

# Financial **statement**

2020



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# Director's **report**

Help a Child is a Christian international aid organization that was set up in the Netherlands in 1968. Our mission is to create a future for children in need, their families and their entire community. By empowering vulnerable communities, we help them make sustainable improvements to their living conditions and unlock opportunities for the future.

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Help a Child operates in regions where poverty is widespread and in disaster or conflict-afflicted areas where children and families are especially vulnerable. Working in co-operation with various Dutch, international and local organizations, we are pursuing our mission in India, Kenya, Ethiopia, Malawi, Burundi, Rwanda, the Democratic Republic of the Congo, Somalia, South Sudan and Uganda.

Together with expert organizations, charitable trusts and institutional donors, Help a Child develops innovative programmes across fields as diverse as youth and work, early childhood development and child protection. Help a Child is supported by a broad-based constituency comprising individuals, churches, charitable foundations, businesses and schools.

## **Our mission**

Help a Child creates a future for children in need, their families and their entire community.

## **Our vision**

As a Christian non-profit organization, we want all children – regardless of their origin, colour, race, creed or gender – to enjoy a life of dignity, love and opportunity.

Help a Child ("Red een Kind" in Dutch) is a charitable foundation established in 1968 and located at George Stephensonstraat 11, Zwolle, the Netherlands. The foundation is registered with the Chamber of Commerce under number 41022454. The Netherlands Tax and Customs Administration has designated Help a Child as

a Public Benefit Organization, the Dutch equivalent of registered charity status.

## **Governance**

### **Management**

In 2020 the Board of Directors of Help a Child consisted solely of the CEO, Andries Schuttinga. He managed the organization in accordance with a set of regulations covering such matters as avoiding conflicts of interest and the adequate separation of duties.

The Board of Directors is responsible for the organization's policy and its implementation. That policy is formulated and monitored by the Board of Directors, in conjunction with the departmental managers. They jointly make up the management team (MT), which in principle meets once every two weeks. The Board of Directors ensures that the Supervisory Board is provided promptly with all necessary information for the effective fulfilment of its supervisory role.

### **Supervisory Board**

The Supervisory Board consists of six members. They, too, work in compliance with a set of regulations. These outline their relationship with the Board of Directors, whilst again also containing provisions to avoid conflicts of interest and ensure the separation of duties. Various advisory committees provide the Supervisory Board with information on specific policy areas, such as fundraising, programmes and finance.



## Composition of the Board of Directors and Supervisory Board

As of 31 December 2020, the Board of Directors of Help a Child had one member.

### A. M. Schuttinga, CEO

Other relevant positions: • Board Member of Help a Child US, Oregon WI (United States of America) • Board Member of Radio Uzima, Dodoma (Tanzania) • Member of the Supervisory Board of the Dutch Relief Alliance Subsidy Funds Management Foundation

As of 31 December 2020, the Supervisory Board comprised the following members.

### F. R. Witteveen, Chair (until May 2024, not available for reappointment)

Other relevant positions: • Chair of the Supervisory Board of ROC Graafschapcollege Doetinchem (regional training college) • Vice-chair of the Supervisory Board of Manna Care Group, Twente Region • Owner of Witteveen Coaching en Advies (consultancy) • Member of the National Disputes Committee for the Social Domain • From June 2020: independent Chair of the Alliance of Secondary Schools in the Slinge-Berkel Region

### B. P. Hidding, Chair of the Finance Committee (until November 2022, not available for reappointment)

Chair of the Board of Flynth Adviseurs en Accountants  
Other relevant positions: • Chair of the Supervisory Board of Rabobank Apeldoorn (co-operative bank) • Member of the Supervisory Board of Rabobank Utrecht (co-operative bank) • From 2020: member of the Supervisory Board of ROC Graafschapcollege Doetinchem (regional training college)

### G. W. Bastiaan (until July 2022, not available for reappointment)

Nursing specialist in mental healthcare, Therapeutisch Centrum Flevoland • Special-needs education specialist • Living with special needs co-ordinator for local authorities • Founder of HouvASS (special-needs schooling and guidance)

Other relevant positions: • Director, SAam Home Front Committee (aid organization for South Africa)

### C. van Weelie (until 2024, not available for reappointment)

Communication trainer • Owner of Grow2Care (training and coaching)

Other relevant positions: • Chair of the Council of Silokerk Baptist Church, Utrecht • Chair of the Client Council of Holland Residential Care Home, Baarn

### F. H. Slingerland (until 31 December 2021, available for reappointment)

General Manager, RE&FM, at Royal Flora Holland (flower auction)

Other relevant positions: Member of the Advisory Board of Pim Mulier, Arnhem (occupational health consultancy) • Member of the Executive Board of the Responsible Market Practices Code Foundation

### A. Wittekoek (until 31-12-2023 – available for reappointment)

CEO of Waste Vision Rotterdam

Other relevant positions: • Member of the Neuhofen Contact Committee (CCN) and, in that capacity, member of the Austria Reformation Support Foundation (SSRO)

## Remuneration policy

The remuneration policy for the Board of Directors, employees and members of the Supervisory Board is set out in the financial statements.

## Risks

Financial risk acceptance within Help a Child is limited. As a civil-society organization largely funded by a faith constituency, we cannot allow ourselves to take significant risks. This is thus the guiding principle in our financial policy, under which we operate a very conservative investment strategy and keep our foreign-exchange exposure to a minimum by entering into contracts denominated in euros whenever possible. In addition, we have a range of procedures to manage our risk exposure in respect of integrity, fraud, corruption and donor satisfaction as effectively as possible.

We plan our activities with a close eye on current trends and developments, both within Help a Child and in the world at large.

The world around us is full of social unrest, and populism is setting the political tone in many countries. Citizens are understandably concerned about their personal safety and the stability of wider society. Civil-society organizations, too, are worried about the potential impact of political developments on their work.

Even in the Netherlands, we are seeing developments which exacerbate the risks to our work. These include the sometimes negative image of development aid, a rising tide of populism and growing individualization and secularization.

In 2020 we finalized our Strategic Plan for 2021-2024. In compiling this, we paid a lot of attention to our stakeholders, trends and Help a Child's strengths and weaknesses.

Each year we define the major strategic and operational risks faced by Help a Child. These are then presented to and discussed with the management team and the Supervisory Board, along with possible measures to counter them.

In 2020, the major risks identified included the following.

- Help a Child is relatively small, whereas donors seem to prefer to contract with larger NGOs. This may impact our ability to remain relevant for donors. On the other hand, being small also has the advantage of keeping us relatively agile and better positioned for innovation. To mitigate this risk, we need to further investigate and commit ourselves to strategic partnerships.
- As a relatively small organization, it is also difficult to continue to grow in the highly competitive market of NGOs appealing to private donors. For this reason we will try continuously during the new strategic period to find novel means to engage with our constituency and will keep exploring new giving models.
- Within our institutional funding portfolio, we are strongly reliant on the Dutch Ministry of Foreign Affairs and more specifically on the Dutch Relief Alliance. This makes us vulnerable in the longer term when it comes to safeguarding the continuous funding of our programmes. Our future IF strategy will therefore emphasize the diversification of our portfolio with the aim of securing more funding from, for example, EU and UN-related donors.

Other strategic risks include the shift of institutional funding towards countries of the Global South and our ability to cope with additional overheads when becoming more dependent on IF and the requirements of this type of donor.

Externally, close to home we are faced with the reality of a shrinking Christian community in the Netherlands. In the field, relevant external factors include political instability in many of the countries where we are active as well as the impact of climate change on those nations and the beneficiaries we are working with in them.

We have also identified operational risks, primarily in respect of compliance, fraud, corruption and security, not only physically in high-risk countries but also virtually in our own IT systems (data breaches, cyber risks).

We have various procedures and internal control mechanisms in place to mitigate these operational risks. In 2020 we were audited on most of them during the FPA audit. Its outcome showed that we have adequate procedures and policies in place, but need to make improvements when it comes to ensuring compliance with them.

## Objectives and Results for 2020

Based on our long-term strategic plan, each year we draw up an outline annual plan and then work out the specific details for each department and country. The progress of the annual plan is also discussed by the Supervisory Board. Below you can read our objectives for 2020 and the extent to which these were achieved, postponed or revised.

### Covid-19




Naturally, Covid-19 had consequences for Help a Child in 2020. Both the parent organization in the Netherlands and our country offices had to switch rapidly to working from home, which has proven a surprising success. Our IT infrastructure has been effective in facilitating this way of working, with new channels of communication such as video calling allowing us to continue our work with country offices as far afield as the Democratic Republic of the Congo and South Sudan.

In April 2020, the country offices worked hard with partner organizations to transform our ongoing programmes into emergency relief work so that we could keep supporting the most vulnerable members of our target group. Additional funding was also raised to scale up our aid efforts. By the fourth quarter of 2020, lockdown measures were being relaxed in many locations and we could gradually return to normality whilst still ensuring that all necessary social distancing and hygiene requirements were integrated into the programmes.


At no time in 2020 did our fundraising activities suffer any adverse repercussions. Our appeal for extra donations during this critical period produced a generous response from our extremely loyal constituents. We are most grateful to them!

Clearly, we have no precise idea what the future will bring. Initial scenario planning, however, indicates that we are sufficiently robust to survive a decline in income and to deal adequately with the consequences.


## Main objectives and results in 2020

The objectives with a  have been more than 90% achieved. A  denotes that more than 50% of this objective was achieved, with further action for improvement being taken. A  means that less than 50% of this objective was achieved.

### 1. Review the roles of Help a Child

- Towards our partners.
  - Between HQ and country offices.
  - Working with non-traditional actors like businesses and research institutes.
-  This objective shows mixed results. We have made progress on all three points, but still have some finishing touches to apply. On the one hand we have substantially clarified the respective roles of HQ and the country offices by developing a management charter, and have also managed to work with more non-traditional partners. On the other, although we have been working on a partnership policy, that has yet to be completely finalized.


### 2. Decentralize

- Renew our IT systems.
  - Improve our administrative control systems and management information.
  - Catch up on HR-related backlog.
  - Make decisions about our programmes in Uganda and Ethiopia.
  - Assess the sustainability of our country offices/develop a scorecard.
-  Here again, results are mixed. We started on the renewal of our IT systems (completed in February 2021) and, with the arrival of our newly appointed HR manager, have also been able to work on the backlog in that area.
- We have decided to phase out in Ethiopia and to start the registration process to be present in Uganda.
- Our administrative control and management information systems have been improved, but are not yet at the level we want them to be. This point will continue to have our attention in 2021.


### 3. Secure funding opportunities

- Embed our disaster-response approach in our Theory of Change and look for institutional and private funding possibilities.
- Implement findings from the CHS self-audit and conduct a FPA audit.
- Expand our institutional funding portfolio.
- Experiment with the EPIC model linked to our community projects and find sources of funding for this.
- Expand the local funding by our country offices.
- Find diverse private funding methods and products.


- Become more involved in the success of our charity shops.
- Raise monthly sponsorship fees.
- Apply insights gained to continuous improvement of our private funding processes.

 We are very grateful for the way we have been able to secure funding opportunities in 2020. Despite – or perhaps because of – Covid-19, in this respect the year has been a real blessing. We have seen increases in both private and institutional funding.

### 4. Increase our impact by implementing changes

- Have all experts trained as trainers to implement our approach at grassroots level, and implement this change in the different countries.
  - Increase the motivation of sponsored children and families.
-  We had planned a kick-off conference with all relevant staff in Nairobi, Kenya, in March 2020, but this had to be cancelled because of Covid-19. As an alternative, we invested in setting up an e-learning platform with the content needed to equip our staff. We have succeeded in completing this, but have not yet been able to start the actual training. This will be done in 2021.
- We conducted a pilot by sending postcards to all ambassadors and also tried out other ways of motivating them. We still need to decide if and how we will convert these trials into a regular approach.

### Strategic Plan 2021–2025

- Finalize the strategic plan for 2021–2025.
-  The Strategic Plan 2021–2024 has been finalized, including a poster to illustrate the main objectives and an introductory video for our staff. The strategic plans for each country and for the Zwolle office have also been compiled and assessed, forming a basis for the 2021 annual plans. This project has now been closed.

## Financial results 2020 in short

In this paragraph we provide a summary of our financial results in 2020. For more details we refer to the consolidated and separate financial statements..

### Consolidated balance sheet

The balance sheet as at year-end 2020, compared with the four previous years, is as follows.

(amounts in €1.000)	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
<b>ASSETS</b>					
Intangible fixed assets	70	76	92	114	168
Tangible fixed assets	644	708	614	480	420
Financial fixed assets	507	533	382	150	149
Receivables and accrued items	1,722	2,102	696	1,785	1,171
Cash and cash equivalents	3,969	4,451	5,506	3,447	3,971
<b>Total assets</b>	<b>6,912</b>	<b>7,870</b>	<b>7,290</b>	<b>5,976</b>	<b>5,879</b>
<b>LIABILITIES</b>					
Continuity reserve	2,416	2,572	2,587	2,041	2,492
Special purpose reserves	358	370	401	245	627
Special purpose funds	1,257	873	407	512	398
Total reserves and funds	4,031	3,815	3,395	2,798	3,517
Provisions	0	0	3	11	11
Long-term liabilities	285	226	198	276	263
Short-term liabilities	2,596	3,829	3,694	2,891	2,088
<b>Total liabilities</b>	<b>6,912</b>	<b>7,870</b>	<b>7,290</b>	<b>5,976</b>	<b>5,879</b>

Receivables and accrued items decreased by €390,000 in 2020, mainly because we paid less in advance to our partner organizations for the next financial year than in 2019. On the other hand, we also received less in advance from our institutional donors. This is a major reason for the decrease of short-term liabilities of €1.23 million.

Together with the positive balance of €316,000 in 2020, this resulted in a slight decrease of €0.5 million in cash held at the end of 2020, compared with the end of 2019.

Our continuity reserve decreased slightly in 2020, mainly as a result of exchange-rate losses on the reserves of our country offices caused by the devaluation of local currencies during the year (impact €100,000). The continuity reserve still remains a healthy buffer, however, amounting to 69 per cent of the total operational costs of Help a Child (2019: 75 per cent, with an internal norm of maximum 100 per cent).

Special purpose funds rose by almost €0.4 million, due in part to the receipt of earmarked income that was not completely spent in 2020, but also in part because some contract balances were settled in 2020, thus creating means to fund future projects with the settled, earmarked amounts.

## Consolidated statement of income and expenditure

The consolidated statement of income and expenditure for 2016 to 2020, together with the budget for 2020, is summarized in the table below.

(amounts in €1.000)	2020	Budget 2020	2019	2018	2017	2016
Income from individuals	6,551	6,180	5,952	6,792	5,865	6,449
Income from businesses	556	435	425	374	503	395
Income from government subsidies	6,416	5,637	4,062	3,125	667	1,767
Income from other non-profit organizations	1,327	1,555	1,305	1,189	1,228	1,528
Income from supplied products and services	5	5	10	35	0	0
Other income	1	0	-1	2	5	57
<b>Total income</b>	<b>14,856</b>	<b>13,812</b>	<b>11,754</b>	<b>11,517</b>	<b>8,268</b>	<b>10,196</b>
Expenditure on objectives	12,885	12,741	9,795	9,490	7,638	9,550
Costs raising income	1,114	960	1,006	909	883	773
Management and administration costs	573	462	507	527	473	348
<b>Total expenditure</b>	<b>14,572</b>	<b>14,163</b>	<b>11,308</b>	<b>10,925</b>	<b>8,994</b>	<b>10,672</b>
<b>Balance</b>	<b>284</b>	<b>-351</b>	<b>446</b>	<b>592</b>	<b>-726</b>	<b>-476</b>
Net financial income and expenses	32	0	-20	-11	2	6
<b>Net income and expenses</b>	<b>316</b>	<b>-351</b>	<b>426</b>	<b>581</b>	<b>-724</b>	<b>-470</b>
<b>Cost percentages</b>		norm				
<b>Expenditure on objectives</b> as a percentage of total income	86.7%	90.0%	83.3%	86.9%	84.9%	89.5%
<b>Expenditure on objectives</b> as a percentage of total expenditure	88.4%	90.0%	86.6%	82.4%	92.4%	93.7%
Three-year moving average	87.4%	90.0%	85.4%	89.0%	88.8%	89.4%
<b>Costs raising income</b> relative to raised income	7.5%	7%-9%	8.6%	7.9%	10.7%	7.6%
<b>Management and administration costs</b> relative to total expenditure	3.9%	5.0%	4.5%	4.8%	5.3%	3.3%



The statement of income and expenditure showed a positive balance of more than €316,000 at year-end 2020, compared with a budgeted deficit of €351,000. There are two reasons for this variance.

In the first place, many outstanding balances with partner organizations were settled in 2020. These included balances that had been outstanding for some time because the partner organizations had not expended the committed funds in full. Settlements in India, Kenya and Malawi, in particular, reduced our programme expenses in these countries.

Secondly, as a result of Covid-19 many of our planned activities had to be put on hold or changed due to restrictions or different needs arising. Also, we saved significantly on travel expenses and expertise-related activities.

Overall, we are very grateful for the continuous support of our constituency. All in all, our income from private donors grew by 10 per cent.

After the first few weeks when the pandemic resulted in all kinds of restrictions in the Netherlands, we began to calculate financial scenarios of the possible negative impact of the virus. But although the measures did have some negative effects, specifically in respect of income from churches, as a whole we can conclude that our donors have remained loyal even in these exceptional circumstances. In fact, our constituency donated even more – to our special Covid-19 emergency fund, for example. In January and February, for the first time in seven years we requested our donors to increase their monthly contribution. Most responded positively and raised their contribution by approximately 10 per cent. On top of that, for the first time in many years we also saw a net growth in sponsor numbers (+153).

Our institutional funding grew as well, by almost 60 per cent compared with 2019. In this respect we remain very dependent on the Dutch Ministry of Foreign Affairs, which contributed 96 per cent of the €6.4 million in subsidies received from government sources (ARC and DRA). This growth is largely attributable to the start of our joint-response programme in Somalia, funded by the Dutch Relief Alliance (DRA). In addition, DRA funded a number of acute-response programmes in South Sudan and Somalia.

Although still to a relatively modest extent, we also secured funding from EU and UN bodies in 2020, for programmes in Burundi, South Sudan, Rwanda and Malawi. Funding under the EU contract will begin in 2021 in South Sudan.

### **Expenditure on objectives**

Expenditure on objectives as a percentage of total income and expenditure increased slightly compared with 2018 and 2019. After decentralizing our organization in 2016/2017, and as a result incurring relatively high overhead costs in 2018 and 2019, we managed to increase our income and so improve efficiency ratios. We realize that we are still not meeting our norm of 90 per cent, though, which will require even more growth.

Within our objectives, we were able to spend more on all of our five core themes. Due to our launch in Somalia and the acute-response projects, our expenditure on health, on water, sanitation and hygiene (WASH) and on nutrition grew by 150 per cent.

### **Income-generation costs**

In 2020 we invested significantly in private fundraising. Our lead-generation and marketing-automation efforts paid off in terms of growth in sponsor numbers. Other private donations also grew significantly. As we want to achieve a healthy balance between institutional and private funding, significant investment in new fundraising channels and giving models will continue to be required in the coming years.

The proportion of income-generation costs relative to income from fundraising decreased from 8.6 per cent in 2019 to 7.5 per cent in 2020 because the increase in income was higher than the rise in the cost of generating it.

### **Management and administration costs**

Management and administration costs relative to total expenditure also decreased, from 4.5 per cent in 2019 to 3.9 per cent in 2020. This is below our norm of 5 per cent. Again, this was because our overall spending grew more strongly than these costs.

# Our plans for 2021

## Our theme for 2021 is “getting ready”

This is the first year of our new strategic period. Over the next four years we will be working to achieve even more impact for even more children. To do that, we need to prepare ourselves. So that will be the dominant theme in this first year, 2021. Some elements will require lengthier preparations, whereas we can start quite quickly with others. The choices we make will also have consequences for our organization. We have defined three pillars upon which achieving our main ambition rests.

## More quality and impact

A globalized and insecure world puts pressure on our ability to create more impact for children. To ensure that we can continue to make that impact, we need to adapt our programmes and improve their quality. Here is how we want to contribute towards this main objective in 2021.

### More climate-smart programmes

We want to be much more “climate smart” in our programmes, in order to address the effects of climate change. During the first half of 2021 we will conduct the necessary research, then draw up implementation plans in the second half of the year.

### Use the best of both worlds in development and disaster response

We want to increase the quality of our development and disaster-response programmes by introducing key elements from each approach into the other. For 2021 this means making a start on implementing disaster-response aspects in India, Malawi and Burundi, whilst at the same time applying development principles within the implementation project we are funding ourselves in the Democratic Republic of the Congo.

### Be part of systemic change

We want to impact more children by being **part of systemic change at the country level**. We intend to achieve this through our Early Childhood Development (ECD) and Youth & Work areas of expertise. For 2021 that means that Malawi, Rwanda and Burundi will formulate their systemic-change approaches in respect of ECD and Y&W. For the other countries, specifically Kenya and India, we will plan how we can formalize our expertise in these two domains.

Make sure our programmes are more evidence-based. Because we want to be sure that our programmes are high in quality and create real impact, they need to be more evidence-based. For 2021 this means using previously gathered evidence on our self-help groups and

cluster-level associations to make them more effective. Besides that, we also want to develop evidence plans for our main programmatic themes.

## Strategic innovation and scale-up

We want to have more impact for more children. We feel strongly that strategic innovation and scale-up will not only help us reach this goal ourselves, but also make us a more attractive partner for other organizations.

### From ad-hoc innovation to strategic innovation and scale-up

We need to develop away from ad-hoc innovation towards **strategic innovation** and **scale-up**. In 2021 we will first do our homework on how exactly to achieve this. Also this year, we have made financial space to fund an innovation competition for our country offices and partner organizations.

### Be proactive in innovation networks and alliances

We want to participate in **innovation networks** and to **build alliances** with large partners possessing the scale-up capacity necessary to ensure that our innovative concepts achieve the scale they deserve. In 2021 we will map relevant innovation networks and potential partners, and connect with them.

### Accelerate our current approaches

We want to build **acceleration principles** into our current approaches, thus achieving greater scale with adaptations of our current concepts. In 2021 we will be researching potential acceleration methods and scale-up principles, then redesigning our current programmes to incorporate them.

## Strong positioning and collaboration for more resources

Children's needs remain high and we want to help as many of them as we can. To be more successful in raising funds, we have to make new choices and step up our current efforts.

### Increase and diversify our funding

During this strategic period we need to **increase and diversify our funding**, especially its institutional component. In this way we can generate the necessary means to double the number of children we are able to help by 2024. For 2021 this means:

- developing a smart-alliance strategy, formulating our unique selling points and by the end 2021 forging at least one new alliance;
- developing a smart networking, visibility and fund-raising strategy focusing on innovation and scale-up;
- packaging at least three of our programmes as

attractive products in their own right;

- implementing the marketing strategy developed in 2020 and investing in more digitalization and innovation; and,
- implementing our marketing automation software, expanding and professionalizing our lead generation and developing entry-level giving products.

### Strengthen our local partners

We want to strengthen our local partners and build their capacity so that by the time we leave a country they are empowered to take over our work completely.

### Reach new constituencies

We want to reach **new constituencies** in this strategic period. For 2021 this means:

- developing, testing and implementing a private-funding model for disaster-response areas in the Democratic Republic of the Congo, able to generate an income of €150,000 by the end of the year;
- co-investing in the fundraising capacity of Help a Child India with the aim of making it a funding country office by the end of the year; and,
- opening at least two Help a Child shops in the Netherlands, generating an additional income of €50,000.

### Safeguard our role as an international NGO and stay relevant

We know that the **role** of international **NGOs, particularly Western ones, is set to change** in the coming years, although it is difficult to predict exactly how. We want to monitor this development closely and so make sure that we find a way for Help a Child to stay relevant in helping children and families in need.

### Our constituency

In 2020, more than 20.000 people in the Netherlands supported our mission to help children grow out of poverty. Their trust in Help a Child, their prayers for our work and their financial contributions had a major beneficial impact for the children in our programmes. Businesses, churches, schools, charitable foundations and governments also provided invaluable support for our work.

Ever since its foundation, Help a Child has been a sponsor-based organization. By connecting people in the Netherlands with children in need, we foster a relationship which extends far beyond the act of giving or receiving financial aid. Today, this still remains a highly effective way of forging life-enhancing bonds.

Our sponsors contribute to community programmes (that is, to all the children in a community) and correspond with one of the children or families there. Besides child or family sponsorships, people can also contribute

towards a better future for children in developing countries with one-off or recurring gifts. They are actively encouraged to support our work in this way through campaigns, mailshots, online messages and events.

Due to Covid-19, a number of our programmes had to be suspended or scaled down in 2020. Instead of supporting regular activities such as self-help group sessions and meetings, different forms of assistance suddenly became very much needed. For example, extra food aid for families deprived of their work and income by the pandemic. Or additional hand-washing facilities and facemasks. To finance these urgent activities, we set up a special emergency coronavirus fund to which our supporters have given very generously.

During the online Pentecost conference "Revival", we participated in the campaign "1 Meal" together with a number of other organizations.

In the autumn we teamed up for a second year with the BCB, the industry organization for the Christian books and music sector, to organize a campaign for primary schools. They received a kit which they could use to save for their school library and for our programmes. This effort was a huge success.

From late November we once again conducted our end-of-year "Gift a Precious Animal" campaign. This has been conducted annually since 2010 and is always very popular amongst our supporters. Their donations are used specifically to help families acquire livestock.

In 2020 we sent six mailshots in the form of a letter or brochure with a pre-printed payment slip to our donors, requesting them to donate an extra gift. Various telemarketing campaigns were also undertaken, asking people to support us with a sponsorship or another type of permanent commitment. We intensified and improved our online campaigning, too, and invested in systems to make our marketing material more personal whilst at the same time increasing automation in this area.

Finally, also in 2020 we sprang into action following the devastating explosion in Beirut. Together with the other members of the Christian Emergency Relief Cluster, we were able to contribute towards reconstruction and trauma counselling work in the city.



# Consolidated financial statements

## Consolidated balance sheet

AS AT 31 DECEMBER, 2020 (after appropriation of result)

ASSETS	31-12-2020		31-12-2019	
	€	€	€	€
<b>Intangible fixed assets</b>		<b>70,069</b>		<b>75,931</b>
<b>Tangible fixed assets</b>		<b>644,074</b>		<b>707,985</b>
<b>Financial fixed assets</b>				
Other securities	9,570		88,807	
Grants receivable	360,100		313,245	
Other receivables	137,150		130,690	
		<b>506,820</b>		<b>532,742</b>
<b>Receivables and accrued income</b>				
Receivable raised income	904,221		449,736	
Pre-paid to partners	778,043		1,584,756	
Other receivables and accrued items	40,070		67,314	
		<b>1,722,334</b>		<b>2,101,806</b>
<b>Cash and cash equivalents</b>		<b>3,969,171</b>		<b>4,451,323</b>
		<b>6,912,468</b>		<b>7,869,787</b>

LIABILITIES	31-12-2020		31-12-2019	
	€	€	€	€
<b>Reserves and funds</b>				
Continuity reserve	2,415,773		2,572,141	
Special purpose reserves	358,000		370,000	
Special purpose funds	1,257,525		872,766	
		<b>4,031,299</b>		<b>3,814,907</b>
<b>Long-term liabilities</b>				
Prepayments	12,000		17,700	
Amounts payable in respect of programmes	273,533		208,239	
		<b>285,533</b>		<b>225,939</b>
<b>Short-term liabilities</b>				
Accounts payable	140,995		141,995	
Subsidies and income received in advance	1,361,413		2,668,057	
Amounts payable in respect of programmes	536,939		570,870	
Other liabilities and accrued items	556,290		448,019	
		<b>2,595,637</b>		<b>3,828,941</b>
		<b>6,912,468</b>		<b>7,869,787</b>

# Consolidated statement of income and expenditure

	2020		Budget 2020		2019	
	€	€	€	€	€	€
<b>INCOME</b>						
<b>Raised income</b>						
Income from individuals	6,550,728		6,180,000		5,951,752	
Income from businesses	556,027		435,000		424,921	
Income from government subsidies	6,416,206		5,637,165		4,062,476	
Income from other non-profit organizations	1,327,417		1,555,000		1,305,390	
	<b>14,850,379</b>		<b>13,807,165</b>		<b>11,744,539</b>	
<b>Income from supplied products and services</b>	<b>4,781</b>		<b>5,000</b>		<b>10,230</b>	
<b>Other income</b>	<b>1,367</b>		<b>-</b>		<b>-1,145</b>	
	<b>14,856,527</b>		<b>13,812,165</b>		<b>11,753,624</b>	
<b>EXPENSES</b>						
<b>Expenditure on objectives</b>						
Child Development & Protection	4,071,601		3,960,474		3,647,124	
Youth & Work	1,357,854		1,066,180		792,822	
Community Resilience	2,670,352		2,532,454		2,309,469	
Food Security and Livelihoods	1,897,687		3,532,658		1,599,689	
Health, WASH and Nutrition	2,561,780		1,193,734		1,084,063	
Information and awareness	325,410		455,789		361,326	
	<b>12,884,684</b>		<b>12,741,290</b>		<b>9,794,493</b>	
<b>Costs raising income</b>	<b>1,114,107</b>		<b>959,812</b>		<b>1,006,245</b>	
<b>Management and administration costs</b>	<b>573,131</b>		<b>461,925</b>		<b>507,442</b>	
	<b>14,571,922</b>		<b>14,163,027</b>		<b>11,308,180</b>	
<b>Balance before financial income and expenses</b>	<b>284,605</b>		<b>-350,862</b>		<b>445,444</b>	
<b>Net financial income and expenses</b>	<b>31,656</b>		<b>300</b>		<b>-19,875</b>	
<b>Net income and expenses</b>	<b>316,261</b>		<b>-350,562</b>		<b>425,569</b>	
Surplus/shortfall added to/withdrawn from						
- Continuity reserve	-56,499		-193,562		-9,236	
- Special purpose reserves	-12,000		-50,000		-30,910	
- Special purpose funds	384,760		-107,000		465,715	
	<b>316,261</b>		<b>-350,562</b>		<b>425,569</b>	

## Consolidated cash flow statement

	2020		2019	
	€	€	€	€
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income and expenses		316,261		425,569
Costs of depreciation/amortization	110,857		127,200	
Movements in receivables	379,472		-1,405,945	
Movements in provisions	-		-3,191	
Movements in long-term liabilities	59,594		28,383	
Movements in short-term liabilities	-1,233,304		134,627	
		-683,381		-1,118,926
		<b>-367,121</b>		<b>-693,357</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investments in intangible fixed assets	-14,737		-19,496	
Investments in tangible fixed assets	-48,972		-181,942	
Movements in financial fixed assets	25,922		-150,863	
Fixed assets currency differences	22,625		-3,057	
		<b>-15,161</b>		<b>-355,358</b>
<b>Net cash flow before currency and conversion differences</b>		<b>-382,282</b>		<b>-1,048,715</b>
Currency and conversion differences		-99,868		-5,888
<b>Increase (+)/decrease(-) in liquid assets</b>		<b>-482,150</b>		<b>-1,054,603</b>
Cash and cash equivalents as at January 1		4,451,323		5,505,926
<b>Cash and cash equivalents as at December 31</b>		<b>3,969,173</b>		<b>4,451,323</b>

Cash and cash equivalents decreased with more than 1 million euros. This is mainly caused by the fact that grants that were received in advance were partly transferred to our partner organizations. In 2018 we did not do this advance transfer before January 2019.

The principal incoming cash flows consist of:

- Sponsorship and other donations from individuals, companies, churches, schools and foundations;
- Subsidies from governments;
- Income from third parties and charitable trusts.

Outgoing cash flows consist mainly of payments for the programmes in Africa and India, both directly to the implementing partner organizations and through the Help a Child country offices.

The outgoing cash flow also includes payment of its office and operations of the head office in the Netherlands.



# Notes to the consolidated financial statements

## GENERAL

### Main activities

Stichting Red een Kind (in English: Help a Child) is a foundation (Chamber of Commerce, no. 41022454), having its registered office in Zwolle, the Netherlands. Our activities consist of supporting children in developing countries who have little or no chance of a decent and dignified existence.

### Applied standards

The consolidated financial statements have been prepared in accordance with Guideline 650 for Fundraising Organizations. The financial statements were drawn up on June 28, 2021.

Small rounding differences (below €1) may arise as a result of additions of amounts.

### Consolidated financial statements

The consolidated financial statements comprise the financial information of Help a Child in the Netherlands and its separate legal entities in Africa over which Help a Child has material control, namely:

Name	Office	Country
Help a Child Africa (HACA)	Nairobi	Kenya
Help a Child Burundi	Bujumbura	Burundi
Help a Child Malawi	Lilongwe	Malawi
Help a Child Rwanda	Kigali	Rwanda
Help a Child Democratic Republic of the Congo	Goma	Democratic Republic of Congo
Help a Child South Sudan	Juba	South Sudan

Due to our decentralization strategy, the aforementioned foreign entities are growing in significance. There are no differences in the accounting policies and principles for the determination of the result between the Help a Child entities in Africa and those of Help a Child. For this reason, the policies and principles used for the company only financial statements of Help a Child are not stated individually.

### Investment policy

The management of our reserves is based as far as possible on the principles described in the Financial Management Guideline for Charitable Organizations ('Richtlijn Financieel Beheer Goede Doelen') of the Dutch sector organization for charities 'Goede Doelen

Nederland'.

Temporary surpluses of liquid assets are placed in savings accounts at major banks. Through the Partos partnership, we monitor and challenge these banks about the sustainable management of the entrusted funds. Part of the assets is placed with Triodos Bank, while the other banks and notably ABN AMRO Bank have meanwhile also adopted a considerably more sustainable profile.

## GENERAL PRINCIPLES

Unless stated otherwise, the assets and liabilities are recognized at cost of acquisition or manufacture or fair value. If no specific accounting principle is given, valuation is at cost of acquisition. Income and expenses are accounted for in the year to which they relate. This principle has been added under 'Principles for the determination of the result'. All amounts are in euros unless stated otherwise.

### Use of estimates

The preparation of the financial statements requires the Board of Directors to make judgments, estimates and assumptions which influence the application of policies and the reported values of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and the underlying assumptions are assessed regularly. Whenever an estimate is revised, the revised estimate is stated in the period in which the revision was made and in future periods for which the revision has consequences.

### Currency translation policies

Transactions in foreign currencies are valued at the exchange rate applicable on the transaction date. Cash and cash equivalents, receivables and liabilities in foreign currencies are converted at the exchange rate on the balance sheet date. Differences arising from exchange rate movements are included in the 'Statement of income and expenditure' and allocated to the expenditures to which they relate.

### Cash flow statement

The cash flow statement has been prepared on the basis of the indirect method.

## POLICIES FOR THE VALUATION OF ASSETS AND LIABILITIES

### Intangible fixed assets

Intangible fixed assets are stated at cost less amorti-

zation. Purchases made during the reporting year are amortized pro rata over time.

Amortization is calculated on the basis of a percentage of the cost, according to the straight-line method over the economic life. We apply amortization periods of 3-5 years for capitalized intangible fixed assets.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. The cost of subsidized investments is reduced by the amount of the awarded subsidy. Investments during the reporting year are depreciated pro rata over time. Land is not depreciated.

We calculate depreciation on the basis of a percentage of the cost in accordance with the straight-line method over the economic life.

We apply the following depreciation periods:

• Buildings	30 years
• Renovations and major maintenance	10 years
• Office fittings and fixtures	5 years
• Means of transport	5 years
• Equipment	3-5 years

For tangible fixed assets the component approach is applied, meaning for that the depreciation terms for tangible fixed assets is determined for each separate component, specifically when it refers to buildings and renovations and major maintenance.

### **Financial fixed assets**

Other securities are stated at cost.

Receivables and accrued items are initially recognized at fair value and subsequently at amortized cost less any provisions deemed necessary.

### **Impairments**

Fixed assets must be assessed for impairments if we have reason to suspect that the market value is lower than the carrying value. If the carrying value of an asset is higher than the estimated market value, impairments are stated for the difference between the carrying value and the realizable value.

There were no grounds to recognize an impairment in 2020.

### **Receivables and accrued items**

Receivables and accrued income are initially stated at fair value and subsequently at amortized cost less any provisions deemed necessary.

### **Reserves**

We distinguish between reserves and funds. In the case of reserves, the Board of Directors determines the purpose for which the available income is used.

### **Continuity reserve**

The continuity reserve is designed to cover financial risks to ensure the continuity of the work is not put at risk by sudden unforeseen events.

Help a Child adheres to the Guideline for Financial Management Guideline of Goede Doelen Nederland (sector organization for the Dutch charitable sector; see [www.goededoelennederland.nl](http://www.goededoelennederland.nl)) which states the continuity reserve may not exceed 150% of the annual costs of the working organization. Help a Child has decided to use a stricter norm: the continuity reserve should not exceed 100% of its working organization. The annual costs of the working organization consist of:

- Communication expenses.  
These costs are counted in full in compliance with the Guideline, including the portion that is attributed to our objectives.
- Operational expenses (staff, travel & lodging, vehicle, housing, office and networks, general expenses and depreciation).  
These costs are counted in full, including the portion that is attributed to our objectives.
- Programme costs which are structural in the sense that they are unlikely to be phased out within one year. These programme costs are important for the continuity of our activities.

### **Special purpose reserves**

Special purpose reserves are received income that the Board of Directors has earmarked for a specific purpose.

### **Other reserves**

We do not form reserves without a predetermined purpose. Any surpluses that occur from time to time are added to the 'other reserves'.

The Board of Directors ensures that any other reserves are spent on the objective within a reasonable period of time.

### **Funds**

#### **Special purpose funds**

In the case of special purpose funds, our donors designate the purpose on which the income must be spent.

### **Liabilities**

Unless stated otherwise liabilities are recognized at fair value and subsequently at amortized cost.

### **Amounts payable in respect of programmes**

We recognize a liability in respect of programmes if an amount has been contractually allocated and the project has a timeline of twelve months or shorter. Liabilities in respect of projects with a timeline longer than twelve

months are allocated pro rata to the reporting year to which they relate. If a grant is withdrawn, the liability is released. This can happen, for instance, if a partner organization proves unable to implement the programme as agreed or if fewer activities are necessary than originally anticipated.

## **POLICIES FOR THE DETERMINATION OF THE RESULT**

All revenues are stated gross under income, unless stated otherwise.

Costs necessary to realize certain income items are stated as expenses in the 'Statement of income and expenditure'.

### **Raised income**

Income from sponsorships, donations and gifts are recognized in the year of receipt. Income which will be received in a subsequent financial year, but which have been specifically designated by donors for the reporting year, are recognized as income for the reporting year.

Income from charity funds and third parties are recognized in the year the donation has been committed of the donation unconditionally.

### **Bequests**

Bequests are stated in the financial year in which we can reliably determine the amount involved.

Provisional advance payments are stated as 'Income from bequests' in the financial year of receipt, insofar as these have not already been recognized in a previous financial year.

### **Government subsidies**

Income from government subsidies exclusively comprises subsidies obtained from a government, including the European Union or comparable international organizations, government institutions and public law organizations.

If the subsidy conditions require the repayment of any unexpended monies, the amount is only recognized as subsidy income upon the actual allocation of the monies to expenditures on the subsidized project or programme that meet the subsidy conditions. If a subsidy is obtained without repayment obligation, Help a Child recognizes an income item in the year of award.

## **Expenditure**

To give our stakeholders insight into the size and composition of Help a Child's expenses, the notes include an itemization of expenses under 'Expense breakdown by purpose' in accordance with Guideline 650 for Fund-raising Organizations.

### **Expenditure on objectives**

Expenditure on objectives comprises the amounts allocated in and for the reporting year to the programmes that are carried out to realize our objectives and the implementation costs attributable to the same year.

Any allocated amounts not yet disbursed in the reporting year are stated in the balance sheet as 'Amounts payable in respect of programmes'.

In the event a third party does not spend the complete allocated amount in the financial year Help a Child will decide on the destination of the actual balance of this allocated amount in the next financial year and will as a principle not settle this balance with the expenditures accounted for in the financial year.

Commitments to third parties which are funded by subsidies from governments are based on the actual expenses made by these third parties.

### **Costs raising income**

All costs of activities we undertake to encourage people to give money for one or more of our objectives are designated as 'Costs raising income'. These therefore include publicity and communication costs, unless these costs were incurred for awareness-raising activities.

Activities regularly involve a combination of awareness-raising and fundraising. In these cases, the portion of costs relating to awareness-raising activities is allocated as accurately as possible.

### **Management and administration costs**

Management and administration costs are costs incurred for internal management and administration that are not attributed to a specific objective or income generation.

### **Pension expenses**

Help a Child in the Netherlands participates in the sector pension scheme operated by Pensioenfondsen Zorg & Welzijn. As Help a Child has no obligations, for example in the event of a pension fund deficit, we only charge the contribution payable for the financial year to the result. Contributions payable or paid in advance at year-end are stated as accrued items under liabilities or assets. Funding ratio of Pensioenfondsen Zorg & Welzijn is 92.6% at the end of December 2020.



## Notes to the consolidated balance sheet

INTANGIBLE FIXED ASSETS	Software	Software under development	Total
<b>As at January 1, 2020</b>	€	€	€
Acquisition costs	504,814	8,858	513,672
Accumulated amortizations	-437,741	-	-437,741
Book value	<b>67,073</b>	<b>8,858</b>	<b>75,931</b>
<b>Movements in 2020</b>			
Investments	6,182	13,944	20,126
Amortization	-20,599	-	-20,599
Divestitures acquisition costs	-265,894	-	-265,894
Divestitures accumulated amortizations	265,894	-	265,894
Commissioning of assets	-	-5,390	-5,390
Total movements	<b>-14,417</b>	<b>8,555</b>	<b>-5,862</b>
<b>As at December 31, 2020</b>			
Acquisition costs	245,102	17,413	262,515
Accumulated amortizations	-192,446	-	-192,446
Book value	<b>52,656</b>	<b>17,413</b>	<b>70,069</b>

The intangible fixed assets refers to software, mainly to Pluriform and ProjectConnect. These investments were done in the past couple of years to automate the processing of sponsoring, fundraising, accounting and project management. These intangible fixed assets are all used for Help a Child's operations. The high amount of divestitures in 2020 relate to investments made in software in the early 2010's which are completely depreciated.

TANGIBLE FIXED ASSETS	Land and Buildings	Office fixtures and fittings	Means of transport	Equipment	Total
<b>As at January 1, 2020</b>	€	€	€	€	€
Acquisition costs	1,032,687	167,551	235,698	121,695	1,557,630
Accumulated depreciations	-545,686	-149,063	-68,973	-85,922	-849,645
Book value	<b>487,000</b>	<b>18,488</b>	<b>166,725</b>	<b>35,773</b>	<b>707,985</b>
<b>Movements in 2020</b>					
Investments	9,211	1,805	5,294	32,779	49,089
Depreciation	-24,100	-6,143	-35,752	-24,263	-90,258
Divestitures acquisition costs	-	-3,397	-	-23,025	-26,422
Divestitures accumulated depreciations	-	3,397	-	22,909	26,305
Currency differences	-	-1,029	-19,144	-2,452	-22,625
Total movements	<b>-14,890</b>	<b>-5,366</b>	<b>-49,603</b>	<b>5,947</b>	<b>-63,911</b>
<b>As at December 31, 2020</b>					
Acquisition costs	1,041,897	164,931	221,848	128,996	1,557,672
Accumulated depreciations	-569,787	-151,809	-104,725	-87,276	-913,597
Book value	<b>472,111</b>	<b>13,121</b>	<b>117,122</b>	<b>41,720</b>	<b>644,074</b>

The WOZ (property tax) value of the two premises being part of 'Land and buildings' was set at €778,000 as at January 1, 2021. All tangible fixed assets are used for Help a Child's operations with the exception of the residential house which has been

**FINANCIAL FIXED ASSETS**

<b>Other securities</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
	€	€
Investment PerspActive U,A,	<b>9,570</b>	<b>88,807</b>

The movement of the other securities is as follows:

	<b>2020</b>	<b>2019</b>
	€	€
Balance as at January 1	88,807	100,000
Settlement	-2,057	-11,193
Repaid start capital PerspActive U,A,	-77,180	-
Balance as at December 31	<b>9,570</b>	<b>88,807</b>

Since September 2016 Help a Child together with nine other organizations has been a member of Coöperatie PerspActive U.A.

As Help a Child has no material control, this investment is stated as 'other securities'. Further information can be found under 'Off-balance sheet items'.

<b>Grants receivables</b>	<b>2020</b>	<b>2019</b>
	€	€
Receivable income from third parties	22,377	57,374
Receivable government subsidies	337,723	255,871
Balance as at December 31	<b>360,100</b>	<b>313,245</b>

The contract conditions of the subsidy awarded by the Dutch Ministry of Foreign Affairs for the Addressing Root Causes programme in Burundi specify that part of the subsidy will be received after the completion of the programme. The receivable government subsidies under 'Financial fixed assets' hence concerns the grant that will cover the actual expenditures reported until the end of 2020 but will be transferred by the Ministry after the programme is completed in 2022.

<b>Other receivables</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
	€	€
Loan Stichting KLIMREK	39,000	39,000
Loan from bequest	25,000	25,000
Property from bequest with usufruct	73,150	66,690
	<b>137,150</b>	<b>130,690</b>

- The loan to Stichting KLIMREK concerns an interest-free loan which was provided in 2018. The loan is intended as start-up capital for the Help a Child recycling shops that were set up from 2018 in several cities in the Netherlands. The total available loan amount is €70,000 of which Stichting KLIMREK only requested and received €39,000; remainder will only be paid to Stichting KLIMREK upon their request. The total amount must be repaid before March 1, 2021.

Due to COVID-19 measures the recycling shops have been closed in the first months of 2021; hence Help a Child approved Stichting KLIMREK to delay repayment of the loan until September 1, 2021."

- The loan from bequest arose when Help a Child became the beneficiary of a bequest in 2019; this bequest included a loan agreement with a person. The loan does not have a determined repayment schedule; interest rate amounts 2%.
- The property from bequest with usufruct arose from a bequest which allowed an individual person to have the usufruct of and reside in the property that was part of the bequest. The receivable was valued on the basis of the taxable value of the usufruct.

**RECEIVABLES AND ACCRUED ITEMS**

Unless otherwise stated, the receivables fall due within one year.

<b>Receivable raised income</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
	€	€
Receivable from bequests	512,243	343,180
Receivable income from third parties and foundations	139,733	81,956
Receivable government subsidies	250,045	11,240
Other receivable raised income	2,200	13,361
	<b>904,221</b>	<b>449,736</b>

As there have been quite a number of institutional grants for which final payments need to be disbursed the receivable government grants increased with almost 240,000 euro. This included a grant of IOM in Burundi for which we had to receive 89,000 euro in the first part of 2021 to cover project expenditures in 2020.

part of a bequest. This house is supposed to be rented until the current tenant terminates the rental agreement and qualifies as an investment. The book value of the house is €139,967 as at December 31, 2020.

<b>Pre-paid to partners</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
	€	€
Pre-paid to consortium partners Addressing Root Causes programme	774,884	1,117,389
Pre-paid to implementing partners	3,159	467,367
	<b>778,043</b>	<b>1,584,756</b>

As in previous years, Help a Child received major part of the ARC grant for 2021 in advance in 2020 and paid other the consortium partners their portion of this advance before the end of 2020.

In 2019 our implementing partner in South Sudan received an advance payment of almost 400,000 euros for implementing the Acute response programme, which explains the high balance of pre-paid to implementing partners end of 2019.

<b>Other receivables and accrued items</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
	€	€
Payments in advance	17,937	26,925
Other receivables	22,133	40,389
	<b>40,070</b>	<b>67,314</b>

## CASH AND CASH EQUIVALENTS

	<b>31-12-2020</b>	<b>31-12-2019</b>
	€	€
Bank accounts Help a Child in the Netherlands	1,138,715	1,115,644
Bank accounts at Help a Child country offices	843,226	343,987
Savings accounts Help a Child in the Netherlands	1,966,098	2,970,806
Cash in hand	21,132	20,886
	<b>3,969,171</b>	<b>4,451,323</b>

An explanation of the movements in the cash and cash equivalents in 2020 can be found in the notes to the cash flow statement.

The cash and cash equivalents are at the free disposal of Help a Child and the Help a Child country offices.



## RESERVES AND FUNDS

## Reserves

	Continuity reserve	Special purpose reserves			Total
		Disaster response	Disability	Kids at Risk	
	€	€	€	€	€
<b>As at January 1, 2020</b>	<b>2,572,141</b>	<b>100,000</b>	<b>20,000</b>	<b>250,000</b>	<b>2,942,141</b>
<b>Movements in 2020</b>					
Allocation of net income and expenses	-56,499	-	-12,000	-	-68,499
Other movements	-99,868	-	-	-	-99,868
Total movements	-156,368	-	-12,000	-	-168,368
<b>As at December 31, 2020</b>	<b>2,415,773</b>	<b>100,000</b>	<b>8,000</b>	<b>250,000</b>	<b>2,773,773</b>

	31-12-2020	31-12-2019
	€	€
<b>Continuity reserve</b>	<b>2,415,773</b>	<b>2,572,141</b>

Our continuity reserve decreased to €2.4 million at year-end 2020. As budgeted part of the surplus that was contributed to the continuity reserve in recent years was spent in 2020.

As at 31 December 2020 the continuity reserve was 31% below the maximum level of 100% of the total working organization costs which was determined as our own norm by the CEO and approved by the Supervisory Board. We thus remain well below the maximum level of 150% set by Goede Doelen Nederland.

The other movement in the continuity reserve is primarily caused by differences that occur when the reserves of the African country offices are converted from local currency into euros. As a result of strong depreciation of the local currencies in the 2nd half year of 2020 against the euro the impact was almost 100,000 euros.

	31-12-2020	31-12-2019
	€	€
<b>Special purpose reserve - Disaster response</b>	<b>100,000</b>	<b>100,000</b>

The disaster response reserve is a special purpose reserve to meet the initial costs of disaster response programmes.

	31-12-2020	31-12-2019
	€	€
<b>Special purpose reserve - Disability</b>	<b>8,000</b>	<b>20,000</b>

We reserved 20,000 euros to have means to give specific attention to disabled children in our programme areas and provide them with physical means. The reserve was created in 2019 and is partly committed in 2020; the remaining balance will be spent in 2021.

	31-12-2020	31-12-2019
	€	€
<b>Special purpose reserve - Kids at Risk</b>	<b>250,000</b>	<b>250,000</b>

In 2018 the Board of Directors decided to form a special purpose reserve for "Kids at Risk". This reserve is specifically intended to support children in unsafe countries. In 2021 Help a Child will start a pilot programme in DRC which will be partly funded by this reserve.

Funds	Special purpose funds			Total
	Bequests	Disaster response	Other special purpose funds	
	€	€	€	€
As at January 1, 2020	11,833	104,320	756,613	872,766
Net movements in 2020	-	-5,994	390,754	384,760
<b>As at December 31, 2020</b>	<b>11,833</b>	<b>98,325</b>	<b>1,147,367</b>	<b>1,257,525</b>

	31-12-2020	31-12-2019
	€	€
<b>Special purpose fund - Bequests</b>	<b>11.833</b>	<b>11.833</b>

In 2012 bequests were pledged to Help a Child for specific long-term purposes. Still part of the pledged amount is available to finance education for children in a rescue home in Kenya.

<b>SPECIAL PURPOSE FUND - DISASTER RESPONSE</b>	As at January 1, 2020	Donations 2020	Expenses 2020	Reallocation	As at December 31, 2020
	€	€	€	€	€
Disaster response Syrian refugees	766	-	-	-766	-
Disaster response South Sudan	58,958	-	58,958	-	-
Disaster response Rohingya	18,800	-	17,000	-1,800	0
Disaster response Burundi	13,695	6,550	18,539	-1,706	-
Disaster response Malawi	10,908	5,189	-1,541	-	17,638
Disaster response Beirut	-	158,779	123,619	-	35,160
Disaster response COVID-19	-	284,176	239,584	-	44,592
Other disaster response	1,192	-	-	-257	935
<b>Total</b>	<b>104,320</b>				<b>98,325</b>

The special purpose fund for disaster response consists of income for specific disaster response projects that has not been spent until the end of the year. The bulk of the disaster response funds at year-end concern funds that were raised after the explosion in Beirut in 2020 and remaining funds received for the COVID-19 emergency fund .

We plan to spend these funds in 2021.

Other special purpose funds	As at January 1, 2020	Net movement 2020	As at December 31, 2020
	€	€	€
Uganda	229,648	-91,635	138,013
Malawi	41,134	-34,981	6,153
Rwanda	43,788	-43,788	-
Burundi	-	6,445	6,445
Democratic Republic of the Congo	74,074	10,167	84,241
South Sudan	-	3,333	3,333
India	834	99,104	99,938
Kenya	-	161,788	161,788
Challenge Gwasssi-Kenya	18,096	-4,992	13,104
Challenge Rwanda	15,504	-3,912	11,592
Challenge Malawi	2,808	-624	2,184
Challenge Uganda	4,334	-1,174	3,160
EO Metterdaad Rwanda	74,013	-42,512	31,501
EO Metterdaad Malawi	64,825	28,117	92,942
EO Metterdaad South Sudan	45,854	-45,854	-
EO Metterdaad Kenya	-	37,970	37,970
Revolving fund	46,750	131,258	178,008
Disability	935	43,605	44,540
'Talentenfabriek'	9,615	-	9,615
Sponsoring	43,917	79,825	123,742
'Dierbaar cadeau'	21,396	33,855	55,251
'Groeifonds'	19,088	24,759	43,847
	<b>756,613</b>		<b>1,147,367</b>

We received 2 additional grants for revolving funds which increased the special purpose fund with more than 130,000 euros. The revolving funds will start to operate in 2021.

Due to settlement of underspent balances with our partners in Kenya and India we created significant balances in our special purpose fund, which means we will allocate the underspent amounts in the Kenyan and Indian programs in future years.

## LONG-TERM LIABILITIES

Prepayments	31-12-2020	31-12-2019
	€	€
<b>Prepaid donations</b>	<b>12,000</b>	<b>17,700</b>

"In 2012 we received an amount of €17,000 from a donor which will be contractually released in favour of Help a Child over a ten-year period. A portion of €1,700 is released as a donation each year.

In 2019 Help a Child another amount of €20,000 was received from a donor which can be released in favour of Help a Child over a five-year period; this annual donation amounts €4,000. The short-term portions due to be released in 2020 has been recognized under the accrued items of the short-term liabilities."

Amounts payable in respect of programmes	31-12-2020	31-12-2019
	€	€
Long term payable to consortium partners ARC	239,508	184,257
Long term arrangements partner organizations India	34,025	23,982
	<b>273,533</b>	<b>208,239</b>

In 2015 and in 2016 Help a Child made arrangements with a number of partners to continue supporting the schooling of children in India who no longer have a sponsor effective from 2016. The resulting longterm liabilities relate to the years 2022 and beyond.

### SHORT-TERM LIABILITIES

	31-12-2020	31-12-2019
	€	€
<b>Accounts payable</b>	<b>140.995</b>	<b>141.995</b>

The accounts payables refer to payable invoices to our creditors.

### Subsidies and income received in advance

Subsidies received in advance concern subsidies that have already been received but cannot yet be recognized as income for the financial year.

The balances at the end of the financial year were as follows:

	31-12-2020	31-12-2019
	€	€
ARC Building Bridges - Burundi	1,278,144	1,796,195
DRA - subsidies	33,315	833,929
UNICEF Rwanda	20,232	9,793
Other received in advance	29,722	28,140
	<b>1,361,413</b>	<b>2,668,057</b>

	31-12-2020	31-12-2019
	€	€
<b>Amounts payable in respect of programmes</b>	<b>536,939</b>	<b>570,870</b>

The 'Amounts payable in respect of programmes' concerns commitments that have already been allocated to, but not yet disbursed to partner organizations. In most cases these outstanding liabilities are expected to be disbursed to partner organizations in 2021. In some cases the disbursement is expected to take

place after 2021. These liabilities are recognized separately under long-term liabilities.

Other liabilities and accrued items	31-12-2020	31-12-2019
	€	€
Taxes and social security contributions	201,750	166,439
Personnel costs	175,206	130,696
Other liabilities	130,961	129,799
Accrued items	48,373	21,086
	<b>556,290</b>	<b>448,019</b>

The liabilities relating to personnel costs include the reserve for holiday allowances, holiday entitlements and payable amounts to employees. The other liabilities relate to various expenses that are still payable.

## Off-balance sheet items

### Cooperation with partners

We aim to maintain long-lasting relationships with partner organizations and enter into annual programme agreements with them.

At the end of 2020, the annual partner commitments with our partner organizations for 2021 and beyond were not formally effectuated. However, on the basis of long-term programmes, we have entered into a commitment totalling approximately €7,5 million for 2021. As not all conditions required to formally commit the grant were met these grants are not stated in the balance sheet and expenditures for 2021. The formal commitment to the partner organization will be submitted early 2021 and hence being accounted for in 2021.

### Consortium for Myanmar

We are a passive participant in a consortium dedicated to providing emergency and reconstruction aid in Myanmar.

As we are not active in the current programme, Help a Child is not liable for any shortfalls arising from the programme activities in this country. No commitments have been made for new programmes.

### Cooperative PerspActive U.A.

Since 2016 Help a Child has been a member of Coöperatie PerspActive U.A. together with nine other organizations. Help a Child contributed €100,000. In 2020 it was

decided to reduce the activities of the cooperative and repay a major part of the start capital of the cooperative to its members. For Help a Child this led to a repayment of €77,180 in 2020. Until the end of 2020 an amount of €13,250 was settled with the remaining start capital contributed by Help a Child (see also the note to 'Other securities').

If Help a Child decides at any time to withdraw from this cooperative, Help a Child's share can be transferred to other participants.

If other participants decide to withdraw, Help a Child may be requested to take over a share. This did not happen in 2020.

On the proposal of the Board of Directors, the general meeting can decide with a two thirds majority to impose or increase the obligation of members to pay an annual contribution and/or make an equity contribution.

### **Programmes funded by Institutional Donors**

We have entered into contracts for the implementation of long-term programmes with the following organizations:

- **Dutch Ministry of Foreign Affairs**

This is the 'Addressing Root Causes' programme in Burundi that was started on 1 December 2016 and runs until end of 2021. The programme is being implemented by a consortium of aid organizations, with Help a Child acting as lead partner. The budget is €8.1 million, of which 69% will be spent via consortium partners.

Help a Child is the principal applicant for these programmes and thus bears ultimate responsibility for the proper fulfilment of the contractual commitments for the ARC programme of the Dutch Ministry of Foreign Affairs.

- **Dutch Relief Alliance**

Help a Child receives contributions from the Dutch Relief Alliance for Joint Response-programms running from January 1 until December 31 of a calendar year, in 2020 received for Joint Response programmes in DRC, South Sudan and Somalia.

The DRA funds are committed to a lead organization who commits sub-grants to the Joint Response programmes of Help a Child.

Besides Joint Response programmes Help a Child was also granted additional grants by the Dutch Relief Alliance. This includes in 3 grants for Innovations projects in South Sudan and DRC of which 2 projects will be continued into 2021.

Additionally Help a Child received 2 Acute Response grants for our programme in South Sudan. One of these

Acute Response grants will be continued into 2021.

With its implementing partners Help a Child signs annual contracts, hence the commitments for 2021 are not included in the financial statements of 2020.

### **Rental agreement house**

As the beneficiary of a bequest in 2018 Help a Child received a residential house. This house was rented to a private person.

Help a Child continued the rental agreement in 2019. This agreement does not have a final date.

Annual rental income for Help a Child amounts €6,241.

### **Guarantees recycling shops**

Until the end of 2020 Stichting KLIMREK has set up 4 recycling shops in the Netherlands. To facilitate the set up of these shops Help a Child provided Stichting KLIMREK in 2019 with a loan (reference to the Financial fixed assets) and a guarantee arrangement.

This guarantee allows Stichting KLIMREK to hedge its financial risks up to an amount of €240,000. This arrangement has been effectuated by Stichting KLIMREK for 3 rental agreements which required a total guarantee of €37,098 and for which Help a Child is liable to the landlord until the end of the rental agreement, varying from 2022 until 2024.



# Notes to the consolidated statement of income and expenditure

## INCOME

Income from individuals	2020	Budget 2020	2019
	€	€	€
Sponsorship	3,898,693	3,940,000	3,694,465
Other donations	1,746,733	1,645,000	1,618,373
Bequests	610,500	550,000	551,732
Donations for disaster response	294,802	45,000	87,183
	<b>6,550,728</b>	<b>6,180,000</b>	<b>5,951,752</b>

In the first half year of 2020 Help a Child requested its sponsor to increase their monthly contribution after 7 years without an increase of sponsor amounts. Most of our sponsors agreed with the requested increase, which led to an increase of 5.5% in 2020.

Income from businesses	2020	Budget 2020	2019
	€	€	€
Sponsorship	35,434	40,000	30,883
Other donations	481,584	390,000	384,288
Donations for disaster response	39,009	5,000	9,750
	<b>556,027</b>	<b>435,000</b>	<b>424,921</b>

In 2020 our private donors contributed generously to the Corona-emergency fund which explain why the disaster response donations exceeded budget and actual income 2019 significantly.

### Income from government subsidies

	2020	Budget 2020	2019
	€	€	€
Dutch Ministry of Foreign Affairs – Addressing Root Causes Burundi	1,637,174	1,351,397	1,580,368
Dutch Relief Alliance – Joint Response South Sudan	822,716	812,779	797,680
Dutch Relief Alliance – Joint Response Democratic Republic of Congo	794,442	764,908	1,002,615
Dutch Relief Alliance – innovation projects	613,666	782,629	339,429
Dutch Relief Alliance – Acute Response South Sudan	1,002,229	–	6,138
Dutch Relief Alliance – Joint Response Somalia	1,262,764	995,452	–
ICCO – Strategic Partnership C&C	21,370	–	17,687
International Organization for Migration – Burundi	132,433	–	–
UNICEF Rwanda / Malawi	129,413	150,000	315,741
Other income from government subsidies	–0	780,000	2,817
	<b>6,416,206</b>	<b>5,637,165</b>	<b>4,062,476</b>

In 2019 the subsidy for the ARC programme in Burundi amounted to €1.6 million. Due to delay in implementation until 2019 the programme accelerated in 2020 which as a result increases the income of the ARC programme allocated to 2020. The subsidy is provided for 5 years and is structural for these years. In our third year as a member of the Dutch Relief Alliance (DRA) the subsidies received increased from €2.1 million to €4.5 million including a number of grants

for innovation and Accute response projects. In 2020 we started our programme in Somalia which is completely funded by DRA.

In 2020 we received additional grants from DRA of €760,000 to respond to emergency situations emerged by COVID-19 in South Sudan and Somalia.

As a member of the DRA these subsidies have a structural character, though the innovation projects are funded based on individual proposals.

We continued a project in Rwanda funded by UNICEF, but did not manage to secure additional substantial institutional grants for 2019 which explains why the growth in institutional funding is less than budgeted. With UNICEF we have built a long-term relationship and has become a structural donor.

We continued our Early Child Development project in Rwanda funded by UNICEF, but received less grant than 2019. However we managed to attract UNICEF to fund a similar project in Malawi. In Burundi we received a contribution from International Organization for Migration of more than € 132,000.

Income from other non-profit organizations	2020	Budget 2020	2019
	€	€	€
Sponsorship from churches	247,762	300,000	269,844
Sponsorship from foundations	86,451	120,000	108,383
Other donations from churches	292,032	240,000	244,098
Other donations from foundations and charitable trusts	491,947	745,000	226,185
Income from third parties	209,225	150,000	456,881
	<b>1,327,417</b>	<b>1,555,000</b>	<b>1,305,390</b>

Income from supplied products and services	2020	Budget 2020	2019
	€	€	€
Net income from house rental	4,781	5,000	5,033
Other income from products and services	-	-	5,197
	<b>4,781</b>	<b>5,000</b>	<b>10,230</b>

	2020	Budget 2020	2019
	€	€	€
<b>Other income</b>	<b>1,367</b>	<b>-</b>	<b>-1,145</b>

## EXPENDITURE

	Expenditure on objectives						Subtotal
	Child Development & Protection	Youth & Work	Community Resilience	Food Security and Livelihoods	Health, WASH and Nutrition	Information and awareness	
	€	€	€	€	€	€	€
Programme expenses							
- third parties	2,436,933	949,132	1,807,001	991,724	1,987,853	-	8,172,642
Programme expenses							
- own expenses	1,087,716	202,300	467,101	780,118	388,508	-	2,925,743
	<b>3,524,648</b>	<b>1,151,432</b>	<b>2,274,102</b>	<b>1,771,842</b>	<b>2,376,360</b>	<b>-</b>	<b>11,098,385</b>
Communication expenses	-	-	-	-	-	145,320	145,320
Staff expenses	443,759	167,074	320,904	104,203	153,029	150,723	1,339,691
Travel and lodging expenses	2,582	985	1,886	542	811	735	7,540
Vehicle expenses	-	-	-	-	-	-	-
Housing expenses	5,483	2,091	4,003	1,150	1,721	1,560	16,008
Office and network expenses	56,086	21,386	40,951	11,762	17,605	15,961	163,751
General expenses	24,812	9,461	18,116	5,203	7,788	7,061	72,442
Depreciation	14,230	5,426	10,390	2,984	4,467	4,050	41,547
	<b>546,952</b>	<b>206,422</b>	<b>396,250</b>	<b>125,844</b>	<b>185,420</b>	<b>325,410</b>	<b>1,786,299</b>
<b>Total</b>	<b>4,071,601</b>	<b>1,357,854</b>	<b>2,670,352</b>	<b>1,897,687</b>	<b>2,561,780</b>	<b>325,410</b>	<b>12,884,684</b>

	Subtotal	Costs raising income	Management and administration costs	Total expenses 2020	Total budget 2020	Total expenses 2019
	€	€	€	€	€	€
Programme expenses						
- third parties	8,172,642	-	-	8,172,642	8,058,909	5,325,502
Programme expenses						
- own expenses	2,925,743	-	-	2,925,743	2,742,586	2,681,111
	<b>11,098,385</b>	<b>-</b>	<b>-</b>	<b>11,098,385</b>	<b>10,801,495</b>	<b>8,006,613</b>
Communication expenses	145,320	429,351	-	574,672	633,090	534,435
Staff expenses	1,339,691	555,515	457,969	2,353,174	2,203,761	2,136,632
Travel and lodging expenses	7,540	9,616	11,167	28,323	74,191	73,192
Vehicle expenses	-	5,456	7,083	12,539	2,727	10,539
Housing expenses	16,008	16,440	18,545	50,993	34,705	50,364
Office and network expenses	163,751	53,324	40,627	257,702	178,887	253,143
General expenses	72,442	27,485	23,029	122,956	164,745	153,100
Depreciation	41,547	16,920	14,712	73,179	69,426	90,161
	<b>1,786,299</b>	<b>1,114,107</b>	<b>573,131</b>	<b>3,473,537</b>	<b>3,361,532</b>	<b>3,301,567</b>
<b>Total</b>	<b>12,884,684</b>	<b>1,114,107</b>	<b>573,131</b>	<b>14,571,922</b>	<b>14,163,027</b>	<b>11,308,180</b>

## Allocation of costs

Operational costs are allocated to the purposes according to the following principles:

- Communication expenses are allocated to 'Information and awareness' and to 'Raising income' in proportion to the estimated percentage these costs contribute to either 'Information and awareness' or 'Raising income'.
- Staff expenses (excluding costs for direct programme staff in our country offices) are allocated in proportion to time expenditure of these staff taking into account the relative expenses of each individual staff.
- Travel and lodging expenses, vehicle expenses, housing expenses, office and network expenses, general expenses and depreciation are allocated in the same proportion as the staff expenses without taking into account the relative expenses of individual staff.

## Ratio Costs raising income

Help a Child spent €1,114,107 in 2020 on raising income. As a result the ratio of costs of raising income as a percentage of total raised income amounts 7.5% in 2020; for 2020 a ratio of 6.9% was budgeted, the actual ratio of 2019 amounted 8.6%.

## Number of FTEs and allocation

This table below shows the FTE breakdown by department and its distribution across objectives, raising income and management and administration:

DEPARTMENT	Objectives	Raising income	Management and administration	Total	Total FTE 2020	Total FTE 2019
Board of Directors	40.0%	10.0%	50.0%	100.0%	0.9	0.9
Fundraising & communication	45.0%	55.0%	0.0%	100.0%	6.8	6.3
Institutional fundraising	55.0%	40.0%	5.0%	100.0%	3.7	3.7
Sponsorship	90.0%	0.0%	10.0%	100.0%	4.1	3.7
Expertise & programme support	90.0%	7.5%	2.5%	100.0%	8.6	7.0
Other staff	47.5%	10.0%	42.5%	100.0%	7.2	5.1
<b>Total the Netherlands</b>					<b>31.2</b>	<b>26.7</b>
Country programme directors	60.0%	25.0%	15.0%	100.0%	6.0	5.3
Sponsorship	90.0%	0.0%	10.0%	100.0%	2.0	2.0
Programme support	100.0%	0.0%	0.0%	100.0%	42.0	32.4
Other staff	47.5%	10.0%	42.5%	100.0%	12.2	11.3
<b>Total country *)</b>					<b>62.2</b>	<b>51.0</b>
<b>Total FTE</b>					<b>93.5</b>	<b>77.7</b>

\*) country offices include those offices that are consolidated in the financial statements. Hence they exclude the staff of our sister organization Help a Child of India.

## Expenditure on objectives - programmes

Help a Child works in several countries on both development and disaster response. The following table shows the expenditures in 2020 spent on the different themes within the countries Help a Child works.

	Child Deve- lopment & Protection	Youth & Work	Commu- nity Resilience	Food Security and Live- lihoods	Health, WASH and Nutrition	Total 2020	Total 2019
	€	€	€	€	€	€	€
<b>Development</b>							
Kenya	405,878	132,259	106,819	-	23,677	668,634	921,604
Malawi	674,098	186,242	14,610	-	12,848	887,798	639,088
Rwanda	804,578	224,278	384,125	-	-	1,412,981	1,462,341
Burundi	376,539	357,618	1,576,285	389	-	2,310,831	2,244,230
India	371,511	195,894	76,473	-	186,847	830,726	882,817
Uganda	328,741	237,983	138,083	-	35,736	740,543	501,888
Ethiopia	21,501	23,579	31,569	-	-	76,649	98,075
	<b>2,982,846</b>	<b>1,357,854</b>	<b>2,327,965</b>	<b>389</b>	<b>259,108</b>	<b>6,928,162</b>	<b>6,750,044</b>
<b>Disaster response</b>							
Malawi	-	-	-	-654	-946	-1,600	200,240
Burundi	88,011	-	171,124	162,356	1,961	423,453	-
Democratic Republic of Congo	337,148	-	-	537,965	271,857	1,146,970	1,464,791
South Sudan	499,857	-	42,882	1,197,630	750,076	2,490,445	968,387
Somalia	-	-	-	-	1,244,472	1,244,472	-
India	-	-	128,381	-	20,125	148,506	5,721
Other countries	163,738	-	-	-	15,129	178,867	43,983
	<b>1,088,755</b>	<b>-</b>	<b>342,387</b>	<b>1,897,297</b>	<b>2,302,673</b>	<b>5,631,112</b>	<b>2,683,122</b>
<b>Total expenditures on objectives - programme</b>							
	<b>4,071,601</b>	<b>1,357,854</b>	<b>2,670,352</b>	<b>1,897,687</b>	<b>2,561,780</b>	<b>12,559,274</b>	<b>9,433,166</b>

## COVID-19 projects

In 2020 we received additional funds by both private and institutional donors to execute projects that aimed to relief the impact of COVID-19 in our program areas. Some of these projects are included under disaster response, others were reallocated within and/or integrated in our regular development projects.

Please note in most cases this overview refers to commitments by Help a Child to its partners and country offices to reallocate or add budget to its 2020 annual plan.

In 2021 the actual expenses will be reported and settled in case of under- or overspending.

	2020
	€
Kenya	83,793
Malawi	34,553
Rwanda	67,675
Burundi	23,373
India	224,654
Uganda	28,753
Democratic Republic of Congo	57380
South Sudan	676,273
Somalia	267,300
	<b>1,463,754</b>



## Control over expenditures

Help a Child controls operational risks by committing a great deal of its attention to the quality of the internal organization and internal controls.

In recent years we implemented organizational changes, giving the country offices in Burundi, Democratic Republic of Congo, Kenya, Malawi, Rwanda and South Sudan a clear mandate to oversee the quality of the programmes and to control their expenditures. Help a Child in the Netherlands monitors the quality of the supervision in the countries.

Operations in the countries where there is no country office are supervised directly from Help a Child the Netherlands.

In India, our sister organization 'Help a Child of India' plays a central role in the supervision of the projects in India.

Each partner and country office is audited by Help a Child's internal audit team or external auditors once every 3 years. In addition, each partner must have its financial statements audited by an external auditor.

The country offices provide direct support to partners where necessary in order to ensure that they are able to meet the requirements of back donors. For programmes in the countries without country offices, we have coordinators in the Netherlands for handling the contracting with partners and to oversee compliance with contract conditions and specific donor requirements.

Programme expenses - third parties	2020	budget 2020	2019
	€	€	€
Consortium partners ARC	1,068,189	822,890	989,725
Implementing partners India	770,029	775,000	715,733
Implementing partners Kenya	162,570	543,300	270,236
Implementing partners Rwanda	877,455	820,000	593,205
Implementing partners Malawi	548,847	750,100	454,076
Implementing partners Burundi	705,995	766,457	615,591
Implementing partners Ethiopia	70,000	70,000	80,000
Implementing partners Uganda	657,892	620,400	412,676
Implementing partners Democratic Republic of Congo	304,042	356,677	686,836
Implementing partners South Sudan	1,678,089	890,262	468,987
Implementing partners Somalia	1,187,982	930,582	468,987
Implementing partners others	141,552	713,241	38,438
	<b>8,172,642</b>	<b>8,058,909</b>	<b>5,794,489</b>

Programme expenses - own expenses	2020	budget 2020	2019
	€	€	€
Own expenses Kenya	391,935	274,800	439,378
Own expenses Rwanda	387,582	326,000	583,912
Own expenses Malawi	227,159	179,000	230,240
Own expenses Burundi	621,768	222,900	227,387
Own expenses Democratic Republic of Congo	668,889	777,916	556,257
Own expenses South Sudan	539,427	495,936	359,442
Other own programme expenses Help a Child	88,981	466,034	277,528
	<b>2,925,743</b>	<b>2,742,586</b>	<b>2,674,144</b>

<b>Programme expenses – third parties</b>	<b>2020</b>	<b>budget 2020</b>	<b>2019</b>
	€	€	€
Sponsorship management	43,210	64,500	45,803
Private fundraising	321,575	277,000	222,722
Disaster response campaigns	10,050	10,000	1,438
Relationship management	18,570	55,000	51,278
Communication constituency	121,882	65,500	86,580
Online communication and fundraising	44,884	66,000	59,326
Events	5,697	31,000	17,104
Other expenses	8,804	64,090	50,184
	<b>574,672</b>	<b>633,090</b>	<b>534,435</b>

In comparison to the 2019 financial statements the notes to the Communication expenses are categorized differently. In our opinion the new categories provide a better explanation than the previous cost categories.

In 2019 almost 50% of the communication expenses was spent on the marketing and communication

towards our private donors. This was mainly invested in our efforts to attract new constituency and sponsors for our sponsorship programme. As a result of COVID the expenses for events and relationship management were much lower than budgeted as these activities needed to be reduced significantly.

<b>Staff expenses</b>	<b>2020</b>	<b>budget 2020</b>	<b>2019</b>
	€	€	€
Salary expenses staff the Netherlands *)	1,536,376	1,524,049	1,236,323
Social charges staff the Netherlands	274,635	251,468	213,788
Pension premiums staff the Netherlands	161,484	152,405	182,159
Other staff expenses in the Netherlands	122,349	120,400	296,651
<b>Staff expenses the Netherlands</b>	<b>2,094,843</b>	<b>2,048,322</b>	<b>1,928,921</b>
Staff expenses Kenya	224,202	244,799	296,677
Staff expenses Rwanda	215,644	253,970	239,868
Staff expenses Malawi	137,963	138,809	123,379
Staff expenses Burundi	162,822	239,492	126,419
Staff expenses Democratic Republic of Congo	243,967	233,950	211,132
Staff expenses South Sudan	251,308	285,520	162,608
<b>Staff expenses country offices</b>	<b>1,235,906</b>	<b>1,396,540</b>	<b>1,160,084</b>
<b>Total staff expenses (gross)</b>	<b>3,330,749</b>	<b>3,444,862</b>	<b>3,089,005</b>
Programme staff directly allocated to implementation expenses**)	-992,431	-1,241,101	-952,373
<b>Total staff expenses (net)</b>	<b>2,338,318</b>	<b>2,203,761</b>	<b>2,136,632</b>

\*) Salary expenses of staff in the Netherlands include gross salary, holiday allowance, 13th month allowance and gratuity expenses. Compensation from insurance company for sick leave or for maternity leave are deducted from these expenses.

\*\*) The staff expenses only include expenses of operational staff of Help a Child. This includes all staff based

in the Netherlands; from the country office the staff expenses include 40% of the country programme director, 52.5% of local finance and operational staff and 10% of local sponsorship coordinators. The remaining staff expenses in the country offices are considered to be programme expenses and included under 'Programme expenses – own expenses'.

## Remuneration of Help a Child employees

The salaries of Help a Child employees in the Netherlands are based on the Collective Labour Agreement for Welfare & Social Services.

We are also grateful to have the services of volunteers (six permanent office volunteers as at 31 December 2020).

The conditions of employment at the country offices are largely based on the conditions of employment for comparable development aid organizations in the relevant countries. Help a Child bases the salaries on the average for these aid organizations less 10%.

## Remuneration of Board of Directors

The Supervisory Board adopted the remuneration policy for the Board of Directors, including the level of remuneration and other remuneration components. This policy is updated from time to time. The last evaluation was on 27 November 2017.

Help a Child adheres to the Directors' Remuneration Regulation for Charitable Organizations of Goede Doelen Nederland (sector organization for the Dutch charitable sector; see [www.goededoelennederland.nl](http://www.goededoelennederland.nl)).

Based on criteria for weighing the scope and responsibility of the position, the regulation sets a maximum for the annual income. The Supervisory Board has weighed the position of the CEO. This led to a 'BSD' score of 435 points with a maximum annual income of €125,011 (for full-time employment, latest update as at July 1, 2020). Help a Child has decided to cap this remuneration at 80% of the maximum annual income based on the BSD score (€100,009 for 1 FTE).

The remuneration of the director of Help a Child was as follows in 2020:

<b>Name</b>	A.M. Schuttinga	
<b>Position</b>	CEO	
<b>Employment details</b>		
Nature (term)	indefinite	
Hours	32	
Contract	Parttime (88.9%)	
Period	1/1-31/12	
<b>Remuneration</b>	<b>2020</b>	
	€	€
Gross salary	75,478	
Holiday allowance	5,969	
13th month allowance	6,766	
<b>Total annual income</b>		<b>88,213</b>
Social insurances (employer's share)	10,318	
Taxable reimbursements	415	
Pension expenses (employer's share)	9,373	
		<b>20,106</b>
<b>Total remuneration Board of Directors 2020 (incl. employer's costs)</b>		<b>108,319</b>
<b>Remuneration</b>	<b>2019</b>	
Total remuneration Board of Directors		€
2019 (incl. employer's costs)		106,213

In 2020 the fulltime equivalent of the actual annual income of CEO Andries Schuttinga was €99,240, based on one FTE. This remuneration is within the maximum set by the Supervisory Board (€100,009) and well within the maximum agreed within the sector.

The annual income, taxed benefits, employer's pension contribution, pension compensation and any other forms of deferred remuneration also remained well within the maximum amount of €168,893 per annum as set in the regulation.

Moreover, the taxed benefits, employer's pension contribution and the other deferred benefits were in reasonable proportion to the annual income.

#### Notes

- The taxable reimbursement is the mileage allowance for business travel insofar as this must be taxed according to the tax regulations.
- The pension expense is the employer's share of the contribution payable to the pension fund.
- The CEO has no remunerated positions outside Help a Child."

### Remuneration of Supervisory Board

Members of our Supervisory Board receive no remuneration. In 2020 they received reimbursements for expenses amounting to €105 (2019: €575), concerning mileage allowances.

No loans, advances and/or guarantees were extended to members of the Supervisory Board or the CEO.

Financial income and expenses	2020	budget 2020	2019
	€	€	€
<b>Financial income</b>			
Interest income	2,562	300	1,454
Exchange rate differences	29,094	-	-
	<b>31,656</b>	<b>300</b>	<b>1,454</b>
<b>Financial expenses</b>			
Exchange rate differences	-	-	21,329
	<b>-</b>	<b>-</b>	<b>21,329</b>
<b>Balance financial income and expenses</b>	<b>31,656</b>	<b>300</b>	<b>-19,875</b>

Exchange rate differences are an important risk factor in the financing of programmes. We receive donations and sponsor contributions mostly in euros, while the programme expenditures are in different currencies. As most contracts are concluded in euros, the exchange rate risks are borne primarily by the partner organizations. However Help a Child also incurs expenses in local currency as we have our own country offices, and implementation in Africa. As a result Help a Child has a currency risk for these expenses.

Any currency risks are taken into account in the assessment and determination of the continuity reserve. In the financial year, currency differences had a realized positive effect of €29,094 (2018: negative effect of €21,329).

### Related parties

The accounting guidelines the annual reports have specific requirements for organizations that cooperate on a structural basis. The reason for this is that related parties can enter into certain transactions which affect the financial position and results as well as the current and future opportunities and risks of the parties concerned.

We see our sister organization Help a Child of India as a related party. We largely finance the activities of this organization. Events at this party can have a direct impact on the balance of income and expenses and thus also on the financial position of Help a Child.





# Separate financial statements

## Separate balance sheet

AS AT 31 DECEMBER, 2020 (after appropriation of result)

ASSETS	31-12-2020		31-12-2019	
	€	€	€	€
<b>Intangible fixed assets</b>				
Software	52,656		67,073	
Software under development	17,413		8,858	
	<b>70,069</b>		<b>75,931</b>	
<b>Tangible fixed assets</b>				
Land and buildings	472,111		487,000	
Office fittings and fixtures	6,522		10,064	
Equipment	26,170		19,634	
	<b>504,803</b>		<b>516,699</b>	
<b>Financial fixed assets</b>				
Other securities	9,570		88,807	
Grants receivable	360,100		313,245	
Other receivables	137,150		130,690	
	<b>506,820</b>		<b>532,742</b>	
<b>Receivables and accrued income</b>				
Receivable raised income	816,084		459,529	
Pre-paid to (consortium) partners	963,322		1,570,309	
Other receivables and accrued items	19,449		44,941	
	<b>1,798,855</b>		<b>2,074,779</b>	
<b>Cash and cash equivalents</b>	<b>3,108,100</b>		<b>4,093,937</b>	
	<b>5,988,647</b>		<b>7,294,088</b>	

LIABILITIES	31-12-2020		31-12-2019	
	€	€	€	€
<b>Reserves and funds</b>				
<i>Reserves</i>				
Continuity reserve		1,687,858		2,070,553
<i>Funds</i>				
Special purpose reserves	358,000		370,000	
Special purpose funds	1,257,525		872,766	
		1,615,525		1,242,766
		<b>3,303,383</b>		<b>3,313,319</b>
<b>Long-term liabilities</b>				
Prepayments	12,000		17,700	
Amounts payable in respect of programmes	271,690		232,221	
		<b>283,690</b>		<b>249,921</b>
<b>Short-term liabilities</b>				
Accounts payable	51,137		90,940	
Subsidies and income received in advance	1,311,459		2,668,057	
Amounts payable in respect of programmes	621,539		659,998	
Other liabilities and accrued items	417,437		311,853	
		<b>2,401,572</b>		<b>3,730,848</b>
		<b>5,988,646</b>		<b>7,294,088</b>

## Separate statement of income and expenditure

	2020		Budget 2020		2019	
	€	€	€	€	€	€
<b>INCOME</b>						
<b>Raised income</b>						
Income from individuals	6,550,728		6,180,000		5,951,752	
Income from businesses	556,027		435,000		424,921	
Income from government subsidies	6,154,360		5,007,165		3,674,795	
Income from other non-profit organizations	1,195,273		1,285,000		1,284,711	
	<b>14,456,388</b>		<b>12,907,165</b>		<b>11,336,179</b>	
<b>Income from supplied products and services</b>	<b>4,781</b>		<b>5,000</b>		<b>10,230</b>	
<b>Other income</b>	<b>2,077</b>		<b>-</b>		<b>-</b>	
	<b>14,463,247</b>		<b>12,912,165</b>		<b>11,346,409</b>	
<b>EXPENSES</b>						
<b>Expenditure on objectives</b>						
Child Development & Protection	4,098,761		3,675,985		3,442,446	
Youth & Work	1,590,883		1,033,697		796,797	
Community Resilience	2,614,081		2,484,519		2,308,230	
Food Security and Livelihoods	1,853,526		3,289,542		1,645,712	
Health, WASH and Nutrition	2,686,786		1,083,558		1,082,763	
Information and awareness	300,608		455,789		361,326	
	<b>13,144,645</b>		<b>12,023,090</b>		<b>9,637,275</b>	
<b>Costs raising income</b>	<b>952,569</b>		<b>909,817</b>		<b>850,503</b>	
<b>Management and administration costs</b>	<b>374,170</b>		<b>330,119</b>		<b>333,765</b>	
	<b>14,471,384</b>		<b>13,263,027</b>		<b>10,821,543</b>	
<b>Balance before financial income and expenses</b>	<b>-8,137</b>		<b>-350,862</b>		<b>524,866</b>	
<b>Net financial income and expenses</b>	<b>-1,798</b>		<b>300</b>		<b>-254</b>	
<b>Net income and expenses</b>	<b>-9,936</b>		<b>-350,562</b>		<b>524,612</b>	
Surplus/shortfall added to/withdrawn from						
- Continuity reserve	-382,695		-193,562		89,807	
- Special purpose reserves	-12,000		-50,000		-30,910	
- Special purpose funds	384,759		-107,000		465,715	
	<b>-9,936</b>		<b>-350,562</b>		<b>524,612</b>	

## Separate cash flow statement

	2020		2019	
	€	€	€	€
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net income and expenses		-9,936		524,612
Costs of depreciation/amortization	62,300		76,164	
Movements in receivables	275,924		-1,410,836	
Movements in provisions	-		-3,191	
Movements in long-term liabilities	33,769		52,365	
Movements in short-term liabilities	-1,329,275		277,557	
		-957,282		-1,007,941
		<b>-967,218</b>		<b>-483,329</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Investments in intangible fixed assets	-14,737		-19,036	
Investments in tangible fixed assets	-29,806		-167,610	
Movements in financial fixed assets	25,922		-150,863	
		<b>-18,620</b>		<b>-337,509</b>
<b>Net cash flow before currency and conversion differences</b>		<b>-985,838</b>		<b>-820,838</b>
Currency and conversion differences		-		-14
<b>Increase (+)/decrease(-) in liquid assets</b>		<b>-985,838</b>		<b>-820,852</b>
Cash and cash equivalents as at January 1		4,093,937		4,914,789
<b>Cash and cash equivalents as at December 31</b>		<b>3,108,099</b>		<b>4,093,937</b>

# Notes to the company only separate balance sheet

For textual explanations to the notes to the separate financial statements we refer to the notes to the consolidated financial statements unless stated otherwise.

<b>INTANGIBLE FIXED ASSETS</b>	<b>Software</b>	<b>Software under development</b>	<b>Total</b>
<b>As at January 1, 2020</b>	€	€	€
Acquisition costs	504,814	8,858	513,672
Accumulated amortizations	-437,741	-	-437,741
Book value	<b>67,073</b>	<b>8,858</b>	<b>75,931</b>
<b>Movements in 2020</b>			
Investments	6,182	13,944	20,126
Amortization	-20,599	-	-20,599
Divestitures acquisition costs	-265,894	-	-265,894
Divestitures accumulated amortizations	265,894	-	265,894
Commissioning of assets	-	-5,390	-5,390
Total movements	<b>-14,417</b>	<b>8,555</b>	<b>-5,862</b>
<b>As at December 31, 2020</b>			
Acquisition costs	245,102	17,413	262,515
Accumulated amortizations	-192,446	-	-192,446
Book value	<b>52,656</b>	<b>17,413</b>	<b>70,069</b>

<b>TANGIBLE FIXED ASSETS</b>	<b>Land and buildings</b>	<b>Office fixtures and fittings</b>	<b>Equipment</b>	<b>Total</b>
<b>As at January 1, 2020</b>			€	€
Acquisition costs	1,032,687	152,514	83,130	1,268,331
Accumulated depreciations	-545,686	-142,450	-63,496	-751,632
Book value	<b>487,000</b>	<b>10,064</b>	<b>19,634</b>	<b>516,699</b>
<b>Movements in 2020</b>				
Investments	9,211	-	20,712	29,922
Depreciation	-24,100	-3,542	-14,059	-41,701
Divestitures acquisition costs	-	-3,397	-23,025	-26,422
Divestitures accumulated depreciations	-	3,397	22,909	26,305
Total movements	<b>-14,890</b>	<b>-3,542</b>	<b>6,536</b>	<b>-11,896</b>
<b>As at December 31, 2020</b>				
Acquisition costs	1,041,897	149,117	80,817	1,271,831
Accumulated depreciations	-569,787	-142,595	-54,646	-767,028
Book value	<b>472,111</b>	<b>6,522</b>	<b>26,170</b>	<b>504,803</b>



## FINANCIAL FIXED ASSETS

Other securities	31-12-2020	31-12-2019
	€	€
Investment PerspActive U,A,	9,570	88,807

Grants receivables	2020	2019
	€	€
Receivable income from third parties	22,377	57,374
Receivable government subsidies	337,723	255,871
	360,100	313,245

Other receivables	31-12-2020	31-12-2019
	€	€
Loan Stichting KLIMREK	39,000	39,000
Loan from bequest	25,000	25,000
Property from bequest with usufruct	73,150	66,690
	137,150	130,690

## RECEIVABLES AND ACCRUED ITEMS

Receivable raised income	31-12-2020	31-12-2019
	€	€
Receivable from bequests	512,243	343,180
Receivable income from third parties and foundations	139,733	81,956
Receivable government subsidies	161,908	21,033
Other receivable raised income	2,200	13,361
	816,084	459,529

Pre-paid to partners	31-12-2020	31-12-2019
	€	€
Pre-paid to consortium partners ARC	960,163	1,117,389
Pre-paid to implementing partners	3,159	452,920
	963,322	1,570,309

Other receivables and accrued items	31-12-2020	31-12-2019
	€	€
Prepaid expenditures	9,804	15,049
Miscellaneous	9,645	29,891
	19,449	44,941

## CASH AND CASH EQUIVALENTS

	31-12-2020	31-12-2019
	€	€
Bank accounts Help a Child in the Netherlands	1,138,715	1,115,644
Savings accounts Help a Child in the Netherlands	1,966,098	2,970,806
Cash in hand	3,288	7,487
	3,108,100	4,093,937

## RESERVES AND FUNDS

	Reserves		Funds		Total
	Continuity reserve	Special purpose reserves	Total reserves	Special purpose funds	
	€	€	€	€	€
<b>As at January 1, 2020</b>	<b>2,070,553</b>	<b>370,000</b>	<b>2,440,553</b>	<b>872,766</b>	<b>3,313,319</b>
<b>Movements in 2020</b>					
Allocation of net income and expenses	-382,695	-12,000	-394,695	384,759	-9,936
Other movements	-	-	-	-	-
Total movements	-382,695	-12,000	-394,695	384,759	-9,936
<b>As at December 31, 2020</b>	<b>1,687,858</b>	<b>358,000</b>	<b>2,045,858</b>	<b>1,257,525</b>	<b>3,303,383</b>

	As at January 1, 2020	Movements in 2020			As at December 31, 2020
		Allocation of net income and expenses	Other movements	Total movements	
	€	€	€	€	€
<b>Separate (Red een Kind)</b>	<b>3,313,319</b>	<b>-9,935</b>	<b>-</b>	<b>-9,935</b>	<b>3,303,384</b>
Help a Child Africa (Kenya)	<b>260,189</b>	55,813	-30,365	25,449	<b>285,637</b>
Help a Child Rwanda	<b>87,892</b>	166,748	-29,883	136,865	<b>224,757</b>
Help a Child Burundi	<b>53,744</b>	-13,973	-7,516	-21,490	<b>32,254</b>
Help a Child Malawi	<b>118,149</b>	23,253	-13,403	9,849	<b>127,998</b>
Help a Child Democratic Republic of Congo	<b>-27,861</b>	35,447	54	35,500	<b>7,639</b>
Help a Child South Sudan	<b>-6,114</b>	61,956	-3,164	58,791	<b>52,677</b>
Currency differences and adjustments	<b>15,591</b>	-3,047	-15,591	-18,637	<b>-3,047</b>
<b>Consolidated</b>	<b>3,814,907</b>	<b>316,261</b>	<b>-99,869</b>	<b>216,392</b>	<b>4,031,300</b>

## LONG-TERM LIABILITIES

Prepayments	31-12-2020	31-12-2019
	€	€
<b>Prepaid donations</b>	<b>12,000</b>	<b>17,700</b>

Amounts payable in respect of programmes	31-12-2020	31-12-2019
	€	€
Long term payable to consortium partner ARC	237,665	208,239
Long term arrangements partner organizations India and Kenya	34,025	23,982
	<b>271,690</b>	<b>232,221</b>

## SHORT-TERM LIABILITIES

	31-12-2020	31-12-2019
	€	€
<b>Accounts payable</b>	<b>51,137</b>	<b>90,940</b>

	31-12-2020	31-12-2019
	€	€
ARC Building Bridges – Burundi	1,278,144	1,796,195
DRA – subsidies	33,315	833,929
Other received in advance	–	37,933
	<b>1,311,459</b>	<b>2,668,057</b>

	31-12-2020	31-12-2019
	€	€
<b>Amounts payable in respect of programmes</b>	<b>621,539</b>	<b>659,998</b>

<b>Other liabilities and accrued items</b>	<b>31-12-2020</b>	<b>31-12-2019</b>
	€	€
Taxes and social security contributions	130,033	90,920
Personnel costs	132,264	104,291
Other liabilities	109,919	101,368
Accrued items	45,221	15,274
	<b>417,437</b>	<b>311,853</b>

# Notes to the separate statement of income and expenditure

## INCOME

Income from individuals	2020	budget 2020	2019
	€	€	€
Sponsorship	3,898,693	3,940,000	3,694,465
Other donations	1,746,733	1,645,000	1,618,373
Bequests	610,500	550,000	551,732
Donations for disaster response	294,802	45,000	87,183
	<b>6,550,728</b>	<b>6,180,000</b>	<b>5,951,752</b>

Income from businesses	2020	budget 2020	2019
	€	€	€
Sponsorship	35,434	40,000	30,883
Other donations	481,584	390,000	384,288
Donations for disaster response	39,009	5,000	9,750
	<b>556,027</b>	<b>435,000</b>	<b>424,921</b>

Income from government subsidies	2020	budget 2020	2019
	€	€	€
Dutch Ministry of Foreign Affairs – Addressing Root Causes Burundi	1,637,174	1,351,397	1,511,246
Dutch Relief Alliance – Joint Response South Sudan	822,716	812,779	797,680
Dutch Relief Alliance – Joint Response Democratic Republic of Congo	794,442	764,908	1,002,615
Dutch Relief Alliance – innovation projects	613,666	782,629	339,429
Dutch Relief Alliance – Acute Response South Sudan	1,002,229	–	6,138
Dutch Relief Alliance – Joint Response Somalia	1,262,764	995,452	–
ICCO – Strategic Partnership C&C	21,370	–	17,687
Other income from government subsidies	–	300,000	–
	<b>6,416,206</b>	<b>5,637,165</b>	<b>4,062,476</b>

Income from other non-profit organizations	2020	budget 2020	2019
	€	€	€
Sponsorship from churches	247,762	300,000	269,844
Sponsorship from foundations	86,451	120,000	108,383
Other donations from churches	292,032	240,000	244,098
Other donations from foundations and charitable trusts	359,802	475,000	226,185
Income from third parties	209,225	150,000	436,201
	<b>1,195,273</b>	<b>1,285,000</b>	<b>1,284,711</b>

Income from supplied products and services	2020	budget 2020	2019
	€	€	€
Net income from house rental	4,781	5,000	5,033
Other income from products and services	-	-	5,197
	<b>4,781</b>	<b>5,000</b>	<b>10,230</b>

	2020	budget 2020	2019
	€	€	€
<b>Other income</b>	<b>2,077</b>	<b>-</b>	<b>-</b>

## EXPENDITURE

	Expenditure on objectives						Subtotal
	Child Development & Protection	Youth & Work	Community Resilience	Food Security and Livelihoods	Health, WASH and Nutrition	Information and awareness	
	€	€	€	€	€	€	€
"Programme expenses - third parties"	3,506,445	1,334,227	2,213,541	1,672,001	2,405,351	-	11,131,565
"Programme expenses - own implementation"	59,152	24,128	22,568	58,228	87,506	-	251,583
	<b>3,565,597</b>	<b>1,358,356</b>	<b>2,236,110</b>	<b>1,730,229</b>	<b>2,492,857</b>	<b>-</b>	<b>11,383,148</b>
Communication expenses	-	-	-	-	-	120,519	120,519
Staff expenses	432,574	188,203	306,020	102,094	160,077	150,723	1,339,691
Travel and lodging expenses	2,517	1,109	1,801	531	847	735	7,540
Vehicle expenses	-	-	-	-	-	-	-
Housing expenses	5,345	2,355	3,823	1,127	1,799	1,560	16,008
Office and network expenses	54,671	24,091	39,106	11,524	18,399	15,961	163,751
General expenses	24,186	10,657	17,300	5,098	8,139	7,061	72,442
Depreciation	13,871	6,112	9,922	2,924	4,668	4,050	41,547
	<b>533,164</b>	<b>232,528</b>	<b>377,972</b>	<b>123,298</b>	<b>193,929</b>	<b>300,608</b>	<b>1,761,497</b>
<b>Total</b>	<b>4,098,761</b>	<b>1,590,883</b>	<b>2,614,081</b>	<b>1,853,526</b>	<b>2,686,786</b>	<b>300,608</b>	<b>13,144,645</b>

	Subtotal - Expenditures on objectives	Costs raising income	Management and administration costs	Total expenses 2020	Total budget 2020	Total expenses 2019
	€	€	€	€	€	€
Programme expenses - third parties	11,131,565	-	-	11,131,565	9,617,261	7,585,904
Programme expenses - own expenses	251,583	-	-	251,583	466,034	263,491
	<b>11,383,148</b>	<b>-</b>	<b>-</b>	<b>11,383,148</b>	<b>10,083,295</b>	<b>7,849,395</b>
Communication expenses	120,519	421,084	-	541,603	624,000	508,724
Staff expenses	1,339,691	443,103	312,049	2,094,843	2,048,322	1,928,921
Travel and lodging expenses	7,540	2,212	1,555	11,306	74,191	56,039
Vehicle expenses	-	-	-	-	-	-
Housing expenses	16,008	4,696	3,301	24,005	30,160	21,944
Office and network expenses	163,751	48,036	33,763	245,550	176,160	242,169
General expenses	72,442	21,250	14,936	108,629	160,200	138,188
Depreciation	41,547	12,187	8,566	62,300	66,699	76,162
	<b>1,761,497</b>	<b>952,569</b>	<b>374,170</b>	<b>3,088,236</b>	<b>3,179,732</b>	<b>2,972,148</b>
<b>Total</b>	<b>13,144,645</b>	<b>952,569</b>	<b>374,170</b>	<b>14,471,384</b>	<b>13,263,027</b>	<b>10,821,543</b>

Financial income and expenses	2020	budget 2020	2019
	€	€	€
<b>Financial income</b>			
Interest income	500	300	701
	<b>500</b>	<b>300</b>	<b>701</b>
<b>Financial expenses</b>			
Exchange rate differences	2,298	-	955
	<b>2,298</b>	<b>-</b>	<b>955</b>
<b>Balance financial income and expenses</b>	<b>-1,798</b>	<b>300</b>	<b>-254</b>



# Other information

## INDEPENDENT AUDITOR'S REPORT

To: the Management Board and supervisory board of Stichting Red een Kind in Zwolle, the Netherlands.

### A. Report on the audit of the financial statements 2020 included in the annual report

#### Our opinion

We have audited the financial statements 2020 of Stichting Red een Kind based in Zwolle, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Red een Kind as at 31 December 2020 and of its result for 2020 in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

The financial statements comprise:

1. The consolidated and company balance sheet as at 31 December 2020;
2. The consolidated and company statement of income and expenditure for 2020; 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. 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 Red een Kind in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

### B. 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.

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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 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

### **C. Description of responsibilities regarding the financial statements**

#### **Responsibilities of the Board and the Supervisory 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 650 "Fundraising Organisations" of the Dutch Accounting Standards Board. 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 company'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 company 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 company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for monitoring the financial reporting process of the organization.

#### **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 scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.



Our audit included e.g.:

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

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

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, 30 June 2021

Dubois & Co. Registeraccountants

Valid Signed door G. Visser RA  
op 30-06-2021

G. Visser RA

Valid Signed door M. Belkadi RA  
op 30-06-2021

M. Belkadi RA



# Appendices

## MULTI-ANNUAL BUDGET 2021 – 2024

	actual 2020	budget 2021	budget 2022	budget 2023	budget 2024
	€	€	€	€	€
<b>INCOME</b>					
<b>Raised income</b>					
Income from individuals	6,550,728	6,438,205	6,776,000	7,055,000	7,462,000
Income from businesses	556,027	569,700	494,000	525,000	560,000
Income from government subsidies	6,416,206	6,021,503	5,705,000	7,485,000	9,090,000
Income from other non-profit organizations	1,327,417	1,744,595	2,074,000	2,393,000	2,771,000
	<b>14,850,379</b>	<b>14,774,003</b>	<b>15,049,000</b>	<b>17,458,000</b>	<b>19,883,000</b>
<b>Income from supplied products and services</b>	<b>4,781</b>	<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other income</b>	<b>1,367</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>14,856,527</b>	<b>14,779,003</b>	<b>15,049,000</b>	<b>17,458,000</b>	<b>19,883,000</b>
<b>EXPENSES</b>					
<b>Expenditure on objectives</b>					
Child Development & Protection	4,071,601	3,872,805	2,994,000	3,467,000	3,991,000
Youth & Work	1,357,854	1,136,112	1,302,000	1,507,000	1,735,000
Community Resilience	2,670,352	2,900,857	2,864,000	3,316,000	3,817,000
Food Security and Livelihoods	1,897,687	3,680,899	2,734,000	3,166,000	3,644,000
Health, WASH and Nutrition	2,561,780	1,207,236	3,125,000	3,619,000	4,163,000
Information and awareness	325,410	421,623	498,000	508,000	516,000
	<b>12,884,684</b>	<b>13,219,532</b>	<b>13,517,000</b>	<b>15,583,000</b>	<b>17,866,000</b>
<b>Costs raising income</b>	<b>1,114,107</b>	<b>1,256,406</b>	<b>1,154,000</b>	<b>1,202,000</b>	<b>1,234,000</b>
<b>Management and administration costs</b>	<b>573,131</b>	<b>662,738</b>	<b>600,000</b>	<b>649,000</b>	<b>680,000</b>
	<b>14,571,922</b>	<b>15,138,676</b>	<b>15,271,000</b>	<b>17,434,000</b>	<b>19,780,000</b>
<b>Balance before financial income and expenses</b>	<b>284,605</b>	<b>-359,673</b>	<b>-222,000</b>	<b>24,000</b>	<b>103,000</b>
<b>Net financial income and expenses</b>	<b>31,656</b>	<b>-5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income and expenses</b>	<b>316,261</b>	<b>-364,673</b>	<b>-222,000</b>	<b>24,000</b>	<b>103,000</b>
Surplus/shortfall added to/withdrawn from					
- Continuity reserve	-56,499	-14,673	50,000	50,000	50,000
- Special purpose reserves	-12,000	-57,500	-	-	-
- Special purpose funds	384,760	-292,500	-272,000	-26,000	53,000
	<b>316,261</b>	<b>-364,673</b>	<b>-222,000</b>	<b>24,000</b>	<b>103,000</b>

The multi-annual budget 2021 – 2024 of Help a Child was determined in the course of 2020 by the Supervisory Board.

It reflects the ambition to modestly grow income from individuals, partly by building on the growth achieved in 2019 and 2020, but also with developing new giving models.

We also aim to grow income from recycling shops in the coming years, which is referred to under other non-profit organizations.

Finally, the biggest grow in terms of income is budgeted under government subsidies. With our country offices being we foresee a lot of opportunities to build a grant portfolio in these countries.

The 2021 budgeted income aims to consolidate the significant growth Help a Child achieved in 2020. Income from government subsidies increased with more than 100%, also including some incidental grants due to COVID-19. Hence we do not expect growth in this area. We also aim to stabilize income from private sources as also in this area we achieved growth which was partly due to additional donations for COVID-19 emergency and increase of monthly sponsor contributions. We aim to grow income from other non-profit organizations as we have been investing in networking amongst and communication with these donor category which is supposed to pay off in 2021. In 2019 and 2020 our special purpose funds have grown. In 2021 we expect to utilize these funds which results into a negative budgeted balance of €364,000.

# Colophon

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In 2020 we received funds from, among others,:



Ministerie van Buitenlandse Zaken



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'Help a Child' is the international name for Red een Kind, an NGO registered in the Netherlands with affiliates in Africa and India.

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