Office		2018
		Living Wage	€ 211,452
		Occupational Health & Safety	€ 169,306
		Lobby & Advocacy	€ 107,082
		Partner & Network	€ 1,049,486
		Employment Relations	€ 68,085
		Public Outreach	€ 135,137
		Urgent Appeals & Review	€ 418,585
	Total IO		€ 2,159,134
	SKC / Dutch Secretariat		
		Bedrijven	€ 99,690
		Politiek en Partners	€ 116,372
		Public Outreach	€ 95,607
	Total SKC		€ 311,669
Management & Administration		€ 280,429	
		€ 280,429	
		€ 2,751,232	

In:	2018	
Dutch government	€ 1,779,769	
Novo/Tides	€ 971,455	
Private Funds	€ 22,000	
Interest	€ 500	
Total	€ 2,773,724	
Result	€ 22,492	

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2017 FINANCIAL STATEMENTS

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STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

BALANCE SHEET

	31-Dec-17		31-Dec-16	
	€	€	€	€
FIXED ASSETS				
Fixtures and fittings	2,745		6,731	
Total fixed assets		2,745		6,731
CURRENT ASSETS				
Receivables and prepayments	85,308		93,837	
Cash and cash equivalents	1,284,450		1,500,608	
Total current assets		1,369,757		1,594,445
TOTAL ASSETS		1,372,502		1,601,177
RESERVES				
Continuity reserve	472,652		409,212	
Earmarked reserve for operating assets	2,745		6,731	
Earmarked reserve for NPL activities	53,497		53,497	
Earmarked reserve for accrued training budget	10,496		10,355	
Total reserves		539,390		479,795
Current liabilities	833,112		1,121,382	
Total current liabilities		833,112		1,121,382
TOTAL LIABILITIES		1,372,502		1,601,177

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STATEMENT OF INCOME AND EXPENDITURE

INCOME	Actual 2017		Budget 2017	Actual 2016	
	€	€	€	€	€
Income from private individuals	27,350		25,000	32,186	
Income from government grants	1,492,283		1,668,673	1,270,257	
Income from lottery organisations	272,684		270,012	567,316	
Sum of raised income	1,792,317		1,963,685	1,869,758	
Other income	764		2,000	1,500	
TOTAL INCOME		1,793,080	1,965,685		1,871,258
EXPENDITURE					
Staff costs	969,737		992,613	914,930	
Accommodation costs	55,039		62,000	52,789	
Office and general expenses	102,698		76,538	91,965	
Direct campaign costs	608,589		807,216	746,076	
TOTAL EXPENDITURE		1,736,063	1,938,367		1,805,761
Result before financial income and expenditure		57,017	27,318		65,498
Balance of financial income and expenditure		2,578	2,500		5,203
RESULT		59,595	29,818		70,701
APPROPRIATION OF THE RESULT					
Added to the continuity reserve		63,440			70,046
Charged to the earmarked reserve for operating assets		-3,986			-3,256
Charged to the earmarked reserve for NPL		-			-378
Added to the earmarked reserve for accrued training budget		141			4,289

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ACCOUNTING POLICIES AND DETERMINATION OF THE RESULT

1. General

Stichting Schone Kleren Campagne (SKC) was founded on 27 September 1991. The objects of the organisation are: to contribute to improving the working conditions in the global garment industry, particularly in the low-wage countries. To perform everything related or conducive to the foregoing, in the broadest sense.

2. Dutch Guideline for Financial Reporting by Fund-raising Institutions

The Annual Report has been drawn up in accordance with the format set out in Guideline C1 'Kleine organisaties zonder winststreven' for financial reporting published by the Dutch Accounting Standards Board (DASB).

3. Accounting policies and determination of the result

Unless stated otherwise, the balance sheet items are carried at face value. Income and expenditure are based on historical cost and revenues are allocated to the year to which they relate, unless stated otherwise. To the extent anticipated, account has been taken of receivables net of a provision for doubtful debts.

4. Tangible fixed assets

Fixtures and fittings are stated at purchase price. Depreciation is calculated as a percentage of the purchase price in accordance with the straight-line method based on the estimated economic life of the asset. The depreciation rate is 20%.

5. Reserves and funds

Total equity is available for allocation to SKC's objectives.

6. Management and administration costs

Management and administration costs are costs incurred by the organisation for the purpose of internal control and keeping the accounts. They are not allocated to the objectives or income generation.

7. Determination of the result

The result is determined as the difference between the income and expenditure allocated to the year.

Charitable and other donations are recognised in the year of receipt.

Grants are recognised in the same period in which the costs were incurred.

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STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

NOTES TO THE BALANCE SHEET

FIXED ASSETS

	31 December 2017	31 December 2016
	€	€
Fixtures and fittings		
Opening balance		
Purchase cost	32,417	31,082
Accumulated depreciation	-25,685	-21,095
Book value	6,731	9,987
Capital expenditure in the financial year	-	1,335
Depreciation in the financial year	-3,987	-4,591
Total movements	-3,987	-3,255
Closing balance		
Purchase cost	32,417	32,417
Accumulated depreciation	-29,672	-25,685
Book value	2,745	6,731

CURRENT ASSETS

	31 December 2017	31 December 2016
	€	€
Receivables and prepayments		
Debtors	-	681
Amounts due from partners	15,934	20,536
Grants receivable	-	-
Loans to partners	-	20,000
Deposit	8,060	7,650
Interest receivable	2,563	5,265
Sick pay receivable	711	-
Prepaid expenses	58,039	39,699
Staff	-	5
	85,308	93,837

The post 'amounts due from partners' represents the difference between advances granted and amounts reported.
The deposit relates to three months' rent and Post NL.

	31 December 2017	31 December 2016
	€	€
Cash and cash equivalents		
ASN	1,203,956	1,448,691
ING	1,411	23,638
Triodos	78,280	27,574
Cash in hand	803	705
	1,284,450	1,500,608

Cash and cash equivalents are payable on demand.

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Reserves

	2017	2016
	€	€
Continuity reserve		
Opening balance	409,211	339,166
Result for year	63,440	70,046
Closing balance	<u>472,652</u>	<u>409,212</u>

The organisation aims to hold a minimum general reserve to cover six-months staff, accommodation and office costs. In 2017 this would amount to € 1,127,474 x 50% = € 563,737. At the end of the 2017 there is a discrepancy between this aim and the general reserve of € 563,737 less € 472,562 = € 91,085

Earmarked reserve for operating assets

Opening balance	6,731	9,987
Transfer to/from	-3,986	3,256-
Closing balance	<u>2,745</u>	<u>6,731</u>

This earmarked reserve was formed for the purpose of replacing fixtures and fittings.

Earmarked reserve for NPL activities

Opening balance	53,497	53,875
Transfer to/from	-	378-
Closing balance	<u>53,497</u>	<u>53,497</u>

The earmarked reserve was formed for the purpose of performing activities in accordance with the Nationale Postcode Loterij (NPL) contract of 4 March 2014. The reserve will be spend on those activities in the years to come.

Earmarked reserve for training budget for individual employees

Opening balance	10,355	6,066
Transfer to/from	141	4,289
Closing balance	<u>10,496</u>	<u>10,355</u>

Each employee is entitled to an individual training budget to which the organisation makes a contribution each year. This earmarked reserve represents the total amount of accrued entitlements for all employees.

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	31 December 2017	31 December 2016
	€	€
Current liabilities, accruals and deferred income		
Creditors	66,544	64,596
Amounts payable to partners	40,586	99,122
Statutory payroll tax and social security contributions	22,192	34,188
Pension contributions payable	1,486	249
Grants to be spent	597,112	831,501
Amount reserved on account of holiday entitlement	26,991	28,585
Amount reserved on account of holiday pay	45,002	38,484
Net salary	-	8,010
Accrued expenses	33,198	16,646
Advances	-	-
	<u>833,112</u>	<u>1,121,382</u>

Amounts payable to partners relate to the difference between the advances granted and amounts reported in 2015 and 2016.

Liabilities not shown on the balance sheet

A 4.5 year rental contract was signed for the office on Nieuwezijds Voorburgwal 292, Amsterdam, taking effect on 1 July 2016 and expiring on 31 December 2020. The annual rent is € 54,399, the total liability until the end of the contract is € 217,596. For the office in Brussels a 10 year rental contract was signed, taking effect on 1 October 2017 and expiring on 30 September 2026. The annual rent is € 4,680, the total liability until the end of the contract is € 45,630.

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**STATEMENT OF INCOME AND EXPENDITURE
INCOME**

	Actual 2017 €	Budget 2017 €	Actual 2016 €
Income from private individuals			
Donations and gifts	27,350	25,000	32,186
	<u>27,350</u>	<u>25,000</u>	<u>32,186</u>
Income from government grants			
Europe Aid: Living Wage - Empowering Workers (2012-2016)	-	-	95,401
Ministry of Foreign Affairs-DGIS (2016-2020)	1,492,283	1,668,673	1,174,856
	<u>1,492,283</u>	<u>1,668,673</u>	<u>1,270,257</u>
Income from lottery organisations			
NPL Mama Cash	272,684	270,012	567,316
	<u>272,684</u>	<u>270,012</u>	<u>567,316</u>
Other income			
Proceeds from merchandise and other income	764	2,000	1,500
	<u>764</u>	<u>2,000</u>	<u>1,500</u>

EXPENDITURE

	Actual 2017 €	Budget 2017 €	Actual 2016 €
Staff costs			
Salary costs	709,880	703,554	636,114
Social security charges	116,916	124,286	100,755
Pension charges	64,243	68,513	52,924
Sick pay insurance/incapacity for work	32,789	43,760	26,106
Payments from sickness insurance	-25,622	-	12,922
Travel and subsistence expenses	27,540	25,500	20,679
Temporary employees/agencies	5,769	3,500	44,172
Volunteers	1,650	2,000	4,063
Other staff costs	36,570	21,500	43,039
	<u>969,737</u>	<u>992,613</u>	<u>914,930</u>

Payments from sickness insurance are not taken into account in the budgeting process.

Accommodation costs

Office rent	46,916	45,000	37,718
Energy	9,973	14,000	8,662
Fixed costs	1,849	3,000	6,410
	<u>55,039</u>	<u>62,000</u>	<u>52,789</u>

By the end of 2017 CCC started renting extra office space in Belgium.

In 2016 CCC was invoiced for municipal taxes for the years 2014-2016. Part of this was successfully reclaimed in 2017.

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	Actual 2017 €	Budget 2017 €	Actual 2016 €
Office and general expenses			
Office	1,668	1,450	13,496
Business entertainment expenses	1,043	1,000	832
Print and photocopying costs	757	1,000	1,139
Communication	5,162	2,800	3,474
Insurances	2,179	2,100	1,355
Accounting costs and auditor's fees	53,280	41,200	44,924
IT	4,562	5,000	3,205
Consultancy fees	18,157	12,000	1,511
Depreciation	3,987	3,987	4,591
Board costs	18	-	-
Other general expenses	11,885	6,001	17,439
	<u>102,698</u>	<u>76,538</u>	<u>91,965</u>

The audit fee has gone up in 2017 due to changes in legislation. Consultancy fees are higher than budgeted due to hiring a consultant for organisational advice. The post 'other general expenses' mainly consists of costs for the acquisition of grants (i.e. € 6,311) at the same time € 9,515 was contributed by the CCC partners for an grant application in 2016.

	Actual 2017 €	Budget 2017 €	Actual 2016 €
Balance of financial income and expenditure			
Interest income	<u>2,578</u>	<u>2,500</u>	<u>5,203</u>

Report for "Wet normering topinkomens" (WNT)

On 1 January 2013 the "Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector (WNT)" Act came into force. From 1 January 2016 this law applies to the Stichting Schone Kleren Kampagne / Clean Clothes Campaign (SKC/CCC). The report below is prepared in line with the applicable regulation for SKC/CCC in 2016.

The maximum remuneration according to the WNT for SKC/CCC in 2017 is € 181,000. The reported maximum amount per person is calculated based on the full-time equivalent in the labor agreement of the person concerned. The full-time equivalent can never exceed 1.0. For members of the Board, a maximum of 15% (chairman) or 10% (other members) of the maximum amount for executives applies.

Remuneration executives ("leidinggevende topfunctionarissen")

Stichting Schone Kleren Kampagne / Clean Clothes Campaign is a flat organisation with self-steering teams. The organisation does not have executives as defined by the WNT. Mutatis Mutandis one could say that all employees are executives as defined in the WNT. All employees earn the same salary regardless of their function, job title or seniority. This salary is well below the allowed maximum remuneration. In the below table an overview is given of the remuneration of a randomly selected employee:

amounts x € 1		N.P. Roeland
Job title		Coordinator
Employed whole 2017?		yes
Part-time percentage		0.8889
(Former) executive?		no
(Fictitious) labour contract?		yes
Remuneration		
Remuneration including taxable expense allowance		39,239
Provision post-employment benefits		4,601
<i>Subtotal</i>		43,840
Individual applicable remuneration maximum		160,891
-/- Undue payments		-
Total remuneration		43,840
Comparison 2016		
Employed whole 2016?		yes
Part-time percentage		0.8889
Remuneration		38,880
Taxable expense allowances		-
Provision post-employment benefits		4,047
Total remuneration 2016		42,927

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Salary board

The members of the Board do not receive payment for their duties.

Remuneration of other individuals

In addition to the above persons there are no persons who in 2017 received a salary above the Individual applicable remuneration maximum. There are no severance payments paid in 2017 to other officers to be disclosed by the WNT, or paid in previous years that should be disclosed by the WOPT or the WNT.

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Amsterdam, 10 APR, 2018

paraaf voor identificatiedoeleinden:

STICHTING SCHONE KLEREN CAMPAGNE/CLEAN CLOTHES CAMPAIGN

OTHER INFORMATION

STATUTORY PROVISIONS GOVERNING PROFIT APPROPRIATION

The articles of association of the Stichting do not stipulate any provisions governing the appropriation of result.

APPROPRIATION OF RESULT

By decision of the board the result of € 59,595 will be added to the reserves.

AUDITORS REPORT

See next page

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REGISTERACCOUNTANTS

Amsterdam, 19 APR. 2018

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paraaf voor identificatiedoeleinden:

INDEPENDENT AUDITOR'S REPORT

To: the Management Board of Stichting Schone Kleren Kampagne/
Clean Clothes Campaign.

A. Report on the audit of the financial statements 2017 included in the annual report

Our opinion

We have audited the financial statements 2017 of Stichting Schone Kleren Kampagne/Clean Clothes Campaign based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Schone Kleren Kampagne/Clean Clothes Campaign as at 31 December 2017 and of its result for 2017 in accordance with the Guidelines for annual reporting C1 "Small not-for-profit organisations" of the Dutch Accounting Standards Board and the Policy rules implementation of the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2017;
2. the statement of income and expenditure for 2017; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing as well as the Policy rules implementation WNT, including the Audit Protocol WNT. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Schone Kleren Kampagne/Clean Clothes Campaign in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

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B. 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.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

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. Management is responsible for the preparation of the other information, including the management board's report, in accordance with the Guidelines for annual reporting C1 "Small not-for-profit organisations" of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting C1 "Small not-for-profit organisations" of the Dutch Accounting Standards Board and the Policy rules implementation of the Public and Semi-public Sector Senior Officials (Standard Remuneration) Act (WNT). Furthermore, the Board is responsible for such internal control as the Board 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 is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

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

Our responsibilities for the audit of the financial statements

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

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



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

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, as well as the Policy rules implementation WNT, including the Audit Protocol WNT, ethical requirements and independence requirements. Our audit included e.g.:

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

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

Amsterdam, 19 April 2018

Dubois & Co. Registeraccountants

G. Visser RA



INDEPENDENT AUDITOR'S REPORT

To: the Management Board of Stichting Schone Kleren Kampagne/
Clean Clothes Campaign.

A. Report on the audit of the financial statements 2017 included in the annual report

Our opinion

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Amsterdam, 19 April 2018

Dubois & Co. Registeraccountants

Signed on original by:
G. Visser RA