

War Child Annual Report 2019

**ACCELERATING OUR RESPONSE
TO MEET URGENT MENTAL HEALTH NEEDS**



WAR
child

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We are War Child

Introduction

No child has ever started a war. Yet some **149 million children** worldwide continue to live in the midst of armed conflict. In their first years of life, these children have been exposed to the type of violence and brutality that the majority of humankind cannot even begin to comprehend. And even if the violence stops - there is no peace for them. The impact of war goes far beyond physical wounds...

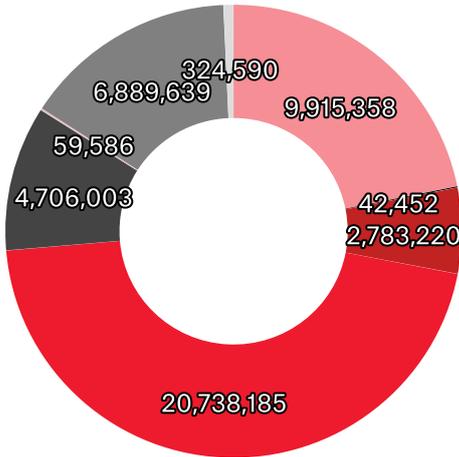
War Child met the urgent needs of **267,754 children and adults** over the course of 2019. We delivered vital child protection, education and psychosocial support among vulnerable and underserved communities in a record **17 countries**. The year saw us train more local staff who were able to support more children, families and communities than ever before. We were also able to invest a record percentage of our income in strengthening our child protection structures worldwide to help safeguard the fundamental rights of children and youth against trauma and abuse. When scaling up, we must ensure the effectiveness of our work - this is paramount. By the close of 2019, we had succeeded in developing robust **evidence-based intervention models** to help meet urgent and emerging challenges.

We believe that no child should be part of war. Ever.

War Child in 2019...

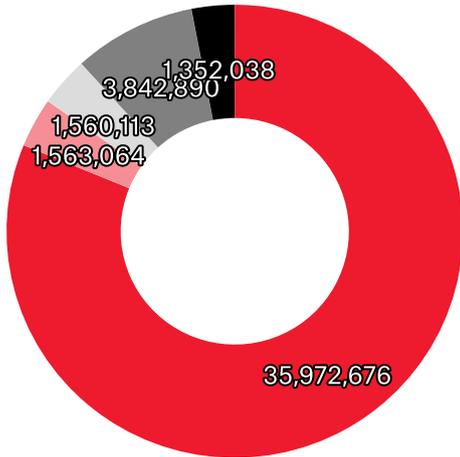
Income 2019

Total: € 45,459,035



Expenses 2019

Total: € 44,290,781



- Individuals
- Other Income
- Companies
- Government grants
- Lotteries
- Affiliated Parties
- Other organizations (non-profit)
- Income from sale of products

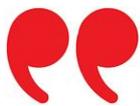
- Project activities
- Preparation and Coordination
- Awareness Raising
- Fundraising
- Management and administration

Our 2019 Highlights

We met the urgent needs of 267,754 children and adults

- We worked with **61 partner organisations** to help implement our programmes
- We developed **two new interventions**, piloted four and a further four underwent final evaluation
- We saw our income grow by **€5.9 million** compared to €3.2 million in 2018
- We employed **487 national and international staff** to meet the needs of children worldwide
- We received financial support from **65 institutions and foundations**
- We enjoyed the support of **87,500 structural donors**

Alternative Approach to Emergency Aid Urgently Needed



149 million children worldwide live with the effects of violence and armed conflict. This is the reason War Child exists. Every day, these children face a number of existential threats to their safety and wellbeing. And every day we work to give them a voice and protect them. But what about the hidden scars - **the invisible wounds** - that ensue?

The **coronavirus pandemic** has greatly intensified the risks that children living with the consequences of armed conflict are already facing. In the countries where War Child is active, the spread of COVID-19 could trigger the collapse of fragile health care systems. Not just the virus itself, but also the restrictive measures put in place to contain the spread, could have dire repercussions - in densely populated communities where basic needs regularly go unmet, tensions are high and preventative methods, such as social distancing, are simply not an option.

Extraordinary times must be met with an **extraordinary response**. Through our emergency response War Child is taking every action within our abilities to uphold the social and emotional wellbeing of the children and families who take part in our activities - and shield them against possible infection. We are working with our partners worldwide to rapidly adapt our programmes, lead awareness-raising sessions and develop remote child protection, education and psychosocial support for children and caregivers living with the effects of isolation. Our efforts during this emergency aim to ensure no child is left behind.



Tjipke Bergsma | Photographer: Hussein Baydoun



Peter Bakker | Photographer: Sander Stoeperker

Prioritising Psychosocial Support

Latest figures reveal that some 84 million children experience psychological and social problems as a result of violence and armed conflict. Yet for the vast majority of these children there is no available mental health support - resulting in lifelong problems. These **psychological problems** develop early in a child's life - and are shaped by a variety of social, economic and physical environments - so the longer it takes us to support their resilience, the more difficult it becomes.

"Traditional emergency aid continues to dominate the international humanitarian agenda. A new approach is urgently needed."

The needs of these children are urgent and growing in scale and complexity - but currently remain underserved. A massive gap exists between available services and these critical needs - a gap that will only further expand as a result of the coronavirus pandemic. We remain in the grip of a global - and growing - **mental health crisis**.

Traditional emergency aid - a roof over a child's head, food, drink and a warm blanket - continues to dominate the international humanitarian agenda. The life-saving necessity of such a response goes without question. But we believe that an alternative approach is urgently needed - one that meets life-sustaining needs but also firmly prioritises **psychosocial support**.

At War Child we refuse to categorise any situation as hopeless. After all, we witness the **innate strength and resilience** of children every day. Our own research shows that - with the right support and concurrent efforts to uphold access to education and reinforce child protection structures - most children will be able to cope with the adversities they experience. But we need to act now - with unprecedented speed and agility - to turn the tide.

Our Progress in 2019

War Child works exclusively to improve the wellbeing of children living with violence and armed conflict. We act in partnership with children and their communities to deliver relevant and effective interventions - and confront the global mental health crisis head-on. And we're **taking our work to scale** - at an accelerated pace - to ensure that no child is left behind.

2019 was a milestone year for us.

We succeeded in bringing the topic of acting early with psychosocial support in emergency settings to the international agenda. With our petition **#DrawTheLine** we raised awareness on behalf of millions of children deprived of their fundamental rights.

We accelerated our work to **safeguard the legal rights of children** in the occupied Palestinian territory - rights which came under increasingly violent assault in the wake of protests at Gaza's border. New interventions were developed and tested in our countries of operation - and came with enhanced efforts to adopt a genuinely **community-driven approach**. Can't Wait to Learn - our innovative tablet-driven education programme - expanded to two new countries to deliver quality education to increasing numbers of children.



War Child



Ellie King

Collaboration - From the Ground up

Much has been achieved - yet the global mental health crisis will not be resolved any time soon. All the right words have been spoken but now these words must be translated into action. New threats have replaced old threats and the situation of children continues to change - and this uncertainty will endure in 2020 with the emergence of the coronavirus pandemic.

This means we must continue to think on our feet - ready to adapt to meet the fresh challenges that face us. We cannot ignore the **multi-faceted and complex needs** that will arise as a result of a pandemic of this magnitude. Stigma, exclusion and misinformation are just some of the threats that children will be exposed to.

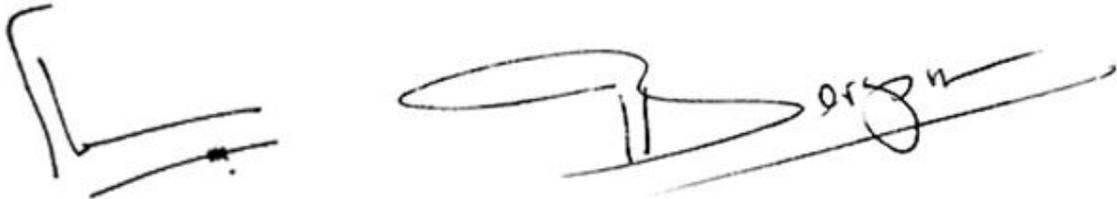
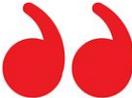
We will never be able to reach all of the world's conflict-affected children by ourselves. But what we can do is raise their voice at this critical time and work together - faster and better - to bring about change.

“War Child continues to advocate for vital psychosocial support to become a permanent element of international humanitarian assistance.”

Accelerating Our Response

We will continue to advocate for vital psychosocial support to become a permanent element of international humanitarian emergency assistance. We will continue to put pressure on government institutions and decision-makers to invest in mental health. We will **accelerate our work** to develop new interventions that match children's needs - and bring them to scale around the world. And we will do all of this in the context of the coronavirus pandemic.

We will do all this because no child should be part of war. Ever.



Peter Bakker, Chair Supervisory Board, War Child
Tjipke Bergsma, Managing Director, War Child

Our Mission

War Child works exclusively to strengthen the resilience and wellbeing of children living with violence and armed conflict.

We deliver vital **child protection, education and psychosocial support**. We are present in **17 countries** where children live with the consequences of violence and armed conflict.

We empower children in everything we do. We work to unleash their inner strength through our creative and engaging approach.



War Child UK

We work together with caregivers and communities - as well as other NGOs - to bring about lasting change in the lives of conflict-affected children. We undertake **Research and Development** to both **innovate and demonstrate the effectiveness of our interventions**. Our goal is that every one of our programmes will be backed by rigorous evidence.

Everything we do has a lasting impact and helps children build a better future - both for themselves and their communities. Because no child should be part of war. Ever.

Our Vision

War Child works to provide psychological support, child-protection and quality education. We collaborate with organisations across the world to ensure our work has maximum impact - and reaches the children who need it most.

Because...

**NO CHILD SHOULD BE PART OF WAR.
EVER.**

Children have the right to grow up in peace
Free from fear and violence
To develop their full potential
Become the person they want to be

**TOGETHER WE CAN
CHANGE THE FUTURE**

Our Programme Strategy

Our Strategy

Reaching Greater Numbers of Children

Graphic scenes of children brutalised by violence are among the defining images of our time. Yet the nature of **armed conflict is becoming increasingly unpredictable**. In a world where one person is forcibly displaced every two seconds (UNHCR 2019), the parameters are chaotic - and shifting. The challenges we face continue to mount in scale and complexity.

The need for psychosocial support - particularly in urban settings - is growing and increasingly acknowledged as a global priority. Thus our relevance as War Child is also growing rapidly. We must continuously adapt our approach to **close the gap between need and supply**. And work to maintain the provision of psychosocial support backed by adequate funding - with a vision to include all children, no matter where they are, in our response.



David Jurado

War Child reaches many thousands of children and youth every year - yet there are 149 million children living directly with the effects of violence and armed conflict. We simply cannot reach all these conflict-affected children alone - which is why our strategic goal is to become the **networked expert organisation for children affected by conflict**.

Networked

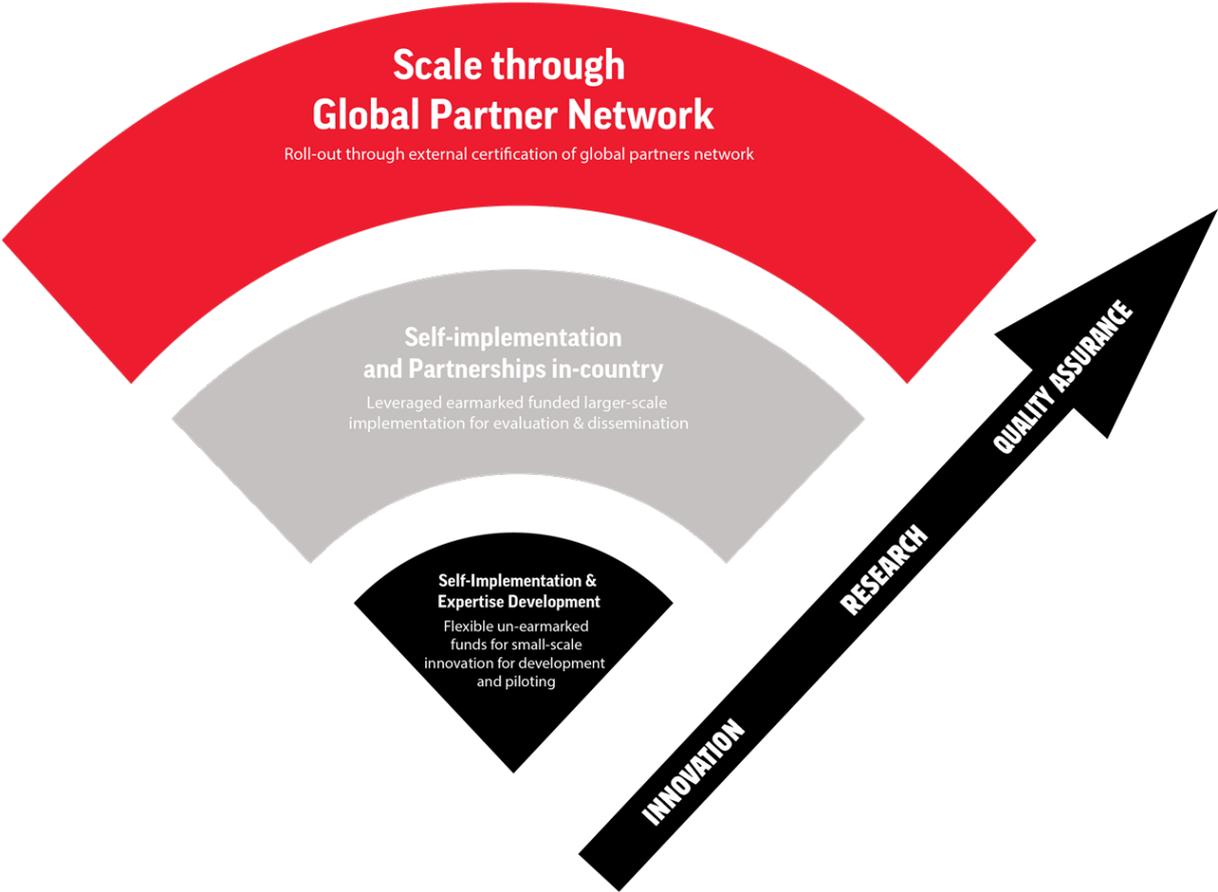
This strategy sees us collaborate with communities, organisations and governments across the world to ensure our work has maximum reach and impact.

Expert

We are developing robust interventions - backed by the highest standards of evidence and research - and we will share them with our network of partner organisations.

2025 Organisational Strategy

In 2019 we revised our organisational strategy to engage with this changing context and drive forward our long-term goals. We are scaling up - and fast - to meet urgent mental health needs while continuing to pioneer an **evidence-based approach**. With increased investment in **Research and Development** and in-house expertise, we are uniquely positioned to take a leading role. To this end, our new 2019-2025 strategy is centred around four key ambitions:



Despite initial delays - due to necessary revisions - 2019 saw us make meaningful progress towards these goals.

Our advocacy efforts - most readily captured by our leading role in the **2019 International Conference on Mental Health and Psychosocial Support in Crisis Situations** - saw significant steps taken towards the incorporation of mental health support into international humanitarian responses. The conference saw government ministers, policy makers and sector experts agree to **integrate and scale up mental health and psychosocial support** in this regard. Yet it still remains unclear how this resolution will be financed - a shortfall we are working hard to help address.

We began to roll out initiatives to champion the voices of youth and see these voices influence those with the power to deliver change - particularly in our **African programme countries**. And we deepened our collaboration with community-based organisations and local actors across the board - handing communities the tools to respond themselves to the mental health crisis.

Our goal is that every one of our programmes will be backed by rigorous evidence. The set of core interventions that make up our integrated **War Child Care System** were further developed and tested in our countries of operation.

Learning and Scaling Up

We made significant progress towards becoming a true **Learning Organisation** with the roll-out of the War Child Learning World - an e-learning portal for everyone involved with our organisation. The success of this portal was shown in the evaluation of an online learning course for TeamUp facilitators. 93 per cent of participants said their knowledge and skills were strengthened and 100 per cent would recommend the course to other learners.

Our commitment to becoming a networked expert organisation in the field of psychosocial support also moved forward over the course of 2019. The year saw the second edition of our 'Peace Sessions - Expert' event take place in The Hague - a unique opportunity to gather specialist knowledge on the impact of war on children. A number of key **policy recommendations** were generated during the day's debates.

2019 saw us **invigorate collaborative practices**. The year as a whole saw increased recognition from, and engagement with, key actors including the World Health Organisation (WHO), UNICEF and Save the Children - particularly in relation to our global coalition programmes **TeamUp** and **Can't Wait to Learn**. 2019 also saw us intensify our participation in the Dutch Relief Alliance - both to boost collaboration within the Dutch humanitarian sector and deepen our involvement across four programme countries.

We seek to **contribute to positive change** - on a social, cultural and environmental level - in everything we do. Our commitment to environmental entrepreneurship was bolstered in 2019 through the development of an environmental policy and action plan - an important first step towards reducing the organisation's carbon footprint.

Because together we can change the future.

What We Do for Children

War Child works exclusively to improve the psychosocial wellbeing of children affected by conflict. Our integrated programmes combine psychosocial support, education and child protection for maximum impact. This approach ensures our efforts are both relevant and effective.

Psychosocial Support

Our psychosocial support interventions are designed to support conflict-affected children to cope with the adversities they experience. These adversities take many forms - including feelings of fear, anxiety, and depression, as well as exposure to physical and sexual exploitation.

We work to enable children and young people to build their inner strength and resilience to cope with these adversities. With our **life skills interventions** and **structured recreational activities**, we aim to develop increased self-confidence and trust in others - and a hope of a better future.



Jeppe Schilder

Education

The **Sustainable Development Goals (SDGs)** state that widening access to education isn't enough - children must have the opportunity to complete learning paths of the highest quality. This mandate shapes War Child's work to provide education to thousands of children around the world.

Our education programmes support children to develop the knowledge and skills they need to shape their own future. All of our efforts empower them to participate in their societies and fulfil their potential.

We provide **catch-up education, basic numeracy and literacy and e-learning initiatives** for children denied their right to learn. We also support teachers and other education professionals to help create safe and enabling learning environments.

Can't Wait to Learn is our flagship education programme. This global initiative provides conflict-affected children with quality education - no matter where they live. The programme offers children the opportunity to (continue to) learn to read, write and count through playing educational games on tablet devices.



Hussein Baydoun

Child Protection

A record 420 million children live in countries affected by armed conflict and humanitarian instability - that figure equates to almost one in five children worldwide. The structures necessary to maintain the safety of children often break down in times of armed conflict - leaving children exposed to risks including violence, abuse and sexual exploitation.

We partner with communities and local authorities to safeguard the **fundamental rights of children** and strengthen child protection systems.

Children are also closely involved in our protection activities - we support them to identify and analyse risks to their safety. We then work together with both children and their communities to reduce those risks.

Upholding Programme Quality

Each and every War Child programme around the world is subject to robust monitoring, evaluation and quality assurance. All of these efforts allow us to continually **improve our work** - in order to provide effective responses that are relevant to the hopes and ambitions of children worldwide.

In 2019 we further developed our efforts in this area. Our increased focus on relevance saw us explore new areas of programming - with a particular emphasis on **community engagement** and **youth empowerment**.

The quality of our programmes is further strengthened through our work to align with global standards on humanitarian action. We are also active participants in a number of global humanitarian coordination bodies - including the **Global Education Cluster; Global Protection Cluster; Alliance for Child Protection in Humanitarian Action; and the Inter-Agency Committee on Mental Health and Psychosocial Support in Emergency Settings**.

For Children, By Children

Children and young people affected by armed conflict and violence are at **the heart of all our work**. Their participation in developing solutions to the challenges they face is key to the design of our programmes. We also involve local communities in this process - to draw on their knowledge to promote the empowerment and resilience of children and youth.

We seek to understand the level of satisfaction experienced by every person who takes part in our programmes. We also **collect their feedback** on how they view the quality of our programmes - and use the findings to continually improve our work.



Julie Hrudova



Julio Barrera

Integrity and justice are central to all War Child activities - including our duty to uphold the safety and dignity of our staff and the children who take part in our programmes. News concerning abuse and sexual misconduct by NGO workers shook the global humanitarian sector in 2018 - and this led to a full evaluation of our **child safeguarding measures**.

Our commitment to increased accountability in this regard was made manifest in the birth of our **Integrity Framework** - conceptualised over the course of 2019. The framework - a set of four robust policies that outline in full our obligations to all our stakeholders - seeks to ensure that War Child operates to the highest ethical standards.

The four policies are now available to download:

- **War Child Code of Conduct**
- **Child Safeguarding Policy**
- **Anti-Fraud and Anti-Corruption (AFAC) Policy**
- **Speak Up! Procedure**

Our Code of Conduct and new Speak Up! Procedure were developed with input from both international child rights organisations and bodies that set international sector benchmarks. Our Child Safeguarding Policy adheres to the international standards issued by global child rights watchdog Keeping Children Safe (KCS).

Integrated Approach

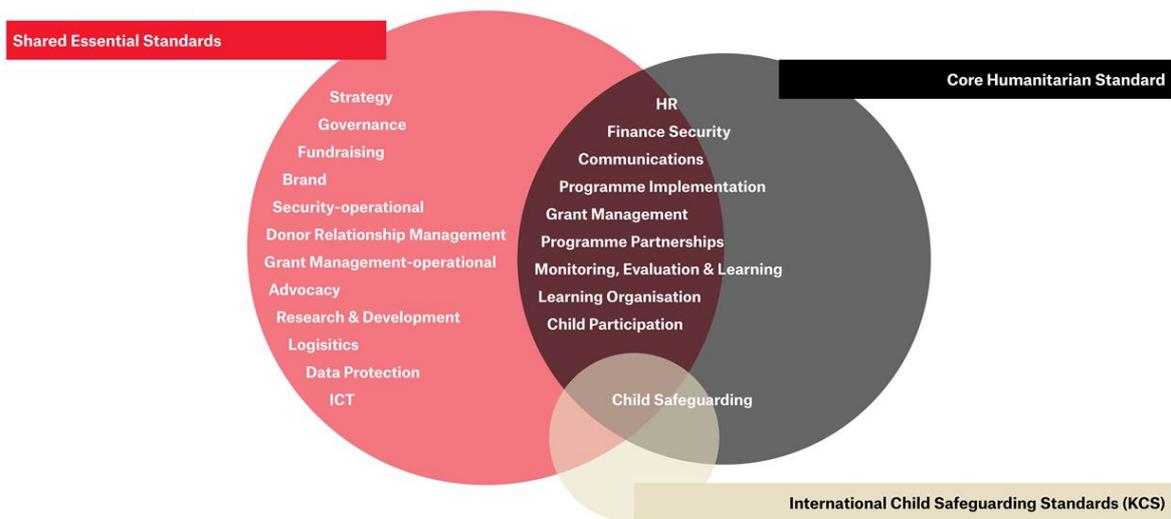
War Child's efforts to bring about meaningful change in the lives of children embraces an integrated approach. All our **interventions are interconnected and mutually reinforcing** - ensuring maximum impact.

Our interventions range in intensity according to the challenges experienced by children and their communities - and we always take into account how the development of children is shaped by the world around them.

International Standards

War Child became a member of the global **Core Humanitarian Standard (CHS) Alliance** in 2018. The alliance sets out nine commitments that humanitarian organisations can use to improve the quality and effectiveness of the assistance they provide.

Work to roll out our own **War Child Essential Standards** was more difficult than we anticipated. The year did see us carry out a baseline survey against these standards developed in collaboration with War Child UK. This will ensure that organisational performance is comprehensively reviewed moving forward and that areas of improvement are identified and acted upon.



Monitoring and Evaluation

Increased public expectation with regard to the effectiveness of humanitarian aid places additional demands on all international NGOs. War Child employs robust standards of monitoring and evaluation (M&E) across all programmes to improve the quality of our work.

Our **Global Monitoring Framework** is central to this process - and provides a means to measure both the outcomes and impact of our work. The first quarter of 2019 saw this framework rolled out in all our programme countries - utilising a selection of digital tools for data collection and analysis.

Improving Relevance

The humanitarian needs of children and youth around the world continue to grow. And - as the coronavirus pandemic has shown us in 2020 - new threats to their safety and welfare can strike at any time. This means we have to **continually adapt our programming** to respond to those needs in real-time - and 2019 saw significant steps taken in this regard.

The world has more refugees than ever - a record 70.8 million people have been forced from their homes (UNHCR). The year saw our Colombia programme - among others - adapted to address the refugee crisis. Activities had a particular focus on protecting the psychosocial wellbeing of Venezuelan children and youth - at risk and on the move in a dangerous host environment - with the widespread introduction of our **TeamUp programme**.



Rosie Thompson

The end of the year saw us welcome a new Humanitarian Director, Dr. Unni Krishnan, to the fold - bringing with him years of sector expertise in complex emergency humanitarian settings. By the close of 2019, the groundwork had been laid for a new **'Fast Aid' framework** that better engages with the real-time situation for children on the ground - and better enables our volunteers, staff and partner organisations to respond to urgent humanitarian needs.

Much emphasis will be placed on this in the **years to come**. Humanitarian values and principles and universal values - such as compassion and collaboration - are the foundations for Fast Aid. As our Fast Aid Framework evolves it will be guided by international humanitarian standards.

Measurable and Objective Standards

Our essential standards are measurable and objective - and 2019 saw us make solid progress towards incorporating them in our work.

Efforts to adopt a gender-transformative approach across all our operations were initiated. The year saw us conduct an organisation-wide assessment of gaps, trends and needs in order to build a base for robust **gender-transformative programmes** that not only address the specific threats and marginalisation experienced by women and girls but also the power dynamics and structures that serve to reinforce gender inequalities. This process was aided by the recruitment of a **gender specialist** with responsibility across all our programmes - and resulted in the creation of a 'Bare Minimum Guidance Note for Gender-Transformative Programme Design' which will come into effect in 2020.

We also became a signatory of the Dutch Foreign Ministry's National Action Plan for Operation 1325 (Women, Peace and Security). This will ensure War Child's commitment to amplifying the role of **women in peacebuilding** measures and reduction of violence as well as strengthening their decision-making capacity - especially in a crisis context.

An **Inclusion Workshop** - developed by our lead Stigma Reduction researcher - was rolled out in Lebanon and later in Amsterdam. The purpose of the workshop - which falls under the joint responsibility of our youth and gender specialists - is to stimulate discussion around inclusion of minority groups both in our programmes as well as within the wider organisation.

Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) form an international development agenda agreed by more than 190 United Nations member states. The seventeen goals came into force on 1 January 2016 and will shape **global efforts to end all forms of poverty, fight inequalities and tackle climate change** by 2030.

War Child contributes towards the SDGs through the continuous design and development of our international programmes. The **specific SDGs** that are of particular importance to us as an organisation are:

- **Goal 1:** End poverty in all its forms everywhere
- **Goal 3:** Ensure healthy lives and promote wellbeing for all at all ages
- **Goal 4:** Ensure inclusive and quality education for all and promote lifelong learning
- **Goal 5:** Achieve gender equality and empower all women and girls
- **Goal 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **Goal 16:** Promote just, peaceful and inclusive societies.



Rosie Thompson

A few **key examples** of our efforts to engage with the SDG agenda include:

- Our education programming supports children to access - and complete - **quality education pathways**. Our transformative education programme **Can't Wait to Learn** was built according to these principles.
- Our child protection efforts serve to support and strengthen public structures designed to protect children from harm. 2019 saw a Case Management Working Group established and a number of case-by-case approaches adopted across the board. This approach aims to **empower local actors to provide individualised support** - helping every child sustain a healthy and independent life long after we leave.
- Our psychosocial support interventions contribute to the improved wellbeing of children, youth and their caregivers. We believe that a better future for conflict-affected children can only begin with **good mental health**. And we actively seek cooperation with international actors to bring this about.
- Our efforts to increase access to **livelihoods opportunities for youth** - including the roll out of Little Fellow, our new life skills programme in Uganda - make a small but significant contribution towards combating poverty and increasing access to livelihoods opportunities.

We will continue to ensure that our work contributes to the larger goals concerning children as outlined in the SDGs. This will be made manifest through our **programme interventions** and our engagement with, and participation in, international networks established to **uphold child rights** at the international level.

In 2017 we began to **collect data** on how we contribute to the SDG goals of particular relevance to our organisation above. In future we intend to systematically collect data on this contribution, to fulfil our obligations related to our membership of ECOSOC (United Nations Economic and Social Council).

Defending the Right to Learn

Fadi (12) was forced to flee the war in Syria when his hometown was bombed by armed forces. He now lives in Lebanon - where thousands of refugee children are denied access to quality education. Yet Fadi's determined to **defy the odds** with the support of our Shield project...



Rosie Thompson



Rosie Thompson

More than 630,000 Syrian children now live as refugees in Lebanon - the majority of whom face significant barriers to accessing education. Despite a national campaign by the Ministry of Education to turn this situation around, more than half of school-aged Syrian children are **denied their right to learn**. This is representative of the mounting challenges that Lebanon faces - a country home to the highest number of refugees per capita in the world.

Fadi is just one of thousands of displaced Syrian children inside Lebanon. He was forced to flee - together with his family - when his hometown was bombed by government forces. Like many others, Fadi has missed vital years of schooling - and so lacks the minimum literacy and numeracy skills to enter the formal education system. Yet Fadi had his own **career ambitions in mind** - and the day he signed up for the Shield project those ideas came to life...

How Shield Works

War Child is working in partnership with local organisations and Plan International in Lebanon to address the urgent needs of **children from both Syrian refugee and host communities** through a major new project - Shield.

Shield is designed to uphold the safety and fundamental rights of vulnerable boys and girls through an integrated child protection programme that draws on **catch-up education** and **psychosocial support activities**. Some 9,000 children will directly benefit from the project over the next two years - children like Fadi.

Shield works to ensure that **children are better protected** from violence, abuse, exploitation and neglect - both now and in the future. Special classes support children to enter formal schools. Psychosocial support activities are held in the heart of communities to maintain the **emotional resilience** of children taking part. And children with more severe mental health needs are met with targeted services.

Research and Development

Research and Development (R&D) is a key driver of War Child's ambition to become an expert organisation in the field of improving the psychosocial wellbeing of children and youth affected by armed conflict.

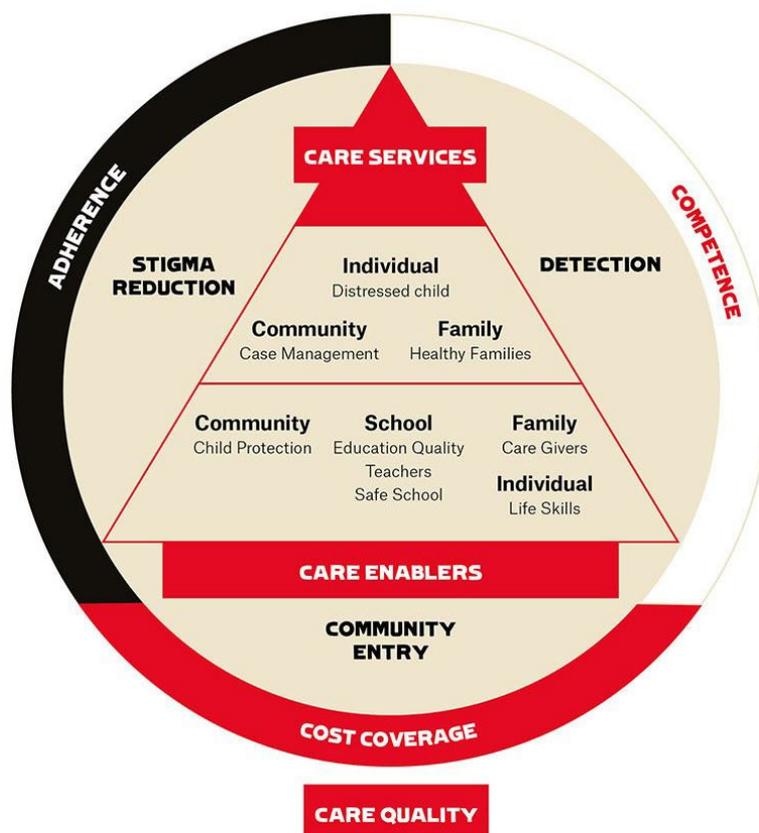
Our R&D activities contribute towards the **creation of an integrated care and support system** across all levels of a child's life. This **Care System** will be scientifically tested and result in evidence-based interventions and tools to guarantee the highest standards of quality.

These interventions and tools will also be shared with the wider humanitarian community - ensuring that our efforts will help to bring about real change in the lives of millions of children worldwide.

War Child Care System

The Care System is made up of a set of **'Core Interventions'** that address the various needs of conflict-affected children and communities. These interventions are supplemented with a number of initiatives to promote access to care and reduce stigmatization.

This model allows for an **integrated approach** that ensures the various interventions are interconnected and mutually reinforce one another - for maximum impact. The suite of interventions also vary in intensity according to the needs of children and their communities - to ensure all mental healthcare needs are met. The interventions that make up this system are outlined below:



Key principles of our Care System approach

- Providing **integrated care**
- Multi-layered approach**
- Ecological**
- Context sensitive**

Our Core Interventions

- **I-DEAL** Intervention to strengthen life skills
- **Caregiver Support Intervention** for parents and caregivers
- **Early Adolescents Skills for Emotions** for children experiencing distress
- **Nurturing Families Intervention** to support families with complex problems
- **Case Management Intervention** to meet protection needs
- **Community-Driven Child Protection Intervention** supporting communities to protect children
- **CORE for Teachers** to build enabling and supportive learning environments
- **Can't Wait to Learn** - digital game-based learning
- **TeamUp** - a game and movement based psychosocial intervention

The Enablers

- **Community Case Detection Tool** - a proactive case detection tool
- **Stigma Reduction Approach (STRETCH)** - nurturing acceptance to promote inclusion
- **We-ACT tool** - strengthening quality by measuring competencies

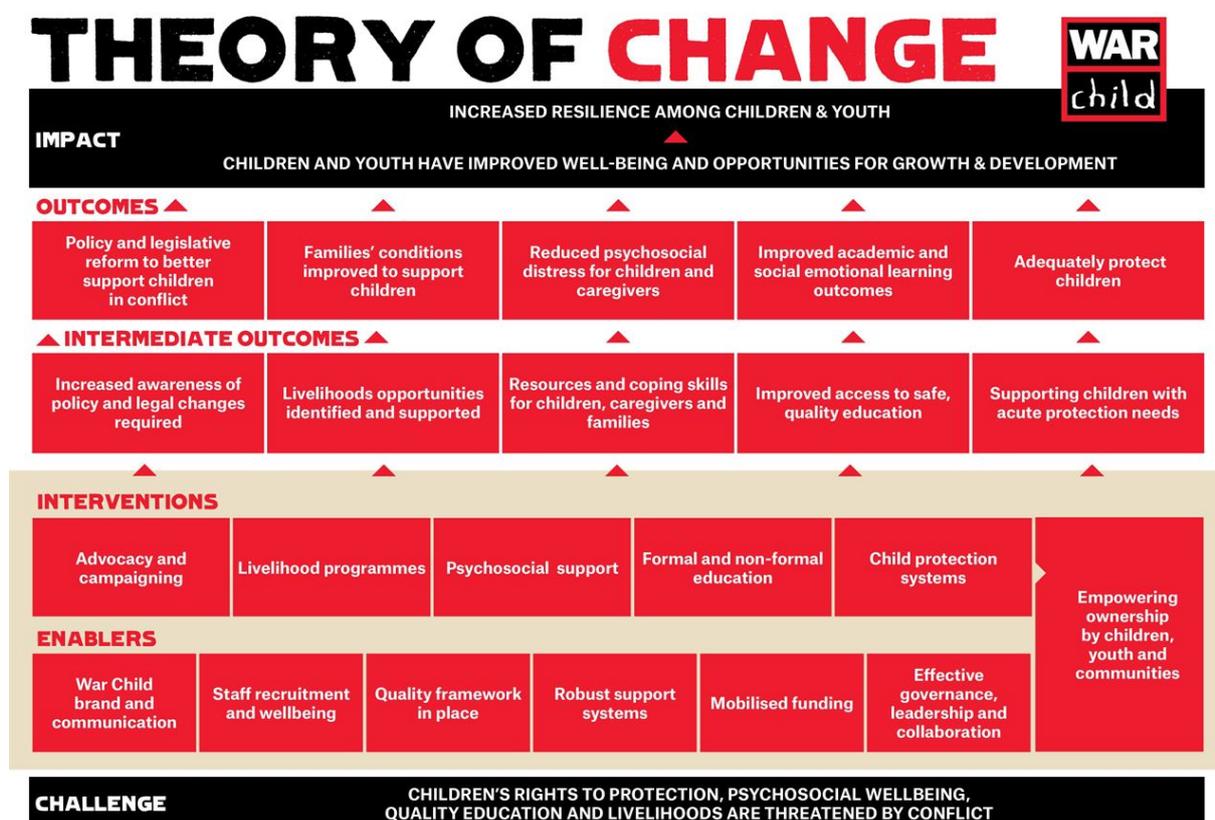
Our Theory of Change

War Child programmes continue to adhere to our Theory of Change (ToC) which guides the **development and implementation of our Care System** inside our countries of operation. The ToC helps us to identify the changes we want to bring about and examine how (and why) they are expected to occur within a particular context.

All elements of the ToC - and our programming worldwide - contribute towards two key impacts in the lives of children:

- Increased **resilience**
- Improved **wellbeing**

This process forms the basis for shaping the development, implementation and evaluation of each War Child intervention. It also provides a scientific framework to give focus to our efforts to bring about real change in the lives of conflict-affected children.



Find full model in Annexes

Evidence-Backed: Innovation-Led

Significant progress was made in the development and evaluation of all Core Interventions over the course of the year.

The **Stigma Reduction Approach** - which works within communities to address the stigmatisation of children and promote access to care - entered the real-world context for the first time with the completion of a practice run in Uganda. This was made possible by significant funding from the Dutch Relief Alliance.

“A small-scale evaluation of War Child’s Community Case (CCD) Tool shows that over 75 per cent of children were correctly identified by teachers and community workers as in need of mental health care. This is a promising first step.”

—Myrthe van den Broek, Researcher at War Child

A 2019 study conducted by our in-house researchers and published in Social Science and Medicine concluded that current approaches to tackle stigmatisation in low and middle-income countries typically focus on a single group and overlook the specific needs of children. We were proud to develop a **socio-ecological approach** that addresses multiple factors - such as the role of service providers, family members and the wider community - in the stigmatisation of children - and identify the potential to bring about change.

A full Randomised Controlled Trial of our **Caregiver Support Intervention** was conducted with Syrian refugees in northern Lebanon - with new indices to measure parenting skills, stress and stress management. And our **Community Case Detection Tool** went from strength to strength. Based on a positive evaluation of our 2018 pilot in the occupied Palestinian territory - which validated the use of the tool in school settings - we consolidated plans to pilot the tool in community settings in Sri Lanka in 2020.



Rosie Thompson

An evaluation of **Can’t Wait to Learn** in Lebanon indicated that children made significant improvement (by seven per cent) in mastering their maths skills over a 12-week period. A similar study in Sudan highlighted that children reached required reading competency levels at a rate 2.7 times faster than the Government Alternative Learning Program (ALP).

Our Can't Wait to Learn team has also contributed to a number of wider academic studies on the effectiveness of the design of accelerated education methodologies for the Department for International Development (DFID) and Porticus Foundation.

Pioneering a Holistic Approach

2019 was marked by the inauguration of Mark Jordans, our head of Research and Development, as Professor at the University of Amsterdam.

His position - as **Chair of Global Child and Adolescent Mental Health** - elevates our standing as experts in the field of psychosocial support and pushes forward our call for the widespread adoption of a new approach to meet the urgent mental health needs of children living in war.

This central challenge was the subject of a major speech from Jordans held at the university in November. In his speech he argued that new systemic approaches - ones that draw on community resources to be delivered rapidly at large scale - are urgently required. Here he put forward **the case for a new system of care** with the potential to bridge the 'treatment gap' in mental health provision - a case that was met with rising recognition over the course of the year.

The year as a whole saw some €18.5 million in funding raised towards the development of this new package of interventions - a landmark achievement. We worked hard every step of the way to get our work out there - in both the public and political domain - and **influence prominent policymakers**. You can read more about **our role in a number of high-profile advocacy events here**.

Freeing Families from A Legacy of Distress

Parents and caregivers living with the effects of violence and armed conflict bear a heavy burden of stress - one shared with the children in their care. That's why War Child has moved to provide increased **support to the important adults in children's lives** - through the continued development of our Caregiver Support Intervention. Watch the video below to find out more...

Research and Development (R&D) is a key driver of our efforts to meet the urgent and changing needs of children and their communities. Our R&D activities are centred on the continued development of our **Care System** - an integrated system of care and support to address urgent needs across all levels of a child's life.

The stresses and physical threats faced by parents and caregivers living in the midst of armed conflict have a direct and negative effect on the children in their care. Caregivers can find it increasingly difficult to protect and support children - which is why we've moved to provide them with **targeted support** through our Caregiver Support Intervention (CSI).

Caregiver Support Intervention Explained

The Caregiver Support Intervention works to **lower stress and improve wellbeing** among parents and other caregivers. The intervention strengthens the skills and abilities of caregivers - supporting them to make the best use of the parenting knowledge and skills they already possess.

The intervention takes the form of a nine-session programme where small groups of caregivers meet for sessions conducted by trained community facilitators - with the overall aim of reducing stress and improving psychosocial wellbeing.

Following preliminary trials in **Gaza** and **Lebanon**, 2019 saw the continued development of the intervention with **Syrian refugee communities** in northern Lebanon. New indices to measure parenting skills, stress and stress management were developed to further assess the effectiveness of our efforts.

Results to date suggest that caregivers taking part in the research enjoyed both improved wellbeing and parenting skills - and that the children in their care experienced improved psychosocial wellbeing.

A New Care Solution for Children Living with War

Some **84 million children** worldwide experience **psychological and social problems** as a result of war and violence. Yet for 95 to 99 per cent of these children there is no mental health support available at all.

Professor Mark Jordans - War Child head of Research and Development - outlined his approach to address this urgent situation during a November ceremony to mark the inauguration of the **War Child Holland academic chair**. In this interview he shares his vision for an integrated system of care and support to meet the needs of vulnerable children worldwide.



Debra Barraud

How do you **provide effective psychological support** for children in the difficult conditions of a war zone? This central challenge to our work was the subject of a major speech delivered in November by Professor Mark Jordans.

The special lecture - *Improving the Mental Health of Children in Conflict-Affected and Low-Resource Settings: Children's Steps to Leaps Forward* - marked the inauguration of a new War Child Holland academic chair. The ceremony saw Professor Jordans named professor by special appointment of Global Child and Adolescent Mental Health at the University of Amsterdam.

You aim to develop a care system that provides psychosocial support to children in war zones. Which children are we talking about?

"While many people would instantly think of child soldiers - who are extremely vulnerable and whom we naturally support - this group is only small. **Every child who is growing up in a war zone faces the immediate consequences of war.** They might witness air strikes, suffer the loss of family members or friends in the hostilities or experience poverty. These are just a few examples. War also has indirect consequences - the cornerstone of society is eroded and moral values lapse. This situation may expose children to sexual abuse, among other serious forms of maltreatment. It also puts pressure on the school system as well as on parents - which in turn may cause abuse and neglect. All these children are encompassed in the care system that we are developing."

How can you - as a scientist - help to improve the circumstances of these children?

"I use science to improve immediate psychological support for conflict-affected children. A large number of these children either do not receive support for the psychosocial issues they face, or they receive support that has not been proven to be effective. My research explores **evidence-based methods** that we know work - and that will enable me to develop a range of care that can be applied by relief organisations in different contexts. And I don't just mean War Child - we cannot do it alone. These interventions rely on the support of organisations including UNICEF, Plan and SOS Children's Villages."

What is this care system made up of?

"To name an example, we have developed a protocol intervention in cooperation with the World Health Organisation. A group of children spend seven sessions getting to know each other, learning to **understand their emotions** and taking a different approach to address any issues. They also learn how to boost their social support base and identify activities that they enjoy. This intervention is led by a member of the local community who attends a bi-weekly training session for this purpose."

Are the parents also involved?

"They are targeted in our interventions as well. Stress has a strong negative impact on parent's attitude towards their children and may result in abuse. Our method provides techniques that help to **reduce high levels of stress** amongst parents and caregivers - after which the relationship with their child will improve."



Tanya Habjouqa

Do parents want to take part in these training sessions - even when they are living in war zones and/or refugee camps with their children?

"Yes. It's often the case that they feel overwhelmingly powerless and insufficient as parents - so they are thrilled when they are able to participate in the intervention. We frequently hear parents say that they are **able to cope so much better** afterwards. And the good thing is that it's not just mothers who take part - also fathers. Prior to the relaxation exercises, we explain why we're doing them and how stress affects the brain. They really appreciate and respond well to this information. The same goes for the MP3 players that we use in the relaxation exercises - parents enjoy using them."

It goes without saying that these training sessions cannot change the circumstances in which children and their parents live. Why is it still so important that we support them in this way?

“Any **immediate support** that you can offer - particularly in the aftermath of a conflict or crisis - is proven to improve children’s well-being. The help that you provide at that moment is crucial. For example, children will be less prone to suicidal thoughts. This point alone is worth the effort, in my opinion. From the perspective of public health, a minor improvement among a population will have a huge impact on society at large.”



Jeppe Schilder

Could these interventions help to prevent war as well?

“While this fact is very difficult to establish, it has been proven that violence is often passed on from generation to generation. We might perhaps contribute towards **breaking this cycle.**”

To what extent are you emotionally involved in your work?

“I do not experience fierce emotions on a daily basis. Let’s be honest: I spend much of my time working away on my laptop in a safe environment. Academically speaking, maintaining this distance to your subject is required in order to do a good job. By contrast, I previously worked as a child psychologist in the earthquake zones of Kashmir and Nepal in India. The chaos and suffering there was much more tangible. Yes, these situations do make me **emotional.**”

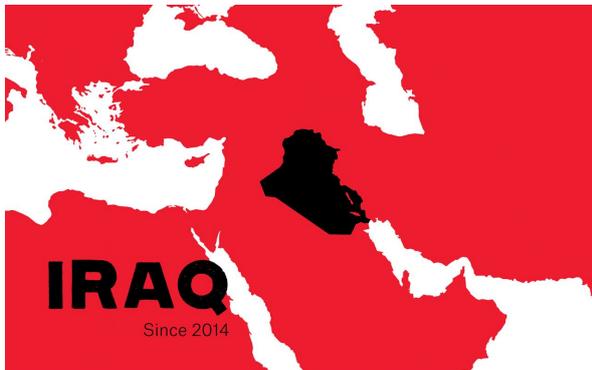
Want to learn more? Discover the **War Child Care System** in practice in the dedicated section of this report.

Our Global Programmes for Children

War Child works with children affected by violence and armed conflict in **17 countries around the world** - meeting urgent needs wherever our work is required. In **the Middle East** we provide children from both refugee and vulnerable host communities with vital education and psychosocial support. In **Africa** our work is designed to help children cope with the consequences of armed conflict and develop skills for a better future. In **Latin America and South Asia**, we promote peace-building efforts and support children to boost their wellbeing and resilience.

We work in collaboration with organisations both local and global to ensure our work has **maximum impact** - and reaches the children who need it most.

The Middle East



Iraq

Child participants: 11,679
Adult participants: 1,592
War Child staff: 53
Local partner organisations: One

War Child supports the work of War Child UK inside Iraq to **bolster access to education** - particularly for girls who remain a high-risk group. The work focuses on 'education in emergencies' programming - short-term accelerated learning interventions that address disruption to formal schooling.

Throughout 2019 we worked to rebuild schools and support the psychosocial wellbeing of teachers via an education project in **Mosul** in northern Iraq. As the country recovered from the IS invasion and grappled with domestic unrest, we also worked hard to provide a Safe Space for 11,679 children - free from the threats of external rights abuses.



Jordan

Child participants: 1,766
Adult participants: 114
War Child staff: 41
Local partner organisations: One

War Child works inside Jordan to **provide education** to children from both refugee and host populations. Formerly led by War Child UK - we initially established a presence inside Jordan in early 2013 to respond to the Syrian refugee crisis.

The protracted crisis remained our priority throughout 2019. We accelerated our focus on Early Childhood Care and Development (ECCD) to **meet the urgent needs of 336 children and caregivers** in Emirati and Za'atari refugee camps - the latter home to the largest proportion of Syrian refugees in the world.

We also played a leading role in the roll-out of **Can't Wait to Learn** - our flagship e-learning programme - in primary schools. Can't Wait to Learn replaced three out of five reading and maths lessons per week. And research findings show that children playing the tablet games performed just as well as children following traditional lessons five days a week over a 12-week period - a great result for the programme.



Lebanon

Child participants: 14,678

Adult participants: 5,689

War Child staff: 123

Local partner organisations: 28

Despite significant challenges to operations following the 17 October 2019 uprisings, War Child remains active across all governorates in Lebanon. We work in support of **vulnerable children** from host communities as well as children from Syrian and Palestinian refugee camps. Our community-based integrated approach combines psychosocial support, child protection and education to enhanced effect.

In 2019 we worked hard to boost the psychosocial wellbeing of the important adults in children's lives. Our **Caregiver Support Intervention** saw a significant positive impact on parents and caregivers' ability to **manage stress** - with many identifying the relaxation techniques employed during sessions as key.

This year also saw us strengthen relationships with both local NGOs and community-based organisations (CBOs) - to ensure our work continues to be **relevant on the ground**. We were proud to obtain official certificates for six CBOs from the Ministry of Education and Higher Education, granting them the ability to roll out educational activities independently.



occupied Palestinian territory

Child participants: 10,850

Adult participants: 2,179

War Child staff: 12

Local partner organisations: 33

War Child is present in **Gaza and the West Bank, including East Jerusalem**, to protect children from harm and support their mental health and wellbeing. We train community members to provide children with vital life skills and psychosocial support.

In 2019 War Child worked to strengthen family support networks - tackling high rates of chronic stress amongst Palestinian parents and caregivers. These efforts saw **psychosocial support and child protection interventions** provided for 7,012 children and youth over the course of the year. A further 508 caregivers received psychosocial support. Specialised mental health services were also provided to 1120 children and 665 caregivers through our collaboration with partner organisations.

Under our EU-funded No Place for a Child project - amidst continued and significant human rights abuses against Palestinian children - we took action to uphold the Rights of the Child in line with international law. This helped us, through partners, **secure free legal representation** for 467 Palestinian minors - and provide additional legal services to some 61 children and their families. An intrinsic part of the project - children and their families also received vital psychosocial and mental health support.



Syrian Response

Child participants: 51,063

Adult participants: 11,114

War Child staff: 10

War Child has been actively **responding to the Syrian crisis since 2012**. We continue to be the leading agency providing emergency psychosocial support and education services to Syrian children in Lebanon. We are also present in Jordan to support the urgent needs of displaced Syrian children.

2019 saw us put down roots at our new **operational hub in Cyprus**. With improved coordination across three staff bases, we were proud to meet the needs of over 50,000 children.

The humanitarian situation inside Syria worsened over the course of the year - a year which saw over 2.8 million children denied access to formal education. Despite this challenging context, we were successful in **widening access to early education** - providing accelerated learning opportunities to 30,399 children.



Yemen

Child participants: 13,201

Adult participants: 5,308

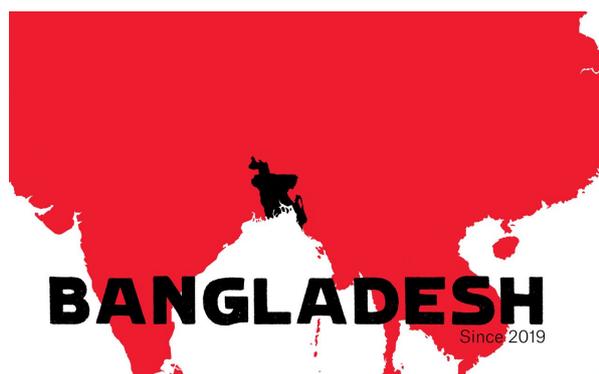
War Child staff: 16

Local partner organisations: One

War Child supports the work of War Child UK inside Yemen to provide protection, education and emergency support to children at the heart of **the world's worst humanitarian crisis**. Across the year some 4,000 children received essential learning materials and support. A further 11,429 individuals were provided with emergency cash assistance to meet basic living needs.

The year saw War Child bolster our relationship with humanitarian donors - in particular **UNOCHA** as part of their Yemen Humanitarian Fund (YHF). The YHF is the largest Country-Based Pooled Fund in the world - and it made funding directly available for a number of key activities.

Latin America and South Asia



Bangladesh

Child participants: 237

Can't Wait to Learn Teachers and Facilitators: 12

Local partner organisations: One

In 2017 more than **700,000 Muslim Rohingya** fled to **Bangladesh** to escape ongoing persecution at the hands of the Myanmar military. The brutal campaign of ethnic cleansing involved countless crimes against humanity and shocked the world. Today, nearly half a million stateless Rohingya refugee children are denied an education - at risk of becoming a "lost generation."

War Child became active in Bangladesh in 2019 to address these urgent needs - with the introduction of our innovative ed-tech programme **Can't Wait to Learn**. Our activities centred on a pilot run of the Can't Wait to Learn maths game together with our partner the International Rescue Committee (IRC) - which saw a total of **596 Rohingya children playing the games** by the end of the year. March 2020 will mark the end of the pilot and will help determine our future plans for the programme.



Colombia

Child participants: 11,887

Adult participants: 2,435

War Child staff: 40

Local partner organisations: Five

War Child's programme in Colombia is designed to **improve children's wellbeing** and promote their resilience. Our activities combine psychosocial support, education and child protection for enhanced effect. Children are at the heart of all our interventions - they take the lead to identify the main risks to their safety and provide feedback on the actions needed to address those risks.

In 2019 we significantly expanded our programme reach in response to the **Venezuelan refugee crisis**. War Child was one of the few organisations **working inside Bogota** to tackle tension and unrest within the city's first migrant camps.

Over the course of the year, we provided social and emotional support to more than 8,000 children as part of our flagship **TeamUp programme**. Through a series of information sessions, an additional 3,000 adults also received support.



Sri Lanka

Child participants: 6,478

Adult participants: 1,812

War Child staff: Seven

Local partner organisations: Three

War Child works in Sri Lanka to support children living with the continuing **legacy of the country's civil war**. We provide vital psychosocial support and work to strengthen child protection systems.

Our programming expanded over the course of 2019 to encompass new interventions - addressing the widespread trauma arising in the wake of the **Easter bomb attacks**. These efforts saw vital life skills and mental health services provided for 2,015 children and youth across 55 locations.

The year also charted the development of our **Community Case Detection (CCD) Tool**. A pilot study to analyse the accuracy of the tool in community settings was successfully completed in the country's Eastern Province. We trained 60 people from the local community in how to use the tool, paving the way for fast implementation in 2020.

Africa



Burundi

Child participants: 44,206

Adult participants: 10,242

War Child staff: 36

Local partner organisations: Two

Burundi has been tormented by conflict and instability for years – and remains one of the poorest countries in Africa. War Child works inside Burundi to **rebuild social structures** in partnership with local communities. These efforts serve to strengthen child protection mechanisms and increase access to education and livelihoods training.

In 2019 War Child - with the help of 150 child protection committees and local authorities - enabled some **8,000 children to return to school**.

Thanks to these achievements, we were able to significantly strengthen our partnership with UNICEF. This freed up funds and paved the way for the introduction of a new programme component - **socio-economic empowerment for adolescents**. We also worked to increase access to formal education and health services - a move which saw more than 43,000 children receive back-dated birth registration certificates.



Chad

Child Participants: N/A

Can't Wait to Learn Teachers and Facilitators: 50

Local partner organisations: Two

October marked an important milestone for our internationally acclaimed **Can't Wait to Learn** programme - a month which saw the **e-learning initiative launch in Chad**. Chad is one of the world's largest refugee host countries - with more than 600,000 refugee children in urgent need of schooling. This coupled with the protracted humanitarian crisis has pushed 1.2 million children (aged 6 to 11) out of school.

War Child will work to close this critical education gap with the support of our local implementing partner Jesuit Refugee Services (JRS) as well as in ongoing collaboration with the Ministry of Education, UNHCR, UNESCO and the National Curriculum Development Centre of Chad. The last quarter of the year saw **final preparations** - with a focus on co-creation sessions with children - ramp up ahead of roll-out in 2020.



DR Congo

Child participants: 30,626

Adult participants: 3273

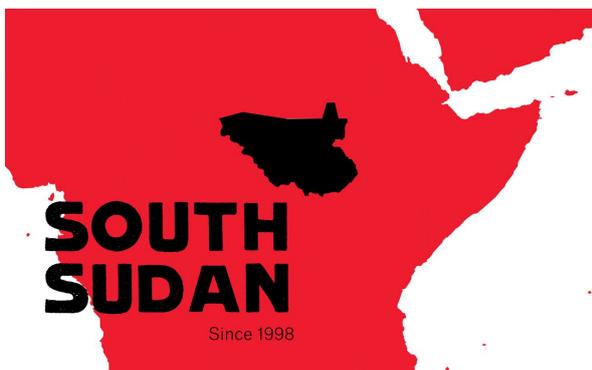
War Child staff: 48

Local partner organisations: 13

War Child works in DR Congo to support children affected by violence between armed groups and state forces - violence that stems from more than 20 years of internal conflict. Instability inside the country worsened further as a result of the 2017 Ebola outbreak. Our integrated programme combines education, psychosocial support and vocational training to **empower children and youth** from both refugee and host communities.

A new project to **support victims of sexual and gender-based violence** (SGBV) and children formerly associated with armed groups received significant funding from partner UNICEF. These funds greatly increased our capacity to deal with SGBV cases in the Kafele region and - in the early stages of the project - helped us to provide quality psychosocial support to 66 children.

We were proud to **reach 30,626 children** across the year as a whole - exceeding our internal targets.



South Sudan

Child participants: 9,871

Adult participants: 1,800

War Child staff: 48

War Child's programme in South Sudan is designed to help children cope with the immediate and long-term effects of the country's **enduring civil war**. Our programme combines psychosocial support, child protection, non-formal education and livelihoods training to enhanced effect.

The year saw us spearhead our work to train frontline staff from both the government and NGO sector to provide psychosocial support to children - a ground-breaking move with the **potential to transform national capacity**. This included the establishment of high-level relationships within two Ministries - and a platform for continued collaboration with 16 NGOs.



Sudan

Child participants: 2,667

Can't Wait to Learn Teachers and Facilitators: 122

Local partner organisations: Can't Wait to Learn coalition

An estimated three million children are currently out of school in Sudan - around one third of the school age population. War Child continues to address these urgent needs through **Can't Wait to Learn** - our global programme born out of the highly successful e-learning Sudan pilot. Despite delays in implementation due to the worsening political situation, our partnership with UNICEF Sudan helped us **reach a total of 2,667 children** over the course of 2019. Nearly 5,000 children in Kassala and the White Nile states have been registered for accelerated scale up of the programme in 2020.



Uganda

Child participants: 35,754

Adult participants: 668

War Child staff: 65

Local partner organisations: Nine

Uganda is the **third-largest refugee hosting country in the world** - currently home to an estimated 1.3 million arrivals from neighbouring states. Over 60 per cent of these refugees are children - and that's why we continued to focus exclusively on their needs over the course of 2019.

We provide education and psychosocial support to children and young people from both refugee and host communities - with a focus on **survivors of gender-based violence and children with disabilities**.

The first half of 2019 saw us rapidly respond to the urgent situation facing thousands of refugees with the roll-out of five new interventions across Uganda. INCLUDE - our consortium project featuring **Can't Wait to Learn** - saw some 22,340 children receive support across three locations. The roll out of the SPOT project - implemented by War Child Holland in collaboration with Humanity & Inclusion and TPO Uganda - saw an additional 6,000 DR Congolese children receive **vital psychosocial support** - thanks to a €1.1 million grant from the European Union.

Moving Beyond Anger in Uganda

Nelson (15) grew up in the midst of fear and violence in DR Congo. When he and his family were targeted - as part of a brutal attack by armed rebels - they **fled to safety** in neighbouring Uganda. Nelson's memories of the attack continued to haunt him - and he struggled to process his experiences. Then he found **TeamUp** - and a refuge in dance.

"My country has been at war for over 20 years. **It's all I've ever known.** I remember the night the rebels arrived - they started killing people at the hospital. Then they came looking for my dad..."

"**I was very scared.** The situation was rough - the rebels threatened that they would force me to have sex with my brothers and sisters. They wanted to come and kills us together with our father. That's why we ran. We had to escape to safety in Uganda..."

"I became one of the 70 million refugees in the world."

—Nelson (15) from DR Congo

Piecing my Life Together

"The journey to Uganda was difficult and I feared for my safety. Eventually, my family were reunited after many long weeks. We found **a safe place in a refugee settlement** - a home I share with thousands of other refugees.

We got our own plot of land - thanks to Uganda's system for refugees - and slowly began to piece our lives back together. Every month, my parents collect their money at the reception centre. With that money we can get food and clothes. We go there a lot to see if there are people we know or people who know something about our family - those we had to leave behind."



Nelson | Photographer: Michael Jessurun

Memories of War

"Even though my family and I are now safe in Uganda, I still struggle. I feel I'm **not free in my thoughts** because we witnessed war. Sometimes my head is so full of horrible experiences that I can't think properly. I remember rebels wanting to kill children. We saw dead bodies and heard bombs falling. I often have nightmares about what I've been through - I dream that I'm still in the same situation.

My dark feelings sometimes make me angry. When I think back to Congo, I get irritated. I get upset and I start fighting. Even though I don't want that at all..."

Expressing Emotions

"For some time now I've been going to **War Child's TeamUp programme**. At TeamUp we do sports and play activities. When I'm playing with the other children, I feel happy - blissful. It has **helped me forget about my experiences**. TeamUp helps kids like us to play games and learn together. They teach us about different themes, like fear, bullying, anger and friendship. I've learned how to live side-by-side with people - and that fighting is not the solution to problems."

"I've learned how to live side-by-side with people - and that fighting is not the solution to problems."

—Nelson (15) from DR Congo



Michael Jessurun

My Turn to Dream

"I love dancing - especially with my older brother. He supports me very much. He gives me a lot of confidence and shows me that I don't have to be afraid. I want to **make my dreams come true** - that's why I go to school."

"I want to live in a safe space and lead a better life. And I want to be a very good father. I have hope - and I can now **look to the future**."

Europe



Germany

Child participants: N/A

War Child staff: 2,5 *

War Child volunteers: 14

Local partner organisations: 11

* Full-time employees (FTE)

2019 was a great year for our European operations - not least with the launch of **War Child Germany**. The year as a whole saw a wealth of promotional activity take place to garner public attention and put us on the map. We worked creatively to build a strong **network of famous friends and ambassadors** - marked by the success of more than eight music and arts events held across the country. A special gala headlined by German rock band - and new War Child ambassador - Revolverheld was a significant highlight, raising more than €20,000 in donations.

In addition, we succeeded in positioning ourselves as a **key player in the field of Mental Health and Psychosocial Support (MHPSS)**. This resulted in an invitation to contribute to the Foreign Office's (GFFO) 2020 Health Strategy, amongst other important donor opportunities.

The coming year will see us use this expert grounding to fast-track the development of a series of **new programmes** - designed to support an increasing number of refugee children across Germany.



Sweden

Child participants: 70

War Child staff: Seven (including interns)

Local partner organisations: Three

War Child Sweden is officially registered as a Swedish fundraising organisation - alongside four other members of the War Child family. 2019 saw the development of two programmes to meet the needs of refugee children in Sweden - **Together and Naturkraft** - with continued financial backing from automotive giant Scania and leading sports organisation Friskis & Svettis.

The year also saw the Swedish office establish a strong relationship with **key government and civil society actors** such as the Swedish National Development Cooperation Agency (Sida) and the Ministry of Foreign Affairs. This had a number of important outcomes including the active participation of War Child Sweden in the International Conference on Mental Health and Psychosocial Support in Crisis Situations in Amsterdam and associated **advocacy efforts** in the Swedish parliament.



The Netherlands

Child participants: 4,344

War Child staff: 230

Local partner organisations: Four

War Child is part of the **TeamUp** coalition which was formed to meet the **urgent needs of refugee children** in the Netherlands. TeamUp was launched in 2016 as a collaboration between War Child, Save the Children and UNICEF Netherlands.

The programme - which works to uphold the social and emotional needs of refugee children - is active across the Netherlands and **expanding rapidly** on a global scale.

2019 saw some 27,000 refugees living in Dutch asylum centres - a steep rise on 2018. A new grant to facilitate **expansion of our activities** in response to the refugee influx was awarded by the Asylum, Migration and Integration Fund (AMIF) with the support of the Dutch Ministry of Justice and Security.

The TeamUp methodology is also used to support new arrivals in Dutch schools. Over the course of the year - together with partner *CED-Groep* - we continued to expand our programme activities to meet the needs of refugee children at **17 schools across the country**. All with the support of some 50 trained facilitators.

TeamUp International - Supporting Refugee Children Worldwide



TeamUp International

Child participants: 57,653

War Child Volunteer Facilitators: 1,037

Countries: Five

Local partner organisations: Eight

Over 70 million people around the world are displaced from their homes - half of whom are children. In a world where nearly one person is forcibly displaced every two seconds (UNHCR), our work to **protect children's social and emotional wellbeing** is more important than ever.

Exposed and on the run, these children and their families face a number of acute threats to their safety and wellbeing - not least the serious toll this takes on their mental health. And these **stresses don't end when they cross the border**. Refugee children continue to worry about their parents and their friends back home and are often forced to move. Many have vivid nightmares of the violence at home and experience deep feelings of sadness, anger and anxiety.

Healing Through Play

The TeamUp programme teaches children and youth aged from six to 18 how to cope with their feelings. This is done through **structured play and movement activities** provided by trained volunteer facilitators. Every activity has a specific goal related to a theme such as dealing with anger or stress and interacting with peers.

The suite of activities ultimately provides children with emotional support, a much-needed **sense of stability** and tools to use in their daily lives. Even if they don't share a common language, all the children can participate as the activities themselves are central to the project.

A Humanitarian Priority

The international roll-out of TeamUp gained momentum over the course of 2019. We further expanded our presence in refugee settlements in **Uganda** to support growing numbers of refugees from South Sudan. In the first half of the year we kick-started activities in **Colombia**, the **occupied Palestinian territory** and **Sri Lanka** - countries where the trauma and stress experienced by children is growing in scale and complexity. In a bid to extend our reach, we also entered into partnership with SOS Children's Villages - the first partner to come on-board beyond the original coalition.

Talks quickly became plans to form a new alliance to support refugee children on the move in **Greece, Italy** and **Sweden** - with the start-up phase well underway.



David Jurado



Larissa Koekkoek

Sharing Expertise

Once again, we were able to showcase our programme methodology during the annual **'TeamUp Date'** - which saw our partners and supporters experience the activities for themselves. Attendees took part in the 'parachute game' together with our volunteer coordinators.

Ambition

In 2020 we will accelerate our efforts to ease the burden of refugee children's complex and stressful lives. We will do this by continuing to **invest in relationships** with organisations, individuals and institutions who are committed to providing children with the psychosocial support they need. Negotiations with the Dutch Ministry of Justice continue to ensure our presence in asylum centres in the years to come. And we're welcoming new studies from in-house researchers to ensure our methodology works - no matter the context.

TeamUp: An Escape from Uncertainty

Sara (14) escaped the humanitarian crisis in Afghanistan to find refuge in the Netherlands. Sara experienced significant stress during her journey to safety - and now lives with her family in an asylum reception centre. Her life remains uncertain - but Sara finds vital support and stability by taking part in our **TeamUp coalition programme**. She shares her story here...

“Now, four years after our flight, things are better - but still uncertain.”

—Sara (14) from Afghanistan

“My name is Sara and I am 14 years old. I grew up in Afghanistan but several years ago - when I was still young - the violence there got worse and my parents, my brothers and sisters and I had to flee. I now struggle to remember much about the country I was born in. The journey wasn’t easy - we had to stay in Iran for a long time. We eventually made it to the Netherlands, where we were able to **start a new life together**.”



Sara | Photographer: Michael Jessurun

A Sense of Release

“I never expected to stay here for so long. We have **lived in several asylum reception centres** since we arrived, and unfortunately, we still live in an asylum centre. Luckily all of them have had TeamUp activities.

I’ve been going to TeamUp for years now, ever since I arrived in the Netherlands. TeamUp is a programme that helps refugee children and parents like me and my family. It gives us a **sense of release, structure and stability.**”

“At TeamUp, we often play games. Usually dodgeball, which is my favourite. The TeamUp facilitators also help me improve my Dutch. I love to play. I’m fourteen years old now and some people say I’m too old for the activities - but I don’t agree. **TeamUp helps me a lot.** It helps me to forget some things I don’t want to remember - and focus on nice things instead.”



Sara and her siblings | Photographer: Michael Jessurun

An Uncertain Future

“Life in the asylum reception centres is difficult and stressful. It sometimes makes me anxious. It’s currently more difficult than ever - because a few days ago we received a letter saying that we are no longer allowed to stay in the Netherlands. It makes me really sad that we have to go. My mother, my sister - everyone was crying. Me too. **We are still in danger.** I don’t want to go back to Afghanistan. I am very afraid for my future.”

Moment of Escape

“After fighting so hard to make it work in the Netherlands, we now have to leave. I have a hard time sleeping again. I have nightmares - just like the ones I had when we first arrived. **My family and I are trying to stay positive, though.** My parents are volunteers at a local retirement home and my dad also gives swimming lessons. We all try to keep busy.

I am happy that - for now - I can still go to TeamUp every week. TeamUp has always been like a **beacon of hope for me.** The programme has helped me grow, make many new friends and learn how to deal with my emotions.”

“Right now, those skills are not just helpful - **they’re vital.**”

Can't Wait to Learn



Can't Wait to Learn

Child participants: 11,534

War Child Teachers and Facilitators: 479

Local partner organisations: 12

Some **32 million children** affected by armed conflict worldwide currently miss out on education. Can't Wait to Learn - our award-winning e-learning innovation - is designed to help bridge this learning gap.

Can't Wait to Learn enables children to **learn through playing educational games on tablet devices**. Thanks to a delivery system which can operate in resource constrained settings, a quality education becomes available to all. And the real magic? Input from children informs the design of the games - so that the game world is tailored to their reality. This boosts motivation and accelerates learning.

All content is based on government-approved national curricula and includes both literacy and numeracy modules. The programme is currently active in six countries: **Sudan, Jordan, Lebanon** and **Uganda** - and 2019 saw the programme launch in **Chad** and **Bangladesh**.



Hussein Al Amoudi

Scaling Up to Reach More Children

The programme is developed and implemented by a broad coalition of national and international partners - led by War Child. 2019 saw supporters USAID, IKEA Foundation and Google.org reinvest significant funds in the programme. Major donor the Dutch National Postcode Lottery also contributed significantly - **increasing our funding flexibility**.

Can't Wait to Learn is evidence-based - indeed research has driven it since its inception. Results from three major research studies conducted in 2018 informed our work throughout 2019. The findings - which showed **significant improvements in children's mastery of the school curriculum** over a 12-week period as well as a measurable positive effect on self-esteem and wellbeing - helped secure our spot at the CIES Conference in San Francisco in April. The conference was a unique opportunity to share ideas and contribute to the expansion of knowledge within the field of comparative and international education.

The programme draws on the **power of partnerships** across many sectors at different stages - including implementation. In Lebanon we work with a broad range of implementing partners - including major NGOs and local community-based organisations. The Norwegian Refugee Council, Finn Church Aid, Save the Children and new partner Windle International all implement the programme in Uganda. The International Rescue Committee (IRC) began trialling Can't Wait to Learn in Bangladesh - as part of their Rohingya refugee response programme. A move that will lead to the development of the math's game in French. And October 2019 saw us commence start-up activities in Chad thanks to a new partnership with Jesuit Refugee Services (JRS).

The year also saw UNICEF Sudan take over implementation in Sudan and - despite delays due to the challenging security context - facilitated a number of **important expansion opportunities** for 2020.



IRC (International Rescue Committee)



IRC (International Rescue Committee)

Global Recognition

In March 2019 Can't Wait to Learn was awarded a **prestigious prize from UNESCO**. The 'King Hamad Bin Isa Al-Khalifa Prize on Innovation in Education' is awarded annually to ICT projects that **overcome major institutional barriers** - such as lack of infrastructure and funds - to deliver a tailor-made solution based on children's realities. The prize has succeeded in putting Can't Wait to Learn firmly in the spotlight within the development and humanitarian education sectors and generated a number of new contacts for the programme.

And we didn't stop there. The year also saw Can't Wait to Learn enjoy a significant presence at a number of **high-profile 'transformative technology' events** around the world including the **annual Games for Change (G4C) festival in New York** - where we were proud to be shortlisted for two awards. These nominations represent further welcome recognition for the programme.

Our ambition is to see Can't Wait to Learn widely adopted to provide quality education to conflict-affected children in all corners of the world. Efforts to **fuel expansion of the programme** will continue with renewed vigour and speed. The coming years will see the programme launch in new territories - and in new languages. Because millions of children can't wait to learn any longer.

Want to learn more? Here you can find a **full list of implementing partners, technical partners and donors**.

Risk Management and Security

Our work is conducted in difficult and chaotic circumstances - and this poses a number of serious safety and security threats to our staff. These volatile contexts also **demand robust risk management**.

Wherever we work we identify, rate and - where possible - mitigate all potential risks to our operations. Up until 2019, all country programmes reported separately on their risks and mitigation measures - posing a number of difficulties with regard to manually consolidating risks while maintaining a detailed overview. The year saw us professionalise our risk management procedure with the first steps taken to **roll out a global system** - NARIS GRC® - for risk management.



Jeppe Schilder

Maintaining Security

War Child **continuously monitors security issues** - to uphold the safety of our staff and the children who take part in our programmes. Our country teams are actively managing security risks and continuously prepare for emergency situations or unexpected incidents.

2019 brought with it some **significant challenges**. Delayed implementation of the South Sudan peace accord and transitional government, religiously motivated attacks in Sri Lanka and the protracted crisis in the Great Lakes area - DR Congo and Burundi - posed significant security concerns.

We anticipated and responded to these changes in context - particularly in our **African countries** of operation - thanks to the hard work of a new regional security advisor. The year also saw us adopt a holistic approach to security in close collaboration with programme management in order to maintain effective activities. The training of relevant senior management teams at our Amsterdam office and at country level was key to this - this initiative resulted in the creation of our **crisis management team**.

Across 2019 as a whole four security incidents directly involving or affecting our work were recorded - fortunately none had serious consequences for our people and only a minor impact on operations. Despite the low probability of these risks, the threat they pose has a high-negative impact. Relevant senior management teams - both in Amsterdam and at country level - have been prepared and trained to function as an effective crisis management team to **mitigate these risks effectively**.

Combatting Fraud and Corruption

Fraud and corruption pose a significant threat to our organisation - not only in financial terms but also with regard to our reputation and credibility. War Child continuously updates and strengthens its mechanisms to **combat fraud** - and 2019 was no exception.

The year saw the rollout of an enhanced **anti-fraud and anti-corruption (AFAC) policy** across the entire organisation. The policy initiative was later introduced - early 2020 - with another three policies under a **new Integrity Framework** designed to uphold the safety and fundamental rights of everyone who take part in War Child's activities around the world. The revised policy - to be used in conjunction with the associated **Speak Up! Procedure** and **Code of Conduct** - aims to **intensify our response** to any potential incidents of money laundering in the course of our operations and prevent us from working with any sanctioned parties.

Only one case of suspected fraud and one theft case were reported over the course of 2019 - by the National Council for Literacy and Adult Education (NCLAE) in Sudan. These attempts were identified as high-risk cases and detected thanks to the vigilance of our staff - meaning that losses could be prevented or recovered fully.

The allegation of fraud involved one of our local NGO implementing partners and two community-based organisations (CBOs). Several claims were made regarding discrepancies in field facilitators fees and start-up kits failing to reach intended beneficiaries. A **thorough investigation** involving all parties was carried out - and no foul play was noted. Although it was agreed that more effort was required to carry out monitoring of project activities.

In June 2019 600 tablets and SD cards - valued at €50,100 in total - were stolen from the warehouse of the National Council for Literacy and Adult Education (NCLAE). War Child partner UNICEF Sudan - who provided the in-kind donation - and NCLAE worked together to have the remaining tablets relocated to a safer place and UNICEF Sudan looked at the possibility of **replacing** the stolen materials directly.

We work tirelessly to combat fraud in order to limit it to the absolute minimum - and maintain a **zero-tolerance stance against fraudsters**.



Rosie Thompson

Financial Risks

War Child is exposed to a variety of financial risks - including risks related to grant funding and exchange rates. A **robust system of internal controls** is in place to reduce any such risks and is further set out in our Finance and Accounting Policy. The main risks identified and set out in this policy are liquidity problems, non-compliance with donor regulations, exchange rate losses, late or incorrect reporting and incorrect accounting caused by human error or deliberate misstatements as well as fraud, conflict of interest, theft and misappropriation of resources and assets. The potential impact of these financial risks is high. Across 2019 as a whole there were no significant cases of financial risk and internal control systems functioned adequately.

Our organisation is also dependent on political and economic developments, which may impact the availability of financial contributions to our work from governments. We limit the impact of such adverse developments by maintaining a **balanced donor portfolio**.

Our Fundraising Complaints Policy

Our Fundraising Complaints Policy is robust and outlined in full on our website. War Child strives to **respond to complaints within two working days** - and we succeed in 99 per cent of all cases.

In 2019 War Child Holland registered 938 **complaints** related to our fundraising - 720 more than we received in 2018. This increase can be attributed to our decision to pilot new public fundraising initiatives among some 100,000 individuals new to our organisation - not all of which were successful or well received.

Operational Risks

We conduct our work in **complex and unpredictable circumstances** - and this context presents a number of operational risks with the potential to have a high-negative impact. We frequently work in partnership with local organisations to deliver our programmes - and we have stringent policies and tools in place to ensure partners share our vision and can meet our performance targets.

Compliance with recognised standards to ensure robust conduct and best practice is a vital part of our work - and any deviation can result in significant risks. We have **compliance-proof operating procedures** in place to reduce these risks - even in remote management and emergency intervention contexts.

Our robust recruitment procedures are outlined in more detail in the [Our People section](#) of this report. Our efforts to combat data and IT security risks are outlined in the [ICT and Operational Support section](#) of this report.



Rosie Thompson

Child Safeguarding

The safety of the children and young people who take part in our programmes is of paramount importance. That's why we're a member of **Keeping Children Safe (KCS)** - a global network of organisations striving to ensure children are safeguarded and protected from all forms of abuse.

We strengthened our efforts to uphold the safety of our programme participants in 2019 by revising our **Child Safeguarding Policy** within a new Integrity Framework. This included the development of mandatory e-learning modules for staff as well as the launch of an online portal to anonymously report and **track all Child Safeguarding and Integrity Incidents**. The framework as a whole ensures that War Child staff remain aware of potential child safety concerns and engage in behaviour that prevents abuse.

Over the course of the year **27 child safeguarding concerns** in total were reported, related to staff from partner organisations in Lebanon. The relatively high number of complaints in one country can largely be attributed to an active and well-functioning national reporting system.

All reports, among which the use of physical and emotional abuse meted out by volunteers or coordinators from these organisations, were investigated - in line with the protocols outlined in the Child Safeguarding Policy and Speak Up! procedure. All cases were followed up closely by the country office's Child Safeguarding Focal Point and the partner organisation **taking appropriate action** including risk assessment, suspension, training, awareness-raising and, in one case, termination of contract.



Jeppe Schilder

Reputational Risks

War Child's reputation is one of our most valuable assets - yet we cannot completely control how the public perceives our organisation. What we can do is actively engage in and monitor public debate through **open and transparent communication**. This is reflected in our **Statement of Integrity** - which you can read at the end of this report.

News in 2018 concerning abuse and sexual misconduct by NGO workers - particularly the sex scandals uncovered in Haiti during February - **deeply affected the humanitarian sector**. This low-probability risk comes with a possible high-negative impact. Our response - which saw the conceptualisation of our aforementioned Integrity Framework and associated Integrity Portal over the course of 2019 - is outlined in the **Our People chapter** of this report.

War Child Around the World

War Child International and War Child Europe

The War Child family is made up of three implementing organisations - in **the Netherlands, the United Kingdom and Canada** - as well as fundraising offices in **the United States, Australia, Ireland, Sweden and Germany**.

War Child Holland forms a group with War Child Sweden and War Child Germany to make three offices in Europe. Each organisation was founded - and operates - independently but all share a common vision and mission to support children and young people affected by armed conflict. The German office is a new addition - launched in 2019 - and is opening up access to significant new sources of institutional funding. This came with a strategic move to leverage our relationship with institutional donors worldwide in order to raise our profile and directly invest in international account management.



Julie Hrudova

The War Child International initiative sees the three implementing organisations move towards closer cooperation. Our **shared set of fifteen standards** helped guide our operations throughout the year - resulting in the removal of duplicate projects, staff positions and systems in several key areas of operation.

2019 also saw us focus our attention on creating a **Shared Programme Platform for War Child Europe** to increase the efficiency and effectiveness of our work and facilitate new opportunities. This will pave the way for the launch of further War Child organisations in neighbouring countries in the years to come.

Sharing Our Work Through Advocacy and the Media

Advocacy: Our Campaigns for Change

War Child advocates for vital **psychosocial support to be prioritised** in international humanitarian responses. We want to see a rapid adoption of this approach with the global humanitarian agenda - and in 2019 we enjoyed some major campaigning successes.

Advocacy in the Netherlands

The year saw our advocacy efforts decisively centred around the first-ever **International Conference on Mental Health and Psychosocial Support in Crisis Situations** - held on 7 and 8 October in Amsterdam. The event - hosted by Sigrid Kaag, the Dutch Minister for Foreign Trade and Development Cooperation - called for increased resources to be directed towards humanitarian mental health responses. Professor Mark Jordans - our Director of Research and Development - co-chaired a working group during the conference on the support package that should be made available to children and youth in conflict zones. The group stressed the importance of **acting early and identifying mental health problems** among children and caregivers.



Handover of petition to Minister Sigrid Kaag | War Child

This led to attendees - including government ministers, humanitarians, policy makers and sector experts - agreeing to adopt and scale up our approach. This represented a **major development** for our campaigning portfolio.

War Child also works to ensure the **voices of children and youth are heard** - and influence the decision-making processes that affect their lives. We invited five young people from conflict-affected countries to the conference - to share their direct experience and opinions about mental health challenges. They also took part in speed-dialogues with key policy makers across the two days.

The event also saw **Michaela DePrince - War Child Ambassador** and Dutch National Ballet soloist - call on government and international organisations to commit five per cent of their humanitarian budget towards mental health responses. DePrince experienced armed conflict herself as a child growing up in the midst of the civil war in Sierra Leone - and she did much to **underline the importance of developing the resilience of children and youth**.

An additional highlight - War Child presented a petition with **200,803 signatures** calling for the Dutch government to allocate an additional US\$200 million per year to expand the provision of psychosocial support in crisis situations. The petition was handed over to Minister Sigrid Kaag by Patrick from South Sudan - who related his own call for increased action. War Child supporters from the Netherlands, Sweden and Germany came together to sign the petition as part of our **#DrawTheLine campaign**. You can learn more about this campaign in our **War Child in the News** chapter of this report.

And Beyond

In parallel to our work in the Netherlands, we facilitated the participation of **Heba Alibrahim (22) - Syrian refugee and former War Child volunteer** - in the launch of the UN's new ACT to Protect campaign. The launch event took place in April at the European Parliament in Brussels - and **saw Heba share her powerful story of life in the midst of war**. In addition, War Child staff member and former child soldier Peter Majok was given the floor at the **UN Security Council**. This was the first time that War Child was able to advocate directly to UN countries at the highest level.



Heba | Photographer: Vincent van Doornick

We accelerated our work - as part of the Dutch Palestinian Children's Rights Coalition (*Palestijnse Kinderrechten Coalitie*) - to **strengthen the protection of Palestinian children** from torture and other forms of degrading treatment - particularly those in the criminal justice system. A letter calling upon the Dutch government to take steps to ensure that Israel upholds international human rights accords regarding the detention of children and youth was presented to parliamentarians in April. Child rights in the occupied Palestinian territory have come under increasingly violent assault in the wake of 2019 protests at Gaza's border.

Whenever we see that children's rights are being violated - no matter by whom - **we take action**.

War Child in the News

War Child is an expert on children living with the effects of armed conflict. But it's our close connection to music that regularly sets us apart. While music and creativity continued to shape our media activities over the course of the year, **our mission to protect the mental health of the millions of conflict-affected children** we work with stole the spotlight.

This was marked by a collective pledge to garner attention at the national level in the run up to the **International Conference on Mental Health and Psychosocial Support in Crisis Situations** - a move that was met with much success.

Tjipke Bergsma, War Child Holland Director featured in the pages of Dutch dailies De Volkskrant and Algemeen Dagblad (AD) and youth magazine 7Days - amongst others - as well as leading TV network NPO 2 where he and Palestinian refugee **Kawthar Aljabary** highlighted the importance of the conference to a packed audience on talk show De Nieuwe Maan.



De Nieuwe Maan (NPO 2)

Ernst Suur, our Marketing and Fundraising Director, also fuelled the media debate on this topic. Ernst put forward a compelling case for psychosocial support to become a permanent feature of emergency humanitarian aid on everything from AD's The Morning Show to NPO Radio 1 - bringing with him years of experience on the frontline.

Those who can translate our message best are the children and youth who grow up in these settings - those who know all too well the psychological scars that war leaves behind. We worked hard to give a voice to Syrian refugee **Heba Alibrahim** - whose powerful account of life on the sixth floor of Al Noor Hospital captured the hearts of audiences on the airwaves and in print.

And we drew attention to the complex reality faced by children recruited by armed groups - told through the eyes of UN children's rights specialist **Bas de Lange** and War Child protection officer and former child soldier **Majok Peter Awan**.

The international summit itself brought significant media attention. The two-day event took place in Amsterdam in October, in the presence of the Dutch Queen Maxima and Princess Mabel. Our **#DrawTheLine** campaign - calling upon the Dutch government to #DrawTheLine under the psychological suffering and distress of children in conflict zones - saw school children aged 10 and 11 cover the pavement in front of the conference venue with chalk drawings. This was just one element of a creative campaign that used children's drawings and book illustrations to raise awareness and garner public support.



Thé Tjong-Khing



Brian Elstak

One month earlier, we took this same topic to the beach - in the second edition of our **'Peace Sessions - Expert'** event at De Staat Beach Pavilion in The Hague. The day included interactive group discussions led by expert moderators such as **Christine Pirene**, Humanitarian Aid lead at the Netherlands Ministry of Foreign Affairs, and featured a keynote address from renowned Dutch journalist and documentary filmmaker **Danny Ghosen**.

On the International Day of Peace (21 September) we followed with the **Peace Sessions Festival**. This unique event for all ages - which gave festivalgoers the opportunity to travel with **Marco Borsato** through 21 years of War Child - was a way to thank our supporters for all their help.

In Other News

World renowned DJ and record producer **Martin Garrix** joined forces with radio station **Qmusic** to bring you **Martin Garrix for War Child** - a special concert that stole the headlines thanks to a popular SMS campaign that saw fans donate three euros to War Child in pursuit of a coveted ticket.

Talking of Dutch celebrities, the year saw rising soccer star **Vivianne Miedema** become our newest ambassador - inviting much attention from all the major news outlets. Find out more about her in our **dedicated interview** in this report.



Our ambassadors Vivianne Miedema and Marco Borsato | War Child

TeamUp - our coalition programme in support of refugee children in the Netherlands - was also in the headlines during 2019. NOS Radio 1 Journaal - the Netherlands' national radio news broadcast - welcomed our colleague Peter Schouten who drew attention to the Venezuelan refugee crisis in Colombia, the plight of refugee children arriving in Bogota and how our TeamUp programme helps them pick up their lives again.

The year also saw **Can't Wait to Learn** scoop the **UNESCO King Hamad Bin Isa Al-Khalifa Prize** for our groundbreaking use of ICT in education - awarded a medal and diploma during a ceremony at the UNESCO headquarters in Paris.

And we became one of a small number of NGOs with a Professor on our staff list. The year ended with **Mark Jordans**, our Head of Research and Development, named **Professor of Global Child and Adolescent Mental Health** at the University of Amsterdam - solidifying his presence in the Dutch media. The chair - established on behalf of the War Child Holland Foundation - marked an important moment in our journey to becoming a networked expert organisation and an established voice on the topic of psychosocial support in humanitarian settings.

The year as a whole saw us reach out to new audiences and share our mission in fresh and innovative ways. This wouldn't have been possible without the efforts of our many ambassadors, spokespeople and volunteers in the Netherlands and beyond - efforts for which we remain **truly grateful**.

Expanding Our Online Presence

The science surrounding online communication is rich and complex - and can often appear at odds with the urgency and simplicity of the message we want to share. Terms such as 'engagement' and 'reach' may seem far removed from the reality of humanitarian work - but the online media sphere is of **critical importance** to War Child's mission.

The **2019 Global NGO Technology Report** - produced by non-profit organisation Tech for Good - confirmed just how vitally important the digital sphere is for humanitarian organisations such as War Child. The report found that 94 per cent of international NGOs agree that social networking platforms are effective for creating **online brand awareness - and increased support** for their work.



War Child - English website

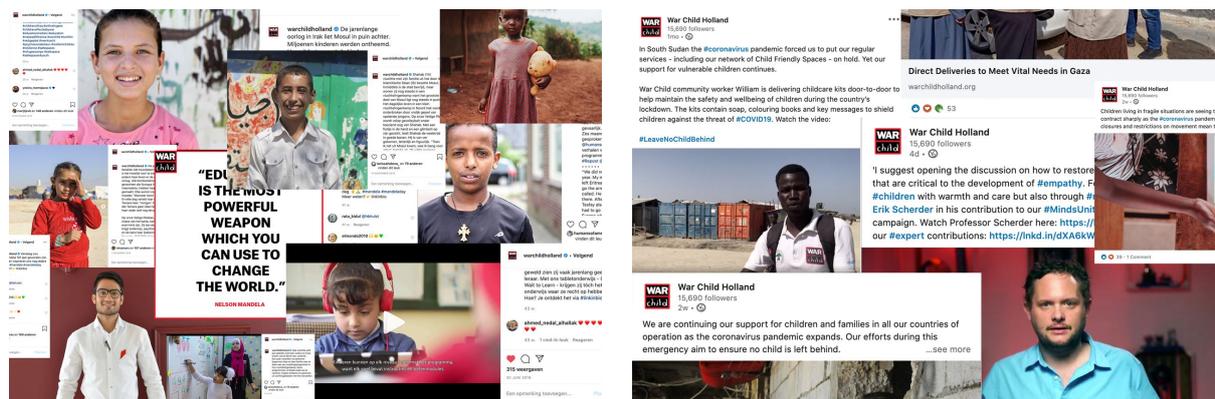
And as the nature of our work grows in scale and density - and we face challenges in everything from access to communication issues - the way we use our online platforms is more important than ever. 2019 saw us carry this thinking forward - and make significant steps towards harnessing the full potential of the **digital domain**.

Three New and Improved Websites

The year was marked by the roll-out of three new and improved websites - targeted at both our Dutch and international audiences. In line with our wider organisational strategy, our key goal was to use our channels to **strengthen War Child's positioning as the international networked expert** in psychosocial support - and, by doing so, expand our professional network.

The launch of our revised English language www.warchildholland.org website saw our total number of unique visitors increase by nearly 20 per cent from 75,000 in 2018 to 85,500 by the end of 2019. By adopting a mobile-first SEO-driven approach - steered by a complete overhaul of everything from website navigation features to our News section content - we welcomed 213,000 page views by the close of the year and significantly transformed our ability to showcase our expertise.

The year also saw us take the decision to **separate our Dutch website into two platforms** - to improve usability and relevance for our Dutch audiences on www.warchild.nl, and better manage all fundraising actions for War Child in the Netherlands on www.voorwarchild.nl. This supported the launch of both new and returning fundraising activities over the course of 2019 and saw our income from these activities sour to €9.9 million. Overall traffic on our fundraising platform nearly doubled in the first half of the year to reach over 102,000 page views by September. You can learn more about this in the [Where our Funds Come From](#) chapter of this report.



War Child on Instagram

War Child on LinkedIn

Tailored Content on Social Media

We also developed our presence on the **four leading social media platforms** - Twitter, Facebook, LinkedIn and Instagram - by tailoring our content on each platform to specific audiences.

LinkedIn was our leading vehicle in this. And - by sharing latest work through **vivid testimonies and in-depth research articles** and increasing the regularity of our posts - War Child's international follower-base grew by 3,000 to reach a total of 13,800 by the end of the year.

Twitter also played a leading role. The year saw us work proactively to **join the public debate** and engage with the Dutch market - spanning press, media and government policymakers. This saw us dramatically increase our **global following** - and led to the decision to transfer both our Twitter and LinkedIn accounts to English.

Every day, we witness the immense strength of children - their ability to fight back against adversity never ceases to amaze us. But do these stories - the faces and places - always make it to the world? The year saw us renew our efforts to see the **voices of children and youth take centre stage** across our websites and social media platforms. Video content was a key driver of these efforts.

On **Instagram** we led with our emotions - letting the children we work with share their stories. And we went to **the heart of the story** to bring these narratives home - strengthening our collaboration with freelance photographers and videographers as well as staff on the ground to gather meaningful digital content.

Facebook was our main channel for sharing and inspiring fundraising actions by our Dutch follower-base.

Humanitarian work focuses on responding to emergency situations in the immediate aftermath of a crisis - and making that work instantly available to audiences back home. In 2020 - with the fresh challenges posed by the coronavirus pandemic and the global NGO sector under increased scrutiny - **digital will play a heightened role** in everything we do. Our digital strategy will evolve to meet these demands.

Communication with Stakeholders

To further enhance our expert credentials we worked to maintain a close dialogue with our stakeholders in 2019. The aim of all our communications activities is to position War Child as an internationally acknowledged expert on children affected by armed conflict - able to **influence key stakeholders and increase awareness** about our mission and work.

This strategy saw us increase our presence across the news media - including leading outlets such as **NPO Radio 1, Algemeen Dagblad** and **NOS Journaal**. This presence served to ensure we were both more visible and attuned to the demands of our stakeholders than in previous years.

We also maintain a constant dialogue with our 87,500 monthly donors and other supporters through our **own publication channels** - including our websites and regular Peace of Paper publication.



Rosie Thompson

Our most important stakeholders are, of course, the children who participate in our programmes - and we made great efforts to **make their voice heard** more fully during 2019. One particular highlight was our presence at the International Conference on Mental Health and Psychosocial Support in Crisis Situations in Amsterdam - you can read more about that in the [Advocacy and Campaigns section](#) of this report.

The principles that shape and inform all of our communications activities can be found in the [Statement of Integrity](#) at the end of this report.

Meet our Ambassador – Vivianne Miedema

Vivianne Miedema is a Dutch professional footballer and **War Child's newest ambassador**. Used to letting her goals do the talking, now she wants them to serve a greater purpose too. Vivianne believes in the **power of sport and play to strengthen children's resilience** and make them stronger than war. And - from leading a soccer school for children in South Africa to becoming the face of the War Child Sponsor Run - she's just getting started...



War Child

We know you as a top striker for Arsenal and the Netherlands women's national football team. When did your interest in our mission come about?

"Actually, when I was very young. I would watch the news on the school TV every Friday morning with classmates. Whenever I saw a report about a war in Africa, I absolutely wanted to know more about it. I was **very aware in that sense** and would go home to my mother with a bunch of questions. 'What's up with that? Why is there war? Do these children really have no clean water?' I was touched by what I saw and wanted to help."

So you had a strong world view from an early age. Why do you think that was?

"My mother played a big role. I distinctly remember her face when I shouted at her: 'When I get rich later, I will give my money to those children!'. She was taken aback by the **conviction in my voice**. My younger brother Lars followed in my footsteps. But my mum shouldn't have been so surprised...she drilled it into us from an early age. We were always encouraged to give some of our savings to charity. And if something was organised for charity at school - a charity run or whatever - she was always involved."



War Child

And were you aware of War Child in all of this?

"My first memory of War Child was also around that time. That song by **Marco Borsato and Ali B** - 'What Would You Do'. I was immediately fascinated. I felt a strong connection to the power of music and sport in your work. And to the children you work with. Every child - no matter who they are or where they grow up - has the right to play and express themselves. It helps them figure out who they are and who they want to become. **I associated with the message of War Child** - it was clear and direct. It had a real impact on me."

We first crossed paths in Lebanon at the 2019 Women's World Cup. Where did things go from there?

"Lebanon was a **realisation moment** for me. My team reached the finals and we had so much support from the local community. I met a lot of refugee children who were following the games - and cheering 'the Orange Lionesses' on. You stand on the pitch and see how proud and happy they are - and it makes you think. The same thing happened when I visited South Africa with the women's team in January. I had a lump in my throat. These children are afraid to walk home, because they don't know if it is safe. Yet I have never seen children smile like they did. You don't forget an experience like that."

You have young fans in Sri Lanka, Africa, China and beyond. What do you hope to achieve as a War Child ambassador?

"I think it's wonderful that it's not just boys in war zones that can see that sport can be a way out of misery, but that girls now believe that anything is possible too. I am extremely proud that as a female football player I now have such an **exemplary role**. Even on social media! The other week I was tagged on Instagram by a girl from Sri Lanka who wore my shirt. I don't even like Instagram that much, but it made me realise that I'm definitely going to use it. You can make children happy with a like or reaction. You can remind them that **while their dreams might seem unachievable - they can come true!** I'm certainly living my dream and it's my responsibility to help them live their's too."

War Child People and Operations

Our People

At War Child we work to ensure that children affected by conflict and violence can realise their fundamental rights and **build a better future**. We reach many thousands of children every year - all thanks to the dedicated efforts of our members of staff around the world.

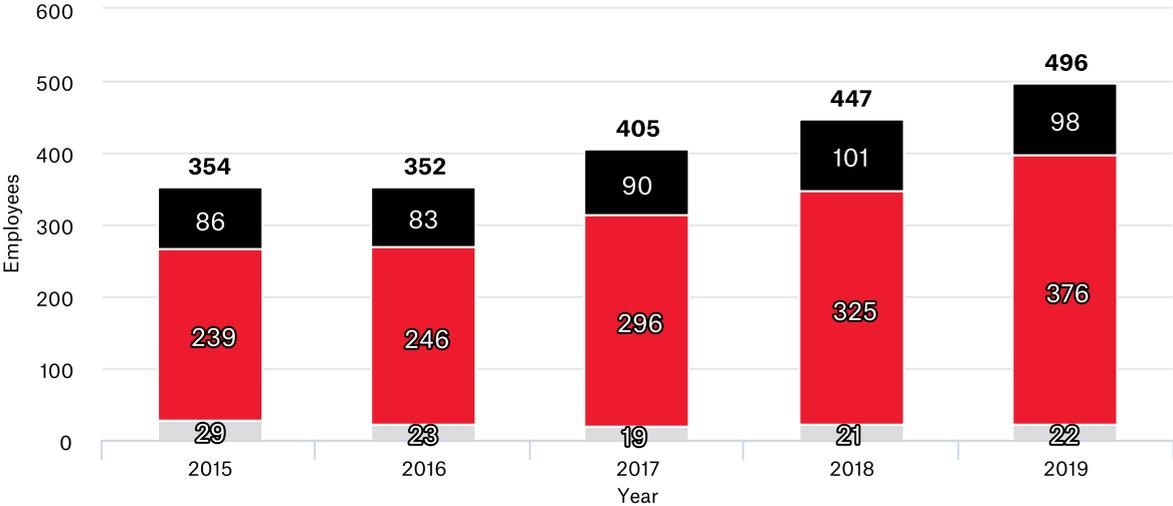
We strive to create an atmosphere where all our staff **take pride** in their work and **feel empowered** to contribute towards our mission. Everyone who works for War Child has the opportunity to work, learn and develop within a **safe environment**.

War Child employed **496 full-time members** of staff on average across the year as a whole - 98 in our Amsterdam office and 398 inside our countries of operation.

We **promote the hiring of local staff** to execute our programmes wherever possible. Inside our countries of operation, we recruited 376 members of staff from local communities during 2019 - out of a total of 398 positions in total.

War Child Employees

2015-2019



- Employees at head office excl. interns (in FTE)
- Employees on local contract in programme countries (in FTE)
- Employees on expat contract in programme countries (in FTE)

The number of interns working for the organisation remained broadly static during 2019 - eight interns were on average learning and working in various departments during the year. Our **interns make a significant contribution** to our activities - a contribution which we would like to thank them for.

Our Policies

The **safety and dignity** of our staff and the people who take part in our programmes has always been of paramount importance. News concerning abuse and sexual misconduct by NGO workers - in particular the sex scandals uncovered in Haiti during February 2018 - continued to impact upon the humanitarian sector throughout 2019.

Both MFA and inter-agency guidelines require NGOs to **uphold standards** relating to protection from sexual exploitation and abuse (PSEA). War Child met this commitment in full over the course of the year.



Ellie King

The fourth quarter of the year also saw us bolster existing protection mechanisms with the introduction of our comprehensive **Integrity Framework**. Strategic responses from other NGOs and guidance from the Netherlands Ministry of Foreign Affairs (MFA) informed this process.

The framework includes an updated **Child Safeguarding Policy** - making our commitments to Article 19 of the UN Convention of the Rights of the Child manifest. Breaches of this policy inside our countries of operation can be found [here](#).

Remuneration Policy

The remuneration policy of War Child and the Supervisory Board enables us to **attract, motivate and retain qualified expert leaders** as well as senior staff members and other highly talented individuals. The policy also works to fulfil all the requirements of stakeholders and maintain an adequate risk profile. As a matter of principle, the low cost principle is also applicable to our remuneration policy. Each function has a corresponding salary grid based on experience, educational level and responsibility. While we do not provide variable performance related incentives to staff, every year salaries are subject to inflation rate compensation. War Child also provides several secondary terms of employment to staff including holiday entitlements and pension rights.

Remuneration Managing Director

In determining its remuneration policy, War Child follows guidelines set up by Goede Doelen Nederland. The scheme sets out a maximum recommended level of **annual remuneration** for the managing director according to an index of professional criteria. The weighing of the situation at War Child leads to a so-called BSD score of 520 points.

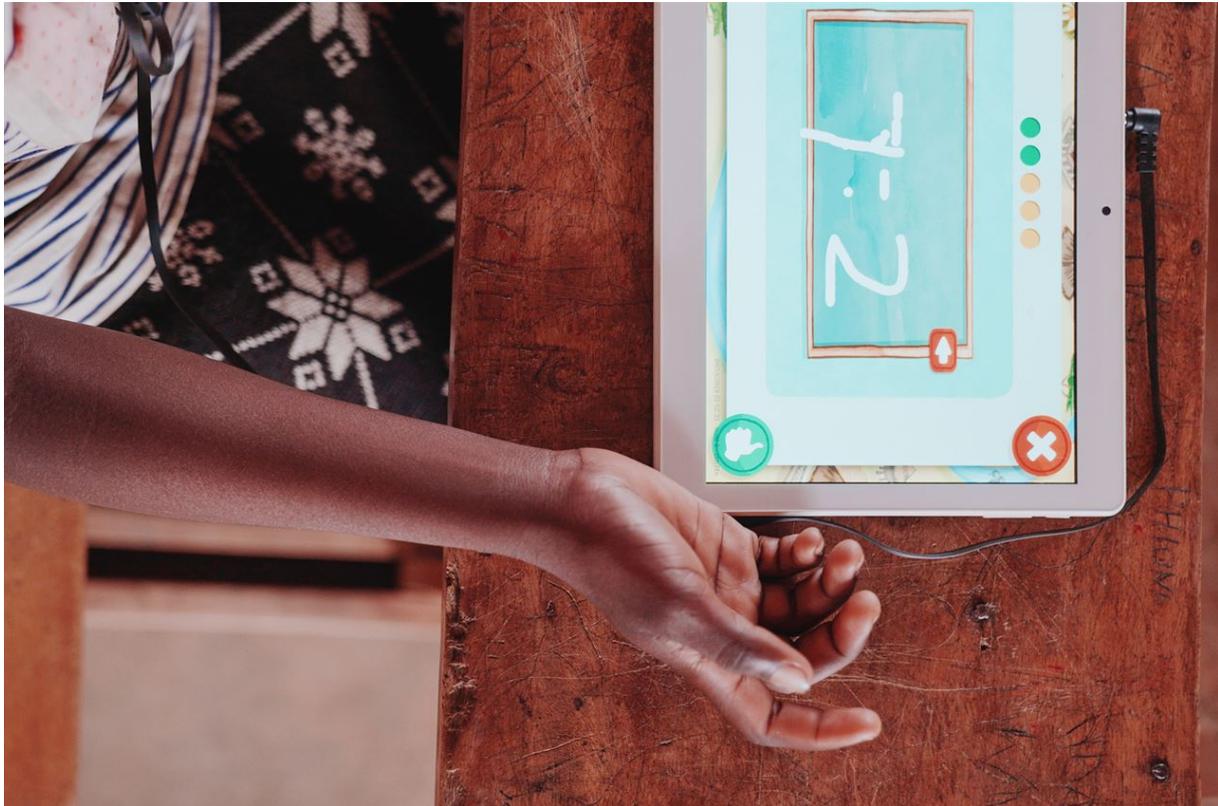


Eelkje Colmjon

The actual annual salary with holiday allowance for Tjipke Bergsma was €114,198, and the pension contribution was €23,457, adding up to a total amount of €137,655 for the managing director's remuneration and benefits in 2019. This is within the applicable limits. The amount and composition of the remuneration package are explained in the financial statements in the **Further Notes to the Annual Accounts**.

ICT and Operational Support

To meet the needs of a modern, mobile workforce 2019 saw us roll out our new fully cloud based and managed IT infrastructure to establish a **modern digital workplace for all employees**. The new suite of systems will allow us to accelerate IT deployments, save time and ultimately operate in a more agile and efficient manner.



Michael Jessurun

To facilitate this process, the year saw us hire a dedicated **Application Manager** who will continue to ensure that all staff across the organisation are on-boarded to the new environment smoothly.

With additional support we have been able to bring our new CRM (Customer Relationship Management) and ERP (Enterprise Resource Planning) systems closer together - and work towards a number of **significant operational efficiencies**.

By maintaining a close relationship with our network of IT partners, we also succeeded in **improving global communication** between the Amsterdam Office and various Country Offices. This included the donation of eight new video conferencing systems for use in our programme countries from technology giant Cisco.

We are a learning organisation - always looking to learn and improve upon what we do. To compliment the roll out of the new War Child Learning World, we were also granted access to the IT-University - the Netherlands first online '**New Learning**' platform.

All of these developments will allow our IT capacity to become more responsive to the needs of our staff, beneficiaries and supporters - as well as **address new cybersecurity threats** posed by the modern era.

IATI Publications

War Child publishes data related to our programmes in line with the standards of the International Aid Transparency Initiative (IATI). War Child has the ambition to publish data about all its programmes in line with IATI standards in order to **fully disclose what the organisation does, spends and achieves**.

We have been increasingly successful in pursuing this ambition - the number of published projects in IATI increased from 197 in 2018 to 401 by the end of 2019. This growth illustrates our unfaltering **commitment to transparency and accountability** - and the hard work of our data analysts behind the scenes.



War Child

Our Management Team

Two leadership teams are responsible for the daily operations of War Child - the **Management Team (SMT)** and **International Management Team (IMT)**.

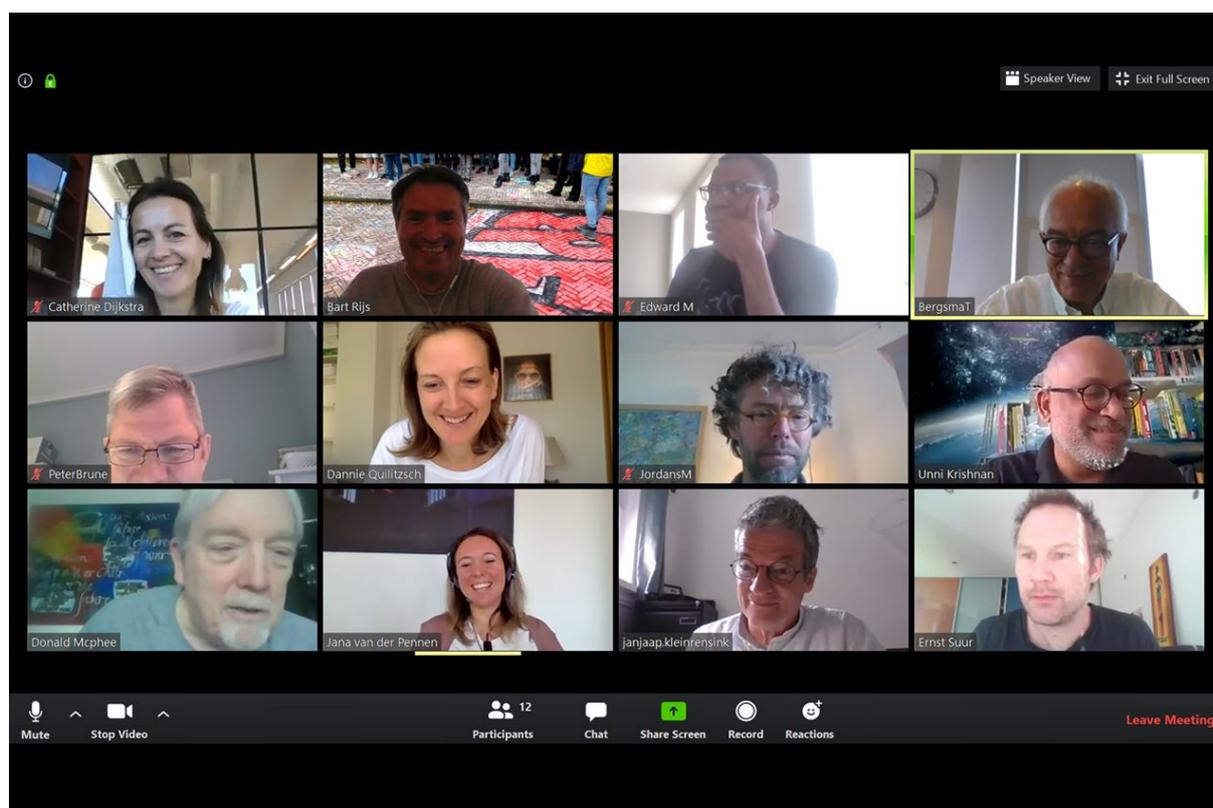
Management Team (MT)

The Management Team (SMT) is made up of managers representing the departments in our **Amsterdam office** and is responsible for monitoring the overall performance of our organisation - under the War Child Holland umbrella.

Performance is measured against the goals and objectives set out in our 2025 global strategy and related departmental annual plans and budgets. This team meets regularly to **review the organisation's performance against our set goals** - and where there are deviations it draws up plans of action. **Tjipke Bergsma**, Managing Director of War Child, chairs the team and reports to our Supervisory Board.

International Management Team (IMT)

The International Management Team (IMT) is our most senior decision-making management body and is made up of our Management Team (MT) in Amsterdam together with the Managing Directors of Sweden and Germany and **key representatives from our countries of operation**, the Regional Representatives for the Middle East and Africa. This team provides leadership and guidance to the entire organisation and proposes decisions on strategy, policy and budget to our Supervisory Board.



War Child IMT video conference

Works Council

Everyone who works for our organisation has **means to shape our decision-making processes** - through our Works Council. This body is made up of five War Child employees - from both our Amsterdam office and our countries of operation. The Works Council serves to canvass opinion from everyone who works for War Child and share its findings with our Managing Director. It is also required to be involved and consulted in key governance issues - **ensuring our staff are meaningfully consulted in our decision-making processes**.

Supervisory Board Report

Our ongoing operations are monitored by an **external Supervisory Board**. This Supervisory Board approves our organisational strategy, our policies and standards, our Annual Plans and Reports and ensures that Management maintains the integrity of everything we do - in order to meet our legal obligations in full.

War Child is registered in the Netherlands as a foundation. Dutch law states that a **clear division** must be maintained between the managerial and executive responsibilities of an organisation and its supervisory responsibilities. Our Supervisory Board ensures that we adhere to this structure.



Rosie Thompson

The Supervisory Board appoints the Managing Director and is responsible for providing the holder of the position with **advice and supervision**. The board undertakes these responsibilities during four regularly scheduled quarterly meetings and additional meetings when necessary.

All our board members work on a voluntary basis and lend us **significant expertise and experience**. The board has no managerial responsibility and is responsible for its assessment of the quality of its contribution. Board members are appointed for four years and can be reappointed for an additional four-year term to maintain continuity. **The Supervisory Board Rules** contain principles of governance and are available on War Child's website.

Meet our Supervisory Board

Peter Bakker is Chair of our board and responsible for overseeing our general operations. He also serves as President of the World Business Council for Sustainable Development as is an Ambassador Against Hunger for the UN World Food Programme.

Rob Theunissen is Treasurer of our Supervisory Board. Rob provides key oversight of our financial and ICT operations and contributes to the ongoing strategic development of our organisation. He is a Partner at McKinsey & Company.

Willemijn Verloop is Vice Chair and founded our organisation in 1995. Today Willemijn is primarily responsible for supervising our marketing, communication and fundraising activities. She is also the director of Social Enterprise NL and a founding partner of Social Impact Ventures - and sits on the supervisory boards of Tony Chocolonely and Stadsschouwburg Amsterdam.

Raymond Cloosterman sits on the board and contributes his significant expertise in the areas of marketing and fundraising. Raymond is the founder and CEO of Dutch cosmetics giant Rituals.



Michael Jessurun

Edith Kroese sits on the board and contributes specialist expertise in the areas of strategic planning and impact measurement. She also supervises monitoring and evaluation in both our Amsterdam office and our countries of operation. Edith is founder and Managing Director of business consultancy Avance.

Arjan Hehenkamp sits on the board and contributes specialist expertise to enhance the security and efficiency of our humanitarian operations. Arjan is currently adjunct director of Stichting Vluchteling. He has over 25 years' experience leading international medical and humanitarian programmes for international NGOs - including Artsen zonder Grenzen.

Hans van der Noordaa joined our Board in October 2019. Hans has a long history of success in C-level executive positions for the ING Group and until recently held the position of CEO at Delta Lloyd. His portfolio currently boasts a variety of non-executive supervisory roles such as Chair of the Supervisory Board of Deloitte and Chair of the Supervisory Board of the Amsterdam Johan Cruijff ArenA. The Supervisory Board took the decision that, from early 2020, Hans van der Noordaa will take over from Peter Bakker to become War Child's new Chair of the Supervisory Board.

Stef Oud joined the Board in December 2019. He is the founder and partner at XtraAdvice B.V. focused on supporting professional service firms. Stef brings years of experience in management, technology and digital consulting. He is a long time War Child volunteer and has been involved in many projects and fundraising activities.

Meetings and Activities

The Supervisory Board **meets regularly throughout the year** to review the performance of War Child against set objectives outlined in our Annual Plan, our 2025 strategy and within the organisation's articles of association. In 2019 the Board held four regular meetings and two audit committee meetings, all attended by management.

One key topic of supervision over the course of the year concerned the **new brand ambitions and strategies**. The board agreed with the overarching ambition and commitment to becoming 'the most trusted brand in the field of psychosocial support for children affected by armed conflict'. They also reflected on the new brand 'tone of voice' and style guidelines - elements that reflect an increased sense of **'urgency'** on the topic of acting early with psychosocial support in crisis situations balanced with **'trusted' evidence-based statements** that reflect our commitment to becoming a Networked Expert Organisation.

The board also monitored the development of the **updated Strategy 2016-2025**. Our strategy defines all our ambitions and the routes to achieve those ambitions - and it has been important for the Board to establish the key elements that will **guide the overarching framework** from the beginning. The creation of a strong structure - and related elements - was supported by member of the Board Rob Theunissen who helped develop and reformulate our four key objectives that reflect the need for relevance attached to our work.

Overseeing War Child's 'Family Structure'

The focus of our ambition is shifting - to not only **develop our expertise** and deliver increasingly relevant **evidence-based interventions** but also to bring these interventions to **scale at an accelerated pace**. To facilitate this, the Supervisory Board oversaw a process whereby the Senior Management Team (SMT) worked with a McKinsey & Company team over a period of several months to develop a robust Theory of Scale and associated Scaling Strategy.



Rosie Thompson

In order to bring our partner organisations in Sweden and Germany under one umbrella, the composition of **War Child Europe** was another issue explored during 2019 board meetings. The Board backed a decision to establish this new entity via a **'family structure'** - one that does not include the traditional concepts of a Members Assembly but rather focuses on an internationally active team - a shared programme platform - hosted by the various donor and programme countries. In the last meeting of the year in December, an update was given on the development of this structure and the board was informed that War Child is in the process of selecting a new model to do this. In 2020 the board will review the first draft of this plan.

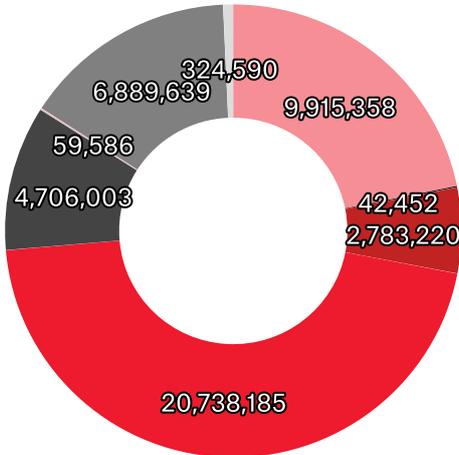
The make-up and development of the Supervisory Board itself was also discussed. The end of Peter Bakker's term as Chair of the Board led to the search for a new Chair and an additional Board member. By the end of 2019 it had been agreed that **Hans van der Noordaa** would join the Supervisory Board and would take up the position of Chair of the Board as of May 2020. In October it was announced that **Stef Oud** would also join as a member of the Board from December 2019 onwards.

Where Our Funds Come From

Fundraising is key to War Child’s mission in support of children forced to live with the effects of violence and armed conflict. The **grants and donations** we receive allow us to be present where children’s needs are greatest - and without these funds we would not be able to fulfil our mission.

The funds that allow us to continue our work come from **various sources**:

Income 2019
Total: € 45,459,035



- Individuals
- Other Income
- Companies
- Government grants
- Lotteries
- Affiliated Parties
- Other organizations (non-profit)
- Income from sale of products

You can find more information on **our five primary sources** in the next chapters of this report:

- Individuals
- Companies
- Lotteries
- Government Bodies
- Non-Profit Organisations

Donations from Individuals

War Child can only continue its work thanks to all the public support and donations we receive - and in 2019 our individual supporters once again made a **powerful contribution to our mission**. Our total income from individual and public donations rose seven per cent year-on-year to reach €9.9 million over the course of 2019 - reflecting a level of public support that continues to leave us humbled. Thank you!

The number of people making one-off donations during the year reached 32,500 - 17,500 of these were direct donations to War Child and 15,000 came from supporting actions by third parties. In contrast, our total number of monthly donors dropped by 3 per cent. Nonetheless, across 2019 as a whole we enjoyed the support of approximately **87,500 Friends**.

To thank our Friends for their loyal contribution to our mission we organised the **Peace Sessions Festival** on the International Day of Peace (21 September) at beach club De Staat in The Hague. The event saw us celebrate our friendship in the sun with music, games, food and laughter - as well as storytelling from Marco Borsato and World War II survivor Zoni Weisz.



War Child

Main Events for War Child

Four very special events significantly boosted revenues in 2019. A series of sold-out shows by our Goodwill Ambassador Marco Borsato saw 100 War Child volunteers sell **PEACE, LOVE and MUSIC bracelets** to crowds of fans at Rotterdam's De Kuip stadium - generating more than €150,000 in sales.

The year also saw the second edition of the **Ibiza event for War Child** come to life. This exclusive event saw eighty guests enjoy a 2-star Michelin dinner prepared by Dutch chefs of the hour Soenil Bahadoer and Edwin Vinke at the breathtaking Tanit Beach restaurant on the island - generating some €225,000 in our name.

And **#garrix4warchild** - a sold-out concert by Dutch DJ and record producer and War Child's Famous Friend Martin Garrix in Amsterdam's Paradiso - generated some €275,000 more. This is the second time that one of the world's top DJ's has backed our cause with a concert - this time joining forces with radio station Qmusic to run a highly successful SMS campaign that saw fans get a chance to win two tickets by donating straight to War Child.



Floris Heuer

Last but by no means least - Michaela DePrince - War Child Ambassador and Dutch National Ballet soloist - brought her international network of industry friends together in Amsterdam's AFAS Live for sensational **charity gala 'Dare to Dream'** that raised over €500,000 in donations - enough to support more than 5,500 children for a whole year. The unique success of this event - which included world-renowned artists like Sam Smith and Brandi Carlile and an auction - is highlighted by the fact that 60 per cent of the costs were covered by in-kind gifts. We'd like to take this opportunity to thank Michaela - and all those who made the night possible - for their extraordinary contribution to our mission.

New and returning fundraising actions included our **annual Kili Challenge** - which saw over seventy volunteers scale Mount Kilimanjaro - and our participation in the **'Dam tot Damloop'** road race. Once again, our partnership with fundraising initiative **Plus1** saw musicians add €1 on top of their concert ticket sales - with a percentage of the proceeds going to War Child.

Our Business Partners

Companies make a significant contribution to our mission every year - and 2019 was no exception. The year saw companies across the spectrum **help fund our programmes, lend us their expertise and donate their products and services.**

Income from companies totalled **€2.8 million** across the whole of 2019 - representing a slight year-on-year fall of three per cent. Yet the year still saw new companies sign up to support our work and existing supporters deepen their involvement in our mission.

We were very happy to retain **ASN Bank as our main corporate partner** in 2019 - a structural long-term relationship that has had a great impact on the work we do for children affected by war.



Vingino x War Child

Our new children's clothing partner **Vingino** launched a limited edition fundraising campaign on our behalf over the course of the year. **48percent.org** - an organization aimed at facilitating equality through access to communication - helped fund the roll-out of our flagship programme **Can't Wait to Learn**.

Other companies who supported us over the course of the year included **Air Miles, Buy Aid, TommyCares** (part of Tommy Hilfiger Europe), **Tintelingen, Inner Wheel** and **Rituals Cosmetics Enterprise**. And our Business Friend, **Maza Mediterranean Delicacies** further pledged their support to our mission by becoming the main partner of the War Child Christmas Dinner campaign.

We received goods and services worth €0.9 million over the course of the year - thanks to the success of our corporate partner network. This constitutes a decline of over 26 per cent compared with 2018 - but is still 19 per cent above budgeted income. In-kind gifts were generously donated by loyal sponsors including **Albus Hotel, Buren, Cisco, Crown van Gelder, Damen Drukkers, Koninklijke Van der Most, Loyens & Loeff, PeopleWare** and **Wittebrug Lease**.

Corporate Partnerships around Europe

The year also saw us develop our corporate partnerships within other territories in Europe. Efforts by our team of volunteer fundraisers in Switzerland were once again met with much success. This was largely thanks to **two fundraising galas** - in Zurich and Geneva respectively - which contributed enormously to our programmes and boosted visibility in an interesting market.

War Child Sweden received continued financial backing from automotive giant **Scania** and leading sports organisation **Friskis & Svettis** - a significant contribution to the development of our two key programmes for refugee children - as well as support from leading trust and corporate management conglomerate **Intertrust**.



Rosie Thompson

In March 2019 War Child opened its doors in Germany. This helped attract a number of new corporate partners including local festival organisers **FKP Scorpio**, technology giant **Apple** and modern workspace leaders **Dropbox** - who supported us through in-kind donations, volunteering and more.

Lotteries

War Child has been able to reach thousands of children since 2000 thanks to the generous contribution from the **Dutch Postcode Lottery** - the largest charity lottery in the Netherlands. War Child received an annual structural contribution of €1.35 million from the **National Postcode Lottery** in 2019.

In addition to this, National Postcode Lottery funding contributed funding to the continued development and expansion of our two international flagship programmes - **TeamUp** and **Can't Wait to Learn**.

Government Bodies

War Child continued to expand its funding base among government bodies and non-profit organisations over the course of 2019. The year saw the **highest number of proposal submissions** in our organisation's history - and these efforts met with some success. About 62 per cent of our grant proposals were accepted by institutional donors in 2019 - with several proposals still pending donor decision in 2020.

Grants from government bodies for our programmes totalled **€20.7 million** across 2019 as a whole and rose 30 per cent year-on-year.



Hanna Noori

Our participation in the **Dutch Relief Alliance (DRA)** - a coalition of 16 Dutch NGOs funded by the Netherlands Ministry of Foreign Affairs - was strengthened further in 2019. Funding was awarded for our continued participation in three international **'Joint Responses'** - in DR Congo, South Sudan and the Syrian Response - and we actively participated in a number of DRA working groups at a national level. And - via the implementation of our **SAHA 2 Project** in Lebanon - we maintained a close relationship with our consortium partners and representatives at the Netherlands Ministry of Foreign Affairs across 2019. War Child takes the lead in this consortium.

The financial support from governments and multi-lateral bodies - such as the **European Union**, United Nations agencies **UNICEF**, **UNESCO**, **UNHCR** and **UN-OCHA**, **Global Affairs Canada**, **Swiss Development Cooperation** and **US Agency for International Development** - is crucial to our ongoing operations. Our e-learning innovation **Can't Wait to Learn** was awarded a prestigious prize by UNESCO - presented at the UNESCO headquarters in Paris on 12 March, in the presence of delegates of the Kingdom of Bahrain. We will continue to build our valuable partnerships with these institutions.

Non-Profit Organisations

Financial support from non-profit organisations and foundations decreased 12 per cent year-on-year to total **€6.9 million**. The majority of this amount comes from foundations and other NGOs, with the remainder coming from clubs, associations, religious organisations and educational institutions.

War Child - via our **Research and Development (R&D)** team - developed a number of successful partnerships over the course of the year. These included the **International Rescue Committee (IRC)**, **Plan Denmark** and **LEGO Foundation** - who made a significant contribution to our PlayMatters project which was secured in the third quarter of 2019.



Jeppe Schilder

Through the ARC project, War Child's Programme Partnership and Grants team has continued to collaborate with its consortium partners in the Netherlands including **Stichting ZOA** and **VNG International**. Moreover, our leading role in the **Youth Now Coalition** was strengthened in 2019 - a year which saw the design and implementation of a needs assessment in Burundi and associated fundraising activities rolled-out.

Large charitable foundations - such as **ELMA Foundation**, **H&M Foundation**, **Open Society Foundation** and **Bernard van Leer Foundation** - continued to make a significant contribution to our work over the course of 2019.

New foundations came on board to support our work in 2019 - including the **Abdul Aziz Ghurair Foundation for Education**, **Templeton World Charity Foundation** and **UBS Optimus Foundation**.



Hanna Noori

Our Institutional Donors

- European Commission ECHO
- Dutch Ministry of Foreign Affairs (including Dutch Relief Alliance)
- Global Affairs Canada
- Nuffic
- Swiss Development Cooperation
- UNESCO
- UNHCR
- UNICEF
- UN-OCHA
- USAID

Our Foundation Partners

- Adessium Foundation
- Abdul Aziz Ghurair Foundation for Education
- ASML Foundation
- Bernard van Leer Foundation
- The ELMA Relief Foundation
- Fred Foundation
- IKEA Foundation
- Jacobs Foundation
- Open Society Foundation
- H&M Foundation
- UBS Optimus Foundation
- H.M. Queen Silvia's foundation – Care about the Children (via War Child Sweden)
- BT Supporters Club Comic Relief
- Templeton World Charity Foundation

How We Spend Our Funds

Responsible Spending

War Child is registered as a charitable foundation - which means our operations are funded from public donations and grants from non-profit organisations and institutions. This funding structure brings with it a responsibility to use our funds **as efficiently and effectively as possible**.

We have a **Low-Cost Policy** in place to ensure that the percentage of our budget spent in support of conflict-affected children is as high as possible. This policy commits us to ensure that the percentage of our budget spent on administration and fundraising activities is as low as possible.



War Child UK

Our Financial Policy states that we do not invest money trusted to us by our donors in any way that presents a potential risk - nor do we keep unnecessarily high reserves. War Child also maintains a **continuity reserve** to ensure ongoing financial support for our operations. The level of this continuity reserve is determined according to annual risk analysis - and excess funds are spent on our operations. Our Financial Policy also directs us to spend our funds responsibly, to have proper internal controls and to be able to justify each expenditure we make.

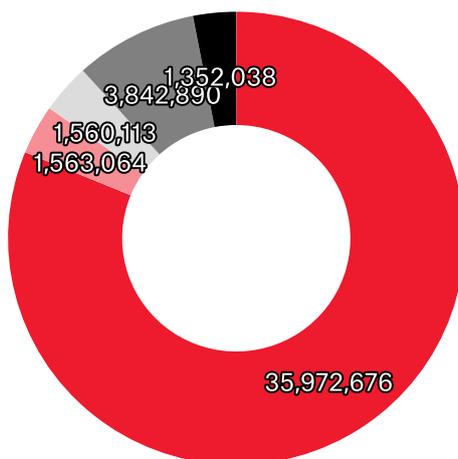
Our Expenditure in 2019

Our operating expenses for 2019 were **€44.3 million** - €39.1 million of which was spent directly in support of conflict-affected children. We spent €1.4 million on management and administration across the year in total.

In percentage terms **we spent 88 per cent of our expenses on our objective** - broadly in line with our 2018 expenditure. Total expenditure on management and administration was three per cent - again broadly similar on a year-on-year basis.

Expenses 2019

Total: € 44,290,781



- Project activities
- Preparation and Coordination
- Awareness Raising
- Fundraising
- Management and administration

We spent **€3.8 million** on our fundraising activities across the year as a whole. Our total income from fundraising was **€45.1 million** - which means our total fundraising investment was nine per cent of our income, similar to 2018.

Our **€39.1 million** expenditure on our objective was two per cent above our planned budget - and demonstrated a 14 per cent increase to actual expenditure in 2018. Actual expenditure in 2019 was in range of the budget. This can be attributed to a 14 per cent year-on-year rise in fundraising income in our programme countries - a significant improvement on 2018.

More projects were implemented in 2019 thanks to increased availability of funding - with the largest increases seen in Lebanon and our Syrian response.

The largest shortfall in expenditure measured against our planned budget was in our **Can't Wait to Learn** programme due to the ending of major grants which provided significant funding for the programme. This is also true of our programme activities in Colombia and Burundi with major funded projects coming to a close over the course of 2019. In these programmes, the fundraising target was not achieved.

Expenditure on project activities during 2019 grew **€5.2 million** year-on-year - which meant we were able to implement more projects than ever before. This growth was fuelled in part by increased availability of grant funding for projects within War Child's areas of expertise.

Our presence in certain countries within our programme portfolio increased significantly over the course of the year. We **focused our fundraising efforts** on countries where we have our own offices - this also ensures we can more closely monitor our programmes. This strategy saw us reduce our presence in other programme countries as a response.

Our largest programme country in terms of expenditure is **Lebanon** - where spending on our projects grew 36 per cent year-on-year to total €9.9 million. Our second largest country in terms of total spend is **the Netherlands** - which serves as the managerial hub for our global programmes **TeamUp** and **Can't Wait to Learn**.



Hussein Baydoun

Our aim is to spend at least 85 per cent of our resources on our objectives i.e. project activities, preparation and awareness-raising. In 2019 War Child met this target. The total expenses spent on our objectives in 2019 represent **88 per cent of our total expenses** - compared with a budget of 89 per cent equal to the previous year. The actual ratio is equal to budgeted ratio and is marginally better than previous years.

War Child aims to spend a maximum of four per cent of its costs on management and administration. The total expenses spent on management and administration in 2019 were **three per cent of total expenses** - equal to the budget and slightly lower than the previous year.

We were able to maintain our fundraising expenses at 9 per cent of our income - the same as 2018. The main reason for this was that our fundraising income increased exponentially, despite a significant increase in fundraising expenses.

The **Notes to the Annual Accounts** provide further information and analysis of our expenditure.

War Child: What Does the Future Hold?

Our Plans for 2020 - and Beyond

The number of active armed conflicts around the world is growing - and so are the **humanitarian and psychological needs of the children** forced to live with the effects of these conflicts.

With never-before seen threats having a direct impact on the lives of the children we work with - the situation on the ground has changed irreversibly too. Which means our **emergency response** to meet their needs in the coming years needs to be more relevant and agile than ever.



Amar Robert

Meeting Challenges Worldwide

War Child works in countries where life-sustaining services are disrupted by armed conflict - countries where the spread of COVID-19 may trigger an eventual system collapse. In 2020 we will continue to adapt our activities to **meet the fresh challenges posed by the coronavirus pandemic**.

This pandemic's impacts are extensive and varied. The global fallouts it is already beginning to inflict are likely to last much longer. Collaboration with other agencies is the only way forward to meet this new challenge. We will enter into new partnerships with local agencies, organisations based in the south and international NGOs to **find solutions quicker, deliver them faster and raise awareness** on personal protection against the virus and its fallouts.

In **Lebanon** we will strengthen our public information campaigns to address fear and anxiety as a result of nationwide curfews. In **Jordan** we will deliver education and information by phone and online to shield children from misinformation and abuse. In **Colombia** we are distributing childcare kits and hygiene materials to keep children and their families engaged. And in **Sri Lanka** we're developing new responses to meet urgent needs in remote communities - helping to set up water facilities and conduct awareness-raising sessions with the support of local youth groups.

In **Africa** - where COVID-19 took longer to take hold - we have already taken our message into the heart of communities - where local artists like **Check-B Magic** can make our words resonate. As the continent moves from readiness to response, we will move with them - even from afar - to coordinate emergency humanitarian responses across the region.

#LeaveNoChildBehind

We are also developing remote child protection, education and psychosocial support for children and caregivers living with the effects of isolation. Our approach - **to leave no child behind**. Extraordinary times must be met with an extraordinary response - but one that remains relevant to children's evolving realities.

“Our mission demands that we are relevant for children and stand in solidarity with them when they need our urgent support.”

—Dr Unni Krishnan - Humanitarian Director

To that end the **effectiveness of our work will accelerate** - through innovative ideas and further development of our R&D-based **Care System**. **Can't Wait to Learn** is actively responding to the long-term impact the crisis will have - working to make its educational games available to children at home in lockdown. And we have adapted our **TeamUp** activities to meet the needs of children and their caregivers living in isolation. **TeamUp at Home** - launched in partnership with Save the Children and UNICEF Netherlands - has seen our successful play and movement activities go online. A fast - and fun - response to a major challenge.

All of these efforts will contribute towards **increased protection** for children and youth - as well as the important adults in their lives - when they need our support most.



War Child

Coronavirus Pandemic: Wider Impact

The **impact of the coronavirus pandemic** on public life and the global economy also affects War Child's product demand and supply. We anticipate that this will have a negative effect on our financial performance in 2020. However, due to the uncertainty regarding the magnitude and duration of the corona crisis, we cannot yet quantify this impact. We will continue to **review our activities and take action wherever possible**.

War Child composed an **Emergency Response Team** in March 2020 to respond to the coronavirus pandemic. This has allowed us to take immediate action towards the continuation of War Child activities by adapting or re-engineering our interventions. Additionally, the Emergency Response Team has been tasked with enabling the development of awareness-raising materials and resources to inform and support communities in our programme countries.

Our Emergency Response Team started with **early assessments of the consequences** of the pandemic and **necessary measures** to limit the spread of COVID-19 - both within our countries of operation and international fundraising activities. Frequent consultations with management and continuous evaluation enables the Emergency Response Team to act quickly and adjust our approach wherever necessary.



Jepe Schilder

War Child's emergency coronavirus approach pays particular attention to the following:

- We have **implemented international precautions and regulations**, based on the recommendations of official health authorities such as the World Health Organization (WHO) and RIVM in the Netherlands. Through these precautions and guidelines, we strive to **minimise health risks** for the children and caregivers we work with, our employees, suppliers and consumers;
- Due to the corona crisis, it is more or less impossible to implement our global programmes as intended. Many activities continue in **modified or slimmed-down form**. Existing projects - with adapted or downsized activities funded by donors - need to be reconfigured, indicating a significant degree of dependence on specific donors. In addition to revising existing projects with donors, we are currently also working on new proposals to donors - aimed at **activities to mitigate the negative consequences** of the coronavirus pandemic.
- We performed a **scenario-analysis** to manage the liquidity risk due to the corona crisis which revealed that our liquidity is sufficient.

War Child Would Like to Thank...

War Child was able to support more than 267,000 conflict-affected children and adults over the course of 2019. None of this would have been possible without the people that back us - **bringing our mission home with relentless enthusiasm**. These people offer their time, funds, expertise and organisational skills - and inspire many other people to support our cause.

We are grateful for the continued support from our **Friends, sponsors and business partners**. We would also like to place on record our thanks to our **institutional partners** and the **organisations** who are always looking for new ways to help us implement our programmes around the globe.

Thank You for Supporting our Mission

—All of us at War Child

This support safeguards and champions our mission to ensure that children living with the effects of armed conflict can **realise their rights and contribute to a better world** - both for themselves and those around them.

Statement of Integrity

We believe that no child should be part of war. Ever.

War Child works to bring about meaningful change in the lives of children living with the effects of armed conflict. Every member of staff in our organisation contributes to this objective - even in their personal lives - and these efforts are reflected in this Annual Report.

This Annual Report provides an account of our activities in 2019 and elucidates our role in the humanitarian aid sector. **Transparency and maintaining an open dialogue** with our stakeholders are key priorities that inform all our reporting processes - including this Annual Report.

Every single person who works for War Child lives up to the same high standards. These standards are reflected in the **core values** of our organisation:

CREATIVITY | IMPACT | INSPIRATION | INTEGRITY

**Because no child should be part of war.
Ever.**

Annual Accounts

Balance Sheet

in Euros, after proposed appropriation of result

| | | 31-12-2019 | 31-12-2018 |
|----------------------------------|-------|--------------------------|--------------------------|
| ASSETS | Note: | | |
| Intangible fixed assets | | 214,300 | 388,245 |
| Tangible fixed assets | | 524,657 | 497,272 |
| Financial fixed assets | | 25,000 | - |
| Fixed assets | (1) | <u>763,957</u> | <u>885,517</u> |
| Receivables | (2) | 8,588,983 | 5,032,902 |
| Cash and cash equivalents | (3) | 11,959,845 | 18,967,501 |
| TOTAL ASSETS | | <u>21,312,785</u> | <u>24,885,920</u> |
| LIABILITIES | | | |
| Continuity reserve | | 5,000,000 | 5,000,000 |
| General reserve | | 2,528,356 | 1,048,294 |
| Legal reserve | | 214,300 | 388,245 |
| Reserves | | <u>7,742,656</u> | <u>6,436,539</u> |
| Earmarked funds | | 299,983 | 439,468 |
| Reserves and funds | (4) | <u>8,042,639</u> | <u>6,876,007</u> |
| Provisions | (5) | 777,496 | 715,580 |
| Long-term liabilities | (6) | 23,111 | 31,515 |
| Short-term liabilities | (7) | 12,469,539 | 17,262,819 |
| TOTAL LIABILITIES | | <u>21,312,785</u> | <u>24,885,920</u> |

Statement of Income and Expenses

in Euros

| | | 2019 | Budget 2019 | 2018 |
|--|-------|-------------------|-------------------|-------------------|
| INCOME | Note: | | | |
| Individuals | (10) | 9,915,358 | 9,662,516 | 9,304,695 |
| Companies | (11) | 2,783,220 | 2,476,840 | 2,863,019 |
| Lotteries | (12) | 4,706,003 | 3,224,545 | 3,560,055 |
| Government grants | (13) | 20,738,185 | 20,480,096 | 15,999,696 |
| Affiliated Parties | (14) | 59,586 | - | - |
| Other organizations (non-profit) | (15) | 6,889,639 | 6,938,678 | 7,842,887 |
| Total fundraising income | | 45,091,991 | 42,782,675 | 39,570,350 |
| Income from sale of products | (16) | 324,591 | - | - |
| Other Income | | 42,452 | - | 2,655 |
| Sum of income | | 45,459,034 | 42,782,675 | 39,573,005 |
| EXPENSES | | | | |
| | | 2019 | Budget 2019 | 2018 |
| Project activities | (17) | 35,972,676 | 35,239,125 | 30,737,223 |
| Preparation and Coordination | (18) | 1,563,064 | 1,298,738 | 1,523,919 |
| Awareness Raising | (19) | 1,560,113 | 1,773,841 | 1,981,665 |
| Expenses on the objective | | 39,095,853 | 38,311,704 | 34,242,807 |
| Fundraising | (20) | 3,842,890 | 3,862,156 | 3,430,823 |
| Management and administration | (21) | 1,352,038 | 1,333,212 | 1,672,512 |
| Sum of expenses | | 44,290,781 | 43,507,072 | 39,346,142 |
| Sum before balance financial income/costs | | 1,168,253 | (724,397) | 226,863 |
| Financial gain / (loss) | (22) | (1,621) | 30,554 | (306,079) |
| Sum of income and expenses | | 1,166,632 | (693,843) | (79,216) |

Appropriation of the Result

in Euros

| | 2019 | 2018 |
|---|------------------|-----------------|
| Addition to (withdrawal from): | | |
| Continuity reserve | - | |
| General reserve | 1,480,062 | (811,773) |
| Earmarked reserve | - | - |
| Legal reserve | (173,945) | 388,245 |
| Earmarked funds | (139,485) | 344,312 |
| Total change in reserves and funds | 1,166,632 | (79,216) |

The notes to the balance sheet provide further information about the composition of reserves and funds.

Cash Flow Statement

in Euros

| | 2019 | 2018 |
|---|--------------------|--------------------|
| Sum of income and expenses | 1,166,632 | (79,216) |
| Adjustments for: | | |
| Depreciation | 296,767 | 285,643 |
| Interest | (12,536) | (70,867) |
| Realised exchange rate losses (gains) | 36,095 | 112,092 |
| Changes in provisions | 61,917 | (666,161) |
| Changes in receivables | (3,556,081) | (1,311,675) |
| Changes in short term liabilities | (4,793,279) | (155,292) |
| Changes in long term liabilities | (8,404) | (8,404) |
| Cash flow from operations | (7,975,521) | (1,814,664) |
| Interest received | 12,536 | 70,867 |
| Cash flow from operating activities | (6,796,353) | (1,823,013) |
| Investments in intangible fixed assets | - | (125,217) |
| Investments in tangible fixed assets | (172,111) | (121,485) |
| Investments in financial fixed assets | (25,000) | |
| Divestments of tangible fixed assets | - | - |
| Cash flow from investing activities | (197,111) | (246,702) |
| Net Cash flow | (6,993,464) | (2,069,715) |
| Foreign exchange rate gains / (losses) on cash and cash equivalents | (14,192) | (160,787) |
| Change in cash and cash equivalents | (7,007,656) | (2,230,502) |

Notes to the Cash Flow Statement, see [note 23](#).

Notes to the Annual Accounts

General

These are the Annual Accounts of Stichting War Child, registered in The Netherlands and recognised as an ANBI (Algemeen Nut Beogende Instelling) by the Dutch tax authorities. War Child is located in Amsterdam at the Helmholzstraat 61-G. All War Child's country offices are one and the same legal entity worldwide: a foundation (Stichting) under Dutch law.

War Child is active as an international non-governmental organisation (iNGO) supporting children affected by armed conflict. War Child empowers children and young people while enabling adults to bring about positive and lasting changes in the lives of conflict-affected children and young people. War Child supports children regardless of their religious, ethnic or social backgrounds or gender. In 2019, War Child implemented its projects in Bangladesh, Burundi, Chad, Colombia, Democratic Republic of Congo, Germany, Iraq, Jordan, Lebanon, the Netherlands, the occupied Palestinian territory, Republic of South Sudan, Sri Lanka, Sudan, Sweden, Syria, Uganda and Yemen. War Child's activities are carried out by its own staff in programme countries and by implementing partners or local organisations.

War Child's vision is: "Children do not belong in war. Ever. They have the right to grow up free from fear and violence. To develop their full potential and become the person they want to be. Together we can change the future."

Accounting Principles

The Annual Accounts 2019 are dated 28 May 2020 and form an integral part of War Child's annual report. The annual report gives a detailed account of War Child's activities, results and programmes. The Annual Accounts have been prepared in accordance with the Guideline RJ650, which applies to Dutch fundraising organisations. The accounting policies have been consistently applied to all the years presented.

War Child's financial year coincides with the calendar year. The statement of income and expenses 2019 is based on the period from 1-1-2019 to 31-12-2019.

The valuation of assets and liabilities and of income and expenses is based on historical cost.

The assumption of continuity was applied for the preparation of the Annual Accounts.

Comparative Figures

When necessary comparative figures in the notes to the financial statements have been adjusted to conform to changes in presentation in the current year.

Functional Currency

Items included in the financial statements are measured in Euro. The financial statements of the legal entity are presented in Euro, which is the functional and presentation currency of War Child.

Transactions in Foreign Currencies

At initial recognition, transactions denominated in a foreign currency are translated into euros, the functional currency of War Child, at the exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date into euros at the exchange rate of that date. Exchange differences resulting from the settlement of monetary items, or resulting from the translation of monetary items denominated in foreign currency, are recognised in the statement of income and expenses in the period in which the exchange difference arises.

Non-monetary assets and liabilities denominated in foreign currency that are measured based on historical cost, are translated into euros at the exchange rates at the date of the transactions.

Estimates

The preparation of the financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. If necessary and relevant, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement item. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. According to management, the following items are most relevant for War Child's financial position and require estimates: the valuation of legacies to be received, the fundraising and awareness raising components in mixed activities and the amount of provisions.

Accounting Principles - Balance Sheet

Unless stated otherwise, assets and liabilities are shown at historical costs.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognised in the statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken into account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the statement of income and expenses, taking into account any provisions related to the transaction.

Income and expenses are allocated to the respective period to which they relate.

Financial Instruments

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. The financial statements contain the following financial instruments: cash items, receivables and payables.

War Child does not apply nor trade in financial derivatives, such as interest rate swaps, forward exchange contracts or options to control its risks.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate. Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

Financial instruments (and individual components of financial instruments) are presented in the financial statements in accordance with the legal reality of the contractual terms. Presentation of the financial instruments is based on the individual components of financial instruments as a financial asset, financial liability or equity instrument.

Financial instruments are initially stated at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account.

Impairment of Financial Assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of one or more events that occurred after the initial recognition of the asset, with negative impact on the estimated future cash flows of that asset, which can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in the statement of income and expenses and reflected in an allowance account against loans and receivables or investment securities held to maturity. Interest on the impaired asset continues to be recognised by using the asset's original effective interest rate.

When, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed (up to the amount of the original cost).

Offsetting Financial Assets and Liabilities

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and when it has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

Intangible Fixed Assets

Intangible fixed assets are only recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to War Child and the cost of that asset can be measured reliably. Intangible fixed assets are measured at acquisition cost, less accumulated amortisation and impairment losses. The accounting principles for the determination and recognition of impairments are included under the section Impairments of fixed assets.

Tangible Fixed Assets

Tangible fixed assets are measured at cost, less accumulated depreciation and impairment losses. The cost consists of the price of acquisition, plus other costs that are necessary to get the assets to their location and condition for their intended use. Depreciation is recognised as an expense on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, taking into account the residual value of each asset. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment. The following depreciation percentages are applied:

- Buildings: **5%**
- Cars, office furniture and fittings: **33%**
- ICT equipment: **33%**
- Assets in project countries: **20-33%**

Maintenance expenditures are only capitalised when the maintenance leads to extension of the useful life of the asset.

Financial Fixed Assets

Financial fixed assets are measured at cost, less accumulated impairment losses. The financial fixed assets comprise investment in War Child Deutschland gGmbH.

Impairments of Fixed Assets

For tangible fixed assets, an assessment is made as of the balance sheet date as to whether there are indications that the asset is subject to impairment. If indications exist that the asset item is subject to impairment, the recoverable amount of the asset is determined. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly expensed in the statement of income and expenses. If it is established that a previously recognised impairment loss no longer applies or has declined, the increased carrying amount of the assets in question is not set any higher than the carrying amount that would have been determined had no asset impairment been recognised.

Disposal of Fixed Assets

Assets that are taken out of service are stated at the lower of book value or net realisable value.

Receivables

Receivables are carried at amortised cost on the basis of the effective interest method, less impairment losses. The effective interest and impairment losses, if any, are directly recognised in the statement of income and expenses.

Cash and Cash Equivalents

Cash and cash equivalents include cash-in-hand, bank balances and deposits held at call with maturities of less than 12 months. Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not readily available, this fact is taken into account in the measurement. War Child does not have any borrowings or loans. War Child does not invest its funds other than in savings accounts and deposits.

Cash and cash equivalents denominated in foreign currencies are translated at the balance sheet date in euros at the exchange rate ruling at that date.

Reserves and Funds

The additions to and the withdrawals from the reserves and funds take place from the destination of results.

Continuity Reserve

The continuity reserve is in place to enable War Child to meet its obligations in the long-term, in case of stagnated income or after an incident with an impact on expenses. The target level is determined by the Supervisory Board. For further explanation, see the notes to the balance sheet.

General Reserve

This part of the reserves is freely available to be spent in accordance with War Child's objective.

Earmarked Reserves

The earmarked reserves are related to funds earmarked by the Supervisory Board to be spent on a designated purpose. The earmarked reserves do not reflect an obligation towards any third party and the Supervisory Board has the authority to reverse this reserve. The earmarked reserves are (partly) released against the statement of income and expenses in the financial period of recognition of the expenses on the designated purpose, for the amount spent.

Legal Reserve

The legal reserve is related to funds reserved in accordance with accounting regulations.

Earmarked Funds

The earmarked funds are related to funds earmarked by external donors to be spent on a designated purpose. The earmarked funds are (partly) released against the statement of income and expenses in the financial period of recognition of the expenses on the designated purpose, for the amount spent.

Provisions

A provision is recognised when War Child has a legal or constructive obligation, arising from a past event, the amount can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are stated at the nominal value of the expenses that are expected to be required to settle the liabilities and losses. For further explanation, see the notes to the balance sheet.

Liabilities

Liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the statement of income and expenses. Liabilities related to operational obligations to donors and partners are presented under short term liabilities, except those that are due or expected to be due after one year, which are presented under long term liabilities.

Accounting Principles – Income and Expenses

Income Recognition

Unrestricted donations are accounted for as income in the earliest reporting period that they were received or committed to. Legacies are accounted for as soon as the amount of income for War Child can be reliably estimated.

Grants received with a designated purpose and a pay-back obligation for War Child in case of ineligibility of the related expenses, are accounted for as income in the same reporting period in which the subsidised eligible expenses is recognised. Instalments received related to grants are recognised in the balance sheet as liabilities.

Gifts in kind are recognised as income and expense in the period they are received. Gifts in kind are valued as income and expense at the fair value.

Unrestricted income from lotteries is recognised in the period that the donor commits the funds. Grants from lotteries with a pay-back obligation are recognised as income in the same reporting period in which the subsidised eligible expenses is recognised.

Grants from international (multi-) governmental agencies, such as organisations related to the United Nations and the European Commission, are classified as income from governments. Grants from governments that are sub-awarded to War Child by another organisation under the same conditions are classified as grants from governments (the back-donor principle).

The income raised from sale of products are presented as net figures. The gross income is deducted with the direct costs and reported as net income.

Loss Recognition

Losses and impairments are accounted for as soon as they are anticipated.

Interest Income

Interest income is recognised in the statement of income and expenses on an accrual basis, using the effective interest rate method.

Leasing

War Child may enter into finance and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form. At inception of an arrangement, War Child assesses whether the lease classifies as a finance or operating lease.

Operating Leases

If War Child acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognised to the statement of income and expenses on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

Employee Benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

War Child pays pension premiums to the pension insurance company based on (legal) requirements and contractual basis with employees and with the pension fund. Premiums are recognised as personnel costs when they are due. Prepaid contributions are recognised as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not been paid yet are presented as liabilities.

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

Termination Benefits

Termination benefits are employee benefits provided in exchange for the termination of the employment. A termination benefit is recognised as a liability and an expense when War Child is demonstrably and unconditionally committed to make the payment of the benefit. If the termination is part of a restructuring, the costs of the termination benefits are part of the restructuring provision.

Termination benefits are measured in accordance with their nature. When the termination benefit is an enhancement to post-employment benefits, measurement is done according to the same policies as applied to post-employment plans. Other termination benefits are measured at the best estimate of the expenditures required to settle the liability.

Pension Plans

The pension charge to be recognised for the reporting period equals the pension contributions payable to the pension fund over the period. In so far as the payable contributions have not yet been paid as at balance sheet date, a liability is recognised. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognised to account for any repayment by the fund or settlement with contributions payable in future.

In addition, a provision is included as at balance sheet date for existing additional commitments to the fund and the employees, provided that it is likely that there will be an outflow of funds for the settlement of the commitments and it is possible to reliably estimate the amount of the commitments. The existence or non-existence of additional commitments is assessed on the basis of the administration agreement concluded with the fund, the pension agreement with the staff and other (explicit or implicit) commitments to staff. The provision is stated at the best estimate of the present value of the anticipated costs of settling the commitments as at balance sheet date.

For any surplus at the pension fund as at balance sheet date, a receivable is recognised if War Child has the power to withdraw this surplus, if it is likely that the surplus will flow to War Child and if the receivable can be reliably determined.

Determination of Fair Value

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other. In cases where there is no transparent market in which the asset in the exact same state is openly traded, determination of the fair value requires management to make estimates. The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges.

Subsequent Events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

Notes to the Balance Sheet

in Euros

1. Fixed Assets

Fixed assets are depreciated over their estimated life time. The assets are held for use in our day to day operations.

Intangible Fixed Assets

| | intangible fixed assets |
|----------------------------------|--|
| Acquisition value | 521,192 |
| -/- Cumulative Depreciation | (132,948) |
| Book value 1-1-2019 | 388,244 |
| Acquisition value investments | - |
| -/- Acquisition value disposals | - |
| -/- Depreciation | (173,944) |
| Depreciation on disposals | - |
| Movements during the year | (173,944) |
| Acquisition value | 521,192 |
| -/- Cumulative Depreciation | (306,892) |
| Book value 31-12-2019 | 214,300 |

Intangible fixed assets relate to the development of War Child's new website and custom developed software for the new CRM system.

Tangible Fixed Assets

| | Land and Buildings | Operating Assets head office | Operating Assets programmes | Tangible fixed assets |
|----------------------------------|--------------------------|------------------------------------|-----------------------------------|-----------------------------|
| Acquisition value | 319,099 | 447,750 | 398,667 | 1,165,516 |
| -/- Cumulative Depreciation | (27,921) | (306,134) | (334,189) | (668,244) |
| Book value 1-1-2019 | 291,178 | 141,616 | 64,478 | 497,272 |
| | | | | - |
| Acquisition value investments | - | 11,489 | 138,719 | 150,208 |
| -/- Acquisition value disposals | - | (9,378) | - | (9,378) |
| -/- Depreciation | (15,955) | (50,504) | (56,364) | (122,823) |
| Depreciation on disposals | - | 9,378 | - | 9,378 |
| Movements during the year | (15,955) | (39,015) | 82,355 | 27,385 |
| | | | | - |
| Acquisition value | 319,099 | 449,861 | 537,386 | 1,306,346 |
| -/- Cumulative Depreciation | (43,876) | (347,260) | (390,553) | (781,689) |
| Book value 31-12-2019 | 275,223 | 102,601 | 146,833 | 524,657 |

Tangible fixed assets acquired during the year are mainly ICT equipment and vehicles. The assets under land and buildings are an apartment close to our office in Amsterdam in which we host employees who are visiting from country programmes, saving hotel accommodation costs. The market value of this apartment at balance date is approximately €400,000. This estimate is based on actual sales prices of similar apartments in the same building. The estimated market value is € 124,777 higher than its book value of €. 275,223. At head office our tangible assets are equipment and furniture for our office and for our training and event space "the Playground". Tangible assets that we hold for our programmes are mainly office equipment, vehicles and generators.

Financial Fixed Assets

| | Financial fixed assets |
|----------------------------------|------------------------------|
| Acquisition value | - |
| -/- Cumulative Depreciation | - |
| Book value 1-1-2019 | - |
| | |
| Acquisition value investments | 25,000 |
| -/- Acquisition value disposals | - |
| -/- Depreciation | - |
| Depreciation on disposals | - |
| Movements during the year | 25,000 |
| | |
| Acquisition value | 25,000 |
| -/- Cumulative Depreciation | - |
| Book value 31-12-2019 | 25,000 |

Financial fixed assets relate to the value of participation in War Child Deutschland gGmbH. The organization was officially registered and launched in the first quarter of 2019 as a German fundraising foundation. War Child holds 100% shares in War Child Deutschland gGmbH.

2. Receivables

| | 31-12-2019 | 31-12-2018 |
|---------------------------|------------------|------------------|
| Receivable from donors | 5,745,999 | 2,671,363 |
| Prepayments to partners | 1,483,894 | 1,187,171 |
| Legacies due | 783,698 | 508,541 |
| Other accounts receivable | 575,392 | 665,828 |
| Inventory | - | - |
| Receivables | 8,588,983 | 5,032,902 |

All accounts receivable originated in 2019, except for receivables relating to four legacies totalling €160,531 originating from 2018. All receivables are expected to be received within one year and relate to our day to day operations. Sometimes legacies may take longer to be settled, especially when the sale of property is involved. Our best estimate is to classify all receivables as short-term.

A provision for doubtful receivables is deemed unnecessary.

Legacies due consist of 14 legacies, of which the largest legacy due is €100,000.

Prepayments to partners are amounts paid to implementing partner organisations, for which War Child has not received liquidation reports from those partners.

Other receivables include, for example, prepayments to creditors, unrestricted donations to be received, deposits and project advances.

Specification of Receivables from Donors

Receivables from donors relate to projects that have been implemented by War Child, for which the funds from donors are committed in a grant contract but had not yet been received on the balance sheet date. The funds are expected to be received within one year. The amount receivable from donors at the balance sheet date can be broken down as follows. The amount, relating to the Dutch National Postcode Lottery, was received in March 2020.

| | 31-12-2019 | 31-12-2018 |
|-------------------------------|------------------|------------------|
| European Commission | 1,972,184 | 246,551 |
| National Postcode Lottery | 1,350,000 | 1,350,000 |
| Netherlands Government | 626,791 | 289,492 |
| Canadian Government | 584,933 | 293,860 |
| United States Government | - | 255,196 |
| United Nations agencies | 727,820 | - |
| Other | 484,271 | 236,264 |
| Receivable from donors | 5,745,999 | 2,671,363 |

3. Cash and Cash Equivalents

| | 31-12-2019 | 31-12-2018 |
|--|-------------------|-------------------|
| Cash and cash equivalents in the Netherlands | 8,790,497 | 17,067,605 |
| Cash and cash equivalents in programme countries | 3,169,348 | 1,899,896 |
| Cash and cash equivalents | 11,959,845 | 18,967,501 |

War Child's cash and cash equivalents balance is at € 12.0 million, compared with €19.0 million in the previous year. The decrease can be explained by the decrease in grants received in advance from important donors such as the European Commission, the IKEA Foundation and the National Postcode Lottery. For more information, see the notes to the balance sheet item 'Grants Received in Advance'.

Availability of Cash and Cash Equivalents

The balance of cash and cash equivalents is readily available to War Child, except for a bank guarantee related to the rental agreements for War Child's office in The Netherlands, released at the end of the rental contract in 2023. The balance of one savings account with Rabobank is available to War Child, although on part of the balance a withdrawal penalty applies, as specified below.

| | 31-12-2019 | 31-12-2018 |
|---|-------------------|-------------------|
| Cash and cash equivalents freely available | 11,183,792 | 18,118,345 |
| Cash and cash equivalents available with 1.5 per cent penalty | 703,721 | 776,825 |
| Cash and cash equivalents in bank guarantee until 2023 | 72,332 | 72,332 |
| Cash and cash equivalents | 11,959,845 | 18,967,501 |

Balances in Foreign Currencies

War Child aims to hold its cash positions as much as possible in Euros and in the Netherlands. At the balance sheet date, 73 per cent of cash was kept in bank accounts in The Netherlands. For expenses in programme countries, foreign currency accounts are held. War Child head office and some country offices have a US Dollar bank account when contracts with donors and expenses are in US Dollars. Country offices request funds to be transferred by head office on a monthly basis, based on forecasted expenses. War Child aims to minimise funds held abroad, but due to the nature of War Child's work, each country needs to hold a buffer amount for operational expenses and unforeseen events. The largest bank balance outside the Netherlands is held in Lebanon (€1.8 million). See also our notes about credit risk.

4. Reserves and Funds

| | 1-1-2019 | additions | withdrawals | 31-12-2019 |
|---------------------------------|------------------|------------------|------------------|------------------|
| Continuity reserve | 5,000,000 | 0 | - | 5,000,000 |
| General reserve | 1,048,294 | 1,480,062 | - | 2,528,356 |
| Legal reserve | 388,245 | 0 | (173,945) | 214,300 |
| Total reserves | 6,436,539 | 1,480,062 | (173,945) | 7,742,656 |
| Earmarked funds | | | | |
| - Can't wait to learn | - | 44,025 | - | 44,025 |
| - Lebanon | 80,398 | 0 | (38,100) | 42,298 |
| - DR Congo | 67,275 | 29,637 | (62,912) | 34,000 |
| - Research & Development | 269,068 | 0 | (89,408) | 179,660 |
| - Colombia | 22,727 | 0 | (22,727) | - |
| Total funds | 439,468 | 73,662 | (213,147) | 299,983 |
| Total reserves and funds | 6,876,007 | 1,553,724 | (387,092) | 8,042,639 |

Continuity Reserve

War Child does not keep more reserves than reasonably necessary to realise the organizational goals and to be able to continue its operations in situations of sudden lack of funding or of excessive expenses. War Child's Supervisory Board determines the desired size of its continuity reserve based on risks perceived, taking into account a number of adverse incidents that might happen. In 2019 the minimum desired level of the continuity reserve was left unadjusted at €5.0M, which was approved by the Supervisory Board in their meeting on the 12th of December, 2019. The desired level of the continuity reserve is also the actual size of the continuity reserve as per the balance date. The general reserve holds a €2.5M surplus which is not necessary for War Child's continuity and in 2020 War Child will aim to spend part of this amount on its objective. War Child's continuity reserve is in compliance with the requirements of the sector organisation Goede Doelen Nederland as stipulated in its policy for financial management of NGOs ("Financieel Beheer Goede Doelen"): The operational costs multiplied by 1.5 amount to a maximum continuity reserve of €30M.

General Reserve

The general reserve is formed from the surplus of reserves above the target level for the continuity reserve. War Child will spend its general reserve to the benefit of children affected by war in accordance with its objectives.

Earmarked Reserve

The earmarked reserves are funds with a designated purpose determined by the board. There is no external obligation.

Legal Reserve

The legal reserve is related to funds reserved in accordance with accounting regulations. War Child has a legal reserve for the book value of the capitalized development costs of its intangible fixed assets (€214,300). The legal reserve will be released as and when the book value of the intangible assets decreases.

Earmarked Funds

The earmarked funds are designated by the donor and must be spent on a specific purpose. The earmarked funds that existed end of 2018 for the Colombia project were fully spent in 2019 and therefore the earmarked funds were released. The funds earmarked in 2018 for Lebanon, DR Congo and R&D were not fully spent yet in 2019 due to programme delays. New earmarked funds were added in 2019 for two projects in DR Congo and for the Can't wait to learn programme. War Child expects to spend these amounts in 2020.

5. Provisions

| | 1-1-2019 | additions | withdrawals | 31-12-2019 |
|---------------------------------------|----------------|----------------|------------------|----------------|
| Provision for end-of-service benefits | 118,115 | 133,604 | (58,093) | 193,626 |
| Provision for local taxation | 493,190 | 2,433 | (81,101) | 414,522 |
| Provision for local social security | 104,275 | 114,389 | (49,316) | 169,348 |
| Total provisions | 715,580 | 250,426 | (188,510) | 777,496 |

The entire provision is short term. All employees have a notice period of less than one year and it is possible that authorities will impose tax on War Child within one year.

Provision for End-of-Service Benefits

A provision for end-of-service benefits is established when War Child has the obligation by local labour law to pay an amount of benefits to each of its employees at the end of their service, no matter how and by whom the employment contract was ended. The provision represents the cumulative amount of benefits built up by each employee up to the balance sheet date. The calculation is in accordance with the local law and is usually a formula such as: numbers of years in service x gross monthly salary x fixed percentage. The amount of obligation up to the balance sheet date can therefore be determined with a high degree of certainty. The amount is, however, payable at an uncertain date, namely at the end of service of the employee.

Provision for Local Taxation

A provision for local taxation is established when local laws and regulations contain a tax obligation for non-governmental organisations, although the authorities have not (yet) imposed those taxes on War Child. The provision represents the best estimate of the amount of tax expected to be imposed on War Child in relation to the period up to the balance sheet date. However, since in many such cases the authorities have to date not imposed these taxes, the calculation method might be uncertain. For example, income tax might be applicable to all residents, but it is unclear which benefits shall be included in the taxable amount. In some countries, NGOs are jointly lobbying for a tax exemption. The amount, likelihood and timing of the future payment obligation are therefore often quite uncertain and the provision reflects War Child's best estimate.

Provision for Local Social Security

This provision is similar to the provision for taxation. In some countries a law exists for employers to provide social security to its staff. As long as the governments have not yet set up an authority in charge of collecting those payments, War Child keeps a provision for its best estimate of the amount to be paid.

Provision for Ineligible Grant Expenses

This provision is related to expenses that might need to be paid back to institutional donors because some of their requirements were not met. Some of War Child's programmes are implemented in particularly difficult, unsafe and instable contexts where it is not always possible to guarantee that the strictest of donor requirements are followed in each of its (partner's) transactions. War Child still implements those projects because especially those children need its support. In 2019, War Child has no indications that specific expenses are at risk of ineligibility and therefore no such provision exists. War Child is continuously striving to improve its procedures to ensure compliance with increasingly strict donor requirements, in order to decrease the risk of ineligible expenses.

6. Long Term Liabilities

All long term liabilities are due after one year and within five years. The amount as per the balance sheet date relates to rental discounts of War Child's Amsterdam office that were already received, but that are spread over the total length of the rental contract in accordance with the accounting principles. This amount is the part that will be recognized as a deduction of rental expenses in the financial years from 2021 onwards.

7. Short Term Liabilities

| | 31-12-2019 | 31-12-2018 |
|-----------------------------------|-------------------|-------------------|
| Grants received in advance | 8,845,511 | 13,779,379 |
| Payable to partners | 1,364,102 | 1,434,744 |
| Other liabilities | 1,249,719 | 1,167,048 |
| Accounts payable | 772,236 | 675,708 |
| Taxes and social premiums payable | 237,971 | 205,940 |
| Short term liabilities | 12,469,539 | 17,262,819 |

All short term liabilities are due within one year.

The short term liabilities decreased mainly due to the 36 per cent decrease of 'Grants Received in Advance', as further detailed in the next table. It consists of restricted funding that was received by War Child in the financial year, while the related project expenses have not yet been incurred. Due to the nature of the grant contract, income is not accounted for in the period that the funds are received, but in the period in which the related expenses are recognized. The expenses related to grants received in advance are expected to be realised within one year.

The accounts payable to implementing partners decreased by 5 per cent because War Child prepays most of the partner's activities due to lack of own funding of small local organisations. With larger international organisations such as War Child United Kingdom or Save the Children, payable amounts may occur.

Other liabilities are expected invoices relating to the financial year, which were not yet received at the balance sheet date. Personnel liabilities are part of other liabilities and relate to the 8 per cent holiday allowance built up for head office personnel during the year, which is due to be paid out in May, as well as to holiday leave days pending at the balance sheet date.

| | 31-12-2019 | 31-12-2018 |
|-----------------------------------|------------------|-------------------|
| European Commission | 2,869,183 | 3,588,614 |
| National Postcode Lottery | 1,908,903 | 2,764,906 |
| United Nations agencies | 1,145,695 | 549,690 |
| Netherlands Government | 675,673 | 1,853,964 |
| IKEA Foundation | 6,439 | 2,734,569 |
| Swiss Government | - | 240,570 |
| Other | 2,239,618 | 2,047,065 |
| Grants received in advance | 8,845,511 | 13,779,379 |

The institutional donors with the largest amounts paid in advance are shown in the table. Comparison between the current and previous financial year reveals substantial fluctuations between donors. Large grant instalments were received in advance from the European Commission related to our Back to the Future programme in Lebanon, from the National Postcode Lottery, mainly in relation to the expansion of War Child's successful "Can't wait to learn" programme. The Netherlands government has prefinanced two large projects in Lebanon.

The IKEA Foundation is an important donor which generously supported four of War Child's programmes in 2019, as specified below. All projects have been finalized in 2019.

| | Total | Received | Spent | Outstanding |
|--|-------------------|-------------------|-------------------|--------------------|
| | grant | up to | up to | balance |
| | award | 31-12-2019 | 31-12-2019 | 31-12-2019 |
| | in Euros | | | |
| Can't wait to learn (Sudan, Lebanon, Jordan) | 5,300,000 | 5,300,000 | 5,293,561 | 6,439 |
| Time to be a child (Lebanon, Jordan) | 6,741,910 | 6,741,910 | 6,741,910 | - |
| Building sustainable futures (South Sudan) | 1,548,830 | 1,548,830 | 1,548,830 | - |
| Team Up (the Netherlands) | 90,000 | 90,000 | 90,000 | - |
| IKEA Foundation | 13,680,740 | 13,680,740 | 13,674,301 | 6,439 |

Financial Risks and Financial Instruments

During its normal operations, War Child is exposed to currency, interest, cash flow, credit and liquidity risks. To control these risks, War Child has instituted policies and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the ability of War Child to fulfil its objectives.

War Child does not apply nor trade in financial derivatives, such as interest rate swaps, forward exchange contracts or options to control its risks. Its main risk mitigation measures are described below.

Credit Risk-Banks

Credit risk arises principally from War Child's substantial cash position. It holds large bank balances and the main risk is that of a bank defaulting. The maximum amount of credit risk with one bank that War Child incurs is €5.3 million, which is its balance with Rabobank at the balance sheet date. War Child also holds bank accounts with ASN bank (€1.7 million), with ABN AMRO (€1.1 million), Triodos bank (€0.5 million) and with ING (€0.2 million). Furthermore, it has balances with foreign banks in potentially unstable states. The largest bank balance abroad is with Byblos Bank in Lebanon (€1.8 million).

The probability and impact of financial loss to War Child due to a bank going bankrupt is mitigated by spreading the balances over a number of banks, by limiting the outstanding balances abroad and by strict bank assessment procedures when opening a bank account. At the end of 2019 there were concerns about the fragile banking situation in Lebanon. Lebanese banks restricted transfers abroad and dollar withdrawals from deposit accounts since November 2019. In December 2019, War Child's banks were either downgraded by Moody's or under review for downgrade. The situation is closely monitored and management decided a provision is not necessary based on information available on 28 May 2020.

Credit Risk-Receivables

Credit risk also arises from War Child's receivables totalling €8.6 million. The credit risk is concentrated at for counterparties for a total amount of €4.5 million. These are large donors and governments with whom War Child has a long standing relationship and that have always in time satisfied their obligations to pay. The highest receivables amount to €2.0 million from the European Commission and €1.4 million from National Postcode Lottery. In addition, €1.5 million receivables relate to prepayments to partners. This balance is spread over more than 20 partners, the largest balance being €1.0 million with UNICEF.

Foreign Exchange Rate Risk

War Child is exposed to currency risk on project obligations that are denominated in a currency other than the contractual currency of the grant contract that relates to such a project. The currencies in which these project transactions primarily are denominated are EUR and USD, whereas a minority of transactions take place in amongst others COP, UGX and SSP. The currencies in which War Child's donor grant contracts are denominated are primarily EUR and USD, whereas a minority of grants are denominated in amongst others

CAD, GBP, BIF, CHF and SSP. War Child's policy is to denominate its contractual obligations as much as possible in the same currency as the donor's currency and to hold bank balances in the donor currency, so that the real exchange rate is closest to the reporting exchange rate. War Child does not hedge with any derivative instruments its estimated foreign currency exposure in respect of forecasted purchases over a future period, because management believes this brings new risks and costs, while War Child's current employment of practical risk mitigation measures serves its purpose.

Interest and Cash Flow Risk

War Child has no interest bearing loans, therefore the interest and cash flow risk is limited. There is a risk of interest rates decreasing or becoming negative, resulting in reduced interest income or increased costs, deviating from the budget.

Liquidity Risk

The management monitors War Child's cash position and ensures that it is sufficient to meet the financial obligations towards creditors, employees and partners. War Child's level of reserves ensures a sufficient balance is available to cover financial obligations for a period of three years. Although the potential impact of extreme circumstances that cannot reasonably be predicted is hard to take into account, War Child believes that its liquidity risk is limited.

Fair Value

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

Off-Balance Sheet Obligations and Rights

War Child's global off-balance sheet obligations and rights are as follows and are further explained in the text below the table.

| | | due within | due in | due after |
|--|------------------|------------------|------------------|-----------|
| | TOTAL | 1 year | 1-5 years | 5 years |
| Operational obligations | 1,670,649 | 671,072 | 999,577 | - |
| Implementing partner conditional obligations | 4,082,530 | 3,762,573 | 319,957 | - |
| Off-balance sheet obligations | 5,753,179 | 4,433,645 | 1,319,534 | - |

| | | due within | due in | due after |
|--|------------|------------|-----------|-----------|
| | TOTAL | 1 year | 1-5 years | 5 years |
| Donor contract value to be received | 15,278,380 | 11,573,329 | 3,705,051 | - |

Operational Obligations

The main operational obligation is the office and training space rental obligation in The Netherlands for the period until 30 September 2023. Total remaining rental obligation including service and utilities charges is €1.2 million. The remaining obligations of €0.5 million mainly consist of rental obligations in programme countries.

Implementing Partners

War Child works with many implementing partners globally. War Child enters into agreements with partner organisations to execute projects related to War Child's objectives. The contributions in these contracts are disbursed to partners in several instalments. All contributions are conditional. War Child has off balance sheet obligations to its partners totaling €4.1 million. War Child's largest expected future payment is to Save the Children, with which a conditional funding agreement is in place with an amount of approximately €0.4 million due to the organisation in the coming 2 years. This relates to the implementation of part of the Team Up project.

Off-Balance Sheet Rights

Grants from donors are recognized as income when the related expenses are recognized. Instalments received from donors are recognized on the balance sheet under Grants received in advance, for the part that is not yet spent. The remaining instalments due in accordance with contracts signed with donors are reported as off-balance sheet rights. The total amount of instalments to be received by War Child under existing donor contracts is €15.3 million. The largest total amounts to be received in the coming 5 years are €7.1 million from the European Commission, €4.6 million from the Dutch Government and €1.5 million from United Nations agencies.

Notes to the Statement of Income and Expenses

in Euros

10. Fundraising Income from Individuals

Income from individuals includes structural and one-off donations from individuals as well as legacies.

| | 2019 | Budget 2019 | 2018 |
|--------------------------------------|------------------|------------------|------------------|
| Legacies | 1,052,913 | 300,000 | 793,977 |
| Other gifts and donations | 8,862,445 | 9,362,516 | 8,510,717 |
| Total income from Individuals | 9,915,358 | 9,662,516 | 9,304,695 |

Developments 2019

We met our ambitious income target from individuals of €9.7 million. We even raised €9.9 million income from individuals in 2019 (3 per cent above budget) which is 7 per cent higher than the previous year (2018: €9.3 million). While the gifts and donations increased 4 per cent year-on-year, those were 5 per cent under budget (€8.9 million realized against a budget of €9.4 million). The growth in income from individuals is mainly attributable to income from legacies, which grew by 33 per cent compared to previous year and which was more than triple the budget for the year. War Child aims to develop long-term relationships with individual donors to ensure stability in income and the continuity of projects. The large majority of the income generated by individual donors came from approximately 90,000 Friends, as War Child calls its structural donors. More information is provided in the "Where our funds come from" section in our annual report.

11. Fundraising Income from Companies

Income from companies includes periodical donations from our Business Friends, one-off gifts from actions, donations in kind as well as restricted subsidies.

| | 2019 | Budget 2019 | 2018 |
|--------------------------------|------------------|------------------|------------------|
| ASN Bank | 150,000 | - | 82,816 |
| Tommy Hilfiger | - | - | 50,500 |
| Gifts in Kind | 890,780 | 750,950 | 1,201,160 |
| Other companies | 1,742,440 | 1,725,890 | 1,528,542 |
| Total income businesses | 2,783,220 | 2,476,840 | 2,863,019 |

Developments 2019

In 2019 we raised €2.8 million from the business sector, 12 per cent above our target for the year, but 3 per cent below the income in 2018. It remains a challenge to secure long-term commitments from companies. Main business donors supporting us already for years with monetary funding are Rituals Cosmetics and ASN Bank. We saw a decrease of 26 per cent in gifts in kind – which with a value of €0.9 million were however 19 per cent above budget. Over 30 per cent of income from businesses comes from the value of donations in kind. War Child has a low cost policy and tries to find donors for every purchase it makes at head office. This ranges from free paper to free legal advice. Thanks to our good reputation that our donors recognize, we are quite successful in raising free goods and services. More information is provided in the “Where our funds come from” section in our annual report.

12. Fundraising Income from Lotteries

Income from lotteries consists of contributions from the Dutch National Postcode Lottery. Since 2009, War Child receives an annual unrestricted contribution and since 2014 we have received various contributions designated to specific projects.

| | 2019 | Budget 2019 | 2018 |
|---|------------------|------------------|------------------|
| National Postcode Lottery (structural contribution) | 1,350,000 | 1,350,000 | 1,350,000 |
| National Postcode Lottery (designated to TeamUp) | 857,896 | 672,870 | 1,128,088 |
| National Postcode Lottery (designated to CWTL) | 2,498,107 | 1,201,675 | 1,061,966 |
| National Postcode Lottery (unrestricted gift) | - | - | 20,000 |
| Other lotteries | - | - | - |
| Income lotteries | 4,706,003 | 3,224,545 | 3,560,055 |

Developments 2019

Income from lotteries has increased by 32 per cent in comparison with the previous year. The National Postcode Lottery contributes structurally to our organisation with an impressive €1.4 million. In addition, the National Postcode Lottery awarded the “Dreamfund” to War Child for its Can’t wait to learn programme. The income under this grant increased by 35% as additional funding allowed for scale up of activities. War Child also received funding from the National Postcode Lottery for its TeamUp programme with refugees in the Netherlands. More information is provided in the “Where our funds come from” section in our annual report.

13. Fundraising Income from Government Grants

Income from governments includes income from individual governments, as well as from governmental bodies and from organisations that receive the vast majority of their funding from governments. In cases where the back-donor is a government and War Child has a contract with equal conditions with another party, this income is categorized as income from governments. All War Child’s income from governments is incidental, although part of the income is related to multiyear grants. All grants have an end date.

| | 2019 | Budget 2019 | 2018 |
|--------------------------------------|-------------------|-------------------|-------------------|
| European Commission | 7,774,448 | 7,454,702 | 4,724,006 |
| Netherlands Government | 6,563,917 | 5,988,831 | 4,919,732 |
| United Nations agencies | 5,185,335 | 4,894,038 | 3,491,092 |
| Canadian Government | 212,026 | 133,305 | 1,379,552 |
| Swiss Government | 431,361 | 404,254 | 950,236 |
| United States Government | 492,554 | 392,423 | 535,078 |
| Other governments | 78,544 | 1,212,543 | - |
| Total income from governments | 20,738,185 | 20,480,096 | 15,999,696 |

Developments 2019

The income from governments accounts for 45 per cent of War Child's total income. It is €20.7 million in 2019, which is 30 per cent above the government income of 2018 (€16.0 million). The substantial growth that was realized is in line with the ambitious budget for the year (€20.4 million) which was achieved.

With €7.8 million the European Union was War Child's largest donor and funding was 65 per cent above previous year's income (2018: €4.7 million). This represents 17 per cent of our total income, which is slightly above our limit of maximum 15 per cent from one donor. War Child has this target in order to remain independent from any one donor and to maintain a well-balanced donor portfolio.

The Netherlands Government is our second largest donor with a contribution in 2019 of €6.6 million. The United Nations agencies continue to contribute to War Child's programmes in various countries through its subsidiaries and affiliates such as UNICEF, UNHCR, UNESCO and UN OCHA. Global Affairs Canada (GAC) contributed to our educational programme in Colombia, which ended in 2019. More information is provided in the "Where our funds come from" section in our annual report.

14. Fundraising Income from Affiliated Parties

Income from affiliated parties includes the contributions of national and international parent and sister organisations of War Child.

War Child worked to further expansion of its presence in Europe and during the first quarter of 2019 officially registered and launched War Child Deutschland GmbH, as a German fundraising foundation.

War Child Deutschland GmbH fundraised 59,586 income from sales and private donations, collected at galas and from corporates, to be used for our programs.

15. Fundraising Income from Other Organisations

The income from other organisations includes income from foundations, educational institutions, religious institutions and associations. This is a mix of unrestricted as well as restricted funding.

| | 2019 | Budget 2019 | 2018 |
|---|------------------|------------------|------------------|
| IKEA Foundation | 2,760,437 | 2,132,024 | 3,925,259 |
| War Child United Kingdom | 180,907 | 126,937 | 342,415 |
| H&M Foundation | 157,422 | 214,779 | 72,933 |
| Bernard van Leer Foundation | 130,941 | 104,000 | 116,834 |
| ELMA Foundation | 130,477 | 415,542 | 257,855 |
| War Child Sweden | 36,286 | 94,800 | 99,387 |
| Jacobs Foundation | - | 176,800 | 178,047 |
| Cisco Foundation | - | - | 99,965 |
| CATCH Foundation | - | - | 87,636 |
| Adessium Foundation | - | - | 60,000 |
| Other organisations | 3,493,169 | 3,673,797 | 2,602,556 |
| Total income other organisations | 6,889,639 | 6,938,678 | 7,842,887 |

Developments 2019

The income from other non-profit organisations in 2019 totalled €6.9 million which was a decrease of 12 per cent compared with the previous year (2018: €7.8 million), and in line with the budget 2019. The largest donor in this income category is the IKEA Foundation, which is responsible for 40 per cent of income from other non-profit organisations. IKEA Foundation funds four of War Child's projects in various countries: the Can't wait to Learn programme in amongst others Sudan and Lebanon, the Time to be a Child project in Jordan, the Building Sustainable Futures project in South Sudan and the TeamUp project in the Netherlands. These projects were all finalized in 2019, which explains the decrease of income compared with 2018. More information is provided in the "Where our funds come from" section in our annual report.

16. Fundraising Income from Sale of Products

The income raised from sale of products are presented as net figures. The gross income is deducted with the direct costs and reported as net income.

The net income raised from sale of products in 2019 totalled €0.32 million. The gross income from the sale of products totalled €0.36 million and the cost of goods sold €0.04 million. This income was raised during special events for War Child mainly through selling of auction items, concert tickets, and event dinners. More information is provided in the "Where our funds come from" section in our annual report.

Expenses

Total expenses increased by a total of €4.9 million to €44.3 million, a growth of 13 per cent (2018: €39.3 million). War Child's aim is to spend at least 85 per cent of its resources on its objectives – project activities, preparation and awareness raising. In 2019 War Child met this target. The ratio of Expenses on the objective and Sum of expenses was 88 per cent. War Child aims to spend maximally 4 per cent of its costs on management and administration. It met this target (2019: 3 per cent; 2018: 4 per cent) and it was able to maintain its fundraising expenses at 9 per cent of its income (2018: 9 per cent). The main reason was that even though the amount of fundraising expenses increased, the fundraising income increased even more, relatively. More information is provided in the below notes.

| | Realisation 2019 | Budget 2019 | Realisation 2018 |
|--|---------------------|----------------|---------------------|
| % Costs of fundraising / total fundraising income | 9% | 9% | 9% |
| % Costs management & administration / total expenses | 3% | 3% | 4% |
| % Total expenses on behalf of the objective / total expenses | 88% | 88% | 87% |

Cost Allocation of General Expenses

One of War Child's core values is transparency. In our annual accounts this translates to openness about where our funds come from and how we spend them. Specifically, we are transparent about the cost allocation of general expenses. War Child allocates most of its head office expenses directly to the relevant cost category, meaning that if and when possible, each expense is recognized under the relevant cost category. The expenses related to general management roles, such as the managing director, the director of finance, the director of HR and the manager ICT are fully attributed to the cost category for management and administration.

As a result, a general cost allocation methodology is applied to general facility costs in the Netherlands only. The amount of allocated general costs is €550,886 and includes amongst others office rent, furniture, cleaning, reception and canteen costs. The basis of the allocation is the distribution of salary costs of employees in the Netherlands, resulting in 29 per cent of €550,886 is allocated to project activities, 13 per cent to preparation and coordination, 9 per cent to communication and awareness raising, 23 per cent to fundraising, and 25 per cent to general management and administration expenses.

Cost Allocation of Fundraising and Awareness Raising Expenses

| | 2019 | | Budget 2019 | | 2018 | |
|--|---------------|----------------|---------------|----------------|---------------|----------------|
| | % awareness | € awareness | % awareness | € awareness | % awareness | € awareness |
| Door to door engagement | 25% | 216,376 | 50% | 404,976 | 50% | 360,030 |
| Communicating with existing constituency | 75% | 202,663 | 50% | 123,849 | 50% | 109,012 |
| Music events | 25% | 75,711 | 25% | 4,025 | 25% | - |
| Mailings | 25% | 66,527 | 25% | 57,869 | 50% | 43,894 |
| Peace Event | 90% | 31,209 | 90% | 11,700 | 90% | 29,662 |
| Telemarketing | 25% | 29,547 | 25% | 45,137 | 50% | 64,537 |
| Online | 25% | 28,971 | 25% | 17,750 | 25% | 12,138 |
| Television show | | - | | - | 50% | 243,509 |
| Other mixed projects | 33% | 72,149 | 30% | 332,997 | 33% | 37,329 |
| | % fundraising | € fundraising | % fundraising | € fundraising | % fundraising | € fundraising |
| Communications | 10% | (87,278) | 0% | - | 0% | - |
| Net allocation to awareness raising | 49% | 635,875 | 51% | 998,303 | 49% | 900,111 |

War Child's events and activities for public engagement in the Netherlands may have a fundraising as well as an awareness raising component. The out of pocket expenses related to such mixed activities are attributed to each of the two categories on the basis of a percentage as justified by the objectives and activities of each mixed project. For each mixed activity, the project leader provides a justified weight of each component. For example, the costs of engaging the public face to face are split 75%-25% between fundraising and awareness raising. During those activities, new Friends are acquired and many individuals are being informed about the children affected by conflict.

The allocation percentages are consistently determined and applied in consecutive periods. If percentages change year on year, management justifies this based on a changed nature of the activities. For instance in 2019 War Child has a new director of fundraising who steered the activities of the department more to fundraising than previously, hence percentages applied shifted more towards fundraising. For instance, the costs of face to face engagement were previously split 50%-50% between fundraising and awareness raising, whereas this percentage has been adjusted to 75%-25% in the current year due to more emphasis on the donor conversion rate. All employees with a fundraising role are fully attributed to the cost category for fundraising.

War Child intends to apply percentages which are realistic and which are in line with those that are applied by similar organisations for similar projects. The allocation percentages used by other organisations are however not transparent. War Child would be in favour of more transparency and clearer guidelines on the subject. Above is a table with the applied percentages and resulting amounts of awareness raising in our largest mixed projects. Some projects were not budgeted because at the time of planning it was unsure if those would take place in 2019. Vice versa, not all other projects in the budget took place in 2019.

17. Project Activities

Expenses towards project activities are costs related to the implementation of War Child's programmatic interventions. War Child's projects are amongst others providing psychosocial support, child protection, education and advocacy. War Child implements its projects itself as well as by partner organisations. Costs of project activities include expenses such as staff costs, materials purchased, location rent, transport costs and office expenses. Costs of the country offices are fully attributed towards project activities. Costs of the head office are attributed to project activities if the costs are directly related to implementing projects, which in most cases means that those expenses are funded by a grant. This includes our Can't wait to learn and TeamUp programmes, as well as our research and development projects.

| | 2019 | Budget 2019 | 2018 |
|--|-------------------|-------------------|-------------------|
| Lebanon | 9,884,944 | 7,616,340 | 7,301,785 |
| Netherlands | 5,289,484 | 7,032,476 | 5,441,164 |
| Syria | 5,766,419 | 5,959,308 | 3,791,787 |
| DR Congo | 2,733,507 | 2,775,275 | 2,024,506 |
| Uganda | 2,285,144 | 1,775,982 | 1,469,683 |
| Jordan | 1,745,005 | 1,178,899 | 2,354,759 |
| Occupied Palestinian territories | 1,723,415 | 1,558,657 | 1,193,168 |
| Colombia | 1,479,677 | 2,007,893 | 2,429,309 |
| South Sudan | 2,813,524 | 2,753,739 | 2,113,454 |
| Burundi | 763,077 | 1,301,864 | 836,032 |
| Sudan | 939,674 | 953,000 | 350,865 |
| Sri Lanka | 267,638 | 325,692 | 265,598 |
| Chad | 211,311 | - | - |
| Iraq | 27,131 | - | 228,830 |
| Afghanistan | 26,169 | - | 160,016 |
| Yemen | 16,557 | - | 776,267 |
| Total costs of project activities | 35,972,676 | 35,239,125 | 30,737,223 |

Developments 2019

Total expenses on project activities are €36.0 million in 2019, or 17 per cent above previous year (2018: €30.8 million) and 2 per cent over budget. Our budget for the year consists of ensured funding from signed grants as well as of ambitious projects that we will try to raise funds for in the various countries. In 2019, our fundraising targets were achieved. War Child was able to realise a growth of €5.2 million in project activities meaning that we were able to implement more projects.

The growth of €5.2 million compared with previous year is explained by the growth of some countries and the decrease in size of other countries. The largest growth in absolute terms was established in Lebanon (+€2.6 million), Syria (+€2.0 million), South Sudan (+€0.7 million), Uganda (+€0.8 million), and Democratic Republic of Congo (+€0.7 million). This growth can for a large part be explained by the availability of grant funding for projects in War Child's areas of expertise. The countries that showed the largest decrease in size were Colombia (-€1.0 million), Yemen (-€0.8 million), and Jordan (-€0.6 million). This decrease is attributable to completion of grant funded projects

The largest programme country is Lebanon with €10.0 million project expenses, which is an increase of 35 per cent compared with 2018. Syria and The Netherlands are the next largest programme countries with €5.8 million and €5.3 million project expenses respectively. From Amsterdam, we manage our global Can't wait to learn programme with €4.1 million expenses in the Netherlands and we implement our TeamUp programme in Dutch asylum seekers centres (€1.4 million).

18. Preparation and Coordination

Costs for preparation and coordination include for example costs for the evaluations of our programmes, security measures and security trainings, quality assurance, programme management from head office, travel to country offices, internal audits and monitoring activities.

Developments 2019

The majority of costs for preparation and coordination originate in the International Programmes department at War Child's head office. Total costs in 2019 have increased year on year by 3 per cent to €1.6 million and are 20 per cent above 2019 budget (€1.3 million).

19. Awareness Raising

Awareness raising includes the costs of raising awareness of people in general and of certain focus groups and networks in particular. Direct costs include those costs related to lobbying, War Child's website, conferences, campaigns and the awareness raising component of events and actions as described earlier under Cost Allocation.

Developments 2019

Awareness raising costs (2019: -€1.6 million) are 12 per cent under budget and 21 per cent under the level of the previous year (2018: -€2.0 million).

20. Fundraising

Costs of fundraising are incurred for activities which aim to persuade people, businesses and other organizations to become Friends of War Child, to donate money or to enter into grant contracts with War Child.

| | 2019 | Budget 2019 | 2018 |
|------------------------------------|-------------------------|-------------------------|-------------------------|
| Fundraising of unrestricted income | 2,923,214 | 2,711,373 | 2,661,757 |
| Fundraising of restricted income | 386,878 | 520,610 | 335,853 |
| Setting up new fundraising markets | 532,798 | 630,173 | 433,212 |
| Total costs of fundraising | <u>3,842,890</u> | <u>3,862,156</u> | <u>3,430,823</u> |

Developments 2019

Total fundraising costs divided by total fundraising income in 2019 is 9 per cent, similar to 2018. In 2019, total costs of fundraising increased with 12 per cent in comparison with previous year, and the costs in line with the budget of 2019. The total amount of fundraising costs of €3.8 million consists of costs for raising unrestricted funds –for example from our Friends-, restricted funds –for example from institutional donors- and costs for setting up new fundraising offices –War Child's contributions to War Child Sweden and War Child Germany.

War Child contributed to the running costs of War Child Sweden, which is an independent foundation that raises funds for War Child in the Swedish market. It also contributed to the operational costs of War Child Deutschland gGmbH, which is a legal entity established in March 2019 of which the shares are fully owned by Stichting War Child. Costs for setting up fundraising offices in new markets increased in comparison with 2018 because of the new office in Germany. These expenses remained within budget.

21. Management and Administration

War Child strives to spend as much on its objective as possible and it is continuously pursuing cost savings opportunities. On the other hand, it realizes that the lowest management costs are not necessarily desirable. Laws, regulations and donor requirements as well as risks of fraud and child safety contribute to a complex environment that require an adequate governance structure, a professional ICT infrastructure and an accurate administrative organisation and internal controls. If management and administration would not get proper attention, then the continuity of the organisation could be at risk.

War Child aims to keep its percentage for management and administration below 4 per cent. In 2019 it reached 3 per cent, while in 2018 it was 4 per cent due to necessary expenses for new systems. In the coming years War Child strives to keep this percentage as low as possible, since operational excellence and efficiency are an important part of its strategic objectives. It is however difficult to compare the ratios of organisations that have a different group structure and that implement very diverse types of activities.

Developments 2019

The costs for management and administration in 2019 (€1.4 million) are 1 per cent above budget and 19 per cent below the level of 2018 (€1.7 million).

This is despite the overall growth of the organisation with 15 per cent in total income. The decrease in 2019 can be explained by high ICT expenses in the previous year related to the implementation of Office 365 and our new CRM and ERP systems.

22. Financial Gains / (Losses)

| | 2019 | Budget 2019 | 2018 |
|--------------------------------|----------------|----------------|------------------|
| Interest received | 12,536 | 30,554 | 70,867 |
| Interest paid | - | - | - |
| Exchange rate differences | (14,157) | - | (376,946) |
| Financial gain / (loss) | (1,621) | 30,554 | (306,079) |

Developments 2019

War Child does not invest the funds it is trusted with by its donors. Interest income is related to interest received on War Child's bank accounts. The year 2019 saw an exchange rate loss of €1,621. This is mainly related to the revaluation of outstanding grant award and bank balances in US Dollar. War Child does not budget these gains or losses since those are unpredictable. War Child does not hedge this risk, but takes appropriate measures to mitigate the risk as far as possible. Also see the notes to the balance sheet.

Personnel Costs

War Child's total personnel expenses are specified below. The growth of 16 per cent is mainly attributable to growing staff for programmes. Approximately half of total staff expenses originate in the Netherlands, while 20 per cent of our full time equivalent employees are located in the Netherlands. The higher staff costs in the Netherlands is explained by higher average salaries. Almost one third of the staff costs in the Netherlands is related to programme implementation, and those staff are funded by grants. The category other personnel expenses includes costs for amongst others commuting transport, insurance, training, recruitment, interns, canteen and team building.

| | 2019 | Budget 2019 | 2018 |
|---------------------------------|-------------------|-------------------|-------------------|
| Gross wages and salaries | 11,586,001 | 10,468,651 | 10,369,426 |
| Pensions | 457,415 | 450,398 | 474,390 |
| Social security | 1,907,262 | 1,559,711 | 1,611,488 |
| Other personnel expenses | 2,215,428 | 1,441,275 | 1,516,834 |
| Total Personnel expenses | 16,166,106 | 13,920,035 | 13,972,138 |

Independent Auditor's Costs

War Child's financial statements 2019 are audited by KPMG Accountants N.V. In 2019, expenses in War Child's financial statements as related to the global KPMG group totalled € 114,753. War Child's group audit 2019 costs € 109,203. The component audit for Lebanon was performed by KPMG against a fee of €5,550. All amounts are including VAT.

Attribution of Expenses

| | Expenses towards objective | | | | | Total expenses | | |
|-----------------------|----------------------------|----------------------------|--------------------|------------------|-----------------------------|-------------------|-------------------|-------------------|
| | Awareness raising | Preparation & Coordination | Project activities | Fundraising | Management & Administration | 2019 | Budget 2019 | 2018 |
| Contributions | - | - | 11,312,930 | - | - | 11,312,930 | 10,757,181 | 9,566,183 |
| Procurement | 663,687 | 206,657 | 8,827,060 | 261,787 | 42,951 | 10,002,142 | 14,537,709 | 8,104,466 |
| Outsourcing | 65,647 | 115,947 | 1,237,342 | 1,224,798 | 120,211 | 2,763,945 | 299,997 | 2,601,099 |
| Publicity | 115,016 | 1,132 | 56,839 | 149,633 | - | 322,620 | 64,579 | 838,542 |
| Staff | 536,943 | 1,137,909 | 12,647,943 | 1,552,629 | 290,682 | 16,166,106 | 13,920,035 | 13,970,830 |
| Housing | 29,492 | 48,679 | 885,228 | 76,810 | 27,400 | 1,067,609 | 376,763 | 1,049,688 |
| Office costs | 968 | 2,467 | 661,921 | 150,763 | 327,664 | 1,143,783 | 3,000,601 | 1,202,171 |
| General costs | 85,948 | 44,301 | 273,833 | 415,446 | 395,350 | 1,214,878 | 319,012 | 1,727,520 |
| Depreciation | 62,412 | 5,972 | 69,580 | 11,024 | 147,780 | 296,768 | 231,195 | 285,643 |
| Total expenses | 1,560,113 | 1,563,064 | 35,972,676 | 3,842,890 | 1,352,038 | 44,290,781 | 43,507,072 | 39,346,142 |

The above clarification of the attribution of expenses towards expense categories is in accordance with Annex 3 of the accounting guideline RJ650. The attribution towards cost types is done consistently throughout the years. War Child attributes expenses as per the following guidelines:

- Contributions includes expenses by implementing partners;
- Procurement includes all goods and services procured from third parties excluding outsourcing;
- Outsourcing includes services that are rendered by third parties executing a normal business operation of War Child, not being the implementation of project activities. An example is the outsourced acquisition of donors;
- Publicity includes advertising and visibility of War Child or its donors to the general public;
- Staff includes all personnel expenses;
- Housing includes rental, utilities and cleaning of office and accommodation;
- Office includes IT, communication, small equipment and postal mail;
- General includes bank costs, audits, value of gifts in kind and other general costs;
- Depreciation equals depreciation costs.

Appropriation of the Result

On May 28, 2020, the Supervisory Board of Stichting War Child discussed the annual report and the financial statements 2019. In accordance with article 8.1.a of the articles of association of War Child, the Supervisory Board adopted the annual report and the annual accounts of War Child, including the proposed appropriation of the surplus. The members of the Supervisory Board as per 28 May 2020 are Peter Bakker (President), Hans van den Noorda, Willemijn Verloop (Vice-President), Rob Theunissen (Treasurer), Raymond Cloosterman, Edith Kroese, Arjan Hehenkamp and Stef Oud.

The articles of association provide guidance about the appropriation of the surplus in stating that the foundation shall not keep more reserves than reasonably necessary for its continuity, as determined by the Managing Director. Art. 3.4: "De stichting houdt niet meer vermogen aan dan naar het oordeel van de directie redelijkerwijs nodig is om de continuïteit van haar werkzaamheden ten behoeve van haar doelstelling te waarborgen."

| Addition to (withdrawal from): | |
|---|-------------------------|
| Continuity reserve | - |
| General reserve | 1,480,062 |
| Legal reserve | (173,945) |
| Earmarked funds | (139,485) |
| Total change in reserves and funds | <u>1,166,632</u> |

Events After the Balance Sheet Date

In December 2019 the novel coronavirus pandemic broke out in the Wuhan region of China. Within just a few months' time, the virus had expanded to touch nearly every corner of the globe - including the Netherlands. Since its emergence here, the Dutch government - like many governments worldwide - has taken urgent measures to limit the spread of the virus. In War Child's Financial Statements, consequences of the coronavirus pandemic are classified as events that have taken place after the balance sheet date and do not provide insight into the actual situation as per the balance sheet date. Therefore, they are not included in War Child's 2019 Financial Statements.

The 2020 coronavirus pandemic has had and will continue to have a significant impact on the economy, both at home and abroad. These impacts affect War Child as well. Some of the main consequences for us will be:

- Difficulties in conducting our activities for conflict-affected children worldwide: The coronavirus pandemic will negatively impact our ability to operate as planned;
- As a result of restrictive measures by governments around the globe, from February 2020 onwards, War Child was forced to either halt or adjust a number of key activities;
- So far, institutional donors have responded positively to our request to adhere to the budgeted costs, despite a decline in our activities. As a result, there has not been a significant decrease in revenue compared to the same period in 2019. However, despite the stable revenues to date, the pandemic has led to a decrease in War Child's expected benefits in 2020, compared to our annual budget.

Due to the decrease in expected benefits, a larger deficit is anticipated. This will have a negative effect on War Child's liquidity position. The liquidity position of War Child is very adequate at the reporting date. It is, however, difficult to foresee the full impact of the corona crisis on our liquidity throughout the remainder of 2020. This has to do with the high degree of uncertainty regarding the spread and impact of the coronavirus, and the nature, scale and effectiveness of further restrictive government measures. Based on our scenario-analysis, we have calculated that our current liquidity will be sufficient. Based on current knowledge and available information, we do not expect COVID-19 to have an impact on our ability to continue our activities in the future.

In response to the coronavirus pandemic, War Child composed an Emergency Response Team in March 2020 to take immediate action for continued War Child-activities wherever possible, through adapting or re-engineering our interventions.

Notes to the Cash Flow Statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement are comprised of cash and cash equivalents and there are no deposits or other investments. Cash flows in foreign currencies have been converted at the applicable exchange rate. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received is included in cash from operating activities. Since War Child does not invest nor speculate and has no financial leases, cash from financing activities is zero. Transactions not resulting in inflow or outflow of cash are not recognized in the cash flow statement.

The cash and cash equivalents have decreased by €7.0 million in 2019 (-37 per cent). War Child's cash and cash equivalents balance is at a healthy level of €12.0 million in addition to €8.6 million short term receivables, against €12.4 million short term liabilities. War Child's high balance of available resources can be explained by the grants received in advance from important donors and foundations, such as the European Commission, Nationale Postcode Loterij and the Netherlands government. The projects related to these subsidies are partly to be implemented in 2019 and beyond. For more information, see the [Notes to the Balance Sheet](#) item 'Grants Received in Advance'.

Further Notes to the Annual Accounts

Remuneration Managing Director

| Name | Tjipke Bergsma |
|--|--------------------------|
| Function | Managing Director |
| Duration | indefinite from 1/9/2015 |
| Hours/week | 40 |
| Part-time percentage | 100% |
| Period | 1-1-2019 to 31-12-2019 |
| Annual income | |
| Gross salary | € 105,739 |
| Holiday allowance | € 8,459 |
| 13th month / Variable annual income / Bonus | € 0 |
| Total director remuneration | € 114,198 |
| Taxable allowances | € 0 |
| Pension premium (employer part) | € 23,457 |
| Social security contribution (employer part) | € 11,258 |
| Other remuneration / Pension compensation / End of service fee | € 0 |
| Total remuneration and benefits 2019 | € 148,913 |
| Total remuneration and benefits 2018 | € 147,262 |

The remuneration of the Managing Director of War Child in 2019 is €114,198, which is well below the maximum of € 156,754 (1 full time employee for 12 months) as set by the guideline for Directors' Remuneration of the Dutch association for fundraising organisations Goede Doelen Nederland (GDN), based on a BSD score for War Child of 520 points.

The annual remuneration together with all taxable allowances and all employer's charges, pension compensation and other remuneration on the long term is €137,655 which is also well within the maximum set by the guideline of € 194,000 (1 full time employee for 12 months).

War Child has followed the 'remuneration format' in the Regulations for the remuneration of directors of charity organizations of the sector organization 'Goede Doelen Nederland'. In this scheme, the employer's social security contribution is not part of the remuneration. However, in accordance with the Guidelines for Annual Reporting (RJ 650.328 / RJ 271.6), this component must be included in the remuneration. As a result, the amount of the employer's social security contributions (€ 10,197) was not included in the director's remuneration in 2018. This means that the total remuneration (including social security charges) amounts to EUR 147.262 for 2018. This material misstatement, based on the accounting principles, has been corrected in the comparative figures 2018.

Remuneration Supervisory Board Members

No remuneration is offered to Supervisory Board members and no loans, advances or guarantees existed in 2019. Members of the Supervisory Board occasionally visit War Child's field offices if this is relevant in respect of their role. Expenses related to the travel are paid by War Child and it is left to the discretion of the Supervisory Board members to reimburse the expenses to War Child. In 2019, no expenses were incurred for Supervisory Board members.

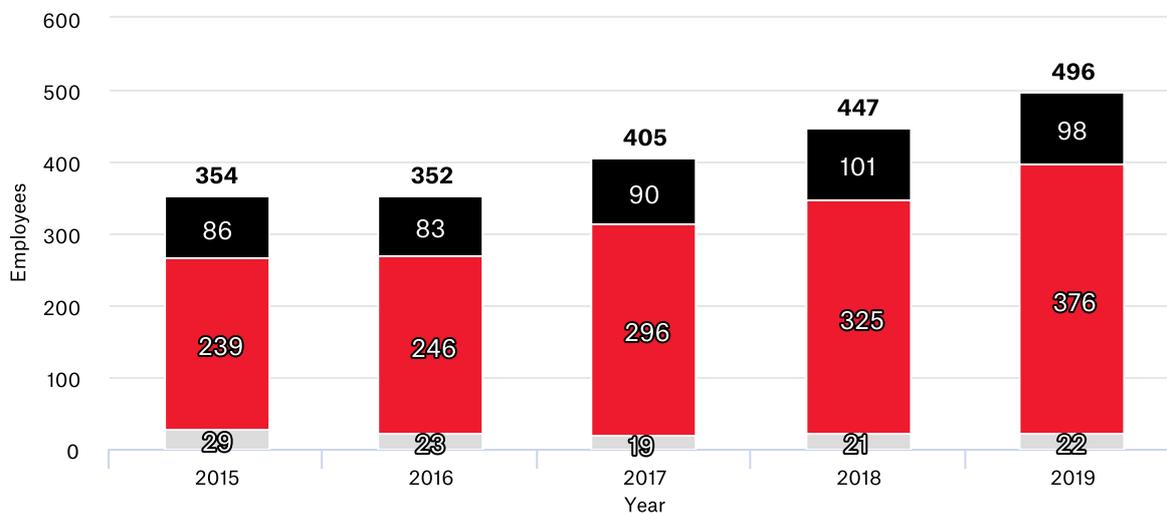
Number of Employees

The average number of fulltime equivalent employees (FTE) increased by 11 per cent (49 FTE) to 496 FTE, which is in line with the overall increase in War Child's total expenses of 13 per cent.

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|------------|------------|------------|------------|------------|------------|
| Employees at head office excl. interns (in FTE) | 98 | 101 | 90 | 83 | 86 | 75 |
| Employees on local contract in programme countries (in FTE) | 376 | 325 | 296 | 246 | 239 | 271 |
| Employees on expat contract in programme countries (in FTE) | 22 | 21 | 19 | 23 | 29 | 24 |
| Total average number of employees (in FTE) | 496 | 447 | 405 | 352 | 354 | 370 |
| Average number of interns at head office (in FTE) | 8 | 8 | 11 | 12 | 10 | 4 |

War Child Employees

2015-2019



- Employees at head office excl. interns (in FTE)
- Employees on local contract in programme countries (in FTE)
- Employees on expat contract in programme countries (in FTE)

Pension Plan

The pension charge recognized for the reporting period is equal to the pension contributions payable to the pension fund over the period. War Child's head office pension plans are in accordance with the conditions of the Dutch Pension Act. It is a defined contribution system without indexing arrangements. War Child's pension insurance company is Brand New Day. There are no self-administered pension plans. There is a strict segregation of the responsibilities of the parties involved and of the risk-sharing between the said parties (War Child, Brand New Day and staff).

In its project countries, War Child acts in accordance with local pension laws and regulations.

Adoption of Financial Statements

The Financial Statements are prepared by the management of War Child. On the condition of obtaining an unqualified opinion of the independent auditor the Financial Statements were unanimously adopted by the Supervisory Board of War Child in its meeting of 28 May, 2020.

Amsterdam, 28 May 2020

Supervisory Board: Peter Bakker (Chair), Willemijn Verloop (Vice Chair), Hans van den Noorda, Rob Theunissen (Treasurer), Raymond Cloosterman, Edith Kroese, Arjan Hehenkamp and Stef Oud

Managing Director: Tjipke Bergsma

Other Information

Independent Auditor's Report

To: the Managing Director and the Supervisory Board of Stichting War Child

Report on the Accompanying Financial Statements in the Annual Report

Our Opinion

We have audited the financial statements 2019 of Stichting War Child, based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting War Child as at 31 December 2019, and of its result for 2019 in accordance with the Guideline for Annual Reporting 650 'Fundraising Organizations' of the Dutch Accounting Standards Board.

The Financial Statements comprise:

1. The **Balance Sheet** as at 31 December 2019;
2. The **Statement of Income and Expenses** for 2019; and
3. The **Notes** comprising a summary of the accounting policies and other explanatory information.

Basis for Our Opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report. We are independent of Stichting War Child in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Report on the Other Information Included in the Annual Report

In addition to the Financial Statements and our Auditor's Report thereon, the Annual Report contains other information that consists of:

- The Board Report 2019 including the **Supervisory Board Report**;
- Other Information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

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

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

The Managing Director is responsible for the preparation of the other information.

Description of the Responsibilities for the Financial Statements

Responsibilities of the Managing Director and the Supervisory Board for the Financial Statements

The Managing Director is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Fundraising organizations' of the Dutch Accounting Standards Board. Furthermore, the Managing Director is responsible for such internal control as the Managing Director determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Managing Director is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Managing Director should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so. The Managing Director should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our Responsibilities for the Audit of the Financial Statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion. Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors 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 the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managing Director;
- Concluding 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 Foundation'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 company ceasing to continue as a going concern;
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for entity's operations. Decisive were the size and/or the risk profile of the operations. On this basis, we selected War Child Lebanon, for which an audit or review had to be carried out on the complete set of financial information.

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

Amstelveen, 28 May 2020

KPMG Accountants N.V.

H. Visser RA

Branch Offices

In 2019, War Child maintained branch offices in:

- Bangladesh
- Burundi
- Colombia
- Democratic Republic of Congo
- Jordan
- Lebanon
- occupied Palestinian territory
- South Sudan
- Sri Lanka
- Uganda

In addition to its programmes in the countries where War Child has its own offices, War Child coordinated and/or funded activities in **Chad, Iraq, Sudan, Yemen and the Netherlands.**

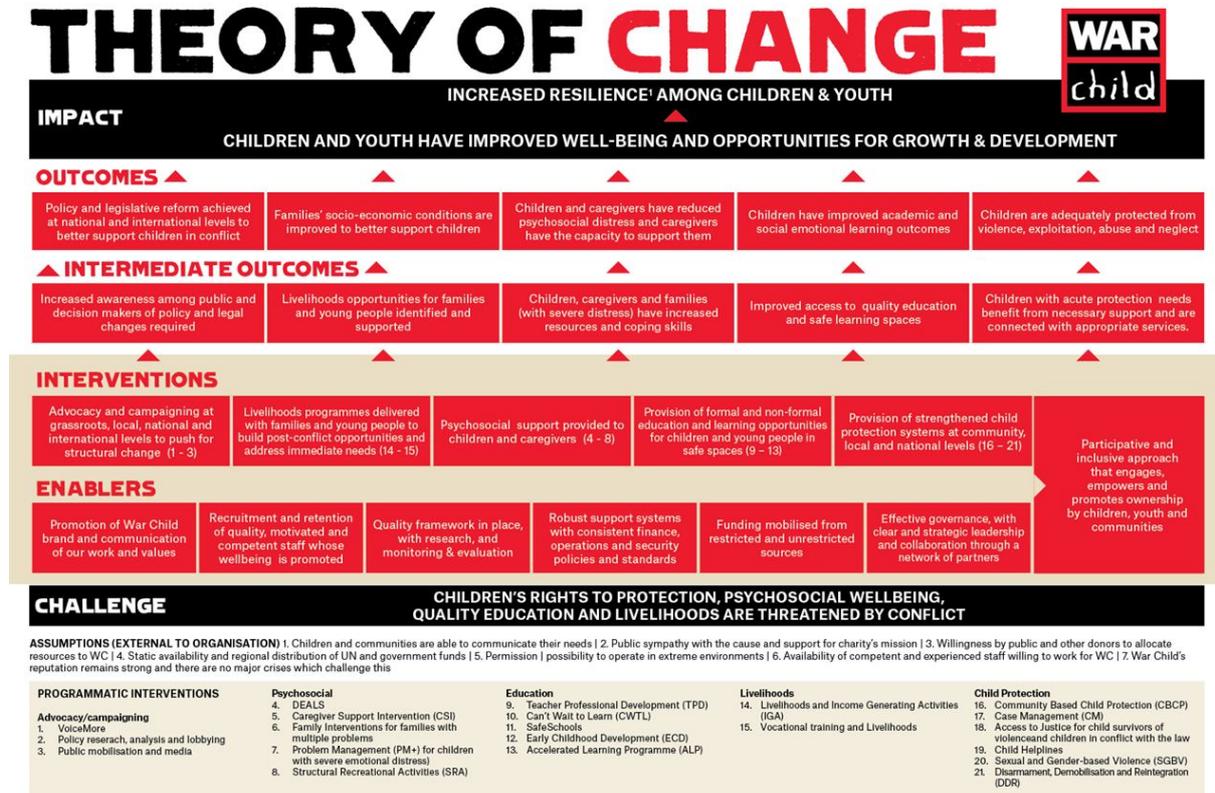


Larissa Koekkoek

Annexes

Theory of Change

Find the **full model** or our **Theory of Change** below.



Budget 2020

in Euros

| | Budget | Actual |
|--|--------------------|-------------------|
| INCOME | 2020 | 2019 |
| Individuals | 10,276,475 | 9,915,358 |
| Companies | 1,504,000 | 2,783,220 |
| Lotteries | 2,350,000 | 4,706,003 |
| Government grants | 23,921,015 | 20,738,185 |
| Affiliated parties | 200,000 | 59,586 |
| Other organizations (non-profit) | 7,418,316 | 6,889,639 |
| Fundraising income | 45,669,806 | 45,091,991 |
| Income from sale of products | 114,000 | 324,591 |
| Other Income | - | 42,452 |
| Sum of income | 45,783,806 | 45,459,034 |
| EXPENSES | | |
| Project activities | 38,593,775 | 35,972,676 |
| Preparation & coordination | 1,722,069 | 1,563,064 |
| Awareness raising | 1,304,665 | 1,560,113 |
| Expenses on the objective | 41,620,509 | 39,095,853 |
| Fundraising | 3,617,333 | 3,842,890 |
| Management & administration | 1,571,189 | 1,352,038 |
| Sum of expenses | 46,809,031 | 44,290,781 |
| Sum before financial income | (1,025,225) | 1,168,253 |
| Financial income/(loss) | (5,000) | (1,621) |
| Sum of income and expenses | (1,030,225) | 1,166,632 |

In 2020, War Child plans a deficit of €1.0 million because it wishes to spend the funds available in the general reserves on its objective.

Credits

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- **Finance Supervisor:** Matthijs van de Wetering and Edward Mharadzirwa
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David Jurado