

Financial **statements**

2022



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 (DRC), 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 families 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 of 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 number 41022454. The Netherlands Tax and Customs Administration recognizes 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 document, 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 are complicating our work. These include the sometimes negative image of development aid, a rising tide of populism and growing individualism and secularization.

Financial risk acceptance within Help a Child is limited. As a non-governmental organization largely funded by a faith constituency, we cannot allow ourselves to take significant risks. That is thus the guiding principle in our financial policy, under which we operate a very conservative investment strategy.

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 2022, 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 are very active in exploring and committing 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 try constantly to find new means to engage with our constituency and we are always exploring and implementing 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 IF strategy therefore emphasizes the diversification of our portfolio with the aim of securing more funding from, for example, EU- and UN-related donors. We have made some progress in this area in 2022.
- 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 is becoming more important to guarantee strategic alignment. We are developing or redeveloping legal frameworks for cooperation, as well as investing in our relationships with affiliated parties to ensure organizational alignment. And when that is not possible, we make alternative arrangements to safeguard our work with vulnerable children and families.
- 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 being mitigated through decentralization, continued capacity-building at our country offices and more strategic partnerships at the country level, the second by increasing efforts to raise our own funds.
- We have also identified operational risks, primarily in respect of compliance, fraud and corruption. Another relates 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. In 2022 we asked an independent consultant to conduct a CHS (Core Humanitarian Standard) self-assessment. This has revealed steady improvement on most issues. We will be having our organization independently verified in 2023. We were also recertified by CBF, the Netherlands Fundraising Regulator, in 2022.
- In India and in African countries, relevant external factors include political instability as well as the impact of climate change on those nations and on the participants in our programmes. In the DRC in particular, our work was jeopardized by continued unrest in North Kivu in 2022; at one point we were even forced to temporarily evacuate our field staff there. We try to mitigate these risks by forging links between humanitarian, development and peace actors in our programmes, the so-called 'Triple Nexus'. At a strategic level, we spread the risk by working in multiple countries and in multiple areas per country.
- The war in Ukraine was a source of additional risks for our organization as it caused price rises for food and fuel in the countries where we work, a decrease in available funding (especially from UN agencies), exchange-rate challenges and less growth in funding from our constituency. Some of these effects eased towards the end of the year, but we continue to monitor the situation closely.

Risks

For 2022, we identified the following risks.

- In general, child sponsorship as a funding model is under scrutiny because it can be associated with white saviourism and post-colonialism. On the one hand we plan to communicate more strongly that the child ambassador model used by Help a Child is actually addressing some of this criticism, whilst on the other we are making it a priority to diversify income from our private constituency.

Impact in 2022

Last year was the second in our current strategic planning period. Over four years, 2021-2024, we are working towards achieving even more impact for even more children. Our main aim in 2022 was to see the first results emanating from the groundwork done in the first year. Key actions were scheduled in line with our three

strategic 'pillars' for the current period. A fourth focuses on strengthening support systems, structures, and procedures. These pillars and the associated actions are outlined below.

More quality and impact

Scheduled key actions for 2022

More quality

- Build knowledge of our main programme themes at all levels (including partner staff)
- Organize a partner capacity needs assessment and translate this into a Help a Child-wide and locally tailored package of capacity-building activities
- Apply best practices for climate-smart solutions on a structural basis within our projects

More impact

- Research the possible redesign of the one-size-fits-all child-centred community development (CCCD) model to make it more country-specific
- Integrate disaster-preparedness and response into development settings
- Develop and implement a new giving model for disaster-response countries

Measuring our quality and impact

- Organize a CHS self-assessment
- Inventorize, analyse and follow-up feedback and complaints across all countries through the Community-Based Complaints and Feedback Mechanism (CBCFM) and its database
- Include evidence collection in the design of our main approaches

Reflection

- + Overall, we are quite pleased with the progress made in 2022. We have seen major steps forward in the wake of the CHS self-assessment, including progress in implementing the CBCFM. On top of that, the new giving model has been implemented and is now yielding its first income results.

Strategic innovation and upscaling

Scheduled key actions for 2022

- Organize a Global Innovation Challenge and so-called 'innovation cafés' to encourage colleagues to share original ideas. Set up an innovation fund to reward and to help improve the best contributions
- Innovate in providing models, marketing systems and payment options, and seek collaboration with innovative partners, system suppliers and users
- Research and develop upscaling possibilities for five of our most prominent product concepts: the Parenting Challenge, the Economic Programme

with Impact on Children (EPIC), Early Childhood Development (ECD) centres, Build your Own Buddy (BOB) and Empowered2Protect (E2P)

- Pursue far-reaching collaboration to scale-up relationships with strategic partners

Reflection

- + We have achieved a lot in the field of strategic innovation in 2022. The global call for innovations generated more than 90 ideas, which were refined at eight innovation cafés. In the end, 39 ideas were entered in the Global Innovation Challenge. Of them, six have been selected for funding and further development.

The E2P upscaling effort generated an additional €1,200,000 of funding for protection projects from two new institutional donors. By the end of 2022 we had selected two product concepts for further upscaling in 2023: the Parenting Challenge and ECD centres.

Drones4Kids

One of the six winning ideas in the Help a Child Global Innovation Challenge is 'Drones4Kids'. We are now planning a six-month pilot in Rwanda to test the added value of using drones in disaster-response situations, with the aim of achieving better access to and faster responses for affected children. The project plan has two phases. In the first, we will operate test flights in coordination with local communities and authorities. The second will focus on collecting data and determining how drones can best be used. This project is being co-created with local communities, the Disaster Management Authority of Rwanda, two drone companies and a network specializing in drone deployment in disaster-response situations, and it is supported by a dedicated partner for disaster-response monitoring and evaluation.



Strong positioning and collaboration for more resources

Scheduled key actions for 2022

- Based on the global and country-specific positioning and collaboration strategy developed in 2021, seek more partners to increase and diversify the funding base for our programmes
- Launch our new Lobby and Advocacy operation with publicity and events in The Hague on ECD, Child Protection and Youth & Work
- Actively showcase Help a Child in international forums as an expert organization on Child Protection, ECD and Youth & Work, using the international website, events and social media

Reflection

- + Help a Child's funding base is slowly diversifying as we shift progressively from ad-hoc fundraising to more strategic efforts. We gained several new strategic donors in 2022, including USAID and Novo Nordisk, whilst also increasing funding from UN institutions in different countries. Events to disseminate good practices and to influence decision-making by governments and other NGOs were held both in the Netherlands and at country offices. The Parenting Challenge, for example, has been actively promoted through nationwide events in the Netherlands and in Malawi.

Systems, structures and procedures

Good underlying systems, structures and procedures are vital for the successful implementation of our strategy. So investing in lean structures and smart procedures and systems was a priority in 2022.

Quality management

- Undertake a project to improve our quality management system so as to create more coherent and controlled structures, systems and procedures

IT

- Develop an IT strategy that prioritizes needs, and initiate its implementation
- Continue to invest in marketing automation and project management software solutions

Organization

- Pursue 'decentralization 2.0', in particular by integrating the shared responsibilities of the country offices and the support office
- Evaluate Help a Child's span of control/project teams in the Netherlands
- Make internal communication more effective, as befits a growing international organization

Staffing

- Roll out an HR strategy for learning and development within the organization

- Ensure a strong base with up-to-date HR tools
- Help our staff to develop 21st-century skills

+/- Although we have made some progress, for example in using SharePoint as a consistent channel for internal news and in introducing personal development plans for our staff worldwide, our overall results in this area fell short of expectations in 2022. We were unsuccessful in recruiting a quality manager. Our IT plans have been delayed, too, mainly because of staff turnover and shortages. Fortunately, we were able to secure a sustainable solution for our IT challenges at the very end of the year. We are positive that our results will be more promising in 2023.

Financial policies and results

Balance sheet as at December 31, 2022

In 2022 our cash decreased slightly. This is mainly due to a deficit of almost €300,000 in 2022. On the other hand, receivables decreased due to the final disbursement of the Addressing Root Causes (ARC) programme in 2021; short-term liabilities decreased by more or less the same amount due to lower payables to partner organizations.

Financial fixed assets increased by almost €100,000 because of an additional loan provided to a microfinance institute and an additional loan for further investments in the charity shops. For an explanation of our investment policy we refer to page 21 of this document.

Reserves and funds decreased by more than €350,000 in 2022. The balances of the designated funds remained relatively stable at approximately €1.5 million, although there were some large movements in the individual funds. The designated fund for our programmes in India increased by €335,000 in 2022 because of low expenditures in these programmes. Other funds decreased because we managed to devote these funds to projects implemented in 2022, such as disability (King Fund) and a disaster response project in Beirut. In Kenya we started three new programmes in which income from sponsorships is still lagging somewhat; as a result, Kenya has a negative designated fund of almost €100,000. This negative balance will be reduced in the next couple of years now that sponsors have been linked to these programmes.

Balance sheet as at December 31, 2022

(amounts in € 1,000)	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
ASSETS					
Intangible fixed assets	103	75	70	76	92
Tangible fixed assets	656	651	644	708	614
Financial fixed assets	319	228	507	533	382
Receivables and accrued items	1,133	1,680	1,722	2,102	696
Cash and cash equivalents	3,439	3,715	3,969	4,451	5,506
Total assets	5,650	6,349	6,912	7,870	7,290
LIABILITIES					
Continuity reserve	1,788	1,991	2,416	2,572	2,587
Special-purpose reserves	510	611	358	370	401
Special-purpose funds	1,577	1,625	1,257	873	407
Total reserves and funds	3,875	4,227	4,031	3,815	3,395
Long-term liabilities	4	8	285	226	201
Short-term liabilities	1,771	2,114	2,596	3,829	3,694
Total liabilities	5,650	6,349	6,912	7,870	7,290

The continuity reserve decreased by € 203,000. In 2022 we received slightly lower un earmarked donations than budgeted, and income from bequests was also € 51,000 lower than budgeted. In addition, operational expenses were slightly higher than budgeted, which ultimately resulted in the decrease of the reserve amount.

Statement of income and expenditures 2022

Income increased by € 219,000 in 2022. Due to the crisis in Ukraine the income for disaster response was € 176,000 higher, mainly in the categories of individual donors and non-profit organizations (churches). On the other hand, income from private donors and churches for other purposes decreased slightly. This may have been caused partly by the fact that some individual donors and churches may have donated to Ukraine instead of other programmes. On the other hand, we faced the challenge of maintaining the number of sponsorships. One reason for this was the fact that our marketing and communication had some vacancies in 2022, which led to less capacity to execute our campaigns to attract new sponsors. Moreover, our constituency, like everybody in the Netherlands, faced increased prices and insecurity about their personal financial situation due to inflation and high energy prices in 2022, which may have made potential sponsors hesitant to enter into a long-term commitment.

Our income from institutional resources decreased by € 600,000 compared to 2021. In 2021 Help a Child still received € 1.3 million for the Addressing Root Causes programme in Burundi. We had already taken this into account in the budget and ended 2022 with income from government subsidies that was almost € 240,000 higher than budgeted.

Besides higher income from the Dutch Relief Alliance for our three Joint Response programmes, we also managed to secure funding in Burundi and the DRC from several international donors.

Our programme expenditures were higher than budgeted because we received more income. In 2022 we committed the donations received for Ukraine to a number of partner organizations who are active in Ukraine or neighbouring countries.

It has been a challenge to execute our programmes within the budgetary constraints, as we also faced high inflation in Africa. In addition, the US dollar strengthened significantly against the euro, posing even more challenges in countries that use the US dollar as their home currency (the DRC and South Sudan), but also in our other countries whose local currencies are strongly linked to the US dollar. In the course of 2022 we had to monitor our budgets closely. In general we managed to remain within the budget despite these major challenges.

Statement of income and expenditures 2022

(amounts in € 1,000)	2022	Budget 2022	2021	2020	2019	2018
INCOME						
Income from individuals	6,736	6,692	6,557	6,551	5,952	6,792
Income from businesses	719	614	605	556	425	374
Income from government subsidies	5,205	4,964	5,821	6,416	4,062	3,125
Income from non-profit organizations	2,146	2,102	1,642	1,327	1,305	1,189
Other income	35	5	-3	6	10	37
Total income	14,841	14,377	14,622	14,856	11,754	11,517
EXPENDITURE						
Expenditure on objectives	13,034	12,780	12,511	12,885	9,795	9,489
Costs raising income	1,346	1,444	1,319	1,114	1,006	909
Management and administration costs	745	676	638	573	507	527
Total expenditure	15,125	14,900	14,468	14,572	11,308	10,925
Balance	-284	-523	154	284	446	592
Net financial income and expenditures	-9	-5	9	32	-20	-11
Total liabilities	-293	-528	163	316	426	581

The expenditure on objectives as a percentage of our total income was 87.8% in 2022 (2022 budget: 88.9%; 2021 actuals: 85.6%); as a percentage of our total expenses, the expenditure on objectives was 86.2% in 2022 (2022 budget: 85.8%; 2021 actuals: 86.5%).

Costs of raising income increased slightly in 2022, but not as much as we budgeted. As stated previously, we had a number of vacancies, which prevented us from executing the campaigns as planned. On the other hand, we managed to start the Emergency Fund in order to have a new channel to raise funds for our programmes in a disaster response context.

The costs of raising income as a percentage of raised income were 9.1% in 2022 (2022 budget: 10.0%; 2021 actuals: 9.0%).

Costs of management and administration increased to € 745,000 in 2022. One reason for this was that we decided to hire external capacity to accelerate projects in ICT, more specifically introducing Microsoft 365 to the country offices and implementing the project management software solution ProjectConnect.

The costs of management and administration as a percentage of total expenditure were 4.9% in 2022 (2022 budget: 4.5%; 2021 actuals: 4.4%).

In 2023 we expect to budget for a moderate increase in income. The increase will be achieved in part through an adjustment to the monthly sponsorship contribution.

For subsidies from governments we expect the income to stabilize at € 5 million in 2023.

When budgeting for 2023 we faced a major challenge due to the high inflation rates and the very strong dollar in the second half of 2022. For that reason we had to make some tough decisions for the 2023 budget. In the first quarter of 2023 we saw the euro gaining strength, which will provide us with a little more flexibility to manage our budget in 2023.

Governance

Management

In 2022 the Board of Directors of Help a Child consisted solely of the CEO, Andries Schuttinga. He manages 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. As we approached the half-way point in our 2021-2024 strategic planning period, in 2022 the MT held a number of offsite meetings to reflect on our strategy and organization. Strategic input from country directors is provided at their strategic consultation meetings with the MT, held four times a year. The Board of Directors ensures that the Supervisory Board is provided promptly with all necessary information for the effective fulfilment of its stewardship role.

Supervisory Board

The Supervisory Board currently consists of seven members. They also work in compliance with a set of regulations. These outline their relationship with the Board of Directors, whilst again also containing provisions to avoid conflicts of interest and to 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 2022, 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 • Treasurer of Werkgroep Landschap & Natuur Eelde, a local environmental foundation • Member of the local Tynaarlo branch committee of the ChristenUnie, a Dutch Christian political party.

As of 31 December 2022, the Supervisory Board comprised the following members:

F. R. Witteveen, Chair (until May 2024, not available for reappointment) | Owner of Witteveen Coaching en Advies, a consultancy firm.

Other relevant positions: • Chair of the Supervisory Board of ROC Graafschapcollege Doetinchem, a regional training college • Vice-chair of the Supervisory Board of Manna Care Group, Twente Region • Member of the National Disputes Committee for the Social Domain • Independent Chair of the Alliance of Secondary Schools in the Slinge-Berkel Region.

B. P. Hidding, Chair of the Finance Committee (until June 2023, not available for reappointment) | Chair of the Board of Flynth Adviseurs en Accountants

Other relevant positions: • Chair of the Supervisory Board of Rabobank Apeldoorn, a cooperative bank • Member of the Supervisory Board of the Rabobank Foundation • Member of the Supervisory Board of ROC Graafschapcollege Doetinchem, a regional training college.

C. van Weelie (until January 2024, not available for reappointment) | Communications trainer • Owner of Grow2Care, a training and coaching firm.

Other relevant positions: none.

F. H. Slingerland (until December 2025, not available for reappointment) | Director of Housing and Facilities at ROC van Twente, a regional training college.

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

A. Wittekoek (until December 2023, available for reappointment) | COO of Urban Mining Corporation BV, a plastic waste recycling firm • Owner of Mates BV, an advice and coaching firm.

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

U. Olsman-Willems (until June 2026, available for reappointment) | Health Scientist.

Other relevant positions: none.

A. van Stek (until June 2026, available for reappointment) | Intercultural coach, debriefer and trainer at InTransit, a psychology practice for Christian missionaries.

Other relevant positions: none.

Report of the Supervisory Board

The Supervisory Board holds an annual reflection day to review its own functioning. Last year was a turbulent one for the board due to several members completing their terms of office and the appointment of new ones, and also because of absence due to personal reasons. We are confident that 2023 will be a more stable year.

Overall, the Supervisory Board is satisfied with the way it has fulfilled its role as a 'critical friend' of the CEO: giving him space and not superintending activities too closely, but being critical at key times. We nevertheless believe that we can improve continuously in our role by knowing what is happening in the wider organization. To this end, henceforth we intend to invite members of the MT to attend our meetings with the CEO to contribute to the discussion of specific and relevant topics. In addition, the Supervisory Board wishes to talk with staff representatives and country directors at least once a year.



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 (see pages 38-39).

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 IASC's Six Core Principles Relating to Sexual Exploitation and Abuse, includes our Code of Conduct, our Child Safeguarding Policy, anti-fraud and anti-corruption measures and feedback, complaints and whistleblowing procedures, as well as arrangements for confidential counselling.

Having previously reviewed and updated our Integrity Policy, in 2022 we developed and/or updated two online training components in line with that latest version: the Integrity Introduction Course and the Code of Conduct Examination. These were developed in three languages (English, French and Dutch) so as to ensure that all

staff can understand their content clearly. By the end of 2022, 50 percent of all staff had completed these components. In almost all countries, team training on the Code of Conduct, moral deliberation (by means of 'happy families' game) and use of the flow chart was facilitated. Training around the Community-Based Feedback and Complaints Mechanism has also been developed for country offices and partners, and so far has been given in four countries. After our internal confidential counsellor left the organization in 2022, we decided to appoint their replacement externally through a specialist agency.

Integrity notifications

We received two integrity notifications in 2022.

- A complaint about two field officers in one of our projects in Kenya. In accordance with our Integrity Policy, we hired an independent organization to investigate. From its findings, we came to the conclusion that we had to dismiss the two persons concerned.
- Several anonymous complaints about our country director in Burundi. Again, we hired an independent organization to investigate. Whilst not all of the allegations were substantiated, the proven facts were still serious enough to warrant dismissal of the person concerned.

We have a feedback and complaints systems in place for both our project participants and our constituency. We monitor these regularly and discuss the resulting reports and analyses at least twice a year in our MT meetings. For feedback and complaints statistics, see the section 'Communication with stakeholders' (page 13).

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 within our organization. In the case of our Disaster Response Programme, Help a Child has employed experts to undertake proper protection management, to contextualize policies and to increase support for child protection within project communities. In 2022 a Child Protection training programme was organized for staff in the DRC. This was facilitated by the Senior Child Protection Officer for Help a Child South Sudan, an approach which benefited the teams in both countries. In the future Help a Child will promote more exchanges of this kind between offices.



Help a Child is a full member of the Keeping Children Safe (KCS) network and adheres to the internationally recognized child safeguarding standards it has set out. One Child Safeguarding orientation/refresher course for staff in the Netherlands was held in 2022. This theme was also covered in various courses at our country offices. From 2023 Help a Child plans to offer refresher courses twice a year, to make sure that all new staff receive a proper induction in this respect.

Humanitarian standards

Our organization adheres to the core 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, this code is interpreted and applied in conformity with international humanitarian law. Help a Child also aligns its work with the nine commitments of the [Core Humanitarian Standard \(CHS\)](#). In January 2022 we became a full member of the CHS Alliance. In the second half of the year we conducted a new CHS self-assessment, during which beneficiaries, partners and staff reflected on the work of Help a Child. This resulted in new lessons for the future and a clear improvement plan. We will continue our CHS journey in 2023, undergoing a verification audit by independent auditing firm HQAI.



CHS SELF-ASSESSMENT
VALID FROM DEC 2022 UNTIL DEC 2024
Help a Child

Financial compliance

Help a Child complies with all the various requirements imposed upon us by the tax authorities in the Netherlands and in other countries where we have registered offices. In the Netherlands we are a designated Public Benefit Organization (ANBI) for tax purposes, accredited as a charity (Erkend Goed Doel) by national fundraising regulator CBF and observe the accounting principles for charities (RJ650). Our quality management system is ISO 9001:2018 compliant and audited independently.

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 independently on an annual basis.

Communication with stakeholders

Project participants

In 2021, Help a Child set up a global feedback and complaints database. Complaints and feedback from five countries were registered in that year. In 2022, we added three more, bringing the total to eight countries: Burundi, DRC, Kenya, Malawi, Rwanda, South Sudan, Uganda, and Somalia. Inspired by the use of the system in Somalia, we added a further category: positive feedback. It is encouraging to see that the majority of reports are in this category.

The programme in Somalia, implemented by Medair, is by far our most large-scale programme. That is why a proportionally high number of notifications come from Somalia.

Help a Child received three reports about a breach of our Code of Conduct. One complaint was about two field officers in one of our projects in Kenya. In accordance with our Integrity Policy, we hired an independent organization to investigate. From its findings, we came to the conclusion that we had to dismiss the two persons concerned.

We received several anonymous complaints about our country director in Burundi. Again, we hired an independent organization to investigate. Whilst not all of the allegations were substantiated, the proven facts were still serious enough to warrant dismissal of the person concerned.

The database is an important source of information for the continuous improvement of our programmes and processes. In 2023, we aim to make further advances. We want to train our own staff and partners to fill in the database properly and also to pay more attention to proper and timely follow-up of complaints and feedback. At least twice a year, the database is discussed by the Integrity Leadership Team.

Feedback and complaints received in 2022

Request for Information	34
Request for Assistance	102
Minor Programmatic Complaint	51
Major Programmatic Complaint	46
Breach of Integrity Policy	3
General feedback/other	59
Positive feedback	221
Total	516

Implementing partners

Our country teams are in contact with our implementing partners throughout the year, through training courses, project visits and reflection meetings. When compiling strategic country plans and annual plans, we explicitly invite our partners to be part of the development process. Help a Child also maintains a [partner portal](#), where all documentation needed by implementing partners is shared. In 2022 the CEO visited offices and implementing partners in India, Burundi and Malawi. He also received one complaint from an implementing partner, which he addressed and resolved.

Institutional donors and alliance partners

Help a Child keeps in touch with institutional donors and alliance partners through country platforms, lobbying 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 at the global level. Programme-specific reports and updates are also provided, based on donor requirements and as agreed with them. When visiting country offices, the CEO meets local institutional donors and alliance partners as well.

In July 2022 Help a Child Burundi was one of the finalists in the World Justice Challenge held in The Hague. This competition is organized as part of the yearly World Justice Forum, an international event to promote the rule of law around the globe. The project selected for the final was Building Bridges in Burundi, and representatives from our office there were able to come to The Hague to share more details about it. Building Bridges in Burundi was developed to address the root causes of conflict and instability in that country. It focused on young people, with the aim of building mutual trust and creating joint opportunities for income generation. Being part of the World Justice Forum provided a great opportunity to engage with other organizations, to learn more about the rule of law and to share experiences around peace building.



Fundraising policy in Netherlands

Help a Child has two distinct private fundraising models.

1. Sponsorship as a private funding model has been operational since Help a Child was founded in 1968. Its main characteristic is that a private donor supports a child or family elsewhere in the world. Help a Child applies the ambassador concept: a child or family is linked to one private sponsor through correspondence and pictures, whilst the contribution made by the sponsor benefits the entire project.
2. In 2022 Help a Child added a second funding model for private donors, called the Emergency Fund. Private sponsors give one-off or structural support and in return receive frequent updates and are informed through social media, mailings and reports.

We use the following means to find new sponsors and donors.

- Lead and awareness campaigns
- Advertising (online and offline)
- Telemarketing
- Propositions for church, school and business markets
- Events

Constituency: private sponsors and donors

We use various means to stay in touch with our sponsors and donors. Our communication channels are our monthly newsletters, direct mailings (five times a year), our twice-yearly magazine *OmArmen* and social media (three times a week). Sponsors under the community ambassador model receive our partner newsletter with success stories and updates from the project once a year. Twice a year they receive a personal message from the child or family ambassador and an updated picture.

We also reach out through advertising, media interviews and radio and TV appearances. In 2022, together with three other Christian sponsor organizations in the Netherlands (Compassion, Woorden Daad and World Vision), we organized the Week of the Sponsored Child. During this very first joint sponsorship campaign, we were able to gain a lot of publicity and reach new audiences.

Feedback and complaints

In contacts with our private sponsors and donors, we received the following feedback and complaints in 2022.

Category	2022	2021
Minor	19	17
Mid-level	28	23
Serious	12	3
Total	59	43

We received more serious complaints in 2022 than in 2021. We attribute this to aggressive telemarketing (we have since changed the scripts and informed the company we were working with), a poorly functioning colleague (steps were taken) and a volunteer who was not accurate enough (the task load was changed).

Constituency: churches

The main communication channel for churches is our Account Manager, Churches. We planned two awareness trips to Rwanda in 2022: one with seven pastors and the other with eleven deacons from various Dutch churches. In cooperation with World Servants, a total of four trips – two to Rwanda and two to Uganda – were organized to involve youth members of churches in the Netherlands in community-led construction projects to create early childhood development centres.

Involving churches and their members, young and old, in community-led construction turns out to be a successful way to strengthen relationships with this consistency. We are also in touch with churches through specific events such as themed worship services and Christian concerts.

Constituency: businesses

Our Account Manager, Business Relations meets our business partners throughout the year. In addition, we send out a business-oriented e-mail newsletter at least twice a year and organize a network event once a year. In 2022 this attracted forty entrepreneurs. Our specific funding model for this constituency is entitled Growth Partners. In our communications with businesses, last year we prepared them for the closure of our Growth Partners project in Burundi and the start of a new one in Kenya. At the end of 2022 Help a Child had fifty registered Growth Partners. Two other companies decided to sponsor children for every employee.

Constituency: schools and young people

Ten thousand children aged between four and twelve, from almost fifty Dutch schools, participated in our annual fundraising drive during Christian Children's Books Month 2022. Not only were the children themselves informed about the work of Help a Child, so were their teachers, parents and families. The campaign raised €71,921.57, and in a feedback survey the children and their teachers gave it a score of eight out of ten. In this activity we work with BCB, an organization representing the Christian publishing industry. We have now extended that partnership for another three years.

Staff

We use various methods to ensure that our staff are informed, engaged and inspired. We start each week with a session at every location to share news and prayer points. Once a quarter Help a Child the Netherlands organizes a team day. And at least twice a year we hold a global team day to discuss themes and developments relevant to our staff worldwide. In addition, several country offices arranged team-building days in 2022.

Staff representatives in the Netherlands meet with the CEO once a quarter to discuss personnel matters. The CEO also aims to visit the country offices at least once a year. In 2022 we introduced a new performance methodology at all our offices, the so-called 'personal development plan'. Instead of staff appraisals, we now focus on personal development whilst inviting colleagues to reflect on our performance through 360-degree feedback sessions.

In the Netherlands we organized three training sessions for all staff, focusing on giving and receiving feedback, in 2022. This is helping us to shift from a 'family-style' organizational culture to a professional one.

Volunteers

In 2022 we received the keys to our fifth charity shop in the Netherlands. These outlets are located in different parts of the country and are staffed by more than 250 volunteers in total. Once a quarter we publish a newsletter to inform both volunteers and staff of what is happening at Help a Child and our shops.

Other volunteers support us in our day-to-day activities at the office. And another group is available on call to provide practical assistance with special actions and campaigns. A number of asylum seekers living at nearby reception centres are part of this group, and enjoy being involved in meaningful activities of this kind.

Corporate social responsibility

Building on a research project by one of our student trainees, we integrated climate-smart solutions into our agricultural programme (PiP). We also became a full member of the CHS Alliance, thus committing ourselves to a process of continual improvement. In terms of raising awareness amongst our constituency, however, we feel that we could have done better. Through our membership of the Better Care Network and the work of our Lobby & Advocacy Officer, we were nevertheless able to share relevant issues with the wider public.

Thanks to our decision following the easing of official Covid-19 restrictions to maintain and formalize our 50-percent work-from-home policy, we substantially reduced our commuting-related carbon footprint in 2022. On the other hand, the same easing also prompted an increase in international air travel as we caught up on our monitoring visits. Our aim now is to adapt our travel policies in order to find a better balance in this respect. A decision on whether to relocate or to upgrade our current Dutch office location has been postponed, and that also affects our progress in further reducing carbon emissions.

In June 2022 a 'clean cooking day' was held at our Dutch office with the aim of demonstrating and promoting various alternatives to the open-fire cooking practised in a lot of the places we work in. Using relatively simple and cost-effective solutions, emissions can be significantly reduced and less firewood needs to be cut. These alternatives also reduce fire-related accidents, which very often involve young children. We are now currently actively promoting clean cooking solutions in our projects in Malawi.



Expectations for 2023

Theme: consolidation

We have now reached the third year of our 2021-2024 strategic planning period, with its focus on achieving more impact for more children. In 2023 we continue to work on our three main pillars:

- more quality and impact;
- strategic innovation and upscaling;
- strong positioning and collaboration for more resources.

Our theme for this third year is consolidation, to achieve even more impact for even more children by building on the groundwork from the first two years.

More quality and impact

We have defined a number of pathways to increase our quality and impact in 2023.

More quality

The steps below will enable us to measure whether our quality has indeed increased:

- monitoring and audits;
- independent CHS verification by HQAI;
- finalization of our QMS project.

More impact

- The Kids@Risk programme in DRC is yielding more impact for our overall programme there. We also want to initiate a Kids@Risk programme in South Sudan
- The outcomes of and follow up to our think-tanks in Burundi and Rwanda, our Kenyan Aid to Trade rethink and our Malawi strategic refresh will result in more impact

Measuring our quality and impact

- An independent consultant is to evaluate our CCCD programme
- Now that we are half-way through our strategic planning period, we will review and measure how we are doing and adjust our plans if need be

Strategic innovation and upscaling

We believe that strategic innovation and upscaling will help us reach our strategic goal of achieving more impact for more children. During this planning period we want to move from ad-hoc to strategic innovation. In order to do that, we need to consolidate and build on the foundations laid in the first two years.

- With the help of our new Business Developer in Zwolle, we will invest even more in the development of upscaling propositions

- By the end of 2023 we expect E2P upscaling propositions to have attracted at least two more donors for the DRC, Burundi or South Sudan
- At least two out of the remaining four upscaling propositions – for Parenting, Integrated Farm Planning (PiP), EDC centres and BoB – should also be developed to the point that they are yielding their first results. These will come from a diverse group of donors in a diverse group of countries
- The 2022 Global Innovation Challenge and 'innovation cafés' will result in tested pilot projects
- A new innovation challenge and cafés will be organized, adapted in response to the lessons learnt in the first round

Strong positioning and collaboration for more resources

If we want to help more children in need, we will also need more resources. For which strong positioning and collaboration are required. Here again, we want to build on the foundations laid in previous years.

- Where possible (in tandem with the phasing out of CCCD programmes in Burundi, for instance), we want to proactively co-create with local partners, other NGOs and potential donors
- We are now developing and implementing a communications strategy to showcase our innovative concepts and expertise areas
- We are lobbying in The Hague to include a focus on young children in Dutch development and disaster-response policy
- The Fundraising & Awareness Department has made a start on implementing the strategic refresh
- Proactively pursuing strategic cooperation with like-minded partners is a priority for 2023

What does this mean for our organization?

To implement this new strategy successfully, our organization also needs to be ready. At present we feel that our systems, structures and procedures are not solid enough to build on, but we are now working very hard to develop more robust versions to be rolled out and fine-tuned in 2023.

Further implementation of systems, structures and procedures

- Project Connect, Odoo and Windows 365 are working well throughout the organization
- The appointment of a quality manager and the follow-up to the QMS project will result in better procedures

Investment in IT

- The IT strategy developed in 2022 will provide us with guidance for further investments in this field

Organization and staffing

Our decentralization process has entered a more mature stage, which has consequences for the degree of autonomy enjoyed by various parts of the organization. We want to implement the advice that a project group on this subject be formed as soon as possible.

Strategic planning for 2025 and beyond

Towards the end of 2023 we need to start preparing for the development of a new strategic plan for 2025 and beyond.

Financial statements

Balance sheet

AS AT 31 DECEMBER, 2022 (after appropriation of result)

ASSETS	31-12-2022		31-12-2021	
	€	€	€	€
Intangible fixed assets		102,831		74,676
Tangible fixed assets		656,105		650,820
Financial fixed assets				
Other securities	-		5,806	
Other receivables	319,423		221,575	
		319,423		227,381
Receivables and accrued items				
Receivable raised income	939,314		1,535,533	
Prepayments to partners	143,680		102,757	
Other receivables and accrued items	49,912		42,082	
		1,132,905		1,680,372
Cash and cash equivalents		3,439,137		3,715,392
		5,650,401		6,348,641
LIABILITIES				
	€	€	€	€
Reserves and funds				
Continuity reserve		1,787,822		1,990,815
Special-purpose reserves		510,576		610,556
Special-purpose funds		1,577,087		1,625,444
		3,875,485		4,226,815
Long-term liabilities				
Prepayments		4,000		8,000
Short-term liabilities				
Accounts payable	328,062		312,914	
Subsidies and income received in advance	352,467		81,102	
Amounts payable in respect of programmes	609,507		1,101,849	
Other liabilities and accrued items	480,880		617,961	
		1,770,916		2,113,826
		5,650,401		6,348,641

Statement of income and expenditure

	2022		Budget 2022		2021	
	€	€	€	€	€	€
INCOME						
Raised income						
Income from individuals	6,735,760		6,691,510		6,556,886	
Income from businesses	719,272		614,330		605,134	
Income from government subsidies	5,204,645		4,964,458		5,821,172	
Income from related non-profit organizations	248,269		200,000		250,761	
Income from other non-profit organizations	1,897,875		1,902,160		1,391,265	
	14,805,821		14,372,458		14,625,218	
Income from supplied products and services	6,194		5,000		3,840	
Other income	28,934		-		-7,338	
	14,840,949		14,377,458		14,621,720	
EXPENDITURE						
Expenditure on objectives						
Child Development & Protection	4,572,295		5,063,324		4,437,905	
Youth & Work	1,179,597		1,372,716		1,481,255	
Community Resilience	2,676,210		2,175,488		2,908,748	
Food Security and Livelihoods	2,089,506		1,570,060		1,350,744	
Health, WASH and Nutrition	2,098,686		2,125,062		1,934,912	
Information and awareness	417,342		473,447		397,216	
	13,033,636		12,780,097		12,510,780	
Costs of raising income	1,345,577		1,444,312		1,319,046	
Management and administration costs	745,388		676,310		638,420	
	15,124,601		14,900,719		14,468,246	
Balance before financial income and expenses	-283,652		-523,261		153,474	
Net financial income and expenses	-8,873		-5,000		9,614	
Net income and expenses	-292,525		-528,261		163,088	
Surplus/shortfall added to/withdrawn from						
- Continuity reserve	-144,188		-119,261		-137,387	
- Special-purpose reserves	-99,980		-389,000		-67,444	
- Special-purpose funds	-48,357		-20,000		367,919	
	-292,525		-528,261		163,088	

Cash flow statement

	2022		2021	
	€	€	€	€
CASH FLOW FROM OPERATING ACTIVITIES				
Net income and expenses		-292,525		163,088
Costs of depreciation/amortization	136,515		110,522	
Movements in receivables	547,467		41,963	
Movements in long-term liabilities	-4,000		-277,533	
Movements in short-term liabilities	-342,910		-481,810	
		337,072		-606,858
		44,547		-443,770
CASH FLOW FROM INVESTING ACTIVITIES				
Investments in intangible fixed assets	-56,250		-23,442	
Investments in tangible fixed assets	-114,044		-92,978	
Movements in financial fixed assets	-92,042		279,438	
Fixed assets currency differences	338		-5,456	
		-261,997		157,562
Net cash flow before currency and conversion differences		-271,450		-286,208
Currency and conversion differences		-58,805		32,428
Increase (+)/decrease(-) in liquid assets		-276,256		-253,780
Cash and cash equivalents as at January 1		3,715,393		3,969,173
Cash and cash equivalents as at December 31		3,439,137		3,715,393

Cash and cash equivalents decreased by more than € 270,000. The main reason for this is the net deficit of nearly € 300,000 in 2022.

On a more detailed level the cash flow was influenced by the fact that the receivables from donors decreased significantly, mainly due to the final disbursement for the Addressing Root Causes programme. On the other hand, Help a Child invested in both (in)tangible fixed assets and loans provided to microfinance institutes and charity shops.

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 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 26, 2023. Small rounding differences (below € 1) may arise as a result of additions of amounts.

Consolidation

The financial statements comprise the financial information of Help a Child in the Netherlands and its offices 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 the Congo
Help a Child South Sudan	Juba	South Sudan

Due to our decentralization strategy, the aforementioned foreign offices 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 offices in Africa and those of Help a Child internationally.

Until 2021 Help a Child published both consolidated and separate financial statements in its annual report. In 2022 we reconsidered this approach for the following reason.

Most of our country offices are branch offices and are legally part of Help a Child. Help a Child Africa is the only country office with its own governance and legal structure, but in fact Help a Child has complete material control.

In view of this we concluded that it was not necessary to distinguish between the consolidated and separate statements. This also results in a more efficient and user friendly annual report.

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 2022.

Receivables and accrued items

Receivables and accrued items 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 Fundraising 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 111.6% at the end of December 2022.

Notes to the balance sheet

INTANGIBLE FIXED ASSETS	Software	Software under development	Total
As at January 1, 2022	€	€	€
Acquisition costs	240,398	40,854	281,252
Accumulated amortization	-206,576	-	-206,576
Book value	33,822	40,854	74,676
Movements in 2022			
Investments	78,871	-22,621	56,250
Amortization	-28,095	-	-28,095
Total movements	50,776	-22,621	28,155
As at December 31, 2022			
Acquisition costs	319,269	18,233	337,502
Accumulated amortization	-234,671	-	-234,671
Book value	84,598	18,233	102,831

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 2022 most of the software under development was implemented and activated.

TANGIBLE FIXED ASSETS	Land and buildings	Office fixtures and fittings	Means of transport	Equipment	Total
As at January 1, 2022	€	€	€	€	€
Acquisition costs	1,041,897	169,261	257,266	176,260	1,644,684
Accumulated depreciation	-591,991	-157,096	-129,807	-114,972	-993,864
Book value	449,907	12,166	127,459	61,288	650,820
Movements in 2022					
Investments	-	17,758	49,363	58,640	125,761
Depreciation	-19,258	-9,085	-40,154	-39,923	-108,420
Divestments acquisition costs	-	-1,339	-45,834	-2,169	-49,342
Divestments accumulated depreciation	-	1,125	34,332	2,168	37,625
Currency differences	-	-565	474	-247	-338
Total movements	-19,258	7,893	-1,820	18,470	5,285
As at December 31, 2022					
Acquisition costs	1,041,897	185,115	261,269	232,484	1,720,765
Accumulated depreciation	-611,249	-165,056	-135,629	-152,726	-1,064,660
Book value	430,649	20,059	125,640	79,758	656,105

The WOZ (property tax) value of the two premises included in 'Land and buildings' was set at € 903,000 as at January 1, 2023.

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 € 129,999 as at December 31, 2022.

FINANCIAL FIXED ASSETS

Other securities	31-12-2022	31-12-2021
	€	€
Investment PerspActive U.A.	-	5,806

The movement of the other securities is as follows:

	31-12-2022	31-12-2021
	€	€
Balance as at January 1	5,806	9,570
Settlement	-743	-3,764
Repaid start capital PerspActive U.A.	-5,063	-
Balance as at December 31	-	5,806

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. This cooperation was wound up in the course of 2022.

Other receivables	31-12-2022	31-12-2021
	€	€
Loan to microfinance institutes	140,263	79,545
Loan to Stichting KLIMREK	86,250	63,750
Property from bequest with usufruct	92,910	78,280
	319,423	221,575

- The loan to microfinance institutes refers to a loan facility provided to three microfinance institutes in Rwanda, Malawi and Uganda. 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. If 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 in full at the end date of the loan agreement. Defaults will be covered by the restricted 'Revolving fund'.

The facility in Malawi ends on February 28, 2024 and originally amounted to 47.7 million Malawian Kwachas. The book value at the end of 2022 amounts to € 36,173; in 2022 an amount of € 3,110 was written off due to defaults.

The facility in Rwanda ended on December 31, 2022 and will be renewed until December 31, 2024. The facility originally amounted to 46 million Rwandan Francs. The book value at the end of 2022 amounts to € 33,721; in 2022 no amount was written off due to defaults. The facility in Uganda ends on April 30, 2024 and originally amounted to 280.8 million Ugandan shillings. The book value at the end of 2022 amounts to € 70,368; in 2022 an amount of € 840 was written off due to defaults.

The movement of the loans to microfinance institutes is as follows:

	2022	2021
	€	€
Balance as at January 1	79,545	-
Provided loans to microfinance institutes in financial year	70,200	89,457
Depreciation due to exchange rate results	-5,493	1,242
Depreciation due to defaults in financial year	-3,989	-11,154
Balance as at December 31	140,263	79,545

- 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 current loan agreement matures on December 31, 2025. An amount of € 33,750 will be repaid in 2023 and can be regarded as a short-term receivable.
- The property from a 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	31-12-2022	31-12-2021
	€	€
Receivable from bequests	463,748	387,978
Receivable income from third parties and foundations	391,281	285,378
Receivable government subsidies	31,489	849,627
Other receivable raised income	52,796	12,550
	939,314	1,535,533

The Addressing Root Causes programme in Burundi had a balance of € 405,000 to be cleared once this programme was shown as fully reported; in 2022 the programme was formally closed and all outstanding balances were cleared by the donor.

Prepayments to partners	31-12-2022	31-12-2021
	€	€
Prepayments to implementing partners	143,680	102,757
	143,680	102,757

Help a Child pays its implementing partners in advance on a quarterly basis. As a result of underspending by the partner this may cause balances which are shown as prepayments in the balance sheet.

Other receivables and accrued items	31-12-2022	31-12-2021
	€	€
Payments in advance	34,473	21,807
Other receivables	15,439	20,275
	49,912	42,082

CASH AND CASH EQUIVALENTS

	31-12-2022	31-12-2021
	€	€
Bank accounts of Help a Child in the Netherlands	1,397,324	1,702,588
Bank accounts of Help a Child country offices	487,598	542,853
Savings accounts of Help a Child in the Netherlands	1,516,743	1,447,453
Cash in hand	37,472	22,498
	3,439,137	3,715,392

An explanation of the movements in the cash and cash equivalents in 2022 can be found in the notes to the cash flow statement.

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

RESERVES AND FUNDS

Reserves

	Continuity reserve	Special-purpose reserves					Total
		Disaster response	Disability	Kids@Risk	Innovation	Exchange rate risks	
	€	€	€	€	€	€	€
As at January 1, 2022	1,990,815	100,000	10,000	180,556	120,000	200,000	2,601,371
Movements in 2022							
Allocation of net income and expenses	-144,188	-28,912	2,000	-65,703	-	-7,365	-244,169
Other movements	-58,805	-	-	-	-	-	-58,805
Total movements	-202,993	-28,912	2,000	-65,703	-	-7,365	-302,973
As at December 31, 2022	1,787,822	71,088	12,000	114,853	120,000	192,635	2,298,398

	31-12-2022	31-12-2021
	€	€
Continuity reserve	1,787,822	1,990,815

Our continuity reserve decreased to approximately € 1.79 million at year-end 2022. As at 31 December 2022 the total amount of the continuity reserve was 41% of the maximum level of 100% of the total working organization costs which was determined as our own norm by the Board of Directors and approved by the Supervisory Board.

	31-12-2022	31-12-2021
	€	€
Special-purpose reserve - Disaster response	71,088	100,000

The disaster response reserve is a special-purpose reserve to meet the initial costs of disaster response programmes. In previous years this reserve was not used, but in 2022 it was decided to use the reserve to fund emergency projects in our programme areas which required a rapid response. In the second half of 2022 a project in the Goma region in the DRC was funded with this reserve.

	31-12-2022	31-12-2021
	€	€
Special-purpose reserve - Disability	12,000	10,000

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.

	31-12-2022	31-12-2021
	€	€
Special-purpose reserve - Kids@Risk	114,853	180,556

In 2018 the Board of Directors decided to form a special-purpose reserve for 'Kids@Risk'. This reserve is specifically intended to support children in unsafe countries. In 2021 Help a Child started a pilot project in the DRC which is partly funded from this reserve, which continued in 2022. This reserve is used as co-financing for this project together with funds raised with the Emergency Fund campaigns.

	31-12-2022	31-12-2021
	€	€
Special-purpose reserve - Innovation	120,000	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.

	31-12-2022	31-12-2021
	€	€
Special-purpose reserve - Exchange rate risks	192,635	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.

In 2022 we faced both negative and positive exchange rate fluctuations which more or less balanced out.

Funds	Special-purpose funds			Total
	Bequests	Disaster response	Other special-purpose funds	
	€	€	€	€
As at January 1, 2022	11,833	97,006	1,516,605	1,625,444
Net movements in 2022	-11,833	-56,608	20,085	-48,357
As at December 31, 2022	-	40,398	1,536,690	1,577,087

	31-12-2022	31-12-2021
	€	€
Special-purpose fund - Bequests	-	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, 2022	Donations 2022	Expenses 2022	Reallocation	As at December 31, 2022
	€	€	€	€	€
Disaster response Malawi	17,922	300	-		18,222
Disaster response Beirut	36,571	-	36,571		-
Disaster response COVID-19	23,748	823	3,535	-21,036	-
Disaster response Ukraine	-	435,066	442,550	7,484	-
Emergency Fund	-	116,296	112,885	-	3,411
Other disaster response	18,765	2,243	-	-2,243	18,765
Total	97,006	554,728	595,541	-15,795	40,398

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 2022 Help a Child received more than € 435,000 for the crisis in Ukraine. We were able to commit the funds to three Dutch colleague NGOs that are active in Ukraine or neighbouring countries.

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

Other special-purpose funds	As at January 1, 2022	Net movement 2022	As at December 31, 2022
	€	€	€
Uganda	181,166	-56,434	124,732
Malawi	108,322	12,859	121,181
Rwanda	3,500	94,588	98,088
South Sudan	54,582	-3,332	51,250
India	498,149	335,850	833,999
DRC	-	67,778	67,778
Kenya	-	-93,147	-93,147
Challenge funds	18,990	-11,050	7,940
Revolving fund	165,459	44,610	210,069
Fund advertisements	9,350	-	9,350
Community programmes	4,779	-4,779	-
Development charity shops	9,132	2,573	11,705
Disability	175,969	-83,787	92,182
Education	123,731	-123,731	-
Vocational training	-	1,562	1,562
'Talentenfabriek'	9,615	-9,615	-
Sponsoring	34,457	-34,457	-
'Dierbaar cadeau'	57,592	-57,592	-
'Groeifonds'	61,812	-61,812	-
	1,516,605	20,085	1,536,690

After two years of low expenditure levels in India we have a very high balance in the special-purpose funds for India. In 2023 we will reorganize our programme in India. We informed the team in India that their programmes will be provided with additional budget to accelerate the implementation of these programmes.

In 2022 we spent a substantial amount in the newly set up programme in Kenya. Income for these programmes depends strongly on sponsorship. In the first year sponsorship was still in start-up phase. As a result the expenditures of these programmes exceeded the income resulting in a negative balance of the designated fund for Kenya. We expect this negative balance to reduce in 2023 as sponsorship for these programmes will expand soon.

LONG-TERM LIABILITIES

Prepayments	31-12-2022	31-12-2021
	€	€
Prepaid donations	4,000	8,000

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 to € 4,000.

The short-term portions due to be released in 2022 have been recognized under the accrued items in short-term liabilities.

SHORT-TERM LIABILITIES

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

	31-12-2022	31-12-2021
	€	€
Accounts payable	328,062	312,914

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:

	31-12-2022	31-12-2021
	€	€
DRA - subsidies	228,293	45,570
Other received in advance	124,174	35,532
	352,467	81,102

	31-12-2022	31-12-2021
	€	€
Amounts payable in respect of programmes	609,507	1,101,849

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 2023.

Other liabilities and accrued items	31-12-2022	31-12-2021
	€	€
Taxes and social security contributions	262,169	254,588
Personnel costs	181,848	197,272
Other liabilities	8,743	159,566
Accrued items	28,119	6,535
	480,880	617,961

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 2022, the annual partner commitments with our partner organizations for 2023 and beyond were not formally implemented. However, on the basis of long-term programmes, we have entered into a commitment totalling approximately € 5.3 million for 2023. 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 2023 and will hence be accounted for in 2023.

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; in 2022 contributions were received for Joint Response programmes in the DRC, South Sudan and Somalia for a period of two years (2022 and 2023).

In our financial statements we have only reflected the grants contributing to 2022 programmes.

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

The contracted amounts will only be reflected as income in the financial statements of Help a Child once Help a Child has complied with all conditions as laid down in the agreement between the lead organization and Help a Child.

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 € 6,499.



Notes to the statement of income and expenditure

INCOME

Income from individuals	2022	budget 2022	2021
	€	€	€
Sponsorship	4,040,706	4,106,000	4,050,595
Other donations	1,927,223	1,966,510	1,897,387
Bequests	498,918	550,000	387,220
Donations for disaster response	268,913	69,000	221,684
	6,735,760	6,691,510	6,556,886

Overall Help a Child received more income from individuals than budgeted or compared to 2021. The major reason is the fact that a lot of people donated for the Ukraine crisis. In sponsorship we did not manage to maintain the

Income from businesses	2022	budget 2022	2021
	€	€	€
Sponsorship	75,421	43,000	38,333
Other donations	613,701	555,330	553,671
Donations for disaster response	30,150	16,000	13,130
	719,272	614,330	605,134

growth recorded in previous years and which was also budgeted for 2022.

Bequests amounted to almost € 500,000, were € 51,000 below the amount we budgeted for 2022.

Income from government subsidies	2022	budget 2022	2021
	€	€	€
Dutch Relief Alliance - Joint Response South Sudan	881,741	889,356	1,106,050
Dutch Relief Alliance - Joint Response Democratic Republic of the Congo	1,225,755	1,053,895	893,142
Dutch Relief Alliance - Joint Response Somalia	1,481,891	1,202,835	1,298,903
Dutch Relief Alliance - innovation projects	318,860	171,566	816,279
Dutch Relief Alliance - Acute Response South Sudan	-	-	5,717
Dutch Ministry of Foreign Affairs - Addressing Root Causes Burundi	-1,839	-	1,345,415
EU - Pride! South Sudan	135,763	146,806	112,735
International Organization for Migration - Burundi	249,074	200,000	133,866
UNHCR/World Food Programme - Burundi	558,228	450,000	79,826
UNICEF/UNWOMEN Rwanda	111,016	-	22,102
UNDP - South Sudan	25,150	40,000	7,137
USAID - Democratic Republic of the Congo	219,006	-	-
Other income from government subsidies	-	810,000	-
	5,204,645	4,964,458	5,821,172

Compared to 2021 the income from subsidies decreased by more than € 600,000. The major reason is the Addressing Root Causes programme in Burundi which was concluded in 2021.

In 2022 Help a Child increased its income from subsidies from UN agencies to almost € 1 million. In the DRC a grant from USAID was committed; our partner organization Medair is the lead organization and Help a Child is a sub-grantee.

Income from related non-profit organizations	2022	budget 2022	2021
	€	€	€
Income from charity shops KLIMREK	248,269	200,000	250,761
	248,269	200,000	250,761

In 2022 income from charity shops increased with € 73,000 compared to the income from 2021. The income in 2021 comprised income generated in both 2020 (€ 75,560) and in 2021 (€ 175,201).

Income from other non-profit organizations	2022	budget 2022	2021
	€	€	€
Sponsorship from churches	225,032	227,000	241,844
Sponsorship from foundations	94,708	83,000	58,169
Other donations from churches	224,823	316,000	262,304
Other donations from foundations	1,198,942	1,261,160	786,371
Donations for disaster response from churches	129,064	10,000	23,777
Donations for disaster response from foundations	25,305	5,000	18,800
	1,897,875	1,902,160	1,391,265

Income from supplied products and services	2022	budget 2022	2021
	€	€	€
Net income from house and office rental	6,194	5,000	3,840
	6,194	5,000	3,840

Other income	2022	budget 2022	2021
	€	€	€
Sales of assets	25,648	-	-
Other income	3,285	-	-7,338
	28,934	-	-7,338

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	2,279,090	642,802	1,096,092	665,590	1,508,581	-	6,192,156
Programme expenses - own expenses	1,506,244	266,107	1,183,304	1,185,128	432,201	-	4,572,984
	3,785,335	908,908	2,279,396	1,850,718	1,940,783	-	10,765,139
Communication expenses	-	-	-	-	-	159,240	159,240
Staff expenses	632,111	216,321	319,881	193,713	130,033	205,063	1,697,122
Travel and lodging expenses	23,417	8,222	11,634	6,816	4,215	8,021	62,325
Vehicle expenses	-	-	-	-	-	-	-
Housing expenses	9,167	3,219	4,555	2,669	1,650	3,140	24,399
Office and network expenses	74,976	26,324	37,250	21,825	13,494	25,681	199,550
General expenses	30,485	10,703	15,146	8,874	5,487	10,442	81,137
Depreciation	16,804	5,900	8,349	4,891	3,024	5,756	44,724
	786,961	270,688	396,814	238,788	157,903	417,342	2,268,497
Total	4,572,295	1,179,597	2,676,210	2,089,506	2,098,686	417,342	13,033,636

	Subtotal	Costs of raising income	Management and administration costs	Total expenses 2022	Total budget 2022	Total expenses 2021
Programme expenses - third parties	6,192,156	-	-	6,192,156	6,804,985	6,472,404
Programme expenses - own expenses	4,572,984	-	-	4,572,984	3,787,319	3,980,804
	10,765,139	-	-	10,765,139	10,592,304	10,453,208
Communication expenses	159,240	494,424	-	653,663	731,350	706,107
Staff expenses	1,697,122	664,726	592,134	2,953,983	2,968,035	2,729,118
Travel and lodging expenses	62,325	26,920	21,472	110,717	74,800	32,658
Vehicle expenses	-	6,589	8,822	15,412	12,500	8,397
Housing expenses	24,399	20,389	21,596	66,384	56,300	60,308
Office and network expenses	199,550	73,494	51,747	324,791	216,410	280,736
General expenses	81,137	32,970	25,174	139,281	164,353	125,768
Depreciation	44,724	26,064	24,443	95,230	84,667	71,945
	2,268,497	1,345,577	745,388	4,359,462	4,308,415	4,015,038
Total	13,033,636	1,345,577	745,388	15,124,601	14,900,719	14,468,246

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 € 1,345,577 in 2022 on raising income. As a result the ratio of costs of raising income as a percentage of total raised income amounts to 9.1% in 2022; for 2022 a ratio of 10.0% was budgeted and the actual ratio of 2021 amounted to 9.0%.

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 2022	Total FTE 2021
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%	8.8	8.3
Institutional fundraising	55.0%	40.0%	5.0%	100.0%	3.0	3.7
Sponsorship	90.0%	0.0%	10.0%	100.0%	4.9	3.6
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%	10.1	8.1
Total for the Netherlands					36.2	33.2
Country programme directors	60.0%	25.0%	15.0%	100.0%	5.9	5.5
Sponsorship	90.0%	0.0%	10.0%	100.0%	3.8	3.5
Programme staff and experts	100.0%	0.0%	0.0%	100.0%	83.6	50.2
Other staff	47.5%	10.0%	42.5%	100.0%	11.0	11.8
Total country *)					104.3	71.0
Total FTE					140.5	104.2

*) 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 € 250,000 higher compared to the 2022 budget and also increased compared to the actual figures for 2021. There are multiple reasons for this, but two major events influenced the increase in expenditures: 1) more than € 400,000 was received for the crisis in Ukraine, which was not budgeted but led to an increase in expenditures; 2) inflation and the expensive dollar increased the costs of our work, as this directly impacts the budget that is needed to implement our programmes.

On the other hand we also had continuous challenges in our India programme which led to lower expenditures in that particular country.

As in 2021 we also faced a relatively high percentage of staff turnover and sickness. As a result we faced vacancies, but also needed to hire external staff to (temporarily) replace our staff. As a result there is a small deviation between the 2022 budget and actual expenditures in 2022.

In the area of IT we decided to accelerate the introduction of Microsoft 365 in our country offices. For that reason we hired an external consultant. We also put a lot of effort into implementing project management software in 2022, which led to relatively high expenses for IT.

Expenditure on objectives - programmes

Help a Child works in several countries on both development and disaster response. The following table shows the expenditures in 2022 spent on the different themes in the countries in which Help a Child works.

	Child Deve- lopment & Protection	Youth & Work	Com- munity Resilience	Food Security and Live- lihoods	Health, WASH and Nutrition	Total 2022	Total 2021
	€	€	€	€	€	€	€
Development							
Kenya	459,518	231,348	256,798	87,028	-	1,034,691	1,209,974
Malawi	358,034	138,961	160,572	68,408	31,379	757,355	865,292
Rwanda	856,536	363,026	395,822	138,589	-	1,753,973	1,197,565
Burundi	390,617	193,880	214,454	71,707	-	870,658	2,179,720
India	157,873	53,145	79,521	13,042	26,120	329,701	372,611
Uganda	385,693	171,013	82,822	90,730	190,185	920,443	638,689
	2,608,271	1,151,373	1,189,989	469,503	247,684	5,666,820	6,463,852
Disaster response							
Burundi	66,546	12,536	305,644	856,536	-	1,241,262	449,078
Democratic Republic of the Congo	638,002	-	994,345	26,508	360,072	2,018,926	1,528,179
South Sudan	621,118	6,009	85,727	601,306	311,150	1,625,310	2,031,268
Somalia	268,058	-	80,285	-	1,178,392	1,526,735	1,314,965
India	16,839	3,885	7,565	1,603	1,388	31,280	324,304
Ukraine	329,239	-	-	134,050	-	463,289	-
Other countries	24,222	5,794	12,655	-	-	42,671	1,917
	1,964,024	28,224	1,486,221	1,620,003	1,851,001	6,949,473	5,649,712
Total expenditures on objectives - programme	4,572,295	1,179,597	2,676,210	2,089,506	2,098,686	12,616,294	12,113,564

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, the Democratic Republic of the 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	2022	budget 2022	2021
	€	€	€
Consortium partners ARC	-	-	827,100
Implementing partners India	297,442	660,000	545,836
Implementing partners Kenya	502,220	522,500	542,768
Implementing partners Rwanda	952,235	664,200	567,205
Implementing partners Malawi	386,937	407,000	599,269
Implementing partners Burundi	511,819	1,000,900	576,735
Implementing partners Uganda	724,192	607,500	562,655
Implementing partners Democratic Republic of the Congo	590,224	552,300	302,778
Implementing partners South Sudan	396,881	532,300	722,569
Implementing partners Somalia	1,386,916	1,108,285	1,222,716
Implementing partners Ukraine	374,380	-	-
Implementing partners others	68,910	750,000	2,774
	6,192,156	6,804,985	6,472,404

Programme expenses - own expenses	2022	budget 2022	2021
	€	€	€
Own expenses Kenya	324,413	306,788	472,858
Own expenses Rwanda	492,575	332,345	447,974
Own expenses Malawi	216,755	272,588	140,642
Own expenses Burundi	1,246,385	483,225	810,085
Own expenses Democratic Republic of the Congo	1,112,085	753,058	961,205
Own expenses South Sudan	939,621	765,230	981,800
Other own programme expenses Help a Child	241,150	874,085	166,241
	4,572,984	3,787,319	3,980,804



Communication expenses	2022	budget 2022	2021
	€	€	€
Sponsorship management	32,564	31,000	33,558
Private fundraising	358,780	425,500	415,432
Disaster response and Emergency Fund campaigns	40,058	60,350	9,165
Relationship management	68,419	41,500	25,220
Communication constituency	79,565	141,500	131,846
Online communication and fundraising	28,824	7,500	34,778
Events	18,091	16,500	9,696
Other expenses	27,362	7,500	46,413
	653,663	731,350	706,107

Expenses for private fundraising were lower compared to budget and 2021. The fundraising department faced

a number of vacancies in 2022 which had impact on the activity planning and execution of campaigns.

Staff expenses	2022	budget 2022	2021
	€	€	€
Salary expenses for staff in the Netherlands *)	1,827,795	1,928,734	1,732,349
Social charges for staff in the Netherlands	324,841	323,415	288,354
Pension contributions for staff in the Netherlands	187,053	194,463	186,507
Other staff expenses in the Netherlands	346,034	271,423	250,512
Staff expenses the Netherlands	2,685,722	2,718,035	2,457,722
Staff expenses Kenya	191,979	187,211	245,879
Staff expenses Rwanda	250,007	215,727	203,111
Staff expenses Malawi	148,314	190,589	126,003
Staff expenses Burundi	270,421	292,231	148,556
Staff expenses Democratic Republic of the Congo	345,915	265,354	300,228
Staff expenses South Sudan	451,758	414,221	383,349
Staff expenses country offices	1,658,394	1,565,333	1,407,126
Total staff expenses (gross)	4,344,116	4,283,368	3,864,848
Programme staff directly allocated to implementation expenses**)	-1,390,133	-1,315,333	-1,135,730
Total staff expenses (net)	2,953,983	2,968,035	2,729,118

*) 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, 2022).

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

Remuneration of Board of Directors

The Supervisory Board adopted the remuneration policy for the Board of Directors, including the level of remuneration and other remuneration components. This policy is updated from time to time. The last evaluation was on 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 assessing the scope and responsibility of the position, the regulation sets a maximum for the annual income. The Supervisory Board has assessed the position of the CEO. This led to a 'BSD' score of 435 points with a maximum annual income of € 130,699 (for full-time employment, latest update as at July 1, 2022).

Help a Child has decided to cap this remuneration at 80% of the maximum annual income based on the BSD score (€ 104,559 for 1 FTE).

The remuneration of the director of Help a Child was as follows in 2022:

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

Remuneration		2022
	€	€
Gross salary	77,492	
Holiday allowance	6,279	
13th month allowance	7,035	
Total annual income		90,807
Taxable reimbursements	936	
Pension expenses (employer's share)	10,509	
		11,445
Total remuneration Board of Directors 2022 (incl. employer's costs)		102,252

Remuneration		2021
Total remuneration Board of Directors		€
2021 (incl. employer's costs)		99,266

In 2022 the full-time equivalent of the actual annual income of CEO Andries Schuttinga was € 102,157, based on one FTE. This remuneration is within the maximum set by the Supervisory Board (€ 104,559) 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 € 173,960 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 2022 they received reimbursements for expenses amounting to € 449 (2021: € 246), concerning mileage allowances.

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

Financial income and expenses	2022	budget 2022	2021
	€	€	€
Financial income			
Interest income	3,748	-	1,468
Exchange rate differences	-	-	19,236
	3,748	-	20,704
Financial expenses			
Negative interest	7,328	5,000	11,090
Exchange rate differences	5,293	-	-
	12,622	5,000	11,090
Net financial income and expenses	-8,873	-5,000	9,614

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.

In 2022 Help a Child changed its policy on exchange rate risks. We allow partner contracts to be signed in local currencies with partners implementing community programmes. 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.

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.





Other information

INDEPENDENT AUDITOR'S REPORT

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

A. Report on the audit of the financial statements 2022 included in the annual report.

Our opinion

We have audited the financial statements 2022 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 at 31 December 2022 and of its result for 2022 in accordance with the 'RJ-Richtlijn 650 Fondsenwervende organisaties' (Guideline for annual reporting 650 'Fundraising Organisations') of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the consolidated balance sheet as at 31 December 2022;
2. the consolidated statement of income and expenditure for 2022; and
3. the notes comprising of 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.

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information 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 Management Board's report in accordance with Guideline for annual reporting 'RJ-Richtlijn 650 Fondsenwervende organisaties' (Guideline for annual reporting 650 'Fundraising Organisations').

C. Description of responsibilities regarding the financial statements

Responsibilities of the supervisory board and the management for the financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 'RJ-Richtlijn 650 Fondsenwervende organisaties' (Guideline for annual reporting 650 'Fundraising Organisations'). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the organisation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

Management 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 overseeing the organisation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement 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 among others:

- 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the supervisory board and the management 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, 28 June 2023

Dubois & Co. Registeraccountants

Digitaal ondertekend door Mohamed Belkadi

M. Belkadi RA

Appendices

MULTI-ANNUAL BUDGET 2021 - 2024

	actual 2022	budget 2023	multi-annual budget 2024
	€	€	€
INCOME			
Raised income			
Income from individuals	6,735,760	7,145,000	7,462,000
Income from businesses	719,272	694,000	560,000
Income from government subsidies	5,204,645	5,000,000	9,090,000
Income from related non-profit organizations	248,269	350,000	200,000
Income from other non-profit organizations	1,897,875	2,096,000	2,571,000
	14,805,821	15,285,000	19,883,000
Income from supplied products and services	6,194	5,000	-
Other income	28,934	-	-
	14,840,949	15,290,000	19,883,000
EXPENDITURE			
Expenditure on objectives			
Child Development & Protection	4,572,295	4,718,372	3,991,000
Youth & Work	1,179,597	1,190,323	1,735,000
Community Resilience	2,676,210	2,518,891	3,817,000
Food Security and Livelihoods	2,089,506	2,515,957	3,644,000
Health, WASH and Nutrition	2,098,686	2,133,710	4,163,000
Information and awareness	417,342	494,328	515,000
	13,033,636	13,571,581	17,866,000
Costs of raising income	1,345,577	1,594,070	1,234,000
Management and administration costs	745,388	795,480	680,000
	15,124,601	15,961,131	19,780,000
Balance before financial income and expenses	-283,652	-671,131	103,000
Net financial income and expenses	-8,873	-	-
Net income and expenses	-292,525	-671,131	103,000
Surplus/shortfall added to/withdrawn from			
- Continuity reserve	-144,188	-201,131	50,000
- Special-purpose reserves	-99,980	-	-
- Special-purpose funds	-48,357	-470,000	53,000
	-292,525	-671,131	103,000

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

It reflects the ambition to achieve modest growth in 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.

2023 will be the third year of the strategic period. The 2023 budget was approved by the Supervisory Board in November 2022 and shows some significant deviations compared to the actual statement of income and expenditures of 2022 and the original multi-annual budget.

In 2023 we are budgeting for an increase in income from individual donors, which is significantly dependent on the increase in the monthly sponsorship contribution in 2023.

Income from businesses has increased significantly during this multi-annual period and we expect this to continue. Income from government subsidies still lags behind the multi-annual ambition and a number of major grants from institutional donors will need to be increased in 2023 in order to achieve our ambitions for 2024.

The expenses of raising income and management and administration are higher than budgeted in the multi-annual budget. We originally expected that our country offices would take over a number of tasks from the office in the Netherlands. In reality this scenario proved overly optimistic. Due to the average size of our country offices we still need to execute a lot of these tasks from the Netherlands. The office in the Netherlands has a relatively high impact on the costs of raising income and management and administration.

We anticipate an acceleration of our programme activities in India in 2023, for which we will utilize the designated funds which were created in 2021 and 2022 due to underspending in India.

Colophon

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Mixed Sources

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

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