

Financial statements

2021



Help  a
CHILD

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Director's report

Aim, mission, vision

Help a Child is a Christian international relief and development organization that was established in the Netherlands in 1968. Our mission is to provide 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.

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 cooperation with various Dutch, international and local organizations, we are pursuing our mission in India, Kenya, 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 thematic areas such as Early Childhood Development, Child Protection and Youth & Work. Help a Child is supported by a broad-based constituency comprising individuals, churches, charitable foundations, businesses and schools.

Our mission

Help a Child provides a future for children in need, their family and their entire community.

Our vision

As a Christian non-profit organization, Help a Child wants every child – regardless of their social, political, religious, ethnic or economic background – to have a life in dignity, with love and with a promising future.

Legal Structure

Help a Child (Red een Kind in Dutch) was established as a charitable foundation in 1968 and is located at

George Stephensonstraat 11, Zwolle, the Netherlands. The foundation is registered with the Chamber of Commerce under the number 41022454. The Netherlands Tax and Customs Administration has designated Help a Child as a Public Benefit Organization (ANBI), the Dutch equivalent of registered charity status.

Weaknesses, risks and mitigation

In 2020 we finalized our Strategic Plan for 2021-2024. In compiling this, we paid a lot of attention to our stakeholders, trends, risks and opportunities. We plan our activities with a close eye on current trends and developments, internally and in the world at large.

The world 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.

In the Netherlands, several developments complicate our work. These include the sometimes negative image of development aid, a rising tide of populism and growing individualization and secularization.

Financial risk acceptance within Help a Child is limited. As a non-governmental organization, largely funded by a faithful 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 policy.

Each year, we define the major strategic and operational risks and weaknesses 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.

Weaknesses

For 2021, we identified the following weaknesses:

- 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 flexible and better positioned for innovation. To mitigate the risks, we will further investigate and commit ourselves to strategic partnerships.
- It is challenging to continue to grow in the highly competitive market of NGOs appealing to private donors in the Netherlands. This is also linked to the reality of a shrinking Christian community. For this reason, we will try continuously to find new means to engage with our constituency and we will keep exploring new giving models. We feel that our investment in strategic innovation gives us a distinct advantage.
- Within our institutional funding portfolio, we are heavily dependent on the Dutch Ministry of Foreign Affairs and more specifically on the Dutch Relief Alliance. This makes us vulnerable in the long 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.
- As we work closely with independent but affiliated parties (Help a Child Africa, Help a Child of India, Help a Child USA and Stichting Klimrek), it becomes more important to guarantee strategic alignment. We are (re)developing legal frameworks of co-operation and investing in the relationships with affiliated parties to ensure personal alignment.

Risks

For 2021, we identified the following risks:

- In general, child sponsorship as a funding model is under scrutiny, because it can be related to white saviourism and post-colonialism. On the one hand, we plan to communicate more strongly that the child ambassador model of Help a Child is addressing some of this main criticism. On the other hand, we make a priority of diversifying our income from our private constituency.
- 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 institutional funding and the associated requirements. The first is mitigated through decentralization and continued capacity building in our country offices, the second by increased efforts to raise own funds.
- We have also identified operational risks, primarily in respect of compliance, fraud and corruption. Another operational risk is related to security, not only physically, 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. Besides our regular external audits, we were audited extensively in 2020 to comply with the FPA regulations required by ECHO and DRA. The outcome showed that we have adequate procedures and policies in place, but need to make improvements when it comes to ensuring compliance with them.
- In India and African countries, relevant external factors include political instability as well as the impact of climate change on those nations and the participants of our programmes. We try to mitigate these risks by making interlinkages between humanitarian, development and peace actors in our programmes, the so-called 'Triple Nexus.' In 2021, we explored Disaster Risk Reduction with a view to embedding it in our community developments programmes. On a strategic level, we spread the risk by working in multiple countries and multiple areas per country. On the staff side, we updated our travel and security policies.

Impact realization

The year 2021 was the first year of our new strategic period. Over four years, we will be working towards achieving more impact for even more children. Our theme for 2021 was 'getting ready': we used the year to prepare policies and prepare the ground for strategic and organizational development. We have defined three strategic pillars:

More quality and impact

- More climate-smart programmes
- Using the best of both worlds in development and disaster response
- Being part of systemic change
- Making sure our programmes are more evidence-based

+/- This objective is showing a mixed result. We do see a lot of good activities happening both in the country programmes and in the Netherlands, but they are not yet as structured and strategic as we would have wished. On the themes of climate-smart programming and evidence building, we have made good progress. The system change agenda especially needs more attention.

Strategic innovation and scale-up

- From ad-hoc innovation to strategic innovation and scale-up
- Being proactive in innovation networks and alliances
- Accelerating our current approaches

+ Overall, we are satisfied with the progress made in this pillar. We have developed a Strategic Innovation and Scale-Up (SISU) strategy that will guide us in the coming years to make focused choices and we have allocated innovation budgets for 2022. For one of our concepts, Empowered2Protect, we have developed a scaling strategy. In general, we are connecting more and more to innovative networks and alliances.

Strong positioning and collaboration for more resources

- Increasing and diversifying our funding
- Strengthening our local partners
- Reaching new constituencies
- Safeguarding our role as an international NGO and staying relevant

+ Despite challenges, we are happy with the progress made in this area. We developed a positioning and collaboration strategy for our institutional fundraising efforts and a marketing strategy for our private donors. Both will help us to take the right steps. We have further invested in marketing automation and are seeing the results of that in our income, as both sponsoring and donations increased significantly in 2021. Our charity shops, coordinated by Stichting Klimrek, have been more successful than anticipated. At the CEO level, several fruitful discussions have been conducted with potential strategic partners and we expect to see the results of these in 2022. The strengthening of our local partners was not addressed on a sufficiently structured basis in 2021 and we will take this up again in 2022.

Financial results

In this chapter, we provide a summary of our financial statements for 2021. The audited financial statements for 2021 can be found from page 16.

Balance sheet as at December 31, 2021

(amounts in €1,000)	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
ASSETS					
Intangible fixed assets	75	70	76	92	114
Tangible fixed assets	651	644	708	614	480
Financial fixed assets	228	507	533	382	150
Receivables and accrued items	1,680	1,722	2,102	696	1,785
Cash and cash equivalents	3,715	3,969	4,451	5,506	3,447
Total assets	6,349	6,912	7,870	7,290	5,976
LIABILITIES					
Continuity reserve	1,991	2,416	2,572	2,587	2,041
Special purpose reserves	611	358	370	401	245
Special purpose funds	1,625	1,257	873	407	512
Total reserves and funds	4,227	4,031	3,815	3,395	2,798
Long-term liabilities	8	285	226	201	287
Short-term liabilities	2,114	2,596	3,829	3,694	2,891
Total liabilities	6,349	6,912	7,870	7,290	5,976

At the end of 2021, our financial fixed assets had decreased significantly compared to the end of 2020. The Addressing Root Causes (ARC) programme came to an end in 2021 after five years of implementation. The grant from the Ministry of Foreign Affairs for this project will be paid in full in 2022 and will no longer have a multi-year component.

The same applies to the contribution to our consortium partners who will receive their final tranche in 2022. The long-term liabilities consequently also decreased significantly in 2021.

Although the financial fixed assets decreased due to the ending of the ARC project in Burundi and the repayment of a loan in the Netherlands, Help a Child provided loans to two microfinance institutes for the first time. As a result, the financial fixed assets include loans to microfinance institutes of almost €80,000. Help a Child formed a designated 'Revolving Fund' to cover the high risk of these loans.

The reserves and funds increased by almost €200,000 in 2021. Designated funds increased by €378,000, mainly due to the challenges we faced in our India programme. As a result of these challenges, Help a Child had a relatively low expenditure level in India in 2021, so we had to set aside a significant amount to be spent in future years.

The continuity reserve decreased by €425,000. In 2021 it was decided to create an exchange rate reserve and an innovation reserve, which led to a total of €320,000 being set aside at the end of 2021.

As a result, the continuity reserve had a balance of almost €2 million at the end of 2021, which is still sufficient to cover the expenses of our working organization in the event of unforeseen circumstances.

Statement of income and expenditures 2021

(amounts in €1,000)	2021	Budget 2021	2020	2019	2018	2017
INCOME						
Income from individuals	6,557	6,682	6,551	5,952	6,792	5,865
Income from businesses	605	407	556	425	374	503
Income from government subsidies	5,821	6,072	6,416	4,062	3,125	667
Income from non-profit organizations	1,642	1,613	1,327	1,305	1,189	1,228
Other income	-3	5	6	10	37	5
Total income	14,622	14,779	14,856	11,754	11,517	8,268
EXPENDITURE						
Expenditure on objectives	12,511	13,220	12,885	9,795	9,489	7,638
Costs raising income	1,319	1,256	1,114	1,006	909	883
Management and administration costs	638	663	573	507	527	473
Total expenditure	14,468	15,139	14,572	11,308	10,925	8,994
Net financial income and expenditures	9	-5	32	-20	-11	2
Balance	163	-365	316	426	581	-724

Income decreased by €234,000 in 2021, mainly as a result of lower income from government subsidies (€-0.6 million). As the ARC grant ended in 2021, the project expenditures and thus the subsidy for this project were already significantly lower in 2021 compared to previous years. Also, we received two Acute Response subsidies from DRA in 2020, which had a positive impact on the 2020 income. No such subsidies were received in 2021.

Income from non-profit organizations increased by more than €0.3 million. This includes the income of €250,000 from our charity shops in 2020 and 2021.

Expenditure on objectives was €0.7 million lower than budgeted. Help a Child of India faced challenges in 2021 due to COVID-19, as the projects had to contend with many restrictions. In addition, the office of our Indian programme was moved to another part of the country, which also had implications for the progress of our programmes.

The expenditure on objectives as a percentage of our total income was 85.6% in 2021 (budget 2021: 89.4%; actuals 2020: 86.7%); as a percentage of our total ex-

penses, the expenditure on objectives was 86.5% in 2021 (budget 2021: 87.3%; actuals 2020: 86.4%).

Costs of raising income increased by €205,000 in 2021. Help a Child continued to invest in private fundraising, more specifically in marketing automation and leads acquisition. These investments have already resulted in significant growth in income and in the number of private donors in the last couple of years. The number of staff in fundraising and communication also increased slightly.

The costs of raising income as a percentage of raised income were 9.0% in 2021 (budget 2021: 8.5%; actuals 2020: 7.5%).

Costs of management and administration increased to €636,000 in 2021, but were €25,000 lower than budgeted due to lower travel and depreciation and lower general expenses compared to budget.

The costs of management and administration as a percentage of total expenditure were 4.4% in 2021 (budget 2021: 4.4%; actuals 2020: 3.9%).

In 2022 we expect a slight decrease in income. In 2021 the ARC programme came to an end and will not be

replaced by new funding. As we expect to grow our local fundraising and also to increase our income from individuals, this will almost completely compensate for the fact that we will no longer have the ARC grant in our income.

Help a Child will also continue to invest in private fundraising, taking further steps to develop the emergency fund model of giving to encourage private donors to support our disaster response programmes.

This investment, together with our ambition to start some innovative projects, will be funded from our designated reserves.

Governance

Management

In 2021, 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 strategic input from country directors is provided in the Strategic Consultation meetings that take place four times a year together with the MT. 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 provide a framework for the 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 • Member of the administrative council of EU CORD, a network of European Christian Organizations for Relief and Development.

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 • 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, Eleos • 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) • Supervisory Board Member of Stichting Delen geeft meer.

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

Communication trainer • Owner of Grow2Care (training and coaching).

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

Director Public at Supply Value BV (Consultancy agency).

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 December 2023 – available for reappointment) |

COO of Urban Mining Corporation BV (plastic waste recycling).

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

Report of the Supervisory Board

During its annual reflection day, the Supervisory Board reflected on its functioning. Overall, the Supervisory Board is satisfied with the execution of its role as a critical friend of the CEO; not supervising activities too closely, giving space to the CEO, but being critical at key times. We nevertheless believe that we can improve by knowing what is happening in the organization at large, without depending solely on the CEO as a source of information. We intend to be more proactive in both agenda-setting and being present in the organization, for example by visiting team days or seeking information from staff members.

As the Supervisory Board needs to replace two out of six members in 2022, we also reflected on our own composition in terms of both thematic knowledge and diversity.



On behalf of the Supervisory Board,

Fokko Witteveen, Chair

Remuneration policy

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

Codes of conduct

Integrity

We expect everyone who represents Help a Child to comply with international law and to uphold the highest standards of integrity. Our integrity policy, aligned with the Six Core Principles Relating to Sexual Exploitation and Abuse (IASC), includes our Code of Conduct, our Child Safeguarding Policy and procedures on anti-fraud and corruption, feedback, complaints and whistleblowing as well as regulations for confidential counselling.

In 2021, we updated our integrity policy and intensified our individual and team training on this subject. We organized two sessions for the management team together with the country directors and trained the country teams in Burundi, DRC, Rwanda and South Sudan. An e-learning course and examination on integrity have been developed. About 40% of our staff have passed the exam so far.

Integrity notifications

In 2021 we received three integrity notifications, from Uganda, DRC and India.

- In Uganda, a complaint was received from a former staff member of one of our local partners. We sent an investigative team, who thoroughly investigated the situation but could not substantiate the allegations. We therefore closed the case.
- In DRC, a schoolmaster demanded paybacks from parents in our cash programme. An investigation was started that involved a wide community consultation, especially with community leaders. The schoolmas-

ter was reprimanded and forced to pay back the money he took from the parents. As a result of the investigation, the whole community was sensitized to the principle of free aid and complaint systems. Also, lessons learned were collected and implemented to prevent similar incidents in the future.

- Just before the end of the year, in India a former staff member of our independent sister organization Help a Child of India made a complaint about mistreatment in the aftermath of losing his job. He referred the complaint back to the CEO of HACHI, who is investigating the matter.

For both our project participants and our constituency, we have feedback and complaint systems in place. We monitor these regularly and discuss the report and analysis in our MT meetings at least twice a year. For feedback and complaints statistics, we refer to the 'Communication with Stakeholders' section.

Child Safeguarding

Help a Child is committed to protecting children from harm and abuse. Our Child Safeguarding Policy, which is part of our Integrity Policy, describes our procedures to minimize risks and how to respond to child protection concerns in our organization. Within our Disaster Response Programme, Help a Child has employed protection experts to carry out proper protection management, contextualize policies and increase support for child protection within the project communities.

Help a Child declares its adherence to the internationally recognized child safeguarding standards, set out by Keeping Children Safe, to ensure that our organization does no harm through its activities, staff, partners or volunteers. In 2021, Help a Child became a full member of the Keeping Children Safe Network.

Humanitarian Standards

Our organization adheres to the humanitarian principles of humanity, impartiality, neutrality and independence. Help a Child is a signatory of the ICRC Code of Conduct for the International Red Cross and Red Crescent Movement and NGOs in Disaster Relief. In conflict situations, the Code of Conduct will be interpreted and applied in conformity with international humanitarian law. Help a Child aligns its work with the nine commitments of the Core Humanitarian Standard (CHS), and will be a full member in 2022.

Financial Compliance

Help a Child complies with the various requirements of tax authorities in both the Netherlands and countries where we have registered offices. In the Netherlands, we comply with ANBI, the Dutch accreditation for charities (Erkend Goed Doel), and with the accounting principles for charities in the Netherlands (RJ650). Our quality management system complies with the ISO 9001:2018 standard, which is audited by an external auditor. Help a Child has various policies and procedures in place to manage its finances. These include an anti-fraud and anti-corruption policy (part of our Integrity Policy), a procurement policy and a finance manual. The financial statements of each office are audited by an external auditor on an annual basis.

Communication with stakeholders

Project participants

As a follow-up to our Core Humanitarian Standard Assessment, we set up a Community-Based Feedback and Complaints Mechanism and a related global Feedback and Complaints database.

In 2021, we registered a total of 201 complaints and feedback cases, recorded in five countries: Burundi, Kenya, Malawi, South Sudan, and Rwanda. The cases were registered in the following categories: requests for information (32), request for assistance (52), minor programmatic complaint (35), major programmatic complaint (55), and general / other (16). No complaints related to 'breach of Code of Conduct' were registered. Examples of a major programmatic complaint are the lack of access to aid or service distribution, or extortion of aid by a third party. Help a Child was able to resolve 93% of these cases, meaning that a few cases were still pending at the end of 2021.

Request for information	32
Request for assistance	52
Minor programmatic complaint	35
Major programmatic complaint	55
General / other	16
Breach Code of Conduct	0

Implementing partners

Throughout the year, our country teams are in contact with our implementing partners. This is done through training, project visits and reflection meetings. When developing strategic country plans and annual plans, we explicitly invite our partners to be part of the development process. Help a Child maintains a [partner portal](#) where all documentation for implementing partners is shared.

Institutional donors and strategic alliance partners

Help a Child is in contact with institutional donors and alliance partners through country platforms, lobby and advocacy activities, expertise and learning platforms, conferences and one-on-one meetings. In the annual corporate impact report and financial statement, we account for our work on a global level. Programme-specific reports and updates are provided, based on the donor requirements as agreed upon. [kader hier in de buurt – Titel nog verzinnen]

In 2021, we advised the executive committees of several political parties on how they might become children's rights champions in that year's general election. On behalf of KROS, a coalition of fifteen child-focused organizations, Help a Child held a child rights event for Dutch politicians. This event was intended to raise awareness about those rights coming under pressure



globally and to offer recommendations for policy and agreements base on them. We also participated in a round table at the Ministry of Foreign Affairs on children in development-aid programmes. And we joined a media campaign, led by the Better Care Network, to draw attention to the downsides of voluntourism and to offer alternatives more in line with child protection schemes.

Constituency: private sponsors and donors

Through our biannual magazine *Omarmen*, we inform our constituency about our work in general. Other communication channels are social media posts (at least twice a week) and e-mail newsletters (once every two months). Through a partner newsletter, private donors receive an annual update on the project(s) they support. Sponsors who contribute through the Community Ambassador Model receive a personal message from the child or family ambassador at least twice a year and an updated picture plus a progress report annually. This year we asked our (potential) donors to reflect on our intention of launching a new giving model for emergency relief situations.

Feedback and complaints

In contact with our private sponsors and donors, we received the following volume of feedback and complaints:

Category	2021	2020
Minor	17	26
Medium	23	25
Serious	3	5
Total	43	56

Two of the three serious complaints had to do with direct-debit errors which we rectified immediately. This year we had a relatively large number (10) of complaints about our module that allows sponsors to write online to a sponsor child. The current module is not very stable and will be updated and improved in 2022.

Constituency: Churches

The main communication channel with churches is through personal contact by our Account Manager Churches. Unfortunately, coronavirus hindered our activities with churches. Planned special church services, two trips with pastors and diaconal projects were cancelled due to coronavirus.

Constituency: Businesses

We communicate with our business partners at least twice a year through an e-mail newsletter. Our Growth



Partners, who actively support a community project for at least three years, receive an additional newsletter twice a year. We met the growth partners physically during an event hosted by one of them. Our account manager has a lot of personal contacts with our business partners. Entrepreneurs, involved in Transport & Logistics, offered to be involved in sharing our mission and vision. Now at least ten trucks, with printed key messages of Help a Child, can be seen on the roads around the Netherlands.

Constituency: Schools and youth

Due to COVID-19, two planned work trips with youth, in co-operation with World Servants, had to be cancelled. During the annual Christian Book Month in October, 60 primary schools were involved in awareness-raising and fundraising activities. Through this event, 8,900 children and hundreds of teachers, parents and family members were involved in our mission.

Staff

We use various methods to ensure that our staff are informed, engaged and inspired. Every week we start with a session in every location where we share news and prayer points. Every quarter we have team days with all staff and at least twice a year we have a global team day in which we discuss themes and developments that are relevant to most staff members. On a more formal level, the CEO meets with staff representatives each quarter to discuss results and employee-related policies. The CEO aims to visit the country offices on a regular basis. In 2021, due to COVID-19 travel restrictions, the CEO was only able to visit Rwanda.

Volunteers

With the growth of charity shops, a growing number of volunteers are becoming active for our cause. Each quarter we publish a newsletter that informs both volunteers and staff of what is happening in Help a Child and in the charity stores.

Expected course of events in 2022

More quality and impact

We have defined different pathways to increase our quality and impact. The following activities are on the agenda for 2022:

More quality

- Knowledge implementation of main programme themes at all levels (including partner staff).
- Organizing a partner capacity needs assessment and translating this into a Help a Child-wide and locally tailored offer of capacity-building activities.
- Structural application of best practices of climate-smart solutions in our projects.

More impact

- Research into the possibility of redesigning the one-size-fits-all CCCD approach into a country-specific approach.
- Integrating disaster preparedness and response in development settings.
- Developing and implementing a new giving model for disaster response countries.

Measuring our quality and impact

- Organizing a Core Humanitarian Standard self-assessment.
- Inventory, analysis and follow-up of feedback and complaints through the Community-Based Complaint and Feedback (CBCFM) mechanisms and database across all countries.
- Including evidence collection in (the design of) our main approaches.

Strategic innovation and scale-up

In 2022, we plan to:

- Organize an innovation challenge and innovation cafés to invite colleagues to share their innovative ideas. An innovation fund will be available to reward and help to improve the best ideas.
- Innovate in providing models, marketing systems and payment options and seek collaboration with innovative partners, both suppliers of systems and users.

- Research and develop scaling possibilities for five of our most prominent product concepts: Parenting Challenge, Economic Programme with Impact on Children (EPIC), Early Childhood Development Model centres, Build your Own Buddy (BOB) and Empowered2Protect (E2P).
- Pursue far-reaching collaboration with strategic partners to scale up.

Strong positioning and collaboration for more resources

For Positioning and Collaboration, the following main activities are scheduled for 2022:

- In 2021 we developed a global positioning and collaboration strategy and translated this into a country-specific strategy. This strategy will lead us to seek more partners in 2022 to increase and diversify the funding base for our programmes.
- Implementing the new Lobby and Advocacy operationalization, with publicity and events in The Hague on Early Childhood Development, Child Protection and Youth & Work.
- Actively showcasing Help a Child as an expert organization on Child Protection, Early Childhood Development and Youth & Work in international fora, using the international website, events and social media.

What does this mean for our organization?

Systems, structures and procedures are important preconditions for the successful implementation of our strategy. That is why investing in lean structures and smart procedures and systems will be a priority in 2022.

Investing in systems, structures and procedures

- Executing a project to improve our quality management system to have more coherent and controlled structures, systems and procedures.

Investing in ICT

- Developing an ICT strategy, prioritizing the needs and starting implementation.
- Continued investments in marketing automation and project management software solutions.

Organizational set-up

- Decentralization 2.0 (especially integrating the shared responsibilities of the country office and the support office).
- Evaluating span of control/project teams of Help a Child the Netherlands.
- More effective internal communication for a growing international organization.

Staff

- Rolling out HR strategy on learning and development within the organization.
- Having a strong base with up-to-date HR tools.
- Helping our staff to develop 21st-century skills.

Corporate social responsibility aspects

The COVID-19 crisis made us review our working from home policy. The last two years have taught us that working from home can be more productive than we first thought. On the other hand, we also feel a strong need for connection and inspiration, which requires working in the office.

For our office in the Netherlands, we have developed a policy that expects staff to work from home about 50% of the time. This allows our staff to plan for a better balance between work and private commitments and has an additional positive effect on our travel needs and thus our CO2 emissions. We expect to reduce CO2 by 45% in 2022 compared to 2019.

	Home-work kilometres	Estimated CO2 emissions
2019 (last year without coronavirus)	271,902	60 tons
2020	117,998	26 tons
2021	80,419	18 tons
2022 (estimate with new home-work policy in place)	150,000	33 tons

For most colleagues in our country offices, working from home is not a long-term option. This has to do with the nature of their duties – visiting partners and communities – and it also depends on internet conditions and other circumstances. This means that in most offices policies on working from home cannot be adopted.

With the introduction of our e-learning platform Help a Child Academy, we can promote individual learning and induction on important subjects. Among other topics, Integrity courses are provided. Not only does this help us to reduce physical meetings, saving travel and accommodation costs, but it also helps staff to develop further in a very accessible way. As far as the internet allows, our international staff are keen to make use of this resource.



Consolidated financial statements

Consolidated balance sheet

AS AT 31 DECEMBER, 2021 (after appropriation of result)

ASSETS	31-12-2021		31-12-2020	
	€	€	€	€
Intangible fixed assets		74,676		69,951
Tangible fixed assets		650,820		644,192
Financial fixed assets				
Other securities	5,806		9,570	
Grants receivables	-		360,100	
Other receivables	221,575		137,150	
		227,382		506,820
Receivables and accrued items				
Receivable raised income	1,535,533		904,221	
Prepayments to partners	102,757		778,043	
Other receivables and accrued items	42,082		40,070	
		1,680,372		1,722,334
Cash and cash equivalents		3,715,391		3,969,171
		6,348,641		6,912,468
LIABILITIES				
	€	€	€	€
Reserves and funds				
Continuity reserve		1,990,815		2,415,773
Special purpose reserves		610,556		358,000
Special purpose funds		1,625,444		1,257,525
		4,226,815		4,031,298
Long-term liabilities				
Prepayments	8,000		12,000	
Amounts payable in respect of programmes	-		273,533	
		8,000		285,533
Short-term liabilities				
Accounts payable	312,914		140,995	
Subsidies and income received in advance	81,102		1,361,413	
Amounts payable in respect of programmes	1,101,849		536,939	
Other liabilities and accrued items	617,961		556,290	
		2,113,826		2,595,637
		6,348,641		6,912,468

Consolidated statement of income and expenditure

	2021		Budget 2021		2020	
	€	€	€	€	€	€
INCOME						
Raised income						
Income from individuals	6,556,886		6,682,500		6,550,728	
Income from businesses	605,134		407,000		556,027	
Income from government subsidies	5,821,172		6,021,503		6,416,206	
Income from related non-profit organizations	250,761		50,000		-	
Income from other non-profit organizations	1,391,265		1,613,000		1,327,417	
		14,625,218		14,774,003		14,850,379
Income from supplied products and services		3,840		5,000		4,781
Other income		-7,338		-		1,367
		14,621,720		14,779,003		14,856,527
EXPENDITURE						
Expenditure on objectives						
Child Development & Protection	4,437,905		3,836,002		4,071,601	
Youth & Work	1,481,255		1,614,080		1,357,854	
Community Resilience	2,908,748		2,708,889		2,670,352	
Food Security and Livelihoods	1,350,744		2,171,299		1,897,687	
Health, WASH and Nutrition	1,934,912		2,467,638		2,561,780	
Information and awareness	397,216		421,623		325,410	
		12,510,779		13,219,532		12,884,684
Costs of raising income		1,319,046		1,256,406		1,114,107
Management and administration costs		638,420		662,738		573,131
		14,468,246		15,138,676		14,571,922
Balance before financial income and expenses		153,474		-359,673		284,605
Net financial income and expenses		9,614		-5,000		31,656
Net income and expenses		163,088		-364,673		316,261
Surplus/shortfall added to/withdrawn from						
- Continuity reserve		-137,387		-14,673		-56,499
- Special purpose reserves		-67,444		-57,500		-12,000
- Special purpose funds		367,919		-292,500		384,760
		163,088		-364,673		316,261

Consolidated cash flow statement

	2021		2020	
	€	€	€	€
CASH FLOW FROM OPERATING ACTIVITIES				
Net income and expenses		163,088		316,261
Costs of depreciation/amortization	110,522		110,857	
Movements in receivables	41,963		379,472	
Movements in provisions	-		-	
Movements in long-term liabilities	-277,533		59,594	
Movements in short-term liabilities	-481,810		-1,233,304	
		-606,858		-683,381
		-443,770		-367,120
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in intangible fixed assets	-23,442		-14,737	
Investments in tangible fixed assets	-92,978		-48,972	
Movements in financial fixed assets	279,438		25,922	
Fixed assets currency differences	-5,456		22,625	
		157,562		-15,161
Net cash flow before currency and conversion differences		-286,208		-382,282
Currency and conversion differences		32,428		-99,868
Increase (+)/decrease(-) in liquid assets		-253,780		-482,150
Cash and cash equivalents as at January 1		3,969,173		4,451,323
Cash and cash equivalents as at December 31		3,715,393		3,969,173

Cash and cash equivalents decreased by more than €250,000. This is mainly caused by the fact that at year-end 2020 some major grants were received in advance which were partly transferred to our partner organizations. In 2021 this was not the case, meaning that we did not have these funds in our bank accounts.

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 payments for the 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 27, 2022.

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, of 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 are placed with Triodos Bank, while the other banks and notably ABN AMRO Bank have 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 amortization. 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 that the depreciation terms for tangible fixed assets are 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 of Goede Doelen Nederland (sector organization for the Dutch charitable sector; see www.goededoelennederland.nl), which states that the continuity reserve may not exceed 150% of the annual costs of the working organization. Help a Child has decided to apply a stricter standard: 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 for 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 is recognized in the year of receipt. Income which will be received in a subsequent financial year, but which has been specifically designated by donors for the reporting year, is recognized as income for the reporting year. Income from charity funds and third parties is recognized in the year in which the donation has been committed 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 that 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 in principle not net 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 incurred by these third parties.

Costs of 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 of 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. The funding ratio of Pensioenfondsen Zorg & Welzijn was 99.7% at the end of December 2021.

Notes to the consolidated balance sheet

INTANGIBLE FIXED ASSETS	Software	Software under development	Total
As at January 1, 2021	€	€	€
Acquisition costs	240,398	17,413	257,810
Accumulated amortization	-187,860	-	-187,860
Book value	52,538	17,413	69,951
Movements in 2021			
Investments	-	23,442	23,442
Amortization	-18,716	-	-18,716
Total movements	-18,716	23,442	4,726
As at December 31, 2021			
Acquisition costs	240,398	40,854	281,252
Accumulated amortization	-206,576	-	-206,576
Book value	33,822	40,854	74,676

The intangible fixed assets refer to software, mainly to Pluriform and ProjectConnect. These investments were made in recent 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.

In 2021 we initiated new investments in ProjectConnect which will be implemented in the first half of 2022.

TANGIBLE FIXED ASSETS	Land and Buildings	Office fixtures and fittings	Means of transport	Equipment	Total
As at January 1, 2021	€	€	€	€	€
Acquisition costs	1,041,897	163,824	209,665	129,854	1,545,241
Accumulated depreciation	-569,787	-150,702	-92,543	-88,017	-901,049
Book value	472,111	13,121	117,122	41,838	644,192
Movements in 2021					
Investments	-	4,623	39,445	49,027	93,095
Depreciation	-22,204	-6,022	-33,335	-30,246	-91,806
Divestments acquisition costs	-	-	-	-4,704	-4,704
Divestments accumulated depreciation	-	-	-	4,587	4,587
Currency differences	-	443	4,227	786	5,456
Total movements	-22,204	-955	10,337	19,450	6,628
As at December 31, 2021					
Acquisition costs	1,041,897	168,890	253,337	174,964	1,639,088
Accumulated depreciation	-591,991	-156,724	-125,878	-113,676	-988,268
Book value	449,907	12,166	127,459	61,288	650,820

The WOZ (property tax) value of the two premises included in 'Land and buildings' was set at €833,000 as at January 1, 2022.

All tangible fixed assets are used for Help a Child's operations with the exception of the residential house

which was part of a bequest. This house is intended to be let until the current tenant terminates the rental agreement and qualifies as an investment. The book value of the house is €134,983 as at December 31, 2021.

FINANCIAL FIXED ASSETS

Other securities	31-12-2021	31-12-2020
	€	€
Investment PerspActive U,A,	5,806	9,570

The movement of the other securities is as follows:

	31-12-2021	31-12-2020
	€	€
Balance as at January 1	9,570	88,807
Settlement	-3,764	-2,057
Repaid start capital PerspActive U,A,	-	-77,180
Balance as at December 31	5,806	9,570

Since September 2016 Help a Child together with a number of other NGOs from the Netherlands 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'.

Grants receivables	31-12-2021	31-12-2020
	€	€
Receivable income from third parties	-	22,377
Receivable government subsidies	-	337,723
	-	360,100

Until 2021 the major part of the receivable grants recognized under 'Financial fixed assets' referred to the receivable from the Ministry of Foreign Affairs for the Addressing Root Causes programme in Burundi which ended in 2021. Hence the final instalment is expected to be received in 2022, which means the receivable is no longer recognized under 'Financial fixed assets'.

Other receivables	31-12-2021	31-12-2020
	€	€
Loan to microfinance institutes	79,545	-
Loan to Stichting KLIMREK	63,750	39,000
Loan from bequest	-	25,000
Property from bequest with usufruct	78,280	73,150
	221,575	137,150

The loan to microfinance institutes refer to a loan facility provided to two microfinance institutes in Rwanda and Malawi. The objective of this facility is to enable beneficiaries in the programmes of our partner organizations to receive a microfinance loan for their farm or business.

With the loan Help a Child provides the liquidity to the microfinance institutes for this facility. In case beneficiaries fail to repay their microfinance loan to the microfinance institute, Help a Child will cover this default.

The loan to the microfinance institutes will probably not be repaid completely at the end date of the loan agreement. Defaults will be covered by the restricted 'Revolving fund'.

The facility in Malawi ends at February 28, 2024 and originally amounted 47.7 million Malawian Kwachas. The book value at the end of 2021 amounts €46,650; in 2021 an amount of €5,156 was depreciated due to defaults.

The facility in Rwanda ends at December 31, 2022 and originally amounted 46 million Rwandan Francs. The book value at the end of 2021 amounts €32,895; in 2021 an amount of €5,998 was depreciated due to defaults.

The microfinance did not provide any guarantees.

The loan to Stichting KLIMREK concerns an interest-free loan which was initially provided in 2018. The loan is intended as start-up capital for the Help a Child charity shops that were set up from 2018 in several cities in the Netherlands.

In 2021 the loan agreement was adjusted and allows Stichting KLIMREK to request additional liquidity to invest in a new charity shop and to pay for a guarantee for the rent of the new shop. For each individual shop KLIMREK will receive a loan of a maximum of €30,000 to be repaid in four years. The total loan amount will not exceed €200,000. The total amount must be repaid before March 1, 2021.

The current loan agreement matures on December 31, 2025.

The loan from bequest arose when Help a Child became the beneficiary of a bequest in 2019 and was repaid in 2021.

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.

Receivable raised income	31-12-2021	31-12-2020
	€	€
Receivable from bequests	387,978	512,243
Receivable income from third parties and foundations	285,378	139,733
Receivable government subsidies	849,627	250,045
Other receivable raised income	12,550	2,200
	1,535,533	904,221

At the end of 2021 the receivable amount is significantly higher compared to the end of 2020. As explained under 'Financial fixed assets' the final disbursement for the Addressing Root Causes programme in Burundi of €405,000 is fully reflected under this balance sheet item. In addition, Help a Child will receive an amount of €175,201 in 2022 from income generated by the charity shops in 2021.

Prepayments to partners	31-12-2021	31-12-2020
	€	€
Prepayments to consortium partners Addressing Root Causes programme	-	774,884
Prepayments to implementing partners	102,757	3,159
	102,757	778,043

RESERVES AND FUNDS

Reserves

	Continuity reserve	Special purpose reserves					Total
		Disaster response	Disability	Kids at Risk	Innovation	Exchange rate risks	
	€	€	€	€	€	€	€
As at January 1, 2021	2,415,773	100,000	8,000	250,000	-	-	2,773,773
Movements in 2021							
Allocation of net income and expenses	-137,387	-	2,000	-69,444	-	-	-204,831
Other movements	-287,572	-	-	-	120,000	200,000	32,428
Total movements	-424,959	-	2,000	-69,444	120,000	200,000	-172,403
As at December 31, 2021	1,990,815	100,000	10,000	180,556	120,000	200,000	2,601,371

In previous years Help a Child received a major part of the ARC grant in advance and paid the consortium partners their portion of this advance. As the grant ended in 2021, Help a Child did not receive an advance in 2021 and also did not pay an advance to the partners.

Other receivables and accrued items	31-12-2021	31-12-2020
	€	€
Payments in advance	21,807	17,937
Other receivables	20,275	22,133
	42,082	40,070

CASH AND CASH EQUIVALENTS

	31-12-2021	31-12-2020
	€	€
Bank accounts of Help a Child in the Netherlands	1,702,588	1,138,715
Bank accounts of Help a Child country offices	542,853	843,226
Savings accounts of Help a Child in the Netherlands	1,447,453	1,966,098
Cash in hand	22,498	21,132
	3,715,391	3,969,171

An explanation of the movements in the cash and cash equivalents in 2021 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.

	31-12-2021	31-12-2020
	€	€
Continuity reserve	1,990,815	2,415,773

Our continuity reserve decreased to approximately €2 million at year-end 2021. In 2021 it was decided to add two new special purpose reserves which are primarily funded from the continuity reserve.

As at 31 December 2021 the total amount of the continuity reserve was 50% of 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.

	31-12-2021	31-12-2020
	€	€
Special purpose reserve - Disaster response	100,000	100,000

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

	31-12-2021	31-12-2020
	€	€
Special purpose reserve - Disability	10,000	8,000

We set aside €20,000 in order to have the means to devote specific attention to disabled children in our programme areas and provide them with physical resources. The reserve was created in 2019 and was partly committed in 2020; the remaining balance will be spent in 2021.

	31-12-2021	31-12-2020
	€	€
Special purpose reserve - Kids at Risk	180,556	250,000

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 started a pilot project in DRC which is partly funded from this reserve.

	31-12-2021	31-12-2020
	€	€
Special purpose reserve - Innovation	120,000	-

In our strategic plan we have a strong focus on building on our expertise in innovation and aim to continuously identify, pilot and implement innovative approaches and products in our programmes. The Board of Directors formed a reserve of €120,000 for innovation at the end of 2021 which will be used to invest as seed funding for innovative ideas.

	31-12-2021	31-12-2020
	€	€
Special purpose reserve - Exchange rate risks	200,000	-

Until 2021 our policy was to sign all contracts in the euro currency to mitigate the exchange rate risks. Because this principle caused the exchange rate risks to be borne by our partner organizations, as of 2022 our country offices will have the opportunity to sign contracts with their implementing partner organizations in local currency.

As a result we will face increased exchange rate risks for which we have decided to form a reserve.



Funds	Special purpose funds			Total
	Bequests	Disaster response	Other special purpose funds	
	€	€	€	€
As at January 1, 2021	11,833	98,325	1,147,367	1,257,525
Net movements in 2021	-	-1,319	369,238	367,919
As at December 31, 2021	11,833	97,006	1,516,605	1,625,444

	31-12-2021	31-12-2020
	€	€
Special purpose fund - Bequests	11,833	11,833

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

SPECIAL PURPOSE FUND - DISASTER RESPONSE	As at January 1, 2021	Donations 2021	Expenses 2021	Reallocation	As at December 31, 2021
	€	€	€	€	€
Disaster response Malawi	17,638	284	-	-	17,922
Disaster response Beirut	35,160	1,411	-	-	36,571
Disaster response COVID-19	44,592	203,625	224,469	-	23,748
Emergency Fund (Noodfonds)	-	36,682	-	-36,682	-
Other disaster response	935	23,514	1,870	-3,814	18,765
Total	98,325				97,006

The special purpose fund for disaster response consists of income for specific disaster response projects that has not been spent by the end of the year. In 2021 the major amount received for disaster response referred to COVID-19, of which an amount of €23,748 is available for projects in 2022.

From previous years Help a Child still has funds available for disaster response projects in Malawi and Beirut. We will spend these balances in 2022 on relevant projects.

In 2021 Help a Child started 'Noodfonds' (Emergency Fund) as a new giving model for disaster response contexts. The income of 'Noodfonds' is allocated to the Kids at Risk project in DRC.

Other special purpose funds	As at January 1, 2021	Net movement 2021	As at December 31, 2021
	€	€	€
Uganda	138,013	43,153	181,166
Malawi	6,153	102,169	108,322
Rwanda	-	3,500	3,500
Burundi	6,445	-6,445	-
Democratic Republic of the Congo	84,241	-84,241	-
South Sudan	3,333	51,249	54,582
India	99,938	398,211	498,149
Kenya	161,788	-161,788	-
Challenge funds	30,040	-11,050	18,990
EO Metterdaad Rwanda	31,501	-31,501	-
EO Metterdaad Malawi	92,942	-92,942	-
EO Metterdaad Kenya	37,970	-37,970	-
Revolving fund	178,008	-12,549	165,459
Fund advertisements	-	9,350	9,350
Community programmes	-	4,779	4,779
Development charity shops	-	9,132	9,132
Disability	44,540	131,429	175,969
Education	-	123,731	123,731
'Talentfabriek'	9,615	-	9,615
Sponsoring	123,742	-89,285	34,457
'Dierbaar cadeau'	55,251	2,341	57,592
'Groeifonds'	43,847	17,965	61,812
	1,147,367		1,516,605

The other special purpose funds increased by almost €370,000 in 2022. Low expenditure levels in India are the most important reason for this increase; because of the impact of COVID-19 and organizational changes in India the team of Help a Child of India, was not able to implement activities according to the annual plans.

LONG-TERM LIABILITIES

Prepayments	31-12-2021	31-12-2020
	€	€
Prepaid donations	8,000	12,000

In 2019 Help a Child received an amount of €20,000 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 2022 have been recognized under the accrued items in short-term liabilities.

Amounts payable in respect of programmes	31-12-2021	31-12-2020
	€	€
Long-term payable to consortium partners ARC	-	239,508
Long-term arrangements for partner organizations India	-	34,025
	-	273,533

Due to the ending of the ARC programme in Burundi, Help a Child will pay the final disbursements to our consortium partners in 2022, which means the final disbursements no longer qualify as long-term liabilities.

SHORT-TERM LIABILITIES

Short-term liabilities are expected to be settled within one year.

	31-12-2021	31-12-2020
	€	€
Accounts payable	312,914	140,995

The accounts payable refer to invoices payable 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:

	31-12-2021	31-12-2020
	€	€
ARC Building Bridges - Burundi	-	1,278,144
DRA - subsidies	45,570	33,315
Other received in advance	35,532	49,954
	81,102	1,361,413

	31-12-2021	31-12-2020
	€	€
Amounts payable in respect of programmes	1,101,849	536,939

The 'Amounts payable in respect of programmes' concern commitments that have already been allocated to, but not yet disbursed to, partner organizations which are expected to be disbursed to partner organizations in 2022.

Other liabilities and accrued items	31-12-2021	31-12-2020
	€	€
Taxes and social security contributions	254,588	201,750
Personnel costs	197,272	175,206
Other liabilities	159,566	130,961
Accrued items	6,536	48,373
	617,961	556,290

The liabilities relating to personnel costs include the reserve for holiday allowances, holiday entitlements and amounts payable 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 2021, the annual partner commitments with our partner organizations for 2022 and beyond were not formally implemented. However, on the basis of long-term programmes, we have entered into a commitment totalling approximately €5.8 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 2022. The formal commitment to the partner organization will be submitted in early 2022 and will hence be accounted for in 2022.

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; in 2021 it was decided that the

cooperation would be terminated and the remaining start capital would be repaid in 2022.

Programmes funded by Institutional Donors

We have entered into contracts for the implementation of long-term programmes with the Dutch Relief Alliance.

Help a Child receives contributions from the Dutch Relief Alliance for Joint Response programmes running from January 1 until December 31 of a calendar year, in 2021 contributions were received for Joint Response programmes in DRC, South Sudan and Somalia. The DRA funds are committed to a lead organization that 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 four grants for innovation projects in South Sudan, DRC and Burundi, two of which will be continued into 2022.

With its implementing partners Help a Child signs annual contracts, so the commitments for 2022 are not included in the financial statements of 2021.

Rental agreement for 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 an end date. The annual rental income for Help a Child amounts to €6,516.

Guarantees charity shops

Until the end of 2021 Stichting KLIMREK has set up 4 charity shops in the Netherlands. To facilitate the set up of these shops Help a Child provided Stichting KLIMREK in 2018 with a loan agreement (reference to the Financial fixed assets) and a guarantee arrangement. With the new loan agreement Stichting KLIMREK is now enabled to arrange for guarantees themselves. The existing arrangement is as of December 31, 2021 only effectuated by Stichting KLIMREK for one existing rental agreement which required a total guarantee of €10,588 for which Help a Child is still liable to the landlord until the end of the rental agreement, in 2023.



Notes to the consolidated statement of income and expenditure

INCOME

Income from individuals	2021	budget 2021	2020
	€	€	€
Sponsorship	4,050,595	4,020,000	3,898,693
Other donations	1,897,387	2,043,500	1,746,733
Bequests	387,220	550,000	610,500
Donations for disaster response	221,684	69,000	294,802
	6,556,886	6,682,500	6,550,728

Because the number of sponsors increased in 2020 and 2021, the income from sponsors is higher than in 2020 and even slightly exceeds the 2021 budget. The number of bequests in 2021 was equal to 2020 (34), but the average donation from bequests was lower, which means the total amount received is lower than

Income from businesses	2021	budget 2021	2020
	€	€	€
Sponsorship	38,333	35,500	35,434
Other donations	553,671	355,500	481,584
Donations for disaster response	13,130	16,000	39,009
	605,134	407,000	556,027

previous years and also lower than budgeted. Also in 2021 our private donors contributed generously to the coronavirus emergency fund, which explains why the disaster response donations exceeded the budget significantly.

Income from government subsidies	2021	budget 2021	2020
	€	€	€
Dutch Ministry of Foreign Affairs - Addressing Root Causes Burundi	1,345,415	1,300,000	1,637,174
Dutch Relief Alliance - Joint Response South Sudan	1,106,050	980,472	822,716
Dutch Relief Alliance - Joint Response Democratic Republic of Congo	893,142	887,577	794,442
Dutch Relief Alliance - innovation projects	816,279	546,551	613,666
Dutch Relief Alliance - Acute Response South Sudan	5,717	8,000	1,002,229
Dutch Relief Alliance - Joint Response Somalia	1,298,903	1,298,903	1,262,764
EU - Pride! South Sudan	112,735	150,000	-
International Organization for Migration - Burundi	133,866	150,000	132,433
UNHCR/World Food Programme - Burundi	79,826	-	-
UNICEF Rwanda / Malawi	22,102	300,000	129,413
UNDP - South Sudan	7,137	-	-
Other income from government subsidies	-	400,000	21,370
	5,821,172	6,021,503	6,416,206

Since it was the last year of the ARC programme in Burundi, the total grant decreased to €1.3 million.

The subsidies received from the Dutch Relief Alliance (DRA) decreased from €4.5 million to €4.1 million. In 2020, Help a Child received two Acute response projects

in South Sudan, which did not take place in 2021. In 2021 Help a Child received two additional innovation grants for implementation in 2021 and 2022.

In view of the membership of the DRA these subsidies have a structural character, although the innovation projects are funded on the basis of individual proposals.

In Burundi Help a Child started programmes funded by UNHCR/WFP and IOM, meaning institutional funding from Burundi increased to €325,000 in 2021. In South

Sudan an EU-funded project started in 2021 in which Help a Child is part of a consortium.

Income from related non-profit organizations	2021	budget 2021	2020
	€	€	€
Income from charity shops KLIMREK	250,761	50,000	-
	250,761	50,000	-

For the first time we received income from the charity shops in 2021. The amount of €250,761 consists of the income generated in 2020 (€75,560) and in 2021 (€175,201).

Income from other non-profit organizations	2021	budget 2021	2020
	€	€	€
Sponsorship from churches	241,844	249,500	247,762
Sponsorship from foundations	58,169	83,000	86,451
Other donations from churches	286,081	268,000	292,032
Other donations from foundations and charitable trusts	630,607	862,500	491,947
Income from third parties	174,564	150,000	209,225
	1,391,265	1,613,000	1,327,417

Income from supplied products and services	2021	budget 2021	2020
	€	€	€
Net income from house rental	3,840	5,000	4,781
Other income from products and services	-	-	-
	3,840	5,000	4,781

	2021	budget 2021	2020
	€	€	€
Other income	-7,338	-	1,367

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	2,355,030	782,370	1,500,140	479,096	1,355,768	-	6,472,404
Programme expenses - own expenses	1,439,458	426,142	914,768	772,342	428,093	-	3,980,804
	3,794,488	1,208,512	2,414,909	1,251,438	1,783,861	-	10,453,208
Communication expenses	-	-	-	-	-	167,644	167,644
Staff expenses	530,410	223,646	405,707	83,780	127,104	195,700	1,566,348
Travel and lodging expenses	5,361	2,329	4,181	737	1,136	1,607	15,350
Vehicle expenses	-	-	-	-	-	-	-
Housing expenses	7,113	3,090	5,547	977	1,507	2,132	20,366
Office and network expenses	61,502	26,720	47,964	8,450	13,032	18,434	176,101
General expenses	25,062	10,888	19,545	3,443	5,311	7,512	71,760
Depreciation	13,969	6,069	10,894	1,919	2,960	4,187	40,000
	643,417	272,742	493,839	99,307	151,050	397,216	2,057,571
Total	4,437,905	1,481,255	2,908,748	1,350,744	1,934,912	397,216	12,510,779

	Subtotal	Costs of raising income	Management and administration costs	Total expenses 2021	Total budget 2021	Total expenses 2020
Programme expenses - third parties	6,472,404	-	-	6,472,404	7,556,256	8,172,642
Programme expenses - own expenses	3,980,804	-	-	3,980,804	3,605,860	2,925,743
	10,453,208	-	-	10,453,208	11,162,116	11,098,385
Communication expenses	167,644	538,463	-	706,107	677,600	574,672
Staff expenses	1,566,348	649,571	513,198	2,729,118	2,691,526	2,353,174
Travel and lodging expenses	15,350	8,417	8,890	32,658	45,500	28,323
Vehicle expenses	-	3,590	4,808	8,397	12,500	12,539
Housing expenses	20,366	18,426	21,516	60,308	63,500	50,993
Office and network expenses	176,101	56,419	48,216	280,736	220,500	257,702
General expenses	71,760	27,851	26,157	125,768	177,099	122,956
Depreciation	40,000	16,310	15,635	71,945	88,335	73,179
	2,057,571	1,319,046	638,420	4,015,037	3,976,560	3,473,537
Total	12,510,779	1,319,046	638,420	14,468,246	15,138,676	14,571,922

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 the time expenditure of these staff taking into account the relative expenses of each individual staff member.
- 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 of costs of raising income

Help a Child spent €1,319,046 in 2021 on raising income. As a result the ratio of costs of raising income as a percentage of total raised income amounts to 9.0% in 2021; for 2021 a ratio of 8.5% was budgeted and the actual ratio in 2020 amounted to 7.5%.

Number of FTEs and allocation

The 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 2021	Total FTE 2020
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%	8.3	6.8
Institutional fundraising	55.0%	40.0%	5.0%	100.0%	3.7	3.7
Sponsorship	90.0%	0.0%	10.0%	100.0%	3.6	4.1
Expertise & programme support	90.0%	7.5%	2.5%	100.0%	8.6	8.6
Other staff	47.5%	10.0%	42.5%	100.0%	8.1	7.2
Total for the Netherlands					33.2	31.2
Country programme directors	60.0%	25.0%	15.0%	100.0%	5.5	6.0
Sponsorship	90.0%	0.0%	10.0%	100.0%	3.5	2.0
Programme support	100.0%	0.0%	0.0%	100.0%	50.2	42.0
Other staff	47.5%	10.0%	42.5%	100.0%	11.8	12.2
Total country *)					71.0	62.2
Total FTE					104.3	93.5

*) 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

Expenditures on objectives were €670,000 lower compared to the 2021 budget and decreased by €103,000 compared to 2020. A major reason for this decrease is the challenges we faced in our India programme. In 2021 our programme faced a lot of restrictions due to COVID-19. Help a Child of India also moved its office to another region in India, which led to a lot of staff exchange. COVID-19 measures also delayed this process, meaning the activity level was relatively low in India in 2021.

As our office in India is formally a partner organization, it also partly explains the lower expenditures by partners compared to the 2021 budget and 2020 actuals decreased. We also received additional budget from institutional fundraising, which led to new projects in Burundi, South Sudan and DRC that had a relatively high amount of own implementation. As a result our actual expenditures on own implementation are €375,000 higher compared to budget.

In 2021 we faced a relatively high percentage of staff turnover and sickness. This led to an increase in recruitment expenses and temporary replacements and resulted in increased staff expenses (€38,000 higher than budgeted).

Office and network expenses were €60,000 higher compared to budget, which is mainly due to increased IT expenses. This overspending is compensated by lower expenses on depreciation and general expenses.

Expenditure on objectives – programmes

Help a Child works in several countries on both development and disaster response. The following table shows the expenditures in 2021 spent on the different themes in the countries in which Help a Child works.

	Child Development & Protection	Youth & Work	Community Resilience	Food Security and Livelihoods	Health, WASH and Nutrition	Total 2021	Total 2020
	€	€	€	€	€	€	€
Development							
Kenya	638,757	206,633	364,584	-	-	1,209,974	668,634
Malawi	509,597	136,282	219,413	-	-	865,292	887,798
Rwanda	603,196	275,988	318,381	-	-	1,197,565	1,412,981
Burundi	375,829	628,430	1,128,369	975	46,116	2,179,720	2,310,831
India	151,897	80,390	30,830	-	109,494	372,611	830,726
Uganda	324,240	140,137	174,313	-	-	638,689	740,543
Ethiopia	-	-	-	-	-	-	76,649
	2,603,517	1,467,859	2,235,890	975	155,610	6,463,852	6,928,162
Disaster response							
Burundi	76,760	-	229,692	114,118	28,509	449,078	423,453
Democratic Republic of Congo	424,897	-	227,444	552,959	322,879	1,528,179	1,146,970
South Sudan	1,020,117	-	206,564	682,693	121,893	2,031,268	2,490,445
Somalia	151,038	-	-	-	1,163,927	1,314,965	1,244,472
India	161,575	13,396	9,157	-	140,176	324,304	148,506
Other countries	-	-	-	-	1,917	1,917	177,267
	1,834,388	13,396	672,858	1,349,769	1,779,302	5,649,712	5,631,112
Total expenditures on objectives – programme	4,437,905	1,481,255	2,908,748	1,350,744	1,934,912	12,113,564	12,559,274

Control over expenditures

Help a Child controls operational risks by devoting 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 three 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 to handle the contracting with partners and to oversee compliance with contract conditions and specific donor requirements.

Programme expenses – third parties	2021	budget 2021	2020
	€	€	€
Consortium partners ARC	827,100	883,000	1,068,189
Implementing partners India	545,836	765,000	770,029
Implementing partners Kenya	542,768	441,000	162,570
Implementing partners Rwanda	567,205	723,000	877,455
Implementing partners Malawi	599,269	597,000	548,847
Implementing partners Burundi	576,735	725,900	705,995
Implementing partners Ethiopia	-	-	70,000
Implementing partners Uganda	562,655	552,400	657,892
Implementing partners Democratic Republic of Congo	302,778	610,282	304,042
Implementing partners South Sudan	722,569	955,691	1,678,089
Implementing partners Somalia	1,222,716	1,210,000	1,187,982
Implementing partners others	2,774	92,984	141,552
	6,472,404	7,556,256	8,172,642
Programme expenses – own expenses			
	€	€	€
Own expenses Kenya	472,858	425,100	391,935
Own expenses Rwanda	447,974	309,900	387,582
Own expenses Malawi	140,642	255,400	227,159
Own expenses Burundi	810,085	202,900	621,768
Own expenses Democratic Republic of Congo	961,205	383,807	668,889
Own expenses South Sudan	981,800	504,253	539,427
Other own programme expenses Help a Child	166,241	1,524,500	88,981
	3,980,804	3,605,860	2,925,743

Communication expenses	2021	budget 2021	2020
	€	€	€
Sponsorship management	33,558	39,500	43,210
Private fundraising	415,432	360,600	321,575
Disaster response campaigns	9,165	10,000	10,050
Relationship management	25,220	45,500	18,570
Communication consultancy	131,846	148,000	121,882
Online communication and fundraising	34,778	41,000	44,884
Events	9,696	33,000	5,697
Other expenses	46,413	-	8,804
	706,107	677,600	574,672

Expenses for private fundraising increased by more than €80,000. Help a Child increased its investments in lead campaigns as this successfully attracts new

donors and sponsors. We also invested in marketing automation and a new giving model ('Noodfonds').

Staff expenses	2021	budget 2021	2020
	€	€	€
Salary expenses for staff in the Netherlands *)	1,732,349	1,800,698	1,536,376
Social charges for staff in the Netherlands	288,354	297,115	274,635
Pension premiums for staff in the Netherlands	186,507	180,070	161,484
Other staff expenses in the Netherlands	250,512	163,643	122,349
Staff expenses the Netherlands	2,457,722	2,441,526	2,094,843
Staff expenses Kenya	245,879	235,293	224,202
Staff expenses Rwanda	203,111	214,227	215,644
Staff expenses Malawi	126,003	167,857	137,963
Staff expenses Burundi	148,556	241,528	162,822
Staff expenses Democratic Republic of Congo	300,228	256,002	243,967
Staff expenses South Sudan	383,349	372,452	251,308
Staff expenses country offices	1,407,126	1,487,359	1,235,906
Total staff expenses (gross)	3,864,849	3,928,885	3,330,749
Programme staff directly allocated to implementation expenses**)	-1,135,731	-1,237,359	-977,575
Total staff expenses (net)	2,729,118	2,691,526	2,353,174

*) Salary expenses of staff in the Netherlands include gross salary, holiday allowance, 13th month allowance and gratuity expenses. Compensation from the insurance company for sick leave or for maternity leave is 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; in the case of country offices 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 (two permanent office volunteers as at December 31, 2021).

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 than 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 November 27, 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).

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 2021:

Name	A.M. Schuttinga
Position	CEO
Employment details	
Nature (term)	indefinite
Hours	32
Contract	Part-time (88.9%)
Period	1/1-31/12

Remuneration	2021	
	€	€
Gross salary	75,711	
Holiday allowance	6,101	
13th month allowance	6,836	
Total annual income		88,648
Taxable reimbursements	617	
Pension expenses (employer's share)	10,001	
		10,618
Total remuneration Board of Directors 2021 (incl. employer's costs)		99,266
Remuneration 2020		
Total remuneration Board of Directors 2020 (incl. employer's costs)		€ 98,001

In 2021 the full-time equivalent of the actual annual income of CEO Andries Schuttinga was €99,729, 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 2021 they received reimbursements for expenses amounting to €246 (2020: €105), concerning mileage allowances.

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

Financial income and expenses	2021	budget 2021	2020
	€	€	€
Financial income			
Interest income	1,468	-	2,562
Exchange rate differences	19,237	-	29,094
	20,705	-	31,656
Financial expenses			
Negative interest	11,090	5,000	-
Exchange rate differences	-	-	-
	11,090	5,000	-
Net financial income and expenses	9,614	-5,000	31,656

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 the euro currency, 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, as well as 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 €19,237 (2020: €29,094).

In 2022 Help a Child will change its policy on exchange rate risks. We will allow partner contracts to be signed in local currencies. In the chain of partner organizations we believe Help a Child is in a much better position to bear the risks of exchange rate fluctuations as most of our implementing partner organizations have less means and financial capacity to manage the risks of exchange rate fluctuations. Hence we decided to change our policy accordingly and set up a reserve at Help a Child to cover possible exchange rate losses.

Related parties

The accounting guidelines for annual reports include 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, 2021 (after appropriation of result)

ASSETS	31-12-2021		31-12-2020	
	€	€	€	€
Intangible fixed assets				
Software	33,822		52,538	
Software under development	40,854		17,413	
		74,676		69,951
Tangible fixed assets				
Land and buildings	449,907		472,111	
Office fittings and fixtures	4,225		6,522	
Equipment	39,917		26,288	
		494,049		504,921
Financial fixed assets				
Other securities	5,806		9,570	
Grants receivable	-		360,100	
Other receivables	221,575		137,150	
		227,382		506,820
Receivables and accrued income				
Receivable raised income	1,397,893		816,084	
Prepayments to partners	216,227		963,322	
Other receivables and accrued items	28,771		19,449	
		1,642,892		1,798,855
Cash and cash equivalents		3,134,252		3,108,100
		5,573,250		5,988,647

LIABILITIES	31-12-2021		31-12-2020	
	€	€	€	€
Reserves and funds				
<i>Reserves</i>				
Continuity reserve	1,444,720		1,687,858	
Special purpose reserves	610,556		358,000	
		2,055,276		2,045,858
<i>Funds</i>				
Special purpose funds	1,625,444		1,257,525	
		3,680,720		3,303,383
Long-term liabilities				
Prepayments	8,000		12,000	
Amounts payable in respect of programmes	-		271,690	
		8,000		283,690
Short-term liabilities				
Accounts payable	148,584		51,137	
Subsidies and income received in advance	60,506		1,311,459	
Amounts payable in respect of programmes	1,219,692		621,539	
Other liabilities and accrued items	455,748		417,438	
		1,884,529		2,401,574
		5,573,249		5,988,647

Separate statement of income and expenditure

	2021		Budget 2021		2020	
	€	€	€	€	€	€
INCOME						
Raised income						
Income from individuals	6,556,886		6,682,500		6,550,728	
Income from businesses	605,134		407,000		556,027	
Income from government subsidies	5,578,241		5,321,503		6,154,360	
Income from related non-profit organizations	250,761		50,000		-	
Income from other non-profit organizations	1,205,525		1,513,000		1,195,273	
	14,196,547		13,974,003		14,456,388	
Income from supplied products and services	3,840		5,000		4,781	
Other income	-1,383		-		2,077	
	14,199,004		13,979,003		14,463,246	
EXPENDITURE						
Expenditure on objectives						
Child Development & Protection	4,274,486		3,724,950		4,098,761	
Youth & Work	1,298,289		1,567,352		1,590,883	
Community Resilience	3,065,104		2,630,467		2,614,081	
Food Security and Livelihoods	1,225,358		2,108,440		1,853,526	
Health, WASH and Nutrition	1,985,200		2,396,200		2,686,786	
Information and awareness	374,920		421,623		300,608	
	12,223,356		12,849,032		13,144,645	
Costs of raising income	1,160,107		1,054,406		952,569	
Management and administration costs	435,491		435,238		374,170	
	13,818,953		14,338,676		14,471,384	
Balance before financial income and expenses	380.051		-359,673		-8.138	
Net financial income and expenses	-2.714		-5.000		-1.798	
Net income and expenses	377.337		-364,673		-9.936	
Surplus/shortfall added to/withdrawn from						
- Continuity reserve	76,862		-207,673		-382,695	
- Special purpose reserves	-67,444		-50,000		-12,000	
- Special purpose funds	367,919		-107,000		384,759	
	377,337		-364,673		-9,936	

Separate cash flow statement

	2021		2020	
	€	€	€	€
CASH FLOW FROM OPERATING ACTIVITIES				
Net income and expenses		377,337		-9,936
Costs of depreciation/amortization	61,408		62,300	
Movements in receivables	155,963		275,924	
Movements in provisions	-		-	
Movements in long-term liabilities	-275,690		33,769	
Movements in short-term liabilities	-517,045		-1,329,275	
		-575,363		-957,282
		-198,026		-967,218
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in intangible fixed assets	-23,442		-14,737	
Investments in tangible fixed assets	-31,820		-29,806	
Movements in financial fixed assets	279,438		25,923	
		224,177		-18,619
Net cash flow before currency and conversion differences		26,150		-985,837
Currency and conversion differences		-320,000		-
Increase (+)/decrease(-) in liquid assets		-293,850		-985,837
Cash and cash equivalents as at January 1		3,108,100		4,093,937
Cash and cash equivalents as at December 31		2,814,250		3,108,100

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.

INTANGIBLE FIXED ASSETS	Software	Software under development	Total
As at January 1, 2021	€	€	€
Acquisition costs	240,398	17,413	257,810
Accumulated amortization	-187,860	-	-187,860
Book value	52,538	17,413	69,951
Movements in 2021			
Investments	-	23,442	23,442
Amortization	-18,716	-	-18,716
Divestments acquisition costs	-	-	-
Divestments accumulated amortization	-	-	-
Commissioning of assets	-	-	-
Total movements	-18,716	23,442	4,726
As at December 31, 2021			
Acquisition costs	240,398	40,854	281,252
Accumulated amortization	-206,576	-	-206,576
Book value	33,822	40,854	74,676

TANGIBLE FIXED ASSETS	Land and buildings	Office fixtures and fittings	Equipment	Total
As at January 1, 2021		€	€	€
Acquisition costs	1,041,897	149,117	85,520	1,276,535
Accumulated depreciation	-569,787	-142,595	-59,232	-771,614
Book value	472,111	6,522	26,288	504,921
Movements in 2021				
Investments	-	787	31,150	31,937
Depreciation	-22,204	-3,084	-17,404	-42,692
Divestments acquisition costs	-	-	-4,704	-4,704
Divestments accumulated depreciation	-	-	4,587	4,587
Total movements	-22,204	-2,297	13,629	-10,872
As at December 31, 2021				
Acquisition costs	1,041,897	149,904	111,966	1,303,768
Accumulated depreciation	-591,991	-145,679	-72,049	-809,719
Book value	449,907	4,225	39,917	494,049

FINANCIAL FIXED ASSETS

Other securities	31-12-2021	31-12-2020
	€	€
Investment PerspActive U,A,	5,806	9,570
Grants receivables		
	€	€
Receivable income from third parties	-	22,377
Receivable government subsidies	-	337,723
	-	360,100
Other receivables	31-12-2021	31-12-2020
	€	€
Loan microfinance institutes	79,545	39,000
Loan to Stichting KLIMREK	63,750	39,000
Loan to from bequest	-	25,000
Property from bequest with usufruct	78,280	73,150
	221,575	137,150

RECEIVABLES AND ACCRUED ITEMS

Receivable raised income	31-12-2021	31-12-2020
	€	€
Receivable from bequests	387,978	512,243
Receivable income from third parties and foundations	285,378	139,733
Receivable government subsidies	711,987	161,908
Other receivable raised income	12,550	2,200
	1,397,893	816,084
Prepayments to partners	31-12-2021	31-12-2020
	€	€
Prepayments to consortium partners ARC	-	960,163
Prepayments to implementing partners	216,227	3,159
	216,227	963,322

Other receivables and accrued items	31-12-2021	31-12-2020
	€	€
Prepaid expenditures	17,052	9,804
Miscellaneous	11,719	9,645
	28,771	19,449

CASH AND CASH EQUIVALENTS

	31-12-2021	31-12-2020
	€	€
Bank accounts of Help a Child in the Netherlands	1,683,326	1,138,715
Savings accounts of Help a Child in the Netherlands	1,447,453	1,966,098
Cash in hand	3,473	3,288
	3,134,252	3,108,100

RESERVES AND FUNDS

	Reserves			Funds	Total
	Continuity reserve	Special purpose reserves	Total reserves	Special purpose funds	
	€	€	€	€	€
As at January 1, 2021	1,687,858	358,000	2,045,858	1,257,525	3,303,383
Movements in 2021					
Allocation of net income and expenses	76,862	-67,444	9,418	367,919	377,337
Other movements	-320,000	320,000	-	-	-
Total movements	-243,138	252,556	9,418	367,919	377,337
As at December 31, 2021	1,444,720	610,556	2,055,276	1,625,444	3,680,720

Notes to the difference between the consolidated and separate financial position

The difference between the consolidated financial position and separate financial position is due to the fact that various country offices form part of the group of consolidated entities, but are not recognized as

participating interests in the separate accounts.

As a result, the financial position of these country offices is included in the consolidated balance sheet, but not in the reserves and funds in the separate balance sheet.

This can be itemized as follows:

	As at January 1, 2021	Movements in 2021			As at December 31, 2021
		Allocation of net income and expenses	Other movements	Total movements	
	€	€	€	€	€
Separate (Red een Kind)	3,303,383	377,337	-	377,337	3,680,720
Help a Child Africa (Kenya)	285,637	-112,835	14,339	-98,496	187,141
Help a Child Rwanda	224,757	-58,963	6,088	-52,876	171,881
Help a Child Burundi	32,254	9,690	1,386	11,077	43,331
Help a Child Malawi	127,998	29,450	5,119	34,569	162,567
Help a Child Democratic Republic of Congo	7,639	-25,226	-71	-25,297	-17,658
Help a Child South Sudan	52,677	-60,596	2,520	-58,076	-5,399
Currency differences and adjustments	-3,047	4,231	3,047	7,277	4,231
Consolidated	4,031,299	163,089	32,427	195,516	4,226,814

LONG-TERM LIABILITIES

	31-12-2021	31-12-2020
Prepayments	€	€
Prepaid donations	8,000	12,000
Amounts payable in respect of programmes		
	€	€
Long term payable to consortium partner ARC	-	237,665
Long term arrangements partner organizations India and Kenya	-	34,025
	-	271,690

SHORT-TERM LIABILITIES

	31-12-2021	31-12-2020
	€	€
Accounts payable	148,584	51,137
Amounts payable in respect of programmes		
	€	€
ARC Building Bridges - Burundi	-	1,278,144
DRA - subsidies	45,570	33,315
Other received in advance	14,936	-
	60,506	1,311,459
Other liabilities and accrued items		
	€	€
Amounts payable in respect of programmes	1,219,692	621,539
Other liabilities and accrued items		
	€	€
Taxes and social security contributions	139,183	130,033
Personnel costs	136,616	132,264
Other liabilities	175,949	109,920
Accrued items	4,000	45,221
	455,748	417,438

Notes to the separate statement of income and expenditure

INCOME

Income from individuals	2021	budget 2021	2020
	€	€	€
Sponsorship	4,050,595	4,020,000	3,898,693
Other donations	1,897,387	2,043,500	1,746,733
Bequests	387,220	550,000	610,500
Donations for disaster response	221,684	69,000	294,802
	6,556,886	6,682,500	6,550,728

Income from businesses	2021	budget 2021	2020
	€	€	€
Sponsorship	38,333	35,500	35,434
Other donations	553,671	355,500	481,584
Donations for disaster response	13,130	16,000	39,009
	605,134	407,000	556,027

Income from government subsidies	2021	budget 2021	2020
	€	€	€
Dutch Ministry of Foreign Affairs – Addressing Root Causes Burundi	1,345,415	1,300,000	1,637,174
Dutch Relief Alliance – Joint Response South Sudan	1,106,050	980,472	822,716
Dutch Relief Alliance – Joint Response Democratic Republic of Congo	893,142	887,577	794,442
Dutch Relief Alliance – innovation projects	816,279	546,551	613,666
Dutch Relief Alliance – Acute Response South Sudan	5,717	8,000	1,002,229
Dutch Relief Alliance – Joint Response Somalia	1,298,903	1,298,903	1,262,764
EU – Pride! South Sudan	112,735	150,000	-
Other income from government subsidies	-	150,000	21,370
	5,578,241	5,321,503	6,154,360

Income from related non-profit organizations	2021	budget 2021	2020
	€	€	€
Income from charity shops KLIMREK	250,761	50,000	-
	250,761	50,000	-

Income from other non-profit organizations	2021	budget 2021	2020
	€	€	€
Sponsorship from churches	241,844	249,500	247,762
Sponsorship from foundations	58,169	83,000	86,451
Other donations from churches	286,081	268,000	292,032
Other donations from foundations and charitable trusts	477,900	762,500	359,802
Income from third parties	141,531	150,000	209,225
	1,205,525	1,513,000	1,195,273

Income from supplied products and services	2021	budget 2021	2020
	€	€	€
Net income from house rental	3,840	5,000	4,781
Other income from products and services	-	-	-
	3,840	5,000	4,781

	2021	budget 2021	2020
	€	€	€
Other income	-1.383	-	2.077

EXPENDITURE

Expense breakdown by purpose (Model C)

	Expenditure on objectives						
	Child Development & Protection	Youth & Work	Community Resilience	Food Security and Livelihoods	Health, WASH and Nutrition	Information and awareness	Subtotal
	€	€	€	€	€	€	€
Programme expenses - third parties	3,544,381	1,024,241	2,341,778	1,079,053	1,685,613	-	9,675,066
Programme expenses - own implementation	96,801	30,136	187,724	54,565	143,789	-	513,015
	3,641,182	1,054,378	2,529,502	1,133,618	1,829,401	-	10,188,081
Communication expenses	-	-	-	-	-	145,349	145,349
Staff expenses	522,081	200,009	439,969	77,396	131,194	195,700	1,566,348
Travel and lodging expenses	5,276	2,083	4,537	680	1,167	1,607	15,350
Housing expenses	7,001	2,763	6,019	903	1,549	2,132	20,366
Office and network expenses	60,531	23,893	52,046	7,806	13,391	18,434	176,101
General expenses	24,666	9,736	21,209	3,181	5,457	7,512	71,760
Depreciation	13,749	5,427	11,822	1,773	3,042	4,187	39,999
	633,304	243,911	535,602	91,739	155,799	374,920	2,035,275
Total	4,274,486	1,298,289	3,065,104	1,225,358	1,985,200	374,920	12,223,356

	Subtotal - Expenditures on objectives	Costs of raising income	Management and administration costs	Total expenses 2021	Total budget 2021	Total expenses 2020
	€	€	€	€	€	€
Programme expenses - third parties	9,675,066	-	-	9,675,066	10,406,196	11,131,565
Programme expenses - own expenses	513,015	-	-	513,015	385,420	251,583
	10,188,081	-	-	10,188,081	10,791,616	11,383,148
Communication expenses	145,349	531,031	-	676,380	647,600	541,603
Staff expenses	1,566,348	533,560	357,814	2,457,722	2,441,526	2,094,843
Travel and lodging expenses	15,350	4,531	3,685	23,567	23,500	11,306
Housing expenses	20,366	6,012	4,889	31,267	28,500	24,005
Office and network expenses	176,101	51,982	42,274	270,358	195,500	245,550
General expenses	71,760	21,183	17,227	110,170	147,099	108,629
Depreciation	39,999	11,807	9,602	61,409	63,335	62,300
	2,035,275	1,160,107	435,491	3,630,873	3,547,060	3,088,236
Total	12,223,356	1,160,107	435,491	13,818,953	14,338,676	14,471,384

Financial income and expenses	2021	budget 2021	2020
	€	€	€
Financial income			
Exchange rate differences	8,126	-	-
Interest income	250	-	500
	8,376	-	500
Financial expenses			
Negative interest	11,090	5,000	-
Exchange rate differences	-	-	2,298
	11,090	5,000	2,298
Net financial income and expenses	-2,714	-5,000	-1,798

Other information

INDEPENDENT AUDITOR'S REPORT

To: the management board and supervisory board of Stichting Red een Kind.

A. Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 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 2021 and of its result for 2021 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 2021;
2. The consolidated and company statement of income and expenditure for 2021; 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 Director'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 Director'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 organisation'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 dissolve the foundation or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the organisation'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 organisation.

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 organisation'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 organisation'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 an organisation 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, 27 June 2021

Dubois & Co. Registeraccountants

ValidSigned door G. Visser RA
op 27-06-2022

G. Visser RA

ValidSigned door M. Belkadi RA
op 27-06-2022

M. Belkadi RA

Appendices

MULTI-ANNUAL BUDGET 2021 – 2024

	actual 2021	budget 2022	budget 2023	budget 2024
	€	€	€	€
INCOME				
Raised income				
Income from individuals	6,556,886	6,691,510	7,055,000	7,462,000
Income from businesses	605,134	614,330	525,000	560,000
Income from government subsidies	5,821,172	4,964,458	7,485,000	9,090,000
Income from related non-profit organizations	250,761	200,000	150,000	200,000
Income from other non-profit organizations	1,391,265	1,902,160	2,243,000	2,571,000
	14,625,218	14,372,458	17,458,000	19,883,000
Income from supplied products and services	3,840	5,000	-	-
Other income	-7,338	-	-	-
	14,621,720	14,377,458	17,458,000	19,883,000
EXPENDITURE				
Expenditure on objectives				
Child Development & Protection	4,437,905	5,063,324	3,467,000	3,991,000
Youth & Work	1,481,255	1,372,716	1,507,000	1,735,000
Community Resilience	2,908,748	2,175,488	3,316,000	3,817,000
Food Security and Livelihoods	1,350,744	1,570,060	3,166,000	3,644,000
Health, WASH and Nutrition	1,934,912	2,125,062	3,619,000	4,163,000
Information and awareness	397,216	473,448	509,000	515,000
	12,510,779	12,780,096	15,583,000	17,866,000
Costs of raising income	1,319,046	1,444,312	1,202,000	1,234,000
Management and administration costs	638,420	676,310	649,000	680,000
	14,468,246	14,900,718	17,434,000	19,780,000
Balance before financial income and expenses	153,474	-523,261	24,000	103,000
Net financial income and expenses	9,614	-5,000	-	-
Net income and expenses	163,088	-528,261	24,000	103,000
Surplus/shortfall added to/withdrawn from				
- Continuity reserve	-137,387	-119,261	50,000	50,000
- Special purpose reserves	-67,444	-389,000	-	-
- Special purpose funds	367,919	-20,000	-26,000	53,000
	163,088	-528,261	24,000	103,000

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 by developing new giving models.

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

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

The 2022 budgeted income aims to consolidate the significant growth Help a Child achieved in 2022. We expect income from government subsidies to decrease by more than €800,000 compared to 2021 because the ARC programme ended in 2021 (which resulted in €1.3 million of income in 2021).

In 2022 we aim to achieve significant growth in income from other non-profit organizations. In recent years we have been investing in networking amongst and communication with this donor category.

Our special purpose reserves and funds have grown in recent years. In 2022 we expect to utilize these reserves and funds to cover the planned deficit of €528,000.

Colophon

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Help a Child is certified according to the ISO 9001:2000 standard. The certificate number is KSC-K40399/03





'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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