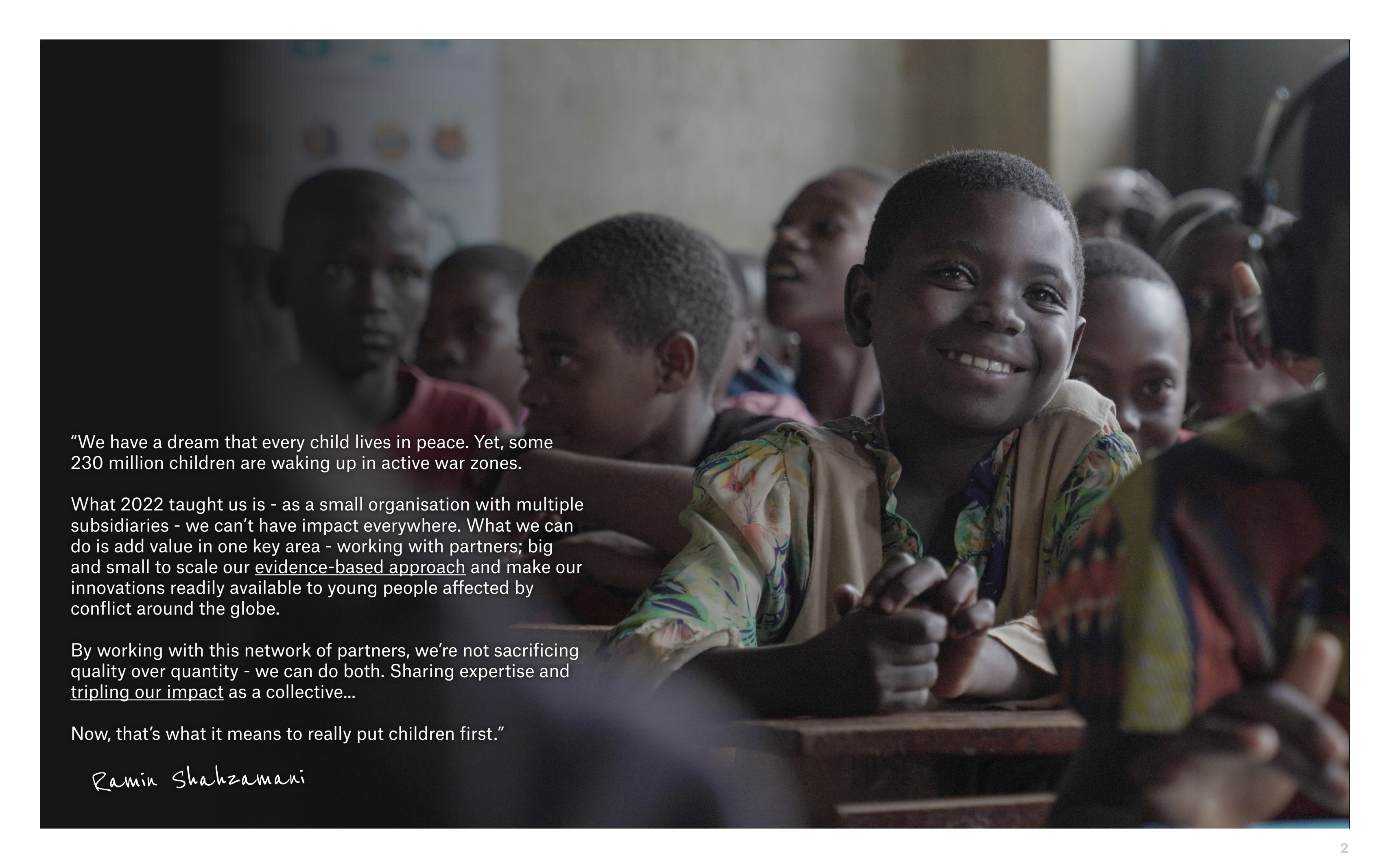




EVIDENCE-BASED, CHILD FIRST

Our 2022 Annual Report



"We have a dream that every child lives in peace. Yet, some 230 million children are waking up in active war zones.

What 2022 taught us is - as a small organisation with multiple subsidiaries - we can't have impact everywhere. What we can do is add value in one key area - working with partners; big and small to scale our evidence-based approach and make our innovations readily available to young people affected by conflict around the globe.

By working with this network of partners, we're not sacrificing quality over quantity - we can do both. Sharing expertise and tripling our impact as a collective...

Now, that's what it means to really put children first."

Ramin Shahzamani



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**WE BELIEVE THAT
NO CHILD SHOULD
BE PART OF WAR.
EVER.**

WE MAY NEVER BE ABLE TO TAKE AWAY ALL THE PAIN THAT COMES WITH WAR. BUT WE CAN **CREATE SPACE WHERE CHILDREN HEAL**. THROUGH OUR CREATIVE AND ENGAGING APPROACH, WE WORK EXCLUSIVELY TO ENHANCE THE **INNATE RESILIENCE OF CHILDREN AND THEIR COMMUNITIES**.

OUR STRATEGY

2025

WHY

The number of children affected by armed conflict is at **record high** - and the available funds to meet their needs are nowhere near enough.

We are dreamers but we're also realists - we have a big hill to climb.

WHAT

Our dream...

By 2025, **five million children and youth** affected by armed conflict will take part in our programmes and evidence-based interventions resulting in their improved resilience and psychosocial wellbeing.

HOW

Our Daily Work

We believe in the power of listening, empathy and consolation.

We are out there in the field doing what we've always done - delivering programmes based on best practice, child-like curiosity and, most importantly, the needs of young people.

Our Innovations

But we don't believe in anything blindly.

We're also charting new territory, leveraging our team of in-house researchers and global partners to scale up our evidence-based approach.

Our Champions

We know that, even if we can get the child out of the war, it takes daily acts of heroism to get the war out of the child.

When we're not busy working to make a difference in children's lives, we're building an **international alliance** where all feel welcome, seen and heard - and can do their best work.





Adil (8) IS EMBRACING HIS PLAYFUL SIDE

Adil was two years old when he fled the war in Syria. He hardly remembers anything about it since he has been living in Lebanon for so long. Here he participates in our psychosocial support activities - a moment to play and be a child again.

Every morning Adil is woken up by his mother gently shaking him. "I jump out of bed, wash my face and help my mum make breakfast", he says. Adil lives with his parents, two sisters but also his friend Mohammed and family. Adil: "Our house is actually too small for us, but I don't mind because I feel safe at home."

Outside is a different story. "In general, life in Beirut is not safe for us", says Adil's mother. "I can't go out alone and my children can't be home alone. Sometimes Adil says he wants to play outside, just like other children. I say no because it is too dangerous."

On weekdays, Adil goes to the War Child Safe Space near his home. "My favourite games are 'rock, papers, scissors' and 'Simon Says", he grins. "You have to pay attention and only do the action if the teacher says 'Simon says', otherwise you're out." With space to breathe and focus, Adil wins the games a lot. "Role play helps the children to talk about their feelings such as sadness, fear and anger" says his teacher. "Over time, they begin to open up. They are eager to discover new things."

"I teach Adil how to regulate his emotions as well as how to ask for help. He is coming on in leaps and bounds."

Adil's mother adds: "It is very nice that he can use up his energy at the space because that is not always possible at home."



KEY

HIGHLIGHTS

487,165

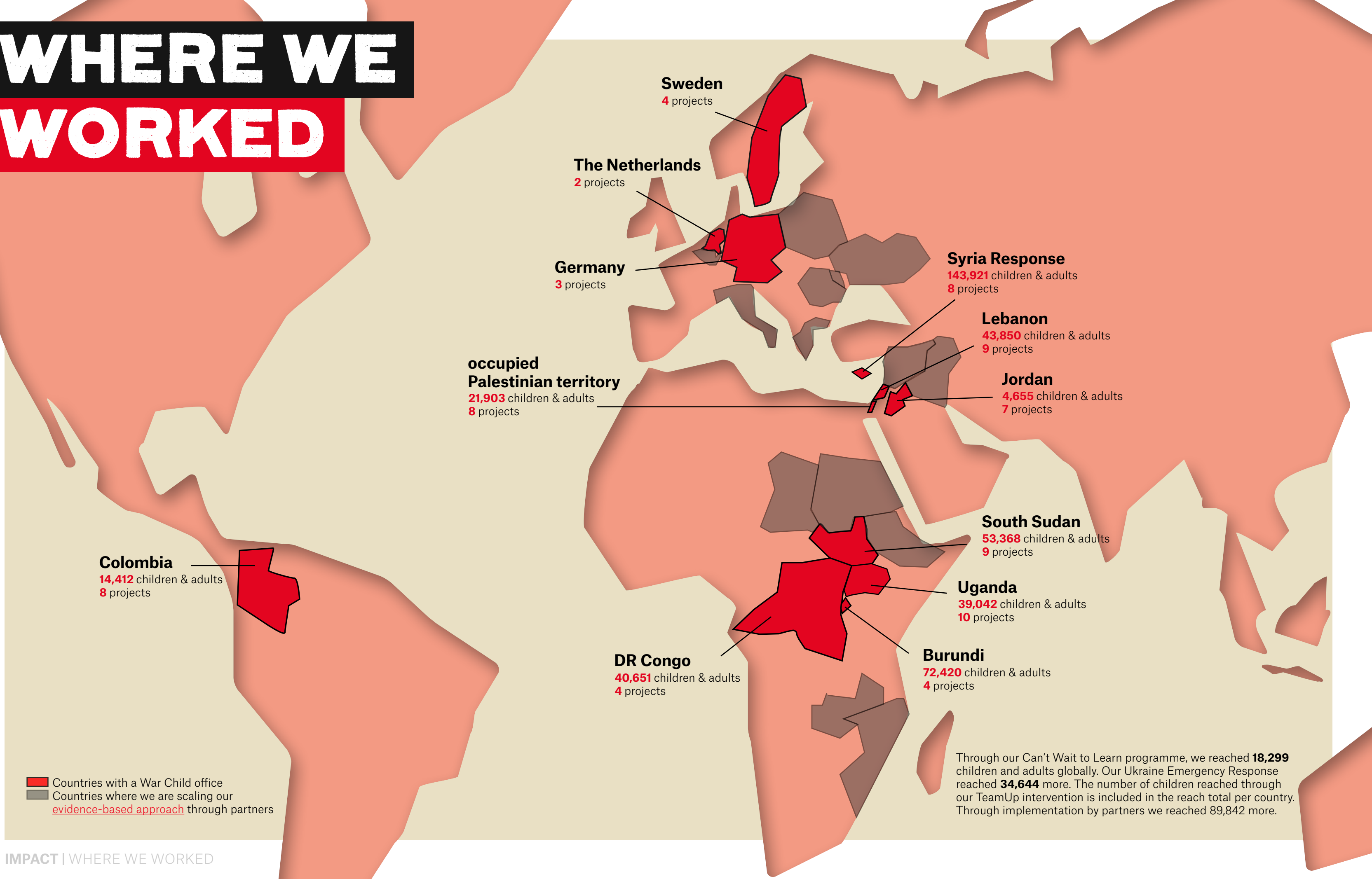
children and adults
directly supported

€50.9^M
raised

76

projects
implemented

WHERE WE WORKED



Through our Can't Wait to Learn programme, we reached **18,299** children and adults globally. Our Ukraine Emergency Response reached **34,644** more. The number of children reached through our TeamUp intervention is included in the reach total per country. Through implementation by partners we reached 89,842 more.

Burundi Widespread displacement and economic decline saw us continue to focus our efforts on inclusive education in Burundi. Projects were active in 120 schools across the country by the close of the year. Alongside our thriving network of child friendly spaces, talk of our [evidence-based approach](#) also took hold - with the Ministry of Education and UNICEF identified as key partners.

Colombia With extra emphasis on indigenous populations and Venezuelan migrants, our Colombia programme firmly prioritized our [engagement with youth](#) in 2022. In line with the organisation's strategy, we also invested heavily in our evidence-based interventions with [Seeds](#) rolled out in three different contexts - highlighting its adaptability.

DR Congo Armed conflict continued to escalate in Eastern DR Congo in 2022 - making the acceptance of War Child by local communities absolutely vital. Our good relations with these communities was bolstered significantly throughout the year with our emergency response in Fizi territory and the expansion of TeamUp, WeACT and others attracting the attention of large-scale humanitarian actors.

Germany As one of our key fundraising hubs, the war in Ukraine gave our Germany office increased visibility over the course of the year. As one of the biggest refugee host countries in Europe, a pilot of our TeamUp intervention in Hamburg and Berlin was also a major highlight. This was made possible thanks to vital funding from DKJS, the Deutsche Postcode Lotterie, Laureus and Common Goal.

Jordan Child labour and early marriage pose persistent threats to conflict-affected children across Jordan - threats which only grew greater in 2022. National dissemination events translated the

urgency of our work to important stakeholders and potential partners including the Ministry of Social Development. Particular attention was given to our evidence-based interventions including Can't Wait to Learn and Nurturing Families.

Lebanon The humanitarian crisis in Lebanon is ranked as one of the top ten most severe globally. A combination of established projects and forward-thinking innovations is allowing War Child to address this crisis. In 2022, SHIELD, an ECHO-funded project entered its fifth term with a new local partner on board. We also developed workshops and guidance on [Be There](#) to assure quality as we scale up the intervention across the Middle East.

occupied Palestinian territory Schools are one of the few safe spaces left in the occupied Palestinian territory. Together with key institutional partners, we capitalised on this in 2022. We provided expert training to teachers, counselors and other professionals enabling them to utilise our psychosocial support interventions within their ongoing programmes. Thanks to this training more than [400 children](#) were correctly identified as in need of mental health care in 100 schools across the West Bank.

South Sudan Sporadic attacks and inter-communal violence placed hundreds of children at heightened risk across South Sudan during the year. Despite this volatile environment, we worked hard to pilot the MHPSS Minimum Service Package using a suite of War Child interventions. [TeamUp](#) was one such intervention tested for effectiveness. Together with Save the Children, SOS Children's Villages and Help a Child we will now bring this flagship innovation to scale.

Sweden Much like War Child Germany, our emergency fundraising campaign in response to the war in Ukraine led to a surge in visibility and brand awareness across Sweden. Beyond these efforts, our projects for refugee youth living in the country also produced strong results - notably an [initiative](#) to get young people into work through mentorship with industry professionals.

Syria Response The Syrian crisis is a [protection crisis](#) of epic proportions. The number of children in need - more than 6.5 million - has increased by 7% in the past year alone. Throughout 2022, we worked exclusively with partners out of our office in Cyprus to deliver an integrated programme. We also put new models and interventions to the test including Social and Emotional Learning, TeamUp and Be There.

The Netherlands Always with an eye on the external environment, 2022 also kept us busy behind closed doors. A necessary step in the [change process](#), War Child Netherlands became a new entity - ready to rock and roll! And rock and roll we did with all our fundraising campaigns outperforming targets as well as our emergency response to the Ukraine war seeing TeamUp and Can't Wait to Learn scaled across the country.

Uganda While our strategic goal is to reach more children by growing our evidence-based approach, no one country has the same experience. In Uganda, multiple crises including Ebola and an influx of refugees from DR Congo, hampered our efforts in this area. Instead, we delivered a far-reaching emergency response to the escalating refugee crisis with everything from risk communication to psychological first aid and stigma reduction solidifying our presence as an expert actor.

OUR PROGRAMME AREAS

How do we collect data on children?

From the **Warwick-Edinburgh Wellbeing Scale** to the **Quality Checklist for Child Friendly Spaces**, we use a set of tried-and-tested tools to assess our positive impact on children and youth.

80% of children and youth who took part in our TeamUp method in the occupied Palestinian territory showed improved psychosocial wellbeing

PSYCHOSOCIAL SUPPORT

A child cannot learn, protect themselves from external threats or even do the basics like eat and sleep if their mental health is suffering. Our primary objective is to improve the psychosocial wellbeing of young people living with the effects of armed conflict.

EDUCATION

We provide emergency education to children so that they can continue learning and growing - even in a war zone. Our programmes come in all shapes and sizes from early learning initiatives to leading EdTech innovations.

90% of children across five projects in our Syria Response showed improved academic performance

CHILD PROTECTION

We partner with communities and official bodies to safeguard the fundamental rights of children and strengthen local protection systems. We also help survivors of abuse seek justice and rebuild their lives.

89% of children across our programmes in Burundi reported an improved perception of safety

YOUTH EMPOWERMENT

A new area for War Child, we also support the youth age group to amplify their innate power. By prioritising co-creation and engagement with civil society, we increase their ability to bring about lasting change in their communities.

70% of youth taking part in our program in Colombia reported an improved ability to connect with peers and foresee a future free from violence



Mado (8) IS DARING TO DREAM AGAIN

When rebels invaded the city of Goma, taking her father hostage, Mado's world turned upside down. In our safe space across the border, she is using play and education to overcome her nightmares and slowly but surely dream again.

It's the middle of the night when Mado is awoken to the sound of gunshots. Her mother tells her that rebels are invading the city. Less than 24 hours later, her father is taken hostage. "We haven't seen dad since", she says.

In the days that followed, Mado lay awake at night listening to the sound of incendiary bombs. Her bedtime ritual - a cheerful lullaby - no longer sends her to sleep. Mado and her mother have no choice: they flee to a refugee camp in Uganda.

"When we first arrived here, Mado was exhausted, sad and anxious", her mother recalls. "Her thoughts of her father and home were very heavy." As the rainy season neared its end, Mado began participating in our TeamUp and Can't Wait to Learn programmes.

Mado: "I am learning to read and write with my new friends - and maths, which I enjoy the most. After the tablet lessons, I go to TeamUp. I love playing the games Anamali Kuku and Wadamu. Then, I forget the war for a while and I am happy."

These days, Mado likes to watch a video before bed instead. Her mother sings the lyrics to her. With this newfound ritual, her nightmares are beginning to fade - she's even beginning to dream about the future again. "Sometimes, I dream that I work in a hospital, just like my aunt who is a doctor. I don't know what I want to be when I grow up but I do know that I want to be like her."

SPOTLIGHT:

UKRAINE RESPONSE

No-one could have predicted the events of 24 February. Yet, thanks to years of experience working in emergency settings, War Child was able to move quickly and place our support where it was needed most.

One of the first things we identified was [a lack of specialised humanitarian capacity](#) on the ground. As thousands of families fled across borders or to the west of the country, local civil society organisations rallied together to support people, but they had little to no experience in providing emergency wartime assistance.

Using our Fast Aid framework, we mobilised a rapid response team. The team set out with one clear mission - to train local organisations in child protection and psychological first aid. Initially, we focused on Moldova - the poorest country in Europe. Next, we made links with organisations in Romania, Poland and other major host countries. Our team of in-house experts, including [Marianna Närhi](#), worked around the clock to deliver in-person as well as online training to 817 frontline workers.

In the weeks that followed, working through partners and sharing our expertise continued to be the dominant themes. Our evidence-informed [TeamUp](#) intervention was rapidly scaled up across Europe in just six weeks. A landmark partnership with the Ukrainian Ministry of Education and NGO Osvitoria saw us expand our [Can't Wait to Learn](#) activities into Ukraine.

Overall, **58,588** children and adults were reached with our response including via the scaling of our interventions through partners.



HOW WE WORKED

We also work with respect to the planet. Learn more [here](#).



TO THE HIGHEST STANDARDS OF QUALITY

Gender and its role in children's experience of conflict

Our internal [monitoring and evaluation](#) mechanisms serve to ensure we provide responses that are relevant to the hopes and dreams of children worldwide. With this in mind, 2022 saw our first gender-responsive programmes take shape. Key highlights include the launch of our Women & Girls Lead project in the occupied Palestinian territory and a successful application to the UN Peacebuilding Fund for an initiative with indigenous women's collectives in Colombia.



WITH INTEGRITY

Robust policies and continuous improvement

Integrity and justice are central to all War Child activities - and, as an organisation working directly with children, we are continuously improving our safeguarding policies and procedures. 2022 reflected this commitment with additions made to our [Integrity Framework](#) thanks to input from colleagues in the field. Over the course of the year, 66 issues - relating to everything from the way we engage with children to internal power dynamics - were reported through our Speak Up! channel and handled with utmost sensitivity.



WITH AN EMPHASIS ON CULTURE

What does it mean to be a truly global organisation?

Creating a culture where everyone feels seen, heard and respected is a highly sensitive and multi-layered process - particularly for a global NGO. Working closely with our external Diversity, Equity, Inclusion and Belonging team, the year saw us accelerate our efforts in this area. A series of activities including an organisation-wide "Language Week" and the development of an AIDA leadership model continued to ready our workforce for life as part of the [shared entity](#).

OUR EVIDENCE-BASED APPROACH

There's a tradition in the humanitarian sector - a crisis happens, and we move in as quickly as possible to provide aid and support people. We continue to support people with projects and programmes and while everything indicates that we're making a positive difference - drawing upon feedback from children and their communities - we have little hard evidence to prove this impact. This gap in knowledge is what the [War Child Care System](#) was founded upon.

The Care System is centred around an integrated suite of interventions that are continuously trialed and tested by our team of in-house researchers. Each and every one of these interventions has undergone some form of scientific research to assess its positive impact on children. If findings are inconclusive or inadequate in any way, we can use this evidence to adapt and improve the intervention. Pretty cool, right?

In 2022, integrating this approach within our regular programming went front and centre.

What are the five phases of the research process?

- Phase 1: **Formative research**
- Phase 2: **Method development**
- Phase 3: **Feasibility evaluation**
- Phase 4: **Effectiveness evaluation**
- Phase 5: **Quality at scale**

Interested to learn more? Read our [guidebook](#).



"We sat on the floor of the bomb shelter playing the Can't Wait to Learn games on tablets and mobile devices. 'I'm learning not waiting' is the motto - and so they did. It offered the children an escape when they needed it most."

"Before I participated in the TeamUp sessions, I was very nervous and didn't like to play with other children. I also didn't like sharing. Now, I feel like a different person: I learned to work as a team and put my trust in others."

"I tell my kids stories from when I was a child. They laugh a lot at how we used to deal with each other. No one used to ask me questions because they were scared of me. Now, this dynamic has changed and they ask me anything."



Be There is our dedicated caregiver support intervention. It is based on evidence that shows how a heavy stress burden can diminish parents and caregivers' ability to provide a supportive home environment. In 2022, the [findings of a process evaluation](#) with Syrian refugees in Lebanon highlighted a direct pathway from the mindfulness and anger management practices taught in Be There to improved caregiver wellbeing and ultimately positive parenting.

Can't Wait to Learn is one of two flagship War Child interventions. It sees children learn by playing educational games on tablet and mobile devices. In 2022, its use as part of our [Ukraine Response](#) was a major highlight. The award-winning EdTech innovation also made waves in Chad where a value for money analysis - funded by the Knowledge and Innovation Exchange - resulted in the Minister of Education officially endorsing the programme.

CORE also supports the important adults in children's lives - namely teachers. While still in its infant phases, the year saw CORE - a wellbeing workshop and intensive teacher coaching - produce some promising results. A feasibility study in Uganda sought to evaluate the relevance of the intervention in both formal and non-formal school settings.

EASE recognizes the importance of adolescence in children's healthy development. The group psychological intervention ensures that children in refugee camps and war zones don't have to embark on this journey alone. The year saw the effectiveness of EASE put to the test in Lebanon, Jordan and Pakistan.

Nurturing Families is a joint-session intervention that uses practical tools to help family members support one another during times of conflict. The later the phase of the intervention, the more impact it can have. That's why we were delighted to see the development phase of Nurturing Families come to a close with research findings from Jordan and Lebanon shaping our ability to deliver tailored support to the whole family unit.

Seeds works closely with conflict-affected communities to build a protective circle around children. Communities lead on actions to combat local child protection challenges. A feasibility study conducted in 2022 among urban communities in

Usme, Colombia assessed the practicality of the intervention paving the way for a large-scale evaluation in 2023.

STRETCH - our stigma reduction intervention for children and youth affected by armed conflict - reached the end of the development phase in 2022. After a rigorous period, including multiple systematic reviews, formative qualitative research and stakeholder consultations, STRETCH is now ready for feasibility testing. The [systematic literature review](#) published in 2022 helps to identify how to measure change.

TeamUp is inspired by a growing body of evidence that suggests play and movement can help children process their experiences of war and conflict. The intervention continued to spread its wings and fly, active in 25 countries by the close of the year. Our facilitator training and mentorship programs built new ties with partners across the Africa region - something we plan to replicate as part of our scaling strategy.

WeACT seeks to improve the quality of the care that non-mental health specialists such as teachers and humanitarian workers provide. While the need for this kind of intervention is irrefutable, its success relies on its ability to be picked up by a global network of partners. The launch of the [EQUIP platform](#) by WHO and UNICEF in the first quarter of the year saw WeACT get the recognition it deserves.

SPOTLIGHT:

REACHNOW

The mental health treatment gap for children living in low-income countries is around 85%. This figure is even higher for children living in conflict zones. War Child is scaling up a simple innovation to prevent young people from falling through the cracks...

[ReachNow](#) centers around a tool to detect mental health problems among children and adolescents in community settings. Trained facilitators use the tool - a series of illustrations on a [piece of paper](#) - to identify children in need of support and guide them to available services.

"Simplicity was key from the outset", says Myrthe van den Broek, lead researcher behind the intervention. "It needed to be affordable and easy to use plus

something we could replicate across multiple contexts and settings." The tool is part of a suite of interventions which have been rigorously [designed and tested](#) by War Child. ReachNow is one of the first to be scaled up based on a growing body of evidence.

2022 was a big year for the intervention, with the tool picked up in Greece, Italy and more, and steps made to include it as part of our [Ukraine Response](#). As a whole, the use of the ReachNow tool

increased the utilization of mental health services by 17-fold.

An exciting partnership with NGO, TPO Uganda also signaled a new phase for ReachNow. "What we've learned - increasing access to mental health services does not necessarily lead to more uptake", explains Myrthe. "Barriers such as stigma are inhibiting help-seeking. This is what our work with TPO sets out to address."





Roda (12) IS A SYMBOL OF RESILIENCE

Roda (12) narrowly survived the first days of the war in Ukraine. We meet her a few months later at a shelter in the west of the country. Cheeky, fearless, a natural leader - Roda is anything but a victim.

As soon as we enter the dusty reception of a former restaurant turned makeshift shelter, we feel the curious stares of Roda and her posse. All smiles and laughter, it's hard to comprehend what they have been through in the past few months.

"I remember the day the war came", Roda says calmly. "Me and my friend were leaving the house to go to boxing training when we heard a loud noise. It was kind of like a helicopter but when we turned around we saw a rocket. Then, there was a big explosion in the nearby village. It was so strong that everything was trembling."

Shortly after, Roda and her family fled west by train, among some 4000 people who arrived in those first days. At the shelter, Roda was invited to attend weekly psychology sessions. "I like the psychologist", she says. "One time, when she visited we made a toy - a little stick person." Mostly, she sleeps soundly but occasionally she has a bad dream about the rocket she saw flying. Roda: "I turn on the light, cuddle my clay toy and then I feel safe."

Children also take part in art therapy as well as educational lessons. "The teacher does this activity where she asks us to sit on a chair", says Roda. "When we sit on the chair we have to close our eyes and make a wish. I have a lot of fun here; I have many adventures every day. But I miss my puppy; I miss the sea. Every time, I make a wish to go back home."

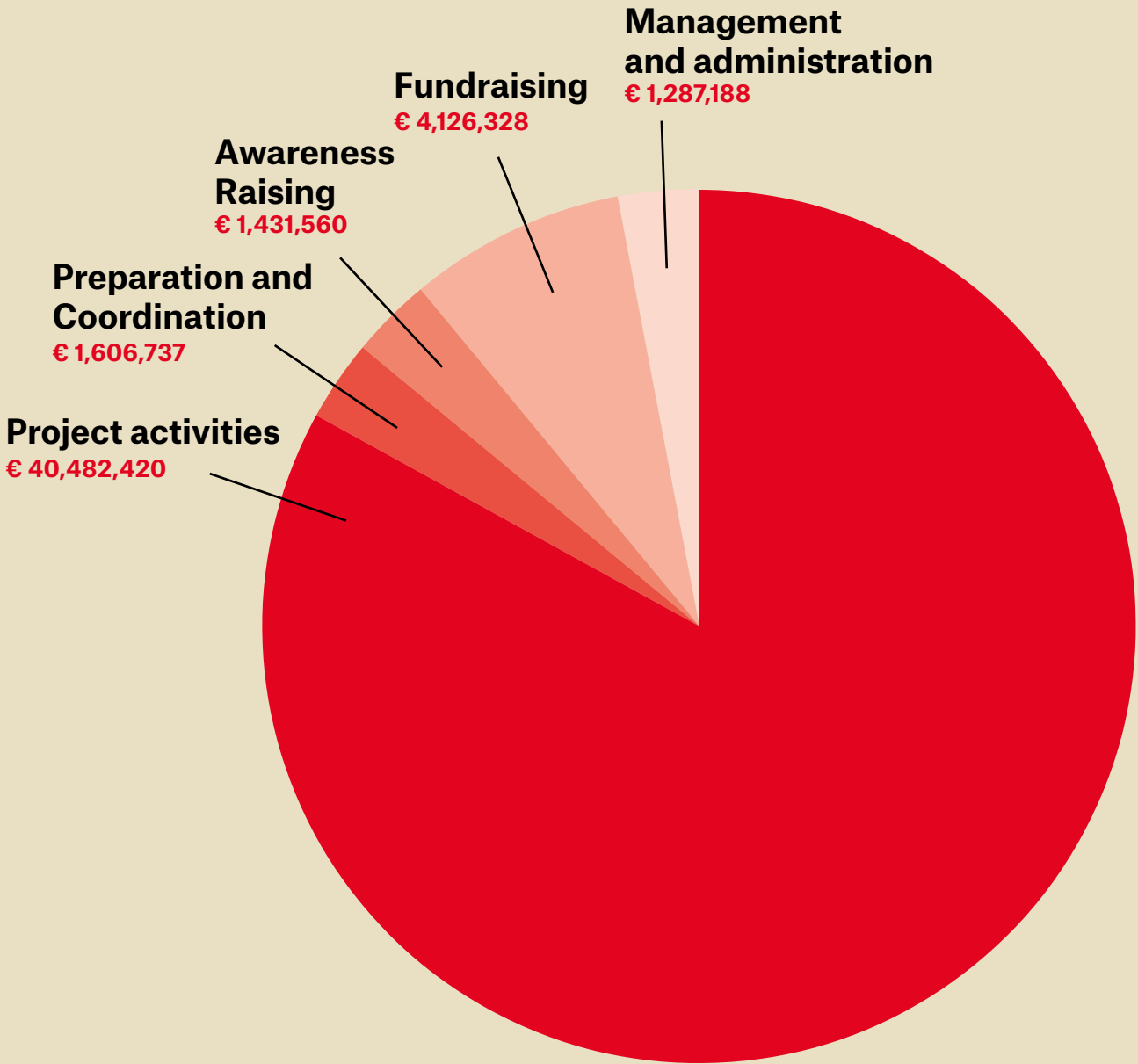
HOW WE SPENT OUR FUNDS

IN 2022, WE RAISED

€50.9M

IN 2022, WE SPENT

€48.9M



Our operating expenses for 2022 were **€48.9 million** - €40.5 million of which was spent directly in support of children affected by conflict. In percentage terms we spent 89% of our expenses on our objective - broadly in line with our 2021 expenditure.

More projects were implemented in 2022 thanks to the hard work of our teams around the world - with the largest project expenditure seen in our [Ukraine emergency response](#). For the roll-out of our Can't Wait to Learn education app, a wide range of partners dug deep into their pockets to support and sustain this innovative project.

Our additional fundraising investment in 2021 started paying off in 2022, contributing to the net positive result of €1.9 million. This positive result, in addition to having received more grants in advance, resulted in a healthy cash balance of €15.4 million at year-end. Looking at reserve and cash balances - i.e. the money we keep on hand to meet short-term and emergency funding needs - as well as secured funding for 2023 and beyond, our continuity as an organisation is not at risk.

For more details on our expenditure, read our [Annual Accounts](#).

"I remind children that they do have power, but they can use it to have a positive influence."

- John Garang Nhail

LOCAL HEROES



Children who grow up in the midst of armed conflict have been exposed to the type of violence that most of us struggle to comprehend. The road to recovery is a complex and deeply personal process - there is no one size fits all. That's why we prioritise the hiring of local staff - like John Garang from South Sudan...

"I was 14 years old when I was recruited by the army in South Sudan. Over the course of three years, I was trained as a soldier before becoming a trainer of other young militants. What people don't understand is - when you've seen friends and family murdered in front of you, when you've lived life, hopeless and, on the run - the first time you're handed a gun, that feeling is exhilarating. No-one can touch you and you have the capacity to revenge. Having been that child and lived to tell the story, I can tell when a child is battling the same demons. If they've been trained to fight, I can see it in their eyes; the way they move. As a psychosocial support officer for War Child, I try to teach youth that there is a way out - no matter how lonely it feels. I also remind them that they do have power, but they can use it to have a positive influence."

Throughout our communications in 2022, we prioritised the lived stories of children and staff in the countries where we work. Learn more [here](#).

*We employed **517** full-time staff members across 2022 as a whole - made up of **106** in our Amsterdam office and **411** inside our countries of operation. Inside our countries of operation, we recruited **392** national members of staff.*

ONE STEP CLOSER TOGETHER

War Child reaches many thousands of children and youth every year. Yet, there are 230 million children living directly with the effects of war and conflict. We simply cannot reach all these children alone - which is why we are embarking on an ambitious change process.

We began life as a handful of volunteers working in a borrowed loft. Over time, we became a collection of organisations acting independently to support children affected by war. Now, we will become a unified whole; a **global network** - with one shared roadmap and organisational structure.

With innovation and collaboration at the heart of the network, so too is a conscious move away from traditional hierarchical models of governance. From our programme office in Iraq to our fundraising hub in the Netherlands, decision-making power will be shared across the network - always with the children top of mind.

And that's the essence of it really. It's the children we're doing this all for. One step closer together means one step closer towards [our goal](#)...

Because no child should be part of war. Ever.

In 2022, the change process went full speed ahead. Everyone from our IT experts to our child safeguarding specialists sat around the table to map out what this network will look like in practice. Our Supervisory Board brought their respective expertise to this process. Learn more [here](#).



OUR STEADFAST SUPPORTERS



Across 2022 as a whole, we raised a total of **€50.9 million** towards our cause. Round of applause and TeamUp “fireworks” to our loyal network of friends and supporters.

INDIVIDUALS

Normally people work together, but these amazing individuals do it all by themselves. Over the course of 2022, we enjoyed the support of 89,000 Friends and 36,000 one-time supporters. Our income from public donations rose 13 per cent to total €11.8 million. This was thanks to a doubling of income in legacies (€1.1 million), an extra campaign for Ukrainian children and our annual December campaign which shone a light on the importance of children’s sleep rituals during times of war.

BUSINESS PARTNERS

ASN Bank, HEMA, Rituals Cosmetics Enterprise and Tommy Hilfiger - what do all of these companies have in common? They are all cherished members of our vibrant business network. We couldn’t be more grateful for their unwavering support during ongoing and emerging crises throughout the year. They also helped us tap into new markets - namely the gaming world, seeing us collaborate with event aficionados GameForce to host a sell-out Mario Kart tournament.

LOTTERIES

We have a dream that every child lives in peace - but we wouldn’t get anywhere close to the jackpot without the commitment of our large-scale supporters. That’s why we continued to collaborate with the Dutch Postcode Lottery who, every year, generously donate 50% of their revenue to select charities including War Child. A structural annual contribution of €1.55 million was carefully funneled to a selection of priority projects.

GOVERNMENT BODIES

Truth is, there are many more children in need than War Child alone can support - but we are far from alone. The year saw a wide range of inter-governmental organisations go the extra mile to support our cause with major contracts signed with the European Commission, UNICEF, UN-OCHA, the Dutch Relief Alliance and more. Through our partnership with the European Commission’s Humanitarian Aid Office, a grant of €4 million was unlocked to support the next phase of our SHIELD project in Lebanon.

NON-PROFIT ORGANISATIONS

We believe that no child should be part of war - and so do likeminded organisations. Financial support from non-profits and foundations increased 70% year-on-year to total €10.2 million. Key highlights include a €3.5 million grant jointly provided by UBS Optimus Foundation, the Jacobs Foundation, Roger Federer Foundation and Forefold Foundation to our [Can’t Wait to Learn: Ukraine](#) programme as well as new and strengthened partnerships with the Lego Foundation, Education Cannot Wait, Porticus, Templeton World Charity Foundation and Salesforce.

Manuel (28) IS FORGING HIS OWN PATH

Manuel grew up in Bogotá, Colombia - a city plagued by violence and economic hardship. He made it to university but a criminal group nearly sent him down the wrong path. Find out how he chose his own direction.

Growing up, Manuel's passion for football was unwavering. At 16, he cobbled together the money to study sports science and started to organize events for children in his community. Everything was going well but then a criminal group threatened him; forcing him to collaborate.

At first, he was scared to decline. Next, he was tempted. Manuel: "When the prospect of getting a job is virtually non-existent, joining a gang suddenly becomes attractive." Yet, he decided to do the right thing and shut down his initiative - that's when he came across our Play it For Life and Future project.

The 20-week program sees licensed instructors from the Royal Netherlands Football Association (KNVB) train young people to become certified football coaches.

Manuel not only got the chance to pass on his finest footwork, he also learnt how to transmit important life skills such as self-awareness, empathy and critical thinking. While the project doesn't detract from a difficult job market, it does give youth confidence that they are capable of bigger things.

"Play it For Life was one of the most eye-opening experiences of my life", says Manuel. "It changed my perspective on sport and its role in society. I've picked up where I left off - I founded a sports school with a mission to inspire social change, along with producing the players of tomorrow. This is just the beginning."



LEADERS OF THE PACK

War Child is registered in The Netherlands as a foundation (Stichting) under Dutch law and recognised as an ANBI (Algemeen Nut Beogende Instelling) by the Dutch tax authorities. War Child Deutschland gGmbH is a fully owned subsidiary of War Child. War Child has a two-tier Board whereby the Supervisory Board supervises the management team.

SUPERVISORY BOARD

Hans van der Noordaa
Chairman

Willemijn Verloop
Vice-Chair

Rob Theunissen
Treasurer

Arjan Hehenkamp
Board Member

Edith Kroese
Board Member

Raymond Cloosterman
Board Member

Stef Oud
Board Member

What is the role of our Supervisory Board and what did they get up to in 2022? [Keep reading.](#)

INTERNATIONAL MANAGEMENT TEAM

Ramin Shahzamani
CEO

Abigail Schwartz
Regional Advisor MHPSS Africa

Annelies Claessens
Director International Programmes

Dirk Reinsberg
Managing Director War Child Germany

Ernst Suur
Managing Director War Child Netherlands

Esha van der Hulst
Director of Shared Operations

Jessica Hallak
Programme Implementation Manager

Kevin Zakariah Ndemera
Africa Regional Representative

Laura Miller
Middle East Regional Representative

Mark Jordans
Director Research & Development

Peter Brune
Managing Director War Child Sweden

No-one is exempt from our low-cost policy - not even the CEO. Learn more [here.](#)



WHAT DOES THE FUTURE HOLD?


So, now that we've filled you in on what we've been up to, you're probably curious about what comes next? Fast forward a year and War Child might look very different but that doesn't mean our mission has changed, nor the obstacles in our path...

New obstacles will replace old ones, not least, the Ukraine war and its far-reaching consequences for children around the world. The nature of conflict is changing - fueled by climate change. More people are on the move than ever before.

While we don't claim to have all the answers, one thing is sure - we need to be brave and defy the norm - all in the name of the children we support.

It is their endless creativity and enthusiasm that spurs us on...

**We are the small ones that dare to dream big.
We are War Child.**



Ramin Shahzamani
CEO



Hans van der Noordaa,
Chair Supervisory Board



ORGANISATIONAL DEVELOPMENTS

Upholding programme quality

Ensuring children and communities can **actively participate** in developing solutions to the challenges they face is one key way we uphold quality within our programmes. We're also busy behind the scenes enhancing our global monitoring and evaluation mechanisms and sharing best practice across the sector.

A few key highlights from the year:

Following the introduction of our revised Theory of Change, new and improved strategies for our **four programme areas** and cross-cutting work on gender, programme participation and accountability were developed together with our team of in-house specialists.

The formal introduction of our **youth empowerment** pillar saw increased visibility of this important area on our website and social media.

Our **Global Monitoring Framework** - a framework to monitor the quality of our programmes at different levels for different groups - was also updated. The revised framework was developed through an extensive consultation process with our Monitoring, Evaluation, Accountability and Learning (MEAL) colleagues around the world with new indicators added to measure the impact of our activities on children.

In the occupied Palestinian territory, we were proud to pilot a workshop that brought community members together to reflect on the concept of "**community ownership**" and its effectiveness as part of our Seeds intervention.

The external launch of our **Conflict Sensitive Education** course in January was once again a great success. The interactive course was completed by 259 learners via the Humanitarian Leadership Academy.

Our commitment to continuous learning was also reflected in the increased use of the **War Child Learning World**. The portal welcomed 654 new learners throughout the course of the year and feedback on seven in-house e-learning modules was consistently positive. 98% of active users said the course strengthened their knowledge, skills and attitudes - of which 77% said these skills were significantly strengthened.

In 2022 over **3000 digital badges** were achieved by learners allowing them to share their achievements and professional growth through the Humanitarian Passport (HPass) Initiative.

From a regional child protection workshop to the development of the TeamUp certification process, we have built capacity across the organisation - directly supporting the scale up of our evidence-based interventions. With this approach being prepped for growth, we were delighted to successfully recruit a new **MHPSS Scaling Coordinator** for the Africa region.

Meeting Global Standards

War Child aligns with a number of global standards and principles on humanitarian action. These standards lay out key commitments that guide our everyday actions. 2022 marked the fourth year of our adherence to the **Core Humanitarian Standard**. We also continued to play an active role in several global coordination bodies including the **Alliance for Child Protection in Humanitarian Action**, the **Inter-Agency Network for Education in Emergencies**, the **IASC MHPSS Reference Group** and the **Compact for Young People in Humanitarian Action**.

Our environmental commitment

We recognise that as an international NGO we must continuously do more to protect the planet - starting with conscious steps to reduce our carbon footprint and incorporate **environmentally friendly** practices into our daily work for children.

The year 2022 saw us take this commitment back to basics. We took a long hard look at ourselves and our efforts to date to ensure we handle our **corporate social responsibility** with utmost attention to detail.

This saw us draw up a new **Sustainability Policy** for launch in 2023 with the aim to highlight the sustainability of our work more comprehensively moving forward. The policy pulls together our existing policies and builds on them from an environmental perspective. It also provides practical tips to staff across the organisation on how to make our operations greener.

Meanwhile, the results came in from our **annual carbon footprint calculation**. In 2021, we emitted an estimated 2056 tons of carbon dioxide (CO₂) into the atmosphere. This includes a 5% de minimis - an exemption for emissions that are too small or too cumbersome to calculate. For the size of the organisation, this is a modest footprint. This is due to the fact that most of our programmes do not come with substantial logistical chains.

Yet, it is a footprint that we take very seriously. With the knowledge that nearly 95% is **emissions** related - including emissions caused by road and air travel but also the purchasing of tablets for our e-learning programme Can't Wait to Learn - we took decisions across the organisation to avoid and reduce them. For example, we took tablets that had stopped working and combined the parts into functioning ones maximizing the lifespan and number of users.

We also stood by our conviction that every little helps when it comes to the climate crisis. Our **Lebanon** office incorporated a sustainability element into our long-standing SHIELD project seeing children go out into their community to pick up litter and clean outdoor areas - putting a smile on everyone's faces.

War Child works exclusively to improve the resilience and wellbeing of children affected by armed conflict but we cannot ignore the **impact of climate change** on these children. In 2023, we will stimulate further discussions with experts in the sector ensuring that we accelerate our efforts in this area today, not tomorrow.

Communication with stakeholders

To further enhance our expert credentials we worked to maintain a close dialogue with our stakeholders in 2022. The aim of all our communications activities is to position War Child as an internationally acknowledged expert on the psychological impact of war on children - able to **influence key stakeholders and increase awareness** about our mission and work.

This strategy saw us increase our presence across the news media. Our fundraising hub in the Netherlands generated a wide range of coverage in leading outlets including Algemeen Dagblad, NPO Radio 1 and NOS Jeugdjournaal - the latter a Dutch television news programme specifically for children. Meanwhile, an interview with our CEO, Ramin Shahzamani made a [front-page splash](#) in the **New York Times**. The article discussed the psychological impact of the war in Ukraine on children.

Indeed the Ukraine crisis and our resulting emergency response remained the major news moment throughout the year - with everything from a short documentary with Ukrainian singer Katie Koss to an interview with ex-footballer Andriy Shevchenko being picked up by major media outlets including **The Guardian** and **TT News Agency** in Sweden. Our trip to Poland with Shevchenko in July generated a sizeable 98 media hits.

Our ongoing strong relationship with information portal **ReliefWeb** also gave us a direct inroad to the humanitarian community - with a wealth of stories published online covering our Fast Aid work but also our evidence-based approach and related methods.

The year wouldn't have been the same without the presence of Dutch footballer and War Child Ambassador **Vivianne Miedema**. Her trip to an asylum seeker centre in Assen generated widespread media attention. We'd like to take this opportunity to thank her for her dedicated work to champion our mission.

We also maintained a constant dialogue with our 89,000 regular givers through our own channels - such as our websites, social media, email flashes and Peace of Paper publication.

Of course, our biggest stakeholders are the children and young people who take part in our programmes - that's why we continued to make their voice heard through a variety of platforms in 2022. One particular highlight was the appearance of our youth advocate [Patrick Kumi](#) at the **UN Security Council** in July. Patrick made a compelling statement at the Open Debate on Children and Armed Conflict calling for the participation of war-affected youth in national decision-making processes among other key recommendations.

And it's not just the youth themselves who can translate our mission into something tangible - many of our staff have **lived experience** of war and conflict too. The stories of John Garang Nhail, our Psychosocial Support Officer in South Sudan, Sasha Yarova, Communications Officer for our Ukraine Response and countless others really brought the importance of our work to light.

Risk management and security

Our work is conducted in dangerous and difficult circumstances - and this poses a number of **serious safety and security threats** to children and staff. These risks also have the potential to impact on our programme delivery and strategy as well as our fundraising ambitions.

Efforts to address these risks see management teams at our Amsterdam and branch offices play a leading role. In addition, risk management is a standing topic on the agenda of all Audit Committee and Supervisory Board meetings.

Our risk management framework

Wherever we work we identify, rate and - where possible - mitigate all potential risks to our operations. Our risk management framework groups risk into **10 main categories** with a defined risk 'owner' and risk 'appetite' for each category. The framework was approved by management and the Supervisory Board in the first quarter of 2022. Through updated policies and procedures and the implementation of a centralised reporting system, it will be further operationalised in the years to come.

Our risk mitigation is based on three key defence mechanisms put into place by our subject matter experts:

Speak up! procedure

Our Speak Up! Procedure was developed with input from both international child rights organisations and sector benchmarks. The year saw colleagues across the organisation make a conscious effort to raise awareness of this **vital integrity mechanism**. See below for a more in-depth overview of our full Integrity Framework.

Internal Audit

In 2022, the Audit Committee approved a revised risk-based internal audit approach. The approach supports an integrated way of working between the different assurance providers within War Child with the aim to increase efficiencies and audit coverage. In turn, this assures **internal control effectiveness** and oversight across the programme offices.

External Audit

On request of the donor or in compliance with local statutory requirements, War Child projects are frequently subject to external audits. On average, at least **30% of institutional grants** are subject to audits spread across our programme areas. They also provide valuable recommendations for further improvement of our internal control environment.

Our integrity framework

Complementary to our Risk Management Framework - and important to mention here - is our Integrity Framework and related policies. The four policies that make up the framework are designed to uphold the safety and fundamental rights of everyone who takes part in our activities. They are as follows:

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

Our War Child Code of Conduct is a mandatory document that anyone who represents War Child in any capacity must read and sign before entering into collaboration. Any breach of the Code of Conduct will result in appropriate disciplinary action - and this was no exception in 2022.

As we moved towards a shared way of working, we also entered into closer collaboration with War Child UK aligning our separate integrity frameworks and making revisions where needed. Overall, this was a highly transformative process which resulted in several new and stand-alone policies including a Whistleblower Protection Policy and a Policy for the Prevention of Sexual Exploitation, Abuse and Harassment.

What were the main risks in 2022?

Financial Risks

War Child is exposed to a variety of financial risks - including risks related to grant funding, liquidity and foreign currency exchange. A **robust system of internal controls** is in place to reduce any such risks and is further set out in our Finance and Accounting Policy. War Child's policy is to denominate its contractual obligations as much as possible in the same currency as the donor's currency and to hold bank balances in the donor currency, so that the net foreign currency exposure is limited. War Child does not hedge its forecasted foreign currency exposure. War Child does not apply nor trade in financial derivatives, such as interest rate swaps, forward exchange contracts or options to control its risks.

The year saw large fluctuations in exchange rates especially between the **Euro and US Dollar**. Most of our unrestricted income is realised in euros while a large part of our unrestricted expenses are incurred in US Dollar and equivalents. As a result, we had to be cautious with year-end spending and longer-term commitments.

War Child's operations are sustainable regarding reserve and cash balances as well as secured funding for the year 2023 and beyond. This means that War Child has no liquidity concerns and there are no significant doubts about its ability to continue as a going concern.

The general reserve is formed from the surplus of reserves above the target level for the continuity reserve. War Child will spend its general reserve to the benefit of children affected by war in accordance with its objectives. A higher than usual general reserve is maintained at the end of 2022 to cover potentially unforeseen transition expenses related to the War Child Alliance.

War Child does not invest in bonds, shares and/or other publicly traded financial assets. War Child holds its liquidity in cash and deposits only.

Financial reporting

Our financial reporting requires us to make estimates in the areas of the valuation of legacies to be received, the amount of provisions, and cost allocations between fundraising and awareness raising.

Legacies are accounted for as soon as the amount of income for War Child can be reliably estimated, based on a fixed valuation methodology. Provisions concern mostly obligations that can be reliably estimated, but with uncertain payment dates.

War Child's events and activities for public engagement in the Netherlands may have a fundraising as well as an awareness raising component. The cost allocation percentages are consistently determined and applied in consecutive periods. If percentages change year on year, management justifies this based on a changed nature of the activities.

Security

Maintaining the security and safety of our staff and all who participate in our programmes requires continuous efforts by our country teams. Analysis of our working context and associated risks informs our way of working - seeing us adapt our safety measures as and when needed to allow us to bring fast, quality aid to those in need.

The resurgence of rebel group M23 in North Kivu, DR Congo, an Ebola outbreak in Uganda and the war in Ukraine are examples of the risks that emerged in 2022 when responding to the needs of children worldwide.

In addition to our routine security risk management practices and associated challenges, our **preparedness to respond to crisis situations** was tested to the max during a simulated scenario conducted by an independent auditor.

Fraud and Corruption

Fraud and corruption pose a significant threat to our organisation - not only in financial terms but also with regard to our reputation and credibility. War Child continuously updates and strengthens its mechanisms to **combat fraud** - and 2022 was no exception.

Risks in this area remained high due to the fragile governance contexts in which we operate in. Our internal control systems, awareness-raising and Speak Up! Channels were an effective means by which to detect fraud concerns and minimise risks. Reported incidents were fully investigated and key stakeholders including whistle-blowers, donors, the Audit Committee and the International Management Team received regular updates on the outcomes as well as resulting mitigation measures and learnings. A **root cause analysis** of previous incidents was also conducted in 2022 to address underlying issues and minimise recurrence.

Cyber Security

In 2022, no major cyber security or data risk incidents occurred. In general, inherent risk levels remained high due to ongoing geo-political tensions with the biggest threat observed in **phishing mails and ransomware attacks**. A cyber incident response plan and cyber security assessment have been undertaken to continuously monitor and address this risk.

Local law and regulations

We are operational in over 10 countries in Africa, the Middle East and Europe, requiring us to comply with a variety of different **legal frameworks**. We mitigate these risks - including environmental and tax legislation - through thorough self-assessments. We conduct these assessments via external pro-bono lawyer support and internal and external audits.

Strategic risks

Our strategy is to reach more children affected by war and conflict via the scaling of our **scientifically proven** interventions with the support of a global network of partners. The risk is that these innovations require **new technology** - such as game-based education technology - and new skills which require investments that are difficult to fund as a non-profit organisation. War Child is accelerating collaboration with a range of partners to address this risk and support our strategy. We also continued to work on the development of a new **data platform** that will be used to store, analyse and securely share data with implementation partners. The change of War Child into a global networked organisation will in turn help us attract more funds in order to provide quality support to many more children in the years to come.

The change process in itself is a risk to the organisation due to changes in team set-ups, priorities and ways of working. In 2022, we continued to address this risk through, amongst others, the ongoing work of a dedicated steering group and related sub-groups tackling everything from safeguarding to organisational culture.



**LOOKING
AHEAD**

Looking ahead

According to recent research, the number of children living in active war zones has risen by 9% to total **230 million children**. This figure is expected to rise significantly due to the war in Ukraine.

In fact, the **war in Ukraine** cannot go un-mentioned as we look ahead to 2023. Not only has this deadly conflict cost thousands of young lives in Ukraine, it has also had a global impact - seen in everything from food shortages to soaring inflation - forcing other major conflict-affected countries to significantly reduce their humanitarian budgets.

This has resulted in what we call the “forgotten conflicts” - in other words: the **forgotten children**. Meanwhile, the ongoing effects of climate change and the COVID-19 pandemic are continuing to hit these same children the hardest.

Our plans for 2023

With this in mind, 2023 will be a pivotal year - one that will see us enter the next phase of our **ambitious change process**. We will continue to leverage our learnings and take the final steps to ensure our new organizational structure is fit for purpose.

This new structure; this global alliance will become operational from January 2024, reducing inefficiencies and allocating more **decision-making power** to the people directly responsible for implementing our projects and interventions. In this way, we can not only improve the quality of the aid we provide, we also have a unique opportunity to multiply our impact on conflict-affected children.

While this will be our focus, that doesn't mean our daily work will slow down. In contrast, we will accelerate our programming with more and more attention given to the growth of our evidence-based approach. The year will see our programme offices prioritise the adoption of five key interventions - integrating them within our projects in-country. In the **occupied Palestinian territory**, we will accelerate our collaboration with the Ministry of Education to integrate ReachNow - a tool to detect mental health problems among conflict-affected children - in the school system. In **South Sudan**, we will initiate new partnerships with social enterprises and non-profits to explore ways to scale our Can't Wait to Learn and TeamUp innovations - even going as far as to hand over implementation to these local expert partners.

Indeed, **localization** will be an underlying theme across all our activities in 2023 - spearheaded by a dedicated working group. In **Syria**, our partner forum - made up of around 14 local actors - regularly comes together to evaluate their collaboration with War Child and identify areas of improvement. In **Colombia**, the development of a co-created youth programme will accelerate, seeing young people take the lead in addressing the topics that matter to them - everything from racism to gender-based issues.

Drawing upon key learnings from our Ukraine Response, we will also invest more in the evolution of [Fast Aid](#). This will be driven by a **Head of Humanitarian Programming**.

To support the work and in-line with our strategy, the year will continue to see us actively promote our evidence-based approach to external stakeholders. Effective and meaningful media outreach will be at the core of our activities, as will renewed engagement with donors and partners. All these efforts will not only **highlight our expertise** - and unique selling point - it will also support our scaling journey and ultimately our aim to reach many more children.

Our financial outlook

Our total planned income for 2023 is **€50.7 million**. Our fundraising offices will support this push working hard to secure **90,000 Friends** by the close of the year.

Financing our strategic objectives amidst soaring inflation and a very unfavourable exchange rate between the euro and the dollar required us to budget for a deficit of €0.4 million for the year. Even with this deficit, our reserves will remain above €5 million. An overview of all the numbers attached to our 2023 budget can be found in the following section.

Budget 2023

in Euros

	Budget	Actual
INCOME	2023	2022
Individuals	11,871,832	11,770,717
Companies	2,944,094	2,746,439
Lotteries	1,350,000	1,550,734
Government grants	18,900,984	23,958,274
Affiliated parties	-	60,669
Other organizations (non-profit)	14,954,773	10,153,733
Fundraising income	50,021,683	50,240,566
Income from sale of products	475,000	635,358
Other Income	-	12,149
Sum of income	50,496,683	50,888,073
EXPENSES		
Project activities	40,166,784	40,482,420
Preparation & coordination	2,294,605	1,606,737
Awareness raising	1,675,798	1,431,560
Expenses on the objective	44,137,187	43,520,717
Fundraising	4,546,149	4,126,328
Management & administration	2,132,149	1,287,188
Sum of expenses	50,815,485	48,934,233
Sum before financial income	(318,802)	1,953,840
Financial income/(loss)	(15,000)	(13,914)
Result participating interests	-	(22,763)
Sum of income and expenses	(333,802)	1,917,163

In 2023 War Child plans a deficit covering the transition costs to the global network.

Reserves and earmarked funds

	Budget	Actual
	31-12-2023	31-12-2022
Continuity reserve	5,000,000	5,000,000
General reserve	1,726,964	2,045,766
Legal reserve	-	-
Earmarked funds	1,038,453	1,038,453
Reserves and Funds	7,765,417	8,084,219

Ratios

	Budget	Actual
	2023	2022
% Costs of fundraising / Total fundraising income	9.1%	8.2%
% Costs management & administration / Total Expenses	4.2%	2.6%
% Total expenses on behalf of the objective / Total income	87.4%	85.5%
% Total expenses on behalf of the objective / Total expenses	86.9%	88.9%

A close-up photograph of a young child, likely a toddler, looking down. The child is wearing a pink knit beanie with a large pink bow on the side. They are also wearing a purple puffy jacket over a white turtleneck. The background is blurred, showing what appears to be a wooden shelf with various items. The text "SUPERVISORY BOARD REPORT" is overlaid in white, bold, sans-serif capital letters across the lower part of the image.

SUPERVISORY BOARD REPORT

Our Supervisory Board

To ensure War Child **fulfils its duties** from a management perspective, our operations are continuously monitored by a Supervisory Board. This governance body is responsible for approving our organisational strategy, policies, annual plans and reports and commits us to the highest ethical and legal standards.

As a registered legal foundation in the Netherlands, we are **obligated by Dutch law** to maintain a clear division between our managerial and executive responsibilities and supervisory functions. Our Supervisory Board safeguards this structure.

The Supervisory Board appoints the CEO and is responsible for providing the holder of the position with advice and supervision. The board undertakes these responsibilities during four quarterly meetings and additional meetings as necessary.

All our board members work on a voluntary basis and lend us significant expertise and experience. The board has no managerial responsibility, but it is responsible for its **assessment of the quality of its contribution**. Board members are appointed for four years and can be reappointed for an additional four-year term.

Meetings and activities

The Supervisory Board meets habitually throughout the year to review the performance of War Child against set objectives. In 2022, the Board held four regular meetings - all attended by management - as well as several online meetings in light of the large-scale change process. An additional four Audit Committee meetings were conducted.

One key topic of discussion over the course of the year was the **invasion of Ukraine** in February. In the first days of the war, the board were integral to the decision to enact a far-reaching emergency response. Throughout the year, country directors and regional representatives were regularly invited to the meetings to discuss emerging and escalating emergencies, programmatic challenges and to share their unique perspectives from the ground.

The work of our Research and Development department was also an important ongoing theme. Members were particularly interested in how our **suite of evidence-based interventions** were being scaled up while maintaining quality.

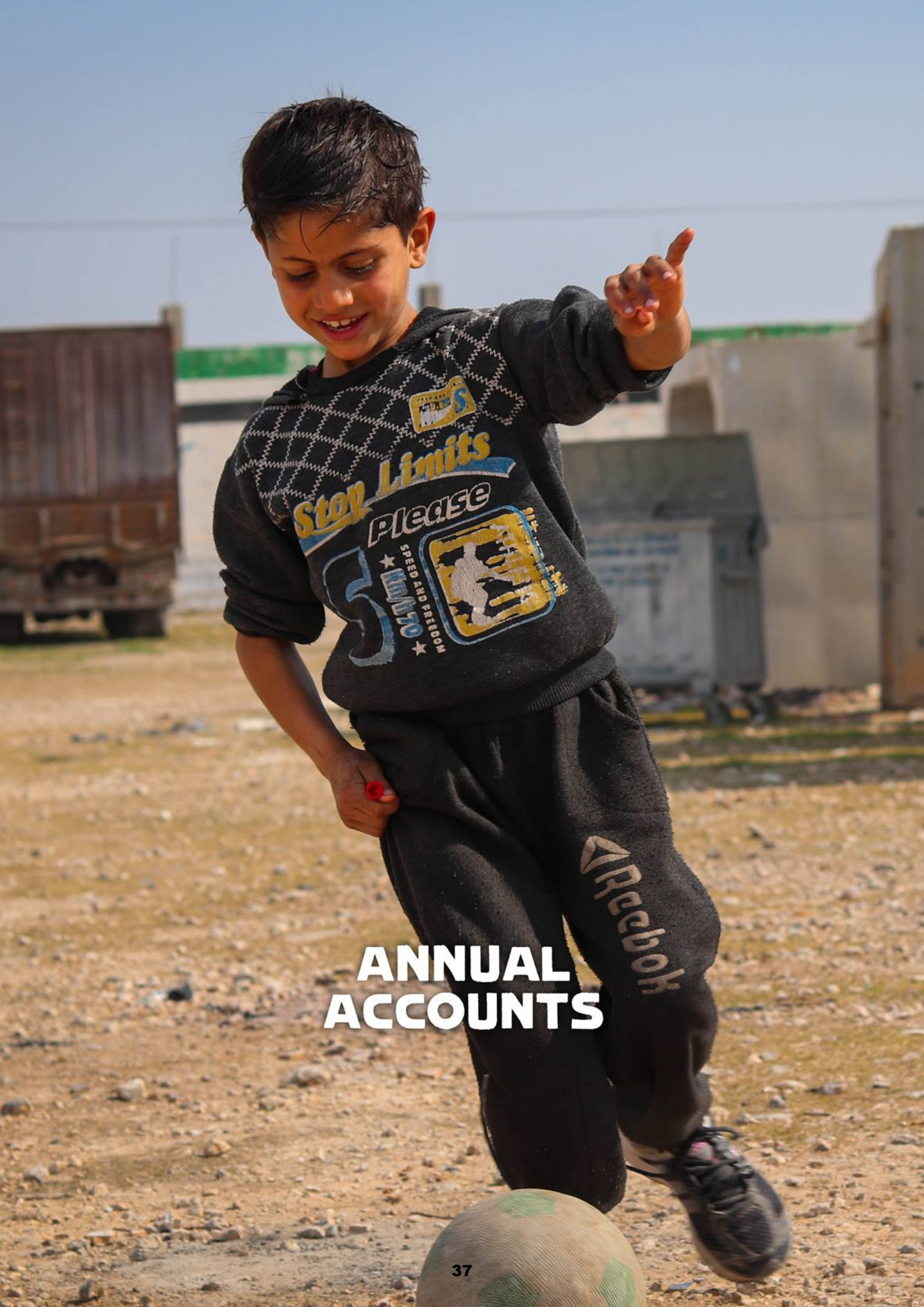
During every board meeting the topic of the **accelerating change process** was brought to the table. The board brought their respective areas of expertise to the discussions overseeing important preliminary decisions for the launch of the global network in 2024. The governance bodies and decision-making structures that will make up the network were discussed in detail. The board emphasised the importance of a general assembly where key representatives from programme countries can come together to set the strategic agenda and discuss operational matters. With their strong business acumen, the board together with the IMT helped select the **principles of good governance** that would guide the network. These principles include sharing power (or 'governance by network'), efficiency and effectiveness, transparency and a commitment to innovation.

The cost advantages - or **economies of scale** - of becoming one organisation with one clear vision were also discussed in depth. The board helped tease out two key focus areas in terms of achieving our ambitions: global advocacy and the scaling of our evidence-based approach.

With the organisational structure taking shape, discussions surrounding the make-up of the new Supervisory Board were also kickstarted. The board very much owned this process developing a robust transition plan. The end-state board will look very different to what we had before with **representatives from around the world** as well as youth members from the countries we work in. The end-state IMT was also discussed including a moment to reflect on how this team has already started the transformation process with a much more diverse leadership than three to four years ago.

The risks of such a large-scale change process were also placed front and centre. The board discussed the increased workload and pressure faced by every War Child staff member and how the emphasis must firmly remain on protecting our invaluable people and culture. **Willemijn Verloop**, War Child Holland Founder and social entrepreneur reiterated the importance of bringing our unique DNA into the new structure. The board brought a constant stream of recommendations to new and ongoing challenges. Temporary additional staff capacity as well as a more phased approach to certain elements of the change process are two such examples.

While the risks were clear, the board always brought it back to the 'why' - bringing War Child together will only make us stronger in our quest to **multiply our impact** for children affected by conflict.



ANNUAL ACCOUNTS

Balance sheet

In Euros, after proposed appropriation of result

		31-12-2022	31-12-2021
ASSETS	Note:		
Tangible fixed assets	(1)	99,466	223,239
Financial fixed assets	(2)	55,028	77,791
Fixed assets		154,494	301,030
Receivables	(3)	8,166,533	7,151,339
Cash and cash equivalents	(4)	15,416,235	10,276,303
TOTAL ASSETS		23,737,262	17,728,672
LIABILITIES			
Continuity reserve		5,000,000	5,000,000
General reserve		2,045,766	728,780
Reserves		7,045,766	5,728,780
Earmarked funds		1,038,453	438,276
Reserves and funds	(5)	8,084,219	6,167,056
Provisions	(6)	1,514,164	965,017
Long-term liabilities	(7)	-	6,303
Short-term liabilities	(8)	14,138,879	10,590,296
TOTAL LIABILITIES		23,737,262	17,728,672

Statement of income and expenses

in Euro

		2022	Budget 2022	2021
INCOME	Note:			
Individuals	(9)	11,770,717	10,584,500	10,386,214
Companies	(10)	2,746,439	1,429,100	3,445,868
Lotteries	(11)	1,550,734	1,618,994	1,372,458
Government grants	(12)	23,958,274	23,616,640	28,529,478
Affiliated Parties	(13)	60,669	30,000	12,945
Other organizations (non-profit)	(14)	10,153,733	7,126,777	5,992,219
Total fundraising income		50,240,566	44,406,011	49,739,182
Income from sale of products	(15)	635,358	300,000	308,872
Other Income		12,149	-	296,898
Sum of income		50,888,073	44,706,011	50,344,952
EXPENSES				
		2022	Budget 2022	2021
Project activities	(16)	40,482,420	35,987,644	40,044,270
Preparation and Coordination	(17)	1,606,737	2,130,883	1,486,694
Awareness Raising	(18)	1,431,560	1,341,632	1,962,220
Expenses on the objective		43,520,717	39,460,159	43,493,184
Fundraising	(19)	4,126,328	3,583,514	5,149,157
Management and administration	(20)	1,287,188	1,661,307	1,225,998
Sum of expenses		48,934,233	44,704,980	49,868,339
Sum before balance financial income/costs		1,953,840	1,031	476,613
Financial gain / (loss)	(21)	(13,914)	-	(331,204)
Share of result of participating intererests	(2)	(22,763)	-	254
Sum of income and expenses		1,917,163	1,031	145,663

Appropriation of the result

in Euros

	2022	2021
Addition to (withdrawal from):		
Continuity reserve	-	-
General reserve	1,316,986	11,921
Legal reserve	-	(53,336)
Earmarked funds	600,177	187,078
Total change in reserves and funds	1,917,163	145,663

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

Cash flow statement

in Euros

		2022	2021
	Note:		
Sum of income and expenses		1,917,163	145,663
Adjustments for:			
Depreciation	(1)	170,966	240,996
Book result on disposal of fixed assets		-	(272,284)
Interest	(21)	(384)	(106)
Realised exchange rate losses (gains)		78,853	(205,157)
Changes in provisions	(6)	549,147	82,704
Changes in receivables	(3)	(1,015,194)	2,419,112
Changes in short term liabilities	(8)	3,548,583	(1,980,726)
Adjustment for results in participating interests	(2)	22,763	(254)
Cash flow from operations		3,354,734	284,285
Interest received		384	106
Cash flow from operating activities		5,272,281	430,054
Investments in intangible fixed assets		-	-
Investments in tangible fixed assets	(1)	(47,193)	(36,030)
Investments in financial fixed assets		-	-
Divestments of tangible fixed assets		-	521,000
Cash flow from investing activities		(47,193)	484,970
Changes in long term liabilities	(7)	(6,303)	(8,404)
Cashflow form financial activities			
Net Cash flow		5,218,785	906,620
Foreign exchange rate gains / (losses) on cash and cash equivalents		(78,853)	205,157
Change in cash and cash equivalents		5,139,932	1,111,777
		2022	2021
Changes in cash			
Position as at January 1		10,276,303	9,164,526
Changes in the financial year		5,139,932	1,111,777
Position as at December 31	4	15,416,235	10,276,303

Notes to the annual accounts

General

These are the annual accounts of Stichting War Child, hereafter referred to as 'War Child', registered in The Netherlands as a foundation (*Stichting*) under Dutch law and recognized as an ANBI (*Algemeen Nut Beogende Instelling*) by the Dutch tax authorities. War Child is located in Amsterdam at the Helmholzstraat 61-G. All War Child's country offices are one and the same legal entity worldwide. The organisation is registered under Dutch law as a foundation (*stichting*), and registered with the Chambre of Commerce under number 41215393.

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 2022, War Child implemented its projects in Burundi, Colombia, Democratic Republic of Congo, Jordan, Lebanon, the Netherlands, Occupied Palestinian territories, Republic of South Sudan, Syria, and Uganda. In addition, War Child started activities addressing the needs of the Ukrainian refugees. War Child's activities are carried out by its own staff in programme countries and by implementing partners or local organisations.

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

Accounting Principles

The annual accounts 2022 are dated 15 June 2023 and form an integral part of War Child's annual report. The annual report gives a detailed account of War Child's activities, results and programmes. The annual accounts have been prepared in accordance with the Guideline RJ650, which applies to Dutch fundraising organisations. The accounting policies have been consistently applied to all the years presented.

War Child's financial year coincides with the calendar year. The statement of income and expenses 2022 covers the period from January 1, 2022, to December 31, 2022.

The valuation of assets and liabilities and of income and expenses is based on historical cost unless otherwise stated in the further accounting principles.

These annual accounts have been prepared under the assumption of going concern.

These financial statements contain the financial information of the iNGO. The iNGO is the ultimate parent of War Child Deutschland gGmbH. These financial statements do not contain consolidated figures because the significance of the subsidiary is negligible.

Comparative figures

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

Functional currency

These annual accounts are presented in Euro, which is the functional and reporting currency of War Child.

Transactions in foreign currencies

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

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

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

Estimates

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

Accounting Principles – Balance Sheet

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

An asset is recognized in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognized 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 recognized in the statement of income and expenses when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognized when a decrease in the economic potential related to an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

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

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

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

Financial instruments

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

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

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

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

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

Impairment of financial assets

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

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

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

Offsetting financial assets and liabilities

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

Tangible fixed assets

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

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

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

Financial fixed assets

The financial fixed assets comprise the investment in War Child Deutschland GmbH.

Participating interests where significant influence can be exercised over the business and financial policies are valued according to the equity method on the basis of net asset value. If measurement at net asset value is not possible because the information required for this cannot be obtained, the participating interest is measured according to the visible equity. In assessing whether War Child has significant influence over the business and financial policies of a participating interest, all facts and circumstances and contractual relationships, including potential voting rights, are taken into account.

The net asset value is calculated on the basis of War Child's accounting policies.

If War Child transfers an asset or a liability to a participating interest that is measured according to the equity method, the gain or loss resulting from this transfer is recognised to the extent of the relative interests of third parties in the participating interest (proportionate determination of result). Any loss that results from the transfer of current assets or an impairment of fixed assets is fully recognised. Results on transactions involving transfer of assets and liabilities between War Child and its participating interests and mutually between participating interests are eliminated to the extent that these cannot be regarded as having been realised.

Unrealised profits on transactions with participating interests that are accounted for at net asset value are eliminated to the extent of the Company's share in the participating interest. This elimination is allocated to net turnover and recognition of deferred income. War Child realises the eliminated result as a result of a sale to third parties.

Participating interests with a negative net asset value are valued at nil. This measurement also covers any receivables provided to the participating interests that are, in substance, an extension of the net investment. In particular, this relates to loans for which settlement is neither planned nor likely to occur in the foreseeable future. A share in the profits of the participating interest in subsequent years will only be recognised if and to the extent that the cumulative unrecognised share of loss has been absorbed. If War Child fully or partially guarantees the debts of the relevant participating interest, or if it has the constructive obligation to enable the participating interest to pay its debts (for its share therein), then a provision is recognised according to the amount of the estimated payments by War Child on behalf of the participating interest.

Impairments of fixed assets

For tangible fixed assets, an assessment is made as of the balance sheet date as to whether there are indications that the asset is subject to impairment. If indications exist that the asset item is subject to impairment, the recoverable amount of the asset is determined. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is directly expensed in the statement of income and expenses. If it is established that a previously recognized 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 recognized.

Disposal of fixed assets

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

Receivables

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

Cash and cash equivalents

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

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

Reserves and funds

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

Continuity reserve

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

General reserve

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

Earmarked reserves

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

Legal reserve

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

Earmarked funds

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

Provisions

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

Liabilities

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

Accounting Principles – Income and Expenses

Income recognition

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

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

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

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

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

Loss recognition

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

Interest Income and interest expense

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration. If a provision is measured at present value, any changes in the provision due to accrued interest are presented as interest expense.

Currency translation differences

Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they are realised, unless hedge accounting is applied.

Leasing

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

Operating leases

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

Employee benefits

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

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

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

Termination benefits

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

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

Pension plans

The pension charge to be recognized 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 recognized. If the contributions already paid exceed the payable contributions as at balance sheet date, a receivable is recognized to account for any repayment by the fund or settlement with contributions payable in future.

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

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

Determination of fair value

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

Related parties

Transactions with related party War Child Deutschland are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions and other information that is deemed necessary for an insight into the transactions.

Transactions with related parties are assumed when a relationship exists between War Child and a natural person or entity that is affiliated with War Child. This includes, amongst others, the relationship between War Child and its subsidiaries, managing director and key management personnel. Transactions are transfers of resources, services or obligations, regardless of whether anything has been charged.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the annual accounts are being prepared, are recognized in the annual accounts.

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

Accounting Principles – Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

Notes to the balance sheet

in Euros

1 Tangible Fixed Assets

	Operating Assets head office	Operating Assets programmes	Tangible fixed assets
Acquisition value	437,772	814,422	1,252,194
-/- Cumulative Depreciation	(387,422)	(641,533)	(1,028,955)
Book value 1-1-2022	50,350	172,889	223,239
Acquisition value investments	25,270	21,923	47,193
-/- Acquisition value disposals	(26,187)	(17,833)	(44,020)
-/- Depreciation	(53,614)	(117,352)	(170,966)
Depreciation on disposals	26,187	17,833	44,020
Movements during the year	(28,344)	(95,429)	(123,773)
Acquisition value	436,855	818,512	1,255,367
-/- Cumulative Depreciation	(414,849)	(741,052)	(1,155,901)
Book value 31-12-2022	22,006	77,460	99,466

Tangible fixed assets acquired during the year are mainly laptops. At head office our tangible assets are equipment and furniture for our office. Tangible assets that we hold for our programmes are mainly office equipment, vehicles and generators.

2 Financial Fixed Assets

	Participating interests	Financial fixed assets
Acquisition value	77,791	77,791
-/- Cumulative Depreciation	-	-
Book value 1-1-2022	77,791	77,791
Result from participating interest	(22,763)	(22,763)
Movements during the year	(22,763)	(22,763)
Acquisition value	55,028	55,028
-/- Cumulative Depreciation	-	-
Book value 31-12-2022	55,028	55,028

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

3 Receivables

	31-12-2022	31-12-2021
Receivable from donors	5,109,404	5,002,852
Prepayments to partners	1,080,125	714,638
Legacies due	756,099	490,452
Receivable from participating interest	47,725	45,446
Other accounts receivable	1,173,180	897,951
Receivables	8,166,533	7,151,339

All accounts receivable originated in 2022, except for receivables relating to eight legacies totalling € 175,548 originating from 2021 and before. All receivables are expected to be received within one year and relate to our day-to-day operations. Sometimes legacies may take longer to be settled, especially when the sale of property is involved. Our best estimate is to classify all receivables as short-term.

No provision for doubtful receivables has been deemed necessary.

Legacies receivable consist of 26 legacies, of which the largest legacy amounts to € 139,333.

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

Other accounts receivable comprise mainly prepaid expenses, unrestricted donations to be received, deposits and project advances.

Specification of receivables from donors

Receivables from donors relate to projects that have been implemented by War Child, for which the funds from donors are committed in a grant contract but had not yet been received on the balance sheet date. The funds are expected to be received within one year. The amount receivable from donors at the balance sheet date can be broken down as per the table below. The amount relating to the Dutch National Postcode Lottery, was received in March 2023.

	31-12-2022	31-12-2021
European Commission	1,926,648	1,494,120
National Postcode Lottery	1,350,000	1,350,000
United Nations agencies and funds	609,100	734,203
Arts and Humanities Research Council	224,007	54,424
Netherlands Government	136,510	454,169
Lego Foundation	80,927	361,626
War Child UK	46,706	20,229
Other	735,506	534,081
Receivable from donors	5,109,404	5,002,852

4 Cash and cash equivalents

	31-12-2022	31-12-2021
Cash and cash equivalents in the Netherlands	14,100,879	7,609,009
Cash and cash equivalents in programme countries	1,315,356	2,667,294
Cash and cash equivalents	15,416,235	10,276,303

War Child's cash and cash equivalents balance is at € 15.4 million, compared to € 10.3 million in the previous year. The increase can largely be explained by the result for the year and the increase in the position of 'Grants Received in advance'.

Availability of cash and cash equivalents

The balance of cash and cash equivalents is readily available to War Child, except for a bank guarantee related to the rental agreements for War Child's office in The Netherlands, released at the end of the rental contract in 2023. The balance of all savings accounts with Rabobank are available to War Child without limitation.

	31-12-2022	31-12-2021
Cash and cash equivalents freely available	15,343,903	10,015,999
Cash and cash equivalents available with 1.5 per cent penalty	-	187,972
Cash and cash equivalents in bank guarantee until 2023	72,332	72,332
Cash and cash equivalents	15,416,235	10,276,303

Balances in foreign currencies

War Child aims to hold its cash positions as much as possible in Euros and in the Netherlands. For expenses in programme countries, foreign currency accounts are held. War Child head office and some country offices have a US Dollar bank account when contracts with donors and expenses are in US Dollars. Country offices request funds to be transferred by head office on a monthly basis, based on forecasted expenses. War Child aims to minimise funds held abroad, but due to the nature of War Child's work, each country needs to hold a buffer amount for operational expenses and unforeseen events. At the balance sheet date, 92 per cent of balances was kept in bank accounts in The Netherlands. The largest bank balance outside the Netherlands is held in Lebanon (€0.2 million) at multiple banks. See also our notes about credit risk for the highest balance at a single bank.

5 Reserves and Funds

	1-1-2022	additions	withdrawals	31-12-2022
Continuity reserve	5,000,000	-	-	5,000,000
General reserve	728,780	1,316,986	-	2,045,766
Total reserves	5,728,780	1,316,986	-	7,045,766
Earmarked funds				
- Can't Wait to Learn	55,340	-	(55,340)	-
- Team Up	67,937	282,331	(67,937)	282,331
- Research & Development	110,243	-	(23,800)	86,443
- Scaling	72,727	185,072	(67,099)	190,700
- Lebanon	391	-	(391)	-
- Burundi	86,933	-	(86,933)	-
- Colombia	-	7,796	-	7,796
- Palestine	21,791	-	(21,791)	-
- Syria	3,333	-	(3,333)	-
- Uganda	19,581	-	(19,581)	-
- Ukraine	-	471,183	-	471,183
Total funds	438,276	946,382	(346,205)	1,038,453
Total reserves and funds	6,167,056	2,299,339	(346,205)	8,120,190

	01/01/2021	additions	withdrawals	31/12/2021
Continuity reserve	5,000,000	-	-	5,000,000
General reserve	716,859	11,921	-	728,780
Legal reserve	53,336	-	(53,336)	-
Total reserves	5,770,195	11,921	(53,336)	5,728,780
Earmarked funds				
- Can't Wait to Learn	4,545	55,341	(4,546)	55,340
- Team Up	-	67,937	-	67,937
- Research & Development	113,205	-	(2,962)	110,243
- Scaling	-	72,727	-	72,727
- Lebanon	129,739	391	(129,739)	391
- Burundi	3,709	86,933	(3,709)	86,933
- Colombia	-	-	-	-
- Palestine	-	21,791	-	21,791
- Syria	-	3,333	-	3,333
- Uganda	-	19,581	-	19,581
- Ukraine	-	-	-	-
Total funds	251,198	328,034	(140,956)	438,276
Total reserves and funds	6,021,393	339,955	(194,292)	6,167,056

Continuity reserve

War Child does not keep more reserves than reasonably necessary to realise the organizational goals and to be able to continue its operations in situations of sudden lack of funding or of unexpected expenses. War Child's Supervisory Board determines the desired size of its continuity reserve based on risks perceived, taking into account a number of adverse incidents that might happen. In 2022 the minimum desired level of the continuity reserve, equalling the calculations from the risk based approach, was left unadjusted at €5.0M. The desired level of the continuity reserve is also the actual size of the continuity reserve as per the balance date.

General reserve

The general reserve is formed from the surplus of reserves above the target level for the continuity reserve. War Child will spend its general reserve to the benefit of children affected by war in accordance with its objectives. The general reserve holds a €2.0M surplus which is not necessary for War Child's continuity.

Legal reserve

The legal reserve related to funds reserved in accordance with accounting regulations. War Child formed a legal reserve for the book value of the capitalized development costs of its intangible fixed assets. As of December 31, 2021, this reserve is depleted due to the assets being fully amortized.

Earmarked funds

The earmarked funds are designated by the donor and must be spent on a specific purpose. The earmarked funds that existed end of 2021 were spent, except for an amount of € 86,443 for Research and Development. Additional earmarked funds were added in 2022 for the amount of € 946,382. Earmarked funds are spent on the objective and usually utilized within one year after receipt.

6 Provisions

	1-1-2022	Additions	Withdrawals	Reversals	Revaluation	31-12-2022
Provision for end-of-service benefits	496,009	572,932	(234,820)		7,772	841,893
Provision for local taxation	303,174	301,764	(33,973)	(113,191)	(1,967)	455,807
Provision for local social security	60,834	185,363	(55,448)		1,705	192,454
Provision for ineligible expenses	105,000	110,921	(191,911)	-	-	24,010
Total provisions	965,017	1,170,980	(516,152)	(113,191)	7,510	1,514,164

All provisions are short term.

Provision for end-of-service benefits

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

Provision for local taxation

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

Provision for local social security

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

Provision for ineligible grant expenses

This provision is related to expenses that might need to be paid back to institutional donors because some of their requirements were not met. Some of War Child's programmes are implemented in particularly difficult, unsafe and unstable contexts where it is not always possible to guarantee that the strictest of donor requirements are followed in each of its (partner's) transactions. War Child still implements those projects because especially those children need its support. War Child is continuously striving to improve its procedures to ensure compliance with increasingly strict donor requirements, in order to decrease the risk of ineligible expenses.

7 Long term liabilities

All long term liabilities are due after one year and within five years. The amount as per the balance sheet date relates to rental discounts of War Child's Amsterdam office that were already received, but that are spread over the total length of the rental contract in accordance with the accounting principles. This amount is the part that will be recognized as a deduction of rental expenses in the financial years from 2024 onwards.

During the year 2022 the long term liabilities decreased with € 6,303 (2021: €8,404). An amount of € 8,404 (2021: 8,404) is recognized as a deduction of the rental expenses.

8 Short term liabilities

	31-12-2022	31-12-2021
Grants received in advance	10,637,492	7,128,451
Accounts payable	1,022,526	597,280
Payable to partners	939,533	1,281,109
Taxes and social premiums payable	500,339	193,787
Payable to War Child UK	45,873	45,873
Other liabilities	993,116	1,343,796
Short term liabilities	14,138,879	10,590,296

All short term liabilities are due within one year.

The short term liabilities increased mainly due to the 49 per cent increase of 'Grants Received in Advance', as further detailed in the next table. It consists of restricted funding that was received by War Child in the financial year, while the related project expenses have not yet been incurred. Due to the nature of the grant contract, income is not accounted for in the period that the funds are received, but in the period in which the related expenses are recognized. The expenses related to grants received in advance are expected to be realised within one year.

The accounts payable to implementing partners decreased by 27 per cent because partners were faster with submitting their expense reports and reimbursement claims.

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

	31-12-2022	31-12-2021
European Commission	3,404,511	1,415,232
UBS Optimus Foundation	2,115,671	0
Netherlands Government	1,933,203	780,867
United Nations agencies and funds	833,742	2,143,536
International Development Research Centre	517,296	699,798
Salesforce	343,145	105,639
Stichting DOB Ecology	290,664	560,599
Porticus	163,858	196,838
World Vision International	113,697	0
Lego Foundation	111,102	0
National Postcode Lottery	47,556	248,290
Other	763,047	977,652
Grants received in advance	10,637,492	7,128,451

The three institutional donors with the largest instalments received in advance are the European Commission, UBS Optimus Foundation and the Netherlands Government. UBS Optimus advanced the entire grant amount for our Can't Wait to Learn program for Ukraine. The three largest donor balances account for 70% (2021: 61%) of the grants received in advance.

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 €12.6 million, which is its balance with Rabobank at the balance sheet date. War Child also holds bank accounts with ASN bank (€0.2 million), with ABN AMRO (€0.2 million), and with ING (€1.2 million). Furthermore, it has balances with foreign banks in the countries where we have branch offices. Bank balances abroad are maximized at the amount required to finance one month of expense. The largest bank balance abroad is with Ecobank in Burundi (€0.2 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. Given the precarious situation, there still are concerns about the fragile banking situation in Lebanon. Lebanese banks restricted transfers abroad and dollar withdrawals from deposit accounts since 2019. At year end an amount of USD 0.2 million is held in an account in Lebanon in so-called Lollar, US Dollars that are both withdrawal and transfer restricted. Based on the limited progress in getting these funds released at USD equivalent value, the balance has been valued at the going Lollar rate.

Credit risk- receivables

Credit risk arises from War Child's receivables totalling €8.2 million. The credit risk is concentrated at counterparties from outstanding amounts with donors for a total amount of €5.1 million. These are large donors and governments with whom War Child has a long standing relationship and that have always in time satisfied their obligations to pay. The highest receivables amount to €1.9 million from the European Commission and €1.4 million from National Postcode Lottery. In addition, €1.1 million receivables relate to prepayments to partners. This balance is spread over more than 30 partners, the largest balance being €0.3 million with Osvitoria.

Foreign exchange rate risk

War Child is primarily exposed to currency risk on project obligations that are denominated in a currency other than the contractual currency of the grant contract that relates to such a project. The currencies in which these project transactions primarily are denominated are EUR and USD, whereas a minority of transactions take place in amongst others COP, UGX and SSP. The currencies in which War Child's donor grant contracts are denominated are primarily EUR and USD, whereas a minority of grants are denominated in amongst others CHF, CAD, GBP, BIF and SSP. War Child's policy is to denominate its contractual obligations as much as possible in the same currency as the donor's currency and to hold bank balances in the donor currency, so that the real exchange rate is closest to the reporting exchange rate.

War Child is exposed to currency risk on all outstanding balances denominated in another currency than the reporting currency which is the euro. Main balances held in foreign currency relate to cash and bank balances, and receivables from, and payables to, donors and partners. The exposure as of December 31 of the three aforementioned components can be summarized as follows:

Currency	Donor and Partner			Net Exposure	Impact of 5%
	Cash	Receivable	Payable		exchange rate fluctuation
EUR	9,233,921	4,692,892	7,211,935	6,714,877	-
USD	2,018,463	1,095,493	1,242,406	1,871,550	93,578
SEK	480,308	61,874	2,180	540,002	27,000
CHF	2,414,842	70,419	2,129,869	355,392	17,770
UGX	91,217	87,428	5	178,640	8,932
other	1,177,484	181,423	990,629	368,278	18,414

War Child does not hedge its forecasted foreign currency exposure with any derivative instruments. Derivatives bring their own risks and costs, while War Child's current practical risk mitigation measures, when assessed over a multiyear period, serve their purpose.

Interest and cash flow risk

War Child has no long-term payables and receivables. A substantial part of our income is received from donors at the start of the grant agreements mitigating the cash flow risk on grant expenses.

War Child has no interest bearing loans. The interest risk is mitigated to the interest received and paid on outstanding bank balances.

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. The liquidity position ensured by War Child's level of the reserves to cover financial obligations are adequate. Working capital is primarily monitored by paying close attention to the net payable and receivable balances with both donors and partners.

Fair value

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

Off-balance sheet obligations and rights

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

		due within	due in	due after
	TOTAL	1 year	1-5 years	5 years
Operational obligations	2,519,152	503,004	2,016,148	
Implementing partner conditional obligations	9,664,995	8,059,650	1,605,345	-
Off-balance sheet obligations	12,184,147	8,562,654	3,621,493	-
		due within	due in	due after
	TOTAL	1 year	1-5 years	5 years
Donor contract value to be received	29,909,588	21,693,522	8,216,066	-

Operational obligations

The main operational obligation is the office rental obligation in The Netherlands for the period until 30 September 2028. Total remaining rental obligation including service and utilities charges is €2.3 million. The remaining obligations of €0.2 million mainly consist of rental obligations in programme countries.

The most important operational lease objects are Office rent in Amsterdam, NL. The principal provisions from these operational lease agreements are:

Amsterdam Office, with Alliantie, 10 years from October 1, 2013, to September 30, 2023.

Amsterdam Office, with Alliantie, 5 years from October 1, 2023, to September 30, 2028. Tacit extension with 5 years after end of period, cancellation 12 months before end of term.

Amsterdam Office, with Merin, 10 years from October 1, 2013, to September 30, 2023. Tacitly extended until September 30, 2028. Tacit extension with 5 years after end of period, cancellation 12 months before end of term.

Implementing Partners

War Child works with many implementing partners globally. War Child enters into agreements with partner organisations to execute projects related to War Child's objectives. The contributions in these contracts are disbursed to partners in several instalments. All contributions are conditional. War Child has off balance sheet obligations to its partners totalling €9.7 million. War Child's largest expected future payment is to Oxfam Novib under a conditional funding agreement running until December 2025 with a remaining commitment of € 0.8 million.

Off balance sheet rights

Grants from donors are recognized as income when the related expenses are recognized. Instalments received from donors are recognized on the balance sheet under Grants received in advance, for the part that is not yet spent. The remaining instalments due in accordance with contracts signed with donors are reported as off-balance sheet rights. The total amount of instalments to be received by War Child under existing donor contracts is € 29.9 million. The largest total amounts to be received in the coming 5 years are €9.8 million from the LEGO Foundation and €5.0 million from the Netherlands government.

Notes to the statement of income and expenses

in Euros

9 Fundraising Income from individuals

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

	2022	Budget 2022	2021
Legacies	1,134,143	500,000	581,320
Other gifts and donations	10,636,574	10,084,500	9,804,894
Total income from Individuals	11,770,717	10,584,500	10,386,214

Developments 2022

Covid impact on our fundraising possibilities from events gradually reduced. In 2021 it was decided to make a large one-off investment in our fundraising efforts securing new structural friends. The return on this investment is noticeable in 2022. The income from legacies and inheritances exceeded budget by 127 per cent, an increase of 95% over previous year. War Child aims to develop long-term relationships with individual donors to ensure stability in income and the continuity of projects. The large majority of the income generated by individual donors came from approximately 89,300 *Friends*, as War Child calls its structural donors. More information is provided in the "Our Steadfast Supporters" section in our annual report.

10 Fundraising Income from companies

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

	2022	Budget 2022	2021
Tommy Hilfiger	12,500	-	113,690
Triple D BV	25,000	-	25,000
Gifts in Kind	1,079,399	484,100	1,453,939
Other companies	1,629,540	945,000	1,853,239
Total income companies	2,746,439	1,429,100	3,445,868

Developments 2022

In 2022 we raised €2.7 million from the business sector, 92 per cent above our target for the year but 20 per cent below the income in 2021. It remains a challenge to secure long-term commitments from companies. Main business donors supporting us already for years with monetary funding are Tommy Hilfiger, Rituals Cosmetics, and Triple D BV.. We saw a decrease of 26 per cent in gifts in kind compared to 2021 to a total of €1.1 million, which was 123 per cent above budget. More than 39 per cent of income from businesses comes from the value of donations in kind. War Child has a low cost policy and tries to find donors for every purchase it makes at head office. This ranges from free paper to free legal advice. Thanks to our good reputation that our donors recognize, we are quite successful in raising free goods and services. More information is provided in the "Our Steadfast Supporters" section in our annual report.

11 Fundraising Income from lotteries

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

	2022	Budget 2022	2021
National Postcode Lottery (structural contribution)	1,350,000	1,350,000	1,350,000
National Postcode Lottery (designated to CWTL)	200,734	227,766	22,458
Other lotteries	-	41,227	0
Total income lotteries	1,550,734	1,618,994	1,372,458

Developments 2022

Income from lotteries has increased by 13 per cent in comparison with the previous year. The National Postcode Lottery contributes structurally to our organisation with an impressive €1.4 million. In addition, the National Postcode Lottery awarded the “Dreamfund” to War Child in 2019 for its Can’t wait to learn programme. This programme was still being implemented during 2022. More information is provided in the “Our Steadfast Supporters” section in our annual report.

12 Fundraising Income from government grants

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

	2022	Budget 2022	2021
United Nations agencies and funds	9,760,176	8,685,466	9,801,885
European Commission	7,439,576	8,509,952	7,926,731
Netherlands Government	5,391,610	4,671,292	9,682,387
Other governments	1,366,912	1,749,930	1,118,475
Total income from governments	23,958,274	23,616,640	28,529,478

Developments 2022

The income from governments accounts for 47 per cent of War Child’s fundraising income. Income from governments reached €24.0 million in 2022, which is 16 per cent below the government income of 2021 (€28.5 million). This reduction in government income was foreseen and actual income exceeded the budget for the year (€23.6 million) by 1 per cent.

With €7.4 million, a decrease of 6 per cent compared to 2021, the European Commission was War Child’s largest donor in 2022. With €5.4 million, a decrease of 44 per cent compared to 2021, the Netherlands Government was War Child’s second largest donor. None of the donors exceed our guideline of maximum 15 per cent from one donor. War Child has this target in order to remain independent from any one donor and to maintain a well-balanced donor portfolio. The United Nations agencies continue to contribute to War Child’s programmes in various countries through its subsidiaries and affiliates such as UNICEF, UNHCR, UNESCO, UN OCHA and the Education Cannot Wait fund. None of the individual United Nations affiliates reached the 15% of total income maximum.

13 Fundraising Income from affiliated parties

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

War Child Deutschland gGmbH fundraised €60,669 of unrestricted income from sales and private donations, collected at galas and from corporates, to be used for our programs. In addition War Child Deutschland is raising restricted funds from German institutional donors which directly benefits our programmes.

14 Fundraising Income from other organisations

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

	2022	Budget 2022	2021
Lego Foundation	1,988,559		945,901
UBS Optimus Foundation	1,394,193		106,929
Stichting DOB Ecology	869,935		495,526
Porticus	839,957		263,759
War Child United Kingdom	625,531		150,090
International Development Research Centre	611,504		384,560
SHO / Terre des Hommes	412,855		0
Children in Conflict	324,810		0
Al Ghurair Foundation for Education	73,143		458,962
Queen Silvia Foundation	64,844		180,672
Other organisations	2,948,402	7,126,777	3,005,820
Total income other organisations	10,153,733	7,126,777	5,992,219

Developments 2022

The income from other non-profit organisations in 2022 totalled €10.2 million which was an increase of 69 per cent compared with the previous year (2021: €6.0 million), and 42 per cent above budget. The grants and donors are well diversified within this category. More information is provided in the "Our steadfast supporters" section in our annual report.

15 Fundraising Income from Sale of Products

The income raised from sale of products are presented as net figures. The gross income is reduced by the direct costs and reported as net income. The net income raised from sale of products in 2021 totalled €635,358. The gross income from the sale of products totalled € 635,358 and the cost of goods sold were nil. This income was raised during special events for War Child, mainly through a large pyjama sale action from HEMA, as well as through selling of auction items, concert and event tickets. More information is provided in the "Our Steadfast Supporters" section in our annual report.

Expenses

Total expenses decreased by a total of €0.9 million to €48.9 million, a decrease of 2 per cent (2021: €49.9 million). War Child's aim is to spend at least 85 per cent of its resources on its objectives – project activities, preparation and awareness raising. In 2022 War Child met this target. The ratio of Expenses on the objective and sum of expenses was 89 per cent (2021: 87 per cent). War Child aims to spend maximally 4 per cent of its costs on management and administration. It met this target (2022: 3 per cent; 2021: 2 per cent) and it fundraising expenses decreased to 8 per cent of its income (2021: 10 per cent).

	Realisation	Budget	Realisation
	2022	2022	2021
% Costs of fundraising / total fundraising income	8%	8%	10%
% Costs management & administration / total expenses	3%	4%	2%
% Total expenses on behalf of the objective / total expenses	89%	88%	87%

Cost allocation of general expenses

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

As a result, a general cost allocation methodology is applied to general facility costs in the Netherlands only. The amount of allocated general costs is € 468,876 and includes amongst others office rent, furniture, cleaning, reception and canteen costs. The basis of the allocation is the distribution of salary costs of employees in the Netherlands, resulting in 24 per cent allocated to project activities, 17 per cent to preparation and coordination, 9 per cent to communication and awareness raising, 26 per cent to fundraising, and 25 per cent to general management and administration expenses.

Cost allocation of fundraising and awareness raising expenses

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

The allocation percentages are consistently determined and applied in consecutive periods. If percentages change year on year, management justifies this based on a changed nature of the activities. All employees with a fundraising role are fully attributed to the cost category for fundraising.

Below is a table with the applied percentages and resulting amounts of awareness raising in our largest mixed projects. Some projects were not budgeted because at the time of planning it was unsure or unknown if those would take place in 2022. Vice versa, not all other projects in the budget took place in 2022. Budgeting and planning for fundraising activities remained challenging due to uncertainty surrounding the progression of the Covid-19 pandemic in 2022.

	2022		Budget 2022		2021	
	%	€	%	€	%	€
	awareness	awareness	awareness	awareness	awareness	awareness
Door to door engagement	25%	185,788	25%	202,775	25%	465,670
Communicating with existing constituency	75%	115,835	50%	131,500	75%	260,302
Mailings	25%	92,675	25%	40,750	25%	68,646
Telemarketing	25%	24,713	25%	16,312	25%	37,125
Online	25%	44,890	25%	37,500	25%	124,017
Campaigns	25%	8,907	25%	5,000	25%	33,191
Television show	25%	13	25%	-	25%	14
Other mixed projects	25%-100%	117,342	25%-100%	148,962	25%-100%	150,920
	%	€	%	€	%	€
	fundraising	awareness	fundraising	fundraising	fundraising	awareness
Communications	10%-25%	(59,711)	50%	(67,453)	10%-25%	(101,222)
Net allocation to awareness raising		530,452		515,346		1,038,663

16 Project activities

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

	2022	Budget 2022	2021
Lebanon	9,461,451	9,633,383	11,282,578
Syria	5,791,941	3,914,769	7,811,536
Uganda	5,357,353	4,749,993	4,101,877
Programs from The Netherlands	4,998,158	4,616,746	4,117,819
South Sudan	3,808,052	2,964,171	2,700,954
Occupied Palestinian territories	2,510,421	2,921,921	3,961,840
Programs for Ukraine	2,313,692	-	-
Jordan	2,037,400	2,159,914	880,198
DR Congo	1,959,827	2,721,666	2,797,208
Colombia	1,151,449	881,598	1,278,139
Burundi	1,092,676	1,363,483	964,475
Sri Lanka	-	60,000	147,646
Total costs of project activities	40,482,420	35,987,644	40,044,270

Developments 2022

Total expenses on project activities are €40.5 million in 2022, or 1 per cent above previous year (2021: €40.0 million) and 12 per cent above budget. Our budget for the year consists of ensured funding from signed grants as well as of ambitious projects that we will try to raise funds for in the various countries. In 2022, our fundraising targets were mainly achieved. War Child realised significant growth in project activities largely due to implementing projects addressing the Ukraine crisis.

Our Country Office in Sri Lanka closed in 2021.

17 Preparation and coordination

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

Developments 2022

The majority of costs for preparation and coordination originate in the International Programmes department at War Child's head office. Total costs in 2022 have increased year on year by 8 per cent to €1.6 million and are 25 per cent below 2022 budget (€2.1 million).

18 Awareness raising

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

Developments 2022

Awareness raising costs reached € 1.4 million, 27 per cent below 2021 (€ 1.9 million) and are 7 per cent above budget. These reduction in costs are caused by an extra investment in face to face activities in 2021, which was not repeated in 2022.

19 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.

	2022	Budget 2022	2021
Fundraising of unrestricted income	3,084,191	2,685,662	4,104,074
Fundraising of restricted income	578,192	446,629	473,539
Setting up new fundraising markets	463,945	451,223	571,544
Total costs of fundraising	4,126,328	3,583,514	5,149,157

Developments 2022

Total fundraising costs divided by total fundraising income in 2022 is 8 per cent (10 per cent in previous year). In 2022, total costs of fundraising decreased with 20 per cent in comparison with previous year, and exceeded the budget by 15 per cent. The lower costs were caused by a large one-off investment in face to face fundraising of new friends in 2021, which was not repeated in 2022. The total amount of fundraising costs of €4.1 million consists of costs for raising unrestricted funds –for example from our Friends-, restricted funds –for example from institutional donors- and costs for setting up new fundraising offices –War Child’s contributions to War Child Sweden and War Child Germany.

War Child contributed to the running costs of War Child Sweden, which is an independent foundation that raises funds for War Child in the Swedish market. It also contributed to the operational costs of War Child Deutschland gGmbH, which is a legal entity established in March 2019 of which the shares are fully owned by Stichting War Child.

20 Management and administration

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

War Child aims to keep its percentage for management and administration below 4 per cent. In the coming years War Child strives to keep this percentage as low as possible, since operational excellence and efficiency are an important part of its strategic objectives.

Developments 2022

The costs for management and administration in 2022 (€1.3 million) are 23 per cent below budget (€1.7 million) and are 5 per cent above the level of 2021 (€1.2 million).

21 Financial gains / (losses)

	2022	Budget 2022	2021
Interest received	384	-	106
Interest paid	(34,993)	-	-
Exchange rate differences	20,695	-	(331,310)
Financial gain / (loss)	(13,914)	-	(331,204)

Developments 2022

War Child does not invest the funds it is trusted with by its donors. Interest income is related to interest received on War Child's bank accounts. The year 2022 saw an exchange rate gain of € 20,695. This is mainly related to the revaluation of outstanding grant award and bank balances in US Dollar. War Child does not budget these gains or losses since those are unpredictable. War Child does not hedge this risk, but takes appropriate measures to mitigate the risk as far as possible. Also see the notes to the balance sheet.

Personnel costs

War Child's total personnel expenses are specified below. The increase in costs of 6 per cent compared to 2021 is attributable to higher staff salaries compensating for the sharp increase in inflation rates. About 39 per cent of total staff expenses originate in the Netherlands, while 21 per cent of our full time equivalent employees are located in the Netherlands. This is explained by higher average salaries. A large portion of the staff costs in the Netherlands are related to programme implementation, and those staff are funded by grants. The category other personnel expenses includes costs for amongst others commuting transport, insurance, training, recruitment, interns, canteen and team building.

	2022	Budget 2022	2021
Gross wages and salaries	14,416,441	10,384,479	13,981,231
Pensions	522,017	493,008	523,853
Social security	2,664,363	911,611	2,340,361
Other personnel expenses	2,119,402	1,393,238	1,737,182
Total Personnel expenses	19,722,223	13,182,336	18,582,627

Independent Auditor's costs

War Child's financial statements 2022 are audited by BDO Audit & Assurance B.V. (2021: KPMG Accountants N.V.). War Child determines the presentation of the auditors fee as the total fees for the examination of the financial statements based on the reporting period of the financial statements, irrespective of when the work is performed.

The audit fee for 2022 is quoted at € 164,560 including VAT. No other assignment were awarded to BDO in 2022.

Expenses from the global KPMG group in 2022 totalled € 46,520. These expenses comprised € 39,491 for audit services and € 7,029 for non-audit services. The audit services mostly concerned additional work for the 2021 financial statements of € 36,397.

	BDO Audit & Assurance B.V.	Other BDO network	Total BDO
	2022	2022	2022
Audit of the financial statements	164,560	0	164,560
Other audit engagements	0	0	0
Tax-related advisory services	0	0	0
Other non-audit services	0	0	0
Total 2022	164,560	0	164,560

	KPMG Accountants N.V.	Other KPMG network	Total KPMG
	2022	2022	2022
Audit of the financial statements	36,397	3,094	39,491
Other audit engagements	0	0	0
Tax-related advisory services	0	603	603
Other non-audit services	0	6,426	6,426
Total 2022	36,397	10,123	46,520
	2021	2021	2021
Audit of the financial statements	152,847	17,760	170,607
Other audit engagements		17,228	17,228
Tax-related advisory services			-
Other non-audit services		2,142	2,142
Total 2021	152,847	37,130	189,977

Attribution of expense

	Expenses towards objective					Total expenses		
	Awareness raising	Preparation & Coordination	Project activities	Fundraising	Adjust Management & Administration	2022	Budget 2022	2021
Contributions	-	-	11,485,174	-	-	11,485,174	2,494,004	13,498,641
Procurement	538,006	92,361	9,738,677	117,160	98,456	10,584,660	23,730,065	10,153,837
Outsourcing	55,743	193,371	1,898,123	1,173,207	82,606	3,403,050	1,710,026	3,638,587
Publicity	65,129	-	38,031	268,418	3,344	374,922	266,850	380,644
Staff	695,268	1,175,728	15,302,001	1,989,104	560,122	19,722,223	13,182,336	18,582,627
Housing	27,824	61,702	806,823	80,867	76,632	1,053,848	871,033	903,993
Office costs	13,184	15,537	611,662	94,149	138,407	872,939	1,138,646	912,482
General costs	33,382	64,039	478,096	397,258	293,677	1,266,452	1,265,700	1,556,532
Depreciation	3,024	3,998	123,834	6,165	33,944	170,965	46,319	240,996
Total expenses	1,431,560	1,606,736	40,482,421	4,126,328	1,287,188	48,934,233	44,704,979	49,868,339

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

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

Appropriation of the Result

On June 15, 2023, the Supervisory Board of Stichting War Child discussed the annual report and the annual accounts 2022. 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 result. The members of the Supervisory Board as per June 15, 2023, are Hans van den Noorda (President), Willemijn Verloop (Vice-President), Rob Theunissen (Treasurer), Raymond Cloosterman, Edith Kroese, Arjan Hehenkamp and Stef Oud.

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

Addition to (withdrawal from):		
Continuity reserve		-
General reserve		1,316,986
Earmarked funds		600,177
		1,917,163

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 2022 annual accounts or the condition of War Child at the end of the financial year.

In February 2023 the Supervisory Board of War Child Holland and the Board of Trustees in War Child UK decided to combine all programme activities via one global shared platform as per January 2024. The financial impact of this decision will be clarified in the course of 2023 when the agreements of this new foundation are drafted and agreed upon.

Notes to the cash flow statement

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. Transactions not resulting in inflow or outflow of cash are not recognized in the cash flow statement.

The cash and cash equivalents have increased by €5.1 million in 2022 (50 per cent). War Child's cash and cash equivalents balance is at a healthy level of €15.4 million in addition to €8.2 million short term receivables, against €14.1 million short term liabilities. War Child's balance of available resources can be explained by the grants received in advance from important donors and foundations, such as the European Commission, UBS Optimus Foundation and the Netherlands government. The projects related to these subsidies are partly to be implemented in 2023 and beyond. For more information, see the notes to the balance sheet item 'Grants Received in Advance'.

Further Notes to the Annual Accounts

Remuneration Managing Director

Name	Ramin Shahzamani
Function	Managing Director

Duration	indefinite from 17/5/2021
Hours/week	40
Part-time percentage	100%
Period	1-1-2022 to 31-12-2022

Annual income

Gross salary	118,369
Holiday allowance	9,469
13th month / Variable annual income / Bonus	-
Total director remuneration	€ 127,838

Taxable allowances	€ 0
Pension premium (employer part)	€ 16 402
Social security contribution (employer part)	€ 10,150
Other remuneration / Pension compensation / End of service fee	€ 0
Total remuneration and benefits 2022	€ 154,390

Total remuneration and benefits 2021 (for the period 17/5-31/12)	€ 94 868
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The total remuneration of the Managing Director of War Child during 2022 was € 127,838 which is well below the maximum of € 173,960 (1 full time employee for 12 months) as set by the guideline for Directors' Remuneration of the Dutch association for fundraising organisations Goede Doelen Nederland (GDN), based on a BSD score for War child of 530 points.

The annualized remuneration of the Managing Director, together with all taxable allowances and all employer's charges, pension compensation and other remuneration on the long term is € 154,390 which is also well within the maximum set by the guideline of € 221,400 (1 full time employee for 12 months).

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

Remuneration Supervisory Board members

No remuneration is offered to Supervisory Board members and no loans, advances or guarantees existed in 2022. 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 2022, no expenses were incurred for Supervisory Board members.

Number of employees

The average number of fulltime equivalent employees (FTE) decreased by 7 per cent (39 FTE) to 517 FTE. This decrease in FTE was fully attributable to less staff in our program countries.

	2022	2021	2020	2019	2018
Employees at head office excl. interns (in FTE)	106	105	109	98	101
Employees on local contract in programme countries (in FTE)	392	428	413	376	325
Employees on expat contract in programme countries (in FTE)	19	23	21	22	21
Total average number of employees (in FTE)	517	556	543	496	447
Average number of interns at head office (in FTE)	5	7	9	8	8

Pension Plan

The pension charge recognized for the reporting period is equal to the pension contributions payable to the pension fund over the period. War Child's head office pension plans are in accordance with the conditions of the Dutch Pension Act. It is a defined contribution system without indexing arrangements. War Child's pension insurance company is a.s.r. Doenpensioen (formerly known as 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, a.s.r. and staff).

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



OTHER INFORMATION

Branch offices

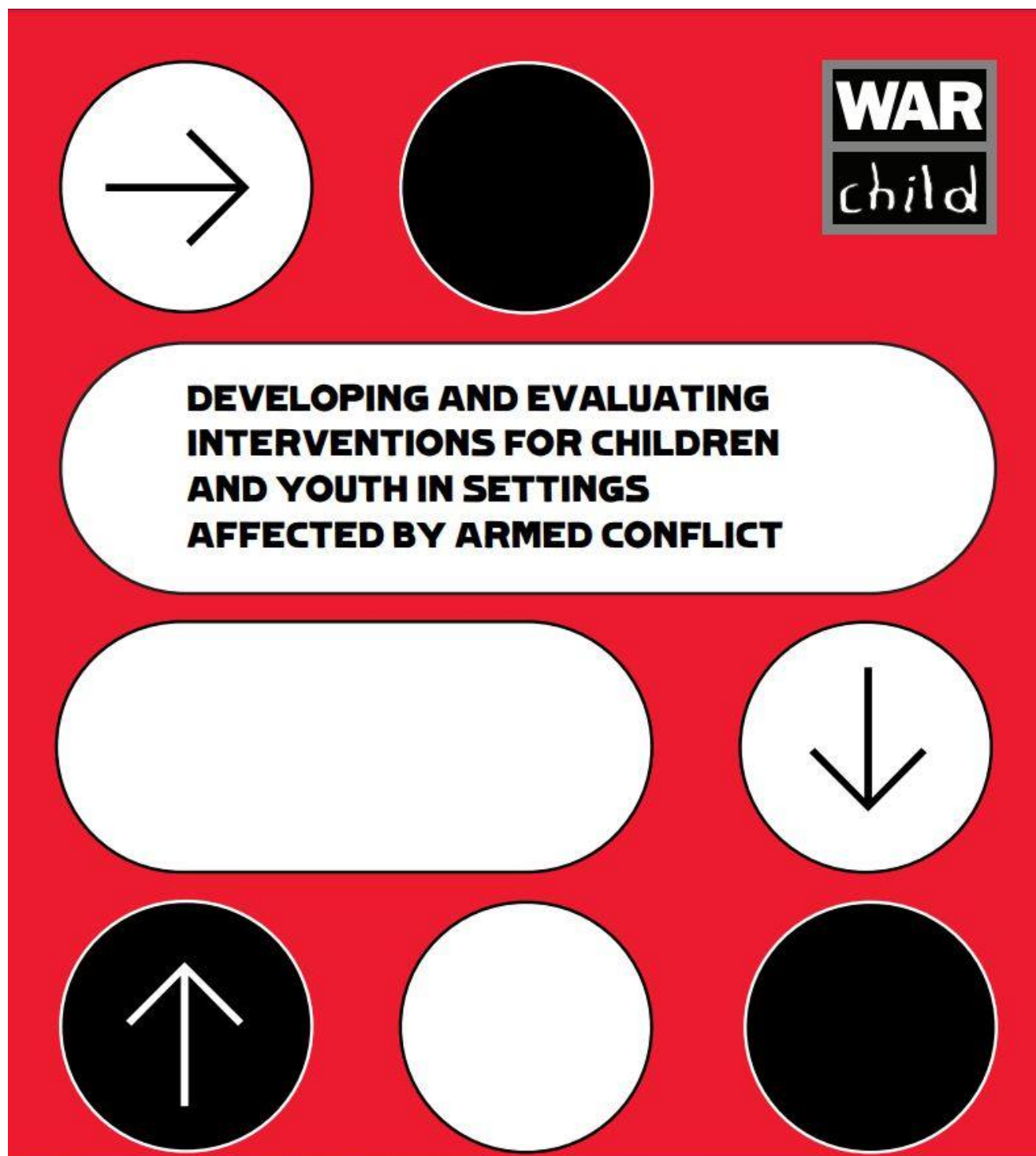
In 2022, War Child had its head office in the Netherlands and maintained branch offices in:

- Burundi
- Colombia
- Cyprus
- Democratic Republic of Congo
- Lebanon
- Occupied Palestinian territories
- South Sudan
- Uganda
- Jordan

In addition to its programmes in the countries where War Child has its own offices, War Child coordinated and/or funded activities in Chad, Greece, Italy, Moldova, Poland, Romania, Sweden, Sudan, Syria and Ukraine.

R&D Guidebook

[Download the R&D guidebook.](#)



Research Agenda

[Download the research agenda.](#)

<div> <div>WAR child</div> <div>THE RESEARCH AGENDA</div> <div>Progress and Milestones</div> </div>					
<p>The Research Agenda sets out to evaluate a number of methodologies that contribute to War Child's Care System approach. The Care System is a socio-ecological, multi-levelled, integrated and context-sensitive approach.</p> <p>The Research and Development department are evaluating a number of methodologies which are part of the Care System, to test for effectiveness.</p> <p>Methodology effectiveness is studied through a rigorous process of development, piloting and evaluation. Methodologies are adapted culturally and contextually to each setting.</p>					
<div>2023</div> <div> <div>Development</div> <div>Pilot</div> <div>Effectiveness Study</div> </div> <div> <div>✓ Complete</div> <div>✗ Not yet</div> </div>					
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	EFFECTIVENESS STUDY
Caregiver Engagement	Caregivers School staff Children	Increasing school attendance and retention through six complementary strategies	Pilot Study	✗ Planned for 2023	✗
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	EFFECTIVENESS STUDY
CORE	Teachers	Improving teacher wellbeing and social emotional competencies	Pilot Study	✗ 2022 (in progress)	✗ Planned for 2024
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	EFFECTIVENESS STUDY
Nurturing Families	Caregivers Children	Strengthening family functioning to improve mental health and wellbeing of the family as a unit	Pilot Study	✗ 2022 2023 (in progress)	✗ Planned for 2024
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	EFFECTIVENESS STUDY
Seeds	Community	A community-led approach enabling community ownership of children's protection	Pilot Study	✓ 2023	✗ Planned for 2024
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	EFFECTIVENESS STUDY
STRETCH	Individuals Families Service Providers Community	Creating community demand for stigma reduction	Pilot Study	✗	✗ Planned for 2025
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	EFFECTIVENESS STUDY
Be There ¹	Caregivers	Strengthening parenting among conflict-affected caregivers	Scalability Study	✓ 2019	✓ 2020
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	EFFECTIVENESS STUDY
CWTL	Children & Youth	EdTech programme for numeracy and reading in Arabic, English and French	Effectiveness Study	✓ 2017 2018	✓ 2022
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	EFFECTIVENESS STUDY
EASE	Adolescents	Reducing psychological distress amongst young adolescents	Effectiveness Study	✓ 2019	✓ 2020
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	EFFECTIVENESS STUDY
ReachNow ²	Children & Adolescents	Overcoming barriers to mental healthcare	Effectiveness Study	✓ 2018 2019	✗ 2023 (in progress)
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	EFFECTIVENESS STUDY
TeamUp	Children, Adolescents and Youth	Psychosocial wellbeing through movement-based activities	Effectiveness Study	✓ 2016 2018 2021	✓ 2023
METHODOLOGY	TARGET GROUP	FOCUS	CURRENT PHASE	PILOT STUDY	VALIDATION STUDY
WeACT	NGO-sector	Assessing competencies of people directly working with children & youth	Transition to scale	✓ 2018 2019 2020 2021	✗ 2022 2023

Independent Auditor's Report

TO BE PROVIDED BY AUDITOR IMMEDIATELY BEFORE PUBLICATION / JUNE