



War Child Annual Report 2005 Part III



Part III

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Annual Account 2005



Balance sheet as per 31 December 2005

Assets

Tangible fixed assets

2.1 Capital assets

Current assets

2.2 Accounts receivable

2.3 Liquid assets

Liabilities

Equity capital

2.4.1 Freely disposable capital

- Continuity reserve

- Freely disposable on behalf of the objective

2.4.2 Tied-up capital

2.4.3 - Earmarked funds

2.4.4 - Fund tangible fixed assets

2.5 Short-term debts

2.5.1 Project obligations

Accounts payable

2.5.2 Taxes and premiums

2.5.3 Other debts and overflowing liabilities

	31-12-2005	31-12-2004
	30.724	11.370
	449.094	247.578
	4.022.310	5.449.909
	4.471.404	5.697.487
	4.502.128	5.708.857
	4.000.000	4.000.000
	237.804	748.639
		500.000
	30.724	11.370
	4.268.528	5.260.009
	20.000	146.352
	39.125	141.565
	48.133	67.042
	126.342	93.889
	233.600	448.848
	4.502.128	5.708.857

Statement of income and expenses in 2005

	Realization 2005	Budget 2005	Realization 2004
Fundraising			
Income own fundraising			
Donations, gifts and grants	4.474.507	4.510.000	4.282.896
Gift tax	(19.933)	-	(31.484)
	4.454.574	4.510.000	4.251.412
Expenditure own fundraising			
3.3 Direct costs	(135.441)	(165.000)	(66.281)
3.4 Support costs in the Netherlands	(356.575)	(368.900)	(323.800)
	(492.016)	(533.900)	(390.081)
(in % of income from own fundraising)	11,0%	11,8%	9,2%
Nett income own fundraising	3.962.558	3.976.100	3.861.331
Share in activities of third parties			
National Postal Code Lottery	1.000.000	1.000.000	1.000.000
Other activities	-	-	8.883
Available from fundraising	4.962.558	4.976.100	4.870.214
Government grants and others			
PSO	152.414	106.000	164.972
TMF	950.000	950.000	450.000
Other	101.418	200.000	12.612
Other financial income and expenses	147.862	150.000	133.136
Total available on behalf of the objective	6.314.252	6.382.100	5.630.934

Expenditure on behalf of the objective	Realization 2005	Budget 2005	Realization 2004
Education& Raising Awareness			
Direct campaign costs	170.756	260.000	147.286
3.4 Support costs in the Netherlands	427.499	390.800	348.843
	598.255	650.800	496.129
Preparation and coordination from the Netherlands			
3.1 Direct costs	325.503	298.700	162.322
3.4 Support costs in the Netherlands	235.024	262.500	241.569
	560.527	561.200	403.892
Project activities			
3.2 Direct costs	5.392.150	5.671.000	4.215.451
3.4 Support costs in the Netherlands	754.801	803.800	598.606
	6.146.951	6.474.800	4.814.057
Expenditure on behalf of the objective	7.305.733	7.686.800	5.714.078
Deficit	(991.481)	(1.304.700)	(83.144)
	6.314.252	6.382.100	5.630.934

The destination of results is as follows:

	2005	2004
Deficit	(991.481)	(83.145)
Addition Continuity reserve	-	(800.000)
Withdrawal Freely disposable on behalf of the objective	510.835	321.884
Withdrawal Earmarked funds Project activities	500.000	555.876
Addition/Withdrawal Fund assets operational management	(19.354)	5.385
Balance at end of the fiscal year	-	-

The cash flow overview is as follows:

	2005	2004
Cash flow from operational activities		
Result	(991.481)	(83.144)
Adaptations concerning:		
- Debits tangible fixed assets	9.913	15.974
Gross cash flow from operational activities	(981.568)	(67.170)
Mutation in accounts receivable	(201.516)	401.666
Mutation short-term debts	(215.247)	304.226
Nett cash flow from operational activities (A)	(1.398.331)	638.722
Cash flow from investment activities		
Investments in tangible fixed assets	(29.267)	(10.590)
Cash flow from investment activities (B)	(29.267)	(10.590)
Cash flow from financing activities (C)	-	-
Mutation liquid assets (A+B+C)	(1.427.598)	628.132
Liquid assets as per 1 January	5.449.909	4.821.777
Liquid assets as per 31 December	4.022.310	5.449.909
Mutation liquid assets	(1.427.599)	628.132

1. Foundations of valuation and determination of results



1.1 General

The report is arranged according to the "Guideline 650 Fundraising institutions". The objective of this guideline is to give an insight into the costs of the organization and expenditure of the resources in relation to the objective for which these funds were brought together. The report is drawn up following the foundation of the historical costs. Unless indicated otherwise, assets and liabilities have been admitted against no-par value. The foundations which are applied to the valuation of assets and liabilities are based on historical costs. Unless mentioned otherwise, assets and liabilities are admitted against no-par value.

1.2 Tangible fixed assets

Tangible fixed assets are valued by their purchased value by deduction of a debit which is determined on the basis of estimations of the economic life span. Tangible fixed assets which are applied as part of the objective are suddenly written off of the result. In the explanation of the fixed tangible assets this is, as far as relevant, additionally clarified. For the value of the assets on behalf of the operational management, a Fund assets operational management will be held at the end of the fiscal year at the expense of the Freely disposable capital.

1.3 Equity capital

The capital of the foundation is applied as part of the foundation's objective. As far as the equity capital is not presented as Continuity reserve or as tied-up capital as part of the objective, this is presented as Freely disposable capital on behalf of the objective.

1.4 Tied-up capital

Under tied-up capital the part of the capital is presented which is earmarked by third parties for the specific application as part of the objective. The expenditure is further specified under projects.

1.5 Other assets and liabilities

The other assets and liabilities are valued against no-par value. The valuation of accounts receivable is made by deduction of a provision because of irrecoverability based on the individual valuation of the accounts receivable.

1.6 Foreign currency

Transactions in foreign currency are converted to Euro's at the price of the transaction date. At the end of the fiscal year all accounts receivable and debts in foreign currency are converted to Euro's on the basis of the price as per balance date. Price results have been admitted into the statement of assets and liabilities.

1.7 Contributions, donations and grants

The income consists of the proceeds from contributions, donations, grants, and other income which are ascribed to the fiscal year concerned. Donations are accounted for in the year in which these were attributed. Losses are taken into account when they originate in that fiscal year and as soon as these are anticipated.

1.8 On-charged expenses

Within the organization four main activities can be distinguished: Fundraising, Education and Raising Awareness, Preparation and Coordination, and naturally Project Activities. In support of these activities the organization has support costs. These costs are ascribed to the year concerned and are on-charged to afore-mentioned activities according to a fixed distribution key per staff member. Direct costs on behalf of Fundraising and Education and Raising Awareness are also attributed to the year concerned.

1.9 Costs of Project Activities / Project obligations

Costs on behalf of the own projects are directly ascribed to these projects in the year in which these activities take place. Attributed funds to local partners are accounted for as liabilities in the year of attribution.

1.10 Inheritances

Assets from inheritances are to be admitted to the fiscal year in which the size can be determined reliably. Temporary payments in the form of advances are accounted for as assets from inheritances in the fiscal year in which they are received. Acquisitions entrusted with usufruct are only mentioned in the explanation. These are not accounted for in the statement of assets and liabilities until the end of the usufruct or at prior sale of open ownership. The size of an asset from an inheritance can be determined reliably when, on the basis of the stadium of the settlement of the inheritance, a reasonable estimation can be made of its receipt.

**2. Explanation of the balance sheet as
per 31 December 2005**



2.1 Capital assets

Capital assets are applied on behalf of the operational management.

The value course of the capital assets is as follows:

	Capital assets	Project goods	Total
	€	€	€
Purchase value assets	11.962	3.031	14.993
Cumulative debits	(3.623)	-	(3.623)
Value at start of fiscal year	8.339	3.031	11.370
Investments during fiscal year	18.361	10.906	29.267
Debits during fiscal year	(6.882)	-	(6.882)
Directly charged to project	-	(3.031)	(3.031)
Value as per 31 December 2005	19.818	10.906	30.724
Cumulative purchase value assets	30.323	10.906	41.229
Cumulative debits	(10.505)	-	(10.505)
	19.818	10.906	30.724
Debit percentages	33,33%		

As per 2005 a distinction between office and computer equipment is no longer made. The value of the project goods as per 31 December 2005 concerns purchased laptops of which the costs are charged to the project after placing it at the disposal of the project. Other goods on behalf of the projects are written off at the moment of purchase and charged to the result (value € 215.738 in 2005, € 240.084 in 2004).

2.2 Accounts receivable

The accounts receivable can be specified as follows:

	31-dec-2005	31-dec-2004
	€	€
Donations due	192.313	-
Subsidy accounts receivable (PSO)	141.000	138.475
Interest internet savings accounts	47.871	72.658
Advances	505	268
Deposits	12.639	12.349
VAT due	988	-
Vooruitbetaald aan Partners	29.359	-
Prepayed to Partners	-	-
Other accounts receivable	24.419	23.828
	449.094	247.578

2.3 Liquid assets

The liquid assets can be specified as follows:

	31-dec-2005	31-dec-2004
	€	€
Rabobank Internet savings account	-	4.017.595
ASN Bank Internet savings account	100.000	1.100.000
ABN AMRO Savings account	3.600.000	-
ABN AMRO Payment account	109.292	134.510
Postbank	48.048	79.662
Cash	8.738	9.579
Cash/Bank projects	156.232	108.563
	4.022.310	5.449.909

All liquid assets which are not directly responsible for operational management are transferred to a savings account and are directly claimable. Starting point is the preservation of the value of the principal money. Therefore, War Child has chosen not to invest liquid assets.

2.4 Equity capital

The policy of the foundation is aimed at spending the capital in concordance with the designated purpose at the coming into existence of the assets. In view of a correct justification of the tied-up capital, already at the receipt of gifts, donations and grants specific mention of the projects of War Child are taken into account. In order to ensure that the foundation will also be able to fulfill her obligations in the future (see also chapter 4 of the annual report on Risk management), the foundation

finds it desirable to reserve a large part of the Freely disposable income as Continuity reserve.

For the determination of the size of the Continuity reserve, War Child follows the guideline of the Dutch Fundraising Institutions Association (VFI). The guideline allows a maximum reservation of 1,5 times the costs of the operational organization. War Child defines the costs of the operational organization as follows: "Costs own personnel (for the recruitment as well as the execution of the objective), housing costs, office and administrative costs on behalf of the own organization, management costs, costs for fundraising, as well as the costs of outsourced services concerning the above-mentioned posts".

The costs of the operational organization of War Child amounted to € 4.209.345 (in 2004 approximately € 4.100.000). Thus, the fixed Continuity reserve of € 4.000.000 comes down to 0,94 times the costs of the operational organization.

The costs of the operational organization come about as follows:

	31-dec-2005
	€
- Direct costs Own Fundraising	135.441
- Support costs Own Organization	1.773.899
- 25% of Direct Costs Project Activities Self Implented Programmes (see 3.2)	2.023.934
- 25% of Direct Costs Project Activities Local Partners (see 3.2)	336.070
	4.269.345

2.4.1 Freely disposable income

	2005	2004
	€	€
Balance at start of the fiscal year	4.748.639	4.270.523
(Withdrawal)/Addition fiscal year	(491.481)	472.731
Withdrawal/(Addition) tied-up capital	(19.354)	5.385
Balance at end of the fiscal year	4.237.804	4.748.639

The compilation of the Freely disposable capital is as follows:

	2005	2004
	€	€
Continuity reserve		
Balance as per 1 January	4.000.000	3.200.000
Plus: of destination of result	-	800.000
Balance as per 31 December	4.000.000	4.000.000

Freely disposable on behalf of the objective

Balance as per 1 January	748.639	1.070.523
Minus: addition to Fund assets operational management	(19.354)	5.385
Minus: of destination of result	(491.481)	(327.269)
Balance as per 31 December	237.804	748.639
Total freely disposable capital	4.237.804	4.748.804

It is War Child's desire to have the freely disposable capital on behalf of the objective be as small as possible at the end of 2006 (a deficit of € 498.381 has been budgeted for 2006).

2.4.2 Tied-up capital

The tied-up capital decreases per balance with € 480.646. The course of the tied-up capital is as follows:

	2005	2004
	€	€
Balance at start of the fiscal year	511.370	1.072.631
Addition/(Withdrawal) fiscal year	(500.000)	(555.876)
Addition/(Withdrawal) from Freely disposable capital	19.354	(5.385)
Balance at end of the fiscal year	30.724	511.370

2.4.3 Earmarked funds of Project activities

The destination of the tied-up capital at the end of the fiscal year is as follows:

	Balance	Income	Expenditure	Balance
	01-01-2005			31-12-2005
	€	€	€	€
Afghanistan	-	26.560	26.560	-
Democratic Republic of Congo	-	45	45	-
Israel	-	197	197	-
Palestine	-	50	50	-
Kosovo	-	2.350	2.350	-
Sierra Leone	500.000	15.815	515.815	-
Sudan	-	24.467	24.467	-
Bosnia	-	1.200	1.200	-
Uganda	-	115.800	115.800	-
	500.000	186.484	686.484	-

A clarification of the expenditure of the earmarked funds can be found in the annual report (chapter 2. Projects for Project activities).

2.4.4 Fund assets operational management

Balance as per 1 January
Plus: of Freely disposable capital
Balance as per 31 December

31-12-2005
€
11.370
19.354
30.724

31-12-2004
€
16.755
(5.385)
11.370

2.5.1 Project obligations

Project countries:
Israel
Palestine
Colombia
Publications
Contribution book Hesperian Foundation

31-12-2005
€
-
-
20.000
-
20.000

31-12-2004
€
83.022
38.330
-
25.000
146.352

2.5.2 Taxes and premiums

	31-12-2005	31-12-2004
	€	€
Income tax and collection of National Insurance	12.521	-
Premiums social insurance	15.679	9.209
Gift tax	19.933	57.833
	48.133	67.042

2.5.3 Other debts and overflowing liabilities

	31-12-2005	31-12-2004
	€	€
Provision holiday allowance	78.827	41.066
Other overflowing liabilities	47.515	52.823
	126.342	93.889

2.6 Rights and obligations not included in the balance

Long-term financial obligations

The total rent obligation concerning real estate amounts to € 80.000, of which € 80.000 will expire within one year.

The total obligation to local partners amounts to € 1.922.841 (€ 1.412.196 in 2005). In 2006, the obligations to local partners in own projects are also part of the amount.

Long-term financial rights

The Ministry of Foreign Affairs (TMF) has promised an amount of € 1.000.000 for the year 2006. An additional amount of € 450.000 -originally promised for 2004- has been passed on to 2006 at the request of War Child.

3. Explanation of the statement of assets and liabilities of 2005



3.1 Preparation and Coordination

The costs for preparation and coordination are as follows:

	2005 €	2004 €
Reconnaissance missions	4.677	2.087
Monitoring & Evaluation	-	13.466
Methodology development	63.719	62.503
Management & Methodologie week	48.094	-
Recruitment, training and preparation field personnel	54.567	43.552
Junior Management Programme	-	10.120
General costs preparation & coordination	121.401	30.594
Partner desk	28.488	-
Logistics	4.557	-
	325.503	162.322

3.2 Project Activities

The expenditure on the objective of the project activities have been specified per country as follows:

Project countries:

	2005 €	2004 €
Own Projects:		
Afghanistan	745.335	470.926
Regional Representative Balkan	74.006	-
Regional Representative Caucasus	66.966	-

Project countries: (continued)

	2005 €	2004 €
Own Projects:		
Regional Representative Colombia	42.180	-
Dem. Republic of Congo (DRC)	216.123	437.466
Eritrea	-	272.227
Sierra Leone	976.538	962.505
Sudan	1.047.100	537.077
Uganda	803.484	220.477
Projects General	76.136	-
	4.047.869	2.900.678
Local Partners:		
Bosnia-Hercegovina	101.668	163.232
Chechnya and Ingushetia	552.988	499.223
Georgia	133.084	202.411
Israel	26.516	115.469
Kosovo	276.091	251.093
The Netherlands	100.000	-
Pakistan	25.217	13.426
Palestine	45.515	69.919
Colombia	83.202	-
	1.344.281	1.314.773
	5.392.150	4.215.451

3.3 Expenditure own fundraising

The costs for own fundraising are as follows:

	2005 €	2004 €
Recruitment Friends DM/TM	101.160	61.468
Field visits	5.392	-
Costs for travel and accomodation	1.114	-
Test Direct Dialogue	25.425	-
Other recruitment costs	2.350	4.813
	135.441	66.281

3.4 Distribution of support costs according to destination

	Fundraising €	Education €	Preparation/ coordination €	Projects Activities €	Total €	Budget 2005 €	Total 2004 €
Salaries and National Insurance contributions	266.655	319.694	175.756	564.458	1.326.563	1.347.000	1.102.302
Other personnel costs	33.426	40.074	22.031	70.756	166.287	150.000	142.236
Management/ MT-costs	1.124	1.347	740	2.379	5.590	13.000	359
Housing costs	29.688	35.593	19.568	62.844	147.693	155.000	136.971

	Fundraising	Education	Preparation/ coordination	Projects Activities	Total	Budget 2005	Total 2004
	€	€	€	€	€	€	€
Office costs	14.584	17.485	9.613	30.871	72.553	88.000	78.291
Other general costs	11.098	13.306	7.316	23.493	55.213	73.000	52.659
Total	356.575	427.499	235.024	754.801	1.773.899		1.512.818
Total budget	368.900	390.800	262.500	803.800	1.826.000	1.826.000	1.536.000

3.5 Specification of the support costs

	2005 €	2004 €
Salaries and National Insurance contributions		
Gross wages	1.121.608	953.420
Contribution health insurance	7.072	4.758
National Insurance contributions	147.093	109.284
Provision holiday allowance	50.790	34.840
	1.326.563	1.102.302
Other personnel costs		
Pension Premiums	70.912	62.024
Educational costs	10.929	3.413
Health and Safety Executive	5.651	3.247
Cantine costs	7.234	9.079
Absence insurance	13.367	54.264

	2005	2004
	€	€
Recruitment and Selection Office personnel	2.294	4.174
Travel costs Living/Work	26.792	17.801
Contribution child care	8.485	-
Other personnel costs	20.623	9.094
Payment Health Law Insurance	-	(20.860)
	166.287	142.236
Management/MT-costs		
Lunch and dinner costs management	431	327
Travel and accomodation costs management	520	32
Field vists MT	4.639	-
	5.590	359
Housing costs		
Rent	124.815	114.830
Gas, Water, Electricity	5.527	5.876
Other housing costs	17.351	16.265
	147.693	136.971
Office costs		
Office supplies	4.513	9.065
Commmunication costs	24.658	33.321
Porti	24.261	25.140
Computer costs	614	2.468

	2005	2004
	€	€
Travel and accomodation costs	2.454	1.008
Representation costs	1.193	1.604
Memberships/Subscriptions	8.282	-
Other office costs	6.578	5.685
	72.553	78.291
Other general costs		
Car costs	5.048	5.456
Administrative costs	7.781	8.861
Advice costs	4.685	833
Assurance costs	5.856	6.104
Costs money transfers	23.485	25.654
Subsequent proceeds/costs	1.476	3.311
Debit costs	6.882	2.440
	55.213	52.659
	1.773.899	1.512.818

Explanation altered presentation as per 2005:

- As per 31 December a reservation was made for the payment of outstanding leave. This reservation has been included in the Gross Wages.

4. Other information



4.1 Employees

The number of fulltime job opportunities at the main office in Amsterdam amounts to 31,0 over all of 2005 (budgeted 33,0). In 2004 this amounted to 25,5 job opportunities (budgeted 28,0).

Reward administrators:

No remuneration was offered to members of management and no loans, advances or guarantees were given.

Reward managers:

The rewards to the management of War Child was as follows:

	Gross Annual income	Pension/ National Insurance Contributions	Total	Parttime Percentage
General manager	€ 53.700	€ 10.003	€ 63.703	0,8 fte

4.2 Gifts in kind

For an important part, gifts in kind contribute to the non-personnel costs remaining relatively low in 2005. In 2005, the gifts in kind -approximately- amounted to € 680.000. This primarily concerns product and service support for the head office and support of educational activities in the Netherlands (without taking media activities into account). In 2004, the gifts in kind amounted to approximately € 600.000, including support of educational activities.

**5. Analysis of differences of annual
account 2005 versus budget 2005**



5.1 Development in income

In 2005, the total income rose by € 600.000; from € 5,7 million to € 6,2 million. In the budget a rise of € 700.000 was accounted for. This rise was primarily caused by a rise on the friends income by € 400.000.

5.2 Development of expenditure

The expenditure on behalf of the objective rose from € 5,7 million in 2004 to € 7,3 million in 2005. There was slight underspending with regard to the budget of 2005, namely € 400.000. The main reason was that in 2005 an agreement was made with less local partners. The support costs were as budgeted. The rise by € 1,6 million can for a large part be explained by higher project expenditure: Sudan € 500.000, Uganda € 600.000, and Afghanistan € 300.000. On the other hand, there was no project expenditure in Eritrea (project terminated in 2004) for the amount of € 300.000 and expenditure in DRC was € 200.000 less than in 2004. The costs for Education & Raising Awareness rose by € 100.000, and the costs for Preparation & Coordination by € 150.000.

6. Budget 2006



Fundraising

	Budget 2006	Realization 2005
Income from own fundraising		
Donations, gifts and grants	5.340.000	4.474.507
Gift tax	-	(19.933)
	5.340.000	4.454.574
Exoenditure own fundraising		
Direct costs	(456.000)	(135.441)
Support costs in the Netherlands	(350.795)	(356.575)
	(806.795)	(492.016)
(in % of income from own fundraising)	15%	11%
Nett income own fundraising	4.533.205	3.962.558
Share in activities of third parties		
National Postal Code Lottery	1.000.000	1.000.000
Available from fundraising	5.533.205	4.962.558
Government grants and others		
PSO	300.000	152.414
TMF	1.450.000	950.000
War Child Canada	200.000	-
Other	400.000	101.418
Other financial income and expenses	140.000	147.862
Total available on behalf of the objective	8.023.205	6.314.252

Expenditure on behalf of the objective

	Budget 2006	Realization 2005
Education & Raising Awareness		
Direct campaign costs	296.000	170.756
Support costs in the Netherlands	456.034	427.499
	752.034	598.255
Preparation & Coordination from the Netherlands		
Direct costs	384.680	325.503
Support costs in the Netherlands	396.192	235.024
	780.872	560.527
Project activities		
Direct costs	6.128.200	5.392.150
Support costs in the Netherlands	860.480	754.801
	6.988.680	6.146.951
Expenditure on behalf of the objective	8.521.586	7.305.733
Deficit	(498.381)	(991.481)
	8.023.205	6.314.252

Budget War Child 2007 - 2010 (x 1 million €)

	2007	2008	2009	2010
Fundraising				
Income own fundraising	6.12	6.79	7.20	7.77
Expenditure own fundraising	(0.67)	(0.75)	(0.72)	(0.78)
(in % of income from own fundraising)	11.0%	11.0%	10.0%	10.0%
Nett income own fundraising	5.44	6.04	6.48	7.00
Share in activities of third parties	1.50	1.50	2.00	2.00
Government grants and others	3.39	3.73	4.10	4.31
Other financial income and expenses	0.21	0.22	0.23	0.24
Total available on behalf of the objective	10.55	11.49	12.81	13.54
Expenditure on behalf of the objective				
Education & Raising Awareness				
Direct campaign costs	0.26	0.27	0.28	0.30
Support costs in the Netherlands	0.49	0.52	0.55	0.58
Preparation and coordination from the Netherlands				
Direct costs	0.34	0.36	0.38	0.40
Support costs in the Netherlands	0.34	0.36	0.38	0.40
Project activities				
Direct costs	7.70	9.00	10.25	10.96
Support costs in the Netherlands	0.90	0.98	1.02	1.08
% support costs for project activities related to direct costs	11.7%	10.8%	10.0%	9.8%

	2007	2008	2009	2010
Expenditure on behalf of the objective	10.03	11.49	12.86	13.71
Balance income and expenditure	0.52	(0.00)	(0.05)	(0.17)
Expenditure ratio	95%	100%	100%	101%
Indicators				
Growth in:				
Own fundraising	14%	11%	6%	8%
% expenditure own fundraising	11%	11%	10%	10%
Institutional Funds	50%	10%	10%	5%
Education and Raising Awareness	5%	5%	5%	5%
Preparation and coordination	5%	5%	5%	5%
Project activities - Own Projects	20%	10%	10%	5%
Project activities - Local Partners	30%	30%	20%	10%
Support costs	10%	8%	5%	5%
% Self Implementing Programmes	66%	62%	60%	59%
Growth Project activities total (support costs excluded)	23%	17%	14%	7%
% Own Fundraising (activities third parties excluded)	52%	53%	51%	52%
% Own Fundraising (activities third parties included)	66%	66%	66%	66%

Colophon

Text: War Child Holland

Translation: Jacqueline Burrough, Alex Burrough, Annelyn Close, Andrew Maclagan, David Lee, Pete Thomas.

Design: 52 graden noorderbreedte - www.52graden.com

Photography:

Page	Photo colophon
1	Ingushetia, 2001, © War Child
3	Colombia, 2005, © War Child
9	Colombia, 2005, © War Child
13	Eritrea, 2004, © War Child
22	Afghanistan, 2004, © War Child
29	Homeless Children, DR Congo, 2005, © Keith Lepor
31	Palestinian Territories, 2005, © Shirley Barenholz
33	Uganda, 2005, © War Child

Auditor's report

Introduction

In accordance with your assignment we have audited the company financial statements of Stichting War Child, Amsterdam, for the year 2005. These company financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these company financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the company financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the company financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the company financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the company financial statements give a true and fair view of the financial position of the company as at December 31, 2005 and of the result for the year then ended in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements as included in "Richtlijn Verslaggeving Fondsenwervende Instellingen".

Furthermore, we have to the extent of our competence, established that the annual report is consistent with the company financial statements.

Rotterdam, May 11, 2006

PricewaterhouseCoopers Accountants N.V.

H.F.M. Gertsen RA