

Annual Report

To the Board of the KidsRights Foundation
Amsterdam

Concerning Financial report 2016



This annual report is a translation from the Dutch version. In case of any interpretation discrepancies concerning the annual report, the official Dutch version prevails.

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Board Report KidsRights 2016

KidsRights is a Dutch children's rights organization that promotes the wellbeing of vulnerable children across the world, and advocates the realization of their rights. KidsRights strives for a world where all children have access to their rights and are enabled to realize the great potential they carry within them. KidsRights sees children as *changemakers* with the power to move the world, and facilitates in voicing their opinions and taking action in order to bring about change.

KidsRights supports children by commanding global attention for children's rights and acting as a catalyst to ignite change, together with children and youths. We support this with research and action. In order to gain insight into the status of children's rights, KidsRights frequently conducts research. The foundation also finances local projects aimed at directly improving the rights of vulnerable children and stimulating child participation and *changemaking* by youths.

The International Children's Peace Prize is one of the most important platforms KidsRights facilitates. As Desmond Tutu, Nobel Peace Prize winner and patron of KidsRights, says: *"KidsRights seeks to give a voice to the voiceless."*

The Results of Our Activities in 2016 – Advocacy and Information

International Children's Peace Prize

The International Children's Peace Prize is awarded annually to a child that has fought courageously for the rights of children, anywhere in the world. The prize, an initiative of Marc Dullaert, founder and chairman of KidsRights, was launched in 2005 by KidsRights during the world summit of Nobel Peace Prize winners in the Capitol in Rome, under the personal chairmanship of Mikhail Gorbachov. Since then the prize has been awarded annually by a Nobel Peace Prize winner. The winner of the Children's Peace Prize is selected from worldwide nominations every year. An independent Expert Committee assesses the recommendations and selects the winner. Very special, but often still unknown, brave children are given a platform thanks to the annual nomination process. The message of the young winner has enormous impact year in and year out and shows millions of people worldwide that change is possible.

The winner receives the 'Nkosi' statuette, which depicts a child moving the world. In addition, the winner receives a scholarship and a worldwide platform to promote his or her ideals and objectives in the field of children's rights. Lastly, KidsRights annually invests in a project fund of €100,000 for projects in the area of the winner's children's rights topic. In 2016 KidsRights received the record number of 120 submissions (2015: 77) for the prize, from 49 different countries. On the International Day of Peace (21 September) KidsRights, announced the 3 final nominees for 2016: 12-year old Divina from Cameroon who fights for peace, 18-year old Muzoon from Syria, who advocates for the rights of child refugees and 16-year old Kehkashan Basu from the UAE, who raises awareness for the environment and the importance of a sustainable future.

On 2 December 2016, the International Children's Peace Prize was awarded to Kehkashan Basu for her fight against pollution and degradation of our environment. Already at 12 years old, she founded her own organization, Green Hope, to work towards a sustainable future and

climate justice. In the presence of the world press, Kehkashan received the prize from Nobel Peace Prize winner Mohammad Yunus.

The KidsRights Youngsters

The platform of The KidsRights Youngsters was launched in 2014 to celebrate the 10th anniversary of the Children's Peace Prize. The Children's Peace Prize winners pooled their powers to urge world leaders to comply with children's rights and to cooperate with children.

In 2016, *The KidsRights Youngsters* decided to focus on violence against children, the topic of Abraham Keita de 2015 Peace Prize winner. They formed an alliance with two UN organizations to raise international awareness for this topic: The Global Partnership to End Violence against Children (including partners UNICEF and the WHO) and the UN special Representative to the Secretary General on Violence Against Children. *The KidsRights Youngsters* also contributed to the new children's policy for the International Criminal Court in The Hague. This policy facilitates investigations into and prosecution of war crimes against children.

In November 2016, KidsRights supported South African Youngster Chaeli to speak out against discrimination at the UN. At the same event, KidsRights worked with other organizations (among others Amnesty International) to create a platform for young changemakers to promote their own local initiatives in the area of children's rights. At the end of the year, KidsRights and *The KidsRights Youngsters* participated in the Laureates & Leaders for Children Summit to make a fist against child slavery and child labor, together with world leaders and Nobel laureates. The Summit was initiated and organized by Nobel Peace Laureate Kailash Satyarthi.

In their own communities *The KidsRights Youngsters* also work on raising awareness and improving children's rights. With KidsRights support, the young leaders initiated 103 *changemaking actions*, reaching and engaging over 14.400 children in their fight for children's rights. Using Social Media, *The KidsRights Youngsters* inspired and activated over 146.000 children with their message to end violence against children.

Support for *The KidsRights Youngsters*: the Study and Care Fund

All winners of the International Children/s Peace Prize receive financial and other support for their continued education. In some cases, KidsRights also financially supports the education of siblings. In addition, KidsRights supports *The KidsRights Youngsters* in their local changemaking initiatives and their international advocacy activities by offering mentoring and coaching and involving parents or, if necessary, appointing a local mentor. During the year, KidsRights facilitated several virtual meetings for *The KidsRights Youngsters* to share experiences, exchange best practices and align their changemaking actions.

Children's Rights Curriculum - the Netherlands

KidsRights finds it important to teach children in The Netherlands about children's rights. From a young age, they learn about their rights, are able to join the discussion and personally take action. The 'Children's Rights Curriculum' is available free of charge to all primary schools in the Netherlands for years 7 and 8 and can be downloaded from the KidsRights website. Through an interactive world map, the students learn about the different International Children's Peace Prize Winners and the children rights themes of each of the winners.

During the academic year 2015-2016, 543 schools (8% of total) used the curriculum, and almost 40.000 elementary school pupils learned about children's rights.

Children's Rights Curriculum – Unites States of America

To promote children's rights internationally, KidsRights worked together with Rock Your World, a US based organization that offers an online Human Rights curriculum. Together we created an international children's rights curriculum for Middle and High School students. In 2016 we started a pilot with the online lessons at several schools in the New York City area. Through this cooperation, KidsRights has access to 680,000 students in 72 countries worldwide.

KidsRights Week

20 November is International Children's Rights day. KidsRights celebrated this by organizing the KidsRights week from November 21-25. During the week, we organized as many guest lessons on children's rights at Dutch elementary schools. 39 volunteers from partners and business friends taught over 1500 kids at 61 schools all over The Netherlands

International Children's Peace Prize Exhibition

Together with World Press Photo, KidsRights organized several exhibitions throughout the Netherlands. In The Hague, Naarden and Zutphen over 180,000 visitors could learn about the lives of the International Children's Peace Prize winners, and the children's rights they fight for. The exhibition demonstrates the urgency of children's rights, and the strength and ability of children to move their world. The pictures and stories are based on the 2014 anniversary book Changemakers. In 2017, the exhibition will be shown in de Grote Kerk in Zwolle, and De Nieuwe Kerk in Amsterdam.

The Results of Our Activities in 2016 - Research

KidsRights Index

The 2016 KidsRights Index was published worldwide in June 2016. The Index outlines how countries comply with children's rights and to what extent they are equipped to promote children's rights in their own countries. The KidsRights Index is an initiative of KidsRights, in cooperation with the Erasmus School of Economics and the International Institute of Social Studies of Erasmus University Rotterdam. The Index contains a ranking of all UN member states that have ratified the UN Convention on the Rights of the Child and for which sufficient data is available: in total 163 countries in 2016. The most important findings of the 2016 KidsRights Index are:

- Discrimination remains an important barrier worldwide for compliance with children's rights for all children
- Children's Rights activist are increasingly under threat

In particular, countries still need to invest to fight discrimination of children belonging to minority groups. Overall, all 163 countries do not pay sufficient attention to encourage and facilitate child participation. Not one of the countries in the Index got full marks on this topic.

The Netherlands dropped in the 2016 Ranking to place 13, from place 10 in 2015. This resulted in questions from the parliament to the Dutch secretary of Health, Well-Being and Sports to explain the score and the lower 2016 ranking.

KidsRights Report – *Cleaning Up the Mess*

Together with the Faculty of Law of the University of Leiden and law firm NautaDutilh, KidsRights issued a report on the importance of a clean environment for children. The report, written for the celebration of the 2016 International Children's Peace Prize award, demonstrates that children's rights and a healthy environment are closely linked. Children are hit hardest during environmental crises, and are the first victims. KidsRights argues that the right to a safe and healthy environment should be included in the UN children's rights convention.

The KidsRights Report and the KidsRights Index were shared with over 4,000 international experts and professionals working in the field of children's rights. With the findings of the KidsRights Index and the KidsRights Reports, local and international children's rights organizations have research to support them to advocate for children's rights to (inter)national authorities

The Results for Our Activities in 2016 - Action (Projects)

In 2016 KidsRights supported **thirteen projects** spread over **six countries** and thereby **directly reached more than 18,500 children**. Our projects are focused on a specific children's right or a specific target group of vulnerable children whose rights are infringed or under pressure, linked to the themes of previous International Children's Peace Prize Winners. The projects are selected following a prescribed procedure and pre-defined project criteria. It is not the objective of KidsRights to help more and more children directly through projects each year, but our aim is to strengthen specific elements such as child participation and local sustainability. The projects are also linked to the children's rights themes of the Children's Peace Prize winners.

Ending Violence against Children was the theme of Abraham Keita from Liberia, the 2015 International Children's Peace Prize Winner. Four Liberian based projects were selected:

- YOCEL:** A Youth led project that raises awareness on prevention of violence against children through ICT campaigns for children
- Search:** Support for the implementation of a Children's law on sexual violence and raising awareness on this issue, the most prevalent form of violence against children in Liberia
- ANPPCAN** Support for the implementation of a Children's law on access to justice for young victims of violence and raising awareness on this issue.
- DCI** Support for justice for young victims of violence by strengthening of the judicial system.

Some results of other projects:

- **Tanzania:** over 4,300 refugee children in the Nyarugusu now have access to internet.
- In the **Philippines**, the DTC school projects was replicated by the government and UNESCO, who also recognized this project as a best practice.
- **South Africa:** The recently started ambassador project 'Chaeli Campaign' is bringing child participation to the poorest slums of South Africa.
- **Pakistan** – 62 girls who attend the second year at the evening school Khpal Kor will graduate in 2017

Communication

KidsRights generates exposure for young changemakers by generating online exposure for their stories, their actions and their changemaking initiatives. In addition, we regularly inform our sponsors, partners and international network of children's rights professionals and experts of our work. The main tools used in 2016 were social media, our website and (digital) newsletters.

Online and Social Media

In 2016, we invested further in social media. Facebook is the perfect tool to share news and events around KidsRights and *The KidsRights Youngsters*. Twitter is used for communication around specific events and news items.

We initiated a large, international campaign around the 2016 nominee process to create international involvement and awareness around the number and diversity of the 120 nominees. By approaching social media influencers, we reached over 4.6 mln people through Facebook (over 0.5 mln in 2015). The story of nominee Sofia from Costa Rica went viral: her story reached over 440,000 people.

Another initiative to create a buzz around the International Children's Peace Prize was the Facebook Livestream option during the Awards ceremony that reached almost 2.2 mln people and was viewed over 850,000 times. As a result, the followers of KidsRights and *The KidsRights Youngsters* Facebook pages increased substantially, 152,225 likes for KidsRights (2015: 50,234) and 146,804 (50,484) for *The KidsRights Youngsters*.

Result 2016

The income of KidsRights increased to a total amount of € 1,892,128 (€ 1,865,592). This increase can be mainly contributed to a slight increase in donations. The costs of our fundraising grew due to door-to-door recruitment of individual donors (Emolife – costs € 152,606) and to the startup costs of our activities in the USA, and local fundraising activities in the USA (investment € 125,134). The number of structural donors increased, but overall the results of the investment in fundraising were disappointing. In 2017 this will receive extra attention. The Friends of KidsRights Foundations was established in April 2016 and received the 501(c)3 status.

In total € 1.4 mln was spent on the objectives of KidsRights. The project expenses decreased further. This is a direct result from our strategic decision to primarily invest in projects related to the International children's Peace Prize fund and to decrease our participation in other projects. We put an increased emphasis on advocacy and awareness, and the related investments in this area grew. The costs of management & administrative records were €123,105.

KidsRights does not invest funds, as it is our policy to direct our income to the objectives of the Foundation as much as possible. In 2016, 72.7% of our income was directly invested in our objectives.

Risks

KidsRights main risk is not meeting its fundraising targets. This could have an impact on the continuation of our programs. KidsRights mitigates this risk through diversification of donors. Generating income from multiple, diverse sources reduces the risk of a sudden decrease in income. For larger donors, longer term contracts have been signed allowing for an adjustment in expenses if one of these donors discontinues their support. As a result, the loss of a large donor will not have a huge impact on the ongoing activities of the organization. In addition, KidsRights also ensures that a sufficient part of income covers operational expenses in addition to earmarked income.

In accordance with the Dutch Accounting Guidelines for fundraising institutions (RJ650), KidsRights holds a continuity reserve as a buffer. This reserve is adequate to ensure continuity for at least a year even if sources of income are lost or unforeseen expenses must be covered. In addition, KidsRights allows for some flexibility in expenditures, which allows for a decrease in expenditures if fundraising during the year is lower than budgeted. The Board reviews the budget regularly, and adjusts expenses if necessary during the year, to ensure that income from fundraising covers the operational costs. KidsRights does not have any other major strategic, operational or financial risks that could impact the short term continuity of the organization

Reserves

Continuity reserve

A continuity reserve is constituted for the cover of risks in the short term and to ensure that KidsRights can also fulfil its obligations in the future. The standard recorded by the board for the extent of the reserve deemed necessary amounts to € 721,132. This standard concerns a maximum of 1 time the total costs for personnel, outsourced work, housing and the office.

Earmarked funds

The earmarked funds concern the project fund made available with the Children's Peace Prize award.

Allocation of the result

The board of KidsRights has decided to allocate the result of 2016 as follows: € 23,902 is added to the earmarked fund and € 57,064 is deducted from the continuity reserve.

Explanation of the annual reporting

The annual accounts are drawn up in accordance with the Directive for the Annual Reporting 650 for Fundraising Institutions, supplemented with the requirements from the Central Agency for Fundraising.

Fundraising

KidsRights is entirely dependent on donations because it does not receive any subsidies for its work. It is necessary for healthy business operations to know how much money will be received in advance as far as possible. That is the reason why KidsRights focuses expressly on structural donors. The main part of our income comes from donations, which are transferred monthly, quarterly or annually by direct debit collection. A second important source of income for KidsRights is sponsoring by corporate partners such as ABN AMRO and NautaDutilh. The Johnick Foundation will be providing the funds for the International Peace Prize Project fund from 2015 to 2017.

Business Friends of KidsRights also make a commitment for one or more years to pay for organizational costs or to provide services in kind.

Board

The number of board members of the KidsRights Foundation amounts to at least three and at most nine members. The board fills its vacancies itself. The appointment comes into effect by means of a resolution adopted by a unanimous vote of all board members holding office. The board members hold office for a period of five years. The board members can always be reappointed. In 2016 the board of the foundation comprised Marc Dullaert (chairman), Scipio van der Stoel (secretary), Erik van de Merwe (treasurer), Roland van der Hoek, Hans Geels and Jacqueline Ruepert. There is no remuneration for board members.

Office & Staff

KidsRights has an office in Amstelveen. The space for this is made available by ABN AMRO Bank. At the end of 2016, this in kind sponsoring will end. KidsRights would like to thank ABN AMRO for their continuous support. Over many years we were allowed to use their office space for our staff.

The staffing level amounts to 7.4 FTEs (average in 2016). As the Manager Operations, Cindy de Visser was responsible for the daily management of the foundation and she reports to the board. Her annual gross salary amounts to € 63,750 based on 1.0 FTE.

Volunteers

KidsRights deploys volunteers from time to time for work at the office of the foundation. In 2015 four volunteers helped at the office for various activities. KidsRights does not facilitate volunteer work abroad.

Strategy 2017

There are three components to the strategy of KidsRights, which are linked to each other and strengthen each other: **advocacy, research and action (projects)**. The distinctive character of KidsRights in its activities is that KidsRights believes in change and also sees a very important direct role for children in advocating for their rights and moving their worlds. 'Children are *changemakers*' is the positive message. Highlighting possibilities rather than impossibilities is an important principle in our work.

In **advocacy**, KidsRights raises awareness on children's rights by informing the general public, and advocates for children's rights with political influencers and (non-)profit organizations worldwide. KidsRights wants to increase the role of children in decision making processes. We inform them on their rights, inspire them with the stories of the International children's Peace Prize Winners and mobilise them by giving examples and tools for their own changemaking actions. In 2017 KidsRights will bring the *KidsRights Youngsters* together again to further develop their advocacy and awareness activities globally.

Important instrument for raising general awareness and supporting our advocacy activities, are the KidsRights Index and the KidsRights reports. KidsRights does not develop the scientific capacity itself, but cooperates with reputable and reliable partners, like the University of Leiden and NautaDutilh (KidsRights Report) and the Erasmus University Rotterdam (KidsRights Index). In 2017 KidsRights will publish the fifth edition of the **KidsRights Index**, based on the most recent available data. A **KidsRights Report** will also be developed in order to support the theme of the new winner of the Children's Peace Prize.

Thirdly, KidsRights continues to make efforts for the **immediate improvement of children's rights** for specific groups of children. KidsRights does this together with its project partners abroad. Next year, KidsRights expects to **support** at least **17,000 vulnerable children** directly in **5 countries** through **15 local projects**. In addition to starting up the projects linked to the 2015 project fund in Liberia, we will continue to support projects in South Africa, India and the Philippines. In 2017 KidsRights will continue these activities, whereby a lot of attention will be paid to the **2016 Children's Peace Prize theme** of the environment. KidsRights will work together with 2016 winner Kehkashan Basu to select projects and develop ties with organizations and NGOs active in the environmental field. A key element in the selection process will be that children play an active role in the selected projects or organizations.

KidsRights will develop a new website environment because its current websites no longer suffice. We will continue to focus on social media in order to get even more people acquainted with the courageous stories of young *changemakers*. In the US, the recently established Friends of KidsRights Foundation will invest in building a donor network in the US, as well as promoting KidsRights activities in the US. Internationally, we want to expand the awareness and knowledge of children's rights by working together with partners to roll out our curriculum internationally.

At the start of 2017, KidsRights was awarded € 1,000,000 one off grant from the Nationale Postcode Loterij. This was a tremendous vote of confidence for our work to give a voice to children. With the grant, we want to support more children to move their world for children's rights, and to ensure that the urgency of children's rights will remain on the global agenda. The 2017 budget will be adjusted to reflect the additional income, but this has not been finalized. Therefore the originally approved 2017 budget is added as appendix A.

Amsterdam, July 5, 2017

KidsRights Foundation

Marc Dullaert, Chair

Scipio van der Stoel, Secretary

Cindy de Visser, board member

Hans Geels, board member

Jacqueline Ruepert, board member

Financial report 2016

KidsRights Foundation

Registered place of business:
Address:

Amsterdam
Noorderakerweg 90
1069 LW, The Netherlands

Balance sheet as at 31 December 2016

(after profit appropriation)

A s s e t s

(in euros)

Fixed Assets

Intangible fixed assets (1)

Tangible fixed assets (2)

Receivables (3)

Cash and cash equivalents (4)

Total assets

2016	2015
€	€
21,435	1,840
1,061	1,930
22,496	3,770
135,734	243,364
869,665	662,751
1,027,895	909,885

L i a b i l i t i e s

Reserves and funds

(in euros)

Continuity reserve (5)

Special-purpose reserves (5)

Earmarked funds (5)

Total Reserves

Current liabilities (6)

Total liabilities

2016	2015
€	€
305,672	362,736
223,902	200,000
529,574	562,736
498,321	347,149
1,027,895	909,885

Statement of income and expenditure 2016

	Actual 2016	Budget 2016	Actual 2015
(in euros)	€	€	€
Income			
Income from own fundraising (7)	1,817,705	1,976,628	1,804,980
Income from third-party initiatives	70,940	65,000	55,753
Income from investments	-	-	-
Other income	3,483	4,500	4,859
Total Income	1,892,128	2,046,128	1,865,592
Expenditure			
Spent on objectives (8)			
- Awareness and research	898,747	1,001,352	841,833
- Projects and programs	477,169	542,626	617,159
Cost of own fundraising (8)			
- Costs of own fundraising (8)	426,269	465,461	263,783
- Costs of Investments (8)	-	10,000	-
Management and administration (8)			
- Costs of management and administration	123,105	127,647	104,616
Total expenditures	1,925,290	2,147,086	1,827,391
Net result	-33,162	-100,958	38,201

Appropriation of net result 2016

	Actual 2016	Actual 2015
(in euros)	€	€
Continuity reserve	-57,064	-6,614
Earmarked funds	23,902	44,815
	-33,162	38,201

	2016 Actual	2016 Budget	2015 Actual
Total spent on objectives in % of total income	72.7	75.6	78.2
Total spent on objectives in % of total expenditure	71.4	72.6	79.8
Costs of own fundraising in % of income from own fundraising	23.5	24.1	14.6
Management and administration costs in % of total expenditure	6.4	6.0	5.7
Cost of own fundraising in % of Total income	22.1	23.2	14.1

Disclosure notes and accounting principles applied to the balance sheet and Statement of income and expenditure

General Notes

KidsRights is a Dutch children's rights organization that promotes the wellbeing of very vulnerable children across the world and advocates the realization of their rights.

KidsRights was established on 27 June 2003 and is registered in the commercial register of the Chamber of Commerce under number 34192528. The foundation holds office at Noorderakerweg 90, Amsterdam (since January 2017).

The financial statement has been prepared in accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ650) published by the Dutch Accounting Standard Board.

The budget that is presented in the financial statement has not been audited by an external accountant.

The Friends of Kidsrights Foundation, established in April 2016, does not have a statement of financial income and expenditures over 2016, as no activities were initiated.

General principles

Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with exception of the changes in accounting policies as set in the relevant sections.

Foreign Currency

Items included in the financial statements are valued with due regard for the currency in the economic environment in which the company carries out most of its activities (the functional currency). The financial statements are denominated in euros; this is both the functional currency and presentation currency.

Estimates

In applying the principles and policies for drawing up the financial statements, the board of the KidsRights foundation makes different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under section 362, sub 1, book 2 of the Dutch Civil Code the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

Intangible fixed assets

Intangible fixed assets are stated at historical cost less amortization. Impairments are taken into consideration; this is relevant in the event that the carrying amount of the asset is higher than its recoverable amount.

Tangible fixed assets

Tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Accounts receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Trade receivables are subsequently valued at the amortized cost price. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash and cash equivalents represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash and cash equivalents are valued at nominal value.

Reserves and Funds

In accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650), equity is divided into reserves and funds.

Continuity reserve

The continuity reserve exists to ensure that the organization can meet its obligations in the future. Its level is determined by the risks the organization runs. This reserve is meant to guarantee the organization's continuity.

The internal standard for the continuity reserve is decided by the board, and contains 1 time the costs of personnel, hired staff, housing and office costs (2015: € 721,132). The continuity reserve stays well inside the permitted size.

Earmarked funds

The earmarked funds contain the project fund made available with the annual Children's Peace Prize award.

Current Liabilities

On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at the amortized cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Principles for the determination of the result

Income and expenditure is attributed to the year to which it relates and expenditure is recorded at historical cost unless indicated otherwise.

Income

Income and expenditure are attributed to the year to which they relate. Income from own fundraising is recognized in the year to which the item of income relates. Non-recurring items of income are recognized in the year in which they are received.

Expenditures

The costs of the work organization, costs of own fundraising, awareness costs and other costs are attributed to the year to which they relate.

Employee benefits

The benefits payable to personnel are recorded in the statement of income and expenditure on the basis of the employment conditions.

Amortization of intangible- and tangible assets

Fixed assets are amortized and depreciated from the date of when they are available for use, based on the estimated economic life of the asset.

Financial income and expenses

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate.

In accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration.

Notes to the specific items of the Balance Sheet

Intangible fixed assets (1)

The movement in intangible fixed assets can be summarized as follows:

	Intangible fixed assets
	€
Book value 1 January 2016	1,840
Investments	21,435
Amortization	1,840
Book values 31 December 2016	<u>21,435</u>
Balance at 31 December 2016:	
Acquisition costs	43,515
Amortization	22,080
	<u>21,435</u>

This contains the activation of the peer-to-peer website and is amortized in 24 months. The last amortization was in February 2016. In 2016 KidsRights started the development of a new website. The website will go live in early 2017.

Tangible fixed assets (2)

The movement in intangible fixed assets can be summarized as follows:

	Tangible fixed assets
	€
Book value 1 January 2016	1,930
Investments	-
Disposals	-
Depreciation	-/- 869
Book value 31 December 2016	<u>1,061</u>

	Other tangible fixed assets
	€
Balance at 31 December 2016:	
Acquisition costs	8,244
Cumulative depreciation	-/- 7,183
	<u>1,061</u>

Tangible fixed assets are depreciated based on an estimated economic life of 5 years.

Accounts receivable (3)

Accounts receivable are specified as followed.

	2016	2015
	€	€
Debtors	112,176	168,004
VAT	-	
Prepaid donations	-	6,000
Other Receivables	23,558	69,360
Total	135,734	243,364

The account receivables have a remaining term of maturity of less than one year.

Other receivables contains mainly prepaid costs for 2017. In 2015 this amount was higher, as an amount of € 56.725 was included as part of a third party fundraising campaign of December 2015.

Cash and cash equivalents (4)

	2016	2015
	€	€
ABN AMRO Bank	599,485	383,036
ING Bank	270,180	279,715
Total	869,665	662,751

Reserves (5)

The reserves at the balance date are as follows:

	January 1, 2016	(deductions) / additions	December 31, 2016
	€	€	€
Continuity reserve	362,736	-57,064	305,672
Earmarked funds	200,000	23,902	223,902
Total	562,736	33,162	529,574

Continuity reserve

The continuity reserve exists to ensure that the organization can meet its obligations in the future. Its level is determined by the risks the organization runs. This reserve is meant to guarantee the organization's continuity.

The internal standard for the continuity reserve is decided by the board, and contains 1 time the costs of personnel, hired staff, housing and office costs (2016: € 721,132).

Earmarked funds

The movement of the funds is as followed:

	January 1, 2016	(deductions) / additions	December 31, 2016
	€	€	€
Reservation for Project fund ICPP 2014	100,000	-76,098	23,902
Reservation for Project fund ICPP 2015	100,000	-	100,000
Reservation for Project fund ICPP 2016	-	100,000	100,000
Total	200,000	23,902	223,902

The earmarked funds contain the project fund made available with the annual Children's Peace Prize award.

Current liabilities (6)

	2016	2015
	€	€
Creditors	228,751	71,675
Holiday allowance	12,595	10,748
Wage taxes	10,220	10,890
VAT	15,719	19,742
Other debts	70,116	27,427
Projects	85,920	69,684
Deferred income	75,000	136,983
	498,321	347,149

The current liabilities have a remaining term of maturity of less than one year.

Projects and programs

	2016	2015
	€	€
ICPP project fund 2012	23,420	30,460
BBA India	50,000	-
YCDA India	12,500	-
ICPP project fund 2013	-	27,744
IRC Tanzania	-	11,480
	85,920	69,684

Off-balance sheet liabilities: N/A

Notes to the specific items of the Statement of income and expenditure

	2016	2015
	€	€
Income from own fundraising (7)		
Donations	894,088	972,939
Contributions from partners and founders	496,970	544,480
Trust funds	174,000	82,372
Legacies and bequests	7,100	5,171
In kind donations	154,000	132,300
Spontaneous gifts	91,547	67,718
Other income from own fundraising	-	-
	1,817,705	1,804,980

Income from own fundraising contains received donations and invoiced contributions by donors and sponsors of KidsRights during the financial year. The income from legacies are recognized as income at the time that their size can be determined with reasonable certainty.

In kind gifts are measured at fair value in the Netherlands

Income from third-party initiatives are realized through one-time or temporary collaborations where the economic risks are borne by third parties.

Earmarked Gifts

The income from fundraising also includes earmarked income . Below are the earmarked revenues and expenditures on these projects in 2016:

	2016 income	2016 expenditure
	€	€
Earmarked gift Sizanani	27,304	105,000
Earmarked gift BBA	41,565	100,000
Earmarked gift Nkosi's Haven	4,439	90,000
Earmarked gifts school curriculum	8,000	18,106
Earmarked gift Study and Care	6,000	49,929
Earmarked gift Khpal Kor Foundation (evening	33,500	43,467

All earmarked Gifts within financial year 2016 are spent within the designated projects

Allocation of expenditure to destination (8)

	Spent on objectives		Cost of own fundraising	
	Projects and Programs	Awareness and research	Costs of generating income	Management and administration
	€	€	€	€
Grants and contributions	433,739	-	-	-
Publicity & Communication	-	524,168	226,725	-
Staff costs	22,229	211,181	111,148	25,986
Accommodation expenses	5,820	55,290	29,100	6,790
Depreciation	-	-	19,390	135
General expenses	15,381	108,108	39,906	90,194
	477,169	898,747	426,269	123,105

Annually KidsRights allocates overhead costs to the individual project/program or department. Direct costs are allocated to the programs of projects for which they were made. General and overhead costs like staff, housing and other office costs are allocated based on actual time spent by staff on the different activities. The allocation is unchanged compared to 2015.

	Actual 2016	Budget 2016	Actual 2015
	€	€	€
Direct project costs	433,739	492,648	574,708
Publications & Communication	750,894	908,900	570,675
Personnel costs (8,1)	370,543	393,346	346,298
Housing costs	97,000	97,000	97,000
Depreciation fixed assets	19,525	12,392	11,881
General Costs (8,2)	253,589	242,800	226,829
	1,925,290	2,147,086	1,827,391

	2016	2015
	€	€
Salaries	296,890	278,648
Social insurance	49,860	46,233
Pension costs	9,663	4,734
Other staff expenses	14,130	16,683
	370,543	346,298

Employees

fte's	fte's
7.4	6.8

Board remuneration

There was no board remuneration in 2016.

General expenses (8.2)

	2016	2015
	€	€
Office expenses	21,427	40,318
Monitoring expenses	102,196	72,980
Nondeductible VAT	17,786	6,282
Branding expenses	35,428	39,670
Computer expenses	25,000	6,150
Advisory expenses	47,856	52,657
Financial expenses	3,896	8,772
	253,589	226,829

Other information

Appropriation of the net result

Based on the profit appropriation proposal (net loss of € 33.162) made by the board, an amount of € 57.064 will be deducted from the continuity reserve, and an amount of € 23,902 will be added to the earmarked funds.

Events after balance sheet date

There are no events after balance sheet date affecting the Annual Report of 2016.

ANBI status

According to the Dutch tax office KidsRights is regarded as an ANBI (Algemene Nut Beogende Instelling) (not for profit organization).

Independent auditors report

The independent auditors report is part of the Dutch annual report, a copy has been added for information on the next page.

July 5, 2017
KidsRights Foundation, Amsterdam



Accountant statement

Appendix A:

Budget 2017

(In euros)

	Budget 2017	Actual 2016
	€	€
Income from own fundraising		
Income from third-party initiatives	1,838,365	1,817,705
Income from investments	-	70,940
Other Income	40,000	-
Total Income	-	-
	4,500	3,483
	1,882,865	1,892,128
Spent on objectives		
- Awareness and research	463,328	898,747
- Projects and programs	960,724	477,169
	1,424,053	1,375,916
Costs of own fundraising	289,000	426,269
Costs of Investments	10,000	-
	299,000	426,269
Costs of management and administration	153,597	123,105
Net result	6,215	-33,162