

Supplementary information and explanations

(all figures quoted in thousands of PLN [Polish zloty])

Introduction

Every child deserves a safe childhood free from violence or abuse. For 32 years, the Empowering Children Foundation (Fundacja Dajemy Dzieciom Siłę), hereinafter referred to as the “Foundation”, has:

- protected children from violence and sexual abuse;
- provided children and their caregivers with support and professional mental health and legal assistance;
- educated adults on how to respond to child abuse wisely and effectively and what to do when they suspect a child may have been abused;
- supported and engaged parents so that they raise their children with love and respect;
- influenced the Polish law to ensure the best possible protection of children’s interests.

2022 in numbers:

425	children provided with direct assistance;
763	caregivers using psychological support;
4,417	psychological consultations and individual therapy sessions for children;
5,819	psychological consultations and individual therapy sessions for caregivers;
54,808	helpline calls from Polish and Ukrainian children and young people;
9,330	children and more than 280,000 adults provided with assistance within a regranting programme targeted at persons from Ukraine seeking refuge in Poland;
23,922	participants in our conferences and training;
107,081	persons who signed our petitions and appeals.

Supplementary information and explanations

(all figures quoted in thousands of PLN [Polish zloty])

1. Revenue structure

Mission-related revenues	2022	2021
Mission-related revenues – National and international organisations	11,391	3,548
Mission-related revenues – Individuals	8,280	4,373
Mission-related revenues – Public sources	4,486	4,374
Mission-related revenues – Business organisations	3,136	3,167
Mission-related revenues – 1% of personal income tax (public benefit organisations)	1,989	1,470
Mission-related revenues – Other	54	194
	<u>29,336</u>	<u>17,126</u>

The Empowering Children Foundation is registered as a public-benefit organisation, and as such it receives funds under the 1% of personal income tax donation scheme. In 2022 it obtained 1,989 thousand PLN.

In 2022, the Foundation obtained 1,915 thousand PLN from a fundraising campaign carried out to support its helpline for children and young people.

Revenues from business activity	2022	2021
	358	396

The Foundation's business activities include in particular training services, advertising and organisation of conferences.

2. Grant givers and donors: Highest amounts in 2022

In 2022 the Foundation received funds (grants and donations) from more than 120 institutions, organisations, and companies. The list below presents the entities that provided the highest amounts in 2022, included in the Foundation's revenues or categorised as deferred revenue:

Institution/Organisation	Funds received in 2022
Plan International	8,163
Terre des Hommes	2,232
Save The Children	1,766
Ikea Retail	1,512
Safer Internet/ NASK	1,214
Fundacja Drzewo i Jutro	1,199
Oak Foundation	1,146
Batory Foundation	750
Orange Foundation	750
Unicef	736
Warsaw City Hall	708
Ministry of Justice	624
World Childhood Foundation	554

The outbreak of the war in Ukraine in February 2022 had a significant impact on the expansion of the Foundation's activities in 2022 and in the following years. The Foundation was invited by foreign and domestic organisations, including Terre des Hommes, Plan International, Unicef, World Childhood Foundation, Orange, and Smyk, as a partner in assistance efforts for refugees from Ukraine. The Foundation undertook the implementation of regranting programs supporting NGOs that provide direct assistance to children and their caregivers staying in Poland. The Foundation also expanded its mission-related activities to assist children and their families, targeting them at persons from Ukraine.

3. Cost structure

Supplementary information and explanations

(all figures quoted in thousands of PLN [Polish zloty])

Costs by type	2022	2021
Payroll	(10,954)	(8,282)
Outsourced services	(6,007)	(4,365)
Other costs	(4,277)	(193)
Social security and other benefits	(2,042)	(1,625)
Consumption of materials and power	(531)	(303)
Depreciation	(436)	(319)
Taxes and fees	(164)	(163)
	<u>(24,411)</u>	<u>(15,249)</u>
Costs by purpose	2022	2021
Costs of mission-related activity	(24,88)	(15,095)
Costs of business activity	(123)	(154)
	<u>(24,411)</u>	<u>(15,249)</u>
Other costs – structure	2022	2021
Regranting	(3,622)	(62)
Other direct assistance	(516)	(75)
Other costs	(139)	(56)
	<u>(4,277)</u>	<u>(193)</u>

Funds from the 1% tax donation scheme are used to finance mission-related activities in the area of helping children and their families, administrative costs, and fixed assets related to specific activities. The Foundation runs a dedicated register of expenses financed by the 1% programme.

In total, in 2022, the Foundation awarded grants to other organizations providing assistance to Ukrainian citizens in the amount of 8.3 million Polish zloty, of which 3.7 million was settled by December 31, 2022. The remaining grant projects are still being implemented and will be settled in 2023.

Fundacja Dajemy Dzieciom Siłę

ul. Walecznych 59, 03-926 Warszawa

NIP 113-07-25-676

Supplementary information and explanations

(all figures quoted in thousands of PLN [Polish zloty])

4. Tangible fixed assets

	Buildings	Equipment and machinery	Vehicles	Other fixed assets	Invest. in leased fixed assets	Fixed assets under construction	Total
Gross value							
01.01.2022	6,633	721	-	37	338	1,695	9,424
Increases		308				975	1,283
Internal transfer							
Decreases						(107)	(107)
31.12.2022	6,633	1 029	-	37	338	2,563	10,600
Depreciation							
01.01.2022	(580)	(568)	-	(32)	(56)	-	(1,236)
Increases	(166)	(230)		(1)	(34)		(431)
Internal transfer							
Decreases							
31.12.2022	(746)	(798)	-	(33)	(90)	-	(1,667)
Net value							
01.01.2022	6,053	153	-	5	282	1,695	8,188
31.12.2022	5,887	231	-	4	248	2,563	8,933

5. Statutory fund

The Foundation's statutory fund remained unchanged and the financial result obtained in 2021 and 2022, amounting to PLN 2,281 thousand and PLN 5,374 thousand, respectively, will be utilized entirely for its mission-related activities.

Fundacja Dajemy Dzieciom Się

ul. Walecznych 59, 03-926 Warszawa

NIP 113-07-25-676

Supplementary information and explanations

(all figures quoted in thousands of PLN [Polish zloty])

6. Liabilities

		Credits and loans	Other	Total
As of 31.12.2022	under 1 year	117	643	760
	over 1 year to 5 years	89		89
		206	643	849
As of 31.12.2021	under 1 year	168	488	656
	over 1 year to 5 years	206		206
		374	488	862

The Foundation uses loans granted by Towarzystwo Inwestycji Społeczno-Ekonomicznych SA, with an interest rate ranging from 0.88 to 1.88%. Loan repayments are made on an ongoing basis at dates specified in loan agreements.

Loans granted by Towarzystwo Inwestycji Społeczno-Ekonomicznych SA, secured by promissory notes and a mortgage on real estate owned by the Foundation, amounting to 1,110 thousand PLN.

7. Accruals

Mission-related revenues, which include grants, donations, and 1% of income tax for public benefit organizations (OPP), are recognised in the profit and loss statement when the entity acquires rights to receive the type of revenue resulting from ownership rights to these assets. For grants allocated for specific activities and actions, any unspent amount is deferred in the balance sheet and recognised under accruals in an amount corresponding to the costs incurred to grant-funded activities.

	2022	2021
Deferred funds for purchase of fixed assets	6,778	6,850
Deferred funds for current activities	7,746	1,531
Other	10	18
	14,534	8,399

Fundacja Dajemy Dzieciom Siłę

ul. Walecznych 59, 03-926 Warszawa

NIP 113-07-25-676

Supplementary information and explanations

(all figures quoted in thousands of PLN [Polish zloty])

8. Advances, loans, and benefits of a similar nature offered to members of management, supervisory or administrative bodies

In 2021 and 2022, no loans or benefits of a similar nature were offered to members of managing or supervisory bodies.

9. Employment

	<u>2022</u>	<u>2021</u>
Number of employees as of 31.12	137	122

10. Contingent liabilities

Regulations regarding value-added tax, corporate income tax, personal income tax, property tax, or social security contributions are subject to change, which often results in the lack of reference to established regulations or legal precedents. Moreover, the existing regulations contain ambiguities, leading to differences of opinion as to the legal interpretation of tax laws, both among state bodies and between state bodies and business organisations. Tax returns and other settlements (e.g., customs or foreign exchange) may be subject to inspection by authorities authorised to impose substantial penalties, and any additional amounts of liability determined by such an inspection must be paid along with interest. As a result, tax risk in Poland is higher than typically exists in countries with more developed tax systems.

Tax returns may be subject to audit for a period of five years. As a result, the amounts reported in the financial statements may change at a later date after final determination by tax authorities. The Foundation has not been subjected to a tax audit.

11. Short-term investments

	<u>2022</u>	<u>2021</u>
Cash in bank accounts	12,676	5,546
<i>Own funds for current activities</i>	8,621	3,802
<i>Grants received to be settled</i>	4,045	1,726
<i>Other</i>	10	18
	<u>12,676</u>	<u>5,546</u>

Fundacja Dajemy Dzieciom Się

ul. Walecznych 59, 03-926 Warszawa

NIP 113-07-25-676

Supplementary information and explanations

(all figures quoted in thousands of PLN [Polish zloty])

12. Short-term trade receivables from other entities

	<u>2022</u>	<u>2021</u>
Gross receivables	51	73
Allowance for bad debts	-	-
Net receivables	<u>51</u>	<u>73</u>

13. Short-term receivables from grants received in 2023 related to projects from 2022

	<u>2022</u>	<u>2021</u>
Gross receivables	154	142
Allowance for bad debts	-	-
Net receivables	<u>154</u>	<u>142</u>

14. Short-term receivables from regranting paid in 2022

	<u>2022</u>	<u>2021</u>
Gross receivables	3,915	154
Allowance for bad debts	-	-
Net receivables	<u>3,915</u>	<u>154</u>

Receivables pertain to regranting contract funds, paid but not settled as of the balance date.

15. Events after the balance date, not recognised in the financial statement

In December 2022, the Foundation signed an agreement with UNHCR for an amount of 3.8 million Polish zloty to implement a project in 2023, including regranting to 5 organizations – 1.9 million Polish zloty. The first instalment of funds for the project was received by the Foundation's checks in 2023.

On the 2nd of February 2023, Magdalena Sadłowska resigned as a board member.

Supplementary information and explanations

(all figures quoted in thousands of PLN [Polish zloty])

16. Impact of the COVID- 19 pandemic and the war in Ukraine

In 2022, the Empowering Children Foundation continued its operations steadily and continuously, utilising a hybrid work system and electronic communication channels. According to the Regulation by the Minister of Health of the 16th of May 2022, the state of epidemic in Poland was cancelled, replaced by the state of epidemic emergency, which did not affect the Foundation's mode of operation.

Following the outbreak of full-scale war in Ukraine on the 24th of 2022, the Empowering Children Foundation engaged in humanitarian efforts and provided immediate assistance to persons fleeing from Ukraine, which involved hiring Ukrainian-speaking staff. Additionally, the FDDS supported other local NGOs through regrating and training in child protection.

Monika Sajkowska
President of the Board

Maria Keller-Hamela
Vice President of the Board

Renata Szredzińska
Member of the Board

Teresa Zagrodzka
Member of the Board

Marta Skierkowska
Member of the Board

Beata Wojtkowska
Member of the Board

Magdalena Sagała
On behalf of FINITE Kancelaria Rachunkowa Sp. z o.o.
The person entrusted with the supervision of keeping the accounting books

Warsaw, 30 June 2023