

WAR CHILD ANNUAL REPORT 2010 SUMMARY



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In 2010 the hostilities in Afghanistan, the unrelenting violence in DR Congo and the tragic reminders of the Sri Lankan war were dominating the news. Millions of children faced the consequences of war. They were subject to violence, abuse, exploitation or forced to abandon their homes. They live with the invisible effects war has on their ability to trust themselves, to trust their environment and to trust their future. Even if the weapons are laid down, the war in their heads continues. As a result, they can have nightmares, become aggressive, terrified or withdrawn.

In 2010 War Child programs realized its plans in terms of reaching children, youth and the community members around them. War Child reached a total of 1.5 million people of which 755,819 were children and young people in 11 (post)conflict areas and The Netherlands. By preparing them to the challenges living in today's world, permitting them to be a child, improving their relations with their peers, or reintegrating them into society after they have been a child soldier. Their parents, teachers and social workers participated in creative activities and related events and are assisted to more effectively engage with other children.

War Child's Identity

War Child is an independent and impartial international nongovernmental organization investing in a peaceful future for 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 is supporting children regardless of their religious, ethnic or social backgrounds or gender.

Vision

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 contribute to a peaceful future. For themselves and others.

Mission

War Child unleashes the children's inner strength with a creative and involving approach. Empowering them to shape their own future. Our distinctive approach applies to all our projects in conflict-affected areas, in which War Child focuses on:

- protecting children from the effects of war;
- offering psychosocial support;
- stimulating education.

War Child strives to engage as many means and manpower as possible to create lasting impact and reach as many children as possible.

War Child's ambition

By 2015 War Child will directly reach 1 million children and young people in (post-)conflict zones. Another 2 million children and young people will be reached indirectly through capacity building and advocacy. These activities bring a lasting positive change for children and young people affected by armed conflict.

Besides these 3 million children and young people (1 million directly, 2 million indirectly reached) War Child's ambition is to stretch far beyond its own reach. War Child does this for example by sharing its methodology online with as many as possible other organizations working with and for children in conflict areas.



"I SEIZED THIS OPPORTUNITY WITH BOTH HANDS, BUT I WANT THOUSANDS OF OTHER GIRLS TO HAVE THEIR CHANCE TOO."

Nobody in Parisa's village can ignore what she has to say

Parisa's family is very poor, but that does not stop her from learning about all the ins and outs of a computer. Each day the fifteen-year old receives one hour of computer training in the youth centre in her village. She has even made a keyboard out of cardboard, so she can practice further at home.

Everything Parisa learns she wants to share with others. As a result, she is very busy with the youth club of which she is a member: "I teach English and give computer training, I started a sports team. I am writing a film

script on children's rights and regularly give workshops on girl's rights to young people in my village. I am very proud of that because I can learn something myself, but also help others. I took this opportunity, but I want thousands of other Afghan girls to have their chance too."

Parisa participates in the program of partner organisation SDO, whereby children and young people, both with and without education, have the opportunity to voice their opinion on their situation. In the clubs they form with others, they can put forward their own solutions to the problems in their community.

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Added value and uniqueness

War Child engages children by using creative methods which are appealing to children, such as drama, music, sports, media and games. War Child involves external partners and maintains a direct link between the conflict areas and the rest of the world through its field teams.

Number of children, youth and adults in War Child's program	2010	2009
Active participants	194,807	337,037
People reached*	453,823	
Mass media coverage (estimated)	886,766	1,055,507
Total	1,535,396	1,392,544

^{*} People reached include those who were indirectly reached through theatre production, concerts or lobby activities.

Of the 194,807 people who actively participated 76% were children and youth and 24% adults. 453,823 persons were reached through activities such as theater and lobby activities (79% children and youth, 21% adults). The group of people reached by mass media was 886,766 of which 28% were children and youth and 72% adults.

	Active participants		People reached		Estimated mass media coverage	
	Children & Youth	Adults	Children & Youth	Adults	Children & Youth	Adults
Afghanistan	9,251	1,297	13,002	2,945	NA	NA
Burundi	6,938	7,560	3,666	4,361	NA	NA
Chechnya	512	285	NA	NA	NA	NA
Colombia	6,096	1,426	9,646	17,835	628	5,656
DR Congo	11,829	1,415	14,420	7,807	25,000	40,000
Israel/occupied Palestinian territories	5,225	5,083	104,949	19,008	58,228	216,313
Lebanon	1,348	541	2,800	1,324	18,513	296,718
Sierra Leone	1,792	793	48,794	5,832	92,000	51,459
Sri Lanka	6,370	1,146	6,146	3,664	6,258	5,380
Sudan	43,258	6,649	64,560	11,361	36,293	18,910
Uganda	55,271	20,722	89,084	22,619	14,000	1,410
Total	147,890	46,917	357,067	96,756	250,920	635,846
Grand total	194,8	07	453,8	23	886,70	66

Note: Three partner organisations in Israel/occupied Palestinian territories are not included, because data were not available yet. NA= not applicable

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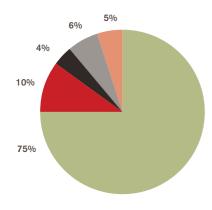
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Program activities per category

Awareness and sensitization activities include activities using mass media



- Skills enhancement (75%): by means of sports, creative activities, dance, music and theater workshops, life skills, social skills, livelihood skills and literacy and numeracy training.
- Awareness and sensitization (10%): Activities, such as discussion meetings, (cultural) events, theatre perfomances and exhibitions that aim to change beliefs, intentions, attitudes and harmful norms and practices in communities and within society as a whole.
- Lobby (4%): Mobilising local and national government officials and other key stakeholders. These activities aim to influence the development, implementation and monitoring of laws and policies at local, national and international levels, upholding children's rights and enhancing their psychosocial well-being.
- Capacity building (6%): training and coaching on the job, aiming to strengthen (para-)professionals including teachers and social workers, the staff of (local) organisations, and members of community groups, youth and children's clubs.
- Capacity building of partners (5%): Activities strengthening the staff of War Child partners; all parties who implement (parts of) the program.

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Trends and highlights in 2010

A number of trends and highlights characterize the overall War Child program in 2010.

Country portfolio

- After supporting a partner organisation in 2009 and 2010, registration in Burundi was realised and with the MFS II approval by the Ministry of Foreign Affairs extra funding became available;
- Sri Lanka remains difficult to get registered, the work through partners is continuing;
- In Sierra Leone War Child has made further steps to phase out in 2013;
- The Sudan team works from a newly developed strategy taking into account the expected split between North and South.

Expenditure

Program expenditure has risen compared to 2009 with 9%, but was lower than planned for 2010. The latter is the result of lower income in 2010, leading to fewer projects being implemented than requested. Nonetheless, in combination with increase in total reach of beneficiaries to 1.5 million, the cost per beneficiary has decreased.

Partnership

Partners became more active in shaping programs. In 2010 stakeholder workshops were held in almost all countries where War Childs programs were assessed versus the needs of children and youth. In addition, ideas for concrete projects were developed of which a number already are running.





"WE PLAY TOGETHER WITH OTHER CHILDREN, IT IS LESS SCARY TO SPEAK OUT IN FRONT OF A GROUP."

With his drum Gido can tell his story

The eighteen-year old Gido goes to the Boys Hope centre in the Sudanese capital Khartoum every week. Until his eight birthday he was unable to go to school, because his mother could not pay for the tuition fees. Out of sheer boredom he hit the streets, sometimes did not come home for days, did not have a place to sleep, sometimes nothing to eat and therefore often found himself in trouble.

His mother intervened and sent him to the Boys Hope centre. Each Friday War Child organises creative activities for children, with which they learn social skills because these were unlearned quickly out on the streets. Gido participates in the drum workshops.

"Before I participated, I was very shy, I never dared to speak in public, but my drum helped me do that. We play together

with other children, which makes it less scary to speak out in front of a group. We all talk about what we have already experienced in our lives. And we made the drums ourselves great fun to show them to my friends. Later on in life I want to work for a relief organisation, so I can establish more Boys Hope centres myself."

Around forty boys aged between five and eighteen years old from the streets, who have often fled because ofthe war in Sudan, find a safe place at the Boys Hope centre. The centre is not only a safe haven, it is also a place where they can share their experiences and it offers children from the streets some order in their turbulent lives.

Due to security reasons the name of the child has been altered.

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BOARD OF TRUSTEES' REPORT

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As of December 31, 2009 the by-laws were changed, such that the War Child Board became a Board of Trustees on January 1, 2010. In 2007 the Board decided to gradually work towards the new model since growth brought further professionalism in management. In 2009 all necessary preparations were made, the by-laws and regulations prepared and submitted for approval to the current administration.

In 2010, the Board of Trustees held five regular meetings. Main subjects were:

- Information flow and communication between Board and the director and management team;
- Progress of the implementation of the new corporate 2015 Strategy;
- The transition process into the Board of Trustees;
- Selection of new members;
- Approval of the global advocacy strategy;
- Visits of Board members to Uganda and Sierra Leone;
- Progress of War Child International;
- The development the Conn@ct.Now program.

Board activities

Board members regularly take part in activities in order to stay abreast of important developments and support War Child. Several members made total three project visits. To this end the board's treasurer and vice chairman took part in the fundraising gala of football club Feyenoord (which raised € 113,000); several Board members joined the yearly golf event (€ 26,000), in an annual tradition, chairman Maarten van Dijk joined the Dam-tot-Damloop run with 300 other War Child runners. Also, several Board members were present at the International Management Meeting, in which management staff from the field came to head office to exchange information and determine country strategies.

Board expenses

The Board consists of only volunteers who cover all related costs. As a result 2010 expenses were € 0. All members, as with goodwill ambassador Marco Borsato, travelled and engaged in activities at their own expense.

Composition of the board

As per the date of this summary the composition of the Board is: M.P. (Peter) Bakker, chairperson, A.C.C.M. (Xander) van Meerwijk, Member Marketing and Fundraising, J.W. (Willemijn) Verloop, vice chairperson, member Marketing, Fundraising and Communications, E.K. (Evert) Greup, Treasurer, Finances and Information, M.G.M. (Marcel) van Soest, member Humanitarian Aid, Dr. G.C.A. (Gerd) Junne, member Post Conflict Development and A.G. (Bert) Koenders, member Advocacy and International Networks

All members of the previous Board were asked to remain until after the transition to ensure continuity into 2010. After the

successful transition, in 2010 two members stepped down. Shula Rijxman left after her first term in February 2010. War Child congratulates Pink Ribbon to scoop Shula as their new chairman of the Board. War Child has benefitted from Shula's clear views, most prominently in her prime field of expertise: communications. Quite some time after his 'last' term Maarten van Dijk stepped down as the chairman in October 2010. Maarten was an invaluable contributor to the development of War Child since 1999. A special word of thanks would not suffice.

Executive director

In 2010 executive director Mark Vogt led the organisation. Following War Child's stringent low cost policies, all management fees are set well below the guidelines of the Dutch Fundraising Institutions Association (VFI) for management salaries. The advisory guideline of VFI compromises of a set of criteria and norms for the annual salary. The Supervisory Board has determined the amount of the management remuneration and additional benefits to be paid to management. The remuneration policy is regularly reviewed, most recently in 2010.

In determining the remuneration policy and remuneration, War Child refers to VFI's advisory scheme for the remuneration of the management of charitable organisations (in Dutch: Adviesregeling Beloning Directeuren van Goede Doelen) and the code of governance for charitable organisations (Code Wijffels, see www.fi.nl).

Under the advisory scheme, a maximum annual remuneration is determined on the basis of weighted criteria. At War Child, this weighting was performed by the Remuneration Committee. This resulted in a so-called basic score for management positions (Basis Score voor Directiefuncties - BSD) of 485 points, scale I with a maximum salary of € 124,233 (1 fte, 12 months). In line with her low costs policy War Child chooses to stay explicitely one scale under VFI scheme and adjusts scale I to H with a maximum annual remuneration of € 106,818 (1 fte, 12 months).

In 2010, the actual income of management for the purposes of assessment of compliance with VFI's maximum annual remuneration were € 83,022 (1 fte, 12 months). This income was within the maximum set by VFI. In the financial statements, the size and composition of the management remuneration is reported in the notes to the statement of operating income and expenditure.

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FUNDRAISING & COMMUNICATION

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War Child is dependent on the involvement and support of its constituency. The constituency's growth is a target of its own. War Child feels supported by a growing supportive community to keep working on its targets. That is why War Child activates all possible stakeholders and relations to increase the impact War Child has on the lives of all war children. Private individuals give a donation or organise an action, companies offer goods and services for free, kids become aware of the plight of their peers in other parts of the world and do a lecture in their class, foundations are inspired and support for a long term period.

In order to create a bond, War Child's supporters should have a clear image of how War Child works, raises and spends funds. Transparency, reliability, authenticity and accessibility characterise War Child's fundraising and communications. Fundraising always goes hand in hand with messages regarding the content of War Child's work.

War Child has a strict low cost policy, with an active sponsor policy and close monitoring, evaluation and adjustment of activities to ensure that results justify the effort invested. War Child's communications and fundraising code of conduct can be found at www.warchild.nl/mcfcode.

Income fundraising	2010	% growth compared to 2009	% of total income
Private donors	6,714,924	8	45.4
Companies	1,332,246	-3	9.0
Foundations	131,500	-23	0.9
Actions third parties	1,220,852	-11	8.2
Legacies	88,094	-88	0.6
Other	3,144	-98	0.0
Dutch Postcode Lottery	900,000	-10	6.1
Other third parties*	1,541,798	68	10.4
Governmental grants	2,852,410	17	19.2
Other	69.783	548	0.5
Total	14,854,751	3.6	100

*such as UNICEF, European Union and the International Olympic Committee

In 2010, War Child generated € 14.8 million total in income, a growth of 3.6% compared to 2009. War Childs total revenue was 16.3% below planned, because a decrease in fundraising in the Netherlands:

- War Child planned this revenue too optimistically;
- Incidental gifts from companies decreased firmly due to the economic crisis;
- Revenues from legacies were lower than 2009.

Private income went down although there was a growth in the biggest segment within private fundraising, being the private donors. As well constituency (mainly structural donors) as income grew compared to 2009.

In the first half of the year War Child adjusted its fundraising targets and the expenditures in the project countries. War Child invested more in loyalty with current corporate sponsors and kept a balance in short term income and long term projects, like a new fundraising event taking place in march 2011.

Fundraising from institutions has been successful with targets largely met and beyond already contracted. Several contracts run for more than two years, providing stability and spread of income has increased, compared to 2009.

Low costs

The hallmark of the Central Bureau for Fundraising stipulates that a recognised charity may devote a maximum of 25% of private income to fundraising activities. In 2010 this was 14.3%, well below the CBF-limit. This percentage is made possible by a large number of sponsors who donate goods and services to War Child.

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Communications

One of War Child's statutory objectives is to raise awareness of the plight of children in war-affected areas among the Dutch audience. War Child raises the involvement of the Dutch audience with the organisation, by reaching out to the target group to start a dialogue, to inform and to activate.

Fundraising opportunities result from the involvement of target groups, which creates higher revenues for the organisation. War Child actively approaches the media, organises events and has a strong goodwill ambassador, Dutch singer Marco

Borsato, who actively spreads War Childs message. War Child's most important target groups are:

- Private donors (Friends);
- Kids (7-12 years old);
- Companies;
- Volunteers (action organisers and informers);
- Other non-governmental organisations (NGOs);
- Media;
- Government;
- Institutional funds.

Means Printed newsletter 'Peace of Paper'	Frequency 3	Circulation May: 86,117 September: 97,114 December: 25,091 (gift mailing only) Total: 208,322	Target group Constituency: - Friends; - Donors (one time or more); - Companies; - Media, relations and other NGOs.
Monthly digital newsletter 'Peace of Post'	12	571,039	Constituency (see above)
Annual Report		250	Constituency, sector, journalists, relations of country offices: donors, partner organisations, embassies, those interested in War Child
Websites	Unique visitors (per month)	Page views (average per month)	Target group
www.warchild.nl	23,383	117,725	Constituency, those interested in War Child
www.kidsforwarchild.nl	3,253	15,356	Children 7 – 12 years old, teachers. Around 110 children and 180 teachers downloaded school packages
www.warchildholland.org	3,002	11,872	Constituency, those interested in War Child
www.annualreportwarchild.org	2,113	952	Constituency, sector, journalists, relations of country offices: donors, partner organisations, embassies, those interested in War Child



FINANCES

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Income and expenditure

Despite lower income than planned, War Child increased its income compared to 2009 by 3.6%. which made growth of 9% in project activities possible.

Income	Realisation 2010	Budget 2010	Realisation 2009
Income own fundraising	9,490,760	11,445,000	10,005,220
Share in activities of third parties	2,441,798	3,958,258	1,888,703
Government grants and others	2,852,410	2,354,226	2,429,667
Other income	69,783	-	10,767
Sum of income	14,854,751	17,757,484	14,334,357
Expenditure			
Expenditure on behalf of the objective	Realisation 2010	Budget 2010	Realisation 2009
Project activities	10,457,247	12,572,616	9,592,616
Preparation & coordination	774,895	919,347	885,828
Communication & awareness raising	1,422,196	1,308,134	1,210,661
Subtotal expenses on behalf of the objective	12,654,338	14,800,097	11,689,105
Expenditures fundraising			
Costs own fundraising	1,354,529	1,718,684	1,442,104
Costs obtaining government grants + third parties	250,293	253,618	201,310
Subtotal expenses fundraising	1,604,822	1,972,302	1,643,414
Costs management & administration	1,120,085	1,040,957	913,558
Sum of expenses	15,379,245	17,813,356	14,246,077
Surplus / (Deficit)	(524,494)	(55,872)	88,280

Explanation of income

In 2010, income increased by 3.6% to € 14.8, which is 16.3% below planned, but still an increase in comparison to 2009.

- Own fundraising: This revenue was 14.8% below planned.
 In the first half of the year War Child adjusted its fundraising targets because of a downward trend in gifts from companies, incidental gifts from private donors and income from legacies;
 Third parties: The share in activities in third parties shows a too ambitious plan for 2010. Furthermore, contracts were signed at the end of the year, income is expected in the following
- Other income and expenses: revenues from interest and currency fluctuations.

Explanation of expenditure

Expenditures on behalf of the objective In 2010, War Child's total expenditure amounted € 15.4 million,

an increase of 8%. It remained 13.7% below planned as a result of the decrease of income.

- Project activities rose by 9% compared to 2009. A growth of 31% was planned but could not be achieved due to decreased income:
- The category preparation and coordination on behalf of the project activities decreased by 12.5%. In 2009 War Child did extensive preparations for the Conn@ctNow program, which was rolled out in 2010. At the start of 2010 the expenditures were budgeted higher, but had to be adapted because of lower income;
- The increase of communication and awareness raising costs is due to the fact that War Child invested more in fundraising in the streets. Because the impact of this contact is larger and it is more focused on the content of War Child's work than by phone, War Child has allocated more costs to this category.

CHAPTER 4

FINANCES

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Management and administration

The percentage costs management and administration is 7.3%. This is a result of less expenditures on behalf of the objective. As these expenditures declined, the ratio grew.

The result for 2010 was a deficit of € 524,494. In 2010 the Board of Trustees approved the increase of the continuity reserve to € 5,050,000 to cover short-term risks and to ensure War Child can meet its future obligations. The guideline from the Dutch Fundraising Institution Association (VFI) allows a maximum reserve of 1.5 times operational costs. War Child does not strive towards a maximum, so as not to unnecessarily block reserves which could be used for other ends.

Balance sheet as per December 31, 2010

	2010	2009		2010	2009
Assets			Liabilities		
Tangible fixed assets			Reserves and funds		
Property, plant and equipment	97,492	128,471	Reserves		
	97,492	128,471	- Continuity reserve	5,050,000	4,000,000
			 Earmarked reserve 	626,306	1,028,471
Current assets			- General reserve	-	1,172,328
Accounts receivable	1,520,766	1,271,959		5,676,306	6,200,799
Securities	-	-	Funds		
Cash and cash equivalents	5,912,085	6,002,735	- Earmarked funds	-	-
	7,432,851	7,274,694	Short-term liabilities		
			Accounts payable	612,890	471,119
			Taxes and social security		
			payments	107,275	198,467
			Accruals, provisions and		
			other liabilities	1,133,872	532,780
				1,854,037	1,202,366
	7,530,343	7,403,165		7,530,343	7,403,165

Voluntary translators: Annelyn Close and Claudia Vlaar

Cover photo: Geert Snoeijer



CHAPTER 5

RISK MANAGEMENT

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War Child anticipates the following risks:

- Financial risks: War Child deals with the risk of fluctuating income and the implications of this on the continuity of projects by (a.o.) spreading of income and recruitment of structural donors.
- Safety risks: In War Child's line of work it is impossible to guarantee complete security, but everything is done to manage the risks as well as possible. Staff that regularly visit project areas or work there for a longer period receive a three-day security awareness course. Field staff are trained to follow local security issues closely and to raise awareness so they can react faster and more adequately. Security plans are regularly externally audited against War Child policy, against the situation requirements and on how it is practically applied by staff.
- Reputational risks: War Child pays serious attention to safeguard its reputation by monitoring stakeholders perceptions, by a yearly quantitative research. The results are used to adjust either strategy or communication decisions.

Other measures:

- War Childs child safety policy is also a tool to safeguard War Childs reputation. People who are involved in activities organised in the field and the Netherlands have signed the code of conduct;
- By contract War Child makes sure the mission and vision of corporate sponsors are not conflicting with War Child mission and vision:
- In all communications War Child is transparent about it's results, also mentioning failures and lessons learned.



"WHEN I PLAY SOCCER, I DO NOT THINK ABOUT THE THINGS THAT HAVE HAPPENED TO ME."



KIZZA WIII BE THE NEW KONAIGO
KIZZA EXPERIENCE THE NORTHERN
Uganda from up close. "When I am
alone, the images of the war come
back; I see the killings before my eyes
again. Because of the war my life
completely changed. Suddenly, everything was different. I lived in a refugee

When I play soccer, I do not think about the things that have happened to me. I can then have fun again with other children I want to become a famous

professional soccer player, like the English players, or Ronaldo or Fabregas. So the whole of Africa can watch me play. I will simply start here and later or will become famous."

Kizza participates in War Child's sports programme in Northern Uganda. Sport not only restore mutual trust among children, but also stimulate to go back to school

Due to security reasons the name of the child has been altered.

SUMMARY

MAISA'S STORY



"I DISCOVERED AN AMAZING NEW WORLD, IN WHICH WE CAN PLAY AND HAVE FUN."

When Maisa is drawing, her mind clears

The eight-year old Maisa was born in Syria; with her family she fled from one place to another, hoping for a better life. Now she lives in a refugee camp in South Lebanon. Each day Maisa goes to the mountain of garbage to find something valuable to sell.

This is not without danger; children cut themselves, become infected when they come into contact with waste from hospitals, get electrocuted when opening dumped appliances or are even run over by bulldozers which drive over the enormous dumpsite. They are not even surprised anymore by a heatstroke or the penetrating smell.

Treated like garbage

But that is not all: "Usually I walk back from the dumpsite to the camp, sometimes even after midnight. I often get called names or get beaten, people treat me like a piece of trash. One man just threw me onto the street, simply because I was walking past his store. My mother tried to prevent me from doing this work. The first money I made, she tore apart."





Her mind clears

"Fortunately, I can go to the creative centre of Solidarity. I discovered an amazing new world, in which we can play and have fun. I made new friends and felt like I belonged somewhere again, just like in the old days. Drawing is one of my favourite activities, I often draw houses and flowers. When I am drawing, my mind clears. Then I no longer hear the noise around me."

Maisa does not attend school, but participates in the creative activities of War Child's partner organisation Solidarity. By means of simple language and mathematics lessons the odds increase for children to step into normal primary education.

Because of security reasons the name of the child is altered. Photography: Pep Bonet/NOOR