



ANNUAL REPORT AND FINANCIAL STATEMENTS

Year Ended 31 December 2018

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FOREWORD FROM THE CHAIR

2018 was another proud year for War Child in our efforts to support and stand up for children in some of the most hostile environments on earth. As a result of our work, more than 100,000 children and their families living with the scourge of conflict across Africa and the Middle East were able to access a range of crucial services.

For some children this meant having a safe space to learn and receive support to overcome their traumatic experiences. For others it meant getting the help they needed to adapt to civilian life after being part of an armed group. For some of their families it meant receiving the lifeline of cash assistance. For thousands of children whose lives have been uprooted by conflict, War Child offered support at a time of acute need.

We also continued to stand up for the rights of children caught up in conflict through our increasingly prominent voice in global and national policy debates. In 2018 War Child helped galvanise global commitments to prioritise and better support children who have been involved with armed forces and groups, as well as urging the UK government to take bolder steps to protect children in conflict zones.

The continued growth in funds to carry out our work has enabled us not only to expand the depth and breadth of our impact, but to also increase investment in the quality control, internal systems and safeguards that help us to meet the highest standards for the children and families we work with. They deserve no less.

None of this would have been possible without our many supporters – those of you who donate your time and money to our work; our extraordinary and committed global ambassadors – Carey Mulligan, Marcus Mumford, Sam Smith, and most recently Vanessa Kirby; as well as all the musicians and artists who dedicate their time to help us to fundraise. War Child is able to reach those children most in need because of your commitment to our cause. Thank you.



A handwritten signature in black ink that reads 'Sacha' in a cursive, flowing script. A horizontal line is drawn underneath the name.

Sacha Deshmukh
Chair of Trustees

EXECUTIVE SUMMARY

In 2018 War Child was proud to support 123,000 children, young people and adults affected by conflict across nine countries in Africa and the Middle East. Our programmes in Yemen, Afghanistan, Iraq, Jordan, occupied Palestinian territories (oPt), the Central African Republic (CAR), the Democratic Republic of Congo (DRC), Uganda and Burundi provided children and their families with education, protection services and support to build a livelihood. This included keeping unaccompanied children safe and reuniting them with their families in Afghanistan, providing places to learn and recover from the trauma of war in Yemen, and supporting children to reintegrate back into their communities in the CAR after being involved with armed groups.

We also invested and innovated in our programmes from significantly scaling up our support to children whose lives have been uprooted by the conflict in Kasai, DRC to developing innovative methodologies to deliver psychosocial support through sport, as well as further refining a sector-leading approach to the reintegration of child soldiers. This has built the foundations for us to help more children in areas of acute need in 2019, using new approaches based on our existing knowledge and expertise.

Alongside our direct programmatic interventions, we have also campaigned and advocated for the rights and needs of children in conflict. War Child played a crucial role in supporting the establishment of the Global Coalition for Reintegration – a group of countries, donors and NGOs who are coming together to ensure that the thousands of children who leave armed forces and groups every year get access to the support they need, and that appropriate funding is available.

We also worked closely with the UK government to encourage it to establish the first ever cross-governmental working group on children and armed conflict. These advocacy breakthroughs are already making a difference to children's lives – and have the potential to considerably enhance the scale of our reach.

None of our work would have been possible without our success in securing funding. In 2018 our income grew by £3 million to £17 million, the result of efforts across the board. Sector-leading initiatives with the music and gaming industries, strong partnerships with corporate and philanthropic donors, as well as the increasing quality and scale of our grant fundraising with institutional donors and foundations have helped us to continue to invest in the knowledge and expertise to be a high-impact humanitarian agency serving the most vulnerable children in conflict.

In 2018 we also prioritised investment to improve our systems for managing risk. Our dedicated Safety and Safeguarding Advisor is helping to increase knowledge and understanding across the organisation so that incidents can be prevented or detected and dealt with quickly where they arise. Our improved security capacity means that we are better equipped than ever to keep our staff and the children and communities we work with safe. And our improved HR systems enable us to better support and develop our people so that they can deliver the best support for children in conflict. The efforts we have made to better understand and improve our cash flow in 2018 have also enabled us to make more informed decisions about investment and expenditure in the interest of long-term sustainability.

In 2018 not only did we help thousands of children and their families, we also put in place the systems and expertise to be better at what we do in 2019 and beyond.



I Love you

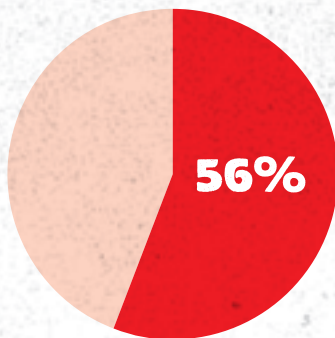
WAR
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I Love you WAR Child

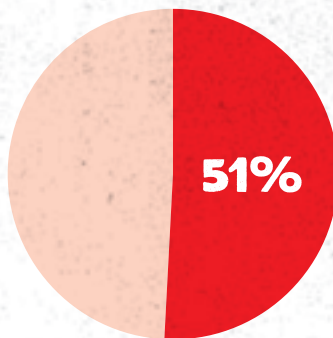
OUR YEAR IN NUMBERS

DIRECT PARTICIPANTS

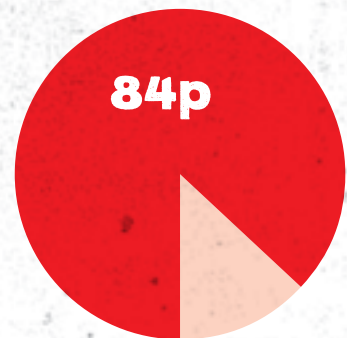
123,182



56%
OF PARTICIPANTS
WERE GIRLS
AND WOMEN



COMPARED WITH
51%
IN 2017



FOR EVERY £1
WE SPENT
84p
ON ACHIEVING OUR
CHARITABLE OBJECTIVES

ACTIVE IN 9 COUNTRIES



INCOME

£17,021,000

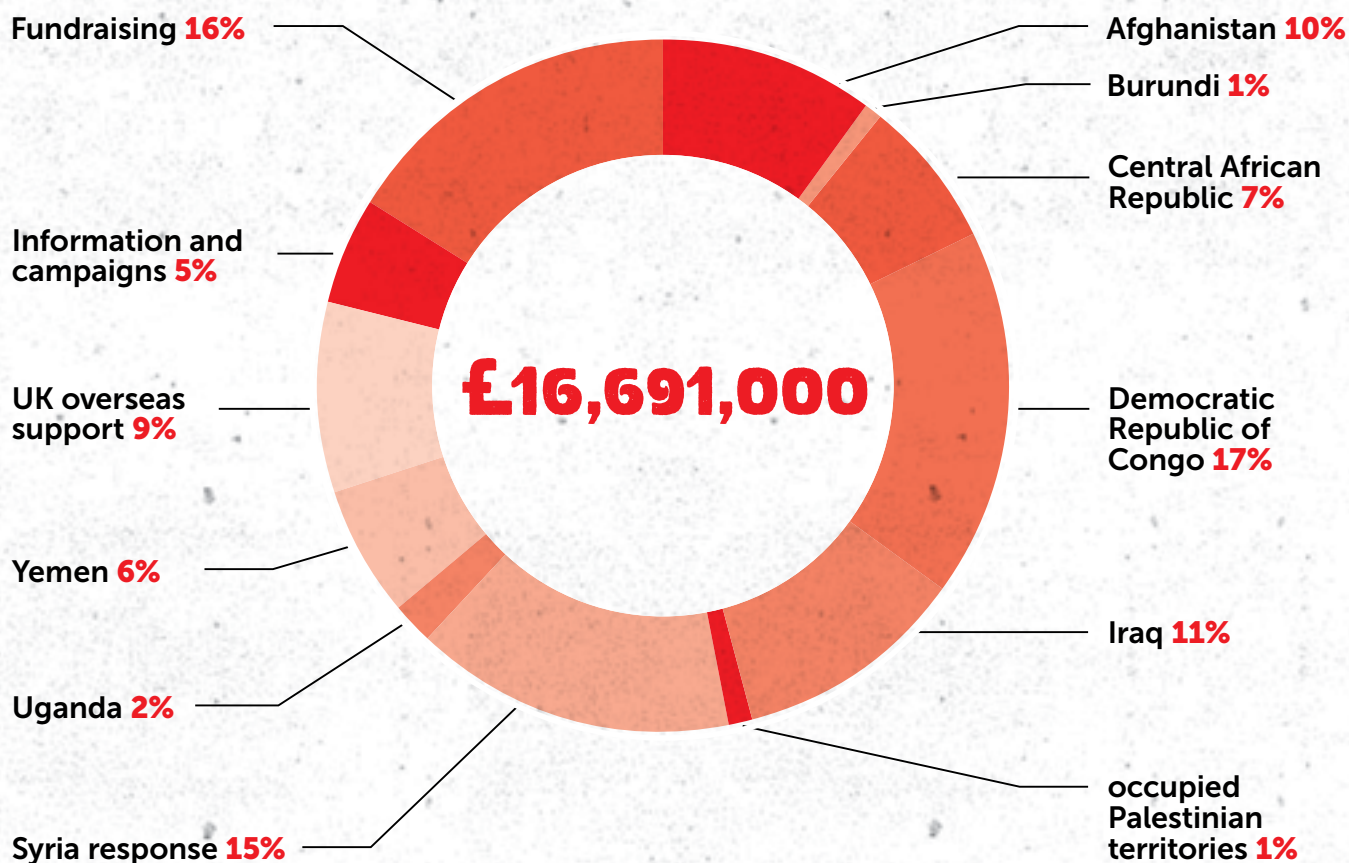
EXPENDITURE

£16,691,000



■ Income
■ Expenditure

EXPENDITURE BREAKDOWN



STRATEGIC REPORT

The trustees, who are also the directors for the purpose of company law, present their report, which includes the strategic report, together with the financial statements and auditors' report for the year ended 31 December 2018. The information required in the directors' report is included in the strategic report.

WHO WE ARE

OUR VISION AND MISSION

War Child is the only specialist charity for children affected by conflict. For more than two decades we've been driven by a single vision – for no child's life to be torn apart by war.

Consistent with that, our mission is to protect, educate, and stand up for the rights of children in war. We aim to reach children as early as possible when conflict breaks out and we stay to support them through their recovery. We keep them safe, help them to learn and overcome their experiences, and equip them with skills for the future. We also work with children and young people to demand their rights and change policies and practices that affect them.

OUR STRATEGIC PRINCIPLES

Our five strategic principles help us achieve our mission:

- 1.** We reach children early in the conflict cycle and we stay to support them through their recovery.
- 2.** We are a specialist organisation focused on interventions that are both high impact and sustainable.
- 3.** We champion the voices of children and mobilise others to take action to support them.
- 4.** Our values define our actions and drive us to continually improve our work and our systems.
- 5.** We are part of an effective global family.

By standing by these principles, we empower children to overcome the devastating impact of conflict.

OUR VALUES

Bold

We use our passion and creativity to deliver high-quality, evidence-based programmes that offer the biggest benefit for children in conflict.

Accountable to children

Children can rely on us to respond to their voices and to treat them with respect and dignity.

Transparent

We expect to be held to account by our supporters and participants and we respond with openness and honesty.

Committed to each other

We support each other and our partners to achieve ambitious goals and to be the best we can be. We are honest and open with each other, sharing our successes and confronting our challenges.

OUR OBJECTS AND ACTIVITIES

The objects in our Memorandum of Association are:

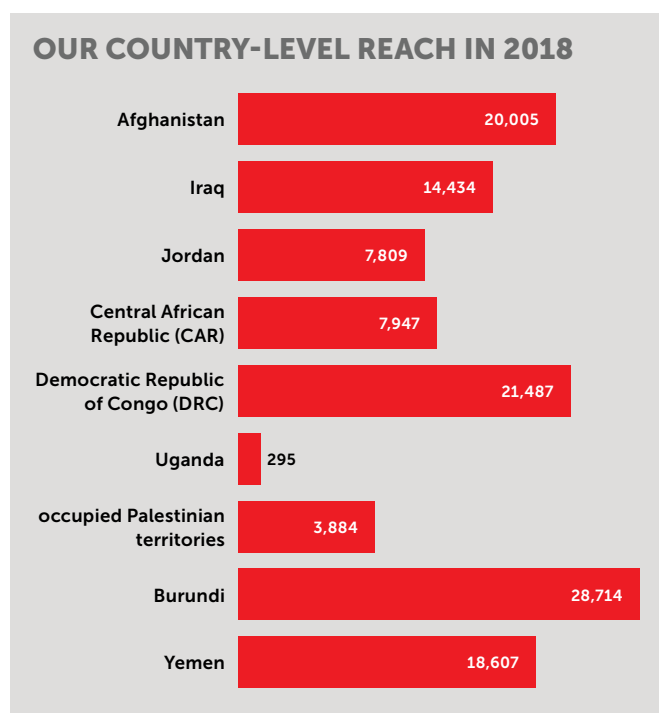
- To bring relief to persons anywhere in the world who are suffering hardship, sickness or distress as a result of war and in particular (but without prejudice to the generality of the foregoing) to bring such relief to children who are so suffering;
- To advance the education of the public in the effects of war and especially the effects of war on children.

OUR REACH

In 2018, War Child directly reached 123,182 children, young people and adults through our global programmes.

This includes over 97,000 children, 6,000 young people, and 19,000 adults who participated in our programmes offering protection, food, education, and opportunities to build a sustainable future. In 2018, 56% of participants were girls and women, compared with 51% in 2017.

Overall, War Child's direct reach in 2018 was lower than 2017. This reflects the dynamic challenges charities face in countries affected by conflict, as well as an evolution in our approach to delivering high-quality programmes that change lives.



Our ability to reach children, their families and communities is influenced by the changing conditions in each location. We may be less able to reach children in need because of extreme security challenges, a reduction in the availability of funding, or a change in the profile and prioritisation of a particular humanitarian crisis. Some programmes also offer more comprehensive and tailored support to a smaller number of individual children, rather than reaching large numbers of children with lighter-touch interventions.

For example, in previous years significant internal displacement in Iraq and the CAR has driven a high proportion of our programmatic reach in these country programmes, particularly through working with large numbers of children in temporary child friendly spaces. In 2018, challenging security and funding environments in the CAR affected the scale of these programmes significantly and impacted our global reach.

In contrast, the rapid growth of the DRC programme as a response to the ongoing conflict and displacement in the Kasai region, and of the Yemen programme as a response to the food security crisis has contributed to an increase in the number of children we reach through these country programmes – though not substantial enough to offset the decline in numbers reached in previous years in the CAR. We have also deepened our programmatic offer in Jordan through initiatives such as 'Can't Wait to Learn' which are comprehensive packages of support for those children involved but reach a smaller number of participants with more intensive interventions.

Our beneficiary reach numbers are likely to continue to fluctuate in the future for the reasons outlined here. We will aim to deliver a mixed portfolio of programmes according to the particular needs of children in given contexts, as well as the availability of funds.

AFGHANISTAN



Humanitarian needs in Afghanistan through 2018 remained as complex as they were persistent. People in Afghanistan are struggling with severe food shortages, ongoing conflict and internal displacement. Children are often the first to suffer.



Education

War Child continued to take a leading role in protecting and educating children throughout Afghanistan. In the eastern region of Afghanistan (Nangarhar and Laghman) and one of the most violent provinces of the west (Farah), we organised educational activities for conflict-affected children. The project reached over 15,000 children, trained 425 teachers across four provinces, and strengthened the education information system.

Internal displacement and refugees

The cost of the violence in Afghanistan can be measured in internal displacement and risky migration, alongside the casualty figures.

Children continue to be disproportionately affected by this. By December 2018, the total number of undocumented Afghan returnees from Iran stood for that year at 767,663¹.

Especially vulnerable are the unaccompanied and separated migrant children who are being returned to Afghanistan. This group includes children with acute needs, often requiring emergency medical assistance, as well as children who have suffered serious abuse. Displaced and returning children are at further risk of trafficking, exploitative labour, and recruitment into armed groups as they make the risky journey back to Afghanistan.

War Child has been working in western

Afghanistan in partnership with the International Organization for Migration (IOM) and UNICEF to respond to these needs since 2014. Our response over the last four years prioritises the protection of unaccompanied minors and separated children deported through the Islam Qala border (and more recently covering the Nimroz border point), strengthening access to social protection services including psychosocial support, and gathering vital tracing information to help identify children before transporting them to transit centres to be reunited with their families.

The latest cycle of the project, ending in 2018, successfully reunified 6,636 vulnerable children with their families.

Future plans

Our plan for 2019 is to reach more of the most vulnerable children, particularly those who have been affected by conflict and drought. This will be done by scaling up our emergency education response in drought-affected locations in the west of the country. We will also continue to act as a leader in response to the needs of unaccompanied child returnees from Iran, providing them with psychosocial support, family tracing and reunification support. In addition, we will lead national conversations about how best to support children forced to undertake dangerous migration.

¹ IOM, Return of Undocumented Afghans, weekly situation report, December 29 2018 <https://bit.ly/2XDqSrJ>

CENTRAL AFRICAN REPUBLIC



The humanitarian crisis in the CAR remained complex, with over half of the population in need of support. Outside of the capital, Bangui, there have been continued waves of violence between armed groups, with clashes spreading to previously stable areas, such as Kaga, Bandoro and Bambari. This compounded already severe humanitarian needs with over 700,000 people internally displaced within the CAR and 500,000 living as refugees in bordering countries.



Recovering from war

Despite the ever-present security and funding challenges of operating in the CAR, War Child has supported 7,947 children, young people and their carers in 2018 through our range of interventions. Our programmes provided education and livelihood support to children formerly associated with armed groups, so they can start the long process of reintegration into their families and communities. Separated and unaccompanied children have been identified and placed with temporary foster families until War Child can reunite them with their families. Girls and boys who have experienced gender-based violence have received psychosocial and livelihood support, alongside medical referrals

to agencies such as Médecins Sans Frontières.

A chance to play

We established War Child Football Club (WCFC) – an innovative approach to sport and psychosocial interventions that is helping children to overcome their experiences of conflict. War Child created eight football clubs in Ndele town, with the help of UNICEF funding. In November, the finals for both the girls' and boys' teams took place. Giving children a chance to play supports their mental and physical health while also encouraging hard-to-reach children to take part in our psychosocial support programme.

Education

Between June and August, we used emergency funding to support

children in Bocaranga and Bossangoa. In Bocaranga, we enrolled 150 children in literacy classes in order to help them back into formal education. In Bossangoa, we provided parenting and family planning information to 50 young mothers. Arranged into groups of five, these young mothers were supported to start a small business together in order to develop their autonomy and have money to support themselves and their children.

Future plans

We have three priorities for the 2019 CAR programme. The first is to consolidate and build upon our existing programme to deliver multi-year support to children and young people in Ouham, Ouham Pende and Bamingui-Bangoran prefectures.

Our second priority is to develop our programmes and promote innovation, so they have increased impact and effectiveness. The reintegration of children formerly associated with armed groups will continue to be a priority and will be enhanced through the introduction of social therapeutic horticulture, social and emotional learning, and cash for protection.

Thirdly, our programmes will further build the knowledge and skills of the team regarding technical quality and safe implementation of interventions, enhancing our reputation as one of the leading child protection agencies in the CAR.

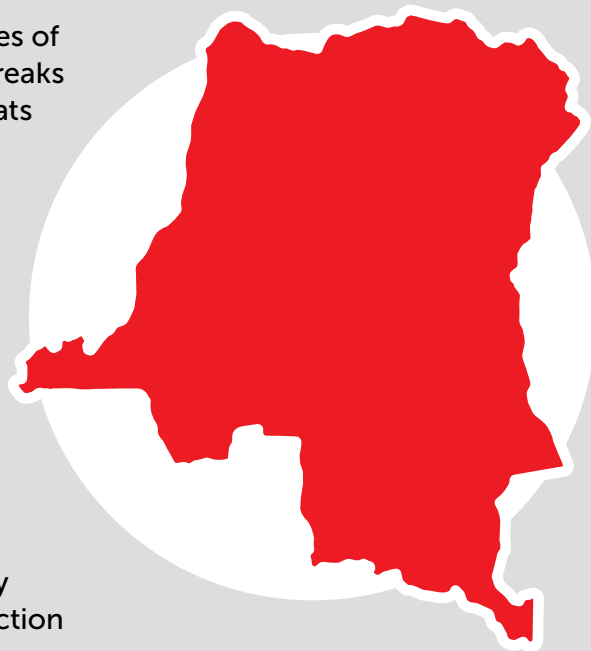
DEMOCRATIC REPUBLIC OF CONGO



The humanitarian crisis affecting several territories of the DRC, cholera epidemics and two Ebola outbreaks (Equateur and North Kivu²) presented major threats to affected communities and left thousands of children separated from their families.

With 13.1 million people in need, including 7.8 million children³, the DRC continues to endure one of the most complex and long-lasting humanitarian crises. Renewed unrest triggered displacement on an extraordinary scale, with 7.1 million internally displaced people in the first months of 2018⁴.

We reached 21,487 children and their families in 2018, thanks to the scale-up of our emergency protection response in the Kasai and the introduction of new early education activities in North Kivu.



Food shortages and conflict in Kasai

In the Kasai region, over 400,000 children were “at risk of death”⁵ due to food shortages and protection issues caused by conflict and displacement⁶. We supported children with psychosocial support in 10 child-friendly spaces across Kasai. 115 former child soldiers benefited from sessions supported by our psychosocial assistants in Tshikapa and Luebo. We also supported the return of economic migrants from Angola to the DRC, with healthcare vouchers to 284 people, and family tracing for 104 unaccompanied children to be reunified with their biological or foster families.

We also continued our support for child protection services, with 4,860 people referred through our telephone helpline in Goma and Kinshasa to access appropriate services and care. The helpline also provided 16,846 children and adults with information on their rights and protection services, when they did not know where to turn for support. We continued the extension of the helpline to new territories of North Kivu (Masisi, Lubero) where armed groups remain particularly active and the protection of children against gender-based violence, abuse and exploitation is a constant struggle.

In North Kivu, we also started building four preschool centres to reach over 300 displaced children with catch-up classes, youth clubs, psychosocial support, and over 10,000 displaced children with child protection awareness over a four-year period.

Future plans

In 2019, we will continue to support children and their families with early education opportunities and protection services in North Kivu. We will have fully-fledged Early Childhood Care and Development centres in the Rutshuru territory to ensure displaced children have access to

education opportunities. We also plan to develop our first ‘VoiceMore’ youth advocacy group, to provide young people with an opportunity to speak for themselves and advocate for the causes they care about.

Thanks to renewed funding, we can expand our activities in new areas of Kasai, which will position us well for longer-term funding. We will monitor security incidents affecting communities and displaced people to support the most vulnerable children and adults with cash so they can access vital health, transportation and food services.

2 <http://www.who.int/ebola/situation-reports/drc-2018/en/> The Ebola outbreak in Equateur and North Kivu has already made over 400 victims; Cholera has killed over 623 people.

3 https://reliefweb.int/sites/reliefweb.int/files/resources/MAJ_DRC_HRP_2017_En.pdf

4 https://reliefweb.int/sites/reliefweb.int/files/resources/MAJ_DRC_HRP_2017_En.pdf

5 <https://news.un.org/en/story/2018/05/1009432>

6 <https://reliefweb.int/topics/humanitarian-crisis-kasai-region-dr-congocrise-humanitaire-dans-la-r-gion-des-kasa>

IRAQ



Major military operations concluded in late 2017, but the humanitarian crisis in Iraq is not over. Four years of war displaced almost 6 million people, and an estimated 2.6 million people are still displaced. The strain on Iraq's services is compounded by 250,000 Syrian refugees residing in camps and host communities.



Taking the lead

War Child has played a critical role in coordinating the response of child protection agencies, as the coordinator of the Ninewa Child Protection Sub-Cluster, and in managing the country-wide roll-out of our life skills programme (DEALs).

Alongside this strategic activity, we provided protection and education opportunities as part

of the humanitarian response. In Mosul, we rehabilitated 12 schools, established 12 parent-teacher associations, and provided catch-up classes for 1,996 children. We also gave landmine awareness classes to 4,800 children. Providing safe and protective learning environments remains a key challenge for children navigating Mosul and urban surrounds.

Future plans

In 2019, we will continue our commitment to the overall humanitarian response and recovery efforts. Securing multi-year recovery funding will help us achieve a more stable funding base. This will enable us to deliver high quality programmes that offer a mix of child protection, education and livelihoods in areas where there is acute need across

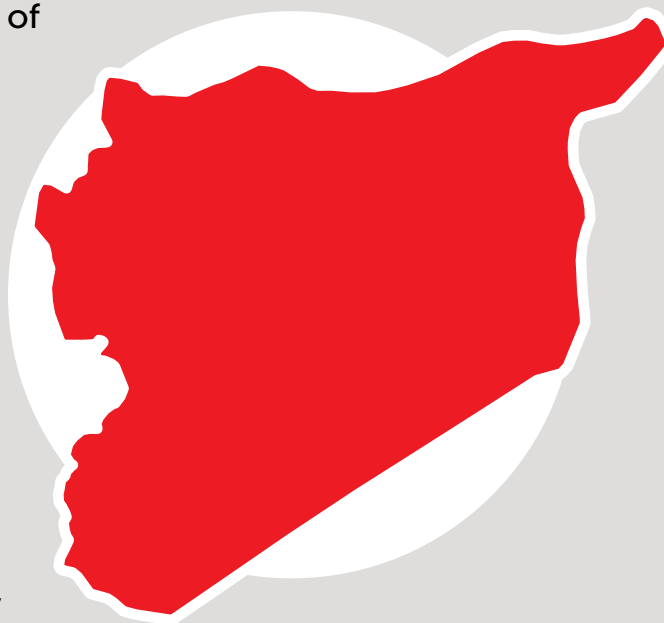
the Federal and Kurdish regions of Iraq. Sustaining our contribution to the strategic coordination of child protection agencies will be a key part of our efforts in 2019.



SYRIA RESPONSE (JORDAN)

It has been eight years since the beginning of the conflict in Syria. The scale, severity and complexity of needs of Syrian refugees remain overwhelming. Jordan is hosting some 1.4 million Syrians, 671,650 of whom are officially registered with UN refugee agency UNHCR and receive humanitarian assistance. 81% of Syrian refugees live in host communities, while 19% are confined in the main three refugee camps in the country.

In 2018, War Child continued to support refugees and host communities in Amman, Mafraq, Zarqa and Irbid as well as in Za'atari, Azraq and Emirati Jordanian Camps while building on our expertise in psychosocial support, early childhood development and positive parenting.



Time to be a Child

Under our **Time to be a Child** programme, we continued to provide psychosocial support, life skills and early childhood care and development activities to 4,140 children and parents – Syrians and Jordanians – to ensure that children affected by the conflict live in safe communities that promote their healthy development and resilience.

War Child is one of the only organisations working on early childhood care and development in the Emirati Jordanian camp, including through delivering positive

parenting sessions. Our programme in the camp has been running since 2017 and has been specifically requested by the communities living there. In 2018 2,131 children and parents were provided with life skills, informal basic education, recreational activities and psychosocial support to help them develop the resilience required to survive the trauma of displacement and conflict.

Bridging the learning gap

Finally, our tablet-based e-learning programme,

Can't Wait to Learn, continued to bridge the gap between formal and informal education for both Syrian and Jordanian children. This year we delivered 1,984 tablets in 14 schools and helped 1,981 children access education.

Future plans

Our programmes in Jordan in 2019 will transition to a longer term approach to working with government and local organisations to improve educational opportunities for children using our tablet learning

system and to develop early childhood care and Development. As part of this plan the programme will move to being managed by War Child Holland in mid 2019.

UGANDA



Northern Uganda is the largest entry point for South Sudanese refugees in the region since the war started in South Sudan in 2013. Children, young refugees and host communities are suffering from the situation and the conflict, but economic and social opportunities can bring them together and trigger mutual understanding.



In 2012 we piloted Kati as a traditional livelihoods project in the Acholi region (Northern Uganda). Kati was created as part of an innovative exit strategy, designed to gradually take the place of War Child in the region. The microfinance start-up became an independent organisation in 2015, providing a unique package of business training and mentoring to over 1,500 young people. Kati also allowed over 500 young entrepreneurs to access competitive loans in the region of Pader in northern Uganda.

In 2018, we continued supporting Kati, but - with the help of a microfinance consultant - created a set of recommendations to get Kati to financial sustainability and profitability. To support the organisation towards full independence, we supported Kati in the revision of its budget, to free-up further funding and create additional investments in their loan pool, developing a new approach to group lending.

As a result of these reforms, Kati is now supporting more young people than ever, with a high demand and more consistent repayment rates. As a result, we have decided to stop funding Kati and instead use these resources to provide support for children in other conflict-affected countries. Our experience with Kati will remain an important page in our history, and one we will continue building on and learning from in our programming which focuses on livelihood opportunities.

Future plans

War Child UK will no longer have an active presence in Uganda, however we will continue to work collaboratively with War Child Holland on a VoiceMore project in Yumbe which we established jointly in 2018. The group of young advocates will lead their first research, which will be followed by advocacy messages to support the situation of unaccompanied minors in northern Uganda.

OCCUPIED PALESTINIAN TERRITORIES (oPt)



The situation in oPt remained highly volatile in 2018. A series of mass demonstrations during the course of the year along Israel's perimeter fence with Gaza led to violent clashes, with 33 Palestinian children killed and more than 3,000 children injured, including by live ammunition.



We worked with 3,884 children in 2018, with a goal to increase access to child protection care and services for children and caregivers, and to improve the psychosocial wellbeing of conflict affected children and young people in marginalized areas of Gaza through community-based sports, life skills and leadership opportunities. Activities focused on the delivery of life skills and psychosocial support

through the War Child iDEALS project cycle. All activities were conducted with local community-based organisations by community volunteers. The team introduced child protection community initiatives into the programme, increasing the level of participation of children and their caregivers in addressing self-identified child protection risks.

Five Community Based Organisations were trained in child safeguarding systems and safe identification and referral of child protection cases. The Mental Health and Psychosocial Support (MHPSS) advisor has worked closely with partner CBOs to support them in designing and implementing their own child safeguarding measures. The structure of community supervisors

who observe DEALS sessions and report back to the MHPSS advisor also provides a higher level of quality control and a higher likelihood to detect any child safeguarding issues in sessions.

BURUNDI



In Burundi the programme focused on a civil registration campaign, helping undocumented children to achieve their rights. 26,274 children who were administratively unrecognised and consequently deprived of most of the basic social services regained their administrative identity. This was thanks to the community sensitization that the project initiated and the registration campaign that the project has facilitated in collaboration with the municipal structures in charge of civil status.



572 out of 600 children that started a life skills training cycle through the DEALS programme were able to complete the six modules (identity and assessment, dealing with emotions, peer to peer relations, relations with adults, conflict and peace, the future).

The Village Savings and Loans Associations (VSLA) approach has been promoted by the project to support parents trained in child rights and other parents in the same communities. This has given communities an access to a source

of additional income highly valued as a child protection response in the context where poverty in households is the most important risk factor for child protection. Out of 60 VSLAs that the project had created and supported (in training on

methodology and work materials), comprising 1,424 members (466 men and 958 women), 59 VSLAs successfully shared the funds of the first cycle of savings with an average benefit rate of 68.9% of the invested capital.

YEMEN



We provided support to 10,837 children and parents in Sana'a by giving unconditional cash assistance for essentials like food and medicine.



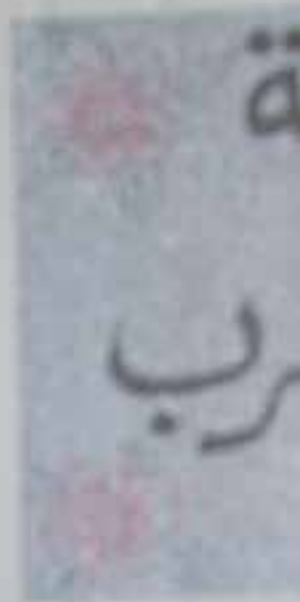
Our education programme in Sana'a began with refurbishing three schools and carrying out a back to school campaign. This involved distributing school bags to 4,000 children in the surrounding area, so they had resources to start the new school year. Providing basic learning materials also helped parents prioritise other essential expenses in the midst of conflict. We helped provide birth certificates for 6,732 children to safeguard

their rights to protection from violence, abuse, exploitation and neglect. Finally, we also started our child protection programme in Sana'a. As the violence and disruption of war continues to have a major impact on children's well-being and development, our support helps them deal with trauma and stress. Child-friendly spaces play a key role in giving children a chance to express themselves freely and to practice their

hobbies in a safe and secure environment. We built three child-friendly spaces in schools and provided psychosocial support and life skills to 984 children. We also established three child protection committees and work with communities to ensure that the rights of children are upheld and that children affected by the conflict live in safe communities that promote their healthy development and resilience.

Future plans

Our plans for 2019 are to continue providing unconditional cash assistance to the most vulnerable families and children and to expand our education and child protection programmes to reach more children and communities. We will also expand our programming in Taiz and Ibb governorates where many internally displaced families and children require humanitarian assistance.



OUR ACHIEVEMENTS IN 2018 AND 2019 PLANS

Our strategy is based on five key principles for action and we made progress in 2018 against each of these principles.

PRINCIPLE 1

We reach children early in the conflict cycle and we stay to support them through their recovery

In 2018 we used our own emergency response fund to establish new programmes in Kasai, DRC as a rapid response to a huge displacement of families caused by an upsurge in conflict in 2017. Using £80,000 of unrestricted funding we established a rapid response team which started small scale programming and then attracted further funding from institutional donors helping us to greatly expand our work. We have attracted £2.3 million of funds stretched across 2018 and into 2019, with more expected to enable us to reach more children and support them through this conflict upheaval. And having used our emergency funds to establish operations in Yemen in 2017, during 2018 we again invested to secure the necessary registration from the government authorities in Aden, allowing War Child to work on both sides of the front line.

We have also used unrestricted funds to cover critical gaps in the donor funding of our protection and education work with Yazidi children in northern Iraq. As donors and UN agencies turned their

attention elsewhere, War Child was able to maintain services to a neglected and vulnerable group.

We also invested and innovated in our programmes — from significantly scaling up our support to children whose lives have been uprooted by the conflict in Kasai to developing innovative methodologies to deliver psychosocial support through sport, as well as further refining a sector-leading approach to the reintegration of child soldiers. This has built the foundations for us to help more children in 2019 in areas of acute need, using new approaches based on our existing knowledge and expertise.

We raised £7.7m of institutional grant funding, with some notable success and new relationships, including with two DFID Aid Connect consortia, a new DFID Aid Match project for the CAR, new OCHA funding in Yemen, and securing a longer-term UN Peace Building Fund grant following a competitive global call.

2019 PLANS

In 2019 we aim to scale up our programmes by raising increased amounts of institutional funding. In order to achieve this, we are investing in extra capacity in our country teams to increase the ambition of our grant proposals so we can diversify our donor base, increasing the number of consortia that we work with, and introducing new technical approaches to our programmes, including extra capacity on psychosocial support. To manage the increase in grant funding, we will also invest in strengthening our grant management processes and systems.

We expect the funding environment to remain challenging for programmes in Jordan and Afghanistan, but anticipate continued growth in Iraq, DRC and the CAR. As the world's biggest humanitarian crisis continues in Yemen, the War Child programme plans to expand to new provinces in the south and east of the country. And in terms of wider programme expansion, we are liaising with colleagues at War Child Holland to see how to continue to support the Syria response; particularly the needs of returning refugees.

PRINCIPLE 2

We are a specialist organisation focused on high impact and sustainable interventions

We continued to develop our signature programme approaches, including technical capacity to deliver the iDEALS life skills training with conflict affected children, defining an approach for reintegrating children associated with armed forces and groups (CAFAAG), and developing a sports-based intervention (War Child FC), using football and other team games to help children access protection and psychosocial support.

In a concrete demonstration of scale-up in action, the Child Protection sub-cluster in Iraq identified War Child's iDEALS methodology as the preferred approach to psychosocial support. This was a significant endorsement of the effectiveness of the approach, and an example of War Child playing a leading role among child protection agencies.

An external evaluation of War Child's work with unaccompanied migrant children in Afghanistan produced useful lessons for developing our approach

to case management. This evaluation also helped us develop additional security measures for War Child's social workers who undertake the perilous work of supporting migrant children as they return home.

War Child completed a self-assessment of the Core Humanitarian Standards (CHS) and received a positive response from the CHS secretariat for the quality of the exercise. We developed a quality improvement plan for 2019 that emphasises the development of feedback and complaints mechanisms, further investment in needs assessments, and the comprehensive development of outcome indicators. These efforts are supported by the progress made in developing a common set of policies and programme approaches with War Child Holland, which included shared policies on security, safeguarding and a global monitoring framework.

2019 PLANS

In 2019 we look forward to creating a deeper evidence base for the effectiveness of the iDEALS approach to life skills and psychosocial support through a research effort in Jordan. We are going to draw on the experience of three years of case management with vulnerable migrant children in Afghanistan to learn more about the push and pull factors around risky migration to Iran.

Our CHS plan will drive further improvements in our accountability mechanisms, and we will strengthen our global advisor pool by recruiting a specialist psychosocial support advisor.

CAMPAIGNS

We launched a major campaign on MHPSS in partnership with the Evening Standard newspaper – ‘Learn to Live’ – calling on the UK government to prioritise and fund psychosocial support for children in conflict. The three-month campaign consisted of 195 articles across the Evening Standard print and online and the Independent, as well as on the social media channels of both papers. This resulted in significant financial commitments to the humanitarian sector from DFID amounting to £11 million, £472k of which came to War Child through an Aid Match commitment. As a result of the campaign DFID is now leading an international donor group to ensure better funding for MHPSS; prioritising research on MHPSS and placing a greater focus on MHPSS in its education programmes.

We played a leading role as the one of the founder NGO members of the Global Coalition for Reintegration, convened by the UN Secretary General’s Special Representative on Children and Armed Conflict, Virginia Gamba. The aim of the Coalition is to dramatically increase prioritisation and funding for reintegration. To support the aims of the Coalition we launched a policy report on the reintegration ‘funding gap’ at the UN General Assembly in September which our CEO presented at a high-level event. Our analysis and recommendations on this topic have played a significant role in advancing the agenda.

While the UK Government plays an important role supporting and protecting human rights around the world, we believe that the government can do more to support children’s rights in conflict. In July we launched the report ‘A Critical Friend?’ which argued for the UK to stand up against children’s rights abuses in countries that are close allies. We urged the Foreign and Commonwealth Office and Ministry of Defence to use diplomatic relationships and military training programmes as opportunities to promote children’s rights. In December, senior War Child staff and War Child Ambassador Carey Mulligan met with Foreign Office Minister Lord Ahmad to present this case.

2018 saw a sea-change in the quality and consistency of War Child’s media coverage to mobilise support for children in conflict. Articles in national newspapers almost trebled. More than a third of the pieces contained a quote from a spokesperson or expert, or a direct quote from a child.

2018 also saw some considerable successes in our creative digital campaigns. The ‘Escape Robot’ campaign highlighted the impact of conflict on mental health, won seven international awards, including the Cannes Corporate Media and TV Awards, Drum Content Awards and EVCOM Industry Awards, as well as being named Best Digital Campaign of 2018 by Third Sector Magazine.

In gaming, we produced a child-led story and creative assets for an exclusive War Child add-on for the game 11-11: Memories Retold. Our contribution to the game gives gamers an experience of the issues faced by children affected by war. We also created War Child’s first graphic novel – detailing the story of Frederique, a former child soldier from the Central African Republic.

FUNDRAISING

In 2018 we mobilised more support and funding for our work than ever before, raising a total of £17 million. Of this total, £8.4 million was unrestricted funding, a 31% increase on 2017.

Our partnership with People’s Postcode Lottery (PPL) remains a mainstay of our unrestricted income, raising £2.9 million in 2018. We are hugely grateful to the players and we enjoyed hosting the PPL team along with their Core Values Award winners in November to share details of our work and showcase one of our ‘Safe & Sound’ music events with them. Our O2-sponsored BRITs week featured a stellar line-up including Jessie Ware, Rag’n’Bone Man and Laura Marling, topped off by global superstar Ed Sheeran performing a headline show in February. Other highlights include the Arctic Monkeys at the Royal Albert Hall (a special one-off show in support of War Child) as well as a huge contribution from our global ambassador Sam Smith. Sam’s global arena tour, ‘donating his birthday’ and his inaugural fundraiser, May in the Rain raised significant funds.

We were delighted to announce BAFTA award-winning actor Vanessa Kirby as a new global ambassador, joining our other long-standing friends Carey Mulligan, Marcus Mumford and Sam Smith. Carey and Marcus continued their inspiring work – helping us to launch a new sports programme, War Child FC, as well as hosting their flagship Wassail events in London and, through our partner organisation Children in Conflict, New York. Gentlemen of the Road, Mumford and Sons’ touring group, announced support for a three-year partnership to start in 2019.

Last year was the final year of our partnership with law firm Allen & Overy, raising almost £600k, culminating in a spectacular sponsored trek undertaken by staff members across the Jordanian desert, raising vital funds for our early childhood care and development work.

Our fundraising in interactive entertainment continued its impressive growth by raising over £800k through campaigns including the award-winning Armistice, and our first ever mobile game. We also became a beneficiary for the Jinglejam, an annual Christmas fundraiser organised by online content creators The Yogscast.

2019 PLANS

War Child wants more governments to make commitments to fund MHPSS in 2019. We are planning to hold a major event at the Global Conference on Mental Health taking place in Amsterdam this October. We will support young people from our 'VoiceMore' youth advocacy programmes in Africa and the Middle East to attend and share their views and perspectives.

We will also campaign for more governments to fund and support the reintegration of children associated with armed forces and groups by launching a major report in spring, leading a research project for the Global Coalition for Reintegration, and participating in events throughout the year.

We will launch a report highlighting attacks on schools in the Yemen conflict at the International Safer Schools Conference in May. We will continue to urge the UK government to use opportunities to improve its allies' performance on protecting children in conflict, and to develop strategies and action plans across government to enhance their role in promoting children's rights in conflict.

A particular fundraising focus for the coming year will be on growing War Child FC, investing in gaming to grow our partnerships and income, and seeking new corporate partnerships. As ever, we also plan to put on an amazing series of music and entertainment events which will continue to surprise and delight our supporters.

PRINCIPLE 4

Our values define our actions and drive us to continually improve our work and our systems

In 2017 we had started to review our systems and policies for safeguarding and child safety. We completed this work in 2018, launching a new policy and approach. We included this in a wide-ranging review of our overall organisational integrity and the checks we have in our systems and governance to make sure that our staff and partners live up to our values and the highest standards of behaviour at all times. This review included launching an updated code of conduct and whistleblowing system, along with changes in our reporting structures designed to ensure that trustees have full information about risks and incident reporting.

We implemented a new HR system that captures and processes employee data and adheres to General Data Protection Regulation (GDPR). The development of a refreshed code of conduct and a review of our workplace health and safety policy were major milestones in the creation of our essential training framework, which ensures

that all our staff are competent in representing War Child and living our values and behaviours. All colleagues were given training on these new standards and policies. We developed an online policy management and training system: War Child's Compliance Cloud. This organisation-wide initiative now provides a secure and scalable framework to push out policies and track adoption on a range of mandatory compliance issues such as data protection, cyber security and user responsibilities.

We continued to strengthen our finance management systems and capacity in response to the increasing size and complexity of our budgets. We implemented significant policy revisions to ensure that War Child continues to implement strong internal controls, and is responding to the needs of donors, such as USAID, EC and DFID so that we can continue attracting funds from a variety of sources.

2019 PLANS

Our plans for 2019 include making all our HR policies relevant to, and accessible for, the countries where we work. We will also bring all our HR policies into one document which will include translations into local languages. We will continue to focus on compliance and safer recruitment by implementing new due diligence checks at the recruitment stage. We will create a statement that defines our approach to inclusion and diversity, and a new internship programme will be launched to specifically appeal to people from a wider range of backgrounds.

Our plans also include the implementation of a new finance system to support our growth and our rapidly diversifying funding base. With a new finance system, we will be able to improve the quality and timeliness of financial information, streamline and integrate finance work, and enable staff to spend less time processing data.

PRINCIPLE 5

We are part of an effective global family

We deepened our collaboration with War Child Holland, aiming to achieve a greater impact by working closely with them and avoiding any duplication of cost. Examples of this cooperation include our shared programme standards, a joint safeguarding policy and a shared approach to monitoring and evaluation. The increased efficiency of having joint policies and standards will be seen in future years as we collaborate on larger projects.

We continue to work with War Child Holland and War Child Canada to discuss ways in which the War Child family around the world can work most efficiently and effectively in area of shared interest.

Our partner organisation in the USA, Children in Conflict, made significant progress in 2018, running major events such as the Winter Wassail. We also saw an upswing in activity in our other affiliate, War Child Australia, with a sell-out live music event in Sydney.

2019 PLANS

In 2019 we will finalise the governance and legal structure of War Child International, agree further integration with War Child Holland, and continue working closely with our partners and affiliates in the USA and Australia.



FINANCIAL REVIEW

INCOME

Our income continues to grow. In 2018, we raised £17m, up 23% on 2017.

In 2018, restricted income constituted just over half of the total income. This is a slight reduction in percentage terms compared to 2017, however with our continued focus on increasing restricted income, we expect this ratio to change in 2019. In 2018 restricted income grew by 16% compared with 2017, at £8.6m.

In 2018 we secured funding through an increasingly diversified portfolio, working with new donors such as UN Peace Building Fund, expanding our relationship with other UN agencies and working in consortium with other NGO partners, the Norwegian Refugee Council, World Vision and Restless Development.

We raised £8.4m in unrestricted income, up 31% on 2017. Lottery funding continued to be a major source of unrestricted income. In 2018, we held three lottery draws, generating a total of £2.9m. Our Ambassadors, Carey Mulligan and Marcus Mumford, hosted two successful Winter Wassails, one in London for War Child UK and one in New York for our US partner, Children in Conflict. Part of the money pledged at the UK Wassail, is to be for a specific project and will be restricted income in 2019.

We have continued to have success with our music events, raising the biggest amount to date through our events, including BRITS Week gigs, our Safe and Sound concerts and a jazz event at Ronnie Scott's hosted by our Ambassador Sam Smith.

EXPENDITURE

In 2018 we spent £16.7m, an increase of 4% when compared with 2017.

The majority of expenditure, 84%, was spent on achieving our charitable objectives, with most spent in our country programmes. We started 2018 with unrestricted reserves exceeding our target reserves. This enabled us to invest in both our country programmes and our HR and finance support services. Support to our country programmes enabled us to continue our investment in the Kasai response, work with the Yazidi population in the camps in northern Iraq and provide continuity funding for our programmes in the CAR. (See pages 10-18 for our achievements in these areas).

YEAR-END POSITION

In 2018, War Child created a net surplus of funds of £330k which represents 2% of income. The overall surplus consists of a surplus on restricted funds of £1,036k and a deficit on unrestricted funds of £706k. The deficit on unrestricted funds represents the spending down of additional reserves above the target reserves brought forward into the year. The surplus on restricted funds relates to income received in advance of expenditure.

War Child's net current assets total £3.8m (2017: £3.2m). Total reserves are £4m (2017: £3.6m) consisting of:

- unrestricted funds £1.6m (2017: £2.5m)
- designated funds £226k (2017: £nil)
- restricted funds £2.2m (2017: £1.1m)

RESERVES POLICY

War Child's reserves policy is to ensure that we hold sufficient free reserves at any point in the financial year (free reserves are unrestricted funds, excluding tangible fixed assets and other designated funds, but including investments) to address the significant risks posed to the organisation, our participants and our employees of working in and around war zones.

The target for unrestricted free reserves is calculated through a detailed assessment of the core running costs of the organisation and the risk profile of income. The current reserves target, that is the minimum reserves requirement to address such risks, is £1.6m (2017: £1.6m) subject to amendment as the organisation evolves. This amount needs to be available to cover risks that may materialise throughout the year.

War Child has further analysed free reserves into:

- Continuity business reserve. This is held at all times by the organisation to mitigate against the risks in War Child's operating environment (the principal risks and uncertainties being explained in more detail on pages 28-29). This is the £1.6m referred to above.
- Working capital reserve. One of War Child's most significant fundraising events is held in December and cash from that event is needed to fund operations into the following year. In order to manage fluctuations in the timing of income receipts from this event and other sources throughout the year, it is also necessary for War Child to hold a revolving working capital fund, that allows War Child to manage cashflow at all times. The year-end working capital fund to be carried forward into 2019 is £226k.

UNRESTRICTED RESERVES

Unrestricted reserves are not restricted or designated for a specific purpose. They include £27k of investments held as art assets. General reserves at the end of 2018 were £1.6m, against the target reserves level of £1.6m.

RESTRICTED RESERVES

Restricted funds are tied to a particular purpose which has been specified by the donor. Restricted reserves reflect the unspent balance of any of these funds. Restricted reserves at the end 2018 were £2.2m, an increase of £1m compared with the 2017 year-end position.

GRANT MAKING POLICY

In some circumstances, grants may be made to third party non-governmental organisations or other charities when this supports our charitable objectives.

War Child will make a grant only if the non-governmental organisation or other charity meets the following criteria:

- It has registered with the relevant government authorities
- The objectives of the proposal are compatible with our mission statement and objectives
- The last financial annual report is produced with full accounts
- A formal agreement is signed with War Child.

INVESTMENT POLICY

War Child's investment policy is to protect our capital, particularly given the constraints of restricted project funding and the often high-inflationary environments in which we operate. Tolerance to capital volatility is low, and the charity adopts a cautious attitude to risk. War Child's assets should be held in cash or low-risk government bonds, although certain investments are also held in art assets to protect against long-term devaluation.

Given the overseas nature of much of War Child's expenditure, and the risk posed to the charity through foreign exchange movement, we limit the exchange between currencies where possible. An amount equal to our reserves target (2018: £1.6m) should be maintained in cash deposits that are always immediately accessible. Further investments may range from short to long term, maturing in line with the planned expenditure cycle across War Child's projects.

During the year, our art assets were revalued by an independent auction house. This revaluation reduced the value of the asset to £27k, and this reduction in value is reflected in the financial statements.

War Child trustees have delegated decision making on investment matters to the Audit and Risk Committee. The charity manages our own investments and has a nominated list of authorised signatories, two of whom are required to make any investments on behalf of the charity.

VOLUNTEER POLICY

Volunteers are key for the continued success of our fundraising events and are a major resource which contributes to achieving our objective of improving children's lives. The skill, time and energy contributed by volunteers helps us achieve our goals and in turn benefits volunteers by offering them the opportunity to gain experience and to 'try something new' while meeting like-minded people. There are volunteers who help regularly throughout our offices and operations, as well those who help on a more ad hoc basis such as stewarding at fundraising events. We are enormously grateful to all those who offer their time for free to help support the children we work with.

FUNDRAISING REVIEW

Details of War Child's fundraising activities can be found on page 22.

GOING CONCERN

The trustees have reviewed War Child's reserves and free reserves position in light of the reserves policy discussed above. They consider that there are sufficient reserves held at the year end to manage any foreseeable downturn in the UK and global economy. The trustees consider that there is a reasonable expectation that War Child has adequate resources to continue in operational existence for the foreseeable future and for this reason, they continue to adopt the 'going concern' basis in preparing the accounts.

AUDITORS

During 2018 War Child tendered the audit services. Through this competitive process Crowe U.K. LLP was selected to continue as War Child's auditors for the financial years 2018-2021, subject to annual review and approval by the trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

War Child divides risks into two categories: strategic risks and operational risks. Strategic risks present a significant threat to us achieving our strategy. They are monitored closely by both the senior management team and the Board of Trustees. Operational risks concern mainly internal processes and controls. They can be managed through effective systems and good practices and are monitored closely by the management team.

There is some fluidity between the risk registers, with severe operational risks being elevated to the strategic risks register if felt appropriate or they need specific attention. Risks are scored according to how likely they are to occur and the impact they would have on the organisation. The Board of Trustees weighs up the appetite of the risk to the organisation and the management looks at ways to mitigate the risks.

The risk registers are periodically reviewed, in accordance with War Child's risk policy to ensure the registers remain up-to-date and relevant. Our strategic risk register categorises risks according to their threat to our five strategic principles and the operational risk register aligns risks to each of the 11 objectives highlighted in our strategy. A deep dive into the strategic risks is done on a rotational basis at the Audit and Risk Committee. This committee meets every quarter and at each meeting it reviews a specific risk in detail, working through the register, so over a period of time a deep dive of all risks is completed.

In 2018 our newly appointed Internal Auditor undertook a review of both registers. Their recommendations will be implemented in 2019. The Internal Auditor will also provide training around setting and managing risks in 2019, which will enhance the set-up and use of both registers.

Risk that children experience accident, attack or abuse during or because of their association with War Child

Keeping children safe is always our priority. We have a comprehensive child safeguarding policy and code of conduct, and we are committed to training staff in this area. Child safeguarding focal points are identified in each office and incidences are reported to a central child safeguarding email address, which is monitored by our Child Safety and Safeguarding Advisor, so they can be investigated.

We carry out risk assessments of all War Child and partner project sites and have developed a comprehensive health and safety checklist. Any serious incidents are reported to the Board of Trustees and to the Charity Commission.

The Child Safety and Safeguarding Advisor provides monthly reports to the Senior Management Team and attends the quarterly Board Audit and Risk Committee meeting.

Risk that our security management fails to provide adequate levels of risk management for the environments in which we work

The safety of our staff and the children we work with is of paramount importance to us, especially given that our work takes our teams to insecure locations which can pose significant threats to security. Our Global Security Advisor works closely with a team of in-country security officers to analyse the risks and implement mitigation strategies so we can work in volatile environments, without undue risks to our staff or children.

All staff working in or travelling to our country programmes must complete hostile environment awareness training (HEAT) and we employ country directors who are experienced in security management and are able to comply with security regulations.

We invest resources in making our compounds and project locations more secure and in confirming lockdown and evacuation procedures in case of threats. We engage actively in national security networks and our Global Security Advisor meets weekly to update senior leaders on the current situation in our working environments. The Global Security Advisor reports to the quarterly Audit and Risk Committee meetings and we have a Crisis Management Plan and a committee ready to convene as needed.

Risk that we are unable to deliver our programmes to the required quality standards, or fail to understand or explain our impact

To be able to deliver high quality programmes, War Child has invested in the specific technical skills of Child Protection, Education in Emergencies, and Food Security and Livelihoods in both our country programmes and in the London office.

It is not enough to simply count how many children attend War Child centres or access our other services, but it is important for us to measure the impact of the programmes we run. We therefore invest in studies and evaluations that can show the impact of our work on the wellbeing of the children and families involved.

We have integrated the Core Humanitarian Standards into our own programme of standards so we can assess our work against agreed common standards. We have completed a comprehensive self-assessment against these standards. We produce an annual results report so we can assess and demonstrate our global achievements.

Risk that we do not effectively listen to or amplify children's voices

We are keen that our work is focused on what children tell us they need, rather than on what we assume they want. In a fast-moving emergency environment, there is always a danger that corners might be cut, and programmes might be designed and implemented without consulting with the children we want to help.

Championing the voices of children is one of our five strategic principles and we believe that children and young people are the best advocates for their own safety, education and opportunities. Programmes are designed in consultation with children and children are involved in evaluating programme results. Projects have child feedback mechanisms built into them so

we know what children think of our programmes and can make changes in real time. Our annual impact report always includes surveys and focus group discussions with children across our programmes so that we can report on what they think of our work.

Risk of insufficient funding preventing us from continuing to grow our impact and support more children

To mitigate this risk, we develop robust fundraising strategies and look for innovative ways to raise funds. We build strong relationships with supporters and work hard to maintain their trust. We cultivate strategic relationships with our institutional donors to build our reputation and credibility with decision makers.

By building a diverse portfolio of donors, we avoid being reliant on a single source of funding. We are thoughtful about the donors we work with and our screening process helps us avoid accepting funding from sources that are not compatible with our values.

Our fundraising teams work energetically to grow our funds to respond to children who desperately need our help – both in the areas where we already work and in new territories. We invest in the right capacity at head office and country office level to ensure that we can produce high quality proposals and manage donor relationships and opportunities proactively.



SAFEGUARDING/ SERIOUS INCIDENTS

War Child works to uphold the fundamental rights of all children – and we are committed to keeping children safe from harm and abuse. Children and young people are at the centre of everything we do. In 2018 we revised our child safeguarding policy, creating a global policy together with War Child Holland. This robust policy sets out the procedures and practices in place to protect all children who encounter the organisation and apply to all people who represent War Child, in any capacity.

Our policy framework ensures that all incidents and suspicions of child abuse are reported and responded to. All War Child representatives have a duty of care and responsibility to protect the children we have direct and indirect contact with. Our policies also ensure that child safeguarding is paramount in all areas of our work – including other organisation policies.

War Child UK has a zero-tolerance approach to child abuse. Non-compliance with our child safeguarding policy is subject to disciplinary action, including dismissal.

In 2018 there were 23 reported safeguarding incidents across all forms of abuse (neglect, emotional, physical, sexual and exploitation). Of the 23 cases, all were investigated thoroughly, resulting in 4 individuals exiting the organisation using different disposals in line with internal procedures.

Safeguarding reports were received from Iraq, Afghanistan, the Central African Republic and the Democratic Republic of Congo. This represents a 130% increase of reports from 2017.

The principle reason for this increase is investment in safeguarding capacity including the recruitment of the Child Safety and Safeguarding Advisor in May 2018, the roll out of the safeguarding policy (which will continue into 2019) and greater awareness among staff of how to report, and their obligation to do so.

In February 2018 the death of a child was reported in our Jordan programme. The incident was immediately investigated by an external consultant who found that there was no evidence of negligence by War Child. The incident was also reported to the Charity Commission who were satisfied with War Child's response and findings. The death arose due to a tragic accident of a child asphyxiating on a balloon. Following the death, War Child has revised its programming and balloons are now banned across all programme sites.

In 2018, we also launched our child safety checklist to improve site safety for children and in response to the death of the child in Jordan. Every country office is required to complete the child safety checklist, for every site, on a monthly basis.

In 2019 we will further embed child safeguarding in our organisational culture and programming to ensure that we are a safe organisation. Comprehensive training is planned for in-country focal points, the Board and head office staff and, in April, a Safeguarding Week is being planned to officially launch the policy. A new feedback and complaints policy, and accompanying tools will also be launched, giving participants and communities greater opportunity to report concerns.



OUR GOVERNANCE

War Child is a charitable company limited by guarantee. We were incorporated on 30 July 1998 and registered as a charity on 22 September 1998. The company was set up under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. This was amended on 8 June 2018.

The objects in our Memorandum of Association are:

- To bring relief to persons anywhere in the world who are suffering hardship, sickness or distress as a result of war and in particular (but without prejudice to the generality of the foregoing) to bring such relief to children who are so suffering;
- To advance the education of the public in the effects of war and especially the effects of war on children.

OUR BOARD

The directors of War Child are the trustees, collectively known as War Child's Board. The Board, War Child's governing body, comprises of ten trustees. Trustees serve an initial term of three years that can be extended up to a maximum of six years. The Board has guaranteed the liabilities of the company up to £1 each.

The Board is responsible for overseeing the governance of all War Child's work and delegates the day-to-day management to the Chief Executive Officer (CEO) and Senior Management Team (SMT). The details of this arrangement are set out in a Delegation of Authority document, which is regularly reviewed. The trustees remain collectively responsible for the charity. All powers delegated under this policy are exercised in good faith based on the understanding of the final authority of the Board.

In 2018, the Board met quarterly. At each meeting it reviewed the charity's overall progress based on reports from the CEO and the SMT and reviewed our financial position and organisational risks. It reviewed War Child's achievements in delivering against our objectives for 2018, revised priorities for 2019-20 and approved the budget and annual plan for 2019.

OUR COMMITTEES

The Board has delegated specific responsibilities to two sub-committees, as detailed below, whose membership is appointed by the Board and who meet quarterly.

The Audit and Risk Committee is responsible for ensuring we manage our risks and have strong internal controls. It reviews our internal and external audit reports and our incident reporting logs.

The committee received updates on key risks affecting War Child's operations, including safeguarding, security, fundraising and data protection legislation. The committee considered War Child's approach to foreign exchange, investments and reserves.

We strengthened our Programme Quality Committee in 2018 by including an additional co-optee. The Committee has analysed various themes and strategies, innovative approaches and findings and learnings from evaluations. It also examines War Child's quarterly beneficiary numbers and its institutional funding pipeline.

TRUSTEE RECRUITMENT AND TRAINING

To make sure our governance is as effective as possible, we draw on skills and expertise in a range of areas including financial management, programmes, safeguarding, fundraising and legal. We review the skills and expertise of our board members to identify any gaps.

War Child operates an equal opportunities policy and encourages applications from diverse backgrounds. Trustees are appointed following open advertising. Interviews are then conducted by the Chair and CEO, with input from other trustees.

All new trustees receive a structured induction programme, covering all aspects of the role and the organisation. As part of this they are given copies of War Child's Memorandum and Articles of Association, governance document, strategy, business plan, the previous year's annual accounts, the current year's budget, child safeguarding policy, code of conduct and any relevant committees' terms of reference.

New trustees must complete and sign a declaration of interest, anti-bribery policy, fit and proper person's declaration and War Child's code of conduct and safeguarding policy. We also offer training to all trustees.

The latest version of the Charity Commission's Governance Code was shared with all trustees who undertook a self-assessment against the seven principles of leadership; integrity; decision making; risk and control; board effectiveness; diversity; openness and accountability, as laid out in the code. Questions were developed around each principle and the Board assessed our governance against the criteria of 'comply

or explain'. The Board developed an action plan for the areas that they felt needed improvement.

CONSIDERATION OF PUBLIC BENEFIT

War Child gets children back into school. We work with ex-child soldiers to create new opportunities for them. We promote justice for young people in detention. We also work with children and young people to demand their rights and change policies and practices that affect them.

War Child trustees ensure that War Child carries out our aims and objectives and that these benefit children marginalised by war in Afghanistan, Burundi, CAR, DRC, Iraq, oPt, Syria, Uganda and Yemen. The trustees have considered the Charity Commission's published guidance on the public benefit requirement under the Charities Act 2011.

WAR CHILD'S INTERNATIONAL PARTNERSHIPS

War Child UK is one of three independent War Child organisations who run programmes in conflict-affected countries – the other two are War Child Holland and War Child Canada.

Between us, we help children affected by conflict in a total of 15 countries. We collaborate whenever possible to ensure we benefit from cost sharing office space, submitting joint proposals, shared learning, pooled knowledge and joint fundraising initiatives.

We work closely with our affiliate, War Child Australia, to raise money for projects that we deliver. War Child Australia was formed in 2002 and is staffed entirely by volunteers, meaning their administration costs are very low. War Child also works with a partner organisation in the United States called Children in Conflict. War Child US is an affiliate of War Child Canada. War Child Trading Limited is a wholly owned subsidiary of War Child. During 2018 War Child Music Ltd made a profit of £23,782, which was donated to War Child in its entirety.

KEY MANAGEMENT REMUNERATION

War Child is organised into four departments, led by SMT members reporting to the CEO. Their salaries are subject to the same approach we use for employees. The CEO's salary is reviewed annually by War Child's Board of Directors and a decision is made by trustees on the level of remuneration. We began a comprehensive compensation and benefits review in 2018, to be completed in 2019.

Following this, a salary scale review will be carried out by the SMT every other year to ensure that our salaries are commensurate with comparable charities.

OUR MANAGEMENT

BOARD OF TRUSTEES

Sacha Deshmukh
(Chair of Trustees)

Heather Francis
(Treasurer)

Cleo Blackman
(appointed 5 December 2018)

James Briggs
(appointed 5 December 2018)

Sarah Dunn
(appointed 5 December 2018)

Guy Gibson

Nabila Jiwaji

Siobhan King
(appointed 5 December 2018)

Rod MacLeod

Penny Richards
(resigned 8 June 2018)

Tom Scourfield

Jacob Tas
(resigned 8 June 2018)

Julie Weston
(resigned 5 December 2018)

COMMITTEES

Audit and Risk Committee:

Heather Francis
(Chair)

James Briggs
(appointed 5 December 2018)

Sacha Deshmukh

Guy Gibson

Nabila Jiwaji

Siobhan King
(appointed 5 December 2018)

Julie Weston
(resigned 5 December 2018)

Programme Quality Committee

Rod MacLeod
(Chair)

Cleo Blackman
(appointed 5 December 2018)

Sacha Deshmukh

Sarah Dunn
(appointed 5 December 2018)

Penny Richards
(resigned 8 June 2018)

Jacob Tas
(resigned 8 June 2018)

Veronique Barbelet
(co-opted member)

Mark Jordans
(co-opted member)

COMPANY SECRETARY

Tracey Deal

CHIEF EXECUTIVE OFFICER

Rob Williams

MANAGEMENT

Director of Advocacy and Communications:

Alistair Martin
(maternity cover until 19 January 2018)

Hannah Stoddart
(on maternity leave until 15 January 2018)

Director of Fundraising and Marketing:

Nina Saffuri
(until 31 March 2018)

Paul Vanags
(interim from 25 June 2018)

Director of Programmes:

Dan Collison

Director of Resources:

Tracey Deal

REGISTERED OFFICE AND PRINCIPAL ADDRESS

Studio 320, Highgate Studios, 53-79 Highgate Road, London, NW5 1TL

AUDITOR

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St Bride's House,
10 Salisbury Square,
London,
EC4Y 8EH

BANKERS

Lloyds Bank
39 Threadneedle Street,
London,
EC2R 8AU

SOLICITORS

Bates Wells Braithwaite
10 Queen Street Place,
London,
EC4R 1BE

COMPANY NUMBER

3610100

CHARITY NUMBER

1071659

THANK YOUS

A huge thank you to our staff, volunteers and supporters, who dedicate their time, energy and resources to War Child's cause.

GLOBAL AMBASSADORS

Thank you to Carey Mulligan, Marcus Mumford, Sam Smith and Vanessa Kirby for their continued generous support.

MEDIA AND COMMUNICATIONS

George Osborne, Evening Standard
Christian Broughton, Independent
Oliver Poole, Evening Standard
Anna Davies, Evening Standard
Naomi Ackerman, Evening Standard
The team across The Evening Standard and Independent who worked so hard on the Learn To Live Campaign
Lyse Doucet, BBC
Gary Jones, Express and Sunday Express
Raw London
Facebook social good team

SCHOOLS

Jessica, Briony and all the pupils at Betty Layward Primary School
Ben and all the pupils at Carshalton Boys Sports College
Noreen, Amoy and all the pupils at Frances Barber
Charlotte and all the pupils at Hornsey School for Girls

YOUTH ADVOCATES PANEL

Oscar
Enana
Lejla
Mimi
Sari
Ruquiyah
Sara
Wali
Abigail

REGULAR GIVERS AND COMMUNITY FUNDRAISERS

Wan Steer
Caroline Evans
Henry Mullin
Elizabeth and Adam Knight
Mike Power
Kensington Symphony Orchestra

FUNDRAISING STRATEGY AND PERFORMANCE

Salesforce.org
Clarasys
Tim Gough
People's Postcode Lottery (PPL) – staff and players

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Corporate Partners over £10K

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Bank ABC
Dropbox Charitable Foundation
Encompass Group
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IGG

Introversion

Playstack

Social Point

Sports Interactive

Super Giant Games

The Yogscast

WarGaming.net

Wooga

Professional support from

Allen & Overy
Clifford Chance
Dropbox
Druva
Gfinity
TTEC Consulting

MUSIC

Sophie Pitchforth
Mark Robins
Andrew Skeet
Giles Stanley
Maddie Cutter
Will Harvey
Andy Willsher
Roman Kemp
Sarah Storey
Jimmy Hill
Luke Dyson
Patrick Nazemi
Jessie Ware
Nathaniel Rateliff & The Night Sweats
Laura Marling

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alt-J	Michael McIntyre	Eloise Porteous
Wolf Alice	Paloma Faith	Stuart Camp
The Amazons	Stephen Merchant	Jack Wise
The Vamps	Charlotte Nimmo	Joe O'Neill
Deaf Havana	Eleanor Wilson	Angus Blue
Kygo	Jonny Grant	Alex Wall
Maggie Crowe	Christopher Mills	Miles Jacobson
Paul Shulver	Wiff	Jeremy Thomas
Rag'n'Bone Man	Zoe More O'Ferrall	Sam Evitt
Simon Jones	John Oliver	Audiobookd
Steve Jansen	Indigo at The O2	Gwenno
Tom Ranger	Jan Chadwick	Laura Misch
Alex Trenchard	Kenny Wright	Nicola Spokes
Ami Lord	Adam Jones	Hannah Shogbola
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Rob Lee	Hozier	Bob Workman
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Jon Hopkins	Jon Stone	Sam Kruger
Alexis Taylor	Jordan Curtis Hughes	Proper Productions
Tom Misch	Simon Jones	Hugh Fearnley-Whittingstall
Everything Everything	Aimee Vivian	Gil Mellor
Ben Lowe	Jack Saunders	The National
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Catherine Carlile	Mike Walsh	Plus 1
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Andrew Scott	AK Patterson	
Jodie Whittaker	Stereo Honey	
Keane	Colin MacLeod	
Maggie Rogers	Stephen Taverner	

FUNDRAISING STATEMENT

Our aim is to build and maintain the highest levels of trust in all our donor relationships. We are registered members of the Fundraising Regulator and are committed to operating in a transparent and accountable way.

Our Supporter Promise and details to provide feedback or make a complaint can be found on our website <https://www.warchild.org.uk/get-involved/our-fundraising-promise>

We received 12 complaints in 2018, primarily regarding face-to-face fundraising and email marketing. All these complaints were resolved, and none were escalated to the Fundraising Regulator.

We understand the importance of keeping our donors' data safe and secure. Our dedicated supporter care team respond to supporter queries, update details and contact preferences. We implemented a series of changes to ensure that we comply with the new GDPR rules which came into force in May. We refreshed and updated our data protection policy in 2018.

As well as our in-house fundraising team, we rely on trusted partners to fundraise on our behalf. All third-party fundraising organisations go through a robust tender process and are required to adhere to our child

safeguarding policy. Formal, regular training is undertaken to ensure that War Child is represented in a way that reflects our values and mission. Fundraising activities are monitored through call recordings and mystery shops. All activity is planned and budgeted at the start of the financial year. Performance is monitored on an ongoing basis by campaign managers and reported to senior management.

We are committed to treating all donors fairly. Our fundraisers and fundraising partners are trained on the IOF Code of Conduct and Vulnerable Persons Policy.

We are reviewing all fundraising compliance performance standards in line with the Regulator's code. This will be our focus for making further improvements in 2019.

We aim to make every one of our supporters feel inspired and in control of their experience with us. We encourage and welcome supporter feedback and involvement to help us improve. Without them, we couldn't continue to make a difference to children's lives.



TRUSTEES' RESPONSIBILITIES

The trustees who are also directors for the purposes of company law are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and the UK's generally accepted accounting principles (GAAP).

Company law requires the directors to prepare financial statements for each financial year. The directors have done so in accordance with FRS 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the income and expenditure of the charitable group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company; and ensure that the financial statements comply with the Companies Act 2006 and the provision of the charity's constitution.

The directors are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the directors of the charity at the date of approval of this report is aware there is no relevant audit information (information needed by the charity's auditor in connection with preparing the audit report) of which the charity's auditor is unaware. Each director has taken all the steps that they should have taken as a director in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' Annual Report, which includes the Strategic Report, was approved on behalf of the Board by Sacha Deshmukh on 27 June 2019.



INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of War Child for the year ended 31 December 2018 which comprise consolidated Statement of Financial Activity, consolidated Balance Sheet, consolidated Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 December 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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 financial statements.

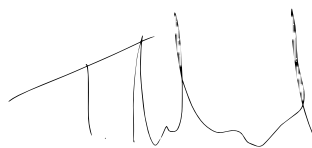
A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tim Redwood
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

4 July 2019

FINANCIAL STATEMENTS

Consolidated statement of financial activities (including the Income & Expense account)

	Note	Unrestricted funds £000	Restricted funds £000	2018 Total £000	2017 Total £000
INCOME FROM:					
Donations and legacies					
Donations and legacies		3,252	378	3,630	3,463
Donated services and facilities	3	25	577	602	51
Other trading activities					
Events		2,301	-	2,301	691
Lotteries	3	2,865	-	2,865	2,432
		8,443	955	9,398	6,637
Charitable activities					
Grants	14,15	-	7,618	7,618	7,231
Investment income		5	-	5	-
Total income		8,448	8,573	17,021	13,868
EXPENDITURE ON:					
Raising funds					
Fundraising costs for donations and legacies	4	2,582	20	2,602	2,070
Charitable activities					
Project costs	4,14,15				
- Afghanistan		480	1,184	1,664	1,582
- Burundi		196	-	196	189
- Central African Republic		596	516	1,112	2,438
- Democratic Republic of Congo		1,067	1,856	2,923	1,594
- Iraq		848	934	1,782	2,689
- occupied Palestinian territories		119	10	129	200
- Syria response		444	2,095	2,539	2,095
- Uganda		266	5	271	290
- UK projects		-	9	9	-
- Yemen		124	908	1,032	565
- UK overseas support		1,599	-	1,599	1,523
Information & Campaigns	4	833	-	833	818
Total expenditure		9,154	7,537	16,691	16,053
Net (expenditure) / income		(706)	1,036	330	(2,185)
Total funds brought forward		2,532	1,164	3,696	5,881
Total funds carried forward	12	1,826	2,200	4,026	3,696

There are no other unrealised gains or losses which do not appear on the statement of financial activities. All of the above results are derived from continuing activities. The notes on pages 43 to 62 form part of these financial statements.

Balance sheet

	Note	Group		Charity	
		2018 £000	2017 £000	2018 £000	2017 £000
Fixed assets					
Tangible assets	6	194	288	194	288
Intangible assets	7	-	-	-	-
Investments	8	27	126	27	126
		221	414	221	414
Current assets					
Debtors	9	2,744	3,883	2,747	3,883
Cash at bank		1,984	959	1,979	954
		4,728	4,842	4,726	4,837
Creditors: falling due within one year	10	(923)	(1,560)	(921)	(1,652)
Net current assets		3,805	3,282	3,805	3,185
Net assets	12	4,026	3,696	4,026	3,599
The funds of the charity					
Unrestricted funds	12	1,600	2,532	1,600	2,435
Designated funds		226	-	226	-
Restricted funds	14	2,200	1,164	2,200	1,164
		4,026	3,696	4,026	3,599

The surplus for the financial year for the Parent Charity only was £306k (2017: deficit of £2.281m), which excludes the surplus of £24k from the subsidiary.

These financial statements were approved by the trustees, authorised for issue on 27 June 2019 and signed on their behalf by



Sacha Deshmukh
Trustee

The notes on pages 43 to 62 form part of these financial statements.

Consolidated statement of cash flow

	Notes	2018 £000	2017 £000
Cash flows from operating activities:			
Net cash inflow / (outflow) from operating activities	A	1,087	(3,149)
Cash flows from investing activities:			
Purchase of fixed assets		(62)	(258)
Proceeds from sale of investments		-	6
Net increase / (decrease) in cash:		1,025	(3,401)
Cash at bank and in hand at the beginning of the year		959	4,360
Cash at bank and in hand at the end of the year	B	1,984	959

Notes to the cashflow statement

A. Reconciliation of net (expenditure) / income to net cash flow from operating activities	2018 £000	2017 £000
Net income / (expenditure)	330	(2,185)
Depreciation & amortisation	156	26
Impairment	99	-
Decrease / (increase) in debtors	1,139	(1,875)
(Decrease) / increase in creditors falling due within one year	(637)	885
Net cash inflow / (outflow) from operating activities	1,087	(3,149)

B. Analysis of cash and cash equivalents	2018 £000	2017 £000
Cash in hand and at bank	1,984	959
Total cash and cash equivalents	1,984	959

The notes on pages 43 to 62 form part of these financial statements

Notes forming part of the financial statements

1 ACCOUNTING POLICIES

Charity and Company information

War Child is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 30 July 1998 (company number: 3610100) and registered as a charity on 22 September 1998 (charity number: 1071659).

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association (amended 14 July 2015).

In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

Basis of accounting

The consolidated Financial Statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2015.

The Financial Statements have been prepared consolidating the results of the Charity and its subsidiary War Child Trading Limited (Company number: 05100189).

The functional currency of War Child and its subsidiary is considered to be GBP because that is the currency of the primary economic environment in which the group operates. The consolidated financial statements are also presented in GBP.

The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments. As permitted by Section 408 of the Companies Act 2006, a separate income and expenditure account for the results of the charitable company only has not been presented.

After reviewing the group's forecasts and projections, the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in this note, trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The principle accounting policies adopted, judgements and key sources of estimation uncertainty in the presentation of the financial statements are as follows:

Income

All income is accounted for when War Child has entitlement, there is probability of receipt and the amount is measurable.

- Grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance, its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors
- Donations are recognised when War Child becomes entitled to the funds, when the amount can be measured reliably and receipt is probable.

Donated Goods and Services

Donated services and facilities are included as income (with an equivalent amount in expenditure) at the estimated value to the charity where this is reasonably quantifiable, measurable and material.

War Child receives a huge amount of support from the music industry at various levels to deliver one-of-a-kind events in order to raise funds and awareness in support of its mission. In line with War Child's fundraising model, we source support from high-profile artists in the music industry to volunteer their time to provide a performance at a War Child music event, thus raising significant income through ticket sales and other sources. It would not be practical or appropriate for War Child to pay an artist to perform at an event and the value to the charity is captured in the income raised from ticket sales. Therefore, no value has been attributed to these services in the accounts.

Expenditure

All expenditure, other than that which has been capitalised, is included in the Statement of Financial Activities. Expenses are accounted for on an accruals basis.

Payments are made to local partner organisations in the countries in which War Child works in order that they may assist in carrying out a part of War Child's charitable activities alongside the Charity itself. War Child determines the activities to be carried out and monitors the activities and expenditure on such activities closely. Payments made to the local partner organisations are accounted for as receivables in the accounts of War Child until expenditure under these 'partner advances' is justified fully, at which point the expenditure is recognised in the Statement of Financial Activities of War Child.

Expenditure is allocated to relevant activity categories on the following basis:

- Expenditure on raising funds includes all costs relating to activities where the primary aim is to raise funds along with an apportionment of support costs.

- Charitable expenditure includes all costs relating to activities where the primary aim is part of the objects of the charity along with an apportionment of support costs.

- Support & Governance costs are allocated to the Statement of Financial Activities expenditure headings, based on the level of expenditure dedicated to the generation of funds and charitable expenditure, and to overseas projects as this is deemed to be an accurate reflection of the level of activity supported by these functions of the organisation. Support costs include office costs such as rent and rates as well as support staff costs including finance and HR teams. Governance costs include audit and tax fees for the year.

Foreign currency

Assets and liabilities denominated in foreign currencies are translated to GBP at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at a rate of exchange fixed for the month of the transaction.

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term and charged to support costs, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Depreciation & Amortisation

Assets acquired with unrestricted funds are capitalised at cost and depreciation is provided to write off the cost over their expected useful lives. It is calculated on a straight-line basis at the following rates:

Leasehold improvements	Over the life of the lease
Motor vehicle	5 years
Fixtures and fittings	5 years
IT software & equipment	3 years

Assets acquired specifically for overseas projects are capitalised and are written off in the year of acquisition.

Intangible fixed assets represent software costs capitalised in accordance with FRS102. These are stated at historical cost and amortised on a straight-line basis over the period which revenue is expected to be generated (3 years).

Amortisation is recognised in the Statement of Financial Activities as part of expenditure and is allocated across the expenditure headings on the same basis as Support & Governance costs.

Retirement Benefits

The charity makes fixed contributions into a defined contribution personal group pension plan for its employees. Obligations for contributions to defined contribution pension plans are recognised as an expense when due.

Funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or by the terms of the appeal.

Unrestricted funds are funds available to the charity for its general purposes. The trustees, at their discretion, may set aside funds to cover specific future costs. Such funds are shown as designated funds within unrestricted funds. Where the trustees decide such funds are no longer required for the purposes intended, they may be released by transfer to general unrestricted funds.

Financial Instruments

War Child has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Financial assets and financial liabilities are recognised when War Child becomes a party to the contractual provisions of the instrument. Additionally, all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets, comprised of cash, other debtors and accrued income, and financial liabilities, comprised of other creditors and accruals, are initially measured

at transaction price (including transaction costs) and are subsequently re-measured where applicable at amortised cost except for investments which are measured at fair value with gains and losses recognised in the statement of financial activities

Assets and liabilities denominated in foreign currencies are translated to GBP at the rate of exchange ruling at the balance sheet date.



2 PRIOR YEAR CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £000	Restricted funds £000	2017 Total £000
Income from:			
Donations and legacies			
Donations and legacies	3,029	434	3,463
In-kind	18	33	51
Other trading activities			
Events	691	-	691
Lotteries	2,432	-	2,432
	6,170	467	6,637
Charitable Activities			
Grants	284	6,947	7,231
Total income	6,454	7,414	13,868
Expenditure on:			
Raising funds			
Fundraising costs for donations and legacies	2,029	41	2,070
Charitable activities			
Project costs			
- Afghanistan	484	1,098	1,582
- Burundi	189	-	189
- Central African Republic	646	1,792	2,438
- Democratic Republic of Congo	1,005	589	1,594
- Iraq	741	1,948	2,689
- occupied Palestinian territories	200	-	200
- Syria response	420	1,675	2,095
- Uganda	214	76	290
- Yemen	109	456	565
- UK overseas support	1,523	-	1,523
Information & Campaigns	818	-	818
Total expenditure	8,378	7,675	16,053
Net (expenditure)/income	(1,924)	(261)	(2,185)
Total funds brought forward	4,456	1,425	5,881
Total funds carried forward	2,532	1,164	3,696

3 ANALYSIS OF INCOME

Donated services and facilities

Donated services and facilities are included as income (with an equivalent amount in expenditure) at the estimated value to the charity where this is reasonably quantifiable, measurable and material.

In 2018 this totalled:

	Unrestricted funds £000	Restricted funds £000	2018 Total £000
Professional fees	18	-	18
Events	7	-	7
Project inputs	-	577	577
	25	577	602

War Child receives a huge amount of support from the music industry at various levels to deliver one-of-a-kind events in order to raise funds and awareness in support of its mission. In line with War Child's fundraising model, we source support from high-profile artists in the music industry to volunteer their time to provide a performance at a War Child music event, thus raising significant income through ticket sales and other sources. It would not be practical or appropriate for War Child to pay an artist to perform at an event and the value to the charity is captured in the income raised from ticket sales. Therefore, no value has been attributed to these services in the accounts.

Lottery

The People's Postcode Lottery was appointed as External Lottery Manager to run lotteries on behalf of War Child. Only the net proceeds of these lotteries are included in the statutory accounts as income, and this reflects the substance of the arrangement with People's Postcode Lottery, including the impact of this income on our operations.

The breakdown of the lottery income during the year is as follows:

	£000
Total raised through People's Postcode Lottery for War Child	8,953
Less: Prizes	(3,581)
Less: Operating costs	(2,507)
Net proceeds	2,865

4 ANALYSIS OF EXPENDITURE

	Staff	Support	Governance	Other Direct Costs	2018	2017
	£000	£000	£000	£000	£000	£000
Raising funds	1,374	278	9	941	2,602	2,070
Charitable activities						
Project costs						
- Afghanistan	602	184	6	872	1,664	1,582
- Burundi	-	21	1	174	196	189
- Central African Republic	446	122	4	540	1,112	2,438
- Democratic Republic of Congo	790	322	10	1,801	2,923	1,594
- Iraq	727	195	6	854	1,782	2,689
- occupied Palestinian territories	-	14	-	115	129	200
- Syria response	807	279	9	1,444	2,539	2,095
- Uganda	-	29	1	241	271	290
- UK	7	-	-	2	9	-
- Yemen	160	116	4	752	1,032	565
- UK overseas support	1,139	172	6	282	1,599	1,523
	4,678	1,454	47	7,077	13,256	13,165
Information and campaigns	552	89	3	189	833	818
	6,604	1,821	59	8,207	16,691	16,053

Total support costs were £1.821m. The support function costs of the executive office as well as finance, HR, IT and administration. Support costs include employee emoluments totalling £796k as well as the costs of property, asset management, insurance, communication. Some of these costs relate only to UK headquarters, while others relate to global operations.

Group governance costs include external audit fees of £24k, tax advisory services of £4,295 and other advisory services of £336.

In 2018, War Child established an in-house internal audit function where previously this had been outsourced.

Support and Governance costs are reallocated based on levels of expenditure in Fundraising, Projects, and Information and Campaigns as this is assumed to be an accurate indicator of levels of activity in each of these areas which are supported by the costs incurred in finance, HR, IT, administration and governance.

Other Direct Costs include all costs relating to the implementation of our projects which are described in more detail in note 14 of these accounts.

Grants to partners

Within Other Direct Costs are grants to partners of £2m (2017: £2.58m) for projects to protect, educate and stand up for the rights of children in war.

Grant expenditure by geography for the year was:

	£000
Afghanistan	168
Burundi	174
Central African Republic	61
Democratic Republic of Congo	382
Iraq	217
occupied Palestinian territories	114
Syria response	519
Uganda	120
Yemen	245

Grants made in 2018 which are greater than £200,000, and therefore considered material in the context of the charity's total charitable expenditure were made to:

	£000
War Child Holland	289
War Child Canada	250
Kati	245

£169k was advanced to partner organisation at 31 December 2018 (2017: £162k) which was subject to performance conditions that were required to be fulfilled prior to the partner having unconditional entitlement to the funds. Monies advanced to partners are shown in debtors. A total of £47k (2017: £530k) is recorded in creditors in respect of grants to partners where performance conditions have been fulfilled at 31 December 2018 and the amount is due to be distributed to partners. All partner advances at 31 December 2017 were utilised during 2018 and all partner creditors at 31 December 2017 were paid to partners during 2018.

The charity has commitments of £435k (2017: £488k) not recognised as a liability in respect of the above grants. £338k of this commitment is covered entirely by future restricted income not recognised as an asset. It is expected that, of these commitments, £330k will be discharged fully in 2019, and the remaining balance of £105k will be discharged by 2022.

5 EMPLOYEE EMOLUMENTS

	2018 £000	2017 £000
UK Staff costs include the following:		
- Wages and salaries	3,210	2,870
- Social security costs	329	284
- Pension contributions	150	134
Overseas aid workers		
- Wages and salaries	800	776
- Social security costs	4	-
- Pension contributions	24	15
Overseas National Staff costs	2,519	2,220
	7,036	6,299

In addition to the amounts listed above, staff received benefits totalling £393k (2017: £419k) - £1k for UK staff and £392k for overseas aid workers which do not constitute emoluments. These benefits include accommodation, cost of living allowance and education allowance.

The number of higher-paid employees with emoluments falling within the following ranges is as shown:

	2018 Number	2017 Number
£60,000 - £69,999	-	1
£70,000 - £79,999	3	1
£80,000 - £89,999	1	1
£90,000 - £99,999	-	-
£100,000 - £109,999	1	1

A total of £478,743 (2017: £439k) was paid to key management in emoluments in the year.

A total of £19,090 (2017: £18,241) was paid by War Child into a defined contribution pension scheme for 5 (2017: 4) higher-paid employees.

£27,956 (2017: £nil) was paid by War Child in redundancy costs during the year.

None of the trustees received any emoluments. Travel expenses of £720 were reimbursed to two trustees in the year (2017: £92 one trustee).

Volunteers

Volunteers are key for the continued success of our fundraising events and are a major resource which contributes to achieving our objective of improving children's lives. The skill, time and energy contributed by volunteers helps War Child achieve its goals and in turn benefits volunteers by offering them the opportunity to gain experience and to 'try something new' while meeting like-minded people. There are volunteers who help on a regular basis throughout our offices and operations, as well those who help on a more ad-hoc basis such as stewarding at fundraising events. We are enormously grateful to all those who offer their time for free to help support the children we work with.

The average number of persons employed by War Child during the year was as follows:

	2018 Number	2017 Number
UK		
- Charitable expenditure	34	33
- Fundraising	30	27
- Management and administration	16	13
	80	73
Overseas		
- International aid workers	16	18
- National staff	249	215
	265	233
	345	306



6 TANGIBLE FIXED ASSETS – GROUP AND CHARITY

	Motor Vehicles £000	IT equipment £000	Fixture & Fittings £000	Total £000
<i>Cost or valuation</i>				
At 1 January 2018	145	199	306	650
Additions	27	29	23	79
Disposals	-	(17)	-	(17)
At 31 December 2018	172	211	329	712
<i>Accumulated depreciation</i>				
At 1 January 2017	145	140	77	362
Charge for the year	27	50	96	173
Disposals	-	(17)	-	(17)
At 31 December 2018	172	173	173	518
Net book value				
At 31 December 2018	-	38	156	194
At 31 December 2017	-	59	229	288

The 2017 accounts include £13k of depreciation incorrectly assigned to IT equipment (tangible asset). The depreciation actually relates to IT software (intangible asset). The accumulated depreciation at 1 January 2018 has been restated to reflect the correct classification.

7 INTANGIBLE ASSETS

	IT Software £000
<i>Cost or valuation</i>	
At 1 January 2018	131
Additions	-
Disposals	-
At 31 December 2018	131
<i>Accumulated depreciation</i>	
At 1 January 2018	131
Charge for the year	-
Disposals	-
At 31 December 2018	131
Net book value	
At 31 December 2018	-
At 31 December 2017	-

The 2017 accounts include £13k of depreciation incorrectly assigned to IT equipment (tangible asset). The depreciation actually relates to IT software (intangible asset). The accumulated depreciation at 1 January 2018 has been restated to reflect the correct classification.

8 INVESTMENTS

Investments	Works of art	Investment in subsidiary companies	Total
	£000	£000	£000
Valuation			
At 1 January 2018	126	-	126
Disposals	(99)	-	(99)
At 31 December 2018	27	-	27

Investment in works of art:

Certain works of art have been donated to War Child. These investments are all held within the UK. During 2018, all items were revalued by an external art valuation expert from Sotheby's. This revaluation resulted in an impairment to the valuation of the assets, which is reflected in the accounts. This figure reflects the trustees' best estimate of the art assets likely sale value.

Investment in subsidiary company:

Name	Country of Incorporation	Class of shares	% held	Nature of business	Year end
War Child Trading Limited	UK	Ordinary	100%	Music events & other trading activities	31 December

Details of the net assets and profit for the year of the subsidiary company is as follows:

	Net assets		Turnover		Profit/(loss) for the year	
	2018 £000	2017 £000	2018 £000	2017 £000	2018 £000	2017 £000
War Child Trading Limited	-	96	27	116	(96)	96

The principal activity of War Child Trading Limited (Company number: 5100189, registered address: Studio 320, Highgate Studios, 53 – 79 Highgate Road, London, NW5 1TL) is the organisation of events and the sale of goods in order to raise funds for the War Child registered charity. All profits are transferred to War Child by Gift Aid. The profit from 2017 was also transferred to War Child by Gift Aid in 2018.

Amounts owed from War Child Trading Limited as at the balance sheet date totalled £25,891 (2017: £94k, owed to War Child Trading Limited). War Child Trading Limited donated its full profit of £23,782 (2017: £95,758) to War Child. A total of £nil (2017: £20k) was recharged from War Child to War Child Trading Limited in the year in relation to management charges.

9 DEBTORS

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Due within one year				
Other debtors	189	229	189	229
Accrued income	2,111	3,253	2,085	3,253
Advances to partners	169	162	169	162
Amounts due from group undertakings	-	-	29	-
Prepayments	275	239	275	239
	2,744	3,883	2,747	3,883

10 CREDITORS

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Taxation and social security	170	127	170	127
Other creditors	448	459	448	459
Amounts due to partners	47	530	47	530
Accruals and deferred income	258	444	256	442
Amounts due from group undertakings	-	-	-	94
	923	1,560	921	1,652

11 OPERATING LEASES

The amounts payable under operating leases during the year were £364k (2017: £240k).

Total commitments under operating leases at the year end were:

	Land and buildings		Plant and machinery	
	2018 £000	2017 £000	2018 £000	2017 £000
Within 1 year	359	357	2	7
1 to 5 years	1,059	1,014	8	1
	1,418	1,371	10	8

Prior year has been restated to include additional rental costs and irrecoverable VAT.

12 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2018 are represented by:

	Unrestricted Funds £000	Restricted Funds £000	2018 Total £000	2017 Total £000
Fixed assets	194	-	194	288
Investments	27	-	27	126
Net current assets/(liabilities)	1,605	2,200	3,805	3,282
Total net assets	1,826	2,200	4,026	3,696

Unrestricted Funds at 31 December were therefore made up as follows:

	At 1 January 2018 £000	Movement during the year Income £000	Expense £000	Transfers £000	At 31 December 2018 £000
General reserves	2,532	8,448	(9,154)	(226)	1,600
Designated reserves	-	-	-	226	226
Total net assets	2,532	8,448	(9,154)	-	1,826



13 PRIOR YEAR ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 December 2017 are represented by:

	Unrestricted Funds £000	Restricted Funds £000	2017 Total £000	2016 Total £000
Fixed assets	288	-	288	36
Intangible assets	-	-	-	20
Investments	126	-	126	132
Net current assets/(liabilities)	2,118	1,164	3,282	5,693
Total net assets	2,532	1,164	3,696	5,881

Unrestricted Funds at 31 December were therefore made up as follows:

	At 1 January 2017 £000	Movement during the year Income £000	Expense £000	At 31 December 2017 £000
General reserves	4,456	6,454	(8,378)	2,532
Total net assets	4,456	6,454	(8,378)	2,532



14 RESTRICTED FUNDS

	Note	2017 £000	Income £000	Expenditure £000	2018 £000
Afghanistan - Other grants & donations		-	10	-	10
Afghanistan - Terre des Hommes		5	78	(83)	
Afghanistan - UNICEF		186	852	(959)	79
Afghanistan - War Child Holland		-	147	(142)	5
Central African Republic - CHF		15	30	(45)	-
Central African Republic - Children in Conflict		-	78	(78)	-
Central African Republic - Hemraj Goyal Foundation		-	11	(11)	-
Central African Republic - Other grants & donations		-	-	-	-
Central African Republic - Stanley Thomas Foundation		22	26	(22)	26
Central African Republic - UNICEF		-	650	(337)	313
Central African Republic - UNPBF		-	342	-	342
Central African Republic - War Child Australia		-	14	(14)	-
Central African Republic - World Vision	15	-	19	(10)	9
Democratic Republic of Congo - Children in Conflict		-	33	(33)	-
Democratic Republic of Congo - European Commission		-	(103)	103	-
Democratic Republic of Congo - MONUSCO		-	77	(77)	-
Democratic Republic of Congo - NRC		-	771	(201)	570
Democratic Republic of Congo - Other grants & donations		38	73	(38)	73
Democratic Republic of Congo - Start Fund		-	65	(65)	-
Democratic Republic of Congo - UNDP		-	210	(210)	-
Democratic Republic of Congo - UNHCR		-	818	(818)	-
Democratic Republic of Congo - UNICEF		-	178	(178)	-
Democratic Republic of Congo - World Bank		45	329	(322)	52
Democratic Republic of Congo - World Vision	15	-	20	(17)	3
Iraq - BFSS		-	13	(13)	-
Iraq - Children in Conflict		-	78	(78)	-
Iraq - Dubai Cares		172	109	(281)	-
Iraq - OCHA		43	289	(332)	-
Iraq - Other grants & donations		-	20	(20)	-
Iraq - UNICEF		-	2	(2)	-
Iraq - War Child Holland		20	182	(194)	8
Iraq - War Child Australia		-	14	(14)	-
occupied Palestinian territories - Other grants & donations		-	10	(10)	-
Syria response - Allen & Overy		191	192	(231)	152
Syria response - BFSS		-	13	(13)	-
Syria response - DFAT		33	-	(28)	5
Syria response - Other grants & donations		30	(8)	(22)	-
Syria response - Vitol		100	(100)	-	-
Syria response - War Child Holland		195	1,862	(1,802)	255
Uganda - Other grants & donations		-	5	(5)	-
United Kingdom - Other grants & donations		-	20	(20)	-
United Kingdom - Restless Development	15	-	60	(3)	57
United Kingdom - World Vision	15	-	22	(5)	17
Yemen - Children in Conflict		-	47	(47)	-
Yemen - Yemen Humanitarian Fund (OCHA)		-	245	(21)	224
Yemen - Other grants & donations		-	54	(54)	-
Yemen - War Child Holland		69	716	(785)	-
		1,164	8,573	(7,537)	2,200

Democratic Republic of Congo – European Commission relates to expenditure disallowance to be repaid to the Commission.

AFGHANISTAN

■ **Terre des Hommes**, funded through the European Commission, supported a programme that contributed to efforts to prevent violence against children through community sensitisation and by working with children who are in conflict with the law in Herat Province, including those living in the Juvenile Rehabilitation Centre and young children in prison with their mothers. This project started in 2017 and will continue through to December 2019.

■ Support from **multiple donors**, including Lewis Family Trust, Linda Norgrove Foundation and The Body Shop funded a series of early childhood care and development (ECCD) centres in rural areas of Herat Province. The centres provided vital early years education for vulnerable four to six-year olds, offering a safe place to learn and preparing them for enrolment in formal school. Their mothers attended classes on health, hygiene and the importance of education, and are being supported to maintain community greenhouses.

■ **UNICEF** in Afghanistan supported a project over six months, in which 28,000 girls, boys, and men, in eastern provinces will have access to protection services that will help protect their human rights and improve their wellbeing. The project will also support the livelihoods coping mechanisms of vulnerable families of reunified unaccompanied minor separated children and the creation of an environment where we can protect them from abuse and recruitment into armed groups, as well as facilitate an effective community response to violations of these protections.

■ **UNICEF's child protection division supported WCUK** with funding to deliver emergency child protection. The project supported vulnerable IDP children in Kandahar and Nangarhar with static space and mobile team delivery child protection services. The project also provides cash grants and livelihoods support to families supporting vulnerable children, and worked to reunite unaccompanied and separated children across urban and camp settings.

■ **UNICEF** in Afghanistan is still supporting a project to assist unaccompanied and separated returnee children on the Afghanistan/Iran border. Working with border police and staff at transit camps to improve the protection of children, the project also seeks to reunite children with their families and provide tailored vocational training to support long-term reintegration. The second phase of this project ended mid-2018, and a third started through continued commitment from UNICEF.

■ **War Child Holland** provided funding to support access to educational opportunities for vulnerable children in urban and rural areas in Kabul. The project provides an accelerated learning programme to street working children and supports them to reintegrate into formal schooling. It also runs early childhood care and development for children aged four to six, while working with parents and community members to increase their involvement and ownership in their children's education and improve access to education and vocational opportunities for the parents.

■ **UNICEF** funded WCUK to implement a project designed to strengthen Afghanistan's Child Protection Action Network (CPAN). WCUK recruited and trained social workers across 11 provinces within the country's central region, and ran awareness raising activities to highlight and refer key child protection issues.

CENTRAL AFRICAN REPUBLIC

■ **The Common Humanitarian Fund (CHF)** supported a capacity strengthening project for civil society organisations in northern CAR. The project helped local child protection organisations to better support the most vulnerable children and their mothers through awareness raising on child protection and child wellbeing issues, as well as capacity building on livelihoods, and income generating activities.

■ **Children in Conflict** has supported all areas of our work in the CAR, from building capacity of our country team, to directly enabling and scaling up services for vulnerable children

■ The **DFID Aid Connect** funding is targeted at bringing about change for boys and girls to enjoy their rights to be protected from the worst forms of child labour in the CAR, the DRC and Ethiopia. In the CAR, the project will focus on working in the north of the country, specifically with children formerly associated with armed groups.

■ The **Hemraj Goyal Foundation** enabled War Child to provide vulnerable children who had endured severe distress as a result of war, with the skills and resilience to overcome their experiences and regain confidence and security within their families and communities in the south-east. The project responded to immediate needs of children, youth and their families affected by conflict and helped to lay the foundation for the rehabilitation of the social infrastructure allowing families and children to prepare themselves for long term sustainable development.

- The **Stanley Thomas Johnson Foundation** supported War Child reintegration work in the south-east, by providing 60 children with access to specialised services, Education, psychosocial support and recreational activities in safe spaces.

- The **Stanley Thomas Johnson Foundation** is supporting War child to strengthen the resilience of children and young people affected by the conflict in Ndélé, with a particular focus on children associated with armed forces and groups (CAAFAGs / Child Soldiers). More specifically, the project is creating a safe and protective environment for children and young people.

- War Child is working in Ndélé, in the north-east of the region, with **UNICEF** to support the reintegration of children formerly associated with armed forces and armed groups. The project is providing support in both social and economic of reintegration of children in their community (family tracing and foster care families) and at school, and economically through vocational training or income-generating activities.

- The **UNICEF**-funded child protection project in Bambari started in 2016 and upon receiving a six-month costed extension it continued until the end of June 2018. Targeting children associated with armed forces and groups, separated and unaccompanied children in Ouaka, Basse-Koto and Ouham Pende Provinces, the project focused on psychosocial support for vulnerable children, reintegration of children in their families, communities and society (school, economic activities), and prevention against the violation of child rights through child friendly spaces.

- War Child began a pilot sports for development programme in Bossangoa, with extension of child protection services to Bocoranga, with the funding from **UNICEF (initially from Soccer Aid)**. The project specifically includes the creation of football teams within Bossangoa with the aim that this enables access to the wider child protection services provided by War Child under the project.

- Project funding from **UNICEF** also focused on building a protective environment and access to quality education for children, girls and boys aged 3 to 17, affected by the armed crisis, in the Ouham prefecture (Markounda-Bogouila and Batangafo axis)

- A **UN Peacebuilding Fund** project targeting the locations of Bossangoa and Paoua started in December 2018. This project is looking at alternatives to violence by strengthening youth-led peacebuilding in the CAR. Specifically, the project is looking at two elements. The first is to link local youth peacebuilding processes to the national level peace process; the second is to ensure the successful reintegration of 300 children formerly associated with armed groups and forces through economic livelihood and business skill development.

DEMOCRATIC REPUBLIC OF CONGO

- **Children in Conflict** has supported all areas of our work in the DRC, from building capacity of our country team, to directly enabling and scaling up services for vulnerable children

- A **World Bank** project (funded through the Fonds Social de la République Démocratique du Congo) has been supporting survivors of sexual and gender-based violence in Rutshuru region, North Kivu, in partnership with the American Bar Association (ABA). The project has been focusing on expanding services to mitigate the short and medium-term outcome of sexual and gender-based violence and increase the use of health and legal support interventions targeting poor and vulnerable women. The project has been implemented through holistic support to survivors of sexual and gender-based violence and violence prevention; strengthening the high-impact of basic legal services; and sharing knowledge, research and capacity building on the issue at regional and national levels.

- **Never too Late to Learn**, a project funded by **DEVCO** through the **Norwegian Refugee Council (NRC)** has enabled us to provide early childhood care and development services as well as child protection awareness raising and training for internally displaced children under five-year-old, and host communities of the Rutshuru territory in North Kivu. Additional support was provided for classrooms equipment and trainings on the project by the generous contributions of the **Geoff Herrington Foundation**, the **Allan and Nesta Ferguson Foundation** and the **Belacqua Trust**.

- In Kasai, **UNICEF** supported a project to help unaccompanied children and children demobilised from militias. Children were provided with transitional care, family reunification and psychosocial support activities to ensure their social reintegration into their schools, communities and with their biological families or foster care families.

- An education and child protection project was implemented in Kasai with the support of the **Humanitarian Fund** (through **UNDP**) to ensure internally displaced children who had temporarily or permanently lost their families had access to reintegration and referral pathways, as well as education opportunities.

- **MONUSCO** supported the implementation of a community violence reduction project to bring back peaceful cohabitation and social cohesion within communities in Kasai. The project also supported the reunification of children demobilised from militias in Kasai to accompany their reintegration with their biological or with foster care families.

■ A protection monitoring project funded by **UNHCR** has been implemented in Kasai, including the deployment of protection monitors in the province to identify cases of protection within the communities. As part of this project we also supported the prevention and response to protection cases and incidents, including through the first cash for protection methodology implemented in DRC, designed to respond to severe protection cases through direct access to services.

■ Early childhood care and development is at the heart of our core interventions, and the Education Cannot Wait project funded through **NRC** supported the development of ECCD activities in Kasai, in close collaboration with the Ministry of Education to ensure that the knowledge built by children is linked to the national curricula to support their transition to primary school. As part of this project we also developed youth clubs attached to primary schools, including child protection awareness raising and advocacy activities for children up to 14-years-old.

■ The **START Fund** supported our rapid response to the return and expulsion of Congolese citizens across the border with Angola. Half of these returnees were unaccompanied children or children crossing the border with their families and in need of protection support.

■ The **DFID-funded Aid Connect** project is in its design phase and will aim to address the root causes of child labour and modern slavery around the mining industry in the Masisi territory of North Kivu.

IRAQ

■ **OCHA** is also funding the provision of immediate access to inclusive, safe, and protected learning environments that promote psychosocial wellbeing of affected boys and girls fleeing from Mosul in Ninewa Governorate. The project is running temporary learning spaces with lessons on basic numeracy and literacy classes drawn from UNICEF Self Learning Package, as well as incorporating key messaging and sensitisation (for example, protection and hygiene) and life skills education.

■ **Dubai Cares** funded an education project in west Mosul. This is centred around the rehabilitation of seven schools in the city. To complement this work and to start to build the capacity of the damaged education infrastructure in the area, we are training teachers in education in emergencies school management (head teachers etc.) and establishing and training Parent Teacher Associations.

■ **OCHA** also funded an integrated child protection and education project to meet unmet needs in Qayyarah airstrip camp. The project deploys an integrated response that combines child protection, PSS, and education services with capacity building initiatives aimed at strengthening the capacity of a local partner.

■ **War Child Holland** has supported a technical and vocational training project targeting vulnerable youth and adolescents in Duhok Governorate. This project has stimulated the local economy and trained youth on skills that were identified as in-demand through market assessment.

■ The **British and Foreign School Society** provided complementary funds to our education system and infrastructure rehabilitation project in Mosul city throughout 2018

SYRIA RESPONSE

■ Rescue Childhood: Corporate partner **Allen & Overy** funded a War Child centre in the Emirati Jordanian Camp which was launched in 2017 and is ending July 2019. The project provides early childhood care and development classes, Little Fellow sessions and Positive Parenting sessions for Syrian refugees in the camp.

■ Express Yourself! **The Australian Department of Foreign Affairs and Trade** has funded a youth project in Emirati Jordanian Camp through their Direct Aid Programme at the Australian Embassy in Amman. The project is ending in March 2019 and will include three cycles of youth clubs in the camp offering artistic and self-expression activities, such as theatre, photography, creative writing and other group-based exercises that participants' want to take part in.

■ Multiple **smaller donations** supported work in the Za'atari and Emirati Jordanian refugee camps allowing the further development of early childhood care and development (ECCD) curricula, including the ECCD 2 curriculum and the new condensed ECCD curriculum.

■ The Time to Be a Child project is funded via **War Child Holland** and is implemented in the Za'atari camp, Mafraq, Zarqa, and Amman. The project provides early childhood care and development classes to pre-school children, as well as psychosocial support and structured recreational activities for different ages of children.

■ Can't Wait to Learn is an innovative education project, funded via **War Child Holland**. The project provides tablet-based learning curricula in formal schools and will end in May 2019.

YEMEN

■ **Children in Conflict** has supported on all areas of our work in Yemen, from establishing a new War Child team, to directly enabling services for vulnerable children.

■ The **Dutch Relief Alliance** funded a consortium through the Yemen Joint response 4, which War Child UK is a member of (via War Child Holland). As such we implemented a food security project in Sana'a governorate and provided 1,135 families with monthly unconditional cash assistance. The project also included an education component, particularly the rehabilitation of 3 schools, a back to school campaign and the establishment of a child friendly space in each rehabilitated school. The final component of the project was focused on child protection, particularly in the provision of Psychosocial support to children in the child friendly spaces, the establishment of community-based child protection committees and the training of government officials, committee members and teachers in child rights and child protection. The project ended on 31 December 2018.

■ The **Yemen Humanitarian Fund (OCHA)** is currently funding a Food Security and Livelihoods project implemented directly by War Child UK in Sana'a Governorate (Al Haymah al Dakhiliya district) with the aim to provide 1,500 households with monthly Unconditional Cash Assistance. The project is expected to end on 31 July 2019.

15 FUNDING FROM DIFD

War Child is an implementing partner of grants which are funded by the Department for International Development (DfID).

Income received in the year ended 31 December 2018:

Project Name	Grant holder	Income £000
Effective Approaches to End the Worst Forms of Child Labour	World Vision	61
Civil Society Unleashed: A Model for Youth & Community Driven Change	Restless Development	60

16 PRIOR YEAR RESTRICTED FUNDS

	2016 £000	Income £000	Expenditure £000	2017 £000
Afghanistan - Other grants & donations	1	14	(15)	-
Afghanistan - Start Network	-	49	(49)	-
Afghanistan - Terre des Hommes	-	74	(69)	5
Afghanistan - UNICEF	-	613	(427)	186
Afghanistan - War Child affiliates	-	536	(536)	-
Central African Republic - CHF	-	285	(270)	15
Central African Republic - Children in Conflict	-	93	(93)	-
Central African Republic - Comic Relief	-	3	(3)	-
Central African Republic - FCO	-	116	(116)	-
Central African Republic - Other grants & donations	-	109	(109)	-
Central African Republic - Plan USA	-	(1)	1	-
Central African Republic - Stanley Thomas Foundation	-	22	-	22
Central African Republic - Start Network	-	70	(70)	-
Central African Republic - UNICEF	154	380	(534)	-
Central African Republic - War Child affiliates	95	504	(599)	-
Democratic Republic of Congo - Children in Conflict	-	37	(37)	-
Democratic Republic of Congo - Other grants & donations	43	105	(110)	38
Democratic Republic of Congo - Promundo	9	65	(74)	-
Democratic Republic of Congo - World Bank	79	278	(312)	45
Democratic Republic of Congo - Yahoo	56	-	(56)	-
Iraq - Children in Conflict	-	37	(37)	-
Iraq - Dubai Cares	-	271	(99)	172
Iraq - OCHA	215	485	(657)	43
Iraq - Other grants & donations	-	25	(25)	-
Iraq - UNICEF	229	160	(389)	-
Iraq - War Child affiliates	-	705	(685)	20
Multi-country - The Body Shop	2	-	(2)	-
Syria response - Allen & Overy	-	302	(111)	191
Syria response - DFAT	-	34	(1)	33
Syria response - George Oliver Foundation	-	8	(8)	-
Syria response - Other grants & donations	13	99	(82)	30
Syria response - Vitol	100	-	-	100
Syria response - War Child affiliates	373	1,294	(1,472)	195
Uganda - Band Aid Charitable Trust	21	-	(21)	-
Uganda - Comic Relief	35	15	(50)	-
Uganda - Other grants & donations	-	5	(5)	-
UK - Other grants & donations	-	41	(41)	-
Yemen - Children in Conflict	-	56	(56)	-
Yemen - Other grants & donations	-	18	(18)	-
Yemen - War Child affiliates	-	451	(382)	69
	1,425	7,414	(7,675)	1,164

17 FINANCIAL INSTRUMENTS

	Group		Charity	
	2018 £000	2017 £000	2018 £000	2017 £000
Financial assets measured at amortised cost (a)	4,453	4,603	4,422	4,598
Financial assets measured at fair value (b)	27	126	27	126
Financial liabilities measured at amortised cost (c)	752	1,432	751	1,431

(a) Financial assets include cash, other debtors and accrued income

(b) Financial assets held at fair value include art assets held as investments

(c) Financial liabilities include other creditors and accruals but exclude tax and social security and deferred income

18 CONNECTED CHARITIES

War Child has close relationships with other organisations overseas which use the War Child name, some independent and some under a licence agreement. These organisations are considered separate from War Child as they have their own constitution, their own Board of trustees and are subject to the laws of their respective countries.

War Child Australia

War Child Australia is an independent non-profit organisation based in Australia. War Child Australia received a loan of £40,669 from War Child in 2018 which will be paid back by 2020. War Child Australia also provided grants of £27,833 to War Child in 2018.

19 RELATED PARTIES

Children in Conflict

Children in Conflict is an independent non-profit organisation based in the United States. Sacha Deshmukh, our chair of the Board of trustees, and Rob Williams, CEO, are both Directors of Children in Conflict. Children in Conflict has a remaining loan balance of £72,956 which will be paid back by 2020. Children in Conflict also provided grants of £234,900 to War Child in 2018.

Other related parties

Sacha Deshmukh, our chair of the Board of trustees, is a director of the Fundraising Regulator. War Child paid a voluntary levy of £1,500 to the Regulator in the year to 31 December 2018.



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