EXPANDING OUR REACH, MEETING EMERGENCY NEEDS

Our 2023 Annual Report



Across the world - from Gaza to Ukraine, Syria to DR Congo some 468 million children and youth are currently forced to live with the effects of violence and armed conflict.

These children face profound threats to their safety, health and wellbeing. Their fundamental rights are being violated with a frequency and intensity not seen for a generation. And they are living through a mental health catastrophe - with few means of adequate support.

The situation can sometimes seem hopeless - and as a single organisation we can't meet all these emergency needs alone. But what we can do is innovate and work together with other humanitarian organisations to expand our reach as far as possible.

Our participation in the <u>War Child Alliance</u> will allow us to be more agile and make better use of our resources. Our scaling strategy will see us share programme models - backed by evidence of quality and relevance - with organisations around the world.

Everything we do - both now and in the future - will be designed to meet the urgent needs of children and youth in the most effective way possible.

BECAUSE NO CHILD SHOULD BE PART OF WAR. EVER.



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WE BELIEVE THAT NO CHILD SHOULD BE PART OF WAR.





Some **468 million children** and youth live with the direct effects of violence and armed conflict - and face profound threats to their safety, health and wellbeing.

We work to address their urgent needs. We provide emergency support when children's lives are turned upside down. We deliver vital child protection, education and psychosocial support - all integrated for enhanced effect.

We build partnerships on the ground to ensure we reach as many children as we can. We undertake research and development to ensure that our work is relevant and effective. We support youth to access opportunities for empowerment.

Our goal is that increasing numbers of children will take part in programmes of the highest quality and enjoy increased resilience and wellbeing.

BECAUSE NO CHILD SHOULD BE PART OF WAR. EVER.

OUR STRATEGY

WHY

The number of children affected by violence and armed conflict is at a record high. Their fundamental rights are being violated with increasing frequency and severity. Yet the available funds to meet these children's needs are nowhere near enough.

Our strategy is designed to address this funding gap as we develop and share effective, low-cost interventions through a global network of partner organisations.

WHAT

We strive to meet the urgent needs of as many children as we realistically can. In practice our goal is to reach five million children and youth by 2025 with robust interventions designed to increase their inner strength and wellbeing.

These interventions are supported by research to ensure they are as relevant and effective as possible.

HOW

Enhancing Our Impact

We look to develop a set of programmes that meet the highest standards of quality and effectiveness. These programmes are deliberately designed for rapid rollout when emergencies happen. This is so children and youth can enjoy increased inner strength and improved social and emotional wellbeing.

Expanding Our Reach

We work to build a network of partners that can share our evidence-based interventions across the world. This enhances our knowledge and expertise - and more

effectively meets the urgent needs of children and youth.



Deepening Our Collaboration

We strive to build an organisation where everyone can feel welcome, seen and heard - and best serve the interests of children and youth. This ambition is backed by a steadfast commitment to our values and beliefs. Our aim is to pool resources and enhance efficiencies - and empower everyone who is a part of our organisation.

SPOTLIGHT:

GAZA RESPONSE

The world has stood in horror at the events in Israel and Gaza since 7 October. It brought about the most severe and widespread humanitarian crisis in recent history. Children and families caught up in the violence were killed and abducted. Indiscriminate rockets and bombs have killed civilians and destroyed vital infrastructure.

No child has ever started a war. Yet, children are often the victims of brutal war violence. Gaza is home to some 1.1 million children - making up nearly half the region's population - housed in just 365 square kilometres of land. These children were repeatedly forced to move amid constant airstrikes.

And the psychological impact on Gaza's children has been acute. Our teams on the ground saw children display symptoms such as headaches, fever, stomach ache and vomiting in response to high stress and anxiety.

Emergency response

War Child moved rapidly to respond to children's needs through local partners. In the days following the outbreak of violence we distributed 300 hygiene kits to families in Rafah, Khan Younis and Deir al-Balah in collaboration with non-profit Save Youth Future (SYF).

In the weeks following we also worked where we could to uphold hygiene and put child protection measures in place. Together with SYF we distributed 450 food parcels and 115 winter clothing kits in Rafah and Khan Younis, offering immediate relief and protection to vulnerable families during challenging winter conditions.

These efforts were supported by emergency action to meet the social and emotional needs of children in Gaza. Psychological first aid resources were made available and 200 psychosocial support kits were distributed through local organisation MAAN.

We later expanded our response to the West Bank - reaching 340 refugee children with psychosocial support and back-to-school packages.

War Child called for an immediate and unequivocal **CEASEFIRE** and the release of all hostages - including children-during the onset of the crisis. We continue to focus our emergency response on targeted advocacy activities.



HGHLGHTS

IMPACT | KEY HIGHLIGHTS

761,378 children and adults directly supported

€50.7^M raised

76 projects implemented



More than 4.5 million children in South Sudan live in critical need of support - their lives blighted by violence, displacement and malnutrition. Nyagoa's story is sadly typical of an entire generation of children and youth.

Nyagoa's childhood was shattered pretty much from birth. Her parents were killed in the conflict between South Sudan's government and opposition forces when she was just one years old. She then travelled with her uncle to neighbouring Sudan in search of safety.

In Sudan's capital Khartoum, Nyagoa faced hardships all too common to refugee children - frequently forced to live alone and unprotected, with limited access to education.

Nyagoa's life was turned upside down once again in April 2023, when armed battles broke out between the Sudanese Armed Forces and paramilitary group the Rapid Support Forces. Once more forced to flee, Nyagoa joined her uncle and 387,000 others on a perilous three-day journey back to South Sudan.

Shelter and solace

Nyagoa and her uncle now live in a refugee site in Malakal - where they both take part in <u>War Child activities</u>. War Child provides children and their caregivers with a host of services, including education, cash assistance and psychosocial support.

Nyagoa particularly enjoys taking part in TeamUp activities - where she can begin to process her emotions through play and movement. She has now begun to dream of a better future - and wants to become a humanitarian worker when she's older.

"I see how children like me can be helped," she says. "Maybe I can give hope to other children who have lost everything, like I did."

War Child provided protection and psychosocial support to more than 3,100 South Sudanese returnee children and their caregivers over the course of 2023 - and reached nearly 40,000 people in total.

WHERE WE WORKED

Sweden 4 projects **The Netherlands** 2 projects Germany 1 project **Palestinian territory** 119,867 children & adults

Colombia 8,601 children & adults 4 projects

Countries with a War Child office Countries where we are scaling our evidence-based interventions through partners

DR Congo 12,901 children & adults 3 projects

occupied

13 projects

Burundi

3 projects

Ukraine

85,619 children & adults 4 projects

Syria Response

191,647 children & adults 11 projects

Lebanon

40,307 children & adults 8 projects

Jordan

511 children & adults 6 projects

South Sudan

39,555 children & adults 10 projects

Uganda

32,243 children & adults 7 projects

63,964 children & adults

Through <u>Can't Wait to Learn</u>, our award-winning EdTech pro-gramme, we reached 75,581 children and adults globally.

Through <u>TeamUp</u>, our flagship psychosocial support interven-tion, we reached 155,010 children together with our network of partners.

Burundi Our efforts in Burundi during 2023 were primarily focused on education - particularly for children returning from forced migration. We worked together with government bodies and local partners to improve both quality and access to education for displaced and vulnerable children. We reached over 20,000 returning children and more than 57,000 children and youth in total.

Colombia Our programme in Colombia is designed to uphold and improve the resilience and wellbeing of children and youth from all communities. In 2023 we continued to invest in youth empowerment programming - working in partnership with local organisations to improve the life skills, employment opportunities and decision-making capacity of young people across the country. We also expanded the roll-out of three evidencebased interventions - BeThere, TeamUp and Seeds for Child Protection.

DR Congo Ongoing tensions in DR Congo broke out in violence once again during 2023. In the North Kivu region, armed clashes linked to the M23 armed group forced up to one million people to flee their homes. We launched a local emergency response through our team in Uganda and partner organisations. Our activities across the year as a whole reached 8,259 children and 4.642 adults.

Germany Efforts to consolidate our fundraising presence in Germany continued over the course of 2023. We launched two major fundraising campaigns in the last quarter of the year and agreed a corporate partnership with Capri-Sun. We also expanded the reach of our TeamUp programme to support refugee youth in Hamburg and Berlin.

Jordan hosted some 720,000 registered refugees during 2023 - nearly half of whom were children. The majority of them are Syrian - and their needs increased as the wars in Gaza and Ukraine triggered local instability and food shortages. We worked closely with other humanitarian organisations in response to maintain child protection

structures and reach increasing numbers of children with psychosocial support.

Lebanon Humanitarian needs in Lebanon worsened during an ongoing economic crisis and outbreaks of armed violence. Children from both host and refugee communities saw their access to nutrition, education and healthcare sharply decrease. We worked to meet these needs. Our work with UNICEF to provide early childhood education was extended - together with our EU-backed child protection programme SHIELD.

occupied Palestinian territory Children in the occupied Palestinian territory have been living through the worst escalation of violence seen for a generation - marked by aerial bombardment, mass displacement and severe shortages of food and medicine. Our emergency Gaza Response was launched to meet the acute mental health and child protection needs that followed the eruption of violence. The response was supported by fresh efforts to secure long-term financing amid a funding crisis.

South Sudan The civil war in Sudan saw more than 6.7 million people forced to leave their homes in the months following the outbreak of hostilities in April 2023. Some 240,000 of them sought refuge in South Sudan. We launched an emergency response to meet their needs - providing lifesaving protection, psychosocial support, cash dispersals and education assistance to children and their caregivers in Upper Nile state. We also helped coordinate the sector-wide child protection and education response.

Sweden In Sweden we intensified our efforts to call for vital mental health and psychosocial support to be prioritised in international humanitarian responses. We reached almost a third of the Swedish population through our 'Warsalongen' exhibition and brokered an agreement to host the second Nordic Conference on MHPSS in Fragile and Humanitarian Settings in 2024.

Syria Response Conditions for children and civilians inside Syria deteriorated sharply in 2023 - driven by a dramatic escalation in hostilities and the huge destruction caused by February's twin earthquakes. We mounted an emergency response to meet the challenges posed by the guakes - providing temporary shelters, sanitation, food assistance and cash dispersals. The response reached over 75,000 people and will continue into 2024 - despite projected humanitarian funding cuts in the region.

The Netherlands Our Netherlands operation launched several rapid fundraising campaigns over the course of 2023, in response to emergencies in Gaza, South Sudan and north-west Syria. We also continued to support refugee children at schools and asylum seekers' centres across the Netherlands, through our TeamUp intervention. And thanks to our expertise, we collaborated with Dutch municipalities to specifically address the psychosocial needs of Ukrainian youth.

Uganda We work to protect and support children and young people across Uganda through integrated longterm projects designed for maximum reach. In 2023 we successfully rolled out projects for youth from both refugee and host communities that combined education and psychosocial support activities for enhanced effect. These included TeamUp, CORE for Teachers and Can't Wait to Learn - helping to bring about improved social/ emotional and academic learning outcomes for over 30,000 children.

Ukraine Russia's war inside Ukraine has become a protracted humanitarian crisis. And our ongoing Ukraine emergency response saw us respond by expanding the reach of our child protection and psychosocial support activities. Elsewhere, 50,000 children developed basic reading and math skills through playing the Ukrainian version of our e-learning programme Can't Wait to Learn. The year also saw us set up a consortium to deliver integrated mental healthcare and work with local organisation Voices of Children to roll out the **ReachNow** intervention.

OUR PROGRAMME AREAS

Data from oPt, Syria, Lebanon and Uganda shows that on average 82% of children who participated in structured psychosocia activities like TeamUp displayed improved wellbeing

PSYCHOSOCIAL SUPPORT

Children growing up in the midst of war bear a heavy emotional burden - manifested in feelings of fear, anxiety, and depression. Our psychosocial support interventions are designed to enable children and youth to better cope with the adversities they face and benefit from increased resilience.

round 91% of children across Burundi, Lebanon and Syria showed improvements in cademic performance after participating in education activities e.g. catch-up classes

EDUCATION

Some 72 million children and youth have no access to education - deprived of the right to learn because of armed conflict and humanitarian crisis. We work to help bridge this gap - through education in emergencies programming, early childhood development support and our leading ed-tech intervention Can't Wait to Learn.

CH PROTECTION

The structures necessary to maintain the safety of children often break down in times of war and crisis - leaving them exposed to risks including violence, abuse and sexual exploitation. We work to repair these structures - through work with families and communities and targeted 'case management' support for at-risk children.

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 proven tools to assess our positive impact on children and youth.

YOUTH **EMPOWERMENT**

The effects of violence and armed conflict deny young people the opportunity to access secure education and employment - and with it the chance to determine their own futures. Our Youth **Empowerment programming is** designed to support young people to constructively shape their lives and those of their communities.



In Syria an entire generation of children and youth has grown up knowing nothing other than war and hardship. And the desperate situation in northern Syria - almost unimaginably - worsened during 2023 in the aftermath of a 7.8-magnitude earthquake. Some 8.8 million people were affected - including Haneen (9). Find out how she overcame her trauma.

The devastating earthquake and aftershocks that struck northern Syria and Turkey in February 2023 destroyed the homes of hundreds of thousands of Syrian families. Some 3.3 million children were directly affected - left with little or no access to basic services and forced to bear a profound psychological burden.

Haneen's story is a typical one. Haneen and her family had to seek emergency shelter because their home was on the verge of collapse. The terrified group eventually found a cold and improvised tent to shelter in - but Haneen continued to experience acute emotional distress.

Emergency mental health support

In the immediate aftermath of the quakes, Haneen and other children in northwest Syria took part in special psychological first-aid sessions where they shared their personal experiences of fear. These sessions are designed to support children to let go of their stress and traumatic experiences as quickly as possible.

Our <u>emergency response</u> also incorporates psychosocial support activities to support children in the longer term. The sessions saw Haneen learn practical ways to manage and reduce her anxiety. She was soon able to adapt to her new surroundings and found solace in sharing her experiences with others.

Haneen's life is now calmer. Resilience and optimism have replaced her fear of earthquakes. Haneen is living proof that young children can, with a little support, rewrite their own stories and live the lives they want.

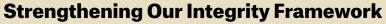
HOW WE MORKED

TO EXTERNAL STANDARDS OF QUALITY

Core Humanitarian Standard (CHS) Verification

Every War Child programme is subject to robust monitoring, evaluation and quality assurance. Our membership of the <u>Core Humanitarian Standard</u> (CHS) Alliance helps further ensure our provision and scale of care of the highest quality. The alliance sets out nine commitments that humanitarian organisations work towards to improve the quality and effectiveness of the support they provide. In 2023 - and ahead of the launch of the War Child Alliance - our work and methodologies were formally acknowledged with independent CHS Verification.





In our programming we work directly with children and youth - which means we have to act with total integrity and transparency. The policies that make up our Integrity Framework provide the procedures and reporting mechanisms that shape our work to prevent and respond to all forms of misconduct. This framework was expanded over the course of 2023 into a new Safeguarding and Integrity Framework for the War Child Alliance. In total 55 cases of potential misconduct were reported and subsequently investigated over the course of the year - of which two were classified as 'critical'. Thirteen cases related to child safeguarding concerns and nine to financial misconduct; the other cases related to alleged violations of the code of conduct.

Transforming Our Organisational Culture

Any failures in our response to issues surrounding gender, race and power relations could undermine our attempts to place integrity and justice at the heart of our activities. That's why we stepped up our efforts to transform our organisational culture in 2023. The year saw our Diversity, Equity, Inclusion and Belonging (DEIB) team advance several policy initiatives, including a 'compassionate fund' to address the significant financial disparities between staff in the Global North and Global South. The launch of the <u>War Child Alliance</u> will see renewed emphasis placed on building a responsive organisational culture.

A COMMITMENT TO INTEGRITY AND JUSTICE

OUR CARE SYSTEM

Children and young people living with the effects of armed conflict and humanitarian crisis are at significant risk of developing behavioural and mental health problems. The needs of these children are complex and varied - and the environments they grow up in can exert a significant influence on their development.

Simple interventions that meet children's immediate needs can only partly engage with the complex issues that affect their lives. This is why we have adopted a deeper approach to meet children's needs - through our Care System.

The Care System is an integrated and evidence-based suite of interventions which are designed to improve the wellbeing of children and youth affected by armed conflict. The design of the system enables us to meet children's varying needs - all according to the highest standards of humanitarian care.

The various interventions that make up the Care System combine psychosocial support, education and child protection activities that target both children as well as caregivers, teachers and the wider community. The various interventions are interconnected and reinforce one another for maximum impact.

EVIDENCE-BASED

The work that underpins the Care System is based on humanitarian best practice but we don't stop there. Our researchers scientifically test a growing number of our innovations so that we can show evidence of their positive impact.

Our hope is that by building this evidence base we can share these intervention models with expert partner organisations across the world - and ultimately reach millions more children with quality care and support.

LEGEND



TEAMUP: Improving children's well-being through movement basement activities.

REACHNOW TOOL: Overcoming barriers to mental health care and encouraging help-seeking.



EASE: Reducing psychological distress among young adolescents.

CAN'T WAIT TO LEARN: Bridging the education gap through technology



BE THERE: Strengthening positive parenting and increasing caregivers well-being.



STRONGER TOGETHER: Improved caregivers and child mental health through improved family functioning

and improved parenting.

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SCHOOLLINKS: Increasing school attendance and retention through strengthening the home-school relationship.



CORE: Improving teacher wellbeing and social emotional competencies.



SEEDS: A community-led approach enabling community ownership of children's protection.



STRETCH with service providers: stigma reduction to increase quality of services.



WEACT: Assessing competencies of people directly working with children & youth.

TARGET **POPULATION:**

CHILDREN & ADOLESCENTS

CAREGIVERS

FAMILIES

CAREGIVERS

TEACHERS

COMMUNITY

SERVICE PROVIDERS

SCALING OUR IMPACT

War Child reaches tens of thousands of children and youth every year - along with their caregivers and other important figures in their lives. Yet worldwide there are some 468 million children living directly with the effects of armed conflict - and the available funds and resources to meet their needs are shrinking.

We could never hope to reach all these children on our own - which is why in 2023 we finalised an ambitious strategy to scale up our impact to further support the wellbeing of children affected by conflict.

The strategy will see us develop a set of 'evidence-based methodologies' that can be easily replicated and rapidly rolled out - delivering quality care with fewer resources.

Research shows that it is possible to 'scale up' humanitarian actions - and ensure their positive impact can be replicated - when they are simple to deliver and easy to adapt to different local contexts.



SCALING FOUNDATIONS

Three pillars inform our new scaling strategy: Reach, Quality and Influence.

REACH: We intend to scale the number of children and caregivers we reach by implementing through partner organisations who can reach an increased number of children beyond our current areas of operation. **QUALITY:** We intend to raise the quality of care available to children via the implementation of our evidence-based methodologies.

INFLUENCE: We will boost our ability to advocate for quality care by leveraging both the evidence of our impact and the potential of our scaling partnerships.

The year saw us select five methodologies that will be further developed for scaling: our flagship ed-tech programme <u>Can't Wait to Learn</u>; <u>TeamUp</u>; <u>Reach Now</u>; <u>WeACT</u>; and our dedicated caregiver support intervention <u>Be There</u>.

SPOTLIGHT:



Children's exposure to the effects of violence and armed conflict leads to a significant and negative impact on their development and socialemotional wellbeing. Yet activities based on play and movement - such as games, sports and dance - can help them to process their negative experiences.

War Child, UNICEF Netherlands and Save the Children came together in 2015 to draw on this power of play to support refugee children and youth in the Netherlands. The coalition developed TeamUp - a movement-based psychosocial support intervention for children aged six to 18.

TeamUp has grown rapidly in the intervening years. In 2023 it was implemented in 23 countries reaching a total of 155,010 children around the globe together with partners.

TeamUp is made up of a series of structured, interactive group sessions that allow children to play, release physical tension and regulate their emotions. Every session has a specific theme and a non-verbal approach enables children from varying backgrounds with different languages - and those with disabilities - to all take part. The overall aim of the intervention is to improve children's psychosocial wellbeing - outcomes that will see them enjoy increased feelings of confidence, safety and social connectedness.

Scaling our reach

In 2023 we prepared ourselves to work more through strategic scaling partners. The academic evidence base supporting TeamUp was further expanded through a new scientific study undertaken in 30 schools across Burundi. The research is set to be concluded in early 2025.

The year also saw TeamUp receive the Sport for Good Award at the Laureus World Sport Awards. Laureus is a global organisation that celebrates sporting excellence - and our positive impact on refugee children and youth was acknowledged during the star-studded ceremony.

TEAMUP

SPOTLIGHT: CAN'T WAIT TO LEARN

Some 72 million children are out of school as a result of armed conflict. Effective solutions to deliver quality education directly where these children live are increasingly vital. That's why War Child continued to expand and invest in its ed-tech programme Can't Wait to Learn over the course of 2023.

Can't Wait to Learn - our digital education programme for children affected by conflict - sees children learn through playing educational games on tablet devices. All learning content is based on each country's national curriculum and the hardware allows lessons to be delivered even where resources and infrastructure are scarce.

Can't Wait to Learn has reached some 100,000 children since its inception in 2012. in 2023 the programme was active in six countries - South Sudan, Uganda, Lebanon, Jordan, Chad and Ukraine.

In Ukraine the year saw 50,000 children develop basic reading and math skills through playing an adapted version of the game. In close collaboration with the Ministry of Education and national partner Osvitoria, additional content for both the reading and math games were developed, ahead of the intervention's expected adoption in the formal primary education system in 2024.

The year also saw academic research undertaken in Uganda where initial findings show that Can't Wait to Learn is effective in increasing learning outcomes. Children taking part in the programme made significantly larger gains in reading and foundational numeracy compared to those who did not take part in the programme.

We invested in efforts to enhance the programme's scaling capabilities in 2023. These efforts will see a shift from tailored programme content to modular solutions adaptable to different contexts, backed by renewed scaling efforts in test countries.



WORKING TOGETHER TO EMPOWER YOUTH

Many young people in Colombia live with the threat of violence - particularly those in remote communities. War Child works with local youth leaders like Cocco to increase access to opportunity and shelter. She shares her story...

In Colombia criminal gangs and political groups continue to use weapons of war in pursuit of their goals - with afro-descendant and indigenous young people in the country's rural northwest at particular risk of harm.

The area is home to many violently contested smuggling routes. Drug trafficking and illegal mining are widespread. And prospects for youth are limited - particularly in the region of Choco.

"Young people here face many challenges" explains youth leader Cocco Kilele. "Structural racism creates many victims. Just one consequence is that youth are not seen as normal but as agents of war - and that's it."

Conflict manifests itself in every aspect of people's lives. "There is violence within households," Cocco explains. "Eventually a child becomes involved with a gang and the violence escalates - to the point where the child could easily end up dead in the river."

Building Peace

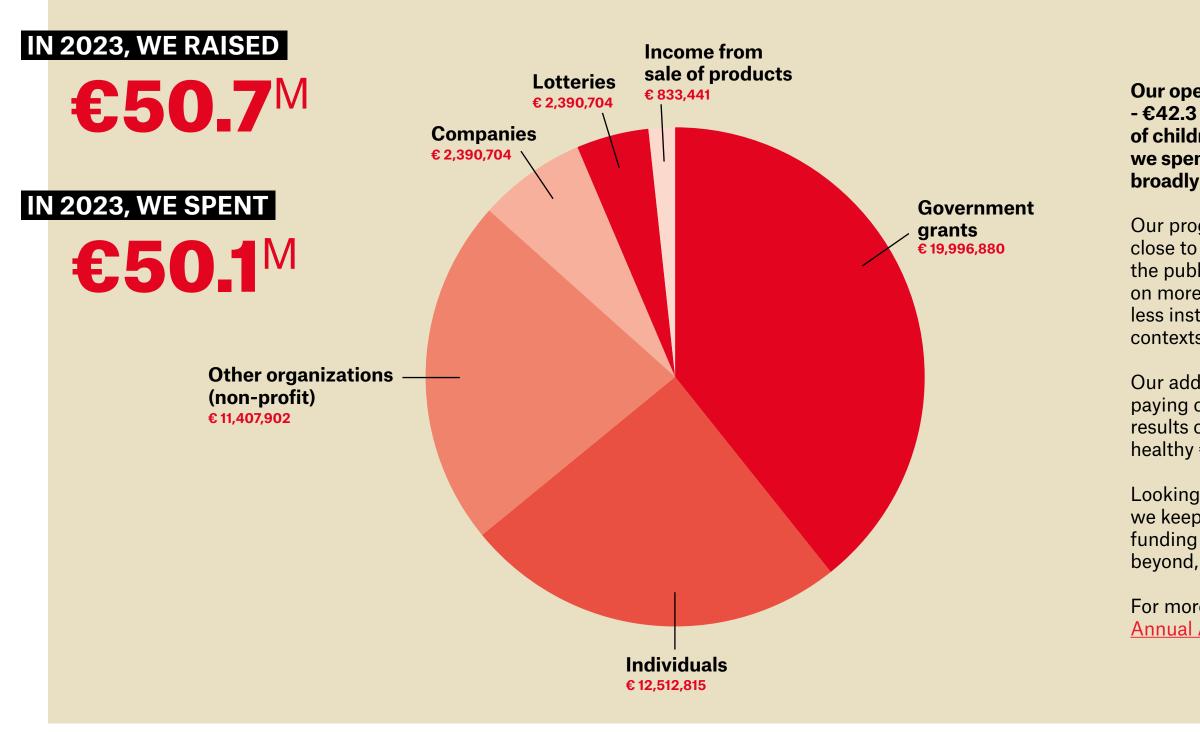
Cocco is helping to build a place of safety through the Mae Kiwe ('Mother Earth') project. The project will see a house built where young people - particularly women - can work together in safety.

War Child supports the local organisations behind the project. "War Child has been in the community a long time," says Cocco. "This matters because there's trust and knowledge. They know the community and why we are here."

This is important because community is everything to Cocco. "Calle Quibdó is my home and the core of my being," she says.



HOW WE SPENT OUR FUNDS



Our operating expenses for 2023 were €50.1 million - €42.3 million of which was spent directly in support of children affected by conflict. In percentage terms we spent 84% of our expenses on our objective broadly in line with our 2022 expenditure.

Our programmatic expenditure reached €38.1 million close to the achievements of 2022 (€40.5 million). With the public eye, and increasingly donor attention, focused on more recent crises in Ukraine and Gaza, there is less institutional funding available for our work in other contexts such as Uganda and Lebanon.

Our additional fundraising investments in 2022 started paying off in 2023, contributing to the net positive results of €0.5 million. Cash balances remained at a healthy €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 2024 and beyond, our continuity as an organisation is sustainable.

For more details on our expenditure, read our <u>Annual Accounts.</u>



We employed **549 full-time staff members across 2023 as a whole** - made up of **128** in our Amsterdam office and **421** inside our countries of operation. Inside our countries of operation, we recruited **214** national members of staff.

Russia's war inside Ukraine has become a protracted humanitarian crisis - forcing some six million Ukrainian citizens to seek safety overseas. Every one of these refugees has a unique story - including War Child communications officer Sasha Yarova. Sasha reveals how her work helps her to maintain hope of a better future for her country's children...

"I've lived in the Netherlands since March 2022 - but there hasn't been a day when I wouldn't wake up and open the news to know what's happening in Ukraine.

My brother is still in Ukraine on the frontline. As soon as the full-scale war started, he volunteered for duty in the Territorial Army. He's now in the regular army. Our connection is still very strong - but it is now different. It's become more valuable because we are so far apart.

I went to Kyiv last year and met my friend who has two kids, eight and three years old. We met at the playground in the centre of the city that was bombed last September. It initially felt normal - a perfect place to meet. But I noticed there was a flat part of the playground. And then it hit me that this was where the bomb dropped...

I now <u>work</u> to support the Can't Wait to Learn programme inside Ukraine. Online lessons are now standard due to frequent air raid alerts. The maths and reading games were co-created with Ukrainian children. This means the 'game world' is familiar and engaging - which supports learning.

Can't Wait to Learn has been shown to boost learning outcomes for primary school children - and is available wherever and whenever kids need it."

PEOPLE | LOCAL HEROES



THE WAR CHILD

"And most importantly it will allow us to support more children than ever before."

Rob Williams, CEO War Child Alliance

and scaling capacity.

New approaches are urgently needed - which is why five international War Child entities have come together to form the War Child Alliance.

Combining strengths

The War Child Alliance is a global network of organisations formed in pursuit of one shared goal: to ensure that no child is part of war. Ever. The new entity is made up of our five fundraising bodies (in Germany, the Netherlands, Sweden, the United Kingdom and US organisation Children in Conflict) and our 14 international country operations.

The network is coordinated by a new international body - the War Child Alliance Foundation - and sees our programme activities integrated within a single organisation. This will allow us to combine strengths and pool resources - all with the aim of increasing our support for conflict-affected children. The new structure will also see us embrace a modern de-centralised form of governance, marked by a shift towards national and regionally based directors. Decisions will be made closer to the services we deliver - and a renewed commitment to localisation will deepen our collaboration with local organisations.

Preparing for go-live

In 2023, our boards took the formal decision to proceed with forming the Alliance. We selected and transferred our staff into the new structure, starting at the senior level with the appointment of Rob Williams (former Managing Director of War Child UK) as CEO of the War Child Alliance Foundation. The year also saw us align our systems and procedures, create the legal vessel for the Foundation and ensure that this legal entity was ready to operate. The Alliance went live on 1 January 2024. Learn more about our key transition projects here.

The needs of vulnerable children and youth are increasing in scope and urgency - yet the available funds to meet those needs are shrinking. New approaches and innovations are required to help address this gap - together with renewed emphasis on increased operational efficiency

WHERE OUR FUNDS CAME FROM



Fundraising is key to War Child's mission in support of children and youth worldwide. Our network of supporters spans international charitable foundations, major businesses and thousands of individuals who lend us their time and money.

The grants and donations we receive from our network allow us to rapidly respond to children's urgent needs - and across 2023 as a whole we raised a total of €50.7 million. Here's how it breaks down...

INDIVIDUALS

War Child can only continue its work thanks to all the public support and donations we receive - and in 2023 our individual supporters once again made a significant contribution to our mission. Across the year as a whole we enjoyed the support of our 89,000 Friends and 30,000 one-time supporters - with our income from public donations reaching a total of €12.5 million.

BUSINESS PARTNERS

We couldn't be more grateful for the unwavering support we received from our network of business partners across the course of 2023. Major donations from leading companies including ASN Bank, HEMA, Rituals and Tommy Hilfiger helped fund our mission. These companies also frequently lent us their services and expertise. Income from companies reached a total of €3.5 million across the whole year.



In 2023 we were extremely grateful to once again receive a structural contribution of €1.3 million from the National Postcode Lottery. This entirely unrestricted funding is incredibly important as it enables us to further our research and innovation and deliver rapid responses in times of crisis. On top of this, the Postcode Lottery donated an additional €1 million in unrestricted funding during The Streamers for War Child charity concert.



War Child continued to receive invaluable structural support from national and international government bodies over the course of 2023. Major contracts were signed with the European Commission, UNICEF, UN-OCHA and more. Our ongoing membership of the Dutch Relief Alliance proved critical for our emergency response efforts. €7 million was awarded to War Child and partners for our activities within the Gaza Acute Crisis Joint Response while €4.1 million went to the Syria Joint Response in Non-Government Controlled Areas - now in its second year.



Financial support from non-profit organisations and foundations totaled €11.4 million over the course of the year. Key highlights include a new partnership with the Irene Staehelin Foundation for our psychosocial support activities in DR Congo and Uganda as well as continued collaboration with the Abdul Aziz Al Ghurair Foundation, Save the Children and Samenwerkende Hulporganisaties (better known as Giro 555).

NATIONAL POSTCODE LOTTERY

GOVERNMENT BODIES

NON-PROFIT ORGANISATIONS

A\i (12) GRASPSHIS CHANCE TO LEARN

The Syrian civil war has forced some 2.5 million children into neighbouring countries in search of safety. Over a third of these refugee children have no access to education. But Ali in Jordan isn't letting that stop him.

An entire generation of children have grown up knowing nothing but violence and loss because of Syria's 13-year civil war. These children have been forced from their homes and left with profound emotional burdens.

Ali had to leave Syria with his family when he was just two years old. "We were always on the move," he recalls. "We lived in another place for a year before we arrived here [Azraq City] six years ago."

War Child works in Jordan to prepare children like Ali for re-entry into the school system through catch-up education - backed by psychosocial support to aid their resilience and concentration. Ali credits these activities with helping him adapt to the demands of the classroom. "It helped me psychologically," he explains.

"Our facilitator helped me understand letters and I realised that the lessons weren't so hard."

Learning through play

Ali also takes part in our EdTech programme <u>Can't Wait to Learn</u>, which sees children access quality education through playing games on tablet computers. Each learning module is linked to Jordan's national curriculum and the whole programme is designed to improve both literacy and numeracy.

Can't Wait to Learn has boosted Ali's appetite for learning. "The programme is fun," he says. "It's like a challenge but it also teaches you at the same time. The graphics are very beautiful. The programme is for everyone to enjoy, big or small."



Our International Management Team is responsible for managing the operations of War Child. Our ongoing operations are also monitored by an external Supervisory Board - an independent voluntary body that approves our standards, policies and organisational strategy.

A clear division between the two bodies is not only maintained to ensure we act with integrity - it is also a legal obligation. War Child is 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.

The official launch of the War Child Alliance in 2024 will see the formation of a new Supervisory Board to monitor the operations of War Child Holland (a.k.a. Stichting War Child).

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

How did the Supervisory Board carry out its duties in 2023? Find out here

INTERNATIONAL MANAGEMENT TEAM

Ramin Shahzamani

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 <u>here</u>

WHAT DOES THE FUTURE HOLD?

It's a terrible fact that war and violent conflict will continue to threaten the physical safety and mental wellbeing of millions of children around the world.

This report outlines what we are doing to meet the challenges arising from this fact. The <u>coming year</u> will see War Child Holland become <u>War Child</u> <u>Netherlands</u>, a member of the newly formed War Child Alliance - allowing us to enhance our collaboration with individuals, businesses and charitable foundations to support children when they need it most.

Our humanitarian programme teams will harness their learnings to deliver vital psychosocial support and emergency education - both in the Netherlands and worldwide. We will accelerate our work to protect children from violence, abuse and neglect. We will explore new and innovative ways to support young people to develop the skills they need to build a better future.

The new War Child Alliance will see the structure of our organisation change significantly - devolving power and giving more prominence to our national country teams. And all our future plans will see our commitment to the fundamental rights of children and youth become stronger than ever.

WE DO ALL THIS FOR ONE SIMPLE REASON. BECAUSE NO CHILD SHOULD BE PART OF WAR. EVER.

ERNST SYMR.

27 June 2024

Ernst Suur Managing Director, War Child Netherlands

27 June 2024

Stef Oud Chair of the Supervisory Board, War Child Netherlands





FINANCIAL REPORT

Annual Report 2023

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ORGANISATIONAL DEVELOPMENTS

Transition to the War Child Alliance

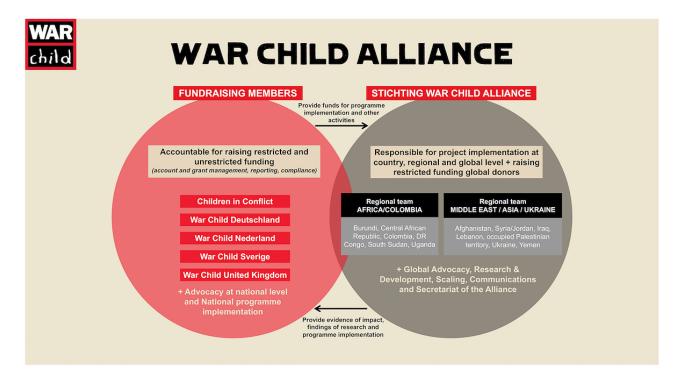
In 2023 War Child underwent a substantial change in our global set-up - the establishment of the War Child Alliance and a new governing structure.

Why a new Alliance?

The War Child Alliance was established to enhance efficiencies, scale our programmes and evidence-based interventions and have a bigger voice on the international stage - all with the aim to multiply our impact for conflict-affected children. At the heart of the Alliance is a commitment to innovation, collaboration, shared decision-making (moving away from hierarchical models of governance) and reaching more children affected by armed conflict around the globe.

This change significantly impacted War Child Holland throughout 2023, leading to a major restructure that affected staff positions. This adjustment was deemed essential in order to achieve our goal: "No child should be part of war. Ever."

What will it look like?



As of 1 January 2024, War Child Holland became War Child Netherlands (while remaining registered as Stichting War Child). The core activity of War Child Netherlands is to raise funds both in the public and private domain. As a fundraising member within the Alliance, we are an autonomous organisation, primarily responsible for fundraising in the Dutch (home) market. The same applies for the other fundraising members: War Child UK, War Child Sweden, War Child Germany and Children in Conflict (US).

All programme and support functions have been brought together, under a new legal entity called Stichting War Child Alliance (WCAF).

The WCAF is responsible for programme implementation, in conflict-affected countries but also the work of strategic teams including Research & Development, Scaling, Communications and Advocacy. WCAF will manage all country and regional offices and has regional and global support functions to operate its projects and programmes. The newly established WCAF is a legal entity registered in the Netherlands with its own CEO and Supervisory Board.

War Child Netherlands

As of 1 January, the Managing Director of War Child Netherlands is Ernst Suur. War Child Netherlands also has a new Supervisory Board.

The organisation consists of four departments: Institutional Funding and National Programmes, Public Fundraising, Communications & Advocacy and Operations.

In comparison to War Child Holland, the staffing has decreased for War Child Netherlands from 111 full-time equivalent employees (FTE) to 53 FTE. The nature and extent of the changes in the structure, core activities and staffing of War Child Netherlands will have an impact on our financial figures in 2024.

Following the green light for the formation of the War Child Alliance, 2023 saw the organisation kick-start a number of transition projects:

• War Child Alliance set-up

A legal entity was created and registered with the relevant authorities. In addition, the appointment of Supervisory Board members and the statutory director (CEO) were formalised.

The Board consists of representatives from the fundraising entities and independent members. Reflecting our commitment to the localisation agenda, it was agreed that fundraising members will not have a majority of votes in the Board. An Alliance Agreement was signed by all members of the alliance which forms the legal basis for the integration of our programme activities into one single organisation.

Furthermore, we ensured that the new legal entity would be able to operate (systems, procedures, administrative preparations) from the go-live date - 1 January 2024.

Staff selection and appointment processes

Based on the principle of equal opportunities for all War Child employees, an approach for staff transition was developed. Job descriptions for positions in the new structure were finalised and staff were selected and appointed. This process started with the selection of the CEO and senior management followed by staff selection and appointment in the second half of the year.

• System transition

Across the course of the year, our IT teams prepared for aligning the systems in use across the various War Child entities. Financial accounting software and collaboration tools were the key priorities. This process has continued into 2024 seeing the systems implemented in a phased manner.

Aligning policies and procedures

Alignment was a recurring theme throughout 2023. We aligned our policies and procedures for the War Child Alliance Foundation - in areas including child safeguarding, annual planning and reporting and institutional fundraising - and we agreed a set of policies and procedures for the whole War Child family.

• Communications

A communications project prepared the external messaging in relation to our transition to the War Child Alliance. This included boilerplate and Q&A texts for conversations with partners as well as a press release and news item for the international website.

• Merging our operations in DRC

War Child has country offices in 14 conflict-affected countries. These were registrations of either War Child Netherlands or War Child UK. In the Democratic Republic of Congo (DRC) both War Child UK and War Child Netherlands had an office. In 2023, these operations were merged into one single programme office.

Upholding Programme Quality

We are proud to announce that War Child Holland has successfully undergone verification against the Core Humanitarian Standard, through a process conducted by independent auditing body HQAI (Humanitarian Quality Assurance Initiative). The verification process gives confidence to affected populations, donors, the public and other stakeholders that we are continuously improving the quality and accountability of our services.

Quality and accountability are core aspects of all of our activities. The four-year verification process continues to help us assess and uphold programming of the highest quality, reduce risks and continuously improve our services.

The process of independent verification has been very helpful, building on our culture of learning and continuous improvement in the way we respond to humanitarian challenges. War Child Holland now has a clear understanding of where systems, policies and practices are strong and effective, and where further improvements are needed.

A full audit re-scoping and sampling will be conducted in the next audit cycle as War Child Holland has recently undergone significant strategic and organisational changes through the development of the War Child Alliance. The new body is a formal alliance between War Child Holland, War Child UK, War Child Netherlands, War Child Sweden, War Child Germany and Canadian affiliate Children in Conflict.

The War Child Alliance is committed to the Core Humanitarian Standard and the improvement plan in preparation for the next audit cycle.

Quality Management

Efforts to maximise the quality of both War Child's external products and internal processes are at the heart of our organisational strategy. In support of these efforts we have a Quality Management System (QMS) in place.

A QMS is defined as "a collection of business processes and procedures which aims to ensure that the quality of products or services meets - or exceeds - customer expectations".

The QMS utilised by War Child is driven by continuous improvement, a risk-based focus and an orientation towards stakeholders. And in April our QMS was certified with the internationally recognised ISO (International Organization for Standardization) 9001:2015 standard through an independent audit conducted by consultants EIK Certificering.

The certification audit resulted in some improvement actions that we implemented over the course of the year. We also obtained the Partos 9001:2025 (2018) certificate, which is specific to Dutch development organisations with processes audited against the ISO 9001:2015 standard.

The QMS (and its certification) helps shape the processes and organizational measures of both War Child Netherlands and the War Child Alliance. Many of the processes are universal and paramount for the programme country teams, as well as for War Child Sweden and War Child Germany. But processes that are internal to these teams, such as local security procedures or money handling procedures, are left out of scope.

Our Environmental Commitment

True sustainability encompasses everything required to minimise negative impact on the natural environment - and takes into account not only environmental concerns but also economic and social considerations.

That's why in 2023 we developed a new Sustainability Policy to inform the operations of both War Child Holland and the new War Child Alliance. The policy adopts a ESG (environmental, social and governance) perspective and serves as a framework and overview of the policies we have in place for taking responsibility for sustainability.

The new Sustainability Policy serves as our Corporate Social Responsibility Policy. It does not replace existing policies such as the travel policy, the procurement policy, responsible fundraising policy or HR policy.

CHS Audit

Towards the end of the year, the Core Humanitarian Standard verification audit made the recommendation that we should issue environmental guidelines for our country teams. These will be compiled early in 2024. The year will also see the roll out of a Standard Operating Procedure for environmental management, inspired by the internationally recognised ISO (International Organization for Standardization) 14001 standard for Environmental Management Systems.

Communication with Stakeholders

To further enhance our expert credentials, we worked to maintain a close dialogue with our external stakeholders in 2023. The aim of all our communications activities remained the same as it's always been - to position War Child as an internationally acknowledged expert in psychosocial support for children affected by war and increase awareness and drive funds about our mission and work.

A handful of highlights throughout the year:

- In February, within 48 hours of the devastating earthquakes in Türkiye and northwest Syria, we had launched an
 online campaign and direct mailing generating funding for our emergency response in the immediate aftermath. War
 Child also became a guest member of SHO/Giro 555 which allowed us to significantly scale up the response. An
 interview on Al Jazeera with Lukas van Trier, Country Director for our Syria Response positioned us further as an
 expert in mental health and psychosocial support.
- In **May**, a prime-time TV series focused on interviews with prominent Dutch figures, generated headlines in the largest Dutch newspaper, Algemeen Dagblaad and a whole host of top-tier media. 990,000 people watched at least one episode, with replays later in the year engaging 467,000 more viewers.
- In **October**, we immediately reached out to our "Friends" base when children in Israel and the occupied Palestinian territory experienced the worst escalation in violence in their lifetime. Ernst Suur, Managing Director of War Child Netherlands appeared on major Dutch talk show Khalid & Sophie, along with several others, to push for children's right to an immediate and sustained ceasefire.
- In **November**, we collaborated once again with long-standing retail partner, HEMA with our annual festive season campaign. This saw HEMA sell pyjamas for the whole family with 25% of the proceeds going straight to War Child. This included the "wear your PJs to work" day at the headquarters of partner Rituals and a PJ day at different schools under the motto "stand up for children in war." The campaign saw 20 million people tune in to a variety of media coverage and the sale of the pyjamas generated a €473,500 towards our programmes.
- In **December**, we ended the year with a big bang by collaborating with 22 Dutch artists to deliver The Streamers, a free online concert on Boxing Day. The event was a way for these famous faces to show their solidarity with children spending the holidays in the midst of war.

Samenwerkende hulporganisaties (SHO)

War Child participated in the SHO action "Help slachtoffers aardbeving" which supported the victims of the early 2023 earthquake in Syria and Turkey. The financial overview of this action can be summarized as per below:

	Current financial year	Up to and including financial year
Total income	495,392	495,392
Expenses for preparation and coordination	7,816	7,816
Total available for the program implementation	487,576	487,576
Expenditure on location		
Expenditure through local partners	414,313	414,313
International organization expenditure	0	0
Participant expenditure	73,263	73,263
Total expenditure on location	487,576	487,576

The grant value amounts to \notin 1.0m of which \notin 0.9 million was received in 2023. The difference between the amount received and amount spent is recorded as liability on the balance sheet.

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 country offices with global security coordination play a leading role. In addition, risk management is a standing topic on the agenda of all Audit Committee and Supervisory Board meetings.

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**. Read on for a more in-depth overview of our full Integrity Framework.

Internal Audit

The Audit Committee approved a risk-based internal audit plan. All countries are audited on a regular basis via the independent audit team, which is based in Africa. 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 based on international and ISO audit standards. 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.

Going concern

War Child's operations are sustainable regarding reserve and cash balances as well as secured funding for the year 2024 and beyond. This means that War Child has no liquidity concerns and there are no concerns about its ability to continue as a going concern.

For the first year of operations after the split War Child has drafted a balanced budget, transferring to the Alliance the income that is not needed for its own operations. Becoming an increasingly fundraising focused entity will have an increasingly positive impact on the going concern assumption, due to risk reduction and a lower fixed cost base. Reserves will be partially handed over to War Child Alliance, but only insofar the related risk is transferred as well.

What were the main risks in 2023?

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 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 2023 to cover 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

Our commitment to ensuring the security and safety of both our staff and everyone involved in our programmes necessitates persistent, concerted efforts from our country teams. This commitment involves a dynamic approach to analysing our operational contexts and the associated risks, which in turn shapes our safety protocols. By continuously adapting these measures in response to evolving threats, we are able to maintain the agility required to deliver rapid and high-quality aid to those in need.

The past year presented us with numerous significant security concerns that underscore the complexity of our mission. The resurgence of the M23 rebel group in North Kivu, DR Congo, ongoing armed conflict in Gaza and the escalating war in Ukraine exemplify the types of risks that emerged in 2023. These situations demand a nuanced understanding and response to ensure the safety of our teams on the ground while responding to the critical needs of children worldwide.

In addition to navigating these complex security landscapes through our routine risk management practices, our organisational resilience and crisis response capabilities were rigorously evaluated through a comprehensive simulation. Conducted by an independent auditor, this simulated scenario was designed to mimic real-world crisis conditions as closely as possible, testing every facet of our preparedness strategies. This exercise not only served to highlight areas of strength but also identified opportunities for further enhancement.

Such detailed assessments and simulations are vital components of our security strategy, ensuring that we remain at the forefront of safety and preparedness in the face of unpredictable global challenges. Through this proactive and thorough approach, we continue to stand ready to extend our support swiftly and safely to those who rely on us, despite the everchanging landscape of global crises.

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 2023 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 2023 to address underlying issues and minimise recurrence.

Cyber Security

In 2023, 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. War Child is continuously growing our in-house ed-tech expertise and 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, like data on accredited teachers. 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 2023, 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.



Our Integrity Framework

Integrity and justice are central to all War Child activities - including our duty to uphold the safety and dignity of our staff and the children who take part in our programmes. This commitment is made manifest in our Integrity Framework - a set of four robust policies that outline in full our obligations to all our stakeholders.

The four policies that make up our Integrity Framework are designed to uphold the safety and fundamental rights of everyone who takes part in War Child's activities around the world. The Integrity Framework as a whole provides policies to ensure that War Child operates to the highest ethical standards.

The four policies are as follows:

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

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

Over the course of 2023 this set of policies and procedures was revised to be more inclusive and more easily accessible. The framework was also expanded over the course of the year into a new Safeguarding and Integrity Framework for the War Child Alliance - designed with capacity for continuous improvement.

Managerial responsibility for all activities related to issues of integrity sat within the GOOD (Governance and Organisational Development) team. The GOOD team was also responsible for handling dimensions of organisation development, culture and climate. This team will be disbanded in 2024 with the emergence of War Child Netherlands and the War Child Alliance.

Responsibility for upholding the highest standards of integrity in the future will lie with the new Integrity and Safeguarding (I&S) team. This team is comprised of a Global Head of Integrity and Safeguarding; three Global Integrity and Safeguarding Advisors; two regional Integrity and Safeguarding Coordinators for the Middle East and Africa regions; and dedicated I&S Coordinators and Focal Points in both our country offices and fundraising hubs.

2023 Integrity Cases

In total 55 cases of potential misconduct were reported and subsequently investigated over the course of 2023 - of which two were classified as 'critical'. Both critical cases were alleged instances of sexual exploitation, abuse and harassment (SEAH).

Thirteen cases related to child safeguarding concerns and nine to financial misconduct; the other cases related to alleged violations of the code of conduct. These violations ranged from a complaint of workplace bias, concerns regarding the management of the transition towards the War Child Alliance and one complaint regarding the use of potentially exclusionary language.



Our Plans for 2024

The number of children affected by war and violence is reaching new highs - and the available funds to meet their needs are in real terms shrinking. This funding shortfall means that new approaches are required - which is why 2024 will see War Child Netherlands join other War Child entities as part of the **War Child Alliance**.

The War Child Alliance will be made up of our fundraising bodies in Germany, the Netherlands, Sweden, the United Kingdom and the United States and our 14 international country operations. Its members will work together through a global 'shared platform' that will provide ongoing management and oversight together with a new strategy to guide our worldwide operations.

The Alliance will allow its members to pool resources and enhance efficiencies - and its horizontal organizational structure will ensure that decisions are taken closer to the children and communities we serve.

This process will see War Child Holland become **War Child Netherlands**. The new organisation will have a greater focus on fundraising and public campaigning but will still manage and implement programmes in support of refugee youth in the Netherlands and elsewhere in Europe.

2024 will also see the ongoing development of our **Care System** - a set of 'Evidence-Based Methodologies' that together make up an integrated care and support system to address the various needs of conflict-affected children. Our Research and Development (R&D) team will continue to develop the evidence base to ensure each methodology meets quantifiable standards of quality.

The development of the Care System will be supported through our new **Scaling Strategy** - designed to allow for the cost-effective and sustainable scaling of each methodology through partner organisations worldwide. Five methodologies will be further developed for scaling in 2024: our flagship ed-tech programme Can't Wait to Learn: TeamUp: Reach Now: WeACT: and caregiver support intervention Be There.

A robust vision on **localisation** will be developed over the course of 2024 - one supported by input from our country and regional teams. Our team in Uganda will develop a long-term engagement plan involving 15 community-based organisations and national organisations. In Syria and Jordan our team will expand its network of partner organisations and work to ensure that local actors play an increased role in both programme implementation and strategy development.

The launch of the shared platform will see renewed emphasis placed on building our organisational culture - with new efforts to both set out and fund our values, beliefs and commitment to Diversity, Equity, Inclusion and Belonging (DEIB). This process will see the HR, Safeguarding and Integrity teams come together as a single People and Culture team - led by a new Director of People and Culture.

Budget 2024

in Euros

	Budget		Actual	
INCOME	2024		2023	
Individuals Companies Lotteries Government grants Affiliated parties Other organizations (non-profit)	11,353,000 3,280,000 1,350,000 22,000,000 950,000		12,512,815 3,544,644 2,390,704 19,996,880 11,899 11,407,902	
Fundraising income		38,933,000		49,864,844
Income from sale of products Other Income		- 191,409		833,441 39,922
Sum of income	_	39,124,409	_	50,738,207
EXPENSES				
Project activities Preparation & coordination Awareness raising	31,325,000 908,572		38,124,295 1,762,661 2,439,062	
Expenses on the objective		32,233,572		42,326,018
Fundraising		5,390,175		5,330,171
Management & administration		1,500,662		2,434,755
Sum of expenses		39,124,409		50,090,944
Sum before financial income		-		647,263
Financial income/(loss) Result participating interests		-		(145,036) (1,950)
Sum of income and expenses		-		500,277

Donors will start funding the War Child Alliance directly, and so our income from grants will reduce. Transferring the programmatic support to War Child Alliance reduces our management and administration, preparation and coordination and awareness raising costs. Finally, our foreign currency exposure, and related currency results, are reduced.

In 2024 War Child plans a balanced budget.

SUPERVISORY BOARD REPORT

Our Supervisory Board

All our operations are monitored by a Supervisory Board - an independent body that approves our standards, policies and organisational strategy. This division between our organisation and our board is not only maintained to ensure we act with integrity - it is also a legal obligation.

War Child is registered in The Netherlands as a foundation (Stichting). As a registered legal foundation, we are obligated by Dutch law to maintain a clear division between our managerial and executive responsibilities and supervisory functions.

Our Supervisory Board monitors the activities of our International Management Team (IMT) to fulfil this obligation. 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.

The official launch of the War Child Alliance in 2024 will see the formation of a new Supervisory Board to monitor the operations of War Child Holland (a.k.a. Stichting War Child).

Supervisory Board 2024

- · Stef Oud (Chairman)
- Raymond Cloosterman
- Patrick Lodiers
- Katja Kok
- Louise Zwama
- Milka Yemane (Vice-chair)

Meetings and Activities

The Supervisory Board meets regularly throughout the year to review how War Child performs against set objectives. In 2023 the Board held four regular meetings - and an additional special meeting in January to discuss the proposed governance structure for the **War Child Alliance**.

The structure, governance and composition of the War Child Alliance would come to dominate the Board's discussions throughout the year. The Supervisory Board took in the lead in advising on the selection process for the new CEO and issues related to the registered trademarks and brand ownership of the Alliance.

These issues were further explored in three additional online meetings. These meetings saw the composition of the Supervisory Board for both the Alliance and new body War Child Netherlands discussed - with increased representation from programme countries and states in the southern hemisphere identified as a priority.

This process concluded with the CEO, structure and management team of the War Child Alliance all confirmed and a financial contribution model between the various War Child entities making up the Alliance agreed.

The year's meetings also saw close examination of our day-to-day operations. Efforts surrounding the process of **localization** within the organisation were identified as a priority. This process aims to empower local organisations to both deliver and lead programmes on our behalf. The Board requested clarity on what this would mean in real terms for our programming - together with an analysis of potential challenges and opportunities.

The **scaling strategy** that will see the various evidence-based interventions developed by our Research and Development team made available to other organisations was also closely examined. An assessment of the progress made so far - and ways in which that progress could be intensified - was provided. Members were also interested in how intervention quality could be maintained while working towards maximum scaling capacity.

The outbreak of armed violence and aerial bombing in **Gaza** during October - and War Child's immediate response - was discussed during that month's meeting. Members were addressed by our Middle East regional lead and our Country Director for the occupied Palestinian territory (oPt).

The Board's ongoing activities also encompasses meetings of our **Audit Committee**. The committee is responsible for monitoring War Child's overall financial performance, financial reporting and risk management and provides legal oversight of these activities. The Audit Committee also provides the organisation with expertise and advice in addition to supervision - reinforcing overall accountability.

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Balance Sheet

In Euros, after proposed appropriation of result

		31-12-2023	31-12-2022
ASSETS	Note:		
Tangible fixed assets	(1)	136,374	99,466
Financial fixed assets	(2)	53,078	55,028
Fixed assets		189,452	154,494
Receivables	(3)	12,815,774	8,166,533
Cash and cash equivalents	(4)	15,416,985	15,416,235
TOTAL ASSETS		28,422,211	23,737,262
LIABILITIES			
Continuity reserve		5,000,000	5,000,000
General reserve		2,809,768	2,045,766
Reserves		7,809,768	7,045,766
Earmarked funds		774,728	1,038,453
Reserves and funds	(5)	8,584,496	8,084,219
Provisions	(6)	1,518,366	1,514,164
Long-term liabilities	(7)	130,988	0
Short-term liabilities	(8)	18,188,361	14,138,879
TOTAL LIABILITIES		28,422,211	23,737,262

Statement of Income and Expenses

in Euros

		2023	Budget 2023	2022
INCOME	Note:			
Individuals	(9)	12,512,815	11,871,832	11,770,717
Companies	(10)	3,544,644	2,944,094	2,746,439
Lotteries	(11)	2,390,704	1,350,000	1,550,734
Government grants	(12)	19,996,880	18,900,984	23,958,274
Affiliated Parties	(13)	11,899	-	60,669
Other organizations (non-profit)	(14)	11,407,902	15,001,787	10,153,733
Total fundraising income		49,864,844	50,068,697	50,240,566
Income from sale of products	(15)	833,441	475,000	635,358
Other Income		39,922	-	12,149
Sum of income		50,738,207	50,543,697	50,888,073
EXPENSES				
		2023	Budget 2023	2022
Project activities	(16)	38,124,295	40,213,799	40,482,420
Preparation and Coordination	(17)	1,762,661	2,294,605	1,606,737
Awareness Raising	(18)	2,439,062	1,675,798	1,431,560
Expenses on the objective		42,326,018	44,184,202	43,520,717
Fundraising	(19)	5,330,171	4,546,149	4,126,328
Management and administration	(20)	2,434,755	2,132,149	1,287,188
Sum of expenses		50,090,944	50,862,500	48,934,233
Sum before balance financial income/costs	6	647,263	(318,803)	1,953,840
Financial gain / (loss)	(21)	(145,036)	(15,000)	(13,914)
Share of result of participating intererests	(2)	(1,950)	-	(22,763)
Sum of income and expenses		500,277	(333,803)	1,917,163
	:			

Appropriation of the Result

in Euros

	2023	2022
Addition to (withdrawal from):		
Continuity reserve	-	-
General reserve	764,002	1,316,986
Legal reserve	-	-
Earmarked funds	(263,725)	600,177
Total change in reserves and funds	500,277	1,917,163

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

Cash Flow Statement

in Euros

		202	23	20	22
Sum of income and expenses	Note:		500,277		1,917,163
Adjustments for:					
Depreciation Book result on disposal of fixed assets	(1)	186,843		170,966	
Interest	(21)	(43,224)		(384)	
Realised exchange rate losses (gains)	(0)	63,295		78,853	
Changes in provisions Changes in receivables	(6) (3)	4,202 (4,649,241)		549,147 (1,015,194)	
Changes in short term liabilities	(8)	4,049,241)		3,548,583	
Adjustment for results in participating interests	(2)	1,950		22,763	
Cash flow from operations			(386,693)		3,354,734
Interest received			43,224		384
Cash flow from operating activities			156,808		5,272,281
Investments in intangible fixed assets		-		-	
Investments in tangible fixed assets	(1)	(223,751)		(47,193)	
Investments in financial fixed assets Divestments of tangible fixed assets		-		-	
Cash flow from investing activities			(223,751)		(47,193)
Changes in long term liabilities	(7)	130,988		(6,303)	
Cashflow form financial activities					
Net Cash flow		-	64,045		5,218,785
Foreign exchange rate gains / (losses) on cash and cash equivalents			(63,295)		(78,853)
Change in cash and cash equivalents		-	750		5,139,932
			2023		2022
Changes in cash Position as at January 1			15 416 005		10.076.000
Changes in the financial year			15,416,235 750		10,276,303 5,139,932
Position as at December 31	(4)	-	15,416,985		15,416,235

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 2023, 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 implemented 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 2023 are dated 28 June 2024 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 2023 covers the period from January 1, 2023, to December 31, 2023.

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 considerate 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 100% (EUR 25,000) of the share capital of War Child Deutschland gGmbH. This subsidiary is not consolidated as per the materiality exemption provided in BW2:407.

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.

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	Operating	Tangible
	Assets	Assets	fixed
	head office	programmes	assets
Acquisition value	436,855	818,512	1,255,367
-/- Cumulative Depreciation	(414,849)	(741,052)	(1,155,901)
Book value 1-1-2023	22,006	77,460	99,466
Acquisition value investments	47,107	176,644	223,751
-/- Acquisition value disposals	(35,172)	(12,934)	-48,106
-/- Depreciation	(53,933)	(132,910)	(186,843)
Depreciation on disposals	35,172	12,934	48,106
Movements during the year	(6,826)	43,734	36,908
			0
Acquisition value	448,790	982,222	1,431,012
-/- Cumulative Depreciation	(433,610)	(861,028)	(1,294,638)
Book value 31-12-2023	15,180	121,194	136,374

Tangible fixed assets acquired during the year comprise mainly vehicles in our program countries. At head office our tangible assets comprise 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

		Financial
	Participating	fixed
	interests	assets
Acquisition value	55,028	55,028
-/- Cumulative Depreciation	-	-
Book value 1-1-2023	55,028	55,028
Result from participating interest	(1,950)	(1,950)
Movements during the year	(1,950)	(1,950)
Acquisition value	53,078	53,078
-/- Cumulative Depreciation	-	-
Book value 31-12-2023	53,078	53,078

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

	31-12-2023	31-12-2022
Receivable from donors	6,464,242	5,109,404
Prepayments to partners	2,967,917	1,080,125
Legacies due	932,118	756,099
Receivable from participating interest	11,899	47,725
Other accounts receivable	2,439,598	1,173,180
Receivables	12,815,774	8,166,533

All accounts receivable originated in 2023, except for receivables relating to eight legacies totalling € 268,059 originating from 2022 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 € 188,200.

Prepayments to partners are amounts paid to implementing partner organisations, for which War Child has not received their liquidation reports. The prepayments to partners increased by € 1.9m (175 per cent) compared to 2022, mainly due to prepayments to partners under a large grant from the Netherlands government for Palestine.

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 2024.

	31-12-2023	31-12-2022
National Postcode Lottery	2,350,000	1,350,000
United Nations agencies and funds	2,020,131	609,100
European Commission	774,029	1,926,648
Netherlands Government	334,454	80,927
Lego Foundation	61,556	224,007
Arts and Humanities Research Council	-	136,510
War Child UK	-	46,706
Other	924,072	735,506
Receivable from donors	6,464,242	5,109,404

4 Cash and cash equivalents

	31-12-2023	31-12-2022
Cash and cash equivalents in the Netherlands	13,504,953	14,100,879
Cash and cash equivalents in programme countries	1,912,032	1,315,356
Cash and cash equivalents	15,416,985	15,416,235

War Child's cash and cash equivalents balance is at € 15.4 million, compared to € 15.4 million in the previous year.

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 2028. The balance of the savings account with Rabobank is available to War Child without limitation.

	31-12-2023	31-12-2022
Cash and cash equivalents freely available	15,344,234	15,343,903
Cash and cash equivalents in bank guarantee until 2028	72,751	72,332
Cash and cash equivalents	15,416,985	15,416,235

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, 88 per cent of balances was kept in bank accounts in The Netherlands. The largest bank balance outside the Netherlands is held in the bank of Palestine in Jerusalem (€ 0.58 million). See also our notes about credit risk for the highest balance at a single bank.

5 Reserves and Funds

	1-1-2023	additions	withdrawals	31-12-2023
Continuity reserve	5,000,000	0	-	5,000,000
General reserve	2,045,766	764,002	-	2,809,768
Earmarked reserve	0	0	-	0
Legal reserve	0	0	-	0
Total reserves	7,045,766	764,002	-	7,809,768
Earmarked funds				
- Can't Wait to Learn	0	0	-	0
- Team Up	282,331	110,871	(282,331)	110,871
- Research & Development	86,443	150,000	(8,068)	228,375
- Scaling	190,700	176,000	(242,974)	123,726
- Lebanon	0	24,961	-	24,961
- DR Congo	0	0	-	0
- Burundi	0	0	-	0
- Colombia	7,796	0	(7,796)	0
- Palestine	0	67,587	-	67,587
- Syria	0	179,928	-	179,928
- Uganda	0	39,280	-	39,280
- Ukraine	471,183	401,572	(872,755)	0
Total funds	1,038,453	1,150,199	(1,413,924)	774,728
Total reserves and funds	8,084,219	1,914,201	(1,413,924)	8,584,496
Total reserves and funds		1,014,201	(1,410,024)	0,004,400
	01/01/2022	additions	withdrawals	31/12/2022
Continuity reserve	5 000 000	0		5 000 000
General reserve	5,000,000 728,780	0 1,316,986	-	5,000,000 2,045,766
Earmarked reserve	0	-	-	0
Legal reserve	0	0	-	0
Total reserves	5,728,780	1,316,986	-	7,045,766
Earmarked funds				
- Can't Wait to Learn	55,340	0	(55,340)	0
- Team Up	67,937	282,331	(67,937)	282,331
- Research & Development	110,243	0	(23,800)	86,443
- Scaling	72,727	185,072	(67,099)	190,700
- Lebanon	391	0	(391)	0
- DR Congo	0	0	-	0
- Burundi	86,933	0	(86,933)	0
- Colombia	0	7,796	-	7,796
- Palestine	21,791	0	(21,791)	0
- Syria	3,333	0	(3,333)	0
- Uganda	19,581	0	(19,581)	0
- Ukraine	0	471,183	-	471,183
Total funds	438,276	946,382	(346,205)	1,038,453
Total reserves and funds	6,167,056	2,263,368	(346,205)	8,084,219

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 2023 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 €2.8M surplus which is not necessary for War Child's continuity.

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 2022 were spent, except for an amount of \in 78,375 for Research and Development. Additional earmarked funds were added in 2023 for the amount of \notin 1,150,199. Earmarked funds are spent on the objective and usually utilized within one year after receipt.

6 Provisions

	1-1-2023	Additions	Withdrawals	Reversals	Revaluation	31-12-2023
Provision for end-of- service benefits	841,893	840,600	(371,334)	-11386	(20,787)	1,278,986
Provision for local taxation	455,807	118,598	(389,636)	(47,382)	-	137,387
Provision for local social security	192,454	164,983	(279,454)	0	-	77,983
Provision for ineligible expenses	24,010	-	-	-	-	24,010
Total provisions	1,514,164	1,124,181	(1,040,424)	(58,768)	(20,787)	1,518,366

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.

The provision for end-of-service benefits also comprises the amounts due to employees as a result of the transition to the network organization. The transition provision has been calculated on an individual staff basis, as per the payments due under the social plan.

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 2025 onwards.

During the year 2023 the long term liabilities increased with \notin 130,988 (2022: decreased with \notin 6,303) due to the renewal of the rental agreement until the year 2028. An amount of \notin 14,490 (2022: 8,404) is recognized as a deduction of the rental expenses.

8 Short term liabilities

	31-12-2023	31-12-2022
Grants received in advance	14,256,748	10,637,492
Payable to partners	1,174,017	939,533
Accounts payable	762,131	1,022,526
Taxes and social premiums payable	368,469	500,339
Payable to participating interests	0	0
Payable to War Child UK	179	45,873
Other liabilities	1,626,817	993,116
Short term liabilities	18,188,361	14,138,879

All short term liabilities are due within one year.

The short term liabilities increased mainly due to the 34 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 increased by 25 per cent, mainly because of alignment between partner reporting and grant closure dates surrounding year-end.

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.

	31-12-2023	31-12-2022
Netherlands Government	7,363,964	1,933,203
European Commission	1,777,570	3,404,511
United Nations agencies and funds	1,582,690	833,742
UBS Optimus Foundation	552,838	2,115,671
Samenwerkende Hulp Organisaties (SHO)	404,608	0
Stichting DOB Ecology	256,871	290,664
Porticus	235,216	163,858
International Development Research Centre	159,555	517,296
Salesforce	152,668	343,145
Lego Foundation	24,933	111,102
World Vision International	1	113,697
National Postcode Lottery	0	47,556
Other	1,745,834	763,047
Grants received in advance	14,256,748	10,637,492

The three institutional donors with the largest instalments received in advance are the Netherlands Government, European Commission and UN organisations. The Netherlands government advanced a grant for Palestine shared between War Child as lead, and several implementing partners. The three largest donor balances account for 75 % (2022: 70%) 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 \in 11.6 million, which is its balance with Rabobank at the balance sheet date. The second largest balance is with ING (\in 1.6 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 the Bank of Palestine in Jerusalem (\in 0.6 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 \in 12.8 million. The credit risk is concentrated at counterparties from outstanding amounts with donors for a total amount of \in 6.5 million. These are large donors and governments with whom War Child has a long standing relationship and that have always in time satisfied their obligations to pay. The highest receivables amount to \in 2.4 million from the National Postcode Lottery.

In addition, \in 3.0 million receivables relate to prepayments to partners. The prepayments to partners are spread over more than 30 partners, the largest balance being \in 0.8 million with SOS Kinderdorpen.

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:

					Impact of 5%
		Donor and Partner		Net	exchange rate
Currency	Cash	Receivable	Payable	Exposure	fluctuation
EUR	8,677,155	5,808,064	11,554,856	2,930,362	-
USD	3,549,999	2,087,606	1,918,913	3,718,691	185,935
GBP	1,003,218	116,895	294,234	825,880	41,294
CHF	1,053,388	3,309	552,838	503,858	25,193
SEK	471,144	99,064	83,583	486,625	24,331
UGX	332,515	0	0	332,515	16,626
other	329,567	1,317,221	1,026,340	620,448	31,022

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

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	1,862,910	608,270	1,254,640	
Implementing partner conditional obligations	10,337,217	9,629,878	707,339	-
Off-balance sheet obligations	-	-	-	-
		due within	due in	due after
	TOTAL	1 year	1-5 years	5 years
Donor contract value to be received	20,339,500	16,893,829	3,445,671	-

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 € 1.5 million. The remaining obligations of € 0.4 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, 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, 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 € 10.3 million. War Child's largest expected future payment is to Save the Children under a conditional funding agreement running until July 2024 with a remaining commitment of € 1.3 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, insofar they exceed the receivable based on expenditure, reported as off-balance sheet rights. The total amount of instalments to be received by War Child as off-balance sheet rights under existing donor contracts is \notin 20.3 million. The largest amount to be received in the coming 5 years form a single donor is \notin 7.0 million from the LEGO Foundation.

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.

	2023	Budget 2023	2022
Legacies	1,014,387	550,000	1,134,143
Other gifts and donations	11,498,428	11,321,832	10,636,574
Total income from Individuals	12,512,815	11,871,832	11,770,717

Developments 2023

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 89,000 Friends, as War Child calls its structural donors. More information is provided in the "Where Our Funds Came From" section in our annual report.

War Child was the beneficiary of the Streamers online concert organized on December 26. This concert further added to the income from individuals.

The income from legacies and inheritances was in line with previous year, and thereby exceeded the budget by 84%. With this income being difficult to predict War Child takes a cautious approach to budgeting.

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.

	2023	Budget 2023	2022
Rituals	255,100		300,365
Capri-Sun	100,000	0	0
Tommy Hilfiger	56,000	0	12,500
Other companies	1,261,444	2,284,094	1,354,175
Gifts in Kind	1,872,100	660,000	1,079,399
Total income companies	3,544,644	2,944,094	2,746,439

Developments 2023

In 2023 we raised \notin 3.5 million from the business sector, 20 per cent above our target for the year and 29 per cent above the income in 2022. It remains a challenge to secure long-term commitments from companies. Main business donors supporting us already for years with monetary funding are Rituals, who supported us with \notin 24,000 in-kind donations in addition to the \notin 255,000 in cash, and Tommy Hilfiger. Capri-Sun became a new donor in 2023.

We saw an increase of 73 per cent in gifts in kind compared to 2022 to a total of € 1.9 million, which was 184 per cent above budget. More than half the income from businesses comes from the value of donations in kind. War Child has a low cost policy and tries to find donors for every purchase it makes at head office. This ranges from free paper to free legal advice. Thanks to our good reputation that our donors recognize, we are quite successful in raising free goods and services. More information is provided in the "Where Our Funds Came From" 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.

	2023	Budget 2023	2022
National Postcode Lottery (structural contribution)	1,350,000	1,350,000	1,350,000
National Postcode Lottery (Streamers contribution)	1,000,000	0	0
National Postcode Lottery (designated to CWTL)	40,704	0	200,734
Total income lotteries	2,390,704	1,350,000	1,550,734

Developments 2023

Income from lotteries has increased by 54 per cent in comparison with the previous year. The National Postcode Lottery contributes structurally to our organisation with an impressive \leq 1.4 million. In addition, the National Postcode Lottery awarded War Child with an extra \leq 1.0m as donation linked to the Streamers online concert.

The Can't wait to learn "Dreamfund", which was awarded to War Child in 2019, was fully implemented by the end of 2023. More information is provided in the "Where Our Funds Came From" 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.

	2023	Budget 2023	2022
European Commission	6,820,389	6,679,180	7,439,576
Netherlands Government	5,887,136	7,004,866	5,391,610
United Nations agencies and funds	6,957,795	4,449,141	9,760,176
Other governments	331,560	767,797	1,366,912
Total income from governments	19,996,880	18,900,984	23,958,274

Developments 2023

The income from governments accounts for 40 per cent of War Child's fundraising income. Income from governments reached € 20.0 million in 2023, which is 17 per cent below the government income of 2022 (€24.0 million). This reduction in government income was foreseen and actual income exceeded the budget for the year (€ 18.9 million) by 6 per cent.

With € 6.8 million, a decrease of 8 per cent compared to 2022, the European Commission was War Child's largest donor in 2022. With € 5.9 million, an increase of 9 per cent compared to 2022, 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 the 100% subsidiary War Child Deutschland gGmbH.

War Child Deutschland gGmbH fundraised € 11,899 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.

	2023	Budget 2023	2022
Lego Foundation	2,675,869		1,988,559
UBS Optimum Foundation	1,618,585		1,394,193
Porticus	729,523		839,957
Stichting DOB Ecology	633,830		869,935
AI Ghurair Foundation for Education	605,913		73,143
International Development Research Centre	588,172		611,504
Samenwerkende Hulp Organisaties (SHO)	495,392		0
War Child United Kingdom	491,998		625,531
Children in Conflict	162,242		324,810
Queen Silvia Foundation	67,921		64,844
SHO / Terre des Hommes	62,052		412,855
Other organisations	3,276,405	15,001,787	2,948,402
Total income other organisations	11,407,902	15,001,787	10,153,733

Developments 2023

The income from other non-profit organisations in 2023 totalled €11.4 million which was an increase of 12 per cent compared with the previous year (2022: €10.2 million), yet 24 per cent below budget. The grants and donors are well diversified within this category. More information is provided in the "Where Our Funds Came From" 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 2023 totalled \in 0.8 million. The gross income from the sale of products totalled \in 0.8 million 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 "Where Our Funds Came From" section in our annual report.

Expenses

Total expenses increased by a total of \in 1.2 million to \in 50.1 million, an increase of 2 per cent (2022: \in 48.9 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 2023 War Child met this target. The ratio of Expenses on the objective and sum of expenses was 84 per cent (2022: 89 per cent). The lower spending percentage on the objective was due to a combination of an increased investment in fundraising, and the expenses incurred for the realisation of War Child Alliance. War Child aims to spend maximally 4 per cent of its costs on management and administration. It did not reach this target (2023: 5 per cent; 2022: 3 per cent) due to the one-off transition expenses incurred for the realisation of War Child Alliance. Fundraising expenses increased to 11 per cent of income (2022: 8 per cent) because of an added investment in Face to Face fundraising.

	Realisation	Budget	Realisation
	2023	2023	2022
% Costs of fundraising / total fundraising income	11%	9%	8%
% Costs management & administration / total expenses	5%	4%	3%
% Total expenses on behalf of the objective / total expenses	84%	87%	89%

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 € 495,240 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 23 per cent allocated to project activities, 16 per cent to preparation and coordination, 11 per cent to communication and awareness raising, 24 per cent to fundraising, and 26 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 2023. Vice versa, not all other projects in the budget took place in 2023.

	2023		Budge	Budget 2023		22
	%	€	%	€	%	€
	awareness	awareness	awareness	awareness	awareness	awareness
Door to door engagement	25%	361,999	25%	152,525	25%	185,788
Communicating with existing constituency	75%	300,127	50%	142,500	75%	115,835
Mailings	25%	25,183	25%	87,400	25%	92,675
Telemarketing	25%	29,533	25%	41,312	25%	24,713
Online	25%	80,075	25%	55,000	25%	44,890
Campaigns	25%	153,059	25%	6,250	25%	8,907
Television show	25%	24,596	25%	37,500	25%	13
Other mixed projects	25%-100%	185,783	25%-100%	276,759	25%-100%	117,342
	% fundraising	€ awareness	% fundraising	€ fundraising	% fundraising	€ awareness
Communications	10%-25%	-57,012	50%	-105,796	10%-25%	-59,711
Net allocation to awareness raising		1,103,343		693,450		530,452

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.

	2023	Budget 2023	2022
Lebanon	6,958,588	5,587,753	9,461,451
Syria	6,953,584	5,615,480	5,791,941
Programs from The Netherlands	5,624,015	6,537,412	4,998,158
Programs for Ukraine	2,514,137	2,865,419	2,313,692
Uganda	4,776,805	7,217,179	5,357,353
DR Congo	1,880,709	1,994,522	1,959,827
South Sudan	3,443,266	4,046,654	3,808,052
Occupied Palestinian territories	2,668,643	2,839,310	2,510,421
Colombia	979,513	1,140,703	1,151,449
Burundi	1,133,881	1,072,941	1,092,676
Jordan	1,191,154	1,232,668	2,037,400
Sri Lanka	0	63,758	0
Total costs of project activities	38,124,295	40,213,799	40,482,420

Developments 2023

Total expenses on project activities reached € 38.1 million in 2023, or 6 per cent below previous year (2022: €40.5 million) and 5 per cent below 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 2023, our fundraising targets were mainly achieved.

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 2023

The majority of costs for preparation and coordination originate in the International Programmes department at War Child's head office. Total costs in 2023 have increased year on year by 10 per cent to € 1.8 million and are 23 per cent below 2023 budget (€ 2.3 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 2023

Awareness raising costs reached € 2.4 million, 70 per cent above 2022 (€ 1.4 million) and are 46 per cent above budget. These additional costs are caused by increased investments in face to face fundraising, and a large gift in kind supporting TV and Radio exposure supporting our 'Don't Let War Last for Generations' (Laat Oorlog Geen Generaties Duren) campaign.

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.

	2023	Budget 2023	2022
Fundraising of unrestricted income	4,434,356	3,744,469	3,084,191
Fundraising of restricted income	595,815	462,580	578,192
Setting up new fundraising markets	300,000	339,100	463,945
Total costs of fundraising	5,330,171	4,546,149	4,126,328

Developments 2023

Total fundraising costs divided by total fundraising income in 2023 is 11 per cent (8 per cent in previous year). In 2023, total costs of fundraising increased with 29 per cent in comparison with previous year, and exceeded the budget by 17 per cent. The higher costs were caused by increased focus on face to face fundraising in 2023, as well as an increase in gifts in kind, among which TV and Radio exposure supporting our 'Don't Let War Last for Generations' (Laat Oorlog Geen Generaties Duren) campaign. The total amount of fundraising costs of € 5.3 million consists of costs for raising unrestricted funds –for example from our Friends-, restricted funds –for example from institutional donors- and investments in fundraising activities in War Child Germany.

War Child contributed to the operational costs of War Child Deutschland gGmbH, which is a legal entity 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 2023

The costs for management and administration in 2023 (€ 2.4 million) are 14 per cent above budget (€ 2.1 million) and are 89 per cent above the level of 2022 (€1.3 million). This increase is mostly due to the one-off costs incurred for transitioning to the networked organization, including setting-up War Child Alliance.

21 Financial gains / (losses)

	2023	Budget 2023	2022
Interest received	43224	-	384
Interest paid	(39,151)	(15,000)	(34,993)
Exchange rate differences	(149,109)	-	20,695
Financial gain / (loss)	(145,036)	(15,000)	(13,914)

Developments 2023

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 2023 saw an exchange rate loss of \in 149,109. 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 1 per cent compared to 2022 is attributable to higher staff salaries compensating for inflation increases. About 47 per cent of total staff expenses originate in the Netherlands, while 26 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.

	2023	Budget 2023	2022
Gross wages and salaries	14,311,391	11,087,922	14,416,441
Pensions	577,744	564,852	522,017
Social security	2,123,677	1,098,950	2,664,363
Other personnel expenses	2,864,660	2,195,453	2,119,402
Total Personnel expenses	19,877,472	14,947,177	19,722,223

Independent Auditor's costs

War Child's financial statements 2023 are audited by BDO Audit & Assurance B.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 2023 is quoted at € 166,738 including VAT. No other assignment were awarded to BDO in 2023.

Expenses from the global BDO group in 2022 totalled € 164,560 including VAT, comprising audit services only.

	BDO Audit & Assurance B.V.	Other BDO network	Total BDO
	2023	2023	2023
Audit of the financial statements	166,738	0	166,738
Other audit engagements	0	0	0
Tax-related advisory services	0	0	0
Other non-audit services	0	0	0
Total 2023	166,738	0	166,738

	2022	2022	2022
Audit of the financial statements	164,560	0	164,560
Other audit engagements		0	0
Tax-related advisory services	0	0	-
Other non-audit services	0	0	0
Total 2022	164,560	0	164,560

Attribution of expense

					Adjust Management &			
	Expen	ses towards ob	jective	Fundraising	Administration	٦	Total expenses	
	Awareness raising	Preparation & Coordination	Project activities			2023	Budget 2023	2022
Contributions	0	0	12,889,656	0	0	12,889,656	6,515,235	11,485,174
Procurement	1,121,092	40,795	6,796,672	(549.817)	(78.825)	7,329,917	22,699,889	10,584,660
Outsourcing	126,222	152,881	2,483,238	2,004,455	268,283	5,035,079	3,025,832	3,403,050
Publicity	70,735	114	53,865	339,776	3,026	467,516	365,700	374,922
Staff	997,560	1,471,647	14,024,132	2,000,084	1,384,049	19,877,472	14,947,177	19,722,223
Housing	34,710	52,531	676,040	77,099	84,079	924,459	686,332	1,053,848
Office costs	27,363	868	594,721	89,272	261,380	973,604	869,861	872,939
General costs	59,514	41,000	469,102	1,365,163	471,620	2,406,399	1,710,388	1,266,452
Depreciation	1,867	2,825	136,867	4,140	41,144	186,843	42,085	170,965
Total expenses	2,439,063	1,762,661	38,124,293	5,330,172	2,434,756	50,090,945	50,862,500	48,934,233

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 28, 2024, the Supervisory Board of Stichting War Child discussed the annual report and the annual accounts 2023. 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 28, 2024, are Stef Oud (Chair), Raymond Cloosterman, Patrick Lodiers, Katja Kok, Aloisia Zwama and Milka Yemane.

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	764,002
Earmarked funds	(263,725)
	500,277

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 2023 annual accounts or the condition of War Child at the end of the financial year.

War Child and War Child UK agreed in 2023 to combine their program implementation and support activities in a new Foundation: (Stichting) War Child Alliance. As of January 1, 2024, War Child has therefore handed over its program implementation and support activities to War Child Alliance. War Child continues as a fundraising-focused entity, supporting the work of War Child Alliance.

The transfer of undertaking included all Global Programs, Research and Development and Program Implementation activities, as well as the support capacity for these programs. The handover, which covered all related assets and liabilities, employee contracts, and related reserves, was affected free of charge.

Insofar staff was made redundant due to merging the activities in War Child Alliance of both War Child UK and War Child, a severance provision has been taken into account in the 2023 financial statements of the respective entity.

The transfer of undertaking includes fixed assets EUR 0.1m, short term receivables EUR 3.4m, cash EUR 5.3m, provisions EUR 1.5m and short term liabilities EUR 2.4m. In addition, reserves are transferred to the amount of EUR 4.9m.

The activities handed over to War Child Alliance comprised EUR 31m of the year 2023 income and EUR 41m of the year 2023 expense of War Child. The impact of the handover on the year 2024 budget of War Child Holland can be derived from the 2024 budget of War Child NL. This impact is lower than the value of the income and revenue handed over since War Child NL will continue to be a primary recipient for existing donor contracts and for home donors, with War Child Alliance its implementing partner.

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 remained at the levels of 2022. War Child's cash and cash equivalents balance is at a healthy level of \in 15.4 million in addition to \in 12.8 million short term receivables, against short term liabilities of \in 18.2 million. 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 2024 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, ended 31/12/2023	
Hours/week	40	
Part-time percentage	100%	
Period	1-1-2023 to 31-12-2023	
Annual income		
Gross salary		123,809
Holiday allowance		9,905
13th month / Variable annual income / Bonus		-
		€
Total director remuneration		133,714
Taxable allowances		€ 0
Pension premium (employer part)		€ 18 147
Social security contribution (employer part)		€ 11,336
Other remuneration / Pension compensation / End of		
service fee		€ 0
Table constitution and have fits 0000		€ 163,197
Total remuneration and benefits 2023		103,19/
Total remuneration and benefits 2022		€ 154 390

The total remuneration of the Managing Director of War Child during 2023 was € 133,714 which is well below the maximum of € 178,309 (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 \notin 163,197 which is also well within the maximum set by the guideline of \notin 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 2023. 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 2023, no expenses were incurred for Supervisory Board members.

Number of employees

The average number of fulltime equivalent employees (FTE) decreased by 16 per cent (83 FTE) to 434 FTE. This decrease in FTE was attributable to less staff in our program countries.

	2023	2022	2021	2020	2019
Employees at head office excl. interns (in FTE)	111	106	105	109	98
Employees on local contract in programme countries (in FTE)	308	392	428	413	376
Employees on expat contract in programme countries (in FTE)	15	19	23	21	22
Total average number of employees (in FTE)	434	517	556	543	496

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. 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.

Adoption of Annual Accounts

The Annual Accounts are prepared by the management of War Child. On the condition of obtaining an unqualified opinion of the independent auditor the Financial Statements were unanimously adopted by the Supervisory Board of War Child in its meeting of 28 June 2024.

Amsterdam, 28 June 2024

Supervisory Board: Stef Oud (Chair), Raymond Cloosterman, Patrick Lodiers, Katja Kok, Aloisia Zwama and Milka Yemane (Vice-chair).

Managing Director: Ernst Suur

OTHER INFORMATION



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Independent auditor's report

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

A. Report on the audit of the annual accounts 2023 included in the annual report

Our opinion

We have audited the annual accounts 2023 of Stichting War Child, based in Amsterdam.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Stichting War Child as at 31 December 2023 and of its result for 2023 in accordance with the Guideline for annual reporting 650 'Fundraising organizations' of the Dutch Accounting Standards Board.

The annual accounts comprise:

- 1. the balance sheet as at 31 December 2023;
- 2. the statement of income and expenses for 2023; and
- 3. the notes comprising of a summary of the accounting policies and other explanatory information including appropriation of the result and Cash flow statement.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the annual accounts' section of our report.

We are independent of Stichting War Child in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

B. Report on other information included in the annual report

In addition to the annual accounts and our auditor's report thereon, the annual report contains other information, that consists of:

the board report 2023 (page 2 - 41 of the annual report) & the Supervisory Board report;
 other information;

Based on the procedures as mentioned below, we are of the opinion that the other information:



- is consistent with the annual accounts and contains no material misstatements;
- includes all information as required by the Guideline for annual reporting 650 'Fundraising organizations of the Dutch Accounting Standards Board.

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

By performing these procedures, we comply with the requirements of the Guideline for annual reporting 650 'Fundraising organizations' of the Dutch Accounting Standards Board and the Dutch Auditing Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the annual accounts.

The Managing Director is responsible for the preparation of the other information including the board report in accordance with the Guideline for annual reporting 650 'Fundraising organizations' of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the annual accounts

Responsibilities of the Managing Director and the Supervisory Board for the annual accounts

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

As part of the preparation of the annual accounts, the Managing Director is responsible for assessing the foundations ability to continue as a going concern. Based on the financial reporting framework mentioned, the Managing Director should prepare the annual accounts using the going concern basis of accounting, unless the Managing Director either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

the Managing Director should disclose events and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern in the annual accounts.

The Supervisory Board is responsible for overseeing the foundations financial reporting process.

Our responsibilities for the audit of the annual accounts

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

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

- Identifying and assessing the risks of material misstatement of the annual accounts, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundations internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Managing Director;
- Concluding on the appropriateness of the Managing Director's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundations ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the foundation ceasing to continue as a going concern;
- Evaluating the overall presentation, structure and content of the annual accounts, including the disclosures; and
- Evaluating whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

The Hague, 28 June 2024

For and on behalf of BDO Audit & Assurance B.V.,

drs. T.H. de Rek RA

Branch Offices

In 2023, 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.

Care System Brochure

Download the Care System Brochure.

