

# Taking on the Mental Health Crisis

War Child Annual Report 2018





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# Board Report

## Introduction

**Millions of children living in the midst of armed conflict face a number of existential threats to their safety and wellbeing. One particularly acute threat - and certainly an underreported one - is the immense toll exposure to violence takes on the mental health of children worldwide.**

These children experience feelings of fear, anxiety and depression on a daily basis - yet the vast majority of them are denied mental health support. The mental health 'treatment gap' is estimated to be 85 per cent for children living in low income countries - and in countries affected by armed conflict the figure is even higher.

**"This mental health crisis could see an entire generation of children denied the right to a future free from fear and trauma."**

*—Tjipke Bergsma, Managing Director War Child*

## No Opt-Out in Conflict

This mental health crisis could see an entire generation of children denied the right to a future free from fear and trauma. And these negative effects don't end there. There are a record 420 million children currently living with the effects of armed conflict - children in an uncertain situation who may have no option but to participate in violence themselves simply to survive.

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.





## Our Progress in 2018

We made significant progress towards these goals over the course of 2018. We continued to deliver vital psychosocial support for children affected by the civil war in Syria. New interventions were developed and tested in our countries of operation. Can't Wait to Learn - our innovative tablet-driven education programme - expanded to deliver quality education to increasing numbers of children.

**"We will continue to advocate for vital psychosocial support to be included in international humanitarian responses."**

—Tjipke Bergsma, Managing Director War Child



Sander Stoeper

Much has been achieved - yet the global mental health crisis will not be resolved any time soon. The terrible threat - that the current generation of children will be grow up to become a lost generation of adults - remains.

We will never be able to reach all of the world's conflict-affected children by ourselves. But what we can do is campaign on their behalf and work with organisations around the world to bring about real, meaningful change.

## Advocating for Psychosocial Support

We will continue to advocate for vital psychosocial support to be included in international humanitarian responses. We will continue our work to develop new interventions to tackle the mental health crisis - and make them available to organisations around the world.

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

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

# We are War Child

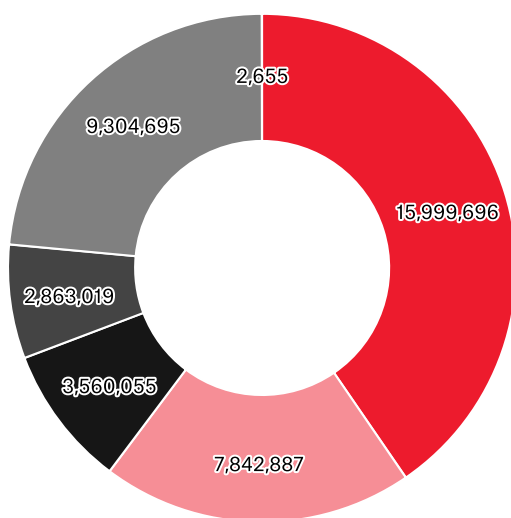
A record 420 million children live in countries affected by armed conflict - that's almost one in five children worldwide. And they are the ones who suffer most from the effects of war, violence and genocide.

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

## In 2018...

### Income 2018

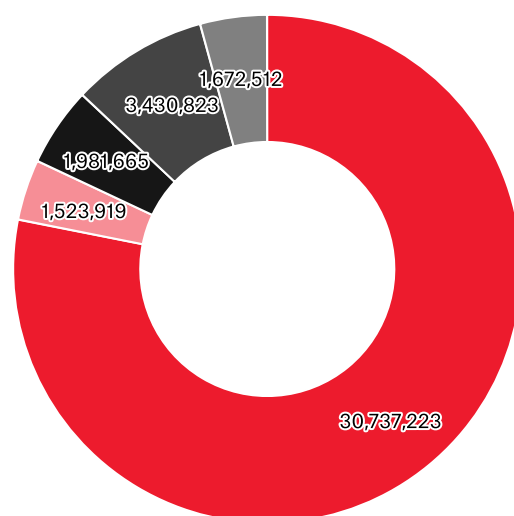
Total: € 39,573,005



- Government grants
- Non-profit organisations
- Lotteries
- Companies
- Individuals
- Other

### Expenses 2018

Total: € 39,346,142



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

## Highlights

### We met the urgent needs of 216,903 children and adults.

- We worked with **53 partner organisations** to help implement our programmes
- We developed **three new interventions** in support of children - and pilot tested a further seven
- We saw our income grow by **€3.2 million** compared to 2017
- We employed **447 national and international staff** to meet the needs of children worldwide
- We received financial support from **45 institutions and foundations**
- We enjoyed the support of **90,000 structural donors**



# 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 **14 countries** where violence and armed conflict are a fact of life.

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



Jeppe Schilder

We work together with caregivers and communities - as well as other NGOs - to bring about 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

**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 More Children

The number of children affected by war and violence is reaching new highs - and the available funds to meet their needs are nowhere near enough. The nature of armed conflict is becoming increasingly unpredictable. And the challenges we have faced in recent years have grown in scale and complexity.

War Child reaches many thousands of children and youth every year - yet there are a record 420 million children living directly with the effects of violence and armed conflict. We can never reach them all by ourselves - which is why our strategic goal is to become the **networked expert organisation for children affected by conflict**.



Rosie Lyse Thompson

#### Networked

This strategy will see us work together with organisations across the world to ensure our work has maximum reach and impact.

#### Expert

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

## 2020 Organisation Strategy

In 2018 we reached the mid-point of our journey - a year which saw us make continued progress towards the goals of our 2020 strategy.

Our work expanded to meet the specific needs of young people living with the effects of urban violence. We began to roll out initiatives to increase livelihoods opportunities for youth - particularly in our African countries.

The nine core interventions that make up our integrated **War Child Care System** were further developed and tested in our countries of operation.

## Learning and Upscaling

We also took great strides towards becoming a true Learning Organisation with the launch of the War Child Learning World - an e-learning portal for everyone involved with our organisation.

Our efforts to create strategic partnerships to expand the scale of our work still have some distance to go. The year did see new organisations engage with our global coalition programmes **TeamUp** and **Can't Wait to Learn** - and our participation in the Dutch Relief Alliance has continued - but elsewhere it has proven difficult to build new alliances.

We seek to contribute to positive change - on a social, cultural and environmental level - in everything we do. This commitment to social entrepreneurship manifests itself in many ways - through active efforts to promote hiring of local staff to sharing our expertise with local organisations around the world.

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.

### Education

The **Sustainable Development Goals (SDGs)** state that widening access to education isn't enough - children must have the opportunity to complete learning modules 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.





Jeppe Schilder

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 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.

## Child Protection

A record 420 million children live in countries affected by armed conflict - that's 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.

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 Standing Committee Reference Group on Mental Health and Psychosocial Support in Emergency Settings**.

## Children and Youth First

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.

The safety and dignity of the children and youth who take part in our programmes was further upheld in 2018 with the launch of our new **Child Safeguarding Policy**. The policy ensures that War Child staff around the world are able to act to prevent abuse - and received a positive response from global watchdog Keeping Children Safe (KCS).



Jeppe Schilder

## 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.



## Essential Standards

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

These essential standards are measurable and objective - and 2018 saw us begin to make progress towards incorporating them in our work. In 2018, a CHS training package specific to the needs of War Child staff was finalised - with training sessions held for staff in Amsterdam, Lebanon, the occupied Palestinian territories and Uganda.

Work to roll out our own **War Child Essential Standards** around the world also continued during 2018. The year saw 15 standards finalised - reinforcing best practice in our three areas of intervention - and a multi-year work plan developed to ensure they are adopted in every one of our programme countries.



Hussein Baydoun

## Monitoring and Evaluation

War Child employs robust standards of monitoring and evaluation (M&E) to 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 year saw this framework finalised and initial steps taken to roll it out across all our programme countries.

This process also saw us work to develop an app to measure attendance in our various programmes around the world. A pilot of this 'attendance app' was launched in Uganda - but the results indicated that investment in staff and technical capacity was prohibitive. We will instead adopt an off-the-shelf solution in 2019.

## Improving Relevance

The humanitarian needs of children and youth around the world are increasing - and the threats to their safety and welfare are growing in complexity. This means we have to continually adapt our programming to respond to those needs - and 2018 saw the first steps taken towards expanding our work.

Urban violence between armed gangs in the heart of the world's cities is a growing problem - and the year saw our Colombia programme adapted to address this. Activities had a particular focus on boosting livelihoods opportunities for young people affected by urban violence with the Peace Bicycles initiative.

These essential standards are measurable and objective - and 2018 saw us begin to make progress towards incorporating them in our work. In 2018, a CHS training package specific to the needs of War Child staff was finalised - with training sessions held for staff in Amsterdam, Lebanon, the occupied Palestinian territories and Uganda.

Shrinking natural resources - particularly water - are fuelling a surge in armed conflict. We have developed an

exploratory paper on 'Conflict and Climate' to shape our future response.

Our efforts to address the specific threats and marginalisation experienced by girls met with mixed success. We will redouble our efforts in 2019 with the recruitment of a gender specialist with responsibility across all our global programmes.

## 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 shape global efforts to end poverty, fight inequality and tackle climate change by 2030.

War Child contributes towards the SDGs through the development of our programme strategy. Our education programming supports children to access - and complete - quality education pathways. Our child protection efforts serve to support and strengthen public structures designed to protect children from harm.

Our psychosocial support interventions contribute to the improved wellbeing of children, youth and their caregivers. Our efforts to increase access to livelihoods opportunities for youth make a small contribution towards combating poverty.

The specific SDGs of particular significance to our work are outlined below - together with our contribution to each goal over the course of the year. This contribution is measured as the percentage of War Child's total number of projects that work towards each specific goal.

SDG #	SDG Goal	Number of War Child projects contributing to SDG Goal in 2018	Number of projects contributing to SDG as a percentage of total number of projects
1	<b>No Poverty</b> <i>End poverty in all its forms everywhere.</i>	9	13%
3	<b>Good Health and Wellbeing</b> <i>Ensuring healthy lives and promoting the well-being for all at all ages is essential to sustainable development.</i>	41	61%
4	<b>Quality Education</b> <i>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</i>	38	57%
5	<b>Gender Equality</b> <i>Achieve gender equality and empower all women and girls.</i>	23	34%

8	<b>Decent Work and Economic Growth</b> <i>Promote inclusive and sustainable economic growth, employment and decent work for all.</i>	25	37%
10	<b>Reduced Inequalities</b> <i>To reduce inequalities, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations.</i>	21	31%
16	<b>Peace, Justice and Strong Institutions</b> <i>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</i>	36	54%
17	<b>Partnerships for the Goals</b> <i>Revitalize the global partnership for sustainable development.</i>	26	39%



# Bridging the Education Gap

**Aya was forced to flee the war in Syria when she was just four years old. She didn't see the inside of a classroom until she was eight. Aya is now ten and finally in school in Jordan - thanks to the Back to the Future programme...**

Jordan is home to more than 750,000 refugees - that's almost ten per cent of the total population. More than half of these refugees are children - the majority of whom were forced to flee the conflict in neighbouring Syria.



War Child

Aya (10) is just one of the thousands of displaced Syrian children in Jordan. She was forced to leave her home - together with her parents and eight sisters - when she was just four years old.

Her family moved to the coastal city of Aqaba - where Aya had to stay at home for two whole years for her own safety. "It made me sad to have two years pass by for nothing," she says.

**"I always dreamed of the day I could get to school and meet new friends."**

*—Aya (10) from Syria*

## Back to School

Aya is now finally back in school - thanks to the 'Back to the Future' programme. The programme - a joint initiative from War Child, Terre des Hommes and AVSI - addresses the needs of children in Jordan and Lebanon denied access to formal education.

Children from both refugee and host communities take part in activities. Syrian refugee children in Jordan are often unable to access education - either because they have never previously attended school or because of the educational disruption they have experienced as a result of the war.



War Child

Aya is one of the lucky ones who have reclaimed their right to learn. She receives extra support and homework help to make up for the lost years she was out of school. She is a fast learner and teachers praise her for her strong grades and excellent behaviour.

"I only regret that I got a 9.5 out of 15 for one exam," she laughs. "But I was very sick. I couldn't prepare myself properly."

*\*All names in this story have been changed to preserve the safety of the children who take part in our programmes.*

# 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.



War Child

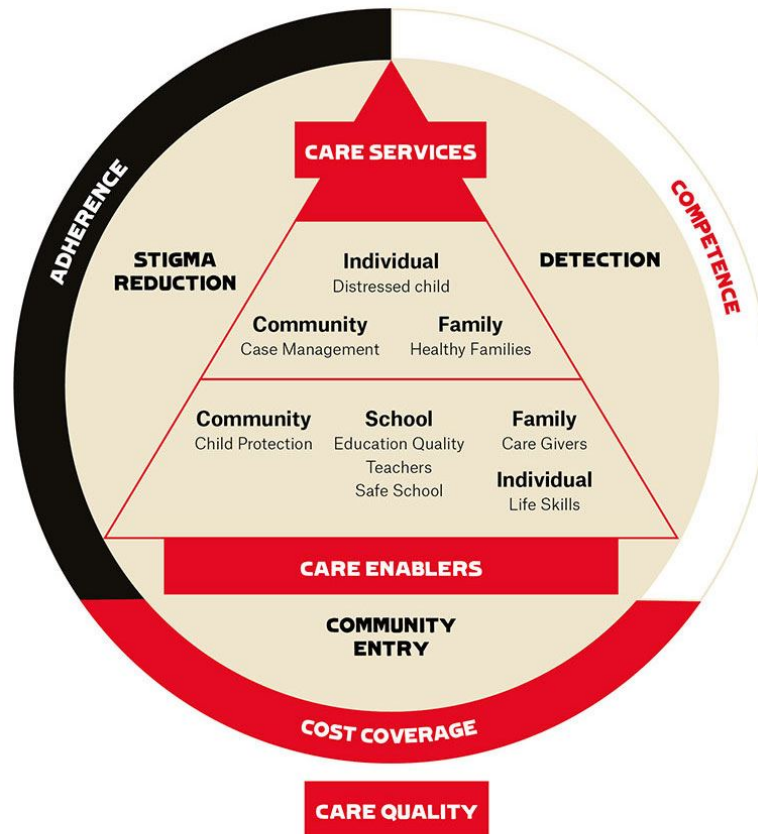
These interventions and tools will also be shared with the wider humanitarian community - ensuring that our efforts will help to bring about real change in the lives of millions of children worldwide.



# War Child Care System

The Care System is made up of nine '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 range 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
- **Family-Level Intervention** to support families with complex problems
- **Case Management Intervention** to meet protection needs
- **Community-Based Child Protection Intervention** supporting communities to protect children
- **Teacher Professional Development** to build enabling and supportive learning.
- **Safe Schools** to address violence in schools
- **Can't Wait To Learn** - digital game-based learning

## The Enablers

- **Community Case Detection Tool** - mental health initiative
- **Stigma Reduction Approach** - nurturing acceptance to promote inclusion
- **Community Entry Tool** - to strengthen relevance and access
- **We-ACT tool** - strengthening quality by measuring competencies.

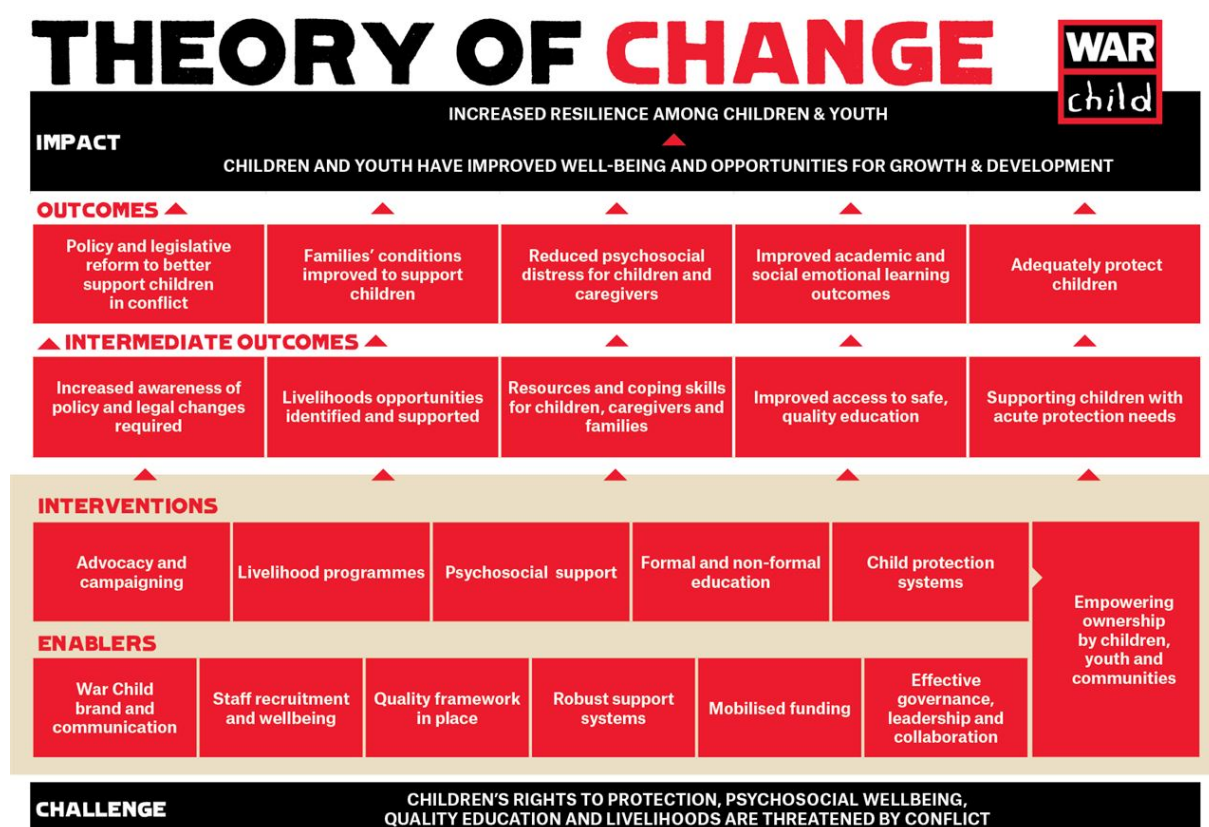
# Our Theory of Change

War Child has developed a 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.



See full model in Annexes

## Collecting Evidence and Pushing Innovation

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

The **Caregiver Support Intervention** - which supports parents and caregivers to strengthen positive parenting techniques - saw facilitator training concluded in Lebanon. A practice run of six sessions drew an equal number of women and men - some 60 caregivers took part in the nine-session programme in Tripoli. Activities will continue in 2019 with a full Randomised Control Trial.

Our **Teacher Professional Development** intervention entered the field for the first time with the completion of a practice run in Colombia. A pilot of the **Community Case Detection Tool** was launched in nine schools in the occupied Palestinian territories - to assess its efficacy in identifying children with severe emotional distress and exposure to protection risks.

An evaluation of **Can't Wait to Learn** in Lebanon indicated that children made significant improvement in mastering elements of the school curriculum over a 12-week period. Five research projects in total - across Lebanon, Jordan and Sudan - were completed in support of the programme, involving more than 1,400 children.

The **Community Case Detection Tool** was also among the final interventions celebrated in the Spindle Awards for Best Humanitarian Intervention - a fantastic acknowledgement of our work.

Our **academic research** also increased in scale over the course of the year. October saw our research director Mark Jordans contribute to a major research paper on global mental health published in The Lancet.

War Child researchers also contributed a chapter to a major **new academic publication** - Mental Health of Refugee and Conflict-Affected Populations. The chapter - on our Care System in support of children and youth - presented our innovative research agenda to the world.

## How a Simple Tool Could Support Millions in Need

Millions of children living with mental health problems - brought about by exposure to violence and armed conflict - currently receive no treatment for their condition. They can't access potentially life-saving mental healthcare services - which means innovative and low-cost solutions are urgently required.

To address these needs we worked in 2018 to develop a new innovation - the Community Case Detection Tool. The tool could provide a low-cost solution to the mental healthcare needs of millions of children worldwide - and it's all based on a chart on a single page.

The page contains an illustrated narrative about a child experiencing mental distress. Each narrative is based on specific cultural idioms of distress to allow for a simple diagnosis - and can be adapted to the specific context in which it is used. This simple, innovative format is inexpensive - and allows for wide scale distribution.

Trusted community members can be trained to use the tool to identify children in need of support. No professional health background is required - meaning that local mental healthcare can be put into practice at speed.

The Community Case Detection Tool is simple, low-cost and backed by evidence - and has the potential to meet the needs of millions of children worldwide.

## Our Global Programmes for Children

War Child works with children affected by violence and armed conflict in 14 countries around the world - meeting urgent needs wherever we are needed.

In **the Middle East** we provide children from both refugee and marginalised host communities with vital education and psychosocial support. In **Africa** our work is designed to help children cope with the consequences of conflict and build 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

## occupied Palestinian territories

- **Child participants:** 12,846
- **Adult participants:** 4,258
- **War Child staff:** 12 staff with 100 volunteers
- **Local partner organisations:** 15

War Child is present in both Gaza and the West Bank to protect children from harm and support their psychosocial wellbeing. We train community members to provide children with vital life skills and psychosocial support. We repair play and recreation spaces to provide children with a safe environment.

In 2018 War Child worked to strengthen the protection of Palestinian children from torture and other forms of degrading treatment - particularly those in the criminal justice system. These efforts saw specialised legal and mental health services provided for 1,423 affected children and youth over the course of the year. A further 1,198 caregivers also received mental health support.

Our advocacy efforts with the Palestinian Authority and law enforcement officials resulted in the release of five children in detention. These efforts will continue whenever children's rights are violated.

## Lebanon

- **Child participants:** 17,307
- **Adult participants:** 4,537
- **War Child staff:** 134
- **Local partner organisations:** 36

War Child is active across all governorates of Lebanon. We are active in more than 40 locations - including the most vulnerable areas of the country. We work in support of children from host communities as well as children from Syrian and Palestinian refugee communities. Our community-based integrated approach combines psychosocial support, child protection and education to enhanced effect.

We worked hard in 2018 to boost the inclusion of children with disabilities in both our psychosocial support and education programming. The year as a whole saw 126 children with disabilities complete education activities and take part in our psychosocial support activities.

We received increased recognition from both partner organisations and government ministries for the quality of our work. We were also asked to develop a national basic literacy and numeracy curricula in support of vulnerable children by the Lebanese Ministry of Education.

## Syrian Response

- **Child participants:** 49,431
- **Adult participants:** 2,600
- **War Child staff:** 22
- **Local partner organisations:** 13

War Child is currently 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 through our education and child protection programmes.

The year saw us move to relocate our operational hub to Cyprus. The move - which will increase efficiency and our capacity to respond to urgent needs - will be completed by early 2019.

The year was marked by prolonged fighting which saw the Government of Syria retake control of many areas of the country. This forced us to revise our approach at times - yet we were proud to reach nearly 50,000 children in spite of this challenging context.

## Yemen

- **Child participants:** 15,007
- **Adult participants:** None

War Child supports the work of War Child UK inside Yemen to provide protection, education and emergency support to displaced and vulnerable children. Across the year some 4,000 students receive learning materials and support and a further 8,400 individuals were provided with emergency cash assistance for living needs.

The year also saw War Child continue its participation in the international Yemen Joint Response. The initiative - coordinated by the Dutch Relief Alliance - sees six organisations work together to deliver emergency humanitarian assistance. Our contribution focused on emergency child protection interventions.

## Iraq

- **Child participants:** 230
- **Adult participants:** None

War Child supports the work of War Child UK inside Iraq to strengthen access to education. This work is centred on 'education in emergencies' programming - short-term interventions to address disruption to normal schooling. Expanding access to education for girls is a particular priority of our programme.

Over the course of 2018 our efforts saw us reach children and youth from different communities with targeted educational support. We also expanded our DEALS life skills intervention across all parts of the country - to provide psychosocial support to children living in an uncertain context.

## Jordan

- **Child participants:** 1,888
- **Adult participants:** 104

War Child Holland supports the work of War Child UK inside Jordan to provide education to children from both refugee and host populations. War Child established a presence inside Jordan in early 2013 to respond to the Syrian refugee crisis.

The two organisations work together inside Jordan to implement **Can't Wait to Learn** - our flagship e-learning programme to provide education to children affected by conflict - and the IKEA-funded project Time to Be a Child.



# Latin America and South Asia

## Afghanistan

- **Child participants:** 650 (only WCH funding)
- **Adult participants:** 225 (only WCH funding)

War Child Holland supports the work of War Child UK in Afghanistan to provide increased access to educational opportunities for vulnerable children in urban and rural areas. The majority of our interventions in the country focus on early childhood development (ECD).

The humanitarian situation inside Afghanistan deteriorated over the course of 2018 - a year which saw the closure of more than 1,000 schools. Yet we were successful in widening access to early education - we were able to enrol 450 children in 15 ECD centres and provide accelerated learning support to more than 200 street children.

## Sri Lanka

- **Child participants:** 15,441
- **Adult participants:** 10,980
- **War Child staff:** 12
- **Local partner organisations:** Two

War Child works in Sri Lanka to support children living with the legacy of the country's civil war. We provide vital psychosocial support and work to strengthen child protection systems. Our activities are predominantly based in the north and east of the country.

Our programming expanded over the course of 2018 to encompass new interventions to address sexual violence. The year also saw us make great strides - in partnership with government agencies - towards formulating standard child protection procedures in the Northern Province of Sri Lanka. We were also very happy to see a year-on-year increase in the number of children we reached.



## Colombia

- **Child participants:** 5,743
- **Adult participants:** 1,544
- **War Child staff:** 28
- **Local partner organisations:** Four

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 activities 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.

Our pilot activities to address urban violence had a focus on boosting livelihoods opportunities and increasing the participation of children and youth in the processes that shape their lives. Youth taking part in our Peace Bicycles project were able to establish three income-generating activities - bike tours, bike mechanics and retail operations.

Our Peace Circus initiative in Putumayo - a region affected by high levels of violence - expanded to see War Child's peace education methodology adopted in two new schools. The year also saw an agreement reached to implement TeamUp in support of Venezuelan refugees - activities will begin in early 2019.

We are confident that all these interventions will have positive enduring effects - long after our formal involvement comes to an end.

## Africa

### DR Congo

- **Child participants:** 15,465
- **Adult participants:** 6,460
- **War Child staff:** 49
- **Local partner organisations:** One

War Child works in DR Congo to support children affected by violence between armed groups and state forces - violence that has contributed to a severe humanitarian crisis. Our integrated programme combines education, psychosocial support and vocational training to empower children and youth from both refugee and host communities.

Our emergency response to support displaced children in Kalonge saw an increase in cases brought to address individual child rights violations - in particular incidents of gender-based violence.

The education needs of more than 7,100 children were boosted with the distribution of learning materials - and contributed to an improved learning environment. The Addressing Root Causes (ARC) project also saw an additional 433 youth enter vocational training.

The year also saw us strengthen relationships with both state bodies and local humanitarian actors - to ensure our work will continue to be effective.

### South Sudan

- **Child participants:** 11,741
- **Adult participants:** 8,506
- **War Child staff:** 40
- **Local partner organisations:** One

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

The year saw us expand our reach - in partnership with local and international organisations - to provide quality psychosocial support to children who have been associated with armed groups. We also provided training to strengthen the capacity of frontline workers from local and international NGOs to provide psychosocial support - a move which could see thousands of additional children benefit from our methods.

## Uganda

- **Child participants:** 11,218
- **Adult participants:** 2,572
- **War Child staff:** 103 (including 63 volunteers)
- **Local partner organisations:** Three

Uganda is the largest refugee hosting country in Africa - currently home to an estimated 1.1 million arrivals from neighbouring states. Over 60 per cent of these refugees are children - and in 2017 we adapted our programme to exclusively focus on their needs. In 2018 we further expanded our presence in refugee settlements.

We provide education and psychosocial support to children and young people from both refugee and host communities. This approach enables children to develop coping skills, build resilience and recover from the consequences of conflict.

The year also saw us roll out four new interventions in the West Nile region in the north of the country - including innovative ed-tech programme Can't Wait to Learn.

## Burundi

- **Child participants:** 38,406
- **Adult participants:** 2,470
- **War Child staff:** 22
- **Local partner organisations:** One

Burundi is one of the poorest countries in Africa - and has been beset by conflict and instability for many years. 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 training.

Our country programme came to a temporary halt amid rising tension in October - yet we still enjoyed several successes across the year as a whole. Our work to boost inclusion saw more than 1,200 albino children supported to take part in our activities. We also worked to establish Village Savings and Loans Associations across the east of the country - with proceeds supporting community education activities.

## Sudan

- **Child participants:** 89
- **Adult participants:** 91
- **Staff:** 14
- **Local partner organisations:** Can't Wait to Learn coalition

War Child has focused its efforts in Sudan on education in response to the needs of the country's high number of out-of-school children. **Can't Wait to Learn** - a global programme born out of the highly successful e-Learning Sudan pilot - brings flexible and effective learning opportunities to children who need them most.

# Learning to Live Without Fear

**DR Congo** is home to some 43,000 refugees who have escaped violence and instability in neighbouring Burundi. More than half of these refugees are children who have witnessed terrible events during their journeys to safety. Find out how War Child works to rebuild their resilience and wellbeing.

Samuel is eight years old - and his story is sadly typical of the children who call a refugee camp home. Samuel was just seven when armed men came to his house in Burundi. His father was forced to lay down on the floor and threatened with a knife. Samuel saw it all unfold in front of him - and the memories continue to haunt him.

"The rest of us were very afraid," he recalls. "We all ran away - my mother, brother and sisters. We were hiding when our father later found us. The mob had stripped him of his clothes."

The family escaped to DR Congo - where they spent their first six months in refugee camp with no running water or electricity. Food was rationed and the children were beset by nightmares.

## Dealing with Adversity

Samuel now takes part in War Child's emergency response programme inside Mulongwe camp in the South Kivu province of DR Congo. The programme allows children like Samuel to participate in psychosocial support activities designed to help them process their traumatic experiences and protect them from further harm.

Participating children learn how to deal with adversity and resolve conflicts and disagreements without resorting to violence. Creative activities such as music and dance serve to build their resilience and foster positive attitudes.

**"He was previously very angry and withdrawn. But he has learned to open up. I see a happier child now."**

—Samuel's mother Jeanne



Samuel's mother Jeanne has certainly noticed a difference since he joined the programme. "He was previously very angry and withdrawn," she comments. "But he has learned to open up. I see a happier child now."

*\*All names in this story have been changed to preserve the safety of the children who take part in our programmes.*



# Europe

## The Netherlands

- **Child participants:** 3,020
- **War Child staff:** 301 volunteers and teachers
- **Local partner organisations:** Two

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.

Falling refugee numbers saw 11 asylum centres close their doors in the summer of 2018. TeamUp was active in eight of those centres - and the end of the year saw our total number of project locations fall slightly to 25. Refugee numbers are predicted to rise in 2019 - and we will expand our programme accordingly.



Julie Hrudova

The TeamUp methodology is also used to support new arrivals in Dutch schools. Activities were launched in 15 schools over the course of 2018 - building on the success of a 2017 pilot.

# TeamUp International - Supporting Refugee Children Worldwide

TeamUp was launched in 2016 to respond to the urgent social and emotional needs of refugee children living in asylum reception centres. The programme - which sees War Child work in partnership with Save the Children and UNICEF Netherlands - is active across the Netherlands and expanding internationally.

The TeamUp programme encompasses recreational activities carried out by trained volunteer facilitators. These activities serve to strengthen the emotional resilience of the children taking part - providing a sense of stability in a chaotic situation.



Marco Borsato

The international rollout of TeamUp progressed across 2018. Activities are now underway in Uganda and the programme will launch in Colombia and the occupied Palestinian territories in the first half of 2019. Talks to form a new coalition to support refugee children on the move in Greece, Italy and Sweden are continuing.

TeamUp will continue to meet the needs of refugee children - both at home and abroad - in 2019. And negotiations with the Dutch Ministry of Justice are continuing to ensure our presence in asylum centres in the years to come.



# Can't Wait to Learn

- **Child participants:** 8,641
- **Local partner organisations:** 16

Some 32 million children in countries affected by armed conflict are denied their fundamental right to a quality education. Can't Wait to Learn addresses this - and provides a fast, effective and value-for-money solution to meet global education in emergency needs.

Can't Wait to Learn enables children to learn through playing educational games on tablet computers. Input from children informs the design of the games - so that the game world is immediately familiar to them. This boosts motivation and increases access to learning.

All content is based on government-approved national curricula and includes both literacy and numeracy modules. The programme is currently active in Sudan, Jordan, Lebanon and Uganda.



War Child

The programme is developed and implemented by a broad coalition of national and international partners - led by War Child. 2018 saw funders USAID, IKEA Foundation and Google.org all reinvest significant sums in the programme. A new grant to finalise game development in Uganda was also awarded by UNHCR.

Can't Wait to Learn has been grounded in research since its inception. Three major research studies - involving more than 2,500 children - were conducted during 2018. Initial findings from the research study in Lebanon indicated that children made significant improvement in mastering elements of the school curriculum over a 12-week period. An additional 6,000 children were reached through direct programme implementation.

The programme draws on the power of partnerships across many sectors at different stages - including implementation. The total number of implementing partners in Lebanon has now reached 16 - including major NGOs and local community-based organisations. The Norwegian Refugee Council, Finn Church Aid and Save the Children all implement the programme in Uganda. The year also saw an agreement reached for UNICEF Sudan to take over implementation and scale up in Sudan.

Our ambition is to see Can't Wait to Learn widely adopted to provide quality education to conflict-affected children anywhere in the world. Efforts to increase both the reach and adoption of the programme will continue. 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 know more? A full list of implementing partners, technical partners and donors is available [on our website](#).

# Step Inside Our Can't Wait to Learn Classroom

**Can't Wait to Learn provides quality education to children with limited access to formal learning opportunities - including children in refugee settlements. In Jordan the programme is active inside the Zarqa settlement - where children are learning to read and do maths through playing educational games on tablet computers...**

Zarqa refugee camp is one of the oldest Palestinian refugee camps in Jordan - and inside its aging infrastructure children are reclaiming their right to learn. Can't Wait to Learn - our innovative technology-driven education programme - is now active in one of the camp's schools.

The school - run by the United Nations Relief and Works Agency (UNRWA) - began to implement the programme at the end of 2018. Now the first group of students are coming to the end of term. In that short time both teachers and students have felt their learning has improved - particularly when compared to traditional learning methods.



Marco Borsato

## Learning through Playing

Can't Wait to Learn offers conflict-affected children the opportunity to learn to read and do maths through playing educational games on tablet devices. This portable delivery system means children can learn even in places where formal education is not available.

All game content is based on school curricula approved by the Jordanian Ministry of Education - supporting children to access quality education.

The programme is designed to boost children's motivation and engagement - and in Zarqa the enthusiasm for this new learning method is evident. Students have been using the tablet once each school day - with three sessions on literacy and two on maths per week. One child explained that she is able to learn and understand more using the tablet because "it is faster to learn from the tablets and the answers are straightforward."





War Child

## Structured Learning

The enthusiasm for the programme doesn't end there. One teacher told us that absences had decreased since the introduction of the tablets into the classroom. She expressed her belief that this was due to the children's love of using the tablets - and their desire to not miss an opportunity to use them.

The programme has also fostered increased cooperation between the students - and looking out across the classroom of children helping one another out is an inspiring sight. One student described how she "likes helping the characters in the games - and helping people in general."

More than 2,000 children are now taking part in Arabic reading and maths activities in Jordan - in both public ministry of education and UNRWA schools - all thanks to Can't Wait to Learn.

## Risk Management and Security

Our work is conducted in hard and chaotic circumstances - and this presents our staff with serious safety and security challenges. These volatile contexts also demand robust risk management.

Wherever we work we identify, rate and - wherever possible - mitigate all potential risks to our operations. In 2018, all country programmes reported separately on their risks and mitigation measures, which was consolidated in our comprehensive 'risk matrix'. It has proven difficult to manually consolidate global risks while still maintaining a detailed view on local risks and following up on individual action points.

In order to facilitate this process and professionalize its risk management, War Child intends to roll out a global system for risk management in 2019. A first orientation on available systems has taken place in 2018.

## Maintaining Security

War Child continuously monitors safety and security issues - to uphold the safety of our staff and the children who take part in our programmes.

2018 brought with it some significant challenges. Rising tension in the **occupied Palestinian territories (oPt)** brought significant security concerns. The contested elections in **DR Congo** and the faltering peace process in **South Sudan** demanded we make rapid adaptations to our programmes.



Andy Hall

We foresaw and responded to these changes in context and moved to act with the timely recruitment of a regional security advisor for our African country operations. This was a move to both increase security risk management capacity and improve the training of our staff.

Across 2018 as a whole 13 security incidents directly involving or affecting our work were recorded - fortunately none had serious consequences for our people.

## 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 2018 was no different.

The year saw the rollout of a strengthened anti-fraud and anti-corruption (AFAC) policy across the entire organisation. This policy initiative was introduced with another new policy 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.

Seven suspicions of fraud were reported over the course of 2018. Most of these attempts were detected thanks to the vigilance of our staff - meaning that losses could be prevented or recovered fully - although one incident unfortunately resulted in a US\$3,500 loss.

One incident of fraud from 2017 was resolved in court during 2018 with all judgements found in War Child's favour.

We work tirelessly to combat fraud in order to limit it to the absolute minimum - and have zero tolerance for fraudsters.

## 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.

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.



Jeppe Schilder

## 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 2018 we registered 218 complaints related to our fundraising - 121 more than we received in 2017. This increase can be attributed to our decision to pilot new public fundraising initiatives - 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. 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 good conduct and best practice is a vital part of our work - and any deviation can present 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](#) chapter of this report. Our efforts to combat data and IT security risks are outlined in the [ICT and Operational Support](#) section of this report.

## 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 2018 with the rollout of a new Child Safeguarding Policy during the first half of the year. The policy 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 32 child safeguarding concerns in total were reported. The vast majority of reports related to staff from our partner organisations. We received multiple reports of physical and emotional abuse meted out by staff from one of our partner organisations in Lebanon.

We investigated every concern reported - and closed each case with an accurate response.



## 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. Our response - which saw the rollout of several new staff policies - is outlined in the [Our People](#) chapter of this report.

## Contribute to Positive Change

Our primary concern is the enhanced wellbeing of children forced to live with the effects of armed conflict. We nevertheless seek to contribute to positive change - on a social, cultural and environmental level - in everything we do.

The capacity building of our partner organisations and the sustainability of our operations are two key concerns. Through working closely with local communities, training local staff and sharing best practice models, we empower local partner organisations to continue our work long after we have left a particular country.



Rosie Lyse Thompson

As part of this process, we also work to promote the hiring of local staff to execute our programmes wherever possible. In total we employ 346 members of staff in our programme countries. Just 21 of them are expats - the others are all local employees.

We also - in support of our social entrepreneurship efforts - have an ethical fundraising policy in place. This policy states that we will not accept money from entities whose commercial activities conflict with our mission or could negatively impact upon our programme participants.



# War Child around the World

## War Child Global

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

The War Child Global initiative sees the four implementing organisations move towards closer cooperation - in particular War Child Holland and War Child UK. The beginning of 2018 saw the two organisations sign an agreement which outlines how each will work together under a 'lead agency' model. A shared set of fifteen standards to guide the operations of the two organisations were also developed.



War Child

What this means is that in each conflict-affected country or geographic area one single agency will implement programmes on behalf of both organisations - and that the organisations will fund each other's activities accordingly.

Both these strategic initiatives will contribute to increased efficiency and effectiveness - and greater support for children and youth living with the effects of violence and armed conflict.

# War Child in Sweden and Germany

War Child has three implementing offices - War Child Holland, War Child UK and War Child Canada. Each organisation was founded - and operates - independently but all share a common vision and dedication to supporting children and young people affected by armed conflict.

**War Child Sweden** is officially registered as a Swedish fundraising foundation - and in 2018 became the fourth member of the War Child family to implement its own programmes. The year saw the launch of two programmes to meet the needs of refugee children in Sweden - 'Together' and 'Naturkraft' - with financial support from automotive giant Scania and leading sports organisation Friskis & Svettis.

War Child Sweden also continued to expand its funding base during 2018. The year saw three new proposals for programme funding agreed with charitable foundations - putting in place firm foundations for future growth.



War Child

We worked to further expand our presence in Europe with our preparations to launch **War Child Germany**. The latest member of the War Child family will officially be registered as a limited liability company (*Gesellschaft mit beschränkter Haftung, GmbH*) during the first quarter of 2019.

Our presence in Germany will open up access to significant new sources of funding and allow us to establish an expert relationship with government and civil society bodies. The coming year will see significant promotional activity to build awareness among the German public - and new programmes developed to support refugee children living in Germany.

War Child's global presence is growing - strengthening our support for children and young people directly affected by violence and armed conflict.

# Sharing Our Work through Advocacy and the Media

## Advocacy: Our Campaigns for Change

War Child advocates for vital psychosocial support to be included in international humanitarian responses - and in 2018 we enjoyed some notable campaigning successes.

In February we held a Special Procedure in the Dutch Parliament in collaboration with several of our partners - including Health Works, Antares, The Free University of Amsterdam and MHPSS.NET.



Jeppe Schilder

The event explored the urgent need to provide mental health to children and their families affected by crisis and saw speeches from academic experts and researchers from the World Health Organisation. This led to the Dutch government making mental healthcare and psychosocial support in emergencies a priority issue - representing a significant campaigning achievement.

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 convened a major Youth Conference in Uganda during October - which saw participants from five conflict-affected African countries come together to discuss violence and its impact on mental health and wellbeing.

The findings from the youth conference will be shared in international networks - helping to influence change. War Child will also draw on these findings to inform the design of our programmes - ensuring they remain relevant to the needs of children and youth.





Andy Hall

We also continued our efforts in support of the increasing number of children affected by urban violence between armed gangs in major cities. A petition containing 10,000 signatures was presented to Dutch parliamentarians in July calling for renewed efforts to address urban violence in foreign policy.

Efforts to engage with the increasing incidence of urban violence are not merely a moral imperative - they also contribute towards key outcomes of the Sustainable Development Goals (SDGs).

We continued our work - as part of the Dutch Palestine Coalition - to strengthen the protection of Palestinian children from torture and other forms of degrading treatment - particularly those in the criminal justice system. Advocacy efforts were undertaken both in the Netherlands and inside the occupied Palestinian territories.

When we see that children's rights are violated - no matter by whom - we speak out.



# War Child in the News

War Child is an expert on children living with the effects of armed conflict. Creativity and music are at the heart of many of our programmes - and were also central to many of our media activities over the course of the year.

For 20 years we have been proud to call **Marco Borsato** - perhaps the most popular performer in the Netherlands - our Goodwill Ambassador. Marco has tirelessly promoted our work for two decades - and December saw him celebrate his jubilee with a special fundraising concert in Amsterdam's Royal Theatre Carré.



Jeppe Schilder

The event raised almost €200,000 - and Marco was an ever-present in Dutch media during the run-up to the event. In 2018 - as with every year - we were beyond grateful that he continues to make such an enormous contribution to our cause.

Ballet superstar - and War Child Ambassador - **Michaela DePrince** (see picture above) visited our programme in Lebanon. These visits saw our flagship programme **Can't Wait to Learn** featured in the pages of style bible Elle around the world!

The year also saw Can't Wait to Learn scoop the public award for **Best Humanitarian Intervention** at the annual Dutch Coalition for Humanitarian Innovation awards.

Our annual TV special **Jij&Ik voor War Child** returned in November. The third edition featured reports from our programmes around the world and unique performances from children and their parents. Marco and fellow War Child Ambassador **Tooske Ragas** co-hosted the event - at the end of which we were able to support an extra 22,187 children living with the effects of armed conflict.

**TeamUp** - our coalition programme in support of refugee children in the Netherlands - was also in the headlines throughout 2018. Utrecht Central Station - the busiest rail hub in the Netherlands - played host to our 'SpeelGOEDwinkel' during the first three months of the year.

The SpeelGOEDwinkel pop-up store - opened by War Child ambassador **Victor Reinier** and UNICEF Netherlands ambassador Klaas van Kruistum - saw politicians and 2,358 visitors experience for themselves the recreational activities designed to boost the inner strength of children and youth.

We also worked to call attention to the children affected by the Syrian crisis. September saw the launch of our 'Warcast' in partnership with Spotify, DJ **Michiel Veenstra** and Irish artist Damien Rice. The 3D podcast hit platforms on the International Day of Peace (September 21) and told the moving stories of children living in the midst of war.

**Back to the Future** - our coalition project to provide education to refugee and vulnerable children in Lebanon and Jordan - was the subject of a moving photospread in **the Guardian** during November.

The year as a whole saw us reach out to new audiences and share our story in new 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.

## Communication with Stakeholders

To further enhance our expert credentials we worked to maintain a close dialogue with our stakeholders in 2018. 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.



War Child

We also maintain a constant dialogue with our 90,000 monthly donors and other supporters through our own publication channels - including our websites and regular Peace of Paper publication.

Our most important stakeholders are, of course, the children who participate on our programmes - and we made great efforts to make their voice heard more fully during 2017. One particular highlight was our Youth Conference in Uganda - 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 - Michaela DePrince

**Michaela DePrince is a globally renowned ballerina and a War Child Ambassador. She experienced armed conflict first-hand as a child growing up in the midst of the civil war in Sierra Leone. Michaela has collaborated with megastars including Beyoncé and Madonna - and continues to pursue her dreams today...**

## **You escaped the war in Sierra Leone when you were aged just four - what are your memories of that time?**

"Unfortunately, I have many bad memories of my childhood due to the devastating war in my home country. I saw so much terror and violence. I lost both my parents, so I had to grow up in an orphanage in which I felt excluded because of my skin condition called vitiligo. But, despite the difficult circumstances, I stayed strong and kept on dreaming about a better and more joyful future."

## **You have visited Lebanon and Uganda as a War Child Ambassador. What strikes you most vividly when you meet the children in our programmes?**

"It strikes me that I often see part of myself in the children I meet. Despite the often traumatic events they have gone through, they are full of big plans for their future. It makes me so happy to see them smiling while sharing their dreams with me. I often share my own story to convince them there will be a more peaceful future for them."

## **You have performed dance recitals together with the children in our projects. How does dance and movement improve their lives?**

"I'm very happy that War Child makes use of dance, music and movement. Dance builds a connection between children. It's a perfect way for them to express and control their emotions. Often it's easier and better to deal with your experiences in a more creative way than to talk about it. It makes children feel more comfortable and relaxed."



## **What similarities are there between the children in our projects today and the four-year-old girl you once were?**

"The cruel things we had to see. The fact that we have lost many loved ones. We both know how it is to live in uncertainty. A child should not be part of war, ever. So I'm really proud to be part of the War Child family and to do whatever helps the children we work for."

## What message do you want to share about the work of War Child?

"I had always wanted an organisation like War Child to be present when I was once that little girl. I was desperately looking for a safe space like the ones War Child offers to so many children affected by war. And it's fascinating how we adopt modern technology - like education on tablets - to provide them with better chances."

# 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 unstinting efforts of our members of staff around the world.

We strive to create an environment 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.



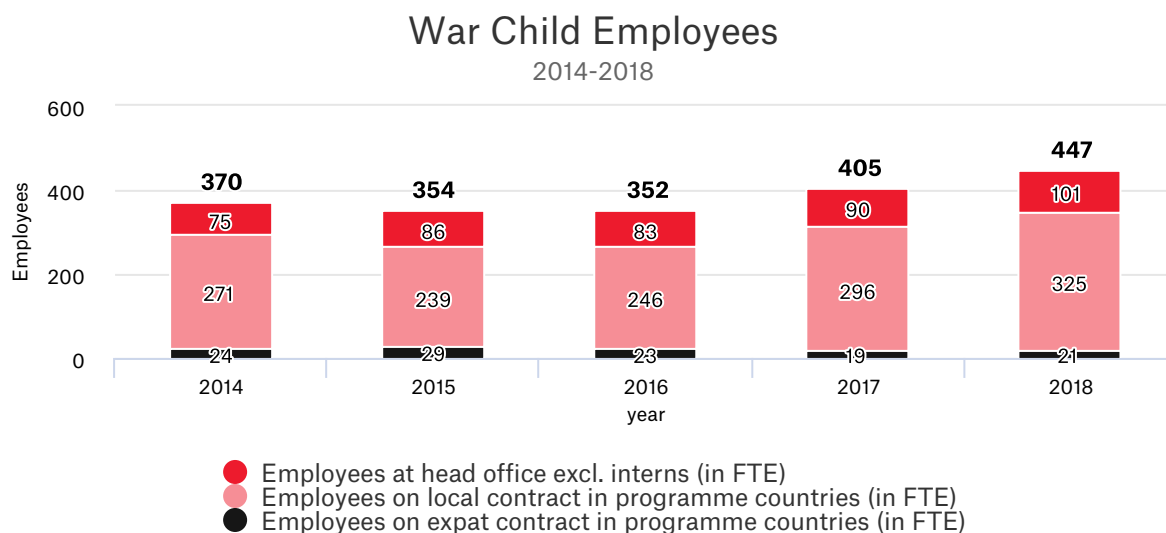
Rutger Brouwer

War Child employed 447 full-time members of staff on average across the year as a whole - 113 in our Amsterdam office and 346 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 325 members of staff from local communities during 2018 - out of a total of 346 positions in total.

The number of interns working for the organisation remained broadly static during 2017 - 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 is greatly appreciated.





## 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 - shook the humanitarian sector in 2018.

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

We moved to revise our existing Code of Conduct and develop a new 'Speak Up!' whistleblowing policy. Strategic responses from other NGOs and guidance from the Netherlands Ministry of Foreign Affairs (MFA) informed this process. These policies will be finalised in the summer of 2019.

A new **Child Safeguarding Policy** was also implemented during the first half of the year. Breaches of this policy inside our countries of operation can be found elsewhere in this report.

## 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.

The actual annual salary with holiday allowance for Tjipke Bergsma was €114,198, and the pension contribution was €22,867, adding up to a total amount of €137,065 for the managing director's remuneration and benefits in 2018. 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

We made significant progress over the course of 2018 towards transforming our old IT infrastructure into a modern, robust and future-proof environment. The year saw the launch of two new websites on new platforms and continued improvements to our project monitoring and evaluation system and our CRM (Customer Relationship Management) database.

The year also saw us roll out a comprehensive ERP (Enterprise Resource Planning) system to further streamline our financial operations worldwide. This has allowed us to realise significant operational efficiencies - particularly in the areas of travel expenditure, global procurement and paperless invoice approval.



Jeppe Schilder

We made improvements to our information and IT systems - to both increase our cyber security capacity and meet the demands of the new European GDPR privacy legislation.

All of these developments will allow our IT capacity to become more agile and responsive to the needs of our staff and supporters - both now and in the future.

## 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 150 in 2017 to 197 by the end of 2018. This growth illustrates our strong commitment to transparency and accountability.

# Our Management Team

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

## Senior Management Team (SMT)

The Senior 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.

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.

Tijpke Bergsma, Managing Director of War Child, chairs the team and reports to our Supervisory Board.



Jeppe Schilder

## International Management Team (IMT)

The International Management Team (IMT) is made up of our SMT together with key representatives from our countries of operation. This team provides additional input to the decisions made by the SMT - with a particular focus on our programmes in support of children and youth.

## 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 - to both maintain the integrity of everything we do and meet our legal obligations in full.

War Child is registered in the Netherlands as a foundation - and 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.

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 annual meetings and additional meetings when necessary.



War Child

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 the 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 and is an Ambassador Against Hunger for the UN World Food Programme.

**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.

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

**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.

**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.

## 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 2018 the Board held four regular meetings and three audit committee meetings, all attended by management.

One key topic of supervision over the course of the year concerned the composition and activities of War Child's Integrity Working Group - formed in response to reports of incidents of abuse and sexual misconduct in the NGO sector. The working group's efforts to review and update internal reporting systems such as our Code of Conduct, Integrity Policy and Child Safeguarding policy were closely monitored.

The board also monitored the organisation's financial performance as measured against the annual budget for 2018. The organisation's efforts to strengthen both its grant management mechanisms and internal audit controls were welcomed by the Supervisory Board. The audit committee of the Supervisory Board welcomed War Child's internal auditor at two of its meetings to discuss risk management, audit follow-up and fraud incidents.



Andy Hall

Operational funding reached record levels in 2018 - representing nine per cent growth year-on-year - yet still fell short of our proposed ambitious budget for 2018. A focus on large-scale campaigns over more diffuse individual campaigns was considered to help address this shortfall.

Other operational issues taken into consideration over the course of the year included the efficacy and impact of our research and development activities; staff welfare based on the findings of our Great Place to Work survey; and the progress and obstacles encountered in War Child Global - the initiative to foster closer collaboration between the three major War Child implementing organisations.

In its first meeting of the year the Supervisory Board approved our annual report outlining our activities over the course of 2017. In its last meeting of the year the board approved both the Annual Plan and Annual Budget for 2019.

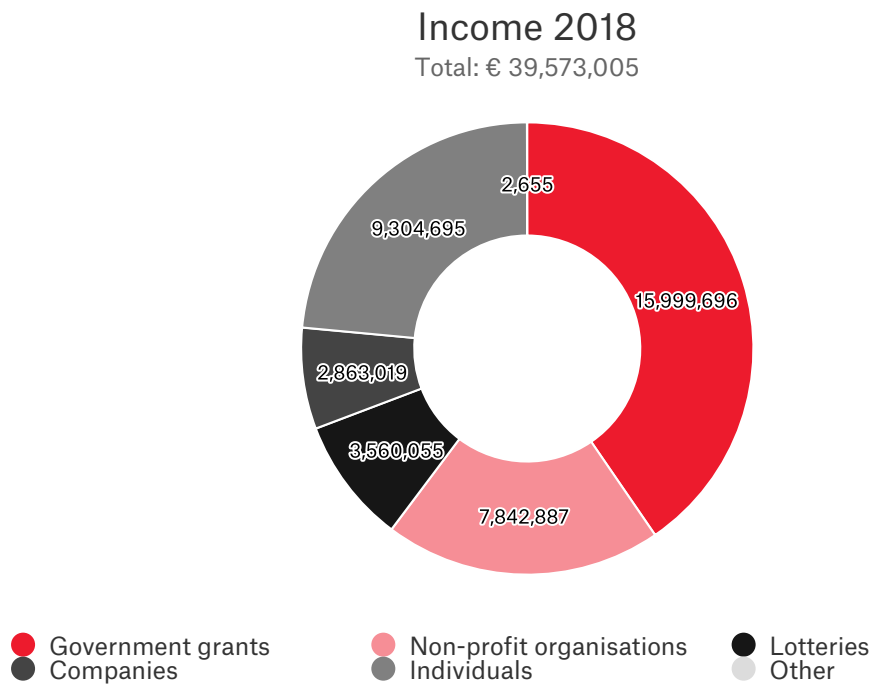
The Board in December 2018 also held its regular annual meeting to evaluate its function and performance across 2018 as a whole. The Board evaluated that it had 'met expectations' when measured against the key criteria contained in its operational guidelines.

# 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 are not able to fulfil our mission.

The funds that allow us to continue our work come from five primary sources:

- 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 2018 our individual supporters yet again made a significant contribution to our mission. Our total income from individual and public donations rose five per cent year-on-year to reach €9.3 million over the course of 2018 - reflecting a level of public support that leaves us humbled. Thank you!

Our total number of monthly donors held steady year-on-year - across 2018 as a whole we enjoyed the support of approximately 90,000 'Friends'. The number of people making one-off donations during the year reached 14,500 - and we expect this number to rise over the coming years.



Ben Houdijk

Two very special events boosted revenues in 2018. Our annual TV event **Jij&Ik voor War Child** saw us able to support an additional 22,187 children. And a special benefit performance from War Child ambassador **Marco Borsato** in Amsterdam's Royal Theatre Carré generated almost €200,000 in donations. You can read more about these memorable nights in the [War Child in the News](#) section of this report.

New and returning fundraising actions included our annual Kili Challenge - which saw 32 volunteers scale Mount Kilimanjaro - the Urban Heroes Obstacle Run and our participation in the Dam tot Damloop road race.

# Our Business Partners

Companies make a significant contribution to our mission every year - and 2018 was no exception. The year saw companies of all types help fund our programmes, lend us their expertise and donate their products and services.

Income from private companies totalled €2.9 million across the whole of 2018 - representing a slight year-on-year fall of 7 per cent. Yet the year still saw new companies sign up to support our work and existing supporters deepen their involvement with our mission.



War Child UK

Our key partnerships with ASN Bank and Air Miles were extended over the course of 2018. New partners signing up to support our mission included community organisation SWK Groep and fashion retailer Vingino. Other companies who support us include online retailer Buy Aid, fashion brand Tommy Hilfiger, real estate firm Marin and cosmetics giant Rituals.

We received goods and services worth €1.2 million over the course of the year - thanks to the success of our corporate partner network. This constitutes a growth of over 50 per cent compared with the previous year. In-kind gifts were generously donated by companies including Being There, Xstandit, ADP, Koninklijke Van der Most, Ormit, Microsoft, Plantronics and Palthe Oberman.

The year also saw us expand our search for corporate partners to other territories in Europe - with a team of volunteer fundraisers in Switzerland formed to explore new opportunities.

## 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 2018.

In addition to this, National Postcode Lottery funding contributed restricted grants 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 2018. The year saw the highest number of proposal submissions in our organisation's history - and these efforts met with significant success. The success rate of our grant proposals was 57 per cent in 2018 - with several proposals still pending donor decision in 2019.

Grants from government bodies for our programmes totalled €16.0 million across 2018 as a whole and rose 24 per cent year-on-year.

Our participation in the Dutch Relief Alliance (DRA) - a coalition of 16 Dutch NGOs funded by the Netherlands Ministry of Foreign Affairs - was strengthened. DRA funding was awarded for our continued participation in four international 'Joint Responses' - in DR Congo, South Sudan, Yemen and for the Syrian Response.

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. We will continue to build our valuable partnerships with these institutions.

# Non-Profit Organisations

Financial support from non-profit organisations and foundations increased 13 per cent year-on-year to reach €7.8 million. 95 per cent of this amount comes from foundations and other NGOs, whereas five per cent comes from clubs, associations, religious organisations and educational institutions.

Large charitable foundations - such as IKEA Foundation, ELMA Foundation and the Cisco Foundation - continued to make a significant contribution to our work over the course of 2018. Our Research and Development (R&D) team was awarded a prestigious award by the Jacobs Foundation. The Bernard van Leer Foundation also generously contributed to further research and development of our interventions.

Having supported our R&D activities for many years, the Adessium Foundation contributed to our TeamUp programme in 2018, as did the ASML foundation and Salesforce.org. Two Swedish foundations funded us through War Child Sweden: the H&M foundation and the H.M. Queen Silvia's Care about the Children Foundation. New foundations came on board to support our work in 2018 - including the Johanna Donk-Grote Foundation.



Jeppe Schilder



## Our institutional donors

- European Union
- Dutch Ministry of Foreign Affairs
- Global Affairs Canada
- Nuffic
- Swiss Development Cooperation
- UNESCO
- UNHCR
- UNICEF
- UN-OCHA
- USAID

## Our Foundation Partners

- Adessium Foundation
- ASML Foundation
- Bernard van Leer Foundation
- Cisco Foundation
- De Johanna Donk-Grote Stichting
- The ELMA Relief Foundation
- Fred Foundation
- IKEA Foundation
- Jacobs Foundation
- Foundation Open Society Institute in cooperation with the Early Childhood Programme of the Open Society Foundation
- H.M. Queen Silvia's foundation – Care about the Children (via War Child Sweden)
- Stichting Careduca Foundation
- Stichting Turing Foundation
- Stichting Vrienden Medische Missiezusters
- Salesforce.org
- Google.org
- H&M Foundation (via War Child Sweden)
- Werkgroep Vluchtelingen & Educatie van de Samenwerkende Fondsen

# 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.



Marco Borsato

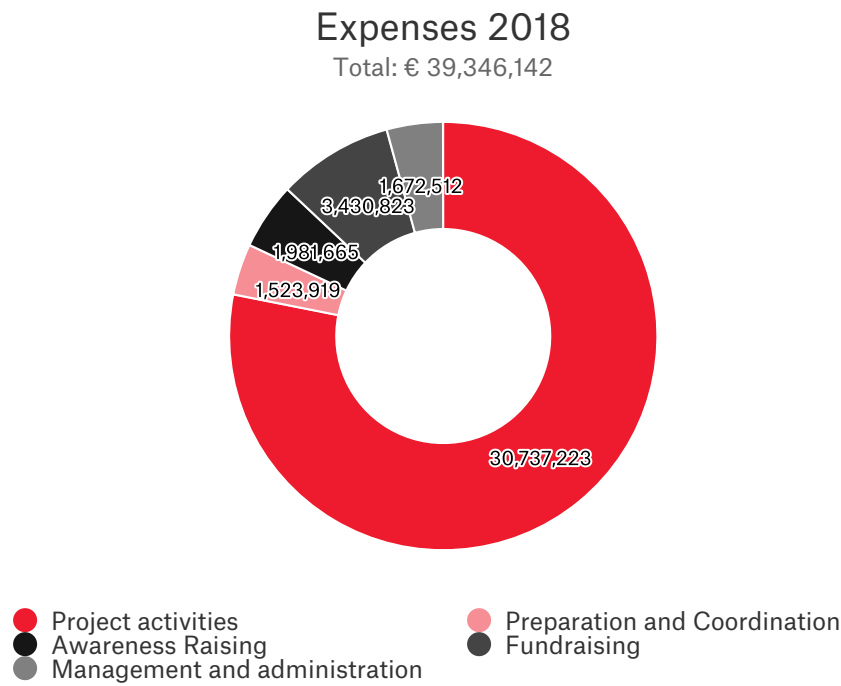
Our **Financial Policy** states that we do not invest money trusted to us by our donors in any way that presents a potential risk - nor do we keep unnecessarily high reserves. War Child also maintains a **continuity reserve** to ensure ongoing financial support for our operations. The level of this continuity reserve is determined according to annual risk analysis - and any 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 2018

Our operating expenses for 2018 were €39.3 million - €34.2 million of which was spent directly in support of conflict-affected children. We spent €1.7 million on management and administration across the year as a whole.

In percentage terms we spent 87 per cent of our expenses on our objective - broadly in line with our 2017 expenditure. Total expenditure on management and administration was 4 per cent - again broadly similar on a year-on-year basis.



We spent €3.4 million on our fundraising activities across the year as a whole. Our total income from fundraising was €39.6 million - which means our total fundraising investment was 9 per cent of our income, similar to 2017.

Our €34.2 million expenditure on our objective actually increased three per cent year-on-year - although it was 23 per cent below our planned budget. This shortfall is attributed to certain grant ambitions not awarded to us and delays in implementing programmes. In retrospect our fundraising targets were set too high.

The largest shortfall in expenditure measured against our planned budget was in our global **Can't Wait to Learn** programme. Can't Wait to Learn is rooted in research - and logistical factors including customs clearance delays forced us to reschedule a major research study in Sudan. Eventual scale-up in Sudan in partnership with UNICEF was pushed into 2019 - and this led to a reduction in expenditure against the budget submitted in October 2017.

We also made a decision to delay new game development in Lebanon until research results were finalised and we confirmed programme efficacy. Further savings came from strong implementation efficiency gains and currency devaluations.

Can't Wait to Learn grants are multi-year - which means any underspend in one year can be shifted to the next with no adverse financial impact. With good research results now coming through, 2019 will see expansion of the programme, in line with Can't Wait to Learn's strategic ambitions.

The other notable shortfall in expenditure measured against budget was recorded in our **Syrian Response** - primarily due to the uncertain operating context. Changes in the local context forced us to revise our programme over the course of the year. In the time between the submission of a proposal, the approval by the donor and the actual start of the project, the needs had changed - resulting in a spending shortfall.

For almost all grants in question a no-cost extension has been approved by the donor - enabling War Child to implement the delayed activities in 2019.





War Child

Expenditure on project activities actually grew €1.2 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 more can 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 13 per cent year-on-year to total €7.3 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**.

The total expenses spent on our objectives in 2018 are 87 per cent of our total expenses, compared with a budget of 90 per cent and equal to the previous year. This is slightly below budget due to the lower level of expenses than planned. The total expenses spent on management and administration are 4 per cent of total expenses, equal to the budget and the previous year. The total expenses spent on fundraising are 9 per cent of fundraising income, which is higher than the budget of 6 per cent and equal to the previous year. The reason for our fundraising ratio to be higher than budgeted is our increased efforts in fundraising. The notes to the annual accounts provide further information and analysis of our expenditure.

# War Child: Looking to the Future

## Our Plans for 2019 - and Beyond

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

The psychological burden these children carry is growing in severity and complexity. Which means our response to their needs in the coming years needs to be more relevant and effective than ever.



Andy Hall

In 2019 we will increase our efforts to expand the reach of our programmes. We will enter into new partnerships with international NGOs to deliver interventions of increasing reach and scale. In Colombia we will enter into new alliances to respond to the needs of Venezuelan refugees.

Our increased focus on relevance will see us explore new areas of programming - with a particular focus on youth empowerment. We will expand our national programme in **Burundi** thanks to a major grant from UNICEF. Our programme in **Uganda** will focus on youth employment opportunities for refugee populations.

The international expansion of our two flagship programmes will continue. A dedicated 'programme hub' will oversee the rollout of **TeamUp** in five new territories. Our ed-tech programme **Can't Wait to Learn** will expand to meet the learning needs of increasing numbers of children.

The effectiveness of our work will increase through further development of our **R&D-based Care System**. Evaluations of three interventions will be undertaken in 2019 - Teacher Professional Development; the EASE intervention in support of older children experiencing severe distress; and the Caregiver Support Intervention.

All of these efforts will contribute towards increased opportunities for children and youth to build a better future - both for themselves and their communities.



# War Child Would Like to Thank...

War Child was able to support more than 216,000 conflict-affected children and adults over the course of 2018. Our efforts were only made possible thanks to the enthusiastic support of many people. These people offer their time, funds, expertise and organisational skills - and inspire many other people to participate in 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 fundraising partners and the organisations who help us implement our programmes across the world.

## Thank You for Supporting Our Mission



This support ensures we can continue our mission to ensure that children living with the effects of violence and armed conflict can realise their rights and build a better future - both for themselves and their communities.



# 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 2018 and clarifies 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 2018

Stichting War Child





# Annual Accounts

## Balance Sheet

*in Euros, after proposed appropriation of result*

		31-12-2018	31-12-2017
<b>ASSETS</b>	Note:		
Intangible fixed assets		388,245	334,300
Tangible fixed assets		497,272	541,463
<b>Fixed assets</b>	(1)	<b>885,517</b>	<b>875,762</b>
<b>Receivables</b>	(2)	<b>5,032,902</b>	<b>3,721,228</b>
<b>Cash and cash equivalents</b>	(3)	<b>18,967,501</b>	<b>21,198,004</b>
<b>TOTAL ASSETS</b>		<b>24,885,920</b>	<b>25,794,994</b>
<b>LIABILITIES</b>			
Continuity reserve		5,000,000	5,000,000
General reserve		1,048,294	1,860,067
Legal reserve		388,245	-
<b>Reserves</b>		<b>6,436,539</b>	<b>6,860,067</b>
Earmarked funds		439,468	95,156
<b>Reserves and funds</b>	(4)	<b>6,876,007</b>	<b>6,955,223</b>
<b>Provisions</b>	(5)	<b>715,580</b>	<b>1,381,741</b>
<b>Long-term liabilities</b>	(6)	<b>31,515</b>	<b>39,919</b>
<b>Short-term liabilities</b>	(7)	<b>17,262,819</b>	<b>17,418,111</b>
<b>TOTAL LIABILITIES</b>		<b>24,885,920</b>	<b>25,794,994</b>



# Statement of Income and Expenses

in Euros

		2018	Budget 2018	2017
<b>INCOME</b>	Note:			
Individuals	(10)	9,304,695	9,669,916	8,849,565
Companies	(11)	2,863,019	2,418,778	3,095,152
Lotteries	(12)	3,560,055	6,225,230	4,535,656
Government grants	(13)	15,999,696	19,824,700	12,950,752
Other organizations (non-profit)	(14)	7,842,887	9,419,423	6,934,394
<b>Total fundraising income</b>		<b>39,570,350</b>	<b>47,558,047</b>	<b>36,365,519</b>
Other Income		2,655	-	3,718
<b>Sum of income</b>		<b>39,573,005</b>	<b>47,558,047</b>	<b>36,369,237</b>
<b>EXPENSES</b>				
		<b>2018</b>	<b>Budget 2018</b>	<b>2017</b>
Project activities	(15)	30,737,223	41,352,266	29,635,488
Preparation and Coordination	(16)	1,523,919	1,195,439	1,490,919
Awareness Raising	(17)	1,981,665	2,182,972	1,989,617
<b>Expenses on the objective</b>		<b>34,242,807</b>	<b>44,730,677</b>	<b>33,116,024</b>
<b>Fundraising</b>	(18)	<b>3,430,823</b>	<b>3,062,720</b>	<b>3,442,980</b>
<b>Management and administration</b>	(19)	<b>1,672,512</b>	<b>1,769,873</b>	<b>1,652,639</b>
<b>Sum of expenses</b>		<b>39,346,142</b>	<b>49,563,270</b>	<b>38,211,643</b>
<b>Sum before financial income/ costs</b>		<b>226,863</b>	<b>(2,005,223)</b>	<b>(1,842,406)</b>
<b>Financial gain / (loss)</b>	(20)	<b>(306,079)</b>	<b>50,000</b>	<b>(208,922)</b>
<b>Sum of income and expenses</b>		<b>(79,216)</b>	<b>(1,955,223)</b>	<b>(2,051,328)</b>

# Appropriation of the Result

*in Euros*

	2018	2017
<b>Addition to (withdrawal from):</b>		
Continuity reserve	-	(1,000,000)
General reserve	(811,773)	16,840
Earmarked reserve	-	(760,018)
Legal reserve	388,245	-
Earmarked funds	344,312	(308,149)
<b>Total change in reserves and funds</b>	<b>(79,216)</b>	<b>(2,051,327)</b>

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

# Cash Flow Statement

in Euros

	2018	2017
<b>Sum of income and expenses</b>	<b>(79,216)</b>	<b>(2,051,328)</b>
<b>Adjustments for:</b>		
Depreciation	285,643	203,121
Interest	(70,867)	(21,956)
Exchange rate gains on cash and cash equivalents	112,092	(137,758)
Changes in provisions	(643,395)	68,618
Changes in receivables	(1,311,675)	268,941
Changes in short term liabilities	(178,058)	1,763,084
Changes in long term liabilities	(8,404)	12,083
<b>Cash flow from operations</b>	<b>(1,814,664)</b>	<b>2,156,133</b>
Interest received	70,867	23,356
<b>Cash flow from operating activities</b>	<b>(1,823,013)</b>	<b>128,161</b>
Investments in intangible fixed assets	(125,217)	(347,280)
Investments in tangible fixed assets	(121,485)	(395,595)
Divestments of tangible fixed assets	-	88,609
<b>Cash flow from investing activities</b>	<b>(246,702)</b>	<b>(654,266)</b>
<b>Net Cash flow</b>	<b>(2,069,715)</b>	<b>(526,105)</b>
Foreign exchange rate gains / (losses) on cash and cash equivalents	(160,787)	136,358
<b>Change in cash and cash equivalents</b>	<b>(2,230,502)</b>	<b>(389,747)</b>



# 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 Helmholtzstraat 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 2018, War Child implemented its projects in Afghanistan, Burundi, Colombia, Democratic Republic of Congo, Iraq, Jordan, Lebanon, the Netherlands, occupied Palestinian territories, Republic of South Sudan, Sri Lanka, Sudan, 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 2018 are dated 17 May 2019 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 2018 is based on the period from 1-1-2018 to 31-12-2018.

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. This was done mainly as a result from the change to a new accounting system, which opened possibilities for more insightful presentation of the figures.

## 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 recognized 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.

## 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 recognized 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 recognized in the period that the donor commits the funds. Grants from lotteries with a pay-back obligation are recognized 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 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).

## 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	347,280
-/- Cumulative Depreciation	(12,980)
<b>Book value 1-1-2018</b>	<b>334,300</b>
Acquisition value investments	173,912
-/- Acquisition value disposals	-
-/- Depreciation	(119,968)
Depreciation on disposals	-
<b>Movements during the year</b>	<b>53,945</b>
Acquisition value	521,192
-/- Cumulative Depreciation	(132,948)
<b>Book value 31-12-2018</b>	<b>388,245</b>

Intangible fixed assets were newly acquired in 2018 and relate to the development of War Child's new website. The other intangible fixed assets relate to 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	425,378	337,798	1,082,275
-/- Cumulative Depreciation	(11,966)	(242,481)	(286,366)	(540,813)
<b>Book value 1-1-2018</b>	<b>307,133</b>	<b>182,897</b>	<b>51,432</b>	<b>541,463</b>
				-
Acquisition value investments	-	60,617	60,869	121,485
-/- Acquisition value disposals	-	(38,245)	-	(38,245)
-/- Depreciation	(15,955)	(101,898)	(47,823)	(165,675)
Depreciation on disposals	-	38,245	-	38,245
<b>Movements during the year</b>	<b>(15,955)</b>	<b>(41,281)</b>	<b>13,046</b>	<b>(44,190)</b>
				-
Acquisition value	319,099	447,749	398,667	1,165,515
-/- Cumulative Depreciation	(27,921)	(306,134)	(334,189)	(668,243)
<b>Book value 31-12-2018</b>	<b>291,178</b>	<b>141,616</b>	<b>64,478</b>	<b>497,272</b>

Tangible fixed assets acquired during the year are mainly ICT equipment and vehicles. We divested old ICT equipment that is not in use anymore. 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. 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.

## 2 Receivables

	31-12-2018	31-12-2017
Receivable from donors	2,671,363	2,598,213
Prepayments to partners	1,187,171	488,940
Legacies due	508,541	152,282
Other accounts receivable	665,828	481,793
<b>Receivables</b>	<b>5,032,902</b>	<b>3,721,228</b>

All accounts receivable originated in 2017, except a number of legacies totalling €120,379 originating from 2016 and 2017. 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 12 legacies, of which the largest legacy due is €124,500.

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 largest amount, relating to the Dutch National Postcode Lottery, was received in March 2019.

	31-12-2018	31-12-2017
National Postcode Lottery	1,350,000	1,350,000
Canadian Government	293,860	-
Netherlands Government	289,492	179,485
United States Government	255,196	171,541
European Commission	246,551	221,505
Other	236,264	675,683
<b>Receivable from donors</b>	<b>2,671,363</b>	<b>2,598,213</b>

## 3 Cash and cash equivalents

	31-12-2018	31-12-2017
Cash and cash equivalents in the Netherlands	17,067,605	20,582,963
Cash and cash equivalents in programme countries	1,899,896	615,041
<b>Cash and cash equivalents</b>	<b>18,967,501</b>	<b>21,198,004</b>

War Child's cash and cash equivalents balance is at a healthy level of €19.0 million, against €17.3 million short term liabilities. War Child's high balance of available resources can be explained by its continuity reserve and by the grants received in advance from important donors such as the European Commission, the IKEA Foundation and the National Postcode Lottery. 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'.

## 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.

	31-12-2018	31-12-2017
Cash and cash equivalents freely available	18,118,345	20,357,904
Cash and cash equivalents available with 1.5% penalty	776,825	767,768
Cash and cash equivalents in bank guarantee until 2023	72,332	72,332
<b>Cash and cash equivalents</b>	<b>18,967,501</b>	<b>21,198,004</b>

## 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, 90 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.

## 4 Reserves and Funds

	1-1-2018	additions	withdrawals	31-12-2018
Continuity reserve	5,000,000	-	-	5,000,000
General reserve	1,860,067	-	(811,773)	1,048,294
Legal reserve	-	388,245	-	388,245
<b>Total reserves</b>	<b>6,860,067</b>	<b>388,245</b>	<b>(811,773)</b>	<b>6,436,539</b>
<b>Earmarked funds</b>				
- Uganda	14,576	-	(14,576)	-
- TeamUp	16,364	-	(16,364)	-
- Lebanon	64,216	16,182	-	80,398
- DR Congo	-	67,275	-	67,275
- Research & Development	-	269,068	-	269,068
- Colombia	-	22,727	-	22,727
<b>Total funds</b>	<b>95,156</b>	<b>375,252</b>	<b>(30,940)</b>	<b>439,468</b>
<b>Total reserves and funds</b>	<b>6,955,223</b>	<b>544,956</b>	<b>(624,173)</b>	<b>6,876,007</b>

### 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 2018 the minimum desired level of the continuity reserve was left unadjusted at €5.0M, which was approved by the Supervisory Board at the end of 2017. 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 €1.4M surplus which is not necessary for War Child's continuity and in 2019 War Child will aim to spend 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 €26M.

### 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 created a legal reserve for the book value of the capitalized development costs of its intangible fixed assets (€388,245). The legal reserve will be released as and when the book value of the website decreases.

### Earmarked funds

The earmarked funds are designated by the donor and must be spent on a specific purpose. War Child sees an increase in the amount of earmarked funding, which is reflected in the outstanding amount at balance date of €439,468 (2017: €95,156). The earmarked funds that existed end of 2017 for the Uganda and TeamUp programmes were fully spent in 2018 and therefore the earmarked funds were released. The funds earmarked in 2017 for Lebanon were not yet spent in 2018 due to programme delays. New earmarked funds were added in 2018 for projects in Lebanon, DR Congo, R&D and Colombia. War Child expects to spend these amounts in 2019.



## 5 Provisions

	01-01-2018	additions	withdrawals	31-12-2018
Provision for end-of-service benefits	114,606	84,970	81,461	118,115
Provision for local taxation	497,547	2,900	7,257	493,190
Provision for local social security	146,965	77,610	120,300	104,275
Provision for ineligible grant expenses	622,623	-	622,623	-
<b>Total provisions</b>	<b>1,381,741</b>	<b>188,246</b>	<b>831,641</b>	<b>715,580</b>

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.

The significant decrease of the provision year-on-year is related to the release of the provision for ineligible grant expenses. During the year, the decision made by the donor was more favorable than War Child had estimated at the end of 2017.

### 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. At the end of 2017, War Child provided for expenses that were at specific risk of repayment to the donor. Based on further justification provided and an exchange of arguments with the donor, the donor ruled favorably and requested War Child to pay back only a small portion of the amount provided for. In 2018, 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 2020 onwards.

## 7 Short term liabilities

	31-12-2018	31-12-2017
Grants received in advance	13,779,379	13,490,080
Payable to partners	1,434,744	1,623,057
Other liabilities	1,167,048	970,412
Accounts payable	675,708	1,155,085
Taxes and social premiums payable	205,940	179,477
<b>Short term liabilities</b>	<b>17,262,819</b>	<b>17,418,110</b>

All short term liabilities are due within one year. The accounts payable decreased by 30 per cent mainly because the amount payable at the 2017 balance date was extraordinary high due to a number of large invoices received.

The accounts payable to implementing partners decreased by 12 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 increased by 16 per cent compared with 2017, which is mainly related to 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 and to holiday leave days pending at the balance sheet date.

'Grants Received in Advance' increased by 2 per cent year-on-year. It consists of earmarked 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 recognised. The expenses related to grants received in advance are expected to be realised within one year.

	31-12-2018	31-12-2017
European Commission	3,588,614	1,074,024
IKEA Foundation	2,734,569	3,450,801
National Postcode Lottery	2,764,906	4,954,961
Netherlands Government	1,853,964	2,044,634
United Nations agencies	549,690	586,325
Swiss Government	240,570	495,427
Other	2,047,065	883,908
<b>Grants received in advance</b>	<b>13,779,379</b>	<b>13,490,080</b>

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 Syrian Response programme, from IKEA Foundation and 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 2018, as specified below.

	<b>Total grant award in Euros</b>	<b>Received up to 31-12-2018</b>	<b>Spent up to 31-12-2018</b>	<b>Outstanding balance 31-12-2018</b>
Can't wait to learn (Sudan, Lebanon, Jordan)	5,300,000	5,300,000	4,223,794	1,076,206
Time to be a child (Lebanon, Jordan)	6,469,743	6,469,743	4,811,379	1,658,364
Building sustainable futures (RSS)	1,548,830	1,548,830	1,548,830	-
TeamUp (the Netherlands)	90,000	90,000	90,000	-
<b>IKEA Foundation</b>	<b>13,408,573</b>	<b>13,408,573</b>	<b>10,674,004</b>	<b>2,734,569</b>

## 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 €11.5 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 (€3.1 million), Triodos bank (€0.5 million) and with ING (€0.9 million). Furthermore, it has balances with foreign banks in potentially unstable states. The largest bank balance abroad is with Bank Audi in Lebanon (€0.5 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.

### Credit risk- receivables

Credit risk also arises from War Child's receivables totalling €5.0 million. The credit risk is concentrated at five counterparties for a total amount of €2.4 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 receivable amounts to €1.4 million from the National Postcode Lottery. In addition, €1.2 million receivables relate to prepayments to partners. This balance is spread over more than 20 partners, the largest balance being €0.5 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 and SSP. War Child's policy is to denominate its contractual obligations as often 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, resulting in reduced interest income deviating from the planned income.



## 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 in	due in	due after
	TOTAL	1 year	1-5 years	5 years
Operational obligations	1,743,511	655,901	1,087,610	-
Implementing partner conditional obligations	6,420,142	6,027,939	392,203	-
<b>Off-balance sheet obligations</b>	<b>8,163,653</b>	<b>6,683,840</b>	<b>1,479,813</b>	<b>-</b>

		due in	due in	due after
	TOTAL	1 year	1-5 years	5 years
<b>Donor contract value to be received</b>	10,547,001	8,762,939	1,784,062	-

## 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 €1.3 million. The remaining obligations of €0.4 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 €6.4 million. War Child's largest expected future payments are to War Child UK and UNICEF, with which conditional funding agreements are in place with an amount of approximately €1.8 million due to both organisations in the coming 4 years. This relates to the implementation of part of the *Can't wait to learn* and *Time to be a child* projects.

## Off balance sheet rights

Grants from donors are recognised as income when the related expenses are recognised. 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 €10.5 million. The largest total amounts to be received in the coming 5 years are €4.9 million from the European Commission, €1.6 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.

	2018	Budget 2018	2017
Legacies	793,977	300,000	300,692
Other gifts and donations	8,510,717	9,369,916	8,548,873
<b>Total income from Individuals</b>	<b>9,304,695</b>	<b>9,669,916</b>	<b>8,849,565</b>

### Developments 2018

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. We did not reach our ambitious income target from individuals of €9.7 million. Instead we raised €9.3 million income from individuals in 2018 (4 per cent below budget), which is however 5 per cent higher than the previous year (2017: €8.8 million). While the gifts and donations are stable year-on-year, this growth is fully attributable to income from legacies, which more than doubled compared to previous year. 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.

	2018	Budget 2018	2017
ASN Bank	82,816	-	186,365
Tommy Hilfiger	50,500	-	30,990
Gifts in Kind	1,201,160	662,778	1,023,962
Other companies	1,528,542	1,756,000	1,853,835
<b>Total income businesses</b>	<b>2,863,019</b>	<b>2,418,778</b>	<b>3,095,152</b>

### Developments 2018

In 2018 we raised €2.9 million from the business sector, 18 per cent above our target for the year, but 7 per cent below the income in 2017. 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, ASN Bank and Tommy Hilfiger. We saw a growth of 17 per cent in gifts in kind – which with a value of €1.2 million were 81 per cent above budget. Over 40 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 software licenses to free legal advice. Thanks to our good reputation that our donors recognize, we are quite successful in this, 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.

	2018	Budget 2018	2017
National Postcode Lottery (structural contribution)	1,350,000	1,350,000	1,350,000
National Postcode Lottery (designated to TeamUp)	1,128,088	1,381,830	3,185,656
National Postcode Lottery (designated to CWTL)	1,061,966	2,870,400	-
National Postcode Lottery (unrestricted gift)	20,000	-	-
Other lotteries	-	623,000	-
<b>Income lotteries</b>	<b>3,560,055</b>	<b>6,225,230</b>	<b>4,535,656</b>

### Developments 2018

Income from lotteries has decreased in comparison with the previous year (-22 per cent). 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, which was however in 2018 significantly underspent by 63 per cent under the budget for the year. This was due to allocation of programme costs to other grants with shorter period as well as to delays in programme implementation. War Child also received funding from the National Postcode Lottery for its TeamUp programme with refugees in the Netherlands. The income under this grant was 14 per cent under budget for the year and the remaining funding will be spent in 2019, when the grant ends. War Child had planned €0.6 million income in 2018 from other lotteries, specifically the Swedish Postcode Lottery. This ambition has unfortunately not materialized in 2018. The underspending on programmes as well as the unsuccessful application of new grants from foreign lotteries explains why income from lotteries stayed behind on target. 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.

	2018	Budget 2018	2017
Netherlands Government	4,919,732	5,328,952	4,402,641
United Nations agencies	3,491,092	3,531,111	3,255,274
European Commission	4,724,006	6,802,515	2,895,392
Canadian Government	1,379,552	1,497,971	1,392,334
Swiss Government	950,236	1,185,800	592,985
United States Government	535,078	286,566	409,034
Other governments	-	1,191,785	3,092
<b>Total income from governments</b>	<b>15,999,696</b>	<b>19,824,700</b>	<b>12,950,752</b>

### Developments 2018

The income from governments is €16.0 million in 2018, which is 24 per cent above the income of 2017 (€12.9 million). Our ambitions were even higher than the substantial growth that was realized. We budgeted a 53 per cent increase in this income category, which although it seemed possible, turned out to be unrealistic in 2018. The income was 19 per cent below the high budget (€19.8 million). Although many new grants were awarded to us, we had counted on getting even more governmental funds for amongst others our Syria response, which unfortunately did not materialize. European Union funding was 31 per cent under budget, even though it was 63 per cent above previous year’s income from the European Union.

The Netherlands Government is our largest donor with a contribution in 2018 of as much as €4.9 million. This represents 12 per cent of our total income, which is below 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 United Nations and the European Commission continue to contribute to War Child's programmes in various countries through its subsidiaries and affiliates such as UNICEF, UNHCR, DG ECHO and Europe Aid. Global Affairs Canada (GAC) contributes to our educational programme in Colombia. More information is provided in the "Where our funds come from" section in our annual report.

## 14 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.

		Budget 2018	2017
IKEA Foundation	3,925,259	4,748,389	4,719,085
War Child United Kingdom	342,415	485,582	402,758
ELMA Foundation	257,855	-	334,999
Jacobs Foundation	178,047	60,000	-
Bernard van Leer Foundation	116,834	204,438	-
Cisco Foundation	99,965	-	-
War Child Sweden	99,387	12,254	95,814
CATCH Foundation	87,636	-	95,260
H&M Foundation	72,933	176,499	-
Adessium Foundation	60,000	150,000	84,112
Save the Children	-	-	105,148
Other organisations	2,602,556	3,582,262	1,097,217
<b>Total income other organisations</b>	<b>7,842,887</b>	<b>9,419,423</b>	<b>6,934,394</b>

### Developments 2018

The income from other non-profit organisations in 2018 totalled €7.8 million which was a growth of 13 per cent compared with the previous year (2017: €6.9 million), and it was 17 per cent below budget 2018. The largest donor in this income category is the IKEA Foundation, which is responsible for 50 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 are in the finalization stages, which explains the decrease of income compared with 2017, in addition to underspending in the Can't wait to learn programme. More information is provided in the "Where our funds come from" section in our annual report.



## Expenses

Total expenses increased by a total of €1.2 million to €39.5 million, a growth of 3 per cent (2017: €38.2 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 2018 War Child met this target. The ratio of Expenses on the objective and Sum of expenses was 87 per cent. War Child aims to spend maximally 4 per cent of its costs on management and administration. It met this target (2018: 4 per cent; 2017: 4 per cent), but it was not able to decrease its fundraising expenses to below 8 per cent of its income (2018: 9 per cent; 2017: 9 per cent). The main reason was that the number of Friends at the start of the year was below target and remained lagging behind, requiring additional investments in fundraising. More information is provided in the below notes.

	Realisation 2018	Budget 2018	Realisation 2017
% Costs of fundraising / total fundraising income	9%	6%	9%
% Costs management & administration / total expenses	4%	4%	4%
% Total expenses on behalf of the objective / total expenses	87%	90%	87%

## Cost Allocation

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. Thanks to the implementation of a new accounting system in 2018, War Child is able to allocate most of its head office expenses directly to the relevant cost category. In previous years, all support costs were allocated to cost categories using a general cost allocation methodology. In 2018, almost all expenses are directly recognized in a cost category. Only general facility costs in the Netherlands are allocated based on a cost allocation methodology that takes into account the distribution of salary costs of employees in the Netherlands. General facility costs include amongst others office rent, furniture, cleaning, reception and canteen costs. 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.

All employees with a fundraising role are fully attributed to the cost category for fundraising, even though the projects that they run sometimes have an awareness raising component. The out of pocket costs for mixed fundraising and awareness raising projects are attributed to each of those categories on the basis of a percentage as justified by the objectives and activities of each mixed project.

## 15 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 our TeamUp programmes, as well as our research and development programmes funded by grants, such as the Horizon 2020 grant from the European Union.

	2018	Budget 2018	2017
Lebanon	7,301,785	8,245,531	6,479,676
Netherlands	5,441,164	7,474,593	3,357,781
Syria	3,791,787	6,210,761	3,179,308
Colombia	2,429,309	3,117,632	2,191,144
Jordan	2,354,759	1,945,845	3,516,555
South Sudan	2,113,454	2,971,126	1,641,193
DR Congo	2,024,506	2,127,080	2,050,043
Uganda	1,469,683	2,098,042	972,528
Occupied Palestinian territories	1,193,168	1,815,255	1,098,880
Burundi	836,032	1,431,794	936,794
Yemen	776,267	1,316,700	602,433
Sudan	350,865	1,610,000	1,204,647
Sri Lanka	265,598	587,907	162,400
Iraq	228,830	200,000	908,091
Afghanistan	160,016	200,000	629,627
Central African Republic	-	-	704,388
<b>Total costs of project activities</b>	<b>30,737,223</b>	<b>41,352,266</b>	<b>29,635,488</b>

## Developments 2018

Total expenses on project activities are €30.8 million in 2018, or 4 per cent above previous year (2017: €29.6 million) and 26 per cent under budget. The significant underspending compared with budget is mainly due to grant ambitions not awarded to us and due to delays in the start up of new projects. 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 2018, our fundraising targets were set too high at as much as 40 per cent above the level of project activities in 2017. War Child was however able to realise a growth of €1.2 million in project activities meaning that we were able to implement more projects.

The growth of €1.2 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 the Netherlands (+€2.1 million), Lebanon (+€0.8 million), Syria (+€0.6 million), Uganda (+€0.5 million), and South Sudan (+€0.5 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 Jordan (-€1.2 million), Sudan (-€0.9 million), Central African Republic (-€0.7 million) and Iraq (-€0.7 million). These are all countries where War Child does not have its own offices. Our fundraising efforts have focused on programmes that we can closely monitor

The largest programme country is Lebanon with €7.3 million project expenses, which is an increase of 13 per cent compared with 2017. The Netherlands is the second largest programme country with €5.4 million project expenses. From Amsterdam, we manage our global Can't wait to learn programme with €2.8 million expenses in the Netherlands and we implement our TeamUp programme in Dutch asylum seekers centres (€1.4 million).

The only country that showed project activities exceeding its 2018 budget was Jordan. During 2018, we further defined and finalised the scope of the research study and implementation with the Ministry of Education and War Child UK. The Ministry made a number of stipulations with the aim to ensure third party oversight of the study. In addition, there was a request for a number of additional implementation sites outside the research areas and a later semester was chosen as a commencement date for the study. These revisions incurred additional implementation costs. IKEA Foundation and USAID, in support of the revisions, provided additional funding in 2018 to cover the increased activities and revised schedules in Jordan.

## 16 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 2018

The majority of costs for preparation and coordination originate in the International Programmes department at War Child's head office. Total costs in 2018 have increased year on year by 2 per cent and are 27 per cent above 2018 budget. The costs increase because of War Child's strategic focus on quality and on improving monitoring and evaluation in a learning organisation.

## 17 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.

### Developments 2018

Awareness raising costs are 9 per cent under budget and at a similar level as the previous year. Costs of activities which have a mixed objective of fundraising and awareness raising are allocated to each of these cost categories based on the estimated weight of each of those two components, depending on the nature of the activity. For each mixed activity, the project leader provides a justified weight of each component. For example, the costs of the TV show are split 50%-50% 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. 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. Below 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 2018. Vice versa, not all other projects in the budget took place in 2018.

	2018		Budget 2018		2017	
	% awareness	€ awareness	% awareness	€ awareness	% awareness	€ awareness
Door to door engagement	50%	360,030	50%	405,665	50%	372,717
Television show	50%	243,509	-	-	50%	255,782
Existing constituency	75%	109,012	75%	131,977	75%	141,584
Telemarketing	50%	64,537	50%	68,510	50%	48,792
Mailings	50%	43,894	50%	68,475	50%	77,511
Peace event	90%	29,662	-	-	-	-
Online	25%	12,138	25%	104,144	25%	72,195
Other mixed projects	33%	37,329	38%	226,335	33%	56,963
	<b>49%</b>	<b>900,111</b>	<b>51%</b>	<b>1,005,106</b>	<b>52%</b>	<b>1,025,544</b>

## 18 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.

		Budget 2018	2017
Fundraising of unrestricted income	2,661,757	2,217,607	2,587,350
Fundraising of restricted income	335,853	345,271	455,831
Setting up new fundraising markets	433,212	499,842	399,798
<b>Total costs of fundraising</b>	<b>3,430,823</b>	<b>3,062,720</b>	<b>3,442,980</b>

### Developments 2018

Total fundraising costs divided by total fundraising income in 2018 is 9 per cent, similar to 2017. In 2018, total costs of fundraising increased with 3 per cent in comparison with previous year, and the costs were 16 per cent above the budget of 2018. The year on year increase of €0.1 million is related to an increase in unrestricted fundraising costs of €0.2 million and a decrease of €0.1 million of fundraising costs for restricted grants. The unrestricted fundraising costs are 25 per cent above budget because the television show was not budget for and because the number of Friends lagged behind target, requiring additional investments. Raising unrestricted funds is important to War Child, because without it we will become too dependent on large institutional donors. War Child wants to implement projects where the needs are highest, which is not always similar to where large governments wish to spend their development budgets.

Costs for setting up fundraising offices in new markets increased slightly in comparison with 2017 because of preparations to open an office in 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. These expenses remained well within budget.

## 19 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 2018 it reached 4 per cent, which is similar to 2017 despite necessary expenses for new systems. In the coming years War Child strives to further decrease this percentage, 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 2018

The costs for management and administration in 2018 (€1.7 million) is 6 per cent under budget (€1.8 million) and is similar to the level of 2017 (€1.7 million). This is despite the overall growth of the organisation with 9 per cent in total income. The slight growth in 2018 can be explained by increased ICT expenses related to the implementation of Office 365, higher license fees for our CRM and ERP systems and depreciation of software development for our new CRM system.



## 20 Financial gains / (losses)

	2018	Budget 2018	2017
Interest received	70,867	50,000	21,956
Interest paid	-	-	-
Exchange rate differences	(376,946)	-	(230,878)
<b>Financial gain / (loss)</b>	<b>(306,079)</b>	<b>50,000</b>	<b>(208,922)</b>

### Developments 2018

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 2018 saw an exchange rate loss of €0.4 million. This is mainly related to the revaluation of outstanding grant award 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 19 per cent is mainly attributable to growing teams for programmes in the Netherlands, Lebanon and Uganda. Approximately half of total staff expenses originate in the Netherlands, while less than a quarter of our full time equivalent employees are located in the Netherlands. This 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.

	2018	Budget 2018	2017
Gross wages and salaries	10,369,426	11,124,558	8,576,667
Pensions	474,389	617,678	476,209
Social security	1,611,488	1,645,835	1,268,884
Other personnel expenses	1,516,834	2,469,638	1,904,010
<b>Total Personnel expenses</b>	<b>13,972,138</b>	<b>15,857,709</b>	<b>12,225,769</b>

## Independent Auditor's costs

War Child's financial statements 2018 are audited by KPMG Accountants N.V.. In 2018, expenses in War Child's financial statement as related to the global KPMG group totalled €155,000. War Child's group audit 2018 is done for a fee of €112,000. The additional work charged in 2018 related to the group audit 2017 totalled €16,000. The component audit for Lebanon was performed by KPMG against a fee of €9,000 and project audits were conducted for €6,000. A soft controls survey was conducted globally by KPMG for €12,000. All amounts are including VAT.

## Attribution of expenses

	Expenses towards objective					Total expenses		
	Awareness raising	Preparation Coordination	Project activities	Fundraising	Management & Admin.	2018	Budget 2018	2017
Contributions	-	-	9,566,183	-	-	<b>9,566,183</b>	12,254,584	9,447,879
Procurement	76,186	254,644	7,286,808	448,250	38,578	<b>8,104,466</b>	16,561,363	12,768,264
Outsourcing	645,646	219,787	1,018,835	492,932	223,898	<b>2,601,099</b>	1,341,756	263,483
Publicity	232,668	545	114,007	487,751	3,570	<b>838,542</b>	73,569	56,719
Staff	551,297	954,397	10,606,456	1,558,977	299,703	<b>13,970,830</b>	14,857,709	12,225,769
Housing	25,708	40,953	882,277	77,922	22,829	<b>1,049,688</b>	429,209	330,906
Office costs	137,267	2,764	716,295	19,683	326,162	<b>1,202,171</b>	3,418,286	2,635,385
General costs	305,649	44,183	485,098	331,476	561,114	<b>1,727,520</b>	363,418	280,183
Depreciation	7,245	6,646	62,647	13,832	195,273	<b>285,643</b>	263,377	203,055
<b>Total</b>	<b>1,981,665</b>	<b>1,523,919</b>	<b>30,738,608</b>	<b>3,430,823</b>	<b>1,671,128</b>	<b>39,346,142</b>	<b>49,563,270</b>	<b>38,211,643</b>

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 en 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 17 2019, the Supervisory Board of Stichting War Child discussed the annual report and the financial statements 2018. 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 17 May 2019 are Peter Bakker (President), Willemijn Verloop (Vice-President), Rob Theunissen (Treasurer), Raymond Cloosterman, Edith Kroese and Arjan Hehenkamp.

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	(593,233)
Earmarked reserve	-
Legal reserve	169,705
Earmarked funds	344,312
<b>Total change in reserves and funds</b>	<b>79,216</b>

## Events after the balance sheet date

No events have occurred between the balance sheet date and the date on which the Supervisory Board adopted the annual accounts, which would affect the 2018 annual accounts or the condition of War Child at the end of the financial year or thereafter.

# 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 recognised in the cash flow statement.

The cash and cash equivalents have decreased by €2.2 million in 2018 (- 11 per cent). War Child's cash and cash equivalents balance is at a healthy level of €19.0 million in addition to €5.0 million short term receivables, against €17.3 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 Nationale Postcode Loterij, the IKEA Foundation and the Netherlands government. The projects related to these subsidies are partly to be implemented in 2018 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

<b>Name</b>	<b>Tjipke Bergsma</b>
<b>Function</b>	<b>Managing Director</b>
Duration	indefinite from 1/9/2015
Hours/week	40
Part-time percentage	100%
Period	1-1-2018 to 31-12-2018
<b>Annual income</b>	
Gross salary	€ 105,739
Holiday allowance	€ 8,459
13th month	€ 0
Variable annual income / bonus	€ 0
<b>Total director remuneration</b>	<b>€ 114,198</b>
Taxable allowances	€ 0
Pension premium (employer part)	€ 22,867
Pension compensation	€ 0
Other remuneration	€ 0
End of service fee	€ 0
<b>Total remuneration and benefits 2018</b>	<b>€ 137,065</b>
<b>Total remuneration and benefits 2017</b>	<b>€ 132,894</b>

The remuneration of the Managing Director of War Child is €114,198, which is well below the maximum of €146,000 (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 €137,065 which is also well within the maximum set by the guideline of € 181,000 (1 full time employee for 12 months).

No loans, advances or guarantees were given to War Child's directors.

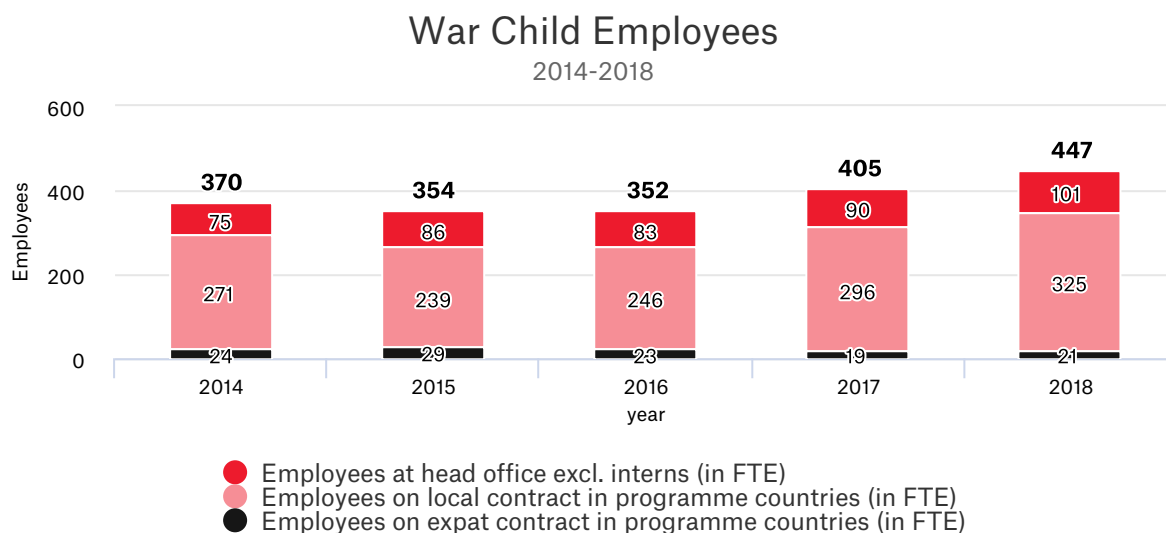
## Remuneration Supervisory Board members

No remuneration is offered to Supervisory Board members and no loans, advances or guarantees existed in 2018. 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 2018, no expenses were incurred for Supervisory Board members.

## Number of employees

The average number of fulltime equivalent employees (FTE) increased by 10 per cent (42 FTE) to 447 FTE, which is related to the overall increase in War Child's total income and expenses of 9 per cent.

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





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## Pension Plan

The pension charge recognised 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 17 May, 2018.

Amsterdam, 17 May 2018

Supervisory Board: Peter Bakker (Chair), Willemijn Verloop (Vice Chair), Rob Theunissen (Treasurer), Raymond Cloosterman, Edith Kroese, Max Glaser, 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 2018 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 2018, and of its result for 2018 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 2018;
2. the statement of income and expenses for 2018; 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 2018 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.

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, 17 May 2019

KPMG Accountants N.V.

H. Visser RA

# Branch Offices

In 2018, War Child maintained branch offices in:

- Burundi
- Colombia
- Democratic Republic of Congo
- Lebanon
- occupied Palestinian territories
- South Sudan
- Sri Lanka
- Uganda

In addition to its programmes in the countries where War Child has its own branch offices, War Child coordinated and funded project activities in Afghanistan, Iraq, Sudan, Jordan, Syria, Yemen and The Netherlands.



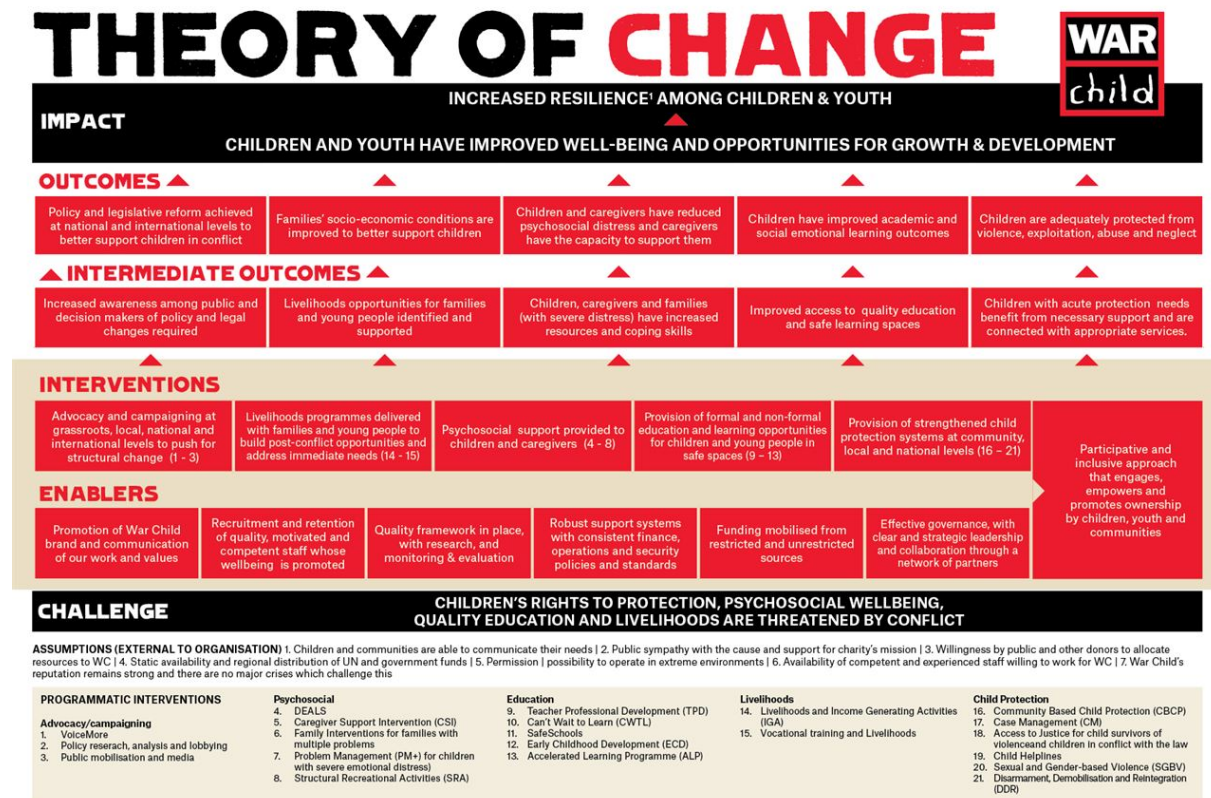
War Child



# Annexes

## Theory of Change

Find the full model or our [Theory of Change](#) below.



# Budget 2019

in Euros

	Budget 2019	Actual 2018
<b>INCOME</b>		
Individuals	9,662,516	9,304,695
Companies	2,476,840	2,863,019
Lotteries	3,224,545	3,560,055
Government grants	20,480,096	15,999,696
Other organizations (non-profit)	6,938,678	7,842,887
<b>Fundraising income</b>	<b>42,782,675</b>	<b>39,570,350</b>
Other Income	-	2,655
	-	2,655
<b>Sum of income</b>	<b>42,782,675</b>	<b>39,573,005</b>
<b>EXPENSES</b>		
Project activities	35,239,125	30,737,223
Preparation & coordination	1,221,587	1,523,919
Awareness raising	1,850,992	1,981,665
<b>Expenses on the objective</b>	<b>38,311,704</b>	<b>34,242,807</b>
<b>Fundraising</b>	<b>3,862,156</b>	<b>3,430,823</b>
<b>Management &amp; administration</b>	<b>1,333,212</b>	<b>1,672,512</b>
<b>Sum of expenses</b>	<b>43,507,072</b>	<b>39,346,142</b>
<b>Sum before financial income</b>	<b>(724,397)</b>	<b>226,863</b>
<b>Financial income/(loss)</b>	<b>30,554</b>	<b>(306,079)</b>
<b>Sum of income and expenses</b>	<b>(693,843)</b>	<b>(79,216)</b>

# Credits

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