

ANNUAL REPORT 2012



World's Children's Prize Foundation

Organization no. 802426-0807

The Board of World's Children's Prize Foundation
hereby presents the annual report



Management Report 2012

VISION

A world where the rights of the child are universally respected and where every new generation grows up as humane global citizens.

MISSION

To catalyse the growth and development of a more humane global community through an integrated global educational program, engaging a growing number of children throughout the world.

The program includes:

- An educational process built on the principle of 'by children for children', promoting children's rights*, a strong and vibrant democratic civil society, the protection of the environment and global friendship.
- Recognizing children's champions who inspire children throughout the world because of their outstanding work for children whose rights have been violated.
- Support for the world's most vulnerable children by granting prize sums to the individuals and organisations which we recognise in order to enable them to further their work.
- The empowerment of children, especially those who suffer violations of their rights, giving them a voice in the world, respect for their rights and faith in the future.

ABOUT THE FOUNDATION'S WORK

The World's Children's Prize Program

The World's Children's Prize is a universal and holistic program, which educates young people on the rights of the child, democracy and global friendship, helping them become humane global citizens. The program helps empower children, giving them knowledge and faith in the future. The participating children gain the opportunity to make their voices heard and to use their freedom of speech to demand respect for their rights. The 32.6 million children who have participated since the program began in 2000 include millions

of children who have had their own rights violated. Many of them did not know the rights of the child existed before getting involved with the World's Children's Prize. Through educating and empowering children, the WCP program also strengthens civil society and nations in the long term. As adults, these children will themselves respect the rights of the child, human rights, democracy and the environment.

The annual program includes a democratic Global Vote where the children select one of three candidates to receive their prestigious award for outstanding contributions to the rights of the child, the World's Children's Prize for the Rights of the Child. The prize laureates become the children's Child Rights Heroes. An international Child Jury of children who are experts on the rights of the child through their own life experiences, including former child slaves and former child soldiers, selects the final three candidates for the Global Vote. The prize money has helped to give thousands of the world's most disadvantaged children a better life.

Supported by Global Friend Schools

By the end of 2012, 58,974 schools with 29,181,830 students in 108 countries had signed up as Global Friend Schools supporting the World's Children's Prize. This is an increase of 1524 schools and 2,181,830 students since 2011. 1698 of these schools are in Sweden, which represents an increase of 16 since 2011.

The World's Children's Prize is supported by 606 organisations, departments of education, and other bodies. This has increased by 43 since 2011. Some of them implement the WCP program in collaboration with 50,000-100,000 teachers every year. In 2012, approximately 65,000 teachers implemented the program. In Sweden, an average of 5.8 teachers engaged with the program in each participating school, representing a total of around 2200 teachers. Since the launch of the

* As defined under the United Nations Convention on the Rights of the Child.

program in 2000, over 500,000 teachers have implemented the WCP program. Like the focal points and partners in around 30 countries, they have received training in the rights of the child and in relevant teaching methods.

The WCP Program and the Global Vote

The Globe magazine and Teachers' Guide was produced in six languages (Swedish, English, French, Spanish, Portuguese and Hindi) and in text-only versions in Urdu and Karen, for use alongside the English version. The children use The Globe magazine, child rights fact sheets for their own country, and their own and their friends' experiences of child rights violations. They identify with the children in The Globe and they are inspired by the prize candidates and their organisations' work for children. They then prepare their school's Global Vote, including all the elements that make up a democratic election.

The largest number of children participating in the Global Vote in any one year has been 7.1 million. There were sufficient printed resources in 2012 for 2 million children to participate. Almost 2.5 million children voted in the Global Vote. Since the WCP began in the year 2000, 32,628,127 children have participated in the WCP program and had their votes registered in time. In addition, there are children whose votes were submitted too late (usually around 10%, but in 2012 there were more late votes because of the short program period caused by a delayed response from Sida), and children who participated in the program and read The Globe but were not involved in the Global Vote, or whose votes were not reported. It is estimated that the program reached approximately 3 million children in 2012, and that more than 35 million children have participated in the program since its launch.

In Sweden this year, at least 39,472 children participated in the WCP program, including the Global Vote. Since the program began, 496,728 children in Sweden have participated in the WCP program and had their votes registered in time. Feedback from schools and teachers (via surveys) show that around 5% of schools in Sweden miss the deadline for reporting votes each year. Therefore, approximately 42,000 children in Sweden participated in the program in 2012. In addition,

there are children who studied The Globe but did not participate in the Global Vote.

Child Rights Heroes in 2012

The voting children selected Anna Mollel from Tanzania to be the recipient of the 2012 World's Children's Prize for the Rights of the Child, for her long struggle for Maasai children with disabilities. The recipient of the World's Children's Honorary Award was Sakena Yacoobi from Afghanistan, for her highly dangerous fight for the right of Afghan children – primarily girls – to education. Ann Skelton from South Africa also received the World's Children's Honorary Award, for her successful fight for respect for the rights of children affected by the legal system. Since the World's Children's Prize was launched in 2000, there have been 36 prize laureates and 15 Decade prize laureates, all of whom have inspired children all over the world. The prize money has helped to give thousands of the world's most disadvantaged children a better life, so far through 51 projects in 28 countries.

The Award Ceremony took place at Gripsholm Castle and was hosted by the fifteen members of the Child Jury, with some help from H.M. Queen Silvia of Sweden to present the prizes. While in Sweden for the ceremony, the prize laureates and Child Jury visited Swedish schools.

Focus on girls' rights

In 2012 a new girls' rights initiative was launched in Mozambique, Zimbabwe, Ghana, D.R. Congo, Nepal, South Africa and Brazil. The 'Rights and Democracy for One Million Girls' project looks at how girls are particularly vulnerable to child rights violations. It includes many groups whose rights have been violated or who are at risk, and it has a particular focus on the child sex trade. This initiative is being carried out in collaboration with ECPAT Sweden and has been funded in its entirety by SEK 11.885 million from the Swedish Postcode Lottery. The resources for this special project, which will be implemented as part of the WCP program in 2013 and 2014, were produced in 2012 and 364 girls completed training to become Child Rights Ambassadors. Furthermore, teachers and school principals of the 2500-3000 participating schools will be trained. The girls at these schools will receive help to start Child Rights

Clubs, which will implement the WCP program at their schools with a particular focus on girls' rights. The project aims to educate and empower at least one million girls. As an added bonus, just as many boys at the participating schools will learn about girls' rights and the child sex trade.

Media visibility

Local children's participation in the WCP program attracts a lot of interest from local media in Sweden, and local and national media all over the world. Three press releases are distributed annually by the WCPF office, each one adapted into 25 Swedish versions tailored to local children, and 45 international versions in four other languages. The international press releases are adapted according to where the jury children, prize laureates and participating children come from, and are translated into other languages locally. AP, AFP and other press agencies report on the WCP every year around the globe. Child-led World's Children's Press Conferences, where only children may speak and be interviewed on their rights and on the prize laureates' work for the rights of the child, are held twice a year in many countries simultaneously. In Sweden in 2012 there were 43

Children's Press Conferences, and globally around a hundred. In Sweden there were around 285 publications over the course of the year, in local and national newspapers, and on radio, TV and online. A one-hour-long version of the Award Ceremony was broadcast nine times on Axess TV. Around the world, hundreds of articles are published annually.

It is estimated that over 90 percent of participating schools do not have internet access. They only use the printed resources. The website is laid out so as to ensure that those who do not have access to the printed resources can access everything they need to be able to participate in the program. In 2012 the website had 109,726 visitors with 771,390 page views. The majority of hits were from schools or internet cafés. In these venues, many users share one or a handful of IP addresses, which means that sometimes hundreds or even thousands of visitors may be counted as one unique visitor. The average visitor stays for five minutes, compared with less than one minute which is common. In January 2012 a Facebook page was launched and by the end of the year 1553 people had 'liked' the page and its reach was 74,168 people per week. This continues to grow and by early 2013 over 6000 people had 'liked' the page and its reach was 190,000 people per week. The World's Children's Prize channel on YouTube had 26,417 views in 2012, up from 19,633 in 2011.

Patrons and Child Jury

H.M. Queen Silvia of Sweden is the World's Children's Prize Foundation's first Honorary Adult Friend and patron. Other patrons include five Nobel Prize Laureates and three global legends – Nelson Mandela, Aung San Suu Kyi and Xanana Gusmão. Graça Machel, a member of global



leadership group The Elders is also a patron. At the 2012 Award Ceremony another member of The Elders joined the patrons – Archbishop Emeritus Desmond Tutu.

The World's Children's Prize Child Jury is made up of 15 children from all over the world. Every year, the Child Jury selects the three final candidates for the prize. The children of the Jury are experts on the rights of the child through their own life experiences. The new members of the Jury in 2012 represent all children who are child soldiers (Ndale Nyengela, DR Congo), living in conflict zones (Netta Alexandri, Israel), slaves and child labourers (Kewal Ram, Pakistan), exploited through the child sex trade (Mae Segovia, Philippines), and all children who have been separated from their parents (David Pullin, UK). Millions of children all over the world learn about different aspects of the rights of the child through reading about the lives of the children of the Jury.

Great evaluation results

The WCP program always receives a very positive response. The program evaluation for 2012 showed that 99 percent of teachers in 323 Swedish schools think that the WCP program is 'Excellent' (86%) or 'Good'. The equivalent figure in 2011 was 97.2 percent. 96.5 percent of students gave the program a positive response (compared to 91.7% in 2011). Most Swedish schools study the program in several subjects and for an average period of one month (from one week to three months). 97 percent of teachers believe that the students' knowledge of the rights of the child has increased, 92 percent that the students have been active participants in a democratic process, 88 percent that the students have become more interested in global issues, and 80 percent that the program combats racism and xenophobia.

Future development

The excellent results of the WCP activities, as detailed above, and the increased demand in the years since the program began from schools and organisations wishing to implement the program, show the potential for continued growth as long as there is funding to support this. Demand for participation in the program from organisations and schools has continued to grow in 2012. However, current levels of funding for the World's

Children's Prize program are not sufficient to meet this demand.

Significant events during the financial year

The growth in income from SEK 10,762,716 in 2011 to SEK 15,489,603 in 2012 is primarily a result of a temporary increase in funding from Sida (the Swedish International Development Cooperation Agency), and a three-year collaborative project with ECPAT Sweden, which is funded in full by the Swedish Postcode Lottery.

The Body Shop Foundation ran a 'Vote with your Lips' campaign in the second half of the year, in all its stores in all countries where it has a presence. All customers purchasing the Dragon Fruit Lip Butter product received a token allowing them to vote for one of three local organisations. In Sweden, the World's Children's Prize Foundation received 55 percent of the almost 12,000 votes, and was therefore awarded 50 percent of the income from sales of the campaign product, amounting to SEK 190,000. This funding will be received in 2013. The WCPF was also selected by the head office of the Body Shop Foundation in the UK to be promoted through the company's communication channels.

Significant events after the end of the financial year

The Sida grant for the WCPF's global program ended in 2013. However, the grant through Sida's information and communication funding stream for the WCP program in Swedish schools increased to SEK 2.7 million. In March the World's Children's Prize Foundation received SEK 5 million from the Swedish Postcode Foundation towards core costs in 2013, and in April the WCPF became a beneficiary of the Swedish Postcode Lottery. Arne Karlsson, Chairman of Ratos, joined the WCPF Board in April.

Management

The Board, which consists of Mark Drewell (Chairman), Cecilia Flores-Oebanda, Trond Waage, Eva Reimers, Henrik Häggström, Rebecca Göthe and Magnus Bergmar, have held nine minuted meetings.

The office staff in 2012 consisted of CEO Magnus Bergmar and 6 employees: Heads of Communica-

tion, Program and Finance, Program Officer, Fundraising and Finance Officer, and Web Editor.

The Board has drawn up a report on the implementation of the FRII (the Swedish Fundraising Council) Code of Quality.

The World's Children's Prize Foundation has four 90 bank accounts (90 accounts are for registered charities in Sweden and are under the supervision of the Swedish Fundraising Council). PlusGiro accounts 900186-8 and 900310-4, and Bankgiro accounts 900-1868 and 900-3104.

Profit/loss and financial position

This year's surplus of SEK 237,017 is carried forward.

The total operating profit/loss for the two most recent financial years and the Foundation's financial position as at 31/12/2012 and 31/12/2011 respectively are stated in the following profit/loss and balance sheet with notes.

Figures are given in SEK unless otherwise stated.



Statement of Income and Expense

Amounts in SEK	Note	2012-01-01 – 2012-12-31	2011-01-01 – 2011-12-31
Programme Income			
Contributions	1	15,438,871	10,642,627
Other income	2	50,732	120,089
Total Programme Income		15,489,603	10,762,716
Programme Expense			
	3		
Programme activities		–13,713,664	–9 659,832
Fundraising		–574,125	–464,807
Management & General		–994,001	–790,773
Total Programme Expense		–15,281,790	–10,915,412
Programme Income less Expense		207,813	–152,696
Income from Financial Investments			
Income from securities		1,329	1,791
Interest income and comparable items	4	45,173	27,941
Interest expense and comparable items		–17,298	–10,577
Net Income from Financial Investments		29,204	19,155
Net Surplus / Deficit for the Year (a)		237,017	–133,541

(a) the deficit for the year 2011 was planned since, in the year 2009, a surplus arose as a result of costs that were delayed to 2010 and 2011.

Balance Sheet

Amount in SEK	Note	2012-01-01 – 2012-12-31	2011-01-01 – 2011-12-31
ASSETS			
Fixed Assets			
<i>Tangible Fixed Assets</i>			
<i>Equipment</i>	5	82,829	89,259
Total Tangible Fixed Assets		82,829	89,259
<i>Financial Assets</i>			
<i>Long-term investments</i>	6	56,880	55,551
Total Financial Assets		56,880	55,551
Total Fixed Assets		139,709	144,810
Current Assets			
<i>Current Receivables</i>			
<i>Accounts receivable</i>		25,380	45,510
<i>Other current receivables</i>		718,252	362,781
<i>Prepaid expense and accrued income</i>		53,522	45,270
Total Current Receivables		797,154	453,561
<i>Cash and Bank Balances</i>		3,683,563	1,364,536
Total Current Assets		4,480,717	1,818,097
TOTAL ASSETS		4,620,426	1,962,907
EQUITY AND LIABILITIES			
Equity			
<i>Foundation equity</i>		50,000	50,000
<i>Reserved funds</i>		50,000	50,000
<i>Equity carried forward</i>		59,486	193,027
<i>Net surplus/deficit for the year</i>		237,017	-133,541
Total Equity		396,503	159,486
Current Liabilities			
<i>Prepaid project contribution</i>	7	1,246,208	
<i>Accounts payable</i>		1,504,055	70,557
<i>Other current liabilities</i>	8	1,106,124	1,168,091
<i>Accrued expense and prepaid income</i>	9	367,536	564,773
Total Current Liabilities		4,223,923	1,803,421
TOTAL EQUITY AND LIABILITIES		4,620,426	1,962,907
<i>Pledged Assets</i>		None	None
<i>Contingent Liabilities</i>		None	None

Accounting and Valuation Principles

Stiftelsen World's Children's Prize Foundation Audit Report and valuation principles have been prepared in accordance with the Swedish Accounting Act and the general advice and guidelines of the Swedish Accounting Standards Board, the Swedish Fundraising Council's Guidelines for annual reports and The Swedish Fundraising Control's requirements for 90-accounts. The principles applied are unchanged compared with the previous year.

Programme Income

Revenue is recognized at the fair value of the amount received or to be received.

Contributions

Contributions include gifts received from the general public, companies, organizations, communities, and private and non-profit foundations. For project contributions for donor specified purposes, the revenue is recognized in such a way that the revenue equals the costs related to the project.

Accounting for Programme Expense

Programme activities

Programme activity expenses are the costs for implementation of the mandate according to the statutes of the Stiftelsen World's Children's Prize Foundation.

Fundraising

Fundraising expenses refer to the costs incurred to generate donations from individuals, businesses, foundations and corporations in the form of fundraising materials, printing costs, advertising and personnel costs for those involved in these fundraising activities.

Management & General

Administrative expenses are the costs necessary to administer the Stiftelsen World's Children's Prize Foundation, such as costs for board meetings and part of the rent and administrative systems.

Assets and Liabilities

Valuation principles

Assets and liabilities are valued at acquisition value unless stated otherwise. Long-term investments held as fixed assets are valued at the lower of acquisition value and fair market value.

Depreciation principles for fixed assets

Depreciation according to plan (5 years and 3 years for computers) is based on the original acquisition values and depreciation is reported over the estimated economic life of the asset.

Write-down applies when it has been determined that the damage is permanent.

Receivables

Receivables are recognised in the amount in which they are estimated to be received on the basis of individual assessment.

Notes

	2012-01-01 – 2012-12-31	2011-01-01 – 2011-12-31
NOTE 1		
CONTRIBUTIONS AND INCOME FROM FUNDRAISING		
Sida via Save the Children Sweden	7,500,000	5,500,000
Swedish Postcode Lottery via the Swedish Postcode Foundation	3,000,000	2,500,000
ECPAT, Sweden	2,868,792	
Save the Children Sweden	850,000	850,000
Crown Princess Margareta's Memorial Fund	300,000	300,000
Sparbank Foundation Rekarne	200,000	200,000
e-Work	100,000	100,000
Helge Ax:son Johnsons Foundation	80,000	100,000
Cordial Business Advisers	50,000	25,000
Altor Equity Partners AB	15,000	33,000
Hugo Stenbecks Foundation		500,000
Dahlströmska Foundation		50,000
Other contributions from fundraising	475,079	484,627
Total Contributions and Income from Fundraising	15,438,871	10,642,627
NOTE 2		
OTHER INCOME		
Miscellaneous income from sales	45,932	118,289
Global Friend fees	4,800	1,800
Total Other Income	50,732	120,089
NOTE 3		
EMPLOYEES AND PERSONNEL COSTS		
Average Number of Employees		
Women	6	4
Men	1	2
Total Average Number of Employees	7	6
Salaries, Other Remunerations and Social Benefits		
Salaries and Other Remunerations		
Board Members and CEO	737,060	664,915
Employees	2,578,733	1,893,460
Total Salaries and Other Remunerations	3,315,793	2,558,375
Social Benefits	1,414,282	1,285,858
(of which pension costs for Board Members and CEO)	250,200	278,429
(of which pension costs for employees)	140,303	208,723

Salaries for 2012 include temporary staff employed during the Prize Week in the amount of 151,725 kr (101,300 kr).

Salaries for employees abroad were 289,218 kr (209,032 kr).

	2012-01-01	2011-01-01
	– 2012-12-31	– 2011-12-31

NOTE 4

INTEREST INCOME AND COMPARABLE ITEMS

RInterest income, other	45,136	27,941
Currency exchange gain	37	00
Total Interest Income and Comparable Items	45,173	27,941

NOTE 5

EQUIPMENT

Accumulated purchase value		
Opening balance	180,109	115,539
Purchases during the year	52,554	64,570
	232,663	180,109
Accumulated depreciation		
Opening balance	–90,850	–46,218
Depreciation for the year	–58,984	–44,632
	–149,834	–90,850
Closing Value	82,829	89,259

NOTE 6

LONG-TERM INVESTMENTS

Accumulated purchase value		
Opening balance	55,551	54,439
Purchases during the year	1,329	1,112
Closing Value	56,880	55,551

value

Quoted Shares

	Number	Rate	Acquisition value	Carrying value	Market value
DNB Sverigefond	424.00	101.42	30,051	30,051	42,987
DNB SEK Long Bond B	1858	15.66	26,829	26,829	29,093
			56,880	56,880	72,080

	2012-01-01	2011-01-01
	– 2012-12-31	– 2011-12-31

NOTE 7

PREPAID PROJECT CONTRIBUTION

Special Project: "Rights and Democracy for One Million Girls
"Rättigheter och demokrati för en miljon flickor", ECPAT, Sweden

Grant awarded	4,115,000	
Utilized	–2,868,792	
Prepaid Project Contribution	1,246,208	

NOTE 8

OTHER CURRENT LIABILITIES

Allocated, Non-disbursed Grants:

Nelson Mandela och Graça Machel, South Africa 2010	500,000	500,000
To the Memory of Iqbal Masih, Pakistan 2000	400,000	400,000
Dunga Mothers, Kenya 2010	35,000	35,000
	935,000	935,000
Barnens Värld	607	54 620
Other current liabilities	170,517	178,471
Total Other Current Liabilities	1,106,124	1,168,091

NOTE 9

ACCRUED EXPENSE AND PREPAID INCOME

Accrued vacation pay	82,539	107,568
Accrued employer's payroll tax contribution	5,856	221,929
Accrued social benefits	33,014	40,878
Other accrued expense and prepaid income	246,127	194,398
Total Accrued Expense and Prepaid Income	367,536	564,773

Audit Report

To the Governing Board of World's Children's Prize Foundation
Corporate Identity Number 802426-0807

Report on the annual accounts

Responsibilities of the governing board for the annual accounts

The governing board is responsible for the preparation and fair presentation of the annual accounts in accordance with the Annual Accounts Act, and for such internal control as the board determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

My responsibility is to express an opinion on the annual accounts based on my audit. I conducted my audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to

the association's preparation and fair presentation of the annual accounts, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of World's Children's Prize Foundation as of 31 December 2012 and of its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

I therefore recommend that the governing board adopt the income statement and balance sheet.

Report on other legal and regulatory requirements

In addition to my audit of the annual accounts, I have also examined the administration of the governing board of World's Children's Prize Foundation for the year 2012.

Responsibilities of the governing board

The governing board is responsible for the administration according to the Foundations Act and the Foundation's Regulations.

Auditor's responsibility

My responsibility is to express an opinion with reasonable assurance on the administration according to the Foundations Act and the Foundation's Regulations based on my audit. I conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for my opinion on the governing board's administration, in addition to my audit of the annual accounts, I examined significant decisions, actions taken and circumstances of the foundation in order to determine whether any member of the governing board has undertaken any action or is

guilty of negligence which may entail a liability for damages. I also examined whether any member of the governing board has, in any other way, acted in contravention of the Foundation's Regulations, the Foundations Act or the Annual Accounts Act.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

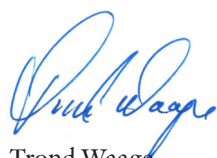
The members of the governing board have not acted in contravention of the provisions of the Foundations Act, the Foundation's Regulations or the Annual Accounts Act.

Stockholm, 24 May 2013



Jonas Grahn
Authorized Public Accountant

This Annual Report has been drawn up on the 19th of April, 2013.



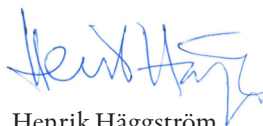
Trond Waage
Chair



Cecilia Flores-Oebanda
Board Member




Rebecca Göthe
Board Member



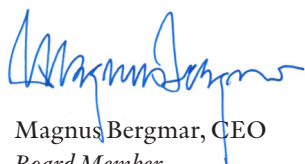
Henrik Haggström
Board Member



Eva Reimers
Board Member



Mark Drewell
Board Member



Magnus Bergmar, CEO
Board Member

My Audit Report was presented o April 2013



Jonas Grahn
Authorized Public Accountant