

Audit Report

**on the Financial Statements
and on the audit of association's
accounts ("Rechnungsprüfung")
as of December 31, 2023**

SOS-Kinderdorf International

Report Nr 113/2024

To the Members of the Management
and the Supervisory Body of
SOS-Kinderdorf International
Innsbruck

	Balances as of 31.12.2023	Balances as of 31.12.2022
	EUR	EURk
ASSETS		
A. Fixed Assets		
I. Intangible assets		
1. Concession, rights	1.469.289,68	2.094
2. Prepayments		-
	1.469.289,68	2.094
II. Tangible assets		
1. Land, similar rights and buildings, including buildings on leasehold land and investments in third-party buildings	2.001.043,26	2.071
2. Other equipment, furniture and equipment	871.680,17	1.191
	2.872.723,43	3.261
III. Financial assets		
1. Investments	51.250,00	51
2. Securities	608.575,11	599
	659.825,11	650
A. Fixed Assets Total	5.001.838,22	6.006
B. Current Assets		
I. Accounts receivable and others		
1. Receivables from membership fees	3.058.641,04	840
<i>thereof with a maturity of more than one year EUR 0,00 (2022 EURk 0)</i>		
2. Other assets and receivables	4.115.566,25	3.921
<i>thereof with a maturity of more than one year EUR 0,00 (2022 EURk 0)</i>		
	7.174.207,29	4.761
II. Cash, bank balances	11.822.804,42	15.040
B. Current Assets Total	18.997.011,71	19.802
C. Prepaid expenses and deferred charges	1.644.193,10	903
ASSETS Total	25.643.043,03	26.710

SOS-Kinderdorf International, Innsbruck

	Balances as of 31.12.2023	Balances as of 31.12.2022
	EUR	EURk
EQUITY AND LIABILITIES		
A. Stockholder's Equity		
1. Capital stock	3.569.649,96	3.136
2. Appropriated capital reserves	1.930.000,00	1.930
3. Current Year result	-2.197.206,06	434
A. Stockholder's Equity Total	3.302.443,90	5.500
B. Provisions and Accruals		
1. Provisions for severance payments	3.591.000,20	2.422
2. Other provisions and accruals	4.848.825,08	5.545
B. Provisions and Accruals Total	8.439.825,28	7.966
C. Liabilities		
1. Prepayments received for projects	5.906.182,33	6.090
<i>thereof due within one year EUR 5.906.182,33 (2022 EURk 6.090)</i>		
<i>thereof with a maturity of more than one year EUR 0,00 (2022 EURk 0)</i>		
2. Accounts payable - trade	3.274.659,59	3.830
<i>thereof due within one year EUR 3.247.659,59 (2022 EURk 3.830)</i>		
<i>thereof with a maturity of more than one year EUR 0,00 (2022 EURk 0)</i>		
3. Liabilities from sponsorships and appropriated accounts	854.916,51	539
<i>thereof due within one year EUR 854.916,51 (2022 EURk 539)</i>		
<i>thereof with a maturity of more than one year EUR 0,00 (2022 EURk 0)</i>		
4. Other liabilities	3.865.015,42	2.785
<i>thereof due within one year EUR 3.865.015,42 (2022 EURk 2.785)</i>		
<i>thereof with a maturity of more than one year EUR 0,00 (2022 EURk 0)</i>		
<i>thereof due to taxes EUR 612.586,62 (2022 EURk 428)</i>		
<i>thereof due within one year EUR 612.586,62 (2022 EURk 428)</i>		
<i>thereof with a maturity of more than one year EUR 0,00 (2022 EURk 0)</i>		
<i>thereof due to social security EUR 648.631,20 (2022 EURk 542)</i>		
<i>thereof due within one year EUR 648.631,20 (2022 EURk 542)</i>		
<i>thereof with a maturity of more than one year EUR 0,00 (2022 EURk 0)</i>		
C. Liabilities Total	13.900.773,85	13.244
<i>thereof due within one year EUR 13.900.773,85 (2022 TEUR 13.244)</i>		
<i>thereof with a maturity of more than one year EUR 0,00 (2022 EURk 0)</i>		
EQUITY AND LIABILITIES Total	25.643.043,03	26.710

SOS-Kinderdorf International, Innsbruck

	2023	2022
PROFIT & LOSS	EUR	EURk
1. Membership Fees	40.775.677,83	42.594
2. Donations and other sales	23.580.163,81	18.876
3. Other operating income		
a. Income from disposal/ write-up (excl. financial assets)	665,00	2
b. Income from release of accruals	0,00	22
c. Other income	225.424,65	114
3. Other operating income Total	226.089,65	139
4. Personnel expenses		
a. Salaries	-37.828.318,15	-32.815
b. Social expenses	-5.691.160,14	-6.784
<i>thereof expenses for pensions scheme EUR 0,00 (2022 EURk 0)</i>		
<i>b1. Expenses for severance payments and contributions to company-sponsored employee provision funds</i>	-1.049.968,66	-553
<i>b2. Expenses for statutory social security, payroll related taxes and mandatory contributions</i>	-4.414.121,62	-5.884
4. Personnel expenses Total	-43.519.478,29	-39.599
5. Depreciation	-1.395.855,18	-1.344
6. Other operating expenses	-22.339.477,28	-20.149
7. Operating Result (Subtotal 1-6)	-2.672.879,46	516
8. Other interest and similar income	475.673,40	665
<i>thereof from affiliates EUR 0,00 (2022 EURk 0)</i>		
9. Income from the disposal of and the write-up of financial assets and current asset securities	0,00	0
10. Interest and similar expenses	0,00	-747
<i>thereof from affiliates EUR 0,00 (2022 EURk 0)</i>		
11. Financial result (Subtotal 8-10)	475.673,40	-82
12. Result before taxes (7 + 11)	-2.197.206,06	434
13. Result after taxes	-2.197.206,06	434
Profit/ loss for the year	-2.197.206,06	434
14. Profit carried forward from previous year	0,00	0
15. Total profit	-2.197.206,06	434

I. NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2023

General

The financial statements of SOS-Kinderdorf International (SOS KDI) at December 31, 2023 were prepared in accordance with the provisions of the Austrian Association Law, which came into force on July 1, 2002.

The financial statements of SOS KDI aim to present a true and fair representation of the federation's general secretariat and include the balances of the international office in Austria and of the regional offices of the General Secretariat (GSC) worldwide.

Due to significant economic and operational differences between SOS KDI and legally dependent KDI supported operations and the fact that those KDI supported operations have a temporary nature, the financial statements of those entities have - as in the past - not been included in the financial statements of SOS KDI.

Financial statements for the operations are set up separately and audited by local auditors. SOS KDI currently is not aware of any claims or other financial risks resulting from these operations. The list of regional offices of the GSC as well as the list of legally dependent KDI-run operations is disclosed in Annex I.

SOS KDI and its member associations responded to the war in Ukraine with a massive emergency response programme, mostly funded by earmarked donations to member associations. These were/are channelled to SOS Ukraine and other member associations with programmes directed at Ukrainian refugees. The financial impact on SOS KDI was limited.

Various individuals started filing damage claims against SOS KDI in the country of one independent member association from August 2022 onwards. The lawsuits refer to alleged abuse in the programmes and by staff of this independent member association in the 1980s and 1990s. SOS KDI and its lawyers consider the legal risk of these lawsuits for SOS KDI as low, but the legal process costs as significant.

In 2021, SOS Children's Villages established the Independent Special Commission ("ISC") as part of its Safeguarding Action Plan. The ISC was tasked with a neutral expert review and assessment of past failures to protect children and young people in programs run by members of the Federation of SOS Children's Villages organizations and with developing recommendations to strengthen our safeguarding structures. In May 2023, the ISC published its final report. SOS KDI has incorporated most of the ISC recommendations into its operational planning.

Keeping children safe is an absolute prerequisite for SOS Children's Villages to deliver on its purpose – to ensure children and young people grow up with the bonds they need to become their strongest selves. Following the publication of the ICSR report in 2021, a four-year Safeguarding Action Plan was adopted. Among the highlights since the last report in March 2023 are the following achievements:

- Four major policy documents have been approved in 2023 and are currently being implemented. These documents include the New Code of Conduct, the Child and Youth Safeguarding Policy and regulation, the Misconduct Investigation Regulation, Misconduct Incident Management Regulation and the Regulation on Support for Persons Affected by Child and Youth Abuse approved in 2024. Training modules have been developed to support implementation.
- The new Anti-Corruption Regulation has been developed and is undergoing Federation wide validation process and is expected to be adopted by end of 2024.
- Improved incident management and investigation procedures are being implemented throughout the organization, with incident management teams now in place at national, regional and international levels.
- A global ombuds system has been developed to ensure consistent and quality support across the whole federation.
- To address organizational culture issues, the Living Our Values framework has been integrated into guidance on recruitment, onboarding, learning and development, and leadership.

The final progress report on the implementation of the current Safeguarding Action Plan will be prepared in early 2025.

The ISC is financed from a special budget paid by member associations. The financial impact for SOS KDI in 2023 was limited.

In May 2023 the International Senate decided to suspend the membership of one member association. As a result, the membership fee payments of this association were also suspended.

II. ACCOUNTING METHODS

The financial statements of the association SOS-Kinderdorf International at December 31, 2023 were prepared with due regard for the principles of adequate and orderly accounting and the general requirement to provide as accurate a picture as possible of the association's net worth, financial position and results.

The principles of completeness and consistency were respected in drawing up these financial statements.

Valuation was performed on the assumption of a going concern.

The principle of individual evaluation was applied to the assets and liabilities.

In keeping with the principle of prudence, only earnings realized at balance sheet date were included in these financial statements. Due account was taken of all recognizable risks and uncertain liabilities arising in the 2023 fiscal year or earlier.

Recognition, valuation and reporting of the individual items of the financial statements were performed on the basis of the general provisions of § 22 of the Austrian 2002 Association Law (VerG). In accordance with § 22 (1) VerG, the provisions of § 21, §§ 190 – 193 (1) and §§ 193 (3) - 216 of the Austrian Commercial Code (UGB) were applied analogously. In accordance with § 22 VerG, the provisions of §§ 222 - 234, §§ 236 - 240, § 242 (2 and 4), § 269 (1) and §§ 272 - 276 UGB were applied analogously.

Note: Where no currency is specified, the figures quoted in the following are in Euros and Cents.

1. Fixed assets

1.1. Intangible assets

Intangible assets are valued at the cost of acquisition or production less scheduled depreciation. Straight-line amortization is applied for scheduled depreciation based on a useful life of 3-10 years. Extraordinary depreciation is carried out where the loss in value is expected to be permanent.

1.2. Tangible assets

Tangible assets are valued at the cost of acquisition or production less scheduled depreciation. Scheduled straight-line depreciation is applied based on the following useful lives: 10 to 50 years for buildings, 5 to 10 years for furniture and leasehold improvements, 3 to 10 years for operating, office and other equipment, 4 to 8 years for motor vehicles, 2 to 5 years for IT and electronic equipment. Low-value assets are reported as additions, disposals and are fully depreciated in the year of acquisition.

Extraordinary depreciation is carried out where the loss in value is expected to be permanent. Fixed values ("Festwerte") pursuant to § 209 (1) UGB were not employed.

1.3. Financial assets

Financial assets are valued at the cost of acquisition less non-scheduled depreciation. Non-scheduled depreciation is carried out where the loss in value is expected to be permanent.

According to the 1994 decision of the Executive Committee, the stocks held by the funds must not exceed 30% of the total value.

2. Receivables and other assets

Receivables are carried at nominal value. They are stated on the basis of the realisation and impairment principle ("imparitätisches Realisationsprinzip") at the lower of cost or market. In case of collection risks, write downs are made. Depreciation for future loss of value was carried out where necessary in the year under report.

3. Accruals and liabilities

3.1. Accruals for severance payments

SOS KDI records accruals for severance payments for all Austrian employees based on an actuarial calculation. The calculation is based on the projected unit credit (PUC) method and includes 3,20% (2022: 4,21%) discount rate as well as AVÖ 2018-P. The accrual for severance payments for Austrian employees amounts to € 2.490.233,74 (2022: T€ 2.180) as of December 31, 2023.

The accrual for severance payments as of December 31, 2023 in the regional offices amount to € 1.100.766,46 (2022: T€ 242).

3.2. Other accruals

Accruals for Anniversary payments are mandatory under Austrian labour law.

SOS KDI records accruals for anniversary payments for all Austrian employees based on an actuarial calculation. The calculation is based on the projected unit credit (PUC) method using a 3,20% (2022: 4,21%) discount rate, a retirement age of 65 and fluctuation rate depending on age of co- workers.

Other accruals are stated at settlement value.

3.3. Liabilities

Liabilities are stated at settlement value.

4. Currency translation

Receivables (liabilities) in other currencies are valued at the cost of acquisition or according to the strict lower (higher) of cost or market principle on the basis of the reference rate of Thomson Reuters Austria GmbH prevailing at the end of month (KDI accounts, see Point III.1.3) at December 31, 2023.

5. Merger of accounting records

The financial statements of the branches – which were audited separately by local auditors - were translated into EUR and adjusted to reflect Austrian accounting and reporting requirements if necessary. The currency translation is based on the temporal method ("Zeitbezugsmethode"). Relationships and balances between the branches and the International Office in Austria were eliminated.

III. NOTES TO THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

1. Notes to the balance sheet

1.1. Fixed assets

Changes in fixed asset items and the breakdown of annual depreciation by individual item are presented in Annex 2.

The position "Land, similar rights and buildings, including buildings on leasehold land and investments in third-party buildings" include a land value of € 678.604,79 (2022: T€ 692).

1.1.1. Schedule of investments

	Book-value at SOS-KDI	Share capital	Share in%	equity	Result of the year
Joint System Fundraising- IT- Services GmbH, Innsb (Figures for 2023 in T€)	50	200	25%	597	75

1.2. Receivables and other assets

The balance of receivables and other assets is split as follows:

	2023	2022 (T€)
Receivables from membership fee	3.058.641,04	840
Licenses	2.321.987,68	1.030
Employee prepayments	29.710,45	31
Institutional receivables	506.544,56	964
Other receivables	1.257.323,56	1.896
Total Other Receivables	4.115.566,25	3.921
Total Receivables and other assets	7.174.207,29	4.761

The receivables balance includes an allowance for bad debt amounting to € 1.048.766,92 (2022: T€ 1.167), mainly related to Membership-fee receivables (T€ 900; 2022: T€: 1.019).

The total receivables have increased due to higher outstanding receivables from member associations with regards to licenses paid to third parties and membership fees. These outstanding receivables are aimed to be reduced in the course of 2024 through a refund process.

Total Other Receivables include income of € 4.036.117,99 (2022: T€ 3.477) that will be cash-effective after the balance sheet date.

1.3. Cash and Bank deposits

The breakdown of the KDI cash position amount as of 31.12.2023 is shown in the table below.

	2023	2022 (T€)
Petty cash	22.792,84	32
Bank deposits - GSC administration	8.750.549,38	5.820
Bank deposits - Sponsorships	0,00	1.558
Bank deposits - Donations	2.337,73	119
Bank deposits - other	3.047.124,47	7.511
Total	11.822.804,42	15.040

Of the 2023 balance, € 7.548.230,00 (2022: T€ 10.796) is related to Austria and the remaining amount is distributed across the regional offices.

The total in bank accounts which, due to legal reasons, are in the name of SOS Children's Villages International but are not economically assigned to SOS Children's Villages International - what are known as the KDI accounts – is reflected in Section 1.9.

1.4. Equity

The Equity balance of SOS KDI as of 31.12.2023 consists of the following positions.

	2023	2022 (T€)
Capital stock	3.569.649,96	3.136
Appropriated capital reserves	1.930.000,00	1.930
Current Year result	-2.197.206,06	433
Stockholder's Equity Total	3.302.443,90	5.500

1.5. Accruals

The following table provides a breakdown of the accruals as of 31.12.2023:

	2023	2022 (T€)
Severance payments	3.591.000,20	2.422
Anniversary payments	2.269.978,67	1.592
Unconsumed vacations	1.724.116,06	1.702
Overtime	222.553,86	189
Provision for transfer of restricted funds	45.126,77	306
General assembly	0,00	257
Other non-current liabilities	587.049,72	1.498
Total Provisions & Accruals	8.439.825,28	7.966

Of the total 2023 balance, € 6.826.296,14 (2022: T€ 6.384) is related to Austria, while the remaining balance is related to the regions.

1.6. Liabilities

The following table provides a breakdown of the liabilities as of 31.12.2023:

	2023	2022 (T€)
Prepayments received for projects	5.906.182,33	6.090
Accounts payable	3.274.659,59	3.830
Liabilities from sponsorships and appropriated accounts	854.916,51	539
Other liabilities	3.865.015,42	2.785
Total Liabilities	13.900.773,85	13.244

Other liabilities include expenses of € 2.648.183,52 (2022: T€ 2.666) that will be cash- effective after the balance sheet date.

All of the balance has a residual term of up to one year.

1.7. Obligations from donations not yet used in accordance with the regulations (liabilities and accruals from appropriated accounts)

The obligations from donations and sponsorships that were not yet used for their intended use (earmarked funds) amount to € 1.930.255,33 as of 31.12.2023 (2022: T€ 2.568).

List of donation		2023	2022 (T€)
IB Nairobi	SOS Norway	167.400,88	10
IB Nairobi	SOS Austria	12.567,50	68
IB Nairobi	SOS Denmark	128.316,56	103
IB Nairobi	SOS Italy	3.037,08	4
IO ESAF	SOS Denmark	272.091,97	230
IO ESAF	HGFD	9.438,04	22
Subtotal *)		592.852,03	436
General donations		203.347,88	251
Earmarked donations		906.821,49	1.608
Sponsorship funds		227.233,93	273
Subtotal **)		1.337.403,30	2.132
Total Sum		1.930.255,33	2.568

*) the amount is included in line item "liabilities from sponsorships and appropriated accounts"

**) the amount is included in line item "prepayments received for projects"

1.8. Contingencies, financial commitments from the use of tangible assets

1.8.1. Contingencies

No contingencies are present in these financial statements.

1.8.2. Commitments from rental and leasing agreements

	2023 T€	2022 T€
<i>Commitments for the following year:</i>	1.039	697
<i>Total commitments for the following five years:</i>	4.667	3.390

1.9. Off-balance-sheet transactions

Sponsorship funds, child-money-gifts and international transfers have been managed by the Shared Treasury Services department (STS) since 1.1.2017. These bank accounts managed by STS are off-balance sheet since fiscal year 2017.

The total balance of the bank accounts managed by STS as of 31.12.2023 amounts to € 69.610.270,17 (2022: T€ 54.995).

Bank accounts which, due to legal reasons, are in the name of SOS Children's Villages International but are economically assigned to individual National Associations as opposed to SOS Children's Villages International, do not show negative values.

2. Notes to the profit and loss account

2.1. General

The profit and loss account was prepared on the basis of the total cost method.

2.2. Breakdown pursuant to § 22 of the 2002 Austrian Association Law

	2023	2022
A. Membership fees		
Income membership fees	40.775.677,83	42.593.944,84
Assigned expenses membership fees	-42.840.136,95	-42.227.132,50
B. Public subsidies		
Income public subsidies	0,00	0,00
Assigned expenses public subsidies	0,00	0,00
C. Donations		
Income donations	7.097.536,22	6.497.328,32
Assigned expenses donation	-7.097.536,22	-6.497.328,32
D. Other receipt		
Income other receipts	0,00	0,00
Assigned expenses other receipts	0,00	0,00
E. Other sales		
Other sales	16.482.627,60	12.378.346,02
Expenses allocated to other sales	-17.317.137,59	-12.271.745,66
F. Other operating income		
Other operating income	226.089,65	138.563,28
Assigned expenses to other operating income	0,00	-96.139,31
Subtotal of A-F (Operating Result)	-2.672.879,46	515.836,68
Financial Result	475.673,40	-81.914,31
Taxes on income	0,00	0,00
Net annual result	-2.197.206,06	433.922,36

The differences between income and expenses are covered using the balances of the previous year.

2.3. Membership fees

The method for calculating membership fees for 2023 came into force in 2013, with minor adjustments in 2021.

The membership fee covers the costs of all the units of the General Secretariat (GSC). It comprises two components: a "Federation Fee" and a "Programme Support". The Federation Fee covers expenses incurred in connection with the management of the association. The Programme Support relates to expenses incurred in the GSC in the framework of direct support measures for individual members. The two components of the fee apply to all member associations in equal measure.

The membership fees of the NAs are paid by the PSAs on behalf of the respective Nas, so as to keep administrative requirements and bank charges to a minimum. This is the indirect membership fee, which is assigned to the PSAs according to their share of international transfers.

Starting in 2021, the calculation logic was slightly adjusted. The most important change was that (effective from 2022) the associations that are self-sufficient with regards to international subsidies are paying their membership fees directly themselves.

2.4. Donations

This includes donations that are mostly appropriated and are normally forwarded to the individual national associations and earmarked funding from external (institutional or corporate) donors.

2.5. Other sales

This includes among others PSAs' special financing, including earmarked financing for strategic federation projects (SFPs) as well as income from passing on the costs for digital fundraising support for MAs, income from passing on the costs of a range of licenses and maintenance costs and income in IB Nairobi from the Training Centre activities.

2.6. Other operating income

The miscellaneous income includes income from the disposal of fixed assets, income from the reversal of accruals and income from the reversal of bad debt allowances.

2.7. Personnel expenses

Personnel expenses are broken down into the following categories:

	2023	2022 (T€)
Salaries	37.828.318,15	32.815
Social security, payroll taxes and contributions	4.414.121,62	5.884
Expenses for severance payments and contributions company-sponsored employee provision funds	1.049.968,66	553
Other HR costs	227.069,86	347
Total personnel costs	43.519.478,29	39.599

Of the 2023 expenses, € 28.672.663,54 (2022: T€ 26.011) is related to Austria operations and the remaining balance is related to the regions.

Of the salaries, € 1.926.979,91 (2022: T€ 1.975) is related to individual external contractors working for SOS through consulting (as opposed to employment) contract.

The changes in the personnel provisions are reported in the personnel expenses.

The line item “expenses for severance payments and contributions to company-sponsored employee provision funds” include € 468.275,31 (2022: T€ 303) relating to expenses for severance payments.

Expenses for severance payments and contributions to company-sponsored employee provision funds mainly refer to employees.

2.8. Other operating expenses

Details of the other operating expenses are in the table below.

	2023	2022 (T€)
Transfer of restricted funds	4.368.114,78	4.106
External Consulting / Services	4.220.617,69	2.998
Maintenance & Repairs - IT	1.798.878,40	1.962
Travel expenses	3.108.809,96	3.346
License costs	1.143.401,33	806
External Consulting / Services – IT	787.787,01	806
Rent	1.006.463,31	807
Provision for transfer of restricted funds	0,00	0
Bank / Admin costs	126.967,73	343
Bad debt reserves	71.247,63	462
Other expenses	3.349.920,51	788
Events/ Activities	1.168.941,35	1.439
Trainings and Seminars	199.789,80	481
Maintenance & Repairs	129.725,64	238
IT / Telecom costs	194.599,11	285
Utilities	142.237,43	297
Contribution to other Associations	0,00	324
Audit / consulting fees	308.228,08	255
Marketing/ PR Costs	3.648,71	103
Insurance costs	197.626,07	181
Translations	2.220,57	115
Asset disposal	10.252,16	9
Total other operating expenses	22.339.477,28	20.146

2.9. Derivative financial instruments

For hedging against exchange rate risks the Shared Treasury Service department (STS) of SOS KDI entered into forward contracts denominated in various currencies in 2023. It has to be differentiated between contracts that contain a risk for SOS KDI, and those contracts without any risk for SOS KDI.

At balance sheet date 31.12.2023 as well as per 31.12.2022, there are no open forward contracts containing risk for SOS KDI.

As STS acts as trustee when forwarding funds from PSAs (trustors) to NAs via specific bank accounts, STS also entered into forward contracts related to these international transfers.

The purpose of these forward contracts is to maintain the value of incoming funds needed to guarantee the federation's ability to meet its budgeted financial obligations even if the exchange rates fall below the budgeted rates. As a consequence of these hedges, no profit can be made should the exchange rates rise above the exchange rates guaranteed in the contracts.

The total calculated market value of these hedging transactions amounted to € -3.630.221,02 (2022: € -1.086). This comprises transactions with a negative market value of €-3.885.459,21 (2022: €-4.168) and transactions with a positive market value to the amount of € 255.238,19 (2022: € 3.082). The disclosed market value has been calculated by the banks and confirmed in the bank confirmations.

Due to current accounting standards, allowance would have to be made for negative market values through provision for impending losses. However, all the Promoting and Supporting Associations confirmed that they would accept the impending loss in full in such case, there was in fact no risk to SOS Children's Villages International. Therefore, no accruals were booked for SOS KDI. The market value of the open hedging transactions changes on the maturity dates and deviates from the valuation depending on the development of the underlying currency exchange rates.

IV. Additional disclosures

1. Average number of employees

The average number of employees inclusive posted employees and EU-employees during the year under report was as follows:

	2023	2022
Austria	326	320
Regions	352	339
Total KDI	678	659

2. Auditor's expense for annual financial statements

Expenses for the auditor Crowe Audit Austria for fiscal year 2023 amount to € 48.000,00 incl. VAT (Ernst & Young 2022: T€ 85 net of tax). Thereof an amount of € 48.000,00 (2022: T€ 56) is related to the audit of the statutory financial statements of SOS KDI. Fees for other assurance services amount to € 0,00 (Ernst & Young 2022: T€ 30) and for other services amount to € 0,00 (Ernst & Young 2022: T€ 0).

3. Executive bodies of the association

The executive bodies of the association in accordance with the statutes applicable on the accounting date 31.12.2023 are:

- The General Assembly (all SOS member associations worldwide)
- The International Senate (as per current list of members on the website)
- The President
- The Executive Board
- The Arbitration Tribunal when convened

4. Remuneration paid to the members of the executive bodies

In the year under report, the members of the executive bodies of the association received emoluments in the amount of € 933.788,00 (2022: T€ 782). This amount includes salaries, insurance and payments in kind.

5. Representation

The President and Vice-president in year 2023 were:

- Dereje Wordofa Gidda (President)
- Beata Juvancz (Vice President)

The members of the Executive Board were:

- Ingrid Maria Johansen (CEO until 25.3.2024)
- Steffen Odalf Braasch (COO until 17.10.2023)
- Adrienne Catharine Buurman (Interim CPO until 4.3.2023)
- Angela Maria Rosales Rodriguez (CPO since 30.5.2023; Interim CEO since 25.3.2024)
- Karin Anna Ernestam (COO from 17.10.2023 until 30.6.2024)
- Tjipke Bergsma (COO since 1.7.2024)

The association is represented by the Chief Executive Officer collectively together with another member of the Executive Board or, in case of absence of the Chief Executive Officer, the association is represented collectively by two members of the Executive Board in each case.

6. The International Senate

The International Senate is the overriding policy and supervisory body of the Federation.

The functions of the International Senate are:

- Taking decisions relating to applications for membership and the resignation or expulsion of members, such decisions to be taken by a two-thirds majority of Senate members present;
- Approving the General Secretariat's annual budget and audited annual financial statements;
- Submitting proposals to the General Assembly relating to the basic policy of the Federation;
- Providing overall direction for and approving the Federation's strategic plan;
- Providing overall direction for and approving the Federation's binding policies;
- Drawing up rules of procedure for itself, the Senate committees, the Management Council, the Management Team and the General Secretariat, all such decisions to be taken by a simple majority;
- Selecting, appointing and dismissing the members of the Management Council and the Management Team at the proposal of the President of the Federation supported by a designated Senate committee;
- Discharging the Management Team;
- Setting the amount of the annual membership fees;
- Approving the participation of the Federation in corporate enterprises;
- Selecting the regular auditors (or statutory auditors), if this is required before the next General Assembly;
- All other tasks and activities in the interest of the Federation that are not expressly assigned to another body of the Federation.

The International Senate can establish standing as well as temporary committees. It has the right to delegate specific supervisory functions and decisions to those committees. The President shall propose the members of these committees for approval by the Senate.

The members of the International Senate during 2023 were:

- GIDDA Dereje Wordofa – President of SOS-Kinderdorf International
- JUVANCZ Beata - Vice-President of SOS-Kinderdorf International
- AHMAD Aishah
- ALBISSER Doris
- BARROY Daniel
- CAMPOS Pedro Paulo
- DANEVICS Kārlis
- GRIEG Elisabeth (until July 2023)
- IDRIS Lana (until July 2023)
- JINSI Rakesh
- KARLSSON WANDY Michael
- KOVAR Andreas
- KIAMA Susan (until November 2023)
- LANZANI Maria Grazia
- MUNCH Lars Henrik
- NAHUM Gabi
- NZALO Gordon
- RAHARINARIVONIRINA Maria
- SARMIENTO Mel Senen
- URQUIZO MARTINS Luis-Roberto
- VAN VERSCHUER Philip
- VORWERK Kay (until January 2024)


7. Events after the balance sheet date

According to 2030 Strategy, the organisation has set the ambition to reach more children, with better and more impactful programs and to simplify SOS. A transformation process was launched in 2023 to adapt to changing market demands and ensure the long-term sustainability of SOS KDI.

In the transformation process it is aimed to create a General Secretariat, "GSC", that is fit for the future, leaner, inclusive and more adaptive, evolving towards a secretariat that is able to keep the federation together through building trust and stability and creating an internal 'program engine' for innovation, expertise development and scaling of evidence-based interventions. The aim is to further and better support the federation and its members in delivering its collective purpose – ensuring children and young people grow up with the bonds they need to become their strongest selves.

Majority of the changes to the GSC structure and shape are anticipated to be implemented, with the target operating, income, and cost models introduced by the end of 2025.

Innsbruck, 4 September, 2024


Angela Maria Rosales Rodriguez
Tjipke Bergsma

List of Regional Offices of the GSC worldwide *)

Country	Abbreviation / Region	Name
Senegal	IO WCNA	International Office West, Central and North Africa
Togo	IB Lome (WCNA)	International Branch Office Lome
Marocco	IB Casablanca (WCNA)	International Branch Office Casablanca
Ethiopia	IO ESAF	International Office Eastern & Southern Africa
Kenya	IB Nairobi (ESAF)	International Branch Office Nairobi
Kenya	TC Karen	Regional Training & Resource Centre Karen
South Africa	IB Johannesburg (ESAF)	International Branch Office Johannesburg
Bolivia	IO LAAM	International Office Latin America & the Caribbean
Uruguay	IB Montevideo (LAAM)	International Branch Office Montevideo
Costa Rica	IB San Jose (LAAM)	International Branch Office San Jose
India	IO ASIA	International Office Asia
Macedonia	IB Skopje (EUCM)	International Branch Office Skopje
Kazakhstan	IB Almaty (EUCM)	International Branch Office Almaty
Estonia	IB Tallinn (EUCM)	International Branch Office Tallinn
Jordan	IB Amman (EUCM)	International Branch Office Amman
UAE	SA Gulf Area	SOS-Children's Villages International
Austria	GSC Offices Austria (incl. SA KDI)	International Office

*) Office HongKong Ltd. Is not consolidated due to materiality reasons

List of KDI-run operations

Country	Region	Name
Algeria	WCNA	SOS Children's Villages in Algeria
Bangladesh	ASIA	SOS Children's Villages in Bangladesh
Bosnia & Herzegovina	EUCM	SOS Children's Villages in Bosnia & Herzegovina
Burundi	ESAF	SOS Children's Villages in Burundi
Cameroon	WCNA	SOS Children's Villages in Cameroon
Central African Republic	WCNA	SOS Children's Villages in Central African Republic
Chad	WCNA	SOS Children's Villages in Chad
Dem. Republic of congo	WCNA	SOS Children's Villages in Dem. Republic of congo
Djibouti	ESAF	SOS Children's Villages in Djibouti
Equatorial Guinea	WCNA	SOS Children's Villages in Equatorial Guinea
Ethiopia	ESAF	SOS Children's Villages in Ethiopia
Iraq	EUCM	SOS Children's Villages in Iraq
Mozambique	ESAF	SOS Children's Villages in Mozambique
Palestine	EUCM	SOS Children's Villages in Palestine
Somalia	ESAF	SOS Children's Villages in Somalia
Somaliland	ESAF	SOS Children's Villages in Somaliland
Sudan	ESAF	SOS Children's Villages in Sudan

SCHEDULE OF FIXED ASSETS according to art. 226 (1) Austrian Commercial Code (UGB) as of December 31, 2023

TRANSLATION

Opening balance 1.1.2023		Historical cost resp. Cost of production				Accumulated depreciation				Balance as of 31.12.2023		Book value 31.12.2023	
		Additions GSC RO	EUR	EUR	Reclassification	Disposals	Balance as of 31.12.2023	Additions GSC RO	EUR	EUR	FX Effect	EUR	EUR
I. Intangible assets													
1. Concessions, rights													
2. Prepayments													
5.778.403,36		0,00	37.430,44	0,00	0,00	0,00	5.815.833,80	0,00	669.244,01	0,00	-6.704,92	1.469.289,68	2.094.398,33
0,00		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
5.778.403,36		0,00	37.430,44	0,00	0,00	0,00	5.815.833,80	0,00	669.244,01	0,00	-6.704,92	1.469.289,68	2.094.398,33
II. Tangible assets													
1. Land, similar rights and buildings, including buildings on leasehold land and investments in third-party buildings													
6.337.989,74		0,00	28.306,80	0,00	0,00	0,00	6.366.296,54	0,00	82.029,89	0,00	15.969,04	2.001.043,26	2.070.735,39
5.949.257,57		0,00	228.204,58	0,00	0,00	88.966,21	6.088.495,94	0,00	436.348,20	19.755,87	41.580,94	871.680,17	1.190.615,07
0,00		0,00	208.233,08	0,00	0,00	208.233,08	0,00	0,00	208.233,08	0,00	0,00	0,00	0,00
0,00		0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
12.287.247,31		0,00	464.744,46	0,00	0,00	297.199,29	12.454.792,48	0,00	726.611,17	227.988,95	57.549,98	2.872.723,43	3.261.350,46
III. Financial assets													
1. Investments													
51.250,00		0,00	0,00	0,00	0,00	0,00	51.250,00	0,00	0,00	0,00	0,00	51.250,00	51.250,00
612.456,21		0,00	10.000,00	0,00	0,00	0,00	622.456,21	0,00	0,00	0,00	0,00	608.575,11	598.575,11
663.706,21		0,00	10.000,00	0,00	0,00	0,00	673.706,21	0,00	0,00	0,00	0,00	659.825,11	649.825,11
18.729.356,88		0,00	512.174,90	0,00	0,00	297.199,29	18.944.332,49	0,00	1.395.855,18	227.988,95	50.845,06	5.001.838,22	6.005.573,90

4. Auditors Report

Report on the Financial Statements

Audit opinion

We have audited the financial statements of SOS Kinderdorf International. These financial statements comprise the statement of financial position as of December 31, 2023 with an equity of EUR 3,302,443.90, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the association as of December 31, 2023 and its financial performance for the year then ended in accordance with the legal requirements set forth in the VerG (Austrian Code of Associations) and, by analogy, the requirements of the Austrian Company Code (UGB).

Basis for Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the association in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Responsibilities of management and the supervisory body for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The supervisory body is responsible for overseeing the association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the supervisory body 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.

Wien, September 4, 2024

**Crowe Audit Austria
Wirtschaftsprüfung GmbH**



Kathrin Proprentner, MSc.
Certified Auditor



Dr. Anton Schmidl
Certified Auditor

Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements. Section 281 par. 2 UGB (Austrian Company Code) applies to alternated versions.

5. Report on the audit of association's accounts ("Rechnungsprüfung")

We conducted the audit of the accounts of

SOS-Kinderdorf International
Innsbruck

for the period starting January 1, 2023 until December 31, 2023.

Conclusion

Based on the procedures performed by us for the financial year from January 1, 2023 to December 31, 2023, the association's accounting was appropriate in all material aspects and the association's funds have been used in accordance with the statutes; no unusual income or expenditure, in particular for self-dealings, was identified.

Management's responsibility for the financial conduct

Management is responsible for the appropriate financial conduct of the association and for the usage of the funds in accordance with the statutes. Management is also responsible to establish an accounting system appropriate for the requirements of the association and for the timely and adequate recognition of the association's financial position.

Auditor's responsibility and description of the method and scope of the assurance

Our assignment is to state whether, based on our procedures performed, the accounting system and the financial conduct are appropriate in all material respects and whether the association's funds were used in accordance with the statutes. We are required to report on any identified accounting deficiencies or risks which could pose a threat to the association's ability to continue as a going concern and pay special attention to unusual revenues and expenses, particularly any cases of self-dealing.

Our engagement was conducted in conformity with laws and regulations applicable in Austria and with Austrian Standards for independent assurance engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with reasonable assurance, taking materiality into account.

The selection of the audit procedures depends on the auditor's judgement, including the assessment of the risks of material misstatement whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's accounting system to design procedures that are appropriate in the circumstances but not for the purpose of expressing an independent assurance conclusion on the effectiveness of the association's internal control. The funds are used in accordance with the statutes, if the funds are used for the fulfillment of the objectives of the association, particularly to finance the activities necessary for the realization of the association's purpose. The assessment of the economy and efficiency of the management was not subject to the audit.

In our opinion, the evidence we have obtained is sufficient and appropriate to provide a basis for our independent assurance conclusion.

The procedures we performed do not constitute an audit or a review. Our engagement did not focus on the reveal and the clarification of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management.

Wien, September 4, 2024

**Crowe Audit Austria
Wirtschaftsprüfung GmbH**



Kathrin Proprentner, MSc.
Certified Auditor



Dr. Anton Schmidl
Certified Auditor