



**381,830**

**CHILDREN REACHED IN 2016 THROUGH OUR  
PROGRAMMES WORLDWIDE**

**WAR CHILD:  
WORKING TOGETHER  
FOR POSITIVE CHANGE**

**WAR CHILD HOLLAND  
ANNUAL REPORT 2016**

# INDEX

## Board Report

### Foreword

Tjipke Bergsma and Peter Bakker

Ivan's Story

### About this Report

Stakeholder Dialogue is Key

Materiality Chart

Value Creation Model

Measuring Results

### We are War Child

Our Purpose

Vision and Mission

Our Road to 2020

War Child Global

New Donor Markets

### Expert organisation

Theory of Change

Care System

Piloting Interventions

Sustainable Development Goals

Research and Development

Risk Management

### Our Programmes

Children in Conflict

Middle East

Africa

Latin America

Asia

Europe

Can't Wait to Learn

6  
6  
8  
11  
11  
12  
14  
16  
18  
18  
18  
19  
20  
20  
23  
23  
24  
27  
28  
28  
29  
33  
34  
34  
41  
51  
53  
56  
58





Advocacy	60
Capacity Training and Support	60
Security Management	61
Child Safeguarding	61
Learning Organisation	62
<b>Funding our Programmes</b>	64
Institutional Fundraising	64
Public Fundraising	70
Engagement and Reach	75
<b>Our People</b>	83
Overview	83
Employee Engagement	84
Restructure	85
<b>Governance</b>	88
Senior Management Team	88
Supervisory Board	88
Works Council	91
<b>Finance and Operations Support</b>	93
Low-Cost Policy	93
Corporate Social Responsibility	93
Accountability and Transparency	94
Income and Expenditures	95
Income Overview	96
Expenditure	97
<b>The Future</b>	99
Plans for 2017	99
Future Investments	100
Financial Outlook 2017	100
<b>War Child Annual Accounts 2016</b>	101
Balance Sheet	102
Statement of Income and Expenditure	103
Cash Flow Statement	104
Notes to the Annual Accounts 2016	105
Notes to the Balance Sheet	114



Notes to the Statement of Income and Expenditures	127
Further Notes to the Annual Accounts	139
<b>Other Information</b>	<b>142</b>
<b>Budget 2017</b>	<b>146</b>
<b>Credits</b>	<b>148</b>
Thank You	149
Colofon	150
Disclaimer	150





A close-up photograph of two young children, a boy and a girl, both smiling warmly. They are wearing red shirts. In the foreground, several hands are positioned to form a heart shape around the children's faces. The background is softly blurred, showing more people in similar red shirts.

# FOREWORD

**Our Managing Director Tjipke Bergsma and Chairperson  
Peter Bakker look back on our achievements in 2016.**

**READ ON >**



# FOREWORD

All of us at War Child were proud to support more than 380,000 children during 2016. Children who are forced to live with the terrible effects of violence and armed conflict. We also reached 124,000 adults - such as parents, caregivers and teachers - to enable them to better care for children in areas affected by conflict. In total more than 500,000 people took part in our programmes - the most people we have reached this decade.

Our Annual Report provides a complete overview of our work in 2016. The report describes in detail everything we do in fourteen countries. The report also contains full information on our income and expenditure and our various fundraising activities.

## TJIPKE BERGSMA AND PETER BAKKER

All of us at War Child have a shared ambition to significantly increase the scale and impact of our work. There are some 250 million children around the world whose lives are affected by violent conflict - and we are all working to adapt and strengthen our efforts to meet the needs of those children.

By 2020 we intend to reach one million conflict-affected children every year through our direct efforts - and millions more through building networks and sharing our expertise. In 2016 we are both delighted to report that we made several significant steps towards realising those ambitions.



In our fourteen programme countries our teams delivered high quality programmes to increasing numbers of children more effectively than ever before. This expansion of our programmes was achieved in spite of the many challenges



faced by our staff in the field. In many cases security conditions were significantly challenging and the administrative burden on our staff was often immense.

In our travels over the course of the year we saw first-hand the impact War Child has on the lives of children and young people. One very striking example of our impact involves a teenager we met in Choco, a city on the west coast of Colombia. This area of the country is extremely poor and also heavily affected by the 60-year conflict between armed groups and government forces. War Child's interventions in this region focus on engaging young people in positive action and personal development through creative activities including theatre, music and breakdance.

One young person participating in breakdance activities told us that the previous week he was approached by one of the armed groups to join them. He was offered a weapon and \$1,000 - a sum of money he might not see in his entire working life. Even so, he declined the offer because participation and membership of the breakdance group gave him the opportunity to be positively engaged in his community. This encounter was very moving.

### **Building for the future**

Much was also accomplished at our head office in Amsterdam over the course of the year. We restructured our ways of working with the aim of improving our processes while reducing our costs. We succeeded in increasing our income and the sums we release to our programme countries. Several new and innovative fundraising initiatives were launched, not least our annual TV special 'Jij&Ik'.

On a strategic level we further developed the nine Core Interventions that will form the core of our programme activities and approved a new Research and Development agenda for the coming years. Our innovative Can't Wait to Learn project gained momentum, recognition and funding while the launch of War Child Sweden promises to further strengthen our global impact.

There were frankly too many achievements in 2016 to list here - but they are all covered in detail in this Annual Report. None of these accomplishments would have been possible if it wasn't for the drive and motivation of every single member of staff in our organisation and the generous contributions of our many individual friends, volunteers, sponsors and donors in the Netherlands.

We both want to take this opportunity to offer our sincere thanks to everyone who contributed to our growth over the course of the year. We are well on our way towards becoming the Networked Expert Organisation in our field.



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Tjipke Bergsma (Manager Director) and Peter Bakker (Chair, Supervisory Board)

## IVAN'S STORY

**Nineteen-year-old Ivan combines his university studies with work as a facilitator at War Child's former partner organisation Fundescodes. Ivan lives in Buenaventura, one of the most violent cities in Colombia. The port city is home to thousands of internally displaced people, many of whom are exposed to shocking levels of gang-related violence and armed conflict.**

**Ivan discusses the impact War Child had on his life when he was a child - and the contribution he makes to the lives of conflict-affected children today.**



Life in Buenaventura is difficult because of the high levels of violence - which is there every day. Most of the children and youth in the city are forced to work for armed groups. The children are usually used as whistle-blowers or traffickers who have to be aware if the police or the army are near.

I began taking part in War Child activities when I was twelve or thirteen. The activities gave me a place where I could find refuge from the conflict. War Child gave me the tools to not be engaged with the conflict and the armed groups. They also gave me tools to help other kids - to not be part of the situation and the pressures they faced growing up.

Around 2,000 children took part in the programme. In their free time after school the children went every day to the activities that were put on by War Child.

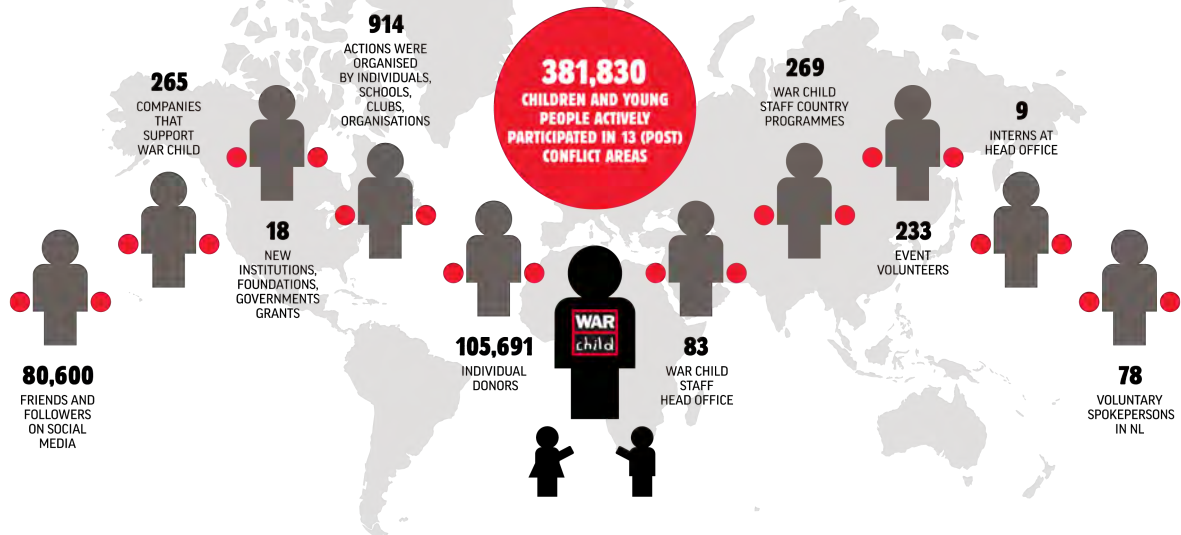
Through the War Child activities the children gained many tools to protect themselves. They were strengthened in speaking out for their rights. The project provided the children with a place where they could find refuge and escape from the reality they faced in their neighbourhoods.



Now I work as a facilitator helping other children. What I want to bring to the other children is the same opportunities I had in the past with War Child and to try to protect them from the situations of conflict that we all live in. That's what I want to offer.

## THE POWER OF FRIENDSHIP

2016



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# ABOUT THIS REPORT

**A complete outline of the methodology and key priorities  
that inform all our reporting processes - including this  
Annual Report.**

**READ ON >**



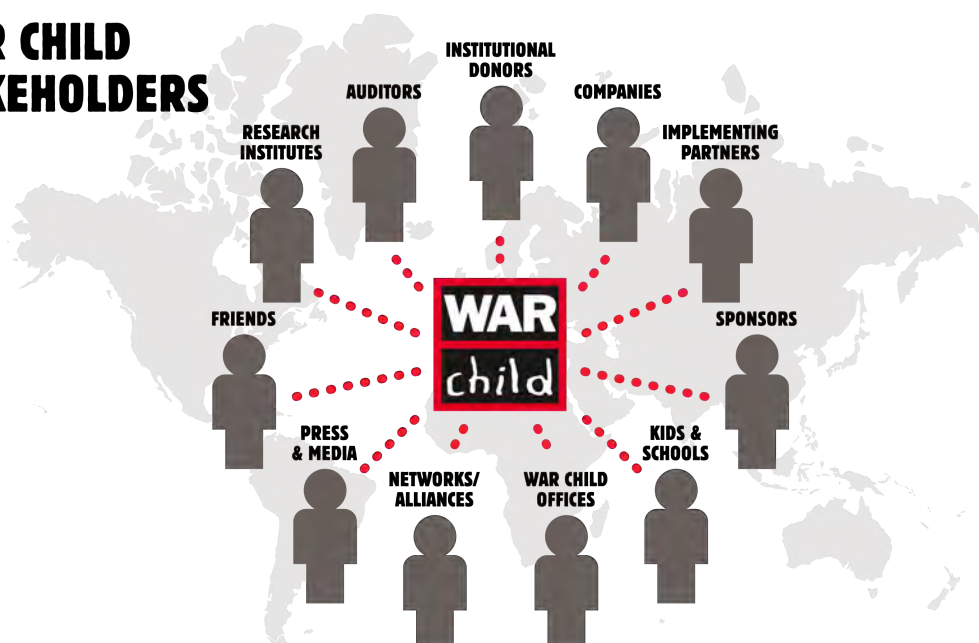
# ABOUT THIS REPORT

This Annual Report provides an account of our activities in 2016 and clarifies our role in the humanitarian aid sector. Transparency and maintaining an open dialogue with our stakeholders are the key priorities that inform all our reporting processes - including this Annual Report.

Our Annual Report is largely structured according to the results of our 'stakeholder materiality matrix'. This survey of our Friends, supporters and key stakeholders highlights the desire for increased information about the impact of our programmes across the world.

Our continuous dialogue with these and other stakeholders provides us with improved insight into the needs of conflict-affected children and the contextual factors that impact upon their lives. You can read more about our stakeholder materiality matrix later in this chapter.

## WAR CHILD STAKEHOLDERS 2016



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## STAKEHOLDER DIALOGUE IS KEY

We consulted a representative sample of our stakeholders about the aspects of our work they wanted information on. Based on their input, we selected eleven themes that form the basis of this Annual Report. The eleven themes we selected to best meet the demands of our stakeholders follow.

### Integrated reporting

This is an integrated Annual Report incorporating financial, operational and policy information. The financial information was prepared in accordance with our Director of Finance and Operations. The complete, audited Annual Accounts can be found in the annex to this report.

## MATERIALITY CHART

War Child takes its responsibilities with regard to transparency very seriously. We work hard to provide our external stakeholders such as donors and supporters with clear and complete information about our overall performance within a wide variety of contexts - not only our work in programme countries but also our governance policies.



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A Materiality Analysis forms the logical starting point for the reporting activities of War Child. The analysis offers the reader an insight in which themes are relevant to the organisation and allows them to understand why certain themes are discussed in more detail than others.

The next step in this process was to measure the nature and scale of the impact of each of the selected themes for War Child and its stakeholders. It was concluded, among other things, that the topics identified as important by our stakeholders largely corresponded with the key themes that the organisation is pursuing.

One such emerging trend is Urban Violence. A majority of the world population - more than 50 per cent - lives in urban areas. However, the lack of opportunity in these areas and increasing criminality also lead to an increasing number of conflicts in such areas, now leading to the fact that more people die in urban conflict than in traditional armed conflicts (the 'war on drugs' and 'war on gangs'). We are currently working on various existing and new initiatives within the context of this theme. These initiatives are also covered in this Annual Report.

The eleven themes identified as most relevant served as the guideline in the process of determining the content of the Annual Report.



The process:

### Step 1 - Identification of relevant aspects and themes

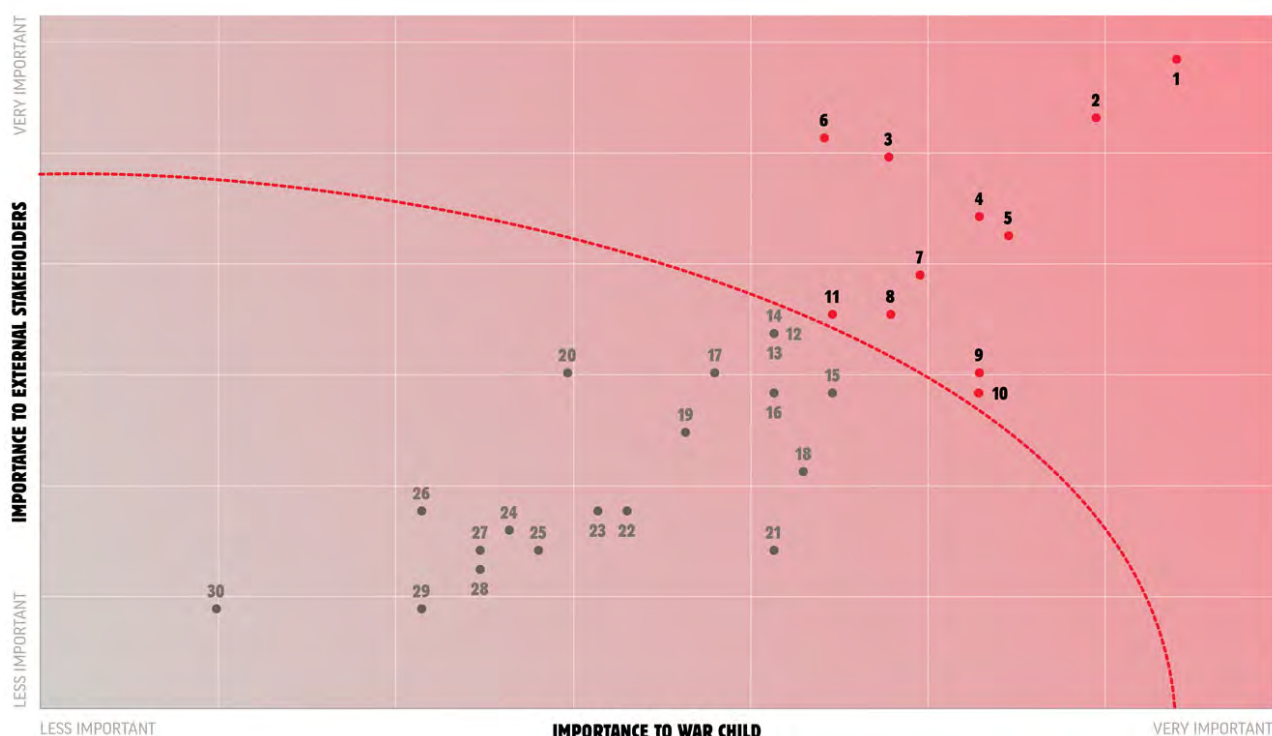
The process of identification saw 30 topics selected from a longlist of more than 250 non-financial topics by means of a desk study. The focus of the desk study was to identify the topics on which War Child and its peers currently report and the expectations of the PricewaterhouseCoopers (PwC) Transparency Award.

### Step 2 - Stakeholder survey

Based on a digital survey, the stakeholders assessed various themes according to relevance. This stakeholder input led to the selection of the eleven most relevant themes.

### Step 3 - Materiality matrix

The combination of the relevance for stakeholders on the Y-axis and the impact of each theme on the organisation on the X-axis shows the influence each theme has upon the performance of the organisation - and the prominence each theme is given in this Annual Report. The materiality matrix below provides a cross-section of the most material topics for War Child's annual report.



#### Key themes

1-11 These are the eleven themes in the materiality matrix that are perceived as important by a large group of stakeholders. These themes are addressed at length in the annual report.

#### Corporate themes

12-23 These are themes that, as perceived by a broad group of stakeholders, have less priority. This section encompasses themes that are relevant to certain stakeholders for operational reasons or must be reported on for compliance purposes.

- Integrity
- Employee health and safety
- Knowledge sharing

- Customer satisfaction
- New programme regions
- Regulatory compliance
- Risk management
- Brand awareness and reputation
- Stakeholder engagement
- Diversity and equal opportunity
- Complaints
- Communication and engagement

#### *Potential themes*

24-30 These are themes that are of lesser priority to most stakeholders and have a less significant impact upon the organisation.

- IT and customer data protection
- Executive compensation
- Employee training and education
- Volunteers
- New donor markets
- Social media
- Climate change

#### **Step 4 - Implementation**

The materiality of topics as determined by the Management Team provides the basis for the content and design of the Annual Report. This process determines how each topic is covered and how they are incorporated in the information gathering process.

#### **Transparency**

Our stakeholders attach great value to transparency - and so do we. We asked for their input and this input formed the basis of the materiality chart featured above.

War Child works towards to the standards and benchmarks of the International Aid Transparency Initiative (IATI) with regard to issues of transparency.

## **VALUE CREATION MODEL**

War Child works to achieve excellence, quality and enhanced impact in everything we do - both at head office and in the fourteen countries in which we are active. Our programmes, methodologies and fundraising activities are all designed to deliver meaningful positive change in the lives of conflict-affected children.

Donors and stakeholders demand information on how we effectively invest in our mission. The inputs we use in our work are categorised as follows: financial input; our global presence (or our various country offices); intellectual input; human capital; and social support (as manifest through donors, volunteers and media profile).

The diagram below highlights how these various inputs are processed to yield 'value' in terms of our programmatic and fundraising impact.



# HOW WE CREATE VALUE



## **MEASURING RESULTS**

Each country office in our organisation develops project plans which specify the planned results (both short-term and intermediate outcomes) of a particular intervention. Measurable indicators are formulated to enable us to track progress towards the results and goals set out in each plan. A monitoring and evaluation plan is also developed before any project is initiated. In these plans, we set out how each indicator will be measured and check which tools will need to be developed to measure each distinct indicator. For each outcome indicator, we perform a baseline measurement and annual follow-up measurements with a representative sample of the target group.

In 2017 we will design a Global Monitoring Framework to measure core outcomes across the organisation. The Framework is aligned with our Theory of Change and it includes standardised indicators and tools to measure changes in the lives of children and their caregivers as a result of our work.

Collecting evidence-based information is the first step to improve the quality of our work and make further improvements in children's lives. The evidence generated by the Framework will inform programmatic and strategic decision making.





# WE ARE WAR CHILD

War Child works in support of conflict-affected children -  
here we outline our vision and strategic priorities.

[READ ON >](#)



# WE ARE WAR CHILD

## OUR PURPOSE

War Child works exclusively to improve the lives of children affected by conflict. We offer children psychosocial support, education and protection in fourteen countries across the world in an integrated manner.



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Our programmes are designed to boost the strength and resilience of conflict-affected children living with the effects of war - and incorporate all three of our programming lines for maximum impact.

We work directly with children, the important adults in their lives and the communities around them to improve the psychosocial well-being of children forced to live with the effects of violence and war. We love to use creative methods such as music and dance to build a connection with the children who participate in our programmes.

## VISION AND MISSION

War Child believes that children and young people should play an active role in defining their futures. War Child works to ensure that children affected by conflict and violence can realise their fundamental rights and build a better future - both for themselves and their communities.



We also work to inspire others to join our mission - and in so doing create a global movement for peaceful futures for children affected by war and conflict.



## OUR ROAD TO 2020

Our ambition - as outlined in our Global Strategy 2020 - is to be the **networked expert organisation for psychosocial wellbeing for children affected by conflict**. This process will see us collaborate with organisations across the world to ensure that our work has maximum impact. We intend to reach one million children annually through our programmes - and millions more through our networks.

Research and Development will help us to build the necessary evidence to share certified programme models through a network of partner organisations. Innovation in fundraising, supported by communications activities, will be prioritised to ensure we can fund our strategic ambitions in the years to 2020.

Our ultimate ambition is to significantly increase the scale of our impact around the world. Through the development of this evidence base in support of our work, we can select and certify a global network of partners and official bodies to implement our proven programme models. This process offers potentially unlimited scale and will ensure that adequate and sufficient protection and psychosocial support is offered to the millions of conflict-affected children around the world.

## WAR CHILD GLOBAL

The **War Child Global** initiative will see War Child Holland and War Child UK work to integrate their separate programme operations into one shared programmatic platform. This process will contribute towards increased effectiveness by removing the duplication of projects, staff positions and systems. Shared programmes will also lead to improved impact on children, enhanced global advocacy and improved positioning with donors.

The initiative will also allow us to potentially expand beyond the fourteen countries in which we are currently active. War Child Global will also enable us to strengthen our relationships with key institutional donors and maintain our independence through increasing income from unrestricted sources of funding. We believe that we will increase our reach to affect the lives of many more conflict-affected children through the War Child Global initiative.



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## NEW DONOR MARKETS

War Child has examined opportunities for growth in recent years. To continue to fulfil its remit War Child needs to increase its private fundraising activities. At the same time, with funding from the Dutch Government rapidly changing, we also need to look at sources of funding from other national governments, foundations and institutions.

War Child Sweden officially launched during the fourth quarter of 2016 as part of our continued drive for market expansion and donor diversification. At the same time, we will continue to look at expanding our efforts in three markets currently under investigation - Norway, Belgium and Germany.



## SWEDEN

War Child Sweden is now officially registered as a Swedish fundraising foundation. The formal registration process was concluded in June 2016. A '90 Account' - a bank account certified by the Swedish Fundraising Control Body - was approved in October.

Hard work by staff in both Sweden and the Netherlands over the course of the year has ensured that all necessary structures are in place to make a significant impact in the Swedish fundraising market. War Child Sweden embraces the same vision and mission of War Child Holland and aims to become acknowledged as a creative and innovative NGO in Sweden.

Several major publicity initiatives were also launched over the course of 2016 - even while the organisation was pursuing a 'soft launch' strategy. 'Krigsbarn' - an exhibition featuring the work of journalist Magnus Falkehed and photographer Niclas Hammarström - was held in four different cities and received significant exposure in national newspaper Aftonbladet. The exhibition highlighted the experiences of conflict-affected children in five countries and reached tens of thousands of people.



*Sweden's Managing Director Emilia Molin ©Merijn Roubroeks*

War Child Sweden made a major contribution towards this year's IKEA Good Cause campaign - 'Let's Play for Change'. War Child Sweden also received valuable exposure on national TV and radio over the course of the year. Two million viewers saw Managing Director Emilia Molin talk about the organisation's work on the popular TV show Musikhjälpen. In addition, the interview was broadcast on national public service radio.

Relationships with institutional fundraising bodies including the Swedish Postcode Lottery and Queen Silvia's Care about the Children Foundation have also been established. Following registration, significant donations were also received from several private companies during the Christmas period.

War Child Sweden is well placed to grow significantly over the coming years.





# EXPERT ORGANISATION

Our Research and Development activities serve to significantly increase our impact.

**READ ON >**



# EXPERT ORGANISATION

Millions of children worldwide are forced to grow up in the midst of armed conflict - more children than War Child could ever reach alone. Yet our methods could support them. That is why we work to share our programme models. We have begun development of a holistic Care System backed by scientific research. This Care System has the ultimate aim of improving the psychosocial well-being of children and boosting their resilience - and strengthening the communities in which they live.

This chapter outlines the Research and Development activities War Child undertakes in support of this aim.



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## THEORY OF CHANGE

War Child has developed a Theory of Change (ToC) which guides the development and implementation of a comprehensive care system inside areas affected by conflict. The ToC serves as a guidance tool for the integrated design and evaluation of our programmes. It enables us to identify desired changes and examine how and why they are expected to occur within a particular context.

The ultimate desired impact we work towards through all our interventions is to ensure that children grow up in peace, free from fear and violence. This impact is achieved through establishing an inclusive integrated care and support system within the communities in which we operate. This results in increased individual and community resilience and improved psychosocial well-being amongst children affected by conflict.

The ToC also outlines a number of pre-conditions that contribute to these outcomes and their impact. The pre-conditions include a reduction of distress among children; that children are adequately protected; and that children have improved academic, social and emotional learning outcomes.

Our work is based on the assumption that we can contribute to this set of pre-conditions and outcomes through a set of integrated and interconnected interventions. These interventions are focused within the areas of child protection, education and psychosocial support. Indicators are attached to all outcomes against which progress can be measured - example indicators include 'improved wellbeing', 'perceived safety' and 'reduced distress'.

During the development process, the desired change and assumption will be tested. Where there is insufficient evidence available at present, items will be added to the overall research agenda.

The War Child ToC seeks to capture most of the service delivery activities that we carry out - thereby contributing to the pathways and the desired change. The ToC will form the basis for shaping the development, implementation and evaluation of each selected intervention and as such will be the guiding framework for the R&D agenda, as well as for sub-strategies within other areas of the organisation (e.g. programme, advocacy, country departments).

## CARE SYSTEM

The strategy and research agenda of War Child is geared towards creating a multi-level care system that will include evidence-based interventions, alongside methods to improve access, acceptability and quality. War Child believes that service delivery can best be done through a care system approach that addresses both individual needs and broader community needs, in which different interventions are interconnected and respond to the different needs of children. The development and delivery of a set of 'Core Interventions' will form the basis of this care system - and therefore our work - in conflict-affected countries in the years to 2020.

The Core Interventions comprise nine contextualized interventions which will form a wide-ranging care package in which protection, psychosocial support and education are combined. The majority of these interventions will support children, families, schools and communities at a basic service level and will be helpful to all children and community members afflicted by conflict by providing structure, quality and consistency. Three interventions are specifically being developed for children or families that show more severe symptoms of distress and who require more focused support.

Creative-expressive means, such as local songs and music, dance and movements, drama exercises and games are commonly part of the War Child interventions and activities that are being implemented or developed.

By 2020 four evidence-based Core Interventions will be fully operational. The remainder will be at one of the four stages of development and evaluation outlined in the diagram below. This structure is indicative of our move towards delivering evidence-based interventions.

These interventions are being researched and developed to ensure the highest standards of quality and will all be subject to rigorous scientific evaluations. The interventions are accompanied by trajectories that will strengthen the quality and implementation of the Care System. These trajectories will, for example, facilitate the safe identification of children and families in need of higher-level interventions and support recognition and training on the required competences of a service deliverer to work with all children. Furthermore, an important area of focus is to tackle exclusion within the communities.



<b>FAMILY NETWORK INTERVENTION:</b> focuses on supporting families with multiple problems 	<b>FOCUSED PSYCHOLOGICAL SUPPORT INTERVENTION:</b> for more severely affected children 	<b>CASE MANAGEMENT:</b> process of helping individual children and families 
<b>PARENT SUPPORT INTERVENTION:</b> psychosocial support to parents through a group intervention 	<b>I-DEAL:</b> psychosocial support to children and young people through a group intervention 	<b>COMMUNITY BASED CHILD PROTECTION:</b> working in communities on violence, abuse, neglect and exploitation of children 
<b>TEACHER PROFESSIONAL DEVELOPMENT:</b> capacity building of teachers 	<b>SAFE SCHOOLS:</b> spaces for learning and healing where children can reach their full potential while exercising their rights 	<b>CAN'T WAIT TO LEARN:</b> innovation approach to provide quality education for children affected by conflict 

The Care System will allow us to choose the approach that best suits the specific needs of children in a variety of contexts inside our countries of operation. This model allows for effective intervention inside conflict-affected communities. We work within the three following areas:

## PSYCHOSOCIAL SUPPORT

War Child works to support the healthy psychosocial development of children living with the consequences of armed conflict. With the right support, most children will be able to cope with the adversities they experience. Our psychosocial support programmes are designed to enable children and young people to build on their resilience and strengths. Participants in our life-skills interventions and structured recreational activity workshops strengthen their self-confidence and their trust in others.

For children who experience enduring distress, we are currently testing a scalable intervention model developed by a coalition comprising War Child, the World Health Organisation, the University of New South Wales and the Vrije University Amsterdam. We also work with parents and other key adults in children's lives to enhance their own wellbeing as well as their capacity to provide care and psychosocial support to children.



© Marco van Hal

## EDUCATION

Article 28 of the UN Convention on the Rights of the Child states that every child has the right to a formal education - yet more than 24 million children across the world have never seen a teacher as a result of armed conflict. Our education programmes are designed with the long-term goal of giving children the knowledge and skills to participate fully in their societies and so fulfil their potential.

We work in partnership with the Ministry of Education of each country in formal and non-formal education settings. Our programmes encompass activities such as catch-up education, basic numeracy and literacy, e-learning initiatives for children affected by conflict and enhanced support for education professionals.

## CHILD PROTECTION

War Child's child protection programming focuses on prevention and response to abuse, neglect, violence and exploitation of children whose lives are affected by conflict. We work with individual children, using a 'case management' approach to ensure they receive the appropriate and targeted support they need. We also work with entire communities enabling community-owned (in)formal structures to protect children and young people.



## PILOTING INTERVENTIONS

### Putting Theory into Practice: An Example

**Background:** Armed conflict poses multiple threats to children's mental health and psychosocial well-being. In addition to exposing children to experiences of violence and loss, organised violence often results in displacement, and disrupts all aspects of children's daily lives. Children must contend with parents who are highly stressed, with limited access to safe play and educational spaces, and with uncertainty regarding their future. They may also experience a loss of hope and agency, as powerful events outside their control shape their lives in powerful and distressing ways.

**Aim:** To evaluate a sixteen-session universal group psychosocial intervention, I-Deal, for conflict-affected Syrian refugee children in Lebanon, aged eleven to fifteen. Specifically, the study aims to assess the impact of the I-Deal intervention on children's psychosocial adaptation, compared with participation in structured recreational activity (SRA) groups. The intervention will also include a roughly equal number of Lebanese children living in the same region.

**Study design:** Pilot randomised controlled trial (RCT) in Syrian refugee communities in Lebanon.



© Michiel Bles

**Methods:** The RCT will be conducted in the municipality of Mhamra in northern Lebanon. Children will be randomly assigned to receive either the I-Deal intervention or a sixteen-session SRA group. A total of eight groups per comparable activity will be conducted, with 20 children per group, leading to a total of 120 per comparable activity and a total sample of 320. The groups will meet twice weekly for a total of eight weeks. We aim to recruit 320 participants or 160 participants per comparable activity, which will give us over 95 per cent power to detect an effect size (difference in mean/ Standard Deviation) of 0.3 between the two comparable activities. Self-report data will be gathered from all participants.

**Outcomes:** The primary outcome at completion of the intervention, and at the three-month follow-up, is improved psychosocial wellbeing. Secondary outcomes include increased prosocial behaviour, increase hope, increased social connectedness, increased self-esteem and a reduction in psychological distress.

**Implications:** This trial may establish the I-Deal life-skills intervention as an intervention for fostering positive psychosocial adaptation among children in high-stress contexts, including settings.

## SUSTAINABLE DEVELOPMENT GOALS

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

The SDGs apply equally to developed and developing nations. Governments are expected to work to establish national frameworks for the achievement of the seventeen goals. Although the SDG agenda is led at nation state level, all national and international stakeholders are expected to contribute towards its realisation - including NGOs.

War Child contributes towards the SDGs through the development of our global programme framework. The three specific SDGs that are of particular importance to us as an organisation are:

- Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 4: Ensure inclusive and quality education for all and promote lifelong learning
- Goal 16: Promote just, peaceful and inclusive societies

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

We support children regardless of their religion, ethnicity, social background or gender.

War Child also adheres to the Common Humanitarian Standards (CHS) - nine commitments that organisations involved in humanitarian responses can use to improve the quality and effectiveness of the assistance they provide. Adherence to the SDGs and CHS informs our work across the entire spectrum of emergency, recovery and development responses.

## RESEARCH AND DEVELOPMENT

Significant progress was made towards both our immediate and long-term goals for Research and Development over the course of 2016. An overarching R&D strategy has been finalised and approved which will guide our work in developing and implementing evidence-based interventions. A programmatic Theory of Change has also been finalised.

The research agenda has been established towards the long-term goal of developing our evidence-based care system of selected Core Interventions. Several elements of the research agenda were initiated over the course of 2016 - the development and evaluation of seven of the Core Interventions, as well as three enabling components. A conceptual framework for quality assurance for future implementation of the care package at scale has been designed. In addition, manuals for Child Friendly Spaces and Structured Recreational Activities were both finalised.

Our participation in networks and working groups was strengthened during 2016. War Child joined the STRENGTHS consortium in which fifteen leading academic and humanitarian organisations come together to develop and evaluate new approaches to tackle mental health issues experienced by refugees. We were also invited to join the Global Teacher in Crisis Context Working Group (TCCWG), and continue to work with the Inter-Agency Network for Education in Emergencies (INEE).





© Geert Snoeijer

We have made good progress over the course of the year - but some concerns and observations should be noted with regard to organisational structure. We have begun a long-term research agenda geared towards providing evidence on interventions. This is a rigorous and deliberative process and the rate of progress may be perceived as slow in some quarters. The context of undertaking rigorous research - and implementing the findings of that research - within the environment of an NGO also poses challenges.

It should be noted that there are gaps within both the research capacity and technical expertise needed to support R&D work inside our countries of operation. Increased capacity is also required to support potential new directions in our programming - these directions include the areas of youth engagement and urban violence.

## RISK MANAGEMENT

Working in conflict-affected areas to achieve War Child's objectives requires proper risk management. We strive to mitigate risks that pose a threat to reaching our objectives. War Child has a 'bottom-up' risk management approach, in which the periodic risk assessment of country management teams feeds into the organisation's consolidated risk matrix. In our country offices, risk workshops are also held that focus on awareness and culture. A zero-tolerance campaign for fraud was rolled out across the organisation.

In 2017 War Child will recruit a Risk Manager / Anti-Fraud Lead to coordinate risk management and signal risk events. We will continue to use a consolidated approach to risk management throughout the entire organisation.

In 2016 formal and informal processes were mapped using a bottom-up approach, involving key staff members from head office and our country offices. Subsequently, all types of risks and mitigation measures - either in place or under consideration - were assessed. War Child's primary risks are outlined below, categorised into strategic, operational, legal

and governmental, and financial risks. The main risks that fall under each category are described, as well as mitigation measures, to give an indication of management choices in controlling risks and uncertainties. The below is only an extract of our full risk matrix, in which a wider range of risks are identified, rated and (where possible) mitigated.

## **I. Strategic risks**

### *Partnerships*

Building partnerships in a fragile, rapidly changing context is challenging. Risks include a poorly defined shared vision and objectives, instances where partners do not meet performance targets and situations where collaborative advantages are unclear.

### *Strategic decisions*

The introduction of new directions could lead to a loss of focus and impact on the ability to complete existing plans. In order to avoid this, position papers will be drafted to ensure informed decisions are taken and realistic timeframes are in place for the development of quality interventions.

### *Reputational risks*

War Child's reputation is one of our most valuable assets - and although we can influence it, we cannot completely control public perception of our organisation. We can, and do, however, actively engage in and monitor public debate through an open and transparent communication policy. This is particularly important in the current climate where there is increasing scepticism directed towards charities.

## **II. Operational risks**

### *Compliance*

Having policies and procedures in place is not an absolute guarantee that compliance will occur. In a remote management or emergency intervention, following regular procedures is not always possible. This leads to exposure to risks that are normally mitigated. In response to this risk War Child develops compliance-proof operating procedures tailor-made for these circumstances.

Another challenging operational element with regard to compliance is the management of implementing partners. Risks that are required to be managed include poor quality implementation, discontinued operations and partner fraud. War Child focuses on clear policies and tools that fit operational processes, and places emphasis on supporting cultural change and monitoring adherence via an internal control framework.

### *IT support and data security risks*

Every organisation faces challenges with regard to IT, particularly when working in fragile contexts. In 2016 we continued to improve IT support and controls and the internal organisation was evaluated to get a clear picture of our exposure to IT security risks. The most important action point for 2017 will be the selection of a new ERP system, extra training for all staff, raising awareness with regard to IT threats and putting procedures in place to safely deal with information and the use of IT systems.

### *Availability of qualified staff*

Every NGO is aware that attracting and retaining quality team members is a challenge in insecure environments. Turnover in staff is costly, puts pressure on teams and can lead both to a loss of valuable knowledge and inefficient operations. A thorough recruitment process with a focus on field-driven and socially interactive humanitarian staff, investments in training and development of staff at all levels, and a focus on organisational learning are key mitigating elements.

## **III. Legal and Governmental**

### *Security*

War Child works in countries and regions affected by conflict. The resulting threats to the safety of our staff and beneficiaries require continuous monitoring of the security situation and adaptation to changes in the context, sometimes at short notice.

### *Child safeguarding*

War Child is 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. The child safeguarding policy of War Child is designed to protect children in contact with the organisation and its partners.



#### IV. Financial risks

##### *Financial and investment loss*

During its normal operations, War Child is exposed to currency, 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 financial developments. War Child does not trade in financial derivatives, nor does it invest any of its income in the stock market or other risk-bearing assets, believing that it is inappropriate to speculate with donations meant for its mission.

##### *Income*

There is a risk that War Child fails to reach its fundraising targets. This could have an impact on the continuation of our programmes. War Child mitigates this risk through diversification of donors. Generating income from multiple, diverse sources reduces the risk of a sudden decrease in income. It also ensures the availability of flexible income in addition to earmarked income. War Child seeks a prudent balance in earmarked and non-earmarked income. Earmarked funds have to be spent in a specific country or project, but the availability of sufficient non-earmarked funds allows War Child to adapt quickly to changes in circumstance.

In accordance with the Dutch Accounting Guidelines for fundraising institutions (RJ650), War Child holds a continuity reserve as a buffer. War Child's continuity reserve complies with VFI (the Netherlands Association of Fundraising Organisations) regulations and is reviewed and approved annually by the Supervisory Board. The reserve is adequate to ensure continuity for three years even if sources of income are lost or unforeseen expenses must be covered.

##### *Ineligible costs*

Ineligible costs may arise when the organisation fails to follow procedures required by large donors or when there are difficulties with implementation according to a grant agreement. This may lead to financial setbacks and can impair our relationship with the donor in question. To avoid the occurrence of such events, War Child focuses on training, support and communication of guidelines, and also performs internal and external audits.

##### *Fraud*

Despite War Child's policies and measures to ensure the best use of its funds, the threat of a breach in integrity standards can only be minimised and not ever fully abandoned. Fraud and corruption have financial implications as well as implications for War Child's reputation and credibility. War Child is continuously updating and strengthening its anti-fraud measures. War Child reduces the risk of such incidents by monitoring compliance to existing anti-fraud measures such as the segregation of duties, the authorisation matrix and procurement requirements through internal and external audits.

The organisation also conducts thorough background checks for all new employees before they are hired. And, last but not least, staff, implementing partners and suppliers are continuously made aware of our Integrity Policy and whistleblowing procedures. This is done through co-signing our Integrity Policy, organising discussions about relevant themes and sharing alerts about incidents of fraud to raise awareness.



A photograph of four children in a village setting. In the foreground, a young girl with a serious expression looks directly at the camera, wearing a denim dress with a colorful patch. To her left, a boy smiles broadly, wearing a green t-shirt. Behind them, another boy looks on, and to the right, a girl laughs joyfully, wearing a t-shirt with English text. The background is a blurred wall of vertical wooden poles.

# OUR PROGRAMMES

A complete overview of all our programmes in support  
of conflict-affected children.

[READ ON >](#)



# OUR PROGRAMMES

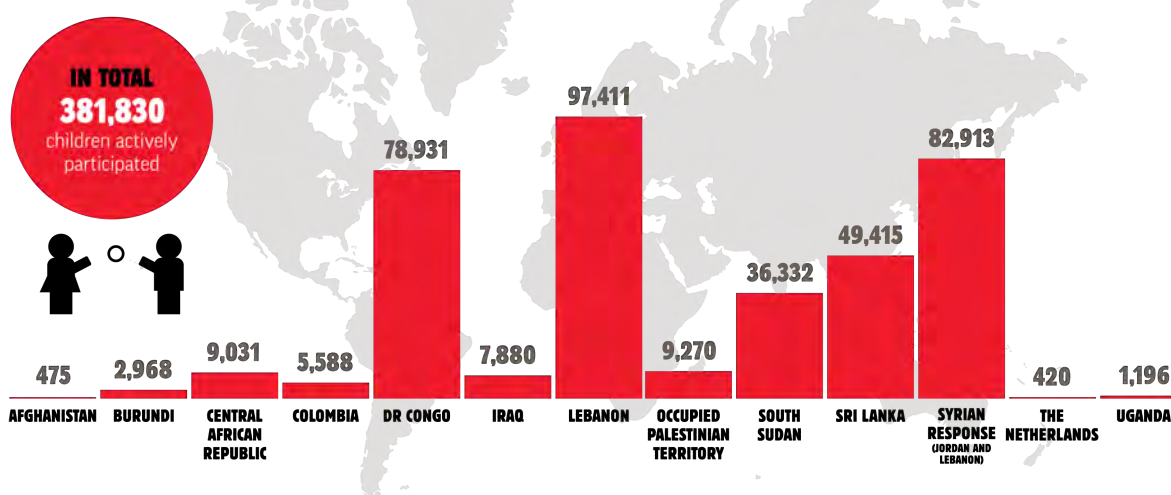
## CHILDREN IN CONFLICT

There are currently some 250 million children living in countries affected by violence and armed conflict, according to UN figures. The fundamental rights of children to be protected, educated and live their lives free from fear and trauma are repeatedly violated during times of war and violence.

War Child works to ensure that these children can realise their rights and build a better future - both for themselves and their communities. Our programmes combine elements including psychosocial support, education and protection and are designed to improve the well-being of conflict-affected children.

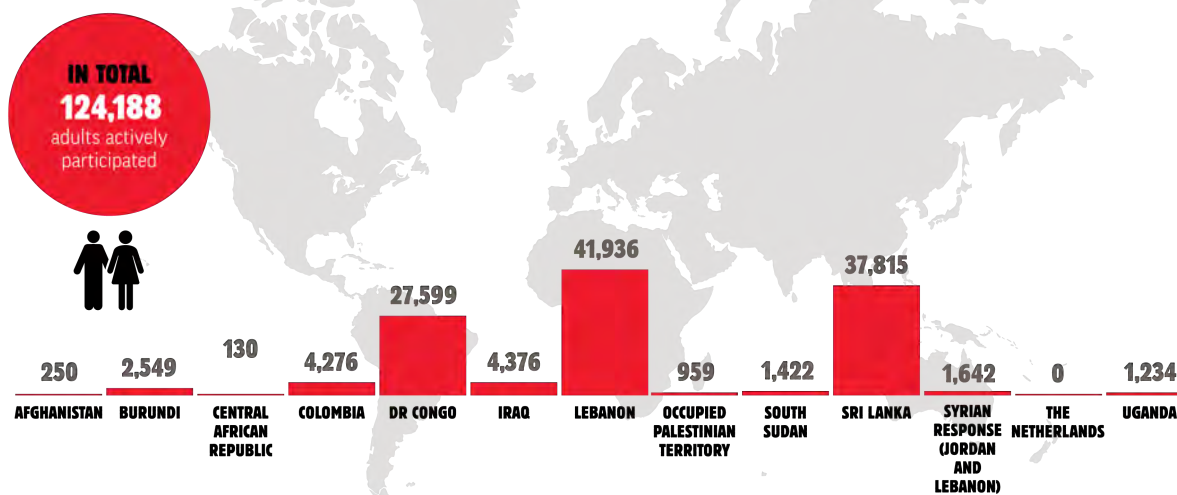
We are present in fourteen countries across the world. An in-depth description of our various regional programmes follows.

## NUMBER OF CHILDREN REACHED IN OUR PROGRAMMES PER COUNTRY



annualreportwarchild.org #in2016

## NUMBER OF ADULTS REACHED IN OUR PROGRAMMES PER COUNTRY



## MIDDLE EAST

War Child works with the most vulnerable children in conflict-affected communities in the Middle East. We offer children protection, psychosocial support and education in order to empower them to shape their own futures.

The Middle East has been a dangerous area for children to live in since the onset of the Syria crisis in May 2011. The civilian population in all governorates in Syria is directly affected by the violent conflict. In addition, Lebanon and Jordan have experienced an unprecedented influx of refugees.

The conflict in Iraq has caused a dramatic increase in the number of internally displaced people (IDPs) with the violence pushing people, particularly ethnic minorities, out of their communities and forcing them into other areas. The situation in the occupied Palestinian territory (oPt) has been unstable for decades and has a significant impact on the lives of children and young people there.





## SYRIAN RESPONSE

**Children affected by conflict: 5.8 million**

**Budget spent: €2.5 million**

**Number of partner organisations: Fourteen**

**Number of projects: Five**

**Total child participants: 82,913 (43,109 girls and 39,804 boys)**

**Total adult participants: 1,642 (921 women and 721 men)**

Syria has been beset by violence and instability for over five years. The country's brutal civil war has seen indiscriminate aerial bombing in civilian areas. Millions have been forced to leave their homes. Some five million Syrians are now living as refugees in foreign countries - nearly half of whom are children. These children are the ones who have suffered most from the effects of the war.

War Child has been actively responding to the Syrian crisis since early 2012. War Child is currently the leading agency providing emergency psychosocial support and education services to conflict-affected Syrian children in Lebanon. We are also present in Jordan and Iraq to support the urgent needs of displaced Syrian children through our education and child protection programmes.

### Highlights

Three new projects were approved over the course of the year with a total budget of €2.3 million. These projects enabled War Child to expand its Syria response programme both in terms of locations, partners and beneficiaries reached.

War Child increased its participation in and contribution towards joint humanitarian initiatives undertaken in partnership with other NGOs and UN agencies.

### Challenges

The continuous deterioration of the humanitarian situation around the neighbouring countries of Syria had a significant impact on the work of our partners.

### Projects

Please see our sections on Lebanon and Jordan

## LEBANON

**Children affected by conflict: 1,175,000**

**Budget spent: €4.2 million**

**Number of partner organisations: Five**

**Number of projects: Six**

**Total child participants: 97,411 (48,632 girls and 48,779 boys)**

**Total adult participants: 41,936 (34,964 women and 6,972 men)**

Lebanon has experienced a massive influx of refugees over the past five years. Lebanon is home to approximately 1.2 million registered refugees from Syria alone. In addition, some 280,000 registered Palestinian refugees continue to live in 'parallel states' inside Lebanon, either in unofficial gatherings or in one of the country's twelve refugee camps.

The total number of refugees inside Lebanon is estimated to be two million - representing a third of the country's population. This population influx has had an overwhelming effect on the country's social, economic and political stability. The country's infrastructure is deteriorating rapidly and refugees are frequently denied access to basic services.

Unemployment is rising sharply, particularly among youth, and there is enormous pressure on public services. Nearly half of all Syrian primary school age children in Lebanon are out-of-school, according to UNHCR estimates.

Children in Lebanon continue to grow up in a climate of distrust and fear. Tension between different religious and ethnic groups still results in outbreaks of violence. The ongoing conflict between Hezbollah paramilitary forces and Israel is also continuing. Several clashes between the two factions were recorded in the first months of 2016, with casualties on both sides.

### Highlights

War Child is currently co-leading the psychosocial working group in Lebanon and providing protection and psychosocial support services to Syrian children. Our services are also accessed by significant numbers of children and young people from the Palestinian refugee and Lebanese host communities - contributing to peace-building efforts.

The year saw the successful launch of the new project funded by IKEA Foundation - 'Time to Be a Child'. Detailed needs assessments were undertaken as part of this process and collaboration with War Child UK was successful.

Our Sports and Humanitarian Assistance (SaHA) project - a joint venture with UNICEF, Right To Play and Dutch football federation the KNVB - has also been well received by beneficiaries. The project's combination of sports, psychosocial support and life-skills activities have proven to be powerful.

### Challenges

The continuing transition to a community-based approach in our programme implementation encountered difficulties. Not all stakeholders are convinced of the value of the new approach and integrating individual projects has also proven difficult.



## Projects

War Child in Lebanon has been actively responding to the Syria emergency crisis since early 2012. War Child is currently co-leading the psychosocial working group and providing education, protection and psychosocial support services to Syrian children. Our services are also accessed by significant numbers of children and young people from both the Palestinian refugee and Lebanese host communities.

**Strengthening Protection and Resilience:** This project - part-funded by UNICEF - is designed to actively engage communities to enhance protection and build the resilience of both children and caregivers within refugee and host communities.

**Time to Be a Child:** This project - funded by IKEA Foundation - sees 'Safe Spaces' established where vulnerable children can play, learn and develop in peaceful environments. The project is designed to protect Syrian children and vulnerable children within host communities from abuse and exploitation and provide them with the necessary skills and resources to foster their resilience and healthy development.

**Child Friendly Space:** Recreational activities framed in a psychosocial support and child protection background in the UNHCR refugee registration centre.

**Improving the Safety and Living Conditions of Children in Home of Hope:** Project to enhance conditions of at-risk children in the Home of Hope orphanage through a holistic child protection approach incorporating psychosocial support, education and legal support.

**SaHA - Sports and Humanitarian Assistance:** This project sees War Child work together with partner organisation Right to Play and Dutch football federation the KNVB. The programme uses football as a platform to harness the participation of children and young people in designing their own activities and events to improve their communities.

**Youth on their Way to the Future:** This project works to improve peace-building efforts between refugees and host communities.

## IRAQ

**Children affected by conflict: 3.6 million**

**Budget spent: €607,538**

**Number of partner organisations: Two**

**Number of projects: One**

**Total child participants: 7,880\* (approximate - no gender breakdown)**

**Total adult participants: 4,376\* (approximate - no gender breakdown)**

Iraq has been beset by violence and instability since President Saddam Hussein was ousted in 2003. Today government forces and armed groups - most notably Islamic State - are engaged in fierce territorial battles. Car bombs, assassinations and armed assaults are part of daily life in Iraq. Children bear witness to sadistic acts of violence.

Humanitarian conditions in the country continued to deteriorate over the course of 2016. The final months of the year saw a wide-ranging offensive by Iraqi troops backed by US-led air strikes to regain control of Mosul from Islamic State fighters. The military operations forced thousands of civilians - the majority of whom were children - to flee their homes. UN figures claim 190,000 people were displaced as a result of the recent fighting in the city.

The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) estimates that more than 1.8 million people are internally displaced in Iraq - with more than 850,000 of them having been displaced since January 2014. Many of these people are forced to find shelter in public buildings such as mosques, churches and schools.

## Highlights

War Child has continued to make a significant response to the humanitarian joint response in Northern Iraq. We continue to operate the five Child Friendly Spaces that were established in 2015 - reaching over 2,800 children with recreational activities.



More than 750 children participated in our DEALS life-skills programme over the summer. The programming was extremely well-received and proved useful for the children, particularly those who were acutely affected by violence. Some children were forced to drop out before the end of the programme, however, as their families moved to new areas.

Psychosocial support for conflict-affected children is currently being provided by two psychologists operating within refugee camps. The severity of the trauma some children have experienced often results in many of them being unwilling or unable to leave their tents; in these cases, the psychologists visit children directly at their homes.

### Challenges

The humanitarian context inside Iraq continues to pose challenges to rolling out operations - particularly with regard to security and economic considerations.

### Projects

War Child Holland supports the work of War Child UK inside Northern Iraq to provide vulnerable children with protection and psychosocial support. We mainly focus on children from internally displaced families who've arrived in Northern Iraq as a result of the violence elsewhere in the country.

**Northern Iraq Joint Response 2:** Programme to support vulnerable internally displaced children with psychosocial support and child protection services inside Northern Iraq. This programme is operated by the Dutch Relief Alliance (DRA) - an alliance of fourteen NGOs funded by the Dutch Ministry of Foreign Affairs (MoFA). War Child participates in this programme as part of the DRA.



## JORDAN

**Our work in Jordan forms part of our overall response for Syrian refugee children. Please refer to the figures for our Syrian Response.**

Jordan has been a haven for refugees from across the Middle East throughout its history. Jordan is strategically located at the crossroads of Asia, Africa and Europe - and the small Kingdom has sometimes struggled to accommodate the large number of refugees entering the country. This internal pressure has had a negative effect on Jordan's social and economic stability.

The effects of the conflicts in both neighbouring Syria and Iraq have increased pressures inside Jordan in recent years. Jordan currently hosts some 630,000 Syrian refugees - the second-highest refugee rate per person in the world.

The majority of these refugees are children living in poverty who are exposed to a number of threats to their safety. These threats include child labour, forced marriage and violent punishment at home.

### Projects

War Child Holland works in partnership with War Child UK inside Jordan. We are responding to the urgent needs of Jordanian children, Syrian child refugees and other vulnerable children with our Time to Be a Child programme. In addition, work is underway to roll out our education technology initiative Can't Wait to Learn in Jordan.

**Time to Be a Child:** This project - funded by IKEA Foundation - sees 'Safe Spaces' established where vulnerable children can play, learn and develop in peaceful environments. The project is designed to protect Syrian children and vulnerable children within host communities from abuse and exploitation and provide them with the skills and resources to foster their resilience and healthy development.

## 'A NEW LIFE FOR NOUR IN LEBANON'

**Nour was forced to flee the ongoing conflict in Syria at the age of just seven. Now aged twelve, Nour lives in Lebanon where - together with her new best friend - she has begun to process her traumatic experiences. This is her story.**

Like thousands of other Syrian children, twelve-year-old Nour was forced to flee her home and seek sanctuary in neighbouring Lebanon. Nour has lived in Lebanon for the past five years. She still vividly remembers her life in Syria - including the bombings and the constant noise of overhead planes roaring over her family's home.

The violence in Syria escalated until Nour and her family couldn't take it anymore. They packed the few clothes and belongings that were to hand and left for Lebanon, where Nour's father worked as a salesman. The children stopped at their grandmother's house to say goodbye. "My grandma made me dessert," Nour recalls.

"I cried with every last spoonful I ate because my grandma had made it for me - and I had no idea when, or if, I would ever see her again."

Nour had to leave her grandmother and extended family behind. The experience was a painful one. "I refused to see my friends because I despise saying goodbye," Nour remembers. "Saying goodbye to my grandma and extended family was more than enough for one day."



© Hussein Baydoun

### **Building up strength**

Nour struggled with her feelings upon arriving in Lebanon. She was pleased to be reunited with her father but also sad at having left her loved ones behind. She also felt a long way from home.

Eventually Nour's life began to improve once she began attending her local Social Development Centre (SDC) as part of War Child's 'Strengthening Protection and Resilience' project. The SDC is where War Child provides psychosocial support for children like Nour who have experienced the horrors of armed conflict. War Child also holds awareness-raising sessions to help prevent abuse, violence and exploitation.

Nour met her new best friend Raghad at the centre. Her friendship with Raghad makes her feel like a normal twelve-year-old again - and the two of them are inseparable. "Raghad is more like a sister than a friend," according to Nour.

The SDC has also helped Nour process her painful memories. "At the SDC, they help us to become stronger, teach us to speak out and inform us about our rights," Nour explains. "We also get to play together, paint together and learn together. More importantly, we get to meet friends like Raghad at the SDC".



## AFRICA

War Child's programmes across Africa are designed to help children cope with the immediate and long-term consequences of conflict and build vital skills to help them forge a better future - both for themselves and their communities. We also work in coalition with other NGOs and support the work of War Child UK to maximise our impact across the continent.

Our African presence includes a focus on the Great Lakes region, which has seen outbreaks of violent conflict and widespread population movements in recent years. In both Burundi and the Democratic Republic of Congo (DRC) the humanitarian situation has deteriorated significantly as a result of internal armed conflicts. Many citizens of these countries have been forced to seek refuge in neighbouring Uganda.

We are also present in South Sudan where the prospect of widespread famine is acute - the result of years of internal conflict inside the world's youngest nation. In the Central African Republic (CAR) we work to meet immediate humanitarian needs as part of our participation in the Dutch Relief Alliance.

## SOUTH SUDAN

**Children affected by conflict: 1.4 million**

**Budget spent: €2.2 million**

**Number of partner organisations: Five**

**Number of projects: Three**

**Total child participants: 36,332 (16,661 girls and 19,671 boys)**

**Total adult participants: 1,422 (587 women and 835 men)**

The Republic of South Sudan gained independence from Sudan in 2011, following decades of civil war that saw millions of people displaced and more than two million people killed. The humanitarian situation inside this fragile state continued to deteriorate along political, economic and ethnic lines over the course of 2016.

In August 2016 the United Nations Office for the Coordination of Humanitarian Affairs (UN OCHA) described the humanitarian situation inside South Sudan as "catastrophic". Over half the country's population - some 6.1 million people - is in need of humanitarian assistance and an estimated 4.8 million people are severely food insecure. A quarter of a million children are facing severe acute malnutrition. The prospect of famine is acute.

Clashes between armed groups inside the country are continuing. Nearly a million people fled their homes after fighting broke out in July and a further 1.6 million people are internally displaced inside the country's borders. 300 deaths were recorded during the fighting and looting spread across the country.

Years of conflict have crippled the country's infrastructure and resulted in the breakdown of structures essential for protecting children from harm. The education system is particularly fragile. Over half of all South Sudanese children are out of school - this is the highest proportion of out-of-school children in the world.

### Highlights

War Child joined the South Sudan Joint Response (SSJR II) orchestrated by the Dutch Relief Alliance - an alliance of thirteen Dutch NGOs. The South Sudan country office actively participated in SSJR II coordination meetings both at state and national level.

Despite the operational difficulties arising from the severe humanitarian situation inside South Sudan, progress was made across all three of our programmes. Five Child Friendly Spaces (CFS) were established in Jonglei State and thirteen Safe Learning Spaces (CLS) were set up as part of the Building Sustainable Futures project. The escalation of conflict in July also meant that only a third of the targeted beneficiaries were actually able to attend the CLSs.

## Challenges

The outbreak of fighting in July 2016 - particularly in the Eastern Equatoria region - saw many of our programmes either suspended or curtailed. In Eastern Equatoria staff were evacuated and operations were temporarily suspended. Our country team was forced to temporarily leave the country as a result of the violence.

The departure of the Country Director in February and subsequent turnover of staff had an adverse impact on operations and programme activities. The arrival of a new Country Director was confirmed in March and other key vacancies were filled during the final three months of the year.

Delays in completing the construction of some Child Friendly Spaces (CFS) and the late procurement of CFS kits affected the quality of some interventions. These delays were mainly due to the suspension of activities during the July 2016 crisis.

## Programmes

War Child's programmes in South Sudan are designed to help children cope with the immediate and long-term consequences of conflict and build vital skills - both for themselves and their country's future.



© Jeppe Schilder

**South Sudan Joint Response 2:** Project to improve the protection and psychosocial well-being of vulnerable conflict-affected children in Bor County, Jonglei State. The strengthening of community-based child protection networks is a key element of the project.

**Girls Education in South Sudan:** Currently suspended due to security concerns. Implementing partner in Eastern Equatoria for a UK Department for International Development-funded programme to promote education for girls and young women in South Sudan.



**Building Sustainable Futures:** Ongoing. Integrated education, livelihoods, child protection and psychosocial support programme which equips children and young people with the relevant skills, knowledge and support to create their own opportunities for a positive future.

## BURUNDI

**Children affected by conflict: Five million**

**Budget spent: €1.01 million**

**Number of partner organisations: None**

**Number of projects: Two**

**Total child participants: 2,968 (1,529 girls and 1,439 boys)**

**Total adult participants: 2,549 (1,478 women and 1,071 men)**

The humanitarian situation inside Burundi has steadily deteriorated following President Nkurunziza's decision to stand for re-election in April 2015. Nkurunziza's decision to seek an unprecedented third term sparked an attempted military coup followed by a wave of violent unrest that claimed over 440 hundred lives. The threat of civil war remains, with as many as seven armed opposition groups believed to be operating inside the country.

More than 380,000 refugees have fled Burundi for neighbouring states since the violence began - half of whom are children. Many of these children have been forced to travel to safety without the protection of guardians or caregivers. Significant child rights violations have been recorded and the threat of famine is set to see refugee numbers increase still further in 2017.

Burundi has been beset by instability for many years and remains one of the poorest countries in the world. The number of people in acute need of humanitarian assistance has tripled over the course of 2016 to reach three million, according to UN figures.

### Highlights

Following a prolonged period of instability, the summer of 2016 saw several members of staff recruited for key country management positions. This ensured that we could maintain our presence inside the country and ensure that all programme implementation remained on schedule - despite severe internal challenges.

Two financial audits for projects brought to a conclusion in 2015 were successfully completed despite the absence of adequate budgetary oversight in general.

### Challenges

The prolonged absence of key management team positions in-country during the first half of the year created an increase in risk for the mission. This increase was manifest in limited local fundraising capacity, increased operational risk and weak support to staff working in the field. In addition, our Country Director was temporarily inactive during December due to a serious illness.

As a result of these organisational challenges we began 2016 with no approved Annual Plan or adequate budgetary oversight in place. A draft contingency plan was, however, drawn up in the second quarter of the year.

The government tightened restrictions on NGOs operating inside Burundi during 2016, imposing stringent conditions on both NGO activities and funding. This - coupled with an increase in tension internally - presented significant challenges and forced our Burundi office to maintain a low profile.

### Projects

After years of violent conflict, social structures inside Burundi have been badly damaged. War Child works to rebuild these social structures for the benefit of at-risk children, with a particular focus on community-based structures concerning child protection. We also provide life skills training for children and parents and work to improve children's understanding of child rights and their ability to exercise and claim those rights.



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**Strategic Partnership for Protracted Crisis in the Great Lakes Region:** Ongoing in 2016. Major partnership project with the Dutch Government to promote education, vocational training and psychosocial support in the Great Lakes Region of Africa. In 2016 in Burundi, we increased the knowledge and understanding of child protection among children and caregivers, supported peer-to-peer training in child protection, increased the child friendliness of schools, and reached hundreds of children in each of these countries with psychosocial support.

**Emergency Response Programme for Burundian Refugee Children:** Ongoing in 2016. To meet the needs of Burundian children forced to flee the country due to armed conflict, War Child has set up an emergency response project to provide direct support to children, young people and their caregivers living in a refugee camp near Uvira in neighbouring DRC. Child Friendly Spaces are a major component of the project.

## UGANDA

**Children affected by conflict: 600,000 refugees**

**Budget spent: €660,000**

**Number of partner organisations: One**

**Number of projects: One**

**Total child participants: 1,196 (519 girls and 677 boys)**

**Total adult participants: 1,234 (815 women and 419 men)**

Uganda has experienced a significant influx of refugees during 2016 - people escaping conflicts in neighbouring Burundi, DRC and South Sudan all entered the country over the course of the year. The number of refugees inside Uganda is close to one million at the time of writing - two-thirds (64 per cent) of whom are children and youth.



The security context inside Uganda has remained relatively calm. February's Presidential elections took place peacefully, although small outbreaks of violence were recorded in the run-up to the vote. In April, 17,000 people were displaced the west of the country as a result of a local tribal conflict. At the end of the year, clashes in the west between the army and protestors saw 100 killed and hundreds recorded missing.

Uganda has made progress towards relative peace and stability following years of war - which is why we will cease regular operations in Uganda by the end of 2016. We will, however, remain in the country to work with refugee populations.

### Highlights

The Building Skills, Changing Futures II programme was brought to a successful conclusion. The project saw 1,120 young people complete vocational training courses over the course of the year. In addition, 86 students completed a long-term programme. The training courses covered agriculture, business development and setting up Village Savings and Loans Associations (VSLA).

An assessment was undertaken in November to investigate the potential added value of a War Child response inside Uganda for refugees from South Sudan. A gap in the area of psychosocial support was identified and a concept paper developed to outline our potential response. A request to begin a refugee response programme has been submitted to the Office of the Prime Minister.

An exchange meeting on Technical Vocational Education and Training (TVET) was held in Lira in May with colleagues from Uganda, Burundi and DRC. The outcomes will inform War Child's efforts to further develop its youth programming.



© Folkert Rinkema

## Challenges

We experienced several delays in the implementation of activities over the course of the year. This was due in part to the challenges we faced establishing a rapid response to the needs of the country's refugee population. As a consequence, low beneficiary attendance was recorded, particularly during the first six months of the year.

## Projects

War Child will cease regular programming in Uganda by the end of 2016 because the conflict is now too distant for our methodologies to be effective - those directly affected by the conflict are now reaching adulthood. Measures have been put in place to ensure the effect of our interventions will continue - helping young people in Uganda contribute towards a stable future for their country.

The year also saw us launch a special online interactive timeline featuring the highlights of our work in Uganda over the past twelve years.

**Building Skills, Changing Futures:** Concluded December 2016. This project enhances the capacity of young people to access employment by providing non-formal education opportunities. As part of our Protracted Crisis project, several hundred young people received either a short term or a long term vocational training course.

# DR CONGO

**Children affected by conflict: 4.5 million**

**Budget spent: €3.1 million**

**Number of partner organisations: Two**

**Number of projects: Six**

**Total child participants: 78,931 (36,992 girls and 41,939 boys)**

**Total adult participants: 27,599 (12,830 women and 14,769 men)**

Peace treaties to try and halt the armed conflict in the Democratic Republic of Congo (DRC) have been signed but the country's fragile truce came under severe threat over the course of 2016. The decision by President Joseph Kabila to propose changes to the constitution led to widespread protests - many of which ended in violence.

A compromise was reached that saw presidential and parliamentary elections scheduled for the end of 2017. However, the country's electoral commission has delayed elections until at least April 2018, citing concerns over voter registration. In the meantime President Kabila will remain in power - in breach of the constitution. A fragile peace is holding but this political stalemate could descend into armed conflict at any time.

DRC has also received a massive influx of refugees over the past twelve months - putting further pressure on the country's strained resources. DRC hosts 454,000 registered refugees from eight different countries, according to UNHCR data. The majority are from neighbouring Burundi and have settled in Kalehe territory.

## Highlights

Our projects in the Great Lakes region saw further development in new areas of Kalehe territory, where War Child will work in partnership with ZOA and the Netherlands Ministry of Foreign Affairs (MoFA). The mandate of War Child in DRC has been further strengthened and plans are in place for continued collaboration. War Child's community-based child protection project has been successfully implemented in Walungo and Fizi territory and education and protection services have been offered to refugees of Burundi in Lusenda camp.





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The empowerment of national senior staff and strong relations between the DRC mission and head office both contributed towards improved performance - particularly in the area of programme implementation.

War Child in DRC exceeded targets set out in our Annual Plan for the number of beneficiaries reached. We reached 78,931 children and young people over the course of the year - above our target of 52,250. We also exceeded our 2016 fundraising income target, with income of €877,365 compared to our income target of €504,552.

### Challenges

Several significant security incidents were recorded over the course of 2016. These included incidents at Lusenda refugee camp which led to the temporary suspension of our activities in the camp. In total there were 21 security incidents reported.

Recruitment for key field positions was been challenging across the year as a whole. While the programme development position has been filled in October, we have not yet (at the time of writing) been able to recruit an operational manager.

### Projects

War Child works with a wide range of the conflict-affected population in South Kivu, among others internally displaced children, returnees, Burundi refugee children and caregivers. We have an integrated approach to the education, child protection and psychosocial support needs of these children, their care givers and community leaders and service providers.

**Strategic Partnership for Protracted Crisis in the Great Lakes Region:** In partnership with ZOA and the Dutch government, War Child worked with Congolese children and young people to promote education, vocational training, child protection, psychosocial support and child participation. We increased the knowledge and understanding of child protection among children and caregivers, supported peer-to-peer training in child protection, increased the child

friendliness of schools, and reached hundreds of children in each of these countries with psychosocial support. Some 100 young people received a vocational training certificate. This three-year project ended in December 2016.

**Care and Education for Refugee Children and Children Affected by Conflicts:** Project to provide education, psychosocial support and protection to children in Lusenda refugee camp as well as displaced children in Kalehe territory.

**Good and Safe Schools:** Project to provide catch-up education through our network of Safe Spaces across DRC.

**Protection of Children Affected by Armed Conflict in South Kivu:** Community based child protection project to provide conflict-affected children with protection from exploitation, neglect and abuse within Walungu territory.

**What About the Children:** Project in collaboration with Panzi Hospital to strengthen their capacity to work with children in a protective and child-sensitive manner. Concluded in December 2016.

## CENTRAL AFRICAN REPUBLIC

**Children affected by conflict: 1.1 million**

**Budget spent: €310,705**

**Number of partner organisations: Two (within broader Dutch Relief Alliance)**

**Number of projects: One**

**Total child participants: 9,031 (4,711 girls and 4,320 boys)**

**Total adult participants: 130 (48 women and 82 men)**

The Central African Republic (CAR) was plunged into turmoil at the end of 2012 following a coup by the Seleka rebel group. Violence between Seleka forces and armed groups loyal to ousted President Bozize saw hundreds of civilians killed. The ensuing political instability resulted in an almost complete breakdown of law and order until a new constitution was approved in a 2015 referendum.

Political moves to bring an end to the conflict in CAR culminated in the election of President Faustin-Archange Touadéra in February 2016. Yet the election failed to bring stability - in September armed conflicts between rebel factions broke out in the northern and central regions of the country.

These conflicts caused new movements of populations both inside the country and into neighbouring countries. A further 100,000 people became internally displaced over the course of the year, pushing the total number of IDPs inside CAR towards half a million. Humanitarian needs are increasing rapidly - these refugees have little or no access to education and basic health services.

### Highlights

Community protection mechanisms were strengthened via the training of relevant members of the community and the organisation of awareness-raising campaigns on gender issues, human rights, child rights and child protection. At least 15,000 people were reached through the awareness-raising campaigns.

War Child UK conducted training sessions for our DEALS life-skills methodology in Bossangoa with the support of two trainers from War Child Holland in Lebanon. In total 37 people were trained, including 22 staff members from local partner organisations AFRBD and Emergencia. Orientation workshops were also held with our partner organisations to increase their understanding of the overall programme objectives.

### Challenges

The humanitarian context inside CAR continues to pose challenges to rolling out operations - particularly with regard to security considerations. While humanitarian access has improved slightly in certain areas since the conflict began, there are still major constraints in our ability to deliver emergency assistance to the affected population. Certain activities were temporarily suspended during December in response to outbreaks of violence.



## Projects

**Central African Republic Joint Humanitarian Response 2:** War Child, as member of the Dutch Relief Alliance, is one of nine Dutch NGOs participating in the Central African Republic Joint Humanitarian Response 2. The initiative sees the organisations work together to deliver effective emergency humanitarian assistance inside CAR. War Child is the participating agency for child protection in the joint response.



© Eddy van Wessel

Our project works to establish spaces for child protection - centred on the Markounda and Batangafo regions - offering psychosocial support, education and access to referral systems for young girls affected by gender-based violence.

## REACHING OUT TO REFUGEE YOUTH IN DRC

**The Democratic Republic of Congo (DRC) has received thousands of refugees from Burundi over the past two years. War Child works to support the needs of young people in DRC wherever we can - including within refugee camps. Find out how our 'Youth Space' in one camp is improving the skills and resilience of young people**

War Child works across DRC to address the needs of children from both refugee populations and host communities. Our projects in the Lusenda refugee camp focus on youth who have escaped the violence in neighbouring Burundi.

The needs of young refugees are often neglected. War Child has worked to address this by setting up a 'Youth Space' inside the camp. Activities are provided to enable children and young people to improve their psychosocial well-being. The schedule includes creative and recreational activities, events to foster dialogue and our life-skills course the 'DEALS'.

Sessions are run by young adults who work as 'framers' and serve as role models to their peers. One of these framers is Rose (28). She tells us about life in the Youth Space.

### Life inside the Youth Space

Rose believes the Youth Space serves a valuable purpose. "Before, the young people spent their time wandering around and doing nothing," she explains. "Thanks to this space, they now have an opportunity to exchange ideas, create new things and improve their mentality - in short, to learn to know one another and to live better in society."

Some 140 young people attend events in the Youth Space. The number includes between 30 and 40 girls. Rose explains why so few females take part: "According to Burundian culture, adolescent girls are obliged to stay at home to take care of the household chores. Therefore, girls come only for specific activities such as theatre and traditional dance."

Rose's long-term wish for the young people in her sessions to see them develop skills to meet the challenges of life. "I want this centre to remain operational, with more materials and follow-up visits," she says.

"For any young person who frequents the centre, in three to five years I see them able to live in any place and with any type of person. They will deal with their situations. They will be responsible and able to create opportunities that will allow them to become someone important."

## LATIN AMERICA

War Child is present in Latin America in support of children affected by conflicts. Our programme is centred on Colombia, where we work to put mechanisms in place to protect children and strengthen their capacity to cope with the violence they experience.

## COLOMBIA

**Children affected by conflict: 2.5 million**

**Budget spent: €1.9 million**

**Number of partner organisations: Three**

**Number of projects: Three**

**Total child participants: 5,588 (2,958 girls and 2,630 boys)**

**Total adult participants: 4,276 (3,454 women and 822 men)**

Colombia has endured decades of internal conflict between armed groups including the national army, left wing guerrillas, extreme right paramilitary groups and criminal gangs. Peace Dialogues took place from 2012 to 2016 between the state and the largest guerrilla group - the Revolutionary Armed Forces of Colombia (FARC) - to help boost peace building efforts.

These efforts culminated in the formation of a peace accord between the government and the FARC in August 2016. This first agreement was put to a plebiscite in October 2016 where it was rejected by a slight majority, due to objections over the amnesty terms offered to the FARC, amongst other issues. A revised peace accord was signed in November 2016 and formally ratified by the country's congress in the same month.

Formal peace talks between the state and the ELN - the country's second-largest armed rebel group - have also been scheduled at the time of writing. Colombian society has fragmented along political lines since the plebiscite was held in October and significant threats to the safety of children and youth in the country remain.

### Highlights

Several programmes were successfully brought to a close over the course of 2016. Conn@ct.Now was concluded with all donor reporting requirements met and the NNAPAZ project received a three-month extension in which all activities were fulfilled. In addition, four new projects were approved to begin in 2017.

The number of beneficiaries we reached through our work increased significantly compared to 2015. The launch of the Psychosocial Support for Displaced Children in Chocó project, which utilises a 'Fast Flex' programme model to ensure the rapid delivery of interventions, contributed to this success.

War Child is now recognized and respected by the Colombian government as an official partner and contributor to the peace process.

### Challenges

The requirement for quality measurement of our projects continues to be a challenge.

No co-financing was obtained for the PEVCYC project - although improvements were made in the areas of quality and direct implementation.

### Projects

War Child works inside Colombia to improve children's psychosocial well-being and strengthen their capacity to cope with the violence they experience. Together with parents and caregivers, teachers and children taking part in our programmes, we work to boost protection mechanisms, provide education and prevent the recruitment and use of children by armed groups.





**Protection and Education of Vulnerable Children and Youth in Colombia (PEVCYC):** Joint project with North American organisation Mercy Corps. Initiative to ensure that 'at risk' children and young people enjoy improved protection and education opportunities.

**Girls, Boys and Adolescents in Cauca and Putumayo Build Peace in Colombia (NNAPAZ):** This project seeks to increase the participation of voiceless young people of indigenous and Afro-Colombian descent in local decision-making processes. The programme was evaluated in Q1 2016 and concluded in May 2016.

**Psychosocial Support for Displaced Children in Chocó:** Initiative to provide emergency psychosocial support to children from displaced communities from rural areas in the Chocó department.

## 'JORGE MOVES BEYOND HIS BAD MEMORIES'

**Colombia has endured five decades of armed confrontation between the national army, guerrillas, paramilitary groups, drug mafias and other armed combatants. Many children and young people still experience the effects of violence and intimidation every day. Jorge is just one of those children. This is his story**

Jorge feels that he is lucky to be alive following his recruitment into an armed group in Colombia when he was just thirteen. "If the group that I was with hadn't held me back, I would probably have been killed," he remembers.

"They killed my best friend in front of me. It is what has stayed with me the most from that time. And I'll never be able to forget it."

Jorge's life in the armed group consisted of following orders and fighting in combat. "I fought in combat a lot," he says. "The first time that I had to fight in combat, I cried. I still remember it very well; it was near Venezuela. I cried a lot that day. I couldn't do it. I shot four times and nothing more. I came out of it traumatised. But later, it began to feel normal, like it was a normal part of your life. As if it was something you liked."

### Processing emotions

When Jorge finally left the armed group, he was aggressive and fought often. He joined a programme of War Child's partner organisation Taller de Vida. There, Jorge learned to express and cope with his emotions and relate to others in a positive and constructive way. Along with other children with similar experiences, he played a role in a theatre performance they created about their own lives and experiences.

Jorge underwent many changes during his time in Taller de Vida's programme. "I have personally made a lot of changes," he says.

"One of them is that I have learned to live together with others, to be together without fighting. It is a big, very big opportunity that I have been given. I am very grateful and will continue to be for the rest of my life."

## ASIA

War Child is present in two countries in Asia - Sri Lanka and Afghanistan - where we work primarily to provide education and psychosocial support to children affected by the consequences of armed conflict. We work in both conflict and post-conflict contexts to provide protection and promote peace building efforts.

## SRI LANKA

**Children affected by conflict: 900,000**

**Budget spent: €212,908**

**Number of partner organisations: Three**

**Number of projects: Three**

**Total child participants: 49,415 (25,413 girls and 24,002 boys)**

**Total adult participants: 37,815 (19,442 women and 18,373 men)**

Sri Lanka is undergoing a process of recovery and transition following the bitter 26-year civil war between government forces and armed insurgents that came to an end in 2009. Significant steps towards constitutional reform were taken during 2016. A new constitution is being drafted to help promote national reconciliation efforts and is scheduled to be put to a referendum in 2017.

The new Sri Lankan administration acted to address other longstanding demands for accountability over the course of 2016. A Right to Information bill was passed into law in June and a public consultation on implementing UN recommendations on transition justice was also held.

Government pledges to abolish the draconian Prevention of Terrorism Act were not met. Instead the preventive detention law was invoked during a nationwide series of arrests in April and May. The year also saw Sri Lankan security forces accused of human rights abuses against suspected members or supporters of the Liberation Tigers of Tamil Eelam (LTTE).

The legacy of the conflict continues to have a significant effect on children growing up in Sri Lanka. Child protection structures are underdeveloped and many children are engaged in child labour or serve as heads of households.

### Highlights

War Child was officially registered as an acknowledged NGO by the Sri Lankan government during 2016. This will allow the Sri Lanka office to undertake fundraising activities inside the country and step up advocacy efforts at the highest levels of government. The decision will also allow us to strengthen our network of community-based child protection systems.

The EU-funded child rights initiative in Batticaloa district was brought to a successful conclusion in June. All targets for beneficiaries were met and the project was delivered under budget. This project was also externally evaluated.

Beneficiary targets were met for all three War Child programmes inside Sri Lanka - although variances were noted across different projects and locations.

### Challenges

The Country Director of Sri Lanka was assigned to take up temporary responsibility for War Child's programmes in South Sudan for a nine-month period - leading to challenges in day-to-day management of the Sri Lanka office.

Certain events, programmes and community gatherings were delayed or postponed due to security concerns following anti-government protests in the east and north of Sri Lanka.

### Projects

War Child supports local organisations in Sri Lanka to provide education and psychosocial support for children affected by the armed conflict. War Child also works with local government and community-based authorities to develop and strengthen community systems that serve to support children. These partnerships help to protect children and young people from abuse, violence and sexual exploitation.



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**Safe Learning Spaces - Community Mobilisation for Protecting Children:** Delivering education and psychosocial support to out-of-school children in remote areas in the Northern Province of Sri Lanka.

**Action for Children and Youth in Batticaloa District:** Working with local government, schools and communities to provide psychosocial support in the east of Sri Lanka.

**Empowering Children and Youth as Child Rights Advocates in Batticaloa District:** Initiative to increase the participation of voiceless young people in local decision-making processes. Concluded in June 2016.



# AFGHANISTAN

**Children affected by conflict: 16 million**

**Budget spent: €191,745**

**Number of partner organisations: One**

**Number of projects: One**

**Total child participants: 475 (207 girls and 261 boys)**

**Total adult participants: 250 (200 women and 50 men)**

The conflict and security situation in Afghanistan continued to deteriorate throughout 2016. During the final three months of the year it was calculated that more than a million people were “on the move” internally and across borders. This figure includes 400,000 undocumented returnees, 220,000 documented returnees (predominantly from Pakistan and Iran) and 400,000 internally displaced persons. This surge has been fuelled in part by the increase in human rights violations in neighbouring Pakistan.

This movement of people is a further source of instability in a country where some 3.5 million people are currently in need of emergency humanitarian assistance. More than half (57 per cent) of the affected population are children and almost a quarter (23 per cent) are women.

## Highlights

We provided support to War Child UK for their education programmes with children in Kabul, with a particular focus on street-working children. Despite a challenging beginning resulting from difficulties in signing a MoU with the national educational ministry, the Community Based Early Childhood Care and Development and Accelerated Learning for Street-Working Children (ECCD) project was successfully implemented.

Relationships with key stakeholders - including the national Ministry of Education - were established to encourage the continuation of the project once **War Child UK** exits the country.

## Challenges

Child labour remains widespread inside Afghanistan and country-wide instability provides a profound challenge to delivering humanitarian assistance. There is widespread concern that Afghanistan could face a further humanitarian crisis in 2017.

## Projects

### **Community Based Early Childhood Care and Development and Accelerated Learning for Street-Working Children**

**(ECCD):** The project addressed the protection, education and psychosocial needs of 300 vulnerable children aged between four and six. In addition, 175 street-working children were also reached to help facilitate their re-integration into the formal school system. The project saw 300 children regularly attend classes from Saturday to Thursday for three hours each day. An external evaluation found that 71 per cent of these children displayed improved cognitive skills.

150 mothers of ECCD children and 100 other parents were trained on parenting skills and child protection issues through our Parents DEAL intervention. In addition, 10 volunteer teachers were trained and nine community-based child protection committees established over the course of the programme.

## EUROPE

More than one million migrants arrived in Europe during 2015 - marking the beginning of the so-called 'refugee crisis'. Governments across the continent struggled to cope with the numbers of people arriving from conflict-affected countries including Syria, Afghanistan and Iraq.

Hundreds of thousands of people continued to make the journey to Europe during 2016 - not all of whom survived. A significant proportion of these refugees were children forced to undertake arduous journeys in search of safety. These children experience significant stress and instability and require specialised support.

War Child has begun to respond to the needs of these children.

## THE NETHERLANDS

**Children affected by conflict: 8,000 refugee children**

**Budget spent: €191,745**

**Number of partner organisations: Two (as part of consortium)**

**Number of projects: One**

**Total child participants: Approx. 420**

**Total adult participants: None**

By the end of 2016 some 8,000 children were being housed in asylum centres across the Netherlands. The majority of these children came from Syria, Afghanistan and Iraq - and undertook long, arduous journeys in search of sanctuary.

War Child, UNICEF Netherlands and Save the Children formed a coalition to launch TeamUp - a project to support refugee children living in asylum reception centres across the Netherlands. TeamUp provides these children with structured recreational activities to help them build their resilience. This helps to promote their healthy development and enhance their psychosocial well-being.

### Highlights

The three organisations chose to launch TeamUp with a small-scale programme in five locations across the Netherlands - Ter Apel, Overberg, Sweikhuizen, Amsterdam and Tilburg. This development phase of the programme allowed us to monitor whether our approach would work in different contexts.

This process was undertaken in close cooperation with the Central Agency for the Reception of Asylum Seekers (COA). Summer 2016 saw the COA evaluate our activities in Sweikhuizen, Overberg, Ter Apel and Tilburg. This evaluation was broadly positive and noted that our structural approach provided added value to existing activities in reception centres.

The last three months of 2016 saw the TeamUp expand to eight locations in total. Three new locations were added in Heerhugowaard, Alkmaar and Maastricht (activities to begin in 2017). Some 500 children are now taking part in our activities. These children have shown signs of positive change and are very enthusiastic.

### Challenges

Where concerns were cited by the COA as part of their evaluations, these were in line with recommendations from the coalition's own internal evaluations. Potential areas for improvement included developing specific activities for teenagers; expanding communications efforts to recruit new volunteers; and monitoring attendance rates for specific activities.

We were also able to draw valuable lessons learned from the first year of TeamUp activities. The four main findings were: We need to find and exploit new channels to recruit volunteers - particularly in remote locations where potential volunteers are scarce. We did not anticipate that many of the participants would be teenagers. We have already begun to develop activities more appropriate for an older age group.

TeamUp trainers also need to provide volunteer coordinators with practical guidance to ensure activities are successfully carried out. This will also help us to maintain enthusiasm and ensure we retain our valued volunteers. Finally, more needs to be done to accurately measure the numbers of children who take part in each activity.

## 'EVI WANTS TO PLAY WITH HER NEW FRIENDS'

**TeamUp launched in early 2016 to support refugee children inside the Netherlands. Evi is just one of the 500 refugee children who take part in TeamUp activities designed to provide structure and stability. This is her story**

By the end of 2016 some 8,000 refugee children were living in asylum centres across the Netherlands. The majority of them arrived from Syria, Afghanistan and Iraq - and were forced to survive long, arduous journeys in search of sanctuary. Evi is just one of those children.

Evi's story is powerful but by no means unusual. At the age of eleven Evi undertook a dangerous voyage across water from Syria to Europe. She was forced to travel in a small boat with 50 other people - and she remembers the experience vividly.

"We sat huddled together on the ground," Evi recalls. "Then we had five days of walking without eating and sleeping."

Together with her father and eight-year-old sister Evi arrived safely in the Netherlands but she had to leave her mother and two other sisters behind in Syria because they could not come. "I do not want to talk about it; I miss Mom," she says.



© Merijn Roubroeks



### A new life

Evi now lives in an asylum reception centre in Tilburg. There she participates in weekly activities organised by TeamUp - an initiative from War Child, UNICEF Netherlands and Save the Children in support of refugee children in the Netherlands.

Full of excitement Evi asks: "Today is Tuesday, right? Then it's playtime!" The various activities - including sports, games and dance - ensure that the children interact more fully with one another.

Evi is proud that she has "at least twenty" girlfriends in the centre. TeamUp provides Evi with stability and a means to process her distressing experiences.

"The best part is that we ourselves are asked what we like to play... That makes me happy."

## CAN'T WAIT TO LEARN

More than 30 million children are currently excluded from education as a result of armed conflict. War Child's e-learning initiative Can't Wait to Learn (CWTl) provides these children with flexible and effective learning opportunities. The programme enables children to receive quality education - even in areas where there are little or no schools or teachers.



Can't Wait to Learn sees children learn by playing custom-made educational games on tablet computers, either within their communities or in formal and non-formal learning environments. The programme supports and supplements traditional education in conflict-affected areas in the short-term without displacing it in the long-term.

The games that make up the CWTL delivery model include instruction and practice modules as well as a learning management system. The game content is embedded in a virtual world that reflects children's everyday lives. This helps ensure that the content is engaging and encouraging and that even children who cannot read and write can learn.

The coalition behind CWTL comprises several international and local organisations - including research institute TNO, Ahfad University for Women, UNICEF and the national ministries of education in Sudan, Jordan and Lebanon. The coalition will expand in future to incorporate new research, design, procurement and implementation partners. This will support the rapid scale-up of the programme.

### Expansion and development

During 2016, following successful research studies of the programme's mathematics component between 2012 and 2015, CWTL made the first steps towards significant future expansion.



© Roy Beusker

January saw CWTL selected as a 'Dream Fund' project by the Dutch National Postcode Lottery with €5.9 million secured in additional funding. The programme also received significant financial support from IKEA Foundation (€4.3 million) over the course of the year. These sources of funding will allow us to plan ambitious, large-scale interventions over the next five years, and potentially reach hundreds of thousands of children with this innovative programme.

The year also saw CWTL chosen by UNICEF, UNHCR and the UK Department for International Development (DFID) as one of the first three projects that will form the global Humanitarian Education Accelerator (HEA). Projects in the HEA will receive tailored mentoring and support for two years.

These various developments will ensure CWTL can expand and scale up into three countries by the end of 2017. This will allow the consortium behind CWTL to adapt the programme for Syrian refugee children in the Middle East, scale up the project in Sudan and add language education and psychosocial well-being components.

In Sudan, Jordan and Lebanon, preparatory work to roll out the CWTL programme in Arabic with mathematics and literacy elements was undertaken over the course of 2016. More than 500 local children, parents, teachers and designers gave input on how the content and visuals for the educational games could best be adapted for the needs of local children, with support from our new project partner Butterfly Works.

CWTL entered into key partnerships with local organisations, national ministries of education and other international aid organisations over the course of the year. This will allow the teaching method to be developed, tested and deployed in the years to 2020, in line with the coalition's ambitions.

The preparatory work undertaken in 2016 will see the adapted educational games for both mathematics and literacy ready to be used by children in Jordan, Lebanon and Sudan in 2017. The coming years promise to be very exciting ones for CWTL.

## ADVOCACY

The 2016 restructure saw responsibility for Advocacy come within our new International Programme Support (IPS) department. This decision was made to ensure that advocacy activities were incorporated more fully into the individual strategies and operations of our teams inside our programme countries. This move will also facilitate the future development of a global strategy for all War Child advocacy activities.

Over the course of the year many things were achieved but there remains much work to do to ensure that advocacy is at the heart of our country programmes. This was - in part - due to delays in developing strategic plans for each country operation. We also need to develop a standard intervention for in-country advocacy and decide on areas of focus in terms of global advocacy activities.

Even so much was achieved over the course of 2016. Highlights included the establishment of the Working Group for Children and Armed Conflict to advocate on behalf of conflict-affected children internationally - and in December War Child convened a meeting of this Working Group at the UN Human Rights Council. The year also saw us hold an event in partnership with UNICEF and Save the Children with Dutch MPs to mark the fifth year of the conflict in Syria.

We joined three conferences with an advocacy focus over the course of 2016. At the World Humanitarian Summit in Istanbul we highlighted our Can't Wait To Learn project to advocate for the Education in Emergencies (EiE) sector. We were present at the London Conference on Syria to again advocate for the Education in Emergencies (EiE) sector. Finally, we joined the Global Alliance for Child Protection in Humanitarian Action to campaign for an end to violence against children.

In the Netherlands we published an opinion article in support of the 'No Lost Generations' initiative, which generated recommendations to the Dutch Government and follow-up advocacy activities. We endorsed letters in September to Minister for Foreign Trade and Development Lilianne Ploumen on education, mental health and psychosocial support for refugee children. In August we endorsed a letter to Prime Minister of the Netherlands Mark Rutte on the protection of refugees.

## CAPACITY TRAINING AND SUPPORT

A new International Programme Support (IPS) department was set up in 2016, with responsibility for goals including capacity strengthening, establishing horizontal collaboration in technical networks between head office and our countries of operation and filling gaps in capacity within our programmes.

The overarching goal of the new department is to transfer knowledge and capacity away from our head office towards our countries of operation - in effect becoming a global team. Over the course of 2016 members of the department spent a significant amount of time working on capacity strengthening with teams in our programme countries.



At the same time staff at head office took up interim assignments and picked up programme management roles in instances of reduced capacity and unexpected gaps. Moving forward, however, our strategy has been designed to ensure that our in-country programme teams are less dependent on head office than before.

There were many highlights over the course of the year with our work in the areas of education, child protection, psychosocial support and advocacy. Within education, we initiated a cross-country network to develop policies and exchange best practices on Technical Vocational Education and Training (TVET).

Within the area of child protection we provided training on Child Friendly Spaces for our Burundi team in Bukavu; and provided child safeguarding support to TeamUp, including development of the training content. Within the area of Psychosocial Support we trained facilitators on our DEALS life-skills course in the occupied Palestinian territory (oPt) and Iraq; and further developed our programming within the area of structured recreational activities.

## SECURITY MANAGEMENT

War Child works in countries and regions affected by conflict or categorised by general instability. The resulting threats to the safety of our staff and beneficiaries require continuous monitoring of the security situation and adaptation to changes in the context, sometimes at short notice.

Our ongoing efforts to develop and implement robust security procedures were boosted in 2016 with the recruitment of a full-time security advisor. This enabled us to put in place improved registration, briefing and training procedures for all people travelling to programme countries on behalf of War Child.

Security trainings at head office are now mandatory for everyone travelling to programme countries. This contributes to our move towards becoming an expert network organisation and also serves to strengthen ties between head office and our countries of operation.

Within our programme countries 2016 also saw the development of an enhanced security plan for our Burundi office in response to continued instability inside the country. This process saw enhanced training for in-country staff and security assessments undertaken at key field locations.

A review of the security plan for our operations in the Democratic Republic of Congo (DRC) was undertaken which saw staff in the field receive enhanced training. We also undertook an audit and assessment of existing security plans for our operations inside the occupied Palestinian territory (oPt).

## CHILD SAFEGUARDING

War Child is 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. The Child Safeguarding Policy of War Child is designed to protect children who come into contact with the organisation and its partners from physical, emotional and sexual abuse, neglect and commercial and sexual exploitation.

Our Child Safeguarding Policy ensures that War Child staff are aware of potential child safety concerns and engage in behaviour that prevents abuse. The policy also ensures that staff know how to respond in the event abuse occurs. The Child Safeguarding Policy is signed by and applies to all staff, volunteers, partner organisations, board members, ambassadors and representatives of War Child.

In 2015 and 2016 a Child Safeguarding Audit was conducted across the entire organisation to ensure our continued compliance with KCS standards. Particular attention was paid to boost awareness of child safeguarding issues among individual members of staff - both at head office and inside our countries of operation.

Eleven child safeguarding concerns were reported across 2016 as a whole. The incidents ranged between low and high risk cases. For privacy reasons no further details will be shared on these concerns. Reported concerns were investigated and accurate responses were provided.

## LEARNING ORGANISATION

War Child will pursue the strategic ambition of becoming a Networked Expert Organisation in the years to 2020. Our staff will play a significant role in this process - and we need to develop their skills and competencies if we are to reach our goal. To that end, the decision was taken in 2016 to work towards further defining War Child as a 'learning organisation'.

A learning organisation is the term given to an organisation that facilitates the learning of its members and continuously transforms itself. The final quarter of 2016 saw War Child take the first steps towards this process of transformation. A Manager Learning Organisation was recruited in October and informal 'learning café' sessions were held to identify the needs of the organisation.

This process will intensify over the course of 2017 with the development of the 'War Child Academy' - an online learning platform for members of staff across the entire organisation and those from partner organisations we work with. Various vendors for learning environments were contacted during the final quarter of 2016 to identify which products are relevant for establishing this resource.



# FUNDING OUR PROGRAMMES

Marketing and fundraising are vital elements of War Child's mission - here we provide a complete account of our fundraising activities.

**READ ON >**



# FUNDING OUR PROGRAMMES

Marketing and fundraising are vital elements of War Child's mission to create a lasting impact in the lives of conflict-affected children and young people. Our funding base is comprised of two types of income - restricted funds and unrestricted funds.

Restricted funds come from institutional partners such as governments, charitable foundations and international organisations. These funds are issued for specific programmes and objectives and come with robust reporting conditions. This type of funding is typically long-term and represents more than half of our annual budget. These restricted funds are crucial to ensure the ongoing stability of our programmes around the world.

Unrestricted funds come from two sources - our large base of regular donors and the various fundraising activities undertaken by individuals, businesses and our primary sponsors. This type of fundraising encompasses major events such as our annual Kili Challenge and our TV special Jij&Ik. We can spend the proceeds from our unrestricted fundraising activities in any way we wish - allowing War Child to respond rapidly to the urgent needs of conflict-affected children. These funds also allow us to develop and test innovative new fundraising approaches.

We aim in future to increase the percentage of unrestricted funds that make up our funding base in order to be able to make strategic investments in innovation and the expansion of our programmes.

## INSTITUTIONAL FUNDRAISING

War Child works to deliver a positive, lasting impact on the lives of children and young people in conflict-affected areas. Long-term financial support is crucial in helping us achieve this goal. Institutional partners, including governments and international organisations, provide just under half of our annual budget.

## INTERNATIONAL PROGRAMMES

The 2016 restructure saw the creation of a new Programme and Grant Management (PGM) department with a new mandate and six specific objectives in the areas of: Operational Framework; Resources; Effective Implementation; Donor Compliance; Partnerships; and Information Management. The PGM department has been fully operational since May and working towards its objectives.

## INCOME ANALYSIS

The year saw the approval of a number of significant proposals and the subsequent roll-out of these grants. 18 proposals for allocated funding from institutions and government bodies were approved across 2016 as a whole, with a total value of €23.2 million - representing 155 per cent of our target for the year.

Grants from institutional donors now represent 45 per cent of War Child's total programme funding. Relationships with institutional donors are not only vital for our programmes to ensure financial sustainability, but also is recognition of the importance of our work to broader global goals such as the SDGs and Humanitarian Response Plans.

Among the major proposals that were approved over the course of the year were the €5.9 million multi-year grant from the Dutch Postcode Lottery 'Dreamfund' for Can't Wait To Learn; the first tranche of €3.4 million of a grant from IKEA Foundation for our 'Time to Be a Child' project in support of Syrian refugees; continued funding from the Netherlands Ministry of Foreign Affairs (MoFA) for our participation in the Dutch Relief Alliance interventions in the Central African Republic, South Sudan, Iraq and the DRA Syrian Response.

The influx of asylum seekers into the Netherlands also positively influenced funding for our domestic project 'TeamUp' - a collaboration with UNICEF Netherlands and Save the Children.



© Dīaa Malaeb

### Extending our network

Our participation in global and local partnerships was intensified over the course of 2016 and resulted in a number of breakthroughs in terms of both policy and programme implementation.

The establishment and organisation of The Kigali Content Meeting on Youth Engagement and Employment - led by War Child - was well received and resulted in commitment for further collaboration and the finalisation of a position paper in early 2017. Successful youth engagement policies serve as a vitally important contributor to national stability and recovery and this is an area in which we would like to develop projects.

The World Humanitarian Summit held in Istanbul during May was of great importance on a policy level for the Education in Emergency (EiE) sector and saw a new fund established to support the work of NGOs in this area.

## PROGRAMME PARTNERSHIPS

War Child works in partnership with other organisations to effectively deliver our programmes. We depend on the expertise, knowledge and complimentary capacity of partner organisations, both on an international basis and inside our countries of operation. The organisations we worked with during 2016 are listed below:

**Mercy Corps:** In 2014, War Child and Mercy Corps were awarded a grant from the Department of Foreign Affairs, Trade and Development Canada for a project entitled 'Protection and Education of Vulnerable Children and Youth in Colombia'.

The goal of this continuing project is to increase the realisation of protection and education rights leading to a future free of violence for girls, boys and youth in Putumayo and Chocó.

**ZOA:** War Child works in partnership with Dutch organisation ZOA inside the Democratic Republic of Congo and Burundi, where both organisations are officially designated as a Strategic Partner of the Dutch Ministry of Foreign Affairs for Protracted Crises for the Great Lakes Region of Africa. In 2016 the collaboration between both organisations was extended through the development of a new project - Addressing Root Causes of Conflict - that will launch in 2017.

**Right To Play:** Right To Play is our strategic partner in the 'You Lead' project in the occupied Palestinian territory (oPt). The project, funded by the Dutch Postcode Lottery, ran from 2013 until December 2016 and was devised to improve children's access to safe places for recreational activities and to empower young people to become leaders for children in their communities. War Child also works together with Right to Play in Lebanon in the Sports and Humanitarian Assistance (SaHA) project.

**KNVB WorldCoaches:** War Child works with the KNVB WorldCoaches programme in Lebanon in the project Sport and Humanitarian Assistance. Through the power of sport, Lebanese and Syrian children are brought together and learn sporting skills as well as other life skills that enable them to live and play together.

**TeamUp coalition:** War Child, Save the Children and UNICEF Netherlands joined forces in 2015 to jointly support refugee children in the Netherlands through the project 'TeamUp'. The objective of TeamUp is to offer children in asylum reception centres structured recreational activities, facilitated by professionals on a voluntary basis. Sport, play and dance at fixed days and times ensure stability and structure, enhance life skills and provide relaxation. At the end of 2016, TeamUp was implemented in eight locations across the Netherlands, reaching some 500 children and young people aged from six to seventeen, with the help of 56 facilitators. Team Up is supported by COA.

**LEGO Foundation:** In 2016 the LEGO Foundation offered War Child a significant in-kind donation for the project 'Reaching out for Protection, Reaching in for Resilience'. This project supports Syrian refugees and vulnerable host communities in Lebanon to enhance child protection and to build the resilience of both children and caregivers. The donation of LEGO and DUPLO bricks are used in 36 'Safe Spaces' for Syrian refugee and vulnerable Lebanese children in North Lebanon, Mount Lebanon and Beirut.

**Dutch Relief Alliance:** War Child is a member of the Dutch Relief Alliance. The Dutch Relief Alliance (DRA) responds to major international crises in a timely and effective manner. The Alliance is a cooperation of fourteen Dutch NGOs, funded by the Ministry of Foreign Affairs of the Netherlands (MoFA). As part of the alliance, during 2016 War Child joined the responses in South Sudan, Iraq, Central African Republic and the joint intervention in response to the Syrian conflict.

**Can't Wait to Learn coalition:** All sponsors and partners working as part of Can't Wait to Learn share one vision: to work together to develop a model that offers conflict-affected children access to quality education. Each partner contributes its unique knowledge, expertise and strength. Can't Wait to Learn is a collaboration between War Child, Ahfad University for Women, TNO, Butterfly Works, Ministries of Education in Sudan, Jordan and Lebanon and UNICEF. In 2016 Can't Wait to Learn was one of the first three projects worldwide chosen to join the Humanitarian Education Accelerator programme (for education innovations in emergencies), led by UNHCR, UNICEF and DFID. See our Funding Partners section for further details.

**Ministry of Foreign Affairs - Conn@ct.Now:** From 2011 until early 2016, a coalition comprising War Child, Child Helpline International, Free Press Unlimited and TNO implemented the Conn@ct.Now programme with the shared ambition to increase outreach to children in fragile states, using creative and innovative methods, including ICT and media. The goal of the programme was to reach, support and enable the social activation of children and young people in fragile states to exercise and claim their rights.

**Adessium:** Thanks to the support of the Adessium Foundation, War Child has been to develop and deliver a set of interventions since 2014 that will form the core of the War Child 'Care System'.



**Turing Foundation:** The Turing Foundation supports the project 'Good Schools, Safe Schools' in the Democratic Republic of Congo (DRC). Support previously issued has allowed vulnerable children affected by conflict in South Kivu outside the school system to access school primarily through catch-up education. With the current project, Turing Foundation supports these children and others to remain in school, in a safe and protective learning environment. The project also aims to build systems and education structures to improve the provision of quality education.

## FUNDING PARTNERS

Grants from institutional donors now represent 45 per cent of War Child's total programme funding. In 2016 War Child received funding from a range of institutions including:

**USAID:** USAID supports the research component of the programme Can't Wait to Learn.

**Ministry of Foreign Affairs of the Netherlands (MoFA):** War Child has a long-standing partnership with the Ministry of Foreign Affairs of the Netherlands (MoFA), which includes our participation in: a Strategic Partnership for Protracted Crisis to respond to the chronic lack of stability in the Great Lakes Region between 2014 and 2017; a partnership, with ZOA, in Addressing Root Causes of Conflict in the Democratic Republic of Congo to run from 2017 to 2021; membership of the Dutch Relief Alliance; a joint collaboration with Right to Play, the KNVB and UNICEF in Lebanon for the project Sport and Humanitarian Aid; and dialogue and participation in various geographical or thematic networks. The Ministry of Foreign Affairs of the Netherlands also supported the Conn@ct.Now alliance (with CHI, FPU and TNO) which enabled, among other things, the development of the innovative Can't Wait to Learn programme in Sudan, through the MFS II budget line.

**Caritas Switzerland:** War Child worked in partnership with Caritas Switzerland and Caritas Torit as part of the Girls Education project in South Sudan since 2014, funded by the Department for International Development of the UK Government. The aim of the project is to provide basic education services and to strengthen existing services in basic education and adult literacy and numeracy inside Eastern Equatoria State.

**Global Affairs Canada:** In 2014 the consortium formed by War Child and Mercy Corps was awarded a grant from the Department of Foreign Affairs, Trade and Development Canada (recently renamed Global Affairs Canada) for a project entitled 'Protection and Education of Vulnerable Children and Youth in Colombia'. The project will have its mid-term evaluation in 2017, and is scheduled to finish in 2019. There is a high commitment across all parties to demonstrate positive impact and a strong working relationship.

**EU/ECHO:** War Child's strong relationship with the European Union (EU) continued in 2016 with a total of eight grants from both the European Commission's Humanitarian Aid and Civil Protection department (ECHO) as well as through local in-country EU delegations for projects in seven different countries.

**Dutch Postcode Lottery:** War Child has been able to reach thousands of additional children since 2000 thanks to annual contributions and structural support from the Dutch Postcode Lottery - the largest charity lottery in the Netherlands and the third-largest private charity donor in the world.

War Child received an annual structural contribution of €1.35 million from the Dutch Postcode Lottery in 2016. In addition, War Child was granted the Dreamfund for 'Can't Wait to Learn'. With a fantastic contribution by lottery ticket holders of €5.9 million, War Child is able to provide hundreds thousands of children affected by conflict in Sudan and Lebanon with access to quality primary level education.



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**Swiss Development Cooperation (SDC):** The Swiss Development Cooperation has been a partner of War Child since 2014 and has supported our work with Syrian children and other victims of the Syrian crisis.

**UNICEF:** Our partnership with UNICEF continued in all our field operations during 2016 through participation in cluster meetings, technical collaboration as well as several funding arrangements. In Lebanon UNICEF supported War Child to meet the protection, education and psychosocial needs of Syrian refugee children and vulnerable school-age Lebanese children. UNICEF (Sudan and International office) strongly contributes to the innovative Can't Wait to Learn project, designed to transform the way that education in emergencies is delivered.

**IKEA Foundation:** The IKEA Foundation is a main partner of War Child and supports our work in:

1. Can't Wait to Learn, an innovative technology-focused programme formulated to address the huge educational challenges faced by children affected by conflict worldwide. IKEA Foundation supports the project in Sudan, Lebanon and Jordan.
2. Building Sustainable Futures, a project for children and young people in South Sudan which is jointly implemented with War Child Canada. The project employs a humanitarian response approach to reduce protection risks and improve psychosocial well-being through increased resilience and healthy development.
3. In 2016 IKEA Foundation selected War Child as one of their partners in their campaign for children. Time To Be A Child; Play, Learning and Child-Centred Development for Children Affected by the Syrian Crisis is a collaborative project between War Child Holland, War Child UK and War Child Canada and addresses the need to protect Syrian and vulnerable Jordanian and Lebanese children from abuse, exploitation, violence and provide them with skills and resources to foster their resilience and healthy development.

**UN Country-Based Pooled Fund (CBPF):** War Child has access to Country-Based Pooled Funds (CBPFs), which are multi-donor humanitarian financing instruments established by the Emergency Relief Coordinator (ERC) and managed by OCHA at the country-level under the leadership of the Humanitarian Coordinator (HC).

In 2016 War Child passed the evaluation procedure to be able to access this funding in Colombia and South Sudan. As a result, War Child, together with local partner organisation Corporacion Halú, was awarded the first country-specific "fast-flex" project. For South Sudan, negotiations are still ongoing.

## PROPOSALS

Type of Donor	Donor	Country	Donor grant awarded in Euro	Duration in months
<b>Foundation</b>	National Postcode Lottery	Global	€ 5,900,000	60
	IKEA Foundation	Lebanon	€ 6,917,900	36
	Queen Silvia Foundation	Middle East	€ 100,240	12
	Dutch Relief Alliance	Middle East	€ 434,859	12
	Dutch Relief Alliance	South Sudan	€ 582,000	14
	ECHO	DRC	€ 950,000	12
	Dutch Relief Alliance	CAR	€ 719,401	10
	UN OCHA	Colombia	€ 47,158	5
	EuropeAid	Colombia	€ 742,113	30
	EuropeAid - H2020	Global	€ 758,887	60
<b>Government</b>	Dutch Relief Alliance	Global	€ 40,000	12
	UNICEF	Lebanon	€ 1,607,456	12.5
	UNICEF	Lebanon	€ 2,311,223	14.5
	UNICEF	Middle East	€ 1,778,575	12
	UNICEF	Sudan	€ 62,306	7
	MAP	Lebanon	€ 18,165	3.5
	UNICEF	Lebanon	€ 286,170	12
	UNICEF	Global	€ 13,584	5.5



## PUBLIC FUNDRAISING

In the midst of a tough market War Child exceeded its public fundraising targets for 2016 in several areas. Income from individual donors was €100,000 above our target and we doubled year-on-year income from events and actions organised by third parties. Income from our business partners, meanwhile, was 20 per cent above our annual target.

We also expanded our reach and were successful in increasing awareness about our work. The addition of three new Goodwill Ambassadors - Michaela DePrince, Tooske Ragas and Victor Reinier - to our team of famous friends raised the profile of War Child in the Netherlands to a significant degree. Our work as part of the TeamUp coalition - a joint project in support of refugee children inside the Netherlands - ensured we were present in the news media far more than we were in 2015.

These results were achieved within the context of an increasingly tough environment for fundraising in the Netherlands. Donations to NGOs across all sectors are still below average as the Dutch economy slowly recovers from the economic crisis - and people are increasingly reluctant to support NGOs on a structural basis. We have seen that traditional methods of fundraising are proving less and less effective.

The Dutch fundraising market also remains very competitive, with an increasing number of NGOs competing for funds in the areas we specialise in - namely psychosocial support and protection for children affected by conflict.

### New strategy and approaches

The pressures within the Dutch fundraising market require new approaches to ensure we continue to raise significant income and maintain a strong relationship with our supporters. To that end a new Marketing, Communications and Fundraising strategy was finalised this year to guide our positioning and activities over the coming years - both in the Netherlands and internationally.

The goal of our strategy is to create **a global movement for peaceful futures for children affected by war and conflict**. This will see us assert our expert credentials and work to inspire increasing numbers of people and organisations to participate in our mission for conflict-affected children - in any way they can.

This will involve continued innovation in fundraising techniques. We will attract new structural donors through exclusive events, actions and campaigns. Music will play an increasingly large role in our future activities - music not only moves people but also reflects the creative methods we use in our programmes.

We began to implement this new strategy in the last quarter of 2016 - and expect to see the first results in the first three months of 2017. We believe this strategy is robust and will enable us to make progress in what promises to be another challenging year.

## OUR (NEW) FRIENDS

War Child can only continue its work for conflict-affected children thanks to all the donations we receive. Thousands of people lent us their support during 2016 - all of whom are our 'Friends'. Every gesture of support we receive is valuable - whether it's people supporting us with their time, a €10 one-off donation or a major donation of €100,000. Every small effort allow us to provide strength, education and stability to children growing up in the midst of conflict - and helps create a global movement in support of peace.



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### Our private donors

Our preference is to build long-term relationships with our Friends - this enables us to secure ongoing financial support for our projects and keep our promises to children affected by conflict. Our goal was to secure 5,000 additional structural (monthly) donors over the course of 2016. At the end of the year we had recruited some 1,000 extra friends compared to 2015 - we attribute this shortfall to the continued tough market conditions. We did, however, reach our income target over the course of the year.

We scheduled four campaigns instead of three across 2016 to highlight the urgency of our work in areas affected by conflict. This decision resulted in a 13 per cent increase in income from one-off donations and an increase of 14 per cent in the number of donors.

We invested in additional capacity and communications to secure improved income from legacies. This market is a volatile one and notoriously difficult to predict. Our investment should yield more income in the long-term but year-on-year income from legacies declined 45 per cent in 2016. We received eleven inheritances and three legacies across the year as a whole. We are confident that performance in this market will improve over the coming years and remain committed to investing in innovative new fundraising methods in this sector.

Total income from our Friends in 2016 was €8.66 million - more than €100,000 above our target for the year. Some €130,000 of this income was earmarked for TeamUp in the Netherlands and our operations in Colombia.

### New initiatives

The Dutch fundraising market is becoming increasingly competitive. This difficult environment requires new methods of acquisition to ensure we continue to raise significant income. We launched several new initiatives during 2016 - one initiative saw us work to convert SMS respondents into structural donors by calling them personally and asking them

for their support. We also found new partners for our telemarketing and door-to-door fundraising activities to ensure continued high quality.

We also adapted the format of our annual TV fundraising event. We opted to not produce a traditional telethon with urgent footage from conflict areas. Instead we developed 'Jij&Ik' (You&Me) - a heart-warming family show where children performed songs together with their parents.



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The show's multimedia approach, with contestants chosen from videos submitted to YouTube, was well received by press and media. More than one million viewers watched the event and the format was chosen as one of the nineteen best Dutch content marketing concepts of the year by industry experts in MarketingTribune magazine.

In 2017 we will continue with 'Jij&Ik' but we will adapt the format to further emphasise the urgency of our work. The show will also form part of an integrated campaign to improve engagement with the public.

## BUSINESS PARTNERSHIPS

In 2016 we raised €1.7 million from the business sector across the year as a whole. This was more than 20 per cent above our planned target for the year. We saw the biggest growth in incidental donations and funds coming from fundraising one-off actions, which appears to be an ongoing trend in this sector.

As with the trend in the market for individual donors, it was a challenge to secure long-term commitments from companies through a monthly or multi-annual partnership construction.



We were very happy to retain ASN Bank as our main sponsor in 2016. The year saw us end our collaboration with T-Mobile as our other main sponsor - but the company will continue to be product sponsor for our mobile accounts. T-Mobile customers surprised us with an unexpected donation that was provided by customers who donated an enormous amount of loyalty points to War Child.

War Child takes pride in keeping costs low, and getting in-kind sponsors on board to help us realise our goals. Our in-kind product sponsors during 2016 included Cisco, T-Mobile, Microsoft, Google, Xandit, ADP, Valtech, Crown van Gelder, MINI Amsterdam and Koninklijke Van der Most. Particular thanks must also go to Nuon, who provided the call centres used in support of our 'Jij&Ik' TV special.



The positive result with regard to financial support from the business sector has come from our continuing efforts to build relationships. War Child will invest more in building friendships with existing and potential new partners over the coming years. We will keep improving our partnership propositions to ensure they are inspiring and result in sustainable partnerships that have a significant impact for conflict-affected children.

The way to do this is to consider how we as an NGO can keep adding value to our business partnerships - through our extensive network, our amazing brand and through events and strategic sessions in which we connect and co-create with our partners.

Because we believe that we only can grow and help more children when we work together.

## KIDS AND SCHOOLS

War Child is keen to invest in and build relationships with children living in the Netherlands. June 2016 saw us launch the War Child Kidsclub - a club for children aged between eight and twelve. The development phase was marked by extensive research, including surveys conducted with primary school children.



© Irina Raiu

The format of the Kidsclub originally saw children join through a monthly structural donation of €2. This format didn't reflect our new strategic goal to create a global movement for peaceful futures for children affected by war and conflict. To better align the Kidsclub with our strategy we changed the membership mechanism - a structural donation is no longer required and children can now join the Kidsclub through organising fundraising actions or giving presentations on our work.

Kidsclub members receive weekly videos made by the War Child Kidsclub team of vloggers - Britt Scholte, Quinty Misiedjan, Rens Polman and Niels Oosthoek. The end of the year saw Quinty Misiedjan travel to Uganda to make a series of vlogs about our work there.

The War Child Kidsclub is 100 per cent sponsored by America Today. The annual €30,000 sponsorship sum covers all production costs - which means that all funds raised go directly to our projects.

The Kidsclub already has a healthy and growing presence on social media, with more than 800 followers on Instagram. We are very proud of our vloggers and the relationship we have built with our Kidsclub members.

2016 also saw the sixth edition of our annual 'school musical', our annual King's Day action and a Kidsclub event where children communicated with our country offices via Skype. All of these events generated strong press coverage and awareness of our work.

Total fundraising income from our Kids and Schools sector in 2016 was €200,346 - in line with our €191,500 target.

## ENGAGEMENT AND REACH

The War Child brand is an extremely important tool in helping us create awareness, maintain our reputation and enhance our visibility. It also helps us engage stakeholders to support our mission to create a global movement for peaceful futures for children affected by war and conflict.

War Child enjoys a strong reputation in our home market in the Netherlands. We managed to strengthen that reputation over the course of 2016 through two major projects - the 'Jij&IK' TV special and the TeamUp coalition. This was a very welcome development as the preceding two years saw our brand position weaken slightly at the same time as media attention towards armed conflict actually increased.

2016 saw us further develop our position as an expert organisation in the area of children affected by conflict and increasingly talk about our expertise and results. This strategy turned out to be very successful in terms of press exposure - the year saw an increase in the number of interviews with our Managing Director, our Goodwill Ambassadors and expert representatives of our organisation.

The overarching strategic goal of the Marketing, Communications and Fundraising (MCF) department is to create a global movement for peaceful futures for children affected by war and conflict. To help create this movement, our engagement activities will focus on the following target groups:

- Friends (individual donors): structural donors, one-off donors, third-party organisers of actions, major donors, volunteers, kids (eight to twelve year-olds)
- International donors
- Influencers (politicians (advocacy), Goodwill Ambassadors)
- Press and media
- Business organisations
- Institutional donors

We will maintain a strong relationship with these target groups by pursuing an open and two-way communications strategy. We will treat everyone who offers us their support as our Friend - whether it's people supporting us with their time, money or voices.

We will only be able to maintain a strong relationship with our supporters through maintaining a good conversation with them. We see the commitment from our supporters as being equivalent to friendship. We can ask them for help - but we also find it important to invest in our relationships and give them something back in return.





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## PRESS AND MEDIA

The Press, Media and Reputation department is accountable for all media and press relations through managing spokespersons, initiating and coordinating press conferences, press releases, briefings, trips and media events. The department's overall objective is to position War Child as an internationally acknowledged expert on children affected by armed conflict, able to influence key stakeholders and contribute to our mission.

War Child appeared in at least 2,481 offline publications (2,311 newspapers, 169 magazines) and more than 2,000 online publications over the course of 2016, in addition to many items on national television and radio. War Child sent out 23 press releases, which were received by hundreds of War Child's media contacts.

During the year War Child was present in leading national media outlets such as NOS Journaal, NOS Jeugdjournaal, EenVandaag, RTL Boulevard, RTL Live, KidsTop20, ZAPP Live, ZAPP Weekjournaal Koffietijd, Nu.nl, Algemeen Dagblad, Trouw, Telegraaf, Metro, Radio 1 & 2 & 5, BNR, FunX, OneWorld, ELLE and Kidsweek. In addition, War Child was present in many regional and local media outlets. This free publicity focused both on our work (content-driven) and War Child fundraising actions.

The content topics covered emphasised War Child's expert role in supporting conflict-affected children - in line with our strategic move towards becoming a 'Networked Expert Organisation'. Aspects of our work covered during the year included: TeamUp - our project for child refugees in Dutch asylum reception centres; the outbreak of violence in South Sudan; our e-learning initiative Can't Wait to Learn; and the impact of war on children in Syria. Our Research and Development department also saw four peer-reviewed articles published in leading academic outlets.

In addition, we received significant attention for our television show in June, the announcement of our new Goodwill Ambassadors, the VIP premiere of our school musical and the Kili Challenge.

We also made our voice heard through opinion articles in Trouw (1) and OneWorld (2). In 2016 War Child organised press trips to the Democratic Republic of Congo (DRC), South Sudan and Uganda (where we were joined by Kidsclub ambassador Quinty Misiedjan) which resulted in media exposure in outlets including Algemeen Dagblad, Trouw, OneWorld, RTL Live, ZAPP Live, ZAPP Weekjournaal, Radio5 and Aftonbladet (Sweden's biggest newspaper). Photographer Daniel Maissan was one of the participants in our press trips and his work is still used frequently in our communications.

The equivalent total media value for presence in offline publications was more than €6.5 million. Most of the media visibility had a positive or neutral tone of voice. Analysing the media performances in 2016, War Child would like to continue its presence in 2017 in leading national media by being responsive to news topics relevant to our work with conflict-affected children.

## OUR GOODWILL AMBASSADORS

In 2016 we celebrated the eighteenth year of Marco Borsato's role as our Goodwill Ambassador - and his contribution to our cause was as committed and energetic as ever. The year saw Marco undertake numerous press interviews on our behalf and draw attention to the plight of conflict-affected children during his run of 'Symphonica in Rosso' concerts in Amsterdam's Ziggo Dome. Special bracelets were also handed out at the concerts in return for a donation to War Child.

Marco co-presented our TV special 'Jij&Ik' with Tooske Ragas - during which he also performed a duet with his daughter Jada. December saw Marco appear on talk show RTL Live to highlight our work in Uganda. Within his busy schedule Marco also celebrated his fiftieth birthday - a milestone we celebrated by surprising him with a special personal video with '50 Voices from War Child'.

The year also saw us expand our network of Goodwill Ambassadors to help us spread our message even further and support our efforts to create a global movement in support of conflict-affected children.

Our close friend and long-time supporter Ali B continued his fantastic work for War Child over the course of 2016. We also welcomed ballet dancer Michaela DePrince to our team of international ambassadors.



© Irina Raiu

Michaela experienced the effects of armed conflict as a child - she was born and raised in Sierra Leone where her parents were killed during the country's civil war. When she was four years old she was adopted by an American couple. She is now one of the most famous and promising talents in the world of dance.

Actor and director Victor Reinier made a significant contribution to our first TV event in 2015. Victor has displayed his dedication to and engagement with our organisation several times since and is now another of our Goodwill Ambassadors.

TV host Tooske Ragas travelled to one of our programmes in Colombia in 2015. Tooske was deeply touched by the experience and has lent her support to us in several ways since - not least by hosting our 'Jij&Ik' TV special. 2017 will see Tooske climb Mount Kilimanjaro in aid of War Child - and she will do so as another of our new Goodwill Ambassadors.

With our team of Goodwill Ambassadors now in place we will develop a strategy to outline how they can contribute towards our efforts to create a global movement for peaceful futures for children affected by war and conflict.

## OUR VOLUNTEERS

We continued to enjoy significant support from our network of volunteers over the course of 2016. By the end of the year we had 78 voluntary spokespeople and 233 volunteers who helped us out at events. Capacity to coordinate our network of volunteers was reduced but we still managed to invest in basic training and direct communications with these wonderful people who contribute so much to our activities.



Our volunteers made a significant contribution to our activities over the course of the year. They organized the Walk for War Child event in Brabant. They gave 147 presentations at schools, companies and sports clubs, reaching 3,955 people. Volunteers handed out special bracelets to crowds at Marco Borsato's recent concerts in exchange for donations. More than 30 volunteers helped us at our 'Jij&Ik' TV special - which also saw 300 employees from Nuon work in our call centre for the night for free.

One of the lessons we learned in 2016 is the importance of keeping our network informed about developments within the organisation. We will investigate new ways of communicating with our volunteer base to meet their demand for information. We also found that volunteers are increasingly interested in taking part in temporary projects where they can use their talents. We will address this need in 2017.

## ENGAGING WITH STAKEHOLDERS

We enjoyed close contact with our Friends in 2016. We sent them two newsletters (Peace of Paper) by mail and four newsflashes and newsletters via email. We also got to meet some of our supporters in person on several occasions during the year, including at our Major Donor event, our 'Jij&Ik' TV show and our office Open Day. We also invited 126,831 Friends to provide us with feedback on how we communicate with them.

Our annual 'Kili Challenge' - which sees participants climb Mount Kilimanjaro in Tanzania to raise funds for War Child - helped create a number of new and engaged ambassadors for our cause. 2017 will see Tooske Ragas undertake the climb in aid of War Child - which promises to generate national media attention.



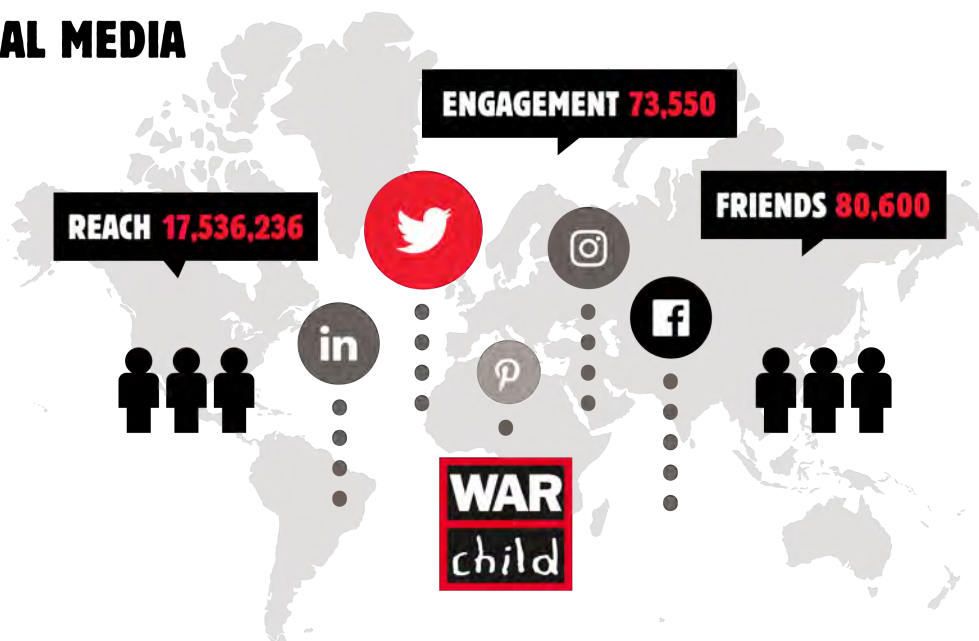
The series of four short films we made for the 'Jij&Ik' TV event garnered international attention. The film 'Batman' featuring the famous character went viral in just two days and was viewed on YouTube across the world. We reached

millions of people and received many heart-warming comments. In 2017 we will reproduce this video for commercial purposes and have reached out to DC Comics to ask for permission for their Batman copyrights. We have also sought permission for music rights.

## WEBSITES AND SOCIAL MEDIA

The audience for our websites [www.warchild.nl](http://www.warchild.nl) and [www.warchildholland.org](http://www.warchildholland.org) grew from 436,581 visits in 2015 to 785,201 visits in 2016. This growth also resulted in more than 12,000 donations on the websites over the course of the year. Across 2016 as a whole we reached 17.5 million people through our online channels - an increase of more than 300 per cent year-on-year thanks to the viral success of the 'Batman' video and exposure following our 'Jij&IK' TV event. The total audience for our social media channels grew to 73,140 individual followers over the course of 2016 - up from 43,000 in 2015.

### SOCIAL MEDIA 2016



[annualreportwarchild.org](http://annualreportwarchild.org) #in2016

### Number of website sessions

#sessions	2015	2016
<a href="http://warchild.nl">warchild.nl</a>	573,934	710,268
<a href="http://warchildholland.org">warchildholland.org</a>	76,773	74,933
<a href="http://warchild.org">warchild.org</a>	66,156	76,569

**Communities**

#followers	2015	2016
FB	19,102	43,647
Twitter	17,980	19,289
Instagram	1,227	2,354
LinkedIn	4,299	7,062
YouTube	459	789

**Reach**

	2015	2016
#social reach	4,471,042	17,536,236
#social engagement	78,630	73,550

**COMPLAINTS POLICY**

In 2016 we received 144 complaints related to our fundraising - 65 more than in 2015. This increase was due to our decision to intensify current fundraising channels such as door-to-door, telemarketing and direct mailings and due to our trialling new formats such as Jij&Ik and SMS.

War Child strives to respond to complaints within two working days, in which we succeeded in 99 per cent of all cases. Our policy concerning complaints is available on our website.



A woman with long, dark, wavy hair is smiling at the camera. She is wearing a dark blue collared shirt and a colorful beaded necklace. The background is a white wall covered in blue and green graffiti, including the words 'LOVE' and 'And we love you'.

# OUR PEOPLE

**The drive and ambition of our staff is key to our operations - here we outline their contribution in full.**

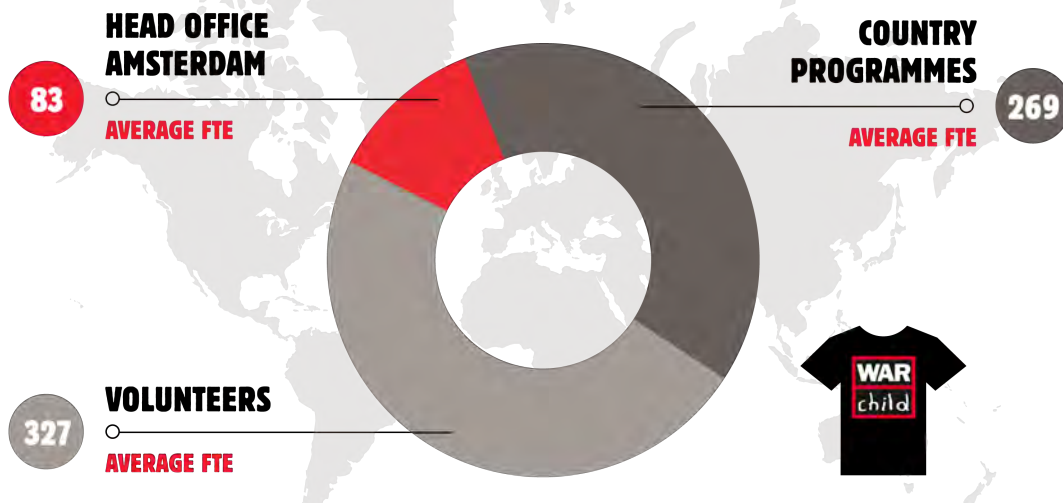
**READ ON >**

# OUR PEOPLE

The strategic goal of War Child's Human Resources department is to ensure that all members of staff can grow, work and learn in a safe environment. We believe in accountability and strive to create an environment where staff enjoy autonomy, take pride in their work and are empowered to contribute towards the goals of the organisation.

## HUMAN RESOURCES

2016



annualreportwarchild.org #in2016

## OVERVIEW

Managing staff turnover was a key priority during 2016. Filling **key positions in our country programmes** was particularly challenging - 21 expatriates left and thirteen joined our country operations across the year as a whole. The retention of key staff is crucial if we are to realise our ambition to become the **networked expert organisation for psychosocial wellbeing for children affected by conflict**.

To increase the rate of staff retention across the organisation 2016 saw the introduction of new assessment mechanisms during the recruitment process for key field positions. The induction process for key field hires was also revised and intensified - a move which was necessary to meet the needs of an organisation with colleagues distributed across the world. Security trainings at head office are now mandatory for everyone travelling to programme countries. This entire induction process contributes to our move towards becoming an expert network organisation and also serves to strengthen ties between head office and the field.

A new **Human Resources Management (HRM) Handbook** for our country programmes - which draws on past experiences - was developed in 2016. The scope of the document broadened to encompass HRM principles, policies and practises and we expect to publish the final documents early in the second quarter of 2017. In addition, the draft versions of the handbook provided a framework for urgent HR issues.

Our focus on **child safety** increased over the course of the year. A police background check - 'Verklaring Omtrent Gedrag' (VOG) is in place for all employees and volunteers which will now be compulsory for anyone visiting or

participating in our programme activities. Workshops for staff to increase awareness of child safety have also taken place.

We sought to test our position in the labour market by benchmarking our **terms and conditions** over the course of the year. For head office staff we joined the salary benchmark of the 'Goede Doelen' sector performed by Hucag. The findings of this process showed that broadly we occupy a healthy position in the middle of the labour market. Further analysis will be conducted in 2017.

For expatriate staff we joined the salary benchmark of Birches; these findings were also satisfactory. Benchmarking of other benefits will be done through participation in a benchmarking process undertaken by AON in the first quarter of 2017. Our overall goal is to have a fair and healthy package of remuneration in place.

Our **insurance portfolio** is being revaluated with our broker. Two policies concerning disability situations will be increased or added - WIA hiaat verzekering (higher coverage in case of part disability) and WIA excedent verzekering (insurance of higher income). The coverage of employee risk for expatriates was reassessed and no change of addition was needed to conclude a satisfactory result.

As part of our ongoing efforts to bring increased expertise and capacity to our country operations, a strategy was drawn up to establish **Regional Hubs** in the wider areas where we work. These virtual hubs will be coordinated from a field office in a relatively stable location and will allow for leadership, back office staff and systems to be shared between offices and across national borders. This initiative will allow programme staff to move in and out of countries quickly and focus on capacity building with partners for maximum impact and improved efficiency - particularly with regard to resources. This process will begin in the first quarter of 2017 with the development of a Regional Hub for the Middle East.

The **safety of staff in our programme countries** remained, as always, a primary concern. Policies and protocols are in place - developed in collaboration with our full-time Security Advisor - to ensure staff are protected as far as possible.

We were forced to enact these policies in South Sudan during the summer of 2016 following heavy fighting between the Government and opposition forces. The violence that engulfed the capital Juba included the use of artillery and helicopter gunships and widespread violence against civilians and aid workers.

To ensure the safety of our colleagues the decision was taken to halt all activities inside South Sudan and order staff to remain inside their compounds in preparation for evacuation. Our colleagues in Juba remained in their compound for three days before being flown out of the city's airport. Staff in Eastern Equatoria (200 km east of Juba) were evacuated two days later by chartered plane with staff from other aid organisations.

Following evacuation our staff spent some two weeks in Uganda before they were able to return to Juba to resume our programming. Activities in rural areas remained reduced for a longer period due to continued insecurity.

War Child constantly examines ways in which we can both work more efficiently and prioritise innovation in our working methods. In the last quarter of the year we set up a small working group to investigate '**Agile**' ways of working and their potential value to the organisation.

Agile working methods prioritise getting work done with maximum flexibility and minimum constraints. This methodology sees fixed meetings replaced by 'Scrum' sessions, scheduled according to the particular needs of a project. War Child will adopt agile working methods for certain fundraising projects throughout 2017 and assess their value to the organisation.

## EMPLOYEE ENGAGEMENT

A wide-ranging **employee survey** for head office staff was completed during the summer of 2016. The survey was undertaken in partnership with HR benchmarking institute Great Place to Work. The survey findings show that our staff value workplace camaraderie and take pride in their work.





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The process also led to new ambitions to improve leadership and management as well as workplace communications, in response to concerns expressed in the survey.

Overall we achieved a score of 67 per cent against the survey's benchmark trust index - broadly commensurate with the KPI of 70 per cent. Work is now underway to undertake a broader employee engagement survey that also encompasses our programme countries.

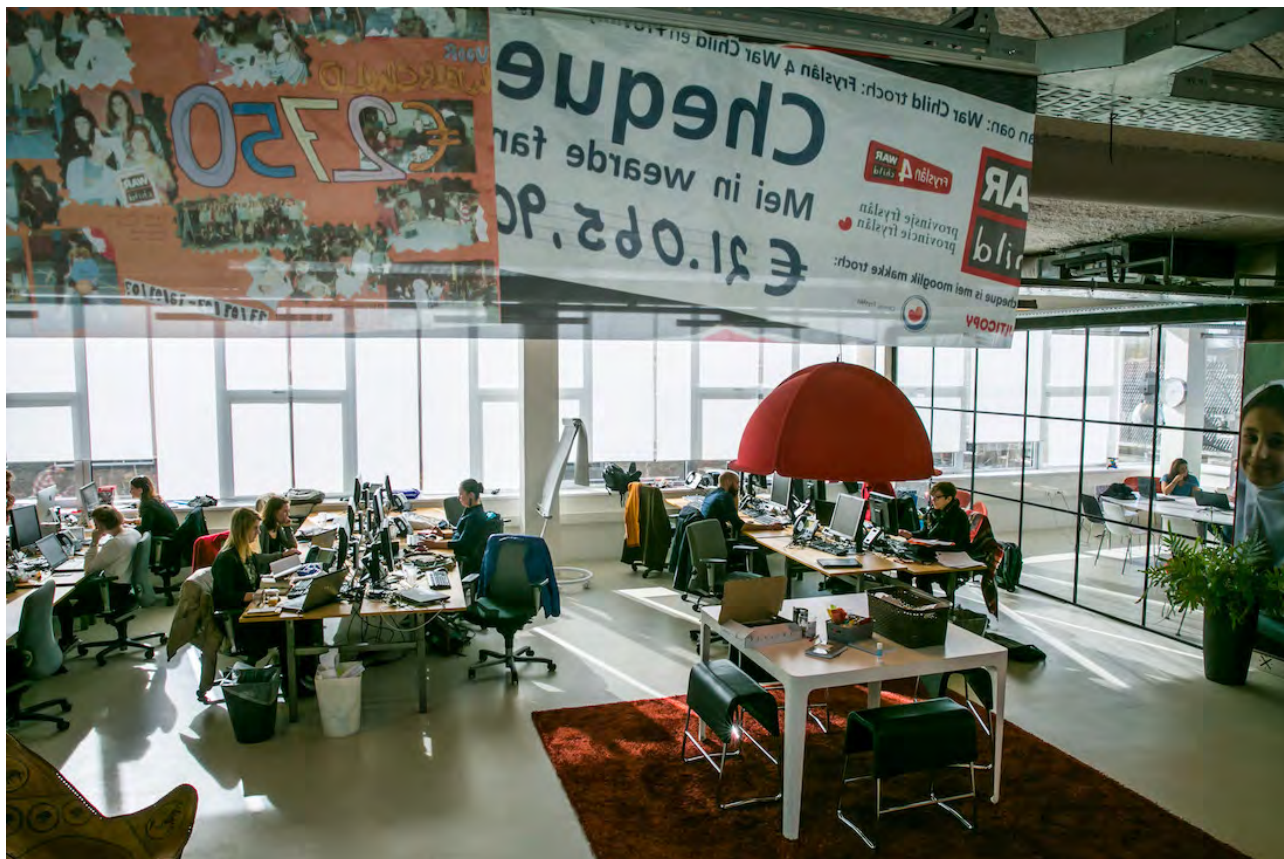
To further develop our **organisational culture** we teamed up with Dutch learning centre Academie voor Organisatiecultuur. A learning session for all head office staff was held where the organisation's history and culture was discussed and the role of individual staff members in contributing to our culture was examined.

Measures to further develop our organisational culture were agreed at the end of the year, including training staff representatives in 'Deep Democracy' methodology. This methodology establishes, among other things, the free and equal right of every person to participate in a work and decision-making process.

## RESTRUCTURE

An organisational restructure was implemented during 2016 in order to create a clear structure and fully define functions in order to 1): enable us to effectively implement the War Child strategy while striving for operational excellence and 2): improve the staffing balance between head office and our countries of operation by the end of 2016.

The year at head office saw 36 staff members leave the organisation and 25 new recruits join us. This turnover was partly due to the restructure but also the need to recruit replacements for certain positions and the creation of new jobs requiring other qualifications and skillsets.



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Self-employed consultants form an important part of our workforce - 41 consultants were hired over the course of 2016, both on a short-term and long-term basis. Adherence to the new law (Deregulerende Beoordeling Arbeidsrelaties) on hiring self-employed consultants was managed by adopting the model of sector organisation Partos, with support from our in-house lawyer.

The number of interns working for the organisation remained broadly static during 2016 - on average, nine interns were learning and working in various departments during the year. Our interns make a significant contribution to our activities which is greatly appreciated. They help create the young and optimistic atmosphere at head office and contribute valuable knowledge and experience.





# GOVERNANCE

These are the principles of governance War Child adheres to in all its operations.

[READ ON >](#)



# GOVERNANCE

War Child is periodically assessed to maintain its CBF quality mark. The most recent CBF certificate was awarded to War Child in July 2016. War Child adheres to the following codes, rules and standards:

- The SBF Good Governance Code - this supersedes the Code for Good Governance (or 'Wijffels Code') as the policy document which guides our operations. The SBF code has been developed by charitable sector organisations to provide an agreed framework on quality, accountability and accessible public information.
- Dutch accounting standard RJ 650 and the related recommendation for and recommendation for the Application of Standard 650 on 'Cost allocation for management and administration'.
- The Central Bureau of Fundraising (CBF) Regulations issued 31 March 2016.
- Acknowledged guidelines on remuneration for directors of charities, and;
- Acknowledged directives on the financial management of charities.

## SENIOR MANAGEMENT TEAM

### Senior Management Team

The Senior Management Team (SMT) is comprised of managers representing all major departments of War Child. The SMT is responsible for monitoring the performance and progress of the organisation according to the goals and objectives set out in the global Strategic Plan and related Annual Plans and Budgets.

The SMT meets regularly to review the organisation's performance, progress and deviations as measured against set goals and objectives. Where there are deviations, appropriate actions and risk mitigation measures are taken into consideration. Through these actions the SMT provides leadership and guidance to managers across the organisation - both at head office and inside our countries of operation.

The Managing Director of War Child is the Chair of the SMT and reports its findings to the Supervisory Board.

### Extended Management Team

The Extended Management Team (EMT) is comprised of the Senior Management Team, the Managing Director of War Child Sweden and all War Child Country Directors. The EMT is responsible for monitoring the performance and progress of the organisation according to the goals and objectives set out in the global and country-specific Strategic Plans and related Annual Plans and Budgets.

The EMT meets regularly to review the organisation's performance, progress and deviations - both at head office and inside our countries of operation - as measured against set goals and objectives. Where there are deviations, appropriate actions and risk mitigation measures are taken into consideration. Through these actions the EMT provides leadership and guidance to our programme teams inside our countries of operation as well as at head office.

The Managing Director of War Child is the Chair of the EMT, which meets once a month. The EMT has also begun quarterly meetings with line managers to better address employee concerns.

## SUPERVISORY BOARD

War Child is registered in the Netherlands as a foundation. In accordance with Dutch laws and regulations, a clear division has to be maintained between the managerial and executive responsibilities of an organisation and its supervisory responsibilities. War Child adheres to this structure.

The War Child Supervisory Board appoints the Managing Director and is responsible for supervising, monitoring and advising the Managing Director. The Board undertakes these responsibilities during four regularly scheduled annual

meetings and additional meetings when necessary. During these meetings it has contact with all members of the Management Team (MT). The Supervisory Board also occasionally meets with the War Child Works Council to receive updates from staff representatives.

All Supervisory Board members work on a voluntary basis and have specific experience and expertise to contribute to War Child. The Supervisory Board has no managerial responsibility and is responsible for its own composition and the assessment of the quality of its contribution. The Supervisory Board Rules contain principles of governance and are available on War Child's website.

## COMPOSITION OF SUPERVISORY BOARD

The Supervisory Board Rules outline the various areas of expertise needed in the composition of the Supervisory Board to ensure it is a diverse, independent and collegial body, which is able to competently execute its responsibilities and tasks. Board members are appointed for a term of four years and can be reappointed for an additional four-year term in the interests of continuity.



*Members of the Supervisory Board - ©Sander Stoepker*

Peter Bakker, Chairperson. Area of expertise: General Affairs (2010 - 2018). Functions: President of the World Business Council for Sustainable Development (WBCSD), Ambassador Against Hunger for the UN World Food Programme.

Willemijn Verloop, Founder/Vice Chairperson, area of expertise: War Child context, Marketing, Communications and Fundraising (2010 - 2018). Functions: Founder/Director Social Enterprise NL, Founding Partner Social Impact Ventures, Supervisory Board Tony Chocolonely, Supervisory Board Stadsschouwburg Amsterdam, Advisory Board ASN Bank

Rob Theunissen, Treasurer. Area of expertise: HRM, Finances, ICT and Strategy Development (2013 - 2017). Functions: Partner at McKinsey & Company.

Raymond Cloosterman, Member. Area of expertise: Marketing, Communications and Fundraising (2012 - 2020). Functions: Founder and CEO of Rituals Cosmetics.

Edith Kroese, Member. Area of expertise: Planning, monitoring and evaluation, and impact measurement (2014 - 2018). Functions: Founder and consultant at Avance.

Max Glaser, Member, area of expertise: Safety & Security, Humanitarian Operations in Fragile States, War Zones and High-risk Areas (2013 - 2017). Functions: Member Advisory committee 'Become the Best Version of Yourself'. Former functions: Consultant humanitarian operations, Board member MSF- Holland, Manager humanitarian emergencies MSF- Holland.

## MEETINGS AND ACTIVITIES

In 2016 the Board held five meetings and three audit committee meetings, all attended by management. The issues examined in these meetings included: the new 2020 Global Strategy; the War Child Theory of Change; the Research and Development strategy, which works towards an evidence-based care system through the Core Interventions methodology; the continued development of the War Child Global initiative; innovation in fundraising and the development of the Marketing, Communications and Fundraising (MCF) departmental strategy; and the approval of the annual plan and budget for 2017.

The Board held an additional meeting to evaluate the function and performance of the Board and that of the Managing Director - management were not present at this meeting. Board members also met on an individual basis with various managers and members of staff to gain a better understanding of the day-to-day operations of War Child and, where possible and appropriate, to give advice on specific topics.

The Management Team shared organisational highlights and lowlights with the Board over the course of the year.

## PERFORMANCE AND EVALUATION

The Board held its annual meeting to evaluate its function and performance across 2016 in March 2017. The Chair of the Board sent out a survey to the Board members to evaluate their performance prior to the group discussion. The Board evaluated that it 'met expectations' with regard to the following criteria:

- The Board has good supervision over the functioning and composition of the Management Team;
- The Board has clearly identified and provided insights regarding risks to War Child;
- The Board is useful in consulting management on strategy and external representation.

The Board assessed that it performed 'above expectation' with regard to the following criteria:

- The Board has good supervision over the Managing Director;
- Information flows in a transparent and open manner from the Managing Director and Management Team towards the Board.

Going forward the Board agreed to increase focus on the management of War Child's stakeholders and understanding of their needs and expectations.



## REMUNERATION MANAGING DIRECTOR

The Supervisory Board on the recommendation of the Remuneration Committee determined the level of management remuneration and the amount of other remuneration components during 2016. The remuneration policy is updated periodically. 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 salary 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 in 2016 for Tjipke Bergsma was €107,963 which is within the applicable limits.

The combined level of annual income, taxable allowances, employer contribution to pension, retirement compensation and other relevant compensation related to Tjipke Bergsma during 2016 was within the maximum annual amount included in the Dutch Fundraising Institutions Association (VFI) scheme. Total compensation plus employer's expenses for Tjipke Bergsma was €137,894 over the course of his service during 2016. The taxable allowances, additions, employer pension and other compensation, moreover, were in reasonable proportion to the annual income. The amount and composition of remuneration in the financial statements are disclosed in the notes to the statement of income and expenses.

## WORKS COUNCIL

The Works Council is comprised of five War Child employees - four from head office and one representing our programme countries. Members sit on the Works Council for three years. Four new members joined the Works Council over the course of 2016.

The Works Council functions, among other things, as a constructive sounding board for the Managing Director and is required to be involved and consulted in certain governance related issues, processes and decisions.

Over the course of the year the Works Council was consulted on a wide range of topics. These topics included the reorganisation process of the organisation; the Great Place to Work employee satisfaction survey; various departmental strategies; the physical restructuring of the office; expat employee terms and conditions; the War Child Global initiative; and several other policies related to our HR policies, governance, security protocols and complaints policy.



A photograph of several children playing on a colorful seesaw in an outdoor courtyard. The courtyard is bordered by brick walls, some with decorative patterns. A large, leafy tree stands in the background under a clear blue sky. The children are in various positions on the seesaw, some sitting and some standing. The overall scene is bright and sunny.

# FINANCE AND OPERATIONS SUPPORT

The complete set of accounts issued for the 2016 calendar year - including all funds raised and spent in support of conflict-affected children.

**READ ON >**



# FINANCE AND OPERATIONS SUPPORT

## Operational excellence

With our drive for operational excellence and quality, 2016 saw several key projects undertaken to improve and clarify governance and efficiency. Those projects focused on the revision of policies, analysis of business process flows and assessment of risks in operational processes. Following the IT Strategy, a trajectory for a better architecture of the primary system was begun. Mitigation of risks by IT controls is taken into account in system design.

Our current ICT environment is not optimally adapted to the recent growth in size and complexity of our organisation. Therefore we plan to move towards a new ERP (Enterprise Resource Planning) system in 2018, which will better support our processes and which will be suited for the poor internet connections in some locations where our programmes are implemented.

In 2016 we requested proposals from various IT suppliers. In 2017 we will continue this process. We will also focus on optimising our information and knowledge management procedures and systems, and on strengthening information security measures to protect our data and ensure the continuity of our business processes. We will work on implementing stronger policies and improved processes. Soft controls, which will positively influence the organisational culture, will play an important role in this.

War Child's operations are guided by a set of internal and external policies and principles. War Child continued to strengthen the application of human rights values, donor requirements and its internal standards across all levels of the organisation during 2016. War Child fundraises within the framework of ethical guidelines, ensuring that the practices of our donors do not interfere with War Child's mission and vision.

## LOW-COST POLICY

War Child strictly applies a low-cost policy and strives for savings in every purchase through price comparison and negotiation. In addition, many corporate friends support War Child by providing their products and services - such as office supplies and logistical support - free of charge.

In keeping with this policy, War Child strives to keep the percentage spent each year on Management and Administration below seven per cent. In 2016 the organisation spent five per cent on these administrative costs.

## CORPORATE SOCIAL RESPONSIBILITY

War Child works to inspire and socially activate people in support of the organisation's goals. As a non-governmental organisation working to improve the lives of children affected by armed conflict, War Child plays an important role in mobilising local communities in our programme countries, the general public in the Netherlands and the international community, to take up their responsibilities to ensure the rights of children.





Our Corporate Social Responsibility (CSR) policies also incorporate measures to limit our impact on the environment. These measures include stimulating the use of public transportation for staff at head office; purchase policies to help reduce paper use across the entire organisation; and incentives to ensure all plastic materials are recycled.

## ACCOUNTABILITY AND TRANSPARENCY

War Child reports to its stakeholders in accordance with relevant requirements and standards, such as Guideline RJ650 for its annual reporting. In 2016, War Child worked on the preparations for its first Open Data publication in line with the standards of the International Aid Transparency Initiative (IATI). Open data is data that can be freely used, re-used and distributed by anyone. War Child has the ambition to publish data about all its field projects in order to fully disclose what the organisation does, spends and achieves.

IATI publications allow users to combine and compare data from various organisations. War Child wishes to contribute to increased insight into trends and results in the whole humanitarian aid sector. In 2016, War Child published data related to projects spanning 2014 and 2015 (see <http://www.warchildholland.org/open-data>). We are still learning about IATI standards and we are in the process of improving our data systems, which currently do not allow us to publish efficiently and fully.

### Accountant

War Child's internal organisation as well as its annual accounts are audited by KPMG Accountants N.V. KPMG expressed an unqualified audit opinion on War Child's annual accounts for the financial year 2016, which form an integral part of War Child's 2016 annual report. KPMG performs no non-auditing tasks for War Child. Audit reports are discussed by the audit committee of the Supervisory Board, attended by the auditor, the Managing Director and the Director of Finance and Operations Support. The Supervisory Board has adopted the financial statements for 2016 in its meeting of April 21, 2017.

# INCOME AND EXPENDITURES

in Euros

## INCOME

2016

**TOTAL € 28,668,902**

€ 2,133,630

share in actions  
of third parties

€ 136,936

other financial income

€ 13,799,597

income  
own fundraising

€ 60,781

interest income

€ 12,537,958

government grants

## EXPENDITURES

2016

**TOTAL € 29,625,470**

€ 25,138,039

expenditure on  
the objective

€ 3,004,356

expenditures  
on fundraising

€ 1,483,076

management and  
administration

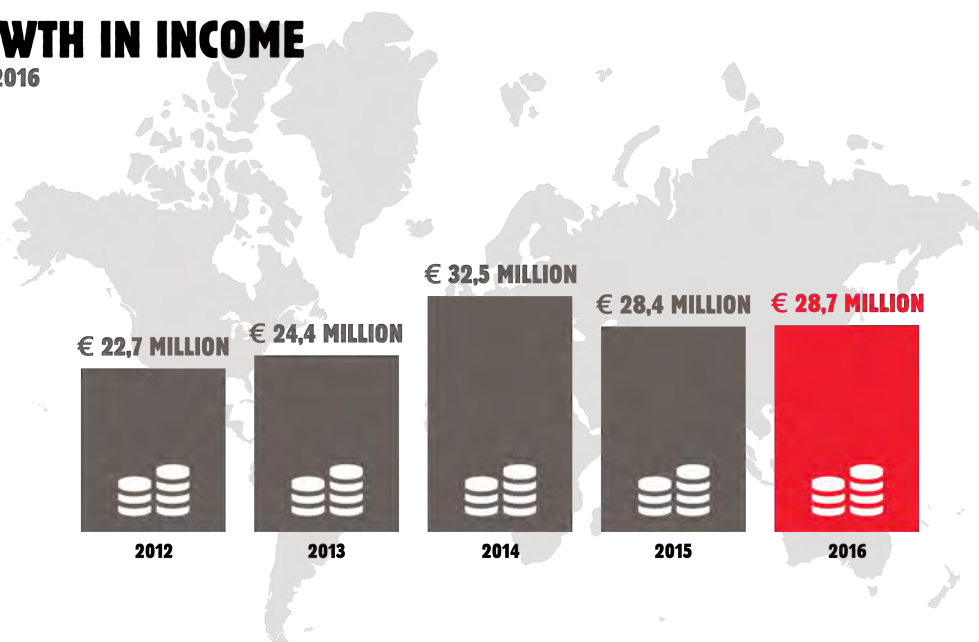
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## INCOME OVERVIEW

In its 2016 annual plan, War Child set a total income target of €29.9 million. Actual income in 2016 was €28.7 million. This is a slight increase in comparison with the total income of the previous year of €28.4 million. Although the total income level is comparable, the sources of income are slightly different on a year-on-year basis.

### GROWTH IN INCOME

2012 – 2016



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#### Income from institutions

Income from government institutions in 2016 decreased year-on-year by €1.2 million, which was broadly according to plan. The large €21 million five-year 'Medefinancieringsstelsel II' grant from the Dutch Government, which was implemented in five countries, came to an end in the first quarter of 2016, as did a number of grants from the European Commission in various countries. Those grants were replaced by new one for our programmes from institutions including IKEA Foundation, the Government of The Netherlands and USAID.

Since some new projects took time to become fully operational, income could not be recognised according to plan in 2016, but we expect the income from those grants in 2017. A large project in Colombia, implemented with funds from the Canadian Government, shows good results in 2016 and will continue in 2017 and 2018. The European Commission remains an important donor contributing to our programmes in a number of countries.

Income from the Dutch Postcode Lottery increased by €0.2 million in 2016 compared to the previous year, which is related to a long-term grant that was awarded to our Can't Wait to Learn programme. We are grateful that the Dutch National Postcode Lottery selected War Child as winners of the 'Dream Fund' grant in 2016. The IKEA Foundation also decided to generously continue to contribute to our programmes for multiple years.

#### Income from individuals and businesses

Total 'own fundraising' income in 2016 was €13.8 million, up from €12.2 million in 2015. The income realization was below the budget for 2016 (€14.6 million), which we now regard as too ambitious. Even so, an impressive increase of €1.6 million compared to the previous year was realised, largely thanks to increased donations from individuals and foundations. War Child is grateful that so many existing and new donors support our mission. They continue to give War Child the opportunity to support thousands of conflict-affected children and young people across the world.





© Daniel Maissan

## EXPENDITURE

Total expenditure in 2016 was deliberately higher than total income, which resulted in a deficit of €1.0 million for the year. Although the original plan was for a budget deficit of €0.3 million, once the surplus of 2015 of €1.0 million was realised a larger deficit for 2016 was planned in the course of the year to enable a spend of the additional reserves.

War Child aims for reserves at the minimum level needed for the continuity of its organisation, and its policy is to spend any additional reserves on the well-being of children. Expenditures on War Child's objectives (project activities, communication and awareness raising, preparation and coordination) totalled €25.1 million in 2016, which was €1.9 million above the expenses on our objective in 2015. Costs related to generating funds were €3.0 million, €0.1 million above budget and €0.2 million above the prior year. The investment in fundraising resulted in increased own fundraising income. Expenditure on management and administration during 2016 was €1.5 million - broadly in line with the budget set for the year and with the level of 2015.

War Child strictly applies a low-cost policy and strives for the highest savings in every purchase through price comparison and negotiation. In addition, many corporate entities support War Child by providing their products and services free of charge - such as office supplies and logistical support. This is reflected in our accounts as income from gifts-in-kind, which totalled €0.8 million in 2016.





# THE FUTURE

**War Child will remain focused on the implementation of our 2020 Strategy - here we outline our priorities for 2017.**

**READ ON >**

# THE FUTURE

## PLANS FOR 2017

To meet our ambitions it is crucial that War Child remains focused on the successful implementation of our 2020 Strategy. This strategy aims to deliver the following results:

1. Establishing **operational excellence** in back-office operations through:
  - Developing a new organisational structure to increase efficiency and reduce head office staff in the Netherlands;
  - Improving the set of governance and operational policies and procedures in order to meet the standards required of a quality operation;
  - Piloting Regional Hubs (e.g. Middle East and Great Lakes) to improve organisational structures and capacity in field offices.
2. **Developing innovative fundraising** efforts to achieve an **expanded unrestricted funding base** through:
  - Introducing multi-year global marketing campaigns, such as IKEA's Good Cause Campaign, which sees War Child participate in a consortium of six child rights organisations and benefits from sale proceeds in IKEA stores worldwide.
  - Developing innovative marketing formats to increase War Child's 'Friends' base and develop a growing movement in support of the War Child mission, e.g.:
    - The 'War Child Kidsclub' - young children in the Netherlands learn about and offer support to conflict-affected children;
    - 'Jij&Ik' - a new TV format developed together with the EO and I Care Productions, with a cross-cutting approach that integrates television and social media and helps generate great value and exposure for the War Child brand;
  - Reenergizing the War Child brand to both reinforce our status as an innovative and creative organisation and claim the expert role in psychosocial support for conflict-affected children.
  - Improving our media approach to strengthen War Child's relationship with Dutch media outlets. This will see us adopt a higher focus on expertise and content and also expand War Child's network of Goodwill Ambassadors with additional well-known and respected celebrities from television and theatre.
  - Establishing a presence in new donor markets, kicking off with War Child Sweden in 2016 and, once proven successful, expanding efforts in three markets currently under investigation - Norway, Belgium and Germany.
3. Creating an **evidence-based care package of Core Interventions**, in line with our goal to become a **Networked Expert Organization** by:
  - Implementing War Child's Theory of Change and building an agenda to develop, document and evaluate the nine Core Interventions;
  - Building the academic evidence for the Core Interventions and establishing them as a set of minimum standards for a care package for conflict-affected children.
  - Expanding War Child's education programme Can't Wait to Learn to new countries in the Middle East;
  - Exploring best practices for working with children in the area of Urban Conflict, as well as improving or developing interventions that focus on Youth Engagement and Youth Employment;
  - Becoming a quality and learning organisation by developing learning and development programmes. We will initially roll this out internally but eventually our learning programmes will be open to all partners and organisations focused on delivering psychosocial care for children affected by conflict.



## FUTURE INVESTMENTS

War Child's current country presence is in line with its strategic ambitions. Most countries benefit from large grants in order to sustain continued operations; however, some countries have seen their grants come to an end in 2016. Therefore, War Child will make additional investments in countries with limited grants - including Burundi, the occupied Palestinian territory (oPt) and Sri Lanka - to help attract new donors for robust pilot programmes.

War Child Holland will continue to invest in War Child UK's programmes in Afghanistan, Iraq, Jordan and the Central African Republic, while War Child UK will invest in our programmes in oPt and Burundi.

## FINANCIAL OUTLOOK 2017

War Child's ambition is to achieve financial growth of €6M in 2017, from estimated total income of €29M in 2016 to more than €35M in 2017. In addition, we aim to increase the percentage of unrestricted funds that make up our funding base in order to be able to make strategic investments in innovation and the expansion of our programmes. Our income target for 2020 is €40M - 40 per cent of which will be unrestricted funds.



# ANNUAL ACCOUNTS

War Child Annual Accounts 2016

[READ ON >](#)

## BALANCE SHEET

*in euros, after proposed appropriation of result*

		31/12/2016	31/12/2015
<b>ASSETS</b>	See note:		
Tangible fixed assets	(1)	424,617	602,356
Receivables	(2)	2,640,168	2,399,763
Cash and cash equivalents	(3)	21,587,751	14,801,761
<b>TOTAL ASSETS</b>		<b>24,652,537</b>	<b>17,803,880</b>
<b>LIABILITIES</b>			
<b>Reserves and funds</b>	(4)		
Continuity reserve		6,000,000	6,000,000
General reserve		493,228	1,158,714
Earmarked reserve		760,018	1,034,660
Earmarked funds		403,305	419,745
		<b>7,656,551</b>	<b>8,613,119</b>
<b>Provisions</b>	(5)	<b>1,313,123</b>	<b>721,233</b>
<b>Long-term liabilities</b>	(6)	<b>27,836</b>	-
<b>Short-term liabilities</b>			
Accounts payable	(7)	1,552,698	513,474
Grants received in advance	(8)	13,425,016	6,846,564
Other liabilities	(9)	677,312	1,109,489
		<b>15,655,027</b>	<b>8,469,527</b>
<b>TOTAL LIABILITIES</b>		<b>24,652,537</b>	<b>17,803,880</b>



# STATEMENT OF INCOME AND EXPENDITURE

in euros

		2016	Budget 2016	2015
<b>INCOME</b>	Note:			
Gifts and donations		12,692,547	13,719,239	10,785,038
Legacies		321,857	300,000	589,521
Gifts in kind		785,192	584,300	842,206
<b>Income own fundraising</b>	(10)	<b>13,799,597</b>	<b>14,603,539</b>	<b>12,216,766</b>
<b>Share in actions of third parties</b>	(11)	<b>2,133,630</b>	<b>2,198,681</b>	<b>1,934,124</b>
<b>Government grants</b>	(12)	<b>12,537,958</b>	<b>13,033,987</b>	<b>13,770,102</b>
<b>Interest income</b>	(13)	<b>60,781</b>	<b>100,000</b>	<b>33,774</b>
<b>Other income</b>	(14)	<b>136,936</b>	-	<b>425,116</b>
<b>Sum of income</b>		<b>28,668,902</b>	<b>29,936,207</b>	<b>28,379,882</b>
<b>EXPENDITURES</b>				
Project activities	(15)	21,822,066	22,641,659	19,954,528
Preparation and Coordination	(16)	1,175,161	1,570,545	1,142,849
Communication and Awareness	(17)	2,140,812	1,770,240	2,129,643
<b>Expenditure on the objective</b>		<b>25,138,039</b>	<b>25,982,444</b>	<b>23,227,020</b>
Cost of own fundraising		2,506,464	2,335,455	2,232,327
Cost of obtaining third party grants		338,697	378,485	274,098
Cost of obtaining government grants		159,195	174,411	251,009
<b>Expenditures on fundraising</b>	(18)	<b>3,004,356</b>	<b>2,888,351</b>	<b>2,757,434</b>
<b>Management and administration</b>	(19)	<b>1,483,076</b>	<b>1,354,953</b>	<b>1,393,210</b>
<b>Sum of expenditures</b>		<b>29,625,470</b>	<b>30,225,749</b>	<b>27,377,664</b>
<b>Sum of income and expenditures</b>		<b>(956,568)</b>	<b>(289,542)</b>	<b>1,002,218</b>
<b>APPROPRIATION OF RESULT</b>				
Continuity reserve		-	-	94,020
General reserve		(665,486)	(289,542)	1,158,714
Earmarked reserve		(274,642)	-	775,358
Earmarked funds		(16,440)	-	(1,025,874)
<b>Total addition (withdrawal)</b>		<b>(956,568)</b>	<b>(289,542)</b>	<b>1,002,218</b>

# CASH FLOW STATEMENT

*in euros*

	2016	2015
<b>Cash flow from operational activities</b>		
Sum of income and expenditures	(956,568)	1,002,218
Depreciation	215,328	128,383
Interest	(60,781)	(33,774)
Foreign exchange gain/loss	(86,431)	(328,880)
Increase / (decrease) in provisions	591,890	151,675
<b>Gross cash flow from operational activities</b>	<b>(296,563)</b>	<b>919,623</b>
<b>Cash flow from changes in working capital</b>		
(Increase) / decrease in receivables	(240,405)	395,186
Increase / (decrease) in liabilities	7,213,336	3,006,923
	<b>6,972,930</b>	<b>3,402,110</b>
<b>Interest received</b>	<b>60,781</b>	<b>33,774</b>
<b>Net cash flow from operating activities (A)</b>	<b>6,737,149</b>	<b>4,355,506</b>
Cash flow from investment activities		
Investments in fixed assets	(37,589)	(327,690)
<b>Cash flow from investment activities (B)</b>	<b>(37,589)</b>	<b>(327,690)</b>
<b>Cash flow</b>	<b>6,699,559</b>	<b>4,027,816</b>
Cash and cash equivalents per 1/1/2016	14,801,761	10,445,065
Foreign exchange (gains) / losses	(86,431)	(328,880)
Cash and cash equivalents per 31/12/2016	21,587,751	14,801,761
<b>Change in cash and cash equivalents</b>	<b>6,699,559</b>	<b>4,027,816</b>

## NOTES TO THE ANNUAL ACCOUNTS 2016

### GENERAL

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

War Child is active as an international non-governmental organisation (iNGO) supporting children affected by armed conflict. War Child empowers children and young people while enabling adults to bring about positive and lasting changes in the lives of conflict-affected children and young people. War Child supports children regardless of their religious, ethnic or social backgrounds or gender. In 2016, War Child implemented its projects in Afghanistan, Burundi, Central African Republic, Colombia, Democratic Republic of Congo, Iraq, Jordan, Lebanon, the occupied Palestinian territory, Republic of South Sudan, Sri Lanka, Sudan, Uganda and the Netherlands.

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 2016 are dated 21 April 2017 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 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 expenditure 2016 is based on the period from 1-1-2016 to 31-12-2016.

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

The assumption of continuity was applied for the preparation of the annual accounts.

### Comparative figures

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

### Functional currency

Items included in the financial statements of War Child's country offices are measured in euros. The financial statements of the legal entity are presented in euros, which is the functional and presentation currency of War Child.

### Transactions in foreign currencies

Foreign currency amounts are converted into euros against the exchange rate on the transaction date. Monetary assets (such as bank and cash balances and receivables), non-monetary assets (such as cars) and monetary liabilities (such as payables) denominated in foreign currencies are revalued on a monthly basis against the exchange rate at the balance sheet date. Differences in the euro value of such balance sheet items, caused by exchange rate fluctuation, are accounted for as income or expenditure. Foreign exchange rate gains or losses, resulting from the revaluation of such assets at balance sheet date, are recognised in the statement of income and expenditures in the period that they arise.

### 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. 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 valuation of gifts-in-kind, 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 nominal value.

An asset is disclosed 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 profit and loss account 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.

If a transaction results in a transfer of future economic benefits and / or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

### 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. These financial statements contain the following financial instruments: loans and receivables (both purchased and issued) and other financial liabilities.

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 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.

For the principles applying to the primary financial instruments, please refer to the treatment of each relevant balance sheet item.

### **Fixed assets**

Tangible fixed assets are stated 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. The depreciation periods are specified in the notes to the balance sheet.

The following depreciation percentages are applied:

- Buildings: 3%
- Plant and equipment: 20%
- Other fixed operating assets: 20-33%

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 expenditures. 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.

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

### **Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost on the basis of the effective interest rate method. When a receivable is unrecoverable, it is written off.

### **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 face value. War Child does not have any borrowings or loans. War Child does not invest its funds other than in savings accounts and deposits.

### **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, based on an annual risk assessment. 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 mission.

#### ***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.



**Earmarked funds**

The earmarked funds are related to funds earmarked by the external donor to be spent on a designated purpose.

**Provisions**

Provisions are recognised when War Child has an obligation to make a future payment as a result of past events that is of an uncertain size or that will occur at an uncertain future date, and which can be estimated reliably. Provisions are stated at the nominal value of the expenditures that are expected to be required to settle the liabilities and losses.

***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 date.

***Provision for payroll tax***

A provision for payroll tax is established when local taxation laws and regulations contain, or are expected to contain, a tax obligation related to salaries paid to staff residing in the country, although the authorities have not (yet) imposed those taxes on War Child or on non-governmental organisations in general and the exact method of calculation to be applied is uncertain. The provision represents the best estimate of the amount of tax that will be imposed.

***Provision for claims, disputes and lawsuits***

A provision for claims, disputes and lawsuits is established when it is expected that War Child will be sentenced in legal proceedings. The provision represents the best estimate of the amount for which the claim can be settled, including the costs of litigation.

**Liabilities**

Liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.





## ACCOUNTING PRINCIPLES - INCOME AND EXPENDITURES

### Income recognition

#### *Income own fundraising*

Donations received without a legal restriction on how to spend them are accounted for as income in the earliest reporting period that they were received or committed to.

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.

Legacies are accounted for as soon as the amount of income for War Child can be reliably estimated.

#### *Grants from Governments*

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 expenditure is recognised.

#### *Share in actions of third parties*

Income from fundraising organised by external parties, in cases where War Child does not run the risk of the fundraising actions, are recognised as "Share in actions of third parties".

Grants received from other fundraising organisations 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 expenditure is recognised. Grants from fundraising organisations are recognised as income in the earliest period that those grants are received or committed, if there are no conditions associated with the grant.





**Loss recognition**

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

**Interest Income**

Interest income is the earned interest from third parties taking account of the effective interest rate of the assets concerned.

**Financial and Operational lease**

Financial leases are leases for which a large part of the risks and rewards incidental to ownership of the assets lies with War Child. War Child does not have such leases. Operational leases are leases that are not financial leases and these include the office rent and car leases. Obligations under operating leases are recognised on a straight-line basis in the statement of income and expenditures over the term of the contract, taking into account reimbursements received from the lessor.

**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.

**Dutch 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 liability 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 of the pension fund as at balance sheet date, a receivable is recognised if the company has the power to withdraw this surplus, if it is likely that the surplus will flow to the company and if the receivable can be reliably determined.



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### 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.

### 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.

# NOTES TO THE BALANCE SHEET

in euros

## 1 TANGIBLE FIXED ASSETS

	Cars, Office furniture & fittings	ICT	Assets in project countries	Total assets
Acquisition value	276,134	207,910	466,811	950,855
-/- Cumulative Depreciation	(61,128)	(180,093)	(107,278)	(348,499)
<b>Book value 1/1/2016</b>	<b>215,006</b>	<b>27,817</b>	<b>359,533</b>	<b>602,356</b>
Acquisition value of investments 2016	28,651	8,938	-	37,589
-/- Depreciation 2016	(30,864)	(20,746)	(163,717)	(215,328)
<b>Movements during the year</b>	<b>(2,213)</b>	<b>(11,808)</b>	<b>(163,717)</b>	<b>(177,738)</b>
Acquisition value	304,785	216,848	466,811	988,445
-/- Cumulative Depreciation	(91,992)	(200,839)	(270,996)	(563,827)
<b>Book value 31/12/2016</b>	<b>212,793</b>	<b>16,009</b>	<b>195,816</b>	<b>424,618</b>

Tangible fixed assets are depreciated over their estimated lifetime.

Acquisitions in 2016 relate to furniture, a vehicle and laptops in War Child's head office. There were no acquisitions of tangible fixed assets in project countries. War Child owns no buildings in the Netherlands nor in project countries.

## 2 RECEIVABLES

	31/12/2016	31/12/2015
Receivables from donors	1,521,753	1,475,170
Prepayments in project countries	139,945	217,141
Prepaid to implementing partners	480,789	350,286
Legacies due	294,759	202,861
Interest to be received	16,839	16,688
Other accounts receivable	186,083	137,617
<b>Receivables</b>	<b>2,640,169</b>	<b>2,399,763</b>

All accounts receivable originated in 2016, except for two legacies totalling €92,000 originating from 2011 and 2014. All receivables are expected to be received within one year. 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 six legacies, including three large receivables of approximately €80,000 and three legacies related to which War Child still expects to receive amounts below €25,000.

Prepayments in project countries include, for example, rental prepayments for offices abroad.

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

### 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 but had not yet been received on the balance date. The funds are expected to be received within one year. The amount receivable from donors at the balance date can be broken down as follows:

	31/12/2016	31/12/2015
Canadian Government	568,658	-
European Commission	340,495	700,016
ASN Bank	139,119	92,834
United States Government	128,446	-
United Nations organisations	-	338,033
Other donors	345,036	344,288
<b>Receivables from donors</b>	<b>1,521,753</b>	<b>1,475,170</b>

## 3 CASH AND CASH EQUIVALENTS

	31/12/2016	31/12/2015
Cash and cash equivalents in the Netherlands	20,035,655	13,781,353
Cash and cash equivalents in project countries	1,552,096	1,020,408
<b>Cash and cash equivalents</b>	<b>21,587,751</b>	<b>14,801,761</b>

The increase in liquidity is related to large prepayments from institutional donors including the IKEA Foundation and the Dutch Postcode Lottery.

### 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.

	31/12/2016	31/12/2015
Cash and cash equivalents freely available	20,761,183	13,982,001
Cash and cash equivalents available with 1.5 per cent penalty	767,768	760,960
Cash and cash equivalents in bank guarantee until 2023	58,800	58,800
<b>Cash and cash equivalents</b>	<b>21,587,751</b>	<b>14,801,761</b>

**War Child does not hold investments**

Since its inception, War Child has never invested any money in securities. Its policy is that any cash held shall either be spent at short notice on its objective or will be held to ensure continuity of the organisation - it may be needed in case of an unfortunate event or stagnating income. Therefore, long-term investing is not appropriate for War Child. Short-term investing with a speculative character is not in the mandate either. That leaves only room for short-term investing in the safest short-term securities. To date, War Child has not yet made such investments.

**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 date, 93 per cent of cash was kept in bank accounts in the Netherlands. For expenditures 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 expenditures are in US dollars. Country offices request funds to be transferred by head office on a monthly basis, based on forecast expenditure. 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 expenditure and unforeseen events.

## 4 RESERVES AND FUNDS

### Appropriation of the Result

On 21 April 2017, the Supervisory Board of Stichting War Child discussed the annual report and the financial statements 2016. 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 21 April 2017 are Peter Bakker (President), Willemijn Verloop (Vice-President), Rob Theunissen (Treasurer), Raymond Cloosterman, Max Glaser and Edith Kroese.



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."*



	<b>Continuity reserve</b>	<b>General reserve</b>	<b>Earmarked reserve</b>	<b>TOTAL RESERVE</b>	<b>Earmarked funds</b>
Balance as per 1/1/2016	6,000,000	1,158,714	1,034,660	8,193,374	419,745
Additions to the reserves / funds	-	694,386	-	694,386	403,305
(Withdrawals from the reserves / funds)	-	(1,359,873)	(274,642)	(1,634,515)	(419,745)
<b>Balance as per 31/12/2016</b>	<b>6,000,000</b>	<b>493,228</b>	<b>760,018</b>	<b>7,253,246</b>	<b>403,305</b>

### Continuity reserve

War Child determines the desired size of its continuity reserve annually based on risks perceived, and the analysis is approved by its Supervisory Board. The most recent risk analysis was performed in December 2016 and it takes into account the following adverse events:

#### Reputational damage

An undefined cause, such as a child safety incident or insufficient quality of one of War Child's projects, might attract negative media attention leading to donors cancelling their structural donations. This will negatively impact on War Child's unrestricted funds (assumption worst case: -25 per cent in three years).

#### Recession

In an economic recession it will become more difficult for War Child to raise both restricted and unrestricted funds. Governments will cut their development budgets and individuals and businesses will be more reluctant to donate to a good cause (assumption worst case: -30 per cent in three years).

#### Evacuation

A worsening security situation in one of War Child's programme countries or cancellation of registration certificates by a local authority make it impossible for War Child to implement its programmes in a country. This will result in one-off expenses (assumption worst case: €0.8 million in the first year).

#### Ineligible grant expenses

The obligation to pay back part of a grant, based on the results of an audit revealing financial mismanagement by War Child or one of its implementing partners, such as missing justifying documentation, non-compliance to donor requirements or a fraud incident (assumption worst case: 5 per cent per year).

Stress testing means that the above adverse events are simulated in three scenarios: least impact, mid-case and worst-case. Crash testing means that the above adverse events occur in combination at their mid-case scenario. The impact is estimated for three consecutive years. The impact is limited by savings opportunities that are assumed to be implemented, for instance by cutting variable costs and terminating temporary contracts.

Based on a risk analysis with the underlying assumptions as explained, the outcome of the 2016 analysis is a target level of the continuity reserve of €6 million, which is similar to the minimum level determined at the end of 2015.

The continuity reserve at the end of the financial year is at the target, which ensures continuity of the organisation during three years of adverse incidents.



War Child's continuity reserve is in compliance with the requirements of the VFI as stipulated in its policy for financial control of NGOs ("Financieel Beheer Goede Doelen"). The maximum continuity reserve is 1.5 times specified organisational costs. In 2016, these costs totalled €14.2 million, which can be determined by the sum of staff costs, housing costs, office costs, general costs and depreciation as stated in Notes 3.10 to the annual accounts. This means that according to VFI guidance, War Child has a maximum continuity reserve of  $1.5 \times €14.2 \text{ million} = €21.3 \text{ million}$ . War Child's actual continuity reserve at the balance date is well below the maximum level set.

### 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 mission.

General reserve	1/1/2016	additions	withdrawals	31/12/2016
General reserve	1,158,714	694,386	(1,359,873)	493,228
<b>Total</b>	<b>1,158,714</b>	<b>694,386</b>	<b>(1,359,873)</b>	<b>493,228</b>

### Earmarked reserve

The earmarked reserves are funds with a designated purpose determined by the board. There is no external obligation. The earmarked reserves at the balance sheet date contain the future depreciation of project assets funded by donor grants. The earmarked reserve will be reduced in accordance with the future depreciation of those tangible fixed assets. The other component of War Child's earmarked reserves is an internal call for proposals, for which War Child has reserved funds to be spent in 2017 in accordance with approved project plans.

<b>Earmarked reserve</b>	<b>1/1/2016</b>	<b>additions</b>	<b>withdrawals</b>	<b>31/12/2016</b>
Future depreciation of project assets funded by grants	34,660	-	(24,642)	10,018
Funds allocated to internal call for proposal	1,000,000	-	(250,000)	750,000
<b>Total</b>	<b>1,034,660</b>	<b>-</b>	<b>(274,642)</b>	<b>760,018</b>

### Earmarked funds

The earmarked funds are designated by the donor and must be spent on a specific purpose. In 2016, the earmarked funds from the Dutch Postcode Lottery and Serious Request were fully spent and therefore the funds were released. New earmarked funds were added for funds to be spent on War Child's TeamUp programme in the Netherlands. The funds received from Adessium Foundation are to be spent on Research and Development. War Child expects to spend these amounts in 2017 and the earmarked funds will be decreased by the amount expended in future financial years.

<b>Earmarked funds</b>	<b>1/1/2016</b>	<b>additions</b>	<b>withdrawals</b>	<b>31/12/2016</b>
Dutch Postcode Lottery oPt	286,590	-	(286,590)	-
Serious Request DRC	133,155	-	(133,155)	-
TeamUp NL	-	205,153	-	205,153
Adessium Foundation R&D	-	198,152	-	198,152
<b>Total</b>	<b>419,745</b>	<b>403,305</b>	<b>(419,745)</b>	<b>403,305</b>

## 5 PROVISIONS

<b>Provisions</b>	<b>1/1/2016</b>	<b>additions</b>	<b>withdrawals</b>	<b>31/12/2016</b>
Provision for end-of-service benefits	185,712	185,592	(74,683)	296,621
Provision for local taxation	327,978	131,123	(72,999)	386,102
Provision for local social security	207,543	7,054	(51,976)	162,622
Provision for ineligible grant expenses	-	467,778	-	467,778
<b>Total</b>	<b>721,233</b>	<b>791,547</b>	<b>(199,658)</b>	<b>1,313,123</b>

### 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 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 all therefore often quite uncertain and the provision reflects War Child's best estimate.

### **Provision for 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 contexts where the safety of its (partners') staff is at risk. Under such circumstances it is not possible to guarantee that the strictest of donor requirements are always followed. War Child still implements those projects because the children in question particularly need its support. The amount that is at risk of repayment to the donor is provided for.

The entire provision is short term since all employees have a notice period of less than one year. It is possible that authorities will impose tax on War Child within one year, and the ineligible grant expenses might be claimed from War Child within one year.

## 6 LONG TERM LIABILITIES

Long term liabilities are due after one year. The amount in the balance sheet as per 31-12-2016 relates to rental discounts 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 2018 onwards.

## 7 ACCOUNTS PAYABLE

	31/12/2016	31/12/2015
Accounts payable - head office	292,937	292,358
Accounts payable - programme countries	189,100	118,874
Implementing partners to be paid	945,706	-
Taxes and social premiums payable - head office	-	5,595
Taxes and social premiums payable - programme countries	124,955	96,648
<b>Accounts payable</b>	<b>1,552,698</b>	<b>513,474</b>

The amount payable to implementing partners increased because War Child has started a number of large programmes and has partnered with organisations, which are able to prefinance its activities. Previously War Child always prepaid its partner organisations because they were mainly small local organisations without their own funds. In addition, due to sanctions on some of the countries where War Child works, international bank transfers posed difficulties and amounts remained payable at the end of the financial year.

## 8 GRANTS RECEIVED IN ADVANCE

	31/12/2016	31/12/2015
IKEA Foundation	5,805,179	4,060,518
Dutch Postcode Lottery	5,622,616	-
United Nations organisations	747,553	243,140
European Commission	574,412	803,019
Dutch Government	335,795	363,867
Canadian Government	-	816,542
Adessium Foundation	-	136,149
Swiss Government	-	105,037
Other donors	339,461	318,292
<b>Grants received in advance</b>	<b>13,425,016</b>	<b>6,846,564</b>

'Grants Received in Advance' consists of earmarked money 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 received, but in the period in which the related expenses are recognised.

The amount of grants received in advance has substantially increased (96 per cent) compared to last year. The largest institutional donors paying in advance are shown in the table. Comparison between the current and previous financial year reveals large fluctuations between donors. Substantial grant instalments were received from the IKEA Foundation and the Dutch Postcode Lottery, mainly in relation to the expansion of War Child's successful "Can't Wait to Learn" programme.

The largest outstanding position with donors is with IKEA Foundation, an important donor which supports War Child's mission in 2016 with three grants, as specified below.

	<b>Total grant in euros</b>	<b>Received up to 31/12/2016</b>	<b>Spent up to 31/12/2016</b>	<b>Outstanding 31/12/2016</b>
IKEA Foundation Can't wait to learn (Sudan, Lebanon, Jordan)	4,300,000	3,377,581	407,005	2,970,576
IKEA Foundation Time to be a child (Jordan)	7,354,681	3,362,949	625,436	2,737,513
IKEA Foundation Building sustainable futures (South Sudan)	1,548,830	1,371,510	1,274,421	97,089
<b>IKEA Foundation</b>	<b>13,203,511</b>	<b>8,112,040</b>	<b>2,306,862</b>	<b>5,805,178</b>

## 9 OTHER LIABILITIES

	<b>31/12/2016</b>	<b>31/12/2015</b>
Project obligations	-	647,965
Personnel liabilities	361,678	380,630
Other liabilities	315,635	80,895
<b>Other liabilities</b>	<b>677,312</b>	<b>1,109,489</b>

All Other Liabilities are short-term.

Project obligations relate to payments committed by War Child to implementing partners.

Personnel liabilities relate to 8 per cent holiday allowance built up during the year and due in May 2017 and to holiday leave pending at balance date.

Other liabilities are expected invoices relating to the financial year, which were not yet received at balance date. It also includes rental discounts spread over the total duration of the rental contract, and to be recognised within one year.



## 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 €15.7 million, which is its balance with Rabobank at 31-12-2016. War Child also holds bank accounts with ASN bank (€1.5 million), with ABN AMRO (€1.7 million), Triodos bank (€0.5 million) and with ING (€0.5 million). Furthermore, it has balances with foreign banks in potentially unstable states, spread over eight different banks. The largest bank balance abroad is with Bank Audi in Lebanon (€0.8 million). The probability and impact of financial loss to War Child due to a bank going bankrupt is mitigated by spreading the balances over a number of banks, by limiting the outstanding balances abroad and by strict bank assessment procedures when opening a bank account.



### Credit risk - receivables

Credit risk also arises from War Child's receivables totalling €2.6 million. The credit risk is concentrated at four counterparties for a total amount of €1.2 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 €0.6 million from the Canadian Government. In addition, €0.5 million receivables relate to pre-payments to partners. This balance is spread over more than 20 partners, the largest balance being less than €0.2 million with a large international partner.

### 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 USD and EUR. The currencies in which these donor grant contracts are

primarily denominated are EUR, USD and CAD. 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 matches the reporting exchange rate as far as possible. 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 risk

War Child has no interest-bearing loans. There is a risk of interest rates decreasing, resulting in reduced interest 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 are as follows and are further explained in the text below the table.

	<b>TOTAL</b>	<b>due within 1 year</b>	<b>due in 1-5 years</b>	<b>due after 5 years</b>
Operational obligations	1,742,852	363,997	952,985	425,870
Implementing partner conditional obligations	6,952,629	5,037,430	1,915,199	-
<b>Off-balance sheet obligations</b>	<b>8,695,481</b>	<b>5,401,427</b>	<b>2,868,184</b>	<b>425,870</b>
<b>Off-balance sheet rights: Donor contract value to be received</b>	<b>16,041,294</b>	<b>10,463,966</b>	<b>5,577,327</b>	<b>-</b>

### Operational obligations

The main operational obligation is the office rental obligation in the Netherlands for the period until 30 September 2023. Total remaining rental obligation including service and utility charges is €1.8 million based on estimated annual indexation. The remaining obligations of €0.1 million consist of rental obligations in programme countries and of other procurement contracts.

### Implementing Partners

War Child works with over 50 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. Contributions to partners that are unconditional are recognized as expenses in the financial statements. Contributions that are conditional are off-balance sheet obligations. War Child has conditional obligations to its partners totalling €7.0 million. War Child's largest partner is War Child UK, with which conditional agreements are in place with payments of in total €4.8 million due in the coming five years. In 2017, War Child UK will implement programmes for War Child in Afghanistan, Jordan, Central African Republic, Iraq and Yemen.

**Off-balance sheet rights**

Grants from donors are recognised as income when the related expenditure is recognised. Instalments received from donors are recognised 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 is reported as off-balance sheet rights.

	<b>TOTAL</b>	<b>due within 1 year</b>	<b>due in 1-5 years</b>	<b>due after 5 years</b>
<b>Off-balance sheet rights: Donor contract value to be received</b>	16,041,294	10,463,966	5,577,327	-

The total amount of instalments to be received by War Child under existing donor contracts is €16.0 million. The largest total amount to be received in the coming five years from one donor is €4.9 million from IKEA Foundation.

**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 2016 annual accounts or the condition of War Child at the end of the financial year or thereafter.



# NOTES TO THE STATEMENT OF INCOME AND EXPENDITURES

in euros

## 10 INCOME OWN FUNDRAISING

	2016	Budget 2016	2015
Individuals	8,230,363	8,241,541	7,704,102
Businesses	1,801,033	1,398,066	1,897,639
Kids & Schools	200,346	191,500	178,933
Non-fundraising foundations	2,358,530	3,693,132	794,851
Other organisations	102,276	195,000	209,512
<b>Subtotal gifts and donations</b>	<b>12,692,547</b>	<b>13,719,239</b>	<b>10,785,038</b>
Legacies	321,857	300,000	589,521
Gifts in Kind	785,192	584,300	842,206
<b>Total income own fundraising</b>	<b>13,799,596</b>	<b>14,603,539</b>	<b>12,216,766</b>

Income Own Fundraising includes structural and one-off donations from individuals, businesses, schools and other organisations, as well as donations from foundations that are not fundraising organisations. Other organisations include for example churches, municipalities, universities and sports associations.

### Developments 2016

War Child aims to develop long-term relationships with individual donors to ensure stability in income and the continuity of projects. Approximately 84 per cent of the income generated by individual donors came from "Friends", as War Child calls its structural donors. This percentage is similar to the previous year. The number of War Child Friends increased by about 1,000 to approximately 94,000 Friends by the end of 2016. Our goal was to secure 5,000 additional structural donors over the course of 2016. We attribute this shortfall to the continued tough market conditions. We did, however, reach our ambitious income target from individuals over the course of the year, which was €8.2 million, or 7% above our 2015 income from individuals.

In 2016 we raised €1.8 million from the business sector, 29 per cent above our planned target for the year. We saw the biggest growth in incidental donations, which appears to be an ongoing trend in this sector. As with the trend in the market for individual donors, it was a challenge to secure long-term commitments from companies. Main business donors are ASN Bank, Tommy Cares, T-Mobile and Rituals.

The income from foundations almost tripled compared to the previous year, although it was 36% below the 2016 budget. The fluctuation is caused by the income from IKEA Foundation, which is related to a new grant in 2016 related to the Can't Wait to Learn and Time to be a Child programmes. The income that was budgeted for those grants was higher than the realization in 2016, due to delays in implementation. We are planning to catch up with the delays in 2017.

Income from legacies decreased by 45 per cent compared to 2015. This market is volatile and notoriously difficult to predict. We invested in this market, which should yield more income in the long-term. We received 11 heritages and six legacies across the year as a whole.

The income category Own Fundraising also includes gifts-in-kind. War Child has a strict low-cost policy and is very successful in receiving contributions from businesses for free. In 2016, the value of gifts in kind was €0.8 million.

## 11 INCOME FROM THIRD PARTY ACTIONS

	2016	Budget 2016	2015
Dutch Postcode Lottery (structural contribution)	1,350,000	1,350,000	1,358,948
Dutch Postcode Lottery (extra contribution)	277,384	-	30,000
Plan	-	-	305,712
Culture Foundation of the Swedish Postcode Lottery	201,760	175,129	118,231
Other fundraising organisations	304,486	673,553	496,692
Third party income recognised but not implemented	-	-	(375,458)
<b>Total income third parties</b>	<b>2,133,630</b>	<b>2,198,681</b>	<b>1,934,124</b>

Income from third party actions consists of contributions from other fundraising organisations. War Child does not bear any risk for the fundraising activities of these organisations.

### Developments 2016

Income from third parties is in line with the budget and with the previous year. The Dutch Postcode Lottery contributes structurally to our organisation with an impressive €1.4 million. In addition, the Dutch Postcode Lottery awarded the "Dreamfund" to War Child, which we started to implement in 2016. Income from other fundraising organisations was below budget due to a difficult and competitive donor landscape.

## 12 INCOME FROM GOVERNMENTS

	2016	Budget 2016	2015
United Nations organisations	4,449,099	3,154,791	3,981,235
Dutch Government	3,835,506	3,086,634	6,840,037
European Commission	1,460,184	3,073,075	2,644,475
Canadian Government	1,385,200	1,324,326	567,285
Swiss Government	993,249	865,072	240,141
United States Government	247,086	494,552	-
British Government	136,349	146,877	396,439
Other governmental organisations	31,285	888,660	96,816
Government income recognised but not implemented	-	-	(996,326)
<b>Total income from governments</b>	<b>12,537,958</b>	<b>13,033,987</b>	<b>13,770,102</b>

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 but War Child has a contract with another party, this income is categorized as income from governments.

### Developments 2016

Compared to the peak in government funding in 2014 (€17.9 million), this income category declined in 2015 (€13.8 million) and in 2016 it declined again (€12.5 million). The Dutch Government remains a large donor. The five-year MFS II grant from the Ministry of Foreign Affairs ended, which contributed an income of approximately €4.2 million per year in the period from 2011 to 2015. War Child was unfortunately not awarded the Strategic Partnerships grant, but it does participate in the Dutch Relief Alliance for programmes in Syria, Iraq, South Sudan and Central African Republic. 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.

### 13 INTEREST INCOME

	2016	Budget 2016	2015
Interest received	60,781	100,000	33,774
Interest paid	-	-	-
<b>Total interest income</b>	<b>60,781</b>	<b>100,000</b>	<b>33,774</b>

Interest income is related to interest received on War Child's bank accounts.

#### Developments 2016

The increase in interest income compared to the previous year was caused by the higher balance on bank accounts.

### 14 OTHER INCOME

	2016	Budget 2016	2015
Payment differences	(3)	-	-
Exchange rate differences	86,431	-	328,880
Other income	50,508	-	96,236
<b>Total other income</b>	<b>136,936</b>	<b>-</b>	<b>425,116</b>

Other income is related to exchange rate differences and to income not received as a donation or a grant, such as income from the sale of assets.

#### Developments 2016

Exchange rate differences have decreased because 2015 was an extraordinary year due to the devaluation of the euro against the US dollar. The exchange rate differences do not impact on War Child's programming capacity as long as its expenses are in the same currency as the grant. Refer to the notes to the balance sheet for further details.



## EXPENDITURE ON BEHALF OF THE OBJECTIVE

War Child distinguishes three main activities on behalf of its objective:

- a) Project activities: Implementation of its projects;
- b) Preparation & coordination: Preparation and management of its projects;
- c) Communication & awareness raising: Communicating about relevant topics.

## 15 COSTS OF PROJECT ACTIVITIES

	2016	Budget 2016	2015
Lebanon	4,183,418	4,494,040	6,201,172
Syria	2,510,911	2,811,424	-
DR Congo	3,141,343	2,446,882	2,794,149
South Sudan	2,246,509	1,804,239	2,500,973
Burundi	1,013,809	1,071,996	2,017,575
Colombia	1,938,028	2,023,744	1,573,478
Occupied Palestinian Territories	940,678	1,144,265	1,336,587
Jordan	328,246	1,151,800	-
Uganda	660,080	892,539	824,231
Iraq	607,538	627,820	574,346
Central African Republic	310,705	-	-
Sri Lanka	212,908	351,247	366,216
Sudan	129,441	374,457	279,502
Afghanistan	191,745	200,000	199,974
MFS II alliance partners (see break down below)	115,209	-	997,640
Projects Netherlands and global	2,430,011	2,368,061	800,893
Depreciation of project assets	163,717	-	72,204
Expenses recognized but not implemented	-	-	(1,493,027)
Allocated support costs	697,770	879,145	908,615
<b>Total costs of project activities</b>	<b>21,822,066</b>	<b>22,641,659</b>	<b>19,954,527</b>

Expenditure towards project activities are costs related to the implementation of War Child's projects. War Child's projects are in the field of Psychosocial support, Protection, Education, Participation and Lobbying / Advocacy. In its project countries, War Child has self-implementing projects as well as projects implemented by partner organisations.

Costs of project activities include expenditure such as staff costs, materials purchased, transport costs, office expenses and payments to local partners. Costs of the country and field 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. In addition, indirect head office support costs are allocated to project activities based on the time spent by all head office employees on project activities. The latter is further explained in notes on Support Costs.



### Conn@ct.Now alliance partners

	2016	Budget 2016	2015
Child Helpline International	23,293	-	497,880
Free Press Unlimited	26,209	-	369,642
TNO	65,707	-	130,118
<b>Total MFS II alliance partners</b>	<b>115,209</b>	<b>-</b>	<b>997,640</b>

War Child leads the Conn@ct.Now alliance that was awarded by the Dutch Government with a grant under the Medefinancierings Stelsel (MFS II). Payments to its alliance partners in 2016 can be broken down as shown in the table. Projects were implemented in Burundi, Colombia, South Sudan, Sudan, Uganda and the Netherlands. The five-year grant's total budget was €21 million, of which €15 million was allocated to War Child and €6 million to its alliance partners. The grant ran from 2011 until 2015, with an extension into the first quarter of 2016. The budget for MFS II in 2016 was nil, because the extension into 2016 was unexpected. The amounts are lower than the amounts in 2015, because these were the final payments.

## 16 COSTS OF PREPARATION AND COORDINATION

	2016	Budget 2016	2015
Direct costs of preparation and coordination	88,962	194,000	113,085
Support allocation to preparation and coordination	1,086,199	1,376,545	1,029,764
<b>Total costs of preparation and coordination</b>	<b>1,175,161</b>	<b>1,570,545</b>	<b>1,142,849</b>

Direct costs for preparation and coordination are costs for evaluations of our programmes, security measures and security trainings, quality assurance, and research and development of intervention methods.

Indirect head office support costs are allocated to 'Preparation and Coordination' based on the time spent by all head office employees. Although direct preparation and coordination costs are low, the time spent on it is quite substantial. Head office employees of the International Programmes Department and the Research and Development Department spend most of their time on preparation and coordination activities. The mechanism of support cost allocation is further explained in the notes on Support Costs.

## 17 COSTS OF COMMUNICATION AND AWARENESS-RAISING

	2016	Budget 2016	2015
Direct costs of communication and awareness raising	1,378,749	1,023,132	1,099,879
Support allocation to communication and awareness raising	762,063	747,108	1,029,764
<b>Total costs of communication and awareness raising</b>	<b>2,140,812</b>	<b>1,770,240</b>	<b>2,129,643</b>

Communication and awareness-raising includes the costs of communication to and with people in general and with certain focus groups and networks in particular. Direct costs include those costs related to lobbying, War Child's website, conferences, campaigns and the communication component of events and actions. Indirect head office support costs are allocated to 'Communication and Awareness raising' based on the time spent by all head office employees. The latter is further explained in notes on Support Costs.

### Developments 2016

The direct communication and awareness-raising costs increased in 2016 compared to the previous year, and exceeded the budget 2016. This can be explained by the substantial increase in expenses related to events, actions and outsourced acquisition of donations, which have an awareness-raising component.

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. The same split is applied to door-to-door conversations held with approximately 140,000 households in 2016, which resulted in 7,000 new Friends acquired which resulted as well in many more individuals being informed about the children affected by conflict. The allocation percentages are consistently determined and applied in consecutive periods.





## 18 EXPENDITURES ON 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.

### Ratio costs of own fundraising

	2016	2015	2014	2013	2012	2011
Costs own fundraising	2,506,464	2,232,327	1,553,422	2,177,542	1,799,765	2,042,520
Income own fundraising	13,799,597	12,216,766	10,740,428	11,672,938	12,367,366	11,250,797
<b>% costs own fundraising</b>	<b>18.2%</b>	<b>18.3%</b>	<b>14.5%</b>	<b>18.7%</b>	<b>14.6%</b>	<b>18.2%</b>

The Central Bureau of Fundraising (CBF) sets a 25 per cent maximum to the average over three years of the costs of own fundraising in relation to the income generated by own fundraising. War Child has always stayed well within this limit. In 2016 War Child's percentage of own fundraising costs divided by own fundraising income was 18 per cent, similar to that of 2015. Raising own funds is important to War Child which is why it invests in fundraising. Own fundraising income has increased with almost 11 per cent in 2016 compared to 2015.

## 19 MANAGEMENT AND ADMINISTRATION

The Central Bureau of Fundraising (CBF) deliberately doesn't set a maximum to the costs of management and administration in relation to the total expenditure, because lower management costs are not necessarily always desirable. Fundraising organisations are active in very diverse contexts and types of activities. Some organisations are more complex to manage and administrate than others. If management and administration were not properly invested in, then the continuity of the organisation could be at risk.

### Ratio costs of management and administration

	2016	2015	2014	2013	2012	2011
Costs management & administration	1,483,076	1,393,210	1,381,425	1,375,652	1,504,181	1,178,805
Total costs	29,625,470	27,377,664	30,693,888	24,373,109	22,114,298	19,045,391
<b>% Costs management &amp; administration</b>	<b>5.0%</b>	<b>5.1%</b>	<b>4.5%</b>	<b>5.6%</b>	<b>6.8%</b>	<b>6.2%</b>

War Child aims to keep its percentage for management and administration below 7 per cent, which it did in 2016 (5.0 per cent). The absolute amount of costs for management and administration in 2016 remained at the same level of 2015. War Child is continuously pursuing cost savings opportunities.

## RATIOS

Below ratios provide further insight into War Child's performance and financial situation.

	<b>Realisation 2016</b>	<b>Budget 2016</b>	<b>Realisation 2015</b>	<b>Realisation 2014</b>
% Costs of own fundraising / income own fundraising	18.2%	16.0%	18.3%	18.7%
% Costs obtaining 3rd party & government grants / income 3rd parties and govt	1.1%	1.1%	1.6%	2.3%
% Costs of fundraising / total income	10.5%	9.6%	9.7%	10.6%
% Costs management & administration / total Expenses	5.0%	4.5%	5.1%	5.6%
% Total expenditure on behalf of the objective / total income	87.7%	86.8%	81.8%	83.6%
% Total expenditure on behalf of the objective / total expenses	84.9%	86.0%	84.8%	83.7%
% own fundraising income / total income	48.1%	48.8%	43.0%	47.8%
Solvability: reserves and funds / total liabilities	31.1%	n/a	48.4%	52.9%
Liquidity: current ratio (short-term assets / short-term liabilities)	1.55	n/a	2.03	2.37

## SUPPORT COSTS

Support costs are those costs incurred in War Child's head office in the Netherlands that are not directly attributed towards an expense category, such as project activities or fundraising. These include, for example, salaries, rental costs for the head office and ICT costs.





## Developments 2016

Support costs decreased in 2016 by €0.6 million to €5.4 million, remaining within the budget for the year (€5.9 million). This decrease can be largely explained by the decrease of personnel expenses by €0.8 million, which is related to the target to improve efficiency at head office.

Depreciation of head office assets is classified as support costs, whereas depreciation of assets used in War Child's programme countries is classified as project expenses.

	<b>2016</b>		<b>Budget 2016</b>		<b>2015</b>	
Support personnel costs	4,256,675	78%	4,590,902	78%	5,073,392	84%
Housing costs	301,069	6%	283,855	5%	189,317	3%
Office costs	768,805	14%	831,908	14%	632,236	10%
Other general support	89,418	2%	88,000	2%	106,311	2%
Depreciation head office assets	51,610	1%	65,000	1%	56,179	1%
<b>Total support costs</b>	<b>5,467,578</b>	<b>100%</b>	<b>5,859,665</b>	<b>100%</b>	<b>6,057,434</b>	<b>100%</b>

## Allocation of support costs

War Child's support costs are allocated based on estimated time spent per head office employee on each of the expenditure categories. The allocation method for support costs is determined based on estimates provided by departmental managers. The allocation method is consistently applied. War Child has explicitly chosen not to implement a time-sheet system in its head office, since it is not a requirement in the accounting principles RJ650, and that this is a large administrative burden which absorbs time away from supporting War Child's beneficiaries. War Child's allocation method is based on high-level estimates instead of on factual time spent on each project. This method complies with applicable regulations and with guidance by VFI. Only if and when employees' salaries are allocated to donor grants will employees register the actual time spent on those grants.

Based on the estimated time spent by head office employees, the total amount of support costs is allocated as follows:

	<b>2016</b>		<b>Budget 2016</b>		<b>2015</b>	
Project activities	697,770	13%	879,145	15%	908,615	15%
Preparation & coordination	1,086,199	20%	1,376,545	23%	1,029,764	17%
Communication & awareness raising	762,063	14%	747,108	13%	1,029,764	17%
Costs own fundraising	1,196,493	22%	1,259,018	21%	1,272,061	21%
Costs obtaining third party grants	103,133	2%	101,485	2%	181,723	3%
Costs obtaining government grants	138,844	3%	141,411	2%	242,297	4%
Management & administration	1,483,076	27%	1,354,953	23%	1,393,210	23%
<b>Total support costs</b>	<b>5,467,578</b>	<b>100%</b>	<b>5,859,665</b>	<b>100%</b>	<b>6,057,434</b>	<b>100%</b>

## PERSONNEL COSTS

The total personnel expenses can be broken down into personnel expenses directly allocated to project activities and those that are related to support and are allocated to the cost categories in accordance with the allocation of support costs, as explained above. All staff working in War Child's programme countries are directly allocated to project activities. The total personnel expenses are specified below.

	2016	Budget 2016	2015
Gross wages and salaries	7,386,809	7,887,668	8,042,146
Pension expenses	424,720	475,012	443,010
Social security expenses	1,146,910	1,309,060	1,183,733
Other personnel expenses	2,125,496	2,833,209	2,216,698
<b>Total Personnel expenses</b>	<b>11,083,935</b>	<b>12,504,950</b>	<b>11,885,587</b>

## ATTRIBUTION OF EXPENSES ACCORDING TO 'MODEL C'

	Destination category of expenditure (as RJ650 prescribes for income statement)									
	Expenditure towards Objective			Expenditure towards Fundraising			Management & Administration	Total expenditure		
	Communication & Awareness raising	Preparation & Coordination	Project activities	Own Fundraising	Third parties	Subsidies govt		2016	Budget 2016	2015
Contributions	-	-	6,916,367	-	-	-	-	6,916,367	4,784,592	4,561,368
Procurement	1,176,989	76,809	5,500,694	1,070,641	235,564	20,351	-	8,081,047	8,752,439	7,810,709
Outsourcing	-	-	-	233,499	-	-	-	233,499	262,769	235,976
Publicity	201,760	12,153	-	5,831	-	-	-	219,745	32,500	178,894
Staff costs	593,289	845,639	7,370,494	931,506	80,292	108,094	1,154,620	11,083,935	12,504,950	11,885,587
Housing costs	41,963	59,811	38,422	65,884	5,679	7,645	81,665	301,069	283,855	189,317
Office costs	107,155	152,732	1,713,186	168,241	14,502	19,523	208,538	2,383,876	3,434,144	2,110,133
General costs	12,463	17,764	112,599	19,568	1,687	2,271	24,255	190,605	105,500	277,297
Depreciation	7,193	10,253	170,304	11,294	974	1,311	13,999	215,328	65,000	128,383
Total expenses	2,140,812	1,175,161	21,822,066	2,506,464	338,697	159,195	1,483,076	29,625,470	30,225,749	27,377,664

The above overview is in accordance with the "Model C: Toelichting lastenverdeling" from "Richtlijn 650 Fondsenwervende Instellingen".

War Child does not have income from joint actions nor from investments.

Where possible, expenditures are directly attributed towards one or more of the above expenditure categories. Expenditures that cannot directly be attributed are allocated towards the above categories on the basis as explained in the previous paragraph 3.9 Support Costs.



## FURTHER NOTES TO THE ANNUAL ACCOUNTS

### NUMBER OF EMPLOYEES

The average number of full-time equivalent employees (FTE) in War Child's Amsterdam head office decreased by 3 per cent (3 FTE) to 83 FTE, despite an increase in War Child's total income and expenses. The decrease in the number of head office employees can be explained by efficiency improvement. In the programme countries, the number of national employees increased slightly. This can be explained by the increase in project activities. The decrease in the number of expats (6 FTE) is related to a number of vacancies. Unfortunately in 2016 it was difficult to recruit expats for some positions and/or for some countries, such as the Democratic Republic of Congo and South Sudan.

	2016	2015	2014	2013
Average number of employees at head office excl. interns (in FTE)	83	86	75	70
Average number of employees on local contract in programme countries (in FTE)	246	239	271	295
Average number of employees on expat contract in programme countries (in FTE)	23	29	24	32
<b>Total average number of employees (in FTE)</b>	<b>352</b>	<b>354</b>	<b>370</b>	<b>397</b>
Average number of interns at head office (in FTE)	12	10	4	7

### 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.

### REMUNERATION SUPERVISORY BOARD MEMBERS

No remuneration is offered to board members and no loans, advances or guarantees existed in 2016. 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 2016, no expenses were incurred for Supervisory Board members.

## REMUNERATION MANAGING DIRECTOR

**Name:** Tjipke Bergsma

**Function:** Managing Director

Duration: indefinite from 1/9/2015

hours/week: 40

Part-time percentage: 100%

Period: 1/1/2016 - 31/12/2016

### Annual income (euro)

Gross salary	€ 101,852
Holiday allowance	€ 6,111
13th month	€ 0
Variable annual income / bonus	€ 0
<b>Total director remuneration</b>	<b>€ 107,963</b>

Social security charges (employer part)	€ 9,439
Taxable allowances	€ 0
Pension premium (employer part)	€ 20,492
Pension compensation	€ 0
Other remuneration	€ 0
End of service fee	€ 0

<b>Total remuneration + employer charges</b>	<b>€ 137,894</b>
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Total remuneration + employer charges Tjipke Bergsma 2015 (4 months)	€ 42,955
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Total remuneration + employer charges Bernard Uyttendaele 2015 (9 months)	€ 106,181
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<b>Total remuneration + employer charges 2015</b>	<b>€ 149,136</b>
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Following War Child's stringent low-cost policy, remuneration of the director is set below the guidelines of the Dutch Fundraising Institutions Association (VFI) for management salaries of charitable organisations (see [www.vfi.nl](http://www.vfi.nl)).

No other payments were made to the Managing Director other than those payments that are due to all employees at end of service. The remunerations including employer's charges are given in the above table and those amounts also remain well within the maximum guidance provided by the VFI.

No loans, advances or guarantees were given to War Child's directors. We refer to the annual report for further information about War Child's policy on its Managing Director's remuneration and for information about the evaluation.

## MANAGING DIRECTOR'S STATEMENT AND SIGNATURE

I declare that the annual accounts and the annual report give a true and fair view of the position at the balance sheet date, of our work during the financial year and of the income and expenditures of War Child in 2016. I accept responsibility for keeping proper accounting records that disclose the financial position and all obligations and assets of the organisation as well as for having adequate systems of internal control in place. I further accept responsibility for

the correctness and completeness of the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates.

**Amsterdam, 21 April 2017**

**[Original signed by Tjipke Bergsma]**

Tjipke Bergsma

Managing Director Stichting War Child





## OTHER INFORMATION - AUDITOR'S REPORT

### INDEPENDENT AUDITOR'S REPORT

To: the Executive Board and the Supervisory Board of Stichting War Child

#### REPORT ON THE ACCOMPANYING FINANCIAL STATEMENTS

##### *Our opinion*

We have audited the financial statements 2016 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 2016, and of its result 2016 in accordance with the Guideline for annual reporting 650 'Fundraising institutions' of the Dutch Accounting Standards Board.

The financial statements comprise:

- 1 the balance sheet as at 31 December 2016;
- 2 the statement of income and expenditures 2016; 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 that 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;
- 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 Executive Board is responsible for the preparation of the other information.

## DESCRIPTION OF THE RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

### ***Responsibilities of the Executive Board and the Supervisory Board for the financial statements***

The Executive Board is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 650 'Fundraising institutions' of the Dutch Accounting Standards Board. Furthermore, the Executive Board is responsible for such internal control as the Executive Board 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 Executive Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Executive Board should prepare the financial statements using the going concern basis of accounting unless the Executive Board either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so. The Executive Board 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 Foundation'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 Executive Board;
- 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 represents 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.

4 mei 2017

KPMG Accountants N.V.

H. Visser RA



## **OTHER INFORMATION - BRANCH OFFICES**

In 2016, War Child maintained branch offices in:

- Burundi
- Colombia
- Democratic Republic of Congo
- Lebanon
- occupied Palestinian territory (oPt)
- 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, Central African Republic and the Netherlands.

## BUDGET 2017

*in euros*

	<b>Budget 2017</b>	<b>Actual 2016</b>
<b>Income own fundraising</b>		
Gifts and donations	15,940,540	12,692,547
Legacies	300,000	321,857
Gifts in kind	876,500	785,192
	<b>17,117,040</b>	<b>13,799,597</b>
Income from third party actions	<b>3,775,370</b>	<b>2,133,630</b>
Income from governments	<b>14,604,710</b>	<b>12,537,958</b>
Financial income and expenses	<b>50,000</b>	<b>60,781</b>
Other income	-	<b>136,936</b>
<b>INCOME</b>	<b>35,547,120</b>	<b>28,668,902</b>
<b>Expenditure on behalf of the objective</b>		
Project activities	27,948,594	21,822,066
Preparation & coordination	1,409,715	1,175,161
Communication & awareness raising	2,085,212	2,140,812
	<b>31,443,521</b>	<b>25,138,039</b>
<b>Expenditures fundraising</b>		
Costs own fundraising	2,733,121	2,506,464
Costs of obtaining third party grants	658,274	338,697
Costs obtaining government grants	274,821	159,195
	<b>3,666,216</b>	<b>3,004,356</b>
<b>Management &amp; administration</b>	<b>1,589,736</b>	<b>1,483,076</b>
<b>EXPENDITURE</b>	<b>36,699,473</b>	<b>29,625,470</b>
<b>Surplus / (Deficit)</b>	<b>(1,152,353)</b>	<b>(956,568)</b>

In 2017, War Child plans a deficit of €1.2 million because it wishes to spend the funds available for its mission and to decrease its reserves. Reserves and funds are available and were specifically earmarked by the board and donors, respectively.

## Reserves and earmarked funds

	<b>Budget 31/12/2017</b>	<b>Actual 31/12/2016</b>
Continuity reserve	6,000,000	6,000,000
General reserve	504,198	493,228
Earmarked reserve	-	760,018
Earmarked funds	-	403,305
<b>Reserves and Funds</b>	<b>6,504,198</b>	<b>7,656,551</b>

## Ratios

	<b>Budget 2017</b>	<b>Actual 2016</b>
% Costs of own fundraising / income own fundraising	16.0%	18.2%
% Costs obtaining 3rd party & government grants / income 3rd parties and govt	1.5%	1.1%
% Costs of fundraising / Total income	10.3%	10.5%
% Costs management & administration / Total Expenses	4.3%	5.0%
% Total expenditure on behalf of the objective / Total income	88.5%	87.7%
% Total expenditure on behalf of the objective / Total expenses	85.7%	84.9%





# CREDITS

We are grateful for the continued support from our Friends, business partners and the many organisations who support our work - THANK YOU.

**READ ON >**



# CREDITS

## THANK YOU

War Child was able to help more than 380,000 conflict-affected children over the course of 2016. The difference we were able to make in the lives of these children was 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.

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



## COLOFON

- Photos: Daniel Massain, Diaa Malaeb, Folkert Rinkema, Geert Snoeijer, Hussein Baydoun, Irina Raiu, Jeppe Schilder, Keith Lapor, Marco van Hal, Merijn Roubroeks, Michiel Bles, Raoul Kramer, Roy Beusker, Rutger Brouwer, Sander Stoepker en Wilma Breunissen
- Infographics: Berry Timmermans and War Child
- Text: Mark Adams and War Child
- Design: F19 Digital Reporting and War Child
- Interactie en visueel ontwerp: Elastik Concepts
- Front-end webdevelopment: Active Element

## DISCLAIMER

This report contains general information about War Child Holland and is intended for informational purposes only.

The complete 2016 Annual Report and our 2016 Annual Accounts are available on [www.annualreportwarchild.org](http://www.annualreportwarchild.org).