



2021

Annual Report **Terre des Hommes** **Netherlands**



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FORWORD

Dear friends and supporters,

Our mission is first and foremost to safeguard children from all forms of exploitation.

The fate of children not growing up in a safe and thriving environment still strikes me every day. It is therefore a privilege for me to be able to contribute temporarily to the mission of Terre des Hommes and to continue on a path that I have travelled for a significant part of my life: to contribute to a better and fairer world in which everyone has equal chances. The fight against the exploitation of children remains crucial to the future of our world and the commitment of Terre des Hommes to this aim is extraordinary.

Together with our partners, donors, volunteers, and dedicated team members we continue to ensure that we can support children in vulnerable situations. In 2021 the consequences of the Covid-19 pandemic were still very difficult in many communities in which we operate. Parents and caretakers lost their sources of income, which led to a huge increase in poverty. School closures led to a backlog of children's education. Under these circumstances we observed an alarming growth in the number of children at risk of, or who already were, being exploited. The number of working children grew to 160 million in 2021, the first increase in decades.

Terre des Hommes has succeeded in supporting thousands of children this year, doing our part to

reverse this negative trend and contribute to the safety and welfare of these young people. With every child we successfully reach and protect, we strive to create a movement of positive change that influences not only the child's future, but also their immediate environment. We aim to create agents of change that positively shape the future of their communities. Together with our partners and stakeholders, we focus on achieving long-lasting solutions, to initiate a sustainable change.

I would like to invite you to read the story of our 2021 journey, sharing with you the challenges we faced and the highlights that illuminated our path.

Last but not least: thank you for your support! It is vital to the many vulnerable children we are fighting for and for the future of our world.

On behalf of the entire leadership team,



Tjipke Bergsma,

Acting Managing Director Terre des Hommes



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YEAR 2021

2021 has been a year of beautiful results, hard work (mainly from home), and of preparing for the future.

MANAGEMENT REPORT

Just like in 2020, the Covid-19 pandemic affected our work and, in particular, the safety of already vulnerable children. With this in mind, we energetically continued our work to safeguard children from exploitation, continuing to implement our programmes and improve them through redesign. Apart from being another 'pandemic year', 2021 was a year of transition for Terre des Hommes. We assessed our strategy for its sustainability and decided to revise it to better align with the ever changing contexts in which we work.

In 2021, we ran 58 projects on which we spent almost €19.2 million and realised a total income of nearly €22.8 million. 48 of these projects were focused on realising structural change in the lives of children at risk of being victims of exploitation while 10 projects were emergency relief. Of the structural projects, 23 were running in Asia, 24 in Africa and one in Europe (the Netherlands). The administrative expenditure in the Netherlands amounted to €4.7M. This was largely spent on supporting the execution of projects in our regions, communication, fundraising, and operations. We also transferred €2.6M million to our alliance members for continued work on their projects.

EXPENDITURES

In 2021, the spending on our objectives was slightly lower than budgeted and also lower than in 2020. This was partly due to a slow-down in project execution caused by Covid-19 and partly due to a slightly smaller project portfolio. Furthermore, two large multi-year

programmes (Girls Advocacy Alliance and Down to Zero), funded by the Dutch government, ended in 2020. Although Down to Zero was extended in 2021 with a one-year programme to counteract the impact of Covid-19 (Building Back Better; funding of: €5 million), the completion of two major programmes reduced the total expenditure compared to 2020.

HUMANITARIAN ACTION

In addition to our regular projects, we had various humanitarian action and rehabilitation projects in, among others, India and Lebanon. In India we responded to the acute needs of children and their families affected by Covid-19 and in Lebanon to the needs of vulnerable children and families who suffered from the 2020 explosion in Beirut. In total, in 2021, we spent €4.9M on humanitarian action.

KPI RESULTS

To monitor the achievement of objectives and the progress of projects, we use Key Performance



“We seek more and more to co-create solutions with relevant partners who can complement our strengths.”

Indicators (KPIs) such as the numbers of “children trained as agents of change” and “children who went to school”. In Chapter 5 (Impact) the results of the different programmes are presented separately.

OUR INCOME IN 2021

Thanks to our generous donors, in 2021, our total income was €22,769,355. This consisted of government grants (€10,490,217); contributions from lotteries, mainly the National Postcode Lottery (€2,609,595); donations from foundations and private funds (€1,517,482); gifts and donations from private donors (€6,824,960) and companies (€106,466); the net result of the Terre des Hommes shops (€696,703); and other benefits (€328,999).

The income from private donors includes €671,288 from legacies. Due to changed accounting standards, from 2021 onwards, income from legacies must be calculated and accounted for differently than before.

STRATEGY REVISION

One thing is beyond any dispute: since its foundation, Terre des Hommes has always put its heart and soul into improving children's lives. It is precisely because of our passion and sincerity that we periodically

review the effectiveness of our approach. Our mission is first and foremost to safeguard children from all forms of exploitation. We want to excel in fulfilling this mission. Therefore, we periodically review our strategic direction, fine-tuning it on the basis of newly acquired knowledge and insights, and adapting it to an ever-changing world. We carried out this exercise in 2021 too. From this exercise emerged the outlines of our revised strategic direction. While the process of translating this into a full operational strategy is still ongoing, it is clear already that we will put more emphasis on research and publishing and sharing the evidence we collect. Also, we will seek more and more to co-create solutions to issues relating to children's exploitation with relevant partners who can complement our strengths.



€ 22,769,355 INCOME



CONCLUSION

For Terre des Hommes, 2021 has been a year of impactful results, hard work, and preparation for the years to come. **It has been a year that made us stronger and fed our hopes for the future.** Connected all over the world, we are ready to continue our fight against child abuse and exploitation.



SHOPS

In 2021, we worked on a renewed concept for the Terre des Hommes shops and started to implement it throughout our 41 shops in the Netherlands. As the shops will play an increasingly important role in ensuring that Terre des Hommes remains visible, appealing, and 'close by', we want to broaden their function and make them future-proof. We envision inspiring meeting places throughout the Netherlands that are the starting point for a wide range of actions and activities for the benefit of children. For further information on the revised strategy and the renewed shop concept, see Chapter 11 (Ambitions), page 66.

INTERNAL GOVERNANCE

In March 2021, it was announced that Carel Kok would step down as Managing Director after 4 years of service. Leonard Zijlstra, who has been the Head of Lobby, Expertise & Programs at Terre des Hommes, was appointed as the new Managing Director. Unfortunately, Leonard Zijlstra has been absent since September due to an accident. The Supervisory Board therefore appointed Tjipke Bergsma as interim Managing Director.

ORGANISATION

In the past year, several colleagues have opted for new career opportunities inside and outside our field of work. Among other things, the tight labour market made it interesting for employees to pursue new steps in their careers. Partly due to these factors, Terre des Hommes had a staff turnover of 46% in 2021. It was a signal that we took seriously and we actively investigated our employees' satisfaction and their perception of the organisational culture. We have identified several points for improvement and we are currently implementing them throughout our organisation.

FORWARD LOOK INTO 2022

Theory of change and strategic direction

In 2021, we critically started to review our Theory of Change, asking ourselves: is our vision of how to bring about necessary change in the world still the most valid one? We concluded that now there may be other, even more effective pathways of change and we agreed on a revised direction. In 2022 we will further explore and develop this direction into a new Theory of Change and an even more relevant strategic direction. We will focus on how, where, and when Terre des Hommes can optimally deploy its specific strengths and expertise. Then we will determine how our organisation can be best equipped for this. In all of this, we attach great importance to having solid support for these changes from our staff throughout the world.

Our shops

In engaging the public in the Netherlands with our work and our organisation, we foresee an increasingly important role for the Terre des Hommes shops. In the coming years, we aim to both expand the number of shops and make them more profitable. We also want the shops to become lively meeting places where people of all ages can go to obtain sound information on the promotion of children's rights near and far - possibilities for this include theme, film, and debate evenings - and to develop local actions.

Budget 2022

In 2022, we aim to have a balanced budget overall. We expect revenues of €24.6M and expenses of €23.9M. The remaining revenues have been allocated to strategic development, as mentioned above.

CHAPTER 2

THIS WAS 2021

Highlights of our results for children



€ 19.2 MILLION

In 2021, we spent €19.2 million on projects.

The funds were invested in a total of 58 projects, of these 48 projects were about realising structural change in the lives of children at risk of or being victim of exploitation. 10 projects were focussed on emergency relief. We raised nearly €22.8 million in 2021 from individual donors, lotteries, our shops, governments and other NGOs.

In 2021, the spending on our objectives was **slightly lower than budgeted** and also **lower than in 2020**. This was partly due to a slow-down in project execution caused by Covid-19 and partly due to a slightly smaller project portfolio.

We ran 58 projects in Asia, Africa and Europe to fight child labour, child abuse, child sexual exploitation and child trafficking (read more at page 23).



Asia



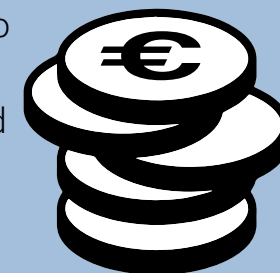
Africa



Europe

84%

of all income was spent on **achieving our objectives**. This means that we spent 84 cents of every euro on our fight against child exploitation.



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POSITIVE IMPACT FOR CHILDREN!

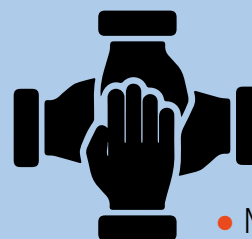
Terre des Hommes Netherlands prevents child exploitation, removes children from exploitative situations and ensures these children can develop themselves in a safe environment. Here are some of the highlights of how we helped children in 2021.

- **65,794** girls and boys directly benefited from our projects. (boys 22,806 / girls 42,988)
- **462,262** family members and community members from children benefited from our projects.
- **390** children were trained on awareness of sexual exploitation and how to report cases.
- **4,490** children were enrolled in schools.
- **2,061** children were trained as agents of change.
- **434** children received legal aid.
- **4,951** children in emergency situations were supported with protection activities, psycho-social support and child friendly spaces.
- **2,608** community members (excluding families) with vulnerable children were supported in setting up alternative sources of income.
- **40,514** community members participated in awareness meetings.



8.2

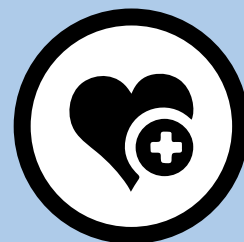
is the overall satisfaction score of our donors with the donor service! (page 44)



STRONGER TOGETHER

- More than **1,700** committed volunteers (page 46)
- **41** Terre des Hommes shops (page 46)
- **69,885** individual donors (page 43)
- **135** employees in Europe, Africa and Asia (page 53)

10 EMERGENCY RELIEF OPERATIONS



We supported the most vulnerable people in, among others, Kenya, Burkina Faso, Syria, Gaza, Lebanon and India. The emergency relief included response to natural disasters, conflicts and the Covid-pandemic.

Our humanitarian aid interventions are funded by ECHO (European Civil Protection and Humanitarian Aid Operations), DRA (Dutch Relief Alliance), the Dutch Cooperating Aid Initiative Giro 555 (Samenwerkende Hulporganisaties), and Bureau of Humanitarian Assistance (BHA) grants received through IRC. (page 35)

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NEW, ADJUSTED AND EXTENDED PROGRAMS

Highlights:



In 2021, **Down to Zero** was extended with a one-year programme (Building Back Better; funding: €5 million) to counteract the impact of Covid-19.



We are running our own **humanitarian action projects in Ethiopia**, providing psychosocial support, shelter and other basic services to families in distress.



We were also able to secure funding from the **Dutch Relief Alliance** to support families and children suffering from famine due to the prolonged drought in Madagascar.



GFEMS supported us to develop programmes in Kenya to improve education, livelihoods of children who are victim of or at risk of sex trafficking. In Uganda GFEMS enabled us to engage communities to end child trafficking and sexual exploitation of children.



In 2021 the mica program was implemented in India with the support of the **Mercedes Benz Group** and the **ILO**. We officially registered in Madagascar and started a program to contribute towards the elimination of child labour in mica mines of Madagascar, targeting 500 children and their families



2021 was a start-up year for **She Leads**. Terre des Hommes managed to implement 13 projects.

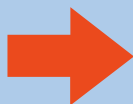


Nationale Postcode Loterij

2021 was the 25th year of being a proud beneficiary of the Nationale Postcode Loterij (National Postcode Lottery). We are grateful that our partnership will continue in the years to come. With the support of the Postcode Loterij and her participants we are working on a better future for children. From 2021 to 2025 we are granted a total of over €11 million.

The cooperation with the Nationale Postcode Loterij is of great importance to our organisation. We appreciate the support not only because of the financial means that enable us to fight child exploitation in different ways. For us, this funding also means that the Dutch public recognises the necessity of our work.

VALUABLE PARTNERSHIPS



We are also proud of our partnerships with:

- **The 10 September Stichting**, who has supported our programmes in Asia and Africa for more than 10 years
- The Traffic in Persons (TIP) partnership in Bangladesh, aimed at **creating awareness about risks of trafficking** during Covid and how to contact the service centre in case of trafficking.
- The partnership with **IRC for the Humanitarian Action in Ethiopia** has been very successful and of such high quality, that the European Union (ECHO) has requested IRC to continue their cooperation with us in future projects.
- **NUFFIC**: Supporting us in a project in Bangladesh to improve the quality of relevant services for Early Married Girls
- **The Joining Forces Alliance** allows us to run projects in 5 countries in Africa increasing our impact and outreach to improve protection systems and legislation for children and youth and opening clear spaces for their participation.



A FUTURE WORLD
 where child exploitation
 is eradicated forever
 and every child is
 guaranteed a safe and
 promising youth.



MEET TERRE DES HOMMES

A future world where child exploitation is eradicated forever and every child is guaranteed a safe and promising youth. This may seem an impossible dream. Yet it is this dream, this ideal, that inspires and drives us day in, day out. We put our heart and soul into making the world we envision a reality, in close cooperation with a worldwide range of allies. To realise our common goal, each ally's role is vital. Our contribution as Terre des Hommes focuses on the protection of children who are (potential) victims of abuse, sexual exploitation, trafficking or child labour.

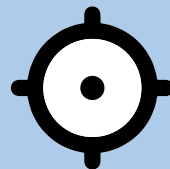


OUR ROOTS

In 1960, French-Swiss Edmond Kaiser (1914-2000) founded Terre des Hommes. It was in the middle of the Algerian War (1954-1962). Kaiser, a writer and a journalist, witnessed the suffering of children in refugee camps. Deeply shocked, he established an organisation to offer support and protection to children in need. The new organisation's name originated from the eponymous book by aviator and author Antoine de Saint-Exupéry, published in 1939. This book's key message is that mankind shares one planet, Earth, on which all human beings are equally entitled to a decent life. In line with the ideas of De Saint-Exupéry, Terre des Hommes to this very day stands up for vulnerable children who have been deprived of their rights, unlocking their 'chains' and offering them new perspectives, regardless of their ethnicity, gender, culture, religion, disability or other categorisations.

INTERNATIONAL FEDERATION

In the early 1960s, volunteer groups in the Netherlands started supporting the Swiss-based Terre des Hommes. In 1966, they joined forces with similar groups in Germany and France. Together they founded the Terre des Hommes International Federation, formed by the Terre des Hommes organisations of Denmark, France, Germany, Italy, Luxembourg, the Netherlands, Spain, and Switzerland in which two branches exist. Each Federation member raises funds in its own country, designs its own programmes, selects its own projects, and has its own board. At the same time, the members reinforce and complement each other wherever they can.



OUR FOCUS AREAS

Every child has the right to grow up in a healthy, caring, safe, and promising environment. Yet at this very moment, millions of children are victims of severe abuse and exploitation.



In our world there are at least 160 million child labourers. Mainly driven by poverty, they are forced into dangerous, dirty, and underpaid jobs. Their rights to play and go to school are crushed in mines and factories or the households that keep them as slaves. We fight child labour by guiding children back to school and supporting their families to generate an alternative income. Read what we did and achieved in 2021 (page 23).



In various parts of the world, many children from poor families are sold, trafficked, and then forced into work or fall victim to sexual exploitation. The constant struggle for survival makes parents susceptible to the arguments of traffickers to sell their children 'to give them a better life'. Instead, most of these children end up in exploitative situations. We combat child trafficking at various levels. Read what we did and achieved in 2021 (page 30).



It is also extreme poverty that puts children at the greatest risk of falling victim to sexual exploitation. They are forced into sexual acts in exchange for money, clothes or other favours. Over time, we have gained considerable expertise in fighting sexual exploitation of children. Read what we did and achieved in 2021 (page 25).



Child abuse takes many forms. In our projects, we fight some of the worst, such as child marriage and female genital mutilation. Read what we did and achieved in 2021 (page 32).



In crisis situations, for example due to war, famine, disease or a natural disaster, children are even more vulnerable to abuse and exploitation. In the extreme circumstances of a crisis, we provide emergency aid to children and their families, by offering psychosocial support and schooling in safe places. We organise our humanitarian action in close cooperation with other relief organisations. Read what we did and achieved in 2021 (page 35).

SDG'S

Related SDG targets

- **5:** Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.
- **8:** Eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour by 2025.
- **16:** End abuse, exploitation, trafficking and all forms of violence against, and torture of, children.
- **17:** Enhance the Global Partnership for Sustainable Development, complemented by multi stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the SDGs.



ACTIVITIES IN 2021

By the end of 2021, the Federation was running a total of 793 projects in 70 countries or territories. Terre des Hommes Netherlands was active in 21 countries.



OUR VISION

A world where children are no longer exploited.

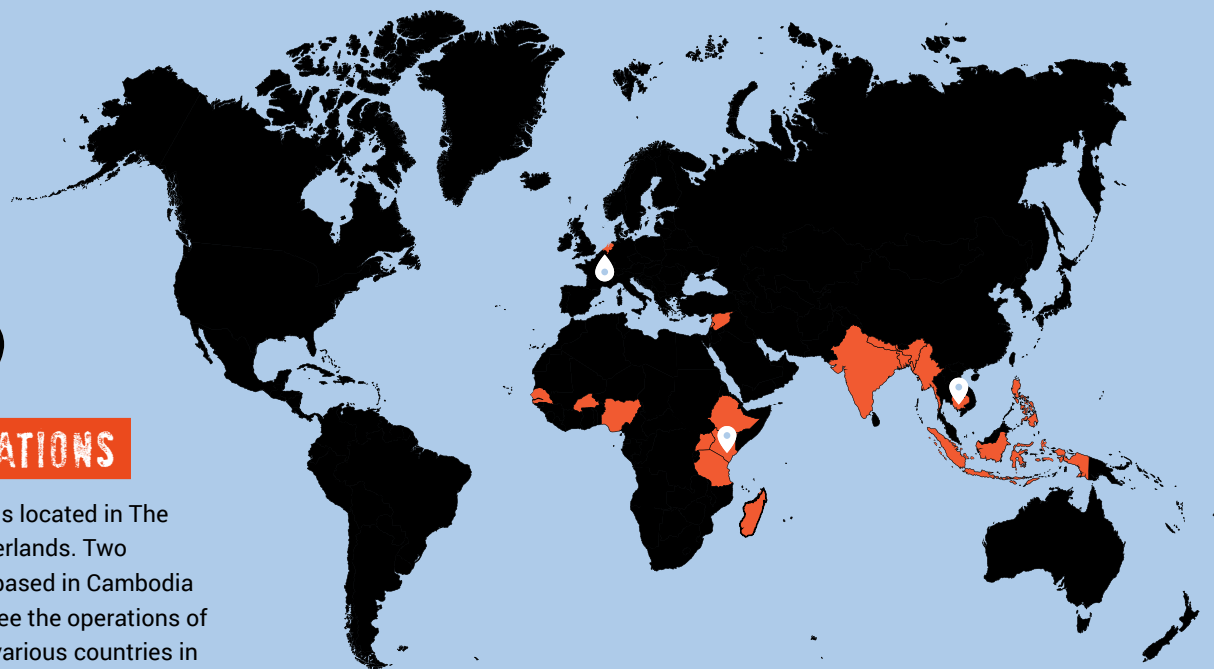


MISSION

Preventing child exploitation, removing children from exploitative situations, and ensuring that these children can develop in a safe environment.

OUR LOCATIONS

Our Head Office is located in The Hague, the Netherlands. Two regional offices based in Cambodia and Kenya oversee the operations of our activities in various countries in East Africa and Asia.



ACTIVE IN:

Bangladesh, Burkina Faso, Cambodia, Ethiopia, India, Indonesia, Jordan, Kenya, Lebanon, Madagascar, Nepal, the Netherlands, Nigeria, the Philippines, Senegal, Syria, Tanzania, Thailand, Uganda, and Vietnam.

EU LOBBY AND ADVOCACY:

📍 Brussels (Belgium)

REGIONAL OFFICES:

📍 Nairobi (Kenya)

📍 Phnom Penh (Cambodia)

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TERRE DES HOMMES
puts its heart and soul into
improving children's lives.



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THIS IS OUR APPROACH

Our Theory
of Change

Terre des Hommes strives for a structural, permanent elimination of child exploitation. This requires in-depth knowledge of its manifestations and underlying causes, an integrated and comprehensive approach, and cooperation with a wide range of stakeholders and partners.



The approach targets four categories of actors: Children; Families and communities; Governments (at all levels); Private sector; Law Enforcement Agencies and Civil Society organisations. The integrated '5P approach' was to result in adequate levels of awareness, education, healthcare, and child protection, anchored in a country's policies and regulations. This would fulfil important conditions for many more children to grow up and develop in a safe environment. In addition to its efforts to achieve sustainable solutions, Terre des Hommes provides practical, direct support to children and their families, such as temporary shelter, school supplies, start-up capital for generating alternative income, and humanitarian action.

APPROACH

For over 56 years, Terre des Hommes Netherlands has been fighting gross violations of children's rights. Throughout all these years, our ideals have remained the same, but our approach has evolved.

"We work with the integrated '5P approach': prevention, provision, prosecution, promotion, partnership to bring about structural change."

over time. In our early years we were first and foremost a humanitarian organisation. Now, we fight child exploitation in many more places and many more ways. Always striving to maximise the impact of our work, we have over time reassessed and, when required, adapted our focus and approach. At the end of 2021, we started to reflect on and update our Theory of Change (ToC)¹.

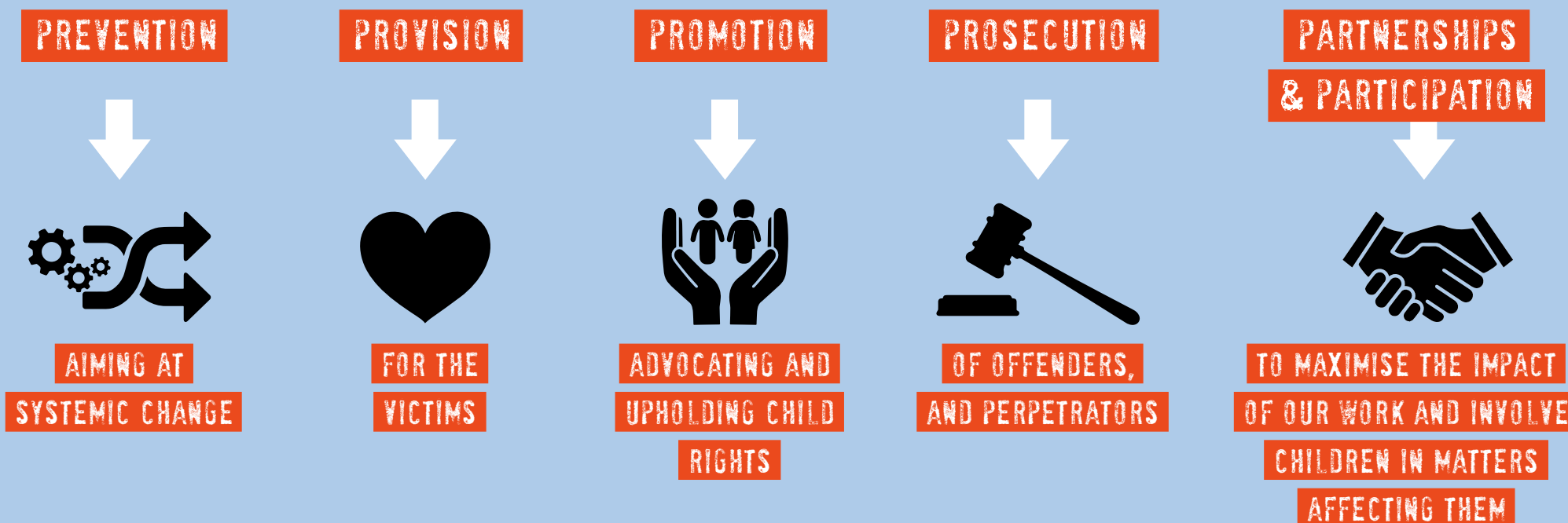
As we are updating our ToC, we are also in the process of sharpening the focus of the strategies we will use to cause

or influence this change. These strategies will build on our proven strengths as an organisation and where we see the best opportunity for creating meaningful impact.

A key focus moving forward will be on building a stronger research and evidence base for our work. In addition, we will increasingly seek to co-create solutions to child exploitation issues with relevant partners that can complement our strengths.

“In our early years we were first and foremost a humanitarian organisation. Now, we fight child exploitation in many more places and many more ways.”

In recent years, we used the '5P approach' to bring about the intended structural change:



¹ A ToC defines the desired long-term goals and then proceeds to identify all the conditions (outcomes), including their causal linkages, that must be in place for these goals to occur.

“Despite the obstacle of the Covid-pandemic, we have maintained a strong connection with our partners and have succeeded in monitoring the progress of our projects.”

WORKING TOGETHER

A prerequisite for an effective implementation of programmes to combat child exploitation is close cooperation with capable project partners. With everyone's commitment, together, we have managed to steer our ongoing projects—48 aimed at structural development and 10 at humanitarian action.

Before the pandemic, staff members from our country offices visited project partners on a regular basis, as did our Lobbying & Expertise staff and our Managing Director. Covid-19 made this more complicated and at times even impossible. Despite this obstacle, we have maintained a strong connection with our partners and have succeeded in monitoring the progress of our projects.

In our partnerships, we ensure that our partners have or can develop capacities in:

- networking;
- influencing children's rights policies at the local and, if possible, national level;
- supervising projects in a results-oriented manner;
- adequate reporting, including lessons learnt and areas for improvement.

MONITORING & LEARNING

Important prerequisites for a successful project are: effective design, realistic planning, close monitoring, measuring planned progress, analysing and evaluating the results achieved, and incorporating lessons learned into an updated project approach. We keep strengthening these aspects of our work.

OUR PRESENT TOOLS

We use an online PProject Information Management System (PRIMAS) to plan (P) our projects and to measure, monitor (M) and evaluate (E) their progress and impact. We 'feed' this PM&E system with the following information:

- the interim reports of our project partners, to be delivered at least quarterly;
- data on achieved results and from sample case studies;
- comparison of our approach in different countries in order to identify best practices;
- lessons learnt per theme;
- comparison of our results with relevant indices of the United Nations, UNICEF, and the International Labour Organisation (ILO).

To increase the availability of up-to-date information from the project countries, PRIMAS enables partners and country teams to enter information on mobile devices. The collected data are stored online, which makes it easier to analyse them and to quickly gain insight into key findings and best practices.

LOBBY & EXPERTISE

Our Lobby & Expertise (L&E) team makes an important contribution to the long-term eradication of child exploitation by building and sharing evidence and supporting high impact policies and practices.





So far, the team's input focuses on supporting research and learning, lobbying and advocacy, sharing knowledge and expertise, and providing training and technical advice. In addition, our L&E team, on request of governments, is contributing to child protection policies in the countries where we work. The team also regularly fulfills an advisory or connecting role in initiatives started by like-minded organisations or by the Terre des Hommes International Federation.

KEY ACHIEVEMENTS IN 2021

In 2021, the objectives for lobbying and expertise focused on child safeguarding, networking on Child Rights, ensuring mainstreaming of cross-cutting issues in all programmes, and lobbying aimed at the Netherlands, the European Union, and in the Asia and Africa regions (African Union, EAC, CSO Forum).

CHILD SAFEGUARDING

- We invested firmly in our internal capacity on child safeguarding. Several training courses, both general and on specific topics, have been developed and provided.
- 186 staff members at the partner, country, regional, and head office level attended one of the 17 training workshops held on Child Safeguarding Policy Essentials.
- Child safeguarding risk assessments are more consistently integrated in designing and implementing projects.
- We contributed to the development of a child safeguarding online training programme at the International Federation level. The first e-module is already live on ChildHub (a network for child protection professionals) and we started drafting scripts for modules focusing on communications and recruitment.

NETWORKING ON CHILD RIGHTS

- We succeeded in having child abuse, the sexual exploitation of children, and child trafficking included as topics in the Children Rights Monitor, developed by 'Kinderrechtencollectief', a Dutch Coalition for Children's Rights.
- The ten indicators on which the Monitor will focus in the next five years are included in the Netherlands Youth Monitor, to be launched by the Dutch government.
- We participated in the Advisory Panel for the Disrupting Harm research by UNICEF, Interpol, and ECPAT (End Child Prostitution and Trafficking).
- We were in the lead for the chapter on sexual exploitation and abuse of children and child trafficking in the Dutch NGO report on the Rights of the Child, prepared and published by Kinderrechtencollectief. Signed by more than 100 CSOs and professionals, it was presented to the United Nation's Committee on the Rights of the Child (CRC).

MAINSTREAMING OF CROSS-CUTTING ISSUES

- We supported partners in building capacity on cross-cutting issues (child participation, gender mainstreaming, inclusion of children with disabilities, and application of minimum standards for alternative care).
- We helped to develop a participatory Cross-Cutting-Issues monitoring and reporting framework for partners and country teams involved in the She Leads programme (see page 34).

LOBBYING AIMED AT THE NETHERLANDS AND THE EUROPEAN UNION

- We coordinated the achievement of terminology guidelines on sexual exploitation of children in



the Netherlands. Participants in the development process included Maud de Boer (former UN Special Rapporteur on Child Sexual Exploitation), Jaap Doek (involved, for example, in the creation of Defence for Children International and former CEO of DCI's Dutch section, member of the Committee on the Rights of the Child), prosecutors, police specialists, social workers, and, last but not least, experts by experience: former victims, now survivors. The terminology guidelines were officially launched in February 2022.

- Together with Defence for Children, ECPAT Netherlands, Centre against Child and Human Trafficking², and International Justice Mission, we published a position paper to draw attention to the need for EU legislation addressing sexual exploitation of children and requiring internet services to take a Safety by Design approach through preventive measures to protect children online. The position paper represented our joint input to the proposed EU legislation on child sexual abuse.
- Terre des Hommes Netherlands launched a petition, calling on both the Dutch and European parliament for action, focused on children most affected by Covid-19 and the measures to combat the pandemic.

“Indeed, we can further strengthen the impact of Terre des Hommes’ lobby and advocacy by better aligning efforts at country, regional, headquarters and global levels. Increased interaction and cooperation between the Lobbying & Expertise colleagues in The Hague, Brussels, Geneva and the African and Asian regions will lead to a more connected lobbying & advocacy agenda, a well structured approach and better results.”

Raphael Kariuki,

Head of Region, East Africa & Madagascar; ad interim

Manager Lobby & Expertise

² In Dutch: Centrum tegen Kinderhandel en Mensenhandel (CKM).



PARTNERSHIPS & ALLIANCES

Across the globe we are building strategic and operational partnerships with a wide range of partner organisations and stakeholders who contribute in different ways at varying levels to our work to end child exploitation. In the countries we work with a wide range of partners and allies or through self-implementation to reach and impact our beneficiaries.

A selection:

DOWN TO ZERO

In Down to Zero, we join forces with Plan International, Defence for Children-ECPAT, Free a Girl, and ICCO Cooperation. Our goal is to eliminate child sexual exploitation in 12 countries in Asia and Latin America. We are striving for this in collaboration with the Ministry of Foreign Affairs.

GIRO 555

We are part of Giro 555. For each action, we check whether Terre des Hommes is already active in the affected area. In 2021, we successfully finalised a project supporting vulnerable boys, girls, and caregivers, affected by the Beirut blast, which occurred in August 2020. And we started a response in India to support people affected by Covid-19 and its preventive measures.

TERRE DES HOMMES INTERNATIONAL FEDERATION

Within the Terre des Hommes International Federation, we and our sister organisations collaborate wherever we can reinforce each other.

RESPONSIBLE MICA INITIATIVE

The Responsible Mica Initiative is a unique partnership between NGOs for development

cooperation and companies. Together they tackle child exploitation in mica mines. Terre des Hommes is a co-founder and board member.

JOINING FORCES ALLIANCE

The Joining Forces Alliance—Terre des Hommes, together with five other NGOs (Save the Children, ChildFund Alliance, SOS Children's Villages, Plan International, and World Vision)—calls on world leaders to live up to the promises their countries made by ratifying the Convention on the Rights of the Child.

PLATFORM KINDERRECHTEN IN ONTWIKKELINGSSAMENWERKING

In 'Kinderrechten in Ontwikkelingssamenwerking' (Child rights in development cooperation), we work together with fourteen other NGOs for inclusion of children rights in development cooperation, addressing the Dutch government and the Dutch Parliament.

HET KINDERRECHTENCOLLECTIEF

We are a member of the Dutch Kinderrechten-Collectief (Dutch Coalition for Children Rights) that is committed to safeguarding children's rights in the Netherlands and Dutch national and international policy.

MVO PLATFORM

Together with 23 other organisations we constitute the Dutch CSR Platform that aims at promoting corporate social responsibility to be included in the Dutch law and national and international policy.

GLOBAL FUND TO END MODERN SLAVERY

With the Global Fund to End Modern Slavery (GFEMS), financed by the US Government, we co-created a programme against sexual exploitation of children



in Kenya and Uganda. In 2021, we continued its implementation.

DUTCH RELIEF ALLIANCE

We are a member of the Dutch Relief Alliance (DRA), a coalition of fifteen Dutch aid organisations in partnership with the Dutch Ministry of Foreign Affairs. The structure of DRA enables its members to respond promptly and effectively to major international crises.

SHE LEADS

She Leads is a consortium of Plan International Netherlands, Defence for Children (DCI) - ECPAT the Netherlands, African Women's Development and Communication Network (FEMNET), and Terre des Hommes Netherlands, in partnership with the Dutch Ministry of Foreign Affairs. In a joint five-year programme the consortium aims to increase and secure the influence of girls and young women on decision making and the transformation of gender norms in formal and informal institutions.

ICS

In 2021 Terre des Hommes and Stichting ICS entered into a strategic partnership in which Terre des Hommes has taken over the management of ICS. ICS is an organisation with a very loyal donor base working through its Kenyan partner ICS-SP on creating a healthy, safe and stimulating living environment for children, together with families and schools. Utilising proven child protection tools and methodologies, ICS trains parents, teachers, and children. That way, we ensure future generations will be able to develop to their full potential. Income from ICS donors is dedicated to supporting ICS-SP and shared programming between ICS-SP and Terre des Hommes in East Africa.

“The name of the program says it all: She Leads. It is time for girls and (young) woman to take charge. Until now too often others speak on behalf of girls and young women about the issues that affect them. We return that power to whom it belongs. We invite girls to talk about what is important to them and support them to take care of the change they wish to see.”

Henriette Kristiansen,
programmamanager She Leads

OUR IMPACT



We aim to make an impactful contribution to eradicating child exploitation. Our programmes focus on safeguarding children through prevention, offering victims a way out, and bringing about structural change. Interventions range from offering shelters, providing education and discussing harmful traditions to raising awareness of children's rights among communities and authorities. They also involve supporting governments in the drafting and implementation of relevant policies and laws. In creating change, we work with local partner organisations and stakeholders, from children themselves to governments.

In this chapter we present a cross-section of our projects in 2021 and their impact on children's lives and environment.

5.1. WORST FORMS OF CHILD LABOUR

2021 was to be the International year to Eliminate Child Labour. Unfortunately, at least 160 million children are subjected to child labour at the moment and the number is still rising. Terre des Hommes will continue the fight against child labour. In 2021, we stood up for children who do dangerous work in the mica mines of India and Madagascar.

MICA PROGRAMME IN INDIA

In 2021, we were implementing three mica projects in India as part of the Mica Programme

EFFECTIVE AND RELEVANT

In 2021, we evaluated our Mica Programme. The main conclusion was that it is effective and relevant. We also identified some areas for improvement and the need to continue supporting (more) villages for at least another three years. Highlighting our Mica

FIGHTING CHILD LABOUR IN INDIAN

MICA MINES: KEY RESULTS

- In 2021 we worked in **34 villages** Districts of Koderma and Giridih of Jharkhand State in India;
- We reached **1,360 families** and **2,728 children**;
- **86 children** stopped working in mica mines and are now back in school;
- **226 children** have been trained as agent of Change;
- **112 Government officials** have been reached and trained for effective delivery of Government services as well as facilitation for leverages of mainstream development facilities;
- **The projects have been supported** by Daimler (now known as Mercedes-Benz) and the International Labour Organisation (ILO).

Programme in the 2021 fall campaign and in the TV programme Tijd for MAX for our Dutch audiences helped in stressing the urgency of the topic and creating awareness.

In the meantime and the coming year, we need to work on a responsible exit strategy.

MICA PROJECT IN MADAGASCAR

In Madagascar, in 2021, we prepared for the implementation of the project: we finalised the registration of Terre des Hommes as an accredited NGO, recruited a team, set up an office, and selected local partners. From 2022, we will work with 500 children from 200 families in three communities to protect them from exploitation through Child Labour in mica mines.



“The fall campaign helped us to stress the urgency of the topic and create awareness with the Dutch audiences.”



5.2. SEXUAL EXPLOITATION OF CHILDREN

Worldwide, more than a million children are victims of sexual exploitation and their number is increasing. They all run the risk of suffering lifelong mental and physical consequences. For Terre des Hommes, combating sexual exploitation of children is a focal point.

DOWN TO ZERO ALLIANCE

From 2016 to 2020, the Down to Zero Alliance, in cooperation with the Dutch Ministry of Foreign Affairs, implemented the Down to Zero programme, aimed at eliminating sexual exploitation of children and young people in a number of countries in Asia and Latin America. Down to Zero focused on providing children, young people and community members about child rights and risks of sexual exploitation. The programme empowered children and youngsters to stand up for their rights and informed them how and where to report on sexual exploitation. Down to Zero also supported communities to better protect children from sexual exploitation, and assisted governments to improve and implement relevant policies and laws. We also worked with the private sector engaging with organizations especially in travel and tourism to reduce sexual exploitation of children.

Following the successful Down to Zero Programme (2016-2020), the Alliance implemented two more programmes: **Voice for Change** (March 2020 - June 2021) and **Building Back Better** (May 2021 - May 2022).

VOICE FOR CHANGE

The Voice for Change programme, which ended in June 2021, amplified and strengthened the voices of children and young people to become leaders and 'agents of change', actively involved in their own and their peers' protection against sexual exploitation. By jointly applying their acquired lobby and advocacy skills, they play a central role in improving formal and informal

child protection systems, particularly in terms of a more child- and gender-sensitive approach in preventing and addressing the sexual exploitation of minors.

The programme was active in Colombia, the Dominican Republic, Indonesia, the Philippines, and Thailand, with cross-border activities in India and Nepal. In 2021, Voice for Change activities were incorporated in the Building Back Better programme, which will continue in 2022.

Impact

Sexual exploitation is surrounded by taboo and stigma and often goes unreported. The Voice for Change programme has prepared children and young people to play a key role in speaking up. As they use their new advocacy skills more often and successfully, the impact of the programme on society will continue to grow.

RESULTS FOR VOICE OF CHANGE

- In the Philippines, the **Voice for Change app** was developed with input from children and young people. Their aspirations, their challenges and their solutions became the basis of the digital application. The app provides a safe place for children and young people to connect and to discuss sensitive issues, concerns, risks, and opportunities for joint action, including reporting sexual exploitation.
- **Trained youth leaders** began using social media to reach out to their peers and raise their voice against sexual exploitation.
- In Thailand, online awareness and **education campaigns** reached more than 2 million people.

to sexual exploitation due to school closures, them being increasingly unsupervised online, insecurity of their families' livelihoods, disruption of child protection systems, and unavailability of specialised services.

The Building Back Better programme was designed to better secure the protection of children victim to, or at risk of sexual exploitation, during and in the aftermath of the Covid-19 crisis. The programme is implemented in twelve Asian and Latin-American countries and includes regional and international lobbying and advocacy.

Objectives

Building Back Better aims to reach and support more than 100,000 people and 1,000 organisations by providing children with access to specialised services and empowering them; lobbying for measures to address and prevent sexual exploitation; raising awareness on risks of sexual exploitation; supporting parents, caregivers and community leaders in safeguarding their children; and strengthening child protection organisations and working with the private sector.

Key elements of the programme include a strong country-led learning agenda, scaling up Youth Voices for Change to train young leaders in lobby and advocacy, and our focus on online sexual exploitation and how best to tackle it at different levels, from children to governments and law enforcement.



BUILDING BACK BETTER: SOME RESULTS

FROM MAY – NOVEMBER 2021

- **4,037 children and youth**, who are victims or at risk of sexual exploitation, have been given access to specialised services.
- **1,520 children and youngsters** have been trained to know their sexual rights and to stand up and advocate for them.
- **88 meetings** were organized to bring together different stakeholders to work on an integrated multi-stakeholder approach in response to sexual exploitation.
- At national and international level, **the Down to Zero Alliance** drew attention to the sexual exploitation of minors. A research on 'safety by design' was launched to feed the lobby towards the European Union.

PROJECT ON ONLINE SEXUAL EXPLOITATION (OCSE) OF CHILDREN

- In addition to Building Back Better, Voice for Change, and WATCH, we have implemented two other projects in the Philippines, one of them specifically aimed at reducing online sexual exploitation of children. The project was concentrated in the Cebu Province and Eastern Samar.
- In 2021, as part of this project, we supported **7,779** children and organised Trainings for Trainers reaching **86** local government officials, service providers, and **48** civil society representatives. They further disseminated the information in their communities and organisations and incorporated it into their approaches.
- This OCSE project ended in December 2021.

WATCH

Our WATCH 24/7 programme, funded by the Dutch National Postcode Lottery (Nationale Postcode Loterij), focused on combating online sexual exploitation of children and young people; aiming to reduce the number of children vulnerable to (online) sexual exploitation and to protect children who have been victimised. The Watch programme is implemented in Nepal, Cambodia, the Philippines, and Kenya.

WATCH IN NEPAL

Nepal is known as a country in which child sexual abuse material is produced, and has also become a destination for child sex tourism. The widespread use of internet without a solid legal system for protecting children has increasingly facilitated the sexual exploitation of Nepalese children. Predators online groom children for sex and later travel to the country to meet the child.

WATCH IN NEPAL:

SOME RESULTS

- Youth advocates, mobilized in the Building Back Better programme, involved themselves in orienting children and peers to improve their understanding on online sexual exploitation.
- **127 boys and girls** had meetings with their peers on this topic.
- **8 victims** of sexual exploitation reintegrated with their families after psychosocial support.
- **32 victims** of sexual exploitation are continuing their education through support from the project.

“Our WATCH 24/7 programme focused on combating online sexual exploitation of children in Nepal, Cambodia, the Philippines and Kenya.”

WATCH IN THE PHILIPPINES

Online child sexual exploitation is widespread in the Philippines, which has been named a global hotspot. Reports indicate that more than 90% of the victims are female. The majority of them were under 12 years of age, some as young as 7. The fight against online child sexual exploitation is hampered by a shortage of resources, a lack of parental control and the fact that there is no comprehensive law covering the full range of online sexual exploitation activities.

“The Philippines, India and Nepal have a reputation as emerging child sex tourist hot spots as a result of cheap flights and easy access to internet. Too often perpetrators walk away without prosecution.”

WATCH IN THE PHILIPPINES:

SOME RESULTS

- A total of **124 stakeholders** and partners - **18 representatives** of civil society organisations, **24 government officials**, and **82 representatives** of law enforcement agencies - participated in blended online training on different topics regarding online sexual exploitation of children.
- To improve our understanding of the strengths and weaknesses of the Philippines laws related to online sexual exploitation, we made **a comprehensive legal review and analysis**. The results can be used in lobbying, advocating, and advising.



WATCH IN CAMBODIA

Online child sexual exploitation remains widespread in Cambodia, however the full extent of the issue is not known. The launch by the Cambodian government of its National Action Plan to Prevent and Address Online Child Sexual Abuse, developed with Terre des Hommes Netherlands support, provided much needed momentum to tackle the issue.

WATCH IN KENYA

In 2021, between 5 and 13 percent of Kenyan children between the ages of 12 and 17 who used the internet reported experiencing online sexual exploitation and abuse. Less than 5 percent of children who were victims of online sexual exploitation said they had formally reported it to the police or a helpline.

“The Watch 24/7 project aims to support children victims/survivors of online child sexual exploitation in Nairobi, Kisumu, and Mombasa.”

WATCH IN CAMBODIA:

SOME RESULTS

- **150 reports** on online sexual exploitation of children were received and followed up by the authorities.
- **7 girls** were rescued and 56 children (49 girls and 7 boys) received specialised assistance.
- In the WATCH project in Cambodia, social workers from **5 partner organisations** and the **112 government officials** they work with learned what online sexual exploitation of children is and how to support children. These are skills they will use beyond our project.

WATCH IN KENYA:

SOME RESULTS

- **135 children** (81 girls and 54 boys) were rescued. All of these children received counselling legal, medical, and educational support, and placement into temporary safe shelters.
- The project has increased the **active participation of children**, community members, government officers, law enforcement agencies, and civil society organisations in the fight against online sexual exploitation of children, and they are determined to tackle it together.





5.3. CHILD TRAFFICKING AND UNSAFE MIGRATION

Millions of children worldwide are sold, trafficked—within countries, across borders and continents—and then forced into dangerous work, criminal activities, and sex. Over the past 15 years, the proportion of children and young people among victims of trafficking has risen from 10% to over 30%.

Terre des Hommes offers children who are at risk of becoming victims of human trafficking safety and education. We support their parents to earn a better income so their children can stay at home, and we urge the authorities to prosecute traffickers. In 2021, in cooperation with project partners, we implemented anti-trafficking projects in Kenya, Uganda, and Ethiopia.

“Seeking work, children in Ethiopia move from poor rural areas to richer cities. The journey has many dangers. Unprotected, they are vulnerable to exploitation.”

“In Kampala mainly, during the second lockdown in 2021, we noticed a significant increase in the numbers of children on the streets due to prolonged school closure children were hawking small items such as maize, eggs, bananas, and other food items, household items, and clothes; begging on the streets; washing cars; scavenging; sorting cereals in the markets; and even more hazardous work like on construction sites, and being forced to work in the commercial sex industry; among others. These make the children walk long distances, vulnerable and exposed to every kind of risk including accidents, defilement, abuse and exploitation, and even death.” (from project report Uganda)

FIGHTING CHILD SEX TRAFFICKING IN KENYA: SOME RESULTS

- **84 young survivors** of sexual exploitation were brought to safety and supported in their return to school and reintegration into the community; during home visits they received counselling. 74 older survivors were supported with life-skills training to prepare them for employment.
- **39 teachers** from 20 school projects were equipped with knowledge in the identification and referrals of at-risk children and survivors of sex trafficking,
- **20 child rights clubs** were established and conducted 30 peer to peer sessions in schools, reaching 1,474 girls (884) and boys (590).

FIGHTING CHILD SEX TRAFFICKING

IN UGANDA: SOME RESULTS

- **182 victims** were brought to safety and given assistance and shelter.
- **35 child rights clubs** established; through the clubs 257 children are engaged in peer-to-peer support activities.
- **1,787 parents** and caregivers and 194 teachers and administrators were trained to recognise risks of child sex trafficking, to supervise children and youth when not at home or at school, and to respond to, report, refer, and follow-up cases.
- **52 community** dialogues were held to raise awareness on harmful social norms among religious and cultural leaders and private sector actors;

THE BUSIA PROJECT (KENYA)

- The project focused on the elimination of sexual exploitation of children and training and employment for youth at risk of this exploitation.

Results

- We identified, rescued, and rehabilitated victims of sexual exploitation and reintegrated them back to school and into their families.
- **150 boys and girls** were enrolled into various vocational training and apprenticeship programmes. **18%** found employment, and some have received business starter kits.
- Empowered parents and caregivers to be economically stable through the PEEP model (the Parents Economic Empowerment Programme).

COMBATING CHILD TRAFFICKING IN KENYA AND UGANDA

In 2021, we continued implementing two projects, funded by the Global Fund to End Modern Slavery (GFEMS), in Kenya and Uganda, respectively. Both projects aim to reduce the prevalence of primarily sex trafficking in very vulnerable populations. To achieve this, we focus on reducing the number of children at risk and on addressing the environment allowing trafficking to persist.

Results

In 2021, despite the challenges of the Covid-19 crisis, we have made remarkable progress towards our envisioned goals in both Uganda and Kenya.

PATHS TO SAFER CHILDHOOD (ETHIOPIA)

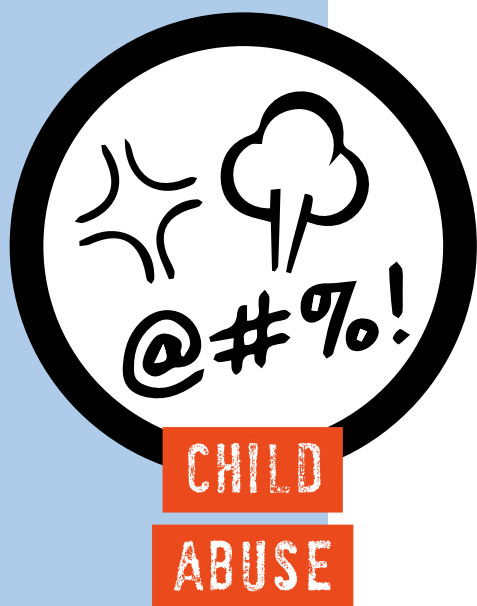
In 2021, with two local partners and in close cooperation with the local government and non-governmental stakeholders, we implemented the final part of Paths to Safer Childhood in Ethiopia. This project aimed to contribute to the eradication of child trafficking and unsafe migration in Gondar in northern Ethiopia.

To reduce child trafficking and unsafe migration, we empower children, families, and communities through awareness-raising sessions and activities to improve their economic position. We support victims reintegrate into their families and communities, and we strengthen local child protection structures by capacity building of duty bearers.

PATHS TO SAFER CHILDHOOD:

SOME RESULTS

- Communities are more aware of the negative consequences of child trafficking and unsafe migration (Reached **15,100 children, 18,000 families** and **communities, 178 government officials, 175 CSOs representatives** and **156 private sectors representatives**)
- Parents and caregivers have a better understanding of the benefits of education, also for girls (**963 parents** and caregivers capacitated on CP principles, benefits of education and business skills. **1,650 children** (1,050 girls and 600 boys) given education support
- **By skills and capacity building**, engaging in income-generating activities and thereby increasing their income, many young women are now trying their chances at home instead of migrating abroad.
- **26 child protection structures** in the project target areas strengthened and are providing quality CP services to children. These includes CSOs and private sector actors



5.4. CHILD ABUSE

Every year, an estimated one billion children are victims of abuse. There are many forms of child abuse. Terre des Hommes combats some of the worst, such as child marriage and female genital mutilation.

CHILD MARRIAGE

Early child marriage, which is still prevalent around the world, has devastating effects on the lives of girls. It results in lower educational attainment (school drop-outs) and pregnancies at far too young an age. Worldwide, complications during pregnancy and birth are the main cause of death among girls between the ages of 15 and 19. Early married girls are especially vulnerable to gender-based and domestic violence. Poverty and cultural, social, and religious traditions and beliefs are some of the drivers of child marriage.

IMAGE NEXT IN KARNATAKA (INDIA)

Almost half of Indian girls are forced into marriage at an early age, amounting to almost 15 million girls every year. About a million of them live in Karnataka. In fifteen districts of this south-western state, we implemented a five-year programme to reduce child marriage. IMAGE (Initiatives for Married Adolescent Girls' Empowerment) entered a next phase in 2021. Focusing on 15,000 girls and young women, aged 13-21 years, who are (potential) victims or survivors of early marriage.

Objectives

Our goals for 2021 included building a powerful movement of girls and young women to implement and coordinate successful collective action; creating social attitudinal and behavioural change within communities, including men and boys; and influencing

government agencies to provide girls and young women affected by or at risk of child marriage with access to relevant services.

Challenges and opportunities

The Covid-19 crisis exacerbated all forms of abuse and exploitation, including the risk of girls being forced into early marriage. In addition to this, government agencies were occupied with the pandemic, and due to the measures to combat the virus, we had to adapt our approach. On the other hand, the Covid-19 crisis was a driver of innovation. Online modalities enabled us to engage with more girls and young women, and it also made them and their communities more confident in the use of technology.

KEY

RESULTS

- **15,906 victims** of child marriage were enrolled in the movement and got access to support services;
- **321 girls** became change agents at various levels;
- **82 community** 'champions' involved in the movement;
- **178 child marriages** were prevented with support of the movement.



EARLY CHILD MARRIAGE IN MONDULKIRI (CAMBODIA)

From 2018 to 2020, Terre des Hommes implemented a project to reduce early child marriages in indigenous communities of Mondulkiri, a marginalised and mountainous province in north-eastern Cambodia. The results were excellent: a 53% reduction in child marriages in the villages involved, and many vulnerable children resuming schooling. In 2021, we conducted a six-month follow-up project to consolidate the previous results.

Objectives

Key objectives of the 2021 project were to empower child and youth groups to claim their rights and engage with duty bearers and caregivers to raise their voices against the root causes of early child marriage. Second objective was to train and support village chiefs and education authorities in the districts to identify the children who are most at risk of dropping out, monitor their situation, and provide appropriate care.

We worked on this with 24 experienced, and capable volunteers, government officials, teachers, school directors and village leaders.

The main impact of the projects in Mondulkiri is:

- the increased awareness of local authorities, community members, and children and youngsters themselves of the root causes and harmful consequences of child marriage; and
- the intention of the authorities to include preventing and combating child marriage in district and community plans for the years to come.

EARLY CHILD MARRIAGE PROJECT

MONDULKIRI: KEY RESULTS

- **382 child club members** (including 260 girls) joined 18 club sessions facilitated by 24 volunteers (including 18 women);
- **80 vulnerable children** (including 54 girls) benefitted from educational support through distribution of materials and support to do their homework.



FIGHTING AGAINST ABUSE IN TANZANIA

In the Mara region, located in the northern part of mainland Tanzania, girls and young women are at risk of different forms of abuse: female genital mutilation, child marriage, and gender-based violence. The main objective of the project we are implementing in Mara is to protect girls at risk from abuse and exploitation.

SHE LEADS

She Leads is a five-year programme (2021-2025) with the ultimate goal of ensuring that girls and young women's perspectives are included in both gender-responsive policies and laws and societal norms and practices. To achieve this, the programme aims to increase their sustained influence on decision-making and the transformation of gender norms in formal and informal institutions. The She Leads programme, funded by the Dutch Ministry of Foreign Affairs, is implemented by a consortium¹ of which Terre des Hommes Netherlands² is part. The consortium collaborates with eleven (11) project partners across six countries: Lebanon, Jordan, Mali, Ethiopia, Uganda, and Kenya.

Results

In the start-up year 2021, we primarily invested in establishing equal partnerships with local and regional Civil Society Organisations (CSOs), building a solid government structure, and preparing a smooth implementation of the diverse projects of which the programme is built up. In addition, during 2021, the baseline study of the programme was

FIGHT AGAINST ABUSE IN TANZANIA:

KEY RESULTS

- **210 digital champions** trained in online reporting of cases of FGM, child marriage, and other forms of gender-based violence;
- **490 cases** of gender-based violence digitally reported;
- **309 girls** were rescued from FGM and placed in a shelter during the cutting season empowered through alternative rites of passage training;
- Mobilized **100 religious leaders** to discuss their role on ending FGM;

initiated and concluded. A key milestone in 2021 was the establishment of the Global Girls and Young Women's Board consisting of representatives of all the programme's countries.

In its first year, She Leads successfully raised the voices of grassroots youth advocates to international forums. A strong start to a 5-year GYW empowerment journey.

¹ Terre des Hommes' consortium partners are Plan International Netherlands, Defence for Children-ECPAT Netherlands, and the African Women's Development and Communication Network (FEMNET).

² As Terre des Hommes Netherlands we partner with Terre des Hommes Lausanne, Terre des Hommes Italy, and the Terre des Hommes International Federation/International Secretariat.



5.5. HUMANITARIAN ACTION

In times of crisis, children and young people are especially vulnerable, not least to abuse and exploitation. That is why we are involved in humanitarian action, often in close cooperation with sister organisations in the international federation Terre des Hommes and other NGOs that focus on the rights and wellbeing of children. In 2021, we contributed to ten emergency relief operations across eight countries.

Our humanitarian action interventions are funded by ECHO (European Civil Protection and Humanitarian Aid Operations), DRA (Dutch Relief Alliance), the Dutch Cooperating Aid Initiative (SHO)/Giro 555, and Bureau of Humanitarian Assistance (BAH) grants received through IRC.

PROJECTS FUNDED BY ECHO

ECHO funds relief operations for victims of natural disasters and conflicts outside the European Union. For Terre des Hommes, ECHO is a long-standing and important donor. In 2021, we again implemented projects funded by ECHO in Burkina Faso and Kenya.

PROJECTS IN BURKINA FASO

In Burkina Faso, in 2021, we finished the project aimed at supporting the Ministry of Health in facing the Covid-19 pandemic. The project's objectives were to strengthen the country's health structures by capacity building; to improve people's access to health care, sanitation, and hygiene; to support community services by providing medical, logistical, and other equipment; and to increase the capacities of health workers in psychological first aid and aid and treatment of gender-based violence.

FACING THE COVID-19 PANDEMIC

IN BURKINA FASO: SOME RESULTS

- **58,383 people** had access to safe, clean and functional, decent toilets;
- **1,907,107 people** had access to safe water in sufficient quantity for drinking and washing hands while visiting the supported health centres;
- Progress has been made in the structural strengthening of the health system.

“During war, natural disasters and humanitarian crises, we provide rapid emergency aid to protect children from exploitation.”



The other project funded by ECHO that we contributed to in Burkina Faso is aimed at improving the national systems' preparedness for seasonal risks and their capacity to provide rapid and appropriate responses in the event of disasters. The project focuses on communities in the region Boucle du Mouhoun. This project is led by Terre des Hommes Lausanne.

PROJECTS IN KENYA

In Kenya we were involved in two projects funded by ECHO. Both focus on safeguarding vulnerable children in the Dadaab refugee camps and were implemented in partnership with our sister organisations.

DADAAB REFUGEE CAMPS

The Dadaab refugee complex in Kenya houses more than 200,000 people who have fled various conflicts in Eastern African region. Most of them have come as a consequence of the civil war in southern Somalia. The services in the camps are limited and children are exposed to violence, exploitation, and abuse. Terre des Hommes ensures that the most vulnerable children and their families have access to basic needs. Moreover, we follow-up with children at risk and refer them to health, psychosocial, legal, and other protection services. At the same time, we reinforce community-based structures to ensure that children's rights are guaranteed.

The two projects in Dadaab are complementary to one another. One project is implemented in partnership with Terre des Homme Lausanne and focuses on protecting children and preventing child exploitation. The other, in collaboration with Terre des Hommes France, aims primarily to strengthen the child protection systems in the camp.

IMPROVING DISASTER RISK PREPAREDNESS

IN BURKINA FASO: SOME RESULTS

- **213,841 people** covered by early action/contingency plans
- **1,780,985 people** covered by a functional early-warning system
- **1,287 people participating** in interventions that enhance their capacity to face shocks and stresses
- **5 actors** at the central level saw their crisis preparedness and response capacities improve under the project

Protecting children, preventing exploitation

Covid-19 and the measures to limit its spread caused additional risks for children in the camps due to the closure of schools, increased uncertainty about the future and less presence of humanitarian actors. The occurrence of neglect, physical and psychological harm, gender-based violence, exploitation, and negative coping activities such as survival sex, child labour and early child marriage, are more likely to affect communities already dealing with a fragile socioeconomic situation.

Results

In this challenging context, we succeeded in reaching more people than planned: a total of 9,073 persons of whom 5,172 were children. We provided children with psychosocial assistance. We also made the communities in the camp aware of the increased risks for children due to the Covid-19 crisis.



PROJECTS FUNDED BY THE DUTCH RELIEF ALLIANCE

In 2021 the Dutch Relief Alliance (DRA), one of our key donors, enabled us to contribute to humanitarian action projects in Nigeria, Syria, and Gaza.

NIGERIA

In Nigeria we supported the most vulnerable people in Borno State by providing them with hygiene items, access to sanitation, safe drinking water, primary health and natal care; by offering them life skills training and psychosocial support; and by raising their awareness on health related issues. In addition, we set up health posts and strengthened community-based child protection services and case management.

Results

In total Terre des Hommes and its partners¹ reached 26,277 people in Nigeria of whom almost 15,000 were children.

SYRIA

In 2021, for the seventh year, we supported people in Syria. Our activities in the rural areas of Damascus and Aleppo included distribution of food vouchers and providing people with disabilities with medical health care, psychosocial support, physiotherapy, and assistive devices.

Results

In total Terre des Hommes and its partners² reached over 21,645 people in Syria.

GAZA

In Gaza we responded to the needs of the most affected children and youth through a multi-

HELP ADDRESSING THE COVID-19

CRISIS IN INDIA: SOME RESULTS

- **413,585 people** were reached through awareness-raising campaigns on vaccination.
- **3,405 vaccination** camps were organised in remote locations that are tough to access.
- **172,589 people** were vaccinated with the first dose; 125,588 with the second dose, and 73,903 with both doses.

sectoral programme aimed at ensuring a protective environment to children and, in particular, survivors of gender-based violence. In addition, food vouchers were provided.

Results

In total Terre des Hommes and its partners³ reached 10,141 people in Gaza.

PROJECTS FUNDED BY SHO/ GIRO 555

Terre des Hommes Netherlands is part of the Cooperating Aid Agencies (SHO)/Giro 555. In 2021, we received SHO funding to respond to the acute needs of children and their families affected by the Covid-19 crisis in seven Indian states. In Lebanon we supported children and families facing the consequences of the explosion in Beirut on 4 August 2020.

PricewaterhouseCoopers
Accountants N.V.
For identification
purposes only



ADDRESSING THE COVID-19 CRISIS IN INDIA

Activities in this project included awareness raising, supporting health centres, training of frontline health workers, assisting vaccination campaigns, and distribution of personal protective and medical equipment.

OVERCOMING THE IMPACT OF THE BEIRUT BLAST

In the second phase of this project, the recovery phase, Terre des Hommes continued providing psychosocial support, implementing the caregiver programme, and performing case management. Additionally, the education sector was supported in the assessment of education needs in the areas affected by the explosion.

JOINING FORCES FOR AFRICA

Funded by EU/DEVCO, the Joining Forces for Africa project is designed to respond rapidly to children's immediate needs for protection created by the Covid-19 crisis. For the longer term, the project focuses on strengthening child protection systems and building resilience of children, families, and communities. Child participation is integrated systematically throughout the project and children are key stakeholders.

The Joining Forces for Africa project is being implemented by a consortium formed from the Joining Forces Alliance. Terre des Hommes Netherlands is (co-)implementing partner in Kenya, Uganda, and Senegal. Needs assessment research in these countries revealed the most prevalent child protection risks during the Covid-19 crisis. In all countries there was an increase in physical violence and neglect, harmful practices, child labour and sexual abuse and exploitation, and gender-based violence.

OVERCOMING THE IMPACT OF THE BEIRUT BLAST: SOME RESULTS

- **595 children** and youngsters received psychological first aid for children.
- **373 children** and youngsters were provided individual counseling.
- **523 children** received community-based psychosocial support.
- **293 parents** and caregivers participated in the support programme.

“In Lebanon we supported children and families overcoming the consequences of the explosion in Beirut on 4 August 2020.”





JOINING FORCES FOR AFRICA:

SOME RESULTS IN KENYA:

- The (Busia) county government committed itself to support the development of a county children policy, including a financial and technical contribution and the allocation of budget for the County Child Protection Unit.
- In schools, peer-to-peer awareness activities are beginning to become institutionalised.

IN SENEGAL:

- **257 children** (66 girls and 193 boys) children improved their understanding of key child protection concepts, and acquired the techniques and skills to identify child protection issues at the local level and to provide appropriate solutions.institutionalised.

IN UGANDA:

- **127 social** welfare workers were trained in case management, and supported 898 children.
- **738 parents** and caregivers participated in Parent without Violence sessions.
- **144 teachers** and other educators received training and are now more capable to provide psychological first aid for children and to report violence against children.
- **2,084 children** increased their capacity to prevent and respond to violence against them.

¹ The project in Nigeria was led by Save the Children. Implementing partner was Terre des Hommes Lausanne. One local partner was involved.

² The project in Syria was led by ZOA. Implementing partner was Terre des Hommes Italy. One local partner was involved.

³ The project in Gaza was led by War Child. Implementing partner was Terre des Hommes Lausanne. Five local partners were involved.



EVERY CHILD


has the right to grow up in a healthy, caring, safe, and promising environment. Yet at this very moment, millions of children are victims of severe abuse and exploitation.



Our friends & supporters

INSTITUTIONAL PARTNERSHIPS

Partnerships, preferably long-term, with institutional donors and foundations are essential for supporting and implementing projects and funds. Throughout the year, we prepare well-founded proposals to submit to existing and potential institutional partners. Competition for funding is fierce, but our proposals are well received and evaluated as promising and solid.



In 2021, Terre des Hommes Netherlands successfully secured funding from the US government to support projects in Ethiopia and Bangladesh. The Ethiopian project is aimed at developing a rapid response mechanism in humanitarian settings. The project in Bangladesh is intended to counteract the increase in child trafficking resulting from the Covid-19 pandemic. We also approached other potential partners to fund projects to reduce harmful, indirect effects of the pandemic on highly vulnerable children.

EMERGENCY RESPONSE

For emergency response to the escalation in Gaza (Occupied Palestine Territory) and the drought in Madagascar, we succeeded in obtaining funds from the Dutch Relief Alliance (DRA). Also we responded to two protracted crises, in Syria and Nigeria. In Syria the

project started a new phase in 2022 and in Nigeria it has ended. Through SHO/Giro555 we obtained funds to respond to the Covid-19 crisis in India.

EXPLORING OPPORTUNITIES

Last year, we also explored opportunities for new or enhanced partnerships, for example with the Dutch government, the Joining Forces Alliance, and in the Scandinavian countries.

Results

We succeeded in entering into new partnerships with funding agencies of the Dutch government, led the fundraising efforts of Joining Forces in the Netherlands by identifying and approaching potential donors, and Terre des Hommes Denmark agreed to combine efforts and apply together for funding from the Danish government.



In addition, most existing funding partners have extended their commitment to Terre des Hommes for another year. We achieved most of our targets for 2021 in spite of the various challenges we were faced with.

Challenges

The intended more active fundraising from institutional partners and international foundations did not work out as planned. There have been some ongoing discussions on and adjustments to the new strategic direction. It was too premature to try and secure more specific funding for it. Moreover, a lack of internal resources and expertise in the second half of 2021 hindered funding opportunities to fight online sexual exploitation of children and respond to emergency needs.

2022 AMBITIONS

We already see that 2022 will be another challenging year in terms of funding opportunities. We will focus on continued exploration of partnership opportunities in the Netherlands and abroad, and on the strengthening of current relationships with the EU, ECHO¹, the Dutch and US governments, GFEMS² (see p. 29 for more information), and private foundations.

Within existing partnerships such as DRA, Joining Forces, She Leads, and Down to Zero (Building Back Better), we will focus on the joint development of new or follow-up projects.

“Institutional donors and foundations are essential for supporting and implementing projects and funds.”

¹ The European Commission's Humanitarian Aid department.

² Global Fund to End Modern Slavery.

PRIVATE DONORS

Tens of thousands of loyal private donors ensure that Terre des Hommes can do its work by providing unearmarked income. The availability of non-allocated income that we can spend where we think it is most needed strengthens our independence and guarantees the continuity of our work. We highly value and respect the commitment and support of our private donors and act accordingly.

Despite the ongoing Covid-19 pandemic, the measures to control it, and the economic uncertainty they were expected to cause, our private donors continued to support our efforts to end child exploitation. We expected higher than normal churn rates in 2021. Instead, churn rates were low and the returns from direct mailings to our donors actually exceeded our expectations.

A total of 69,885 private donors supported Terre des Hommes in 2021.

NEW IN 2021

In 2021, we successfully invested in our online marketing. We have worked on optimisation and improving our KPIs (Key Performance Indicators), allowing us to track our performance much better.

Other new initiatives were:

- The first edition of **Terre Talk**, a webinar in which we presented one of our projects in an interactive session to loyal donors; Terre Talk will be repeated in 2022;

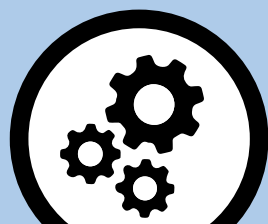
- The launch of a Webazine (online magazine) in the Netherlands on preventing or dealing with online sexual aggression and sexual exploitation of young people;
- We developed and introduced a 'legacy dossier', a special brochure that supports the development of thinking around one's final wishes and legacy. People interested could request this brochure for free. This was a great success.

2021 RESULTS

The results of our campaigns in 2021 are mixed:

- The episode of the TV programme *Tijd voor MAX*, dedicated to Terre des Hommes' efforts to end child labour in the mica mines, turned out to be a great success. The broadcast in December 2021 raised 1,000 pledge donors and 444 one-time donations.
- We managed to outperform our direct debit income quite a bit.
- The returns of direct mailings to our pledge donors exceeded our expectations as they performed very well.





KEY FIGURES

Income from private donors

Total: €6,824,960

- **Direct debits:** €4,901,359
- **Legacies:** €671,288
- **One-offs:** €701,743
- **Major Donors:** €210,075
- **Other:** €340,495

Donor satisfaction survey

The results of our annual donor satisfaction survey show that our efforts and services continue to be highly appreciated. In 2021, we again received an average score of 8.2. On the other hand, we did not achieve all our goals. Due to poor performance of our door-to-door fundraising programme, we did not reach our target for the number of new private donors. Also the income from legacies was lower than budgeted; this budget is however highly unpredictable and fluctuates over the years. The legacy result appears also lower than expected due to a change in the accounting standards. Furthermore the results from our prospect mailings—letters to get potential donors interested in Terre des Hommes—did not match our expectations. A small test looked promising, but the roll-out performed very poorly. The analysis showed that the disappointing result came from a combination of two factors: the data we used for the mailings may not have been of the quality we expected, and in order to comply with internal child safeguarding requirements, we had to choose a different, less recognisable envelope. We learned from these mistakes. Next prospect mailings will be based on an improved approach.

CHALLENGES

Finding and recruiting new donors is very important to be able to help children. Donor behaviour, donor trust, and channel effectiveness vary over time. A healthy channel mix and good channel management are crucial. Traditional channels are under pressure from new privacy laws and have become both more expensive and sometimes less effective. The development of new fundraising propositions and channels remains a priority and also a challenge. Unfortunately, we faced challenges with two of the

channels in 2021. The new telemarketing legislation in the Netherlands made it much more difficult to recruit 'callable' leads. On top of that, face-to-face recruitment of new donors faced many challenges. Because of Covid-19, the agency that would carry out this approach had great difficulty recruiting and retaining staff and it could not provide the agreed services. This made us realise our dependency on these agencies. We have therefore decided to spread the risks by engaging with more than one agency for the coming year.

The problems with telemarketing and face-to-face donor recruitment ultimately led to a lower than budgeted inflow of new donors. In the course of the year, we therefore decided to focus more on large and 'medium-sized' donors by offering them attractive opportunities to support our work. We also drew extra attention to the possibility of including Terre des Hommes as a beneficiary in a will.

2022 PLANS

In 2022, we will continue to invest in online marketing, diversify our fundraising mix, improve our approach to face-to-face marketing and prospect mailings, and repeat the Terre Talk concept.

What we will also do differently is to start the winter campaign process earlier. In 2021 we started too late and that made it a difficult process. We are planning to launch a new middle donor proposition and we are working on improving our Salesforce (CRM) configuration.



GRADED WITH AN 8.2

The results of our annual donor satisfaction survey show that our efforts and services continue to be highly appreciated. In 2021, we again received an average score of 8.2.

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SHOPS

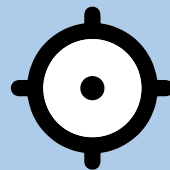


In the years to come, the concept of the Terre des Hommes shops will be changed. We aim to establish a more transparent and sustainable structure, in which the shops are more visible to the public and play an important role in promoting our work, providing information about our objectives, and raising funds for them. 2021 marked the first year of a five-year transition plan.

Until 2020, the Terre des Hommes shops were all run by over 40 local foundations and volunteers, who worked very hard to support the Terre des Hommes goals. In 2020, the national shop foundation was established to be able to open new shops and to give existing shops the opportunity to move their local shop foundation under this national foundation. This offers local shop boards a necessary response to a shortage of new board members. In this way, the national foundation can provide professional support to all volunteers when it comes to local initiatives, national branding, a shared vision for the future, and guaranteeing quality.

What we envision are shops that sell a variety of donated products. The aim is to give our network all the space it needs to contribute, by rolling up their sleeves and by donating and buying stuff. We do not only focus on the private individual, but also on makers, retailers, and institutions that can contribute. But we are also serving as vibrant meeting places for visitors interested in our themes, and as a stimulator of many different actions in support of our work.

“The Terre des Hommes shops are an unique way to tell our story to a broad audience.”



2021 OBJECTIVES

For the Terre des Hommes shops,
our objectives for 2021 included:

- strengthen relationships with the local shop foundations;
- support local shops in professionalising their organisation;
- develop the new shop concept and prepare it for roll-out;
- empower shop teams;
- achieve the net result of €1 million.



2021
RESULTS

Despite some partly unforeseen obstacles, we managed to achieve a large part of our goals for 2021:

- We built better relationships with the local shop foundations, filling the gaps that had arisen in previous years and that posed risks for Terre des Hommes.
- Of the 41 shops, 9 have been brought under the Terre des Hommes Shop Foundation. In addition, we have opened a brand new shop in Velp.
- Since we started our new way of working, we see an improved cooperation between stores. New initiatives flourish, such as collaborations with local entrepreneurs and schools.
- In spite of the Covid-19 pandemic, the net result of the shop in Alkmaar, the first brought into the national foundation, went up from €4,700 in 2019 to €22,700 in 2021. The new shop approach is also resulting in an increasing number of volunteers.
- A specialised Shop Support Team has been set up.
- Although our dedicated volunteers succeeded in keeping shops open whenever possible, successive lockdowns inevitably led to lower than expected results. The total net result of the Terre des Hommes shops in 2021 was **€696,703**.



2022
AMBITIONS

Regarding both the new shop concept and the Terre des Hommes Shop Foundation, some aspects still need to be clarified, tightened up or adjusted. Therefore, for the shops, among our objectives for 2022 are:

- fine-tune the new concept, focusing on the shops' future role in promoting Terre des Hommes and in driving activities;
- achieve consent, throughout our organisation, on the new vision, mission, and strategy of our shops;
- draw a solid business plan based on the revised concept;
- further strengthen the relationship with shop volunteers, building on connection and synergy benefits, and prepare them for implementing the new concept;
- improving and clarifying the legal and governance structure of the Terre de Hommes Shop Foundation.

Reaching out

OUR COMMUNICATIONS

At Terre des Hommes, we are passionate about telling our donors and the wider public about the positive impact we are making worldwide in the lives of vulnerable children. We do this by communicating transparently about our approach and results, and by sharing inspiring stories.



One of our goals is to be visible on a continuous basis. We consider this necessary because of the urgency of our work. How can we remain silent as long as millions of children are abused and exploited day in, day out?

BRAND AWARENESS

A strong brand and a good reputation are key for every NGO in the competitive Dutch market. In 2021 Terre des Hommes consolidated its high level of brand awareness, perceived commitment, and reputation in the Netherlands and in the regions where we work. We achieved this by sharing information about our organisation and working through online and offline channels. Actually, our ambitions were higher. In 2021, we planned to raise our profile with an appealing campaign based on our organisation's renewed strategy. Since this strategy was still being worked on in 2021, we have postponed the plan for strengthening brand awareness until 2022.

CAMPAIGNS

Fall campaign on mica

In November we launched our campaign about child labour in mica mines in India and Madagascar. The objectives were to raise awareness, to activate our target audience (to sign the petition), and to raise funds. The amount of signed petitions were not as high as we had hoped for, which is a point for evaluation. Fortunately the free publicity around the campaign went very well, supported by attention for the topic on TV: Tijd voor MAX, broadcasted on Dutch national television on 14 December 2021, was the apotheosis of the fall campaign. This television programme, entirely dedicated to our work, led to an increase in the reach, appreciation, and number of donors for our organisation. In total, the broadcast had about one million viewers.

Joint global campaigns

We attach great importance to the cooperation of our three regional offices in The Hague, Nairobi, and



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OUR FOLLOWERS ON SOCIAL MEDIA

	2021	2020	2019
Instagram	3,997	3,726	2,875
Facebook	53,222	53,700	53,813
LinkedIn	6,803	5,680	3,695
Twitter	5,583	5,620	5,595

Phnom Penh also in the field of communication and awareness-raising. In 2021, for example, we ran two joint mini-campaigns, consisting of social media posts and paid advertisements, one on online safety and the other around International Human Trafficking Day. These activities led to an intensified exchange of stories and creative ideas on how to share them.

ONLINE AND SOCIAL MEDIA

To strengthen our brand visibility and engagement, we further developed our website (www.terredeshommes.nl), focusing on improvement of the donor and customer journey. We kept the information about programmes and themes up to date and shared relevant topical stories. In addition, we revised our navigation menu and made it easier for visitors to contribute online. In 2021, we welcomed 342,464 unique visitors to our website, while we had an average of 600 readers per article.

Social media

Last year, we increased our focus on social media, the fastest growing means of connecting and communicating with our constituents. We strived to post inspiring and impactful content through the right channels and at the right times. As a result, the number of comments, likes, shares, and clicks increased for LinkedIn and Instagram, remained relatively stable for Twitter and, as expected, decreased for Facebook. In line with our focus on online media, we invested in further improving our webcare.

PUBLICITY

We try to get as much free publicity as possible for our fight against child abuse and exploitation and for both the urgency and the impact of our work.

In 2021 Terre des Hommes was mentioned in about 200 (online) media articles, which is a slight decrease compared to 2020. This may be due to the fact that we sent out fewer press releases, as some of our programmes ended last year and others were put on hold while being redesigned.

However, the reach of our free publicity was satisfactory, particularly in relation to:

- the joint Giro555 campaign 'Together in action against Covid-19';
- our survey on parents' worries about the online safety of their children; and
- the launch of our fall campaign, when we presented the results of our survey on the Dutch population's knowledge of child labour in the mica mines. We also published an opinion article on this topic in the Dutch daily newspaper Trouw.

We are always striving to improve our performance. As for free publicity, we have come to realise that we can 'create' more news ourselves by doing research into Terre des Hommes issues and how those are being discussed/perceived in the Dutch media and society. Our research results arouse the interest of the media, which increases our reach and visibility through free publicity.

Paid advertorials

Notable in 2021 were three paid advertorials of the Down to Zero Alliance in AD magazine: 'A voice against sexual exploitation' (March), 'Girls from Venezuela extra vulnerable to sexual exploitation in Colombia' (June) and 'Young people warn their peers against sexual exploitation' (November).



WEBAZINE

The webazine we launched in 2021 on online safety for young people in the Netherlands was a success in raising awareness. There was a great deal of interest in it. The many experts who were willing to cooperate or be consulted guaranteed thorough content about the risks for children and young people and about what Terre des Hommes and its partners and stakeholders are doing in the field of prevention and support for victims of online sexual harassment and abuse. We also expected the webazine to create promising leads, but for various reasons the target group (parents, teachers, policymakers) turned out to be more interested in the content than in further active involvement in our work.

INTERNAL COMMUNICATION

In 2021, our internal communication was evaluated and subsequently improved by adapting the concepts for the Get2gethers and the Soup Lunches. An agenda, a programme, and presentations are now prepared for these meetings. This has led to more involvement and positive connections among staff.

2022 PLANS

Our objectives for 2022 include:

- improving and aligning the communications strategy across the organisation;
- educating staff on child safeguarding guidelines in campaign and communications content;
- strengthening the interdepartmental collaboration on communications in order to create more impact on brand, positioning, and reputation;
- renew our brand strategy (in Q2/Q3);
- enhancing the outward-looking attitude of our organisation and staff.

“The webazine we launched in 2021 on online safety for young people in the Netherlands was a success in raising awareness.”

NATIONAL POSTCODE LOTTERY



2021 was the 25th year of being a proud beneficiary of the Nationale Postcode Loterij (National Postcode Lottery). We are grateful that our partnership will continue in the years to come, as it was reaffirmed for another five years at the end of 2020 after a thorough audit of our organisation.

CREATING A BETTER WORLD

The Postcode Lottery was founded in 1989 to support organisations working to create a better world, and to this day a significant proportion of its income goes to such organisations. Meanwhile, about 150 of them each year receive a structural contribution, including Terre des Hommes. From 2021 to 2025 we are granted an annual contribution of over €11 million (€2.25 million per year).

RECOGNITION

The cooperation with the National Postcode Lottery is of great importance to our organisation. We appreciate the support not only because of the financial means that enable us to fight child exploitation in different ways. For us, this funding also means that the Dutch public recognises the necessity of our work.

EXPENDITURE

Each year, the Postcode Lottery also awards extra contributions for special projects. One example is

our Sweetie 24/7 programme, which focused on combating the sexual exploitation of children in Asia and Africa. This program is currently undergoing a redesign, in collaboration with the National Postcode Lottery. We spend the regular contribution of the Postcode Lottery mainly on opportunity-driven lobbying activities, project and program support activities, innovation opportunities, and to some extent on organisational costs.

OUR ORGANISATION

Its structure, its people,
its operations



Terre des Hommes Netherlands is an autonomous organisation, operating from its offices in the Netherlands, East Africa, and Asia. A well-functioning organisation with expert staff is crucial for a successful fight against child abuse and exploitation. It is therefore necessary to keep investing in its effectiveness and efficiency, with a keen eye on aspects that require improvement.

Terre des Hommes' guiding principle is that the children for whom we work should always be the focus of our attention. Safeguarding children is our 'core business'. All else must be subordinate to this. With this in mind, we aim to do our work as impactfully and lean as possible.

ORGANISATIONAL STRUCTURE

In addition to the office in the Netherlands and the two regional offices in the Asian and East African regions, respectively, we have 9 country offices. Affiliated to Terre des Hommes Netherlands is the Terre des Hommes Shop Foundation, established in 2020. By the end of 2021, 10 of the 41 Terre des Hommes shops were operating under this central entity.

Supervisory Board

Terre des Hommes Nederland has a Supervisory Board, currently consisting of five members, all of them representing disciplines relevant to our work. They oversee the functioning of the organisation and its Managing Director, monitor the achieved results and, if needed, serve as a sounding board or advisor.

LEADERSHIP TEAM

At the end of 2021, our leadership team consisted of seven members and was formed by:

Tjipke Bergsma, Managing Director a.i.

George Ooms, Head Fundraising & Communication

Raphael Kariuki, Head East Africa & Madagascar; Manager Lobby, Expertise & Programs

Gráinne Le Fevre, Head Asia

Arelys Yanez, Manager Institutional Partnerships

Arnold van Boven, Head Finance & ICT*

Desiree Willemsen, Manager HR & Operations

**Per 1 February 2022 succeeded by Brechje Bos.*

Currently, the leadership team includes five ad interim managers. This will change in the course of 2022.

CHANGES IN LEADERSHIP IN 2021

In 2021, our organisation faced tough challenges. In May, Carel Kok, Managing Director since 2018, stepped down after 4 years in the organisation.

His successor, Leonard Zijlstra was involved in

STAFF: KEY FIGURES FOR 2021

	Total	Netherlands Office	Netherlands Project staff	East Africa	Asia
Number of FTEs by 2021-12-31	135.4 (2020: 138.7)	52.8 (2020: 39.9)	7.6 (2020: 10.8)	41 (2020: 29)	34 (2020: 59)
Number of employees by 2021-12-31	138 (2020: 144)	55 (2020: 41)	8 (2020: 13)	41 (2020: 29)	34 (2020: 61)

“Our employees are entitled to a healthy and pleasant working environment where they feel safe and valued.”

an accident in September from which he is still recovering. When it proved impossible to fill his absence internally, the Supervisory Board appointed an external professional as interim Managing Director. Tjipke Bergsma started his work in December 2021.

The changes at the top affected the decisiveness in our organisation and brought uncertainty for our employees, especially for those at the office in The Hague. On top of that, 2021 was another year marked by the Covid-19 pandemic. The strict advice to work from home forced contacts between colleagues and between management and staff to be mainly online.

STAFF

The overall number of FTEs decreased slightly in 2021. Several projects in Asia ended, so personnel were scaled down. In Africa several new projects were set up and personnel hired for these projects. In the Netherlands, there was a scale-up of staff hired to engage in the growth plans of the Terre des Hommes Shops.

INTERNS

By providing internship positions, we enable them to develop their talents and put them to use fighting against child abuse and exploitation. In 2021, we hosted 11 interns at our office in The Hague.

VOLUNTEERS

Where would we be without volunteers? Their contribution to our work is indispensable. We are incredibly grateful for their often-long-standing commitment. In 2021, more than 1700 volunteers were involved in the operation of the 41 Terre des Hommes shops and related activities. In addition, 8 volunteers supported our work at our Dutch office.

A SOUND ORGANISATION

Our employees are entitled to a healthy and pleasant working environment where they feel safe and valued, and we strive to secure this optimally in our policies, processes, and conduct codes. Periodically we assess whether we are succeeding in this. Last year we did this by conducting a culture analysis. The decision to do so was partly prompted by the high staff turnover we faced. Across the organisation, this amounted to 46% in 2021. Especially at our office in the Netherlands, quite a lot of staff members left, largely due to the impact on employees of both the Covid-19 measures and the rapid succession of changes at the top of our organisation. The labour market conditions also contributed to higher staff turnover. There is much active recruitment and high availability of interesting jobs.

Approach

To gain in-depth insight into the prevailing organisational culture, we conducted an employee satisfaction survey, analysed information from departed staff, and took a close look at new and old internal feedback and complaints and how they were dealt with.

Results

The analysis revealed that our employees are dedicated to their work for Terre des Hommes and value the cooperation and mutual contacts within their own team. This may explain their average satisfaction score of 3.7 on a scale of 1 to 5. On the other hand, the analysis showed that the connection between teams and between management and staff is perceived to be insufficient. This has led to some employees feeling insecure or unsafe due to a lack of information about the organisation's



direction and their role in it. In addition to it—and partly consequently—they experience a high workload and sometimes felt unheard.

Plan

We of course took the results of our analysis very seriously. We want our organisation to be healthy and safe for everyone who works with us. Therefore, we have made an improvement plan aimed at internal coordination and communication, clarity on roles, and responsibilities and we are working on a Speak Up policy to increase the opportunities for employees to voice any concerns.

In 2022 we will update our Theory of Change and ways of working in a participatory manner to better align with the expectations and experience of our staff. We expect this to contribute to significant improvement in the workload and satisfaction of our staff.

SICKNESS LEAVE RATE

In 2021, the sickness leave rate at our office in the Netherlands was 5% (4.8% in 2020). Absence due to illness was mainly caused by a few long-term sickness cases.

WHISTLE-BLOWER POLICY

Our whistle-blower policy enables both employees and third parties to confidentially report suspicions of serious malpractice or wrongdoing by or within Terre des Hommes without having to fear victimisation, harassment or disadvantage. In 2021 the whistle-blower's procedure was not invoked.

COUNSELLOR

We have an independent confidential counsellor whom employees can call on. In 2021, four staff members were in contact with the counsellor.

FRAUD

In 2021, one case of potential fraud relating to a lack of proper documentation was reported. This occurred in one of our partner organisations. The contract with the partner was terminated and further investigations are continuing.

WORKS COUNCIL

At Terre des Hommes, the employees in the Netherlands are represented by a Works Council (Ondernemingsraad). The powers of this body, established in June 2021, are granted under the Works Councils Act and go beyond those of its predecessor, the Staff Representation. The Works Council has the right to discuss economic and social issues and can influence operations by giving advice or consent. With the establishment of the Works Council, we comply with the Dutch legislation that stipulates that a Works Council is mandatory for organisations of 50 or more employees. Our Works Council had monthly meetings with the Managing Director.

An important dossier in which the Works Council was involved in 2021 was the amendment of our pension scheme.

PENSION SCHEME

In 2021 Terre des Hommes Netherlands decided to transfer the pension scheme for its employees from 'Pensioenfonds Zorg & Welzijn' (PFZW) to the a.s.r. insurance company. The transfer implied a switch from the average salary scheme to the available contribution scheme.



QUALITY ASSURANCE

We attach great importance to the quality of all our activities and operations, as well as to having our performance assessed.

Terre des Hommes is certified in accordance with the Partos ISO 9001: 2015 Standard. This is a sector-specific (international cooperation) application of the ISO 9001 Standard with additional requirements with regard to integrity. In 2021, an interim re-assessment of our certification was carried out. The results re-confirmed that we meet the requirements. We are also CBF and ANBI certified.

Requirements

The Partos ISO 9001: 2015 Standard requires an organisation to fully understand the context in which it operates; to adjust its policy and strategy accordingly; and to be able to identify risks and to put control measures in place to prevent these risks from occurring or to mitigate their impact.

Organisations are expected to look at both internal and external factors that may influence the quality of their work. Terre des Hommes is using a quality management system that provides its leadership team and organisation with insights into potential risks that might jeopardise the continuation of operations. This allows the team to timely take precautionary measures. And if something does go wrong, we are prepared for that too. We have protocols in place to flag errors, trace their causes and mitigate the damage.

QUALITY OF GOVERNANCE

Terre des Hommes guarantees its quality of governance by, first of all, the separation of

managerial and supervisory roles. The Managing Director and the Supervisory Board have distinct tasks and responsibilities.

We also comply with the Good Governance Code for Charities in the Netherlands. Since 2008, this code has been incorporated into the CBF (Central Bureau on Fundraising) Regulations for recognition of charitable organisations. In addition, we adhere to the following guidelines and codes:

- SBF (Association of Philanthropic Organisations) Good Governance Code
- CBF Recognition Regulations
- RJ650 for Fundraising Institutions (guideline for annual reporting)
- Guidelines for ANBI status (an ANBI is a public interest institution appointed by the tax authorities)
- Guidelines for Misconduct Disclosure
- PSEA (Prevention of Sexual Exploitation and Abuse)
- KCS (Keeping Children Safe)
- CHS (Core Humanitarian Standards)

EXTERNAL SUPERVISION

Some subjects require supervision by external parties. External supervisors are:

- PricewaterhouseCoopers (financial audits)
- Central Bureau on Fundraising (periodical reassessment of accreditation)
- Mazars (audits the application of the ECHO Framework Partnership Agreement)

CORE VALUE: INTEGRITY

For Terre des Hommes, integrity is an absolute core value, which we aim to secure in all our policies, projects, and regulations.



We are also working outside our own organisation to strengthen the conditions for optimal integrity, especially in the work for and with children. We are participating in the Joint Integrity Action Plan for Emergency Aid and Development Organisations. And in 2021, we supported Terre des Hommes Italy and Terre des Hommes Lausanne in aligning their processes and procedures with the guidelines for Prevention of Sexual Exploitation and Abuse (PSEA).

Child Safeguarding Policy

The safeguarding of children is our primary and most important task. In other words, Terre des Hommes, always and everywhere, in projects involving children and youth, must do everything possible to reduce risks and prevent abuse, harm, misconduct and unintended negative outcomes.

We are fully aware of our responsibility and our policy framework reflects this. Key principles in our Child Safeguarding Policy are:

- Child abuse is unacceptable; our policy is zero tolerance.
- Use and monitoring of safeguarding risk registers.
- Regular evaluation of the handling of safeguarding issues.
- Escalation of safeguarding issues from implementing partners to Terre des Hommes.

In addition, we advocate a global Code of Conduct, prioritising the well-being of all people, including children and youngsters.

Our fight against child abuse and exploitation is a complex one. It requires both perseverance and great caution. Moreover, we work in many different contexts. We have systems in place to limit the chance of

wrongdoings or violations of our child safeguarding standards as much as possible. This however does not mean nothing can go wrong, both in our efforts to safeguard children and within our organisation. If this happens, we see it as our duty to deal with these wrongdoings in the best possible way by acknowledging them, limiting the damage done, and learning from them to avoid repeating them by looking at our systems, policies, and processes and analysing whether they worked or need to be improved.

2021 integrity reports

In 2021 we received ten reports concerning suspected violations of our Child Safeguarding Policy, alleged misuse of power, and one was about undesirable behaviour. At the beginning of 2021, the 'how to report' scheme was given a make-over and implemented in the organisation, so that all employees know where to go in case they want to submit a report. When a report is received, the integrity officer checks on the agreements made in the policies and starts a preliminary investigation. The outcomes are then shared with the relevant parties. All reports are shared at the level of Managing Director as well as at a Supervisory Board level.

Other activities in 2021, aimed at strengthening integrity awareness, facilitating reports, responding to them with more vigour, and providing victims with better support, included:

- provision of various trainings;
- carrying out the Partos Self-Assessment;
- implementation of a simplified reporting procedure;
- inclusion of a standard risk assessment in project development cycles;
- implementation of a misconduct disclosure scheme at our main offices;



- first steps towards a victim support strategy; and
- setting up an improved child safeguarding implementation plan.

COMPLAINTS

To keep safeguarding highly vulnerable children and fighting against their abuse and exploitation, we need both moral and financial support from people, companies, and institutions in the Netherlands. We do succeed in conveying the urgency of our work and in our marketing, communication and fundraising we act with integrity, complying with the provisions of all relevant laws and codes. Nevertheless, we sometimes receive a complaint. Terre des Hommes takes every complaint seriously, looking thoroughly at it and replying to the complainant within five working days. We also want to learn from complaints. They help us to optimise our processes and approach.

Complaints reported: 120 in 2021 (113 in 2020), of which 118 have been handled/resolved with satisfaction. 17% was about our Donor Service, 15% about face-to-face recruitment, 14% Other, 12% about our Telemarketing activities, 10% was about our policy, 8% on other fundraising activities, 7.5% on our media and campaigns, 7.5% about the salary management, 6.5% about our Shops and 2.5% about specific loyalty actions.

- We see that the waiting time in our call centre is a challenge, including response time by email. This is unfortunately an ongoing challenge for which we must agree on what our minimal service level is and how that relates to the budget we want to invest. This is getting ongoing attention.
- Terre des Hommes values and welcomes the receipt of comments and complaints. Complaints mean

that people know how and where to report and feel secure to do so.

- Most complaints relate to marketing or fundraising-related activities, which can be expected.

See the section on Integrity Reports for further information on how Terre des Hommes deals with integrity reports.

CORPORATE SOCIAL RESPONSIBILITY

Terre des Hommes recognises and acts upon its role and responsibility in the global community. Near and far, we are actively participating in the process of making the world a better place. We contribute to this through our programmes, but also by running our organisation in a socially responsible way. For example, by making sustainable purchases and by compensating for CO2 emissions. Also, our office building in The Hague meets the Dutch government's requirements for sustainable energy utilisation.

8.1. RISK MANAGEMENT

So far, the risks that may threaten our work and its continuation are mainly assessed during the Management Review, which is held before the preparation of our annual plan.

RISK ASSESSMENT

Terre des Hommes assess its risks regularly, on three different levels:

- Organisational level - A yearly risk analysis of the organisation as a whole.
- Country level - Country Strategic Plans are prepared annually and include a SWOT analysis.
- Project level - Our global Project and Information Management System (PRIMAS) has a risk mitigation matrix to be used at project level. This is evaluated annually and considers the child safeguarding risks.

Risk management is specifically part of the job descriptions of the Managing Director, the Controller and the Manager Lobby, Expertise and Programs. Terre des Hommes manages risks very closely and has a low appetite for most risks.

COVID-19 PANDEMIC

The Covid-19 crisis continued into 2021 and so did its impact on our organisation and work. In 2020 already, we proved our ability to keep most of our projects afloat during the pandemic by adjusting their design and field implementation. Last year, we did so again.

Increased risks for children

Lockdowns throughout the world kept millions of children from going to school. We know that this alone puts children at greater risk of abuse and

exploitation, but when a lockdown deprives families of their already poor income, the risks become even higher. We and our implementing partners took this into account in our programmes and projects and undertook additional activities to mitigate the risks.

Impact on fundraising income

Although the impact of Covid-19 on the Dutch economy appears to be limited, we cannot yet rule out the possibility of a new Covid-19 variant with more damaging consequences. Moreover, 2022 has confronted us with a crisis that is likely to have more severe economic consequences, especially in Europe, including the Netherlands, with the escalation of the crisis in Ukraine. A decline in fundraising income therefore remains a risk to which we must be constantly alert.

STRATEGIC RISKS

Short term

During the year, we check on a quarterly basis whether our short-term objectives as set out in the annual plan are being achieved. We do this on the basis of both comprehensive project reviews, the analysed financial project details—available monthly—and the risk analysis. We then determine whether additional actions are needed to achieve the intended outputs, outcomes, and budget targets. If progress is lagging, we determine whether additional actions are needed to achieve the envisioned outputs, outcomes, impact, and budgetary targets or whether we need to adjust our expectations.

Medium term

In the medium term, the main risks are an unforeseen sharp decline in funds from institutional partners and private donors, and reputational damage. Potential





risks to our income are monitored on the basis of monthly and annual figures, and furthermore by keeping a close eye on social and economic developments that might be a harbinger of declining income. Potential reputational risks are discussed during the weekly media consultation.

Long term

The greatest long term risk is that our work does not achieve the impact we claim. To prevent this risk from ever materialising, we are closely monitoring the effective implementation of projects. Furthermore, achieving the intended impact is an explicit requirement for all our projects. This is also part of our Theory of Change, which we periodically review, in particular to ensure that the impact of our projects is and remains as high as possible.

OPERATIONAL RISKS

Operational risks partly concern the people we work with, in the Netherlands and throughout the world. We have instruments ready to prevent behaviour that is in conflict with our values and standards and to tackle it if it does occur. Our Code of Conduct includes both guidelines against corruption, bribery, fraud, and unacceptable behaviour and a procedure on how to respond to violation of these directives. Our whistle-blowing policy enables employees to report suspicions of serious wrongdoing, such as the improper use of financial resources, in confidence.

The image of Terre des Hommes can also be damaged by the behaviour of our own staff, or by information from outside our organisation. Though we estimate this risk to be low, it could have a huge impact.

NEGATIVE PUBLICITY

Negative publicity is also a threat to our reputation. Should this ever occur, we have a media protocol in place and spokespersons have been appointed. To avoid negative publicity, we ensure that we have our affairs in order and under control.

Negative publicity can be a result of issues around policy, project implementation, organisational operations or behaviour. Our online system, PRIMAS, allows us to administer and closely monitor the entire project management cycle, collaborate effectively and efficiently with external implementing partners, and measure both quantitative output and qualitative outcome. Also, with PRIMAS we meet the standards of the International Aid Transparency Initiative (IATI).

FINANCIAL RISKS

We closely monitor our potential financial risks, mainly through our monthly and quarterly reports. It is our priority to spend the funds entrusted to us wisely and with due care. Our priority is to spend as much as possible of the funds entrusted to us on our objectives. We ensure this through the proper organisation of processes and the use of additional guidelines. We pay particular attention to risks related to continuous cash flows and to efficient and effective spending.

In 2021 Terre des Hommes had one investment portfolio in Triodos bank deposits. This was donated to us through a legacy. We did not make any major investments in research or organisational development. Our solvency and liquidity ratios were more than adequate and there was no need for additional funding.

Funds that we cannot immediately spend on our



objectives are spread over several banks. The guiding principle of our cash policy is stability and availability of funds, and minimising the effect of negative bank interest rates. We are reviewing options to keep part of our financing portfolio in US dollars.

Fundraising cost rate

The share of fundraising costs in our total expenses decreased to 16% compared to 17% in 2020.

Continuity reserve

Our continuity reserve meets the Financial Management Directive of 'Goede Doelen Nederland', which states that the reserve may not amount to more than 1.5 times the annual costs of the work organisation. Based on the Directive a maximum of €13 million applies to our continuity reserve. Our current continuity reserve (€4 million) is considerably lower.

Financial reporting

We use three different accounting systems for our financial reporting: Exact Online for our office in the Netherlands and for consolidation, QuickBooks for regional and country offices, and Visma for our shops. We have chosen three types of software to provide customisation for different groups of users. The office in The Hague has direct access to all data for analysis and consolidation.

The accounting applications, in combination with Salesforce for our marketing and donor administration, provide a solid base for efficient and reliable financial administration and control. All applications operate on a Google platform in the Cloud, which reduces the risk of data loss.

Accounting & project control

The Finance and ICT Department closely monitors the organisation's financial performance to ensure that Terre des Hommes remains in a healthy financial position, and provides the system infrastructure to support this. To secure optimal control on the recording and analysis of financial transactions, accounting and control are separated in our organisation. Our management reporting tool provides monthly insight into project expenditure and indirect costs.

**“Terre des Hommes,
always and everywhere,
in projects involving
children and youth,
must do everything
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and prevent abuse,
harm, misconduct and
unintended negative
outcomes.”**



COLLABORATION
is the key for
future succes.



REPORT FROM SUPERVISORY BOARD



Terre des Hommes Netherlands has a Supervisory Board which, in accordance with Article 12 of the Articles of Association, supervises the Managing Director and the general course of affairs. The Supervisory Board also acts as a sparring partner for the Managing Director and the Leadership Team.

The separation of supervision and management has been formally secured in the Articles of Association and formalised in the so-called management regulations. This means that the Managing Director is responsible for the day-to-day management and is ultimately answerable for the implementation of the policy plan and the activities of the foundation. The Supervisory Board appoints the Managing Director and supervises the functioning of the Leadership Team.

KEY TASKS OF THE SUPERVISORY BOARD

- Approving the annual plan and strategy, including the budget and investments.
- Supervising the implementation of the strategy, the realisation of the objectives and the general course of events.
- Approving the annual accounts and annual report.
- Appointing the Managing Director.
- Acting as a sparring partner for the Managing Director and the Leadership Team.

COMPOSITION AND TERM OF OFFICE

The Supervisory Board consists of at least five people. It appoints its members on the basis of a profile. In 2017, the Supervisory Board decided that, in line with the Governance Code for the Cultural Sector, the members would be appointed for a term of four years, which can be extended to, at most, a second four year term.

We strive to ensure that the Supervisory Board represents expertise in all areas that are crucial to the work of Terre des Hommes. With this in mind, the new strategic direction chosen in 2021 may lead to an increase in the number of members.

In November 2021, Frans den Houter was appointed as both a member of the Supervisory Board and as Chairman of the Audit Committee. He succeeded Pim Oomens who held these positions for over eight years. We owe Pim Oomens much gratitude and appreciation for his long-term dedication and commitment.



At the end of 2021, the Supervisory

Board consisted of:

Maarten Koopman

Chair and member of the Remuneration Committee
Member of the Supervisory Board 'Stichting Terre des Hommes Winkels'

Chair of the Supervisory Board of DIF Capital Partners

Appointed: March 2016

Bas Verheijen

Member and Vice Chair

Member of the Supervisory Board 'Stichting Terre des Hommes Winkels'

Chief Customer Officer of HEMA

Appointed: September 2017

Frans den Houter

Member and Chair of the Audit Committee

Member of the Supervisory Board 'Stichting Terre des Hommes Winkels'

Chief Financial Officer of Royal BAM Group NV

Appointed: November 2021

Ilse Griek

Member of the Remuneration Committee

Member of the Supervisory Board 'Stichting Terre des Hommes Winkels'

Managing Director (Alderman) of the Amsterdam Centre District

Appointed: June 2020

Sigrid Jansen

Member of the Audit Committee

Member of the Supervisory Board 'Stichting Terre des Hommes Winkels'

Partner at Allen & Overy, Restructuring and Banking

Appointed: June 2020

MAIN ACTIVITIES OF THE SUPERVISORY BOARD IN 2021

In 2021, the Supervisory Board had four regular meetings with the (respective) Managing Director(s) and, depending on the agenda, one or more members of the Leadership Team. In addition, throughout the year, several informal Supervisory Board meetings were held to discuss specific matters.

Individual Board members, in accordance with their expertise, discussed certain subjects and files with members of the Leadership Team. Throughout the year, the Chair met with the Managing Director on a regular basis to discuss general and specific issues. The Remuneration Committee met twice to discuss matters such as the functioning of the Managing Director.

The Audit Committee met three times with the Managing Director, Head of Finance & IT and the external auditors to discuss matters such as the annual budget, financial reporting, internal controls, risk management, information technology, audit planning and audit reporting. Due to covid-19, unfortunately no visits could be made to our regional or country offices or projects.

Report from the Supervisory Board

Terre des Hommes has achieved almost all of its goals in 2021 despite the persistent and hampering Covid-19 pandemic. The Supervisory Board is proud of the sustainable impact the staff, volunteers and ambassadors have made together in our fight against child exploitation. In support, the Supervisory Board has acted as a sounding board and sparring partner for the Managing Director and the Leadership Team to ensure the continuity of the results.



Terre des Hommes strives to make the best possible contribution to the worldwide eradication of child exploitation. The organisation's goal has remained the same, however, its strategy and approaches for achieving this goal have evolved over time based on the knowledge available and the experiences gained. In 2021, and starting the year before, Terre des Hommes continued the process of revising its strategy to bring it in line with the changing role of and operational context for NGOs globally. The Supervisory Board has been actively involved in this process and has formally approved the revised strategy, which has been presented to the organisation in March 2021. In 2022 and beyond, the Supervisory Board will closely monitor the implementation of the new strategy.

In March 2021 it was announced that Carel Kok would step down as Managing Director after 4 years of service. We thank Carel for his enormous dedication and the energy he put into his work for Terre des Hommes.

Carel's successor within the Leadership Team is Leonard who was responsible for Lobby, Expertise and Programme Management. Unfortunately, due to an accident, Leonard has been absent since September 2021. The Supervisory Board appointed Tjipke Bergsma* as interim Managing Director as of 1 December 2021.

Of course the rapid succession of changes in the leadership had an impact on the staff. Therefore the Supervisory Board paid extra attention to the well-being of the employees by organising several meetings to gain a better understanding of their concerns.

The Supervisory Board would like to take the opportunity to thank all our staff, volunteers and ambassadors for their unceasing loyalty, commitment and contribution to the fight against child exploitation.

We are also very grateful to our donors, sponsors and institutional partners for their generous support that enables us to put this fight into practice with concrete programmes and projects.

On behalf of the Supervisory Board,
Ms. Marianne Verhaar-Strijbos**
June, 2022

*Tjipke is, inter alia, the former Managing Director of War Child, former Regional Director and Deputy CEO of Plan International and former Managing Director of Plan Netherlands. He is also active in various non-executive board positions for different (I)NGOs.

**Marianne was appointed chair on the first of June 2022. Marianne has a long standing career in banking, more specifically in Wealth Management and Philanthropy advice with ABN AMRO MeesPierson. She holds several Supervisory Board positions including with The Hunger Project.



**SIGRID JANSEN,
MEMBER OF THE SUPERVISORY BOARD**

Sigrid Jansen, in everyday life a Partner at Allen & Overy, did not hesitate for a moment when she was asked to join the Supervisory Board of Terre des Hommes. "It is a perfect fit with two of my main interests: the welfare of children and the protection of human rights."

From an early age, Sigrid was interested in protecting human rights, the reason why she became a lawyer.

As a member of our Supervisory Board, Sigrid uses her knowledge of law to support Terre des Hommes in safeguarding children, realising their rights, and eradicating their exploitation. She also uses her expertise and contacts to strengthen the functioning of our organisation in areas such as compliance, internal governance, and risk management. Sigrid has been a member of the Supervisory Board for 1.5 years.

Asked about the subjects in which the Supervisory Board can be of added value to Terre des Hommes in the coming years, Sigrid mentions: internal governance and cooperation, the implementation of the strategy and its translation into appealing communication, and the relationship with the Terre des Hommes International Federation.

"Being a member of the Supervisory Board is a perfect fit with two of my main interests: the welfare of children and the protection of human rights."

OUR AMBITIONS



Our primary focus in 2021 was on designing and implementing impactful programmes to ensure (potential) victims of child exploitation a life free of threats, the fulfilment of their rights, and a promising future. We also re-evaluated and strengthened both the approach and the scope of our work. By early 2022, we were ready and eager to start ‘translating’ our new insights into improved strategies, additional valuable partnerships, and transparent communications. We are confident that in 2022 and beyond, we will be even better equipped to combat child exploitation.

Obviously, our ambitions for 2022 and the medium term extend to all aspects of our work: projects and programmes, lobbying and advocacy, fundraising and communications, maintaining and expanding partnerships and networks, building and sharing expertise. Yet, in this chapter we choose to highlight two topics: the elaboration of strategies, based on our revised Theory of Change, and the broader role we envisage for our Terre des Hommes shops.

ELABORATION OF OUR STRATEGIES

In 2021, we critically started to review our Theory of Change, asking ourselves: is our vision of how best to bring about necessary change still the most valid one? We concluded that now there may be other, even more effective ways and we agreed on a direction. In 2022 we will further explore and develop this direction. We will focus on how, where, and when within the identified change processes Terre des Hommes can optimally deploy its specific strengths and expertise. Then we will determine how our organisation can be best equipped for this. In all of this, we attach great importance to having a solid support base among our staff throughout the world.

Based on its mission, the core task of Terre des Hommes is to safeguard children and young people from all forms of abuse and exploitation. We will keep doing this by:

- Reducing the number of children at risk by addressing the causes. Among the key risk factors are poverty, lack of awareness of pitfalls and threats, and insufficient knowledge of how to protect children. Together with our partners, we will continue to invest in the empowerment of children, families, and communities in various areas of life such as health, education, and livelihood, in order to increase their resilience.
- Reducing the number of abusers and exploiters by urging those who have the power, competence, and resources to tackle and prosecute them.
- Responding to the acute needs of children and young people who are or have been victims of abuse and exploitation, and opening up a more promising future for them and their families through education or job prospects.



A partly changing role

In the coming years Terre des Hommes will continue to focus on stopping child exploitation and seek new areas where our action and support is needed. Child exploitation occurs mainly in the more shadowy informal sectors. We have already drawn attention to child labour in the mica mines of, for example, India and Madagascar, but in some other industries the situation is just as bad or even worse. To name a few: the preparation and processing of cocoa and tobacco and the recycling of plastic, paper, and batteries.

We will tackle these and other forms of exploitation thoroughly and effectively by co-designing programmes with existing and new partners. These programme models will be thoroughly tested through empirical research. Effective models will also be shared with relevant stakeholders, such as businesses and partners. To fulfill our partly changing role, we will strive to expand and diversify our partnerships.

A BROADER ROLE FOR OUR SHOPS

In engaging the public in the Netherlands with our work and our organisation, we foresee an increasingly important role for the Terre des Hommes shops. In the coming years, we aim to both expand the number of shops and make them more profitable. We also want the shops to become lively meeting places where people of all ages can go to obtain sound information on both the promotion and violation of children's rights near and far - possibilities for this include theme, film, and debate evenings - and to develop local actions.

To achieve this, it is important that Terre des Hommes shops are located in prominent places that already attract many people. In city centres, there are at the moment many vacant shop premises, often in prime locations. This is the kind of place Terre des Hommes envisions for its shops.

Of course, the shops also will continue to sell products, preferably based on the principles of a circular economy. In 2022 and beyond, we will look for ways to increase and broaden the range of products offered in the shops, for example by getting more companies to donate products they are discontinuing but which are still in good condition. To make shops more profitable, we will promote their cooperation, for example by suggesting the use of shared warehouses.

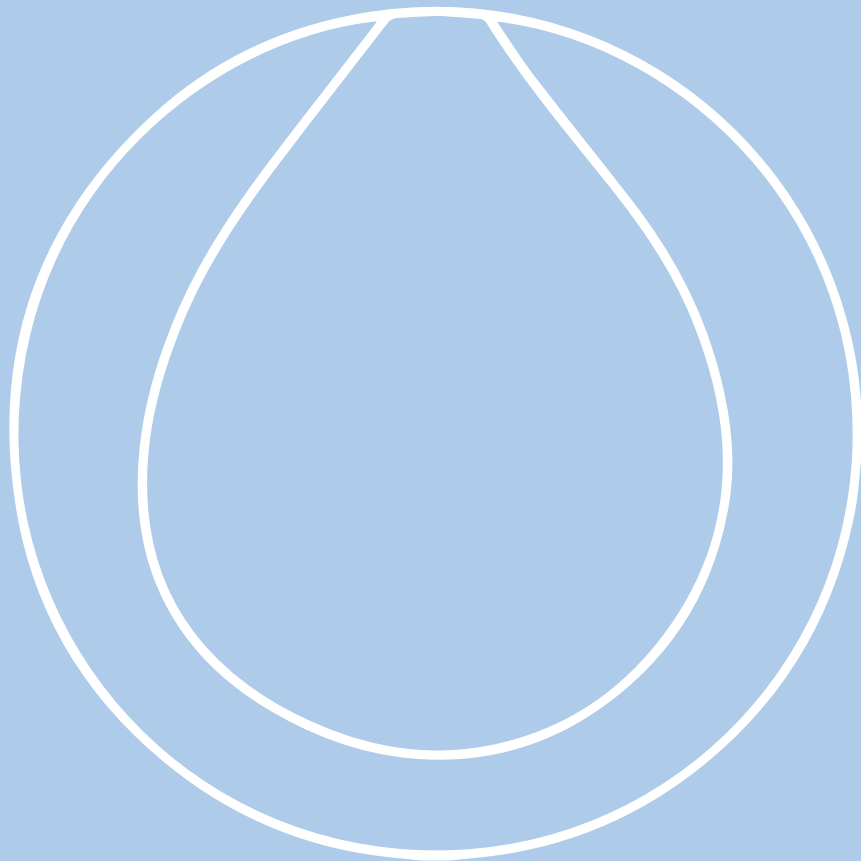
EXTENDED DEMANDS

Our new Theory of Change will place more and also higher demands on collecting, analysing, and evaluating relevant data, and on monitoring and on research and learning in 2022. This will mean expanding our capacities for research and knowledge management, both internally and through collaboration with new and existing partners.

We are well aware that it is crucial to align existing and new aspects of our approach throughout our organisation. Every aspect of our work, all our activities, must reflect one and the same direction. This will also be an important point of attention for us in 2022.

Terre des Hommes Netherlands looks to the future with confidence, knowing that we are better than ever prepared to fight effectively against child exploitation.



**FINANCIAL STATEMENTS**

1. Consolidated Financial Statements
2. Principles of Valuation and Determination of Results
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4. Notes to the Consolidated Balance Sheet
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6. Managing Director and Supervisory Board
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OTHER INFORMATION

11. Appropriation of the Results

Independent Auditor's Report

APPENDIX

1. CONSOLIDATED FINANCIAL STATEMENTS

1.1 Consolidated Balance Sheet (after appropriation of results)

Consolidated Balance Sheet		31-12-2021	31-12-2020
ASSETS			
Non-current assets			
Property, plant and equipment	(1)	1,135,591	1,102,173
Intangible assets	(2)	111,494	207,857
		1,247,085	1,310,030
Current assets			
Receivables and accrued income	(3)	3,802,382	6,497,570
Loan receivable	(4)	-	100,000
Revolving fund loans receivable	(5)	368,909	-
Securities	(6)	105,357	-
Cash and cash equivalents	(7)	14,263,420	15,462,618
		18,540,068	22,060,188
Total assets		19,787,153	23,370,218
LIABILITIES			
Reserves			
Continuity reserves	(8)	4,000,000	4,000,000
Designated reserves	(8)	131,276	-
Reserves available for objectives	(8)	8,842,632	9,939,956
		12,973,908	13,939,956
Funds			
Designated funds	(9)	181,919	199,004
Reserves and Funds		13,155,827	14,138,960
Long-term liabilities	(10)	402,044	-
Current liabilities	(11)	6,229,282	9,231,258
Total liabilities		19,787,153	23,370,218

1.2 Consolidated Statement of Income and Expenses

Consolidated Statement of Income and Expenses		Actual 2021	Budget 2021	Actual 2020
Income				
Income from private donors	(13)	6,824,960	6,645,000	7,214,273
Income from companies	(14)	106,466	30,000	204,315
Income from lotteries	(15)	2,609,595	2,270,000	2,513,562
Income from government grants	(16)	10,490,217	16,987,000	10,732,196
Income from affiliated non-profit organisations	(17)	194,933	270,000	-
Income from other non-profit organisations	(18)	1,517,482	1,121,000	519,053
Sum of fundraising income		21,743,653	27,323,000	21,183,399
Income in return for the delivery of goods and/or performance of services	(19)	696,703	598,000	442,582
Other income	(20)	328,999	-	7,517
Sum of income		22,769,355	27,921,000	21,633,498
Expenditure				
Structural development aid	(21)	14,238,245	20,394,695	15,848,873
Emergency aid and rehabilitation	(22)	4,881,351	2,937,464	4,420,783
Spent on objectives		19,119,596	23,332,159	20,269,656
Fundraising expenses		3,723,494	5,667,982	4,449,428
Management and administrative expenses		980,598	1,486,330	1,346,833
Sum of expenses		23,823,688	30,486,471	26,065,917
Result before financial income and expenses		(1,054,333)	(2,565,471)	(4,432,419)
Financial income and expenses	(24)	31,077	-	(109,752)
RESULT		(1,023,256)	(2,565,471)	(4,542,171)
Results Appropriation		Actual 2021	Budget 2021	Actual 2020
Surplus/(deficit) is added to/(drawn from):				
Designated funds		(17,085)	-	-
Designated reserves		131,276	-	-
Reserve available for objectives		(1,137,447)	(2,565,471)	(4,542,171)
Surplus/(deficit)		(1,023,256)	(2,565,471)	(4,542,171)

1.3 Consolidated Cash Flow Statement

Consolidated Cash Flow Statement		31-12-2021	31-12-2020
Cash flow from operating activities			
Surplus / (deficit)		(1,023,256)	(4,542,171)
Adjustment for non-cash items			
Depreciation and amortisation	(1, 2)	213,257	303,323
Adjustment to property, plant and equipment	(1)	26,272	-
Bad debt expense	(3, 4)	126,706	-
Non-cash donations received	(6)	(150,000)	-
Changes in designated reserves and funds	(8, 9)	-	(48,031)
Fair value gain / (loss) on securities	(6)	44,643	-
Changes in working capital			
Accounts receivable	(3, 4)	2,668,482	(1,161,101)
Revolving fund loans	(5,10)	33,135	-
Current liabilities	(11)	(3,001,976)	(1,274,170)
Net cash flow from operating activities		(1,062,737)	(6,722,150)
Cash flow from investing activities			
Purchase of property, plant and equipment	(1)	(170,920)	(826,831)
Proceeds on disposal of property, plant and equipment	(1)	(1,787)	319,910
Acquisition of Stichting ICS		40,291	-
Net cash flow from investing activities		(132,416)	(506,921)
Cash flow from financing activities			
Effect of foreign exchange translation		(4,045)	-
Net cash flow from financing activities		(4,045)	-
Net cash flow		(1,199,198)	(7,229,071)
Cash and cash equivalents 01 January		15,462,618	22,691,689
Cash and cash equivalents 31 December		14,263,420	15,462,618
Increase/(decrease) in cash and cash equivalents		(1,199,198)	(7,229,071)

2. PRINCIPLES OF VALUATION AND DETERMINATION OF RESULTS

2.1 General

Stichting Terre des Hommes Nederland ('Terre des Hommes') is an independent foundation located at Zoutmanstraat 42-44 in The Hague, the Netherlands. The foundation is registered in the Dutch Trade Register under number 41149287.

2.2 Applied standards

The consolidated financial statements are prepared in accordance with the Guideline RJ650, which applies to Dutch fundraising institutions, issued by the *Raad voor de Jaarverslaggeving*. Terre des Hommes adopts the remuneration regulations of Goede Doelen Nederland.

2.3 Reporting period and currency

The consolidated financial statements have been prepared for the calendar year 2021. Unless stated otherwise, the consolidated financial statements are presented in Euro (€), which is the functional and presentation currency of Terre des Hommes. The valuation principles and method of determining the results are the same as those used in the previous year, unless otherwise stated.

2.4 Estimates

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates. This applies in particular to the valuation of legacies to be received and the estimated useful life of fixed assets. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected by the revision.

2.5 Going concern

These consolidated financial statements are prepared in accordance with the going concern principles.

2.6 Group entities

Terre des Hommes aims to provide effective and immediate aid to children in need, in their own environment, anywhere in the world, without distinction on the grounds of ethnicity, gender, culture, religion, disability or other categorizations. Terre des Hommes has access to various offices and legal entities to carry out its activities. The financial statements of the below entities have been consolidated in these consolidated financial statements.

Stichting Terre des Hommes Nederland Head office

Terre des Hommes' head office is located in The Hague, the Netherlands.

Regional offices

Stichting Terre des Hommes Nederland operates in 11 countries in South Asia (India, Bangladesh, Nepal), South East Asia (Cambodia, Thailand, Philippines) and East Africa (Kenya, Uganda, Ethiopia, Tanzania, Madagascar). The offices are registered locally, according to legislation in the relevant countries. The trade name of each office is 'Terre des Hommes Netherlands' followed by the applicable country name.

Children of India Foundation and Stichting Terre des Hommes Foundation

Due to local government regulations in India, the Terre des Hommes Netherlands India operation has been partially separated into two locally incorporated entities. The Children of India Foundation ('CIF') is registered under the Indian Trusts Act. The Stichting Terre des Hommes Foundation ('STdHF') is registered as a not for profit under the Indian

Companies Act. CIF and STdHF operate in India under the operating name of Terre des Hommes. As well, Terre des Hommes has control to remove board members of the organisations. For these reasons, Terre des Hommes has control over the operations of CIF and STdHF.

Stichting Terre des Hommes Winkels

In July 2020, an affiliated foundation - Stichting Terre des Hommes Winkels - was established to manage the retail activities of Stichting Terre des Hommes Nederland. Stichting Terre des Hommes Nederland and Stichting Terre des Hommes Winkels are managed by the same Board and the same Executive Director and therefore share common control. Stichting Terre des Hommes Winkels operates several shops run by volunteers. Besides the one shop that transferred from a local volunteer group to this foundation in 2020, 8 more shops followed in 2021. In addition, the foundation started one totally new shop in 2021, which makes a total of 10 shops by the end of 2021.

Volunteer groups

At the end of 2021, 31 volunteer groups (2020: 46) operated in the Netherlands on behalf of and under the responsibility of Terre des Hommes to support fundraising initiatives of Stichting Terre des Hommes Nederland. Of these volunteer groups, 29 are foundations (2020: 41), and 2 are associations (2020: 4). Contractual agreements are in place with all volunteer groups to ensure that funds raised on behalf of Terre des Hommes are actually spent on the objectives of Terre des Hommes. As a result of these agreements, the results of the volunteer groups are included in these consolidated financial statements.

Stichting International Child Support

On 8 March 2021, Terre des Hommes entered into an agreement with Stichting International Child Support ('ICS'). ICS is a foundation registered at Smallepad 30 H in

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Amersfoort and has the aim of raising funds for structural development and cooperation with farmers, particularly in Kenya and Tanzania and other African countries. The aims of Terre des Hommes and ICS are well aligned and the management of both organisations reached an agreement, effective 8 March 2021, to collaborate.

Under the terms of this agreement, on 8 March 2021 Terre des Hommes appointed members to the ICS board and executive management, resulting in an acquisition of control. The consolidated financial statements of Terre des Hommes therefore include the results of ICS from the date of acquisition, 8 March 2021, using the acquisition method as described in RJ 216 *Fusies en overnames*. Terre des Hommes now has control over the operations of ICS. No purchase price was paid in the acquisition and no goodwill was generated from this transaction.

2.7 Subsequent events

Events that provide additional information about the actual situation on the balance sheet date and that arise up to the date of preparing the consolidated financial statements are reflected in the consolidated financial statements. Events that do not provide additional information about the actual situation on the balance sheet date are not reflected in the consolidated financial statements. If such events are significant for the judgement of users of the consolidated financial statements, their nature and their estimated financial consequences are explained in the consolidated financial statements as subsequent events.

2.8 Changes in accounting policies

For the year ending 31 December 2021, a revision to RJ 650 *Fondsenwervende organisaties* is applicable as it relates to the recognition and measurement of income from legacies. Under this revision, Terre des Hommes has chosen to account for legacies under the alternative method, whereby

income from legacies is recognised in the reporting year in which the deed of distribution, or if there is no deed of distribution, the account and statement of accounts, is received. This change in accounting policies has been applied prospectively, therefore no change has been recorded in the comparative figures or the opening reserve balances.

2.9 Comparative figures

Certain comparative figures have been reclassified where necessary to conform with current period presentation.

These reclassifications relate to:

- Property, plant and equipment being reclassified to Intangible assets;
- Current liabilities being reclassified to Receivables and accrued income;
- Current liabilities being reclassified to Reserves; and
- Income from affiliated non-profit organisations reclassified to Income from other non-profit organisations.

Further explanations are included in the relevant notes to the financial statement items below.

3. ACCOUNTING PRINCIPLES

3.1 Balance sheet

3.1.1 Consolidation

The consolidated financial statements include financial data of Stichting Terre des Hommes Nederland and the legal entities that operate as 'Terre des Hommes' under a single name and also as such appeal to public generosity, and other entities over which it can exercise a dominant control.

The following legal entities are part of the consolidation scope:

- Stichting Terre des Hommes Nederland;
- Stichting Terre des Hommes Winkels;
- Terre des Hommes volunteer groups (31) (see appendix for listing);
- Stichting International Child Support (ICS);
- Children of India Foundation (CIF);
- Stichting Terre des Hommes Foundation (STdHF).

The objectives of each entity are the same as for Stichting Terre des Hommes Nederland. Intercompany transactions, intercompany income and expenses and intra-group claims and debts between entities within the consolidation scope are eliminated. Valuation principles of the legal entities included in the consolidation have been amended where necessary to ensure consistency with the valuation principles in force for Stichting Terre des Hommes Nederland. The individual gross and net results of the volunteer groups and the shops under Stichting Terre des Hommes Winkels are specified in the annexes to the consolidated financial statements.

3.1.2 Transactions in foreign currencies

Transactions in foreign currencies during the reporting period are translated into the functional currency at the exchange rate applicable on the transaction date. Monetary assets

and liabilities denominated in foreign currencies have been translated at the exchange rate applicable on the balance sheet date. Nonmonetary assets measured at historical cost in a foreign currency are converted at the exchange rate on the transaction date (historical rate). Exchange rate differences resulting from the translation of these balances are included in the consolidated statement of income and expenses.

The financial statements of the regional offices, CIF and STdHF are in foreign currencies. For consolidation, the assets and liabilities are translated to Euros at the exchange rate prevailing on the balance sheet date. The revenues and expenses are translated to Euros at the average exchange rates for the period where this rate approximates the rate at the date of the transaction. Exchange rate differences relating to the opening and closing balance and changes in reserves in the course of the calendar year are recognised in the Foreign Currency Translation Reserve.

3.1.3 Operational leases

Terre des Hommes may have lease contracts for which a large part of the advantages and disadvantages associated with ownership does not lie with Terre des Hommes. These lease contracts are reported as operational leasing activities. Lease payments are amortised on a straight-line basis in the consolidated statement of income and expenses during the term of the contract, taking into account reimbursements received from the lessor.

3.1.4 Property, plant and equipment

Property, plant and equipment are valued at the cost of acquisition less accumulated straight-line depreciation over the estimated economic useful life of the assets. The residual value of the assets is set at nil. The following depreciation rates have been used:

• buildings	40 years
• renovations	10 years
• IT equipment	3 years
• vehicles	4 years
• furniture and fixtures	5 - 10 years

Land is carried at cost. No provision has been made for future costs of major maintenance to the buildings. Costs are capitalised and recognised in the consolidated statement of income and expenses by means of depreciation.

Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

At the balance sheet date, an assessment is made as to whether there are indications that an asset may be subject to impairment. If any such indication exists, the recoverable amount of the asset is determined. An asset is impaired if its carrying amount exceeds its recoverable amount. The recoverable amount is defined as the higher of the fair value less costs to sell and the value in use. Impairment losses are recognised as expenses in the consolidated statement of income and expenses while simultaneously reducing the carrying amount of the asset.

3.1.5 Intangible assets

Intangible assets are valued at the cost of acquisition less accumulated straight-line amortisation over the estimated economic useful life of the assets. Intangible assets consist of website and software. Intangible assets are amortised over 3 years.

3.1.6 Current assets

Stocks

Commercial stocks available on the balance sheet date, for example for volunteer groups and other stocks such as welcome gifts for new donors, are not included in the

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consolidated balance sheet, but are charged against the profit in the year of purchase.

Receivables

Receivables are initially stated at fair value of the consideration to be received and subsequently at amortised costs. If receipt of the receivable has been deferred on the basis of an agreed extension to a payment term, the fair value is determined on the basis of the present value of the expected receipts and interest income is credited to the consolidated statement of income and expenses based on the effective interest rate.

Revolving fund loans

Revolving fund loans are initially stated at fair value of the consideration to be received and subsequently at amortised cost.

Other current assets

Other current assets are valued at amortised costs less impairment.

Securities

Securities consist of bank depository receipts. Securities are valued at fair value with any gains or losses being recognised in the consolidated statement of income and expenses.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank balances and demand deposits with terms shorter than 12 months. Cash and cash equivalents are valued at face value.

3.1.7 Reserves and funds

The reserves of Terre des Hommes consist of a continuity reserve, foreign currency translation reserve, designated reserves, reserves available for objectives and designated funds.

The continuity reserve is in place to enable Terre des Hommes to meet its long-term obligations. As per the recommendations of Goede Doelen Nederland the value of the reserve is maximised at 1.5 times the yearly operating costs. The operating costs are defined as the direct cost of own fundraising and cost of work.

The foreign currency translation reserve relates to the translation of foreign entity operations into the functional currency for consolidation.

The designated funds are related to funds designated by a third party to be spent on a designated purpose. Withdrawals from the designated funds are based on accrued expenses made in the relevant calendar year that are related to the fund.

3.1.8 Long-term liabilities

The long-term liabilities consist of revolving fund loans. These are funds provided by members for use as revolving loans to other participants of the fund. Liabilities are recognised in the consolidated balance sheet at the moment the contractual liability originates and are initially recognised at fair value. Transaction costs that are directly attributable to the liabilities are included in the valuation upon initial recognition. After initial recognition, liabilities are carried at amortised cost, being the amount received, taking into account any premium or discount and after deduction of transaction costs.

3.1.9 Current liabilities

The current liabilities consist of short term commitments and accrued liabilities. Liabilities are recognised in the consolidated balance sheet at the moment the contractual liability originates and are initially recognised at fair value. Transaction costs that are directly attributable to the liabilities are included in the valuation upon initial

recognition. After initial recognition, liabilities are carried at amortised cost, being the amount received, taking into account any premium or discount and after deduction of transaction costs.

3.1.10 Financial instruments

Financial instruments include trade and other receivables, loans and other financial obligations, trade and other payables. Where financial instruments have not been explained differently, the following principles apply. Financial instruments are initially recognised at fair value and subsequently at amortised cost according to the effective interest rate method. Terre des Hommes does not make use of derivatives.

3.2 Statement of income and expenses

3.2.1 General

Income is recognised in the consolidated statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease in a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured reliably. Income and expenses are allocated to the respective period to which they relate.

3.2.2 Income from private donors

Income from private donors consists of direct donations and legacies. Direct donations are accounted for in the year in which they are received. Legacies are accounted for in the year in which the deed of distribution, or if there is no deed of distribution, the account and statement of accounts, is received.

3.2.3 Income from companies

Donations from companies are recognised in the year in

which the commitment is made. Grants from companies are recognised as income in the year in which the subsidised costs have been incurred.

3.2.4 Income from lotteries

Income from lottery organisations is recognised in the relevant calendar year in accordance with recoverable net proceeds, as far as they are not designated for specific projects. Income is recognised if it is probable that it will be received. Designated income from lotteries is recognised as income in the year in which the subsidised costs have been made or income was lost, or when a subsidised operating deficit has occurred. Amounts still to be received at the balance sheet date are recorded as current assets.

3.2.5 Income from government grants

Income from government grants is recognised as income in the year in which the subsidised costs have been made or income was lost, or when a subsidised operating deficit has occurred. Income is recognised if it is probable that it will be received.

3.2.6 Income from affiliated non-profit organisations

Donations from affiliated non-profit organisations are recognised in the year in which the commitment is made. Grants from affiliated non-profit organisations are recognised as income in the year in which the subsidised costs have been incurred.

3.2.7 Income from other non-profit organisations

Income from other non-profit organisations includes donations from foundations. It is recognised in the year in which the commitment has been made, as far as it is not designated for dedicated projects. Designated income is recognised as income in the year in which it is received, but is appropriated to the relevant designated reserve account. Grants from other non-profit organisations are recognised

as income in the year in which the related costs have been made or income was lost, or when an operating deficit has occurred. Income is recognised if it is probable that it will be received.

3.2.8 Income in return for the delivery of goods and/or performance of services

Income in return for the delivery of goods and/or performance of services includes the net proceeds from the sale of items by the volunteer groups and by Stichting Terre des Hommes Winkels. The income is recognised in the year in which the actual sale has taken place.

3.2.9 Other income

Other income relates to income other than from normal activities and is recognized as income in the year in which the entity is entitled to the related revenues.

3.2.10 Expense on objectives

Expenses related to structural development aid and humanitarian aid are accounted for as expenses on objectives in the year the performance was delivered. The expenses relating to aid directly resulting from a major disaster and for which the period of aid does not exceed a period of three years, are accounted for under 'Emergency aid and rehabilitation'. The provision of aid facilitated through one or more actions of SHO (*Samenwerkende Hulp Organisaties*) is also accounted for under 'Emergency aid and rehabilitation'. All other forms of aid are accounted for under 'Structural development aid'.

3.2.11 Fundraising expenses

Expenses for fundraising include all expenses incurred to induce individuals, companies, lottery organisations, governments and other organisations to donate money for our objectives.

3.2.12 Management and administrative expenses

Management and administrative expenses include expenses incurred in the context of (internal) management and operations that are not directly attributed to the objectives or the acquisition of income, including employee benefits and pensions.

3.2.13 Employee benefits

Employee benefits are charged to the consolidated statement of income and expenses in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the consolidated balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments.

The recognised liability relates to the best estimate of the expenditure necessary to settle the obligation at the balance sheet date. The best estimate is based on contractual agreements with employees (collective agreement and individual employment contract). Additions to and reversals of liabilities are charged or credited to the consolidated statement of income and expenses. Termination benefits are employee benefits provided in exchange for the termination of employment. A termination benefit is recognised as a liability and an expense when the organisation is demonstrably and unconditionally committed to make the payment of the benefit. Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenses required to settle the liability.

3.2.14 Pensions

Terre des Hommes offers its employees a defined contribution pension plan based on an average pay scheme. The plan is administered by PFZW (Pensioenfonds Zorg en Welzijn). At the end of December 2021, PFZW's 12-month's average coverage rate was 106.6% (2020: 92.6%). The basic principle is that the pension charge to be recognised in the reporting period is equal to the pension contributions payable to the pension fund over that period. Premiums payable that have not yet been paid at the balance sheet date are recognised as a liability. If the premiums already paid exceed the premiums due at the balance sheet date, a prepaid asset is included to account for any repayment by the pension fund or settlement with premiums owed in the future. There are no other obligations apart from the premiums payable.

3.2.15 Depreciation of property, plant and equipment

Depreciation costs are not presented as a separate item in the consolidated statement of income and expenses. These costs have been recognised in other components of the consolidated statement of income and expenses, i.e. management and administrative expenses, fundraising expenses and expense on objectives, as determined by the designated use of the underlying assets. Property, plant and equipment are depreciated over their estimated useful lives as from the moment they are ready for use. Future depreciation is adjusted if there is a change in estimated future useful life. Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

3.2.16 Financial income and expenses

Financial income and expenses include realised and unrealised exchange gains and losses. These are recognised in the relevant calendar year. Interest income and expenses are also included and are recognised on a straight-line basis, taking into account the effective interest rate of the relevant

assets and liabilities. When processing the interest expense, the recognised transaction costs on the loans received that are included as part of the calculation of the effective interest rate are taken into account.

3.3 Cash flow statement

The consolidated cash flow statement has been drawn up using the indirect method. The funds in the consolidated cash flow statement consist of cash and cash equivalents. Cash flows in foreign currencies have been converted at an average exchange rate. Interest paid and received are included in cash from operating activities.

4. NOTES TO THE CONSOLIDATED BALANCE SHEET

4.1 Non-current assets

4.1.1 Property, plant and equipment

	Land	Buildings	IT Equipment	Furniture & Fixtures	Vehicles	Total
Opening Cost	183,000	1,894,664	159,706	1,336,143	187,781	3,761,294
Additions	-	87,872	23,907	27,928	31,213	170,920
Disposals	-	(301,125)	-	(1,186,487)	(2,629)	(1,490,241)
Adjustments	-	-	(104,047)	-	-	(104,047)
Effect of foreign exchange translation	-	-	-	9,424	5,073	14,497
Ending Cost	183,000	1,681,411	79,566	187,008	221,438	2,352,423
Opening Accumulated Depreciation	-	(1,221,605)	(28,758)	(1,269,575)	(139,183)	(2,659,121)
Depreciation	-	(62,747)	(19,451)	(25,020)	(9,676)	(116,894)
Disposals	-	301,125	-	1,188,274	2,629	1,492,028
Adjustments	-	66,351	11,256	-	-	77,607
Effect of foreign exchange translation	-	-	-	(7,407)	(3,045)	(10,452)
Ending Accumulated Depreciation	-	(916,876)	(36,953)	(113,728)	(149,275)	(1,216,832)
Net Book Value 31 December 2021	183,000	764,535	42,613	73,280	72,163	1,135,591

All non-current assets are held as necessities for the business operations of Terre des Hommes. Disposals concerned mainly the write off of old inventory and renovation balances that are no longer in use. Additions include small renovations in the head office and other computer and furniture purchases, as well as a vehicle in the field.

During the year, a correction of €66,000 was made to decrease the accumulated depreciation on the building owned in the Netherlands. As well, a correction of €93,000 was made to expense costs incurred on the Primas software (program management software) as these expenses were determined not to be capital in nature.

4.1.2 Intangible assets

	Intangible assets
Opening cost	289,089
Additions	-
Disposals	-
Ending Cost	289,089
Opening Accumulated Amortisation	(81,232)
Amortisation	(96,363)
Disposals	-
Ending Accumulated Amortisation	(177,595)
Net Book Value 31 December 2021	111,494

Intangible assets consist of costs to develop the Terre des Hommes website and project management software.

Note that the intangible assets were included in property, plant and equipment in the 2020 consolidated financial statements (€207,857). In accordance with the classification requirements of RJ 650, the intangible assets have been split from property, plant and equipment in the 2021 consolidated financial statements, including in the comparative amounts.

4.2 Current assets

Current assets consist of grants and other gifts to be received, prepayments to third parties for project implementation, other receivables and accrued assets, and cash and cash equivalents. All current assets have a maximum duration of one year.

4.2.1 Receivables and accrued income

	31-12-2021	31-12-2020
Regional office receivables	196,188	198,824
Legacies	817,648	1,540,048
Nationale Postcode Loterij	2,250,000	2,250,000
Other gifts and grants to be received	-	2,366,863
Project assets	363,200	-
Other prepaid and receivable amounts	175,346	141,835
Total Receivables and Accrued Income	3,802,382	6,497,570

Legacies concern the balance of the amounts expected to be received. During the year, €26,706 legacy was considered to be uncollectible and was written off as a bad debt. The receivable regarding the Nationale Postcode Loterij concerns the contribution Terre des Hommes will receive in 2022 from the lottery revenue recognised in 2021.

Note that the 2020 comparative figure includes €25,838 of rental deposits that were included in the current liabilities in the 2020 consolidated financial statements. This has been reclassified to current assets in the 2021 consolidated financial statements.

4.2.2 Other current assets

Table 4. LOAN RECEIVABLE	31-12-2021	31-12-2020
Not overdue	-	-
Past due less than three months	-	45,000
Past due more than one year	-	55,000
Total	-	100,000

In 2016, Terre des Hommes granted a loan of €100,000 to Studio Jux to finance workstations at their subsidiary (Be Suited) in Nepal. No interest was payable on this loan. A repayment in three yearly instalments from 2018 had been agreed. No repayments were received during the term of the loan and management has determined that its collection is unlikely. The full balance of the loan has been written off in 2021.

Table 5. REVOLVING FUND LOANS	31-12-2021	31-12-2020
Revolving fund loans receivable	368,909	-
Total revolving fund loans receivable	368,909	-

4.2.3 Securities

Table 6. SECURITIES	31-12-2021	31-12-2020
Depository receipts for Triodos Bank shares	105,357	-
Total Securities	105,357	-

During the year, a legacy donation was received in Triodos Bank shares. The total value of the donation was €150,000. The shares are valued at fair value through profit or loss. At the end of 2021, a loss of €44,643 was recorded.

4.2.4 Cash and cash equivalents

Table 7. CASH AND CASH EQUIVALENTS	31-12-2021	31-12-2020
Current accounts	9,947,005	11,116,581
Savings accounts	2,520,139	2,768,266
Deposits	75,000	75,000
Designated fund accounts	178,276	357,007
Current accounts regions	1,543,000	1,145,764
Total Cash and Cash Equivalents	14,263,420	15,462,618

The reduction in cash is mainly caused by the current year loss and the payment of expenses on multi-year projects, for which the funding had been received in earlier years. The balance of cash and cash equivalents is sufficient to meet the current liabilities of €6,229,282 (2020: €9.2 million). All balances on the current accounts and savings accounts are available on demand. The balances on the deposit account to hedge the rent guarantees of the shops (€75,000) and part of the designated fund accounts (De Saint Exupery Fund: €56,723; Scheefhals Fund: €119,171) are not freely available. The volunteer groups may retain 3 months' worth of rental costs in their own bank accounts; at the end of 2021 this amounted to €390,854 (2020: €371,586). The balances on accounts and funds are held on Euro accounts with Dutch banks (ABN Amro, ING, Triodos Bank, Robeco and Rabobank). In addition, current accounts in the regions are partly kept with other banks in US dollar and local currencies.

4.2.5 Financial instruments

Liquidity risk

Terre des Hommes is not exposed to material liquidity risks. The board ensures that the cash position is sufficient to meet the financial obligations towards creditors, employees and partners.

Foreign exchange rate risk

The foreign exchange rate risk is considered limited for Terre des Hommes. The organisation is exposed to currency risk on project grants and obligations that are denominated in a currency other than the contractual currency of the grant contract that relates to such a project. These project transactions are primarily denominated in Euro (€), whereas a minority of transactions take place in other currencies.

Fair value

The fair value of the financial instruments stated on the consolidated balance sheet, including cash and cash equivalents, current receivables and current liabilities, is approximately equal to their carrying amount.

4.2.6 Off-balance-sheet assets

For the coming years, 1,822 (2020: 1,728) benefactors of Terre des Hommes have pledged contributions to Terre des Hommes by means of a (notarial) deed of donation. The annuity instalments to be received under these deeds of donation

have not been taken into account in the consolidated balance sheet. These will be recognised as income in the year of receipt.

At the end of 2021, there are 10 legacies with usufruct (2020: 8); the value of the financial impact of the benefits cannot be estimated reliably due to the rights of the usufructuary to decapitalise, alienate or invest. At the end of 2021, there are 12 legacies not yet recognised as they are yet to be settled. A conservative estimate shows €288,000 will be received from these legacies, largely in 2022, but possibly also in the years to come.

4.3 Reserves and funds

Table 8. RESERVES				
	Continuity reserve	Designated reserves	Available for objectives	Total
1 January 2021	4,000,000	-	9,939,956	13,939,956
Acquisition of Stichting ICS	-	-	40,123	40,123
Appropriation of results	-	131,276	(1,137,447)	(1,006,171)
31 December 2021	4,000,000	131,276	8,842,632	12,973,908

4.3.1 Continuity reserve

The continuity reserve is formed in accordance with the recommendations of Goede Doelen Nederland and is intended to safeguard continuity of the operations of Terre des Hommes, should the organisation experience a temporary drop in funding. The total operating expenses as formulated by Goede Doelen Nederland amount to €8,678,259 (2020: €8.9 million). The coverage of the operating expenses by the continuity reserve is 46% (2020: 45%), and therefore within the limits defined by Goede Doelen Nederland (see 3.1.7).

4.3.2 Reserves available for objectives

The reserves available for objectives are those unrestricted net assets that are used by Terre des Hommes for their ongoing projects related directly to the core objectives.

Designated reserves are those earmarked by the board for specific projects or public relations activities. Such allocations are not legally enforceable and there is no external obligation. The following reserves have been designated by the board for 2021:

- **Kabir fund:** During 2021, Mr. Kabir celebrated 40 years of employment with Terre des Hommes. The Board has designated €15,000 for a special project to be designed and implemented by Mr. Kabir, after approval by Management.

- **Embassy of Japan:** A project being funded by the Embassy of Japan is to be commenced in 2022. €15,000 donations from other external donors received in 2021 has been designated toward this project also.
- **ICS-SP:** 50% of the net results of Stichting ICS are designated for a joint project between ICS-SP (Investing in Children and their Societies) and Terre des Hommes. At year end, the balance of these designated reserves are €101,276.

Note that the 1 January 2021 reserves available for objectives has been increased by €186,921 compared to the 2020 consolidated financial statements. Correspondingly, the comparative amount of the current liabilities has increased by €186,921 compared to the 2020 consolidated financial statements. This is due to a consolidation entry posted in 2020 upon consolidation of the Pijnacker volunteer group that erroneously eliminated the shop's reserve balance. The correction is reflected in the comparative reserve balance and current liabilities balance.

4.3.3 Designated funds

Table 9. FUNDS				
	De Saint Exupéry Fund	Van Breen New Future Fund	Mr. P.J.F. Scheefhals Fund	Total
1 January 2021	56,723	5,109	137,172	199,004
Additions	-	20,915	-	20,915
Utilisation	-	(20,000)	(18,000)	(38,000)
31 December 2021	56,723	6,024	119,172	181,919

The designated funds are earmarked for a specific project or purpose as indicated by third parties.

De Saint-Exupéry Fund

The funds received from De Saint-Exupéry are not freely available for 30 years, pursuant to a notarial deed of donation. Only the annuity may be used directly by Terre des Hommes. The capital becomes available between 2026 and 2029. In 2021, no amounts were added or withdrawn from the fund.

Van Breen – New Future Fund

In 2013, the Van Breen family entered into a 5-year agreement with Terre des Hommes and in 2019 a 5-year extension was agreed. With five annual instalments of €20,000 the family wants to make a contribution to helping vulnerable girls

in developing countries to prevent and combat sexual exploitation – in particular child prostitution. Both the deposited core capital and the returns are available for spending on this objective. In 2021, the family invested €20,915 (2020: €20,000). In consultation with the Van Breen family, an amount of €20,000 (2020: €45,000) was withdrawn and spent on the GOOD project in India.

Mr. P.J.F. Scheefhals Fund

This fund originates from the legacy of Mr. P.J.F. Scheefhals and is intended for the financing of projects for children who are victims of violence, mistreatment, abuse, exploitation, repudiation or abandonment. Each year, €18,000 is freely available for objectives. In 2021 €18,000 (2020: €18,000) was withdrawn from the fund and spent on project objectives.

4.4 Long-term liabilities

4.4.1 Long-term liabilities

Table 10. LONG-TERM LIABILITIES	31-12-2021	31-12-2020
Revolving fund loans payable	402,044	-
Total long-term liabilities	402,044	-

During the year, Stichting Terre des Hommes Foundation (STdHF) began a revolving loan program in India. This program uses member funds to provide short-term loans to other members in need of immediate support.

4.5 Current liabilities

4.5.1 Current liabilities

Table 11. CURRENT LIABILITIES	31-12-2021	31-12-2020
Current liabilities projects	4,063,353	7,574,696
Current liabilities regions	505,845	648,225
Other current liabilities	1,660,084	1,008,337
Current liabilities	6,229,282	9,231,258

Current liabilities consist of prepaid grants, payables to third parties, and other debts and accruals. All current liabilities have a maximum term of one year.

Project liabilities relate to project grants that have not been spent. The balance includes grants from the Ministry of Foreign Affairs for the 5-year She Leads programme (€0.7 million), from ECHO for an Emergency response project in Burkina Faso (€0.5 million) and a designated grant awarded by the Nationale Postcode Loterij for our Watch24/7 project (remaining value €2.0 million).

4.5.2 Off-balance sheet liabilities

Table 12. COMMITMENTS	< 1 year	1-5 years	> 5 years	Total
Rental payments shops	705,188	1,439,159	39,360	2,183,707
Company cars	8,520	13,320	-	21,840
Printers and copiers	3,993	15,972	1,997	21,962
Project commitments	4,032,569	148,286	-	4,180,855
Total commitments 31 December 2021	4,750,270	1,616,737	41,357	6,408,364

Terre des Hommes guarantees, by means of a bank guarantee, payment of three months' rent for 15 shops (2020: 16 shops), for a total amount of €60,832 (2020: €63,244). In addition, corporate guarantees have been issued for 16 shops (2020: 15) for a total amount of €72,615 (2020: €68,077).

Terre des Hommes leases several locations for their second-hand retail shops. The lease agreements are for 40 locations and range in terms, with some extending through 2027.

Terre des Hommes rents a printer from PCI Nederland BV. The rental agreement expires on 1 July 2027.

At the end of 2020, Terre des Hommes leased one company car for a maximum period of 48 months. It concerns an operating lease contract. The car is used on a daily basis for visiting the shops and the volunteers in the Netherlands. In 2021 €8,144 of lease charges was included in the consolidated statement of income and expenses (2020: €8,144).

At the end of 2021, Terre des Hommes had concluded contracts totalling €4.2 million with project partners that are to be carried out in 2022 and beyond (2020: €2.2 million).

5. NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENSES

5.1 General

The year 2021 showed a negative balance of income and expenses of €1 million. The gain against the approved budget for the year amounted to €1.5 million. This was largely due to delays in project execution, resulting in lower than budgeted expenses, savings in our fundraising activities and better than anticipated results from the volunteer groups, even during another year impacted by Covid-19.

5.2 Income from private donors and companies

Table 13. INCOME FROM PRIVATE DONORS	2021	2020
Donations and gifts	6,153,672	5,578,978
Legacies	671,288	1,635,295
Total income from private donors	6,824,960	7,214,273

Table 14. INCOME FROM COMPANIES	2021	2020
Companies	106,466	204,315
Total income from companies	106,466	204,315

Donations from private donors are unearmarked and are received from pledge and one-time donors. Legacies vary greatly in size and nature year over year and for this reason are difficult to accurately forecast.

5.3 Income from lotteries

Table 15. INCOME FROM LOTTERIES	2021	2020
Nationale Postcode Loterij - regular contribution	2,250,000	2,250,000
Nationale Postcode Loterij - additional contribution	343,318	243,680
Other lotteries	16,277	19,882
Total income from lottery organisations	2,609,595	2,513,562

In 2021, Terre des Hommes received €2.25 million from the Nationale Postcode Loterij (2020: €2.25 million). This concerned the net contribution from the lottery revenue realised in 2020. The Nationale Postcode Loterij has supported Terre des Hommes with an annual contribution of €2,500,000 since 1996. At the same time, Terre des Hommes participated in the so-called "Dream fund" of the Nationale Postcode Loterij, and therefore deposited 10% of the contribution in this Dream Fund.

In 2019, the Nationale Postcode Loterij awarded Terre des Hommes a three-year grant of €2.97 million designated for the Watch24/7 project. This grant was already received in cash in 2019 and was to be spent over a period of three years. In 2021, €343,318 of the grant was spent (2020: €243,680). The program is currently being reviewed and we are exploring options with the Nationale Postcode Loterij to extend the grant period.

5.4 Income from government grants

Table 16. INCOME FROM GOVERNMENT GRANTS	2021	2020
Ministry of Foreign Affairs		
- She Leads	1,509,330	-
- Girls Advocacy Alliance	-	2,256,468
- Building Back Better	2,278,633	-
- Down To Zero	-	3,170,178
- Voice for Change	1,106,540	-
Dutch Embassy - Bangladesh	-	746,468
Dutch Relief Alliance	2,200,899	3,193,811
ECHO	1,998,279	1,239,882
JOFA	754,275	-
GFEMS	562,261	-
Other grants	80,000	125,389
Total income from government grants	10,490,217	10,732,196

In 2020 we completed two large programme's Girls Advocacy Alliance (GAA) and Down to Zero (DtZ). In 2021 we started with two new MoFA funded programmes: Building Back Better (a continuation of the DtZ coalition) and She Leads. Both new programmes had a later start than initially anticipated. In 2021 we continued our partnership with Terre des Hommes Lausanne and Terre des Hommes Italy for the application for emergency aid grants from the European Commission and the DRA. Beside this we also started our first emergency aid project directly with our own partners in Ethiopia.

5.5 Income from affiliated non-profit organisations

Table 17. INCOME FROM AFFILIATED NON-PROFIT ORGANISATIONS	2021	2020
Terre des Hommes Germany	194,933	-
Total income from affiliated non-profit organisations	194,933	-

Note that the comparative figure has decreased by €101,491 compared to the 2020 consolidated financial statements. Correspondingly, the comparative amount of Income from other non-profit organisations has increased. This relates to the Samenwerkende Hulporganisaties (SHO) which has been reclassified to Income from other non-profit organisations.

5.6 Income from other non-profit organisations

Table 18. INCOME FROM OTHER NON-PROFIT ORGANISATIONS	2021	2020
Samenwerkende Hulporganisaties (SHO)	528,309	101,491
Other Foundations	989,173	417,562
Total income from other non-profit organisations	1,517,482	519,053

In 2021, Terre des Hommes participated in the national fundraising campaign “*Samen in actie voor Covid (India)*” from Giro555. The total grant from the national initiative was €250,000 which was received as cash in 2021. Of this, €219,086 has been used in 2021 and the remainder will be used in 2022. As well, during 2020, Terre des Hommes had participated in the national fundraising campaign “*Samen in actie voor Beiroet*” from Giro555. Together with the funds remaining from 2020, Terre des Hommes spent €283,474 in 2021 on this project, which is now complete.

5.7 Income in return for the delivery of goods and/or performance of services

Table 19. INCOME IN RETURN FOR THE DELIVERY OF GOODS AND/OR PERFORMANCE OF SERVICES	2021	2020
Gross revenues Terre des Hommes shops	1,759,164	1,531,818
Direct costs shops	(1,103,300)	(1,156,309)
Net results Terre des Hommes shops	655,864	375,509
Gifts received	73,778	116,334
Other income	27,598	20,297
Direct costs head office	(60,537)	(69,558)
Total income in return for the delivery of goods and/or performance of services	696,703	442,582

For the allocation of costs of the shops we apply the Guideline RJ650 (650.316), which states that ‘the cost price is defined as the purchase value of the goods, increased by the direct costs related to the purchase and sale’. Costs that may be included in the cost price are both costs incurred by the shops themselves (costs of the shop premises including furnishings, costs of the volunteers and the facilities to register the flow of goods, to complete the sale and to receive the funds) as well as costs incurred for the shops by the head office and the shops foundation. In the appendix to these consolidated financial statements we include a detailed overview by shop.

5.8 Other income

Table 20. OTHER INCOME	2021	2020
Rental income	7,668	-
Fire insurance proceeds	254,956	-
Other income	66,375	7,517
Total other income	328,999	7,517

Income from fire insurance proceeds relates to the payout of insurances due to a fire in the building in The Hague that occurred in December 2019.

5.9 Expenses on objectives

In 2021, spending on our objectives was slightly lower than budgeted and lower than in 2020. This is mainly due to the rephasing of two major programmes, Building Back Better and She Leads, as well as a slow-down in project execution caused by Covid-19, where we could not easily reach our beneficiaries in certain countries. In other projects we successfully re-designed part of our project portfolio to step up in Covid-19 affected areas while still reaching our objectives.

Table 21. STRUCTURAL DEVELOPMENT AID	2021	2020
Asia	2,648,294	5,010,233
East Africa	4,128,607	4,589,067
Netherlands / Other	4,863,640	3,750,203
Remittance to alliance partners	2,597,704	2,499,370
Total structural aid	14,238,245	15,848,873

Table 22. EMERGENCY AID AND REHABILITATION	2021	2020
Using own resources	244,174	60,912
Using SHO resources	508,989	98,172
Using grants	4,128,188	4,261,699
Remittance to alliance partners	-	-
Total emergency aid and rehabilitation	4,881,351	4,420,783

5.10 Fundraising expenses

In 2021, fundraising costs were lower than in 2020 and lower than budgeted. Due to Covid, some fundraising activities could not go ahead as planned. As well, during the year several campaigns were run, but contracts were negotiated to ensure savings were made on these campaigns. Fundraising expenses were 16% of the income raised.

5.11 Management and administrative expenses

Management and administrative costs amounted to 4% of total expenses (2020: 5%). Total costs were slightly lower than budgeted and decreased compared to 2020.

5.12 Personnel costs

Table 23. PERSONNEL EXPENSES	2021	2020
Wages and salaries	3,211,894	2,702,925
Social security charges	509,986	408,045
Pension charges	378,517	275,875
Other personnel costs	1,255,131	2,082,110
Total personnel costs	5,355,528	5,468,955

The cost of salaries, social security and pension charges increased by 21% compared to 2020 (2020: 19%). This is explained by an increase in the average number of full time equivalents at head office and inflation and merit increases for regular staff. The increase in other personnel costs was mainly due to interim staff to fill long standing vacancies. At the end of 2021, the number of staff employed in the Netherlands totalled 63 (2020: 54), which corresponds with 60.4 FTE (2020: 50.7). We employed 75 staff (2020: 90) in other countries at the end of 2021. The total number of employees at the end of 2021 was 135 (2020: 144) and the average during the year was 131.

5.13 Financial income and expenses

Table 24. FINANCIAL INCOME AND EXPENSES	2021	2020
Foreign exchange rate gains / (losses)	111,585	(75,325)
(Negative) interest current account / savings account / deposits	(58,462)	(36,263)
Fair value gain / (loss) on securities	(44,643)	-
Interest received by regional offices	17,069	1,836
Revolving fund interest revenue	40,621	-
Revolving fund expenses	(35,093)	-
Total financial income and expenses	31,077	(109,752)

The Euro (€) depreciated against most of the countries' local currencies, resulting in a foreign exchange rate gain of €112,000, the majority of which stems from the revaluations of foreign currency bank accounts held in the countries. From April 2020, all Dutch banks where Terre des Hommes holds current and savings accounts, introduced negative interest on cash balances. We do not hedge against interest rate risks and incurred a €58,000 interest rate loss for the year (2020: €36,000).

5.14 SHO allocation key

Table 25. SHO ALLOCATION KEY	2021	2020	2019	
Total costs emergency aid and reconstruction assistance	4,128	4,262	5,565	x 1,000
Income from own fundraising	9,146	8,380	4,433	x 1,000

The amount of emergency aid and reconstruction aid offered is excluding SHO funds and any funds passed on to other organisations as administrative coordinator / horizontal lead.

The income from own fundraising in 2019 and thereafter are excluding SHO funds and in accordance with the RJ650 categories for income: income from private donors, income from companies, income from other non-profit organisations and income in return for the delivery of goods and/or performance of services.

5.15 Cost allocation to the different activities

Table 26. COST ALLOCATION	Spent on objectives		Fundraising costs	Management and administrative costs	Actual 2021	Budget 2021	Actual 2020
	Structural aid	Emergency aid					
Grants and contributions	7,910,548	4,637,176	-	-	12,547,724	13,565,553	14,596,090
Remittance to affiliated organisations	2,597,704	-	-	-	2,597,704	5,857,472	2,499,370
Communication costs	-	-	1,614,925	-	1,614,925	2,471,943	2,202,449
Personnel costs	2,875,297	173,236	1,574,682	732,312	5,355,527	7,091,095	5,468,954
Housing costs	164,016	10,389	96,610	44,929	315,944	197,004	148,367
Office and general costs	618,280	53,654	373,145	173,532	1,218,611	1,072,354	997,584
Depreciation & amortisation	72,400	6,896	64,132	29,825	173,253	231,050	153,102
Total for consolidated statements	14,238,245	4,881,351	3,723,494	980,598	23,823,688	30,486,471	26,065,917

Where possible, direct costs are allocated to the objectives, fundraising costs, and management and administration. The target percentage for management and administration costs is a maximum of 5% of the total costs; no targets are defined for the split of costs spent on objectives and fundraising. Indirect costs are based on the number of persons employed in full-time positions (FTE) and are allocated to the main activities in accordance with an allocation key, which is calculated at the start of the year based on the planned staff formation.

Audit costs are included in the office and general costs. In 2021 these costs were:

- audit of the 2021 Annual Accounts, fees incurred during 2021: €54,450 (2020: €84,700);
- settlement of the audit of the 2020 Annual Accounts: €20,911 (Settlement of 2019 Annual Accounts: €30,250);
- audit of the strategic partnerships: Nil (2020: DTZ and GAA: €14,300).
- costs for fiscal advisory and other non-audit services: nil (2020: nil).

5.16 Giro555 / Samenwerkende Hulporganisaties (SHO)

Table 27. Giro 555 / Samenwerkende Hulporganisaties (SHO)					
SAMEN IN ACTIE VOOR BEIROET	31-12-2021	Up to and including 2021	SAMEN IN ACTIE VOOR COVID (INDIA)	31-12-2021	Up to and including 2021
Income			Income		
Income from campaigns by third parties	-	395,488	Income from campaigns by third parties	250,000	250,000
Interest income	-	-	Interest income	-	-
Total Income	-	395,488	Total Income	250,000	250,000
Internal cost recovery (ICR)			Internal cost recovery (ICR)		
ICR 7%	-	27,684	ICR 7%	17,500	17,500
Total available for aid activity	-	367,804	Total available for aid activity	232,500	232,500
Expenses			Expenses		
Spending on location			Spending on location		
Local spending by the implementing organisation	272,952	367,804	Local spending by the implementing organisation	-	-
Local spending by the international umbrella organisation	-	-	Local spending by the international umbrella organisation	-	-
Local spending by the participant	-	-	Local spending by the participant	219,086	219,086
Total Expenses	272,952	367,804	Total Expenses	219,086	219,086

6. MANAGING DIRECTOR AND SUPERVISORY BOARD

6.1 Remuneration of the Managing Director

Table 28. REMUNERATION MANAGING DIRECTOR	2021						2020
Name	C.W.J. Kok	L.P. Zijlstra	A.R.P. van Boven	T. Bergsma	2021 Total Salaried Directors	D. Romijn (1)	C.W.J. Kok
Position	Managing Director	Managing Director	Interim Managing Director	Interim Managing Director		Interim Managing Director	Managing Director
Employment contract							
Duration	indefinite	indefinite	interim	interim		external	indefinite
Hours	40	40	40	40		40	40
FTE percentage	100	100	100	100		100	100
Period	01/01-21/05	21/05-31/12	11/10-23/11	01/12-31/12		11/10-23/11	01/01-31/12
Remuneration							
Annual salary							
Gross salary	54,131	64,167	12,212	9,259	139,769	42,011	128,375
Holiday allowance	10,321	6,943	-	-	17,264	-	10,112
Year-end allowance	-	-	-	-	-	-	-
Gratifications / unused holiday payment	-	-	-	-	-	-	-
Total annual salary	64,452	71,110	12,212	9,259	157,033	42,011	138,487
Maximum annual salary (per GDN) (2)	70,372	98,521	21,112	14,074	168,893	N/A	162,397
Taxable allowances	-	-	-	-	-	-	-
Pension contribution (employer's share)	10,567	7,146	1,509	1,263	20,485	-	23,461
Pension compensations	-	-	-	-	-	-	-
Other long-term rewards	-	-	-	-	-	-	-
Benefits for termination of employment	-	-	-	-	-	-	-
Total remuneration	75,019	78,256	13,721	10,522	177,518	42,011	161,948
Maximum remuneration (per GDN) (2)	87,083	121,917	26,125	17,417	209,000	N/A	201,000

The Statutory Board of Terre des Hommes consists of one person, being the Managing Director. The Managing Director is appointed by the Supervisory Board of Terre des Hommes. The Supervisory Board determines both the remuneration policy of the Managing Director and the remuneration and emoluments to be paid to the Managing Director. The remuneration policy is updated periodically, lastly in May 2021. In determining the remuneration policy and establishing the actual remuneration and emoluments of the Managing Director, Terre des Hommes follows the guidelines 'Regulation for the remuneration of directors of charitable organisations for use by managements and supervisory boards' as issued by Goede Doelen Nederland.

The guidelines determine a maximum annual salary based on weighted criteria. The Remuneration Committee of the Supervisory Board has weighted the criteria and the position of Managing Director was rated to 520 points (the so-called BSD score) with a maximum salary of €168,893 (2020: €162,397). The actual annual salaries of the Managing Directors do not exceed the proportional maximum annual salary as set by Goede Doelen Nederland. The total remuneration of the Managing Directors amounted to €177,518 (2020: €161,948). The guidelines set the maximum remuneration to €209,000 (2020: €201,000). The taxable allowances, pension contributions and other long-term benefits were in reasonable proportion to the annual income. Therefore, Terre des Hommes complies with the regulations. At year-end the Managing Director had no outstanding loans, advances or guarantees from Terre des Hommes.

- (1) During the year, Mr. Kok resigned as the Managing Director, effective 21 May 2021. His employment with Terre des Hommes was terminated on 1 August 2021. From 21 May 2021, Mr. Zijlstra was appointed as the Managing Director. Mr. Zijlstra has been on a leave of absence due to illness since 6 September 2021. During his absence, the role of Managing Director was temporarily filled by Mr. van Boven (11 October to 23 November 2021) and Mr. Bergsma (1 December to 31 December 2021). In addition, in connection with Mr. Zijlstra's absence, an external interim Managing Director was engaged (11 October to 23 November 2021). The total compensation paid of €42,011 including VAT is in line with the market for

interim directors and met the conditions included in the remuneration scheme with regard to the deployment of an interim director (not employed).

- (2) The maximum annual salary of €168,893 and the maximum remuneration of €209,000 have been applied proportionally to each Managing Director, based on their time of employment or their time of interim appointment to the position of Managing Director.
- (3) Mr. Kok resigned as the Managing Director on 21 May 2021. However, his employment with Terre des Hommes continued until 1 August 2021. During the time between 21 May 2021 and 1 August 2021, Mr. Kok received the following remuneration: €21,653 gross salary; €12,617 gratifications and unused holiday payments; €10,826 termination benefits.

6.2 Supervisory Board

Members of the Supervisory Board do not receive any remuneration for their work, and they are not entitled to any loans, advances, or guarantees from Terre des Hommes.

6.3 Additional positions

During 2021, the Managing Directors held the following unremunerated additional positions.

C.W.J. Kok (1 January - 21 May 2021)

- Responsible Mica Initiative (RMI), Board member (vice-chairman)
- Terre des Hommes International Federation, Board member (vice-chairman)
- Stichting Samenwerkende Hulporganisaties (SHO), Board member
- CEO meeting of the Dutch Relief Alliance, Member
- Stichting Beheer Subsidiegelden Dutch Relief Alliance, Supervisory board member

- Stichting Steunfonds Jeugd Rotterdam, Board member (chairman)
- Terre des Hommes Sweden, Board member (chairman)
- Save Sweetie Now (UK), Trustee

L.P. Zijlstra (21 May - 31 December 2021)

- Save Sweetie Now (UK), Trustee

A.R.P. van Boven (11 October - 23 November 2021)

- Save Sweetie Now (UK), Trustee

T. Bergsma (1 December - 31 December 2021)

- Nederlandse Boekengids, Supervisory board member
- KNCV/Tuberculose Fonds, Supervisory board member
- VOx Impuls, Board member
- Theater Hotel Courage, Board member
- REF FM, Supervisory board member
- Child Protection Research Center, Supervisory board member
- VVE Zaanse Oever Bewonersvereniging, Board member (chairman)
- Vrienden van de Wormerveerse Roeivereniging, Board member (chair)

7. STATUTORY FINANCIAL STATEMENTS

7.1 Balance Sheet (after appropriation of results)

Statutory Balance Sheet		31-12-2021	31-12-2020
ASSETS			
Non-current assets			
Property, plant and equipment	(1a)	1,009,216	968,907
Intangible assets		111,494	207,857
		1,120,710	1,176,764
Current assets			
Receivables and accrued income	(3a)	4,743,046	7,158,845
Loan receivable		-	100,000
Securities		105,357	-
Cash and cash equivalents	(7a)	13,056,456	14,926,925
		17,904,859	22,185,770
Total assets		19,025,569	23,362,534
LIABILITIES			
Reserves			
Continuity reserves	(8a)	4,000,000	4,000,000
Designated reserves	(8a)	30,000	-
Reserves available for objectives	(8a)	8,946,837	9,995,571
		12,976,837	13,995,571
Funds			
Designated funds		181,919	199,004
Reserves and Funds		13,158,756	14,194,575
Current liabilities	(11a)	5,866,813	9,167,959
Total liabilities		19,025,569	23,362,534

7.2 Statement of Income and Expenses

Statutory Statement of Income and Expenses		Actual 2021	Budget 2021	Actual 2020
Income				
Income from private donors	(13a)	6,501,273	6,645,000	7,214,272
Income from companies		106,466	30,000	204,315
Income from lotteries		2,609,595	2,270,000	2,513,562
Income from government grants		10,490,217	16,987,000	10,732,196
Income from affiliated non-profit organisations		194,933	270,000	-
Income from other non-profit organisations	(18a)	2,235,456	1,719,000	1,086,868
Sum of fundraising income		22,137,940	27,921,000	21,751,213
Income in return for the delivery of goods and/or performance of services		-	-	-
Other income		328,999	-	7,517
Sum of income		22,466,939	27,921,000	21,758,730
Expenditure				
Structural development aid	(21a)	13,929,951	20,394,695	15,848,873
Emergency aid and rehabilitation	(22a)	4,878,946	2,937,464	4,420,783
Spent on objectives		18,808,897	23,332,159	20,269,656
Fundraising expenses		3,688,666	5,667,982	4,449,428
Management and administrative expenses		1,030,735	1,486,330	1,416,391
Sum of expenses		23,528,298	30,486,471	26,135,475
Result before financial income and expenses		(1,061,359)	(2,565,471)	(4,376,745)
Financial income and expenses	(24a)	25,540	-	(109,812)
RESULT		(1,035,819)	(2,565,471)	(4,486,557)
Results Appropriation		Actual 2021	Budget 2021	Actual 2020
Surplus/(deficit) is added to / drawn from:				
Designated funds		(17,085)	-	-
Designated reserves		30,000	-	-
Reserve available for objectives		(1,048,734)	(2,565,471)	(4,486,557)
Surplus / (deficit)		(1,035,819)	(2,565,471)	(4,486,557)



PricewaterhouseCoopers
Accountants N.V.
For identification
purposes only

8. NOTES TO THE STATUTORY FINANCIAL STATEMENTS

8.1 General

The principles of valuation and determination of results and the accounting principles for the statutory financial statements are the same as those applied to the consolidated financial statements.

In the notes to the statutory accounts only those notes that deviate from the notes to the consolidated accounts are included.

8.2 Property, plant and equipment

	Land	Buildings	IT Equipment	Furniture & Fixtures	Vehicles	Total
Opening Cost	130,200	1,725,862	159,706	59,771	182,537	2,258,076
Additions	-	87,872	20,324	20,404	31,213	159,813
Disposals	-	(301,125)	-	(3,398)	(2,629)	(307,152)
Adjustments	-	-	(104,047)	-	-	(104,047)
Effect of foreign exchange translation	-	-	-	9,424	5,073	14,497
Ending Cost	130,200	1,512,609	75,983	86,201	216,194	2,021,187
Opening Accumulated Depreciation	-	(1,099,655)	(28,758)	(21,600)	(139,183)	(1,289,196)
Depreciation	-	(58,812)	(19,451)	(12,274)	(8,356)	(98,893)
Disposals	-	301,125	-	5,184	2,629	308,938
Adjustments	-	66,375	11,257	-	-	77,632
Effect of foreign exchange translation	-	-	-	(7,407)	(3,045)	(10,452)
Ending Accumulated Depreciation	-	(790,967)	(36,952)	(36,097)	(147,955)	(1,011,971)
Net Book Value 31 December 2021	130,200	721,642	39,031	50,104	68,239	1,009,216

8.3 Current assets

8.3.1 Receivables and accrued income

	31-12-2021	31-12-2020
Regional office receivables	196,188	198,824
Legacies	808,882	1,540,048
Nationale Postcode Loterij	2,250,000	2,250,000
Receivable from Terre des Hommes shops	804,431	483,914
Project assets	501,250	2,366,863
Other prepaid and receivable amounts	182,295	319,196
Total Receivables and Accrued Income	4,743,046	7,158,845

8.3.2 Cash and cash equivalents

	31-12-2021	31-12-2020
Current accounts	8,999,066	10,580,888
Savings accounts	2,520,139	2,768,266
Deposits	75,000	75,000
Designated fund accounts	178,276	357,007
Cash and bank balances regions	1,283,975	1,145,764
Total Cash and Cash Equivalents	13,056,456	14,926,925

8.4 Reserves and funds

	Continuity reserve	Designated reserves	Available for objectives	Total
1 January 2021	4,000,000	-	9,995,571	13,995,571
Changes to reserves	-	-	-	-
Appropriation of results	-	30,000	(1,048,734)	(1,018,734)
31 December 2021	4,000,000	30,000	8,946,837	12,976,837

Reserves are €3,000 higher in the statutory results compared to the consolidated results. This is because the statutory results exclude Stichting ICS reserves (€315,973), Stichting Terre des Hommes Winkels (deficit of €324,429) and Stichting Terre des Hommes Foundation (€5,528).

Funds are the same as the consolidated fund balances.

8.5 Current liabilities

Table 11a. CURRENT LIABILITIES	31-12-2021	31-12-2020
Current liabilities projects	4,063,353	7,574,696
Current liabilities regions	505,845	648,225
Other current liabilities	1,297,615	945,038
Current liabilities	5,866,813	9,167,959

8.5.1 Off-balance sheet liabilities

Table 12a. COMMITMENTS	< 1 year	1-5 years	> 5 years	Total
Printers and copiers	3,993	15,972	1,997	21,962
Project commitments	4,032,569	148,286	-	4,180,855
Total commitments 31 December 2021	4,036,562	164,258	1,997	4,202,817

8.6 Income from private donors

Table 13a. INCOME FROM PRIVATE DONORS	2021	2020
Donations and gifts	5,829,985	5,578,977
Legacies	671,288	1,635,295
Total income from private donors	6,501,273	7,214,272

8.7 Income from other non-profit organisations

Table 18a. INCOME FROM OTHER NON-PROFIT ORGANISATIONS	2021	2020
Samenwerkende Hulporganisaties (SHO)	528,309	101,491
Other Foundations	807,138	417,563
Terre des Hommes affiliated shops	851,456	567,814
Stichting ICS	48,553	-
Total income from other non-profit organisations	2,235,456	1,086,868

8.8 Structural aid

Table 21a. STRUCTURAL DEVELOPMENT AID	2021	2020
Asia	2,466,259	5,010,233
East Africa	3,954,716	4,589,067
Netherlands / Other	4,911,272	3,750,203
Remittance to alliance partners	2,597,704	2,499,370
Total structural aid	13,929,951	15,848,873

8.9 Emergency aid and rehabilitation

Table 22a. EMERGENCY AID AND REHABILITATION	2021	2020
Using own resources	241,769	60,912
Using SHO resources	508,989	98,172
Using grants	4,128,188	4,261,699
Remittance to alliance partners	-	-
Total emergency aid and rehabilitation	4,878,946	4,420,783

8.10 Personnel expenses

Table 23a. PERSONNEL EXPENSES	2021	2020
Wages and salaries	3,211,894	2,702,925
Social security charges	509,986	408,045
Pension charges	378,517	275,875
Other personnel costs	1,215,084	2,082,110
Total personnel costs	5,315,481	5,468,955

8.11 Financial income and expenses

Table 24a. FINANCIAL INCOME AND EXPENSES	2021	2020
Foreign exchange rate gains / (losses)	111,585	(75,385)
(Negative) interest current account / savings account / deposits	(58,471)	(36,263)
Fair value gain / (loss) on securities	(44,643)	-
Interest received by regional offices	17,069	1,836
Total financial income and expenses	25,540	(109,812)

8.12 Cost allocation to the different activities

Table 26a. COST ALLOCATION	Spent on objectives		Fundraisin g costs	Management and administrativ e costs	Actual 2021	Budget 2021	Actual 2020
	Structural aid	Emergency aid					
Grants and contributions	7,627,201	4,637,176	-	-	12,264,377	13,565,553	14,596,090
Remittance to affiliated organisations	2,597,704	-	-	-	2,597,704	5,857,472	2,499,370
Communication costs	-	-	1,602,459	-	1,602,459	2,471,943	2,202,449
Personnel costs	2,858,678	171,634	1,559,785	725,383	5,315,480	7,091,095	5,468,954
Housing costs	164,016	10,388	96,610	44,929	315,943	197,004	148,367
Office and general costs	609,952	52,852	365,680	230,598	1,259,082	1,072,354	997,584
Depreciation & amortisation	72,400	6,896	64,132	29,825	173,253	231,050	153,102
Total for consolidated statements	13,929,951	4,878,946	3,6988,666	1,030,735	23,528,298	30,486,471	26,065,916

9. EVENTS AFTER THE BALANCE SHEET DATE

There are no adjusting or non-adjusting events after the balance sheet date.

10. PREPARATION AND ADOPTION OF THE FINANCIAL STATEMENTS

The consolidated and statutory annual accounts are prepared by the Board consisting of:

- Mr. T (Tjipke) Bergsma, Managing Director

The consolidated and statutory annual accounts are adopted by the Supervisory Board formed by:

- Ms. M. (Marianne) Verhaar-Strijbos, Chair
- Mr. B.M. (Bas) Verheijen
- Mr. L.F. (Frans) den Houter
- Ms. I. (Ilse) Griek
- Ms. S. (Sigrid) Jansen

OTHER INFORMATION

11. APPROPRIATION OF THE RESULTS

The results of the consolidated and statutory accounts have been deducted from the reserves available for the objectives.

June 17, 2022

The Hague, the Netherlands

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report

To: managing director, the leadership team and the supervisory board of Stichting Terre des Hommes Nederland

Report on the financial statements 2021

Our opinion

In our opinion, the financial statements (page 69 – 91) of Stichting Terre des Hommes Nederland ('the organisation') give a true and fair view of the financial position of the organisation and the Group (the organisation together with its subsidiaries) as at 31 December 2021, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

What we have audited

We have audited the accompanying financial statements 2021 of Stichting Terre des Hommes Nederland, The Hague. The financial statements comprise the consolidated financial statements of the Group and the statutory financial statements.

The financial statements comprise:

- the consolidated and statutory balance sheet as at 31 December 2021;
- the consolidated and statutory statement of income and expenses for the year then ended; and
- the notes, comprising the principles of valuation and determination of results, accounting principles and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

The basis for our opinion

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

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

Independence

We are independent of Stichting Terre des Hommes Nederland in accordance with the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands
T: +31 (0) 88 792 00 20, F: +31 (0) 88 792 96 40, www.pwc.nl

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onafhankelijkheid van accountants bij assuranceopdrachten' (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).

Report on the other information included in the annual accounts

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

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information regarding the management report that is required by the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

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

The managing director and the leadership team is responsible for the preparation of the other information, including the management report pursuant to the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board.

Responsibilities for the financial statements and the audit

Responsibilities of managing director, the leadership team and the supervisory board for the financial statements

The managing director and the leadership team is responsible for:

- the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Charity organisations' of the Dutch Accounting Standards Board; and for
- such internal control as managing director and the leadership team 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 director and the leadership team is responsible for assessing the organisation's ability to continue as a going concern. Based on the financial reporting framework mentioned, managing director and the leadership team should prepare the financial statements using the going concern basis of accounting unless managing director and the leadership team either intend to liquidate the organisation or to cease operations or has no realistic alternative but to do so. The managing director and the leadership team should disclose in the financial statements any event and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT



The supervisory board is responsible for overseeing the organisation's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, which makes it possible that we may not detect all material misstatements. Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 22 June 2022
PricewaterhouseCoopers Accountants N.V.

Original signed by M. van Dijk RA



Appendix to our auditor's report on the financial statements 2021 of Stichting Terre des Hommes Nederland

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

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 consisted, among other things of the following:

- 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 intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing director and the leadership team.
- Concluding on the appropriateness of the use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the 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.

Considering our ultimate responsibility for the opinion on the consolidated financial statements, we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the Group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the Group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the Group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

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

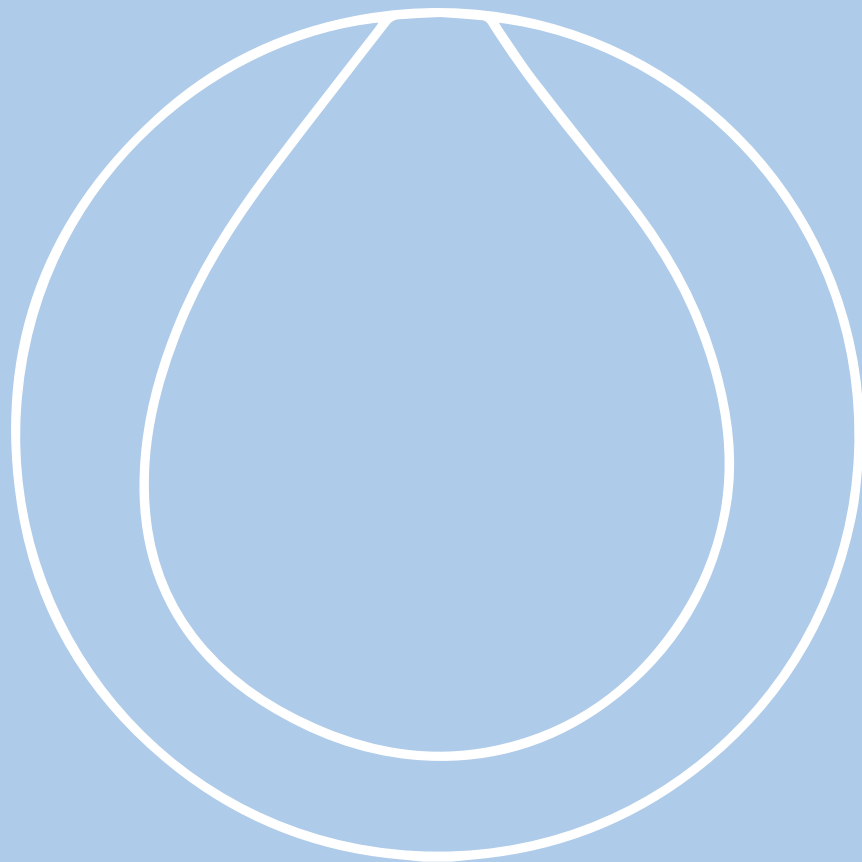
APPENDIX

Results of the volunteer groups

Shop location	Gross revenue	Direct costs	Net revenue	Gifts and other revenue	Total result	Shop location	Gross revenue	Direct costs	Net revenue	Gifts and other revenue	Total result
Alphen a/d Rijn	29,332	-24,672	4,660	4,518	9,178	Leeuwarden ¹	-	-6,851	-6,851	-	-6,851
Amersfoort	93,746	-26,983	66,763	339	67,102	Leiden	31,125	-14,256	16,869	3,004	19,873
Amsterdam	33,610	-14,775	18,835	519	19,354	Maastricht	40,466	-22,450	18,016	501	18,517
Apeldoorn	40,953	-19,796	21,157	976	22,133	Middelburg	67,904	-26,824	41,080	737	41,817
Arnhem	50,735	-23,371	27,364	1,561	28,925	Nijmegen ³	10,210	-18,813	-8,603	1,477	-7,126
Assen ¹	1,013	-5,065	-4,052	4,680	628	Oosterhout	57,621	-28,682	28,939	13,892	42,831
Barneveld	16,730	-392	16,338	477	16,815	Pijnacker	83,045	-9,945	73,100	4,471	77,571
Bergen op Zoom	43,066	-17,978	25,088	1,301	26,389	Roosendaal ²	-	-276	-276	6,774	6,498
Breda	51,231	-22,873	28,358	4,207	32,565	Rotterdam ¹	35,690	-18,996	16,694	2,552	19,246
Delft	54,916	-19,922	34,994	4,937	39,931	Tilburg	37,594	-23,922	13,672	563	14,235
Den Bosch	116,233	-56,809	59,424	1,429	60,853	Utrecht	28,902	-9,314	19,588	831	20,419
Den Haag ¹	4,256	-7,452	-3,196	214	-2,982	Venlo	25,789	-20,113	5,676	8,154	13,830
Deventer	24,579	-13,005	11,574	562	12,136	Wageningen ¹	3,311	-1,797	1,514	158	1,672
Drachten	26,454	-18,033	8,421	105	8,526	Zoetermeer	43,442	-29,599	13,843	3,349	17,192
Eindhoven	49,904	-26,756	23,148	2,916	26,064	Zundert ²	-	-198	-198	02	-196
Emmen	31,141	-14,408	16,733	572	17,305	Zwolle ¹	25,111	-23,227	1,884	7,581	9,465
Enschede	24,853	-24,001	852	1,712	2,564	Total Shops	1,432,678	-752,313	680,365	91,680	772,045
Goes ¹	-	612	612	-	612	Terre des Hommes Zuidwest-Friesland/ Bolsward ³	-	-	-	1,530	1,530
Gouda	39,537	-24,497	15,040	1,157	16,197	Terre des Hommes Kennemerland ³	-	-	-	77,468	77,468
Groningen ³	6,411	-15,429	-9,018	07	-9,011	Terre des Hommes 's-Heer Hendrikskinderen ³	-	-	-	94	94
Haarlem	42,646	-18,684	23,962	389	24,351	Total Associatioms	-	-	-	79,092	79,092
Haarlemmermeer	22,021	-21,660	361	254	615						
Heerenveen	16,780	-15,351	1,429	486	1,915						
Helmond	47,008	-25,301	21,707	158	21,865	Total Volunteer groups	1,432,678	-752,313	680,365	170,772	851,137
Hengelo	54,421	-22,219	32,202	1,915	34,117						
Hilversum ¹	20,892	-18,230	2,662	2,243	4,905	¹	Transferred to Terre des Hommes Winkels during 2021				
						²	Closed down during 2020, financial settlement in 2021				
						³	Closed down during 2021				

Results of Terre des Hommes Winkels shops

Shop location	Gross revenue	Direct costs	Net revenue	Gifts and other revenue	Total result
Alkmaar EB	47,122	-24,395	22,727	23	22,750
Assen EB	31,874	-18,319	13,554	-	13,554
Barendrecht EB	3,218	-2,282	937	49	985
Den Haag EB	18,722	-13,113	5,609	310	5,919
Goes EB	27,996	-20,444	7,551	2,865	10,416
Hilversum EB	13,024	-6,504	6,520	55	6,575
Leeuwarden EB	39,664	-16,077	23,587	-	23,587
Middelburg EB	-	-86	-86	-	-86
Velp EB	1,114	-9,034	-7,920	-	-7,920
Wageningen EB	50,175	-26,687	23,487	2,258	25,745
Zwolle EB	14,168	-6,848	7,319	-	7,319
Total Terre des Hommes Winkels shops	247,077	-143,789	103,285	5,560	108,844



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